

## Merchant preference towards Mobile wallets

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**Abstract:** Mobile wallet, which is also called M-wallet, digital wallet or E-wallet, refers to a mobile technology that is used in the same way as actual wallet. Small Scale -business enterprises in the developing world are increasingly deploying the use of mobile payments to enhance the quality of their services and increase growth. The pace of transformation in the micro business sector has speeded up with more micro businesses realizing the potential of using the mobile payments in their service delivery. However, there are only a handful of studies on the application of digital technology for success and growth on micro business. This paper aims to investigate the opinion, factors effect and problem faced by retailer in providing wallet service to the customer. A survey was conducted among 50 owners of small scale business. Statistical tools of Likert five point scales and Friedman ranking analysis have been used to find results. The result reveals that, merchants must keep secured internet connection in their place.

**Key Words:** Micro-business operates mobile wallets, opinion, factors effect and problem faced by retailer.

### 1. INTRODUCTION:

Uprising of Information communication technology is now given space for the 'E' letter in everywhere. Like E-banking, E-transaction, E-registration, E-shopping, E-payment, E-learning, E-library, etc. E-payment is one of the parts of e-commerce transaction that includes electronic payment for buying and selling goods or services offered on the Internet. Technology has made a revolution in every walks of human activity. The present technological atmosphere is a confront to provide multiple and innovative modern services to the customer. The development of the Internet and the arrival of e-commerce fostered digitalization in the payment processes by providing a variety of electronic payment options including payment cards (credit and debit), digital and mobile wallets, electronic cash The industry has typically overlooked the multiple roles mobile device can play in retailing to enable the wide spectrum of transaction services. Currently the merchant's base covered by digital wallets operating in India is small. But in times to come, the broader will be the merchant base, more people will start making payments using Apps. But it is worth noting here that people may continue to use digital wallets just for sake of convenience. Users must be rewarded suitably for keeping money parked in digital wallets. Presently companies offer discounts/cash-backs to digital wallet users. Once people start parking more money in digital wallets, companies must offer fixed interest. Convenience, discounts, cash backs & interest will make digital wallets extremely luring for users.

#### 1.1.BENEFITS OF USING AN E-WALLET:

The following points are benefits for E-Wallets

- One of most visible benefits of E-wallets is it allows people not to carry physical currency/cards still make payments
- E-Wallets offer the convenience of a common method for online and offline payments.
- Users can get through a purchase in mere seconds with a simple tap or scan of their device, minimizing the frustration of long checkout queues
- E-Wallets offer a new avenue for digital payment methods.
- Pay for utility bills, shopping, entertainment, and a host of other reasons.
- Both user and merchant are protected with the encryption software and merchants are also reassured due to the linkage to a bank account
- You don't need to carry the exact change. The exact amount of the value of the purchase can be transferred to the merchant without worrying about change.
- Many merchants display a QR code that helps identify the payee, lest you type in an incorrect phone number and the wrong person gets paid.

#### 1.2. DRAWBACK:

The following are drawback of digital wallet.

- Mobile network connectivity is the biggest hindrance.
- More than connectivity, security issues are at the forefront nowadays.
- Enough support infrastructures is not available.
- Plastic money and m-commerce has not yet caught up completely throughout the entire nation.

- Digital wallet is a Smartphone app. People can be skeptical enough to mention battery backup of smart phone as a reason to stay away from this.
- There are many wallet operators and there is still no clear idea as to whether payments to other wallet operators would be possible or not.  
For e.g. Airtel Money should be able to pay to SBI Buddy.

## 2. LITERATURE REVIEW:

**Marion Mbogo(2010)** examine the utilization of mode of receiving payment by small –business operators mainly by using M-Pesa application in Kenya. This study applies “Technology Acceptance Model”. The purposes of study to identify success and growth in small-business operators. M-Pesa app offers facilities like paying bills, sending money to friends and so on. By using cluster sampling method questionnaire distribute to 409 micro business operators. The finding of the study reveals, a large amount of micro-business operators felt that convenient in make use of mobile payments receiving and accessibility of digital payment was uncomplicated.

**Bernard (2015)** digital wallet is peak tool to go up and development ladder to serves as both a built-in and built –out stimulus towards increase in small scale-business. Digital payment is fresh emerging technologies improved financial addition through creation of supply chains. Electronic payment is a method of payment through cellular phone. The main aim of this study to examine usefulness of mobile wallet and whether useful to small-scale business. A well defined questionnaire was framed and distributed to micro business operates in Manu Town. Sample size 400 and respondents are collected from café day, salons shop etc...Sampling method is stratified random sampling. In Conclusion provider can reduce charge fees for process etc...and network issue in digital wallet.

**M. Sadika Sultana and K. Sasi Kumar (2015)**, the study investigate about customers are using currency or plastic card for payment during shopping. Plastic card is convenient to consumers to make payment because it is risk to carry hard cash. Payment method in shop can be updated into cash and non-cash payments. Non –cash payments are debit,credit etc.... The major aid of the study are consumer preference, rejection and qualities and non-qualities of payment system. A well structured questionnaire formed for data collecting from the respondents in the course of investigation method. Sample size was 250 respondents from Coimbatore district. A Sampling technique is convenient sampling method. Statistical techniques are simple percentage and chi-square. By adopting and using plastic card consumers will decrease the risk of loss of money and trounce change problems at this time face in the market.

## 3. STATEMENT OF THE PROBLEM:

Mobile payment technology is increasingly being used by micro business enterprises in Coimbatore city. Merchants are having a bigger impact on shoppers’ payments behaviors and encouraging the transition to mobile compared to universal wallets. There may be suspicious apps that look exactly like the real wallets. The user needs to be careful while installing the official wallet in his mobile phone. It leads to disputes with the customer for the merchants. These apps also release newer versions when vulnerabilities are detected. One should ensure that these apps get updated at regular intervals. Also the merchant has to keep all the required wallets accounts in order to receive payments in which the customer insists. Maintaining many wallets is really a huge burden for a merchant who doesn’t have much technical knowledge. The study focused on opinion, factors effect and problem faced by retailer in providing wallet service to the customer.

### 3.1. OBJECTIVES OF THE STUDY:

- To study the retailers opinion and factors influencing the retailers in using E-Wallet
- To analysis problems faced by retailers in providing E-Wallet services to the customers.

### 3.2. METHODOLOGY:

The present study was descriptive survey method. The population of study comprised of small business entrepreneurs in Coimbatore city. A research questionnaire was distributed to a selected sample of the micro business operators of supermarkets, pharmacies, restaurants, barbing and hair dressing salons, small shops etc. Sample size 30 operators of small scale business to identify their opinion, factors influence and problem faced by retailers while using mobile payment method. Likert five point scales were used for obtaining result.

## 4. ANALYSIS AND INTERPRETATION:

Table no: 1  
PERSONAL PROFILE

Personal Profile		No of Respondents	Percent
Gender	Male	32	64
	Female	18	36

<b>Age</b>	20-25	20	40
	26-30	15	30
	31-35	7	14
	36-40	6	12
	Above 41	2	4
<b>Educational Qualification</b>	No formal education	4	8
	School Level	7	14
	Diploma	9	18
	Under graduation	14	28
	Postgraduate	9	18
	Professional	7	14
<b>Ownership</b>	Proprietorship	21	42
	Partnership	13	26
	Corporate	16	32
<b>Type of business</b>	Departmental store	7	14
	Restaurants	9	18
	Pharmacy	4	8
	Barbing and hair dressing salon	8	16
	Hyper market	3	6
	Automobile showroom	3	6
	Home Appliance	4	8
	Apparel	12	24

The above table shows that the most of the respondents are male (64%) are aged between 20 to 25(40%) have completed Under graduation(28.%).Most of the respondent are proprietorship (42%) and collected data from Apparel (24%).

#### AVERAGE SCORE ANALYSIS-FACTOR INFLUENCING

Factor influencing	EI	VI	SWI	SI	NI	Mean Score
Seamless process(free)	7	8	15	9	11	2.82
Promotional offers	22	18	6	3	1	<b>4.14</b>
Faster than traditional banking	21	15	9	4	1	4.02
Secured transaction and privacy	8	9	18	6	9	3.02
Convenience	34	13	2	1	0	<b>4.6</b>
24*7 service available	31	13	5	1	0	<b>4.48</b>
Anywhere and anytime access	6	7	9	18	10	2.62
Confidentiality of bank details	5	4	5	25	11	2.32
Try out new innovation	7	8	9	18	8	2.76
Cost saving	3	5	11	21	10	2.4

EI - Extremely Influential; VI-Very Influential; SWI -Somewhat Influential; SI-Slightly Influential; NI-Not At All Influential.

It is revealed that majority of the respondents are influenced to use m-wallets as it saves convenience followed by availability of 24\*7 service facilities and promotional offers.

#### FRIEDMAN RANKING ANALYSIS-PROBLEM FACED

Problems	Mean Score	Rank
Network problems	4.58	2
No transaction alerts	3.98	3

Insufficient transaction limits	3.78	4
Wrong entries	2.66	8
Customer side issues(behavior,attitude,hast)	3.48	5
Privacy	2.87	7
Failed transactions	4.78	1
Statement not received	3.03	6

The above table reveals that, the main problem faced by the respondents while using mobile wallet is failed transaction and it is ranked as first, followed by network problems, no transaction alert, Insufficient transaction limits, Customer side issues(behavior, attitude, hast) , statement not received, privacy and wrong entries.

## 5. CONCLUSION:

Mobile wallets have become a new payment option recent days. Most of the telecom companies and online shopping companies started to create their own wallets which means they don't need to rely on other payment portals and wallets for settlement. So every wallet offers various promotions and discounts to keep the payment is made within their ambit. Paytm is the trendsetter in Indian mobile wallet market and being the leading wallet provider. It offers services many times more than the rivals start to imagine. It was paytm which started giving cashback instead of discounts. So the customer pays the whole price and the discount amount is kept in his wallet, which lures the customer to spend again using the wallet balance. Now Flipkart and Amazon also promote their own wallets giving more cashback than discounts available. Years before nobody would have imagined mobile phones would have gone this far, likewise we can't predict what does future have in wallet market. We're carrying cash, and then cards came into act. Now mobile phones become our new wallet. In future our biometric measures may replace mobile phone too which means we're not carrying anything and still making payments. UPI enabled wallets accessing our bank accounts also, so we're able to transfer money between our different bank accounts too. But we need to be very careful too. Despite these wallets have transaction limits and complete records, easy to trace missed amounts, it is our duty to keep confidential credentials safe always.

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