

# A STUDY ON CONSUMER PREFERENCE TOWARDS MOBILE WALLET

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**Abstract:** Mobile phones are used everywhere in this modern world. The technological advancement has made everything possible under one touch. By using the applications installed in the mobile phones the users can pay any bills and transact their money to anyone at their convenience. Increase in use of mobile phones and internet is the main reason for mobile wallet penetration. This study was carried out to find out the factors that affects consumers preference towards mobile wallet. Using a structured questionnaire primary data was collected from 100 respondents. ANOVA and frequency analysis were used to find out the factor that affects consumer preference and Impact of demographic factors on consumer preference towards mobile wallet were also analyzed.

**Keywords:** Mobile wallet, Digital Payment, Consumer preference

## 1. Introduction

The development of technology plays an important role in daily life of people. Technological advancement in smartphones helps as a source of communication device, socialized tool, and even as a payment tool. Mobile wallet allows you to store multiple credit card details and bank account numbers, this information's are stored in a secure environment and if lost, data's can be recovered using backup option. So, the mobile wallet money once it is registered it avoids entering account information every time. It saves time. Mobile wallet is used in various areas like companies, banks and customers. Companies provide payment choice to their clients and transactions are made easy. Banks provides an easy transaction facilities and customers are attracted because of one touch payment method which is more convenient and time saving while shopping and various bill payments. Young customers are attracted for recharges done through mobile wallet.

There was a drastic growth of mobile wallets after demonetization in India. Mobile wallets were the significant contributor in pushing cashless and electronic payments.

According to RBI there are four kinds of mobile wallet in India.

**1.Open Wallet :** Open wallet enables the users to withdraw cash at ATM or bank, transfer funds and to buy goods and services. M-pesa by Vodafone is a good example for open wallet. This service can be availed only if it is launched with the bank.

**2.Semi-Open Wallet:** Semi – open wallet allows to buy goods and services with the money loaded to the wallet but withdrawing cash or redeeming it is not possible. E.g. Airtel money is a semi –open wallet where merchants have contract with Airtel.

**3.Closed Wallet:** Closed wallet deals with only one merchant. It is used for buying goods and services with only one merchant. Withdrawing cash is impossible. Cash left in the wallet can be used for future transactions with the same merchant. E.g. Bookmyshow, Makemytrip

**4.Semi-Closed Wallet:** A semi-closed wallet allows us to buy goods and services with listed merchants at listed locations. Cash withdrawal or redemption is not possible in semi-closed wallet E.g. Paytm

## 2. Top five digital wallets in India

**1. PayTM:** PayTM is launched in 2010, it is the largest mobile wallet application in India. It is a mobile market which is used to make bill payments and transfer money to avail any services. Recently, to improve India's education market segment, PayTM partnered with educational institutions to bring cashless payments for fees and other expenses and also it has an app password feature to ensure safety when loss of mobile phone.

**2. Mobikwik:** MobiKwik is an independent mobile payment network that helps instant recharge without sign-up. MobiKwik uses debit, credit card details to store money in the wallet and also through net banking, even doorstep cash collection service is carried out which will be used to recharge, pay bills and to shop at marketplaces.

**3. PayUMoney:** PayUMoney is a Gurgaon-based company. It enables the user to store cash in the wallet and pay for various services and transactions. It has special features like auto read of OTP, one-touch check out, cashback offers on every transaction, picking up the transaction where it dropped, and instant refunds on **order** cancellations.

**4. Citrus:** Citrus Pay is the fastest among all the digital wallets. Citrus has been collaborated with Woohoo, a shopping portal to shop at more than 5000 offline stores listed with them. It provides various discounts and offers.

**5. Oxigen:** Oxigen was started in 2004 it is one of the payment solution providers in India. It allows customers to make recharge mobile, DTH services, money transfers, utility bill payments. It also helps in sending money to other mobile phones. It shows transaction history.

## 3. Review of literature

Dr. Hem Shweta Rathore (2016) in her research paper "Adoption of digital wallet by consumers" found that customers use mobile wallet because of convenience, one touch method, and because of its time saving

technology. Risk, Challenges and factors influenced consumers in adoption of digital wallet were also discussed in this paper.

Padashetty, D. S. & Kishore, K. S. (2013) widely discussed in their research paper “An empirical study on Consumer Adoption of mobile payments” that trust, expressiveness and perceived ease of use, playing a crucial role in facilitating adoption of digital payment solutions are the factors motivating to adopt of mobile wallet.

Rai, N., Ashok, A., Chakraborty, J., Arolker, P., &Gajera, S. (2012) found safety and security of payment in mobile wallet attracts customers to switch over from the traditional methods.

#### 4. Research Methodology

The study is based on the primary data collected from 100 respondents by using a structured questionnaire. Five point likert scale was used in questionnaire for obtaining responses.

The statistical tools applied in this study are ANOVA and frequency analysis. SPSS 20 was used to perform statistical analysis.

##### Objectives of the study:

1. To find out the impact of demographic factors on consumer preference towards mobile wallet.
2. To identify the factors that affects consumer preference towards mobile wallet.

##### Hypothesis of the study:

1. **H<sub>0</sub>**: There is no significant difference between age and consumer preference towards mobile wallet
2. **H<sub>0</sub>** There is no significant difference between gender and consumer preference towards mobile wallet
3. **H<sub>0</sub>** There is no significant difference between marital status and consumer preference towards mobile wallet
4. **H<sub>0</sub>** There is no significant difference between level of education and consumer preference towards mobile wallet
5. **H<sub>0</sub>** There is no significant difference between level of income and consumer preference towards mobile wallet

**Table 1: Demographic Profile**

Demographic	Category	No. of respondents	Percentage
Age	20 – 25 years	58	58.0
	26 – 30 years	24	24.0
	31 – 35 years	12	12.0
	36 & above years	6	6.0
Gender	Male	72	72.0
	Female	28	28.0
Marital Status	Single	91	91.0

	Married	9	9.0
Education	School level	38	38.0
	College level	46	46.0
	Illiterate	16	16.0
Income level	20,000 to 30,000	52	52.0
	31,000 to 40,000	20	20.0
	41,000 to 50,000	12	12.0
	51,000 & above	16	16.0

**Interpretation:** Demographic profiles of the respondents are inferred from the above table. 58% of the respondents fall under the age group of 20 to 25 years and 24% of the respondents are from 26 to 30 years. 72% are male respondents and 28% are female respondents. 91% of the respondent's marital status is single. 38% of the respondent's education up to school level, where as 46% of the respondents education level is up to college level and 16% are illiterate. The major category of income falls under 20,000 to 30,000 Rs per month.

### Testing of Hypothesis

**Table 2: Computation of ANOVA on the basis of Demographic profile.**

Factors	Age		Gender		Marital Status		Education		Income Level	
	f	Sig.	f	Sig.	f	Sig.	f	Sig.	f	Sig.
V 1	1.187	.319	.387	.535	24.410	.000	14.976	.000	2.849	.042
V 2	.977	.407	.288	.593	1.216	.273	1.156	.319	1.500	.219
V 3	1.395	.249	7.481	.007	32.100	.000	24.473	.000	2.049	.112
V 4	.345	.793	.829	.365	5.168	.025	4.239	.017	1.578	.200
V 5	.858	.466	2.204	.141	.766	.384	.462	.632	.695	.557
V 6	.507	.678	3.940	.050	.908	.343	.983	.378	3.832	.012
V 7	.633	.595	3.394	.068	24.615	.000	15.862	.000	1.597	.195
V 8	.938	.426	2.695	.104	31.043	.000	18.929	.000	3.727	.014
V 9	.293	.831	.874	.352	1.128	.291	.560	.573	1.907	.134
V 10	2.846	.042	7.352	.008	49.034	.000	38.821	.000	4.721	.004

**Interpretation:** The maximum number of variables in consumer preference factors is greater than table value 0.05 hence the null hypothesis is accepted at 5% level. There is no significant difference between age, gender and income level. The maximum number of variables in consumer preference factors is lesser than table value 0.05 hence the null hypothesis is rejected at 5% level. There is significant difference between marital statuses and education.

**Table 3:Frequency analysis of factors affecting consumer preference towards mobile wallet**

Affecting factors	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Privacy maintenance	6	15	30	45	4
Security Maintenance	56	20	9	13	2
Easy to use	1	18	23	47	11
Convenient	2	22	35	34	7
Service fees	1	16	38	36	9
Innovation	0	13	30	40	17
Brand loyalty	5	12	26	38	19
Internet problems	11	6	24	45	14
Useful for small billings	4	41	21	31	3

**Interpretation:** It is inferred from the above table that the majority of the respondents are affected by poor internet problems and difficult to use mobile wallet for small billings (two digits)

## 5. Conclusion

After demonetization mobile wallet usage has become more popular. Internet problem and payment for two digit amount are the commonly issues faced by the respondents and also people are not willing to pay extra money. Whether it is a payment or transaction, mobile wallet is considered as a most convenient method. Financial literacy should be there in a country to adopt these kinds of changes.

## References

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