

Digital Wallet a Driving Machine to Cashless Economy: with Special Reference to Paytm Wallet in Coimbatore City

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Article Info

Volume 83

Page Number: 25298 - 25303

Publication Issue:

March - April 2020

Abstract

The words cashless economy, demonetization and digital wallet is not new to any people in India. India being an economy which used performs most of its transaction using physical cash had to rethink the way they transact after 8th of November 2016 when demonetization was implemented in India. Even though the digital wallets existed in India before demonetization their usage by customers and their acceptance by merchants was way low than their present state. The implementation of demonetization had a direct impact of digital wallet transactions in India. In this paper we are trying to figure out the movement towards cashless economy with by taking paytm as reference. We are collecting primary data and their interpretation to understand the customer attitude towards adoption of digital wallets and if these digital wallets are serving as perfect substitute for the physical cash. The study is restricted with the demographic boundaries of Coimbatore city.

Article History

Article Received: 24 July 2019

Revised: 12 September 2019

Accepted: 15 February 2020

Publication: 30 April 2020

Keywords: Demonetization, Paytm, Perfect Substitute, Physical cash, Merchants.

I. INTRODUCTION

In a fast growing economy like India which is gearing up to be the 5 trillion economy in the forth coming years there is huge potential for many existing industries as well as upcoming industries to expand and grow at a much faster pace. The industries or business which comes up with a destructive idea which is capable of out rolling the present form business has the highest advantage in a country like India. Digital wallet is one such disruption in the banking sector of the country. A country where the government itself is promoting digitalization and cashless transaction they have a huge growth potential. It mainly provides the scope to them where they can expand aggressively without incurring much loss. Even though the digital payment had started in other developed nations years before in India it is a recent development in the banking sector.

Digital wallet as the name suggest is the wallet where you can keep your money safe digitally and use it at any point of time as per requirement without following the normal fund withdrawal process . More over the amount can be transferred bank to bank without having the physical possession of fund at any point of time during the transaction. The amount in the wallet can be withdrawal or deposited by just few clicks any of the smart phones. As the number of merchants accepting digital wallet payment has increased the importance has grown to larger extent now- a -days. And the present rate of growth is way less than the growth potential they are being exposed to get in the future.

II. DIGITAL WALLET

Digital wallet most popularly known as “e-wallet” refering to the online service for making electronic transaction by an individual. E-wallets is a type of

electronic card which is linked to the individuals bank account for making and receiving payments as well as for purchase of goods and services both online and offline. Its utility is just the same as debit or credit cards. Digital wallet basically means carrying cash in digital form. In digital wallet the money needs to be loaded in the wallets from bank account or debit card or credit card. These wallets can be used to purchase online or from store. Now a day's most of the stores are providing the felicity of wallet payment. The credentials have been passed to the merchant's terminal wirelessly through Near Field Communication (NFC).

III. REVIEW OF LITERATURE

Richa Goel, Seema Shai, Anita Vinaik, Vikas Garg (2019): We can conclude that there is a long way for India to become a cashless economy. People still lack trust and confidence while using digital payment methods. A lot of development in the field of infrastructure is required to make the dream of Digital India a reality. There are many people who are still not aware about the cashless economy not only in India but outside of India. Government has faced a lot of criticism in the past from the public for various plans implemented on the public. There are a lot of challenges in fulfilling the dreams of digital India but in the long run cashless economy will help in growth and will bring a lot of benefits and opportunities with it.

M. Usha and Dr. Ramesh Kumar (2019) : Paytm is convenient while travelling. It allows the user to transfer funds easily. Majority of the people accepts Paytm as an alternative to cash and card transaction. The flexible service provided by paytm is satisfactory solutions at time of demonization.

Dr. M. Senthil (2019) : Awareness about Paytm came from the government policy of demonetization which forced people use paytm to transfer money. Paytm constantly consults with their customers to understand their problems and bring out a better product. They should increase their advertisement in

media platforms. Paytm has tremendous growth potential in the coming years.

IV. SCOPE OF STUDY

The study covers the growth and impact of digital wallet in Indian economy. To have more accurate result, performance of Paytm wallet is also taken into consideration. The findings will be helpful for all the digital wallet companies in the Indian ecosystem to grow their operation and market share in the future coming years. A detailed description of the major events in the Indian economy in the past few years and the business opportunities created by the same is also included in the scope of study.

V. STATEMENT OF THE PROBLEM

The implementation of demonetization by the Indian government has lead to drastic changes in the Indian economic environment. Keeping the cons of the policy apart it has by far successful in changing the customer banking behavior.

In this study we have tried to analysis the customer behavior towards Paytm wallet. The study has an intention to know how well they are satisfied with digital cash rather than physical cash, the factors which attracted them to this wallet and purpose for which they use Paytm the most. I also try to know the level of growth in the acceptance of Paytm cash post demonetization.

VI. OBJECTIVES OF STUDY

1. To study the level of customer satisfaction by the users of Paytm wallet.
2. To analys the main purpose of Paytm wallet for users.
3. To study the factors influencing the adoption of Paytm wallet by users.
4. To study the level of acceptance of Paytm cash by merchants after demonetization.

VII. SAMPLING DESIGN

Sample size

The sample size is 250 customers who uses paytm wallet.

Area of sampling

The area selected for collection of data is Coimbatore district.

VIII. RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the research problem. It is the science of studying how research is done. It defines the activity of research, how to proceed, how to measure progress, and what constitutes success. The research explained the methods and steps adopted for achieving the purpose of study and to arrive at a meaningful conclusion. The Methodology is defined as “a body of methods, rules and postulates employed by a discipline”, “a particular procedure or set of procedures” or “the analysis of the principles or procedures of inquiry in a particular field”. The common idea here is the collection, the comparative study and the unique of the individual methods that are used in a given discipline or field of inquiry. In addition to this it also outlines briefly the tools that were selected for data collection, the sampling techniques used and statistical tools.

IX. METHOD OF DATA COLLECTION

The only type of data used for the purpose of the study is

➤ PRIMARY DATA

Primary data consists of a collection of original primary data collected by the researcher. The primary data for the research study were collected through structured questionnaire from different consumers. The questions were structured and direct as to make the respondents understand it easily. The questionnaire has been prepared in such a way that it has taken into consideration all possible ways to get maximum information. In our study the primary data was collected through survey method.

X. STATISTICAL TOOLS USED FOR ANALYSIS

- **WEIGHTED AVERAGE**
- **PERCENTAGE ANALYSIS**
- **REGRESSION**

XI. LIMITATION OF STUDY

- The opinion of the respondent may be biased.
- Since the data was collected using questioner, there stands a possibility of ambiguous or omission of reply altogether for a certain questions mentioned in the questionnaire.

XII. DATA ANALYSIS AND INTERPRETATION

Table 1 – Gender wise classification of respondents

SI.NO	Gender	No. of Respondents	Percentage
1.	Male	134	53.6%
2.	Female	114	45.6%
3.	Others	2	0.8%
	Total	250	100

Source : Primary Data.

The table 1 shows gender wise classification of respondents. It can be clearly observed that male respondents constituted of 53.6% of the total respondents followed by female with 45.6% of the total respondents and others making up off 0.8% of the total respondents of the survey.

Table 2- Age wise classification of respondents

SI.NO	Age (in years)	No. of Respondents	Percentage
1.	18-25	78	31.2%
2.	26-40	72	28.8%
3.	40-60	70	28%
4.	60 and above	30	12%
	Total	250	100

Source : Primary Data

The table 2 shows the gender wise classification of respondents. Age group 18-25 tops the table with

31.2% followed by age group 26-40 with 28.8% with a marginal difference 40-60 age groups is on the table with 28%. And finally 60 and above constitute of 12% of the total respondents

Table 3- Level of stratification for respondents by using Paytm wallet

Parameters	Highly Satisfied (5)	Satisfied (4)	Average (3)
On the basis of safety and security	64	111	60
	320	444	180
On the basis of reliability	97	88	50
	485	352	150
On the basis of additional service	64	72	96
	320	288	288
On the basis of attending grievances	70	93	64
	350	372	192
On the basis of convenience	61	80	88
	305	320	264
On the basis of software working	78	87	65
	390	348	195
On the basis of speed of processing transaction	75	89	67
	375	356	201
On the basis of charges levied for using Paytm wallet	37	85	73
	185	340	219
On the basis of doing transaction at any place or any time	67	105	51
	335	420	153

5	10		64.3	3
10	10			
9	6		67.4	1
18	6			
12	6		64.73	2
24	6			
15	8		63.46	6
30	8			
14	7		61.6	8
28	6			
10	10		64.2	4
20	10			
9	10		64	5
18	10			
30	25		55.26	9
60	25			
15	12		63.33	7
30	12			

Source : Primary Data

The table 3 makes the observation of customer stratification by using paytm wallet. Customers

believe that paytm is a reliable for the services that it offers making the reliability parameter to top the table. Consumers are also happy with the additional services that paytm provides along with its primary service ranking it 2nd in the table. Respondents feel secured while using paytm for doing the transactions making it in the 3rd in the table. Efficiency of the software of paytm has a considerable trust among customers with 4th rank allotted to it. Paytm provides considerable speed of processing the transactions provided the network speed and phone processing speed is up to the mark which the consumers have ranked it in 5th place. Grievance is resolved as soon as possible by paytm which made the customers to rank it in 6th position. 7th place was on the basis of doing the transaction at any place or at any time. Convenience of using the paytm wallet was ranked 8th by the respondents. 9th position was held on the basis of charges levied on using paytm wallet.

Table 4- Purpose of using Paytm wallet

Sl.NO	Purpose	No. of Entries	Percentage (%)
1.	Ticket Booking	36	14.4%
2.	Making and Receiving Payment	35	14%
3.	Bill Payment	33	13.2%
4.	Recharge	40	16%
5.	Shopping	31	12.4%
6.	Financial Services (Insurance, mutual funds, buying of gold, loan)	50	20%
7.	Others	25	10%
	Total	250	100

Source : Primary Data

The table 4 makes out the point that majority of the respondents 20% are using paytm wallet for Financial Services (Insurance, mutual funds, buying

of gold, loan) since it provides all these facilities from the comfort of the home. They neither require to approach bank or any other financial institution physically and make the dealings. They can do everything of this sort from their home in a paper less manner. 16% of the respondents are using it for recharge purpose so that no need arises for them to go to a physical store and recharge. 14.4% of the respondents use it for ticket booking purposes. To send and receive payment 14% of the respondents uses paytm wallet. To pay the electricity, water and other sort of bills 13.2% of the respondents make use of paytm. 12.4% of the respondents use paytm as medium of payment for shopping or using paytm mall for shopping purpose. And 10% of the respondents use paytm for other facilities provided by it.

Table 5- Increase in the acceptance of Paytm cash by merchants after demonetization

Sl.NO	Merchants	No. of Entries	Percentage (%)
1.	Restaurant	62	26.4%
2.	Kiraya Stores	44	17.6%
3.	Branded Store	47	18.8%
4.	Super Market	55	22%
5.	Cabs	42	16.8%
	Total	250	100

Source : Primary Data

The table 5 shows the merchants who have started accepting paytm cash after demonetization as per the merchants that respondents visit. Restaurants are topping the list with 26.4% which means that it was restaurants which started accepting paytm cash after demonetization as per respondents. Second in the list is super market with 22% of the total respondents. Branded stores also saw a increase in the acceptance of paytm cash where 18.8% of the total respondents agreeing to it. Kiraya Stores has seen a tremendous increase in the acceptance of paytm cash which was supported by 17.6% of the

total respondents. Cab's has secured 16.8% of the total respondents.

XIII. HYPOTHESIS

H0= There is no significant relationship between age group and cash back and vouchers, multi utility, convenience, ease of operation as the factor influencing adoption of paytm wallet.

H1= There is significant relationship between age group and cash back and vouchers, multi utility, convenience, ease of operation as the factor influencing adoption of paytm wallet.

By using regression it was found that there is a significant relationship between age group and cash back and vouchers. So null hypothesis can be rejected and alternative hypothesis can be accepted.

It was also found that there is no significant relationship between age group and multi utility, ease of operation and convenience. So null hypothesis can be accepted and alternative hypothesis can be rejected.

XIV. CONCLUSION

Paytm has rightly positioned itself in the minds of the people. Paytm in order to catch up with its losing market share to its competitors should adopt new marketing strategy. For paytm it's high time that they look for some profit in their balance sheet. So that instead of seeking funding from other venture capitalist they can be independent in their operations. Paytm had made the most use of the demonetization policy by Indian government. Paytm can be said as the pioneer in the digital wallet business in India. Consumers are happy with the services that they offer and the innovative additional services that they provide. Paytm has a huge opportunity in India to grow at a tremendous rate as it is backed by prominent venture capitalist and has inbuilt in fracture to keep pace with the digital transformation in the future.

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