

**Performance of Payment Wallet in India with reference to
Rural Areas**



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ABSTRACT

In the today's time there is a ground of digital technology and the current changes from daily things to large business, from home to use and implementing the electronic technologies as a most important and convenient part of life. The focus towards the financial transactions where the cashless economy is been developed. All the financial ways towards the payment are possible through a click while sitting at home directly from the bank accounts that is the MOBILE WALLET also called as DIGITAL WALLET. In India the growing needs and trends of smartphones and internet connectivity has given an increase in the mobile wallet industry. The various applications like Paytm, GooglePay, PhonePe, UPI etc. help the people to communicate and interact worldwide.

The study provides the insights about the performance of payment wallet in India also with the reference to rural sectors. The analysis, findings shows the satisfaction level, security factor, time, necessity being consumed more by urban people than rural just because of lack of education, technology and information provided to them which therefore increases the risk between them. Through the study it was also found out the obstacles faced by the rural sectors that when they also want to adopt and learn the digital technology, the primary concern is the lack of ICT infrastructure.

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CERTIFICATE

TO WHOMSOEVER IT MAY CONCERN

This is to certify that the dissertation report on “ Performance of Payment Wallet in India with reference to rural areas” completed and submitted to Galgotias University, Greater Noida by Sanket Agarwal in partial fulfillment of the provisions and requirements for the award of degree of BCOM (Honours), 2017-2020 is a bonafide work carried by the scholar under the supervision and guidance.

To the best of my knowledge and belief the work has been based on investigation made, data collected and analyzed by the scholar, and this work has not been submitted anywhere else for any other university or institution for the award of any degree/diploma.

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DATED:

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EXECUTIVE SUMMARY

The way towards the electronic payments system is the difficult step in appearing the India's long objective and goals for the inclusive and financial support to the rural areas. Because the hight time is now to take the corrective measures and make it a successful beginning for the population of rural sectors to reach for these goals. The information, communication, technology departments are all available and with the help of the monetary policies it would help the people for the desired and required infrastructure in these sectors. The benefits and help after the building of these can lead to well functioning, reliable services and facilities.

The ability to build an ICT infrastructure not only stables the urban sectors but also open opportunities for the rural sectors in terms of agriculture, education, health facility, emergency services and better understanding of the payment system. This all can easily be done when the nation wants that and makes the will to make it happen.

INTRODUCTION

The days are no more in the continuation when people are more focused towards carrying cash for purchasing high rate or low rate goods. An execution of e-commerce payments has took over a wider approach which generates the work for online mode of payment usually in metropolitan or various urban places.

The various forms of Internet transactions which gave a glance for e-commerce payments performed in every field whether it is Shopping online or making banking transactions online. Which made into the way are the Payment Wallets which have been made easy from a devices like mobile, laptop or tablets. With the help of the wallets the person is able to get wider help as the information gets stores for each transaction made. All the transactions when formed under Mobile Wallet represents an electronic device, which includes the wallets like PhonePe, GooglePay, Paytm etc.

Now when we shift our focus from Urban Areas to Rural Areas these online and digital transactions becomes a hurdle due to less of knowledge and understanding for the payment made in digital form. So if there is a matter to serve a rural crowd, there are a few methods and ways that help people in remote areas to help them in receiving and making payments. One is a micro-ATM, a handheld device, which costs far less to set up than a regular ATM and allows the customer to make a range of transactions and transfers as well as withdrawals.

Rural India lacks behind the urban areas in not just Internet biting but also in Internet access for online financial and digital transactions due to lack of electricity and poor network quality. The main cause is less electricity in rural areas due to which people are not able to have their devices charged up and the network quality which leads them to stay away from the Internet Services Pack in the electronic devices.

The concept leded to the conclusion that cash is an important part of the rural economy and any interest towards the intialization towards the online payments must take into account the usage and need of cash and also to admit that the importance of snagging into the people of rural areas for the growth of the economy.

INFORMATION & COMMUNICATION TECHNOLOGY AND ITS IMPACT ON RURAL SECTOR

In every walk of life, Information and Communication Technology has always holstered the light on it. It being a remarkable potential in itself, also guards thoroughly the various sectors of rural areas, such as agriculture. ICT addresses various arrays like virtual trading, prices etc., improving communication systems which further lubricate the process for farmers and make them acquainted with the challenges and opportunities in the market. The need and Idea of modernizing the rural sector in India was identified and witnessed in 2003 & 2005 during the World Summit on the Information Society and ever since various corporate sectors, government and private entities have started working in this chain of interest.

And, the crucial element towards ensuring development in rural sector is “marketing” of the products. Using ICT gives efficient accessibilities to market, improves communication and reduces business costs. However, most of the nations promoting ICT for rural sectors face synonymous problems like lack of information, inadequate expertise, infrastructure and support, for marketing. Therefore, adaptation & dissemination of technology is of paramount importance and to skew out the penetration of ICT developments from urban to rural areas.

ELECTRONIC PAYMENT SYSTEM: WHAT IS IT?

In current scenario, a consumer’s daily chores are based mostly on mobile technology.

Commerce and technology have created a strong impact on lives, by proffering tremendous mind-boggling services furthering purchase of goods at a strong tractable and accessible speed. The decision of demonetization by the Indian Government in the year of 2016 has created a momentary brow in the financial array causing a swing towards accepting and usage of “mobile payments” by all classes & age-groups.

Mobile Payments are fundamentally those made through E-wallets, NFC, SMS-based methods etc., and post-demonetization period made all the m-payment service providers a subject of

prominence. And the secluded rural areas from all these intricacies, organizations like International Finance Corporation, Bill & Melinda Gates Foundation and standard organizations like Groupe Speciale Mobile Association provide alternatives to enable these people to get financial stability and resources despite their mobility.

Also the ICT systems are bought into a single category which includes the communication system, appliances and the various resources. In this regard usually the rural sectors include the economic and social betterment plus infrastructure to disappear the certain conditions like the poverty, ignorance and inequality in every aspect of the decisions taken place in the world.

With the more development of the ICT in the rural sectors can lead to betterment and peaceful living to the population of rural areas which gives a positive effect on the socioeconomic development. Thus the work can be shifted more in the form of providing services like health facility, education, hospitality, agriculture, emergency responses etc.

Collins, Duncombe, and Rutherford such were the researchers who claimed that there is a positive impact of mobile phone technology on poverty alleviation, like it enabled smaller deposits of money irrespective of your remoteness. “Higher the savings, lower the poverty” such practices were correspondingly treating alleviation of poverty circumventing risks of theft or impulsive loss at expenditure.

Existing platforms balance the amount of money stored as identification associated with the SIM CARD and the network operator (MNO) and the individual has to log-in to accounts every time they want to make a transfer. Such hectic is the process of money transfer and conversion of same thing at the receiving end to material money (cash in or cash out) has its own set of challenges too. For instance rural areas fall short of availability of SMS services, liquidity problems.

Moreover, various researches have revealed that all the architectures or infrastructures in matters of digitized money are mostly in context of developed nations only. They presume it to be an obvious fact that all the customers are literate. And if we shed light on rural areas,

whenever they desire to use or avail themselves of such e-facilities, they have to depend on some other third person for the assistance and cannot freely engage in their daily cash-based routine.

Mobile wallets in India, according to a research study adopted by ASSOCHAM and RNCOS firm, are expected to grow with a staggering 190 % by year 2022. Mobile wallets within last five years have gained enormous limelight and reached at about \$9 billion by adoption of multiple digital tools like Unified Payment Interface (UPI), mobile wallets like Paytm, Google Pay, Mobikwik etc.,

As per data from IMAI (Internet and Mobile Association of India) there are around 371m + users of mobile internet subscribers throughout the nation, and expected to grow at 67% throughout post 2020 as per reports of ASSOCHAM.

Majority of Indians gets attached and levitate their interests to mobile wallets due to the additional profits in form of coupons, discounts which can be availed off offline stores as well. The given below tabular representation shows stark growing payment wallets in India and their giant tie-ups:-

E-WALLET	TIE-UPS
Free Charge	Book mys how, IRCTC, Mumbai Metro etc.,
ICICI pocket	Provogue, Dominos, McDonalds etc.,
Oxygen	eBay, KFC, Go Ibibo etc.,
Mobikwik	Big bazaar, Café Coffee Day, Myntra, Shop Clues Pepper fry etc.,

There are three types of mobile wallets: Open, Closed and Semi-closed. We will briefly state out their distinct characteristics below:

- Open Wallets are used to purchase goods and services, for eg., Vodafone’s M-pesa, as well as avail financial services and withdraw cash at banks or ATM machines.
- Closed Wallets are those which has been issued that instrument to allow for that particular sect for buying goods and services and availing those services.
- Semi-closed wallets are those which allow such services to be only from hand-picked merchants and in such wallets cash withdrawal facilities are absent. For eg., SBI Buddy.

Moreover, to stage evolution of India to a cashless vortex we also need to understand what are the various “modes” of digital payments in India, as follows:

RTGS/NEFT-

They are suitable for high end value transactions.

Limit: min. 2 lac; no upper limit.

IMPS-

They are for instant transmission.

Limit: 2 lac/day.

UPI:

They are for instant transfer.

Limit: 1 lac

USSD:

They are for phones without internet connections.

Limit: Rs. 5,000/-

BENEFITS OF MOBILE WALLETS-

1. Convenience:

Consumers can simply purchase anything at a single click and brings ease and satisfaction to them.

2. Modern and Competitive Advantage:

They provide a more technological kick to the market as well as it is an entirely novel concept bringing many modern business opportunities and a huge change in the revenue side.

3. Cost efficient:

Purchasing power has increased without requirement of cash simply by tapping on devices and this point reduced transaction cost of business.

PURPOSE OF USING ONLINE WALLET SERVICES

Due to the growing needs and wants towards the digital wallet, the traditional payment services have shown a very downfall impact in the economy as all implemented by the population of the urban areas. It acts as an alternative towards the physical wallet as an important way of communication between senders and receivers and reacting as a substitute of traditional method.

- The help during **Online Shopping** to make payments in purchasing every kind of goods and services via the online wallet whether the payment is done inside the stores or through the online form.
- Easy and **instant transfer money in the bank** by which the consumers can link their online wallet to their bank accounts leading their emergency payments in one go.
- Payment which is done towards the **transport facilities** being in the fastest and convenient way to travel and have an advance booking in order to have a comfortable need in any way.

But if we shift the focus towards the rural sector allocations the population there is more focused and trustworthy towards the cash in hand transactions. The only reason behind this is the lack of awareness, education in those places where the people don't understand the concepts, purposes behind the digital technology in the current scenario.

Also through the study of **Internet and Mobile Association of India (IAMAI)** and the research done in the market forms only 16% of the rural users have an access towards the digital transactions and internet connectivity as compared to the 44% urban users. A step towards

more of imitating the “Digital India” among the rural areas. The use of radio, television, banks, telecom service providers and government with extra efforts to promote the initiative. By putting much efforts the purpose of rural allocations towards the online payments for making and receiving payments includes:

- A micro ATM a hand held device helping the customers to make range and maximum number of transactions which costs far less than the regular ATM.
- Availability of post offices which are always opened for banking services.

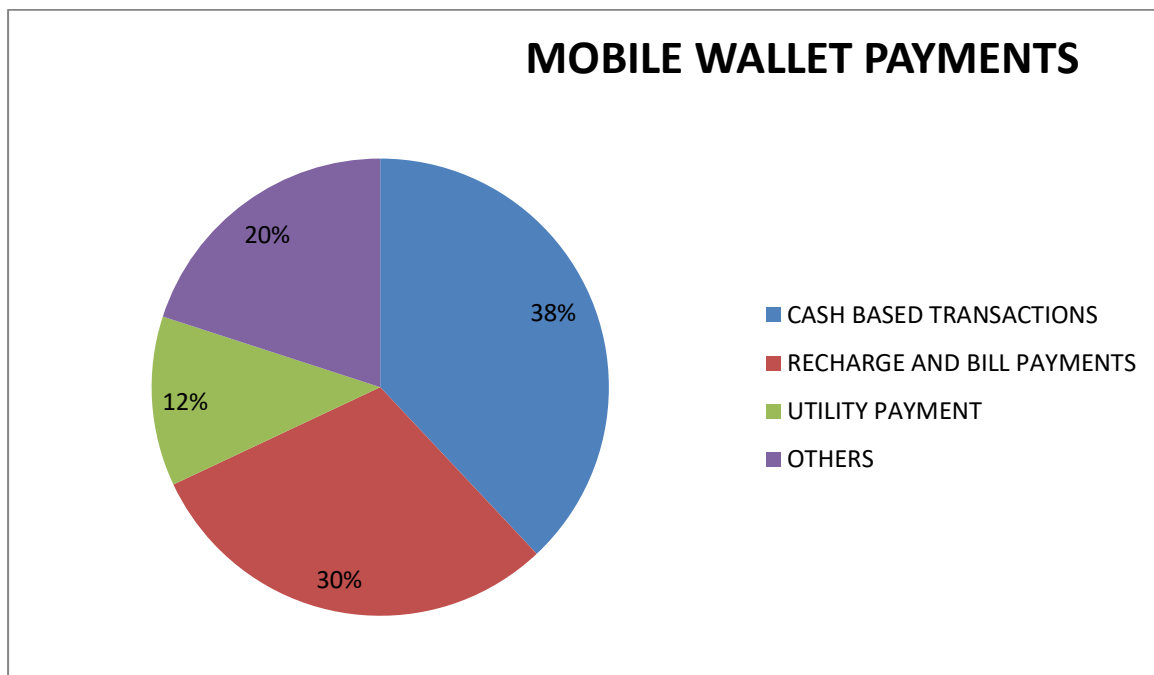
It has been a true situation that whether to form any transaction or an activity what I necessary is the linkage of accounts on the online wallet. What stops the people of rural India is the fear in the minds of fraud and charging them high because of the illiteracy. Because they trusted till the date of today are the transactions which are done in cash.

However in order to fill the gap there is a much need to revert with the most important, effective and efficient services to be provided to the farmers as well the support, be it INFORMATION, COMMUNICATION, TECHNOLOGY infrastructure in forms of micro ATM’S’s and electricity.

GROWTH AND SERVICES RENDERED

Growing awareness regarding the services and availability of the benefits for the mobile wallets, the need for more smartphones and the rates of the mobile Internet Penetration. Improving the security measures are the most important element to be implemented for the growth to be maintained in the world of digital technology.

According to this figure, the study shown by the World Payment Repoort in 2019 that after the post demonetization how the step rise in the rural areas by enjoying the benefits of extremely secure, convenient and quick payments method.



The focus has been shifted from cash based transactions to recharge and make bill payments and others. Rural India being an integral part of the allocations has faced sudden efforts to be entered into the digital world. Also it is quite clear with the graph the internet penetration, mobile phones, digital technology have become a much better place for them and is going to grow further succesfully.

DEALING WITH THE PROBLEMS

Rural areas have to deal with various problems in the Indian Economy whether it is regarding the knowledge and learning, working and having experience towards digitalization or the infrastructure in terms of online and offline modes. Due to these problems it becomes a major challenge for them to shift their focus towards online transactions and payments.

SAFE KEEPING- People in rural areas are insecure when there is a matter regarding payments done online due to which they can't trust the channel, medium and source which operates the online payments. This is all because people do not have much knowledge and experience in this matter.

HABIT- They have only dealt with cash whether it's regarding a payment related to home or outside and becomes a perfect yet easy and specified medium which does not lead to any miscommunications or problems.

CLARITY- If we focus on the digital payments they might lead to various extra charges and payments made like the taxes or the Internet handling charges but Cash does not include any such extra charges and makes the medium more easy and comfortable.

WIDESPREAD- Cash is a mode of payment which is accepted everywhere and digital payments are not which in turn becomes a good and better point for the people of rural areas to trust more on traditional payment methods rather than digital ones.

RESISTANCE- Cash is an immediate, fastest and trusted transfer of value. It helps the people in rural areas to show off their wealth and power in the society with the ease of availability and exchange of cash.

LITERATURE REVIEW

ALI, AKHTAR & SAFIUDDIN (2017) studied the various challenges associated with digital payments in the context of rural India. They found that India is one of the fast and emerging growing sector in the economy whether in case of sustainable, economical development. The developments would be marked as more practical only when the rural India moves towards digital payments and the digital transactions. Like the mobile wallets, the UPIs, the Internet Service Provider and the lower costs for maintaining the digital payments would help in more infrastructural development and improved conditions in rural sectors. The ICT infrastructure which includes all the hardware and software of the services which helps in adaptation of digital payments for the economic progress of the country.

BALAJI & VIJAYAKUMAR (2018) studied the diffusion of digital payment system in rural India. This research study was done to determine the needs and benefits of the digital payments and its influence in the rural sectors. Here the study was conducted at a convenient Sampling Survey in rural part of Southern India with some selected number of respondents. Also with this study it was able to find out that the government has also lead and drove his focus to introduce digitization in major parts of the ecosystem and expanding mindfulness in rural sectors. With the various potential improvements and arrangements in the mobile payments, UPIs etc. in rural sectors.

SINGH & RANA (2017) presented study of consumer perception of digital payment mode. In today's time there has been a sudden increase in the internet services and the online devices in India which succeeded in digital payments. The use of Internet banking or mobile banking has currently lead to POS(Point Of Sale) for services and products online. The consumer perception has a significant and decent role on adoption of digital payment. All the demographics, geographics growth of the users whether in urban or rural has lead to internet penetration.

SINGH & KUMAR (2009) conducted the study on the Rural Consumers towards a sign of protection for their need towards awareness. Because the focus of rural sectors is more on the

exchange of goods in terms of other rather than the current trends and preferences of the world, probably the industrial products. Due to less awareness the manufacturers are not concerned with the quality, services because the people living in rural areas are not educated and are easily exploited. This study brings an idea towards the various rights of the rural people in terms of every aspect of life.

MANSELL (2012) studied the Science&Technology in concept of the “Mobile Phones” for the challenges of Capability Building with the huge number of services whether in communication or technology sector makes the use of a mobile phone supported by the urban and rural population of the country. Also the individuals need to understand the necessary things like the involvement of the functional uses, communication along with the engagement and social networking followed by content creation and the interaction.

DESHPANDE & SAMBHE (2015) conducted a study on the ICT needs for Rural India which defines that rural economy is the sector which is always in the under developed part of the country including in both socio economic projects. The first thing towards the understanding and learning is the “Education” through which the implementation of “ICT Infrastructure” can be done in rural sectors. Rural areas are much more forwarded in many aspects of work, be it agriculture, improving standard of living, women empowerment and many more. The Indian industry has seen various revolutions but that only led to the success in urban India.

YADAV & RAMESH (2019) conducted a study on the Indian Rural Customer’s Risk Perception of Electronic Payment System comprising that the reason of risk among the rural people is the lack of knowledge, education to use online payments. Due to which they prefer cash most of the time in order to be safe and have a proof against any mislead. Also the people find the reasons that they do not have well communication skills or understanding to obey rules in online payments. So they consider “Cashless Market” an important factor to perform all the transactions.

BALAN, RAMASUBHHU & GIRI (2006) identified, analysed and studied Singapore’s digital wallet and key challenges faced in adoption and building an e-wallet payment system throughout the nation.

RAKESH & RAMYA (2014) in “ A study on Factors Influencing Consumer Adoption of Internet Banking in India stated reasons that boost net banking options in India and stated that it is mainly driven by its apex reliability and laid emphasis on growing need of awareness to attract consumers’ attention towards availing these services.

NITSURE (2014) analyzed developing countries in adoption of E-wallet and banking like in India and stated problems associated with it like regulations, rules etc., and linked these rules and demerits of being present a visible line of demarcation or split between the rural and urban excluding them from availing these services.

SANGITA & INDRAJIT (2014) stated tremendous growth of Indian payment system but also highlighted the need to work in this purview as 90 percent of transactions are still cash-based. They highlighted that to strengthen e wallet system, Innovation, convenient system for customers, strong legal framework and lucrative incentivization is a need of the hour.

BHAT (2004) conducted a study on the ways for technology selection and the need for management in rural areas for development. With the well developed infrastructure and design it generates a positive attitude towards the factors like Science, Technology and the most important is the Society. The sources of technology taken place in this era of development in rural sector include the Indigenous development and Borrow technology from other sources.

HABIYARMEY & KRUSS (2019) studied the Innovation for inclusive rural transformation for addressing the structural problems that characterize the conditions of poverty in the rural communities. Rural transformation has to be seen as part of the wider process of economy-wide structural transformation which leads the structure of landholdings and the technologies in the rural population including both the women and men.

MUDGAL (2014) conducted the study on the Union Budget and the “Digital Divide” with a phrase Old Wine in New Bottle showing the emphasis on use of the digital technologies or the implementation of Information, Communication and technological infrastructure to bridge the gap, the distance between the “rural-urban” in the union budget is limited to the high talk and minimal allocations. To make the areas of rural sectors more comprehensive and people’s participation oriented a well developed plan to be taken in action is the main focus towards the development of sectoral allocations.

BOWLES(2000) studied on assessing the impact of proposed Bank mergers on the rural communities with the idea of reconstructing the financial markets and financial institutions throughout the world. And also proposes a new Index “Vulnerability of Communities” to post-merger bank branch closures. The further analysis done on the basis of ‘accessibility’, ‘industry’, a ‘competitive industry’, a ‘bank branch’ and a ‘community’ to be done and have a positive impact of proposed bank mergers on rural communities.

NAIR(2016) expressed the study on the Eschewing Cash, “The challenges of cashless transactions in Philippines” emerging the adoption of cashless mode of transfer or e-wallet technology requires consistency from the banks and along with that the awareness and sense towards the system. The problems or issues regarding less remittance to rural areas can be highlighted to the dearth of sufficient infrastructure and feeble integral abilities into the society.

SAXENA & JOSHI (2018) studied the area delve into the first 100% cashless country in Gujarat consisting five thousand residnets and much more of floating gentry under the “Digital India Program” and has been adopted by many villages to enable them to be digitized at the stakes like benefit provided to the end-consumer to perform certain activities and ease od doing activities with the use of the technology plus the social influence of that technology amongst the users.

OBJECTIVE

The objective of this present research are:

- To identify the various methods of payment used by people live in rural areas.
- To study the usage of digital payment services/apps in rural areas.
- To explore the various reasons for poor acceptance of digital payments in rural areas.
- To proposed some suggestions of improving and making the usage of digital payment easy.

SIGNIFICANCE OF STUDY

The performance of payment and digital wallet in India when referring to rural areas depicts the case to improve infrastructure not only for the economy but also for the knowledge, literature of the people which is possible only when people of rural areas are able to adopt digital payments and technology.

- Convenience- Pay from anywhere in the world when you have good access of Internet and sound knowledge of technology.
- Detailed Records- It always helps to have records if needed in the future statements in form of text messages and emails.
- Security- In the event of fraud it is easy to address your bank and make a claim.

Research Methodology

This research helps us to find the data and the analysis can be done based on that data. In this study a combination of primary and Secondary data has been used. The current study is based

on the data which is a primary research collected from 125 respondents from the different parts covering the urban and rural sectors. And secondary data has been used to support the study. A well-structured Questionnaire is designed to collect the information from the respondents about knowing the perception of customers towards performance of payment wallet.

SAMPLING PLAN

SAMPLING UNIT- It is basically the unit to target the population to be surveyed who has been using the digital payment modes.

SAMPLE SIZE- The sample size would be of 125 respondents.

SAMPLING METHOD- Random Sampling has been used to collect the data from the respondents

LIMITATIONS OF THE STUDY

- Sample size used for the study is small.
- Consumer's perception has a quick change from time to time with the changes and advancement in technology.
- Covering the areas of Rural areas was a different challenge in covering the major aspects of this study.
- A rapid development in terms of Information, technology plays an important role in the rural sectors for continuing the business operations.

DATA ANALYSIS AND INTERPRETATION

The data to be analyzed is on the basis of the questionnaire which was sent to the various respondents to know about their performance and perception towards the digital wallet in India and also to meet the objectives in proving the study on the basis of the profiles.

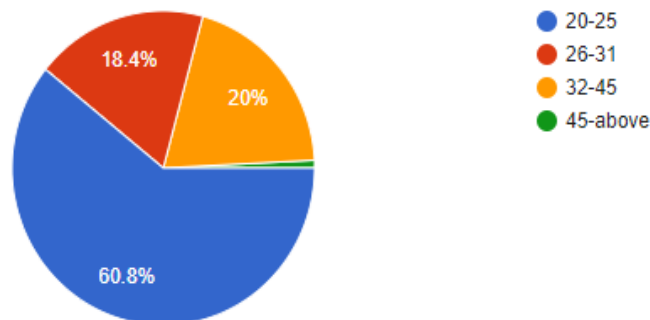
RESPONDENTS PROFILE

1. On the basis of the AGE factor:

PARTICULARS	% of responses
20-25	60.8%
26-31	18.4%
32-45	20%
45-above	0.8%

Age

125 responses



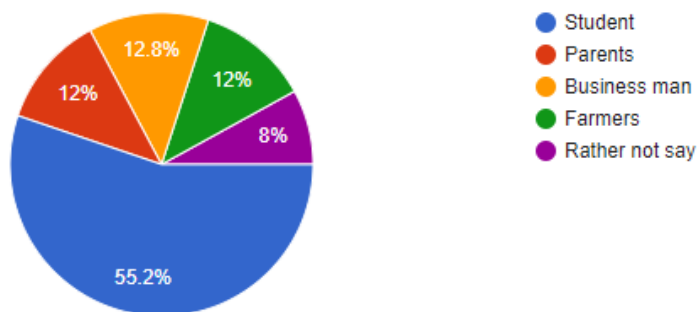
The above chart shows that majority (60.8%) of the respondents fall into the category of age 20-25. And when we shift the focus towards the **Rural areas** among the respondents then the age factor **32-45** has the majority(16.8%) of the age factor by calculating the number of respondents with this age by the number of total responses.

2. Occupation as a Demographic factor

PARTICULARS	% of responses
Student	55.2%
Parents	12%
Businessman	12.8%
Farmers	12%
Rather not say	8%

Occupation

125 responses



The above chart represents that the maximum(55.2%) number of respondents have an occupation as a Student whereas towards the reference of our study in the **Rural Areas** the majority (12%) which are **Farmers** and the least with (7.2%) as their occupation to be Student, Parents and Businessman.

Occupation of the Rural population based on the age of the respondents:

The majority of the **farmers** lies into the age group of **32-45**.

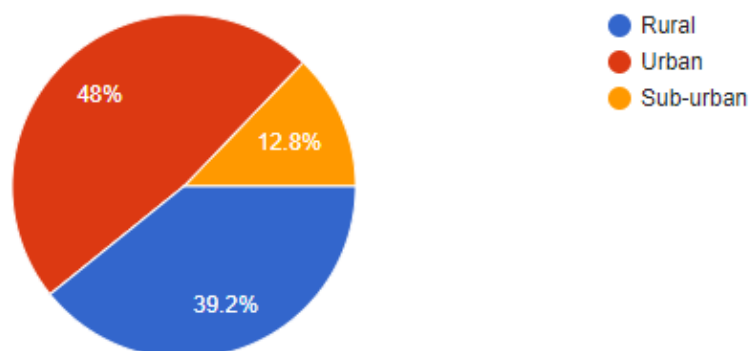
Therefore, the **total** number of farmers ought to be **14** and the highest in age factor to be 7 showing half of the population(50%) under this category. And the lowest with the (0%) under the age category 45-above.

3. Preference of the sectors of the Respondents

PARTICULARS	% of responses
URBAN	48%
RURAL	39.2%
SUB-URBAN	12.8%

Which sector you belong to?

125 responses



In the above figure the majority of the respondents sector is the Urban sector with (48%) followed by the rural areas (39.2%) and also followed by Sub-urban sectors with (12.8%)

So through the Rural Sectors based on their age and occupation:

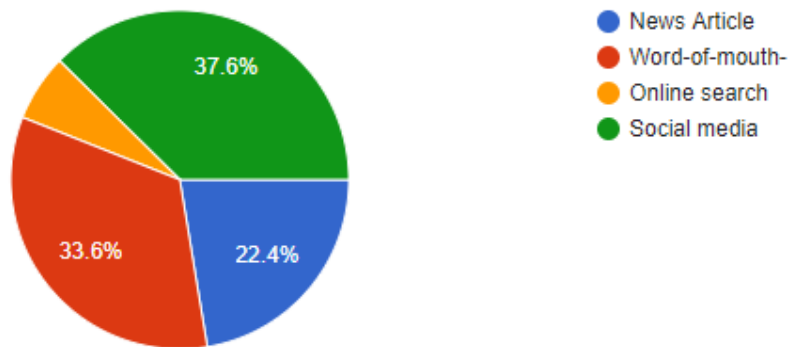
The study shows that the majority of respondents (**16.8%**) of age **32-45** are the **Farmers**, followed by the age group of **26-31** (**12%**) with the occupation as **Business Man** followed again by the age **20-25** (**9.6%**) as the **Student** with their occupation.

4. Preference of hearing about the Mobile Wallets for the first time.

PARTICULARS	% of responses
NEWS ARTICLE	22.4%
WORD-OF-MOUTH	33.6%
ONLINE SEARCH	6.4%
SOCIAL MEDIA	37.6%

How did you first hear about Mobile Wallet?

125 responses



In the above chart majority of the respondents (37.67%) have heard about the usage of digital wallets through Social media, also the least interaction towards the mobile wallet has been done through Online Search (6.4%).

Rural Allocations based on age and occupation:

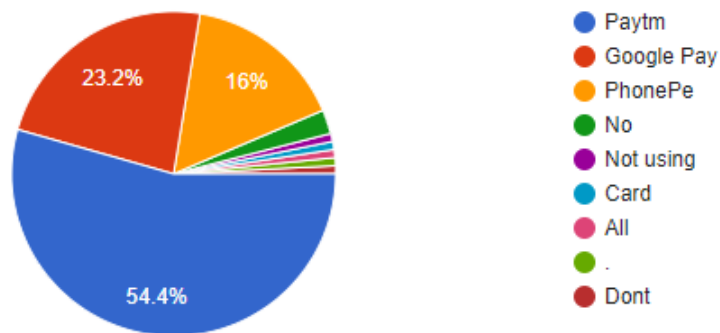
Through the study it was found that the Rural sectors got to know about the mobile wallet through **News Article with (15.2%)** who follows into the **32-45 years of age group** who are Farmers (57.1%) while the other respondents with age 26-31 are mixed including students, parents and business man.

5. Preferences about the usage of which mobile payment applications.

PARTICULARS	% of responses
PAYTM	54.4%
GOOGLEPAY	23.2%
PHONEPE	16%
OTHERS	6.4%

Which mobile payments applications do you generally use?

125 responses



The above table and chart reveals that from the sample collected respondents awareness and performance is quite high. As paytm is the application which covers the majority of the usage(54.4%) as compared to other service providers.

Through the study in terms of rural allocations based on the respondents:

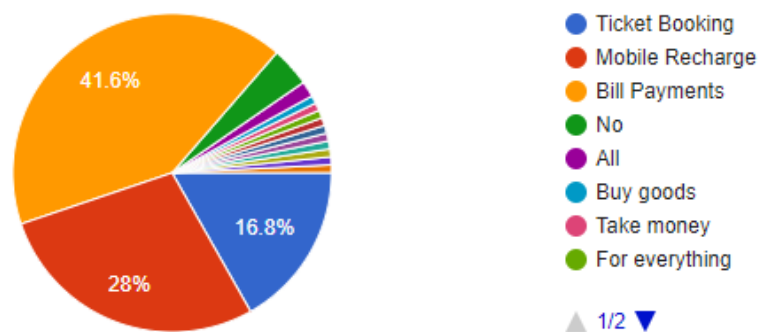
Also in the **rural sectors** most of the respondents are found using **Paytm with (13.6%)** of the majority and the rest followed by **google pay(11.2%)** and **phonepe(8%)**. Many of the respondents are not even using any of the applications and are focused only towards the cash based transactions.

6. Purpose of using the mobile payments

PARTICULARS	%of responses
TICKET BOOKING	16.8%
MOBILE RECHARGE	28%
BILL PAYMENTS	41.6%
OTHERS	13.6%

For what purpose do you mostly use mobile payments?

125 responses



The above chart indicates the easiness and availability, convenience of the online wallet systems to be considered as the most important reasons for using. With 41.6% of the percentage of the respondents are focused towards the payments of the bills followed by 28% of mobile recharges. Many of the respondents didn't agreed with these reasons and gave their suggestions on the basis of the : To buy goods and services, To accept payments, Emergency work and sometimes for the bigger financial transactions.

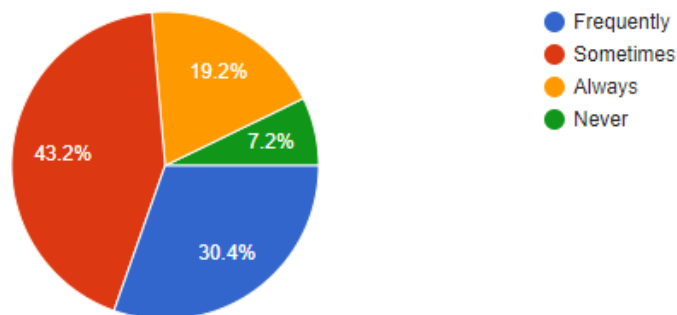
For the rural sectors the main purpose for using the mobile wallets is the **Bill payments** with **(15.2%)** followed by the respondents who do not use for these transactions (9.6%) but for their **shop work, emergency cases and when they have to accept payments.**

7. Usage of electronic payment systems like Paytm, UPI

PARTICULARS	%of responses
FREQUENTLY	30.4%
SOMETIMES	43.2%
ALWAYS	19.2%
NEVER	7.2%

How often you use electronic payment system like paytm, UPI ?

125 responses



The above table and chart shows how the frequency to use online payment applications has a rise due to better internet connectivity and convenience of the applications. (43.2%) of the respondents are using sometimes whereas there is still (7.2%) of the population who are still not able to accept the digital wallets.

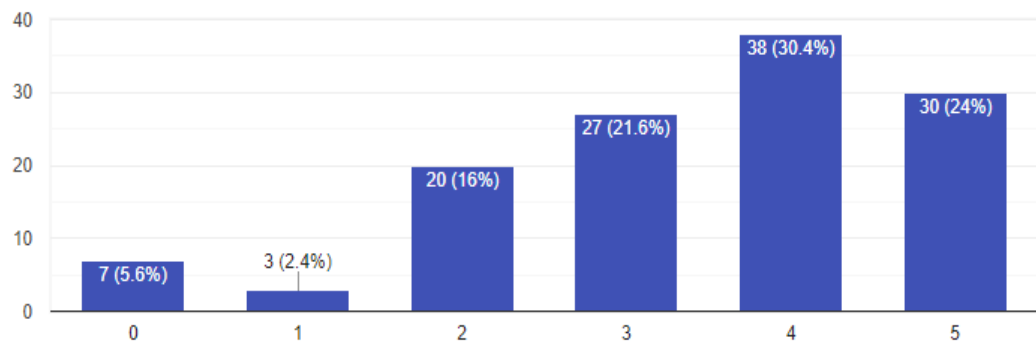
When we reveal the study of the **rural population** it was shown that **(21.6%)** of the respondents generally use the applications and there **(5.6%)** of the population who are still trying to be a part of the digital economy but the rest **(6.4%)** are neither using the systems nor have the knowledge about the same.

8. Preference of knowing the convenience for online payment system

PARTICULARS	%of responses
STOPPED USING	5.6%
INCONVENIENT	2.4%
UNLIKELY	16%
NEUTRAL	21.6%
LIKELY	30.4%
VERY LIKELY	24%

It has always been a matter of convenience to use online payment system.

125 responses



As the majority(30.4%) of the respondents are likely to be convenient in using the online payment systems followed by the other 30 respondents (24%) who are very likely to be attracted to the online payment.

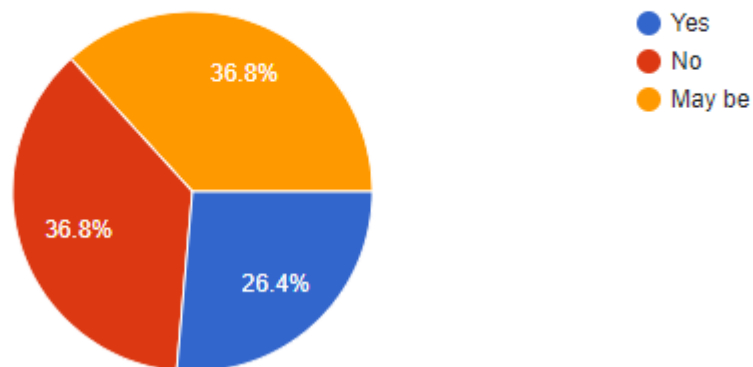
The study shown in the **rural areas** with the inconvenience the respondents have towards the online payment system by **(5.6%)** who are not using the technology. But there is still a percentage **(7.2) who are likely** to be aware and access the online payment modes.

9. To know whether to keep cash is a matter of concern or not

PARTICULARS	%of responses
YES	26.4%
NO	36.8%
MAYBE	26.4%

Carrying cash all the time is always a matter of rush to me.

125 responses



The above chart reveals that 36.8% does not feel to carry cash as a big task or the concern in the days full of digital world whereas 26.4% of the respondents feel a step towards the digital way and reducing and slowly disappearing the cash transactions.

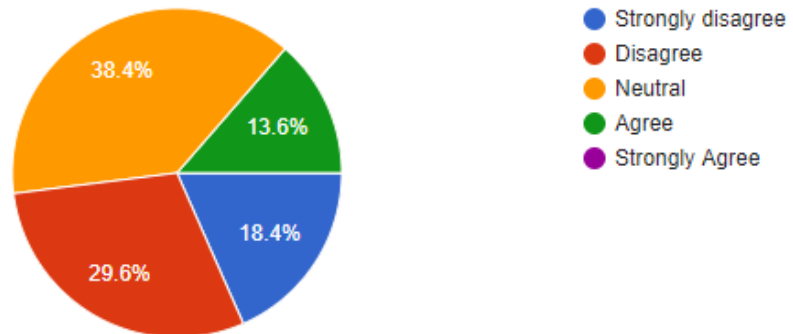
In the **rural world** there is **22.4%** of the respondents who do not agree with the statement because of the trust they had towards cash based transactions.

10. To know whether the facility of SMS services is convenient or not

PARTICULARS	%of responses
STRONGLY AGREE	0
AGREE	29.6%
NEUTRAL	38.4%
DISAGREE	29.6%
STRONGLY DISAGREE	18.4%

SMS service is not readily available in my locality.

125 responses



The study points out the SMS service as an issue, where there is a balance between the respondents with 38.4%(neutral) because sometimes what leads to the problem is the network issues or any ups and down in the operator. Thus followed by the fact 29.6%(disagree) where the respondents have a good access to operators and network connectivity.

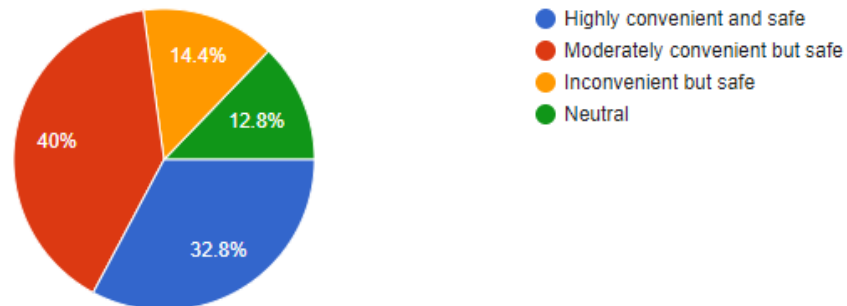
Whereas the study revealing the areas of **rural sectors** depicts that **8.8%** of the respondents **agreed** on the statement because of the less infrastructure in terms of information and communication followed by the **21.6%** of the respondents taking it **neutral**.

11. Safety and Convenience as an important element\

PARTICULARS	%of responses
HIGHLY CONVENIENT AND SAFE	32.8%
MODERATELY CONVENIENT AND SAFE	40%
INCONVENIENT AND SAFE	14.4%
NEUTRAL	12.8%

Rate the safety versus convenience as a factor for adopting mobile wallet.

125 responses



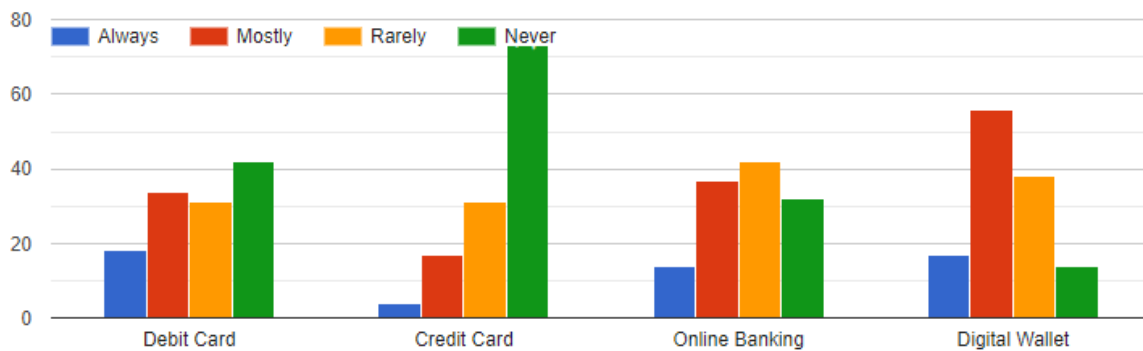
The above table and chart represents the element as the necessity of the digital wallet system where majority(40%) of the respondents find it moderately convenient and safe and the other(32.8%) of the respondents find it Highly convenient and safe. The rest of the population finds it tough for the convenience and safety for digital wallet systems.

As per the chart looking into **the rural sectors**, **12.8%** of the respondents find **moderately convenient but safe** way towards online systems and **10.4%** of the respondents who find it **inconvenient but safe** because of the lack of education and awareness.

12. Preference of the following payment methods for online transactions.

PARTICULARS	ALWAYS	MOSTLY	RARELY	NEVER
DEBIT CARD	18%	34%	31%	42%
CREDIT CARD	4%	18%	31%	73%
ONLINE BANKING	13%	38%	41%	31%
DIGITAL WALLET	17%	57%	39%	13%

How often do you use following payment methods for online transactions?



The above chart and table shows the methods like debit card, credit card and online banking are rarely used or sometimes they are not used at all. Following to the same there are 57% of the respondents who mostly used the digital wallets as an easy and available system for the monetary transactions.

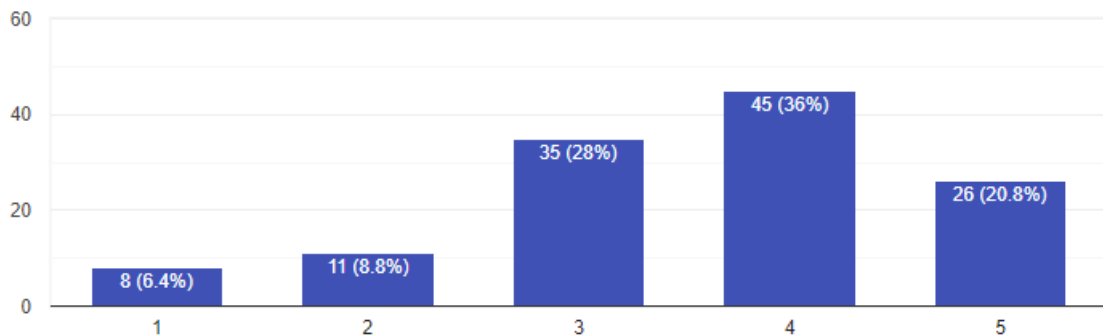
Also the **rural study** showed **30%** of the respondents using the **Digital wallet mostly** in terms of accepting and learning the digital wallet systems. And the use of Debit card, Credit card and Online banking is still very rare.

13. How often to avail with technological devices.

PARTICULARS	%of responses
HIGHLY DISSATISFIED	6.4%
DISSATISFIED	8.8%
NEUTRAL	28%
SATISFIED	36%
HIGHLY SATISFIED	20.8%

How often you avail yourself with technological devices?

125 responses



With the help of the above chart and graph it can be easily found that 36% of the respondents are availing themselves to the use of technology and technological devices. It means the population have started accepting the more of online systems than the offline.

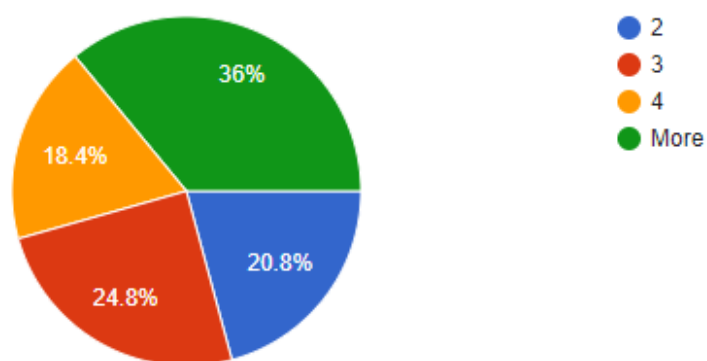
The study about the **rural sectors** depicts **15.2%** of the respondents who are trying to avail themselves into the digital world and also to shift their focus from the traditional payment systems.

14. Availability of bank branches in the locality

PARTICULARS	%of responses
2	20.8%
3	24.8%
4	18.4%
MORE	36%

How many bank branches are there in your locality?

125 responses



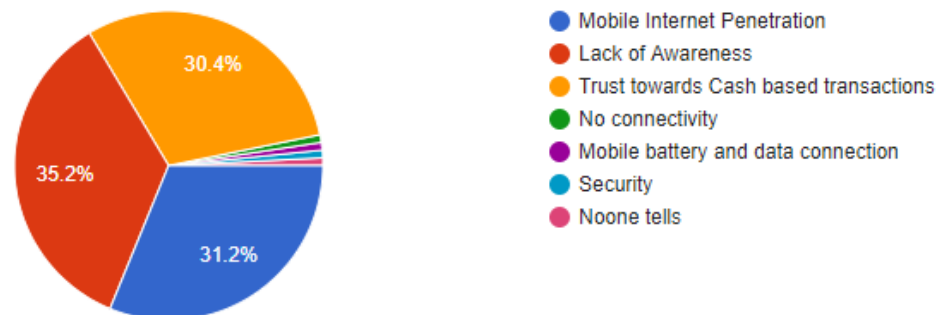
With the help of above chart and table the **rural allocations** bank branches are in decreased ratio than compared to the urban places. Where the percentage of **more than 4 banks** is only **(2.4%)** due to which the population has difficulty in operating the linking of the banks with the digital wallets. And the percentage for **2 banks rates (9.6%)** making it a mess for the people to understand.

15. Challenges in using mobile wallets

PARTICULARS	%of responses
MOBILE INTERNET PENETRATION	31.2%
LACK OF AWARENESS	35.2%
TRUST TOWARDS CASH BASED TRANSACTIONS	30.4%
OTHERS	3.2%

What can be the challenges in using mobile wallets?

125 responses



The above table and chart represents the majority(35.2%) of the respondents that the biggest challenge for them is the Lack of Awareness followed by the (30.4%) of the respondents who have trust towards cash based transactions still in todays time.

To support the rest **3.2% of the respondents** the below mentioned are the feedback given by the population of rural sectors:

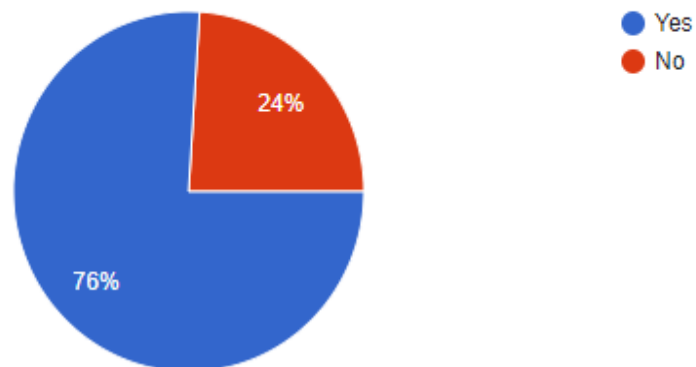
- No connectivity
- Mobile Battery and Data Connection
- Security
- Noone tells them the information on the digital technology.

16. Reduced frequency of traditional payment system due to mobile wallet

PARTICULARS	%of responses
YES	76%
NO	24%

Do you think frequency of traditional payment has reduces due to M-Wallet?

125 responses

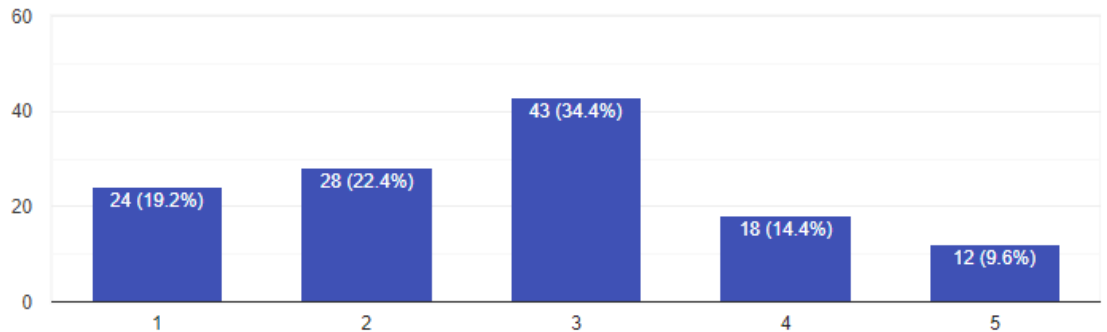


The above table and chart reveals that 76% of the respondents of the study have tend to reduce the frequency of traditional payment systems due to M-wallets while 24% of the respondents are of an opinion that M-wallets can not reduce the traditional payment system.

17. Recommending the Mobile Wallet to others.

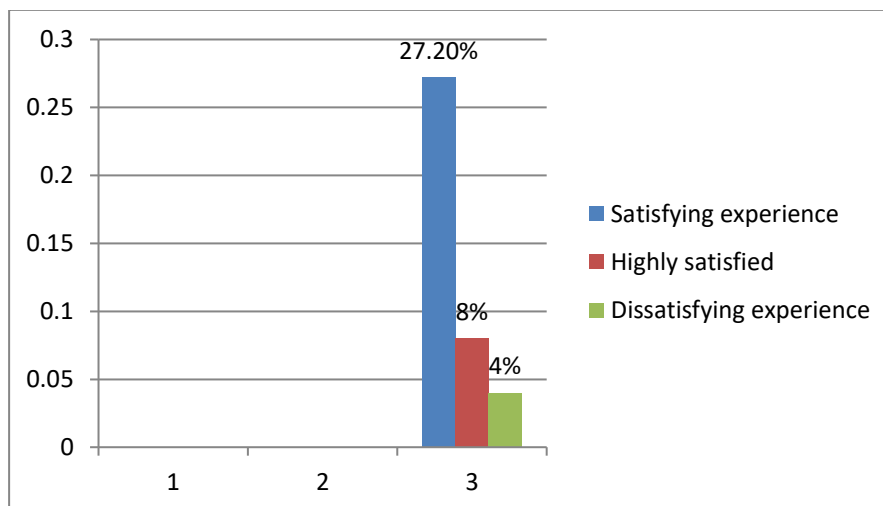
How likely are you to recommend Mobile Wallet to others?

125 responses



The above graph reveals the percentage of the majority (34.4%) of the respondents who are willing and would recommend the usage of mobile wallet systems to other due to their convenience, availability and easy accessibility in their sectors.

18. Was it a satisfying or dissatisfying experience



The graph reveals how many of the respondents (27.2%) have a satisfying experience towards the usage of digital wallet system. The experience many of the rural allocations suffered were neutral because of the lack of information, communication and technology infrastructure.

FINDINGS, CONCLUSION AND RECOMMENDATIONS

FINDINGS

- The monetary transactions are mostly performed on the smartphones by the respondents.
- The awareness among the respondents about the digital services offered is increased.
- Most of the respondents including both (urban and rural sectors) prefer using Paytm for the monetary transactions.
- The purpose of the maximum respondents for using the digital wallet is the transactions for the Bill Payments.
- The payment method mostly initiated for the online payments is the Debit Card.
- The factors of Security, convenience, availability and time are key reasons for using the digital wallet in the urban allocations.
- The challenges faced by the rural sectors in using the digital wallet is the Lack of Awareness.
- More than half of the percent of the population accepted that traditional payments have reduced due to online payment transactions.
- The willingness to use the digital wallet is high if the problems have the better solutions.
- There was an average ratio for the population (rural sectors) who avail themselves with the technological devices.
- The people of rural areas have only heard about the digital wallet through word of mouth.
- Most of the respondents from the rural sectors disagreed with the fact that carrying cash is a difficult task. Whereas the urban respondents have shifted their focus towards the cashless economy.
- Majority of the respondents use the Paytm mobile payment application fall into the age group of 20-25.
- The number of respondents from the rural allocations have only 3-4 bank branches in their locality.
- There was an average score for the recommendations of the online payment system to other people in the country.
- Majority of the respondents who does not use any of the mobile payment applications are from the rural sectors falling into the age category of 32-45.
- Many of the respondents whose occupation is Farmers from the rural sectors generally use Paytm as the mobile payment application.

- Internet penetration, SMS services and lack of education, awareness causes a major drawback for the advancement and development of digital wallet.

RECOMMENDATIONS

The future of mobile payments in India largely depends on how much the population can understand and adopt that. The campaign “Cashless Economy” mainly for the sectors of the rural areas can easily build more to make the rural sectors realize as a one part of the economy.

Because of the growth and services provided the need for Mobile Wallets will have a high response towards adoption of the digital technology.

More the positive impacts and services provided, easier it will be for the rural allocations to adopt the digital technology and stand at the same position with the help of more structured information, communication and technology infrastructure.

CONCLUSION

The study was successfully formed to find out the performance of payment wallet systems in India and also to explore the consumers eagerness in accepting the cashless economy acting as the substitute of the physical cash. The majority of the focus is tempted towards the population of rural sectors studying their performance in using the digital wallets. With the increase in technology and simplified factors urban areas have a large impact on online wallets. Similarly the rural areas can not cope with the same internet penetration and connectivity because they are not aware much. As per the findings of the study it was seen the number of population shifting from traditional to digital are the youths of both urban and rural allocations. Further the study involved the behaviour of how the challenges for the rural lifestyle including the lack of awareness, trust towards the cash transactions stopping them to shift towards online systems.

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QUESTIONNAIRE

Performance of Payment Wallet in India

Mobile payments is a mode of payment using mobile phones. Instead of using methods like cash, cheque, and credit card, a customer can use a mobile phone to transfer money or to pay for goods and services.

Name *

Short answer text

Age *

- 20-25
- 26-31
- 32-45
- 45-above

Occupation *

- Student
- Parents
- Business man
- Farmers
- Rather not say

Activ
Go to

Which sector you belong to? *

- Rural
- Urban
- Sub-urban

How did you first hear about Mobile Wallet? *

- News Article
- Word-of-mouth-
- Online search
- Social media

Which mobile payments applications do you generally use? *

- Paytm
- Google Pay
- PhonePe
- Other...

For what purpose do you mostly use mobile payments? *

- Ticket Booking
- Mobile Recharge
- Bill Payments
- Other...

Ac
Ge

How often you use electronic payment system like paytm, UPI ? *

- Frequently
- Sometimes
- Always
- Never

It has always been a matter of convenience to use online payment system. *

- | | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 0 | 1 | 2 | 3 | 4 | 5 |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Carrying cash all the time is always a matter of rush to me. *

- Yes
- No
- May be

SMS service is not readily available in my locality. *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

Act
Go to

Rate the safety versus convenience as a factor for adopting mobile wallet. *

- Highly convenient and safe
- Moderately convenient but safe
- Inconvenient but safe
- Neutral

How often do you use following payment methods for online transactions? *

	Always	Mostly	Rarely	Never
Debit Card	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Credit Card	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Online Banking	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Digital Wallet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How often you avail yourself with technological devices? *

- | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 1 | 2 | 3 | 4 | 5 |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Ac

How many bank branches are there in your locality? *

- 2
- 3
- 4
- More

What can be the challenges in using mobile wallets? *

- Mobile Internet Penetration
- Lack of Awareness
- Trust towards Cash based transactions
- Other...

How likely are you to recommend Mobile Wallet to others? *

- | | | | | | | |
|------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Extremely likely | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Not at all |

Do you think frequency of traditional payment has reduces due to M-Wallet? *

- Yes
- No

Did you have a satisfying or dissatisfying experience? *

Short answer text

A
G

Any suggestions

*

Long answer text