

**A STUDY ON CONSUMER PREFERENCE TOWARDS DIGITAL WALLETS
DURING COVID 19 PANDEMIC**

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Abstract

The ongoing spread of COVID-19 has become one of the biggest threats to the global economy and financial markets. To contain the impact of coronavirus outbreak, India, just like many countries across the globe, is taking several measures; including a nationwide lockdown, limiting movement of the entire population, shutting down public places and transports, urging the public to stay indoors, maintaining social distancing and developing work from home culture. During the period of lockdown, usage of digital wallets has increased. The digital wallet is a leading concept in India that has been beating credit card handling and is gradually beginning to swap the old traditional payment methods. The Digital wallets are virtual wallets; where one can easily store cash for making offline & online payments. Digital wallet app growth point out the increasing need for efficient payment methods. These offer a much more secure & faster way for engaging transactions. The start-ups & large corporate businesses are also continuously on the lookout for customer-friendly technologies, thereby giving more value & convenience to the customers; especially during COVID-19 era, to retain old & attract new customers. This study was carried out to find out the factors, which affect consumer preference & frequency of usage towards digital wallets. Using a structured questionnaire with the help of 'Google form', the primary data was collected from a sample of 115 respondents. ANOVA and frequency analysis were used to find out the factors that affect the consumer preference & impact of various factors on consumer preference towards digital wallets were also analyzed.

Keywords: Digital wallets, Consumer preference, Covid-19, Dependence on IT, Ease of use



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1. Introduction:

A digi-wallet is nothing but a digital version of an online bank account with all types of transaction services. A digital wallet (or e-wallet) is a software-based system that securely stores users' 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. Digital wallets largely eliminate the need to carry a physical wallet by storing all of a consumer's payment information securely and compactly. Some digital wallets not only offer ease of use, but also offer customer rewards and perks for using them. Digital wallets are also beneficial to businesses that collect consumer data so they can not only personally target consumers through loyalty programs and promotional offers, but they can also understand overall buying habits. As COVID-19 reshapes the perceptions and needs of digital payments, the risk of cash handling & passing on that risk to the other party with reference to COVID-19 also gets nullified. From the start of the COVID-19 pandemic, retailers, business leaders and consumers have all been trying to wrap their heads around the shifts in retail and payments. Getting consumers to tap into mobile wallets is just the first step and in a post-pandemic world, the role of payments leaders will continue to innovate and motivate adoption and usage. The pandemic has rapidly shifted people's mindsets, needs and adoption habits. If you can provide that peace of mind for your customers during the uncharted times of COVID-19, your customer will remember how you helped them interact with fewer surfaces while providing an optimal and easy experience. So far, digi-wallets have been mostly used by urban populations with a higher educational background in countries like India. Given the rise of smartphone users among the underserved in small towns and villages, businesses have a greater opportunity in these untapped areas.

2. Review of Literature:

Poonam Painuly and Shalu Rathi (2016) in their research paper "Digital wallet: An upcoming mode of business transaction" have analysed 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 customers areas.

Sahut, Jean-Michel (2009) proposes a joint approach to analysing key factors affecting the adoption of e-wallets by using the "Technology Acceptance Model" and identified that the

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key factors of success of this payment method are security, anonymity of transactions, the cost of transactions, as well as the plurality of functions (payment, travel card, e-key for building access, etc.)

Govender & Sihlali (2014) explored the factors determining the adoption of mobile banking (m-banking) services among students who are more technically knowledgeable. The questionnaire is prepared based on the qualitative approach. Based on the extension of the Technology Acceptance Model, the theoretical framework is developed to investigate the factors that determine a student's acceptance of mobile banking. The constructs of TAM for mobile adoption such as Perceived Ease of Use, perceived usefulness, Perceived Value, Trust Intention to Use, and Usage Behavior were used.

Cabanillas et.al., (2015) they have developed a model to examine a user's intention to use mobile payment based on TAM and MPTAM (Mobile Payments Technology Acceptance Model). The study investigated the moderator effect of the user's age between the subjective rules and the facility of use. The study findings show that most of the younger mobile payment users are satisfied and accepted the mobile technology tools when compared to older mobile users. This study has indicated that older consumers are the stronger relationship between facility to use and subjective rules. So the mobile technology provider should give more attention to older consumers to create knowledge about usable new tools.

3. Research Methodology:

The research study is undertaken to observe the consumer preference towards digital wallets during COVID-19 pandemic. Research methodology has adopted comprehensively, taking into account the scope and objectives of the study. It is mainly concerned with sources of data collection, sample framework, methods of data analyses and data interpretation.

3.1 Objectives of the study:

- To understand the impact of demographic factors on consumer preference towards digital wallets
- To find out the most preferred digital wallets used by customer & to know the most popular digital wallet among various electronic payment modes
- To study the awareness and usage of customer using digital wallets

3.2 Research Design:

This is a systematic way to solve the research problem and it is an important component for the study. A research design is the arrangement of conditions for collection and analysis of data in a manner that it aims to combine for collection and analysis of data relevant to the
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research purpose.

3.3 Sources of data:

The study is based on the primary data collected from 115 respondents by using a structured questionnaire. Five-point linear scale was used too in the questionnaire for obtaining responses to a few questions.

4. Data Analysis:

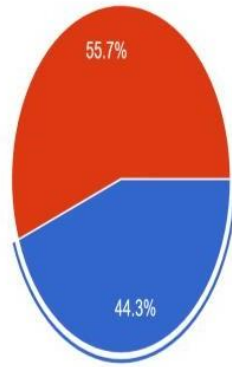
For the purpose of data analysis, ANOVA & frequency distribution method was used under the study. Here, after the analysis, the interpretation of the same is made, so as to conclude upon the objectives of the study.

Table 4.1: Demographic profile of the respondents

Characteristics	Categories	No. of respondents	Percentage (%)
Age	20-30	75	65.22
	31-40	22	19.13
	41-50	13	11.30
	50 & above	5	4.35
	12th	3	2.61
Educational Qualification	Graduate	38	33.04
	Post-graduate	58	50.43
	Professional	14	12.17
	Any other	2	1.74
Occupation	Service	74	64.35
	Businessman	4	3.48
	College student	24	20.87
	Housewife	1	0.87
	Any other	12	10.43
Annual income (in Rs.)	Below 2,50,000	50	43.48
	2,50,000 - 5,00,000	37	32.17
	5,00,000 - 10,00,000	17	14.78
	10,00,000 & above	11	9.57

Interpretation: 75% of the total respondents belong to the age group of 20 - 30 whereas only 5% belong to the age group of 50 & above. Maximum i.e. 58% respondents are post-graduate as only 2% are from any other category. Only 1% of the total respondents are housewives as 74% respondents are in service. 11% of the respondents are having annual earnings more than Rs.10,00,000 whereas 50% are having earnings below Rs.2,50,000.

3. Gender
115 responses



5. Marital Status
115 responses

Male
Female



Married
Unmarried

4.2 Hypothesis of the study:

1. **H01:** There is no significant difference between age and consumer preference towards digital wallets during COVID 19 pandemic

Anova

Source of variation	SS	Df	MS	f	p-value	f crit
Between groups	4.536862	1	4.536862	0.071431	0.802479	7.708647
Within groups	254.055	4	63.51386			
Total	258.5923	5				

2. **H02:** There is no significant difference between the educational qualification and consumer preference towards digital wallets during COVID 19 pandemic

Anova

Source of variation	SS	Df	MS	f	p-value	f crit
Between groups	26.67675	1	26.67675	0.048688	0.83268	5.987378
Within groups	3287.501	6	547.9168			
Total	3314.178	7				

3 H03: There is no significant difference between occupation and consumer preference towards digital wallets during COVID 19 pandemic

Anova						
Source of variation	SS	Df	MS	f	p-value	f crit
Between groups	3.574905	1	3.574905	0.03856	0.850805	5.987378
Within groups	556.2585	6	92.70975			
Total	559.8334	7				

4 H04: There is no significant difference between level of income and consumer preference towards digital wallets during COVID 19 pandemic

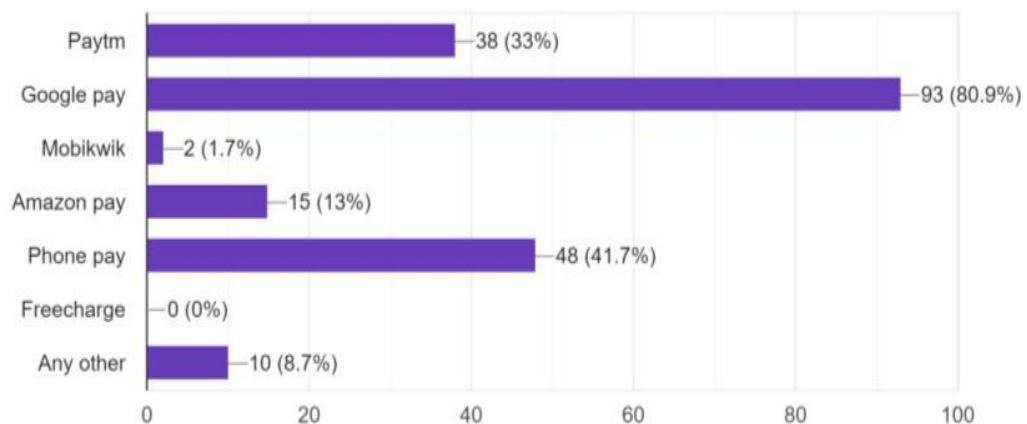
Anova						
Source of variation	SS	Df	MS	f	p-value	f crit
Between groups	11.98015	1	11.98015	0.073617	0.799568	7.708647
Within groups	650.9439	4	162.736			
Total	662.9241	5				

Interpretation - The significance values obtained are 0.802479, 0.83268, 0.850805 & 0.799568 respectively, which are greater than 0.05, so we can't reject the null hypothesis. Thus, it can be concluded that there indeed are no significant differences among customer preferences towards digi-wallets, when classified by age, educational qualification, occupation & income levels respectively.

4.3 (a)

Your most preferred wallet service provider is (you can tick more than 1 option)

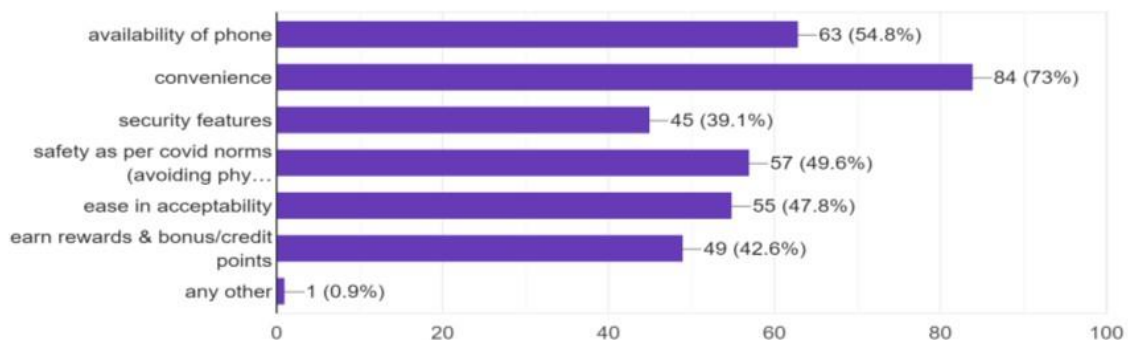
115 responses



4.3 (b)

Your preference towards use of digi wallets for completing transactions, was mainly because of following reasons (you can tick more than 1 option)

115 responses



5 Findings:

- There is no significant difference among customer preferences towards digi-wallets, when classified by age, educational qualification, occupation, gender, marital status & income levels respectively.
- Google Pay seems to top the list of most popular digital-wallets with 81%
- 63% of the respondents prefer digi-wallets because of the availability of phone, 84% prefer because of the convenience, 45% prefer because of the security features, 57% prefer to remain safe from the risk of getting infected by COVID-19 while handling cash, 56% prefer because of the ease in acceptability, 48% prefer to earn rewards or bonus/discount coupons/credit points

6 Conclusion:

In simple words, we can say that growth of digital wallets points out the increasing need for efficient payment methods. These also offer a much secure & faster way of making online payments. The start-ups and large corporate businesses are also continuously on the lookout for customer-friendly technology, thereby giving more value to the customer; has also forced the customer to prefer this mode as around 79% customers prefer it to pay their TV/Dish/Internet/Mobile recharges, 64% customers prefer for making all utility bill payments, 36% prefer it paying for transportations, 69% prefer it for online shopping, 63% prefer for ordering food, 77% prefer for money transfers & 7% prefer for other utilities; 47% customers also mentioned that they started to prefer digi-wallets during COVID-19 outburst & in the end 63% customers also mentioned that given some other alternatives, they would still prefer digi-wallets, which eventually is about to grow even

more; in times to come.

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