DIGITAL PAYMENTS USAGE DURING COVID19 PANDEMIC WITH SPECIAL REFERENCE TO E-WALLET USERS IN GUWAHATI CITY

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Abstract

According to recent statement made by the Chairman of Payment Council of India, smaller towns such as Guwahati, Bhubaneswar, Dehradun and Imphal are witnessing one of the sharp growth in digital payments, both in terms of volume and new users. The use of digital transactions and electronic cash transfer were encouraged during the lockdown days of Covid19 pandemic. Further, e-wallets usage should be encouraged to avoid unnecessary visit to banks, implementation social distancing, avoidance of physical touch while exchange of cash amid of Covid19 pandemic in India and also to create positive attitude among citizens of the country towards adoption of cashless economy. So, the present study was aimed to investigate the e-wallet usage in amid of Covid19. This study was adopted empirical research design to online survey method to gather the perception of e-wallet users in Guwahati city area.

Keywords: E-Wallet, Covid19, Digital Transaction, Cashless Economy.

Introduction

The usage of electronic transactions was rapidly increased during Covid19 lockdown period to mitigate the physical visit to the bank branch in the country **(Oliver-Balch 2020).** The footfalls to the bank branch were also simultaneously reduced due to Lockdown. Global Payment Gateways Processing Solutions Market forecasted the trend of payment gateways industry up to 2024, amid and aftermath of Covid19 and global payment market is expected to increase 23.45 USD billion in the year 2020 - 2024 due to growth of e-commerce and increase in use of digital payment methods **(Jesse Maida, 2020).**

E-wallet facilitates the users to perform the cash transactions with the help of mobile applications instead of physical transactions. The e-wallets can be used in three types namely open e-wallet, semi-closed e-wallet and closed e-wallet and some e-wallet applications are need not to have bank account and user can perform the digital transaction with the help of digital money transferred to particular application **(Octal IT Solution, 2020).** The growth of smart phone users across the globe will be a useful key driver to increase the more number of e-wallet users in near future. E-wallets and other electronic fund transfer methods are very useful especially, during pandemic conditions and lockdown periods **(RBI Governor 2020)**. There are many players are providing e-wallet services to the customers such as, Google Pay, Paytm, FreeCharge, PayPal, Banking Mobile Wallet Applications, PhonePe, PayUMoney and MobiKwik are few famous digital wallet service providers to customers in India. Further, ewallets will help to eradicate the physical touch during pandemic conditions and eliminates the importance of visiting branch of bank to transfer or remit the money from the bank account during lockdown period.

Literature Review

Anup Kumar et.al, (2017) made an attempt to understand the effect of perceived security and perceived grievance redressal on intention to continue the usage of Mobile wallet in India. The confirmatory theoretical approach has been adopted by researcher conduct empirical investigation on intention to continue the usage of M-wallets. The result supports TAM approach that, perceived ease of use and perceived usefulness have significant and positive influence on perceived security and perceived security and grievance redressal have positive and mediating influence on intention to use M-wallets in a developing country.

Nidhi Singh et.al, (2017) studied the consumer preference and satisfaction among north Indian mobile wallet users through primary survey and questionnaire method. The researchers have adopted empirical and descriptive research design to explore the perception of the respondents the researchers developed the hypotheses to explore the mediating role of age and gender towards perception, satisfaction, usage and preference towards M-wallets of North Indian customers in India. The results supports that age and gender have significant influence on preference and satisfaction of the M-wallet users in the study area. Their study concluded that behavioural intention is the key factor to determine the usage and satisfaction of M-wallet users.

Amit Shankar and Biplab Datta (2018) conducted an online and offline survey to explore the structural equation model for the purpose of factors determining the mobile payment adoption in India. The researcher adopted descriptive and hypothetical research design to test the adoption of TAM in Indian customers' context. The result indicates that perceived ease of use, usefulness, trust and self-efficacy have significant and positive influence on intention to use mobile payment whereas, personal innovativeness and subjective norms do not have significant influence on intention to use mobile payment adoption intention among Indian customers.

Sanuja Shree et.al, (2019) conducted an empirical study to examine the youth behavior towards mobile banking usage intention in Chennai city of Tamil Nadu. The researchers has adopted survey method and structured questionnaire to gather the perception of youth towards mobile banking usage intention. The result indicates that convenience factor, benefits factor, deliberation factor, safety factor and trust factor are the major key factors influencing the usage intention of the youth towards mobile banking in their day-today life.

Bhawna Mukaria and Pranav Mishra (2019) made an attempt to explore the factors affecting the e-wallet user's perception with respect to public sector and private mobile wallet providers in India. The researchers have adopted hypothetical research design and survey method to collect primary data in the form of structured questionnaire from 433 respondents. The Independent Sample t test has been applied by using IBM SPSS software. The results indicates that public sector e-wallet providers has lesser perception has compared to private sector players. There is a significant mean difference in the perception on problems, customer service and personal risk between public sector and private sector e-wallet providers in India.

Debmallya Chatterjee and Kartikeya Bolar (2018) identified different determinants of mobile wallet usage intention in Indian context. The researchers have adopted structured questionnaire to gather the perception of the consumers towards the intentions to use mobile wallets. The principle component analysis method and structural equation modelling approach were adopted by the researchers to test the hypotheses of the study. The result proves that perceived ease of use, compatibility, perceived behavioural control and trust of mobile wallet users have positive influence on intention to use mobile wallets. The researchers concluded that managers and designers should consider mental cost elements to design mobile wallet applications for its customers.

Statement of Problem

The announcement made by the Union Government of nationwide lockdown from 24th March 2020, which made huge transformation, the way business were conducted during lockdown days. The prevention measures of social distancing and to avoid physical touch, to escape from Covid19. Thus, encourages customers to use facility of digital cash transaction and payment methods to avoid unnecessary physical visit and touch to transfer or remit the cash. Hence, people started using digital, mobile and electronic wallets to overcome from pandemic conditions, provides a way to increase cashless transactions in the country. There is a need to understand the usage of digital payments methods and users preference & reasons to use digital cash transactions to overcome the barriers in the effective adoption in aftermath of Covid19.

Objectives of the study
1. To analyze the usage of digital payments during Covid19.
2. To study the demographic profile of the e-wallet users in Guwahati city.
3. To understand the preference and reasons of e-wallet usage among respondents.

Research methodology

The present study adopted empirical research design to investigate the e-wallet user's perception in amid of Covid19 pandemic period. The study period covers the pandemic period and primary data were collected during the month of April – July, 2020. The non-probability convenience sampling technique was adopted to gather the primary respondents from e-wallet users in using online survey. The sample size of 318 was finalized for empirical investigation. For the study, the area of Guwahati city was chosen to study the preference and reasons of users of e-wallet.

Results & Discussion
Digital payments during Covid-19 lockdown

The nationwide lockdown has benefited digital payment platforms as 42% Indians have increased the utilization of digital means for payments for purchasing essentials and mobile recharges are top use cases **(Financial Express, 2020)** for digital payments. Consistent to a survey of 42,000 respondents done by consultancy firm Local Circles, said that Pay Tm and Google Pay are among the highest digital payment apps getting used by consumers. Many retail stores and native general stores are reporting a serious rush and spike so as due to the lockdown and as people purchase and stock essentials to be used during this era. E-commerce platforms, especially the ones delivering groceries have also seen a huge spike in orders for essential goods within the last three weeks with some reporting five times demand. For both retail stores and e-commerce orders, what's common is that a lot of the consumers are now making their payments via digital payment mechanisms and taking contactless delivery **(Economic Times, 2020)** of products where possible. Total digital wallet transactions within the country almost doubled from 124.3 crore in February to 253.2 crore in May this year, consistent with data from Reserve Bank of India. Subsequently, even total value transacted from digital wallets within the country grew from in ₹2,836 crore in February to ₹11,080 crore in May. The Covid-19 pandemic is bringing about a few transformation within the payment habits of Indian consumers almost like what was seen during the ban on high-value currency notes in 2016, consistent with a replacement report by Red Seer Consulting.Digital payment volumes across channels like the Unified Payments Interface (UPI), wallets and cards are set to increase by a further 6% points over subsequent

two years against a base scenario without the virus outbreak. Without the pandemic, the world would have registered a 31% CAGR. As of monetary year, 2020, consistent with the report, the entire value of digital payments across various channels stood at Rs 2,152 trillion. India's digital payments sector, which might have reached Rs 6,464 trillion by fiscal year 2025 at a CAGR of 25%, is now set to register a rate of growth of 27% to succeed in Rs 7,092 trillion in volumes in five years, led largely by increased adoption in mobile-based payments **(Tech. Economics Times, August, 2020).** Those modes of digital payment can be used by the general people according to their convenience of their homes through online channels like mobile banking, internet banking, cards, etc. and avoid using cash which can require getting to crowded places for sending money or paying bills, the regulator urged. RBI Governor on Monday urged Indians to use the available Digital Payment infrastructure of the country so as to scale back the fallout of the Covid19 pandemic **(BFSI, Economic Times, 2020)**. "The RBI and therefore the Government are giving tons of emphasis in encouraging Digital Payments," said Das, taking samples of using NEFT, IMPS and UPI as how to attenuate social contact to hold out transactions. He further added that Banks were advised accordingly to market Digital Payments. According to Bhavik Hathi, Managing Director, Alvarez and Marsal (India), Digital wallets are still not a sustainable standalone revenue model, but can work as an honest enabler to commerce. Hence, used cases are important to create around digital wallets, since refunds can entice customers to form further purchases. The wallet strategy definitely reduces the value of customer acquisition and may be a great way to urge customers to transact instead of throwing large discounts.

Analysis & Interpretation of the table

Table 1 – Demographic profile of the respondents

The above table indicates that, from the total respondents, majority are males persons 61.94% as compared to female ones 38.05%. From the age groups, respondents between 21-30 are 30.81%, 31-40 are 27.98%, 41-50 are 26.41% and above 50 age constitutes the lowest levels i.e., 14.77% and from income levels (monthly wise) respondents below Rs.30,000 are 29.24 followed by between Rs. 30,001-60,000 are 25.47, Rs. 60,001-90,000 are 24.52 and those are above Rs. 90,001 comprises 20.75%. Hence, it is has observed that male people mostly users of e-wallet. The age group of 21-30, especially the youth most prefers the use of e-wallet tools, then rest of the age groups. But those respondents who have low-income levels are good users of the digital payments tools.

Table 1 – Demographic profile of users

Demographic factors		Frequency	Percent
Gender	Male	197	61.94
	Female	121	38.05
Age groups	21 – 30	98	30.81
	31 – 40	89	27.98
	41 – 50	84	26.41
	50 – above	47	14.77
Monthly income levels	Less than Rs. 30,000	93	29.24
	Rs. 30,001- Rs. 60,000	81	25.47
	Rs. 60,001- Rs. 90,000	78	24.52
	Above Rs. 90,001	66	20.75

Source – Primary data

Table 2 – Preference among users of E-wallet

From the above table it is clearly seen that different e-wallet service providers are considered for the analysis and found that among the service providers, Google pay have highly preferred among the users, then followed by others ones. Among them, according to the Mean, first preferable choice is Google pay, followed by PayTm, Amazon Pay, PhonePe, Bank e-wallet and MobiKwik respectively. Thus, the users prefer to use mostly Google Pay to transfer funds or money or any other financial transactions with others.

Table 2 – Preference among users of E-wallet

E-wallet service providers	Mean	Standard deviation
Google Pay	6.377	1.743
PayTm	5.292	1.979
PhonePe	3.689	2.324
Amazon Pay	4.736	2.074
Mobi Kwik	3.406	1.860
Bank mobile wallet	4.094	2.627

Source – Primary data

Table 3 – Reasons to use E-wallet

<table>
<tr><th colspan="3">Table 3 – Reasons to use E-wallets</th></tr>
<tr><th>Reasons</th><th>Mean</th><th>Standard deviations</th></tr>
<tr><td>Safety & security</td><td>4.255</td><td>1.532</td></tr>
<tr><td>Discounts & offers</td><td>3.453</td><td>1.581</td></tr>
<tr><td>Ease of use</td><td>3.764</td><td>1.765</td></tr>
<tr><td>Wide uses</td><td>3.321</td><td>1.671</td></tr>
<tr><td>Payments schedule</td><td>3.425</td><td>1.488</td></tr>
<tr><td>Quick payments</td><td>2.792</td><td>1.855</td></tr>
</table>

Source – Primary data

The table shows the important reasons for e-wallets users, for being use of such digital platforms. It clearly indicate that, safety and security comes first, as it is related with monetary transactions. Next come is how to use or how easy is to use e-wallet, followed by discount & offers provided by the digital tools, payments schedule is an vital part of using strategy to use of e-wallet, thus luring the users to make wide use of these tools. Quick payments feature of these digital tools making the last important reasons among the choice of users to use e-wallets during the situation. Such reasons thus make the users to make a choice to use the digital platforms in times of pandemic outbreak. The users in such a time of outbreak make the use of digital payments tools by perceiving the strict reasons of such a highly innovative and modern technology driven digital payments structure.

Conclusions

The study concluded that, e-wallet users have shown positive intent to adopt. The awareness and importance of e-wallet usage during pandemic conditions has been educated by peers, friends and family members to avoid physical cash transactions in nook and corner of the country. The existing e-wallet users are suggested to create more awareness among others by educating the importance, performance, usage and benefits of e-wallets as compared as traditional payment channels. The view of service providers are of that to improve better design and content to attract more customers towards usage and adoption of e-wallets in their day-to-day life in pandemic and other similar emergency situations. Further, e-wallet is a useful platform to perform cash transactions to escape from Covid19 virus or other similar outbreak and helps to maintain social distancing, avoiding unnecessary standings in long queue and avoiding physical touch during cash transactions. The Government and RBI must take more initiatives to create more awareness among bank customers to use e-wallets during pandemic conditions in the country simultaneously, to inculcate habit of regular usage and acceptance in their day-to-day life.

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