

Adoption behaviour of Consumers towards Digital Wallet

KEERTHANA.R
(REG NO.16PBA010)

A Major Project Submitted to
Avinashilingam Institute for Home Science and Higher Education for Women
Coimbatore – 641043

In Partial fulfilment of the requirements for the degree of
Masters in Business Administration

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CERTIFIED AS BONAFIDE RESEARCH WORK

Signature of the
Guide

Signature of the
Head of the Department

Signature of the
External Examiner

ACKNOWLEDGEMENT

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SYNOPSIS

SYNOPSIS

The study on **“Adoption behaviour of Consumers towards Digital Wallet”** was conducted during December 2017 to February 2018 with the primary objective of analyzing the adoption behaviour of consumers. The challenges and barriers faced by the consumers were also analyzed.

The data was collected from 200 respondents who are residing around Coimbatore. The data was analyzed with the help of Central tendency and Path analysis.

Based on the analysis, the adoption behaviour of the consumers were derived and suggestions were made in order to improve the usage of Digital wallet among consumers.

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ANNEXURE

ANNEXURE

ADOPTION BEHAVIOUR OF CONSUMERS TOWARDS DIGITAL WALLET

Respected Sir/Madam,

I am R.Keerthana student of Avinashilingam School of Management and Technology, Coimbatore. As a part of my curriculum, I have undertaken the project work titled as above. Your cooperation in filling this questionnaire will help me in the successful completion of my project work. I assure you that the data will be used confidentially and for academic purposes only.

1) Gender

- Male
- Female

2) Age

- 18-30 years
- 31-40 years
- 41-50 years
- 51-60 years
- Above 60

3) Educational qualification

- Below HSC
- HSC
- UG
- PG
- Others

4) Annual income

- Less than 1 lakh
- 1-4 lakhs
- 4-7 lakhs
- 7-9 lakhs
- 9 lakhs and above

5) Occupation

- Student
- Self-employed
- Government employee
- Private employee
- Others

6) Do you use smart phone?

- Yes
- No

7) **Have you used smart phone for making online payment?**

- Yes
- No

8) **On an average how often do you make online purchases?**

- Once in a week
- More than Once in a week
- Once a month
- Few times a year
- I have never used the internet to buy anything

9) **Are you aware of digital wallets?**

- Aware
- Partially aware

10) **How often do you use the following payment method for online transaction?**

	Mode of payment	Always	Mostly	Sometimes	Rarely	Never
a	Debit card					
b	Credit card					
c	Online banking					
d	Digital wallet					

11) **Where did you get information about digital wallets?**

- Social media
- Word of mouth
- Magazine/ television
- Academic places (conferences/ seminars)
- Internet

12) **Which digital wallet do you prefer most of the time?**

- PayTM
- Airtel money
- Jio money
- PayPal
- Samsung pay
- Free charge
- Mobikwik

- Google wallet
- M –Pesa
- Citrus

13)What are your purpose of using digital wallet?

- Money transfer
- Recharge
- Shopping
- Utility and bill payment
- All the above

14) How important is each of the following factors in your decision in choosing digital Wallet as a mode of payment?

	Factors	Not important	Somewhat important	Very important
a	Convenience in buying Product online			
b	Ease to use			
c	Brand loyalty			
d	Security			
e	Privacy			
f	Utility of innovation			
g	Usefulness of digital wallet			
h	Discount offers			

15) Why do you prefer digital wallet over other modes of payment?

	Factors	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
a	Time saving					
b	Less risk					
c	Reward points					
d	Offers and discounts					

16) To what extent do you agree with each of the following statement?

	Factors	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
A	Digital wallet can be an alternative choice of payment mode					
B	Digital wallet can substitute the cash based payment method					
C	Digital wallet can support the existing payment					
D	Digital wallet is not necessary					

17) How much satisfied are you with digital wallet service that you have used?

- Highly dissatisfied
- Dissatisfied
- Neutral
- Satisfied
- Highly satisfied

18) Would you like to continue using digital wallet?

- Yes
- No

19) What are the challenges you face while using digital wallet?

	Factor	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
a	Payment through digital wallet may not be safe and secured					
b	Digital wallet provider companies may track my transaction and use my payment details for other purpose					
c	May not get reimbursement of money if I cancel my order					

d	Digital wallet provider companies may ask for irrelevant personal information					
e	Internet/mobile data connection is must					

If any other, please specify

20) Your opinion about digital wallet

a) Features

	Factors	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
A	24*7 service available for making payments					
b	Shopping offers and discount					
C	Hassle free mode of payment					
D	Safe and secure mode of payment					
E	Anywhere anytime access is possible					

b)Expected Performance

	Factors	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
A	In my opinion digital wallet could be useful					
B	I believe that I could save time using digital wallet					
C	I believe that I could save money using digital wallet					

c) Effort expectancy

	Factors	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
A	Using digital wallet is easy					
B	Learning to use digital wallet would be easy for me					
C	In my opinion using digital wallet could be beneficial					

D) Social factors

	Factors	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
A	My friends/family members value of my choice of digital wallet or suggest to use digital wallet					
B	Social/media suggest to use digital wallet					
C	I would be trendy while using digital wallet					

21) Do you think digital wallet should be widely available in India?

- Yes
- No
- May be

CHAPTER 1

INTRODUCTION

In the last few centuries, mankind has gone through industrial and electronic revolutions. In the 21st century, the network revolution has been added to its predecessors. The way people transact online is changing. As more people are getting access to mobile and huge online transaction that are done on daily basis for certain products like books, electronic products and domestic products. Even a huge number of transactions for online recharges, buying products of daily usage etc., makes these online transaction providers to face huge operating costs. A great number of users are doing online transaction but for small amounts and that also a lot on frequently basis which is greater than costs of providing online transaction with authentication mechanism. There are very less margins available to online transaction providing companies and as we all see even e-commerce industries are able to generate revenue which is minimal. Thus to reduce the cost of using the whole infrastructure for online financial transactions which are done on frequently basis and charging just Rs 3-5 per transaction which hardly leaves any margins for online transaction and authentication providing companies who handle data for all banks and all kinds of data for different kinds of credit/debit cards and its users, increases the processing costs of providing online transactions for payments to users. For all the valid reason given above the concept of digital wallet occurred whose basic concern is to simplify this infrastructure. And ease the use of online payments both for users and online payment providing companies. The banks are also encouraging this to get to know their customers better and a medium of mobile for promotion of their plans. More emphasis is also being given to not disclose customers identity as their details will get encrypted and only what commodity they purchase and its price could be seen by the companies. That is the privacy and security concerns of users are being taken utmost care of. So the whole concept made us curious to know the adoption of consumers to usage of digital wallets.

1.1 EVOLUTION OF PAYMENT SYSTEM:

1.1.1 Barter

At the beginning, there was no money. People engaged in barter, the exchange of merchandise for merchandise, without value equivalence. Goods used in barter are generally in their natural state, in line with the environment conditions and activities developed by the group, corresponding to elementary needs of the group's members. This exchange, however, is not free from difficulties, since there is not a common measure of value among the items bartered.

1.1.2 Commodity Money

Some commodities, for their utility, came to be more sought than others are. Accepted by all, they assumed the role of currency, circulating as an element of exchange for other products and used to assess their value. This was the commodity money.

1.1.3 Metal

As soon as man discovered metal, it was used to made utensils and weapons previously made of stone. It was exchanged under different forms. At the beginning, metal was used in its natural state, and later under the form of ingots and, still, transformed into objects, from rings to bracelets. The metal so traded required weight assessment and assaying of its purity at each transaction. Later, metal money gained definite form and weight, receiving a mark indicating its value, indicating also the person responsible for its issue. This measure made transactions faster, as it saved the trouble of weighing it and enabled prompt identification of the quantity of metal offered for trade.

1.1.4 Money in the Form of Objects

Metal items came to be very valued commodities. As its production required, in addition to knowledge of melting, knowing where the metal could be found in nature, the task was not at the reach of everyone. The increased value of these objects led to its use as money and the circulation as money of small-scale replicas of metal objects.

1.1.5 Ancient Coins

In the 7th century B.C. the first coins resembling current ones appeared: they were small metal pieces, with fixed weight and value, and bearing an official seal that is the mark of who has minted them and also a guaranty of their value.

1.1.6 Gold, Silver and Copper

The first metals used in coinage were gold and silver. Employment of these metals happened for their rarity, beauty, immunity to corrosion, economic value, and for old religious habits. With the appearance of paper money, minting of metal coins was restricted to lower values, necessary as change. In this new role, durability became the most requested quality for coins. Large quantities of modern alloys appeared, produced to support the high circulation of change money.

1.1.7 Paper Money

In the middle Ages, the keeping of values with goldsmiths, persons trading with gold and silver items, was common. The goldsmith, as a guaranty, delivered a receipt. With time, these receipts came to be used to make payments, circulating from hand to hand, giving origin to paper money.

1.1.8 Monetary System

The set of coins and bank notes used by a country form its monetary system. The system is regulated by appropriate legislation and organized from a monetary unit, its base value. Normally, higher values are expressed in notes while smaller values are represented by coins. The current world trend is that daily expenses be paid with coins. Modern metallic alloys enable coins to be more durable than notes, making them more appropriate to the intense use of money as change. The countries, through their central banks, control and guarantee the issue of money. The set of notes and coins in circulation, the so called monetary mass, is constantly renewed through the process of sanitation, substitution of worn out and torn notes.

1.2 DIGITAL WALLET IN INDIA:

India has been experiencing exponential growth in the area of digital payment. With ever increasing internet and mobile penetration, the country is all set to witness a massive surge in the adoption of digital payments in the coming years. Furthermore, flagship government initiative such as Digital India will act as key catalysts and enabler of this transformation.

A digital wallet is a virtual storage system that can contain money and a digital certificate of your identity. It is a software application, usually for a smartphone that serves as an electronic version of a physical wallet or refers to an electronic device that allows an individual to make electronic commerce transactions. This can include purchasing items on-line with a computer or using a smartphone to purchase something at a store. Increasingly, digital wallets are being made not just for basic financial transactions but to also authenticate the holder's credentials. For example, a digital-wallet could potentially verify the age of the buyer to the store while purchasing items. It is useful to approach the term "digital wallet" not as a singular technology but as three major parts: the system (the electronic

infrastructure) and the application (the software that operates on top) and the device (the individual portion). An individual's bank account can also be linked to the digital wallet. It is a system that securely stores user's Payment information and passwords for numerous payment methods and websites. By using a digital wallet, users can complete purchases easily and quickly with near-field communications technology. They can also create stronger passwords without worrying about whether they will be able to remember them later. Digital wallets can be used in conjunction with mobile payments systems that allow customers to pay for purchases with their smartphones.

India is moving on the path of a major digital revolution. Digitalization of the payment mechanism will be considered as milestone in the era of cashless future economy. The growth of the Indian digital payments space is expected to be driven by four trends that are also likely to impact how this industry looks in the future. India going digital, favorable regulatory environment, emergence of next generation payment service providers and enhanced customer experience are the four drivers contributed to the growth of Indian digital payment systems. The mobile wallet is a new application of mobile payment that has functionality to displace a conventional wallet and more. Mobile payments are a top investment priority for banks. In fact, the world's biggest banks continue to focus most of their announced IT initiatives on mobile financial services (including payments) and online banking. Till date relatively less number of individuals have been utilizing digital wallet, as compared to mobile phone users. The fundamental obstacle is attitude of individuals, who require some serious energy to adjust to a yet another innovation. Mobile wallets are app-based stored value accounts, funded through credit or debit cards or via net banking. Paytm, Mobi Kwik, Freecharge and Citrus Pay are some well-known mobile wallet

examples. These wallets are primarily used for mobile recharges and bill payments.

1.2.1 Paytm:

Paytm is one of the fast growing companies in the mobile wallet space in India. Paytm received the mobile wallet service license from the Reserve Bank of India. With its mobile first strategy, Paytm does more than 30 million orders of various digital and physical goods every month. Launched in 2014, Paytm wallet is India's dominating mobile payment service platform.

1.2.2 Mobikwik:

Mobikwik Started in 2009, The Mobikwik Wallet claims to enable users to pay in a flash for their recurring mobile recharge, bill payments and online purchases on popular e-commerce websites. The user can make payments using Mobikwik for eBay, Snap deal, Shop clues, MakeMyTrip, red Bus, BookMyShow, Domino's Pizza, Fashion and you, American Swan, Abhibus, Purpille, HomeShop18, Naaptol, Pepperfry, Yepme and Infibeam.

1.2.3 Airtel money:

Airtel has started a new m-commerce platform called Airtel money in collaboration with Infosys and smart trust. This platform was launched on 5 April 2012, at Infosys headquarters in Bangalore. Using airtel money, users can transfer money, pay bills and perform other financial transactions directly on the mobile phone

1.2.4 JioMoney:

JioMoney, launched recently in 2016 by Jio, is a digital payment app. With JioMoney, one can receive great discounts and offers. Users can also bookmark their frequently visited retailers so shopping can be made quicker than usual.

1.2.5 Vodafone M-pesa:

The service lets you send 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.

1.2.6 Samsung pay:

Samsung pay is a mobile payment and digital wallet service by Samsung electronics that lets users make payments using compatible phones and other Samsung-produced devices.

1.2.7 PayPal:

PayPal holdings, Inc. is an American company operating a worldwide online payments system that supports online money transfers. It is one of the world's largest internet payment companies.

1.2.8 Oxigen:

Oxigen is one of the oldest players in the payment market while the company jumped into the mobile wallet space just last year. With its service, people can share money with their friends and family. It allows the users to use their wallet to recharge their mobile phones, pay bills and shop across a large number of online merchants.

1.2.9 Citrus:

Citrus pay another key player in the mobile wallet space, which has quickly garnered attention from users in India. It claims to have completed transactions on its platform to the tune of 1bn dollars. In addition the company has attracted funding from investors such as Sequoia Capital, Beenos, and E-Context Asia, among others.

1.2.10 Google wallet:

Google Wallet, formerly known as Google Checkout, is another good online payment system with global reach. This is essentially Google's version of PayPal, complete with money transfers and a Google Wallet Card.

1.2.11 Free charge

Free charge founded in 2010, Free Charge claims to be strong in the mobile wallet space with 20 million registered users. It is one of the biggest mobile recharge platforms. The company was acquired by Snap deal for \$400.

1.3 NEED OF THE STUDY

There exists a huge untapped market for digital wallets both in terms of increasing awareness as well as its usage. Time saving and ease of usage were found to be the main reasons for using wallets. However, safety of money transacted remained their major concern. Security issues in terms of fear of cash loss and lack of usability for international transactions are the prime barriers to its adoption. The study makes a valuable contribution to research in the area of finance, by exploring digital payment systems in India, an emerging concept.

1.4 OBJECTIVES OF THE STUDY

- To examine the factors that influence consumers in adoption of digital wallet.
- To analyze the adoption behaviour of consumers for digital wallet.

1.6 SCOPE OF THE STUDY

- The adoption of low cost smartphones coupled with the availability of high speed internet has enabled many people to access E-commerce and banking on their mobile phones.
- Due to the increase in usage of smart phones, digital wallets are playing a significant role in the life style of the consumer because of its convenience in usage and faster service.

1.7 LIMITATIONS OF THE STUDY:

- The research was conducted within the limited time span, so a detailed study could not be undertaken.
- The responses to the questions are subjected to personal bias of the respondents.
- Change alone is constant so the current perception of the consumer may change.

CHAPTER II

REVIEW OF LITERATURE

A literature review is a body of text that aims to review the critical points of current knowledge on a particular topic. A good literature review is characterized by a logical flow of ideas, and an unbiased and comprehensive view of the previous research on the topic. Around thirty reviews are discussed in this chapter.

Manikandan and Mary Jayakodi (2017) aimed at understanding consumers adoption of mobile wallet with special reference to Chennai city. This study aimed to explain the application and usage of wallet money endorsed by different companies and various factors that affect the consumer's decision to adopt mobile wallet and various risks and challenges faced by the users of mobile wallet. A structured questionnaire was prepared and data were collected from 150 respondents and factors affecting the adoption and usage of mobile wallet was analyzed by using ANOVA to get the statistical result from data collected. The researcher concluded that Mobile wallet usage awareness as spread among the people in India due to government policy of demonetization and this as forcefully induced the usage of mobile wallet .The security issues are tighten and risk factors are reduced will automatically increase the adoption of mobile wallet.

Deepak Mathur (2017) aimed at understanding A Survey of Awareness about Security in E-payment system. A descriptive survey research method was used for this study. Data was collected using structured questionnaire The data was then examined using correlation and statistical techniques of analysis such as frequencies and percentages for the descriptive part of the study. It was found that Laptops and mobiles are used mostly for the purpose of e-payments. Desktop usage are comparatively quite low and also analyzed that Around 45 percent of the users said that they make sure to logout the banking website when they finish their task when they are using it on laptop or desktop. The study reveals that the peoples are not so aware about the security concerns while

making e-payments. There is a need to have awareness programs by the various agencies in this regard.

Abhijit M Tadse and Harmeet Singh Nannade (2017) made an analysis on usage of Pay tm by Smartphone users and various problems faced by them. Their study was to analyze the satisfaction level of Pay tm users based on different parameters. For their study structured questionnaires were sent to 230 Smartphone users out of which 151 responded to the questionnaire. After analyzing the data it was found that 50% of respondents are satisfied with the Pay tm services and rest of them feels there should be improvement in customer service and innovation. The researcher concludes that Pay tm is currently performing well in terms of privacy but it has to work upon discounts/offers, transaction time, bring innovation to increase customer satisfaction.

Brindha shah, Deepika Shankar Ullaltil and Asha Nagendra (2017) studied on acceptance of E-Wallets by Indian consumers and also on analyzing E-Wallet companies after the introduction of Unified Payment Interface by RBI. Quantitative technique was adopted with the help of structured questionnaire to collect the data and they were analyzed using Karl Pearson correlation statistical tool. From that study it was observed that awareness of UPI App was less when compared to E-Wallets among users. The researcher concludes that since the digital payments in India are nascent over last few years so there will be healthy competition between banks and E-wallet companies in providing benefits to the users in the near future.

Amina Abdinoor and Ulingeta O.L. Mbamba (2017), made a study to understand the factors influencing consumers' adoption of mobile financial services in Tanzania. For this study the researcher used Technology Acceptance Model. Their study was to assess awareness of mobile financial service, usefulness, and benefits and cost effects on adoption of mobile financial services. Random Sampling technique was used to select the sample for data collection. 200 respondents were selected randomly from Dar es Salaam region particularly Kinondoni District. This study used the primary data and regression model. The researcher concluded that there was a positive impact on objective

and they also suggested that service providers should consider affordability and availability of the financial services for the low-income segment in the society. These results can be extended to any developing country.

Mathangiand IsaiahOnsarigoMiencha (2017), made an analysis on improving service quality through digital banking – issues and challenges. This paper discusses convergence of technologies through the digital banking for a smooth transition towards a transparent economy. Secondary data were collected and analyzed for the purpose of the study. From this study it was found that many government and private sectors had taken many initiatives for a digital payment system and they had identified that rural, illiterate and elderly people can easily fall into the prey of fraudsters. Therefore big alertness drive is needed

MrinaliniKaul, PurviMathur (2017), aimed at understanding the impact of digitalization on the Indian Economy and requirement of financial literacy. Their campaign was intended to connect rural areas with high speed internet network and to improve the digital literacy. The study was exploratory and quantitative in nature. Secondary data's were collected and used for analysis. From this study it was found that there are certain obstacles such as lack of knowledge, infrastructure requirements and so on are affecting the financial literacy of the people. Thus the researcher suggests that awareness should be created among school and college students, community centers have to be formed to guide the illiterate people etc. to brand our nation as digitalized one in upcoming ages.

Manpreet Kaur (2017), studied on Demonetization: Impact on cashless Payment system. In this paper researcher aimed to study the role of demonetization and examine the status of electronic payment system. The study is based on secondary sources of data. Different books, journals, newspapers and relevant websites have been consulted in order to make the study an effective one. The researcher concluded that cashless transition is not only safer than the cash transaction but is less time consuming and not

a trouble of carrying and trouble of wear and tear like paper money. It also helps in record of the all the transaction done.

Josephine Lourdes De Rose (2017) studied on consumer preference towards e-Payments. The aim of the study is to analyze the various preference factors which affect their purchase decision through online mode. The researcher has made an attempt to analyze the preference factors of the consumers to make online payments. The study is exploratory in nature. The analysis suggests that E-payment is very convenient compared to traditional payment methods such as cash or check. It also eliminates the security risks that come with handling cash money. The researcher concluded that they offer more privacy, convenience and on the date payments without delay in bills and keep us updated on our financial activities. It avoids stress in handling cash and unnecessary waste of time.

Koichiro Kamada (2017), made an analysis on the Transactions Demand for paper and digital currencies. This paper explores optimal currency choice, particularly between paper and digital currencies. In this paper Baumol-Tobin model was used to derive the conditions under which digital currency is preferred to paper currency and also explains potential variations in currency preference across countries, mainly between advanced and developing nations. This paper helps to gather information about negative interest rate and currency taxes.

Shamim (2017) have conducted a study on Digital India – Scope, Impact and Challenges. This paper explains about the explosive growth of Information Communication Technology (ICT) services in presenting policymakers with three key challenges namely to establish standard performance indicators, lack of tools, to adopt new policy tools to accelerate digitalization and gain its accompanying benefits. The outcome of Digital India is to produce Wi-Fi locations for people, creating job , universal phone connection, High speed internet, Digital inclusions , e- Services, e-Governance , Digitally motivated people, National scholarships Portal, digital lockers system , e- education and e-health making India to be discoverer in IT use solution.

Manikandan and Chandramohan (2016), studied the awareness level of mobile wallets services among management students in Alagappa Institute of Management. This research study provides the reason for the poor practice of mobile wallet services. For the purpose of the study primary data and personal survey method was used to collect the data with the help of the structured questionnaire from 88 management students with various undergraduate backgrounds. Simple random sampling was used for collection of data. For the analysis of the data collected, independent T- test and Garrett ranking method was used. The study portrays that, day-scholars as well as female respondents were having more awareness about the mobile wallet services compared to male respondents. The researcher concluded that the advertisement and discount/offers should be made in social media networks which will capture young people to get into the usage

Poonam Painuly and ShaluRathi (2016) in their research paper Mobile wallet: An upcoming mode of business transaction. This study analyzed that ease of transaction, secured profile and convenience in handling application put forth the benefits of wallet money and also concluded that business sectors like banking, retail, hospitality etc., are making use of wallet money and mobile payment instruments including contactless and remote payment in the customers –business and customers to customer’s areas.

Hem Shweta Rathore (2016) in her research paper Adoption of Digital wallet by consumers have analyzed about the factors that influence consumers in adoption of digital wallet and also analyzed the risk and challenges faced by consumers in usage of digital wallet and concluded that 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.

PawanKalyani (2016) made a study to understand the awareness on paperless E-currency transactions like E-Wallet using ICT in youth of India. In their study all ICT based payments and Digital wallets were listed for gathering more information on this topic an online questionnaire were distributed to the users. They found that most of the

respondents were post graduates from the age group of 26-35 years of age either doing business or working professionally. From this study it was observed that respondents have more information about E-Wallets which are available in India rather than outside India like Zip mark, Dwolla, ISIS. The researcher concludes that awareness and practical usage of the E-wallets are low among the users that can be increased by adding more value service to it.

Roopali Batra and Neha Kalra (2016) studied on adoption pattern of digital wallets by the users. Their study was on user preference, usage patterns and satisfaction level of digital wallet among the consumers. Sample sizes of 52 respondents were taken for the study with the help of structured questionnaire. After analyzing the data it was found that there was swell in awareness as well as practice of digital wallets. Time saving and ease to use are two important factors for the usage of digital wallets. But security issues were found to be the major difficulty among most of the respondents in adoption of the wallets. Thus the researcher concludes that effective actions have to be taken for safety and security issues for valuable adoption of digital wallet in the future.

Jamie L. Pinchot, Sushma Mishra, Karen L. Pullet, Kohun (2016), examined the exploring barriers to adoption of mobile payments for university students: Lack of awareness, Lack of availability, and perceived security risks. A web based survey was administered to 136 respondents and found statistically significant relationships between each of these barriers and intention to use mobile payments. Chi – square test was used for the analysis of the data. From this study it was found that 88% of participants were aware of the existence of mobile payment and were less aware of specific services available for their own phone and how to use the necessary features. This paper suggests that the mobile payment industry needs to address these barriers explicitly and effectively for better adoption of payments through mobile devices.

Mahesh U.Daru (2016), studied the cashless India: Dream of Future India. This paper is about future prospects and challenges before India to become cashless economy. The researcher had explained about the challenges in making India a cashless economy.

Some of the challenges were payment and mobile network capacity, security issues, no privacy with cashless, language compatibility, interoperability and connectivity issues. The researcher concluded that all these challenges and potential threats have to be taken into account.

TrilokNath Shukla (2016), studied the Mobile Wallet: Present and the future. Their study was about adoption of mobile wallets by the users. Data's were collected from the mobile users through the survey technique. From that study it was found that 29% of online transactions were done through the mobile, 80% of the world's population will use smartphone by the year 2020, and also there are about 30% of growth in Indian mobile wallet market since 2015. Thus the researcher concludes that based on current developments, it is safe to say that mobile wallets will soon be a self-reliant universal ecosystem.

Zlatko Bezhovski (2016), have conducted a study on the Future of the Mobile payment as Electronic Payment System. This study aimed at understanding the factors affecting the adoption of mobile payments method by consumers. The researcher also examined various system of electronic payment services, security issues related to them and future mobile payment mode. Thus the researcher concludes that with all the security and convenience provided by mobile electronic payment method we can expect future growth of mobile payments worldwide even better payments made by credit card and debit cards.

Vidya Shree DV, Yamuna N and Nithya Shree G (2015) aimed at understanding the new dynamics in digital payment system with reference to pay tm and Pay U Money on customers. Explorative study was used with the sample size of 30 customers on Pay U Money and Pay tm which constitutes 20 customers belonging to age group of 18-30 and 10 customers on 30-45 years. The data was collected using questionnaire method. From that study it was found that people are more aware of online payment .Pay tm and Pay U Money has replaced the net banking due to their advanced features and also they also provide easy payment structure when compared to digital payment system. The

researcher concludes that digital payment system has to take necessary steps to overcome delay in processing of payments.

Thakur Rakhi and Srivastava Mala (2014), studied on Adoption readiness, personal innovativeness, perceived risk and usage intention across customer groups for mobile payment services in India. In this paper researcher accomplishes two objectives – to test the functional relationship between adoption readiness (AR), perceived risk (PR) and usage intention for mobile payments in India and to investigate the stability of proposed structural relationships across different customer groups. The model was then empirically tested using structural equation modelling. The researcher concluded that the results facilitate the comprehension of the role of different factors on the mobile payments usage intention among customers. In addition, the results expand the knowledge on consumer behavior towards financial technological innovations

Miss. R. Elavarasi (2014), in her study on Customer Awareness and Preference towards E-Banking Services of Banks studies about way us to customer awareness & to find out what they most preferred e-banking services of banks. The researcher has identified which commercial bank provides better service with regards to e-banking services to customers and also identified satisfaction level of customer view about internet banking website of banks. The data analysis shows that age, educational qualification, occupation, income level of customer are significant factor that decide usage of e-banking services of various banks in the study area.

Sanjeev Padashetty and Krishna Kishore (2013), carried out an empirical study on consumer adoption of mobile payments in Bangalore city. This study measures the consumers' willingness to adopt mobile payments and usage patterns of mobile phones. Research methodology adopted for the study is of descriptive methodology. For this study questionnaire was framed to collect the data. Anova was used in this study. It was found that 74% of the respondents are in the age group of 18 – 30 and also found that 76% of the respondents use mobile for making payments. The researcher concluded that

factors like perceived use, trust, expressiveness plays a crucial role in facilitating adoption of mobile payments.

Rachna and Priyanka Singh (2013), had studied on Issues and Challenges of Electronic Payment Systems. Analyses that Electronic payments are financial transactions made without the use of paper documents such as cheques. Electronic payments include debit card, credit card, smart card, e-wallet, e-cash, electronic cheques etc. E-payment systems have received different acceptance level throughout the world; some methods of electronic payments are highly adopted while others are relatively low. This study aimed to identify the issues and challenges of electronic payment systems and offer some solutions to improve the e-payment system quality.

Ajeet Singh, Karan Singh, Shahazad, M.H Khan and Manik Chandra (2012), had studied on Secure Payment System for Electronic Transaction and a secure electronic payment system for Internet transaction. The security architecture of the system is designed by using Many Security Protocols and procedures, which removes the scam that occurs nowadays with pinched credit card/debit card payment information and customer information. The uneven key cryptosystem Methodology with help of Security Protocol, secure communication tunnel techniques can protect conventional transaction data such as account numbers, amount and other information.

Aminul Islam , Mohammad Aktaruzzaman Khan and T. Ramayah (2011), studied the adoption of Mobile Commerce service among employed Mobile Phone users in Bangladesh: Self – efficacy as A Moderator. The purpose of this study is to examine whether awareness and knowledge, convenience of Mobile devices and WAP/GPRS enabled handsets, pricing and cost, security and privacy, rich and fast information, and perceived usefulness have any influence on the adoption of M-commerce among employed Mobile phone users in two major cities in Bangladesh – Dhaka and Chittagong. For the purpose of this study, reliability and regression analysis were used. The findings suggest that pricing and cost, rich and fast information, and security and privacy are significant predictors of the adoption of M-commerce.

CHAPTER III

RESEARCH METHODOLOGY

The term research refers to the systematic approach concerning generalizations consisting of collection of data / facts, analyzing the data, and reaching certain conclusions for theoretical formulations. The purpose is to study for pertinent information on the specific topic, and here, the study aims at understanding consumer's adoption of digital wallet to determine the level of convenience, ease of use and security that are essential for the consumers for making digital payments. The research methodology is a way to systematically solve the research problem along with the logic behind them. It may be understood as a science of studying how the research is done systematically.

3.1. Research design:

A research design encompasses the methodology and procedures employed and conduct scientific research. Research design can be defined as the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to research purpose with economy in procedures. The research design is the conceptual structure with in which research is conducted; it constitutes the blue print for the collection, measurement analysis of data.

Descriptive research design is used for this study. Descriptive research is also called statistical research. The main goal of this type of research is to describe the data and characteristics about what is being studied

3.2. Sources of data:

The task of data collection begins after a research problem has been defined and research design has been planned out.

3.2.1. Primary Data

Primary data means the original data which is collected for the first time. A well-structured questionnaire was framed for the collection of data from the respondents. The questionnaire

comprises of close ended as well as questions.

3.3 Methods of Data Collection

Data collection is an important aspect of any type of research study. Inaccurate data collection can impact the results of the study and ultimately leads to invalid results.

Our data is collected by administrating a questionnaire. Questionnaire was formulated constituting demographic factors and performance related factors which focus on the objectives of the study.

3.4 Period of Study

The study is about Adoption behavior of Consumers towards digital wallet was undertaken from December 2017 to February 2018.

3.5 Sample design:

A Sampling design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure that the researcher would adopt in selecting items for the sample. Sampling design deals with the method of selecting items to be observed for the given study.

3.5.1 Sampling Techniques

The researchers much decide about the technique to be used in selecting the items for the sample. Convenience random sampling method was used in this project.

3.5.2 Population:

The digital wallet consumers of entire Coimbatore city were taken for the study.

3.6 Sample Size

Sample size plays an important role in conducting the research. Sample size is the selection of the number of respondents to the survey. It is determined from a large set off population. Sample

size determination is the act of choosing the number of observations or replicable to include in a statistical sample. The sample size for the study is 200 respondents

3.7 Tools used for Analysis

The data collected through questionnaires has been analyzed using percentage method.

3.7.1 Percentage analysis:

Percentage analysis was mainly used in this research and interprets the data. The percentage refers to special kinds of ratio and hence used in making comparison between two or more series of data.

3.7.2 Mean score value:

Mean score value method is used to find the mean score of the factor from the respondents.

3.7.3 Path analysis:

The technique of path analysis is based on a series of multiple regression analyses with the added assumption of causal relationship between independent and dependent variables.

CHAPTER IV

ANLAYSIS AND INTERPRETATION

Analysis means the computation of certain indices or measures along with searching for patterns of relationship that exist among the data groups. Analysis, particularly in case of survey or experimental data, involves estimating the values of unknown parameters of the population.

Interpretation refers to the task of drawing inferences from the collected facts after an analytical and experimental study. It is essential for simple reason that the usefulness and the utility purely lies in proper interpretation.

The data after collected has been processed and analyzed in accordance with the outline laid down for purpose at the time of developing the research plan. This is essential for a study and for ensuring that we have all the relevant data for making comparisons and analysis. The real value of this research lies in the ability to arrive at the central generalization. So, the data collected for measuring the “Adoption of digital wallet” has been tabulated, analyzed, interpreted and presented in this chapter.

The analysis is based on the following tools:

- Percentage analysis
- Mean score value
- Path analysis

4.1 DEMOGRAPHIC PROFILE OF THE RESPONDENTS

4.1.1 GENDER:

Gender refers to the character that distinguishes people as male and female based on some unique behavior. The attitude and intention of the male differ from the female.

TABLE 4.1.1

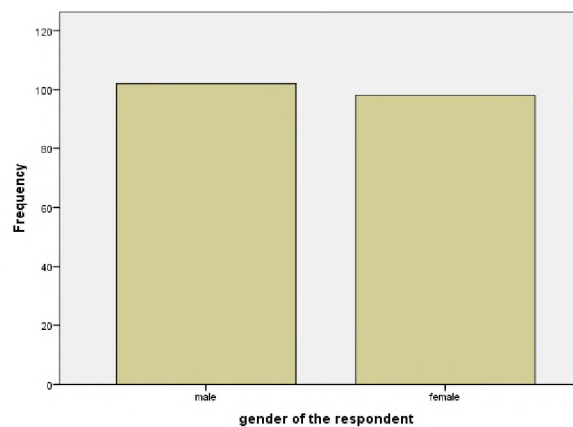
Gender of the respondents

Gender	No of respondents	Percentage of respondents
Male	102	51.0
Female	98	49.0
Total	200	100.0

From this study it is observed that majority of 51.0% of the consumers are male who use digital wallets for making online transaction and female percentage is comparatively less with 49.0% of the respondents.

CHART-4.1.1

Gender of the respondents



4.1.2 AGE:

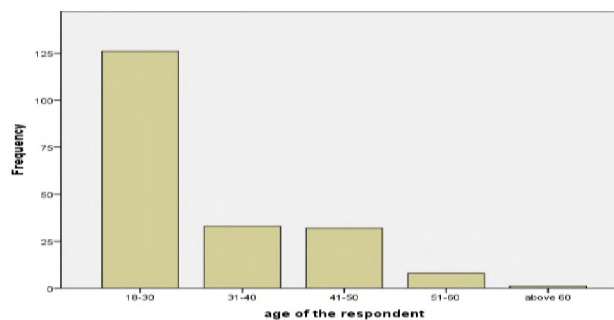
Analysis of personal data reveals with age which is an important factor, as age increases knowledge, perception and intension also changes. The level of adoption can be understood based on different age groups. Age group of consumers is analyzed below.

TABLE -4.1.2
Age of the respondents

Age group	No of respondents	Percentage of respondents
18-30	126	63.0
31-40	33	16.5
41-50	32	16.0
51-60	8	4.0
above 60	1	.5
Total	200	100.0

Utmost of the consumers i.e. 63.0% of the respondents are in the age group of 18-30. This directs that younger generation are consuming digital wallet than other age groups, 16.5 % of the respondents belong to the age 31-40 years, 16.0% of the respondents belong to the age 41-50 years, 4.0% of the respondents belong to the age 51-60 years and remaining 0.5% of the respondents belong to the age group above 60.

CHART - 4.1.2
Age of the respondents



4.1.3 EDUCATIONAL QUALIFICATION:

Education determines the knowledge of consumers. Adoption of digital wallet varies from one consumer to other based on the education standard. Educational qualification of consumer is analyzed below.

TABLE 4.1.3

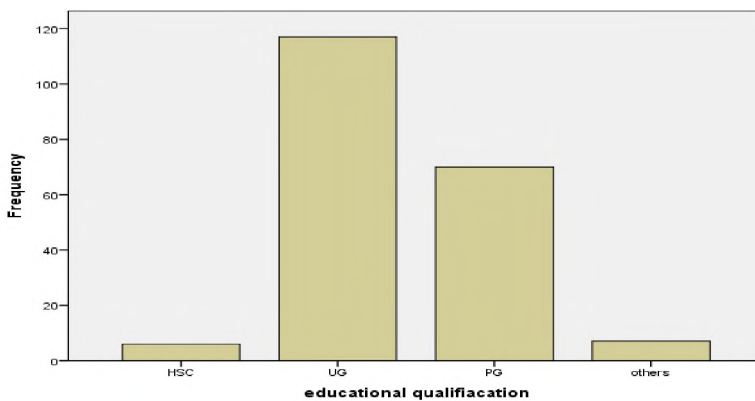
Educational Qualification of the respondents

Educational qualification	No of respondents	Percentage of respondents
HSC	6	3.0
UG	117	58.5
PG	70	35.0
Others	7	3.5
Total	200	100.0

The table 4.1.3 indicates that 8.5 % of the respondents are post graduates, 35% of the respondents are postgraduates, 3% of the respondents had pursued their higher secondary education and 3.5% of the respondents belong to others. The majority of the respondents have undergraduates as their educational qualification. This indicates that younger generation are profound to use digital wallet

CHART 4.1.3

Educational Qualification of the respondents



4.1.4 MONTHLY INCOME:

An attempt is made to analyze the monthly income of the respondents. For this purpose, the respondents have been classified under five heads viz., below 1 lakh, 1-4 lakhs, 4-7 lakhs, 7-9 lakhs and above 9 lakhs.

TABLE 4.1.4

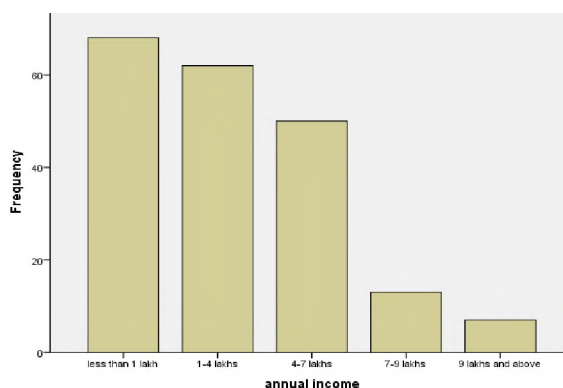
Monthly Income of the respondents

Monthly income (Rs)	No of respondents	Percentage of respondents
less than 1 lakh	68	34.0
1-4 lakhs	62	31.0
4-7 lakhs	50	25.0
7-9 lakhs	13	6.5
9 lakhs and above	7	3.5
Total	200	100.0

Majority of 34.0 % of the respondent's family income is less than Rs 100000. This indicates that even middle income group people can also afford to get smartphones and make digitalized transactions. 31.0 % of the family income lies between Rs 100001-400000, 25 % are between Rs 400001-700000, 6.5% belongs to the income group Rs 700001-900000 and 3.5% belongs to the income group above 900000.

CHART 4.1.4

Monthly Income of the respondent



4.1.5 OCCUPATION:

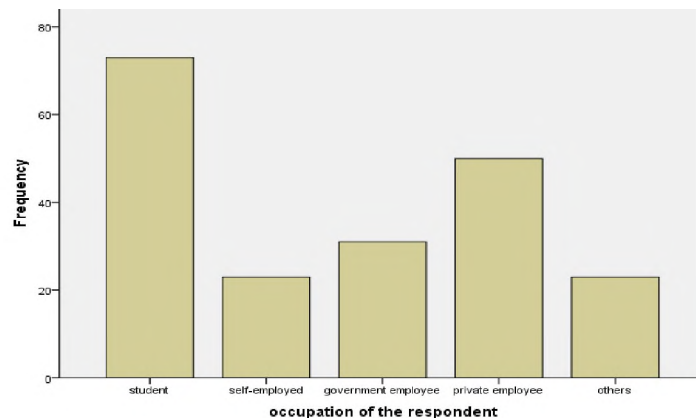
An attempt is made to analyze the occupation of the respondents. For this purpose, the respondents have been classified under four heads viz., student, self-employed, government employee, private employee.

TABLE 4.1.5
Occupation of the respondents

Occupation	No of respondents	Percentage of respondents
Student	73	36.5
self-employed	23	11.5
government employee	31	15.5
private employee	50	25.0
Others	23	11.5
Total	200	100.0

Maximum of 36.5% are students who are in the above mentioned age group. 11.5% are self-employed, 15.5% are government employed, 25.0% are private employed and 11.5% belong to other category. This specifies that students are fully aware about the usage of digital wallet and self-employed people are less aware about it.

CHART 4.1.5
Occupation of the respondents



4.2 AWARENESS AND USAGE OF DIGITAL WALLET

4.2.1 SMARTPHONE USAGE:

The smartphone usage of the consumers helps to identify the adoption level of digital wallet.

TABLE 4.2.1

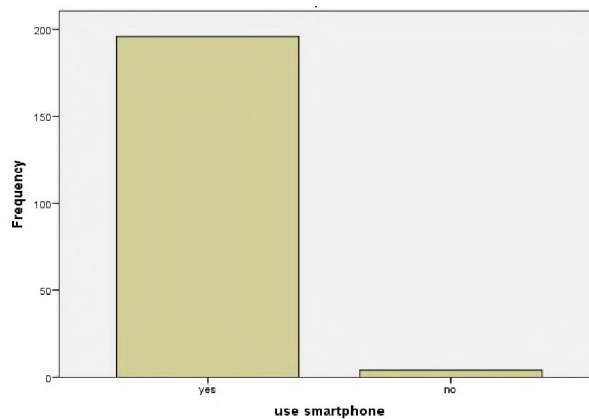
Smartphone usage of the respondents

Smartphone user	No of respondents	Percentage of respondents
Yes	196	98.0
No	4	2.0
Total	200	100.0

Utmost 98% of the respondents use smartphone as they are inexpensive even to a middle income group and very least percentage of 4.0 % of the respondents who are in below poverty line do not use smartphone.

CHART 4.2.1

Smartphone usage of the respondents



4.2.2 SMARTPHONE FOR ONLINE PAYMENT:

An attempt is done to analyze the respondents use of smartphones for making online payment.

TABLE 4.2.2

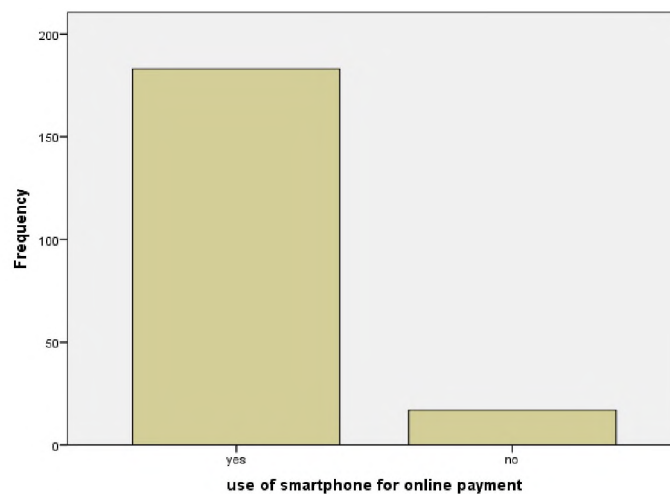
Use of Smartphone for online payment

Smartphone for online payment	No of respondents	Percentage of respondents
Yes	183	91.5
No	17	8.5
Total	200	100.0

From the above table it is inferred that 91.5% of the respondents use smartphone for making online payment as it is easy and convenient to make transactions and 8.5% of the respondents do not use smartphone for online payment.

CHART 4.2.2

Use of Smartphone for online payment



4.2.3 AVERAGE ONLINE PURCHASE:

An attempt is made to analyze the average online purchase by respondents. For this purpose average online purchase have been categorized as once in a week, more than once in a week, once a month and few times a year.

TABLE 4.2.3

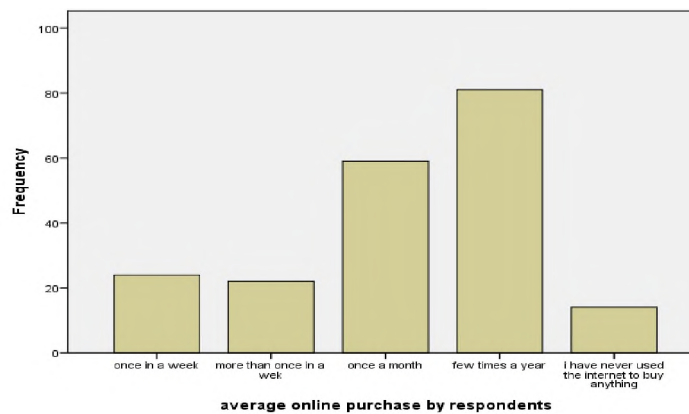
Average Online purchase by respondents

Average online purchase	No of respondents	Percentage of respondents
once in a week	24	12.0
more than once in a week	22	11.0
once a month	59	29.5
few times a year	81	40.5
I have never used the internet	14	7.0
Total	200	100.0

Most of the respondents i.e. 40.5% are willing to purchase only few times a year even after being aware of digital wallet presence, 12.0% of the respondents make online purchase once in a week, 11.0% of the respondents make online purchase for more than once in a week, 29.5% of the respondents make online purchase once a month, 40.5% of the respondents make online purchase few times a year and 7.0% of the respondents have never used the internet to buy anything.

CHART 4.2.3

Average Online purchase by respondents



4.2.4 AWARENESS OF DIGITAL WALLET:

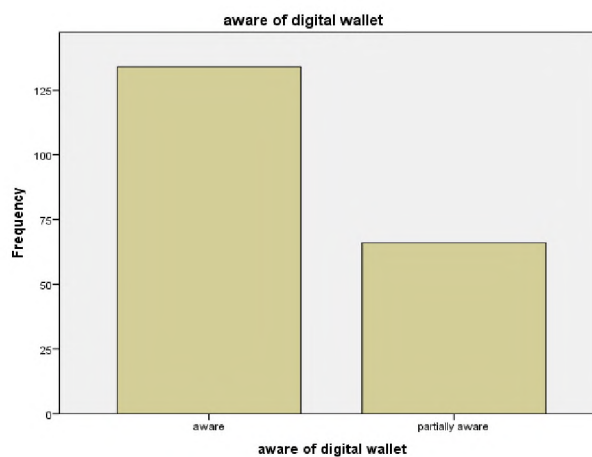
An attempt is made to analyze the people awareness level of the consumers towards digital wallet.

TABLE 4.2.4
Respondents Awareness about digital wallet

Awareness of digital wallet	No of respondents	Percentage of respondents
Aware	134	67.0
partially aware	66	33.0
Total	200	100.0

A more people of 67.0% of the respondents are aware of how to use digital wallets the inevitability factors make them comfortable in using digital wallet and 33.0% of the respondents are partially aware of digital wallet.

CHART 4.2.4
Respondents Awareness about digital wallet



4.2.5 INFORMATION ABOUT DIGITAL WALLET:

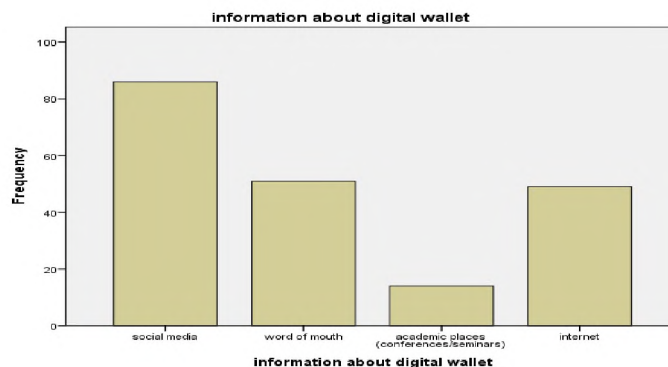
An attempt is made to analyze the respondents information about digital wallet. For this purpose the information have been classified under four categories viz., social media, word of mouth, academic places and internet.

TABLE 4.2.5
Respondents Information about Digital Wallet

Information about digital wallet	No of respondents	Percentage of respondents
social media	86	43.0
word of mouth	51	25.5
Academic places	14	7.0
Internet	49	24.5
Total	200	100.0

From the above table 4.2.5 it is inferred that 43.0% of the respondents get information from social media, 22.5% get information from word of mouth, 7.0% of the respondents get information from academic places and 24.5% of the respondents get information from internet.

CHART 4.2.5
Respondents Information about Digital Wallet



4.2.6 PREFERENCE ON DIGITAL WALLET:

An attempt is made to analyze the respondents preference on digital wallet. For this purpose preference on digital wallets have been classified under ten types which is shown in table 4.2.6

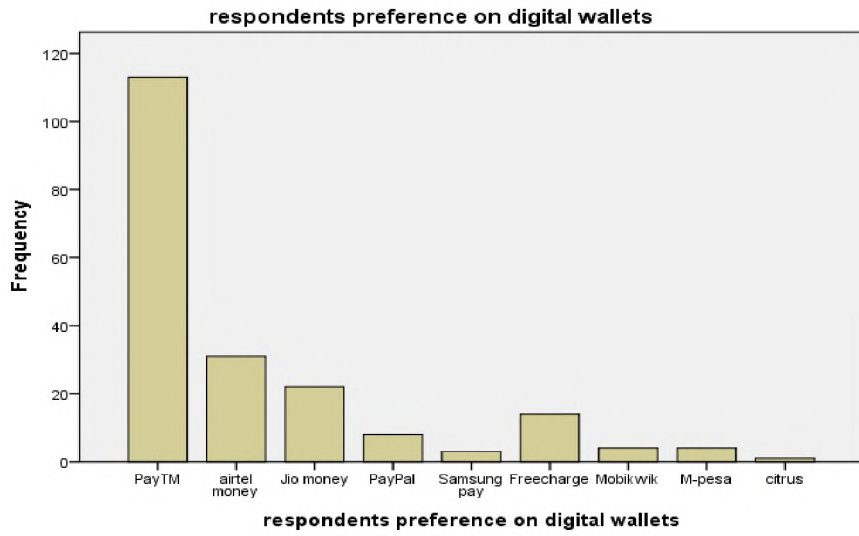
TABLE 4.2.6
Respondents Preference on Digital Wallets

Preference on digital wallets	No of respondents	Percentage of respondents
Paytm	113	56.5
airtel money	31	15.5
Jio money	22	11.0
PayPal	8	4.0
Samsung pay	3	1.5
Freecharge	14	7.0
Mobikwik	4	2.0
M-pesa	4	2.0
Citrus	1	.5
Total	200	100.0

It depends on the attitude towards the usage of internet and significant determination of many people in using smartphones and computers. The questionnaire showed 56.5% among aware people are using paytm, 15.5% of the respondents are using airtel money, 11.0% of the respondents are using jio money, 4.0% of the respondents are using PayPal, 1.5% of the respondents are using Samsung pay, 7.0% of the respondents are using freecharge, 2.0% of the respondents are using Mobikwik , 2.0% of the respondents are using M-pesa and 1.0% of the respondents are using citrus.

CHART 4.2.6

Respondents Preference on Digital Wallets



4.2.7 PURPOSE OF USING DIGITAL WALLET:

An attempt is made to analyze the respondents purpose of using digital wallet. For this purpose, it can classified as money transfer, recharge, shopping, utility and bill payment.

TABLE 4.2.7

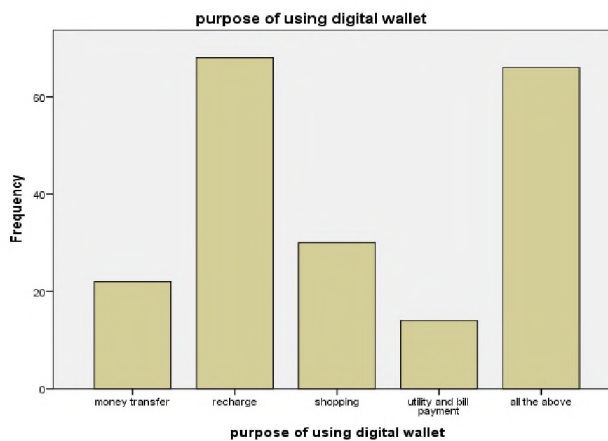
Respondents Purpose of using Digital Wallet

Purpose of using digital wallet	No of respondents	Percentage of respondents
money transfer	22	11.0
Recharge	68	34.0
Shopping	30	15.0
utility and bill payment	14	7.0
all the above	66	33.0
Total	200	100.0

Majority of 34% of the respondents use digital wallets to recharge, 11.0% of respondents are using digital wallet for money transfer, 15.0% of the respondents are using digital wallet for shopping, 7.0% of the respondents are using digital wallet for utility and bill payment and 33.0% of the respondents are using digital wallet for all of the above purposes.

CHART 4.2.7

Respondents Purpose of using Digital Wallet



4.2.8 AVAILABILITY IN INDIA:

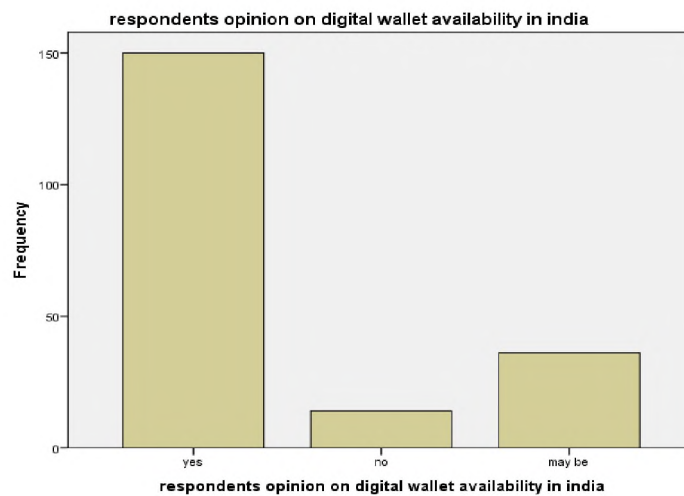
An attempt is made to analyze the respondents opinion on digital wallet availability in India.

TABLE 4.2.8
Respondents Opinion on Digital Wallet availability in India

Availability in India	No of respondents	Percentage of respondents
Yes	150	75.0
No	14	7.0
may be	36	18.0
Total	200	100.0

From the above table it is concluded that 75.0% of the respondents prefer the availability of digital wallet of India, 7.0 % of the respondents do not prefer the availability of digital wallet in India where as 18.0% of the respondents may prefer the availability of digital wallet in India.

CHART 4.2.8
Respondents Opinion on Digital Wallet availability in India



4.2.9 DECISION IN CHOOSING DIGITAL WALLET:

The decision in choosing digital wallet as a mode of payment based on some factors is analyzed and presented below:

TABLE 4.2.9
Decision in choosing Digital Wallet

Variables	Mean	Std. Deviation
Convenience	2.25	.640
Ease to use	2.36	.695
Brand loyalty	2.20	.716
Security	2.63	.570
Privacy	2.62	.599
Utility of innovation	2.34	.612
Usefulness of digital wallet	2.41	.658
Discount offers	2.26	.657

Mean score value = 2.38

Maximum number of respondents choose digital wallet as their mode of payment because of its security and privacy. Hence the mean score value depicts most of the consumers are not giving importance to brand loyalty.

4.2.10 PREFERENCE OF DIGITAL WALLET OVER OTHER MODES OF PAYMENT:

The variable preference of digital wallet was measured using four questions to gather information on the factors that encourage individuals use digital wallet.

TABLE 4.2.10

Preference of Digital Wallet over other modes of Payment

Variables	Mean	Std.Deviation
Time saving	3.53	1.051
Less risk	2.96	.937
Reward points	3.36	.972
Offers & discounts	3.49	1.075

Mean score value = 3.34

The risk factor is seemed to be low considered (mean scored of 2.96). It confirmed that reward points, offers & discounts and time saving are more primary reasons for digital wallet preference.

4.3 ADOPTION BEHAVIOUR

4.3.1 OPINION ABOUT DIGITAL WALLET:

The variable opinion about digital wallet was measured using fourteen questions to gather information on the factors like features, expected performance, effort expectancy and social factors.

TABLE 4.3.1
Respondents Opinion about Digital Wallet

Variables	Mean	Std. Deviation
24*7 service	3.67	1.033
Shopping offers & Discounts	3.62	.872
Hassle free mode of payment	3.58	1.000
Safe & secure mode of payment	3.44	1.040
Anytime access is possible	3.76	1.062
In my opinion digital wallet could be useful	3.65	.923
I could save time using digital wallet	3.48	.951
I could save money using digital wallet	3.30	.923
Easy to use digital wallet	3.54	.879
Learning to use is easy	3.51	.930
Digital wallet could be useful	3.61	.861
Friends/Family suggested to use	3.42	.963
Social/media suggested to use	3.53	.977
Trendy while using digital wallet	3.34	1.068

Mean score value = 3.04

Mean score value for opinion of digital wallet is found to be more for all of the factors. Hence it is concluded that all these factors such as features, expected performance, effort expectancy and social factors plays a significant role in adoption of digital wallet.

4.4 PARTIAL LEAST SQUARES ANALYSIS

Structural Equation Modeling (SEM) is a multivariate data analysis method that is used to test theoretically supported linear and additive causal models, Partial Least Squares (PLS) is a soft modeling approach to SEM with no assumptions about data distribution.

PLS model consists of a structural part, which reflects the relationships between the latent variables, and a measurement component, which shows how the latent variables and their indicators are related. PLS is useful for structural equation modelling in applied research projects especially when there are limited participants and that the data distribution is skewed. SmartPLS is one of the prominent software applications for Partial Least Squares Structural Equation Modeling (PLS-SEM). It was developed by Ringle, Wende and Will in 2005.

There are two types of measurement scale in structural equation modeling; it can be formative or reflective. If the indicators cause the latent variable and are not interchangeable among themselves, they are formative. Formative indicators can have positive, negative, or even no correlations among each other. If the indicators are highly correlated and interchangeable, they are reflective and their reliability and validity should be thoroughly examined. The measurement scale of the current study is reflective in nature and the measurement model results are presented as follows.

MEASUREMENT MODEL

The first step in presenting the results of PLS analysis is to calculate the reliability and validity of the measurement items, as it is important to determine whether the measures represent the constructs. This section provides an evaluation on how accurate the measures are and also their convergent and discriminant validities.

4.4.1 RELIABILITY

Cronbach's alpha is used to assess internal consistency, since it provides an estimate for the reliability based on the indicators' inter correlations. Alpha coefficients range from 0 to 1 where higher coefficients indicate higher reliability. The accepted value of Cronbach's alpha is 0.70, whereas a value below 0.6 indicates a lack of reliability. Table shows that all constructs present alpha coefficients higher than 0.70.

TABLE 4.4.1
Reliability

Constructs	Composite Reliability	Cronbach's α
Adoption	1.000	1.000
Decision Factors	.908	.884
Digital Wallet	1.000	1.000
Effort Expectancy	.920	.870
Expected Performance	.891	.818
Features	.918	.888
Preference over other payments	.895	.842
Social Factors	.849	.736

Cronbach's alpha tends to provide an underestimation of the internal consistency and hence it is important to apply the composite reliability measure. The composite reliability takes into account that indicators have different loadings, and can be interpreted in the same way as Cronbach's alpha. The accepted value for composite reliability is 0.70 or higher. The composite reliability values are shown on Table 4.4.1, the values for all constructs are above the accepted level. The average composite reliability for all constructs is 1.000 showing high reliability. Therefore, the measurement model of this study is reliable.

4.4.2 VALIDITY

For the assessment of validity, convergent and discriminant validities are used. Convergent validity means that a set of indicators represents one and the same underlying construct, which can be analyzed through their unidimensionality. Discriminant validity is a complementary concept, meaning that each indicator should not have a stronger connection with constructs other than the one it attempts to reflect. To check convergent validity, each latent variables Average Variance Extracted (AVE) is evaluated. The AVE values for the conceptual model are tabulated below.

TABLE 4.4.2
Validity

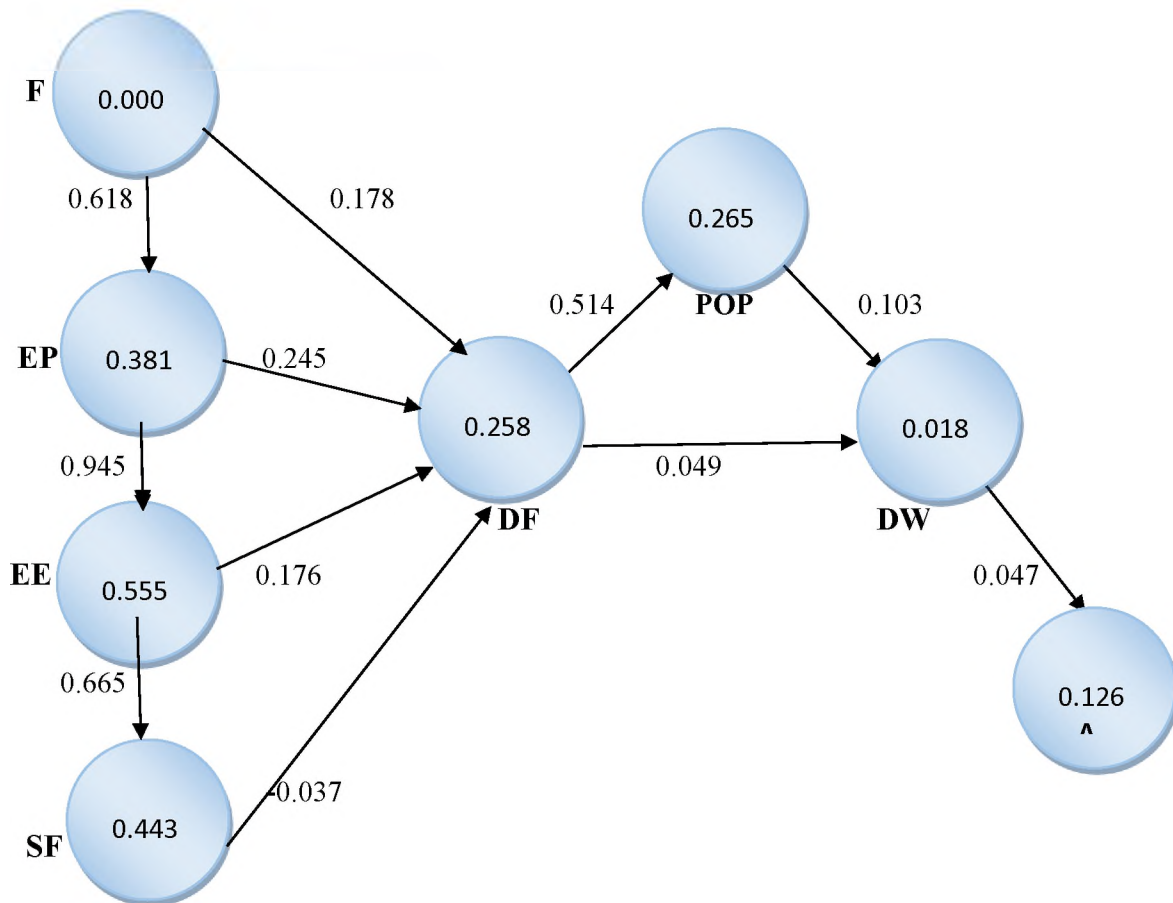
Constructs	AVE
Adoption	1.000
Decision Factors	.553
Digital Wallet	1.000
Effort Expectancy	.794
Expected Performance	.732
Features	.693
Preference over other payments	.682
Social Factors	.652

AVE measures the amount of variance that a latent variable captures from its indicators relative to the amount due to measurement error (**Chin, 2010**). An AVE value of at least 0.5 indicates sufficient convergent validity, meaning that a latent variable is able to explain more than half of the variance of its indicators on average. AVE is only applicable for outward-directed reflective constructs or latent variables. The entire measurement instrument in the present study is reflective, and thus AVE is applicable to all constructs. The AVE values are presented in Table 4.4.2, are greater than 0.50, thereby achieving convergent validity.

STRUCTURAL MODEL RESULTS:

PLS algorithm was executed on Smart PLS using 300 as maximum number of iterations. The following primary observations are made from the PLS path diagram.

Fig 1: PLS Path Diagram



- A-adoption
- DF-Decision Factors
- DW-Digital Wallet
- EE-Effort Expectancy
- EP-Expected Performance
- F-Features
- POP-Preference over Other Payments
- SF-Social Factors

4.4.3 VARIANCE EXPLANATION

The explanation power of the structural model is assessed by the R² values of the endogenous constructs. These values represent the amount of variance in the construct that is explained by the model. Table 4.4.3 summarizes the R² values obtained for the conceptual model.

TABLE 4.4.3
Variance Values

CONSTRUCTS	R²
Adoption (A)	0.126
Decision Factors (DF)	0.258
Digital Wallet (DW)	0.018
Effort Expectancy (EE)	0.555
Expected Performance (EP)	0.381
Preference over Other Payments (POP)	0.265
Social Factors (SF)	0.443

The coefficients of determination, R² for endogenous latent variable Adoption is .126. This means that the eight latent variables moderately explain 12% of the variance in A. Decision Factors and Preference over Other Payments together explain 26% . Suggestion from family, media and trendiness together explain the 44% of the variance in SF. The outer model latent variable Expected Performance and Effort Expectancy explain 55% of the variance.

4.4.4 BOOTSTRAPPING:

Bootstrapping procedure is used to estimate the significance of path coefficients in the model. Bootstrapping provides an estimate of the shape, spread, and bias of the sampling distribution of a specific statistics. Bootstrap procedure creates a number of samples where each bootstrap sample has the same number of cases as the original sample; bootstrap samples are created by randomly drawing cases with replacement from the original sample and PLS estimates the path model for each bootstrap sample. The obtained path model coefficients form a bootstrap distribution and this information is used to calculate t-test for the significance of the path model relationships.

TABLE 4.4.4
Structural model-Bootstrap

Hypothesis	Path coefficient	T-statistics
H ₁ : there is a positive influence of features of digital wallet on expected performance	.618	8.465
H ₂ : Expected performance has a positive influence on effort expectancy of digital wallet	.945	15.774
H ₃ : Effort expectancy positively affects the social factors	.665	15.213
H ₄ : Features of the digital wallet positively affects the decision factors	.178	1.508
H ₅ : Expected performance of the digital wallet positively influences the decision factors	.245	2.366
H ₆ : There is a positive influence of effort expectancy on decision factors	.176	1.556
H ₇ : Social factors of the digital wallet negatively influences the decision factors	-.037	.484
H _{8a} : Decision factors positively affects the preference over other payments.	.514	9.227
H _{8b} : Decision factors positively affects the digital wallets	.049	.582
H ₉ : Preference over other payment positively influences the digital wallet	.103	1.295
H ₁₀ : Digital wallet has positively affects the adoption of digital wallet in India.	.126	5.223

***correlation is significant at the 0.05 level (2-tailed)**

According to one tail t-test ($df = 500$), 95 percent significance level or $p < 0.05$ requires $t\text{-value} > 1.645$. The empirical results support the proposed relationship between the variables of the conceptual model as their T-Statistics values are greater than 1.645.

From the above table 4.4.4 we can infer that Effort Expectancy and Social Factors has less influence on Decision Factors. This indicates that proposed model do not support the relationship between effort expectancy and social factors.

CHAPTER V

FINDINGS AND SUGGESTIONS

5.1 Findings:

From the tables and charts of the data's collected have interpreted and the facts have been presented as findings.

- Majority of the respondents i.e. 51.0% are found to be male
- Most of the respondents i.e. 63.0% are belonging to the age group of 18-30 years
- Most of the respondents i.e. 58.5% are having their educational qualification as UG
- Majority of the respondents i.e. 36.5% are found to be students
- Most of the respondents i.e. 34.0% are belonging to annual income level of less than 1 lakh.
- Majority of the respondents i.e. 98.0% are found to use smart phone
- Majority of the respondents i.e. 91.5% are using smart phone for making online payment
- Most of the respondents i.e. 40.5% are making online purchases few times a year
- Most of the respondents i.e. 67.0% are found to be aware of digital wallets
- Most of the transactions used in digital wallet is 34.0% for mobile recharge
- Majority of respondents i.e. 43.0% have got the information about digital wallet from social media
- Mostly used digital wallet is paytm with the largest share of 56.5%.
- Majority of respondents i.e. 75.0% say that they want digital wallet to be widely available in India.
- Majority of the respondents choose digital wallet as their mode of payment because of its security and privacy. (MSV=2.38)
- Majority of the respondent prefer to use digital wallet as it saves time (MSV=3.34).
- Majority of the respondents are giving much importance to features, effort expectancy, expected performance and social factors (MSV= 3.04)
- From the analysis it can be inferred that there is a positive influence of features of digital wallet on expected performance
- It is found that Expected performance has a positive influence on effort expectancy of digital wallet.
- It is found that Effort expectancy positively affects the social factors.

- From the study it is found that Features of the digital wallet positively affects the decision factors.
- The analysis shows that Expected performance of the digital wallet positively influences the decision factors
- It is found that there is a positive influence of effort expectancy on decision factors
- From the study it is interpreted that Social factors of the digital wallet negatively influences the decision factors
- The analysis shows that Decision factors positively affects the preference over other payments.
- From the study it is interpreted that Preference over other payment positively influences the digital wallet
- The analysis shows that Digital wallet has positively affects the adoption of digital wallet in India.

5.2 SUGGESTIONS

The suggestion stated below is given by the consumers of digital wallet during the filling of Questionnaire. The following are the most important and most highlighted suggestions

- Most of the audience feels it's fairly well satisfied with security of digital wallets thus more efforts would be needed by digital wallets to ensure about the authenticity and security level provided in its transactions through promotions or ad-campaigns.
- Discount offers and reward points on making payment through digital wallet can increase its popularity and adoption as well.
- To increase the use of digital wallet, it is required to educate consumers about the benefits of a digital wallet in simplifying and streamlining their purchasing experience.
- As most of the people have smartphones but rural people have mobile phones which are not smart mobile phones, digital wallet companies should try to come with an offline process for them to use digital wallet.

5.3 CONCLUSION

India is witnessing an exponential growth in the are of mobile wallets. Government initiatives such as Digital India and the Cashless economy will act as key catalysts for the growth of mobile wallet industry in the country. With ever-increasing internet and mobile penetration, the country is all set to witness a massive surge in the adoption of digital payments in the coming years.