

CUSTOMERS USAGE AND PERCEPTION OF E-WALLET IN COIMBATORE CITY

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ABSTRACT

The digital banking revolution has made it possible to provide ease and flexibility in banking operations for the benefit of customers. Technological innovations such as mobile money, e-wallets, payment aggregators, etc., have also helped in bringing the people online. Digital or E-wallet refers to an electronic, internet based payment system which may be a store house for financial value also as identity. Such electronic payment systems empower a customer to pay online for the goods and services, including transferring funds to other, by using an incorporated hardware and software system. In this study, an attempt has been made to explore the underlying dominant dimensions of e-wallet usage purposes and its determinants. The result reveals that deliberation and style are dominant dimensions of e-wallet usage purposes. The perception of e-wallet users started using e-wallets in the pre and post demonetization period have significant differences with respect to different usage purposes. This research paper found that increased use of technological products in a payment industry gives new outlook to banking industry as well as helps to work in efficient and better way. E-wallets saves more time and are found to be convenient by the customer through their mobile phones at any point of time as a form of digital platform.

Keywords: *Cashless Economy, Deliberation, Design and E-Wallets*

1. INTRODUCTION

The digital push with technological innovation is prepared to transform the Banking and financial services sector in India. Structural growth drivers like, smart phone penetration, increasing awareness about digital payments, preference for hassle-free transactions and secured payment solutions are driving growth for digital payments. The payment banking sector in India is predicted to witness multifold growth within subsequent few years, helped by the new entrants into the banking and payment space. Technological innovations like,

mobile money, e-wallets, payment aggregators, etc., have also helped in bringing people online.

Digital or e-wallet refers to an electronic, internet based payment system which can be a store house for financial value also as identity. Such electronic payment systems empower a customer to pay online for the products and services, including transferring funds to other, by using an incorporated hardware and software (Shamsher Singh, 2017). As per Federal Reserve System Bank of India, there are three kinds of e-wallets in India. They are closed, semi-closed, and open e-wallet. In this study, an attempt has been made to explore the perception of e-wallets by customers in Coimbatore city.

2. REVIEW OF LITERATURE

Cheng, A. Y., Ab Hamid, N. R., & Cheng, E. H. (2011, February) In their research paper introduces the current trend towards the use of Electronic-Payment (E-Payment) in Malaysia as an alternative to cash and their risk perceptions. It aims to gain more insights into reasons on why young adults are adopting as well as not adopting E-Payment and their perception of risks on E-Payment as compared to cash. College students from private universities in a metropolitan city in Malaysia were chosen as respondents for this study. The findings show the different risk perceptions are significant among cash and E-Payment but less significant in terms of volume of purchase.

Nguyen, T. D., & Huynh, P. A. (2018, January) in their research paper discusses that E-payment is one of the major constituents of e-commerce, which assists to enhance user efficiency and smarten intention to use of e-commerce in the digital era. This study investigates the roles of perceived risk and trust on e-payment adoption. Data is collected from respondents who have used or intend to use e-payments for e-commerce in Ho Chi Minh City. The structural equation modelling (SEM) is analyzed on a total convenient sampling of 200 respondents. Interestingly, research results externalize that perceived risk and trust has the principal roles of the structural model of e-payment adoption. The research model accounts for 38% of e-payment adoption.

3. OBJECTIVES OF THE STUDY

- To understand the personal profile of the e-wallet users in Coimbatore city.
- To analyse the usage perception of usage of e-wallet by the respondents
- To explore the influence of personal profiles of the users on total e-wallet usage perception.

4. RESEARCH METHODOLOGY

The present study is analytical in nature and this study is based mainly on the primary data collected from the e-wallet users through a well-designed and well-structured questionnaire from 220 respondents residing in Coimbatore using convenient sampling method. The e-wallet usage perception variables were measured using 5 point Likert scale. To check the reliability of scales, the Cronbach's Alpha reliability coefficient was used. The value being 0.896 and scale are more consistent and highly reliable.

5. STATISTICAL TOOLS USED

Simple percentage, Factor Analysis and Analysis of variance.

6. ANALYSIS AND INTERPRETATION

The socio-demographic profile were analysed using simple percentage analysis and the variables related to usage perception of E-wallet were analysed through Factor analysis.

SIMPLE PERCENTAGE ANALYSIS

The variables gender, Marital status, Occupation, Monthly income, Type of residence, Nature of family, Frequency in usage of E-wallet and Purpose of using E-wallet were analysed through Simple percentage analysis.

Gender of the respondent

The gender of the respondent includes male and Female.

Gender	Frequency	Percent
Male	137	62.3
Female	83	37.7

Total	220	100.0
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From the table it is understood that Out of 220 respondents, 62.3 percent of them were male and 37.7 percent of the respondents were female.

Marital Status

The marital statuses of the respondents were classified into married and unmarried.

Marital Status	Frequency	Percent
Married	117	53.2
Unmarried	103	46.8
Total	220	100.0

From the table, it is identified that out of 220 respondents, 53.2 percent of the respondents were married and 46.8 percent of the respondents were unmarried.

Occupation of the Respondent

The Occupation of the respondents were classified into Government employees, Private Employees and Business.

Occupation	Frequency	Percent
Government Employee	62	28.2
Private Employee	120	54.5
Business	38	17.3
Total	220	100.0

From the table, it can be inferred that out of 220 respondents, 54.5 percent of the respondents were private employees, 28.2 percent of the respondents were Government employees and 17.3 percent of the respondents were engaged in Business.

Monthly Income

The monthly income of the respondents has been categorized into less than Rs.30000, Rs.30001 to Rs.60000 and above Rs.60000.

Monthly Income	Frequency	Percent
Less than Rs.30000	85	38.6
30001 to 60000	70	31.8
Above Rs.60000	65	29.5
Total	220	100.0

From the table, it can be inferred that out of 220 respondents, 38.6 percent of the respondents monthly income is less than Rs.30000, 31.8 percent of the respondents monthly income is Rs.30001 to Rs.60000 and 29.5 percent of the respondents monthly income is above Rs.60000.

Type of Residence

The type of residence is categorized into Rural, Urban and Semi-urban.

Residence	Frequency	Percent
Rural	96	43.6
Urban	77	35.0
Semi-urban	47	21.4
Total	220	100.0

From the table, it can be inferred that out of 220 respondents, 43.6 percent of the respondents belongs to rural area, 35.0 percent of the respondents belongs to Urban area and 21.4 percent of the respondents belongs to Semi-urban area.

Nature of the Family

The nature of family is categorized into Joint and Nuclear.

Nature of Family	Frequency	Percent
Joint	54	24.5
Nuclear	166	75.5
Total	220	100.0

From the table, it can be inferred that out of 220 respondents, 75.5 percent of the respondents nature of family is Nuclear type and 24.5 percent of the respondents nature of family is Joint type.

Frequency of usage of E-Wallet

The frequency of usage of E-Wallet has been categorized into Daily, Frequently and Rarely.

Frequency of usage of E-Wallet	Frequency	Percent
Daily	128	58.2
Frequently	49	22.3
Rarely	43	19.5
Total	220	100.0

From the table, it can be inferred that out of 220 respondents, 58.2 percent of the respondents use the E-wallet daily, 22.3 percent of the respondents use their E-wallet frequently and 19.5 percent of the respondents use their E-wallet Rarely.

Purpose of Using E-Wallet

The purpose of using E-wallet has been categorized into recharge, Fund transfer, Bill payments, Purchasing products and all the above.

Purpose	Frequency	Percent
Recharge	34	15.5
Fund Transfer	80	36.4
Bill payments	31	14.1
Purchasing products	20	9.1
All the above	55	25.0
Total	220	100.0

From the above table, it can be inferred that out of 220 respondents, 36.4 percent of the respondents use their E-wallet for Fund Transfer, 25.0 percent of the respondents use their E-wallet for all the functions, 15.5 percent of the respondents use their E-wallet for recharging,

14.1 percent of the respondents use their E-wallet for bill payments and 9.1 percent of the respondents use their E-wallet for purchasing products.

FACTOR ANALYSIS

Factor analysis was applied to condense the variables or items into minimum number of manageable items or variables. Factor Analysis has been done with the two statistical tests of Bartlett's test and KMO test. The Kaiser-Meyer-Olkin (KMO) test of sampling adequacy signifies the proportionate variance of variables or items which may be caused through new factors. KMO value in excess of 0.50 reveals that factor analysis is absolutely apt for the particular data set. KMO and Bartlett's Test results are depicted in the below table.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.817
Bartlett's Test of Sphericity	Approx. Chi-Square	2618.782
	df	300
	Sig.	.000

The KMO value of 0.817 implies that the factor analysis applied for this data is valid. The significance value being less than 0.05 implies that the value is significant at 95 % level of confidence. The chi square value for Bartlett's test of Sphericity is 2618.782. High Chi-square value denotes that the variables have been aptly factored. Principal Component Analysis was used for extraction purpose, and varimax rotation is used as the standard rotation. Factors having greater than one as Eigen value are taken as reduced factors which now use as new factors for future analysis.

Communalities	Initial	Extraction
Provides data recovery system in case of mobile theft or loss	1.000	.669
Provide 24 hours monitoring and assistance and quick response if there is a problem	1.000	.761
E-wallet saves time and easy to use	1.000	.685
Convenient to use while on travel and Ensures access of account when abroad	1.000	.744
Confidential information is delivered safely from banks to customers	1.000	.507

E-wallets keep customers information private and confidential	1.000	.752
E-wallets ensure protection against risk of fraud and financial loss	1.000	.763
Privacy factor influences the adoption of E-wallet services	1.000	.753
Satisfied with the security system	1.000	.649
E-wallets adhere to the cyber security laws of the land	1.000	.747
E-wallet application users have freedom from danger, risk and doubt about security	1.000	.773
E-wallet applications have advanced cyber security and Security factor is prime factor for adoption of e-wallet services	1.000	.707
E-Wallets have attractive screen layout and design	1.000	.669
E-wallet service medium has flashy graphics and colour configuration	1.000	.587
Graphical user interface is an important determinant for using e-wallet services	1.000	.590
The design is keeping customers informed in language they can understand and listening to them	1.000	.645
E-wallet app interface is very simple and easy to understand which Provides clear, simple and understandable guidance	1.000	.739
Information credibility affects the acceptance of E-wallet	1.000	.699
Up-to-date contents influences the adoption of E-wallet usage	1.000	.785
Appealing aesthetic content draws potential customers' attention	1.000	.767
E-wallets provide user friendly medium to perform payment transactions easily	1.000	.620
Speed is a driving force for using E-wallet services	1.000	.644
Transition is efficient and Response speed is satisfactory	1.000	.657
Faster than traditional payment channels	1.000	.541
No waiting time/delay	1.000	.622
Extraction Method: Principal Component Analysis.		

The variance and eigen value extracted through each factor in assessing the usage perception of E-Wallet are shown in the below table.

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
	1	7.284	29.135	29.135	7.284	29.135	29.135	3.388	13.552
2	2.987	11.948	41.083	2.987	11.948	41.083	2.951	11.805	25.356

3	1.765	7.059	48.142	1.765	7.059	48.142	2.455	9.820	35.177
4	1.651	6.602	54.744	1.651	6.602	54.744	2.420	9.679	44.856
5	1.363	5.451	60.195	1.363	5.451	60.195	2.143	8.573	53.429
6	1.026	4.105	64.301	1.026	4.105	64.301	2.038	8.153	61.581
7	1.003	4.011	68.312	1.003	4.011	68.312	1.683	6.730	68.312
8	.913	3.651	71.963						
9	.812	3.248	75.211						
10	.795	3.181	78.391						
11	.639	2.558	80.949						
12	.578	2.314	83.263						
13	.512	2.050	85.313						
14	.453	1.811	87.124						
15	.427	1.706	88.830						
16	.393	1.572	90.403						
17	.354	1.417	91.819						
18	.343	1.372	93.191						
19	.315	1.261	94.453						
20	.295	1.180	95.632						
21	.280	1.118	96.750						
22	.231	.924	97.675						
23	.228	.911	98.586						
24	.207	.828	99.414						
25	.147	.586	100.000						

Extraction Method: Principal Component Analysis.

Only those components are considered as principal components which have an eigen value greater than 1. Here, the first seven components have an eigen value of more than 1, which explains 68.312% of total variance, and the remaining components explain 31.688% of total variance. The below table presents the total variance of the observed variables explained by each of the principal components / factors. For arriving at possible factors from total twenty five variables, rotation was converged in 10 iterations through Varimax Rotation Technique.

Rotated Component Matrix ^a								
Usage perception	Component							Labeled as
	1	2	3	4	5	6	7	
Speed is a driving force for using E-wallet services	.759							Efficiency I (13.552)
Transition is efficient and Response speed is satisfactory	.708							
No waiting time/delay	.635							
E-wallets provide user friendly medium to perform payment transactions easily	.621							
E-wallet service medium has flashy graphics and colour configuration	.603							
Faster than traditional payment channels	.593							
Convenient to use while on travel and Ensures access of account when abroad		.731						Convenience II (11.805)
E-Wallets have attractive screen layout and design		.715						
Confidential information is delivered safely from banks to customers		.635						
E-wallets keep customers information private and confidential		.620						
E-wallet saves time and easy to use		.611						
E-wallet app interface is very simple and easy to understand which Provides clear, simple and understandable guidance			.808					Easy handling III (9.820)
The design is keeping customers informed in language they can understand and listening to them			.729					
Information credibility affects the acceptance of E-wallet			.563					
Graphical user interface is an important determinant for using e-wallet services			.557					
E-wallet application users have freedom from danger, risk and doubt about security				.840				Security IV (9.679)
E-wallets adhere to the cyber security laws of the land				.774				

E-wallet applications have advanced cyber security and Security factor is prime factor for adoption of e-wallet services		.671		
Privacy factor influences the adoption of E-wallet services		.834		Privacy V (8.573)
E-wallets ensure protection against risk of fraud and financial loss		.717		
Satisfied with the security system		.613		
Up-to-date contents influences the adoption of E-wallet usage		.794		Updation VI (8.153)
Appealing aesthetic content draws potential customers' attention		.742		
Provide 24 hours monitoring and assistance and quick response if there is a problem			.781	Assistance VII (6.730)
Provides data recovery system in case of mobile theft or loss			.599	
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. a. Rotation converged in 10 iterations.				

Factor I - Efficiency :

The variables, Speed is a driving force for using E-wallet services, Transition is efficient and Response speed is satisfactory, No waiting time/delay, E-wallets provide user friendly medium to perform payment transactions easily, E-wallet service medium has flashy graphics and colour configuration, Faster than traditional payment channels constitutes factor I which accounts for 13.552 percentage of variance.

Factor II - Convenience

The variables, Convenient to use while on travel and Ensures access of account when abroad, E-Wallets have attractive screen layout and design, Confidential information is delivered safely from banks to customers, E-wallets keep customers information private and confidential and E-wallet saves time and easy to use constitutes Factor II which accounts for 25.356% of variance.

Factor III – Easy handling

The variables, E-wallet app interface is very simple and easy to understand which Provides clear, simple and understandable guidance, The design is keeping customers informed in language they can understand and listening to them, Information credibility affects the acceptance of E-wallet and Graphical user interface is an important determinant for using e-wallet services constitute factor III which accounts for 35.177 percent of variance.

Factor IV – Security

The variables, E-wallet application users have freedom from danger, risk and doubt about security, E-wallets adhere to the cyber security laws of the land and E-wallet applications have advanced cyber security and Security factor is prime factor for adoption of e-wallet services constitute factor IV which accounts for 44.856 percent of variance.

Factor V – Privacy

The variables, Privacy factor influences the adoption of E-wallet services, E-wallets ensure protection against risk of fraud and financial loss and Satisfied with the security system constitute factor V which accounts for 53.429 percent of variance.

Factor VI – Updation

The variables, Up-to-date contents influences the adoption of E-wallet usage and Appealing aesthetic content draws potential customers' attention constitutes factor VI which accounts for 61.581 percent of the variance.

Factor VII – Assistance

The variables, Provide 24 hours monitoring and assistance and quick response if there is a problem and Provides data recovery system in case of mobile theft or loss constitute factor VII which accounts for 68.312 percent of variance.

FINDINGS

From simple percentage analysis, it is identified that

- A majority of 62.3 percent of them were male

- A majority of 53.2 percent of the respondents were married
- A majority of 54.5 percent of the respondents were private employees
- A majority of 38.6 percent of the respondents monthly income is less than Rs.30000.
- A majority of 43.6 percent of the respondents belongs to rural area
- A majority of 75.5 percent of the respondents nature of family is Nuclear type
- A majority of 58.2 percent of the respondents use the E-wallet daily
- A majority of 36.4 percent of the respondents use their E-wallet for Fund Transfer

From Factor analysis, it is identified that,

- The usage perception of after analyzing through factor analysis, it has been classified according to the nature of variables viz., Efficiency, convenience, Easy handling, Security, privacy, updation and Assistance.

CONCLUSION

Finally it is concluded that the consumers usage perception about the e-wallets are good and they accept that the e-wallet is an alternative, attractive, supportive and necessary one of digital era.

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