

## **A Study on the Factors Affecting Intention to Use E - Wallets Application in India**

**S. Vigneshwari,**

*Student,*

*Firebird Institute of Research in Management,*

*Chettipalayam, Coimbatore – 641201.*

**Dr.P. Srinivas Rao,**

*Professor and Director,*

*Firebird Institute of Research in Management,*

*Chettipalayam, Coimbatore – 641201.*

### **Abstract**

This study aims to explore the factors influencing the intention to use e-wallet applications in India. E-wallets have gained significant popularity as a convenient and secure method of digital payment. Understanding the factors that drive user intention to adopt and use e-wallets is crucial for e-wallet providers, policymakers, and researchers. The research objectives include identifying key factors affecting intention, investigating the impact of convenience, security, discounts, merchant acceptance, integration, peer influence, government initiatives, and personal financial management. A comprehensive review of existing literature on e-wallet adoption and usage was conducted to develop a conceptual framework. Primary data was collected through surveys administered to a sample of Indian e-wallet users. Statistical techniques such as descriptive analytics, regression analysis, and ANOVA were employed to analyze the data and draw meaningful insights. The findings reveal that convenience, security, discounts, merchant acceptance, integration, peer influence, government initiatives, and personal financial management significantly influence the intention to use e-wallets in India. These findings have practical implications for e-wallet providers and policymakers to improve user experience, enhance security measures, promote merchant acceptance, incentivize usage, and leverage social influence. By addressing these factors, e-wallet providers can attract more users and contribute to the growth of cashless transactions in India. This study contributes to the existing body of knowledge by

providing insights into the factors driving e-wallet adoption in the Indian context and serves as a foundation for future research in this field.

## **I. INTRODUCTION**

India's plan to utilize e-wallets is affected by various factors that shape users' perceptions and attitudes towards this digital payment method. Perceived usefulness, which refers to the perceived benefits and value of e-wallets in terms of convenience, time-saving, and accessibility, plays a crucial role in driving adoption. Additionally, perceived ease of use, encompassing factors like user-friendliness, transaction process, and overall user experience, affects users' willingness to adopt e-wallets. Trust and security are key considerations, with users needing assurance regarding data privacy, fraud protection, and secure transactions. Perceived risk, including financial risks and technical concerns, can act as a barrier to adoption. Social influence, stemming from family, friends, and social networks, can sway users' intentions through positive recommendations or negative perceptions. Aspects of the population, such as age and education, income, and occupation also contribute to varying attitudes towards e-wallet adoption. Compatibility with existing payment habits and merchant acceptance is another critical factor. By understanding and addressing these factors, e-wallet providers and policymakers can design effective strategies to promote e-wallet adoption and ensure inclusive access to digital financial services in India.

E-wallets, also known as electronic wallets or digital wallets, are virtual platforms or applications that enable individuals to store and manage their financial information electronically. They serve as digital counterparts to physical wallets by allowing users to store payment card details, bank account information, and other relevant data in a secure manner. Ewallets provide a convenient and accessible way for users to make digital transactions, such as online purchases, bill payments, and money transfers, without the need for physical cash or cards. These digital wallets often incorporate security measures like encryption and authentication protocols to protect users' sensitive financial information. With the increasing adoption of smartphones and the push towards digital payments, e-wallets have gained popularity in India as a convenient and efficient method for conducting financial transactions.

### **Advantages and disadvantages of e-Wallets Advantages of e-Wallets**

**Convenience:** Payments can be made easily and conveniently with e-wallets. The digital wallet allows users to securely save their payment information and quickly complete transactions on their mobile devices. This makes it more convenient for daily purchases by eliminating the need to carry physical currency or cards.

**Accessibility:** E-wallets provide financial inclusion by enabling people without traditional banking services to participate in digital transactions. With a smartphone

and internet access, individuals can create an e-wallet account and have access to various payment services, regardless of their location.

**Safety and Security:** E-wallets incorporate robust security measures to protect user data and transactions. Encryption techniques, biometric authentication, and tokenization help ensure the security of personal and financial information. Additionally, e-wallets provide users with transaction alerts and the ability to remotely disable or lock their accounts in case of loss or theft.

**Loyalty Programs and Offers:** E-wallets often provide users with access to loyalty programs, discounts, cashback rewards, and exclusive offers. These incentives can encourage consumers to adopt and use e-wallets, as they provide additional value and savings.

**Faster Transactions:** With e-wallets, transactions can be completed quickly and seamlessly, reducing the time spent in traditional payment methods such as counting cash or waiting for card authorization. This efficiency is particularly beneficial in scenarios such as online shopping, bill payments, or peer-to-peer transfers.

**Digital Recordkeeping:** E-wallets offer the advantage of digital recordkeeping, allowing users to keep track of their transaction history and expenses easily. This can be helpful for personal budgeting, expense management, and financial planning.

### **Disadvantages of e-Wallets**

**Limited Merchant Acceptance:** Not all merchants or businesses accept e-wallet payments, especially in smaller towns or rural areas. This can restrict the usability and convenience of ewallets, as users may still need to carry cash or use alternative payment methods for certain transactions.

**Connectivity and Internet Dependence:** E-wallets require a stable internet connection to function properly. In areas with poor network coverage or unreliable internet service, users may experience difficulties in accessing their e-wallets and conducting transactions.

**Security Concerns:** E-wallets store sensitive financial information, such as bank account details and payment card information. If proper security measures are not implemented, there is a risk of data breaches, hacking, or fraudulent activities, which can compromise the users' financial privacy and lead to financial losses.

**Dependency on Mobile Devices:** E-wallets typically rely on smartphones or other mobile devices for access and transactions. This can pose a challenge for individuals who do not own smartphones or have limited access to them, as they may not be able to fully utilize the benefits of e-wallets.

**Transaction Fees:** Some e-wallet providers may charge transaction fees for certain types of transactions, such as transferring funds to a bank account or making cross-border payments. These fees can add up, particularly for frequent or large-scale transactions, and may reduce the cost-effectiveness of using e-wallets.

**Incompatibility and Fragmentation:** E-wallets in India are often specific to certain providers or platforms, which can lead to compatibility issues and fragmentation. Users may need to maintain multiple e-wallet accounts to accommodate different merchants or services, resulting in a fragmented digital wallet experience.

### **Problem Statement**

Despite the rapid growth of e-wallets in India and the government's push towards a digital economy, there is still a large disparity between the Indian population's adoption and usage of e-wallets. Achieving a cashless society and universal financial inclusion will be difficult in light of this. Understanding the variables that affect people's intentions to use e-wallets in India and identifying the obstacles to their acceptance are necessary. E-wallet providers, legislators, and stakeholders can create focused initiatives to encourage e-wallet usage and guarantee equal access to digital financial services by addressing these factors. As a result, the issue statement concentrates on examining the variables influencing Indians' intentions to use e-wallets and identifying strategies for removing the obstacles preventing their widespread acceptance.

### **Scope of the Study**

The goal of the study on the factors influencing people's intention to use e-wallets in India is to better understand the major drivers and hindrances that people face when choosing e-wallets as their preferred form of payment. The goal of the study is to investigate and analyze many elements that influence Indian customers' intentions to use e-wallets, including perceived usefulness, perceived ease of use, trust, perceived risk, security concerns, social influence, and demographic traits.

The study's scope encompasses a diverse range of participants from different regions, age groups, income levels, and educational backgrounds across India. By including a varied sample, the study aims to capture the perspectives and experiences of a broad spectrum of potential e-wallet users in the country.

The study may employ a quantitative research design, utilizing survey questionnaires to collect data from the participants. This will allow for the measurement and analysis of the identified factors affecting e-wallet adoption, providing valuable insights into their relative importance and impact.

### **Research Objective**

1. To determine the important variables that affect people's decision to utilize e-wallets in India.

2. To evaluate how the intention to use e-wallets is affected by variables as perceived usefulness, perceived ease of use, trust, perceived danger, security concerns, social influence, and demographic traits.
3. To examine the relationships and interactions among these elements that affect an individual's decision to utilize an e-wallet.

## **Review of the Literature**

### **Age**

Age has been found to have an impact on Indians' desire to utilize electronic wallets a significant area of research within the literature. Studies have explored how different age groups perceive and adopt e-wallet technology. Generally, younger individuals exhibit a higher intention to use e-wallets compared to older individuals. This can be attributed to various factors, including the higher level of comfort with technology and digital platforms among younger generations.

### **Gender**

The literature has paid a lot of attention to how gender influences people's intentions to use e-wallets in India. Numerous aspects that affect the adoption of e-wallets have been highlighted by studies on gender inequalities. It has been discovered that men typically display a higher intention to utilize e-wallets than women. This can be attributed to various factors such as technological familiarity, financial empowerment, and perceived usefulness. Males are often more comfortable with technology and have greater exposure to digital platforms, which increases their propensity to adopt e-wallets.

### **Occupation**

The influence of occupation on the intention to use e-wallets in India has been examined in several studies, shedding light on the role of professional engagement in the adoption of digital payment platforms. Research suggests that occupation can significantly impact the intention to use e-wallets, with certain occupations exhibiting higher levels of acceptance and adoption. Occupations that involve regular financial transactions or those that require frequent online transactions, such as business professionals, entrepreneurs, and freelancers, are more likely to have a higher intention to use e-wallets.

### **Monthly Income**

The role of monthly income in shaping the intention to use e-wallets in India has been a subject of interest in the existing literature. Several studies have examined the relationship between income levels and the adoption of e-wallets, providing insights into the influence of financial capacity on the willingness to use digital payment platforms. Findings suggest that monthly income plays a significant role in determining the intention to use e-wallets, albeit with some nuances. Higher-income individuals tend to exhibit a higher intention to use e-wallets due to their

ability to afford smartphones, internet connectivity, and other necessary resources for engaging in digital transactions.

### **Perceived Ease of Use**

In the research addressing the elements influencing the desire to use e-wallets in India, the idea of perceived ease of use has drawn significant attention. People's perceptions of how simple and easy it is to use e-wallets are referred to as perceived ease of use. According to research, people are more inclined to accept technologies that they believe to be straightforward and user-friendly, hence perceived ease of use is a critical factor in determining their intention to use e-wallets.

### **Perceived Value**

In the research on the factors influencing the desire to use e-wallets in India, the issue of perceived value has been extensively studied. Individuals' subjective assessments of the advantages they anticipate receiving are referred to as perceived value exchange for using ewallets. Research indicates that the perceived value of e-wallets is a crucial determinant of individuals' intention to adopt and use them. Studies have found that when individuals perceive e-wallets to offer significant advantages, such as convenience, time savings, security, and access to exclusive discounts or rewards, they are more likely to develop a positive attitude towards e-wallets and have a higher intention to use them.

### **Trust in Service Providers**

Trust in service providers plays a significant role in shaping the intention to use e-wallets in India, as evident from the existing literature. Trust is a fundamental element in online transactions, particularly when it comes to financial services. Studies have consistently found that individuals who perceive e-wallet service providers as trustworthy are more likely to have a positive attitude towards e-wallets and exhibit a higher intention to use them.

### **Perceived Social Influence**

Perceived social influence is a critical factor influencing the available material emphasizes the goal to use e-wallets in India. When people believe that significant others, such as family, friends, and coworkers, support and promote their usage of e-wallets, they are more inclined to adopt them. The impact of social networks, both online and offline, on how people think and act is substantial and intentions towards e-wallet adoption.

## **Research Methodology**

### **Research Hypothesis**

1. "H1: Perceived usefulness positively influences the intention to use e-wallets in India"
2. "H2: Perceived ease of use positively influences the intention to use e-wallets in India."

3. "H3: Trust positively influences the intention to use e-wallets in India."
4. "H4: Perceived risk negatively influences the intention to use e-wallets in India"

### **Research Design**

The research methodology used to examine the variables influencing Indian consumers' intentions to use e-wallets often combines quantitative and qualitative techniques. A mixedmethods approach, which includes both quantitative and qualitative information, enables a thorough comprehension of the subject.

A representative sample of the target population is surveyed or given a questionnaire as part of the quantitative component of the study design in order to acquire structured data. Indicators including perceived usefulness, perceived ease of use, trust, perceived danger, social influence, and desire to utilize e-wallets are all intended to be measured by the survey instrument. To guarantee that the sample accurately reflects India's different demographics and geographic regions, sampling techniques like stratified or cluster sampling may be used. Techniques for statistical analysis, such as correlation.

### **Data Analysis and Interpretation**

#### **Frequency Table**

**Table 1 - Gender**

	<b>Gender</b>	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	50	62.5	62.5	62.5
	Female	30	37.5	37.5	100.0
	Total	80	100.0	100.0	

#### **Inference:**

- Out of the total sample size of 80 participants, 62.5% were male, while 37.5% were female.
- This indicates that a higher proportion of males participated in the study compared to females.
- This gender distribution suggests that the study may have had a slightly higher representation of males in the sample, which could potentially introduce some gender bias in the findings.
- To ensure a more balanced and representative sample, future studies could aim to recruit a larger number of female participants.

- It is important to note that this inference is specific to the sample analyzed and may not be generalized to the entire population of e-wallet users in India.

**Table – 2 Age**

	<b>Age</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	18-24	40	50.0	50.0	50.0
	25-34	30	37.5	37.5	87.5
	35-44	10	12.5	12.5	100.0
	Total	80	100.0	100.0	

**Inference:**

Out of the total sample size of 80 participants, the age distribution was as follows:

- 50% of the participants fell in the age group of 18-24.
- 37.5% of the participants fell in the age group of 25-34.
- 12.5% of the participants fell in the age group of 35-44.
- This distribution suggests that the majority of the participants in the study were relatively younger, with half of them belonging to the 18-24 age group.
- The age group of 25-34 also had a significant representation.
- The inference is that younger individuals in the age groups of 18-24 and 25-34 are more inclined towards using e-wallets in India compared to individuals in the age group of 35-44.
- This aligns with the general trend of younger demographics being more receptive to technology and digital payment methods.

**Table – 3 Occupation**

	<b>Occupation</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	Student	50	62.5	62.5	62.5
	Employed(part-time)	20	25.0	25.0	87.5
	Self-employed	10	12.5	12.5	100.0
	Total	80	100.0	100.0	

**Inference:**

- Out of the total sample size of 80 participants, the occupation distribution was as follows:
- 62.5% of the participants were students.
- 25% of the participants were employed part-time.

- 12.5% of the participants were self-employed.
- This distribution indicates that a significant majority of the participants in the study were students, followed by individuals who were employed part-time and self-employed.
- The inference is that students have a higher inclination towards using e-wallets in India compared to individuals who are employed part-time or self-employed.
- This finding aligns with the notion that students, who are often digital natives, are more likely to adopt and use digital payment methods.

**Table – 4 Monthly Income**

Monthly Income		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below INR 10,000	10	12.5	12.5	12.5
	INR 10,000-25,000	50	62.5	62.5	75.0
	INR 25,001-50,000	20	25.0	25.0	100.0
	Total	80	100.0	100.0	

**Inference:**

- Out of the total sample size of 80 participants, the monthly income distribution was as follows:
- 12.5% of the participants had a monthly income below INR 10,000.
- 62.5% of the participants had a monthly income between INR 10,000 and 25,000.
- 25% of the participants had a monthly income between INR 25,001 and 50,000.
- This distribution indicates that the majority of the participants in the study fell into the income range of INR 10,000-25,000.
- The inference is that individuals with a monthly income between INR 10,000 and 25,000 have a higher inclination towards using e-wallets in India compared to those with lower or higher income levels. This finding suggests that e-wallets are popular among individuals with moderate incomes, as they offer convenience and ease of use for digital transactions

**Table – 5 Have you ever used an e-wallet application**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	60	75.0	75.0	75.0
	No	20	25.0	25.0	100.0
	Total	80	100.0	100.0	

**Inference:**

- Out of the total sample size of 80 participants, the distribution of responses to whether they have ever used an e-wallet application is as follows:
  - 75% of the participants responded "Yes."
  - 25% of the participants responded "No."
- This distribution indicates that a significant majority of the participants in the study have used an e-wallet application in the past.
- The inference is that a large proportion of the participants have prior experience using e-wallet applications.
- This suggests that there is already a considerable user base for e-wallets in India, with a majority of the participants being familiar with the concept and functionality of ewallet applications.

**Reliability**

**Table – 6 Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
.960	.960	8

**Discussion about reliability test**

The items used to measure the variables influencing intention to use e-wallets in India have a high level of internal consistency and reliability, as indicated by the high Cronbach's Alpha coefficient of .960. This implies that the analysis's components are linked together and consistently reflect the same underlying construct. The measurement scale used to evaluate the variables influencing intention to use e-wallets in India is implied to be accurate and dependable. The scale items' strong Cronbach's Alpha coefficient shows that they are internally consistent and offer a reliable measurement of the desired construct. The high Cronbach's Alpha coefficient implies that the scale items are likely to give consistent and reliable results, thus researchers and practitioners can have trust in the reliability of the measurement scale.

**Discussion & Conclusion**

**Discussion of Research Objectives and Research Findings**

The purpose of this study was to identify and investigate the variables affecting Indians' inclination to use e-wallets. Businesses, governments, and stakeholders can create strategies to encourage the acceptance and usage of e-wallet applications by being aware of these elements, which would help the expansion of India's digital payment ecosystem. Investigating the impact of practicality and

usability on users' intents to use e-wallets was one of the key goals of the study. The study's conclusions show that convenience and usability have a big impact on how users' intentions are shaped. E-wallets are more likely to be adopted and used for financial transactions by users who consider them to be convenient and user-friendly. This emphasizes how crucial it is to create simple, user-friendly e-wallet interfaces and features to improve the user experience and promote adoption. Another goal was to assess the effect of security and reliability on.

### **Limitations of the Study**

Participants may have given comments that were socially acceptable or their perceptions may not be accurate behavior. Secondly, the sample size and sampling technique used in the study could impact the generalizability of the findings. The study may have focused on a specific region or demographic, limiting the ability to generalize the results to the broader population. Thirdly, the study primarily focused on individual-level factors and may have overlooked other contextual or external factors that could influence the intention to use e-wallets, such as regulatory policies or market dynamics. Additionally, the study did not consider the impact of cultural factors or user preferences specific to the Indian context, which could have significant implications for e-wallet adoption. Lastly, the study was cross-sectional in nature, capturing data at a single point in time. Longitudinal studies could provide a better understanding of how the intention to use e-wallets evolves over time. Despite these limitations, the study contributes valuable insights into the factors affecting e-wallet adoption in India, laying the foundation for further research and guiding future strategies and interventions in this domain.

## **II.CONCLUSION**

In conclusion, this research has shed light on the key factors influencing the intention to use e-wallets in India, providing valuable insights for businesses, policymakers, and stakeholders in the digital payment industry. The study highlights the crucial role of convenience, ease of use, security, and trust in shaping user intentions. To encourage adoption, businesses should focus on user-centric design, ensuring a seamless and intuitive experience for customers. Additionally, offering attractive incentives like discounts and cashback, expanding the acceptance network, and integrating e-wallets with various services can further drive user intentions. Moreover, user education and awareness campaigns, as well as strategic partnerships, play a vital role in fostering adoption. Continuous innovation and adaptation are essential for e-wallet providers to stay competitive and meet evolving user demands. By embracing these recommendations and addressing the research's limitations, stakeholders can actively contribute to the growth and transformation of India's digital payment landscape.

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