International Journal of E-Business Research
Volume 18 • Issue 1

Customer Inclination on Mobile Wallets With Reference to Google-Pay and PayTM in Bengaluru City

Thirupathi Manickam, Alagappa University, India*
https://orcid.org/0000-0001-7976-6073

Vinayagamoorthi G., Alagappa University, India

Gopalakrishnan S., Acharya Institute of Graduate Studies, India

Sudha M., Acharya Institute of Graduate Studies, India

Mathiraj S. P., Alagappa University, India

ABSTRACT

In this cashless economy era, information and communication technology (ICT) plays a vital role in making payments using various payment modes. The mobile wallet app is an innovative technology for avoiding the usage of physical cash. The mobile wallet records all kinds of transactions with a clear payment reference and makes it accountable for tax payments. There are countless reasons for using mobile wallets, which make service providers confused and leads them to offer unattractive features in the wallet apps, making the offer a failure. This paper attempts to collect the data from the mobile wallet users and provides a clear understanding of the reasons for using mobile wallets. Secondly, the customer preferences towards Google Pay and PayTm are analyzed in detail with primary data collected from mobile wallet users to suggest a model for improving the business. This research was conducted to understand the customers' inclination towards the use of mobile wallets.

KEYWORDS

Cashless Economy, Coinless Payment, Digital India, Mobile Wallet, Unified Payments Interface (UPI)

INTRODUCTION

"Cash; Pay cash, Theodore. It's safest unless you keep your wallet where someone can pick your pocket."- Jewel E. Ann, Scarlet Stone

India is one of the fast-developing countries to lead the world's economic growth in the global marketplace. The demonetization of two massive currency notes of Rs.500 and 1000 which helped to minimize corruption and money hoarding to a great extent. After demonetization in India, the government has taken many steps to eliminate corruption and black money, out of which, mobile

DOI: 10.4018/IJEBR.293295 *Corresponding Author

wallet is one among them to solve the issues. The Digital India initiative was implemented with more priority to promote a cashless economy in the country. Digital transactions restrict illegal transactions, black money, and helps develop the economic growth of the country. Mobile wallets are one of the major cashless payment systems emerged in India. After demonetization, mobile wallets became a primary financial instrument to make a cashless payment. Initially, the mobile wallet apps were used only for making the recharge and paying bills, but now the mobile wallets are used to make most of the bank transactions and it even reduced the customer visits drastically. Mobile wallets are operated using Mobile apps that should be installed in android or IOS platforms, and also it should be linked with customers' bank accounts, and mobile numbers.

Nowadays mobile wallets are one of the financial instruments used for making all types of payments, transferring funds, recharging, and receiving the funds through bank accounts. Earlier in retail shops, petty shops, food corner, beverages shops, Bus Travel and other visiting places, customers were facing problems with shoppers to get change currency like one rupee or two rupees and five rupees. But right now this problem has been sorted out with the help of mobile wallets. The consumer adoption and learning of technology used in Digital payment system helps consumers to use e-commerce transactions in their day-to-day life *(Dahlberg et al., 2015).* At the present time, m-wallets are used to execute several financial transactions. In developing economies, m-wallets offer an opportunity to target a large population. According to the report of Economic Times, PayTm is the leading mobile wallet company shown an annual increase of 435% in the year 2019. The National Payments Corporation of India developed the Bharat Interface for Money (BHIM app) for transacting funds directly between the bank accounts *(Ghosh, 2017).*

REVIEW OF LITERATURE

Akhila Pai H. (2018) has pointed out that the Government of India initiated the concept of 'Digital India' to increase the usage of internet and mobile wallets which in-turn leading to cashless payments. *Anil Kumar.Punna & Mahesh Kumar. Punna (2017)* reveals that mobile banking is an essential instrument for transfer of funds from one account to another. Various payment methods like Debit/ Credit cards, internet banking, mobile banking contributes only upto 10% of the total payments. According to *Pankaj Yadav (2017),* The researcher has focused on users from all four directions in India i.e., east, west, north, and south. The data was collected from the customers who all are using the mobile wallet and its benefits/usefulness. The researcher has kept in mind the six factors in existing studies (i.e., perceived quality of service, perceived risk, perceived usefulness, perceived cost, observe ease of use, and trust) which leads to adaptation of mobile wallets. *Richa Goel et al. (2019),* It is believed that the cashless economy is the key to the Indian economy which helps to restrict the flow of physical cash in the country. Cashless payments are made through virtual and app-based transactions, and it has been widely adopted by the people after the demonetization. *Vijayashri Mahindra Gurme (2017),* the development of information technology through mobile devices generates novelty called "Mobile Wallet". The invention of mobile wallet payments releases growth and flexibility to banking and financial institutions as well as businesses. *FAIR Inc.* Inspite of the technological and scientific development in Japan 70% of the population prefers cash payment over cashless payments. The Government of Japan envisions cashless Japan in the future by encouraging people to use digital payment methods like mobile wallet and online payment systems. From the literature reviewed related to mobile wallets, it was understood that there are no studies that analyze the reasons and competitiveness of PayTm and Google Pay. As on date, only these two wallets companies having large number of customers in India. Another research gap has been addressed in this study is that, many researchers have developed and tested the hypothesis on factors influencing the acceptance of mobiles, but this study concentrates on customers' confidence about the wallets on the basis of *Trust, Gain* and *Accountability.*