Customer Perception towards Mobile Wallet

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Abstract

In present world mobile play an important role in our daily life. A mobile wallet is a way to carry your cards information in a digital form on your mobile device. By using this platform you can make payments for your purchases through Smartphone, tablet or smart watch instead of using card physically. It is a form of e-commerce model that is designed to be used with mobile devices due to their convenience and easy access. In India, the growing adoption of Smartphone's and mobile phone has given a boost to the mobile wallet industry in India. Players like Pay tm, Mobikwik, free recharge, oxygen etc. have taken charge towards the payment system. The study aims to know the customer perception towards M wallets. Factor analysis technique is used to identify factors which affect customer perception towards M wallets.

Keywords: E-commerce, M-wallet, Perception.

Introduction

In today world mobile play an important part of everyday life. Because of technology, mobile user can nowadays use their mobile to make money transaction or payments by using different applications installed in their mobile. Besides payment, we can also store receipts, coupons and cards, bills in the mobile .when mobile can perform as leather wallets, and it is called "Mobile wallet or digital wallets.

Mobile wallet is virtual wallet service provided by certain service providers, here in people can load certain amount of money. The digital payment service works as a cashless payment service, where people do not have to pay cash or swipe their debit or credit card at offline merchants. There are different types of mobile wallets in India:

Closed wallet: Points are provided by company to the user of account. Money can not be withdrawn. Example: Amazon wallet, Ola Money.

Semi Closed Wallet: In case of semi closed wallet also money cannot be withdraw These are also can be used to purchase the goods and services. Issuer and the merchant have a specific contract between them.

Example: Pay tm, Mobikwik wallet.

Open Wallet: Money can be withdrawn at ATM with the help of cards provide by the service provider. This types are also can be used to purchase the goods and services. It also includes the service of fund transfer at merchant location.

Example: Visa and Master Cards.

Literature Review

Prof Trilok Nath Shukla in his paper "Mobile Wallet: Present and the Future" (June 2016) has discussed about mobile wallet, working, types and its advantages and disadvantages. His analysis included perception of consumers and retailers about mobile wallets. He concluded that mobile wallets will be used to engage with the customer by the marketers and digital businesses. Irrespective of the market status of these mobile wallets, marketers should take advantage of the emerging opportunities.

Dr. Karminder Ghuman and CS Shruti Srivastava in their paper "**Recharging: the Right Way??** A case study on e-payment giants: Freecharge & PayTM"has asked readers a strategic question that in the emerging internet based service provision industry, whether it is a better strategy to develop a unique positioning on the basis of single key service or it's better for an organization to offer multiple services, thereby reducing risk, increasing traction and thus increasing its valuation? And thus they have compared Paytm and Freecharge who are employing opposite strategies to find out which one is better.

Key Pousttchi and Dietmar G. Wiedemann in their paper "What Influences Consumers' Intention to Use Mobile Payments?" (2008) studied the adoption of mobile payments and

evaluated what key influences affected consumers to use mobile payments and found that subjective security was not a primary driver of mobile payment acceptance. They found that perceived confidentiality of payment details and perceived trustworthiness were strongly correlated. Four key variables were found to directly impacting consumer intention and usage behavior: performance expectancy, effort expectancy, social influence, and facilitating conditions

ThaeMin Lee in his paper "**The impact of perceptions of interactivity on customer trust and transaction intentions in mobile commerce**" (2005) investigated the impact of perceptions of interactivity on consumer trust and transactions in mobile commerce and concluded that trust does in fact play a significant role in determining consumer transaction intentions. Hsin-Hui Lin and Yi-Shun Wang in their paper "An examination of the determinants of customer loyalty in mobile commerce contexts" (2005) examined the factors that contributed to customer loyalty in mobile commerce; perceived value and trust were found to be directly related to customer satisfaction and customer loyalty; customer satisfaction was also suggested to positively affect customer loyalty; and habit was proposed to determine customer loyalty. They also found that customer loyalty was directly affected by perceived value, trust, habit, and customer satisfaction. Customer loyalty was evaluated to be a strong determining factor in acceptance of mobile commerce.

Methodology

A descriptive study was carried out to identify factors affecting customer perception towards pay tm. The data was collected from both primary and secondary sources employing a self designed standardized questionnaire as the major tool for collecting primary data while journals, Magazines, internet and other relevant manuals/publications as secondary sources of data collection.

For valid and reliable results, a random sampling method was used including customers of various segments with a sample size of 139. Data collected from the respondents has been coded and tabulated using MS Excel and findings has been drawn. Factor analysis has been used to reduce the data and identify significant factors affecting customer perception.

Result & Analysis

Demographic Analysis of Respondents

Table 1 illustrates the demographic profiles of respondents according to variable gender, age, and income respectively.

a) Demographic of respondents

Gender	In Number	%
Male	79	57
Female	60	43

b) Age

18-25	25	18%
26-30	45	32%
31-35	33	24%
35 above	36	26%

c) Income Group (P.M)

Below 25,000	27	19
25,001-40,000	44	32
40,001-60,000	48	35
60000 above	20	14

Factor Analysis

Factor analysis has been used to construct the new factors affecting customer perception towards M wallet. Bartlett's test of sphericity and the Kaiser-Meyer-Olkin measure of sampling adequacy are both tests that can be used to determine the factorability of the matrix as a whole. The value of Bartlett's test of sphericity is significant ($p<0.001$, $p=0.000$), refer Table 2. In addition, the Kaiser-Meyer-Olkin measure is 0.826 which is greater than 0.6. Thus, it is appropriate to proceed with Factor Analysis to examine factors that affect customer perception.

Table 2

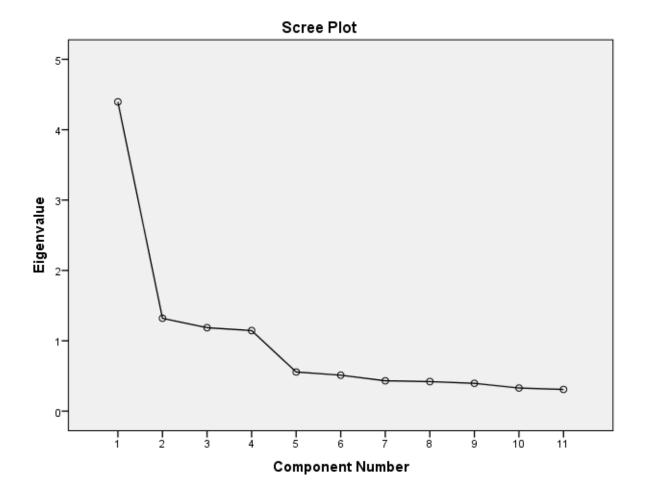| KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.826
Bartlett's Test of Sphericity	Approx. Chi-Square	549.121
	Df	55
	Sig.	.000

Table 3 shows the total variance explained by the factors that affect customer perception towards pay tm. Four factors were extracted because their Eigen values were greater than one, which explain 73.152 percent of the variance.

Table 4 shows the rotated factor matrix for the questionnaire. After performing Varimax Rotation with Kaiser Normalization, Factor 1 comprised of four items with factor loadings ranging from 0.80 to 0.77.

Factor 2 comprised of two items with factor loadings ranging from 0.85 to 0.83. Factor 3 comprised of three items with factor loadings ranging from 0.83 to 0.69. Factor 4 comprised of two items with factor loadings ranging from 0.872 to 0.87.

Table 3

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Total Variance Explained									
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.396	39.960	39.960	4.396	39.960	39.960	2.708	24.615	24.615
2	1.320	11.997	51.957	1.320	11.997	51.957	2.089	18.988	43.602
3	1.186	10.784	62.741	1.186	10.784	62.741	1.667	15.152	58.754
4	1.145	10.411	73.152	1.145	10.411	73.152	1.584	14.397	73.152
5	.556	5.059	78.211						
6	.511	4.647	82.857						
7	.432	3.926	86.783						
8	.420	3.822	90.605						
9	.396	3.599	94.204						
10	.329	2.987	97.192						
11	.309	2.808	100.000						
Extraction Method: Principal Component Analysis.									

Scree Plot

Table 4

Rotated Component Matrixᵃ				
	Component			
	1	2	3	4
I Prefer to use the M-wallet	.772			
M- Wallet can be an attractive choice of payment	.748			
M- Wallet can be substitute of other payment methods	.758			
M- Wallet can support the other payment methods	.806			
M- Wallet is necessary.				.835
M- Wallet saves time.				.854
You are aware regarding the functionality of M-Wallet			.871	
M- Wallet is the useful mode of payment.		.691		
Online transactions are secured through M-Wallet.		.844		
Satisfied with the privacy provided by M-Wallet		.837		
Would like to refer your friends to use M-Wallet			.872	
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.				
a. Rotation converged in 5 iterations.				

Four new factors were successfully constructed using factor analysis and assigned as the factors affecting customer perception. Table 5 shows the name of the new factors and percentage of

variance explained for each of the factors. The first factor shows the highest percentage of variance explained when it was extracted. The factors are Ease to use, Benefit, trust, and Self Efficacy.

Table 5: Factors affecting Customer Perception

Factor	Name	% of variance
1	Ease to use	24.615
2	Benefit	18.988
3	Trust	15.152
4	Self Efficacy	14.397

LIMITATION OF STUDY

In spite of the best efforts there are always some problems or limitations associated with market research that cannot be removed but can be minimized only. The methodology that has been employed might have a few limitations. The sample size for conducting research was 139 which is very small as compared to total base that means our sample size is comparatively small in accordance with the universe, which is large enough. So deduction drawn can't be generalized. This study tries to identify the most significant factors which affect the customer perception towards M- Wallet but it does not consider other factor which can influence customer.

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