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An Empirical Study on Satisfaction Level of Usage of Electronic Wallet

Ms. Manya Jain
Assistant Professor
Delhi School of Professional Studies & Research

Abstract

E wallets stand for electronic wallets. It can also be called digital wallets. The adoption of e wallets has gained a lot of popularity especially after Demonetization. The surge in the demand of usage of e wallets has happened in the couple of years. E-Wallets aim to eliminate the need of people to carry traditional wallets. Just by the use of smart phones, payment can be made in a faster, easier and a secure way. This paper puts light on the satisfaction level of users of E-wallets on the basis of some demographic variable (like gender, age, profession). Also to find the relation between user satisfaction level and E-wallet usage frequency.

Keywords –E-wallets, Digital Wallets, Demonetization

Introduction

E-Wallets are the new revolution. An E wallet is just like a normal leather wallet. It can be kept in pocket or purse just like a normal wallet. You can pull out the E-wallet, take out money and make a payment transaction. Just like wallet is replenished back after it runs out of cash, similarly an e-wallet balance can be replenished back through the associated bank account by transferring the amount from the bank account to the E wallet. Now-a-days, most of the payment transactions are done through online modes by the use of electronic called e wallets through smart phones. The use of currency and its definition has came across a huge change. There was a time when instead of currency there was Barter system, then came the time of metallic coins and paper currency. Now as the time is passing by, a shift has been seen from paper currency to the use of electronic currency i.e. payments through E-wallets. The paper currency has been substituted to a great deal by the digital form. The satisfaction that is provided by these e-wallets is no less than the traditional cash, but even more, in the form of certain discounts and cash backs that are availed by the users. User has to download the application on their mobile phone, add money to the e-wallet or link their bank account to the e wallet to make payments through it. Before every transaction, permission is asked to make the payment transaction from the user. Also all such applications are password protected, hence making it safer than just keeping cash in your pockets.

Payment for groceries, purchasing online, flight tickets,& many other transactions are done with the help of e-wallets. E-wallets are considered as fast mode of digital transactions when compared with bank accounts. The use of e-wallets eliminates the need to carry physical wallet by storing all the payment information of customer securely.

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E wallets can be classified in 3 ways :-

1. **The closed type –** These types of wallets can be used only in the stores or for the goods and services purchased from that store only. This wallet application is made by that company or store itself to equip their customers in paying digitally for the goods bought.
2. **Semi-**closed type – Here the customer has a bit more of freedom. The customers or users can use these wallets for all those stores who have made an agreement with the provider of such an payment instrument.
3. **The open type –** These are the most freely used to pay for goods and services.The most important difference what makes it different from semi closed wallet is that it allows withdrawals of cash from ATM's as well.

Top E-wallets used in India

1. PayTm – It is the largest platform for e-money transactions. It runs on a semi closed model.The customers can transfer money from Bank account to the PayTm wallets and make payment. The payments are made to merchants who already have links and tie ups with the company.

2. Amazon Pay – It is an online platform that is owned by Amazon itself. Through Amazon Pay, one can not only make payments for goods and services bought on Amazon but certain external merchants sites also like BigBazaar etc.

3. PhonePe – It started in the year 2015 and has already crossed 100 million download. It is one of the most safe and fastest portals for digital transactions.

4. Google Pay – Earlier also known as TEZ, is a popular digital wallet. It allows online bill payments, shopping, and even directly transferring of money to the bank account.

5. BHIM – Bharat Interface for Money is an application that supports all Indian banks on mobile devices. This was launched by prime Minister Narendra Modi, but only for people usig Androids.

6. Mobikwik – It is a mobile wallet which provides the customer to add money in the wallet through their plastic cards to pay mobile bills and recharges.

There are following advantages of E-Wallets

- Better convenience in payments and transactions.
- Efficient i.e. It is fast and saves time.
- It is a more secure source of keeping money than cash.
- Authorization of the transactions by the user is also a plus.
- E-Cash is highly acceptable even by the E-Rickshaw drivers and Recharge shops as well.

- Cash backs and discounts are also an added advantage which is not there in cash.
- Payment through E-Wallets have increased the convenience as well ease.

But there disadvantages as well,

- Acceptability is still questionable as it is still not acceptable at many places.
- Availability of mobile and internet connectivity is a huge limitation. Also people who do not use smart phones can be E-wallet users.
- Risk of cyber crimes increases.
- There might be an additional fees or transaction charges charged by the E-Wallet company from the user.

Literature Review

Tam and Oliveira, T. (2017) has defined E-wallets or mobile wallets as an efficient service of cashless transactions. This has replaced and still replacing the hard currency notes very fast. The very aim of such wallets is swift and quick transactions.

Toseland (2016) studied that these mobile or E- wallets not only have advantages but also have certain limitations like small screen display, internet availability, short managing capability but all these limitations don't have much impact on the end user. Due to the rapid growth of Indian Economy and Indian Business systems have led to transformations in business practices.

Dennehy (2015) studies that the government of India has put a lot of emphasis on digital transactions and digital payments to reduce the usage of cash in the economy. The real surge in the usage of E-wallets among the customers has been seen only after Demonetization.

Live mint (Aug 2018), according to this research they interpreted that people do not like to carry huge wads of cash with them in order to shop. Hence, millions of people are making transactions through mobile or E-wallets. It is becoming the trend now, that people are making payments through their mobile phones in a very quick and effective manner. This is especially possible only after Demonetization.

Doan (2014), in his research found out the adoption of mobile wallets by the people in Finland. His study revealed that the introduction of mobile wallets in Finland is only at the initial stage and the users are showing optimistic behaviour towards the adoption of e wallets. Trust came out to be one of the major factors for adoption by the people and user satisfaction level also depends upon this factor.

Govender & Sihlali (2014) in their research found out various factors that determine the adoption of e-wallets or mobile wallets among the students with technical knowledge by the users. He concluded that trust, ease of use, social influence are some of the variables that effect the adoption and usage of e-wallets.

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Meuthia (2015) investigated the satisfaction level of users of e-wallets or E-money in Indonesia. He collected data from 117 respondents in Indonesia. He concluded that trust and distrust as factors are at the highest level for the respondents to adopt E-wallets.

Singh & Gupta (2016) researched various factors that affect the adoption of mobile wallets or e-wallets among the customers. The various factors were trust, security, ease of usage and convenience which motivate in the adoption of E-wallets by the people. The study was conducted in Kurali City, Punjab.

Objectives

- **To examine the relation of demographic variables with the satisfaction level of E-wallet users**
- **To examine the relation between users satisfaction level and their E-wallet usage frequency**

Research Methodology

This research paper examines the satisfaction level of users of E wallets based on various demographic variables. It is Descriptive research wherein the very characteristics of the population are emphasised.

Sources of Data – Primary as well as Secondary data have been used in the study. Primary data has been collected through Questionnaire and secondary data has been collected through various books, websites etc.

Sampling Technique – Non-Probability Convenience Sampling

Sample size of 153 people has been taken from Delhi, out of which 97 respondents used E-wallets and 56 respondents did not use E-wallets. Further level of satisfaction has been studied on the basis of these 97 respondents.

The analysis has been done through SPSS 21 by the use of ANOVA.

Hypothesis

H0 – There is no significant difference in the Satisfaction level of different age groups using E wallets.

HI – There is a significant difference in the Satisfaction level of different age groups using E wallets.

H02 – There is No association between the frequency of usage and satisfaction level among E wallet users

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H2 - There is association between the frequency of usage and satisfaction level among E wallet users

Analysis

Descriptive Statistics:
The sample respondents that has been taken is 153. 43.8 per cent females and 56.2 per cent males are incorporated by the sample, that represent almost equal distribution of females and males. Major percentage of the respondents (34 per cent) belong to the age group of 19-21years, 28.1 per cent belongs to 36 & above age group, 22.2 per cent belongs to age group of 22-35 years, and 15 per cent belongs to the age group of 13-18 years. Mostly respondents i.e. 52.9 percent respondents are students, 24.2 belong to service class. 13.7 Percent belong to the group businessmen and 9.2 percent belong to others category like professionals or housewives. Out of these 153 respondents, 97 respondents use E-Wallets but there are almost 56 respondents that do not use E-Wallets. These 56 Respondents mentioned some of the major factor for not using E-wallets were –trust and security issues, Legal Formalities (KYC authentication). One of the major issue that came out to be the prominent one was about cyber crimes and increasing distrust of oeople on such Electronic transactions. People are not very sure if their money will remain secure on using E-Wallets.

1. To find if there is any association between age group of the E-wallet users and their Satisfaction Level.

H0 – There is no significant difference in the Satisfaction level of different age groups using E wallets.

HI – There is a significant difference in the Satisfaction level of different age groups using E wallets.

ANOVA

ON WHAT SCALE ARE YOU SATISFIED WITH E-WALLETS ?

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	58.729	3	19.576	5.367	.002
Within Groups	543.481	149	3.648		
Total	602.209	152			

P (Significant level) is less than 0.05, HENCE NULL HYPOTHESIS IS REJECTED. This means that there is a significant effect of age group on Satisfaction level of users.

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Descriptives

ON WHAT SCALE ARE YOU SATISFIED WITH E-WALLETS ?

	N	Mean	Std. Deviation	Sig.	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
13-18	24	1.9583	2.07426	.42341	1.0825	2.8342	.00	5.00
19-21	52	2.9615	1.98979	.27593	2.4076	3.5155	.00	5.00
22-35	34	3.1176	1.64712	.28248	2.5429	3.6924	.00	5.00
36 AND ABOVE	43	1.6977	1.90906	.29113	1.1102	2.2852	.00	5.00
Total	153	2.4837	1.99045	.16092	2.1657	2.8016	.00	5.00

It can be observed that those satisfied with E-wallets are the respondents belonging to age group 22-35 years as the mean satisfaction value is 3.1176.

The least satisfied out of all the respondents belongs to the age group of 36 years and above as the mean satisfaction level is 1.6977

Dependent Variable: ON WHAT SCALE ARE YOU SATISFIED WITH E-WALLETS ?

Post Hoc Tests

Tukey HSD

(I) AGE	(J) AGE	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
13-18	19-21	-1.00321	.47130	.149	-2.2278	.2214
	22-35	-1.15931	.50918	.108	-2.4823	.1637
	36 AND ABOVE	.26066	.48663	.950	-1.0037	1.5250
19-21	13-18	1.00321	.47130	.149	-.2214	2.2278
	22-35	-.15611	.42122	.983	-1.2505	.9383
	36 AND ABOVE	1.26386*	.39366	.009	.2410	2.2867
22-35	13-18	1.15931	.50918	.108	-.1637	2.4823
	19-21	.15611	.42122	.983	-.9383	1.2505
	36 AND ABOVE	1.41997*	.43830	.008	.2812	2.5588
36 AND ABOVE	13-18	-.26066	.48663	.950	-1.5250	1.0037
	19-21	-1.26386*	.39366	.009	-2.2867	-.2410
	22-35	-1.41997*	.43830	.008	-2.5588	-.2812

*. The mean difference is significant at the 0.05 level.

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We can see that age group 19-21 AND 36 above have P value less that 0.05, hence this means that there is significant difference in the satisfaction level of these two age groups .

Similarily, 22-35 AND 36 ABOVE HAVE SIGNIFICANTLY DIFFERENT MEAN VALUES, hence this means that there is significant difference in the satisfaction level of age groups 22-35 and 36 above users.

2. **To find if there is any relation between the satisfaction level of the E-Wallet user and their frequency of usage.**

H02 – There is No association between the frequency of usage and satisfaction level among E wallet users

H2 - There is association between the frequency of usage and satisfaction level among E wallet users

ANOVA

ON WHAT SCALE ARE YOU SATISFIED WITH E-WALLETS ?

			Sum of Squares	df	Mean Square	F	Sig.
Between Groups	(Combined)		551.452	3	183.817	539.609	.000
	Linear Term	Unweighted	170.914	1	170.914	501.730	.000
		Weighted	352.989	1	352.989	1036.223	.000
		Deviation	198.464	2	99.232	291.302	.000
Within Groups			50.757	149	.341		
Total			602.209	152			

P (Significant level) is less than 0.05 HENCE NULL HYPOTHESIS IS REJECTED. This means that there is a significant effect of satisfaction level on the Number of times they use the E-wallet.

Post Hoc Tests

(I) FREQUENCY OF E-WALLET USAGE	(J) FREQUENCY OF E-WALLET USAGE	Mean Difference (I-J)	Std. Error	Sig.
DAILY	WEEKLY	.21314	.14212	.440
	MONTHLY	.71405*	.16707	.000
WEEKLY				

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	DAILY	-.21314	.14212	.440
	MONTHLY	.50091*	.14801	.005
MONTHLY	DAILY	-.71405*	.16707	.000
	WEEKLY	-.50091*	.14801	.005

Through Post Hoc, it is visible that there is a significant difference between Daily and monthly users as the Significant value i.e. P value is 0.000 which is less than 0.05. Similarly for weekly and monthly users as the P value is less than 0.05 i.e. 0.005. This gives an inference that people using E-Wallets daily or weekly have a different perspective than those using Monthly.

Descriptives

ON WHAT SCALE ARE YOU SATISFIED WITH E-WALLETS ?

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
DAILY	26	4.1923	.84943	.16659	3.8492	4.5354	1.00	5.00
WEEKLY	48	3.9792	.66811	.09643	3.7852	4.1732	3.00	5.00
MONTHLY	23	3.4783	.73048	.15232	3.1624	3.7941	2.00	5.00
Total	97							

It can be observed that those who are more satisfied with E-wallets are using it daily with a mean satisfaction level of 4.1923 whereas those who are less satisfied with E-wallets are using it on monthly basis with mean satisfaction level of 3.478. Here satisfaction level difference is there in daily and monthly users.

Findings

From the above research it can be concluded that there is an association between the Age and satisfaction level of users of E-Wallets.

- From the given data it can be said that the users belonging to the age groups of 19-21 years and 22-35 years are more satisfied with the concept of E-wallets. This means that the younger generation is more satisfied than the people belonging to the age group of 36 and above.
- Also it is reiterated from the data that the people who are more satisfied with E-wallets use it on daily basis i.e. users who are strongly satisfied (mean value= 4.1923) use it daily and those who are satisfied (mean value =3.979) use it weekly and those who are mostly neutral use it monthly.
- But one problem that emerged out quiet strongly in this scenario is the increasing cyber crime that is making these electronic wallets succumb to people's insecurities towards safety of their money.

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Conclusion

It can be concluded that the young generation is more tech-savvy and flexible and is very comfortable in using E-wallets rather than the people above the age of 35 years. Also, most of the people who are satisfied with the services of E-wallets mostly use it daily or weekly.

One important issue that came forwards which is a big hindrance in adoption of these electronic wallets is the trust factor which can be further researched and studied.

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