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A STUDY ON MOBILE WALLETS IN INDIA

Dr. Vinod A. S.¹ and Sanjith S. R.²

¹ Assistant professor ,PG Department of Commerce, Mahatma Gandhi College,Trivandrum

² Research Scholar, Department of Commerce, MG College Trivandrum,University of Kerala.

ABSTRACT:

The study aims to analyse the use of mobile wallets between urban and rural population of Kerala. Recent decade's technology plays a dominant role in India. Artificial intelligence, automation and machine language will now play a key role in trade of India. In this era sophisticated technology are used through the simple medium called smart phones, facilitates the use of digital technology around the world. Now, through electronic wallet today's market is expanded than ever expected. there was a penetration of the electronic wallet in the field too. That is one of the simple method to induce the knowledge about digital India to the general public by taking



the advantage of this user friendly and most convenient mobile wallets. Previously, that it would be difficult for customers will be taken away from the traditional exercises. But there is a big development in technological progress through the conception of is familiar to all as it is in your smartphone.

Financial institutions have introduced retouches to make offerings to promote their knowledge and adoption among rural clients and aimed at addressing the major challenges to be faced. Payments using mobile wallets almost doubled in the year after one month demonetization registering \$ 1 billion in 2017. They contributed 8.3% (1.6 billion) of the overall volume and 0.02% (US\$7 billion) of the overall value within the Indian digital financial system in 2016. It is estimated that in near future liquid currency circulation will become very low and online payments will overtake. Smartphone usage is increasing day by day so the usage of e-wallet.

KEYWORDS: digital wallet, mobile banking, cashless economy.

INTRODUCTION

We are living in an era where technology strive above traditional way of banking. Adoption of innovative strategy and ideas governing the banking sector in to the diversified area. It is an era where mobile phones converted in to the primary need of human being is the seed for the growth of m-banking across

the world. M-banking eliminate the cost of both banking industry as well as consumers from various cost such as bank does not need building, additional employees mean while customers were free from transportation cost which leads to cost reduction in banking sector and time saving for customers. M-banking facilitates the customer for making banking

transaction from anywhere in the world by using an application called digital wallets. M-banking plays a prominent role in the banking sector. According to the data released by Reserve Bank of India, the top five bank account for more than 92% of the entire value of mobile banking transaction in the

country. State Bank of India leads the pack with 36% market share, followed by ICICI bank (21.5%). HDFC bank(17.8), Axis Bank(12.8%) and Kotak Bank(4.7%). M-banking plays a vital role in the digital India a product initiated by government of India for ensuring the government's services are made available to citizens electronically by improved online infrastructure and by increasing internet connectivity a by making the country digitally empowered in the field of technology.

When using digital mobiles wallets, there are some rules by RBI called KYC rules should follows. There are three main categories operated in India from the portfolios, open wallets, semi-closed wallets and closed wallets.RBI introduced tougher KYC norms for digital wallets in India.

REVIEW OF LITERATURE

MunishSubharwal (2012), which analyses the changing face of India, based on computerization and customers expect a rapid change in banks with him. Even better service to the better customers make him loyal customer.

Jubair.T (2017) investigated the future growth of the banking sector in India. Thirty years have passed since the introduction of the Automatic Teller Machine, eight years since the invasion of internet banking in India. There have been several studies in the fields depending on the growth of a technology to analyse banking services-enabled technology.

Sunil.K.Lohiya (2014) studied the modern banking applications. Modern and innovative banking means adoption of latest method and techniques, new schemes in the area of mobile banking, e-banking, deposit mobilization, deployment of credit, balance enquiry, account statement and bank management. Internet banking will become familiar to all people irrespective of urban and rural area through mobile phone internet access and through the implementation 4G in India.

Sanjay Mathur (2012) studied the role of the mobile banking. The "Mobile commerce, in which there is a need for a transfer of ownership of services or goods out of consideration through the mobile phone, for example, consumer can buy goods from online shops by paying consideration through wallets.

Ritik Malik (2017) Mobile phone is not build up for only communication purpose. Innovative mobile phone can be used like a computer. However lack of awareness of rural India to restrict the growth of technology in a mobile banking.

From the above studies it is revealed that some of the scope of future needs of digital wallets in connection with innovative technologies in banking sector in order to enhance the cashless economy and evolution of computerised world is considered as the milestone of digital wallets. However the study related to customer's perception to digital wallet is absent from the above reviews.

STATEMENT OF THE PROBLEM

Digital India is the dream project initiated by government of India, to ensure the government service are made available to people electronically by improved online infrastructure and increasing internet connectivity or by making the country digitally empowered in the field of technology.

Mobile banking is a method doing banking transaction through mobile phone with the help of internet. Advantage to mobile banking include the ability to bank anywhere and at any time. In a contemporary world digital wallet plays a vital role which contribute the huge portion of mobile banking which will leads to achievement of digital India. For converting an economy in to the knowledge economy, the importance of digitalisation is unavoidable. For achieving the dream project of digital India m-banking is essential since the number of mobile internet users hikes day by day. It would also bring in public accountability through mandated delivery of government's services electronically. Digital wallets are used by public for doing banking transaction through mobile phones however there are some dissimilarities exist among them. Since the study is carried out to identify the factors which influencing digital wallet users and to find out the constraints of digital wallets in India.

OBJECTIVE OF THE STUDY

1. To study the factors which influencing digital wallets users in India

2. To study the constraints of digital wallets in India

HYPOTHESIS

1. There is no correlation between domicile and reasons for choosing digital wallets.
2. There is no significant difference between Gender and usage of digital wallets.
3. There is no significant difference between occupation and usage of digital wallets.
4. There is no significant difference between educational qualification and problems of digital wallets.

METHODOLOGY OF THE STUDY

Both primary and secondary data are used for the study. Secondary data is collected from various journals, articles, internet etc. Primary data is collected from 50 people who are using any one of the digital wallets by using a structured interview schedule from both rural and urban area having equal proportion.

Sampling technique

Purposive sampling technique is used to select sample.

Sample size

50 mobile wallet users has been taken for the study through purposive sampling technique.

Mobile wallets -An overview

Mobile wallets

Mobile wallets are also known as mobile money. It is an application working on mobile phones or tablet for receive and sent money. Mobile wallet is connected with the bank account of the user each transaction may increase or decrease the user's bank account like ATM works but the advantage over ATM is the user can sent a transfer money even from his house he don't need go for ATM machines. Digital wallets popularised in India after the demonetization.

Mobile wallets can be used 24*7 and 365 days in a year however there are some limitation in transaction limits and security thread.

Classification of mobile wallets in India.

Digital wallets is a common layman term. Actually in the bankers understanding it's called:Prepaid instruments. On the basis of who operate the wallet, Purpose of the wallet and transaction limit RBI classified mobile wallet under four categories.

1. Closed system payment instruments

These are payment instruments generally issued by business establishments for use at their respective establishment only. Certain amount is always fixed by the trader. Maximum amount that can be stored in these wallets is INR 10000. Example of closed system payment instrument is Make my trip my wallet, Golbibo etc...The limitation of this system is we cannot transfer the money to bank account or use any means to withdraw it from an ATM or bank branch.

2. Semi closed system payment instrument

These are payment instrument which are redeemable at a group of clearly identified merchant location/establishments. Which contract specifically with the issure to accept the payment instruments. These instrument do not permit cash withdrawal or redemption by the holder. Based on RBI guidelines, maximum amount that can be stored in these wallets is INR 10000 per month and it cannot be more than then 100000 for the entire year. In addition to the above, companies that offer such wallet services must have a PPI (Prepaid Instrument) license from RBI examples of the semi closed system payment instruments are Amazon pay, Paytm money.

3. Semi open system payment instrument.

These are payment instruments which can be used for purchase of goods and services at any card. Accepting merchant location (point of sale terminals). The limitation of this wallet is to do not permit cash withdrawal or redemption by holder.

4. Open system payment instrument.

These are payment instrument which can be used for purchasing of goods and services and also permit cash withdrawal at ATM. These wallet can only exist with the support of banks and need to take permission from RBI before launching. Only bank can issue an open loop wallet. Maximum amount that can be stored in a wallet is INR 100000. Examples of open wallets are M-Pesa by Vodafone in association with ICICI and Payzappbu HDFC.

Top mobile wallets in India

1. PayTM

PayTM is one of the largest mobile wallets platforms in India introduced in 2010 which offers its customers a digital bank. Facilitate e-commerce transaction, m-commerce, digital India etc. can be easier with payTM application.

2. Momoe

Momoe is a mobile wallets start up in Bengaluru that focuses on changing how customers pay while eating out, travel and shop. Momoe application to use, you can store Details of your credit cards to make payments, in a mobile several restaurants, grocery stores, clothing, salons and other outlets.

3. PayUMoney

PayUMoney, a Gurgaon-based company similar like payTM a digital wallet stores amount from the bank account used for payment for various transactions. PayUMoney is generally used for purchase of goods and services.

4. MobiKwik

MobiKwik is an independent mobile payment network that supposedly connects 25 million users with 100000 retailers and more. This mobile wallet lets its users add money using debit, credit card, net banking and even doorstep cash collection service, which can in turn be used to recharge, pay utility bills and shop at marketplaces.

5. Amazon Pay

It is an online payments processing service that is owned by Amazon. Launched in 2007, Amazon Pay uses the consumer base of Amazon.com and focuses on giving users the option to pay with their Amazon accounts on external merchant websites.

6. State Bank Buddy

State Bank of India introduced State Bank Buddy mobile phone wallets. This semi-closed prepaid wallet offers its services in 13 languages and is available for non-SBI customers as well. This app also allows its customers to set reminders for dues, balance enquiry, account statement, money transfers and view the mini-statement for the transactions carried out.

Data analysis and interpretation**Table no -1
Personal variable**

1. Gender wise classification		
	No of respondents	Percentage
Male	28	56
Female	22	44
2. Domicile		
Rural	25	50
Urban	25	50
3. Occupation		
Business	10	20
Profession	18	36
Employment	14	28
Others	8	16
4. Education		
Matriculation	11	22
HSE	14	28
Graduate	18	36
PG/ professionals	5	10
Illiterate	2	4

Source: primary data

50 samples were taken for the study including 25 from rural and 25 from urban tourist consist of 28 male and 22 female users. Majority of the respondents have profession as occupation that is 36% followed by employment consist of 28%. Majority of the respondents are graduate occupying 36% of the total users.

**Table No-2
Rank correlation between domicile and reason for choosing mobile wallets.
SPEARMAN'S RANK CORRELATION**

FACTORS	RURAL		URBAN		D	D ²
	TOTAL	RANK (R1)	TOTAL	RANK (R2)		
User friendly	118	1	107	2	-1	1
Simple terms and conditions of payment	90	6	87	7	-1	1
Time savings for payment	98	4	93	5	-1	1
Convenience	105	3	91	6	-3	9
Round the clock accessibility	94	5	125	1	4	16
Reward and return	107	2	101	3	-1	1
Paperless transaction	88	7	96	4	3	9
Spearman's rank correlation (R)					0.321429	

Source: primary data

It is clear from the above table the reasons for selecting digital wallets, which is positively correlated to domicile. As per Spearman's rank correlation $R=0.321429$ which shows the above said variables are positively correlated. Hence null hypothesis is rejected and alternative hypothesis is accepted: There is a Correlation between the domicile and reasons for choosing digital wallets.

Table No-3
Constraints in digital wallet

Problems	Mean	Standard deviation
Infrastructure	56.4	25.376
Incomplete and incorrect transaction	52.8	23.908
Defect or error in payment mode	58.8	25.285
Technical language	58.8	24.631
Bank reconciliation problems	53.6	24.475
Security issues	59.6	23.644
Levies, charges and commission	56	30.305
Transaction limits	60.8	23.285
Total	57.1	9.2907

Source: primary data

Table No-4
Relationship between gender and problems of constraints wallets

Gender	Number of respondents	Mean	Standard deviation
Female	22	57.614	9.5268
Male	28	56.696	9.256
Total	50	57.10	9.2907

Source: primary data

Table No-5
ANOVA Table

	Sum of Squares	Degree of freedom	Mean square	F	Sig.
Between Group	10.364	1	10.364	.118	.733
Within Group	4219.136	48	87.899		
Total	4229.500	49			

Source: primary data

The table No-5 shows the relationship between gender and constraints it's clear that the p value is greater than 0.05 (0.733) at 5% significance level which shows that there is no significant difference between gender and constraints in digital wallets.

Table No-6
Relationship between occupation and constraints in digital wallet.

Occupation	Number of respondents	Mean	Standard deviation
Business	10	56	8.182
Profession	18	58.472	10.4719
Employment	14	55.536	9.7161
Others	8	58.125	7.9899
Total	50	57.1	9.2907

Source: primary data

Table No-7
ANOVA Table

	Sum of Squares	Degree of freedom	Mean square	F	Sig.
Between Group	88.657	3	29.552	.328	.805
Within Group	4140.843	46	90.018		
Total	4229.500	49			

Source: primary data

Table no-7 shows the relationship between occupation of the users and constraints in digital wallets. The null hypothesis is accepted since the p value is greater than 0.05(0.805). it is clear that people uses digital wallets irrespective of their occupation.

Table No-8
Relationship between educational qualification and constraints in digital wallet.

Education	Number of respondents	Mean	Standard deviation
Matriculations	11	54.545	12.5408
HSC	14	60.714	7.2343
Graduation	18	57.778	8.4405
Post-Graduation/professional	5	49.500	5.7009
Illiterate	2	58.750	8.8388
Total	50	57.1	9.2907

Source: primary data

Table No-9
ANOVA Table

	Sum of Squares	Degree of freedom	Mean square	F	Sig.
Between Group	557.179	4	139.295	1.707	.165
Within Group	3672.321	45	81.607		
Total	4229.5	49			

Source: primary data

The table no-9 shows the relationship between educational qualification and constraints in digital wallet. The null hypothesis is accepted at 5% significance level (p value > .05). it is clear that digital wallets used by the customers irrespective of their education.

FINDINGS

1. The correlation coefficient shows a positive correlation among the factor for choosing the wallets. Which reveal that the reason for choosing mobile wallets almost same in case of rural and urban. However rural digital wallet users were highly influenced by the user friendly specification while round the clock accessibility is more preferred by urban users.
2. The severe problem in connection with mobile wallet is transaction limit with highest mean value followed by security issues.
3. ANOVA table shows that digital wallets are used irrespective of gender disparity. Both male and female uses digital wallets equally.
4. ANOVA table shows that digital wallet users and their education are independent. People with different educational qualification uses digital wallets.
5. ANOVA table shows that different occupations is not influencing digital wallet users. They are facing similar problems in connection with digital wallets.
6. Digital wallets enhances e-transactions of both rural and urban area.

CONCLUSION

Mobile wallets are the application used for digital payments is now become popular in India irrespective of domicile, education, occupation and gender due to the benefits of user friendly, convenience, time saving, paperless transaction etc. The study reveals that rural and urban people are using digital wallets almost equal manner however user friendly features attract rural customers while round the clock accessibility attract urban people towards digital wallet. Educational qualification, occupation etc. are independent in digital wallets habit among people. However there are some drawback exists in digital wallets; the major drawback is transaction limit. Majority of the wallets fixes maximum of INR 10000 as maximum limits.

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