

A Study on Growing Popularity of Digital Wallets Among Youngsters in Kerala

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Abstract

Any economy's lifeblood is seen as being money. Transactions are now simple in the current environment because to the constant advancement of technology, the internet, and mobile phones. Money transfers and other payment methods are offered on the market. The primary component of digitization is mobile wallets. As opposed to using cash, people prefer to make digital payments. People now prefer cashless transactions more than they did in the past due to demonetization and the unanticipated COVID outbreak. Because money notes are handled by many different people, the transmission of pathogens is also possible. Mobile wallets have greatly simplified and improved our way of living. A digital wallet safely and conveniently maintains all of the users' payment information. There is far less need to carry actual wallets as a result. Only the mobile wallet allows a smart phone to be used as a wallet. These wallets allow for the secure addition of money as well as direct bank account integration. India is moving towards a digital future. Digital wallets are a key component of the digitization process. Within this little time frame. Based on diverse observations, several academics from across the world have investigated digital wallets. However, there is no evidence that anyone has looked into how prevalent digital wallets are among young people.

Therefore, the goal of the study is to determine how common digital wallets are among young people. In this study, the gender disparity in usage, transaction volume, usage experience, and transaction count in digital wallets is being examined.

Keywords: Money, Digital Wallet, Gender, Digitalization

Introduction

The king may no longer be cash. Many people think of the future of money as a digital utopia. A cashless economy is one where purchases of goods and services and payments for them are made only through electronic channels. Debit and credit cards, card-swipe or point of sale devices, debit and credit cards, digital wallets, and e-banking (mobile banking or banking through computers) are all included. Better transparency, scalability, and accountability are benefits of digital or cashless transactions. An important initiative of the Indian government is called "Digital India," with the goal of transforming the country into a knowledge-based society and economy. One of the stated rules of digital India is "Faceless, Paperless, Cashless". Covering current unregistered transactions is the main goal of the cashless economy. Credit and debit cards, Unified Payment Interface (UPI), Unstructured Supplementary Service Data, Aadhaar Enabled Payment System (AEPS), Mobile wallets, Bank prepaid cards, Point of Scale, Internet banking, Mobile Banking, and Micro ATM, among other tools are used by the Digital India programme to try to achieve its goal of a cashless economy. Digital currencies are increasingly displacing traditional

institutions and hard currency. Digital payments have almost been a given since the internet's inception, according to Anne Benden, founder and CEO of Starling Bank. Digital payments have become increasingly popular as the usage of cash has decreased since the Bankers Automated Clearing System (BACS) was introduced in the 1960s.

A mobile device-based financial transaction application is referred to as a "digital wallet." Your passwords and payment details are securely stored there. You may use these programmes to pay for purchases while shopping so that you don't need to bring your cards with you. A bank's mobile app or other payment apps like PayPal, Gpay, etc. may offer digital wallets. People in economically underprivileged regions of the world may now access banking services that they may not have been able to in the past thanks to digital wallets. Mobile wallets and the phrase "digital wallet" are frequently used interchangeably. Although they are quite similar to one another, digital wallets and mobile wallets are not the same. Mobile wallets are associated with wearables or smartphones that are both linked to a bank account, as opposed to digital wallets, which are often used for online transactions. This entails electronic money transfers from the bank accounts of the debtor and creditor, with no actual physical exchange of goods or services. This type of economy, which does not use cash or tangible money, is known as a cashless economy.

The government is making efforts to transition the nation to a less cash-based economy and boost the usage of digital transactions. The danger of handling currency is diminished. Digital payments make it simple to keep track of transactions, which benefits the government by making it easier to combat black market activity and promote economic growth. "Cashless, faceless, and paperless" is the government of India's catchphrase for the transformation of the Indian economy.

The ways in which payments are made and received have changed significantly throughout this time period. The number of payment methods has increased as a result of the ongoing development of technology infrastructure and changes in government regulations. Digital payment applications are the most recent method. The Indian economy will eventually be cashless. This study seeks to ascertain the degree of public knowledge as well as the numerous reasons that persuade consumers to move from cash to cashless transactions, particularly those using digital payment applications. The restrictions placed on digital wallets in the cashless payment system are also added.

Review of Literature

In her essay on the "**Impact and Importance of Digital Payment in India**," Singhal Rashi (2021), It was emphasized that banks have many opportunities to give their consumers better service as a result of the digital services they offer. Customers have a favourable perception of and a significant influence on the uptake of digital payment systems. As one of the primary providers of financial and monetary services in our smart cities and the bush of rural areas, business banks deliver intimate services to their potential clients.. She has learned that the RBI and GOI have given some noteworthy clearance to the implementation of a non-financial system of postponed payments. The continual advancement in media transmission and innovation has promoted the voluntary usage of computerized installations. She also discussed several government policies that are promoting economic development and net expenditure on expensive goods, such as the GST and demonetization.

The "**Impact of COVID-19 on digital payment services at towns and villages**" was studied by Rashi Singhal and Abhilasha Gupta in 2021. Making payments digital is fundamentally about protecting the general public from financial fraud and making sure that all financial transactions are correctly

documented. The investigation of the concept of digital payment together with COVID-19's implications on digital payment services, particularly at the local level in towns and villages, is the main objective of the current study. The secondary study incorporates certain viewpoints or ideas from earlier studies that provide data on a pertinent subject. The study paper's conclusion is that compared to before the global COVID-19 outbreak, digital payment methods are now utilised significantly more often in Indian cities and villages.

In their 2020 study, **Jain, Sarupria, and Kothari examined "the impact of covid 19 on e-wallet's payments in Indian economy"** It discovered that the Indian economy has been greatly strengthened by this event, especially in the food and beverage, entertainment, and other areas. The government's continuous efforts to stimulate the economy and the adoption of demonetization led to a significant increase in the use of digital payment systems, which increased from 5% to 3%. The leisure and hospitality industry, which supports economic growth and accounts for over 40% of GDP, is crucial.

Rajat Deb (2020) examined the connection between household saving and spending patterns prior to and following the adoption of mobile apps. This study found that utilising mobile applications boosted saving and spending decisions by nearly 50% over the prior period.

In their study, **Ravikumar et al. (2019)** evaluated the impact of digital payments on real Gross Domestic Product (GDP), a metric of economic growth. The authors claim that only retail electronic payments significantly enhance real GDP in the near term among all other digital payment methods, but over the long term, retail electronic payments have no impact on real GDP. Additionally, over the long term, neither general digital payments nor retail electronic payments significantly contribute to India's economic expansion.

Objectives of the study

To examine the disparity between genders in college students' usage and volume of digital wallet transactions.

Hypothesis

H0: The amount of digital wallet transactions and usage by men and women are not significantly different from one another.

H1: The amount of digital wallet transactions and usage varied significantly between men and women.

Significance of the study

With over RS 20000 crore in daily online payments across the nation, the digital payments were fostering an environment of honesty and establishing a digital economy, according to the Indian Prime Minister in his Mann Ki Baat radio address. India's economy is going to be digital. The primary goal of digital transactions is to minimize the expense and danger associated with handling currency. Increase the simplicity of executing online transactions and the transparency of personal financial exchanges. Young people enjoy using the internet, and they are constantly willing to adopt and experiment with new technology. Digital wallets are especially appealing to young people since they are always looking for

convenience. This study looks at if there is a gender difference in the use of digital wallets. Additionally, it aims to understand the many motives and objectives behind the use of digital wallets.

Methodology

Examining "The Popularity of Digital wallets among Youngsters" is the goal of this study. It is supported by data from both primary and secondary sources. By employing simple random selection, 50 respondents were chosen for primary data collection, and the survey was carried out using an interview schedule, which fulfils all of the study's goals. Since college students make up the best group of young people, this study chose them as the sample respondents. The study was carried out at a Thrissur corporation. The secondary data gathered from books, reports, periodicals, newspapers, and journals that have been published. To gather secondary data, we used sites like Google Scholar, Shodhganga, NBER, ET, etc.

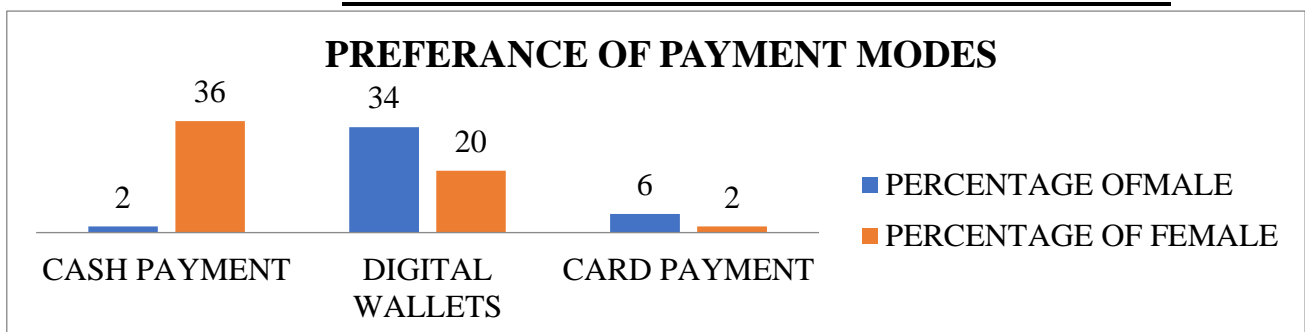
Results and Discussion

In this session, the examination of digital wallets takes into account the gender gap. In terms of the use of digital wallets, gender disparity is measured in terms of usage, preference of payment methods, experience with usage, average number of transactions, recent transactions, current account balance, minimum and maximum amount of transactions, and profits in the prior month. Since monthly income for college students is sometimes insufficient, we are here taking the prior month's wages into consideration. Similarly, we also take into consideration the account balance for the current month. Since account balance is a necessary component of digital payments, it is presented here as an indication. Earnings have a significant role in the decision to adopt digital wallets.

INDICATORS FOR MERASURING THE GENDER GAP IN USE OF DIGITAL WALLETS

- Preference of payment mode
- Use of digital wallets
- Experience in use
- Recent transaction period
- Number of transactions
- Current account balance
- Earnings in the previous month
- Minimum amount of transactions
- Maximum amount of transaction

FIGURE: 1.1. GENDER GAP IN PREFERENCE OF PAYMENT MODES



Source: survey data

The aforementioned graph provides a precise picture of how men and women like to be paid. Out of the 58% of female respondents, 36% still prefer cash payments, 20% prefer digital wallets, and only 2% of women choose card payments. Only 2% of men prefer cash payments, compared to 34% of men who choose digital wallets and 6% of men who prefer card payments. This indicates that males prefer digital payments over women.

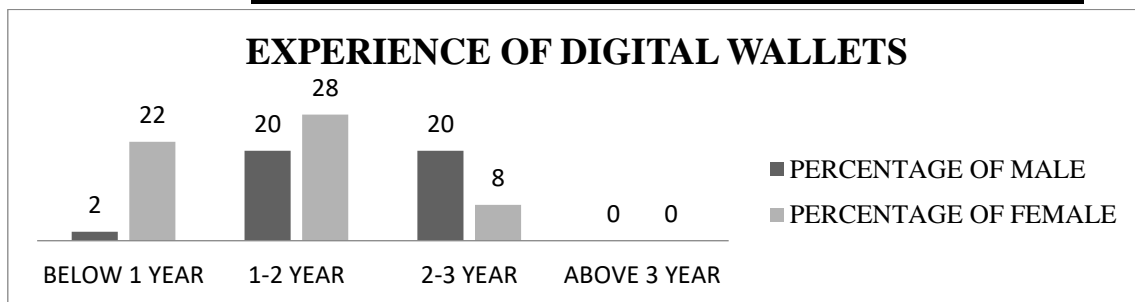
TABLE: 1.1 GENDER BIAS IN USAGE OF DIGITAL WALLETS

USAGE OF DIGITAL WALLETS	PERCENTAGE OF MALE	PERCENTAGE OF FEMALE
USING	100	90
NOT USING	0	10
TOTAL	100	100

Source: survey data

The above table illustrates how men and women use digital wallets differently. 100% of men, according to the statistics gathered, use digital wallets. However, 90% of women use digital wallets, while 10% do not. The difference between men and women is 10%.

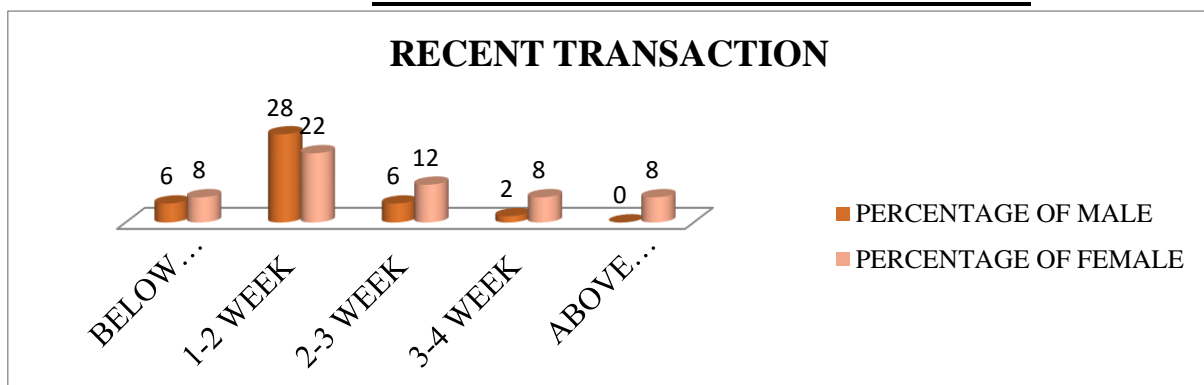
FIGURE: 1.2. GENDER GAP IN EXPERIENCE OF DIGITAL WALLETS



Source: survey data

It's crucial to have experience using digital wallets in order to quantify the gender difference in digital wallet usage. Anyone can immediately see that there is a gender discrepancy in the use of digital wallets from the figure. None of the sample respondents had experience spanning more than three years. Only 2% of men have experience that is less than one year, compared to 22% of women. 20% of men and 28% of women had one to two years of experience, respectively. There are 20% male respondents and just 8% female respondents for ages 2-3.

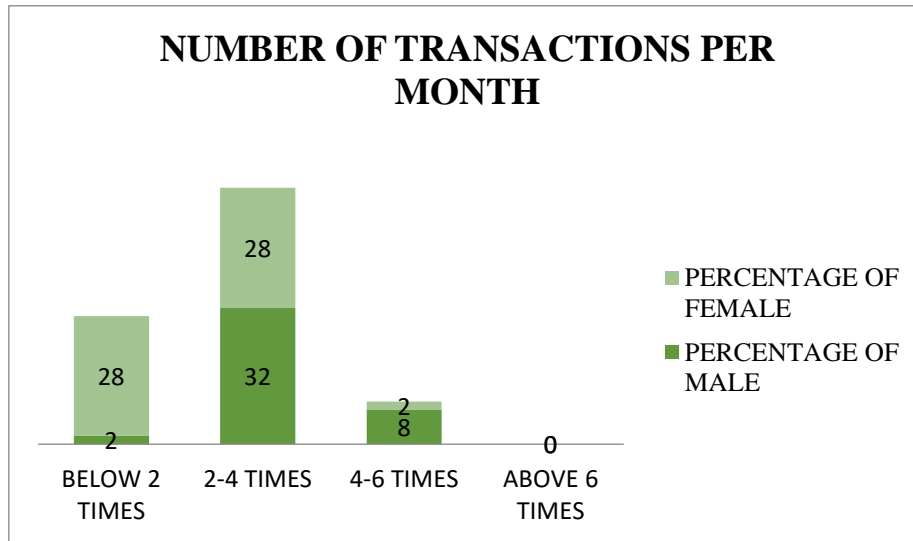
FIGURE: 1.3. GENDER GAP IN RECENT TRANSACTION



Source: survey data

The gender difference in recent transactions is seen in the graph above. Only 6% of men and 8% of women surveyed had transactions lasting less than a week. 22% of females and 28% of males completed their most recent transactions in the past one to two weeks. 12% of females and 6% of males recently transacted during weeks three and four. The key finding is that, whereas 8% of female respondents had recent transactions that are longer than four weeks, not a single male respondent has made transactions that are longer than four weeks.

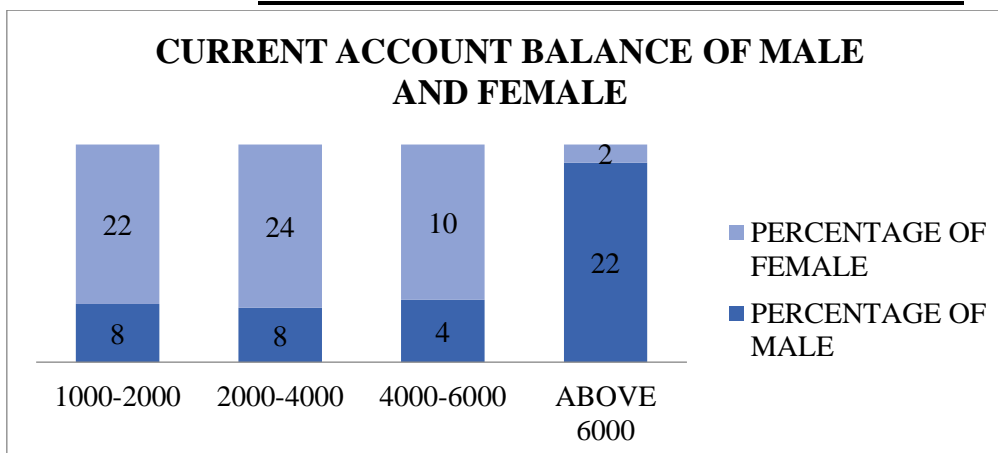
FIGURE: 1.4. GENDER GAP IN NUMBER OF TRANSACTIONS



Source: survey data

This statistic reveals how many transactions the sample respondents made in a given month. Only 2% of the female responders, although having a 28% female prevalence, had done so. Again, 38% of men and 28% of women who responded to the survey reported making 2-4 transactions each over the previous month. 10% of the sample respondents—2% women and 8% men—have four to six transactions in a single month. Each person is limited to six transactions per month.

FIGURE: 1.5. ACCOUNT BALANCE OF MALE AND FEMALE

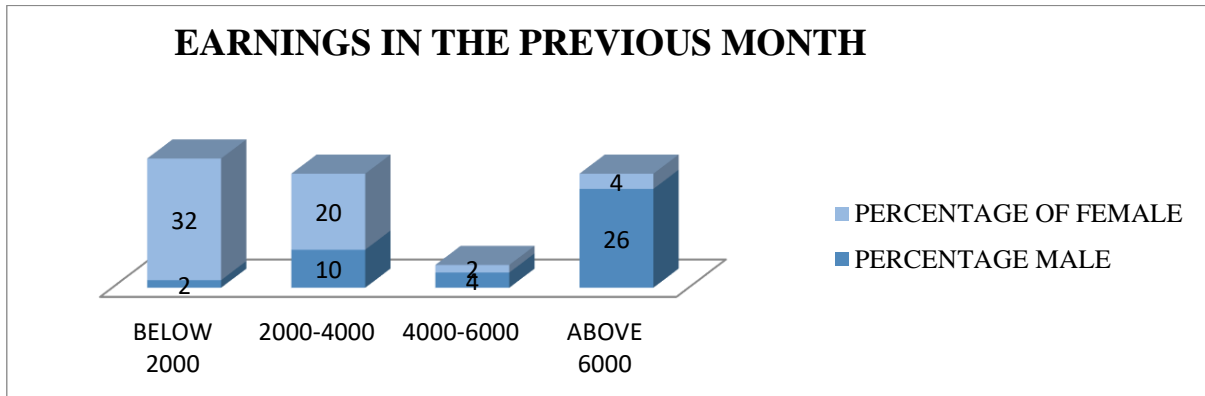


Source: survey data

The current account balances of the male and female respondents are clear from the table above. We used the current account balance since the study sample was made up of college students, who do not have a

stable financial situation. 10% of men have Rs/-1,000 to Rs/- 2,000 in their accounts. 8% of men and 24% of women had current account balances between Rs/-2,000 and Rs/-4,000. There are 4% female responders and 10% male respondents at the 4000-6000 balance. Only 2% of responders who have a current balance of more than 6000 are women. However, 22% of the men who responded have current account balances of at least 6000 rupees.

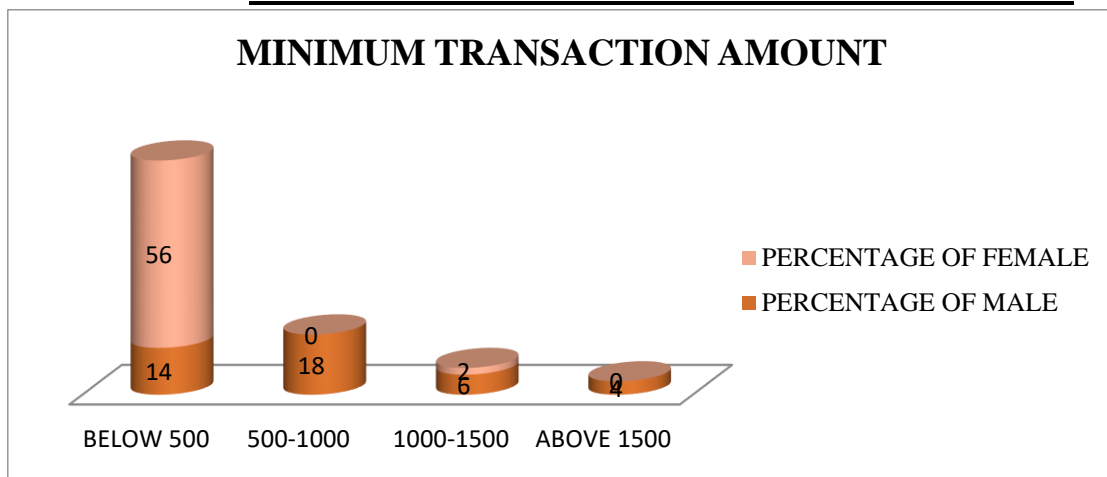
FIGURE: 1.6. GENDER GAP IN EARNINGS



Source: survey data

The wages of sample respondents in the preceding month are explained by this number. 2% of men and 32% of women polled reported having incomes under \$2,000 annually. 10% of men and 20% of women who responded earn between Rs/-2,000 and Rs/-4,000. Only 2% of the 4000–6000 people are female, while 4% are male. Only 4% of the sample's responders were female, and 26% of them made more than Rs/-6,000 in the preceding month.

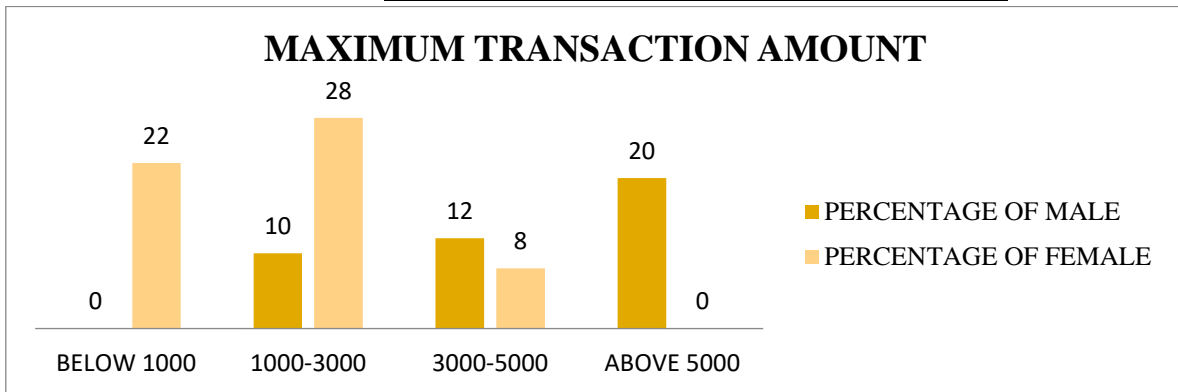
FIGURE: 1.7. GENDER GAP IN MINIMUM TRANSACTION AMOUNT



Source: survey data

The minimum transaction amount information for the sample respondents is depicted in this graphic. 70% of respondents said they made transactions for at least Rs/-500. Only 14% of the respondents in this 70% sample of respondents are men, with 56% being women. There are no female respondents at this level of minimum transaction amount, which applies to 18% of male respondents. The minimal transactions are made by 6% of men and 2% of women between 1000 and 1500 rupees. There are 4% more male respondents than female respondents for transactions with a minimum of 1500 rupees.

FIGURE: 1.8. MAXIMUM AMOUNT OF TRANSACTION



Source: survey data

The above graphic shows the sample respondents' highest transaction amount. There are 22% more female respondents who made their largest transaction at amounts below 1000; no male respondents are present at these amounts. 10% of men and 28% of women make their largest transaction between 1000 and 3000. 12% of men and 8% of women are making transactions totaling between 3,000 and 5,000 rupees. Over 5000 replies, 20% of them are men. The key point is that male percentage is high in large amounts and female percentage is high in little amounts.

TABLE: 1.2. DESCRIPTIVE ANALYSIS

Descriptive Statistics					
	gender	N	Mean	Std. Deviation	Std. Error Mean
Experience in usage(in year)	female	29	1.39	0.87215	0.16482
	male	21	2.4524	0.99881	0.21796
Recent transaction(in weeks)	female	29	2.75	2.1365	0.4038
	male	21	1.5	0.8944	0.1952
Current account balance	female	29	3527.586	2550.0555	473.5334
	male	21	8357.143	6863.2042	1497.6739
Maximum amount of transaction	female	29	1732.143	1322.1905	249.8705
	male	21	4957.143	2419.4155	527.9597
Earnings in the last month	female	29	2341.379	2103.3591	390.584
	male	21	8023.81	5297.3488	1155.9763
Minimum amount of transaction	female	29	256.071	288.5255	54.5262
	male	21	719.048	513.1949	111.9883

TABLE: 1.3 INDEPENDENT SAMPLE T TEST

Independent Samples Test						
	Levene's Test for Equality of Variances		t-test for Equality of Means			
	F	Sig.	t	df		

						Sig. (2-tailed)	Mean Difference	Std. Error Difference
Experience in usage (in year)	Equal variances assumed	0.316	0.577	-3.965	47	0.000	-1.06238	0.26794
	Equal variances not assumed			-3.888	39.779	0.000	-1.06238	0.27326
Recent transaction in weeks	Equal variances assumed	7.597	0.008	2.516	47	0.015	1.25	0.4969
	Equal variances not assumed			2.787	38.271	0.008	1.25	0.4485
Current account balance	Equal variances assumed	11.898	0.001	-3.483	48	0.001	-4829.56	1386.653
	Equal variances not assumed			-3.075	24.027	0.005	-4829.56	1570.752
Maximum amount of transaction	Equal variances assumed	5.955	0.019	-5.976	47	0.000	-3225	539.6881
	Equal variances not assumed			-5.521	28.889	0.000	-3225	584.1034
Earnings in the last month	Equal variances assumed	12.923	0.001	-5.249	48	0.000	-5682.43	1082.523
	Equal variances not assumed			-4.657	24.598	0.000	-5682.43	1220.179
Minimum amount of transaction	Equal variances assumed	9.985	0.003	-4.011	47	0.000	-462.976	115.432
	Equal variances			-3.717	29.383	0.001	-462.976	124.5572

	not assumed						
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An independent-samples t-test was conducted to compare female and male respondents in the use and transactions of digital wallets with regard to use, preference of payment, experience in use, recent transaction period, number of transaction per month, current account balance, minimum amount of transaction, maximum amount of transaction, and earnings in the previous month. From the above table we can understand that,

- With reference to experience in usage of digital wallets, the 2-tailed sig value is 0.000 in both case of assuming equal variance and not equal variance which is less than 0.05. Therefore we reject the null hypothesis at 95% confidence interval.
- As regards recent transaction period, 2-tailed sig value is 0.015 assuming equal variance and 0.008 assuming unequal variance. Both sig values are less than 0.05. So we reject the null hypothesis at 95% confidence interval.
- With respect of current account balance, 2-tailed sig values are 0.001 and 0.005 with assuming equal and unequal variance simultaneously. These values are less than 0.05. Thus we reject the null hypothesis at 95% confidence interval.
- Concerning minimum amount of transaction, the 2-tailed sig values are 0.000 in both assuming equal and unequal variance. 0.000 is less than 0.05 so we reject the null hypothesis at 95% confidence interval.
- In respect of earning in the last month, the 2-tailed sig value is 0.000 when assuming equal variance and unequal variance. 0.000 is less than 0.05, so we reject the null hypothesis at 95% confidence interval.
- As to maximum amount of transaction, 2-tailed sig values are 0.000 assuming equal variance and 0.001 at not assuming equal variance. The values are less than the p value 0.05 then we reject the null hypothesis at 95% confidence interval.

The above table and its interpretation simply says that “there is significant difference between male and female respondents” in terms of experience in use of digital wallets, recent transaction period, current account balance, minimum amount of transaction, earnings in the last month, and maximum amount of transaction.

Major findings

- There is a significant difference in youth between male and female in terms preference in the mode of payment, usage of digital wallets, experience in the use, period of recent transaction, number of transactions per month, minimum amount of transaction, earnings, and maximum amount of transaction.
- Based on all the factors mentioned above, female are less likely to be seen than males.
- In case of preference of payment modes 36% females still prefer physical cash at the same time only 2% male are prefer the physical cash payment. Digital wallets payment and card payment by male are 34%% and 6% respectively and female are only 20% and 2% respectively.
- 20% male have above 2 years’ experience on digital wallets at the same time only 8% female have above 2 years ‘experience. But it is just opposite in case of below 1 years’ experience, there is 2% male and 22% female
- Recent transactions of male are too recent than female.

- In case of number of transaction per month 28% female are done below 2 times while there male is only 2%. 8% male and 2% female have made digital transaction 4 to 6 times.
- 22% male and 2% female have account balance above Rs. 6000. 22% female and 8% male have Rs.1000-2000 account balance.
- In case of lowest level of earnings (below 2000) there is 32% female and 2% male. But in highest earnings level there is 4% female and 26% male.
- Amount of transaction of male is much higher than female. 20% male and 0% female have maximum transaction amount of above 5000. And in minimum amount 56% female and 14% male are transacting for minimum 500 rupees.

Suggestions

- Users of digital wallets should exercise caution when transacting in cash.
- The digital wallet apps need to be redesigned in response to user feedback to foster greater social acceptance.
- Before taking important actions, the government should inform the public about the advantages of cashless transactions.
- A proactive effort should be made to anticipate fraudulent behaviours, and more women should explore using digital wallets.

Conclusion

Without a doubt, digital wallets are essential to the cashless economy. The cashless society is still only a faraway dream, according to this study. Youth utilize technology for more than 7.5 hours every day, according to data. Even among this demographic, where they have the most exposure to and usage of technology, there appears to be less adoption of digital wallets than was anticipated. This is why we referred to a cashless world as a pipe dream. The results of this investigation also demonstrated that cashless transactions are not equally used. Despite this, digital wallets significantly altered the idea of currency transactions.

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