

# A Study of Customer Adaptation of E-Wallet and its Importance for Cashless Economy Special Reference to Madhubani District

Rohit Gupta<sup>1</sup>, Prof. Sudhir Kumar Sahu<sup>2</sup>

<sup>1</sup>PhD Scholar, <sup>2</sup>HOD

<sup>1,2</sup>Department of Management Sciences, Mahatma Gandhi Central University, Motihari, Bihar, India

## ABSTRACT

E-wallet which is also known as digital wallet is a kind of electronic card which is used for business transaction online with the use of electronic device (Mobile & Computer). It evolves at the end of the decade 80's when an English entrepreneur Michael Aldrich invented the concept of online shopping and has given the facilities to make payment online later on many online payment platform raises for make payment only aside from selling or purchase of goods in late 90's and became very famous in developed nation but in India it has started in 2004 when Oxygen Wallet launched but has not been popular and growing very slowly in Indian market later on slowly many wallet was launched and in 2010 Paytm a key player of Indian wallet market was launched which big success in Indian market due to offer and Cashback but it was limited to the Metro's And Big Cities. On 8th November 2016 Evening the Honorable Prime minister of India has announced that the two biggest denomination of Indian currency is now not a legal tender. Due to of that there is a lack of floating currency in the market for a period of time and it make a crisis for buying goods or services and people have started searching of POS for making Payment even for very small amount and in very small shop but due to of High Service charges small shopkeepers are not interested in POS and here the E-wallet organisation has taken this as an opportunity and started providing E-wallet for Business at no charge or of very small charges. Which attract every business to go for E-wallet even to small Vegetable Seller, Pan shop ETC and became very popular even in Tier3 Tier4 cities. This make a greater move & market expansion for E-wallet and this also support the government vision of digital economy.

**How to cite this paper:** Rohit Gupta | Prof. Sudhir Kumar Sahu "A Study of Customer Adaptation of E-Wallet and its Importance for Cashless Economy Special Reference to Madhubani District" Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-5 | Issue-6, October 2021, pp.1790-1794, URL: www.ijtsrd.com/papers/ijtsrd42381.pdf



Copyright © 2021 by author (s) and International Journal of Trend in Scientific Research and Development Journal. This is an Open Access article distributed under the terms of the Creative Commons Attribution License (CC BY 4.0) (<http://creativecommons.org/licenses/by/4.0>)



**KEYWORDS:** E-wallet, Adaptation, Cashless Economy

## I. INTRODUCTION

E-wallet which is also known as the digital wallet. It can define as a electronic platform which can be used for the business transaction digitally or online by the use of internet enabled electronic device Computer Mobile & Tablet for buying of goods or services online. It's very famous know a day's especially in teenagers youth and also attracting the senior citizens due to easy to use and offers and discount given by it. The government of India also promote it because they show the success path of their vision of Digital and cashless economy. Many of the Government organisation and services provider give an option to make payment for their goods and services through E-

wallet. The main players of Indian E-wallet in India market are Paytm, Amazonpay, Phonepe, Googlepe, Razor pay, Freerecharge. The concept of E-wallet started in late 80's when an English entrepreneur Michael Aldrich invented the concept of online shopping and has given the facilities to make payment online, later on many online payment platform raises for make payment only aside from selling or purchase of goods in late 90's and became very famous in developed nation. India it has started in 2004 when Oxygen Wallet launched but has not been popular and growing very slowly in Indian market later on slowly many wallet was launched and in 2010 Paytm a key

player of Indian wallet market was launched which big success in Indian market due to offer and Cashback but it was limited to the Metro's And Big Cities. On 8<sup>th</sup> November 2016 Evening the Honorable Prime minister of India has announced that the two biggest denomination of Indian currency is now not a legal tender. Due to of that there is a lack of floating currency in the market for a period of time and it make a crisis for buying goods or services and people have started searching of POS for making Payment even for very small amount and in very small shop but due to of High Service charges small shopkeepers are not interested in POS and here the E-wallet organisation has taken this as an opportunity and started providing E-wallet for Business at no charge or of very small charges. which attract every business to go for E-wallet even to small Vegetable Seller, Pan shop ETC and became very popular even in Tier3 Tier4 cities. This make a greater move & market expansion for E-wallet and this also support the government vision of digital economy. In it initial days it has been used only for online payment purposes for ticket booking shopping online Mobile Recharge DTH recharge but not for the payment purposes at Bricks & Motor shop's but after the demonetisation it has become the first choice for making payment at different retail outlets for both seller and the buyers. The Government vision of cashless economy has been boost by the Success of E-wallet this can be said because still 65 percentage of the total population of India is living in Rural areas and they are still depend on unorganised Retail shop's for their daily need which are still very small in their business and not able to afford the POS charges But they are easily accepting the payment through E-wallet the love to do so because they got payment notification on mobile number as well on their E-wallet application this make easy for government mission of cashless economy cause the most worried thing for this mission has been short out easily and is growing so fast.

Payment by E-wallet can be done through the using of Credit card, Debit Card & Bank account. E-wallet give an option to store multiple card and Bank account Securely. As per the Reserve Bank Of India the Categorisation of E-wallet has been done in to three category.

1. Closed E-wallet: In this kind of wallet the payment can be made on wallet of the same company or organisation which has issued the wallet. if the cancellation or the refund is issued it can be done on the same wallet only. And this wallet are not allowed to make a payment outside

their Business Permissive E.g. Uber Money, Oyo Money, Make My trip, Yatra, Swiggy Etc.

2. Semi Closed E-wallets: This kind of E-wallets are used for the purchase of goods or services online as well as offline on local establishment Bricks & Mortar store but are not liable to give option of cash withdrawal without linking it from Bank. E.g Paytm, Phonepe, Amazonpe Etc
3. Open E-wallet: Open E-wallet services has given only by the Bank Having Banking Licensees from RBI this wallet have all the option of Semi Closed E-wallet with the addition of Cash withdraw facilities. E.g. Payzap, Pockets, SBI Buddy Etc

## II. STATEMENT OF THE PROBLEM

This study will examine the customer's perception about the Cashless Economy & the factors for the adaptation of the E-wallet by merchant and the customers both in the Madhubani district especially for the payments on the Local establishment Bricks and mortar Store.

## III. OBJECTIVE OF THE STUDY

1. To Study the influencing factors for the adaptation of E-wallets Uses.
2. To check the awareness level of E-wallet Users.
3. To Study the Satisfaction Level of E-wallet Users.

## IV. BENEFITS OF USING EWALLETS

1. Easy To Use: it is used with a single or double tap by scanning QR code or by entering the Mobile number of the receiver
2. Efficiency: Efficiency is an important for any purpose of work and E-wallet give an important benefits that's efficiency of select of right card and speedy transaction as compared to POS and Bank on Line transaction of NEFT, RTGS & IMPS
3. Organised: E-wallet make everything organised that use and storage of card and Bank account and maintaining the transaction details in organised way.
4. Security: Security is an Important concern for all kind of digital transaction due to of hackers and it became more worried when the card details and bank detail's is stored. So the E-wallets has take much more it n to consideration and has provided the option of OTP & Pattern Lock kind of thing before confirming payments for security purpose.

5. Costs: Normally All Bank is charging for all kind of Digital transaction but the E-wallet are the platform which provide all these kind of services free of cost and at some time it's provide offers for some kind of transaction like Cashback, Instant Discount and Gift Voucher which is kind of Monetary Benefits for Customers.

## V. SIGNIFICANCE OF E-WALLET

For the need of all kind of cashless or digital transaction E-wallet is the best platform to full fill it. Even it can also used to send & Receive Payments but restricted to India only. It saves money many time by providing Cashback, Instant Discount, Coupons & redeemable points and at some time this redeemable Points helps in Shortage of money to customers by using the same wallet and to other also, for the Booking of Hotels, Bus Tickets, Train Tickets, Cell phone Recharge, DTH Recharge ETC. It has proven Facts that E-wallet is the best platform for making Digital payments and making payments without Hard Cash in the many country and so they have promoted it in many Nature due to of these.

- Instant Transaction
- It's Accountability
- Safe & Security
- Good Customer Response

## VI. LITERATURE REVIEW

**Rathore 2016:** The study "Adoption of Digital wallet by Consumers" has analysis the factors which influence the consumer to use E-wallet and also the Problem faced by them while using the E-wallet and has give the conclusion that the customer used it for the purpose of online shopping due to convenience and have also stated that the will more accepted by the customers. The user are very much satisfied with the services provided by E-Wallet But they have only Worried about the Security.

**Kalyani 2016:** This Study "E-Currency transaction like E-Wallet using ICT in the youth of India" states the features of Indian E-wallet and has found that the most likely way of payments is Credit & Debit card through E-Wallet. researcher also check the awareness level of customers about Indian E-wallet and found that the Indian customers have good knowledge about Indian E-wallet but have less knowledge about outside Indian market. And have concluded that the Indian customer have less knowledge and usability about E-wallet but can be increased with some Value Addition.

**Varsha R and M Thulsiram 2016:** Has study "A study to find acceptance of E-wallet among the potential users" find that the almost 95% of customer

participated in the study have the Digital Payment application on their phone for digital payments. The researcher has concluded that the customers preferred E-wallet for the Security Purposes instead of Offers and the Monetary Benefits.

**Sinha 16:** Stated that the Customers did not have the concerns about the Security but have the concerns about the service provider and the lack of confidence on using new technology by the service provider.

**Rathore Hew Sweta 2016:** "Adoption of Digital Wallet by Consumers" this study has done to understand that the factors affecting to adaptation of E-wallet and the different risks and challenges faced by the customers During Making Payments and the researcher concluded that the users are very much satisfied with the convenient service provided by E-wallet but they have also issue of security during it adaptation. At last the researcher find that there is the lot of growing potential for E-wallets.

**Sardar Ramesh:** "Preferences towards Mobile Wallets among Urban Population of Jalgaon City" this study has been done to examine the awareness level and preferences to use E-wallet in Urban population of Jalgaon and also to find out the various demographic variables to use E-wallets and found that the majority is using it for the Money transfer Mobile recharge and DTH recharge. The maximum of respondent stated that they uses it due to instant transfer and they also stated that the security is main concern.

## RESEARCH METHODOLOGY

This paper reveals the study of the E-wallet uses, adaptation, awareness and it contribution toward the cashless economy of India through the study of Madhubani District. This study studied the factor which Encourage and Discourage to use E-wallets. The study also reveals the various Demographic factors for the uses of E-wallets and the problems faced during its uses.

### Data Analysis

(Table. 1) Uses of E-Wallet

Uses of E-wallet	Frequency	Percentage
YES	91	50.56
NO	89	49.44
Total	180	100

*Source:* Primary Data Collected in Madhubani District

The Result shows the more than 50% respondent uses E-wallet which shows good adaptation level in Madhubani district.



(Table.2 ) Frequency of Using E-Wallet

Time Interval	Frequency	Percentage
Once in a Month	46	50.56
Once a fortnightly	8	8.81
Once a week	19	21.89
Twice or Thrice in a Week	13	14.32
Daily	4	4.42
Total	91	100

Source: Compiled from the Primary Data Collected in Madhubani District

The Result of Data shows that the maximum respondent is using it once or twice in the week especially for monthly uses.

(Table.3 ) Types of Payment Done Using E-Wallet

Payment	Frequency	Percentage
Mobile Recharge	31	34.77
Payments of Bills	27	29.28
Online shopping	16	17.89
Online Ticket Booking	14	15.69
Other	2	2.37
Totals	91	100

Source: Compiled from the Primary Data Collected in Madhubani District

The Result shows that the Uses of E-wallet is done for the Purpose of Mobile Recharge Bill Payments online shopping Which shows that it is used for Monthly Purposes only.

(Table. 4) The Various Factor Behind Using E-Wallet

Attributes	Number	Rank
Security	82	1
Privacy	80	2
Pricing	76	3
Easy to use	73	4
Easily Refund of Decline Payments	71	5
Option to Pay from Card Bank (Any Where)	69	6
Discounts & Offers	68	7
Easy to Track Payments	53	8
Cash back	51	9
Control Over Every Transaction	49	10
Option For Making Payments on Online Shopping	42	11
Trendy to Use	41	12
All Mine Known are Using It	39	13

Source: Compiled from the Primary Data Collected in Madhubani District

These Question are asked by the Respondent and asked to Give the Ranking according to their opinion

and the table has been prepared according to the maximum has given them the rank

(Table. 5) The Various Problem Faced Using E-Wallet

Problems	Most Frequently	Often	Rarely	Total Percentage
Transaction Failure	15	33	52	100
Duplicate Payment	6	11	83	100
Auto Debit	2	28	70	100
Security Breach	19	24	57	100
Delayed Payment	17	43	41	100
Long Transaction Time	22	41	33	100

Source: Compiled from the Primary Data Collected in Madhubani

The result shows that the major problem faced by the User during making payment is the Long Time taken and Delayed in the Payment but this is just because of the low bandwidth of internet connection

### Hypothesis

1 H0: There is relationship between demographic factor for the adaptation of E-Wallet.

H1: There is no relationship between demographic factors for the adaptation of E-Wallet.

2 H0: There is significant difference between preferences for various modes of payments.

H1: There is no significant difference between preferences for various modes of payments.

### Limitation

- This Study is done on very short period of time & limited to Madhubani District Only.
- Human Behavior changes time to time on their experiences and the technology advancement and this study is limited to the current situation and experience of Technology.
- This study only reveals the current situation and the contribution of E-wallet in current scenario of Cashless Economy.

### Finding

- E-wallet is maximal used for the purpose monthly used.

2. Consumer love to used E-wallet Because of it's easy to use and convenient.
3. The adaptation rate for the E-wallet is very High more than 50 Percentage.
4. Consumers have still issue of Security and Concern about Privacy.
5. Customers have very good response about the customers Support provided by E-Wallet.

### Conclusion

E-wallet is still in the growing stage but have very high adaptation rate this is just because it is easy to use convenient and customers support it also save time as compared to the POS or other online transaction provided by the bank, it shows real time transfer. But the result shows that the maximal uses of E-wallet is done for the monthly uses like Mobile Recharge, Electricity Bill Payments, Bill Payments, DTH Recharge & Online shopping But the few respondent state that they use it for other purposes also like making payment on Local Establishment on Making payment on Bricks and Mortar Store which shows that there is potential in the market for Payment on Local establishment and in near future we will see the use of it on local establishment for payment. The Customers uses the E-wallet have still issue about Security and concern about their Privacy because the record of bank & Cards are available there, Even the E-wallet organisation have taken these in to consideration and Has provide Security option like OTP pattern lock Fingerprint option But due to lack of information awareness this they have issue regarding this. At last the study shows that their E-wallet Future is Promising according to current Scenario.

### REFERENCES

- [1] Kumar, Kalyan M. P. (2016, August). A Study on the Scope of the Virtual Wallets in Indian Market -Issues and. International Journal of Multifaced and Multilingual Studies, III (8), 1-10
- [2] Taheam Kunal, R. S. (2016). Drivers of Digital Wallet Usage: Implications for leveraging digital marketing. IJER Serial Publications, XIII (1)
- [3] Rathore, H. S. (2016). Adoption of Digital Wallets by Consumers. BVIMSR's Journal of Management Research, VIII (1), 69-76
- [4] Sardar, R. (2016, December). Preferences Towards Mobile Wallets Among Urban Population of Jalgaon City. Journal of Management (JOM), III (2), 01-11
- [5] Shin, D.-H. (2016). Towards an understanding of the consumer acceptance of mobile wallet. Elsevier , 1343-1354.
- [6] Shukla, T. N. (2016, June). Mobile Wallets Present and Future. International Journal in Multidisciplinary and Academic Research (SSIJMAR), VI (3).
- [7] P. Kalyani, (2016, June). An Empirical Study about the Awareness of Paperless ECurrency Transaction like E-Wallet Using ICT in the Youth of India. Journal of Management Engineering and Information Technology (JMEIT), III (3), 18-42
- [8] Sinha, I. (2016, April). Mobile Wallet service Utilisation in India: emperical analysis of user trust and acceptance factors. International Journal of Scientific & Engineering Research, VII (4), 1762-1772
- [9] Salodkar Ambarish, Morey Karan and Prof. Mrs. Shirbhate Monali, (2015 December) "Electronic Wallet", International Research Journal of Engineering and Technology (IRJET), Volume 2, Issue 9
- [10] Pandiya Jasmin and Bantwa Ashok. Adoption of E-Wallets: A Post Demonetisation Study in Ahmedabad City, Pacific Business Review International Vol. 10, Issue 10, April, 2018.
- [11] Thulsiram, R.V. (2016). Acceptance of E-Wallet Services : A Study of Consumer Behavior. International Journal of Innovative Research in Management Studies (IJIRMS), I(4), 133-141.