

FINANACIAL LITERACY ABOUT DIGITAL WALLETS: A COMPARATIVE STUDY
OF GEN X, Y AND Z IN INDIA

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Abstract

Digitalization is one of the greatest revolutions that has happened in the financial industry which led to the emergence of fintech. The launch of digital India movement in 2015 boosted the growth of fintech in the country. Digital wallets are an important aspect of fintech which were a boon for the Indian population during the time of demonetization. Thereafter, it became a very popular sensation in the country. Even though it has become a preferred mode of payment, still there is a long way to go for achieving the goal of digital India. The purpose of this study is to find and compare the level of financial literacy about digital wallets among the people belonging to Gen X, Y and Z in India. The results of the research will be beneficial for fintech companies, government and future researches to know the reach of digital wallets in the country and frame policies accordingly.

Key words: Digital wallets, financial literacy, fintech, mobile wallets, digital finance, digitalization

Introduction

The age of digitalization has led to the continuous evolution of all the industries worldwide. The financial industry has also undergone a major progression over the past few decades from being a traditional service provider to being a digital service provider. The advent of technological advancements has completely transformed and revolutionised the way in which various managerial and operative activities are executed and culminated. Within this purview, we have attempted to focus on Financial Technology. Financial technology (fintech) is an emerging industry which aims to provide better and technology driven services to both customers and businesses in this era. It is a comparatively new industry which entered the Indian markets in the 21st century and has ever since focussed on improving the system by which financial activities are performed. In the early 2000s the term fintech was used for computer technology applied to back- end applications of banks or other financial institutions but in the current decade fintech includes a plethora of innovations and technologies in the

financial sector ranging from financial literacy and education to peer to peer payments, crowdfunding platforms, blockchain and crypto currency, digital wallets, Robo- advising and stock trading apps etc. (Sraders, 2019). The extended impact of fintech can be understood from the fact that the most widely used messaging app in the country i.e. WhatsApp has started a UPI based payment feature which is developed by the National Payment Corporation of India through which more than 200 million active users can avail the instant, real time mobile to mobile money transfer facility. (ValueWalks: What's Driving India's Fintech Boom? 2018). The factors which contributed to the advancement of fintech in India are Government policies such as demonetization, digital India, Start-up India etc, increase in the number of smartphone and internet users. An important aspect of fintech is financial literacy. Financial literacy is the understanding and knowledge of financial matters which an individual hold in order to make efficient and right financial choices. These choices include how to make, spend and invest money (What is Financial Literacy? n.d.). Financial Literacy is the base and primary step for financial inclusion (education and the results). It provides knowledge on merits and demerits of financial products and services, based on that an individual can select the right product which suits his/her needs. (Agarwal, 2016) Financial literacy in the age of fintech means the level of awareness and knowledge that an individual possesses regarding fintech so as to improve and suitably accomplish financial services. In this paper we will limit the scope of fintech to digital wallets and mobile wallets and will try to understand the level of financial literacy with respect to the same, amongst Gen X, Y and Z.

Digital wallets refer to a platform which allow users to carry out monetary transactions electronically. It stores a consumer's credit card, debit card and other payment data with adequate privacy and security. It is also called e-wallet, electronic wallet, mobile wallet, virtual wallet and due to the increased use of smartphones, it is also termed as leather wallet. (Dixit, Singh, & Chaturvedi) Mobile wallets are ubiquitous and are the current phenomenon in the financial technology arena. They refer to software application on a mobile phone that can be used to store and transfer the money and have the functionality to replace a conventional wallet. (Patel, 2016)

India has always been a cash -driven economy which preferred doing financial transactions through banks and other financial institutions but ever since digital wallets took over there has been a paradigm shift towards cashless- economy enabling real time monetary transaction. (Chakraborty & Mitra, 2018). Nevertheless, it is still a new concept in the country with respect to the diverse population belonging to different generations.

REVIEW OF LITERATURE

The financial industry has witnessed great digital transformations after the financial crisis of 2008. It was the period when technology emerged into the sector of financial services. Those technological or digital innovations gave birth to 'Financial Technology' or 'Fintech'. The recent developments in the Information technology space, rise in e-commerce and increase in the number of mobile users are the various factors which led to the emergence of fintech. (Kang, 2018) Fintech was evolved as start-ups and non- financial companies. The innovations brought by the Fintech start-ups were blockchain, big data, artificial intelligence, cryptography, robo- advisors, chatbots, application program interfaces and alternative payment systems and lending systems. Financial technology has made immense changes in the financial industry by boosting the industry's profitability.(Azarenkova, Shkodina, Samorodov, Babenko, & Onishchenko, 2018) .In India, one of the major initiatives taken by RBI for financial inclusion is the use of technology. It has helped to cut the transaction costs and promote micro finance.(*Banking_and_Financial_Inclusio.pdf*, n.d.)

Digitalisation is a major reason for the evolution of a lot of industries worldwide. Smartphones are used as a source of communication, socializing ,entertainment, web searches and even payment tool (DR.S.Manikandan & Jayakodi, 2017) .Widespread availability of broadband internet and low cost laptops and mobiles have given rise to benefits such as social networking (Facebook, LinkedIn and Twitter), messaging, online shopping and travelling using mobile apps and GPS.(Chhonker, Verma, Kar, & Grover, 2018)

Digitalisation has helped the industry to create new undiscovered business opportunities and business models for financial services providers. It led to the introduction of new financial products, businesses and software developed by FinTech companies and financial services providers. Digitalisation of financial industry can be called as Digital Finance, which covers all electronic or digital products and services available in the industry of finance including Fintech. (Gomber, Koch, & Siering, 2017)

Digital Finance can promote financial inclusion by providing financial services to the individuals and business enterprises without directly connected to the banks and other financial institutions. This has been made possible by the widespread use of internet and smartphones. It has turned the smartphones into wallets by which most of the financial services can be availed easily. (Lumsden, 2017)

Digital payment system is the recent paying option and an outstanding application that offers an enormous chance for industry groups to give the customer a higher end value. (Padashett & Prof. Krishna Kishore SV, 2013). Mobile Banking has also become a major part of the digital payment system. The e-banking upheaval has essentially altered the finance industry by expanding borders and generating new possibilities. Especially in India, the e-banking strategy had a strong impact on banks by considerably reducing delivery and transaction costs. On one side it has a number of benefits to clients and banks but on the other, it also intensifies risks and security concerns (KRISHNAN & DEOKAR, 2012) .

Digital payments are meant to have the following features- simplicity and usage, universality, interoperability, speed, cost efficiency ,cross border payments, security, privacy and trust. (Toma, 2012). They have three main benefits over the old financial system: free of cost, large amount of information which can be used by different institutions and real time data and transactions. (Kendall & Voorhies, 2014)

Studies indicate that the segment of electronic transactions will continue to rise. The reason is that individuals are less likely to make transactions using physical currency anymore. Researchers attribute this shift to the upsurge of e-commerce and also to the convenience of making digital transactions (Luther, 2016). Statics for the year 2019 says that the digital payment segment will total up to US\$64,787m in transaction value. By 2023 this will increase up to US\$134,588m which means that the compound annual growth rate will be 20.1% (Digital Payments, n.d.). Digital payment companies are of the view that since demonetization the card payments in cities and towns with more than a million population card transactions have doubled. According to a data by RBI growth in transactions aided by debit cards increased to 105% in the financial year 2017 (Bhakta, 2018). The need for convenient and secure modes of payment is ever increasing due to the expansion of M-commerce across service sectors (Y, 2016).

Recent trends in mobile technology and telecommunication providers taking an interest in banking services laid the foundation for digital wallets. (Jain & Singhal, 2019). A Digital wallet refers to a mobile application which has similar functionality as a conventional wallet that can carry liquid cash, cards, coupons, tickets. (Fenchi Melissa, Khim, & Sivmey, 2018). There have been more digital wallets created in the country in the last few years compared to the total number of credit cards that have been created since their introduction in the 1990s (Eappen, 2019). In the year 2018 it is estimated that 7.6% of the population used digital wallets which is

a 39.7% increase from the year 2017. India is largely skipping over PC adoption in favour of smartphones because of which the majority of these payments are taking place on mobile devices (Kats, 2018).

As per a survey conducted by Accenture in 2016, cash payments are anticipated to reduce from 67% to 56% by the end of the year 2020 as people move to digital forms of payments (Man & W, 2017). In the international context, studies reveal that countries like Tanzania and Kenya have had a huge success rate in digital money transactions while in Indonesia the majority of population is unbanked and cashless transactions are carried on by less than 10 percent of the total population. In such a country where the population is highly vast and diverse, researches argue that a more detailed and decentralized analysis of cashless payments systems should be done. (Azali, 2016). On the other hand, in order to bridge the gap of a structural deficit in the economy as well as to promote financial inclusion, the Philippine government came up with a number of cashless initiatives to address the financial limitations of the country. (Nair, 2016). A comparative survey was conducted to understand the mobile payments status in Korea and U.S and the results exhibited that in the U.S the mobile shopping percentage is higher while in Korea the mobile banking percentage is more. (Shin, Lee, & Odom, 2014).

Studies conducted across North America, Europe and Asia suggest that even though the payments using mobile devices are gaining acceptance but there stands a strong resistance from customers due to security concerns and lack of familiarity for the new technology (Holm, Liu, & Ding, 2018). But studies conducted along these lines indicate that as more and more awareness is created regarding the newly developed cashless technological payments, it will lead to an expansion in the mobile payments market.

In the Indian context, the government's audacious step towards demonetizing the 500 and 1000 rupees physical currency has been a boon for digital payments sector which allowed it to grow leaps and bounds (Goriparthi & Tiwari, 2017). It was an effort taken by the government to empower its fight against corruption and black money. Ever since the announcement of demonization on 8th November 2016, there has been an upsurge in the transactions through digital wallets, card payments and other net banking transactions. (Bajpai, Biberman, & Sachs, 2018)

According to studies conducted by various authors, the effect of demonetization was huge. Paytm got more 25000 signups whereas Mobikwik also saw 15 times increase in usage. The sale in e-commerce sector which includes online food delivery and shopping also increased by about 50%. (Dinesh, Reddy, & Suhasini, 2018). The payment system has also improved

significantly owing to the Reserve Bank of India's concerted efforts and initiatives towards introducing and upgrading safe, efficient, accessible and authorised payment systems in the country to meet the requirements of the people who are covered by the banking system. (Chhonker, DeepakVerma, ArpanKumarKar, & PurvaGrover, 2018)

When it comes to availability of different modes of payments, reports show that a wide range of payment technologies have been offered like NEFT, BHIM UPI, card payments, ATMs, digital wallets, RTGS, POS, BQR, NACH, ECS etc. (High Level Committee on Deepening of Digital Payments, 2019). However, the authors suggest that the factors that hinder the acceptance of these modes are high infrastructural cost, limited financial inclusion and literacy, KYC and other requirements, ease of cash usage and security. The huge financial exclusion in the country coupled with lack of infrastructure development and other problems like lack of financial illiteracy and awareness has made it difficult for the penetration of mobile wallets. (Tran & Corner, 2016)

There are a number of studies on the level of adoption of digital payment modes among different generations and geographical areas. Unlike orthodox adults of the past century, cosmopolitan towns are collaborating with adolescent populations prepared to embrace and explore the new way of doing things. (Apanasevic, Arvidsson, & Markendahl, 2018). On one hand few past studies discover that customers who have increased transaction demand and greater efficacy, and are located in regions with a greater concentration of digital banking enthusiast, are faster to accept online banking (Xue, Hitt, & Chen, 2011) but on the other hand others claim that it is the new generation aged between 25-34 years who are more attracted to the digital payment technology and its usage. They tend to buy, recharge, transfer money, etc. via digital wallets, because it's time-saving, inexpensive and consistent with their lifestyle (Singh, Srivastava, & Sinha, 2016)

People living in developing countries do not have any exposure to standardized and proper financial services like bank accounts, insurances, loans etc and also, they neither possess the required skills to leverage their financial resources (Romon & Global, 2015). In India particularly, mobile payments are in their inception phase and hence the issues related to fraud and malpractices are yet to be identified properly (Taylor, 2016). Researchers stress on the importance of proper regulations governing the mobile money ecosystem in the East African Community (EAC) so that the benefits reach down to the poor as well (NYAGA, 2019). In order to facilitate a judicious payment mechanism for the benefit of the common man and also to fasten up the process of financial inclusion, the RBI announced the setup of an entity known as the National Payments Corporation of India (npci) (KRISHNAN & DEOKAR, 2012). One

aspect that facilitates safe switching to new payment vehicles is tokenization, an online and electronic payment system that helps thwart the disclosure of confidential customer payment account data. (W, 2015)

On a broader purview studies explore the relation between Internet banking acceptance and client demand for banking services, the proliferation of substitute channels, and dissemination of internet banking services. Many researchers are of the view that banks should start getting their customers acquainted to mobile payments and they should ideally transform the conventional payment ecosystem (Valentine, 2013). The traditional banks and new payments banks are believed to work in a rather collaborative effort in order to broaden the payment markets while the government is likely to be gain due to the well-organized subsidy circulation (Punjabi, 2016). The financial inclusion would be successful in India only if the public sector banks take efforts to minimize financial exclusion since it has a larger presence in the unbanked sections of the society. Incapacitating the prevailing information irregularities and developing financial inclusion through various programs should be the focus (Ananth & Öncü, 2019).

In this paper, we have tried to do a comparative analysis on the level of awareness of digital wallets especially mobile banking and mobile wallets among three generations i.e. Gen X, Y and Z. For the convenience of our study we have taken the following age bands as of 2019

- Gen X -people born between 1961-1977 and is in the age range of 42-58
- Gen Y -people born between 1977-1994 and is in the age range of 25-42
- Gen Z-people born between 1994-2010 and is in the age range of 9-25

With this study, we understand the level of financial literacy that people belonging to Gen X, Y and Z possess on matters of financial technology with reference to the aspects of digital wallets.

Objective of The Study

The primary objective of this article is to make a comparative analysis among the three generations i.e. Gen X, Y and Z regarding their perceptions towards digital wallets. The same have been broken down as follows:

1. To measure the level of knowledge about the different usages of digital wallets among the three generations
2. To identify the factors that influence consumers in adoption of digital wallets among the three generations
3. To measure the degree of willingness to adopt future innovations in the field of fintech

4. To identify the constraints faced by users among the three generations while using digital wallets
5. To identify the ways in which digital wallets impacted the financial habits of consumers.
6. To understand the preference level of the three generation regarding the different modes of payment

Research Gap

Though a large number of studies have been done on the consumers adoption intention of digital wallets and the factors influencing their adoption but no study is directed towards a comparative analysis of the financial literacy about digital wallets among the three generations i.e. Gen X, Gen Y, and Gen Z, especially in the Indian context. This research study is an attempt to bridge this gap and have a deeper insight about the Financial literacy among users in India towards digital wallets

Research Methodology

Samples and Data collection

The size of sample taken for the study is 322 respondents which include 103 from Gen X, 105 from Gen Y and 114 from Gen Z. The responses were collected through an online questionnaire during the months of October and November 2019.

The questionnaire consists of 27 questions, out of which 6 questions are used to measure the independent variables and 20 questions for measuring the 6 dependent variables. Apart from the basic demographic details, all other responses are recorded on a five-point Likert scale which ranges from 1-5 where 1 denotes strongly disagree and 5 denotes strongly agree.

The independent variables are Generation, Gender, Annual salary/ family income, Occupation and Highest education qualification.

The dependent variables are as follows:

- 1) Level of knowledge about the different usages of digital wallets among the three generations
- 2) Preference level of the three generations regarding the different modes of payment
- 3) Degree of willingness to adopt future innovations in the field of FinTech

- 4) Factors that influence consumers in adoption of digital wallets among the three generations
- 5) Constraints faced by users among the three generations while using digital wallets
- 6) Financial habits of consumers among the three generations

The knowledge level about digital wallets of respondents is measured by asking the following questions:

- 1) I know how to transfer money using bank account number and IFSC code through digital wallet apps.
- 2) I use my digital wallet apps to recharge and pay bills
- 3) I use digital wallets to pay for other utilities like Ola, swiggy, bookmyshow,amazon etc
- 4) I know how to transfer money using bank account number and IFSC code through digital wallet apps
- 5) I am aware that a few digital wallets have the feature of "payment banks" where money can be deposited

Similarly, preference of payment modes of respondents is measured by asking the considering the following factors:

- 1) I prefer digital wallets to cash for making payments.
- 2) I believe that digital wallets are a better mode of payment than cash
- 3) I prefer using digital wallet apps more than credit/debit cards

Degree of willingness to adopt future innovations in the field of Fin Tech is also measured by asking the following questions:

- 1) I am ready to learn and accept the new technological changes in the financial world
- 2) My limited knowledge of smartphones and internet is an obstacle to learn new changes in financial technology.

In order to identify the factors that influence consumer's adoption of digital wallets, the following questions were asked:

- 1) convenience is the main reason for my digital wallet usage
- 2) time-saving is the main reason for my digital wallet usage
- 3) Rewards and other benefits attract me to use digital wallet apps.

- 4) shortage of physical currency is the main reason for me to use digital wallet apps

For finding the constraints faced by users among the three generations while using digital wallets, the questions asked are:

- 1) Server issues are a major obstacle while using digital wallets apps
- 2) Issues of payment disputes and frauds discourage me from using digital wallets
- 3) Lack of knowledge about smartphone and internet usage discourage me from using digital wallet apps

To identify the ways in which digital wallets impacted the financial habits of consumers the question asked are:

- 1) The need to carry liquid cash has decreased because of the usage of digital wallet apps.
- 2) Frequency of digital wallets usage per week
- 3) My tendency to spend money has increased due to the usage of digital wallets

Data Analysis and Interpretation

Table 1.1 On the basis of Generation

Dependent variables	Gen	N	Mean Rank	Median	Kruskal Wallis - H	P Value
Level of knowledge	X	103	117.28	15.00	38.367	.000
	Y	105	169.17	19.00		
	Z	114	194.39	20.00		
Preference of payment mode	X	103	126.56	9.00	25.880	.000
	Y	105	164.60	10.00		
	Z	114	190.21	11.00		
	X	103	131.19	7.00	16.752	.000

Degree of Willingness	Y	105	177.81	8.00		
	Z	114	173.86	8.00		

The analysis is done using Kruskal Wallis test which is one of the non-parametric tests used when there are more than two independent variables. The mean rank and median of each generation are also shown in the table. Among the three generations, Gen Z has the highest median that is 20.00 which signifies that they have the highest level of knowledge about digital wallets followed by Gen Y (19.00) and Gen X (15.00). There is a significant difference in the knowledge level about digital wallets among Gen X, Y and Z as the p-value is less than 0.05 that is 0.000.

By doing Kruskal Wallis test; we can infer that there is a significant difference in the preference of payment mode among three generations. Since Gen Z has the highest median (11.00) they prefer digital wallets compared to other payment modes followed by Gen Y (10.00) and Gen X (9.00).

Since the p-value is less than 0.05, it shows that there is a significant difference in the degree of willingness to adopt future innovations in the field of Fin Tech among the three generations. Since the median of Gen Z and Gen Y are the same that is 8.00 it shows that they have the highest degree of willingness followed by Gen X (7.00).

On the basis of Gender

Gender differences on the dependent variables are analysed using Mann-Whitney Test which is a non-parametric test used when there are only two independent variables. Here, male and female are the two independent variables. The gender differences on the dependent variables (knowledge, preference and willingness) are not significant as the p-value is more than 0.05.

On the basis of Annual salary/ family income

Annual salary or family income is the dependent variable here. Annual salary/ family income is grouped into four classes that are up to 3 lakhs, 3-5 lakhs, 5-10 lakhs and above 10 lakhs. Income differences on the dependent variables are not significant as the p-value is less than 0.05.

On the basis of Occupation

Here, we have taken six categories of occupation which are working, retired, non- working, college student, school student and homemaker. According to the analysis, there is significant difference on the level of knowledge and preference of payment mode among the six categories of occupation but there is a huge difference in the respondent's number of each category. Hence, we are not considering this aspect for our study due to the limitation of the data collected.

On the basis of Highest Education Qualification

We have made six classifications of highest education qualification. According to the Kruskal Wallis test we found that there is no significant difference on the level of knowledge and preference of payment mode among the six classifications. The p-value of degree of willingness is less than 0.05 which shows a significant difference but since the number of respondents among the six categories are not equally distributed, the significant difference is not valid for our study.

Table1.2 Constraints faced by users among the three generations

Factors	Generations	Agree	Disagree	Neutral
Lack of knowledge about smartphones and internet usage	X	43 (13.3%)	36 (11.2%)	24 (7.5%)
	Y	8 (2.4%)	73 (22.7%)	24 (7.5%)
	Z	21 (6.6%)	77 (23.9%)	16 (5.0%)
Issues of payment dispute and frauds	X	73 (22.6%)	10 (3.1%)	20 (6.2%)
	Y	75 (23.2%)	10 (3.1%)	20 (6.2%)
	Z	46 (14.2%)	18 (5.6%)	50 (15.5%)
Server issues	X	71 (22.1%)	11 (2.5%)	21 (6.5%)
	Y	82 (25.4%)	6 (1.8%)	17 (5.3%)
	Z	88 (27.4%)	5 (1.5%)	21 (6.5%)

The above table shows the three factors i.e. Lack of knowledge about smartphones and internet usage, Issues of payment disputes and frauds and server issues act as constraints for the consumers among the three generations in their digital wallet usage using cross tabulation.

Lack of knowledge about smartphones and digital wallets

Among Gen X, 13.3% of people have agreed that their lack of knowledge about smartphones and internet usage limit them from using digital wallets while among Gen Z, 23.9% disagree that this factor limit their usage. Among Gen Y also majority of the people disagree with this factor being a constraint for their digital wallet usage.

Issues related to payment disputes and frauds

22.6% people belonging to Gen X and 23.2% people belonging to Gen Y have agreed that issues of payment disputes and frauds discourage their digital wallets usage while among Gen Z, majority of the people are having a neutral opinion.

Server Issues

Since 22.1% belonging to Gen X, 25.4% from Gen Y and 27.4% from Gen Z have agreed that server issues discourage their usage of digital wallets we can interpret that almost all the generations equally consider server issues as a constraint while using digital wallets.

Table 1.3: Factors that influence consumers in adoption of digital wallets among the three generations

Factors	Generations	Agree	Disagree	Neutral
Convenience	X	62 (19.2%)	22 (6.8%)	19 (5.9%)
	Y	84 (26.1%)	14 (4.4%)	7 (2.2%)
	Z	87 (27%)	4 (1.2%)	23 (7.1%)
Time-saving	X	56 (17.3%)	28 (8.7%)	19 (5.9%)
	Y	78 (24.2%)	14 (4.4%)	13 (4.0%)
	Z	76 (23.6%)	9 (2.8%)	29 (9.0%)
Rewards and other benefits	X	25 (7.8%)	46 (14.3%)	32 (9.9%)
	Y	35 (10.9%)	38 (11.8%)	32 (9.9%)
	Z	66 (20.5%)	9 (2.8%)	39 (12.1%)
	X	27 (8.3%)	49 (15.2%)	27 (8.4%)
	Y	34 (10.5%)	39 (12.1%)	32 (9.9%)

Shortage of physical currency	Z	47 (14.6%)	28 (8.7%)	39 (12.1%)
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Convenience

Among Gen X, 19.2% of the people while in Gen Y and Gen Z, 26.1% and 27% respectively consider convenience as a major factor that influence them in adoption of digital wallets.

Time- Saving

23.6% people from Gen X and 24.2% people from Gen Y agreed that time-saving is a major factor that influence their adoption of digital wallets while only 17.3% people among Gen X have agreed to this.

Rewards and other benefits

Only 7.8% people among Gen X and 10.9% among Gen Y have agreed that rewards and other benefits attract them to use digital wallets while 20.5% have agreed among Gen Z.

Shortage of physical currency

14.6% people among Gen Z have agreed that shortage of physical currency is a factor that influence their adoption of digital wallets while only 8.3% from Gen X and 10.5% from Gen Y have agreed to this.

Table 1.4: Impact of digital wallets on the financial habits among the three generations

Factors	Generations	Agree	Disagree	Neutral
Need to carry liquid cash has decreased	X	41 (12.8%)	46 (14.3%)	16 (5.0%)
	Y	46 (14.3%)	35 (10.9%)	24 (7.5%)
	Z	82 (25.4%)	11 (3.4%)	21 (6.5%)
Tendency to spend money has increased	X	23 (7.2%)	53 (16.4%)	27 (8.4%)
	Y	31 (9.7%)	51 (15.8%)	23 (7.1%)
	Z	61 (18.9%)	22 (6.9%)	31 (9.6%)

Need to carry liquid cash

Among Gen Z, 25.4% people have agreed that their need to carry liquid cash has decreased due to usage of digital wallets while only 14.3% from Gen Y and 12.8% from Gen X have agreed to this.

Tendency to spend money

18.9% people belonging to Gen Z have agreed that their tendency to spend money has increased due to the usage of digital wallets while only 7.2% among Gen X and 9.7% among Gen Y have agreed that the usage of digital wallets increased their spending.

Table 1.5: Frequency of digital wallet usage per week

	Generations	Not using	Up to 7 times	Above 7 times
Frequency of digital wallet usage per week	X	39 (12.1%)	53 (16.5%)	11 (3.4%)
	Y	21 (6.5%)	53 (16.4%)	31 (9.7%)
	Z	13 (4.0%)	67 (20.8%)	34 (10.5%)

From the above table we can infer that 12.1% people belonging to Gen X are not at all using digital wallets in a week which is the highest among the three generations. Among Gen Z, 20.8% people use digital wallets up to 7 times a week and 10.5% use it above 7 times. Most of the people from Gen Y i.e. 16.4% use digital wallets up to 7 times a week.

Findings

The major findings of the study are mentioned below.

1. There is significant difference among the three generation in the:
 - a) level of knowledge, as Gen X and Gen Y lack knowledge in certain features of digital wallets mentioned in the questionnaire as compared to Gen Z.
 - b) preference of payment modes, as Gen X have the least preference towards digital wallets than cash and credit/debit cards followed by Gen Y and Gen Z.

- c) willingness to adopt future innovations in fintech, as Gen X are less willing to learn and accept the innovations in the financial world due to their limited knowledge of smartphones and internet as compared to Gen Y and Gen Z.
2. For Gen X issues of payment dispute and frauds are a major constraint that discourage their usage of digital wallets while Gen Y and Gen Z consider server issues as the major obstacle for using digital wallets.
3. For all the three generations, the major factors that influence the adoption of digital wallets are convenience followed by time saving. Rewards and other benefits attract Gen Z towards the usage of digital wallets as compared to Gen X and Gen Y.
4. The need to carry liquid cash has substantially decreased due to the usage of digital wallets for Gen Z as compared to Gen X and Gen Y. The tendency to spend money has not increased for Gen X while for Gen Z it has increased considerably.
5. Most of the respondents (irrespective of the generation they belong to) use digital wallets up to 7 times a week. Among the three generations, Gen Z uses digital wallets most frequently that is above 7 times a week.

Conclusion and Discussion

The study concluded that Gen X are rigid and are not open to adapting to any technological innovations in the financial world. They prefer cash over digital wallet and have least knowledge with respect to understanding of features of digital wallets. The major constraint that discourage Gen X in usage of digital wallets remains their fear of payment disputes and frauds. This shows that Gen X still desires to rely on the conventional /traditional modes of payment. They belong to an era of industrial revolution where their main motive was ensuring survival. Receptivity to changes is a missing feature as per the responses given by our sample belonging to gen x category. Gen Y on the other hand are little more than Gen X and are indeed attracted towards rewards and other benefits offered by digital wallets with the proliferation of information technology, Gen Y are keen learners who are willing to adopt future innovation in fintech. They belong to the era of information revolution but are yet cautious of not splurging their money due to their usage of digital wallets. Gen Z are the most comfortable in using digital wallets. They belong to the era of digital revolution where smartphones and internet is pervasive and part of their daily routine. They focus on quality of life and prefer to use digital wallets since it offers them convenience, rewards and various other benefits.

Limitation and Scope of Study

The current study is a comprehensive attempt to empirically examine the financial literacy about Digital wallets among three gen in India. But there are some areas which are not being taken up in the study. It would be worthwhile for future researchers to investigate these issues. Some of these issues are listed below;

1. The present study caters to only 322 respondents Hence the sample may not be a true pointer of the entire universe. And the largest sample size may be considered for future research
2. The responses were limited to primarily Bangalore, Kerala and Delhi NCR regions and hence findings cannot be generalized universally.
3. The study is limited to variables like level of knowledge, preference level, degree of willingness to adopt, Future research can be more expansive by taking into consideration
4. The present study focusses on only three regions. Future studies can further extend the current research work by intercity comparison among the three generations with respect to their financial literacy about digital wallets.
5. Current study focuses on only financial literacy about digital wallets. Fintech is a very broad field and hence future studies can cover various aspects like crypto currency, crowdfunding platforms etc.
6. The study focuses on responses gathered primarily from metros. Future studies could examine the financial literacy about digital wallets in rural areas and draw a comparison between urban and rural behaviour.

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