

Millennials perception towards M-Wallet

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Abstract

Fintech companies provide financial services by making use of software and technology. Fintech services are attracted by millennials as they prefer easy and instant transactions especially in banking services. The purpose of this paper is to study millennials preference towards cashless transactions over cash transactions using Mobile Wallets (M-Wallet). In particular, the study focuses on satisfaction, security, reliability and ease of use associated with the M-Wallets. Data was collected from 111 respondents using Google survey form, which combined multiple-choice and open-ended questions. The collected information was analysed using the statistical tools like Correlation and Regression analysis.

The findings of the study revealed that there exists moderate relation between satisfaction and the variables- reliability and security. It also shows that there is a weak relation between satisfaction and ease of use of M-wallet.

Keywords Mobile wallet, millennials, satisfaction, security, reliability , ease of use

I. Introduction

Adopting technology into services is not a new concept to the financial industry, from ATMs to internet banking were once disrupted the delivery of services. Tech focused financial organizations like Paytm and Google Pay, changed the way financial services traditionally operates. According to Merriam Webster dictionary Definition of *Fintech* is “products and companies that employ newly developed digital and online technologies in the banking and financial services industries”. Fintech is a rapidly evolving segment of financial industry challenging the traditional model of services by creating faster and efficient platform with a great focus on mobile based options. This is where millennials, who grow up with the internet and depend on technology for every single transaction, are getting attracted to Fintech. Millennials depend on mobiles for almost everything that includes online shopping, communicating through social media, ordering food, booking bus/ train tickets and transferring funds.

II. Need of the study

According to Internet and Mobile Association of India (IAMAI), the number of internet users stood at 481 million in December 2017 and are estimated to be 650 million users by 2020. Also, demonetization drive by the Indian government gave a fresh lease of life to M-wallet services in the country. With booming mobile users and fresh policies of the Indian government there exists a huge market for Fintech services. Therefore, this study focuses on the millennials using M-wallets and their perspective on the certain factors that can help further develop the Fintech services in the category of M-wallets.

III. Scope of the study

The study focuses on variables such as satisfaction, security, reliability and ease of use associated with the use of M-wallets. This study is restricted to millennials in Hyderabad, Telangana, India.

IV. Objectives

The following are the objectives of the study:

- To study the preference of millennials in Hyderabad towards M-wallets.
- To understand the satisfaction levels of M-wallet users.
- To understand the level of significance of dependent and independent variables of M-Wallets.

V. Limitations

- The respondents were in the age group of 20 -38, limiting the scope of the study to the perception of millennials.
- The questionnaire administered to the respondents was a closed ended, limiting the responses to the options provided to the questions.

VI. Literature Review

Fintech is referred as the use of technology with respect to the design and provision of financial services (Blake & Vanham ,2016). A mobile wallet technology is an innovative idea in the current scenario, it can be seen as a virtual wallet, which provides one the facility to make instant payments and also exchange transactions through smartphone. This advanced technology helps users to become more accessible with financial services and provides platform to various banking/ non-banking entities to enhance their business. Mobile wallet is showing outcomes in emerging economies (Nidhi, Shalini and Neena, 2016).

Yeh and Ming Li (2009) further emphasized the importance of trust was an important determinant in acceptance of m-commerce. Their study included quality and satisfaction as two determinants, building trust. Data showed that the consumers prefer wallets and net banking more than the cash transaction for shopping and movie booking, etc. (Bhasker, 2016).

Sankar (2012) found security, trust and privacy concern are the most significant factors, because Indian consumers are still not aware about the importance and consequences of these factors to adopt any new technology. Amin (2009) found similar results for Malaysian consumers, and found that security, social identity, are the most influencing variables.

Bandura (1982) defined Perceived behaviour control as an individual's perceived ease or difficulty of performing the particular behaviour or self-efficacy. Davis (1989) defined perceived usefulness as the extent to which an individual believes that the technology will enhance performance. Davis (1989) defined perceived ease of use as the extent to which an individual believes that using a particular technology will be free of effort.

This paper tries to understand the relationship between the various variables satisfaction, reliability, security and ease of use.

VII. Research Methodology

A survey was conducted among 111 respondents who were millennials aged between 20 to 38 lived in Hyderabad, Telangana, India. The survey involved various aspects such as which M-wallet is most preferred among millennials, what factors satisfy their needs, whether it is easy mode of payment etc. Overall, the study observed whether services provided by Fintech companies are satisfying the needs of millennials or not.

VIII. Result and Discussion

The results of the survey showed various aspects which are beneficial in finding out important determinant in acceptance of M-Wallet. A hypothesis test is conducted to evaluate which statement is best supported by the sample population. In this study significance levels and P values are considered as important tools as they can help in decide when to reject or accept null hypothesis and can increase the chance of making the correct decision.

H₀ (Null Hypothesis): There is no significant difference between dependent and independent variables.

H₁ (Alternate Hypothesis): There is a significant difference between dependent and independent variables.

Table 1: Frequencies for most Preferred M- Wallet

Types of M-wallets	Amazon Pay	Google Pay	I don't use any M-wallet	Jio retailers	Mobiwik	Paytm	Phone Pay	UPI BHIM	Total
Frequency	1	30	32	1	2	41	3	1	111
Percent	1%	27%	29%	1%	2%	37%	3%	1%	100%

Out of the total 111 respondents, 29% of the respondents were not using M-wallets and 71% of the people use M-wallets for various purposes and the most preferred M-Wallet among them were PayTm (37%) and Google Pay (29%).

Table 2: Crosstab analysis of Gender and Preferred M-Wallets

Type of M-wallet	Amazon Pay	Google Pay (Tez)	Jio Retailers	Mobiwik	PayTm	Phone Pay	UPI BHIM	Total
Female	1	18	0	2	26	3	1	51
Male	0	12	1	0	15	0	0	28
Total	1	30	1	2	41	3	1	79

From the above table, number of female respondents using various M-Wallets are 51 and male respondents add up to 28 out of 79 respondents who use M-Wallets. Out of which respondents using Google Pay are 30 and Paytm are 41.

Table 3: Correlation Analysis

	SATISFACTION	RELIABILITY	SECURITY	EASE OF USE
SATISFACTION	1			
RELIABILITY	0.373291965	1		
SECURITY	0.431770615	0.414958	1	
EASE OF USE	0.367849343	0.287658	0.875623	1

The correlation between satisfaction and reliability was 0.373291965, this shows the variables are positively correlated and have a moderate relationship. Similarly security and ease of use with respect to satisfaction shows a moderate relationships with the values 0.431770615 and 0.367849343 respectively, that means the variables are moving in same direction as that of the dependent variable (Satisfaction).

It is clear from the above analysis that there is a moderate relationship between the independent variables reliability, security and ease of use and the dependent variable satisfaction.

Table 4: Regression Analysis

SUMMARY OUTPUT					
<i>Regression Statistics</i>					
Multiple R	0.481871				
R Square	0.2321996				
Adjusted R Square	0.2014876				
Standard Error	0.6244213				
Observations	79				
ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	3	8.843616925	2.947872	7.560548	0.000174223
Residual	75	29.24264655	0.389902		
Total	78	38.08626348			
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	
Intercept	1.8637064	0.422915047	4.40681	3.44E-05	
Reliability	0.2172279	0.103236828	2.104171	0.038715	
Security	0.2563757	0.188744336	1.358323	0.178433	
Ease of Use	0.0244712	0.156428992	0.156436	0.876109	

Analysis: Table 4 shows that the F significant value is 0.000174223 which is less than 0.05, therefore, H_0 null hypothesis is rejected and alternate hypothesis is accepted, indicating there is a significant difference between dependent and independent variables. This is reflected in the regression analysis as well, as the dependent variable (satisfaction) has a positive impact of reliability and security on it and Ease of use has very less impact on satisfaction which is indicated by the high p-value (0.876). From this we can say that even though customer want easy access to M-wallets they are not compromising with reliability and security.

Therefore, the regression trend line is given by the equation:

Satisfaction $y = 1.863 + 0.217$ (Reliability) $+ 0.256$ (Security) $+ 0.024$ (Ease of Use)

From the above trend line it is found that, a unit increase in reliability will have 21.7% increase in the levels of satisfaction and similarly, a unit increase in security will have 25.6% increase in levels of satisfaction of M-Wallet users.

The independent variables (Reliability and Security) act positively on the dependent variable (satisfaction). Therefore, in order to increase the satisfaction of M-Wallet users, reliability and security are helpful for Fintech companies. If the Ease of use stands to be the point of focus for the stakeholders, then it is suggested that they focus on things like easy money transfer to other accounts, bill payments and booking online tickets using QR Code with less maintenance charges based on the market competition.

IX. Suggestions

1. Study shows 1/3rd of the millennials are still unaware of M-wallets technology, Fintech companies need to invest in product awareness to overcome this barrier.
2. Trust is another important aspect Millennials consider and they rely on social media and reviews to trust any service. Fintech companies could use this platform to win the trust of Millennials.

3. Millennials have not seen the world without technology, their devices are packed with new and advanced features. To maximize the use of M-wallets by these millennials, Fintech needs to be more creative and innovative this situation.
4. Most Fintech services are adopted by tech-literate customers in tier-I cities, leaving tier-II and tier- III cities untapped. The need of the hour is to tap the untapped customers to maximize their profit margin.
5. Almost all Fintech companies are providing many security measures like encryption and password protection to keep consumer information safe but many people failed to realise it. Certain strategies could be developed by the Fintech companies to make the consumers realize this fact and rely on M-wallet use to a great extent.
6. Bringing balance between security and ease of use is really a difficult task for Fintech service providers, users are looking for one time log-in like finger print scan with robust security and if this measure is adopted by the Fintech companies could be a win-win situation for both Fintech companies and M-wallet users.

X. Conclusion

Cashless alternatives are going to increase in the everyday life and may reach the untapped market for financial services. Thus it becomes necessary to understand the impact of customer satisfaction on M-Wallets. In this paper, the customer perceptions towards mobile wallets have been studied with respect to customer satisfaction and reliability, security, ease of use.

Using Correlation analysis it was observed that satisfaction has a positive but moderate relationship with reliability, security and ease of use. Regression analysis was performed on the data and it was found that there is a significant difference between dependent and independent variables.

The research respondents suggest that Fintech Companies should focus on awareness programmes, insurance to M-wallets, sim based transactions than number based, and more customer support services can bring positive perception in users. It has also been observed that some internet specific problems, such as low network connections, delay in transfer of funds, not able to respond quickly, payment notification during the transaction causing inconvenience are the major obstacles for customer satisfaction.

This paper suggests that in order to increase the satisfaction of M-Wallet users which further increases market share - reliability and security are helpful for Fintech companies rather than focusing on ease of use.

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