

Mobile Wallets Talk of Every Town after Demonetization: Factors Effecting Mobile Wallet Users: An Empirical Study of Bhopal

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ABSTRACT

Mobile wallets are recent innovation in the banking industry and have become talk of the town after demonetization which effected customers not only in India but the entire world, in such testing times the Mobile wallets have provided a much needed remedy to the problems facing the customers. Mobile wallets are like traditional wallets with the differences that it helps customers to make paper free and convenient means of transactions. The aim of the present study is to identify the factors which effect the customers to use the mobile wallets. The study is descriptive in nature and data was collected through the survey method from the convenience sample of 300 customers which use the Mobile Wallets the questionnaire have been designed on five point likert scale and exploratory factor analysis has been used to identify the factors effecting the customers to use Mobile Wallets. The identified factors have been discussed in the result section of the present study.

Key Words: Mobile Wallet, Customers, Factors effecting customers

I. INTRODUCTION

Smartphone has become inseparable part of today's daily life. With the advancement in technology, mobile users can nowadays custom their smartphones to make money transaction or payment by using applications installed in the phone.

When smartphones can function as leather wallets, it is called "Digital Wallet" or widely known as "Mobile Wallet" (Rathore, 2016)

Mobile wallets have appeared as the most significant contributor in pushing paper free. The heave of smartphones and internet connectivity and free 4G internet services by Jio has helped the customers much needed remedy at the times of demonetization in India.

In recent times Mobile technologies evolved as a payment system. The process through which transaction takes place through smartphones is called Mobile payment system. MPS can be defined as a payment system in which mobile devices are used to initiate, activate, and/or confirm any payment (Karnouskos and Fokus, 2004).

Different Mobile Wallets Available in Markets

Mobile wallets are of two types

One provided by private companies and usually owned by online retailers like:

1) Paytm

Paytm started out with mobile recharges, DTH plans, and bill payments, and then launched an ecommerce marketplace in February 2014. Its wallet partners include Uber, Book-my-show, and Makemy- trip, along with others in categories such as shopping, travel, entertainment and food. It has a license from RBI to set up a payments bank, enabling it to offer current and savings account deposits, issuing debit cards and offering Internet banking services.

2) FreeCharge

Free Charge lets one recharge any prepaid mobile phone, postpaid mobile, electricity bill payments, DTH and data card in India. It recently added metro card recharging as a feature of its platform. The wallet can be topped up with debit cards, credit cards and net banking, and can be managed via an app or from the Web browser.

3) MobiKwik

MobiKwik is also used to recharge mobiles and pay bills and but it's also accepted across merchants such as Book-My-Show, Make-My-Trip, Domino's Pizza, eBay, among others. MobiKwik also tied up with Big Bazaar and Sagar Ratna franchises enabling mobile payments. It has a section with cash backs offers listed on its website with include both online and offline players. Top ups can be done using net banking, debit cards, and credit cards, the app can be used to send and request money between friends and family members as well, using a mobile number or email ID. There is no additional charge for such remittances.

4) Vodafone M-pesa

Vodafone M-pesa is one of the India's largest cash out network, with over 85,000 M-pesa agents feasted across the country. The service lets you transfer money to anyone, to recharge prepaid numbers, DTH connections, postpaid Vodafone numbers, utility bills and online shopping. Money can be transferred to bank via its inbuilt IMPS service, or to a mobile number. DTH and prepaid recharges can be done through m-pesa for free.

And other Mobile wallets are provided by banks such as

- 1) PayZappy by HDFC
- 2) Buddy by SBI and
- 3) Packets by ICICI Bank

The future of Mobile Wallets is seen to be bright due to the increasing awareness of customers, effectiveness - advancement of technology and features provided by Smartphones.

II. REVIEW OF LITERATURE

Rathore (2016) studied the various factors affected a customer's decision to adopt digital wallet as a mode of online payment. Study also endeavored examined the various risks and challenges faced by users of digital wallet. Structured questionnaire was administrated to the sample of 150 smartphone users to get the required information for the study; ANOVA was used to get the results. The results of the study revealed that the Digital wallets are quickly becoming typical mode of online payment. Shoppers are adopting digital wallets at an exceptionally rapid pace, because of its convenience and ease of use.

Sardar (2016) studied the preferences towards mobile wallets among the urban population of Jalgaon city and the study also examined the impact of demographic variables on the usage of mobile wallets the sample size for the study was 60 and the chi square and t test were used to analyze the data. The results of the study showed that majority of the people prefer mobile wallets for transferring money and recharging and the instant payment was an important factor to adopt mobile wallets

Taheam et al (2016) studied factors that motivate youth for the usage of digital wallets in the state of Punjab. A survey method in the form of structured questionnaire was adopted to collect required information for the study. The findings of the study showed that controllability, security, societal influence usefulness and need for performance enhancement were the factors which motivate the usage of digital wallet among youth in the state of Punjab.

Dastan and Gurler (2016) examined the factors effecting adoption of mobile payment systems by the consumer. The study was descriptive and an online survey of sample of 225 individuals was surveyed through convenience sampling method. The study developed model and relationship between the studied variables were tested using structural equation modeling. The results of the study revealed that perceived trust, perceived mobility and attitudes positively affect the adoption of Mobile Payment Systems perceived usefulness and perceived ease of use have no effect on adoption of MPS. The results further revealed that perceived reputation was positively related to perceived trust and environmental risk was negatively related to perceived trust.

Fang et al (2014) examined the impact of mobile money services on marketing interactions in relation to consumer well-being in subsistence marketplaces. The study was descriptive one and was based on the primary data collected through interviews. The findings of the study revealed that impacts of mobile money services on marketing interactions in relation to consumer well-being was classified at two distinct levels. The first level impact was the

actual physical money transfer transactions as part of the marketing exchange activities which led to the second level impact on the social network relationships at interpersonal, social group and cultural levels.

Erick and Kahonge (2014) studied the adoption of mobile payment on business in Kenya. The study used Technology, Organization and Environment (TOE) to identify factors motivated SME to adopt mobile payment methods in their businesses. The study was descriptive cross sectional and cross-sectional survey and sample of the study consisted of 317 SMEs from three strata; hotels and restaurants, tours and travel and supermarkets. The study used Structured Equation Model (SEM) analysis and the results of the study revealed a significant relationship between all indicators and latent variables; Technology, Organization and Environment.

Song and Vong (2013) examined the Affective Cashless Mobile Banking. The study was carried out on ACM an Android tablet users and evaluated with 147 participants, who performed 804 transactions and exchanged 2,412 SMS messages over a three hour testing period. The results of the study suggest that an ACMB core-banking server on a low-cost mobile device can serve over 15,000 microfinance customers.

Amoroso and Watanabe (2012) proposed a model of eleven key consumer-related variables affected the adoption of mobile payment systems based on the proposed model the study present the case of the successful adoption of Mobile Suica in Japan, which were served as a model for the rapid diffusion of such payment systems for other countries where adoption has been unexpectedly slow. The results of the study revealed that those eleven variables include perceived ease of use, perceived usefulness, facilitating conditions, attitude toward using, perceived value, perceived security and privacy, social influence, trust, behavioral intention to use, perceived risk, and attractiveness of alternatives in the context of mobile payments had significantly influenced consumers to adopt mobile wallets.

Diniz et al (2012) examined case study of financial inclusion in Autazes, a county in the Amazon region not served by banks until 2002. The study was descriptive one and based on field survey. The results of study found that financial inclusion through the correspondents' process positively backed to local socio-economic development, the study further found that there were negative signs such as low-income population over-indebtedness, reproduction of social exclusion practices and reinforcement of power irregularities. The study concluded that while access to financial resources is a fundamental means to promote local development to low-income population, such access should be supported by other inclusive mechanisms like financial education in order to be effective.

Vong et al (2012) conducted a pilot study to contribute to advancing research on the impact of mobile money services on microenterprises and micro-entrepreneurs. The study was carried out in rural Cambodia and was descriptive one. The results of the study identified those entrepreneurial and economic implications for poverty reduction using mobile technology is the important reason. Furthermore the results of the study showed mobile money services are gaining market acceptance when used for daily business life in rural Cambodia while complementing or enhancing access to financial services. More so, the financial access to electronic money has changed and improved their livelihoods

Diniz at el (2011) investigated the literature to gain the knowledge related to the individuals and institutions tangled in mobile money initiative and the gain the knowledge about the obstacles social and economic implications of mobile money initiatives. The source of information for the study was peer and non-peer reviewed articles from 2001 to 2011.

Yan et al (2009) examined factors that influence the intention to use a mobile payment solution for mp3 downloading among university' students. Technology Acceptance Model, Theory of Planned Behavior and previous literatures was used to develop the hypothesis. The questionnaire was administrated to the final year business students at a public university in the southern part of Malaysia to get the information. Multiple regressions were employed to analyze the data. The results of the study found that trust and peer influence had a significant effect to use the online payment system among the students.

III. METHODOLOGY

The study was conducted on Customers who are using Mobile Wallets of private companies and Banks. Convenience sample of 300 customers located in Bhopal. The Self Structured questionnaire was administrated on the sample, statements related to customers influencing them to use Mobile Wallets has been designed on five point likert scale. The questionnaire was sent to the experts and vetted by them. The instrument was validated for content validity and was first pilot tested.

IV. RESULTS AND DISCUSSION

Table 1.1 Descriptive analysis

Table 1: Profile of Respondents	
Age	% of Respondents
Under 25	65%
26-35 Years	22%
36-50 years	5%
51-65 years	8%
Education	% of Respondents
Below 10 th	6%
Above 10 th	55%
Graduate	25%
Post Graduate	4%
Above Post Graduate	5%
Type of Mobile Wallet	
Private Bank	23%
	77%

Factor Analysis to identify Factors which effect the customers to use the mobile wallets

Before applying the factor analysis one has to make sure that the data collected is fit for factor analysis. Kaiser-Meyer Olkin measure of sampling adequacy is employed to examine the appropriateness of data for factor analysis. High values (between 0.5 and 1) indicate that the factor analysis is appropriate (Malhotra, 1999) the value was found to be .602. Further, Bartlett's test of sphericity is a test statics used to examine the hypothesis that the variables are uncorrelated in the population (Malhotra, 1999). The value was found to be 503 with 210 degree of freedom and significance .000 which indicated that the variables are highly correlated. Thus all of these examinations revealed that data was fit for factor analysis.

Extraction Method

Principal Component Analysis was employed for extracting the factor. The number of factor to be extracted was finalized on the basis of 'Latent Root Criteria' i.e. having Eigen values greater than 1 have been selected.

Rotation Method

Orthogonal Rotation with Varimax was run. Rotation converged in 25 iterations. In orthogonal rotation, each factor is independent of or orthogonal form, all other factors. The correlation between the factors is determined to be zero.

The five factors were extracted which amounted 60.606 of the total variance.

Table 1.2: Factor Analysis, Showing Variance of each Factor

Factor	Factor (%variance)	Statement (Factor loading)
Factor 1	(14.00)	Timelessness and information adequacy provided by Mobile Wallet Provider (.541)
		Communication by Mobile Wallet Provider (.608)
		Convenient to use(.720)
Factor 2	(12.99)	Offers and discounts provided (.546)
		Never charges extra money (.580)
		Alerts me whenever I made traction (.799)

Factor 3	(12.81)	Speed and Navigation(.624)
		Not faced any issue (.774)
Factor 4	(11.06)	Security Measures(.733)
		Full Trust (.522)
Factor 5	(9.72)	Because of Smartphone (.796)
		Can transfer any amount (.598)

CONCLUSION

This paper aimed to find the factors which effect the consumers to use the mobile wallets. The study concluded that there were five factors which effect consumers to use the mobile wallets. It has been concluded that the mobile wallets is the need of the hour and after demonetization people are more interest to use the mobile wallets. The findings of the study will help the companies and the banks to understand the factors which are the prime reasons for people to use mobile wallets.

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