

## FACTORS IMPACTING MOBILE WALLET USAGE IN PUNE CITY

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**Received: 09 May 2019**

**Accepted: 06 Jun 2019**

**Published: 25 Jun 2019**

### **ABSTRACT**

*India is constantly making efforts to propose itself as one of the biggest digital economies. In lieu of this many initiatives are taken by the government such as Demonetization etc. Demonetization has brought in a dramatic shift in the mindset of Indian consumers. A dearth of cash available for spending has forced the consumers to search out new ways to facilitate the transactions. The requirement was the medium to be secure, hassle-free and easy to use. In India, around 90% of the people use mobile phones. Hence this platform was appropriate to facilitate their transactions, along with being secure, hassle-free and ease of use. Demonetization has enabled people to use different M-wallets. M-wallets targets a large population by facilitating financial inclusion. Since there are different wallets provided in the market the consumers are at a benefit from choosing from different wallets, behavioral aspects come in the picture while selecting the wallets. Consumer's likes, dislikes, preferences, habits play a major role in the selection of the wallets. Therefore, in this study, the attempt has been made to study the factors which affect the intention of the consumers to use M-wallets. A survey was conducted among 250 respondents in Pune, to identify the factors which affect the intention of the consumers to use M-Wallets. Parameters like convenience, ease of use, privacy, security, compatibility, service quality, etc. are considered. This study would be of help to the policy makers and marketing strategists to design more customized and user-friendly wallets. Moreover, this might assist the bankers to find out core banking solutions.*

**KEYWORDS:** *M-wallet, Demonetization, Cashless Transactions JEL Classification- M30, M31*

### **INTRODUCTION**

Cashless transaction are an emerging trend that has seen many folds increase in the last couple of years. Cashless payments in almost all areas are now becoming popular drift. Mobile-wallet has become one of the important financial facilities for paying cashless and boosting the digital economy. The mobile apps are more preferred because they serve as physical wallet. They provide all the facilities which are provided by the physical wallets, plus they provide these facilities without being physically present in the bank. The M-wallet even acts as a big opportunity as it's a new concept and business houses aspire for constant growth and stability in their performance. In India, the internet facilities provided to the consumers makes it possible even for the consumers to access these M-wallets with ease. It is convenient, user-friendly, and safe due to the security matrix used in their algorithms.

## Review of Literature

**Table 1**

S.No	Year	Author	Crux of the Study
1	2018	Techsciresearch Consultant	According to this report in India, m-wallet can reach \$20 bn by 2020.
2	2018	Bagla & Sancheti	Authors have examined the popularity of digital payments in India and sustainability challenges faced by m-wallet companies in India. They also explored the fact there is an urgent need
3	2017	Manikandan & Jayakodi	This new technology creates a huge market share and makes a faster growth by giving ease of use and convenience.
4	2017	Singh & Rana	This study has supported the above findings that the educational level of respondents significantly influence the intention to adopt m-wallets.
5	2017	D'Souza & Bhadury	This study provides a base for m-wallet companies to understand the average potential customer and its risk.
6	2017	Singh et al.	This study which was done on a regional basis explored consumer preference of m-wallets for North India where a conceptual model named UTAUT was used.
7	2016	Koksal	It was observed in this study that culture and economic factors play a significant role in the adoption of M-wallets.
8	2016	Taheam et al.	This study states that a few problems have hindered the acceptance of M-wallets by a number of people, such as premium pricing, complexity, poor net connections, and the associated risks.
9	2016	Shah et al.	The study stated that Indian users will take to digital payment option because of high internet and mobile penetration.
10	2016	Painuly & Rathi	The facility of M-wallets of mobile telecommunication provides those applications the support and hassle-free transactions.
11	2016	Bhaskar	Consumers prefer wallets and online banking for shopping and booking movie ticket.
12	2015	Upadhyay & Chattopadhyay	Authors have analyzed the issues related to adopting mobile-based payment services
13	2013	Narayan	Author has stated that m-wallet service that enhances mobility and connectivity of the standard wallet in a built-in mobile device. It provides protection as well as convenience to the user.
14	2010	Riquirme & Rios	Authors have explored that north Indian consumers are thrilled to adopt new things and enjoy paying by means m-wallets.
15	2009	Palka et al.	In their research, explored customer adoption and opined that consumers are so calculative and evaluate the effectiveness of m- wallets.

## Research Design

This paper follows an 'Exploratory research design'. The basic objective of the paper is to find out the basic parameters which affect the intention of the consumers to use m-wallet. The next thing that the researcher has tried to find out as to the parameters which discourage the consumer from using the m-wallet. A researcher has tried to compartmentalize the parameters which motivate the consumers to use m-wallet. Compartmentalizing these parameters into several factors needed treating the available data with 'Exploratory data analysis'.

## Problem Statement

Demonetization is the phenomenon which has forced consumers to use virtual money and for using that people had to open different virtual accounts in the form having different wallets. The reach of these M-wallets is huge and vast. These are of much use when it comes to using virtual money, these are safe and secure due to proactive measures taken

while using these. A researcher has tried to identify the parameters which motivate the consumers to use m-wallets. These factors would be of use for the marketers of the wallets and the policymakers of core banking solution.

### **Objectives**

- To identify the factors affecting people's intention to adopt m-wallets.
- To segregate factors which plays the most dominant factors to affect the intention of people to adopt m-wallet.
- To study the perception and behavior of people towards m-wallets.

### **Data Collection**

This study follows the exploratory research design and majorly deals in primary data. A questionnaire is administered as the data collection instruments, nearly 450 questionnaires were sent through e-mails and a few of them are also administered physically. After data centralization 350 questionnaires were considered to be fit for data analysis. Based on the research design, the objective was to include the youth, students, and professionals.

### **Sampling Frame**

The sample size is considered to be 350 respondents, which is justified by statistics as well. The statistical technique used in this paper 'Factor analysis' which states that the respondents should be at least 5 times the parameters used to do the factor analysis.

### **Data Consideration**

The data considered in the research is considered to be representative of the total population. As the population is very diverse and it's not possible to execute the questionnaire to each and every area in Pune hence it was difficult to increase the sample size.

### **Limitations**

This study is limited to Pune city and hence more validation in terms of data is needed while generalizing the results of the study.

### **Questionnaire Design**

The questionnaire used in this research is a formalized and unconcealed type of questionnaire. It consists of 2 sections, the first section is dedicated to 'Demographics' or the descriptive stats while the second section is dedicated to 'Inferential Section', it includes the statements which includes the parameters to be segregated in the factors and the researcher has used the 'Likert Scale' for collection of responses of the respondents.

### **Conceptual Frameworks**

The conceptual framework refers to different statements which are used for capturing the responses of the respondents-

- M-wallets have enabled me to do my banking transactions in a better manner.
- M-wallets have made my banking easier.

- M-wallet has increased the efficiency of my banking operations.
- M-wallets are safe to use
- The mechanism is clear and understandable
- Shifting to M-wallets is quite easy
- M-wallet is quite secure to use.
- Usage terms are very clear with M-wallet
- I am very comfortable using M-wallets
- There is no issue of connectivity with respect to M-wallets
- M-wallet companies provide enough support to the users
- Customer care services are really good with M-wallets
- M-wallets gives me better control over my spending pattern than the traditional methods
- M- wallet is more convenient than traditional method of financing
- M- wallets requires concentration while using
- M-wallets are compatible with current lifestyle
- M- wallets are compatible with my working style
- M-wallets help me to maintain my lifestyle
- I believe giving demo sessions of M-wallets are really helpful
- I think M-wallet puts personal details at risk for confidentiality
- I think using M-wallet has a potential risk
- I think M-wallet is riskier than other digital payment options

### Data Analysis

The paper is based on the perception of respondents

### Data Sufficiency Test

**Table 2**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.885
Bartlett's Test of Sphericity	Approx. Chi-Square	21205.131
	Df	231
	Sig.	.000

### Interpretation

Above statistics aid the researcher to infer that data used for analysis is adequate in nature and it satisfies the data sufficiency condition. The hypothesis set was, 'The parameters considered are independent of each other' the significance value states that this null hypothesis can't be accepted, as there is no sufficient evidence to prove so. Hence the parameters are dependent or related to each other. This premise set a base for factor analysis, if the parameters are related then, they will get clubbed into factors by the rotation process.

This test has proven the reliability and validity of the dataset, which aid to infer that the results of the study would be reliable and valid too.

### Variance Explained by the Parameter Matrix

Table 3

Component	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	18.679	84.904	84.904	18.679	84.904	84.904	9.729	44.223	44.223
2	.952	4.329	89.232	.952	4.329	89.232	8.630	39.227	83.450
3	.668	3.035	92.267	.668	3.035	92.267	1.940	8.817	92.267
4	.500	2.274	94.541						
5	.270	1.225	95.766						
6	.191	.869	96.636						
7	.167	.759	97.395						
8	.125	.569	97.964						
9	.109	.496	98.460						
10	.084	.381	98.841						
11	.058	.264	99.105						
12	.047	.215	99.320						
13	.037	.166	99.486						
14	.029	.132	99.618						
15	.027	.121	99.739						
16	.021	.096	99.835						
17	.011	.051	99.887						
18	.010	.044	99.930						
19	.007	.032	99.962						
20	.004	.019	99.982						
21	.003	.014	99.995						
22	.001	.005	100.000						

Extraction Method: Principal Component Analysis

### Interpretation

The variance table gives an idea that 3 major factors have come up in the dimension reduction process, which explains around 92% of the variation in the dataset. It indicates the factors are explaining a major part of perception respondents have towards using M-wallets, the parameters are clearly clubbed into segregated factors showing the perceptive, discretionary and systemic view of the respondents. The explained dataset variance is substantial in nature to prove the model is validating the assumptions that respondents use their discretion, opinions about the risk involved and their perceptions while using the M-wallet facility.

## Rotated Component Matrix

Table 4

Rotated Component Matrix <sup>a</sup>			
	Component		
	1	2	3
par1	.851		
par2	.846		
par3	.823		
par4	.854		
par5	.840		
par6	.837		
par7	.749		
par8	.716		
par9	.717		
par10	.675		
par11		.720	
par12		.774	
par13		.783	
par14		.820	
par15		.802	
par16		.767	
par17		.735	
par18		.809	
par19		.891	
par20			-.700
par21			-.733
par22			-.677

## Interpretation

Rotated component matrix has given the three distinct factors giving three different perceptions of respondent of using and not using M-wallets. The three factors named as 'Perceptive', 'Discretionary' and 'Systemic' factors. These three factors explains around 92% of the variation in the dataset. It also means that the model is 'Fit' in statistical sense.

Diagrammatic Representation

Table 5

Factors	Perceptive	Discretionary	Systemic (Risk Factor)
Parameters	<ul style="list-style-type: none"> <li>M-wallets have enabled me to do my banking transactions in a better manner.</li> <li>M-wallets have made my banking easier.</li> <li>M-wallet has increased the efficiency of my banking operations.</li> <li>M-wallets are safe to use</li> <li>The mechanism is clear and understandable</li> <li>Shifting to M-wallets is quite easy</li> <li>M-wallet is quite secure to use.</li> <li>Usage terms are very clear with M-wallet</li> <li>I am very comfortable using M-wallets</li> <li>There is no issue of connectivity with respect to M-wallets</li> </ul>	<ul style="list-style-type: none"> <li>M-wallet companies provide enough support to the users</li> <li>Customer care services are really good with M-wallets</li> <li>M-wallets gives me better control over my spending pattern than traditional methods</li> <li>M- wallet is more convenient than the traditional method of financing</li> <li>M- wallets requires concentration while using</li> <li>M-wallets are compatible with current lifestyle</li> <li>M- wallets are compatible with my working style</li> <li>M-wallets help me to maintain my lifestyle</li> <li>I believe giving demo sessions of M-wallets are really helpful</li> </ul>	<ul style="list-style-type: none"> <li>I think M-wallet puts personal details at risk for confidentiality</li> <li>I think using M-wallet has a potential risk</li> <li>I think M-wallet is riskier than other digital payment options</li> </ul>

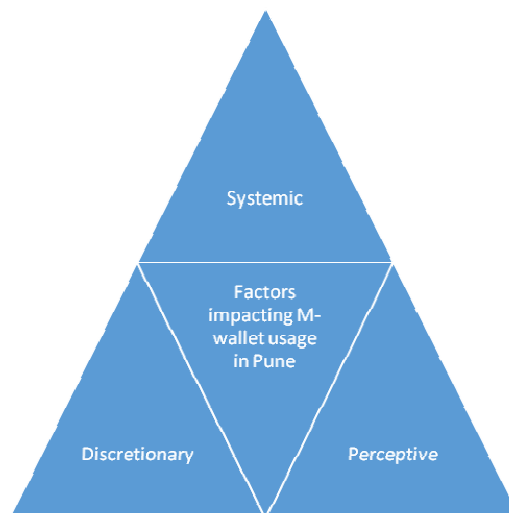


Figure 1

## CONCLUSIONS

The emergence of new technology has enabled people to use facilities like M-wallets and mobile banking. Changing time is also changing the views of people over the usage of such digital platforms for banking. These platforms also enable them to compare the modern ways of banking with the traditional ways of banking. In this paper, researcher has tried to find out the factors which affect people's intentions to adopt such platforms in a developing country like us. It wasn't possible for the researcher to extend the geographical boundaries for collecting the sample and hence the sample territory was kept restricted to Pune City. The 22 parameters considered gave 3 distinct factors after analyzing them statistically which indicated that people think of risk, ease of use, better service, and many other factors before using M-wallets.

### Implications and Scope for Further Research

This research would help Companies who are offering E-commerce services and banks to evaluate their services according to the requirements of the people who are using it. Another aspect of this research would be that companies and banks might try to form strategies to suit to the need of the people and might aim to attract the people who are either not aware or using these E-commerce services. One more interesting finding comes out as giving demo sessions to the user. Companies might make videos specific to their M-wallets and put it on the social media platform to improve their user base with effective success rate. These factors might help banks to improve their services accordingly, and in fact, improve their E-commerce portal accordingly.

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