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Original Research Paper

Commerce

A STUDY ON IMPACT OF MOBILE PAYMENTS ADOPTION ON USERS: WITH REFERENCE TO KUMTA CITY, UTTAR KANNADA

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ABSTRACT Mobile payments have failed to become ubiquitous for a number of reasons, including consumer security and privacy concerns, as well as a lack of the necessary digital infrastructure to execute the payment. Ultimately, mobile payments must be as cheap, safe and easy to use as traditional payment methods to even be considered a viable payment option. This paper will help companies better understand how loyalty could help mobile payments become a mainstream payment method, and consequently, turn mobile devices into the de facto channel for loyalty initiatives. In addition, this paper will discuss how rewarding consumers through loyalty can actually encourage them to use mobile payments for the first time and ultimately drive mobile payments usage moving forward. Already we are witnessing how the integration of such value-added services has almost become a condition for the success of any mobile payment app, especially in the world's most developed markets. Lastly, this paper will discuss the elements of the biggest and most effective mobile payment and loyalty programme tie-ups and the reasons for their success in this nascent mobile payments ecosystem.

KEYWORDS : Mobile Payments, loyalty, value added services and Digital Infrastructure

INTRODUCTION:

Mobile payments have failed to become ubiquitous for a number of reasons, including consumer security and privacy concerns, as well as a lack of the necessary infrastructure to execute the payment. Ultimately, mobile payments must be as cheap, safe and easy to use as traditional payment methods to even be considered a viable payment option.

Consumer uptake of mobile payments will be directly related to the value add received from using mobile phones in lieu of the leather wallet. Loyalty, which has already shown to be an important factor in driving consumer payment choice, will be just as important in the mobile payments revolution. The loyalty that will drive mobile payment adoption, however, will be about more than simply points, miles or free hotel nights. Moving forward, loyalty driven mobile payment initiatives will be about one-to-one customer engagement and the individual consumer experience that today's shoppers want and expect.
This paper will help companies better understand how loyalty could help mobile payments become a mainstream payment method, and consequently, turn mobile devices into the de facto channel for loyalty initiatives. In addition, this paper will discuss how rewarding consumers through loyalty can actually encourage them to use mobile payments for the first time and ultimately drive mobile payments usage moving forward. Already we are witnessing how the integration of such value-added services has almost become a condition for the success of any mobile payment app, especially in the world's most developed markets Alisa (Kolsaker & Nikolaos Drakatos ,2009). Lastly, this paper will discuss the elements of the biggest and most effective mobile payment and loyalty programme tie-ups and the reasons for their success in this nascent mobile payments ecosystem.

The themes discussed in this paper will help payment professionals and retailers think more strategically about future business decisions and give them the necessary tools to compete in the burgeoning mobile payments industry. As the payments landscape continues to evolve towards mobile payments and more payment entrants look to compete in this new space, it will be even more important for payment providers to develop customer-centric offerings promoting loyalty, retention, and ultimately, payment spend. Loyalty driven mobile payments products could be the answer.

OBJECTIVES:

The objectives of the study are as follows:

1. To study the benefits of M-Payments to the users.
2. To discuss the factors impact on M-Payments.

RESEARCH METHODOLOGY

This study has been carried out in the Kumta city of Uttar Kannada district, Karnataka state, India. The purposive sampling techniques were used and 100 samples of mobile users was choose. The primary data were collected from November to December of 2018. The set parameters used in selecting the respondents were, namely, age between 18 to 40, income more than Rs.4,00,000/- per annum and smart phone users.

Methods of Data Collection

The primary data for the study was collected directly from the target respondents through a structured questionnaire and personal interviews. The 5- point Likert scale introduced in the questionnaire pointed to know users perception and accountability.

RESULTS AND DISCUSSION

Interpretation

Table 1 : KMO and Bartlett`s Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.726
Barrtlett`s Test of Sphericity	Approx. Chi-square	2096.460
	df	91
	Sig.	.000

Table 2: Total Variance Explained

Components	Initial Eigen values			Extraction sums of squared loadings			Rotation sums of squared loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	5.206	37.183	37.183	5.206	37.183	37.183	4.388	31.341	31.341
2	4.184	29.886	67.069	4.184	29.886	67.069	3.841	27.435	58.776
3	1.778	12.697	79.766	1.778	12.697	79.766	2.786	19.903	78.679
4	1.013	7.237	87.003	1.013	7.237	87.003	1.165	8.324	87.003

5	.824	5.885	92.888	5.206	37.183	37.183	4.388	31.341	31.341
6	.285	2.034	94.921	4.184	29.886	67.069	3.841	27.435	58.776
7	.199	1.424	96.345	1.778	12.697	79.766	2.786	19.903	78.679
8	.171	1.219	97.563	1.013	7.237	87.003	1.165	8.324	87.003
9	.146	1.040	98.603						
10	.074	.529	99.133						
11	.049	.347	99.479						
12	.037	.261	99.741						
13	.021	.148	99.888						
14	.016	.112	100.000						

Extraction Method: Principal Component Analysis

Table 3: Component Matrixa

Factors	Component			
	1	2	3	4
1. Easy to use	.440			
2. More options while transaction			.840	
3. Reduction in transaction cost		.793		
4. Update to the current payment methods				.961
5. Secured to online payment	.944			
6. Improved payment and soft currency			.873	

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 3 iterations.

The above table clearly shows that 87% of the respondents feels mobile payments is easy to use, More options while transaction, Reduction in transaction cost, Update to the current payment methods and many more. These usability made into 4 factors namely Convenience, Simplicity, Security and trust.

Conclusion:

There is greater emphasis than ever before on the part of service providers to build and deploy mobile payment solutions to compete with their rivals, attract more customers and ultimately encourage those customers to spend. At the same time, more and more customers are demanding mobile payment solutions in the physical world that match or exceed their mobile experience in the online world.

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