



A STUDY ON AWARENESS LEVEL OF MOBILE WALLETS SERVICES AMONG MANAGEMENT STUDENTS

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Abstract: *A mobile wallet is a virtual cash wallet can be used for instant payments and other transactions through a mobile application. With the help of Smartphone one can do all the financial transactions nowadays. With the preamble of mobile wallet, it has become extremely convenient for a person to make cashless transactions. We can say it as a technology development but it also gives a boost to business through the development of digital commerce and banking. The mobile wallet, especially the prepaid feature, is proving very effective in emerging economies such as India, where access to the internet and banking opportunities are a privilege, but mobile accessibility is high. A large number of companies have cropped up in India, offering consumers this product called 'mobile wallet', there is still a lack of awareness among people about the concept and its utility. Young and relatively affluent customers are surprisingly, more interested in mobile wallets. This paper outlines the awareness level of mobile wallets services among management students in Alagappa Institute of Management. This paper also gives the reasons for the poor practice of mobile wallet services.*

Keywords: *Digital banking, Mobile wallet, awareness level*

INTRODUCTION

Mobile Wallet

Mobile wallet is the digital equivalent to the physical wallet in which we carry money. This service is often confused with the mobile banking. Mobile wallet has a much broader concept which includes using a mobile phone as a mode of payment, rather than depending on hard cash or debit/credit cards. It is an online platform which allows a customer to keep money in it, just like a bank account. A user needs to make an account with a mobile wallet service provider. After which money is added to the 'mobile wallet' account using a debit, card, online transactions from bank accounts, retail outlet or via cash (a rechargeable kiosk).

Unlike other payment system customers do not require to follow three layers of security for payment. Wallets are one click payment solution. This leads to more success rate of payment (around 95%) when compared to transactions through debit/credit card.

Services offered

- Funds Transfer
- Mobile/DTH recharge
- Landline/Post-paid bill payment
- Utility bills
- Schedule Payments
- Schedule Transfers
- Online shopping payment

Service Providers

In India, mobile wallet services are provided by three types of service providers. First one is Telecom operators, second by the independent wallets (NBFC) and third one by the private and nationalized banks of India. This can be clearly described as below:

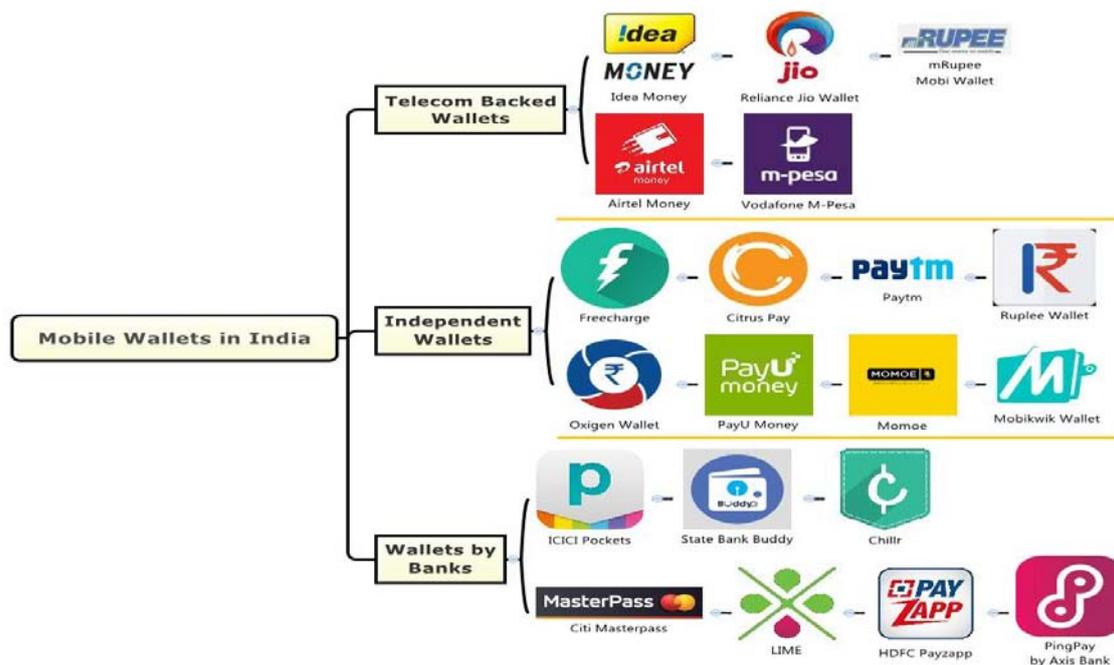


Figure 1. Mobile wallet service providers in India

LITERATURE REVIEW

Anjani kumar and Sai Prasad Seri (2014) in their article discusses about the facts and trends of Mobile wallet and its importance to the bank. For banks, the mobile wallet presents an



opportunity to increase their share of the customer's wallet. As the number of players entering the mobile wallet fray increases by the day, the race for dominance in this space will only get more competitive. It would be a mistake for banks to look at the mobile wallet as just another alternative payment instrument. Also, banks must not go solo in their mobile wallets offerings undertaking. Collaborative partnership is the key.

Siddharth Gaur and Sonal Sapra (2015) presented the paper Indian Mobile wallet Market in the etailing india expo. They said that, in the Indian market the competition for mobile will become more aggressive in future. Rising penetration of smart phones along with increasing number of mobile wallet service providers in the Indian market is pushing the growth forward. If the banks do not focus on enabling excellent mobile wallet services for its customers, they will have to risk losing out to competition. On the other hand mobile operators must widen their services and influence the existing services to attract new customers and maintain their customer base.

STATEMENT OF THE PROBLEM

Even though the mobile wallet market in India is growing at an incredible rate, the players and the industry as a whole are facing some major issues that include: User behaviour is and will remain to be a major barrier, with dependence on cash rather than a digital wallet. Awareness among the customers is still in initial stage only. Adoption level increases along with the awareness of it. Many of the technologies developing today is targeting youngsters only so it is essential to find out the awareness level among them.

OBJECTIVES OF THE STUDY

- To study the awareness level on various mobile wallet services among management students.
- To find out the reason for the poor practice of mobile wallet services.

SCOPE OF THE STUDY

The study is conducted only to the management students of Alagappa Institute of Management which is located at Karaikudi, Tamil Nadu. The functional scope is to find out the awareness level and also suggest the reason for the poor practice of mobile wallet services.



HYPOTHESES OF THE STUDY

- **H₀₁**: There is no significant difference between the gender and level of awareness on various mobile wallet services.
- **H₀₂**: There is no significant difference between the type of living place and level of awareness on various mobile wallet services.

RESEARCH METHODOLOGY

Sampling design

The entire institute (Alagappa Institute of Management) was selected based on a simple random sampling by assigning random numbers (Random numbers generated with the help of Stat Trek website).

Data Source

The study is based on primary data and personal survey method is used to collect the data with the help of the structured questionnaire from 88 management students with various undergraduate backgrounds.

Research methods

To achieve the aforementioned research objectives Independent t-test is employed for testing **H₀₁** and **H₀₂**. Apart from that Garrett ranking method is used to find out the reasons for the poor practice of Mobile wallet habits.

RESULTS AND DISCUSSION

Demographic profile of the respondents

From the table 1, it is found that the sample population comprised of 40.9 percent males and 59.1 percent females indicating that women might use the mobile wallet services more than men. This might also because of the more females in the study area.

Table 1. Demographic details of the respondent

Demographic factors	Valid items	Frequency	Percentage
Gender	Males	36	40.9
	Females	52	59.1
UG Qualification	Arts	53	60.2
	Science	26	29.5
	Engineering	9	10.2
Living Place	Hostel	8	9.1
	Day-Scholar	80	90.9
Total number of respondents		88	100

Source: Primary data



Majority (60.2 percent) of the respondents have studied arts courses in their undergraduate, whereas 29.5 percent have studied science and 10.2 percent studied Engineering. Vast majority (90.9 percent) of the respondents was residing at home and remaining 9.1 percent were residing at hostel.

Respondents' opinion on bank related services

It is necessary to access the basic banking details of the respondents before analyzing the awareness level. From the descriptive analysis table 2, it can be inferred that all the respondents are having the bank account this clearly shows the success of financial inclusions by the banks. In order to use mobile wallet, a bank account is mandatory because to load money customers must have either debit card or internet banking since retail outlets are not available in the study area. Majority (60.2 percent) of the respondents are having debit card which shows this might be a channel for loading money in mobile wallet. Majority (51.1 percent) of the respondents are using internet service offered by the banks. Respondents were asked whether banking services needed for growth and vast majority (90.9 percent) of the respondents said yes it is needed.

Table 2. Opinion of respondents regarding bank services

	Valid items	Frequency	Percentage
Bank Account	Yes	88	100
Availability of debit card	Yes	53	60.2
	No	35	39.8
Use of Internet banking	Yes	45	51.1
	No	43	48.9
Bank needed for growth	Yes	80	90.9
	No	8	9.1
Heard about payment banks	Yes	26	29.5
	No	62	70.5

Payment banks can accept deposits restricted to Rs. 1 lakh per customer, and are allowed to pay customers interest on the money that is being deposited. They can be used for either current accounts or savings accounts. For companies that have operated as mobile wallets (which are a type of Pre-Paid Instrument aka PPI), this is a big step forward as it raises the funds limit, and allows interest to be paid on the deposits, making it more attractive for users to store their money with a Paytm or m-Pesa. Respondents were asked whether they heard about payment banks and the vast majority (70.5 percent) of the respondents said no



as their opinion. This clearly shows the lack of awareness on payment banks but this might be in its preliminary stage. It is identified that all the respondents were having smart phones and this clearly shows the growth of mobile phones among the respondent especially younger groups.

Respondents' Awareness about the various mobile wallet services

Gender and Level of Awareness about mobile wallet service

Out of the entire demographic variable the gender is considered a visible factor for testing the level of awareness about the various mobile wallet services. Hence the gender and the level of awareness of mobile wallet services have been tested through independent t-test. Here the null hypothesis H_{01} is tested.

Table 3. Gender and Level of awareness about mobile wallet services

Products	Gender		t-value	p-value
	Male	Female		
Money Transfer	3.25	4.02	-3.141	0.002
Mobile Recharge	4.25	3.87	1.274	0.206
Post-Paid/ Data Card Bill payment	2.75	3.02	-0.941	0.349
Land line Bill payment	3.50	2.37	3.607	0.000
Utility Bill payments	2.25	2.69	-1.853	0.067
E-Commerce	2.50	3.02	-1.611	0.113
Ticket Booking	4.25	3.46	2.652	0.010
Schedule transfer	2.00	2.13	-0.888	0.377

From the table 3, it can be inferred amongst the eight services, the null hypothesis is rejected for three services such as money transfer, land line bill payment and ticket booking since the p value is less than 0.05 at 5 percent confidence level. The null hypothesis is accepted for the services like mobile recharge, Post-Paid/ Data Card Bill payment, Utility Bill payments, E-Commerce and Schedule transfer since the p value is greater than 0.05. Hence it can be concluded that both the gender were using the services like money transfer, land line bill payment and ticket booking in frequent manner.

Place of living and Level of Awareness about mobile wallet service

Respondents' place of residence being the demographic factor considered as a next visible factor for testing the level of awareness. Hence the gender and the level of awareness of mobile wallet services have been tested through independent t-test. Here the null hypothesis H_{02} is tested.



Table 4. Place of living and Level of awareness about mobile wallet services

Services	Living place		t-value	p-value
	Hostel	Day-Scholar		
Money Transfer	5.00	3.58	10.924	0.001
Mobile Recharge	5.00	3.92	6.724	0.001
Post-Paid/ Data Card Bill payment	2.00	3.00	-6.625	0.001
Land line Bill payment	1.00	3.01	-11.959	0.001
Utility Bill payments	1.00	2.66	-12.724	0.001
E-Commerce	4.00	2.69	8.270	0.001
Ticket Booking	5.00	3.66	8.357	0.001
Schedule transfer	3.00	1.99	13.608	0.001

From the table 4, it is found that the null hypothesis is rejected for all the services since the p-value is less than 0.01 at 99 percent confidence level. This can be concluded that place of living shows high significant difference between the place of living and the levels of awareness on various mobile wallet services.

Reasons for the poor practice of Mobile wallet habits

Various reasons have been identified from the previous study performed in electronic banking and the related statement which depicts the inhibition of using mobile wallet service was selected. Respondents were asked to rank these reasons according to their perception and the outcome of such ranking has been converted into score value with the help of the following formula:

$$\text{Percent position} = 100 (R_{ij} - 0.5) / N_j$$

Where R_{ij} = Rank given for the i th variable by j th respondents; N_j = Number of variable ranked by j th respondents. With the help of Garrett's Table, the percent position estimated is converted into scores. Then for each factor, the scores of each individual are added and then total value of scores and mean values of score is calculated. The factors having highest mean value is considered to be the most important factor.

Table 5. Furnish the details of Garrett rank. Out of nine various reasons for poor practice of mobile wallet, the highest score has been awarded to the Lack of awareness on wallet services followed by poor advertisement on the services available in the second place and Unwillingness to adopt new technology ranked as third position. Lack of time to visit website or application and follower of other banking method such as internet banking, mobile banking became the fourth and fifth position. The least rank has been awarded to the non availability of smart phones. This clearly shows the growth of smart phones and also



proves the study objective that the awareness should be created among the management students in order to promote this service.

Table 5. Reasons for the poor practice of Mobile wallet habits-Garrett ranking

Sl. No	Variables	Rank									Garret Score	Garret Ranks
		1	2	3	4	5	6	7	8	9		
1	Poor availability of internet services	0	621	0	504	850	1300	900	279	0	4454	7
2	Lack of awareness on wallet services	648	2415	1116	0	450	0	450	279	0	5358	1
3	Myth of cost and safety	0	621	496	1008	450	900	0	806	0	4281	8
4	Poor advertisement on the services available	2835	0	558	952	0	0	450	279	171	5245	2
5	Lack of consistency in transactions	1458	621	0	0	0	900	1300	527	0	4806	6
6	Non-availability of smart phones	0	0	0	0	450	400	0	279	1178	2307	9
7	Lack of time to visit website or application	729	1173	558	0	1300	900	450	0	0	5110	4
8	Unwillingness to visit website or application	0	621	1612	952	900	0	850	279	0	5214	3
9	Follower of traditional banking method	1458	0	1116	1960	0	0	0	0	323	4857	5

Source: Primary data

FINDINGS OF THE STUDY

- Maximum (59.1 percent) of the respondents are female.
- Majority (60.2 percent) of the respondents were from the arts background whereas next maximum (29.5 percent) from the science group.
- Vast majority (90.9 percent) of the respondent were residing as a day-scholar.
- All the respondents were having bank account and smart phone.
- Majority (60.2 percent) of the respondents are having debit card and maximum (51.1 percent) of the respondents were using Internet banking.
- Majority (70.5 percent) of the respondents are aware of payment banks.
- From the independent sample t-test, it is found that there is a significant difference between gender and the mobile wallet services like money transfer, land line bill payment and ticket booking, where as in case of services like mobile recharge, Post-



Paid/ Data Card Bill payment, Utility Bill payments, E-Commerce and Schedule transfer it shows insignificant differences between the genders.

- It is found that there is a significant difference between the place of living and the various mobile wallet services.
- From Garrett ranking, it can be inferred that the lack of awareness occupied the predominant position among the various reasons where as non-availability of smart phone became the least possible reason.

SUGGESTIONS

The following suggestions will be helpful for the mobile wallets services and also for the banks to promote their service among the customers.

- Awareness should be created among the students because majority of the respondents said lack of awareness was the major possible reason for non practicing mobile wallet.
- Advertisement should be made in the social media networks which will capture young people to get into the usage.
- Discount and offers should be made visible as promotional tools.
- Mobile wallet should be made as one of the payment gateway in most of the e-commerce website and thereby the companies and banks can increase the customers.

CONCLUSION

Technology has become an integral part of the marketplace. Customers are increasingly given the opinion or are being asked to provide services for themselves through the use of Self-Service Technologies. It is important for providers to understand the awareness level of customers particularly the youngsters since they are the target audience for every new-fangled technologies. After the penetration of smart phones, service industry like banking and non banking financial companies takes initiative to afford the Self-Service Technologies through mobile applications. This study also proves that every respondent are having smart phone with them so it's easy for the service providers to capture this age group. For successful incursion awareness among the people of that particular product is important. But it was identified from the study lack of awareness became the dominant reasons for poor practice of mobile wallet services. It also found that the students stay at home or



coming as a day-scholar having more awareness about the mobile wallet services. Female respondents are having more awareness on various services when compared to the male. So the advertisement and discounts/offers should be made in the social media networks which will capture young people to get into the usage.

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