



# AN EMPIRICAL STUDY ON CUSTOMERS ADOPTION OF E-WALLET WITH SPECIAL REFERENCE TO PUNE CITY

Prof. Vijayashri Machindra Gurme  
Department of Management  
MIT School of Management, Pune, Maharashtra-411038

**ABSTRACT - An E-wallet money is used in the various areas of the world business like and Companies, Banks and Customers. The Banks have taken a better place in providing a better bank transaction services and payment to the customers need .For customers are dragged by the shopping facilities that is given by E-wallet and customers are attracted because of convenience and speedy transaction .In case of companies ,the companies aims at providing facility of transaction services and payment choice to their customers and the multiple payment combination facility providing by the company are attached to E-wallet service .**

**E-wallets have the same functionality as a credit/debit card and must be linked with your bank account to make payments easily. An e-wallet is a type of security and password protected, pre-paid account in which you can store your funds for online transactions.**

Keywords: E-wallet, Adoption, Customer, Bank.

## I. INTRODUCTION

The development of technology and technological advancement made electronic devices to become essential part of daily life of people. Electronic devices are used as a source of communication device, socialized tool, entertainment, internet and even as a payment tool. E-wallet with the support of mobile technology allowed the owners of smartphone to carry out many financial transaction. The identification implements include name, type and other key words which enhances the security for all the data's on the E-wallet and these data's are encrypted and lost data's can be recovered by using a backup option.

E-wallets allow users to store multiple credit card, debit card and bank account numbers in a secure environment. In today-world, electronic devices i.e. Smartphone, Tablet, Laptop, Computer etc. have become important part of everyday life. As it has become more affordable, the number of electronic devices users has increased dramatically.

An e-wallet like an electronic card which grants you the ability to make transactions online through a computer, tablet, Laptop and smartphone. As per Reserve Bank of India guideline 'E-wallets' in India can be classified into three categories.

### 1. Closed e-wallets:

The money stored in these wallets can only be used to transact with the companies who have issues such wallets. Closed wallets are online accounts where money gets credited for when of a refund due to cancellation or return of a product or service.

E.g. Cab services (Like Uber Cabs, Ola Cabs), e-commerce (like Amazon, Makemytrip, Bookmyshow, e-Bay, First Cry, Flipkart, Snap deal) and mobile companies create e-wallets for making payments towards purchase of products from them /for usage of their services.

### 2. Semi-Closed e-wallets:

A RBI approval is needed to start and run a semi closed wallet. These e-wallets can be used to transact online and offline which include buying goods and services, financial services, payment of fees, premiums, etc. through/to merchants which have a specific contract with the issuer to accept the payment instruments.

E.g. Freecharge, Oxygen, MobiKwik, Paytm, Citrus, and Airtel Money are the best examples under this category of e-wallet.



### **3. Open e-wallets:**

Open Wallets can only be issued by banks or in partnerships with banks. These wallets can be used to do all the transactions of a semi-closed wallets plus withdraw cash at ATMs or banks and transfer funds. M-Pesa by Vodafone and ICICI bank, Pay Zapp by HDFC Bank, etc. are few open wallets in India.

## **II. STATEMENT OF THE PROBLEM**

This study will describe the impacts of e-wallet in pune area per customer perspective. For example, now we have purchase internet and social interactions made via short message service (SMS), e-mails and social networks on the Internet. When everything is mobile, the payments have to be mobile too; we have to be able to pay for goods and services no matter where we are. Thus there is a need for an electronic wallet, an e-wallet, with which mobile, laptop, computer payments can be made.

## **III. OBJECTIVES OF THE STUDY**

The main objective of the study is to analyze the awareness, usage and issues of E-wallets among the people in Pune. The study also intended to describe the concept and growth of E-wallet in India.

1. To study and understand customer awareness level of E-wallet Services.
2. To identify factors influencing the adoption and usage of E-wallet

## **IV. BENEFITS OF E-WALLET**

### **1. Convenience**

You can complete a transaction using an e-wallet with a tap or wave of the smartphone at the checkout terminal.

### **2. Efficiency**

Efficiency is the important benefit to e-wallet for the right card and consumers adopt this technology, checkout lines could become shorter due to the speedy nature of the transactions.

### **3. Organization**

An e-wallet can help you organize everything from credit cards, membership cards, customer loyalty cards and more.

### **4. Security**

Your e-wallet must be effective if the users can depend on its security structure. An e-wallet expects users to store their card information or enter their passwords. So, your app must be equipped for securing the information of the users' data. As such

applications are always a soft target for hackers, mobile wallet app developers must develop a password-protected app with features like sending OTP, fingerprint, or QR code for the validation

### **5. Costs**

An e-wallets typically offer all of this convenience for free. Some bank transactions and services, however, could come with a flat fee, such as reloading a prepaid card within the wallet from a different source, like a credit card. But, for most transactions, the convenience and simplicity of an e-wallet will not cost anything more.

## **V. SIGNIFICANCE OF E-WALLET:**

An E-wallets is the best platform to settle all the cashless transaction, and it can help you to send and receive money across India. E-wallet usage is better, to improve your present money shortage situation you can only use E-wallet money in various fields like online shopping, travel booking, taxi booking, and even it is acceptable for few other sites which offer food and other services. It is a proven fact that e-wallets are the best way to go cashless and make spending money easier without having hard cash. Numbers of countries across the world have understood the importance e-wallets and many of them have applied using them too.

### **1. They are accountable**

With the help of using e-wallets bank transaction and services becomes easy to trace transactions completely. Every transaction send or receive will mention in the e-wallet statement and you will be able to check it anytime.

### **2. Instant transactions**

Today's life Compared to e-banking facilities available in the market, e-wallets are smooth and help in fast transactions. For banks they deal with larger transactions which consumes a lot of time while e-wallet carry out smaller transactions and with lesser security layers. An e-wallet makes transfer of money easy and that too within lesser time.



### **3. Safe & Secure**

This system is much safe compared to banks because mostly people put in a few amount of money in the wallet which they need for coming few days. It means there is a very low risk of loses in case your account gets hacked or you lose your account for some unforeseen circumstances and you can use the e-wallet without having to worry and risk about losing larger amount of savings.

### **4. Better customer response**

Number of the banks follow a standard working hours and it is not possible to get response for when you don't fall into it. In some serious issues you will need to take some time out of your day and walk into bank to get your issue solved. With the help of e-wallet you will not left. They offer a smooth and easy communication channel which can help you stay connected and get answers for when of any query.

## **VI. LITERATURE REVIEW**

1. This study defines "Adoption of Digital wallet by consumers" have analyzed about the factors that influence consumers adoption of digital wallet and also analyzed the issues and challenges faced by consumers in usage of digital wallet and concluded that online shoppers are adopting digital wallet largely due to convenience and ease to use and in the future years digital wallet will gain more widespread acceptance. Researcher found that main factors contributing towards adoption of digital wallet as a mode of payment are convenience in making payment online, brand loyalty and usefulness of digital wallet. It was found that users of digital wallet is satisfied with the services provided by them. The most crucial and challenging issues for adoption of digital wallet are security and safety. Online Shoppers are adopting digital wallets at an incredibly rapid pace, largely due to convenience and ease of use. (Rathore, 2016)
2. This research defines the awareness and usage of paperless E-Currency transaction like E-Wallet using ICT in the youth of India. The paper elaborately explains features of various E-wallets in India. Researcher found that the most preferred modes of payment among the selected respondents are Cash on Deliver (COD) and credit card and debit card. It was

found that respondents have the good amount of information about the e-payment and e-wallet services available in India, but they know very little about the same types of services available outside India. Researcher concluded that awareness and practical usability of the E-wallet is low, that increased by adding more value added services to it. (Kalyani, 2016)

3. Varsha R and M Thulsiram undertook a study to find acceptance of E-wallet among the potential users. As per research author found that the price related factor name as 'cost saving' and discount benefits seemed as low considered by the respondents where security, privacy is more primary reasons for e-wallet preference. More than ninety-five percentage of the respondents had a possible apps in the mobile phones for making e-payments (Thulsiram, 2016).
4. Indian consumer will use E-wallet when they are convince fact that many relative advantages compare conventional leather wallet. They will use mobile, Tablet, Laptop, Computer etc when they are convince that there will be no loss or security concern for using E-wallet. Intent to use the mobile wallet would increase if the customer trust their service provider and the technology and there by develop confidence on to the system. (Sinha, 2016)

## **VII. RESEARCH METHODOLOGY**

This research paper is examining the Usage, Awareness, adoption of E-wallets as a mode of payment in Pune City and to learn the factors encouraging and discouraging the usage of E-wallets. The paper also throws light on ancillary issues like impact of various demographic factors on usage of E-wallets, problems faced by people while using E-wallets etc.

### **Hypothesis**

H<sub>0</sub>: There is no relationship between various demographic factors and adoption of E-wallets

H<sub>1</sub>: There is relationship between various demographic factors and adoption of E-wallets

## **VIII. LIMITATIONS**

1. The study is limited to Pune City.
2. Customers perceptions changes from time to time with the advancement in the technology.



3. The research studies only about the customer's perception towards E-wallet and not the merchant's perception towards E-wallet.

#### IX. CONCLUSION

E-wallets are easy and secure to use. You should use an e-wallet if you plan on using e-money and making digital transactions. Not only will it offer your strong levels of security, it will also boost overall convenience for carrying out purchases.

E-wallets are rapidly gaining acceptance as a mainstream mode of payment and in near future it will garner significant share as a mode of payment for sure going online as well as offline business. This Study indicated that main reasons for low preference of E-wallet as mode of payment are tendency of people to do not move out of comfort of using traditional mode of payments, privacy concerns and threat to security. E-wallet users give very high level of importance to attributes like security, privacy concerns and pricing (Fees). The major problems often met by the respondents while using E-wallet are long transaction time taken by E-wallet for processing the transaction, security breach and delayed payment.

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