



E-WALLETS: AN INNOVATION AND ITS PERCEPTION AMONG YOUTH

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ABSTRACT

As Digital world continues to evolve, presenting the real world with new technologies capable of simplifying and enthralling regular activities, adapting with the pace of new developments is a necessity, not an option. Electronic wallet is one such innovation which has found its place in smartphones of almost every buyer and seller in every nook and corner of the society. The present study aims to understand the significance of e-wallets from customers' perspective by analysing their experience. The study evaluates the positive and negative impacts of using e-wallets for payment from the perspective of youth, i.e., the college going students who constitute the major section of the society frequently transacting through latest tools and are quite aware about the latest digital payment options. The beneficiaries of the research findings shall be the e-wallet operators or fintech companies involved in digital payment infrastructure services to make subsequent improvements for furthering the scope of digital inclusion.

KEY WORDS: customer, e-wallet, impact, youth

INTRODUCTION

The advent of e-wallets reflects a transition from cash payments to cashless way of making payments at a broader level. The plastic money has undoubtedly made its way in methods of online payment while e-wallets have tended to bring about a revolution by ensuring its presence in each person's smartphone.

A digital wallet, also known as e-wallet, is an electronic device, online service, or software program that allows one party to make electronic transactions with another party bartering digital currency units for goods and services. (*Digital Wallet - Wikipedia*, n.d.) .Electronic wallet is a cashless way of making payments, using online and app-based services for transaction. These wallets are either linked to bank accounts, or are filled with cash using debit/credit cards and can be used as regular wallets to make payments at both online and offline points of sale. As per a recent directive by the central bank, to push digital transactions in rural and semi-urban areas, the Reserve Bank of India (RBI) has issued a framework allowing offline payments up to Rs 200 per transaction, subject to an overall limit of Rs 2,000.

E-wallet has mainly two components, software and information. The software component stores personal information and provides security and encryption of the data. The information component is a database of details provided by the user which includes their name, shipping address, payment method, amount to be paid, credit or debit card details, etc.

Applications

There are various applications of e-wallet. These can be as follows:

- Bill payments
- Money transfer
- Faster payments in shops
- Ticket booking (Air, Train, Bus)
- Bank account management
- E-Commerce
- M-Commerce

REVIEW OF LITERATURE

Singh (2021), in his article titled, "E-wallets are similar to bank accounts, but more convenient: Experts", provides a comparative analysis of bank account and e-wallet mentioning the advantages of latter making it more



popular and convenient. The author explains the security and privacy related features of e-wallets and talks about the interoperability and authentication through KYC made mandatory by RBI.

Kolandaisamy & Subaramaniam (2020), have summarised that e-wallets have gained popularity over traditional modes of payment, especially, among the young generation due to convenience and ease of use while the older people still feel susceptible about safety and security related to digital payments as a whole, but are gradually making up their mind to switch to digital mode.

Brahmbhatt (2018), has studied consumers’ perception towards e-wallets in Ahmedabad City in which she has concluded that 92% respondents of the study have preferred e-wallet in place of conventional payments and to spread their usage further, the company operator need to adopt better marketing strategies.

Pachpande & Kamble (2018), in his research have pointed out that the presence of mobile wallet has spread on a large scale from urban to rural areas due to three major factors which play an important role in consumer adoption are convenience in Ease of use, quick online transaction and usefulness of E-wallet, which play an important role in their adoption. The authors also mention safety and interoperability as important areas which need to be improved.

Hodiwalla Fali & Aneja Dheeraj (2016), in their article in Financial Express, titled, “Emergence of e-wallets in India; here is how the payments industry is growing rapidly” advocated that digital wallet operators have built a significant customer base as they have simplified the transaction experience and complimented it with multiple promotional offers to attract a wide customer base.

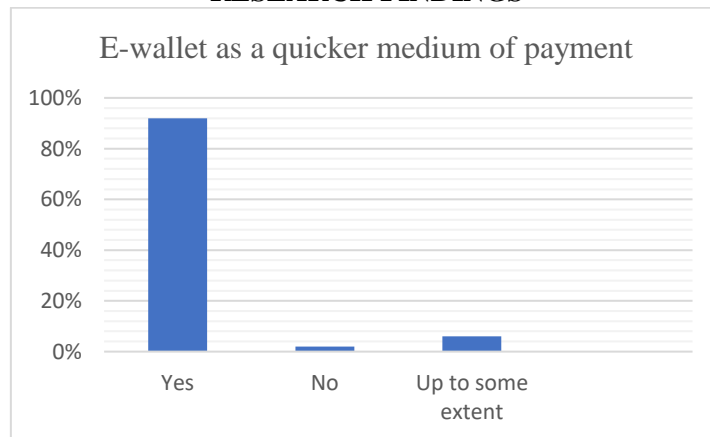
Salodkar Ambarish, Morey Karan and Shirbhate Monali (2015), in their study on electronic wallet have advocated that the elements like the mobile environments and devices, the electronic wallet and standards meant to increase the flexibility of the transactions shall determine the future of the electronic payment systems. According to them E-wallet will definitely pave the way for a secure, fast and futuristic way of transactions. They also feel that e-wallet will give a user the liberty to shop and pay from anywhere with just a click of a button and without any kinds of worries regarding the security.

RESEARCH METHODOLOGY

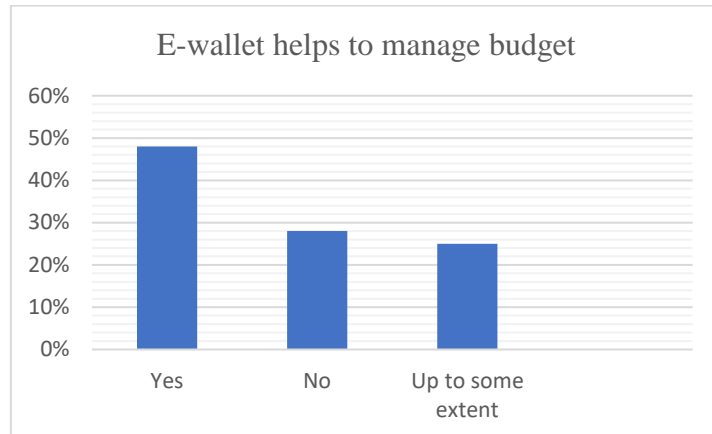
The Research Methodology used for the study was a combination of Descriptive and Exploratory research. It included surveying college going students aged between 18-25 taken as sample for the study from Jaipur city with the help of a close-ended questionnaire. The questionnaire was sent across to 85 respondents who were mostly college going young people. Around 82 respondents answered in which 7 questionnaires were not properly filled, so the study is based on the data received from 75 respondents. The proposed answers were in the form of three statements: —yes —no and —Up to some extent.

Secondary data was collected from books, journals, magazines etc. Various research publications related to the topic were referred in the course of the study. The main aim of the research was to analyse the perception regarding e-wallets.

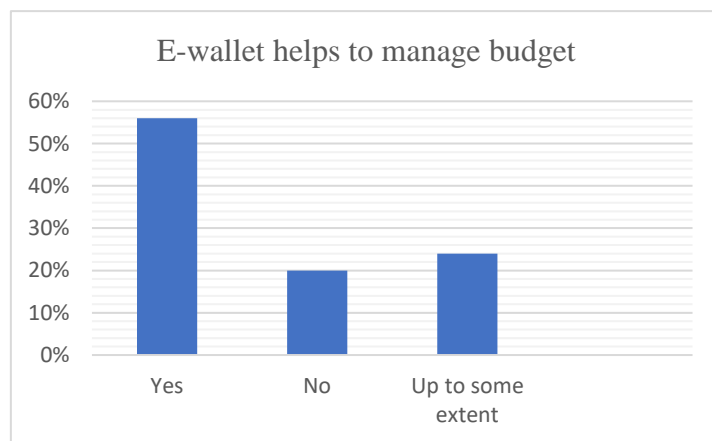
RESEARCH FINDINGS



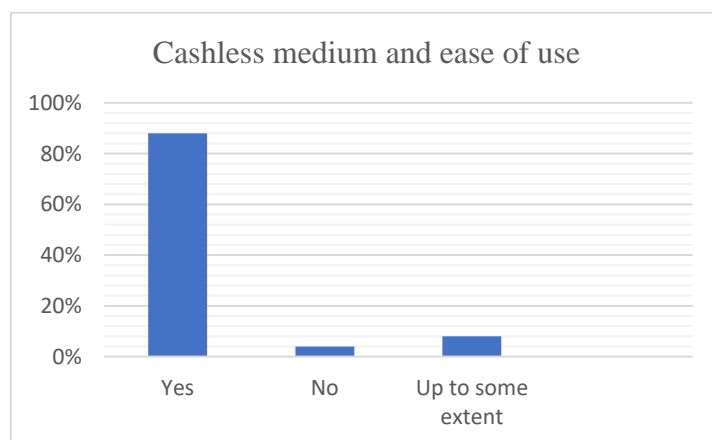
92% respondents agreed that using e-wallets is a quicker medium to make payments whether on websites or in person on point-of-sale. There is no mess of counting the notes or searching for change. The receipt is instantly generated without any need to wait for the merchant to verify the transaction or the amount paid.



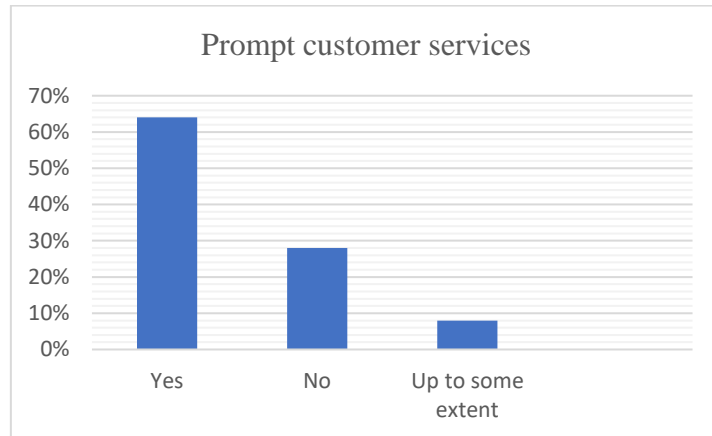
48% respondents agree that the discounts offered and rewards provided after each transaction attract them to use the e-wallet often. 28% respondents denied such offers and rewards as attractive and were least concerned about it. The rest 25% said that up to some extent, sometimes, they considered these discounts and rewards as the deciding factor.



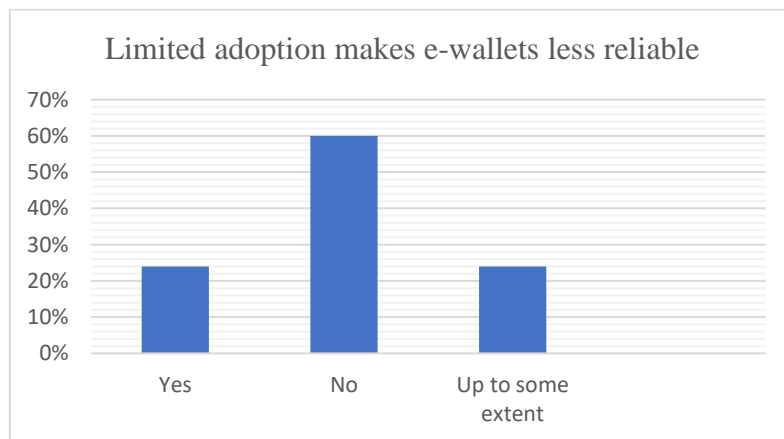
56% respondents accepted the fact that using e-wallets help them to manage their budget, prioritizing the transactions and avoiding unnecessary expenses. 20% denied any such impact while 24% of them had mixed review that up to some extent they can manage their transactions while using e-wallets.



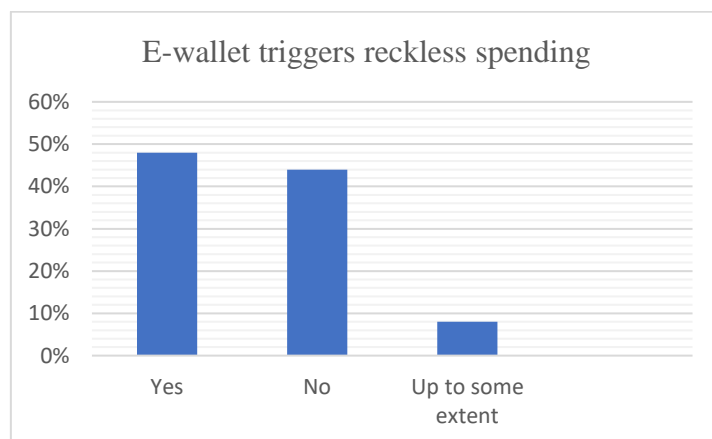
88% respondents admired the cashless feature of e-wallets which makes it easy for them to pay anywhere and anytime, any amount needed, without worrying for cash in hand. 4% denied while 8% said that up to some extent they find the feature attractive.



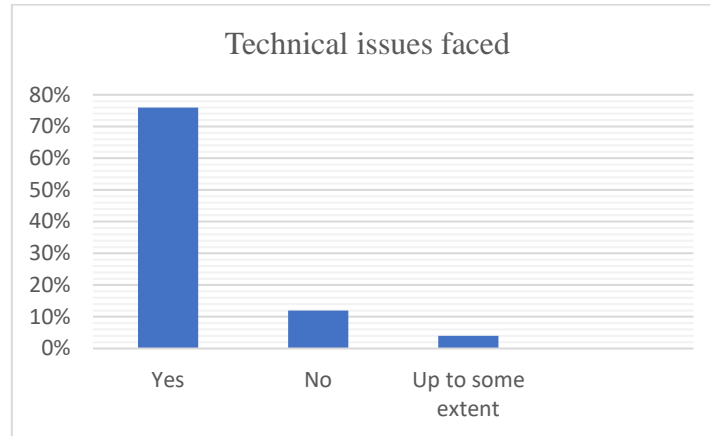
64% respondents admitted to contact customer care while faced with any issues and agreed that prompt services helped them to prefer making payments using e wallets and enhanced their satisfaction level. 28% of the respondents responded in negative which implies they either did not avail the customer care services or their issues were not resolved satisfactorily. Rest of the respondents, i.e., 8% said that up to some extent such feature attracts them as they do not contact the support often.



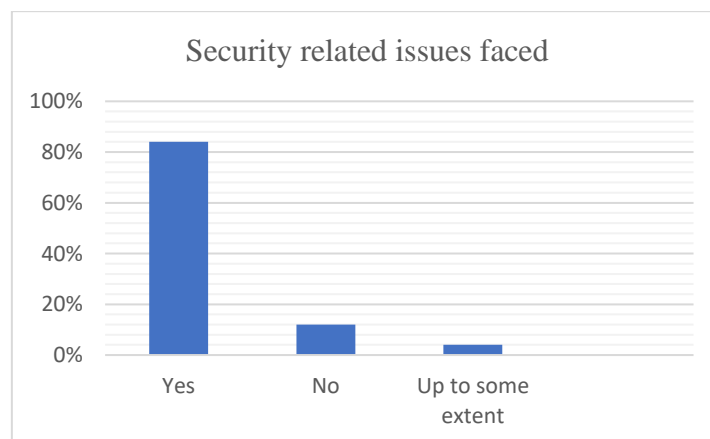
24% respondents agreed that universal availability of e-wallets not being there, poses a problem, especially while transacting with street vendors, small shopkeepers, etc. 60% denied such drawback to be impacting the reliability of e-wallets much, while rest of them 24% said that up to some extent they find e-wallets due to such reason, less reliable.



48% respondents agreed that 24/7 availability of wallet in hand, in form of e-wallet, leads to reckless spending, while 44% respondents denied and rest 8% said that up to some extent such happens.



76% denied facing any technical issues while making payment through e-wallets, 12% said that up to some extent, sometimes, they face such issues while just 4% said that most of the times technical issues lead to failure of transactions.



84% responded in negative about facing any security threats when using e-wallets for transactions, while 12% agreed that they found it risky to link their bank accounts with e-wallets and rest 4% responded for 'up to some extent'.

CONCLUSION

The research findings depict that the consumer perception towards e-wallets is on favourable side with majority respondents agreeing to the digital payment mode to be quicker, easy to use, economic and cashless. Cashless payments are now becoming a popular trend in almost every field. Demonetization has forced a lot of places to accept digital payments. Use of e-wallets helps in moving away from a cash-based economy. In the process, all the transactions get accounted in the economy, which has the effect of reducing the size of the parallel economy. Although some disadvantages in term of interoperability and standardization of security and formats persists, still people have favourable perception towards them. As a result, the major factors which play an important role in consumer adoption are convenience in ease of use, quick online transaction, prompt customer services and usefulness of e-wallet in terms of prioritizing the transactions. Users of e-wallets are satisfied with the services provided to them but some are quite sceptical about security aspect. The most adored feature of e-wallets is that they are hassle free and quick mode of making an online payment. The study concludes that digital wallets see a wide consumer base implying bright future in near time.



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