

## Impact of Use of E-Wallets on Saving and Spending Habits of Youth

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**ABSTRACT:Background and objective:** In today's ever changing era, youth of our country also stood upwards in terms of education, technology and financial status. With the change in time, savings and spending habits of youth also changing. This paper is an attempt towards use of e wallets and their impact on current saving and spending habits of youth of Udaipur city. **Methodology:** An exploratory and descriptive research design has used to gain an insight into saving and spending pattern of youth. For the collection of primary data, a structured questionnaire has used based on a Likert scale with personal interview method. **Results:** Results of the study reveals that youth are habitual towards use of digital payments such as net banking and e- wallets. paytm has the highest number of users among youth in Udaipur city but they are still using cash as medium of transactions because of the reason of non-acceptability of E-Wallets by vendors.

**KEYWORDS:** E-Wallets, Youth, Savings, Spending

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### I. INTRODUCTION

Mobile wallet is spreading in Indian economy like wild fire and with every passing day, the popularity of this cashless method is increasing. E-wallet is a convenient, easy-to-use, secure payment system. E-wallets were first introduced with the purpose of mobile recharges. But today, they have become extremely advanced and they offer a range of services which cover almost everything including financial transactions. Here are some of things that one can do using an e-wallet.

- To recharge prepaid phone
- To pay bills for postpaid phones
- To book train, bus and flight tickets
- To pay bills for utility services including electricity, water, gas, landline etc.
- To pay insurance premiums
- To book hotel rooms
- To transfer money from bank account
- To transfer money to an e-wallet of friend or family member
- To pay fees for school and college
- To purchase movie tickets
- To purchase goods online

**Paytm:** It is one of the most popular e wallet used in India. Reserve bank of India approved and authorized, this is one of the most versatile mobile wallets present in India.

**Mobikwik:** It offers host of payment options and had partnered with many popular and well known brands in market. This e-wallet authorized and approved by RBI.

**BHIM app:** Bharat Interface for Money (BHIM) is a mobile payment app launched by Prime Minister Narendra Modi. The app supports all Indian banks. It allows the user to instantly transfer money between bank accounts of any two parties. It can be used in all mobile devices.

**Amazon Pay app:** Amazon offers a trusted and convenient way to shop online using Amazon Pay for electronic orders. Amazon Pay balance has the benefits of instant checkout, balance tracking, faster balance tracking, faster balance refund, adding gift etc.

**TEZ app:** TEZ is a app developed by Google. It is a new way of mobile payments. TEZ Is useful and convenient when paying for purchases in India or making transfers to friends and family.

**Phone pe (used by Flipkart):** Phone pe is a financial technology company. It provides an online payment system based on Unified Payments Interface (UPI).

**Future pay (shopping Malls):** Future pay is a digital wallet for shopping across future groups such as Big Bazaar, Easy day, Brand Factory etc.

**ICICI pockets:** It is a VISA-powered e-wallet, that customer of any bank can use to recharge mobile, send money, shop anywhere, pay bills and much more.

**SBI Buddy:** State bank of India (SBI) introduced an e-wallet named SBI Buddy to promote cashless transactions amongst the citizens of the country.

**Vodafone M-pesa:** M-pesa is a mobile phone based money transfer. It allows users to deposit, withdraw, transfer money and pay for goods and services easily with a mobile device.

**HDFC pay Zapp:** It is a complete payment solution, giving us the power to pay in just one click. With this app, we can shop; buy tickets, book hotels, shop online and many more.

## II. LITERATURE REVIEW

S.NO.	AUTHOR	YEAR OF PUBLICATION	RESEARCH TOPIC	RESEARCH METHODOLOGY	FINDINGS AND CONCLUSION
1.	Joshi, Purohit D.N., Vyas	2019	Increase in number of online services and Payments through Mobile Applications Post Demoneytization.	Descriptive type of research.  Research is based on primary as well as secondary data.  Primary data is through questionnaire.  Sample size was 500.  Percentage analysis was used.	People used to pay in cash rather than opting digital payments.  Lack of knowledge and Internet illiteracy is one of the main reasons.
2.	T. praiseye & Dr. Florence john	2018	A study on Consumer Preference towards Mobile wallet	Primary data was collected through structured questionnaire.  ANOVA and frequency analysis were used.  SPSS 20 was used.  Sample size was 500.	After Demonetization Mobile wallet is popular.  Internet problem is a big issue.  People are not willing to pay extra charges.
3.	G. Udhayaraj, D. Jocil	2017	A Study on “ Electronic Payment System” – E Wallet	Descriptive research	E-Wallet is convenient, easy to use, secure payment System.
4.	Dr. Indrajit Sinha	2016	Mobile Wallet service Utilisation in India : emperical analysis of user trust and acceptance factors	Questionnaire is designed.  Multiple Regression technique is used.  Sample Size: 284 Students.	Mobile Wallet service should be quite easy to operate and to adopt.  Users must Realize that there lot of utility and benefits of using new Technology.
5.	Dr. Ramesh Sardar	2016	Preference towards Mobile wallets among Urban population of Jalgaon city	Both qualitative & Quantitative technique used.  Sample size: 60 respondents from urban population.  Percentage, T test and Chi-Square used.	Security system should get strengthen.  Wallet companies may introduce credit facility to loyal customers.

### Research Gap

Various researches have been done on observing pattern of savings and expenditures of individuals including youth. Youth are the one who are familiar with modern banking technologies. From earlier statistical data it has been revealed that youth contributes a huge percentage of total population using modern banking

services. Also many studies have been done on use of e wallets, its challenges and prospects in our country. We found a gap that still none of the study ever done to know the impact of e wallets in savings and expenditures especially with respect to youth of Udaipur city. So, this study tries to fill the entire existing gap.

**Research Objectives**

- To study the savings & spending pattern of youth in Udaipur city.
- Use of E-wallets among youth.

**HYPOTHESIS**

H<sub>1</sub> Youth of Udaipur city is habitual towards use of E- Wallets.

**III. RESEARCH METHODOLOGY**

• **Research design and procedure-**

An exploratory and descriptive research design was used to gain an insight into saving and spending pattern of youth of Udaipur city.

• **Tools for data collection-**

For the collection of primary data, a structured questionnaire was used based on a Likert scale with personal interview method.

• **Sampling unit and Sample size-**

The sampling unit under this study includes the youth of Udaipur city which are between the age group (18-30). The sample size used was 100 respondents which are at least under graduate in any stream.

• **Sampling technique-**

The sampling technique used under the study was justified random sampling by taking a personal interview among youth.

• **Data analysis and interpretation-**

Once the data is collected, it needs to be analyzed and interpreted on the basis of the questionnaire collected from various respondents. Primary data were analyzed using percentage and ranking.

\* **Conceptual definition:**

According to national youth policy 2014, youth are defined as those aged from 15-29, This age group consists 27.5% of India's population.

**IV. DATA ANALYSIS AND INTERPRETATION:-  
DEMOGRAPHIC PROFILE OF THE RESPONDENTS**

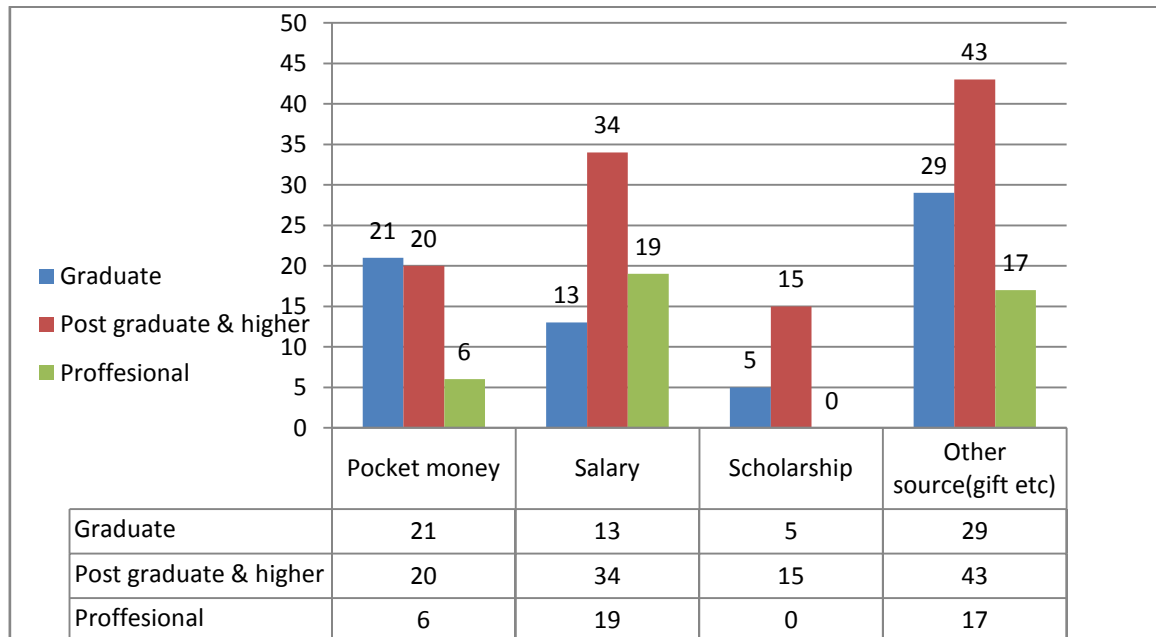
(TABLE-1)

S. No.	Demographic Factor	Frequency	Percent
<b>AGE</b>			
1	18-22 years	13	13.13%
2	22-26 years	57	57.57%
3	26-30 years	29	29.29%
<b>LITERACY LEVEL</b>			
3	Graduate	32	32.32%
4	Postgraduate and Higher	48	48.48%
5	Professional	19	19.19%
<b>MARITAL STATUS</b>			
1	Married	24	24.24%
2	Unmarried	75	75.75%
<b>MONTHLY INCOME</b>			
1	< 5000 Rs	7	7.7%
2	5000-10000 Rs	9	9.9%
3	10000-15000 Rs	15	15.15%
4	15000-20000 RS	11	11.11%
5	20000-25000 RS	19	19.19%
6	25000-30000Rs	16	16.16%
7	>30000Rs	22	22.22%

**Table 1** describes the demographic profile of respondents. It has further classified into 4 sections. The above table shows that out of 99 respondent's only 13 percent are between 18-22 years of age, 57 percent of

them are between the age group of 22-26 years and approx 29 percent of respondents belongs to the age group of 26-30 years. Approx 32 percent were qualified up to the graduate, 48 percent are postgraduate and 19 percent were professionally qualified. Out of which 25 percent of them are married, almost 75 percent are unmarried. Only 7 percent of respondents belongs to monthly income group of less than 5000, 9 percent of them belongs to Rs.5000-10000, 15 percent of them belongs to Rs.10000-15000, 11 percent of them belongs to Rs.15000-20000, 19 percent of them belongs to Rs.20000-25000, 16 percent of them belongs to Rs.25000-30000 and 22 percent have a fixed monthly income more than Rs.30000.

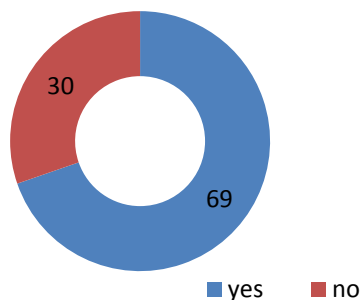
**SOURCE OF INCOME  
(CHART-1)**



**Chart-1:** It is clearly stated from the above chart that, total respondents are divided into 3 categories i.e. **graduates, post graduates and professionals**. Major source of earning for graduates and post graduates is from other sources, such as gifts, cash prizes etc. Major source of earning for professionals is their salary income.

**CHART-2**

### Do you have Savings?

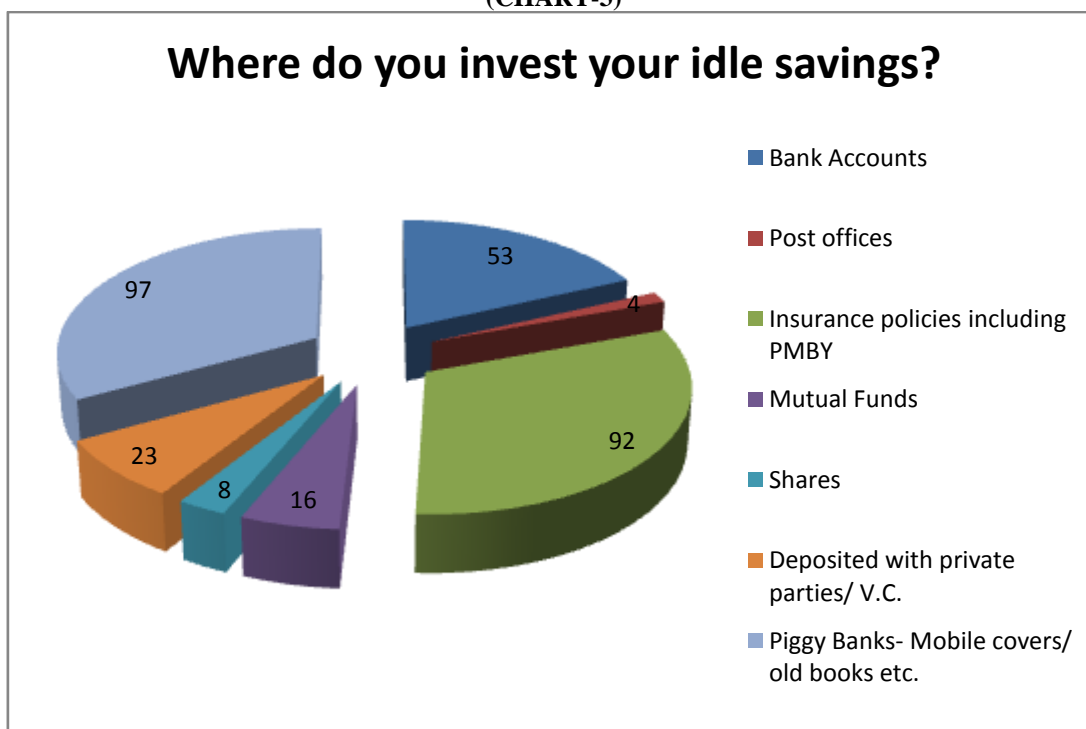


Out of the total respondents selected as youth, approx 70 percent of them have savings i.e. their expenses are less their income.

**TABLE-2**

Where do you invest your idle savings?	YES
Bank Accounts	53
Post offices	04
Insurance policies including PMBY	92
Mutual Funds	16
Shares	08
Deposited with private parties/ V.C.	23
Piggy Banks- Mobile covers/ old books etc.	97

**(CHART-3)**

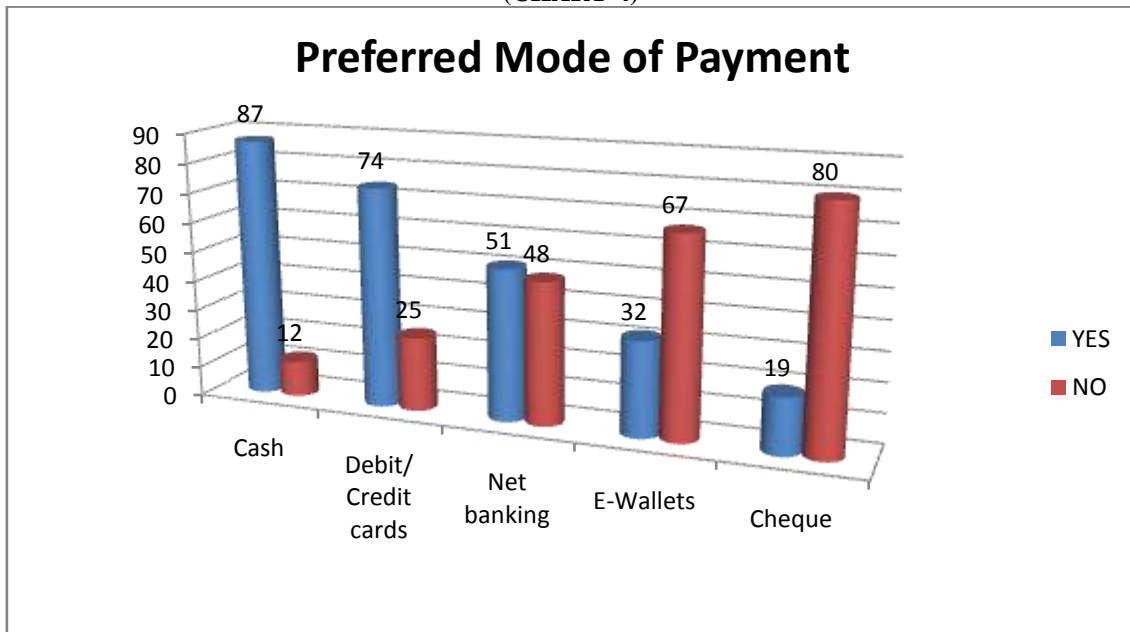


Above chart and table describes that youth mainly invest their part of savings in bank accounts, insurance policies and in piggy banks. Very few of them invest their idle savings in mutual funds and shares.

**(TABLE-3)**  
**PREFERRED MODE OF PAYMENT FOR TRANSACTIONS**

Choices given	Count		
	Yes	No	Total
Cash	87	12	99
Debit/ Credit cards	74	25	99
Net banking	51	48	99
E-Wallets	32	67	99
Cheque	19	80	99

(CHART-4)



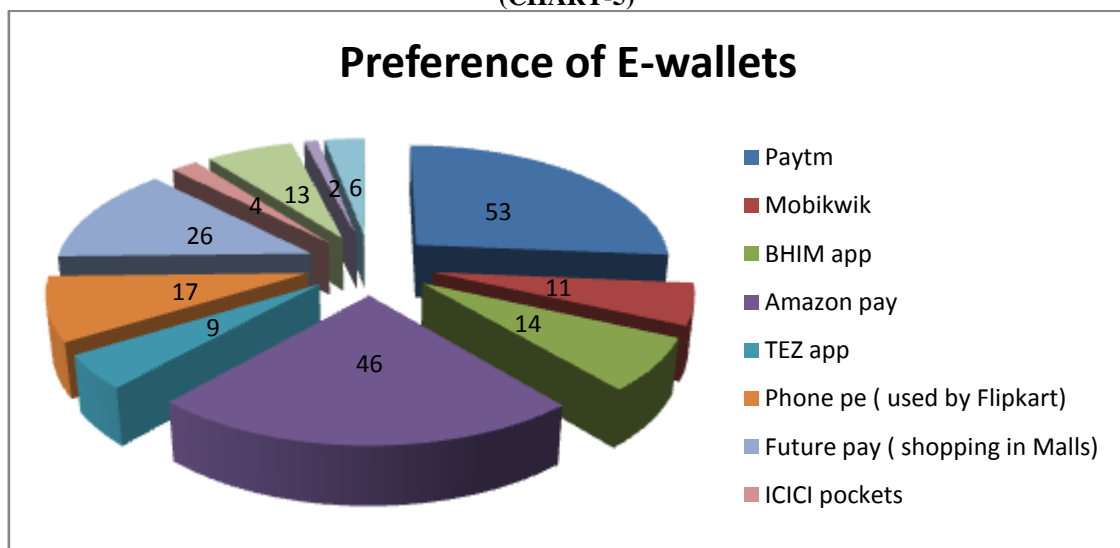
Above table and chart shows that respondents generally prefer cash payments and payments through debit / credit cards but they are also shifting from cheque to the use of net banking and E wallets for their daily transactions.

(TABLE- 4)

PREFERENCE OF E-WALLETS

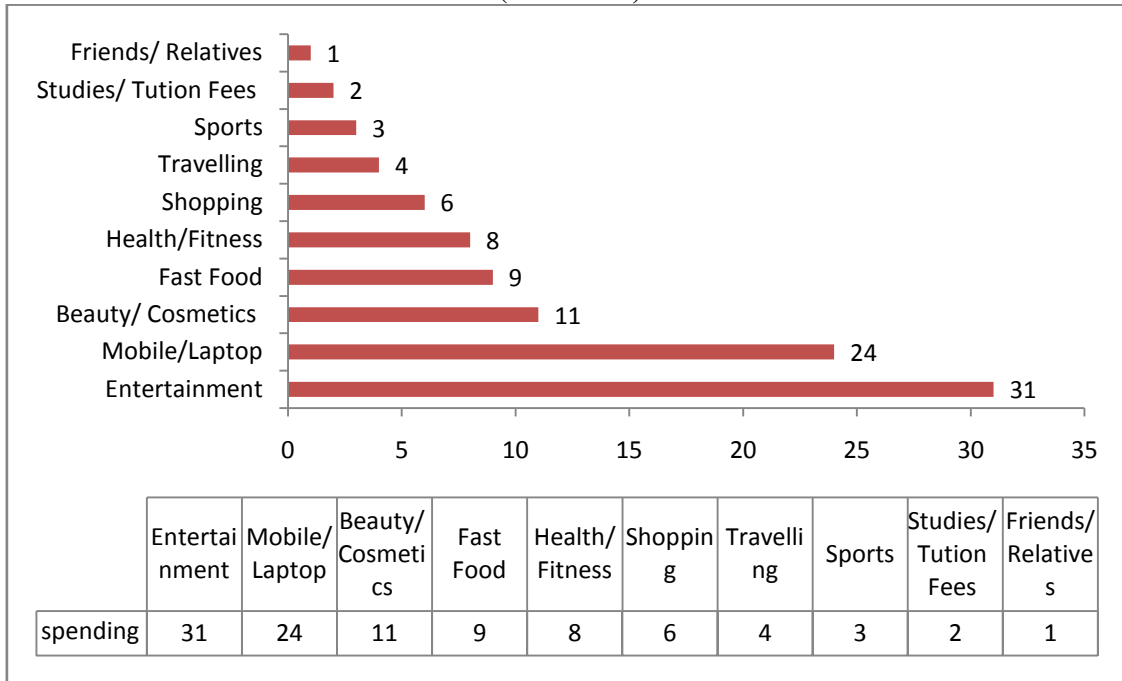
Which type of E wallets you generally prefer?	YES
Paytm	53
Mobikwik	11
BHIM app	14
Amazon pay	46
TEZ app	09
Phone pe ( used by Flipkart)	17
Future pay ( shopping in Malls)	26
ICICI pockets	04
SBI Buddy	13
Vodafone M-pesa	02
DFC pay Zapp	06

(CHART-5)



Above table and chart describes that youth of Udaipur city is more habitual towards use of Pay tm as an E wallet instead of others.

**PREFERENCE REGARDING USAGE OF E-WALLET  
(CHART- 5)**

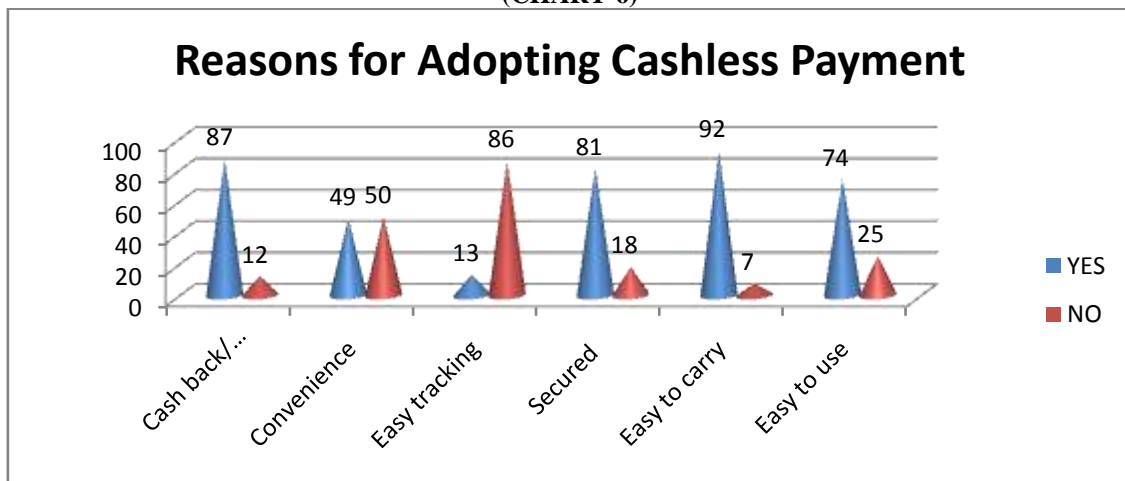


Above table states that E wallets are generally preferred by youth for the payments on entertainment, mobile/laptop and cosmetic expenses. Their least expenditure through e wallets is on friends/ relatives.

**(TABLE-5)  
REASONS FOR ADOPTING CASHLESS PAYMENT SYSTEM**

CHOICE	COUNT	
	YES	NO
Cash back/ Rewards	87	12
Convenience	49	50
Easy tracking	13	86
Secured	81	18
Easy to carry	92	07
Easy to use	74	25

**(CHART-6)**



Above chart clarifies that E-wallets are easy to use and carry, these two are the main reasons which motivates youth to adopt cashless payment system.

**(TABLE-6)**  
**PROBLEMS WHILE USING CASHLESS PAYMENTS**

Choices given	Count	
	Yes	No
Security	26	73
Internet problems	12	87
Add on cost	23	76
Lack of technology know how	37	62
General acceptance	71	28

Above table states that general acceptance is one of the main problems of youth to adopt cashless payment system.

**Findings:-**

1. Larger number of respondents consists of the age group between 22-26 years, to increase the popularity and use of E-Wallets among them, universities or organizations must plan digital education as a compulsory subject in academic courses.
2. E-Wallet companies may also provide some sort of discounts or rewards to attract young users.
3. Some workshops or seminars must be conducted time to time by institutions or governmental organizations to give youth a chance to face real life challenges while adopting digitalization in their daily habits.
4. Many of the respondents selected as youth for study are unmarried and they have savings but still they are not investing their savings in a proper way.
5. Banks and insurance companies must prepare some attractive policies specially meant for youth between 20-25 years, because this is the stage where they are earning, have knowledge and future plans.
6. Very few of the respondents have a fixed income in form of salary, others are still dependent on other sources such as gifts, grants, scholarships etc.
7. It is suggested for insurance companies and banks to attract this irregular income group of youth by some half yearly or annual plans with low premium.
8. Two third of the respondents have savings but still very few of them invest their idle savings in Share markets and Mutual funds. It is suggested for investment companies that they must create a pool of these small investors and help them in earning returns.
9. Most preferred mode of payment for daily transactions among youth is cash, this is just because of the reason that youth of Udaipur city are lacking in technology know how.
10. Many of the respondents wants to move towards digitalization and use E-Wallets but general acceptance is the main problem they are facing while using cashless payment options.
11. Youth generally preferred E Wallets mostly for the transactions related to entertainment such as movies and parties.
12. The main reason among youth for adopting cashless payment system is easy to carry, cash backs and rewards.
13. Mostly preferred E-wallet among youth of Udaipur city is Pay tm.

**V. CONCLUSION:**

India has the relative advantage at present over other countries in terms of distribution of youth population. Respondents' selected for study are youth which are at least graduates so they have knowledge and Awareness about latest technology. They have sufficient sources for income, either regular or irregular. They are also using E wallets for their transactions and they are shifting from traditional to modern digitalized options for financial transactions by adopting cash less payments. But still major portion of them use cash as their medium for payments just because of the reason that many vendors does not prefer E-wallet as an option to pay. Very few of the respondents selected for the study are unaware about latest technology and they don't want to opt E-Wallet for cashless banking transactions.

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