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Research Paper

A STUDY ON DIGITAL WALLET USAGE STUDY

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ABSTRACT

The rapid growth of digital technology has transformed the way people conduct financial transactions, making digital wallets an essential component of the modern payment system. This study examines the usage of digital wallets by analyzing consumer awareness, adoption patterns, preferences, benefits, challenges, and overall satisfaction with digital payment platforms. The research aims to understand the factors influencing the acceptance and frequent use of digital wallets, including convenience, security, ease of use, cashback offers, and transaction speed. Primary data collected through a structured questionnaire and secondary data from journals, reports, and published literature were used to evaluate user behavior and trends. The findings indicate that digital wallets have significantly enhanced the efficiency of cashless transactions, particularly among younger consumers and urban populations. However, concerns regarding cybersecurity, privacy, internet connectivity, and digital literacy continue to influence user confidence. The study concludes that digital wallets play a vital role in promoting financial inclusion and supporting the digital economy, while continuous technological improvements and enhanced security measures are essential to increase consumer trust and encourage wider adoption.

1.INTRODUCTION

1.1 INTRODUCTION OF THE STUDY

Modern banks play an important role in promoting economic development of a country. They collect savings of large masses of people scattered throughout the country. Which in the absence of banks would have remained ideal and unproductive? These scattered amounts are collected, pooled together and made available to commerce and industry for meeting the requirements. Banks provide necessary funds for executing various programs underway in the process of economic development.

As a servicing industry banks are customer oriented. Customers are the driven power of the bank and it earns profit by providing services to customers. Customers are the persons or institutions that deal with the bank. In general, he who has an account in a bank will be treated as a customer of that particular bank.

To fulfill the demand and impress the customers most of the banks are trying to make their whole banking operation through online platform.

Digital wallet is the demand of the time. It is no longer a “nice to have” but an “impossible to survive with” for all banks. Electronic banking is critical in the transformation drive of banks in areas such as products and services and how they are delivered to customers. Thus, it is seen as a valuable and powerful tool in the development, growth, promotion of innovation and enhancing competitiveness of banks. Given the significant role of electronic banking in the developmental drive of banks, information technology has been found to lead to improvement in business efficiency and service quality and hence attract customers as well as retain them.

Electronic banking contributes significantly to the distribution channels of banks such as automated teller machine (ATM), Phone –banking, Tele- banking, PC-banking and now internet banking. In addition, transfer of funds, viewing and checking savings account balances, paying mortgages, paying bills and purchasing financial instruments and certificates of deposits processes have improved significantly as a result of internet banking. This implies that, electronic banking has resulted in efficiency in service delivery in the banking sector because customers can transact business from one side of the country to another and from both long and short distance.

Electronic banking has transformed traditional banking practices to the extent that it has been found to create a paradigm shift in marketing practices resulting in positive performance in the banking sector.

1.2 NEED OF THE STUDY

All banks compete with each other to attract their customers in different ways through providing convenient, accessible and acceptable services or/and products to their customers. One of the most important of these services is the electronic services that have contributed significantly to increase the distance between costumers and the bank.

Digital wallet was adopted by banks so as to improve their service delivery, decongest queues in the banking hall, enable customers withdraw cash 24/7, aid international payment and remittance, track personal banking transaction, request for online statement, or even transfer deposit to a third-party account. Despite the effort of banks to ensure that customers reap the benefits of Digital wallet, the banks are met with complaints from customers as regards, malfunctioning Automated Teller Machines (ATMs), network downtime, online theft and fraud, non-availability of financial service, payment of hidden cost of electronic banking like Short Message Services (SMS).

1.3 SCOPE OF STUDY

Banking sector is large and difficult area. A bank has different products, Services and customers. This study gives the perception of different class of customers of different age group towards internet banking.

The outcome of this study will help the management of banks to know about the satisfaction levels of the customers using internet banking service and the areas in which they are lagging their customer service.

1.4 OBJECTIVES OF THE STUDY

Main objective

The general purpose of the study is to investigate the customer satisfaction in Digital wallet.

Sub objectives

1) Identify the Electronic banking services offered by banks and its usage by customer

2) Identify customers" level of satisfaction with service delivery given the introduction of electronic banking services
3) Identify the satisfaction to customers for using Digital wallet services.

1.5 RESEARCH METHODLOGY

Nature of study

This is descriptive study and analytical study

Nature of data

Primary data and secondary data

Sources of data

This study uses data collected through questionnaire method and data available from google on internet banking **Sample design**

2.REVIEW OF LITRETURE

INTRODUCTION

This chapter seeks to analyze relevant research documentation and findings essential to improve this research and its capacity to analyze the concerns it seeks to accomplish. Several researches have been carried out on Digital wallet and it is important to examine them in relation to this research topic. This will enhance effectiveness and stimulate an all-inclusive analysis and discussions of critical issue in relation to the topic under consideration.

CONCEPTUAL REVIEW

A conceptual framework is an analytic tool with several variations and contexts. It can be applied in different categories of work where an overall picture is needed. It is used to make conceptual distinctions and organize ideas.

Digital wallet

Digital wallet is the practice of making bank transactions via the Internet. Digital wallet allows us to make deposits, withdrawals, pay bills etc all with the click of a mouse. Digital wallet is one of the few web applications where benefits to customers and banks are already widely proven. It is now no longer a "nice to have" but an "impossible to survive without" for all banks. Digital wallet means a kind of self-help financial services provided by the bank for its clients by the medium of Internet, including account information inquiry, account transfer & payment, online payment, agency services, etc.

3.1 INDUSTRIAL PROFILE

As per the Reserve Bank of India (RBI), India's banking sector is sufficiently capitalised and well-regulated. The financial and economic conditions in the country are far superior to any other country in the world. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well.

Indian banking industry has recently witnessed the roll out of innovative banking models like payments and small finance banks. RBI"s new measures may go a long way in helping the restructuring of the domestic banking industry.

The digital payments system in India has evolved the most among 25 countries with India's Immediate Payment Service (IMPS) being the only system at level five in the Faster Payments Innovation Index (FPII).

Market Size

The Indian banking system consists of 12 public sector banks, 22 private sector banks, 46 foreign banks, 56 regional rural banks, 1485 urban cooperative banks and 96,000 rural cooperative banks in addition to cooperative credit institutions. As of July 2020, the total number of ATMs in India increased to 209,989 and is further expected to increase to 407,000 by 2021.

Public sector banks" assets stood at Rs. 72.59 lakh crore (US$ 1,038.76 billion) in FY19.

During FY16-FY20, credit off-take grew at a CAGR of 13.93%. As of FY20, total credit extended surged to US$ 1,936.29 billion.

During FY16-FY20, deposits grew at a CAGR of 6.81% and reached US$ 1.90 trillion by FY20. Credit to non-food industries increased 3.3% y-o-y, reaching US$ 1.26 trillion on February 28, 2020 and US$ 1.42 trillion on March 13, 2020.

3.2 COMPANY PROFILE

Company Overview

ICICI Bank Limited is an Indian multinational banking and financial services institution. Ranked among India's top private sector banks, it offers a diversified portfolio of financial products and services to retail, SME, and corporate customers through multiple delivery channels and specialized group companies.

- Founded: 1955 (as a development financial institution); ICICI Bank incorporated in 1994
- Headquarters: Mumbai, Maharashtra (Corporate Office); Vadodara, Gujarat (Registered Office)
- Industry: Banking and Financial Services
- Company Type: Public (Listed on BSE, NSE, and NYSE)
- Employee Count: Over 1.3 Lakh (~130,000+) globally
- Website: www.icicibank.com

Key Executives

- Pradeep Kumar Sinha: Part-Time Chairman
- Sandeep Bakhshi: Managing Director & Chief Executive Officer (Recently re-appointed through October 2028)

History & Milestones

- 1955: The Industrial Credit and Investment Corporation of India (ICICI) was formed as a joint venture by the World Bank, Indian public-sector banks, and insurance companies to provide project financing to Indian industry.
- 1994: ICICI Bank was established in Vadodara as a wholly owned subsidiary of ICICI Limited to transition into a diversified financial services group.
- 1999: Made history by becoming the first Indian company and the first bank from non-Japan Asia to be listed on the New York Stock Exchange (NYSE).
- 2001-2002: The parent company (ICICI Ltd.) merged with ICICI Bank in a reverse merger, creating a unified universal banking entity. In the same period, it acquired Bank of Madura in an all-stock deal.

- 2026: Expanding aggressively, the bank surpassed a network of 7,500 branches and consolidated its international presence across 18 countries.

4. DATA ANALYSIS AND INTERPRETATION

Introduction

This chapter deals with the data analysis and interpretation. Data had been collected using questionnaire. Questionnaire had been distributed to random people. Sample had been collected using convenient sampling technique. All the 50 respondents are selected at random.

This chapter is an attempt to analyze the response of people using internet banking. This study also helps to find out the perception of customers towards internet banking.

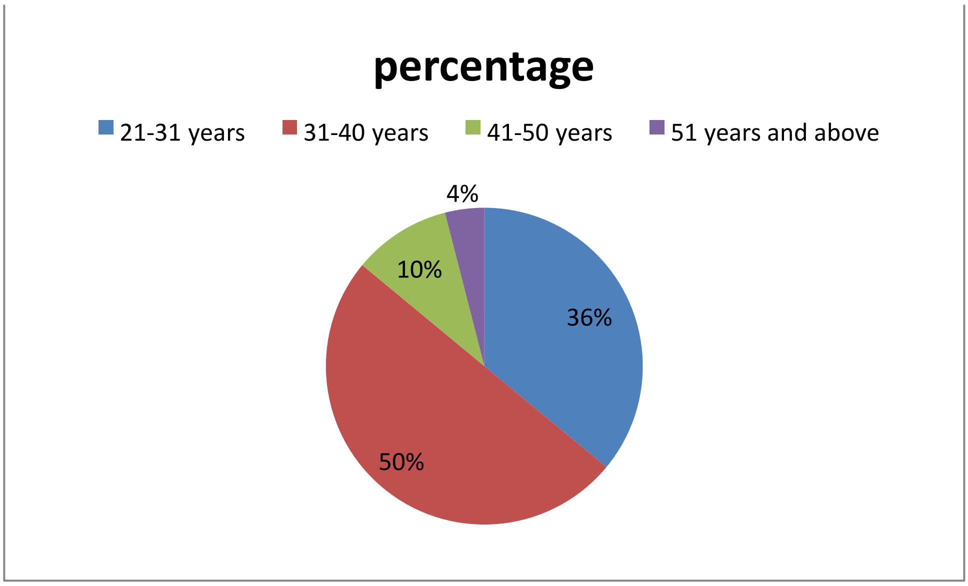
4.1: age wise classification

Age	percentage	Count
21-31 years	36	18
31-40 years	50	25
41-50 years	10	5
51 years and above	4	2

Source: primary data

The above table shows 36% of the respondents are from the age group 21 -31 years, 50% of them are between 31-40 years, 10% are in between 41-50 years category and only 4% of them are included in the 51 years and above category

Fig 4.1 Showing age wise classification



5.1 Findings

1. 100% of the respondents are internet banking users.
2. Majority of the users selected their bank based on their excellent service.
3. Majority of the customers were aware of the Digital wallet services offered by their bank

4. Most of the customers have opened only savings account for their banking needs
5. Half of the respondents are not regular users of internet banking and use it monthly or in a period which extends to more than a month.
6. Most Customers prefer good risk-free service while using internet banking.
7. The most frequently used Digital wallet service by customers is online purchase and payment involved risk.
8. The most important reason for choosing internet banking by majority of the customers was for better convenience.
9. 60% of the customers think online transactions are safe.

5.2 Suggestions

- Risk proof websites are to be created so that the customers will be able to navigate easily through the website because some of the respondents found Digital wallet to be complicated.
- The bank cant ensure the security of Digital wallet by building strong firewalls to protect from hackers and viruses.
- More promotional strategies can be adopted by the bank to make the customers aware of the online services offered by banks because not all the respondents had full awareness.
- Server crashes and slow speed in working was the main problem faced by the respondents; banks can use adaptive technologies to create better servers which won't crash during heavy server traffic.
- Most of the respondents preferred clearer/simpler service instead of rewards so it is better to keep on improving service to provide them hassle free banking experience for more convenient banking.

5.3 Conclusion

This study was conducted to know about the customer satisfaction of Digital wallet services on customers and their satisfaction towards the services offered with reference to Thrissur town. It is clear from this study that all the respondents are users of internet banking services. There are a wide variety of banking services offered online and all the respondents are users of one or the other service.
Majority of the respondents uses internet banking service for online purchase and payment. People prefer internet banking for better convenience and to make banking a hassle-free process. Clearer service has made an impact on users to promote internet banking compared to manual banking. So, we can clearly understand that internet banking plays a tremendous and very important role for the growth of the banking sector.

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