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Customers' Preference towards Digital Wallet in Dibrugarh Town

Abstract

Demonetization in 2016 has propelled the countrymen to show interest towards cashless transactions. Although in many occasions it was seen that people still have not been able to abstain from cash transactions but it is true that digital wallets have somehow gained popularity than earlier. As a result, it has become imperative to study on the aspect of customers' preference towards digital wallets because many digital wallets are now in practice in the country. The present study has also focused on the factors of such preference. A sample of 100 respondents from Dibrugarh town has been studied to reveal the actual scenario.

Keywords: Customers' Preference,   Digital Wallets, Demonetization.

Introduction

Digital wallet facilitates in electronic transactions. Today when almost everything is going digitalized, demand for digital wallets is continuously increasing. In a truly cashless society, legal tender (money) is exchanged and recorded only in the electronic digital forms. At a time, when most of the countries around the world are going cashless, India has also followed the same route. Belgium, Canada and France are some of the countries where 90% of the transactions made in the country are done with cashless mode. The intention behind demonetization in India in 2016 was nothing but to make Indian economy a cashless economy. It is not that the countrymen were not using digital wallets earlier but the use of digital wallets has increased tremendously after demonetization. 'Mobile wallets see a soaring growth post demonetization'- (Hindustan Times, January 1, 2017). 'Transactions in e-wallets have increased from 17 lakh per day to 67 lakh per day and value of transactions have increased from 52 crore 191 crore. (Times of India, December 9, 2016).

Review of Literature

Shailendra Singh Rana (2017) conducted a study on " A Study of Preference towards the Mobile Wallets among the University Students in Lucknow City" . They found that majority of students use mobile wallet for recharge purpose. They also found that Paytm is the most preferred wallet.

T. Praiseye, et al (2018) conducted a study on " A Study on Consumer Preference towards Mobile Wallets". In their study they found easy to use and convenience are some of the most preferred factors which affect use of wallets. The study revealed that Paytm is the most preferred digital wallets.

Padashetty, D.S & Kishore K.S (2013) conducted study on "An empirical study on consumer adoption of mobile payments. The study found that trust, expressive and ease of use are the most important factors using wallets.

R. Gokilavani , et al (2018) in their study on " Can India move towards digital sovereign currency? A study on perception of consumers towards digital payment" found that convenience and user friendliness are the most important factors affecting using of digital wallets.

Statement of the Problem

Demonetization in 2016 has propelled the countrymen to show interest towards cashless transactions. Although in many occasions it was seen that people still have not been able to abstain from cash transactions but it is also true that digital wallets have somehow gained popularity than earlier. As a result, it has become imperative to study on the aspect of customers' preference towards digital wallets because many digital wallets are now in practice in the country.

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Objectives of the Study

The study has following objectives to fulfill:
1. To find out the digital wallets those are mostly preferred by respondents.
2. To find out the factors affecting such preference.
3. To find out the satisfaction level of customers using digital wallets.

Hypotheses

Ho1

There is no significant relationship between customers' satisfaction and income of the respondents.

Ho2

There is no significant relationship between customers' satisfaction and educational qualification.

Ho3

There is no significant relationship between customers' satisfaction and age of the respondents.

Ho4

There is no significant relationship between customers' satisfaction and gender of the respondents.

Methodology

The study is all about to assess the customers' preference towards digital wallets in Dibrugarh town. The study focuses on reasons which propel the respondents to prefer digital wallets.

Collection of data

The study is based on primary data. The primary data is collected from questionnaire.

Sample size

A total of 100 respondents who use digital wallets in Dibrugarh town are chosen as sample.

Type of sampling technique

Purposive sampling technique has been adopted for the purpose of the study.

Period of study

The study was conducted during the period 2017-18.

Limitations of the Study

The scope of the study is limited and confined only to 100 digital wallet users in Dibrugarh town. The period of the study is in 2016-17. Again purposive sampling technique has only been adopted for the study. Therefore, generalization of conclusion of the present study may not have universal applicability.

Result & Discussion

Figure 1 showing most popular digital wallet used by respondents
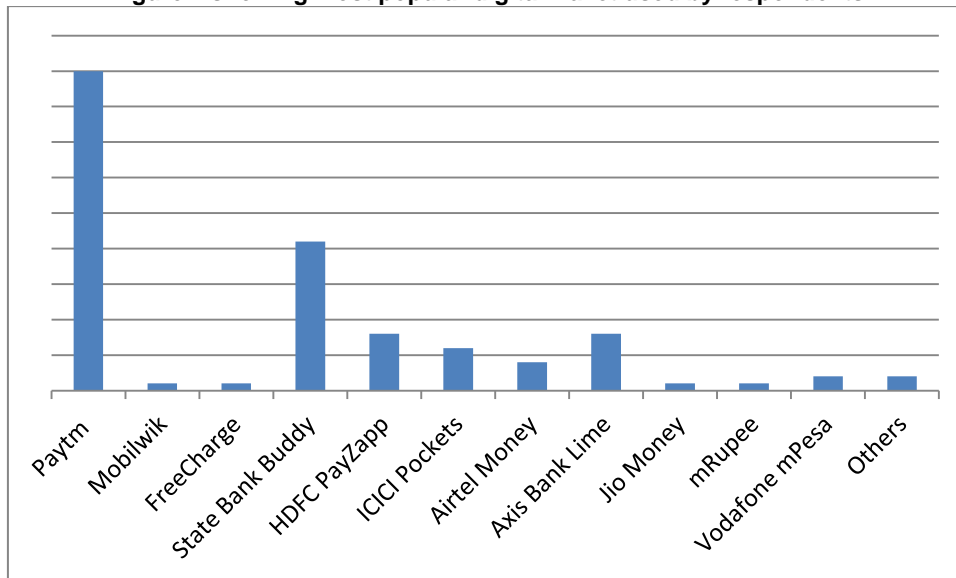
(Source: Field survey)

The figure 1 depicts that Paytm (45%) is the most popular digital wallet used by respondents followed by State Bank Buddy (21%), HDFC PayZapp (8%), and Axis Bank Lime (8%).

**Table 1 showing factors affecting consumers' preference towards digital wallet**

Factors	Mean Score	Rank
Convenience	2.16	2
Safety	2.39	5
Efficiency	1.93	1
Discount/ Cash back offers	2.24	4
Out of compulsion	2.21	3

(Source: Field Survey)

(*Lesser the mean, more effective the factor is)

The Table 1 depicts that efficiency (1.93) is the most important factor for consumers' preference towards digital wallet. Other factors like convenience (2.16), out of compulsion, discount/ cash back offers (2.24) are also felt as important factors by consumers towards their preference, while safety (2.39) is the least effective factor for their preference. It shows that respondents still believe that transacting with cash is safer than using any digital wallet. Many consumers also believe that that they are using digital wallets out of compulsion as less cash is available with them.

Figure 2 Showing Satisfaction Level of Consumers Towards Digital Wallets
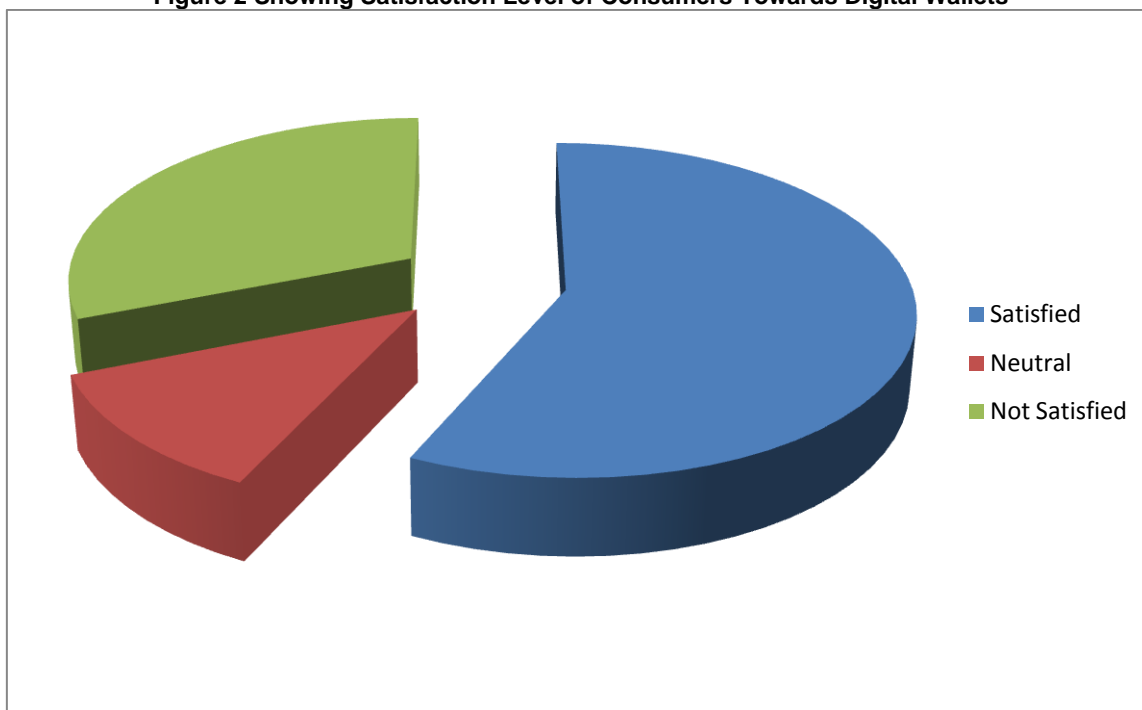
(Source: Field survey)

The Figure 2 depicts that 57% of consumers in Dibrugarh town are satisfied with digital wallets while 31% of respondents are dissatisfied. 12% are neutral.

Testing of Hypotheses

Table 2 Showing Distribution of Income of Respondents and Their Satisfaction Level

Income (Indian Rupee Per month)	Customers' satisfaction level			Total
	Satisfied	**Neutral**	**Dissatisfied**	
0- 10,000	12	5	8	25
10,000- 20,000	18	2	7	27
20,000- 30,000	12	3	9	24
30,000 and above	15	2	7	24
	57	12	31	100

Table 3 showing analyzing the relationship between income of respondents and their satisfaction level

Ho1: There is no significant relationship between customers' satisfaction and income of the respondents.	Chi- square value from the data	Degree of freedom	Chi-square value from the chart (95% confidence limit)
	3.86	6	12.592

Since the calculated value is less than table value, so H_{01} is accepted.

Table 4 showing Distribution of Customers' Satisfaction Level Based on Their Educational Qualifications

Educational Qualifications	Customers' satisfaction level			Total
	Satisfied	**Neutral**	**Dissatisfied**	
Matriculation and below	10	0	1	11
Undergraduate	22	2	17	41
Post graduates	25	10	13	48
	57	12	31	100

Table 5 showing Analyzing The Relationship between Customers' Satisfaction Level and Their Educational Qualifications

Ho2: There is no significant relationship between customers' satisfaction and educational qualification.	Chi- square value from the data	Degree of freedom	Chi-square value from the chart (95% confidence limit)
	24.87	4	9.488

Since calculated value is more than table value, so H02 is rejected.

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Table 6 showing Distribution of Customers' Satisfaction Level Based on Age Group

Age (in years)	Customers' Satisfaction Level			Total
	Satisfied	**Neutral**	**Dissatisfied**	
0- 20	21	2	17	40
20-40	27	10	13	50
40- 60	5	0	1	6
60 and above	4	0	0	4
	57	12	31	100

Table 7 Showing Analyzing The Relationship between Customers' Satisfaction Level and Their Age Group

Ho3: There is no significant relationship between customers' satisfaction and age of the respondents.	Chi- square value from the data	Degree of freedom	Chi-square value from the chart (95% confidence limit)
	11.5	6	12.592

Since calculated value is less than table value, so H03 is accepted.

Table 8 showing distribution of customers' satisfaction level based on their gender

Gender	Customers' satisfaction level			Total
	Satisfied	**Neutral**	**Dissatisfied**	
Male	39	5	13	57
Female	18	7	18	43
	57	12	31	100

Table 9 showing analyzing the relationship between customers' satisfaction level and their gender

Ho4: There is no significant relationship between customers' satisfaction and gender of the respondents.	Chi-square value from the data	Degree of freedom	Chi-square value from the chart (95% confidence limit)
	6.89	2	5.991

Since calculated value is more than table value, so H04 is rejected.

Conclusion

The study shows that demand for digital wallet is continuously rising but still there is a sense of doubt among the general public that whether it is safe enough to transact via digital wallets and this is the only reason why despite of so many positives, people still can't get rid of the obsession to use cash for the purpose of monetary transaction. Government as well as banks also has to contribute into it. Many a times, it is seen that there is a provision for surcharge and service tax with non cash transactions. Government and banks have to take serious steps to attract more non cash transactions in the economy. Moreover minimizing the level of fraudulent practices with all such digital wallets can make general public more interested towards using digital wallets for monetary transactions.

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