

A STUDY ON IMPACT OF MOBILE WALLETS AMONG UNIVERSITY STUDENTS IN CHENNAI CITY

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ABSTRACT:

India is a developing economy which is focussing on growth at a faster rate. As a part of development strategy, the government of India came up with the idea of demonetization of 500 and 1000 denomination rupees to root out the black money. This has envisaged the economy to move towards digitalized environment wherein the transactions are being carried out electronically. This study focuses on the impact of demonetization which has driven the economy to carry out the transactions digitally. The study has accomplished in studying the impact as well as preference of the university students towards the mobile wallets. It can be clearly concluded that the majority of the students tend to show their interest in mobile wallets not just for the purpose of usage but also for the purpose of extending their support to digitalization. There is also much preference towards Paytm by the student community based on various services offered by them like recharge, travel, tickets for various purposes etc. Paytm is also being preferred mostly because of its unlimited cashbacks that are being offered to its users. Though it has been found out that there are few difficulties that are faced by the users of mobile wallets, they also support mobile wallets for the ease of transaction as well for less risk of carrying physical cash. In fact, mobile wallet has come into the lime light after the demonetization in the country which brought in a huge need for such payment methods. Also, by everyday passing more and more preference towards mobile wallet is increasing and definitely it is going to play a major role in the modern-day commerce.

Keywords: *Mobile Wallets, Digital Payments*

INTRODUCTION

The term payment is as old as human civilization, since then the payment industry has undergone a drastic transition from barter system to virtual payments (mobile wallets). Barter system an age-old method of exchange which has been used for centuries long before money was invented, people exchanged goods and services for other goods and services in return. After the success of banking system, our cash-based society evolved through internet, this led to building

up of various electronic payment systems like Debit card, Credit card, E-cheques and is now pushing into the digital frontier of virtual wallet (mobile platform). With this advancement in technology, things around us have drastically changed. As smart phones have become more affordable & prevalent, it caters to man's comfort & conveniences i.e. ordering food, online shopping, booking movie tickets etc.

DIGITAL PAYMENTS IN INDIA

The Digital India is the Indian Governments flagship programme with a vision to convert India into a digitally empowered country. Faceless, Paperless, Cashless is one of supposed function of Digital India. As part of government reforms Prime Minister Mr. Narendra Modi demonetized the high value currency of Rs. 500 and 1000 in November 2016 and also launched the digital India initiative in 2015. These initiatives have provided extensive boost up to the digital payment system in the country. Governments other initiatives like BHIM and UPI are supporting in transition and faster adoption of digital payments. Electronics Consumer transaction made at point of sale (POS) for services and products either through internet banking or mobile banking using smart phone or card payment are called as digital payment. The digital payment system has the following phases:

1. Registration
2. Invoicing
3. Payment selection
4. Payment confirmation.

This payment system generally includes 3 electronic payment instruments namely, cash, cheque and card. Post demonetization is affecting the e-commerce sector that Cash on Delivery is gradually getting stopped and other modes of payment is replaced like Card on Delivery, Net Banking, Debit Card, Credit Card etc. Demonetization will positively help out e-commerce industry in India enhances the chance for people to go cashless.

As part of encouraging cashless transactions and transforming India into less-cash society, various modes of following digital payments are available and also be adopted by many citizens.

i. DEBIT / CREDIT CARD: Suitable for: Online/offline merchant sale. Transaction limit: Set by card issuer Details required: Card number CVV Expiry date Cost: Debit cards: Up to 0.75% for transactions up to Rs 2,000; up to 1% for transactions above Rs 2,000. Credit cards: around 2.5% per transaction

ii. RTGS / NEFT: Suitable for: High value online transactions. Transaction limit: International Journal of Pure and Applied Mathematics Special Issue No upper limit, minimum Rs 2 lakh. Up to Rs 10 lakh, minimum Rs 1 Details required: Account number Password Beneficiary registration IFSC code Cost: RTGS: Up to Rs 55 per transaction. NEFT: Up to Rs 25 per transaction.

iii. IMPS: Suitable for: Instant transfer Transaction limit: Rs 2 lakh per day Details required: Account number Password Beneficiary registration IFSC code Cost: Rs 5-15, depending on transaction amount.

iv. UPI: Suitable for: Instant transfer Transaction limit: Rs 1 lakh Details required: VPA (virtual payment ID) of recipient, m-Pin Cost: Less than 50 paisa per transaction.

v. USSD: Suitable for: Feature phones without Internet connectivity Transaction limit: Rs 5,000 Details required: Only Aadhaar number, IFSC or code allotted by banks on registration Cost: As levied by the telecom operator.

vi. M-WALLET: Suitable for: Small-ticket transactions. Transaction limit: Rs 20,000 per month (Rs 1 lakh for KYC compliant wallet holders) Details required: Login ID Cost: Only if you transfer money from your wallet into your bank account. (RTGS: Real-time gross settlement systems. NEFT: National Electronic Funds Transfer. IMPS: Immediate Payment Service. UPI: Unified Payment Interface. USSD: Unstructured Supplementary Service Data).

MOBILE WALLETS vs DIGITAL WALLETS

Digital wallets are often used interchangeably with mobile wallets. However, while they both store payment information, they are implemented differently. Digital wallets are mostly used for online transactions and may not necessarily be used on mobile devices. Mobile wallets are used by people who would rather not carry a physical wallet when making in-store purchases. For this reason, these wallets have to be used on mobile and easy to carry platforms. Apple Pay, Samsung Pay and Android Pay are examples of mobile wallets that can be installed on a hand-held or wearable device. A regular PayPal account is a form of a digital wallet, but when it is used in conjunction with mobile payment services and mobile devices, it functions as a mobile wallet.

RBI'S INITIATIVES TOWARDS M-WALLETS

RBI has been playing a pivotal role in the promotion of electronification of payments in the country. It has classified M-wallets into four types namely, i. Open wallets- Open wallets are part of Open System Payment Instruments and can be used for purchasing goods and services including financial services and also allow customers to withdraw cash at ATMs/BCs. Such type of wallets can only or jointly be launched with a bank.

Example: M-pesa by Vodafone, ICICI bank etc offer these types of wallets.

ii. Semi-Open System Payment- Airtel Money is a semi-open wallet, which will allow the customer to transact with merchants at PoS that have a tie-up with Airtel. You can't withdraw cash or get it back. Another example for semi open is Gift Cards issued by banks. iii. Closed wallets- Closed wallets are the part of Closed System Payment Instruments which can be used for buying goods and services issued by business houses or e-commerce companies, where some amount of money is locked with the merchant in case of a cancellation or return of the order. No third-party payments and settlement are allowed in such instruments.

Example: Amazon pay, Flipkart, MakeMyTrip offer closed wallet.

iv. Semi Closed wallets- Such type of wallets is part of payment instruments which can be used for purchasing goods and services only from selected merchants. Cash withdrawal or redemption cannot be performed using semi closed wallets.

Examples: Paytm wallet, SBI Buddy, Citrus wallet etc.

According to Reserve Bank of India's guidelines, a maximum of Rs 10,000 can be deposited in an M-wallet. After a customer deposits Rs 10,000 in their a/c, the company pays 1-2% transaction charge to the bank and earns a commission of 1.5-2% for every transaction made by the customer through the wallet from the merchant.

REVIEW OF LITERATURE

Singh (2017) concluded that there was significant difference between education of consumers and adoption of digital payment. The perception of consumers for digital payment had positive and significant effect on adoption of digital payment among consumers.

Sardar, R. (2016) Studied "Preference towards Mobile Wallets among Urban Population Of Jalgaon City". The objective of the study was to find awareness and preference towards the usage of Mobile wallets in Jalgaon. Study also focused on impact of various demographic factors on the usage of mobile wallets. Further researcher has also found out reasons for refraining the usage of mobile wallet. For the study purpose, the researcher has used both primary and secondary data. For collecting primary data, the researcher has conducted survey of 60 respondents of urban area of Jalgaon. The researcher found that majority respondents preferred to use Mobile wallet payment to transfer money followed by recharging mobile or DTH payment. The hypothesis testing revealed that there is no significant difference between age, gender of the respondents and their opinion about overall usage of Mobile payments. The major reason for refraining the usage of mobile wallet was security of transaction while purchasing online. Though there were limitations related to time of study as sample size was limited.

Sanaz Zarrin Kafsh (2015), made a study on "Developing consumer Adoption Model on mobile wallet in Canada", by taking a sample of 530 respondents through convenience sampling. Partial Least Square model was used to analyse the data. The focus of the study was to identify the factors that influence the consumer's adoption of mobile wallets. This study was based on technology acceptance model (TAM) & innovation diffusion theory (IDT). As per the analysis made by them, there is relationship among perceived usage, perceived ease of use & perceived security in predicting the adoption of mobile wallets.

RESEARCH METHODOLOGY

STATEMENT OF THE PROBLEM

India is a developing economy which is focussing on growth at a faster rate. As a part of development strategy, the government of India came up with the idea of demonetization of 500 and 1000 denomination rupees to root out the black money. This has envisaged the economy to move towards digitalized environment wherein the transactions are being carried out electronically. This study focuses on the impact of demonetization which has driven the economy to carry out the transactions digitally.

OBJECTIVES OF THE STUDY

1. To examine the preference of University students in m-wallets usage.
2. To analyse the impact of student's education on usage of m-wallets.
3. To examine the student's preference of m-wallets over other digital payments.

AREA OF STUDY

The area chosen for the purpose of this study is selected university students of Chennai city

SAMPLING METHOD

For the present study, the techniques of convenience sampling (i.e. non-probability sampling) is to be used. A due consideration should be given to the data collection so that the conclusion comes out to be accurate.

SAMPLE SIZE

Sample size refers to number of elements to be included in this study i.e. 100 respondents.

SOURCES OF DATA

Primary data:

Data will be collected using survey method by structured questionnaire in this study.

Secondary data:

Secondary data will be collected through various sources like Company Website, Magazines, Internet source, etc.

TOOL USED FOR THE STUDY

The tool used for the purpose of this study is percentage analysis done using the help of MS-EXCEL.

LIMITATIONS OF THE STUDY

The following are the limitations that has been faced during this study

- The age group of respondents has been particularly restricted because the respondents were mostly university students.
- The study is done specifically on university students and not on general customers
- Despite the simple structured questionnaire, the respondents faced difficulty in understanding the questions.

ANALYSIS**1. AWARENESS OF M-WALLETS BEFORE DEMONETIZATION****TABLE-1**

Awareness	No. of Respondents	Percentage (%)
Yes	58	58
No	25	25
Maybe	17	17
TOTAL	100	100

INFERENCE:

The majority of the respondents are aware about mobile wallets before demonetization in India. In the above table 58% are aware of it whereas 25% do not about it which can also be concluded that they came to know about only after demonetization in India. Also 17% of the respondents are not sure about their awareness about mobile wallets.

2. PREFERENCE TOWARDS M-WALLETS**TABLE- 2**

Preference	No. of Respondents	Percentage (%)
Yes	73	73
No	15	12
Maybe	12	12
TOTAL	100	100

INFERENCE:

Out of 100 respondents 73 are willing to use mobile wallets which is the majority of them.15% of them does not show interest in preferring to it. And 12% of the respondents are not sure about it.

3. PREFERENCE TOWARDS ITS USAGE**TABLE-3**

Preference	No. of Respondents	Percentage (%)
Very High	14	14
High	14	14
Moderate	37	37
Less	14	14
Very Less	21	21
TOTAL	100	100

INFERENCE:

With regards to the usage of the mobile wallets it seems that 37% of the respondents prefer to use it only on an average basis. In which Very high, high and less constitute of equal share which is 14%. Almost 21% of the respondents are not likely to use it much.

4. MOBILE WALLET'S PREFERENCE OF STUDENTS**TABLE- 4**

Mobile wallets	No. of Respondents	Percentage (%)
Paytm	64	64
Freecharge	19	19
Citrus	10	10
Oxigen	7	7
Total	100	100

INFERENCE:

From the above table and the chart, it is evident that 64% of the respondents prefer to use Paytm while others prefer to use Freecharge, Citrus and Oxigen at 19%, 10%, and 7% respectively.

5. MOBILE WALLET'S PREFERENCE OF STUDENTS**TABLE-5**

Mobile wallets	No. of respondents	Percentage (%)
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Freecharge	19	19
Citrus	10	10
Oxigen	7	7
Total	100	100

INFERENCE:

From the above table and the chart, it is evident that 64% of the respondents prefer to use Paytm while others prefer to use Freecharge, Citrus and Oxigen at 19%, 10%, and 7% respectively.

6. REASONS FOR PREFERENCE OF M-WALLETS**TABLE-6**

Reasons for preference	No. of respondents	Percentage (%)
Cashback	9	9
Easy to transact	36	36
No risk of carrying physical	41	41
Security	14	14
TOTAL	100	100

INFERENCE:

From the above table and chart, it can be concluded that 41% show preference towards mobile wallets because of Cashback, Easy to Transact and No risk of carrying physical cash. Each one of them also have individual share of 9%, 36% and 14%. Respectively.

7. IMPACT OF M-WALLETS ON TRADITIONAL PAYMENT**TABLE-7**

Impact	No. of respondents	Percentage (%)
Yes	35	35
No	45	45
Not sure	20	20
TOTAL	100	100

INFERENCE:

From the above table it can be understood that 45% of the respondents feel that the traditional method of payment has not been affected by the mobile wallet's introduction in the modern-day commerce. 35% of them feel that it has been affected by mobile wallets. The rest of the respondents are not sure to exactly arrive at a decision.

8. CONVENIENCE OF THE SERVICES PROVIDED**TABLE-8**

Convenience	No. of respondents	Percentage (%)
Extremely useful	29	29
Very useful	45	45
Somewhat useful	24	24
Not so useful	2	2
Not at all useful	0	0
TOTAL	100	100

INFERENCE:

From the above table and the chart, it is evident that the majority of the respondents (45%) find the services very useful. These services are also found useful by the other respondents as extremely useful of around 29% which is followed by 24% where the respondents feel it is only useful to some extent. There is 2% respondent who find these services as not so useful. No respondent felt that it is not at all useful.

9. SATISFACTION OF MOBILE WALLET USAGE**TABLE-9**

Satisfaction	No. of respondents	Percentage (%)
Very satisfied	30	30
Satisfied	46	46
Neutral	22	22
Unsatisfied	1	1
Very unsatisfied	1	1
TOTAL	100	100

INFERENCE:

With reference to the above table and the chart, it can be concluded that majority of the respondents (46%) are satisfied by using these mobile wallets. 30% of the respondents are very satisfied by using mobile wallets. 22% of the respondents feel it is neutral. Satisfied and unsatisfied respondents of 1% each.

10. FUTURE PREFERENCE OF M-WALLETS**TABLE-10**

Future preference	No. of respondents	Percentage (%)
Very likely	38	38
Likely	40	40
Neither likely nor unlikely	16	16
Unlikely	5	5
Very unlikely	1	1
TOTAL	100	100

INFERENCE:

With reference to the above table and the chart, 40% of the respondents are likely to prefer mobile wallets for their future purposes followed 38% of the respondents who are very likely to use mobile wallets for their future purposes. The least chosen options are neither likely nor unlikely, Unlikely and Very unlikely with respective percentage of 16%, 5%, 1%.

FINDINGS, SUGGESTIONS AND CONCLUSION**FINDINGS OF THE STUDY**

- Majority of the respondents belong to the age group of 20-22.
- Majority of the respondents are from SRM Institute of Science and Technology.
- Majority of the respondents are male respondents.
- Majority of the respondents belong to the student community who are undergraduates.
- Majority of the respondents prefer the Debit card/Net banking as their preferred mode of payment.
- Majority of the respondents are highly aware about mobile wallets before demonetization in India.
- Majority of the respondents show their concern towards preference for using mobile wallets.
- Majority of the respondents tend show preference towards usage of mobile wallets only at a moderate level in a day.
- Paytm is the most preferred wallet by majority of the respondents.
- The ease of transacting is major reason why majority of the respondents prefer to use mobile wallets.
- Majority of the respondents feel that the traditional method of payment has not been affected because of the mobile wallets in India.

SUGGESTIONS

The future of mobile payments in INDIA depends largely on the payment bank license which is to be provided by RBI so that the consumers will get confidence in using the wallet services. All the Mobile wallet providers need to meet the guidelines stipulated by RBI, so as to acquire payment bank license. The awareness of the M-wallet providers is rising when compared to the preference of usage of services, therefore the reasons for not using M-wallet can be found. However, security concerns appear to be an important factor depressing the adoption of mobile wallets for payments. Therefore, the mobile wallet providers need to address the security and privacy concerns of the users. Mobile wallet providers can collaborate with the “Telcos” for better and fast network connectivity.

CONCLUSION

The study has accomplished in studying the impact as well as preference of the university students towards the mobile wallets. It can be clearly concluded that the majority of the students tend to show their interest in mobile wallets not just for the purpose of usage but also for the purpose of extending their support to digitalization. There is also much preference towards Paytm by the student community based on various services offered by them like recharge, travel, tickets for various purposes etc. Paytm is also being preferred mostly because of its unlimited cashbacks that are being offered to its users. Though it has been found out that there are few difficulties that are faced by the users of mobile wallets, they also support mobile wallets for the ease of transaction as well for less risk of carrying physical cash. In fact, mobile wallet has come into the lime light after the demonetization in the country which brought in a huge need for such payment methods. Also, by everyday passing more and more preference towards mobile wallet is increasing and definitely it is going to play a major role in the modern-day commerce.

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