



A STUDY ON THE RISE OF DIGITAL WALLETS AND IT'S IMPACT ON E-COMMERCE BUSINESS TRANSACTIONS WITH SPECIAL REFERENCE TO CHENNAI CITY

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Abstract

*The development of **E-commerce** has fundamentally altered how we shop and do business. Along with the online sector, payment alternatives provided to consumers and enterprises are expanding. One of the most significant changes to the e-commerce environment is the growing usage of digital wallets. **Digital wallets** are financial applications that you may use on devices like phones and tablets to save money, conduct transactions, and keep track of prior purchases. Fore-commerce retail sales, digital wallets provide a number of advantages, such as enhanced convenience, **improved security**, seamless **transactions** and quicker checkout times. In this study, we are going to analyse the factors that are influencing the consumers to use digital wallets and also examine it's impact on the various aspects of E-commerce business such as **consumer behaviour**, security and overall economic landscape. In conclusion, this research paper provides valuable insights into the rise of Digital wallets and their multifaceted impact on E-commerce.*

Keywords : *Digital wallets, E-commerce, Consumer behaviour, Transactions, Improved security.*

Introduction

The e-commerce industry has seen a significant transition in this age of quick technology breakthroughs and increasing reliance on digital solutions. The spread of digital wallets, a type of payment that has exploded in popularity in recent years, is key to this transition. These electronic wallets, sometimes referred to as mobile wallets or e-wallets, have completely changed how we make online transactions. An electronic substitute for a physical wallet is a digital wallet, which is a software programme or online payment instrument. It allows users to safely store digital copies of payment methods, such as credit and debit cards, gift cards, cryptocurrency, boarding passes, event tickets, passwords, and coupons, for use with their smartphones or smartwatches while on the go.

With the introduction of digital wallets, consumers and businesses are now living in a new era of comfort, security, and productivity. Businesses and e-commerce platforms have had to adjust to account for consumers' changing tastes as they increasingly use their smartphones and other digital devices for payments and shopping. In order to fully utilise the benefits of this technology, this adaption entails integrating digital wallet payment choices and streamlining their e-commerce activities. Some of the major providers of digital wallets are :

Paytm : This e-wallet app, offers a mobile market where users may load funds and send payments to merchants who have business relationships with the company. This e-wallet app can be used to pay bills, transfer money, and access services from businesses in the travel, entertainment, and retail sectors in addition to doing e-commerce purchases. They now accept payments using UPI.

GooglePay : It is currently India's leading digital wallet and one of the most popular online payment apps. By using UPI and funds straight from your bank account, Google Pay enables you to send money to friends, pay bills, shop online, and recharge your phone. Since Google Pay integrates with your current bank account, your money is secure with your bank.



Phonepe :In just 4 years since its launch in 2015, PhonePe has amassed 100 million downloads. On PhonePe, you can do everything from UPI payments to recharges, money transfers to online bill payments.

Amazonpay :Amazon owns the online payment processing business known as Amazon Pay.Launched in 2007 across the globe and in India in 2017, Amazon Pay focuses on enabling consumers to utilize their Amazon accounts to make purchases on third-party websites and apps like BigBazaar. Additionally, Amazon Pay allows for online shopping.

Mobikwik: This e-wallet program enables users to deposit funds using debit, credit, net banking, and even doorstep cash collection services. These funds may then be utilized for marketplace purchases, utility bill payments, and recharges. Due to the increased demand for convenience, MobiKwik recently partnered with both big- and small-time restaurants, grocery stores, and other offline shops.

BHIMUPI :Users of BHIM can transfer or receive money to or from UPI payment addresses as well as to non-UPI accounts (by scanning a QR code with the account number and IFS code or MMID code).The BHIM app only functions as a means of transferring money between multiple bank accounts, as opposed to mobile wallets (Paytm, MobiKwik, M-Pesa, Airtel Money, etc.) that store money.

Review Of Literature

(S Kowsalya 2017)A Study on the Perception of Customers towards E-Commerce and E-Payments in Local Survey. The writer claims that the term "e-payments" refers to the technology advancement that allows us to conduct financial transactions online and avoid obstacles and other problems. E-Payments give people more flexibility when it comes to paying their taxes, permits, fees, fines, and purchases in unusual places, at any time of day, and 365 days a year. The writers concluded that credit and debit cards will become unnecessary as mobile technology and the internet sector continued to advance.

(Abhijit M Tadse 2017) A study on usage of PayTm. Digital wallets are gradually taking over as the standard method of online payment. According to the author's survey, 70% of respondents had issues with the payment gateway, so PayTm has to work on it to increase transaction efficiency. The service could be enhanced to meet the demands of the greatest number of consumers since just 5% of people claim to have received support every time they experienced a breakdown. In terms of privacy, PayTm is currently doing well, but it needs to improve on discounts and offers, transaction times, and innovation to maximize user satisfaction.

(Zlatko Bezhovski 2016) The Future of mobile payment as Electronic payment system With the security and ease that mobile electronic payment methods offer, according to author Zlatko Bezhovski, we may anticipate further expansion of mobile payments globally, possibly even surpassing payments done with credit and debit cards.According to this report, consumers are increasingly embracing mobile payment options for both ordinary internet transactions and in-person purchases. Consumers have grown accustomed to using mobile payment systems due to the development of increasingly sophisticated technology that supports, facilitates, and transparently supports mobile transactions.

(Karamjeet Kaur 2015) E-payment system on E- commerce India. According to this study, clients have a wider range of options with online e-payment. A bank may provide exceptional service while



also giving each customer its undivided attention. There are many benefits to using e-payment systems, including good customer service, a wider audience, time-saving client loyalty, convenient information access, round-the-clock availability, less paperwork, and no need to carry cash. convenient online applications.

Objectives of the study :

1. To investigate the factors influencing consumer's choice of digital wallets for e-commerce transactions.
2. To recognise the popular digital wallet among the consumers.
3. To measure the level of satisfaction towards usage of digital wallets in e-commerce business.
4. To assess the impact of digital wallets on e-commerce sales and transaction volumes.

Hypothesis of the study :

H0 :There is no significant difference in the level of satisfaction towards usage of digital wallets in Ecommerce business transactions among male and female respondents.

H1 : There is significant difference in the level of satisfaction towards usage of digital wallets in Ecommerce business transactions among male and female respondents.

H0 : There is no association between age and the factors influencing to adopt digital wallets for ecommerce transactions.

H1 : There is association between age and the factors influencing to adopt digital wallets for ecommerce transactions.

Limitations of the study

The following are the limitations of the study :

1. The primary data collected may be biased.
2. The study is limited to 100 respondents so the analysis, findings, suggestions in the study are based on them which cannot represent the entire population.

Research Methodology

Sample Area

The sample area refers to the area or place, where the data has been collected from the respondents. The sample area in this study is Chennai.

Sample Size

The sample size refers to the number of participants or observation included in the study. The sample size is 100, in this study.

Sampling Technique

It is the process of studying the population by gathering information and analysing the data. In this study, Convenience sampling technique is being used, it is a non probability sampling method where researchers use subjects who are easy to contact and obtain their participation.

Data Collection

For the primary data, A well structured questionnaire is used to collect data from the respondents for the study. It contains demographic questions about the respondents and questions about the respondents preference, level of satisfaction in relation to the objectives. For the secondary data, the



VARIABLES		SIG	T	DOF	Sig(2tailed)
Level of satisfaction among male and female Respondents.	Equal variances are assumed	0.232	-2.124	98	0.036
	Equal variances are not assumed		-2.130	96	0.036

study makes use of Journals, Publications and web resources which were previously collected and published by someone else.

Data Analysis Tools

It refers to the devices/ instruments used to collect and analyse data. Percentage analysis, Charts, Tables, Chi square test, Independent sample T- test are the data analysis tools used in the study.

Analysis and Interpretation

Independent Sample T- Test

H0 : There is no significant difference in the level of satisfaction towards usage of digital wallets in e-commerce business transactions between male and female respondents.

H1 : There is significant difference in the level of satisfaction towards usage of digital wallets in e-commerce business transactions between male and female respondents.

Source : Primary Data

The calculated value is less than the table value (0.05) so, the H0 is rejected and H1 is accepted. Hence there is a significant difference in the level of satisfaction towards usage of digital wallets among male and female respondents.

Chi Square Test

H0 : There is no association between age and the factors influencing to adopt digital wallets for e-commerce transactions.

H1 : There is association between age and the factors influencing to adopt digital wallets for e-commerce transactions.

FACTOR	CALCULATED VALUE (CV)	DEGREES OF FREEDOM(DOF)	LIMITING SIGNIFICANCE
Age group of the respondents with factors influencing to adopt digital wallets for e-commerce transactions.	26.428	15	0.03

Source : Primary Data

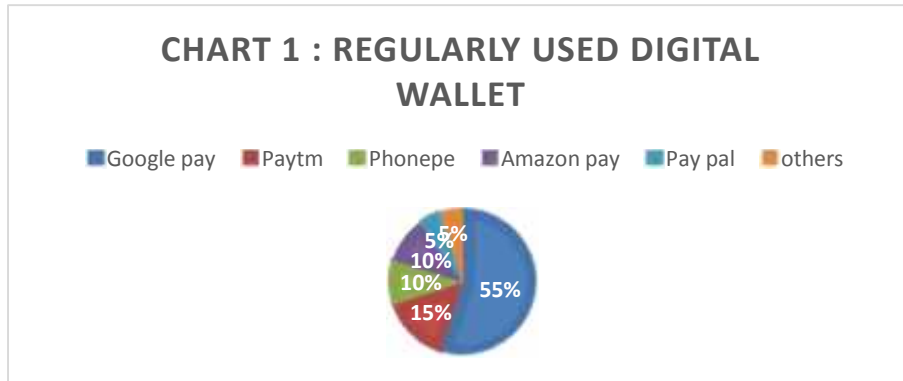
Since the calculated value is less than the significant value (0.05), H0 is rejected and H1 is accepted. Hence, there is an association between the Age group of the respondents and factors influencing to adopt digital wallets for E-commerce transactions.



Demographic information

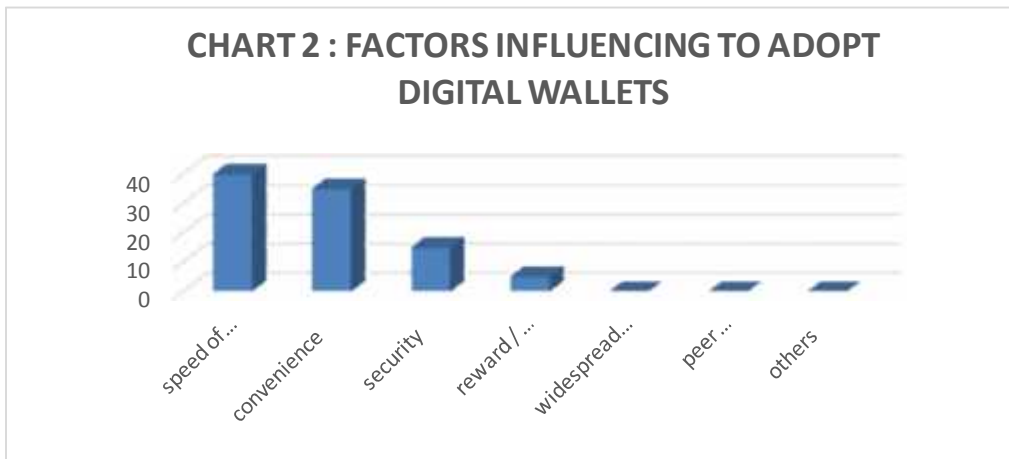
A total of 100 responses were collected by using convenience sampling technique. Majority of the respondents holds a Post Graduate degree and about 65% of respondents works in a private sector and a majority of 55% earns monthly income of below Rs. 15,000. About 60% of the respondents were male and a majority of 45% were living in an Urban area.

Observations:



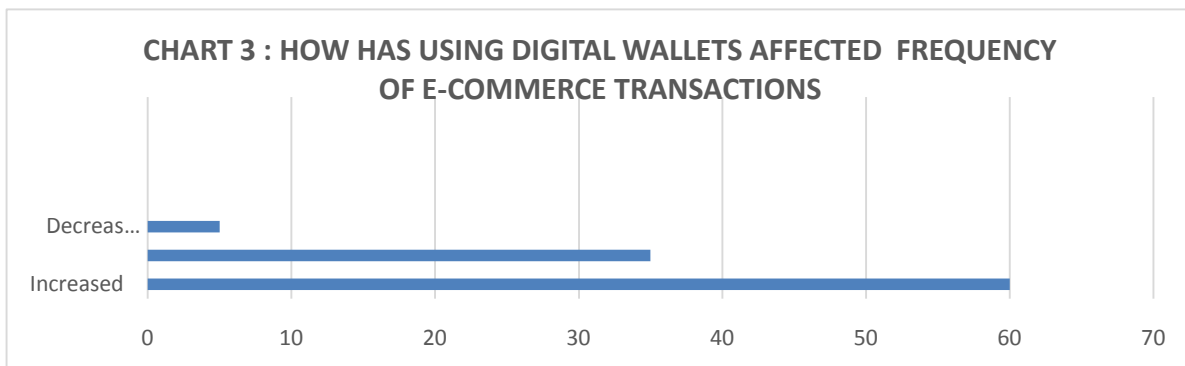
Source : Primary Data

Here it can be noticed that a majority of 55% respondents are using google pay digital wallet regularly.



Source: Primary Data

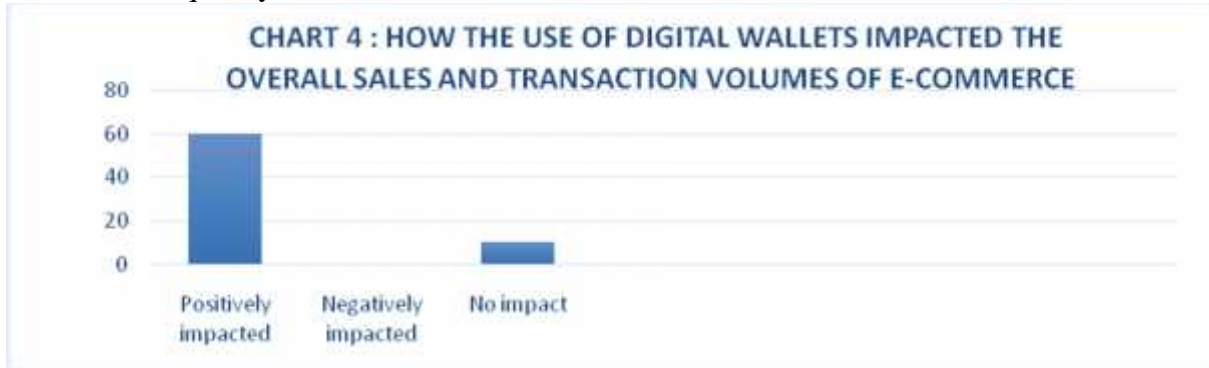
It can be noticed that a majority of 40% respondents have agreed that speed of transaction is the most influencing transaction.



Source : Primary Data



It can be interpreted that a majority of 60% respondents have agreed that using digital wallets have increased their frequency of E-commerce transactions.



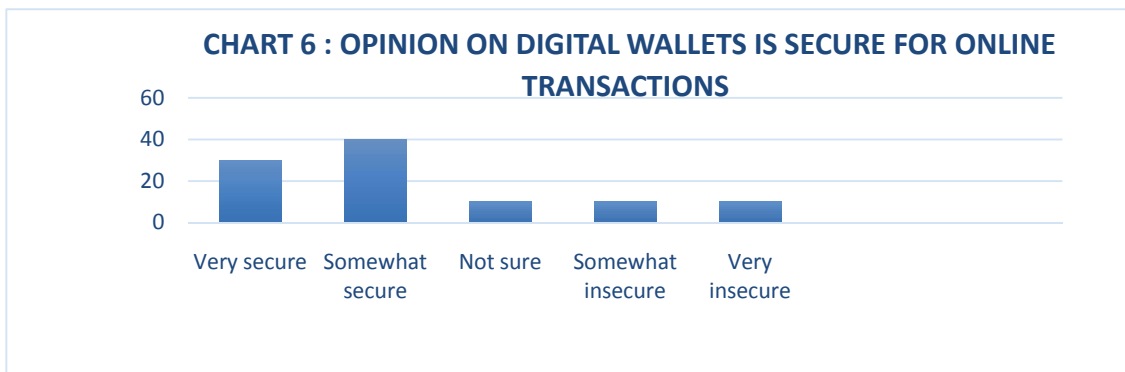
Source : Primary Data

It can be analysed that a majority of 60% respondents have agreed that there is positive impact in the sales and transaction volumes of E-commerce due to the use of Digital wallets.



Source: Primary Data

It can be interpreted that a majority of 30% respondents have responded that Technical glitches is the major problem related to digital wallets usage in E-commerce.



Source: Primary Data

It can be analysed that a majority of 40% respondents have agreed that digital wallets are Somewhat secure for online transactions.

Conclusion

Due to their convenience, digital wallets have grown to be customers' preferred option. They provide a quick and simple method for making online payments, doing away with the need to enter card information each time. To reduce the danger of fraud and unauthorized access, digital wallets contain strong security mechanisms including encryption, tokenization, and biometric verification. Consumer



trust has improved as a result, increasing usage and transaction volumes. The growing use of digital wallets has increased the accessibility of international e-commerce. Due to the availability of numerous digital wallet systems that support various currencies and languages, shoppers from various locations can easily make purchases. The incorporation of digital wallets has benefited e-commerce companies. Due to the enhanced user experience, they see less costs associated with processing payments, fewer chargebacks, and higher sales. While there are many benefits to digital wallets, there are also certain privacy and data security concerns as well as the possibility of monopolistic behaviour among the large providers. The use of digital wallets in e-commerce appears to have a bright future. We anticipate further service expansion from providers of digital wallets, increased integration with cutting-edge platforms like blockchain, and continued innovation in payment technologies. Ecommerce businesses should remain aware of these developments as digital wallet adoption and technology continue to advance, adapting their business models to stay competitive and satisfy the changing needs of their clientele. Digital wallets and ecommerce's symbiotic relationship will probably continue, influencing how online retail develops in the future.

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