

# GLOBAL CHANGE IN CONSUMER ACCEPTANCE AND GROWTH OF VIRTUAL PAYMENT PLATFORMS IN KERALA CONSUMER MOTIVES AND PROBLEMS

**\*Sabareeswaran A, \*\*Dr. Shehnaz S R**

## Abstract

The rapid growth in ICT has entirely changed the life style of peoples. Everything we used to do manually in our day-to-day life has now become electronic, that means at present we can do anything with the assistance of internet and modern technology. In this modern era adoption of digital payment system is one of the most revolutionary things. We have an order of transformation from physical money to plastic payment cards and internet banking and recently we guys are boosted with e-wallet payments (Mathew Lawrence, 2019).E-wallets are application-based programmes accessed with the help of smart phones or computers. Here we are travelled from physical bank window to a world of digital money and this study is mainly focused on consumer acceptance, satisfaction and growth factors motivates them to adopt e-wallets.

**Keywords:-** Digital Money, E-wallets, Customer acceptance, Customer satisfaction, Customer motives, Problems.

India is one of the fast-growing countries in the case of internet and smart phone users. Shortage of physical money during the demonetization and avoiding the direct contact with peoples during the Covid 19 are the two major situations creating a

wide space for India's cashless economy from the previous cash-based economy. E-wallets are following the same mechanism of holding physical money in hand, but here peoples holding their smart phone instead of physical currency notes.

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The mechanism of e – wallet is very easy to use and simple to understand, so it's more affordable to whole age groups, because they can access banking services through their smart phones with particular banking application or common e-wallet applications, all these applications are helps to complete our day-to-day financial transactions on a single click. The implementation of mobile wallet is one of the revolutionary segments in the modern technological world. It simplifies the whole payment processing systems by eliminates the paper works and especially it reduces the mental and physical strain of peoples.

## 2. Literature Review

**Rathore Hem Shweta (2016)** conducted a study on “factors affecting for the adoption of digital wallets as a mode of payment and deals with the challenges and risks faced by the customer while using electronic wallets” the paper described convenient payment service, brand loyalty, speed and accuracy of services are the main factors influencing the customers for selecting electronic payment model and security and safety are the common issues faced by the users.

**Vijayashri Machindra Gurne (2017)** conducted a study on “A Survey on Customer Acceptance of Mobile Wallet Payments with Reference to Kothrud Area, Pune, India” the study described mobile wallet payments are one of the major things in the era of modern technological world. Most of the users are highly enjoys the features of comfortability, security, confidential payment system, ease of use and convenient working hours at the same

time customers’ need more awareness and advanced knowledge about these services.

**Jubair T and Yakob.C (2017)** in their study analysed the awareness, usage and issues of digital wallets in Kerala and find out the scope of further development of e wallets in India. The researcher finds out recently the users of e wallets rapidly increased because of the availability of smart phones, modern developments in internet access and the government policies leads to a cashless economy.

## 3. Statement of the Problem

Electronic wallets have gained lot of value in this modern world. Recently there is a rapid growth happened in the number of wallet users, because peoples can complete their payments within micro seconds and it offers convenient working hours and better security. The implementation of digital payment system completely eliminates the big crowds in front of ATM's, Bank counters and other organised and unorganised payment counters like KSEB cash counter, water authority counter, LIC cash counter etc. We all are witnessed that demonetization and covid 19 are the two factors popularise the e-wallet services in India. But still there is question mark in the case of payment security and protection for personal information's. Digital payment system has number of advantages due to technical advancement. The biggest challenge here is using technology itself to undermine it, as part of it, our personal information is being leaked and many financial frauds are taking place.

## 4. Scope and Significance of the study

Developments and modern innovative segments in the technological

sectors hugely support the growth of entire payment system in our country. Thiruvananthapuram is the capital city of Kerala state surrounding with large number of IT parks and mobile hubs so the study will be conducted within the limits of Thiruvananthapuram districts. The word 'E' denotes electronics that means those kinds of services are highly accurate, speed and convenient to the users than traditional way of services the implementation of electronic segments in traditional payment system can change the entire structure of banking and payment services. In this modern world, with the help of internet any one can do their payments without any direct contacts. Through the implementation of payment applications we can conduct a payment within few seconds because those applications have the features of QR scanning, Payment through phone number and number of agency services offered by organised and unorganised sectors at the same time some of the recent phenomena's like digital India initiatives and COVID-19 pandemics are highly boost this service, so the present study will trace out the favourable portions, elements and services those give maximum satisfaction to costumers and identify the problems faced by the customers.

### 5. Objectives of the Study

- To find out the customer's perception and awareness towards e-wallet.
- To identify the factors influencing them to prefer e-wallet over other mode of payment.
- To identify the problems faced by the customer's while using e-wallet.

### 6. Research methodology

The study is based on empirical data collected from primary and secondary sources. The scope of the study is limited to Thiruvananthapuram district in Kerala and is descriptive in nature. Primary data were collected using pre-tested questionnaire from 100 respondents in Thiruvananthapuram on convenient basis through online mode. The statistical tools used in this study are Standard Deviation, Friedman and Mann-Whitney u test.

### 7. Satisfaction and Influential Factors: An Analysis

The analysis part deals with frequency table of demographic profile of respondents, most preferred wallet application, regularity of payment and purpose of using e-wallets. It also discussing about the satisfaction factors, perception, Trust about e-wallets, influencing factors and obstacles faced while conducting e-wallets.

As per table 1, about 64 per cent of the respondents are female, 51 per cent are under the age group of below 25, 45 per cent respondents are completed their SSLC and plus two, 31 per cent respondents are earning monthly income belongs to below 25000 and 61 per cent respondents are private employees.

Table 2 reveals that 56 per cent of the respondents are using Google pay for doing online payments, 75 per cent respondents have the nature of conducting regular payments by using e-wallets and out of 100 respondent's 50 per cent of the respondents are choosing e-wallets for the purpose of merchandise payments by using the QR codes displayed in a merchant shop.

**Table 1**  
**Demographic Profile**

Variables	Category	Frequency	Percent
<b>Gender</b>	Male	36	36
	Female	64	64
	<b>Total</b>	<b>100</b>	<b>100.0</b>
<b>Age</b>	Below 25	51	51
	Between 26 to 35	26	26
	Between 36 to 45	13	13
	Above 46	10	10
	<b>Total</b>	<b>100</b>	<b>100.0</b>
<b>Education</b>	SSLC - Plustwo	45	45
	Graduate	37	37
	Post Graduate	18	18
	<b>Total</b>	<b>100</b>	<b>100.0</b>
<b>Monthly Income</b>	Below 20000	31	31
	Between 20001 – 30000	25	25
	Between 30001 - 40000	24	24
	Above 40001	20	20
	<b>Total</b>	<b>100</b>	<b>100</b>
<b>Occupation</b>	Professional	7	7
	Govt employee	32	32
	Pvt employee	61	61
	<b>Total</b>	<b>100</b>	<b>100</b>

*Source: Primary Data*

**Table 2**  
**E-Wallets Payments**

Variables	Category	Frequency	Percent
<b>Regularity of E-wallets</b>	Regularly	75	75.0
	occasionally	25	25.0
	<b>Total</b>	<b>100</b>	<b>100</b>
<b>E-Wallets</b>	Google Pay	56	56.0
	Phone Pay	33	33.0
	Paytm	5	5.0
	Others	6	6.0
	<b>Total</b>	<b>100</b>	<b>100</b>
<b>Purpose of using e-wallets</b>	Merchandise payments	50	50.0
	Fund transfer	30	30.0
	Utility payments	15	15.0
	Others	5	5.0
	<b>Total</b>	<b>100</b>	<b>100</b>

*Source: Primary Data*

**Table 3**  
**Factors influencing the adoption of E-wallets**

Factors	Mean Rank	Rank
Fast and Convenient payment service	3.60	1
Eliminates physical stress	3.55	2
Cash backs and offers	3.35	3
Customer information security	2.39	4
Better customer service	2.11	5
<b>Test Statistics</b>	<b>N-100, Df – 4, chi-square 77.968</b>	
	<b>Asymp.sig - .000</b>	

*Source: Primary Data*

**Most important factor influencing E-wallets**

Making payments by using electronic wallets becomes a routine activity today. At present majority peoples are using electronic wallets instead of other payment channels and it’s really questionable why they choose this way of channel. The study deeply finds out what are the factors influencing them to opt e-wallets.

The above table 3 revels that most important factor is ranked at number 1 that is those e-wallet services are faster than traditional payments and it’s more convenient. Next rank number 2 given to *eliminates physical stress* of respondents, because most of the organized and unorganized service sectors like KSEB, Water Authority, Insurance offices even ATM counter also digitalised today and they eliminated long queue in front of the cash counter so customers can make their payments within their own house or where ever they stay and definitely we can say it reduce the physical stress of the respondents. Respondents really enjoy the advantage of cash backs and rewards

getting while conducting payments through wallets. *Customer information security* and *better customer services* are ranked least, that means still majority respondents wants more advancements and upgradation as per the technological advancements for protecting their personal information’s and better customer relationship services. That may be the reason for giving least consideration for the above factors. The **Friedman Test** shows that there is significant rank between ranks; definitely the P Value is less than 0.01.

**A. Satisfaction**

Belongs to the head of user satisfaction, majority respondents are highly satisfied with availability of services and outcome service quality, website characteristics and understandability of features are least satisfied factors in concern of using electronic wallets. On the basis of comparison between standard deviation and 1/3<sup>rd</sup> of mean value most satisfying factors standard deviation value is less than 1/3<sup>rd</sup> of mean value, so we can conclude that majority of the

**Table 4**  
**Descriptive Statistics**

Factors	N	Mini mum	Maxi mum	Mean	S. D	Rank	1/3 <sup>rd</sup> of mean
<b>A. Satisfaction</b>							
Accuracy of showing payment status and statements immediately when a transaction is done (Outcome service quality)	100	1.0	3.0	2.650	.5752	2	0.88
Conducting all financial transaction in a single window (Availability of services)	100	1.0	3.0	2.770	.5291	1	0.92
Easily understand the websites designed for the e-E-payment process (Website characteristics)	100	1.0	3.0	2.600	.7654	3	0.8
Easy to capture and learn the mechanism of E-payments (Understandability of features)	100	1.0	3.0	2.280	.8175	4	0.76
<b>B. Trust</b>							
It's kept and delivered the confidential information's to users safely	100	1.0	3.0	2.340	.7416	1	0.78
I believe E-payment platform will not lead to any kind of financial frauds and scams	100	1.0	3.0	2.210	.7951	2	0.73
<b>C. Consumer Perception</b>							
Electronic payment channels are exact substitution of physical banking system	100	1.0	3.0	2.160	.8495	3	0.72
User friendly payment applications are influenced me to adopt e payment system	100	1.0	3.0	2.590	.4943	1	0.86
Electronic payment system providing more security through the absence of holding physical money	100	1.0	3.0	2.410	.6831	2	0.80
<b>D. Obstacles faced in E-wallets</b>							
Facing the problem of payment gateway failure	100	1.0	3.0	2.330	.6971	3	0.77
Third party security threats	100	1.0	3.0	2.690	.6771	2	0.89
Facing the issue of transaction limit exceeds	100	1.0	3.0	2.710	.6559	1	0.90
Huge SMS cost charging for activating e-wallets	100	1.0	3.0	2.290	.8201	4	0.76

Source: -Primary Data

respondents are satisfied with these and least satisfying factors standard deviation value is greater than  $1/3^{\text{rd}}$  of means least number of peoples are satisfied with that statement.

### **B. Trust**

Trust is the most important factor for the success of any activity. On the basis of customers trust about e-wallet the mean score of kept and delivery of confidential information of respondents is higher so electronic payment channels can build a trust in the mind of respondents by protecting their private information's both financial and general information's because their standard deviation value is (.7416) less than  $1/3^{\text{rd}}$  of mean (0.78) value so most of them enjoyed with the privacy and protection policy of e-wallets and on the other hand majority of respondents feared about those electronic wallets may lead to financial frauds and scams because their standard deviation value is greater than  $1/3^{\text{rd}}$  of mean value.

### **C. Consumer Perception**

On the basis of standard deviation and mean value of statements all electronic wallet applications and its mechanisms are user-friendly by comparing other payments that's why it's popularise in the mind of respondents and in case of holding physical money, peoples are really enjoying the service benefit of transferring money through electronic channels, it providing more physical security and reduce the fear of customers while holding huge amount of physical money in their hand. At the same time standard deviation is more than  $1/3^{\text{rd}}$  of mean in the case of exact substitution of physical

banking operation, definitely e-wallets can't provide whole services rendered by a physical bank they have the absence of some major service so they can't be an exact substitution of physical bank or branch service.

### **D. Obstacles faced in e-wallet service**

This portion of table reveals that recently most of the customers facing the issue of exceeding daily transaction limit, because they can avail minimum number transactions doing per day and the third-party security threat is another major problem faced by the respondents. Sometimes e-wallet applications show several kind of online advertisement containing with web links and they lead to a third-party page when respondent click the link or ad by mistake, definitely its make some fear about their security and sometime it's irritating. The payment gateway is another important problem faced by the respondents. All these above problems standard deviation values are less than the  $1/3^{\text{rd}}$  of mean value. At the same time standard deviation value is higher than  $1/3^{\text{rd}}$  of mean in the case of charging huge SMS charges at the initial stage of signup and upgradation or relogging of current wallet application.

### **Efficiency level of E-wallets by comparing traditional payments.**

How differentiate the efficiency of services of e-wallets by comparing traditional payment methods between male and female are shown below.

**H0:** There is no significance difference between male and female in case of comparing the efficiency level of e-wallets with traditional mode of payments.

**Table 5**  
**Gender and efficiency level of E-wallets**

Ranks			
Gender	N	Mean Rank	Sum of Ranks
Male	36	53.17	1914.00
Female	64	49.00	3136.00
<b>Total</b>	<b>100</b>		

*Source: -Primary Data*

**H1:** There is a significance difference between male and female in case of comparing the efficiency level of e-wallets with traditional mode of payments.

To evaluate the difference between male and female by testing which of the payment mode is more efficient to them was tested using Mann Whitney U Test. The test revealed insignificant differences in the preference of male (**median = 3, n=36**) (**median = 2, n=64**), **U=1056.000, z =-.797, p=0.425**. Hence Accept the null hypothesis (H0).

**8. Findings of the Study**

- In this study majority respondents are female, half of the respondents are belonging to the age group of below 25, 45 per cent of respondents ensure the primary level of education and 61 per cent of respondents are working in a private platform and 31 per cent has the monthly income of below 20000.
- Majority of the respondents (56 per cent) are preferred *Google Pay* for conducting payments, 75 per cent of respondents have nature of regular use of e-wallets and 50 per cent of respondents are using e-wallets for merchandise payments.

- The fried man test reveals that there is a significant difference between ranks assigned for factors influencing to use e-wallets. Fast and convenient services and reduce the physical stress of customers are the most influencing factors to choose e-wallets.
- The Mann Whitney U Test proved that there is no significant difference between male and female in case of comparing the efficiency level of e-wallets with traditional payments.
- The descriptive statistics table revels that respondents are highly satisfied in the case of availability of whole services in a single window, in the case of trust, confidentiality of customer’s information got highest mean rank, user friendly software’s are the main perception of respondents and finally most of them facing the issue of conducting limited number of transactions per day.

**9. Suggestions**

- E-wallets are more popular in this modern era and peoples are really enjoying the features of the services, at the same time they are facing



security issues and therefore the service providers should take steps to ensure and increase the security.

- Service providers should build a quality artificial intelligence system for solving the common queries and doubts of the customers.
- Service providers should ensure a decent number of per day transaction limit.
- Avoid the accessibility of third party sites and advertisement in e-wallet application.
- Take steps to send an instant message to the user if the payment or transaction is failed.

## 10. Conclusion

The global consumer acceptance of electronic payment channels increases the number of payment applications day by day. Advancement of technology and global internet access can simplify all the services without any delay. Acceptance of technological advancement in the sector of banking and financial service can entirely change the structure and behaviour of payment processing, there is a

paradigm shift happens in the payment system it starts from traditional banking services to plastic chip card payments, internet banking and recently we are done with electronic wallets. Simply digital wallets are convenient and fastest payment method with proper security while comparing traditional payment system. Now the people are largely accepting the e-wallets for transferring money, recharging and utility payments, insurance premium payment services, loan repayments and numerous government payment services, and merchant payments. In this modern era everything is digitalised even a small street vendor is also display the QR code facility in their shop for receiving payments made by the customers through e-wallets. By using this channel the consumers can totally reduce the risk of holding physical money. In this study we can conclude the merits of e-wallets can easily catch up and promotes e-wallets at the same time technology has many advantages as well as disadvantages. No matter how much security is provided for customer protection, there is a loop hole that breaks them all is possible with the same technology. Therefore, security is still a question mark even today despite more the assurance of security.

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University of Kerala, Thiruvananthapuram**

Published in 2007

Pages 114

Priced Rs. 80

Paperback