



A COMPARATIVE STUDY ON E-WALLETS: PAYTM AND MOBIKWIK

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ABSTRACT India's most popular online destination for pre paid mobile and DTH recharges and shopping, apps are popularized through android an iOS apps using E-wallet facility for the mode of payment. It provides a convenient solution for any business looking to allow customers to purchase their products online with greater ease driving sales. Paytm is the most visible player in the e-wallet category in India. Mobikwik is another option available to Indians when it comes to cashless transaction. It also started as prepaid recharge website, it works closely similar to Paytm. Indians were curious to know about the E-wallets to make their underlying transactions, but although it isn't that easy for all the Indian to turn around the digital side, mostly all educated people are looking towards the E-wallets as the future of payments. Mostly the recent scenarios have been helping digital E-wallets like Paytm and mobikwik to make their impact in the Indian market.

KEYWORDS : Security, internet, cashless transactions, prepaid wallet, know your customer

1. INTRODUCTION

"E-wallet is an online prepaid account where one can stock money, to be used when required as it is a pre-loaded facility, consumers can buy a range of products from air line tickets to grocery without swiping a debit or credit card if so their wallet is filled with sufficient amount required for payment. E-wallet services generally result ease of use without having to enter the debit/credit card details for every single online transaction, for some sites there is no minimum amount and you can deposit an amount as low as Rs.10, benefits of E-wallet can be shared with friends and families. There is no chance of a decline of payment since e-wallet is a prepaid account these are some of the benefits that can be availed. . Even IRCTC is now started with e-wallet services to make customer easier to make their payments at the time of requirement. With the presentation of advanced wallets in mid-90's spearheaded by Sam Pitroda with the vision, fundamental the necessities of the clients a simple to utilize interface, capacity to safely execute in the virtual and certifiable, in came application-based wallets, for example, Paytm. . Among many e-wallets available today, we are going to see about paytm and mobikwik in this study.

1.1. STATEMENT OF THE PROBLEM

Mobile Wallet or e-wallet is a latest mobile technology that is similarly used as regular wallet. It is a new concept in India that has been surpassing credit cards usage is slowly beginning to replace the traditional payment methods. As shopping patterns continue to evolve, it is a greater source for payment gateway industry. In simple term it is a virtual mobile based wallet where one can store cash for making, online or office payment. There are various types of wallets in India such as open, semi open semi-closed and closed depending on the type of usage and payment that can be made. It is increasing the speed of transaction, especially for e-commerce. While the number indicate growing need for secure and faster and efficient payment method for market places. Such things will help start up and Corporate. Examples are paytm, phone pe, Mobikwik etc. KYC is a new word for big players as above. It is to verify address Of customers identity to increase digital wallet , so we have selected this topic to study further about the influence of the payment vs Mobikwik in a comparative method.

1.2. OBJECTIVES

- To study the acceptance level of Paytm and Mobikwik in India as an alternative to the cash transactions.
- To determine factors that influence consumer purchase of e-wallet options and other similar options.

1.3. RESEARCH METHODOLOGY

Methods used for data collection

- Primary data.
- Secondary data.

Tools used for analysis

- Percentage analysis
- Chi-square test

1.4 LIMITATIONS OF THE STUDY

- Time limitation that is the study results are applicable to the study period only.
- The response are covered through questionnaire.

2. REVIEW OF LITERATURE

1. The research conducted by **Rathore H. M.¹(2016)**, explains many benefits to different parties simultaneously. For Consumers, it provides benefits of anytime payment, balance and transaction check options, security, reduced transaction time, offers & discounts, and convenience. On the other hand, banks get benefit in the form of Additional Income in form of transaction cost, Enhanced Brand Image, extended Value-Added services to customers.

2. **Pinal Chauhan²(2013)** elaborated how e-Wallets are going to make money transaction less cumbersome for the users. The people who use mobile applications just need to make payment at point of sale just after doing the purchasing. Autor also throw light on server side e-wallets and client side e-wallets. An encryption algorithm, known by the name RC4 is used for providing a secure transaction. Even after having some demerits like interoperability, advantages outweigh the disadvantages.

3. **Zandi M.³(2017)** in his report mentioned, trust in electronic transactions influences the usage of digital wallet system. With electronic payment modes, consumers now are more defended from fraudulent transactions. Further, merchants feel secure with guaranteed payment, thus, persuades consumers to adopt, who feel more comfortable making purchases when they can pay with a card and with the offers they get in return.

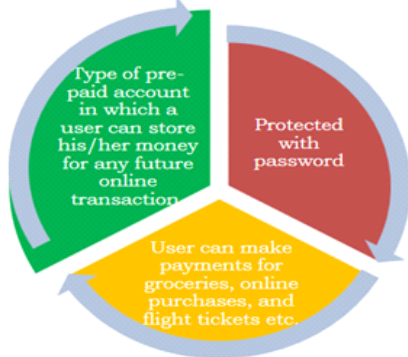
3. AN OVERVIEW OF THE STUDY

E-wallet is a type of electronic card which is used for transactions made online through a computer or a smartphone. Its utility is same as a credit or debit card. An E-wallet needs to be linked with the individual's bank account to make payments. E-wallet has mainly two components, software and information. The software component stores personal information and provides security and encryption of the data. The information component is a database of details provided by the user which includes their name, shipping address, payment method, amount to be paid, credit or debit card details, etc.

For setting up an E-wallet account, the user needs to install the software on his/her device, and enter the relevant information required.

After shopping online, the E-wallet automatically fills in the user's information on the payment form. To activate the E-wallet, the user needs to enter his password. Once the online payment is made, the consumer is not required to fill the order form on any other website as the information gets stored in the database and is updated automatically.

FEATURES OF E-WALLET



BENEFITS AND DRAWBACK-PAYTM

- Paytm is the most widely used way of offline digital transaction, which means it's easy to find local stores where Paytm payment is accepted.
- Paytm has disable transfer to bank feature on its app and website, which means you can't send the money in your wallet back to your bank account.
- To transfer money through Paytm both parties need to have the app.
- Dependency on internet, which is not exactly very reliable in India.

BENEFITS AND DRAWBACK-MOBIKWIK

- Accepted at a lot of places.
- Allows transferring money back to the bank account.
- MobikwikLite offers smooth functioning even on slow internet. It doesn't require a smartphone.
- Limited reach compared to Paytm.

4. ANALYSIS OF DATA

4.1 ANNUAL SAVINGS OF THE RESPONDENTS

S. No	Consideration Over Others	Paytm		Mobikwik	
		No.of Respondents	%	No.of Respondents	%
1	Alternative choice	35	58	26	43
2	Substitute	14	23	11	18
3	Supportive instrument	11	18	23	38
	Total	60	100	60	100

INTERPRETATION

PAYTM:

Majority of the respondents considers e-wallet an alternative choice rather than opting cash transactions.

MOBIKWIK:

Majority of the respondents considers e-wallet an alternative choice rather than opting cash transactions.

4.2 FUNCTIONALITY OF THE RESPONDENTS

S.NO	Functionality	PAYTM		Mobikwik	
		No.of respondents	Percentage	No.of respondents	Percentage
1	Fully aware	14	23	27	46
2	Partially aware	37	62	27	45
3	Not aware	9	15	6	9
	Total	60	100	60	100

FUNCTIONALITY OF THE RESPONDENTS

The above table clearly explains that 23% of the respondents are fully aware about the functionality of Paytm and 46% of the respondents fully aware about the functionality of Mobikwik.

4.2 MONTHLY EXPENDITURE OF THE RESPONDENTS

S.NO	Monthly Expenditure	PAYTM		Mobikwik	
		No.of Respondents	%	No. Of Respondents	%
1	Below 10,000	29	48	29	48
2	10,000 – 20,000	12	20	12	20
3	20,000 – 50,000	12	20	12	20
4	More than 50,000	7	12	7	12
	TOTAL	60	100	60	100

INTERPRETATION:

PAYTM:

Majority of the respondents spend INR below 10000.

MOBIKWIK :

Majority of the respondents spend INR below 10000.

4.3 INCOME LEVEL AND SATISFACTION LEVEL OF USERS TWO WAY TABLE (PAYTM)

Particular	Very Satisfied	Satisfied	Unsatisfied	Total
Income Level Less Than Rs. 1,00,000	4 (7)	9 (15)	9 (15)	19 (32)
Income Level Rs.1,00,000-5,00,000	2 (3)	7 (12)	5 (8)	14 (23)
Income Level Rs.5,00,000-10,00,000	4 (7)	7 (12)	8 (13)	19 (32)
Income Level more Than Rs.10,00,000	2 (3)	2 (3)	4 (7)	8 (13)
TOTAL	10 (17)	25 (42)	25 (42)	60

INTERPRETATION

The perception level of the respondents for user satisfaction level using paytm when compared with income level was found very satisfied with highest percentage of 7 and lowest percentage of 3 under others. The perception level of the respondents for user satisfaction level using paytm when compared with income level was found satisfied with highest percentage of 15 and lowest percentage of 3 under others. The perception level of the respondents for user satisfaction level using paytm when compared with income level was found not satisfied with highest percentage 15 of among income level and lowest percentage of 7.

INCOME LEVEL & USER'S SATISFACTION LEVEL WITH E-WALLET TRANSACTIONS

In order to find out the relationship between the income level of the respondents and user's satisfaction level with e-wallet transactions, Chi square test is used and the result of the test given below.

The income level of the respondents and the user's satisfaction level with e-wallet transactions were tested with the help of following hypothesis.

H0 – The income level of the respondents and the user's satisfaction level with e-wallet transactions are independent.

H1 –The income level of the respondents and the user's satisfaction level with e-wallet transactions are dependent.

CHI-SQUARE TEST

Factors	Calculated Value	Table Value	Degree Of Freedom	Significant Value
Income Level	2.042	12.592	6	5%

Since the calculated value is less than the table value, and the result is significant at 5% level. Hence, the H1 hypothesis is rejected and it is concluded that the savings of the respondents and the perception level for helpline desk customer relationship are independent.

4.5 INCOME LEVEL AND USER PREFERENCE TO E-WALLET OVER OTHER PAYMENTS (MOBIKWIK) TWO WAY TABLE

Particulars	Alternative Choice	Substitute	Supportive Instrument	Total
Income Level Less Than Rs.1,00,000	2 (3)	2 (3)	8 (13)	12 (20)

Income Level Rs.1,00,000-5,00,000	8 (13)	5 (8)	5 (8)	18 (30)
Income Level Rs.5,00,000-10,00,000	7 (12)	2 (3)	5 (8)	14 (23)
Income Level More Than Rs.10,00,000	9 (15)	2 (3)	5 (8)	16 (27)
Total	26 (43)	11 (18)	23 (38)	60

INTERPRETATION

The perception level of the respondents for income level and user preference to e-wallet over other payments was found very satisfied with highest percentage of 15 among the income level and lowest percentage of 3 under others. The perception level of the respondents for income level and user preference to e-wallet over other payments was found good with highest percentage of 8 among the income level and lowest percentage of 3. The perception level of the respondents for income level and user preference to e-wallet over other payments was found poor with highest percentage 13 of among the income level and lowest percentage of 8 under others.

TABLE 5.8: Income Level And User Preference To E-wallet Over Other Payments (mibikwik) Chi-square Test

In order to find out the income level and user preference to e-wallet over other payments, Chi square test is used and the result of the test given below.

The income level and user preference to e-wallet over other payments customer relationship were tested with the help of following hypothesis.

H0 – The income level and user preference to e-wallet over other payments are independent.

H1 –The the income level and user preference to e-wallet over other payments are dependent.

Factors	Calculated Value	Table Value	Degree Of Freedom	Significant Value
Income Level	7.07	12.592	6	5%

Since the calculated value is less than the table value, and the result is significant at 5% level. Hence, the H1 hypothesis is rejected and it is concluded that the income level and user preference to e-wallet over other payments are independent.

5. FINDINGS OF THE STUDY

- Majority of the respondents using PAYTM earn a range of RS. 5,00,000-10,00,000 per year.
- 2.Majority of the respondents considers that PAYTM proves to be a very satisfied tool
- 3.The chi- square test shows that the income level and user preference to Mobikwik over other payments are independent as the level is insignificant at 5%.

6. SUGGESTIONS

PAYTM

- Not logging out the account after the customers had done with their transactions is the main reason for misuse of data.so the awareness should be spread among the public for this purpose.
- It should be made available on all major offline and online stores ,avoiding the need of keeping a debit/credit card with you all the time.

MOBIKWIK

- Money transfer from mobikwik to bank account is not possible and so it should be made available.
- Reply process for queries which customers rise is too slow. It should be done little faster to gain competitive advantage.

7.CONCLUSION

E-Wallet is one of those programs which is a real pleasure to use and it has been so well thought out. There are a host of features and the program remains so simple to use. Consumer can ignore all the customization and use it just as effectively with the default settings and selections. Although e-Wallet have some disadvantages in terms of interoperability and standardization of security and formats but still e-Wallet is the best in transaction application compare to others. As a result the three major factors which play an important role in consumer adoption are convenience in Ease of use, quick online transaction and usefulness of E-wallet. Users of E wallet are satisfied with the services

provided to them. But users are neutral about transaction safety as 75% users claimed that they have faced the transaction failure .The most adored feature of E- wallet is that it is a hassle free mode of making an online payment. So, e-wallet is performing well in terms of privacy, transaction time, discounts, offers and customer satisfaction.

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