Transformation towards E-Wallet Payment Systems Pertaining to Indian Youth

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Abstract

E-wallet payments are becoming more compatible for the Indian economy guided by Smart phone pivotal internet utilization. India presently has around 8.5 crores unique active mobile wallet users. Out of all the transactions through mobile wallets the higher percentage is done by Indian youth. Our research was an analytical study of the active number of E-wallet users concentrating to college students and how the new system after demonetization has molded the payment system around students predominantly in areas of day to day purchases in digital payment facilitated vendors and for commuting. We did a campus wide survey relating to this and an analytical business perspective was build upon the data. We also had an in person questionnaire within certain groups to
analyze the extensive usage of mobile wallets primarily among students. This research predominantly converge relating to the preeminence of E-wallet usage among students and the various business techniques deployed by E-wallet firms to stabilize the overall user count.

**Key words:** E-wallet, Digital payment, Demonetization, Business analysis.
1. Introduction

In this new era of mobile phone and smart phone technology when the daily user count is increasing at the rate of thousands per day newer technologies are coming to aid the customers. one of the most useful and innovation technologies of all was the introduction of E wallets or digital payment systems. In India the first e wallet was launched in 2006 by Time of money named Wallet365.com, it enables secured electronic payments between people and business easily and instantly. This e wallet eased payments for online shopping and payment of utility bills. The real change happened after India went through demonetization when the user count rapidly increased and many e wallet companies grabbed this opportunity, when the monthly transaction jumped from 3000 crore to 6800 after demonetization. In 2013 the industry was having annual turnover of IND 24 billion and in 2017 it has grown to IND 955 billion. The industry is expected to grow up to $4.4 billion by the year 2022. Though many look into Governments United Payment Interface (UPI) over other modes, E wallet Industry is having immense opportunity in our country. A stiff competition stays in the field and the market is filled with more firms coming into race and are trying to grab in the opportunity.

2. Literature Review

According to Dr Hem Shwetha Rathore(2017) the study on “Adoption of Digital Wallet By Consumers” gives a analysis about the various factors that could impact a consumer’s decision in adoption of digital wallet as an mode of payment. It also attempts to study the various risk and challenges that are faced in using of digital wallet by users.

A detailed analysis is carried to check in the comparison on mode of online payment and various age groups, also the way online payment are carried out with respect to occupation, factors that can create a influence on selection of digital wallet with reference to age groups, also the factors that affect a users willingness to adopt digital wallet as a mode of payment with reference to income level as well as the kind of satisfaction users receive on using use of Digital Wallet Services. The Study also predicts that main factors that play an important role in consumer adoption are divided into three - ease of online purchase, level of loyalty provided also the viability of digital wallet. The findings by the study include security and safe are the most challenging issues as well as the most accepted feature of digital wallet is the hassle free mode of making a payment.[1]

“Study Consumer Perception of Digital Payment Mode” Shamsher Singh, Ravish Ran(2017) , finds out the customer perception and impact of demographic factors on adoption of digital mode of payment .ANOVA Computation is carried in testing the hypothesis set. The study finds that demographic factors except education does not have a impact on the adoption of
the digital payment. Analysis through ANOVA computation shows that education level of the customer plays an important role in customer adoption in digital payment mode[2].

J.Sivasubramanian, M.velavan, S.Arunkumar, P.Abirami, C.theresa, G.Abirami(2017) study on, ”Preference Towards Digital Payment System”, is an analysis of the consumer perception towards digital payment in Thiruchirapalli, focusing on the perception factors which determine the preferences towards Digital Payment. The aspects they looked into were the duration of time the consumers spend using digital gadgets, service network and payment gateway used as well as the consumers view about digital payment. Factor analysis, correlation, Multiple regression analysis are the statistical tools used to find out the challenges faced by the X generation consumers. The successful implementation of digital payment system among Generation depends on trustworthiness, convenience & benefits security and privacy constraints of consumers belonging to Generation X as well as their demographic profile which have a impact on the consumer adoption.[3]

“E-payment System on E-Commerce in India”, Study by Karamjeet Kaur and Dr Ashutosh Pathak(2015) gives a detailed study about the role E payment system and its impact on E commerce in India.

It gives a theoretical aspects about the types of E payment system, the limitation of age old payment system with in the concept of electronic payments which includes lack of usability, lack of security, lack of efficiency and consistency as well as the various requirements in digital payment. Components of effective electronic payment system. The study gives a emphasize on scope of E payment system in the future which could be possible by the impact of technology which would be reachable to all common people in the country[4]

A study conducted by Jiang ping Wan, Ming Zeng, Lianyu Liang ,“Empirical study on usability impact factors of electronic wallet one card solution within college students”(2013), gives a analysis of various usability factors in E wallet which includes cognition, Functionality, Usability, satisfaction. They have set up a preliminary solution for college students through a one card access for all purposes and analyze the usability evaluation system using a factor analysis system works and done their evaluation on singleton studies about the factors that affect usability information system and its various process and meaning.[5]

3. Objective of the Study

1) To analyze the perspective of youth towards a switch to E wallet.

2) To study the factors influencing youth towards E wallets.

3) To study the strategies adopted by E wallet firms in keeping their user base consistent.
4. Main E wallet Services in India

4.1 Paytm

Paytm is one of the biggest E wallet services in India with the maximum number of stable users. Paytm offers various payment options including bill payments, mobile recharge, flight and railway booking and it has become a standard mode of payment now.

Its roots lie in One97 Communications one of Indians internet payment companies. One97’s main investors are MediaTek, Ant Financial (Alipay), Alibaba Group, Soft Bank, SAIF Partners.

4.2 ICICI pocket

ICICI pocket is a VISA based E wallet service in with users can make transactions with anybody. This wallet services provides facilities for faster third party merchant purchases payment of bills and other financial services. ICICI pocket also comes equipped with a card for transaction in shops and E commerce websites.

4.3 Jio money

Jio Money comes under the brand of Reliance Jio Infocomm Ltd, it offer fast and Convenient bill payments. It helps in instant paying of your electricity, gas, landline, prepaid and postpaid bills from anywhere. Jio prime users can access this facility.

It also provides its customers with various attractive offers and schemes.

4.4 Airtel Money

Airtel Money was at first only used by a small amount of urban population, after the effects of demonetization this E wallet came into extensive use in paying bills and other payment services. This E wallet is also used to transfer money within people for various purposes. No bank account is required for transactions, also it works without an internet connection.

4.5 Citrus

Citrus is a UPI based E wallet service wherein only a virtual address is used to make payments so the money and identity is secure. Payments are much more faster and convenient.

4.6 Citi Master Pass

Citi MasterPass stores all the customer data in a secured server so that all CITI bank consumer card details and shipping details need not be entered every time they make a purchase. This eliminates the risk of customers abandoning shopping cart because of the tedious payment process and also creates a secure way of transferring.
5. Analysis and Interpretation

5.1 Analysis of the Factors influencing Extensive use of E Wallets after demonetization

Table 1: Factors influencing Extensive use of Mobile wallets after demonetization

<table>
<thead>
<tr>
<th>Mode</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Handling Transaction Easier</td>
<td>51</td>
<td>85</td>
<td>20</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Monitory Benefits</td>
<td>18</td>
<td>90</td>
<td>45</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Helps in doing Multipurpose financial Activities</td>
<td>37</td>
<td>93</td>
<td>27</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Acceptance from small scale to large scale vendors</td>
<td>24</td>
<td>76</td>
<td>44</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Transactions are secured</td>
<td>24</td>
<td>85</td>
<td>46</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

Interpretation

Respondents in order to check in there response towards how they see a particular aspect regarding the use of E wallets were given five choices from strongly agree to strongly disagree to choose from the perspective opinions provided i)Handling transaction easier, compared to liquid cash transaction E wallet transaction are more easier, 51 respondents strongly agree ,85 agree , 20 respondents have neutral choice while 3 disagree with it while rest 2 of the respondents strongly disagree with it.2)Monitory benefits 18 of the respondents strongly agree ,90 respondents agree ,45 respondents have neutral opinion while 3 disagree with it while rest 2 of the respondents strongly disagree with it.3)Helps in doing multi-purpose financial activities ,from the overall respondents, 37 of the respondents do strongly agree ,93 agree ,27 of them are having neutral opinion while 2 of them disagree with it while rest 1 of the respondents strongly disagree with it. 4) Acceptance from small scale to large scale vendors 24 respondents strongly agree ,76 respondents agree ,44 respondents have neutral opinion , 14 disagree while rest 2 of the respondents strongly disagree with it. 5)Acceptance from small scale to large scale vendors 24 respondents do strongly agree, 76 agree ,44 respondents are having neutral opinion while 14 disagree, rest 2 of the respondents strongly disagree with it. vendors.6)Transactions are secured with the absence of cash in hand ,the money can be kept in electronic wallets which is more safer and convenient compared to cash in hand 24 respondents are strongly agreeing ,85 respondents are agreeing ,46 respondents take neutral opinion, 3 of them disagree with it while the rest of the 2 respondents strongly disagree.

5.2 Analysis of the use of E-Wallets over other modes of payment

Table 2: Using E-Wallets over other modes of payment

<table>
<thead>
<tr>
<th>Factors</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Saving</td>
<td>43</td>
</tr>
<tr>
<td>Easy Accessible</td>
<td>44</td>
</tr>
<tr>
<td>Quick transaction</td>
<td>61</td>
</tr>
<tr>
<td>Security</td>
<td>6</td>
</tr>
<tr>
<td>Safety</td>
<td>5</td>
</tr>
</tbody>
</table>
Interpretation

On analyzing the influential factor that differentiate E wallets from other modes of payment, respondents were provided with certain factors, 61 respondents choose Quick transactions as a influential factor along with time saving at 43 respondents and Easy accessibility by 44 respondents while safety and security is chosen by others.

5.3 Analysis of payment mode used by most in E-commerce.

Table 3: Payment mode used by most in E-commerce

<table>
<thead>
<tr>
<th>Mode</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debit Card</td>
<td>90</td>
</tr>
<tr>
<td>Credit Card</td>
<td>23</td>
</tr>
<tr>
<td>Digital Wallets</td>
<td>14</td>
</tr>
<tr>
<td>Net Banking</td>
<td>22</td>
</tr>
<tr>
<td>Others</td>
<td>11</td>
</tr>
</tbody>
</table>

Interpretation

Analysis was carried out to check in mode of payment respondents commonly use, of the total respondents 90 Opted for Debit card and 23 for Credit card while 14 for Digital wallets, 22 for Net banking while rest opted for other modes. Though the number of users using E wallet directly are minimal compared to others, respondents agree that most of their debit / card transactions are carried with the Digital wallets.

5.4 Data Analysis Based on User Response.

Interpretation

The analysis is to figure out the number of times E wallets are used by a youngster during a month, choices from once to more than 6 times a month were provided and from the total no respondents 56 respondents use it once in every month, while 25 respondents are using twice in a month, 20 respondents are using thrice a month, 33 respondents use between 4 to 5 times while 26 respondents use it more than 6 times in a month. The study shows that E wallet are used for at least once in a month by the respondents. The analyses shows
that E wallets are a common trend among the youth today and they are used in for one purpose or other depending on the facilities available.

Interpretation

The study was to analyze the concept of E wallet among youngsters, the respondents were provided with various aspects related to E wallets and were asked to choose from it, 60 of 160 respondents choose E wallet can be alternative mode of payment, while 46 respondents choose. E wallet can replace the existing cash based payment, 41 respondents believe that it can support the existing payment systems while 13 respondents chooses other reasons as there opinion. It was evident from the response that in youth's perspective E wallet as a mode of payment can replace the existing cash payment system as well as it can formulate a alternate mode of payment in our country.
**Interpretation**

E wallet as a mode of payment can be used for various services, the analysis is to focus which Payment system respondents choose from the available which are equally perceived by the youth, out of the 160 respondents, 47 chooses recharge as the main purpose of using E wallets for doing various mobile and DTH recharges, 53 respondents use E wallet for booking tickets (Entertainment, Bus, Train, Flight) 26 respondents use it for money transactions while 20 respondents uses it as a tool for E commerce bill payment and rest 14 respondents use it for paying electricity, water and insurance bills.

**5.5 Age Wise Classification of Respondents**

The bar graph represents the age wise classification of the respondents, the highest number of participation were 20 years old with 54 respondents, 21 years with 30 respondents, 19 years with 29 respondents as well as 18 years with 27 respondents out of the 160 respondents, we have 1 respondent each from 17, 24, 25, 30 years age group also 3 each from 23 and 26 years old. The analysis shows that the data was collected between the age group of 17 to 30 college going students who are the users of Ewallet for various online payment purposes.

**5.5 Business analysis Pertaining to E-wallet Firms.**

E-Wallet or Electronic Wallet has seen a significant raise in user base post demonetization with the governments initiative towards transforming India into a digital nation, also the need for an alternative payments mode has positively impacted the E-Wallet sector, the last few years can be seen as the golden era of E-Wallet in our country. But with the coming up of new E-Wallet firms and the rise in market potentiality, the competition within and outside the market has grown immensely. To stay in this competition and keep their user base secure E-Wallet firms come up with various strategies which include both monetary as well as technical benefits. Some of the strategies implemented by the firms include:
Strategies | Description
--- | ---
Monetary |  
Cash Backs | Cash backs are return on the payment made.  
Referral codes | These are the codes that can be referred to users friends and acquaintance providing reward for the user.  
Redeem Points | Points which are offered by firms which can be redeemed at the time of purchase.  
Discount Vouchers | During purchase firms offer discount vouchers  

Non Monetary | Description
--- | ---
Ease of transaction | The firms made maximum advantage of the technology and made transaction more easier.  
Multi Purposes Services | E wallet firms provide users with wide range of services from online ticket booking to paying street vendors.  
Timely Updates | Providing updates by using commercial medias as well as using social media. confidentiality of the users.  
Safety and Confidential | The information provided by the users will be kept secure and the various transaction are kept within the confidentiality of the server and user.  

6. Findings

- Two third of the youth today use E wallets mainly for online transactions, recharges, booking tickets.
- Most of the respondents choose E wallets because of their ease and quick nature of transaction, as well as time saving.
- Respondents agree that E wallets can replace the existing payment systems and bring in a alternate mode of payment.
- E wallets are now more accessible with the availability of smart phones with high speed internet.
- Effects of Demonetization has led the towards a alternate Payment mode, E wallets utilized this opportunity.
- Most of the youth in their response agree that E wallet are now accepted in small vendors to large scale retailers.
- Respondents agree that the availability of cash backs, redeem points and loyalty services provided by E wallet firms, gives them the opportunity to select the best of the available ones.

7. Conclusion

E wallets Payment systems have grown-up to a larger market during the years, being a part of techno economic development youth has accepted this concept. One third of the youth today use E wallets at least once in a month, perceiving E wallets mainly due to their easily accessible nature, Ease of transaction as well
as the confidentiality and security during the Payments.

The major factors influencing youth towards E wallets include availability of wide range of services, monitors benefits as well as it's acceptance from small vendors to large scale retailers. In order to maintain and strengthen the user base, E wallets firms compete themselves with other firms on providing quality service and providing it's customers with wide range of monetary benefits with technical advantages.

References


[10] What are people’s concerns and preferences in cashless payment?,