To Study the Functionality of E-Wallets as Per the Demographics of Customers in Pune Region

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ABSTRACT:

ThedemonetizationresultedintremendousgrowthinE-wallet payment. Demonetization choice was government's drive to make India a cash less economy. With this government initiative people started using internet and mobile more than earlier and increased use of mobile and internet intends to exponential growth in the utilization of e-wallet.The main idea of writing this research paper is to study the functionality of E-wallets as per customer Education, Age, and income status on the use of e-wallet.Primary data of 150 respondents were collected with the help of the questionnaire and were analyzed statistically by using Regression and Anova technique.

INTRODUCTION:

In November 2016, the Government of India announced the demonetisation.
Demonetization choice was government's drive to make India a cash less economy.
Because of demonetization more opportunity iscreated for electronic payment services in India and the E-wallet companies take that opportunity to grow their business. According to report 90% of country economy is cash dependant and 86% of cash voided overnight, this move had to lead chaos. Even though in this chaotic situation people found alternate way of digital payment payment.According to Reserve Bank of India (RBI) demonetization did have a large positive impact on digital payments.
In nonurban areas infrastructure is not developed because of that percentage of usages of debit and credit card is less than urban areas. Since smartphones came in the market and the availability of the internet, people avoid using credit or debit cards and start using E-wallet.
Customers should not face any difficulty in payment that keeps in mind YES Bank and State Bank of India (SBI) launched E-wallet for their customers. For future transactions we can store our money in E-wallet. We can also call it type prepaid account-wallet E-wallet has mainly two components, software and information. Software store the personal information and provide security and information contain name of user, shipping address of user, details of debit card/credit card, method of payment, amount. For setting up the account you need to install the software on your mobile phone or computer and enter the relevant information required-wallet is password protected you have to set password as per your convenience.

There Are Four Kinds of Digital Wallet (According to RBI): -

1. Open wallet: - Open wallets can only joint with the banks. We can buy goods and services through open wallet, we can withdraw cash form ATMs or banks andcan transfer finds. Example is M-Pesa(vodafone)

2. Semi open wallet: -It doesn't allow to withdraw cash or get it back to your bank account, you have to spend what you load in wallet. Aritel Money is the example of semi open wallet.

3. Semi closed wallet: - Semi closed wallet doesn't allow to withdraw cash at ATMs or redeem it but allows us to buy goods and services with listed merchants with listed location. Paytm is the example of semi closed wallet.

4. Closed wallet:-Closed wallet deals with one merchant only.Cash withdraw is not possible and it allows to buy goods and services with one merchant only.Bookmyshow,Makemytrip are the example of closed wallet.

RESEARCH PROBLEM:

Because of faster transaction of payment user save their time and E-wallet offer good promotional offer also that's way people find it convenience in using but there are some factors like lack of awareness about digital payment services. They prefer cash in hands (traditional way of payment) more than any digital payment. Peoplewant to use E-wallets but they don't know how to use it. There is a huge lack of awareness. Through this research, we would try to study how the demographics of the customer can affect the use of E-wallet and how functionality plays a vital role in the adoption of E-wallet.

RESEARCH OBJECTIVE:

- To study the impact of customer education on usage of E-wallet
- To examine age difference of respondents on E-wallet
- To study the difference of customer income status on usage of E-wallet

HYPOTHESIS:

1. **H0:-** There is no significant impact of customer education on the Useof E-wallet.
H1:- There is significant impact of customer education on the Use of E-wallet.

2. **H0:-** There is no significant difference of age on the Use of E-wallet.
H1:- There is significant difference of age on the Use of E-wallet.

3. **H0:-** There is no significant difference of customer income on the Use of E-wallet.
H1:- There is significant Difference of customer income on the Use of E- wallet.

REVIEW OF LITERATURE:

Mr. Miklesh Prasad Yadava, and Dr. Madhu Arora (2018)in their research paperfoundthatAn **E-wallet** is a system that securely stores a person's payment information. It stores the user's cards

information digitally for payments, An electronic device like computer and smartphone are used for the online payment. Some E-wallets users can add their driving license, insurance cards, health cards, and other identifications (IDs) documents. Holder credential can also verify by E-wallets.e.g., when someone buys cigarette or alcohol by using E-wallet, it could verify the age of buyer.E-wallet stores the information of your credit or debit card in the form of digital on our mobile device, Instead of using a physical payment method, we can pay through smartphones, tablets, and smartwatch very easily.E-Wallet is very popular in major retailers because it's secure, efficient, and added utility it's provide to the end-user, which increases the satisfaction of their overall purchase.

Dr. Florence John, and T Praiseye (2018) in their research paper found that after demonetization E-wallet utilization has increased. Web issue and installment for two-digit amounts are the ordinarily give looked by the respondents and individuals are not ready to pay additional cash. Regardless of whether it is an installment or exchange, E-wallet is considered as a most advantageous strategy. Monetary proficiency ought to be there in a nation to embrace these sorts of changes.

Dr.M. Kavitha and Dr.K. SampathKumar (2018) in their research paper found that the effect of adopting digital payments impact on consumers of the banking sector of India. The outcome set up provides us significant approach guidance towards what can empower the nation to Increment cashless payment. The outcomes demonstrate that the arrangement of innovation for digital payment has improved the presentation of the banking sector and able to accomplish the thought of a cashless nation.

Ngoc Doan(2014)in his research paper found that the adoption image of mobile wallets among customers in Finland is just toward the starting phases of the Innovation-Decision Process. 88% of the sample group concur that the mobile wallet can support the original method and 74% of them compare that mobile wallet can be an alternative method of payment. This outcome prompts a summed up decision that there is a business opportunity for getting purchasers in Finland utilizing mobile wallet. Findings also stated that influential factor affects the adoption of the consumer. Security and privacy of the mobile wallet are the most concern factor of the consumer

KasthuriSubramaniam, RaenuKolandaisamy, Abdurrahman Bin Jalil, and IndraahKolandaisamy (2020) in their research paper found that old generation prefer cash in hands is safer than a digital payment. This is the perspective of the old generation comparative with that of the current generation.

R Renjan and kamalAnju (2019) in their research paper stated that individuals know about the digital payment and use them. Some of consumers know about digital payment but not yet used it. Age group between 18-30 are more likely to use the digital payment system. Google pay and Paytm is the regular digital payment platform accessible to the respondents. A male will in general use digital payment more than females. It is also found that Salary has no connection to the choice of digital payments, but education and awareness are seen as integral variables.

Anurag Gupta and Rodham beri(2020) in their research paper "Adoption of E-wallet in Educated society" found that E-Wallet is a useful method to transfer money online. Yet, due to lesser awareness about E-wallet among even highly educated society, People can't use E-Wallets.

The government should take some initiative to improve the awareness of E-Wallets among people.

K. Suma Vally and K. HemaDivya(2018) in their research paper stated that the impact of using a mobile payment impact on consumes of the banking sector of India. The outcome set up provides us significant approach guidance towards what can empower the nation to increment cashless payments. The outcomes demonstrate that the organization of innovation for mobile payments has improved the performance of the banking sector and ready to accomplish the thought process of a cashless nation. The investigation offers accentuation to the level of awareness of the greatest usage of innovation. Banks should take powerful measures in making awareness of the compelling utilization of innovation and security.

RESEARCH METHODOLOGY:

- **Research Type:-**

  This is a 'Descriptive' (conclusive) type of research. This kind of research portrays what exists and may assist with revealing new realities and importance. Conclusive research is an organized information assortment strategy that gives definite, genuine data that is valuable in dynamic. Descriptive advertising research is a type of conclusive research used to depict both the creation of a gathering in such terms as income, gender, age, and education and the qualities of group members with respect to both current and future conduct.

  Examples of a group contain a collection of customers, salespeople, organizations, or market segments. Surveys, case studies, job analyses, document analyses, and correlational studies are each a form of descriptive marketing research.

- **Sample Size:-**

  The sample size was at 150 respondents. Convenience sampling technique (non-probability technique) was used to get the questionnaire filled by the retailers.

- **Sampling Method:-**

  The convenience sampling technique (non-probability technique) was used to get the questionnaire filled by the respondents.

  Non-Probability Sampling Technique: - The non-probability sample is not a product of a randomized selection process. Subject during non-probability sample are usually selected on the idea of their accessibility or by the purposive judgment in personam of the researcher.

  Convenience sampling technique: - The subject are selected simply because they are easiest to recruit for the study and therefore the researcher didn't consider selecting subject that are representative of the whole population.

  In all sort of research, it might be ideal to check the whole population, but in most cases, the population is simply overlarge that it's impossible to incorporate every individual. This is rational why most researcher believe sampling technique like convenience sampling, the fore most common of all sampling technique. Many researcher prefer this sampling technique

because it's fast, inexpensive, and easy and therefore the subject are readily available.

- **Data Collection Method:-**

For Primary data well-structured questionnaire was prepared and convenience sampling method was used to get it filled by the respondents and secondary data collected through Journals, Articles and Websites.

- **Statistical Tool:-**

Collected data were analyzed statistically by using Regression and Anova technique.

DATA ANALYSIS:

1. **Reliability Test:-**
   - **For Customer Education(CE)**

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.746	.756	2

Table 1

Inter-Item Correlation Matrix

	CE1	CE2
CE1	1.000	.608
CE2	.608	1.000

Table 2

- **For E-Wallet (EW)**

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.952	.952	6

Table 3

Inter-Item Correlation Matrix

	EW1	EW2	EW3	EW4	EW5	EW6
EW1	1.000	.764	.758	.626	.852	.926
EW2	.764	1.000	.906	.748	.750	.787
EW3	.758	.906	1.000	.752	.753	.772
EW4	.626	.748	.752	1.000	.638	.644
EW5	.852	.750	.753	.638	1.000	.859
EW6	.926	.787	.772	.644	.859	1.000

Table 4

Interpretation: - Since the value of Cronbach's alpha in table 1 and table 3 is above 0.7, it shows **we have achieved good individual reliability**for Customer Education and E-Wallet Also all items are highly internally correlated.

2. Factor Analysis And Validity Test For All Factors :-

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.917
Bartlett's Test of Sphericity	Approx. Chi-Square	1338.733
	df	36
	Sig.	.000

Table 5

Combination	Factor Name	AVE value (cut-off) (0.5)	CR value (cut-off) (0.6)	Correlation	Square Correlation
For EW and CE	EW	**0.789**	**0.957**	0.085	0.00722
	CE	**0.666**	**0.798**		

Table 6

Interpretation:-From table 6, it could be interpreted that all values of Average Variance Extracted (AVE) are greater than cutoff value which is 0.5 and all Composite Reliable (CR)values is are also greater than cutoff value which is 0.6, thus the dataset is valid.

For Discriminant validity, AVE value should be greater than square correlation value, as we see in above table all AVE values are greater than square correlation values, thus discriminant validity is established and there is no validity issue among the scales used to measure these constructs.

As seen in the KMO and Bartlett's Test (table 5), the KMO values are greater than cutoff value which is 0.5. From Anti-image matrices it could be interpreted that all the values in Anti-image correlation are greater than 0.5.

3. Regression Analysis:-

Regression analysis is reliable method of identifying which variable have an impact on other variable. This process allows to confidently determine which factor matter most, which factor con be ignore and how these factors influence each other.

- **Hypothesis 1:-**

H0:- There is no significant impact of customer education on the Use of E- wallet.
H1:- There is significant impact of customer education on the Use of E- wallet.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.862[a]	.743	.739	.51048384

a. Predictors: (Constant), CE2, CE1

Table 7

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	110.693	2	55.346	212.386	.000[a]
	Residual	38.307	147	.261		
	Total	149.000	149			

a. Predictors: (Constant), CE2, CE1

b. Dependent Variable: REGR factor score 1 for analysis 1

Table 8

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1.697	.092		-18.369	.000		
	CE1	.408	.032	.670	12.726	.000	.630	1.587
	CE2	.202	.039	.270	5.129	.000	.630	1.587

a. Dependent Variable: REGR factor score 1 for analysis 1

Table 9

Interpretation:-From R square (Table 7) we could interpret that 74.3% of variability in dependent variable is explained by independent variables From Anova table 8, significance value is less than 0.05. So, rejects the null hypotheses, which also means there is significant impact on dependent variable.

From coefficient table 9,

Regression Equation can be formed as:

Y = -1.697***C** + 0.408**X1** + 0.202**X2**
Y = E-Wallet
C= Constant
X1 = Customer Education1
X2 = Customer Education2

From table 9, independent variables such as CE1 (customer Education1) and CE2 (customer Education2), the significant value is less than 0.05; therefore, null hypotheses will be rejected.From the data we **Reject H0** and conclude that **thereis a signification impact of customer education on the Use of E-wallet.**

4. Anova Test:-

Anova technique is used to determine whether there are any statistical significance difference between the means of two or more independent groups.

➢ **Hypothesis 2:-**

H0:- There is no significant difference of age on the Use of E-wallet.
H1:- There is significant difference of age on the Use of E-wallet.

- **For Customer Age:-**

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
EW1	Between Groups	67.046	4	16.762	6.214	.000
	Within Groups	391.114	145	2.697		
	Total	458.160	149			
EW2	Between Groups	39.142	4	9.785	4.787	.001
	Within Groups	296.431	145	2.044		
	Total	335.573	149			
EW3	Between Groups	39.733	4	9.933	4.765	.001
	Within Groups	302.267	145	2.085		
	Total	342.000	149			
EW4	Between Groups	18.647	4	4.662	2.559	.041
	Within Groups	264.186	145	1.822		
	Total	282.833	149			
EW5	Between Groups	42.957	4	10.739	4.600	.002
	Within Groups	338.543	145	2.335		
	Total	381.500	149			
EW6	Between Groups	54.963	4	13.741	5.190	.001
	Within Groups	383.870	145	2.647		
	Total	438.833	149			

Table 10

Interpretation: -Form the table 10, significance value is less than 0.05. So, we **reject H0** and conclude that **there is a significant difference of customer age on the Use of E-wallet.**

- **Hypothesis 3:-**

H0:- There is no significant difference of customer income on the Use of E-wallet.
H1:- There is significant Difference of customer income on the Use of E- wallet.

- **For Customer Income:-**

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
EW1	Between Groups	14.562	4	3.641	1.190	.318
	Within Groups	443.598	145	3.059		
	Total	458.160	149			
EW2	Between Groups	10.349	4	2.587	1.153	.334
	Within Groups	325.225	145	2.243		
	Total	335.573	149			
EW3	Between Groups	6.184	4	1.546	.668	.616
	Within Groups	335.816	145	2.316		
	Total	342.000	149			
EW4	Between Groups	1.398	4	.350	.180	.948
	Within Groups	281.435	145	1.941		
	Total	282.833	149			
EW5	Between Groups	6.109	4	1.527	.590	.670
	Within Groups	375.391	145	2.589		
	Total	381.500	149			
EW6	Between Groups	13.489	4	3.372	1.150	.336
	Within Groups	425.344	145	2.933		
	Total	438.833	149			

Table 11

Interpretation: - From the above table 11, significance value is greater than 0.05. So, we **fail to reject the null hypothesis H0** and conclude that **there is no significant difference of customer income on the Use of E-wallet.**

Hypothesis Testing Result:-

1. **H0:-** There is no significant impact of customer education on the Use of E-wallet.

H1:- There is significant impact of customer education on the Use of E-wallet.

2. **H0:-** There is no significant difference of customer age on the Use of E-wallet.

H1:- There is significant difference of customer age on the Use of E-wallet.

3. **H0:-** There is no significant difference of customer income on the Use of E-wallet.

H1:- There is significant Difference of customer income on the Use of E- wallet.

1. From the data we Reject H0 and conclude that **there is a signification impact** of impact of customer education on the Use of E-wallet.

2. We reject H0 and conclude that **there is a significant difference**of customer age on the Use of E-wallet.

3. We fail to reject the null hypothesis H0 and conclude that **there is no significant difference** of customer income on the Use of E-wallet.

FINDINGS AND SUGGESTIONS:

1. Findings:-

The objective of the research is to study the functionality of E-wallets as per customer Education, Age, and income status on the use of e-wallet. There is already established literature on customer education on the use of e-wallet (T. Praiseye, 2018)which shows E-wallet is considered as a most advantageous strategy but financial literacy is very important to adopt e-wallet. The study in (K. Suma Vally, 2018) paper also shows the usage of e-wallet is dependent on customer education. More educated people have a more favorable attitude towards the adoption of e-wallet. Our research also shows the customer education is important for the adoption of e-wallet and shows there is an impact of customer education on the use of e-wallet.

There were also studies done on customer age on the use of e-wallet. This is shown in (K. Suma Vally, 2018). This paper shows customer age plays an important role in the adoption of e-wallet and this shows the use of e-wallet is positively correlated with customer age. (Kasthuri Subramaniam, 2020) This paper shows that young people use e-wallet more than old people, which is also proves that there is a lack of awareness of e-wallet in old people. Old people prefer cash in hand more than any digital payment. Our research also shows that there is a difference in customer age on the use of e-wallet. Most of the respondents who use e-wallet more, age from 15 to 25 years old.

Furthermore, studies have been done on the income of people which shows that income not being a significant factor that leads to affecting use on e-wallet. (Kamal Anju, 2019) This paper shows that students are more than half of the respondents and they don't have any income and this age group uses e-wallet more. Our research also shows that the income of the Customer does not play animportant role in the use of E-wallet.

The reasons behind for low preference of E-wallet is people don’t want to move out their existing comfort zone of traditional way of payment that is cash payment and also the privacy concerns, security of electronic payment, and lack of venders offering digital payment option.

- **Awareness of the Functionality of E-Wallet:-**

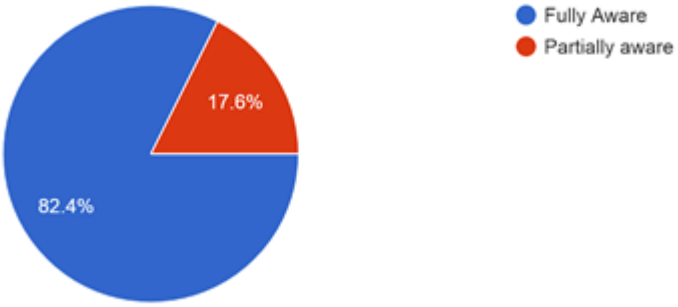

Chart 1

The study conducted indicates that 108 (82.4%) out of 150 of respondents are fully aware of the functionally of E-wallet.

- **Customer Education:-**

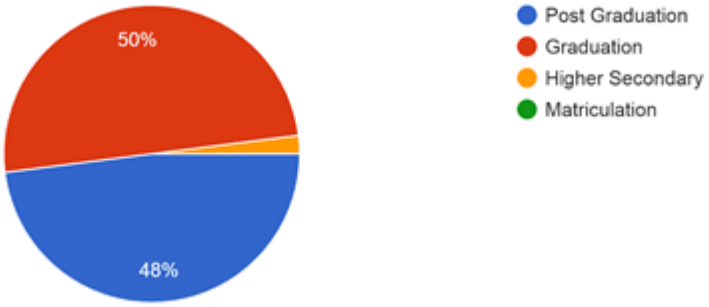

Chart 2

Conducted research shows that more educated people have a more favourable attitude towards the adoption of e-wallet.

About 50% graduate and 48% post graduate respondents prefer to use E-wallet more.

- **Age:-**

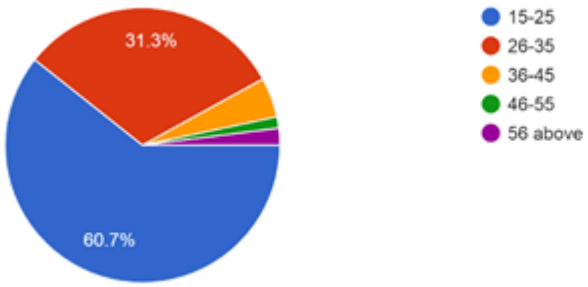

Chart 3

After conducting research I found that young people use e-wallet more than old people, which is also proves that there is a lack of awareness of e-wallet in old people.

Most of the respondents who use e-wallet more (60.7%), age from 15 to 25 years old.

- **Occupation:-**

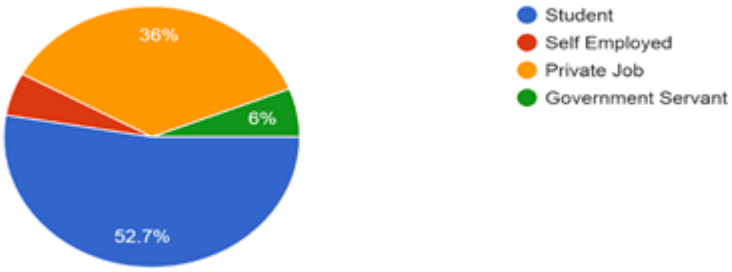

Chart 4

By conducting research I came to know that Income not being a significant factor that leads to affecting use on e-wallet.

About 52.7% of respondents are students and they are dependent who have limited purchasing power.

2. Suggestions:-

Study shows that because of lesser awareness and education among the people they are not able to use the e-wallet. They prefer the traditional way of payment over digital. E-wallet companies should focus on their marketing strategy. Well-planned marketing strategy is a key to increase awareness in people. It will educate people about features and benefits of E-wallets and helps to increase adoption and usage of E-wallet.

E-wallet companies should use trigger emails. It will help to build trust, fulfill the customer expectations and inform well about the process.

E-wallets should be user friendly interface. If user found E-wallet is difficult to understand either they stop using it or they switch to other E-wallet.

CONCLUSION/DISCUSSION:

After doing the analysis, we found that customer education plays a vital role in the use of e-wallet. E-wallet is considered as the most advantageous strategy, but financial literacy is very important to adopt e-wallet. The usage of E-wallet is more dependent on customer education, and more customer education will tend to use e-wallet more. People who have less education they prefer the traditional way of payment over digital payment. Awareness and education on e-wallet can change the current scenario of digital payment mode.

Customer age is positively correlated with the use of e-wallet. Old people use cash in hand over any digital payment. Because of lesser awareness in old people and even highly educated society not able to use the e-wallet. Customer income is not being a significant factor in the use of e-wallet. Income is not a determining factor for the use of e-wallet.

LIMITATIONS AND FURTHER RESEARCH DIRECTIONS:

The research has some limitations that may lead to future research scope. This research had self-reported data from the respondents and had to depend on Google forms for collecting information from respondents due to Covid-19 outbreak. Most of the respondents age from 15 to 25 years old and most of them are dependent who have limited purchasing power. This study was conducted in Pune, so the future research may conduct a study at India level so the major part of population can be covered to obtain actionable insights

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