



An Empirical Study on Consumer Preference towards M-Wallets

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ABSTRACT

Electronic payment systems like credit and debit cards are an attractive alternative from the perspective of cost and convenience. However, the security of credit and debit cards depends upon the ability of the merchant to authenticate the card by comparing signatures and the ability and honesty of the merchant in protection of the sensitive information required for carrying out the transaction. The new trend in electronic payments is mobile payment schemes – those in which at least one part of the transaction is carried out using a mobile device. The number of mobile phones in use far exceeds any other technical devices that could be used to market, sell, produce, or deliver products and services to consumers. Research methodology is the process used to collect data. The samples of 100 customers have been taken for the study on the basis of convenience sampling method. The collected data were analyzed in different statistical test. Statistical tools like percentage analysis, weighted average analysis and average score analysis were applied and findings were used to offer suggestion.

KEYWORDS: Electronic payment, Awareness, Factor influencing and satisfaction,

INTRODUCTION

Mobile wallets are essentially digital versions of traditional wallets that someone would carry in the pocket. While there are many variations, usually people can hold digital information about credit and debit cards for making payments, store coupons and loyalty programs, specific information about personal identity and more. Many companies are jumping into the mobile payments space on both the paying and receiving sides of the transaction and new innovators are continuously changing the industry. In U.S., they include companies such as Google, Amazon, PayPal, Square, and Apple. Internationally, still more companies are developing and launching new technologies in this space. Mobile commerce especially mobile banking is popular in countries where most of their population is unbanked.

Recent innovations brought in mobile wallets

1) cGate - Direct Mobile Billing Platform

cGate is a highly flexible and secure operator billing mechanism, built to meet the needs of MNOs, merchants and consumers, i.e. mobile subscribers that wish to purchase digital goods, services or content with their mobile phones. Digital content can be monetised via different tools and options exposed by the cGate platform, like web and mobile widgets, powerful APIs and in-app billing libraries. cGate is designed to overcome the technical complexity of integration and on boarding, for both the merchants and MNOs. It addresses the key issues that all the participants in the value chain are facing

2) Launching Mobile Payments for Android

To help identify the best way to markets, this eBook presents the information banks need to make an informed decision on bringing Android mobile payments services to market to suit their requirements. This eBook Launching Mobile Payments for Android informs the reader on the following subjects:

- Mobile payments: Where are the customers now?



- Staying relevant: Why banks need to act now
- BankPay vs. OEM Pay
- Securing mobile payments: deploying tokenization

3) ATM & Mobile 101

The mobile phone has evolved from a tool used primarily for voice communications into a rich channel for data exchange and consumer interaction. The convergence of mobile communications with self-service means that mobile devices are becoming ATM access devices, able to offer many of the display and keyboard functions currently available on ATMs. This report examines the various methods used for mobile cash access: QR codes generated by a mobile banking wallet; NFC-based contactless transactions that use card data stored in a smart phone-linked mobile wallet; and onetime PINs generated by a mobile app. It also looks at the security issues associated with cardless cash access.

4) mPOS 101

Mobile point-of-sale is transforming the retail industry in a way few technologies have done before. For small merchants, the benefits of installing mPOS technology include not just low-cost card acceptance on smart phones and tablets but also access to the value-added retail management software offered by traditional POS systems, but at a lower price. For large retailers, mPOS provides a way to improve customer service and to respond to show rooming. This guide covers the basics, including:

- Security
- PCI
- Cloud-based systems
- Ancillary services.
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STATEMENT OF THE PROBLEM

India aims to become cashless now. The online mode of payments are on the rise, and most of us are looking for safe and secure ways of doing it. With a new wallet springing up every day, consumers are confused with different wallet options. Earlier consumers were confused while choosing credit cards and now they are perplexed with the increasing number of wallets.

E wallets now have changed the payment systems in India. Many mobile operators are offering discounts and cash backs to pay their bill and to recharge their account. It is a win – win situation for the both. Customers don't need to walk anywhere to do so or to wait in queues. Also they don't need to seek some others help to know the best available plans or offers. Every operator now has their own app and they are personalized for every user. So every user can choose the best available plans for them and can avail exclusive discounts. This study approaches all aspects in detail and will give a clear view about this trend. It also observes the factors influencing and the myths.

REVIEW OF LITERATURE

A literature review is a text of a scholarly paper, which includes the current knowledge including substantive findings, as well as theoretical and methodological contributions to a particular topic. Literature reviews are secondary sources, and do not report new or original experiment. Most of these studies are descriptive in nature at broad level and without any analytical rigor or empirical substitutability.

1.Vidya shree DV, Yamuna N, Nithya Shree G (2015)¹ the younger customers are, the more comfortable in digital wallets filled with coupons and offers. Customers won't find moment of time do their hold off works like mobile recharge DTH recharge etc...The study was focused on new application pay tm and pay u money its takes 30 users of application as sample size. The main purposes of study to find awareness, security system and impact of these new digital payments by customers. The research says that, awareness about application had rapid growth in young customer threw unique advisement and users should be more careful about the offers, cash backs provided by pay tm or pay u money.



2. Hem Shweta Rathore (2016)² evolved buyer choice on agree to mobile payment for online and offline purchase. The researcher paying attention on the affect of consumer's decision to accept digital wallet, factors influence and risk and challenges faced by customer. Summarize that three main factors for adoption of digital wallets are convenient buying products in online, brand loyalty and cash back offers. A prearranged questionnaire was framed and given to 150 respondents' of smart mobile phone user and to find out result ANOVA statistical tool was used. It recommended that to create customer perceive on technology of digital wallet to non-users and benefits like cash back, coupons offers etc....offered by digital wallets.

3.Amoroso, D. and Watanabe.R (2012)³ developed a comprehensive model on payment system made by consumer. This model describes eleven buyer related variable factors that control mobile phone payment system. They primarily identify that three factors, technology adoption, online shopping and payment method are leading in Japan using mobile phone technology. The researcher says, victorious adoption of mobile suica application in Japan. This model enables to understand requirements and probability of consumers to use mobile technology to make payment.

4.Marion Mbogo(2010)⁴ 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 carries out a variety of dealings 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 convenient in make use of mobile payments receiving and accessibility of digital payment was uncomplicated.

5. S.Manikandan, and J.Mary Jayakodi. (2017) ⁵focused on the perception of buyers towards payment by digital wallets. An article paying attention on clearing up mobile application and various factors that affect buyer's decision to agree to digital wallets and hazard and challenges faced by purchaser. After demonization dispersal of mobile wallets has rapid increased. An ANOVA tool was used to get statistical result and 150 user of Chennai city were filled the data. The security issues are make tighter and hazard factors are compact will boost the receiving of digital wallets. It concluded that, fabulous expansion for digital wallets in upcoming.

6.Wanida Suwunniponth (2016)⁶ have analyzed rapid growth in electronic wallets used by consumer. In this study three factors analyzed, characteristic of business, website worth and trust on digital payment method for online purchase. Regressions statistic tool was used to exam purchaser intension on digital payment method. It concluded that, perceive among the customer about digital wallets technology threw social network like twitter, facebook etc... Industrialist can publicity regarding digital payment and easy to use of online digital payment system. Organization can motive the consumer by send e-mail receipt and message as they received payment threw wallets. So trust on digital payment will built.

7. Chirag Parmar(2015)⁷ made a study on proportional on various mode of payment in online purchase. Indian Online Shopping Industry (IOSI) have analyzed that 30 lac of Indian handle online shopping and 700 cr has turnover in 2015.The main impulse of the study is major mode of payment in online shopping. Sampling technical was random and data collect from 120 consumer under 16-30 age category. It concluded that, bulk of the consumer prefer the mode on hard cash on delivery(COD) for online shopping. Secondly buyer prefer debit card that make easy to pay. Thirdly consumer wish to



pay on the mode of credit card since the consumer are perceive about facilities offered in online purchasing. Mobile wallet was not aware among the consumer for online mode of payment.

RESEARCH METHODOLOGY

The researchers have collected Primary data has been collected from the consumers using interview schedule method and secondary data has been collected from websites, books and journals with regard to e wallet.

Statistical tools used for the study

- Simple percentage Analysis
- Weighted average Analysis
- Average score Analysis

Sampling size and population

The total number of respondents taken for research was 100 respondents.

OBJECTIVES OF THE STUDY

1. To study the source of awareness about m-wallets.
2. To study the factors influence that influence to use of m-wallets.

LIMITATIONS OF THE STUDY

- Due to shortage of time it is not possible to cover all the factors related to the study.
- Inability to cover large area.
- The statistical methods used to analyze the data have their own limitations.
- All the limitations of primary data are applicable to this study.

ANALYSIS AND INTERPRETATION

PERSONAL PROFILE

Personal Profile		Number	Percent
Gender	Male	63	63
	Female	37	37
Age	Below 15 years	2	2
	15-18 years	23	23
	19-22 years	64	64
	23-26 years	9	9
	27-30 years	2	2
Educational Qualification	School Level	13	13
	Under graduation	73	73
	Postgraduate	10	10
	Professional	4	4
Occupational Status	Gvt -employee	55	55
	Self-employed	22	22
	Private employee	18	18
	others	5	5
Monthly Income	Below Rs.30,000	14	14
	Rs.31,000-50,000	25	25
	Rs.51,000-70,000	26	26
	Rs.71,000-90,000	15	15
	Above Rs.90,000	20	20



The above table shows that the most of the respondents are male, in the age group of 19 to 22 years, having under graduate level of education, employed in the government organization and earning a monthly income of Rs.31,000-Rs.50,000.

Table showing the factors influencing m-wallets

S.No	Factors	1	2	3	4	5	6	7	8	9	10	11	12	Mean rank	Rank
1	Useful mode of payment	7	16	16	15	14	7	8	12	3	2	0	0	4.58	2
2	Faster than traditional banking	9	8	17	17	14	12	8	2	5	5	2	1	4.87	3
3	Service Charge	6	11	6	11	9	12	14	12	6	4	9	0	5.94	5
4	Lots of discounts/offers	10	13	7	5	13	8	12	8	13	9	2	0	5.67	4
5	Improvise choices	9	9	9	7	6	13	8	13	13	5	5	3	6.08	6
6	Accessibility from anywhere	10	7	8	9	13	4	13	7	11	9	7	2	6.10	8
7	Saves time	26	12	12	3	8	9	5	11	4	7	2	1	4.55	1
8	Cashless transaction	11	7	10	10	5	8	7	11	16	8	5	2	6.09	7
9	Quick transactions	3	9	11	10	7	4	9	13	11	11	5	7	6.68	9
10	Compulsion to use	8	2	1	1	3	8	7	6	9	18	31	6	8.53	11
11	Convenience	4	3	3	12	5	10	7	2	5	13	23	13	8.01	10
12	Brand Loyalty	0	1	1	0	3	5	2	3	5	8	7	65	10.70	12

It is revealed that majority of the respondents are influenced to use m-wallets as it saves time followed by useful mode of payment and faster than traditional banking

Table showing the effectiveness of services of m-wallet platforms

S.No	Services	VHS	HS	M	D	VHD	MEAN
		5	4	3	2	1	
1	Mobile recharge	39	30	14	7	10	3.81
2	Electricity/water/gas bill	18	35	30	11	6	3.48
3	DTH recharge	16	24	43	10	7	3.32
4	Movie tickets	22	32	20	16	10	3.40
5	Travelling expenses	16	32	27	17	8	3.31
6	Hotel bookings	17	27	34	14	8	3.31
7	Automobile bookings	14	26	30	18	12	3.12
8	Petrol Payments	21	25	26	20	8	3.31
9	Shopping	19	30	30	15	6	3.41
10	Medical shops	21	20	29	18	12	3.20
11	Petty shop	9	23	26	24	18	2.81
12	Others services	14	25	33	16	12	3.23



It is revealed that majority of the respondents are highly satisfied with the services like mobile recharge, followed by electricity bill payment and shopping.

RECOMMENDATIONS

1. Offer VIP Access

People love feeling special. Customers may be helped to beat the rush and shop at the business while getting access to deals via special coupon code on the mobile wallet pass. Customers should be encouraged to share the deal with friends.

2. A Different Deal everyday

One of the best things about mobile wallets is that wallet passes can be dynamically updated at a moment's notice to deliver new offers on the same pass directly when it counts, on mobile. Beyond a deal-a-day style campaign, customers can renew the conversations by updating the same mobile wallet pass with offers for Winter Clearance, New Year's Deals, etc.

3. Send Special offers or Deal Reminders

Customers should be encouraged to visit the store or alerted to a sale or special item available. Mobile wallet items can be geo-aware. Brands with brick and Mortar store can setup the pass with the store locations and let the pass remind the customer that a store is nearby.

4. Use Lock Screen notifications to communicate with customers

Marketers don't have to ask customers for permission to send messages from a mobile wallet pass to customer's lock screen. Thus having the ability to bypass email by sending messages straight to a customer's android device.

CONCLUSION

As the costs of mobile phone technology have fallen and as the technology have been adapted to support financial services, mobile banking innovations have begun to spread across and within poor countries. The low cost and the widespread unmet demand for financial services as captured by low rates of bank access means that mobile banking has the potential to reach remote corners of the socio- economic, as well as geographic spectrum. This potential can be realized, through M-Wallet, the SMS based mobile payment system. M- Wallet is an innovation that clearly dominates its money- transfer predecessors on virtually all dimensions. It is faster, safer and network independent. It has been designed in adherence to all the guidelines laid down by the RBI. In developing markets, M-Wallet will allow people to use financial services in a more efficient way and sometimes the only way at more affordable costs, and can greatly improve standards of living. In developed markets, M-Wallet will be more of an extension of the existing payment infrastructure that allows people to deal with their financial needs in a timely and convenient way.

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