A Study on the Usage of E-Wallets : Before and After COVID-19

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Abstract - E-Wallets are convenient source through which we can transfer cash. Technological development paved a way to focus on using e-wallets rather than paper money. By the out break of Covid-19, more consumers started using these e-wallets as a part of social distancing. So in this paper we aim to find out how Covid effects usage of e-wallets among consumers and how much they are aware of the scams. Data were collected through online surveys and almost 200 responses were received. In the year of 2018, 87% of the population were using e-wallets as payment platform. And by 2022 it increased to 98% it shows how India moves more and more closer to becoming a paperless democracy.

Index Terms : Age, Demographic factors, E-Wallets, Frequency of usage, Gender, Paperless democracy, Type of Wallet

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1 INTRODUCTION

A digital wallet, also known as an e-wallet, is an electronic device, online service, or software application that enables one party to conduct electronic transactions with another party using digital currency units in exchange for products and services. It can include making purchases using a computer or a smartphone in a store. Money can be deposited in the mobile wallet before any transactions are made, or a person's bank account can be linked to the digital wallet in other instances. The wallet may also hold the user's driving licence, health card, loyalty card(s) [1], and other identification documents. Near-field communication can be used to send the credentials to a merchant's terminal wireless. Digital wallets are increasingly being used for applications further beyond basic transactions. In this era of rapid digitalization, technology and science has evolved into a very vast arena. People are seen carrying around the whole banking system as a traditional mobile phone app. But did people really know much about digital transactions earlier? The answer would be yes and no.

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Yes, because several national and foreign banks developed apps to accommodate customers all around the world. No,

because not a lot of customers were aware of the usage. To be able to conduct a survey and to make inferences based on gender, age and geography, one needs to follow a proper methodology. A google form was created and circulated throughout Kerala. The responses obtained were first studied using comparison tests and then fed into the SPSS software.

2 STATEMENT OF THE PROBLEM

Businesses and individuals can use e-wallets to make digital transactions [2]. Pandemic employed expedited innovation wallets to aid with the distancing and prevention of the Covid 19 virus. It also aids India's digitalization ambitions. Consumers are directly impacted by E-Wallets, and these technologies aid in transaction smoothness. Consumers can choose from a variety of e-wallet brands.

3 NEED OF THE STUDY

The need of this study is to identify whether the technology is advanced, services are up to the global standards, security of transactions is ensured [3], different products in the e-wallets are available and whether discounts are provided during the usage of e-wallets, with the help of different choices of e-wallet brands and demographic factors [4].

4 ANALYSIS OF DATA

The acquired data has been divided into five on the basis of,

- Age
- Gender
- Districts
- Type of wallet
- Frequency of usage

5 RESULTS

5.1 E-Wallets Among Different Age Groups

Digital wallets are most commonly used among youngsters who belong to the age group 18-24. Which means, 20.6% of the total respondents belong to this age group and e-wallets are already a common mode of payment among them. A major change that can be noticed here is the rise in percentage of users who belong to the age group 46-50. After the pandemic, a lot of older people have shifted to digital payments to reduce primary contact and thus prevent this deadly virus. After feeding these data into the SPSS software [5], paired t-test was performed.

5.2 E-Wallets Across Different Districts

The highest number of responses came from Thrissur and Ernakulam districts with 30.3% and 29.8% respectively. Malappuram district with 9.6%, Kannur with 7%, Thiruvananthapuram with 6.1%, Kozhikode with 4.8%, Kollam with 3.5% and Kottayam and Palakkad with 2.6% each. The lowest responses were from, Alappuzha (1.3%), Pathanamthitta (0.4%), Kasargod (0.9%) and Wayanad (0.9%).

5.3 E-Wallets Among Different Genders

36.8% respondents are men, 62.7% of them are women and 0.5% is non-binary in the age group 18-35. In the age group 36-50, 85% of the total respondents are women while rest of the 15% are men. Compared to older studies, women have begun to use these mobile wallets more frequently and efficiently.

5.4 Preferred Type of E-Wallet

The survey hosted a question that asked people which e-wallet they preferred and from the results it is very clear that, almost everybody prefers Google pay over other wallets. Google is one of the most trustworthy and oldest brand/website to exist. After Tez was acquired by Google to be further known as Google pay, more than 75% of the population started using this wallet as it gave some a sense of security.

5.5 Frequency of Usage

People who were aware of e-wallets even before the pandemic, only used them rarely, i.e only 11.4% people used e-wallets daily before COVID. 41.7% only used these wallets once a month. Surprisingly, after the pandemic the percentage 41.7% dipped to just 15.4%. Specifically, people more frequently used e-wallets than they used to before the pandemic. From just 11.4%, the number of daily users rose to 27.2%.

6 FINDINGS OF THE STUDY

After feeding the obtained data into the SPSS software, it was observed that the mean age of e-wallet users in the age group 18-35 had fallen down to 22.5750 from 25 (mean as per 2019). But, the mean of second age group 36-50 rose to 45 from 38 (mean as per 2019). If we break this result down, it can be said that compared to early 2019, more youngsters have employed e-wallets now in 2022 and more older people nearing 50 have also begun to practice cashless transactions [6].

7 LIMITATIONS OF THE STUDY

The study was only done in Kerala during the second wave of COVID-19. Data collection was a difficult task. The survey could not collect much data from districts like Wayanad and Kasargode due to a lack of internet connectivity in the outskirts of these districts.

8 CONCLUSION

Coronavirus has deeply affected the country and its economy. It isolated people from the real world inhibiting them to their rooms. E-commerce and digital platforms flourished during these years. This study focuses on the major shift in the usage of e-wallets after the pandemic. Anyone who has a bank account and internet privileges can use digital wallets. Every other store has a scanning code for online transactions. In the results we could see that, post-pandemic people made a conscious effort to only make digital transactions [7]. Numbers rose from 76% to 97.8% which clearly is a huge number. The only concern regarding mobile wallets were the transparency, privacy

and security. If more mobile wallet companies look into lessening these risks, then we sure can make India a digital democracy in the coming years.

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