

A STUDY ON CONSUMER ADOPTION DIGITAL WALLET IN CHENNAI

Submitted in partial fulfilment of the requirement for the award of
BACHELOR OF BUSINESS ADMINISTRATION

BY

ABEL ANDREW R

39280001



**BACHELOR OF BUSINESS ADMINISTRATION
SCHOOL OF MANAGEMENT STUDIES**

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by
AICTE Jeppiaar Nagar, RAJIV GANDHI SALAI, CHENNAI – 600119 .

APRIL 2022



SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY

(DEEMED TO BE UNIVERSITY)

Accredited "A" Grade by NAAC | 12B Status by UGC | Approved by AICTE

www.sathyabama.ac.in

SCHOOL OF MANAGEMENT STUDIES

BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **ABEL ANDREW R (39280001)** who has done the Project work entitled **A STUDY ON CONSUMER ADOPTION DIGITAL WALLET IN CHENNAI** under my supervision from January 2022 to March 2022.

Dr.Shetty Deepa Thangam Geeta

Internal Guide

Dr. BHUVANESWARI G.

Dean, School of Management Studies

Submitted for Viva voice Examination held on _____

Internal Examiner

External Examiner

DECLARATION

ABEL ANDREW R (39280001) hereby declare that the Project entitled “**A STUDY ON CONSUMER ADOPTION DIGITAL WALLET IN CHENNAI**”. Done by me under the guidance of **Dr.Shetty Deepa Thangam Geeta M.Com.; B.Ed; Ph.D (Internal)** submitted in partial fulfilment of the requirements for the award of **Bachelor of Business Administration**.

Date:

Place: Chennai

ABEL ANDREW R

ACKNOWLEDGEMENT

I am pleased to acknowledge my sincere thanks to the Board of Management of **SATHYABAMA INSTITUTE OF SCIENCE AND TECHNOLOGY** for their kind Encouragement in doing this project and for completing it successfully. I am grateful to them.

I convey my thanks to **Dr Bhuvaneswari. G, MBA., PhD, Dean – School of Management Studies** and **Dr Palani.A, M.COM., M.Phil., MBA., PhD, Head of School of Management Studies** for providing me necessary support and details at the right time during the progressive reviews.

I would like to express my sincere and deep gratitude to my Project Guide. **Dr. Shetty Deepa Thangam Geeta M.Com.; B.Ed; PhD Assistant Professor, School of Management Studies** for her valuable guidance, suggestions and constant encouragement paved way for the successful completion of my project work.

I wish to express my thanks to all Teaching and Non-teaching staff members of the School of Management Studies who were helpful in many ways for the completion of the training.

ABEL ANDREW R

ABSTRACT

It not only provides a different environment, but also helps to get some knowledge about the different kinds of jobs in that environment. The students get a chance to know about the various departments in the organization and the activities done in those departments. In the production department I get to know about the spare items they produce, the production process, materials, quality control, inspection and store maintenance. The marketing department gained knowledge about marketing strategy, selling the product. The finance department gained knowledge about accounting reports, tax invoice, payroll, balance sheet.

The report shows a view of the tasks done during the period of internship in detail. The project aims to increase the knowledge of the students during the internship process. This project helps us hope that it has helped everyone to gain some organizational knowledge, which can be used in the future.

TABLE OF CONTENTS

CHAPTER NO.	TITLE	PAGE NO.
	ABSTRACT	5
	LIST OF TABLE	8
	LIST OF CHARTS	9
1	INTRODUCTION	6
	RESEARCH BACKGROUND	7
	OBJECTIVES OF STUDY	8
2	REVIEW OF LITERATURE	9-12
3	RESEARCH METHODOLOGY	13
	Type of research	13
	Area of the Study	13
	Research Approach	13
	Sampling Technique and Sample Size	13
	Research Instrument	13
	Rationale of study	13
4	DATA ANALYSIS AND INTERPRETATION	14-21
	TABLES AND CHARTS	

5.	FINDINGS,SUGGESTIONSANDCONCLUSION	22-23
	SUGGESTIONS	22
	CONCLUSION	23
	QUESTIONNAIRE	24
	REFERENCES	25

CHAPTER-1

INTRODUCTION

INTRODUCTION ABOUT THE STUDY;

In order to know something about digital wallet, firstly one has to know about what is wallet. Wallet is something in which one can keep his/her money, important cards etc. Similarly the case is about digital wallet or e-wallet where one can keep his money safely. Examples of digital wallets are Paytm, phonepe, freecharge, etc. Operating on e-wallet is very easy, we just have to create an account on particular digital wallet app and we can keep our money digitally in our e-wallet. Digital wallet also helps in online transactions, purchasing etc. Furthermore, it can be used for the online shopping as well. Digital wallet helps in various transactions such as making payments (electricity, water, fees etc), shopping online, buying movie tickets, booking train and flight seats and many more. Digital wallet is safe to use as it reduces the complexity of carrying physical money for payment, instead the payments are done electronically which helps in promoting cash less transactions.

One of the digital wallet is that an individual is not required to carry cash all the time, payments can be done or money can be transferred from any place to the respective people anywhere in the world. Digital wallets also help in making fee payment, performing various banking activities, etc from anywhere and at any time, which helps in saving a lot of softies and efforts. Digital wallets not only have advantages it also has various disadvantages too...as such it can be hacked by anyone; the password of digital wallets can be misplaced which can occur losses. To access the digital wallet needs a connection with an electronic gadget for transactions and maintaining the cost is not convenient for all individuals. Data connection is also required to which is not always affordable by poor people. So one can say digital wallet is something which can be used easily by everyone and it also makes one's life easier but it can't always be so much beneficial as it has some limitations too.

After the Demonetization the use of e-wallet has been rapidly increasing as people are now on the way of cash less economy which allows them to use this device or services anywhere anytime. E-wallet is performing magnificently in banking services as now people don't have to go to banks for the transactions.

RESEARCH BACKGROUND

In today-world, smart phone has become important part of everyday life .As it has become more affordable, the number of smartphone users has increased dramatically. The quantity of smartphone consumers surpassed 1 billion in 2012and predictably it will reach 1.75 billion in 2014 (marketer, 2014) . Along with smartphone production, plenty of service shave been created toutilize the possible functions of smartphones .Not only smartphones are used as communication devices, but also to be used as socialized tool, entertainment tool, internet access tool, and even payment tool (Raj opal, 2012) .Thanks to technology, mobile users can nowadays use their smartphones to make money transaction or payment by using applications installed in the phone. Be sides payment, people can also store receipts, coupons, business cards, bill in their smartphones. When smartphones can function as leather wallets, it is called “Digital Wallet” or widely known as “Mobile Wallet”.

Motivation of the research came from various factors. First of all, the mobile wallet is a recent term. In other words, it is a “trendy” topic that has been discussed in technical forums and financial websites in severally ears lately. One can see the word “Mobile Wallet” multiple times from the internet, yet he does not know what mobile wallet is. Therefore, the research is made due to personal curiosity to gain practical knowledge about mobile wallet during the research process in order to understand how consumers perceive this new technological service. Secondly, Aim one of a smartphone users and I would like to exploit the capability of the phone. Other users perhaps also have this desire. For that reason, I conduct this research to observe people’s opinions about this new service. Practically, this research will be useful for the business stakeholders of mobile wallet who would like to expand the business to earn more market shares.

OBJECTIVES OF STUDY;

- To identify Consumer adoption of Digital Wallet in NCR Region.
- To identify Consumer attitude towards Digital Wallet in NCR Region.
- To compare Consumer adoption of Digital Wallet in NCR Region.
- To suggest ways to improve adoption of Digital Wallet in NCR Region
- To suggest ways to improve adoption of Digital Wallet in NCR Region.

CHAPTER-2

REVIEW OF LITERATURE

- Although the usage and adoption of e-wallet is on the rise in present scenario, but still many reseraches have been conducted in this area.
- Majority of Indians now days showing a tendency to shop or spend through digitized methods of payments. Since demonetization played its part in the economy, consumers are shifting their preference to cashless economy and since digital wallets has been a hit amongst people since demonetization of 500 and 1000 legal tender notes, the digital wallet companies have also been introducing cash backs, discounts and coupons to their customers which can be availed at online as well as offline stores from time to time. This has made the popularity of these wallets touch skies after 2016. Mobile wallets are changing the traditional ways of making and receiving payments, doing shopping, paying bills etc. we are the generation which wants faster ways of getting things done. We are now shifting towards a world with technology, connected with social media networks using their smart phones and tablets for doing everything. Adoption of digital payments methods in a paper currency-oriented country like India has surely helped in attaining and adopting technology for our day to day chores by Rana in 2017 [7]. Our Indian government has proposed many strategies and structures for innovation; the digitization of money was one of the proposed innovations as alternative to cash transactions after demonetization. The demonetization has provided the companies in the portfolio with a platform to accelerate the exchange economy in India, which includes helping small suppliers find alternatives. Buyers have started using computerized payment methods and many portfolios are registered as versatile and secure portfolios, used to expand their relationships with more suppliers, but also with their customers. It acted as a passage to a digital world. After demolishing the 500 and 1,000 rupee bills, the companies and the government realized that the policy implemented can only be successful if the public is offered services in favour of the economy without cash. These portfolio companies have succeeded in motivating the public towards the economy without cash by NazimSha in 2018 [6]. The diffusion of the use of electronic payments between countries is partly due to factors such as the quality of the regulatory framework and the state of preparation of telecommunications infrastructures. New payment services based on the Internet and mobile phones are proliferating in advanced economies. The electronic payment system is safe. The number of the credit card, the smart card or other personal data of the user is never threatened in principle; Payment can be made without the intervention of third parties. We

can make transactions very easily through these technologies. The immediate availability and user-friendly interface have allowed users to switch to digital methods by Vally in 2018 [13]. "Digital India" is the flagship program of the Indian government to turn India into a digital country. "Faceless, paperless, without money" is one of the supposed functions of digital India. As part of this government reform, the Indian Prime Minister, demonetized the, Rs. 500 and 1000 notes in November 2016 and also launched the "Digital India" initiative in 2015. These initiatives have significantly boosted the country's digital payment system. Other government initiatives, such as BHIM and UPI, support the transition and faster adoption of digital payments. The digital payment system consists of the following phases:

- Registration
- Billing
- Choice of payment
- Payment confirmation.

This payment system generally includes 3 electronic payment instruments, namely cash, checks and cards. After demonetization, the e-commerce sector is affected by the fact that the payment against delivery is gradually stopped and that other payment methods are replaced, such as the card against delivery, the net banking, the debit card, the credit card, etc. increases the chances of people leaving without money by Sambhy in 2014 [10]. In the era of demonetization and introduction of digital modes of transacting for almost every receipt and payment, it has somehow affected rural areas where technology has not properly reached. It has resulted in loss of seasonal and small vendors who don't even have a bank account or have their Aadhaar card so that they can have their proper verification done. Somewhere between adopting digitization, the people of rural area have been overlooked and the fact has been ignored while changing the way of payments by Doan in 2014 [1]. In the last decade, our world has been rapidly digitized. For example, we now have Internet purchases and social interactions through SMS messaging services, emails and social networks on the Internet. The use of mobile phones and the use of the Internet for its main factual backups that Han contributed to this was development. Digital payments are part of the digital tablets before they exist. No doubt about it, payments must also be paid; our powers and services no matter where we are. Therefore, there is a need for an electronic wallet, an electronic wallet, with which mobile payments can be made. The demonetization has allowed digital payments to take over the economy in its true sense by Sardar in 2016 [11]. With the new mission of making India more technologically advanced, we can expect a much wider use of digital wallets among Indians in the near future. There has always been 1 problem with the digitizing process and that being the security issues, less technical knowledge and unavailability of internet in many places is still a major drawback for major uses of Digital Wallets in India. Development in the field of offline payment schemes for digital wallets can be beneficial. Better security against hackers is needed so that fraudulent activities do not take place. We have to further make sure that this process is well encrypted so that the frauds don't happen by Mrs.R.R.Aparna in 2015 [5]. Due to

demonetization and the introduction of digital wallets, there is growth in use of online transactions. Due to the advanced functionality and fast access of digital wallets to online banking, online banking has been replaced directly. These portfolios also provide 2 level encrypted security authentications to protect our payment information, simplifying online transactions. A large part of the population has never encountered any immediate problems with their payments. The portfolios also offer simple payment structures through the digital payment system by Vidya shree in 2015 [14]. In their paper compared the physical wallet and digital wallets as well as credit and debit cards with digital wallet. They concluded that the digital wallets are more convenient than credit and debit cards as it does not have any formalities of entering card number and pin. Moreover they compared and explained the benefits of digital wallets over mobile banking by Manikandan in 2015 [4]. The banking sector had a range of payment products: checks, money orders, national transfers, real-time gross settlement system, instant payment service, online banking and mobile banking. - but found that the easiest way to make payments. The inability to respond to this need has driven people away from the banking system and has pushed them into ever more dominant electronic wallets. This is the easiest and most versatile payment method that can be used to pay daily expenses without carrying or handling a legal offer by JOCIL in 2017 [2]. Digital wallets are more convenient and safe as compared to physical wallets and are very useful for frequent online shopping. To facilitate the process of ordering credit cards, many companies are introducing electronic wallet services. Electronic wallets allow you to track your billing and shipping information so you can capture them with a single click on the participating merchant sites. Electronic wallets can also store electronic checks, electronic cash and credit card information for several cards. It is easy to use and, therefore, has become familiar with people and has become easier to adopt technology even for the

- general public by Karamjeet Kaur in 2015 [3]. Through this digital platform money is loaded in wallets. Through this technology you can add money using digital wallet apps. However, the constraint is you can transfer funds to the same wallet only. It means that if you have a particular payment app on your phone then you can only transfer money to another person only if he uses the same particular payment app. simplyin another way round, you cannot transfer money from one wallet to another app. There are some other ewallets available in the digital marketplace such as Mobikwik, Freecharge, Oxigen, Reliance Money, Paypal, Buddy, Lime, Payzapp, Pocket, Yes Pay, etc. There are some pros and cons of using the same technology. But overall it has helped the government in preparing and keeping a track of all the inflows and outflows of cash in the economy by Sagayarani in 2015 [9]. The e-wallet market had witnessed rapid growth over the last one year. E-wallet usage is addictive, about 4/5th of the monthly users, use them weekly. Usage is driven by ease of use, discounts, and sheer ubiquity of the e-wallets. Mobile bill payment and online shopping are the biggest spend categories for e-wallets. People spend INR 4,286 per month on an average through their e-wallets. Paytm corners 3/4th of the market by value and volume, leaving other players -- FreeCharge, PhonePe and MobiKwik -- far behind. Paytm has a chance of being category-defining (like Xerox in copiers), with 96% of all e-wallet users having installed the Paytm app. There is not much difference in usage or market share by metro, age or gender. Metros like Ahmedabad, Kolkata, Lucknow and Ranchi,

which have been slower in adopting digital spending, are jumping on the e-wallet bandwagon faster, with a larger proportion of digital spending on e-wallets by Regalix in 2018 [8]. A digital wallet helped its customers to transfer their payments with the use of their mobile phones in the easiest way. But the only drawback in which the digital payment system must operate is the payment gateway to improve the efficiency of transactions, with 70% of people experiencing a problem with the payment gateway. Only 5% of respondents said they received assistance each time they had a failure so that the service could be improved to meet the needs of the maximum clientele. All major digital portfolio acquisitions in the country currently comply with privacy rules, but must work with discounts / offers, transaction times and innovations to increase customer satisfaction by TADSE in 2017 [12]. Digital wallets sector is growing very fast over the past few years with increase rate of 94% in transaction volume. The penetration of mobile phones and smartphones is strong worldwide; with easy-to-use mobile wallets the convenience should follow gaining popularity by Wahi in 2017 [15].

RESEARCH METHODOLOGY

Type of research

This research is a descriptive research as we describe the Consumer adoption of Digital Wallet special Reference to NCR

Area of the Study

For this study the respondents will be randomly selected from NCR Region.

Research Approach

For this study, questionnaire method is used for collecting data.

Sampling Technique and Sample Size

Convenience sampling method is be used and sample size is 200.

Research Instrument

The data is collected through a structured questionnaire. Secondary data is collected from websites, e-books, newspapers etc

Rationale of study

In today's fast-moving lifestyle people need to adopt more convenient and secure gadgets to make their life simpler. For meeting this goal there is an innovative product in foreign markets named Digital Wallet. NCR consumers are importing this product it's more convenient to use especially for children and old people. This research will investigate the usefulness of this product in NCR scenario as well the willingness of NCR nationals to adopt this innovation (innovation adoption model) using questionnaire survey method.

CHAPTER-4

DATA ANALYSIS AND INTERPRETATION

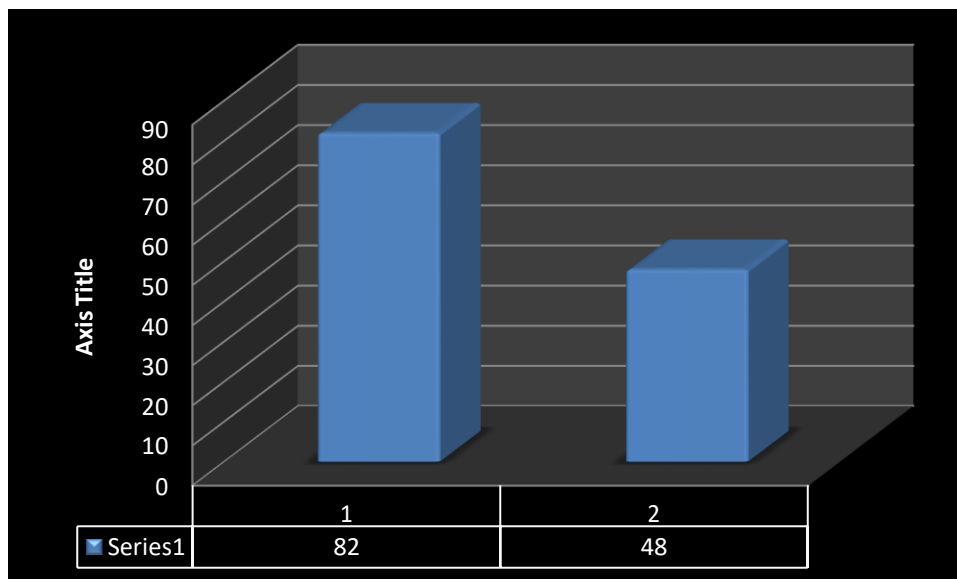
1. Table showing Gender wise classification of the respondents

- GENDER

Table 1.1

GENDER	RESPONEDENTS	PERCENTAGE
MALE	82	68
FEMALE	48	32
TOTAL	120	100

CHART 1.1



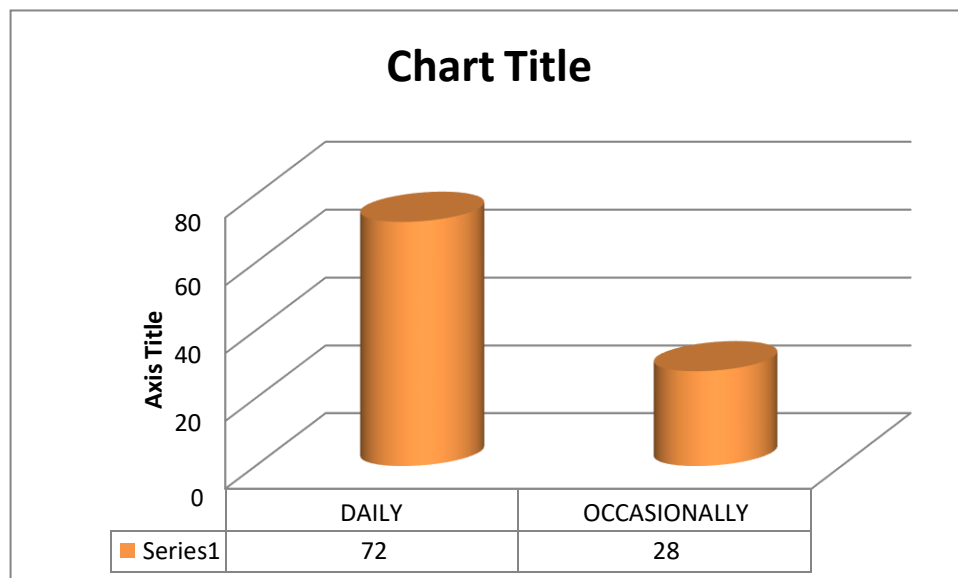
In table no.1, it shows that 82 % response came from males and 42 % came form females

2.How often you use digital wallet?

Table 2.1

options	RESPONEDENTS	PERCENTAGE
Daily	72	60
Occasionally	28	40
Total	120	100

Chart 2.2



- Above table/ chart shows male respondents uses digital wallets more often than male respondents.

3. Which Digital Wallet service do you take?

Chart 3.1

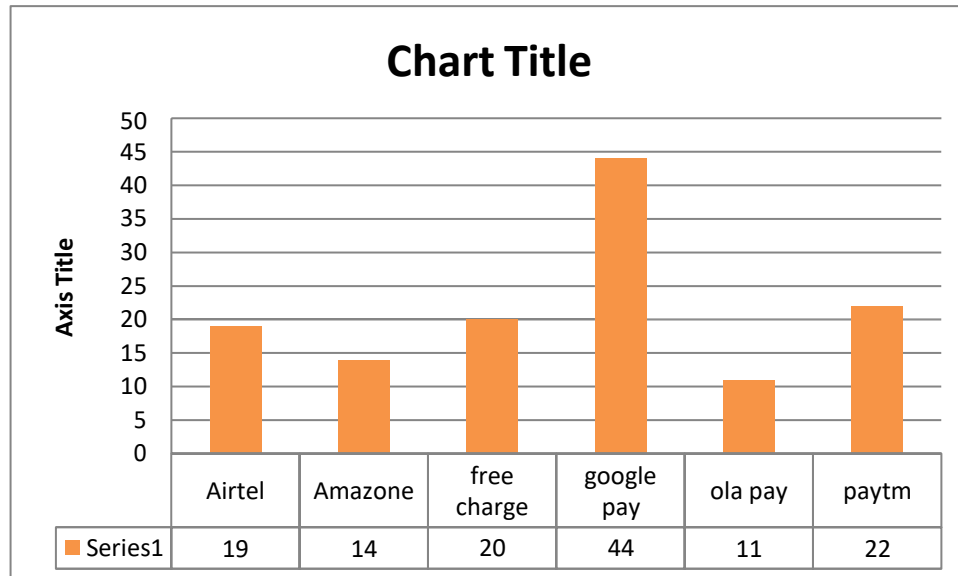


Table 3.2

options	RESPONEDENTS	PERCENTAGE
airtel	19	10
amazone	14	11.67
Free charge	20	16.67
Google pay	44	36.67
Ola pay	11	9.17
paytm	22	18.33
Total	120	100

- Above table shows respondents uses google pay wallet service more than other digital wallets

4. Do you prefer digital wallet over cash?

Chart 4.1

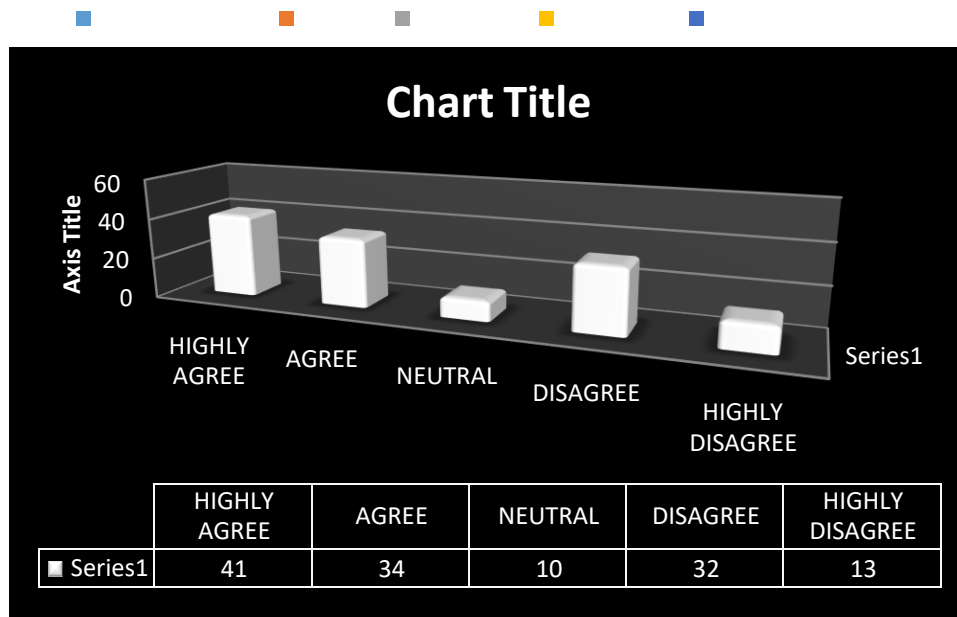


Table 4.2

options	RESPONEDENTS	PERCENTAGE
Highly agree	41	34.17
agree	34	28.33
neutral	10	8.33
disagree	32	26.67
Highly disagree	13	10.83
total	120	100

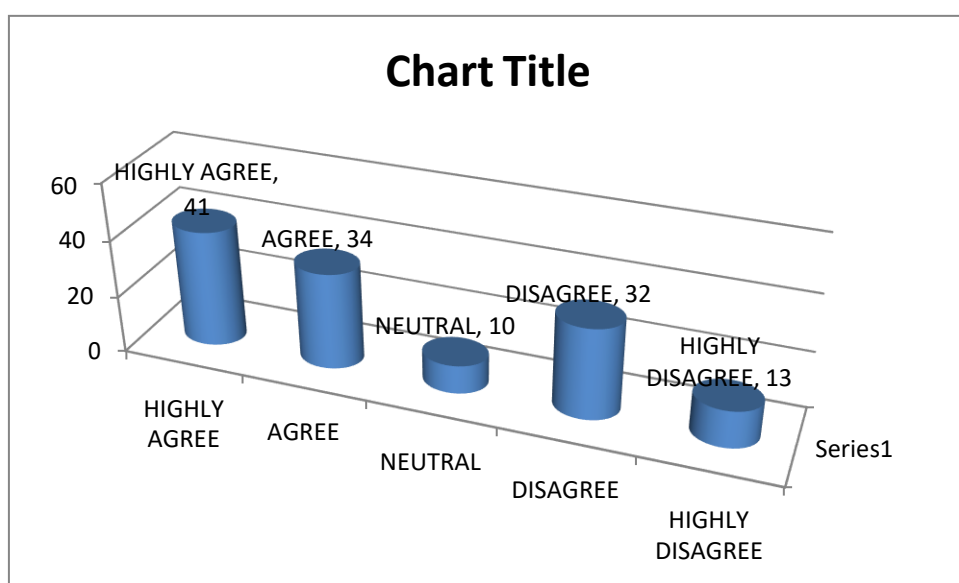
- Above table shows that most of the male respondents prefers digital wallets over cash.

5. Do you prefer digital wallet over credit cards/debit cards?

Table 5.1

PERCENTAGE	RESPONEDENTS	PERCENTAGE
Highly agree	41	34.17
agree	34	28.33
neutral	10	8.33
disagree	32	26.67
Highly disagree	13	10.83
Total	120	100

Chart 5.2



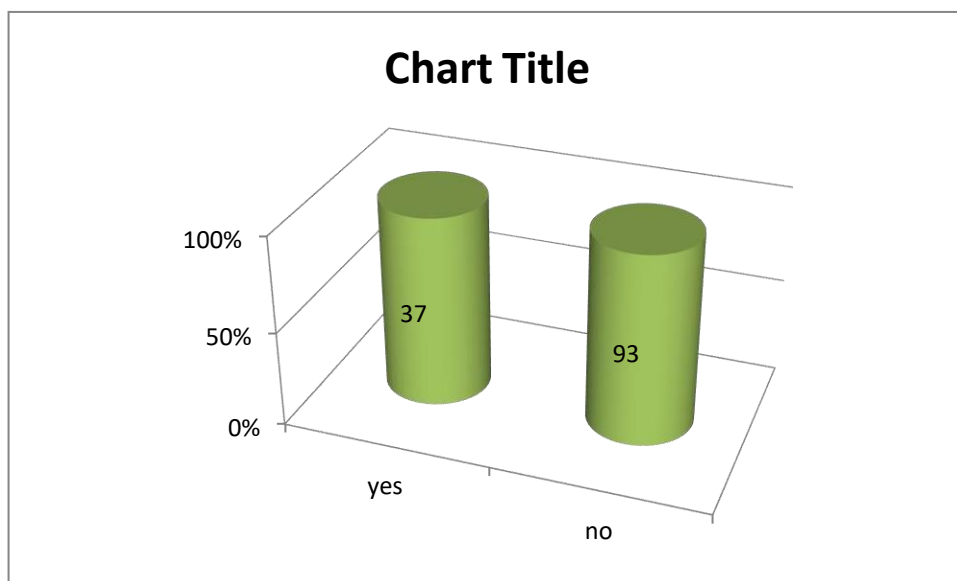
Above table shows that most of the respondents prefers digital wallets over credit/debit cards.

6. Do you have security concerns regarding using digital wallet? *

Table 6.1

options	RESPONEDENTS	PERCENTAGE
Yes	37	30.83
No	93	70.17
Total	120	100

Chart 6.2



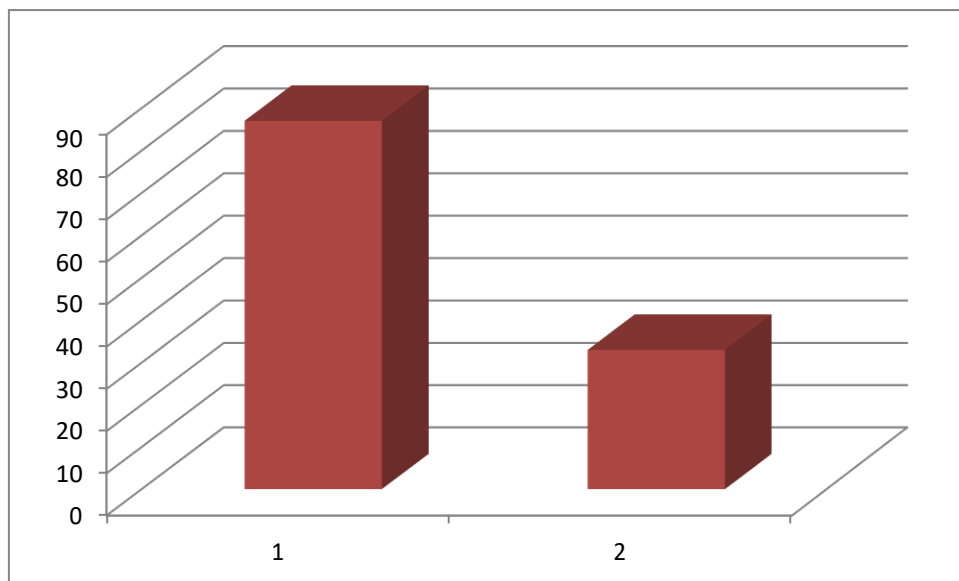
- The above table shows respondents more concerned about the security regarding using digital wallets

7.Does digital wallet charge a fee?

Table 7.1

Options	RESPONEDENTS	PERCENTAGE
Yes	33	27.5
No	87	72.5
Total	120	100

Chart 7.2



- The above table shows respondents of maximum of not charging of fee

CHAPTER-5

FINDINGS, SUGGESTIONS AND CONCLUSION

FINDINGS;

- It is clear that digital wallet will alter the other modes of online payment in future
- The users of mobile wallet are much satisfied on its usage
- Factors like brand loyalty ,convenience of shopping plays an important role in adoption of mobile wallet
- Security and safety of funds plays a challenging factor for the users

SUGGESTIONS;

- Digital wallet is useful for future
- They should maintain the server better
- They should keep high security maintance
- They should give more features for the digital wallet like loans, policy, bills, fees, etc....

CONCLUTION

There exists a significant relationship between dependent variable (awareness about digital wallets) and independent variables (age, gender, annual income, occupation, marital status and qualifications).The respondents lying in age group of 36-45 are more aware of the Digital wallets as well as between dependent variable (learn more about digital wallets) and independent variables (age, gender, annual income, occupation, marital status and qualifications).

Male respondents are more interested to learn more about digital wallets. There exists a significant relationship between dependent variable (frequency of using digital wallets) and independent variables (age, gender, annual income, occupation, marital status and qualifications). Male respondents use digital wallets more often than female respondents. The above table shows that there exists a significant relationship between dependent variable (choice of digital wallets) and independent variables (age, gender, annual income, occupation, marital status and qualifications). More respondents use Paytm wallet service more than other digital wallets. There exists a significant relationship between dependent variable (preference of digital wallets over credit/debit cards) and independent variables (age, gender, annual income, occupation, marital status and qualifications). Most of the respondents in age group 26-35 prefer digital wallets over credit/debit cards.

There exists a significant relationship between dependent variable (preference of digital wallets over cash) and independent variables (age, gender, annual income, occupation, marital status and qualifications). Most of the male respondents prefers digital wallets over cash as well as between dependent variable (security concerns regarding using digital wallet) and independent variables (age, gender, annual income, occupation, marital status and qualifications). Respondents who are government/private employees are more concerned about the security regarding using digital wallets.

There exists a significant relationship between dependent variable (features motivate to adopt digital wallet) and independent variables (age, gender, annual income, occupation, marital status and qualifications). Respondents who are lying between age group of 26-35 use digital wallets due to its convenience feature while respondents who are lying between age group of 46-50 use digital wallets due to its security features

Adoption of Digital Wallet can be improved by enhancing its security features. Promotion of security features among mature audience should be done

QUESTIONNAIRE

- GENDER
- How often you use digital wallet?
- Which Digital Wallet service do you take?
- Do you prefer digital wallet over cash?
- Do you prefer digital wallet over credit cards/debit cards?
- Do you have security concerns regarding using digital wallet? *
- Does digital wallet charge a fee?

REFERENCES

- Doan, N. (2014). CONSUMER ADOPTION IN MOBILE WALLET. TURKU UNIVERSITY OF APPLIED SCIENCES
- JOCIL, G. a. (FEBRUARY 2017). A STUDY ON “ELECTRONIC PAYMENT SYSTEM” - “E-WALLET”. *International Journal of Emerging Technology in Computer Science & Electronics* , 60-62