



A Study on E-Wallet

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ABSTRACT

Wallet” in the conventional sense of the term, refers to a purse or folding case for safely holding money or personal information such as identity card. Digital or Electronic wallet refers to an electronic, internet based payment system which stores financial as well as personal identity related information. Such electronic payment system enable a customer to pay online for the goods and service, including transferring fund to other by using an integrated hardware and software system. Hardware can be a mobile or computer. Communication between the buyer and seller may happen over the internet or Bluetooth or on mobile network. Thus, e-wallet is nothing but an online money account which does not require the use of a physical card for undertaking transaction remittance. Unlike saving bank account, they at present, do not offer any interest for keeping money in it, but reward the holders through cash-back for making purchases through it. Unlike credit cards, e-wallet are preloaded money it. Hence, it resembles more to a debit card.

Keywords: *Electronic wallet, Credit cards, Electronic payment system.*

INTRODUCTION

E-wallet is a component of payment system. The word “payment system” is defined as a system that enables payment to be effected between a payer and a beneficiary, involving clearing, payment, or settlement services or all of them. A “payment system” as understood in India, can include the system enabling credit card operation, debit card operation, smart card operation, money transfer operations or such similar operation.

In India, e-wallet comes under the legally recognized term –“Prepaid Payment Instrument”. Prepaid payment instruments are defined in the RBI guidelines issued under the payment and settlement system act 2005. As payment instrument that facilitate purchase of goods and services, including fund transfer, against the value stored on such instrument. The value stored on such instrument represents the value paid for by holders, by cash, by debit or a bank account or by credit card. The Prepaid payment instrument can be issued as smart cards, magnetic stripe card, internet accounts, internet wallets, mobile accounts, mobile wallets, paper vouchers and any such instruments which can be used to access the prepaid amount. Unlike other prepaid payment instruments, e-wallet is only an internet based online account. Mobile wallet is an e-wallet where the mobile phone gets doubled up as an electronic wallet. Being prepaid payment instrument, digital or e-wallet is also subject to be regulations stipulated by RBI for such instrument.

Objectives of the study

1. To study the functions provided by e-wallet.
2. To study the problem of e-wallet.

Methodology

This study was based on both primary and secondary data. The primary data were collected from 50 respondents of Puthokode Panchayath.. The secondary data were collected from the journals, magazines and websites.

Review of literature

The review of earlier literature relevant to the present study and elsewhere are included here.

1. Venkatesh, et al. (2003) explored the variables affecting consumer integration of new information technology innovations. They collectively formed a model called the unified theory of acceptance of technology and suggested that individual reactions to using information technology directly affect intention to use information technology that in turn influences the actual use of information technology.

2. Carlson, et al. (2011) explored the variables concerning adoption rates of mobile devices & services, conducted by testing the applicability of the UTAUT model. They found that variables such as performance expectancy, effort expectancy, and attitude toward using were directly related to behavioural intention.

4. Lee (2005) investigated the impact of perceptions of interactivity on consumer trust and transactions in mobile commerce and concluded that trust does in fact play a significant role in determining consumer transaction.

Results and Discussions

Table 1 Internet users

Internet User	No. of respondents	Percentage
Yes	35	70
No	15	30
Total	50	100

Source: Primary data

Interpretation

The above table reveals that 70% of the respondents were using internet. 30% of them are not familiar with internet.

Table 2: Heard about E-Wallet

Heard about E-wallet	No. of respondents	Percentage
Yes	25	50
No	25	50
Total	50	100

Source: Primary data

Interpretation

Above the table state that 50% of respondents were heard about e-wallets remaining 50% were have no idea about e-wallets.

Table 3: Experienced E-Wallet

Experienced e-wallet	No. Of respondents	Percentage
Yes	25	50
No	25	50
Total	50	100

Source: Primary data

Interpretation

It is clear from the table that 50% of respondents had been experienced e-wallet; rest of the respondents didn't experienced e-wallet.

Table 4: Reason for preferring E-Wallet

Preferred e-wallet	No. of respondents	Percentage
Less price	7	14
Selection	3	6
Convenience	7	14
Discount and offer	4	8
Others	29	58
Total	50	100

Source: Primary data

Interpretation

The above table shows that 14% respondents preferred lesser prices, 6% choose selection pattern, 14% of the respondents choose it because of convenience, discount and offer is the reason for choosing e-wallets by 8% of respondents, and remaining 58% choose e-wallet for other reasons.

Table 5: Frequency of use

Frequency of use	No. of respondents	Percentage
Daily	10	20
Monthly	18	36
Weekly	4	8
Occasionally	18	36
Total	50	100

Source: Primary data

Interpretation

The above table shows that frequency of use of e-wallet. About 20% of the respondents use e-wallet daily, 36% of respondents' were using e-wallet monthly, 8% of the respondents were using e-wallet weekly and 36% of respondents were using e-wallet occasionally.

Table 6: Problem with E-Wallet

Problem with e-wallet	No. of respondents	Percentage
Yes	20	40
No	30	60
Total	50	100

Source: Primary data

Interpretation

The table reveals that 60% of people were facing problem while using e-wallet, remaining 40% respondents were not facing any problem while using e-wallet.

Table 7: Kinds of problem

Kind of problem	No. of respondents	Percentage
Delay in delivery	14	28
Cheap quality	3	6
Damaged product	2	4
Non delivery	1	2
No problem	30	60
Total	50	100

Source: Primary data

Interpretation

Above table shows that 28% of the people were facing delay in delivery, 6% of the respondents opined that they were getting cheap quality product, 4% of them got damaged product, 2% of the respondents were not getting the ordered products and remaining 60% didn't have any problem.

Table 8: Methods of payment

Method of payment	No. of respondents	Percentage
Credit card	8	16
Net banking	10	20
Debit card	15	30
Cash on delivery	17	34
Total	50	100

Source: Primary data

Interpretation

Table 8 indicates 34% prefer cash on delivery for purchase, 30% prefers debit card, 20% prefer net banking and remaining 16% prefer credit card.

Findings of the study

- 70% of customers are internet user.
- 50% of the customers heard about E-wallet.
- Majority of the people who were interviewed have already experimented e-wallet.
- Only few persons depend on its price and convenience, the rest have other reason for the preference of e-wallet.
- 36% of people use it monthly and 36% occasionally. And 8% of people use it weakly.
- More than half of the people feel that there is no problem with e-wallet.
- Even though most of the people prefer cash on delivery, there are people who prefer credit card, debit card and net banking.
- Most of the people didn't use e-wallet because they don't know about it and the rest feel that there is risk in credit card.

Conclusion

E-wallet is a component of payment system. It is an electronic, internet based payment system which stores financial value as well personal identity related information. More security measures to safeguard the identity related information will lead to use of e-wallet among many. Lack of awareness is also a

problem, which can be sort out only by giving proper information about e-wallets.

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