



**CONSUMERS' PREFERENCE TOWARDS VARIOUS METHODS OF PAYMENT FOR E-COMMERCE TRANSACTIONS: A STUDY OF MOBILE WALLET USERS WITH REFERENCE TO SURAT CITY**

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**ABSTRACT**

Now days, awareness among people about online payments through mobile applications has increased a great deal and as a result there has been a substantial increase in its growth rate. Mobile wallet is one of the options of online transaction. To study consumers' preference towards various forms of payment for e-commerce, Total 50 smart phone users, who also use digital wallet for online payment, have been considered as respondents. Convenience sampling method has been applied to collect the data. The data has been analyzed by applying various statistical techniques like independent t-test, Kolmogorov-Smirnov test, multiple response frequency test etc. From the analysis, it has been observed that people of Surat city prefer mobile wallet as a mode of payment over other payment modes like credit card, debit card and net banking. It has been found that users of mobile wallet in Surat city are satisfied with the services offered by mobile wallet service providers.

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**INTRODUCTION**

Today, the term e-commerce is used in a broad sense. Ecommerce is the exchange of goods and services enabled through an electronic method. E-commerce includes business to business, business to consumer, consumer to business and consumer to consumer transactions. Consumers may choose different ways to pay for their ecommerce transactions based on their preference. It may be based on convenience, availability, security or for other reasons. There are various ways of making payments through electronic modes such as electronic wallets, smart cards, software wallets, credit cards, debit cards, net banking and more. There are three methods of payment when it comes to mobile payment. These three methods include Mobile Banking, Mobile POS (Point of sale) and mobile wallet. Among all these, the mobile wallet sector in India has been growing immensely post demonetisation. Mobile wallet is a virtual wallet service provided by service providers who are in the mobile wallet business. Mobile payment is a process of transferring money or making payments where a mobile phone is involved while initiating and confirming the payment. Mobile payment is a crucial driver for the growth of the e-commerce industry in India. Now consumers can shop online, buy movie tickets, railway tickets or flight tickets, pay the bills and do various other transactions. Mobile banking refers to using the online banking services on mobile banking

app. Mobile Wallets such as PayTM, Mobikwik, Free Charge, BHIM etc. are popular in India.

**REVIEW OF LITERATURE**

People are more aware about the online payments through mobile applications and there is a wider increase in growth rate (Vidya shree DV et al., 2015). Mobile wallets are the futures of cash. The days when they are accepted at the 'Kirana' store, chemist shop and restaurant in India are not far. It means that the physical wallet is one step closer to becoming redundant (Manikandan & Chandramohan, 2015). Digital wallets are quickly becoming mainstream mode of online payment. Shoppers are adopting digital wallets at an incredibly rapid pace, largely due to convenience and ease of use. Convenience in buying products online, brand loyalty and usefulness of digital wallet are three major factors which play an important role in consumer adoption. Security and safety of the funds is the most challenging issue for the users (Rathore Hem Shweta, 2016). M-wallets have emerged as the most significant contributor in pushing cashless and electronic payments. There is a significant association between preferable products /services by the respondents and their opinion about overall usage of Mobile payments. There is no significant difference between gender of the respondents and their opinion about overall usage of Mobile payments (Sardar Ramesh, 2016).

**Problem Statement**

As time goes by, more and more people are using mobile wallet service for making a variety of online transactions.

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Today, consumers are faced with a number of choices when it comes to mobile wallets. So, from a mobile wallet service provider's point of view, it becomes essential to examine the preference of consumers towards different online payment methods. Moreover, it is also important to examine what is the most important reason which influences consumers to use mobile wallet service and whether they are satisfied with the mobile wallet services or not. This study attempts to accomplish all these objectives.

**Significance of the Study**

As the popularity of mobile wallet as a payment method grows heaps and bounds in India, it is important for the mobile wallet service providers to examine which is the most important reason or factor which causes consumers to use mobile wallet services. Mobile service providers can design their marketing campaigns around the factor that is most relevant for the consumers for choosing mobile wallet service. By doing so, the service providers can retain existing consumers and attract new consumers. This study becomes hugely relevant and significant in this regard.

**Objectives of the Study**

1. To study consumers' preference towards various forms of payment for e-commerce transactions.
2. To analyze satisfaction level of users of digital wallet about services provided to them.
3. To find out most important reason for consumers to use digital wallet as a mode of payment.

**Hypothesis**

- H<sub>01</sub>: Consumers' are indifferent towards various methods of payments for e-commerce transactions  
 H<sub>02</sub>: Users of mobile wallet are dissatisfied with the services provided to them.

**METHODOLOGY**

In order to achieve the objectives of the research, a structured questionnaire has been framed. Total 50 smart phone users who also use digital wallet for online payment have been considered as respondents. Convenience sampling method has been applied to collect the data. The data has been analyzed by applying various statistical techniques like independent t-test, Kolmogorov-Smirnov test, multiple response frequency tests etc.

**Analysis and Interpretation**

The data has been analyzed and interpreted by applying one-sample t-test, Kolmogorov-Smirnov test and multiple response frequency tests which help to fulfil research objectives.

**One sample t-test**

One sample t-test has been run to find out the consumers' preference towards various forms of payment for e-commerce. Mainly four forms have been considered for the study purpose namely debit card, credit card, net banking and mobile wallet. One sample t-test has been applied to test the following hypothesis;

- H<sub>01</sub>: Consumers' are indifferent towards various methods of payments for e-commerce transactions.

**Table 1** Various Forms of Payment for E-Commerce

Particular	Frequency	Percent
Debit Card	12	24.0
Credit Card	08	16.0
Net Banking	10	20.0
Mobile Wallet	20	40.0
<b>Total</b>	50	100
t-value		15.976
Sig. (2-tailed)		.000

**Interpretation**

Here, it can be observed from the table no.1 that consumers' preference towards various forms of payments is significantly different. P value is less than .05 which indicates that null hypothesis cannot be accepted. It means consumers' preference towards selected forms of payment for e-commerce is different. Maximum consumers (40%) prefer mobile wallet as a mode of payment followed by debit card (24%), net banking (20%) and credit card (16%).

**Statistics of Kolmogorov-Smirnov test**

To find out the satisfaction level of mobile wallet users, kolmogorov - smirnov test has been applied with the following hypothesis.

- H<sub>02</sub>: Users of mobile wallet are dissatisfied with the services provided to them.

**Table 2** Statistics of Kolmogorov-Smirnov test

	Descriptive Statistics			
	N	Mean	Std. Deviation	Minimum Maximum
Customer Satisfaction	50	4.120	.453624	1.00 5.00
Kolmogorov-Smirnov Z				1.412
Asymp. Sig. (2-tailed)				.022

**Interpretation**

Table No 2 indicates that respondents are satisfied with the services of mobile wallet as the p value is less than 0.05. So, the null hypothesis is rejected which indicates that users of mobile wallet are satisfied.

**Description of Multiple Response Frequency Test**

To find out the most important reason to use mobile wallet as a mode of payment, respondents were asked to give 1 to 7 ranks. Multiple response frequency analysis has been done to get the answer. Following table shows the result.

**Table 3** Description of Multiple Response Frequency Test

Particular	Frequency	Percent
Cost	03	06
Convenience	12	24
Ease of use	10	20
Brand loyalty	04	08
Security	09	18
Privacy	05	10
Discount offers	07	14
<b>Total</b>	50	100

**Interpretation**

From the table no.3, it can be seen that 24% of the respondents use mobile wallet because of its convenience

whereas only 6% of the total respondents use mobile wallet for the cost which involves transaction fee, service fees etc. 20% prefer mobile wallet because of ease of use and 18% of the total respondents use it because of security reasons. 14% of total respondents prefer to use it because of discount offers, 10 % of the total respondents give reason of privacy and 8% of the total respondents go with brand loyalty.

## **CONCLUSION**

Now days, people are more aware about the online payments through mobile applications and there is a wider increase in growth rate. From the analysis of the data, it has been observed that people of Surat city prefer mobile wallet as a mode of payment over other payment options like credit card, debit card and net banking. It has been found that users of mobile wallet in Surat city are satisfied with the services. It has also been found that maximum respondents use mobile wallet because of its convenience whereas very few of them use mobile wallet for the Cost which involves transaction fee, service fees etc.

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