

# CONSUMER ATTITUDE AND INTENTION TO ADOPT MOBILE WALLETS IN INDIA

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## **Abstract**

In today – world, smart phone has become an essential part of one’s daily life. Mobile users can nowadays use their Smartphones to make money transactions or payments by using applications installed in the phone. When smartphones can function as leather wallets, it is called “Digital Wallet” or widely known as “Mobile Wallet”. The main aim of this empirical study is to examine the mobile wallets usage Consumer attitude and intention to adopt mobile wallet in Chennai city, India. The respondents were categorized on the basis of gender, age and occupation. The study is based on the primary data collected from 481 respondents by using a structured questionnaire. Five point likert scales was used in questionnaire for obtaining responses. The statistical tools applied in this study are ANOVA, Chi Square, Friedman Test, and frequency analysis. SPSS 20 was used to perform statistical analysis.

**Keywords:** Mobile wallet, Digital Wallet, Mobile Payment, cashless payment, online payment, smartphone users

## **INTRODUCTION**

The technological advancement has made the smart phones as devices where the mobile users can make money transactions or payments by using an application installed in the phone. The rapidly growing mobile payment adoption has already started to reshape the payment practices. Mobile wallets have provided newer digital payment avenues to consumers while offering companies and marketers greater opportunities to market their products and services online. However, not much is reported about the adoption of mobile wallets in India.

The Indian Government's initiatives such as ‘Digital India’ and increased use of mobile and internet are the main reasons for the exponential growth in use of digital payment. Even though the thought of digitalization arose long years ago, it has taken a growth pace recently. This is

because of lack of awareness and knowledge among people, fear of making online payment, security issues etc.

## **RESEARCH METHODOLOGY**

The study is based on the primary data collected from 481 respondents by using a structured questionnaire. Five point likert scales was used in questionnaire for obtaining responses. The statistical tools applied in this study are ANOVA, Chi Square, Friedman Test, 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 study the factors that influence consumers in adoption of mobile wallet
3. To study the risk and challenges faced by consumers in use of mobile wallet
4. To analyze the growth of mobile wallets in India

### **Hypothesis of the study**

- ❖ There is no relationship between gender of the respondents and using mobile wallets of the respondents.
- ❖ There is no relationship between education of the respondents and using mobile wallets of the respondents.

## **MOBILE WALLET**

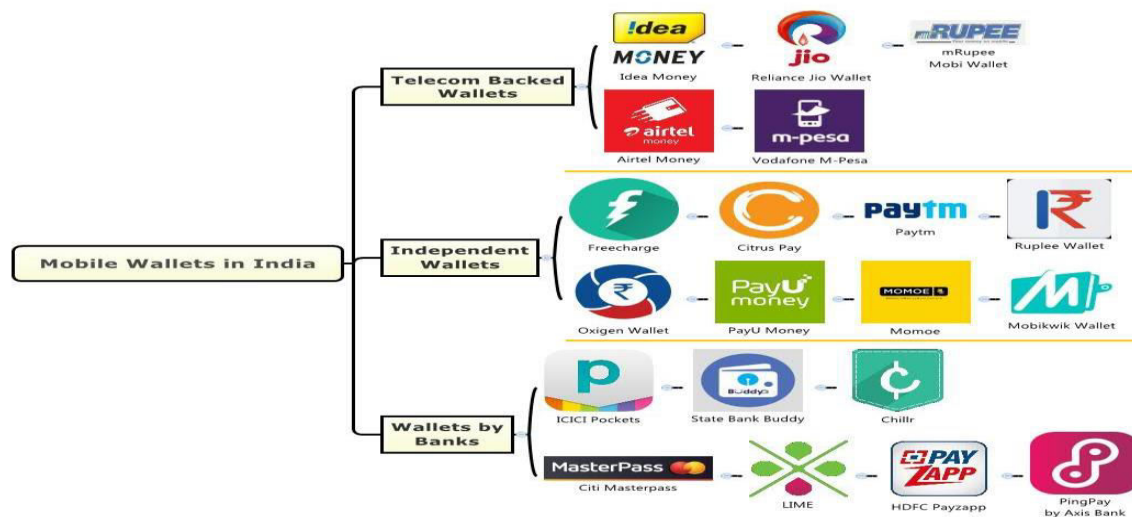
Unlike its counterpart like a physical wallet, a mobile wallet is a digital wallet in which one can add money through credit/debit cards and make payments from. It's basically an electronic prepaid account which can be used to pay anything. From groceries to bill payments to movie tickets, you can make all the transactions through mobile wallets. All you need to do is, download the app from play-store or app-store, and make an account with the mobile wallet provider. Such wallets are more convenient and provide more security than a traditional business.(<https://indialends.com/ifsc/mobile-wallet>)

**Figure 1: Types of Mobile wallets (PPI) in India**

Closed	Semi Closed	Open
It is only for that company . Issued by the same company to buy their own products.	Can be used to buy goods and services from merchants that have a contract with the issuer to accept the payment.	Allow user to buy good and services, withdraw cash at ATM and transfer funds.
Money go to the issuing company account.	To escrow account	To bank account
Banks, NBFC (Non Banking Financial Companies) can operate .	Banks, NBFC can operate.	Banks only can operate
KYC is not required	KYC is not mandated	KYC is mandated
Maximum Rs 10,000 can be stored	Maximum Rs 50,000 can be stored by providing KYC	Maximum Rs 100,000 can be stored
Life style gift card, Metro card, flipkart wallet, make my trip wallet , etc...	Oxygen, Paytm, Mobikwik, etc.	Paytm payments bank. Vodafone M-pesa

Source: <https://blog.usejournal.com/product-adoption-life-cycle-for-mobile-wallets-in-india>

**Figure 2: Mobile wallets in India**



Source: <https://www.techinasia.com/talk/mobile-wallet-wars-india>

### Digital wallet vs Mobile wallet

Mobile wallets	Digital wallets
Mobile wallets are payment apps housed on mobile devices, like smartphones and wearables.	Consumers using digital wallets may or may not interact with them on their smartphones.
Consumers mostly use a mobile wallet for in-person transactions.	Consumers mostly use a digital wallet for online shopping or purchases.
Some of the most popular mobile wallets are Apple pay, Samsung pay etc.	Some of the most popular digital wallets are Paytm, Paypal etc

Source: <https://indialends.com/ifsc/mobile-wallet>

### DATA ANALYSIS AND INTERPRETATION

**Table 1: Socio-Economic Profile of Respondents**

Variables	Category	No. of Respondents	Percentage
Gender	Male	321	66.7
	Female	160	33.3
	<b>Total</b>	<b>481</b>	<b>100.0</b>
Education	Upto H.Sc	7	1.5
	Diploma/ITI	3	.6
	Degree	37	7.7
	P.G and above	434	90.2
	<b>Total</b>	<b>481</b>	<b>100.0</b>

Age wise classification of the Respondents	21-30	176	36.6
	31-40	183	38.0
	Above 40	106	22.0
	Upto 20	16	3.3
	<b>Total</b>	<b>481</b>	<b>100.0</b>
Monthly income (Rs.) wise classification of the Respondents	15001-25000	89	18.5
	25001-35000	73	15.2
	Above 35000	215	44.7
	Up to 15000	104	21.6
	<b>Total</b>	<b>481</b>	<b>100.0</b>
aware regarding the functionality of mobile wallets	Yes	428	89.0
	No	30	6.2
	Maybe	23	4.8
	<b>Total</b>	<b>481</b>	<b>100.0</b>
Information about mobile wallets	Social media	232	48.2
	Friends	191	39.7
	Television	33	6.9
	Newspaper	25	10.6
	<b>Total</b>	<b>481</b>	<b>100.0</b>

**Sources:** collected and computed through Questionnaire

### Inference

- ❖ The respondents of 66.7 percent of respondents are male and 33.3 percent of respondents are female. It is found that the majority of respondents are male.

- ❖ The table shows, out of 481 respondents, 7.7% respondents are from degree, 90.2% of respondents from PG and above and the rest seventeen 1.5% respondents are upto H.Sc. Thus majority of respondents' are from PG and above.
- ❖ The respondents of 36.6 percent of respondents are 21-30 years, 38.0 percent of respondents are 31-40 years, 22.0 percent of respondents are Above 40 years and 3.3percent of respondents are Up to 20 years. It is found that the majority of respondents are 31-40 years age group.
- ❖ The respondents of 18.5 % are getting monthly income of 15001-25000, 15.2 % of the respondents getting 25001-35000, 44.7% of the respondents getting Above 35000, and 21.6% of the respondents getting Up to 15000. It is found that majority of the respondents getting monthly income Above 35000 of the respondents.
- ❖ The respondents of 89.0% say yes, 6.2% of the respondents says no, 4.8% of the respondents says maybe. It is found that the majority of the respondents are says yes.
- ❖ The table 1 shows, out of 481 respondents got Information regarding wallet through, 39.7% respondents from friends and family; 10.6 % respondents from Newspaper,48.2% respondents from social media.And the rest Television 6.91% respondents Thus, majority of the respondents' are known information through Social media.

**ONE WAY ANOVA**

**Table 2: One Way ANOVA – Using mobile wallets and Gender**

<b>Using mobile wallets and Gender</b>	Sum of Squares	df	Mean Square	F	Sig.
aware regarding the functionality of mobile wallets	.261	1	.261	1.140	.286
Between Groups					
Within Groups	109.731	479	.229		
Total	109.992	480			

Using mobile wallet services is interesting.	Between Groups	1.665	1	1.665	1.706	.192
	Within Groups	467.333	479	.976		
	Total	468.998	480			
Using mobile wallet services makes the handling of payments easier	Between Groups	11.726	1	11.726	13.409	.000
	Within Groups	418.889	479	.875		
	Total	430.615	480			
Approximately how frequently do you use Mobile Payment Apps	Between Groups	4.874	1	4.874	5.193	.023
	Within Groups	449.567	479	.939		
	Total	454.441	480			
How much money do you load in M-wallet on a monthly & basis	Between Groups	15.565	1	15.565	8.054	.005
	Within Groups	925.724	479	1.933		
	Total	941.289	480			
Mobile wallet services allow for a faster usage of mobile applications. e.g., movie tickets, Train Tickets	Between Groups	4.088	1	4.088	7.917	.005
	Within Groups	247.318	479	.516		
	Total	251.405	480			

**Sources:** collected and computed through Questionnaire

### Inference

Table 2 Depicts results of ANOVA test conducted to examine association between Using mobile wallet and gender result shows that at 5% significance level there is significant association of Using mobile wallet and gender.

**Table 3: One Way ANOVA – Using mobile wallets and Education**

		ANOVA				
<b>Using mobile wallets and Education</b>		Sum of Squares	df	Mean Square	F	Sig.
Mobile wallet services allow for a faster usage of mobile applications. e.g., movie tickets, Train Tickets	Between Groups	26.894	3	8.965	19.046	.000
	Within Groups	224.512	477	.471		
	Total	251.405	480			
It is easy to become skilful at using mobile wallet services	Between Groups	33.859	3	11.286	11.533	.000
	Within Groups	466.819	477	.979		
	Total	500.678	480			
Rate the mobile wallet service that you have used?	Between Groups	45.606	3	15.202	24.181	.000
	Within Groups	299.878	477	.629		
	Total	345.484	480			
When using mobile wallet, I believe my information (bank / card details) is kept confidential	Between Groups	20.846	3	6.949	5.898	.001
	Within Groups	561.998	477	1.178		
	Total	582.844	480			
The internet access charges are high when using mobile wallet	Between Groups	7.409	3	2.470	2.277	.079
	Within Groups	517.265	477	1.084		
	Total	524.674	480			
any obstacles when you use mobile wallet	Between Groups	.270	3	.090	.142	.935
	Within Groups	302.533	477	.634		



Total	302.802	480			
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**Sources:** collected and computed through Questionnaire

### **Inference**

Table 3 Depicts results of ANOVA test conducted to examine association between Using mobile wallet and education Result shows that at 5% significance level there is significant association of Using mobile wallet and education.

### **FRIEDMAN TEST**

**Table 4: Consumer Attitude and Intention Towards to Mobile Wallets**

<b>Friedman</b>	<b>Mean Rank</b>	<b>Rank</b>
Using mobile wallet services is interesting.	7.00	2
Using mobile wallet services makes the handling of payments easier	7.31	1
Mobile wallet services allow for a faster usage of mobile applications. e.g., movie tickets, Train Tickets	2.36	8
It is easy to become skillful at using mobile wallet services	6.59	3
When using mobile wallet, I believe my information (bank / card details) is kept confidential	6.32	4
The internet access charges are high when using mobile wallet	5.12	5
Using online payment / banking wallet services is cost burden to me	4.64	6
Are there any obstacles when you use mobile wallet	3.39	7
want to continue using mobile wallet	2.27	9

**Sources:** collected and computed through Questionnaire

## **Inference**

Above from the table 3 Friedman rank test, it is ascertained that majority of the Consumer attitude and intention towards to mobile wallets. Using mobile wallet services makes the handling of payments very easier, Using mobile wallet services is interesting and It is easy to become skillful at using mobile wallet services.

## **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.

The study reveals that the majority of the respondents are aware about mobile wallets and they are using the mobile wallets for making payments. As a result, out of 481 respondents got Information regarding wallet through 48.2% respondents from social media, aware regarding the mobile wallets it is found that the majority of the respondents are says yes. The findings also reveal how the influential factors affect the adoption of consumers. Security issues in transaction and privacy are the most concerned factors among users.

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