



Factor Affecting User Acceptance for Digital Wallets: A Developing Country's Perspective

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Abstract

A few years ago, the majority of Indians had never heard of a mobile wallet, but with the rise of smart mobile phones, lightning-speed internet connection utilizing 3G, 4G, and now 5G, and attractive rewards digital wallets give, its use has skyrocketed in recent years. The number of people using the internet is continuously getting larger around the world. As a result, need of customer payment have altered dramatically. Cash settlements are a thing of the past. Digital payments are now giving rise to a stir. In the e-commerce business, the e-wallet has inclined popularity. E-Wallet transactions are becoming progressively popular as a replacement for cash purchases. Perception of consumers swapping from time to time with the improvement of the technology. So, this research paper attempts to study the awareness level among consumers of digital wallets. Also, this paper examines the factors accountable for increasing popularity of digital wallets in India.

1. Introduction

The explosion of the mobile and internet phenomenon. The bulk of mobile users have switched to smartphones due to the widespread adoption of smart phones internet connection or 3G 4G services. As a result of the IT revolution, everyone in society is becoming increasingly recognizable with the use of phone banking, plastic money, and the new age of online payments. Financial rules control online payment services, which are carried out on or through a phone. Rather using cash, cheques, or cards, a user can use a phone for the payment for a range of services and digital or physical things. The high level of mobile user penetration brings up a plethora of mobile banking options. As a payment or banking channel, mobile technology offers a way to bring financial inclusion to a population that is under-

served by traditional banking services. With the passage of time, new methods for preserving your wealth emerge. People used to rely solely on cash, but as time goes on, the trend of plastic money is getting more common, and it's actually safer and more convenient.

A digital wallet is a gadget that allows a person to conduct transactions over a product or product category. Transactions can be done by linking individual bank accounts to digital wallets. A mobile wallet is a secure storage mechanism for payment information and passwords for various payment methods and websites. One of the most appealing features of digital wallet services is that they operate through a smartphone app.

The digital revolution and the era of ICT (Information and Communication Technology) have coin-

cided with the vital stretch in the worldwide market environment, with commercial transactions moving from cash to electronic transactions.

1.1. Objectives

1. To find out the awareness level among consumers of digital wallets
2. To investigate the elements that have contributed to the rise in popularity of digital wallets.

1.2. Research Methodology

The data for this study was gathered from secondary sources. Various journals, research papers and reports.

2. Review of Literature

The current literature on the issue was examined with the above target area in mind, and the following important variables contributing to the expansion of digital payment wallets were identified. If not addressed properly, several of these elements may represent a threat to the growth and viability of digital wallets.

After reviewing the bulk of the research papers, I got to know some factors which are really the reasons for the adoption of the mobile wallets. Perceived usefulness is one of the major factors to impact the adoption of mobile wallets, it is found that perceived usefulness is the major factor that determines customers' desire to use a smartphone for payment. Concerns about security and privacy also played a role, underscoring the importance of trust. Another feature of this article is the relevance of informal learning and how trust influences informal learning's impact on intention to use. Because of the significant effect of PU, customers are prepared to take a risk by using their smartphone as a mobile wallet if they believe the services supplied are valuable. (Tun and Min) to infuse the gaps of past studies in comparable circumstances, a complete study model comprised of beliefs, social, quality, and trust components was developed in an amalgamated manner. The study's findings revealed that in Myanmar, trust and perceived utility characteristics had a substantial impact on purpose to use a mobile wallet. However, statistics depict that quality of service, user contentment, enabling circumstances, and impact of social values are minor. The most important element in predicting intention to use was trust, which was fol-

lowed by perceived utility of MW. As a result of the findings, it's possible that potential users are completely unaware of MW. They recommended that MFSPs adopt appropriate and sustainable strategies for the MW market by developing and upgrading MW capability. (Subaramaniam et al.) evaluated the benefits and drawbacks of e-wallets for people. Users' consciousness is the key to reducing the harmful effect of e-wallets, according to the findings. They came to the conclusion that the most of the respondents had used an electronic wallet in their lives, with just a tiny percentage of those who did not use an electronic wallet to conduct their transactions. Many customers prefer cash over the previous approach because they feel it is safer than using an electronic wallet. In relation to the younger generation, this is the viewpoint of the elder generation.

Also found that there is a significant connection between age of the respondents and adoption of the mobile wallets. (Rana) studied the inclination of students studying at major institutions in Lucknow for mobile wallets. They discovered a link between the respondents' age and their perceptions on the future of mobile wallets. However, they were unable to uncover a meaningful link between the research program and opinions on the future of mobile wallets. The standard amount spent through digital wallets by day scholars and hostellers did not differ much. (Ramkumar) identified the most preferred digital wallets among youngsters in Chennai city and the factors influencing youngsters towards digital wallets and rank the challenges faced by them while those wallets. They found that Pay-Tm as the most used digital wallets among youngsters in Chennai city. Further the study identifies three major factors with its own sub factors influencing youngsters towards digital wallets and accessibility as one of the challenges faced by the respondents. (Jain and Sarupria) studied the effect of trust groups on the customer's decision to choose a bank. They focused on customer preferences regarding payment gateways in relation to charges and risks and successfully analyzed the impact of diversity on the use of payment gateways. They found that young people have embraced the concept as part of techno-economic development. One-third of young people today use e-wallets at least once a month, mainly considering e-wallets because of their easy-to-access nature, ease of transactions, as well as pri-

vacy and security at the time of payment. The key factors that influence youth towards e-wallets are the availability of a wide range of services, tracking benefits, and acceptance from small sellers to large-scale retailers. For maintaining and strengthen the customer base, e-wallet companies compete on their own with other companies in providing quality services and technology, as well as providing a variety of monetary benefits to customers. (Mater, Matar, and Alismaiel) The outcomes of this study emphasize the most important aspects in influencing the motivation for using mobile wallet technology. The model that was constructed is an excellent research model for students who want to learn more about mobile wallet technology. The application of this strategy may be limited because it concentrates on students from private universities. The conclusions of this study would benefit a variety of organizations who use digital wallet technology as subsystem of their services, including banks, financial institutions, and digital payment system providers. In the literature, factors influencing customers' intentions to embrace the recent technology-related services in growing nations are not adequately described. This study report is the first to look at the motivations driving the use of mobile wallets in underdeveloped countries. Adoption is also influenced by cashbacks, rewards, and promotions.

Security and safety are seen to be major issues which users of mobile wallets are facing, Pawan Kalyani (2016), tried to investigate all avenues for obtaining information on E-wallet system knowledge and usage among India's young. The E-awareness wallet and practical usability are poor, and this could be improved by providing more value-added services. (Pal et al.) their findings are, (a) When it comes to attempting anything new, such as converting from cash to digital payments, word of mouth is quite crucial. (b) For a user, the wallet's safety and security, as well as the application's convenience of use, are two of the most crucial criteria. (c) Bank-issued wallets are more secure than other self-contained wallets. (b) People are hesitant to reveal personal information, particularly their pay. (e) In today's world, individuals are more open to modern technology in their quest for something better. This paper serves as a ready-to-use resource for mobile wallet firms to analyze and comprehend what the ordinary potential consumer regards to

be hazards, as well as the reasons that deter him or her from trying it out. (Pratap and Binha) People's attitudes toward cashless instruments, notably mobile wallets, were investigated. According to the responses of the many respondents. Digital Wallet as a cashless instrument is gaining traction with the passage of time. Trust difficulties with protected payment systems, cyber fraud, people's attitudes, and a lack of transparency and efficiency in the digital payment system are all major obstacles that might stymie the adoption of mobile wallets. According to the research, the launch of the Mobile Wallet would undoubtedly pave the way for a cashless economy. It contributes to India's economic growth and development. (Undale, Kulkarini, and Patil) examined "security concern" and "comfortability" in respect to using e-Wallet during the COVID-19 pandemic situation. They also analyzed the effect of demographics such as gender and income on "security concern" and "comfortability" in using e-Wallet. They claimed that female consumers are more concerned than male users about e-Wallet security. People in the medium income group are more concerned about the security of digital payments than those in the lower income group, according to this survey. Regardless of the forcible adoption, security problems persist and are growing, according to this report. This should serve as a reminder to developers and service providers that, while e-Wallet usage increased rapidly during the COVID-19 outbreak, it was a forced rather than voluntary adoption. They must not be fooled by the increase in e-Wallet users and must work to strengthen the security of e-Wallets; otherwise, after the COVID-19 outbreak is over, there may be a sudden drop in e-Wallet users. This study attempted to capture the comfortability and security concerns of e-Wallet users during the COVID-19 outbreak. This study's significance was assessed utilizing an innovative multi-method approach that used bootstrapping in addition to the usual p-value method. Despite the widespread use of e-Wallets as a result of the COVID-19 epidemic, security problems persist and are growing, according to this report. Gender has an impact on e-Wallet security, according to the study. The findings of this study are partially consistent with those of prior studies. (Dy-Tioco) They investigated customer attitudes regarding digital wallets and discovered that customers'

mindsets have steadily shifted from cash purchases to digital wallet purchases. The vast majority of respondents believe that trust is critical in the use of digital wallets. Digital wallets are becoming increasingly popular among the younger generation, who believe they are more comfortable, time-saving, and handy. According to the findings of the poll, when a customer decides to make a purchase using digital wallets, he or she is influenced by a number of variables, the most important of which is safety and security. The main crucial identified factors are time saving, the offers and rewards and convenience. (Sahi et al.) The influence of consumer perceptions of mobile wallet security, such as security, faith, risk, financial security, secrecy, security breach, data integrity, and governance wallet, on attitude toward usage was investigated. The study also looked into the differences in customer perceptions based on their age. 315 users of mobile wallets were polled for their opinions. According to the findings, security concerns and consumer attitudes about mobile wallet usage differ depending on the respondents' age. Consumers of all ages, however, are equally worried about security concerns. They proposed that improved security procedures be devised and implemented in the event of a data breach, so that users feel safe using mobile wallet. (Prasad and Professor) The consumers' perceptions of Mobile Wallet's security and trust were evaluated. The study discovered five key characteristics that impact user trust, with technology having a substantial role in each of them. This poll found that all of its customers, regardless of their demographic traits, had a high degree of trust. There were no significant variations in trust levels across gender, age, and educational groups. Technology plays a significant role on the respondents' level of trust. It further stated that if the product is recommended by reference groups, trust levels would undoubtedly rise.

Also found some studies which focused on some key factors on which a minuscule study has been done like (Aydin) The relevance of simplicity of use and utility in attitude building was underlined. Security concerns, on the other hand, were shown to have minimal influence on attitudes and usage intentions. Among the users, the effect of social influence was found to be insignificant. Significant disparities in the majority of the dimensions used in the study revealed differences in perceptions

and beliefs between users and non-users. The lack of or minimal impact of social influence on usage intentions is one of the study's key findings. This might be due to the small number of consumers in this new product category, which is still in its early stages of development. One positive aspect of this discovery is that, in the absence of a significant impact from others, customers' attitudes are influenced by individual variables or perceptions, the latter of which may be altered by direct marketing operations. (Tiwari, Garg, and Singhal) By gathering data from 200 NCR respondents using a questionnaire, they offered a new concept of mobile wallet with biometric lock and its acceptance in NCR customers. Using a questionnaire survey approach, this study will look at the utility of this product in the current situation as well as people's desire to accept this innovation. The findings are analyzed using SPSS software, and conclusions are formed, indicating that the majority of respondents are eager to accept this product provided the cost of repair and other factors are decreased. They identified a substantial connection between the dependent variable (digital wallet awareness) and the independent variables (age, gender, annual income, occupation, marital status and qualifications). The 36-45 age group has higher understanding about digital wallets and the link between the dependent variable (learn more about digital wallets) and the independent factors (age, gender, annual income, occupation, marital status and qualifications). In their findings, they also observed a substantial link between the dependent variable (frequency of using digital wallets) and the independent variables (age, gender, annual income, occupation, marital status and qualifications). Male respondents are more likely to use digital wallets than female respondents. The dependent variable (preference for digital wallets over credit/debit cards) and the independent factors are also linked (age, gender, annual income, occupation, marital status and qualifications). Digital wallets are preferred by the majority of respondents in the 26-35 age range over credit/debit cards. (Joshi, Gupta, and Rangaswamy) their research documented everyday digital money activities, contributing to a better understanding of financial inclusion as a lived process collecting habits, practices, and stakes in order to increase socioeconomic possibilities. Pay TM's utility as everyday money is studied, as well as its

long-term viability as a digital conduit for monetary transactions. They gathered data from micro and small-scale street sellers in five Delhi and Hyderabad commercial areas to better understand the positive, ambiguous, and constricting economic, socio-cultural incentives for Pay TM and digital money. They assert that 'inclusion' is a bottom-up process, despite the fact that it is structured top-down through national and state-driven economic policy. The majority of people are satisfied with digital payment modes, and the majority of people use debit cards and the PAYTM app. However, some people are dissatisfied with the digital payment system due to a lack of awareness, fear of security, and fraud. Analyzing multiple technological adoption models and behavioral research, this paper investigates the factors that influence behavioral intention and use of mobile wallets. This research seeks to build a thorough conceptualization of mobile wallet uptake and actual use based on an exhaustive analysis of the literature by analyzing the effect of several critical aspects. (B and M) The study looked at various factors that influence the adoption of digital payment in rural regions. They discovered that the majority of individuals are already aware of the digitalization scheme, with only a handful remaining unaware. They also discovered that digitalization raises people's living standards, and that demonetization has a considerable effect on digitalization. The majority of people are satisfied with digital payment modes, and the majority of people use debit cards and the PAYTM app. However, some people are dissatisfied with the digital payment system due to a lack of awareness, fear of security, and fraud.

3. Findings

Technology improvements have raised consumer demand. In this study, we found that Preference and satisfaction have a significant positive relationship. This implies that if clients like the benefits of mobile wallet, they'll want to use all of its features and will progressively increase their usage. They prefer to use wallets for all of their financial operations, including fund transfers, bill payments, and shopping, since wallets are perceived as user-friendly, safe, convenient, and trust worthy. Banks should raise client knowledge of mobile wallet benefits such as time savings, security, self-efficacy, and enjoyment, among others. Buyers like digital pay-

ment methods since they give advantages to supplement their usual money transactions, according to the findings. Providers of digital payment system must guarantee that the different hurdles are overcome by making digital payment system technology more familiar to users. They must minimize the security and privacy risks connected with digital payment systems, as well as providing fast help and support for any issues that emerge.

It has been found that young people are becoming more aware of and responsibility for digital payments, and that this is contributing in some way to the progress and prosperity of the digitally developing Asian nation. Despite security concerns, many people prefer electronic payments for its convenience, ease of use, speed of service, and accessibility. Even in the rural sector, it is critical that the transition to digital payments is accelerated. There have been important advancements in the recent past, such as the creation of various digital wallets such as Paytm, Mobi-Kwik, Free Charge, and the government launching several UPI solutions and the BHIM app enabling a smooth transition to digital payments. The cost of transactions imposed on consumers has been discovered to be a key source of worry. This study also found that mostly the respondents between 18-25 and 25-40 are using the mobile wallets namely, cost perceived, risk perceived, and effect of demonetization, and examines the effect of demonetization on the usage of mobile payment services from November 8, 2016 to December 30, 2016 in India. The demonetization event serves as a test case for determining whether forced adoption disrupts or supports the usual diffusion process in the long run.

Given the magnitude of the chances that are developing for market dynamics of online payments, more potential developments and support in improved conditions of digital payments processing in rural sectors could lead to more potential if the challenges mentioned are addressed and improved solutions in terms of UPIs, mobile wallets, and digital transactions with more secure features, convenience, and lower expenses of managing online payments are developed. In order to improve security and facilitate group action, service providers may need to invest in technology on a continual basis. People will only switch once it is easier, more secure, and safer to do cashless transactions. The

TABLE 1. Similar factors for mobile wallets

Sr. No	Most significant factors	Less significant factors	Ignored factors
1	Perceived usefulness	Social influence	Age
2	Security	Speed	Gender
3	Ease of use	Cost	Rural area
4	Privacy	Time saving	Rural area
5	Cash back and rewards	Information	Compatibility

government will also have to contribute.

Table is showing major similar factors in three phases. In this study it is found that there are some factors which are playing a significant role in adoption of the mobile wallets, and there are some factors which are less preferable by the consumers, and also there are factors which is generally ignored in previous studies.

4. Conclusion

According to the aforementioned analysis, the implementation of technology for digital payments has improved the banking sector's performance and helped it to achieve the objective of a cashless society, because e-wallets have become the new face of plastic money. It was also shown that those in the 18-25 and 25-40 age groups are the most likely to use digital wallets. Consumers' intents to use e-currency for online transactions via websites or mobile devices are mostly dependent on the services supplied by financial bodies and providers of mobile phone service via their own applications or online via mobile phones. If all of the prerequisites are met, the customer will be able to buy or sell something with just a "click" or "touch." There has been a revolution in technology, and thus in people's buying habits. Previously, the internet market was restricted to those who had online access and had to be in possession of a computer with electronic equipment in order to access the web and do business. Nowadays, all of these requirements are met by a single smartphone, and online retailers are pressuring customers to make purchases via mobile devices rather than through websites. Convenience is the perceived ease with which mobile apps may be used to purchase goods. There are however certain concerns associated with digital wallets and mobile payments, such as lack of usability, efficacy, trust, and a proper safe mechanism for online payments. Because people are getting towards a digital life through using internet facilities, now is the moment for mobile Wallet

Companies to expand and become the new route of development.

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