International Journal of Scientific Research in Engineering and Management (IJSREM)
Volume: 06 Issue: 01 | Jan - 2022 ISSN: 2582-3930

A Study on Perception of Mobile Payment Service among College Students

Uma Maheswari B[1], Sujatha R[2], Kavitha D[3], Yogesh S[4], Vimalanathan K K[5]

[1] *Associate Professor, PSG Institute of Management, Coimbatore, India*
[2] *Associate Professor, PSG Institute of Management, Coimbatore, India*
[3] *Associate Professor, PSG Institute of Management, Coimbatore, India*
[4] *PG Student, PSG Institute of Management, Coimbatore, India*
[5] *PG Student, PSG Institute of Management, Coimbatore, India*

Abstract - Due to the rapid increase in the development of mobile phone technology, there has been a drastic increase in the number of smart phone users across the globe. People are using smartphones for peer-to-peer communication as well as for merchant transaction, thanks to the advent of mobile banking. Most of the people who were using traditional ways to transfer money have gradually started to use mobile payment applications. In India, demonetization has fuelled the growth of cashless transactions. This was followed by the pandemic in 2020, which pushed the usage of mobile payment applications. Eventually, the Indian Government's Unified Payments Interface which is a new layer on existing IMPS (Immediate Payment Service) was established and with that Google Pay, Paytm, PhonePe became prominent. Hence there is a need to understand the spending pattern of consumers and their usage of mobile payment applications. This study employed a survey based approach among college students. The results indicate that students use the payment applications mainly for mobile recharge and transferring money to their peers. Majority of feel confident and safe to provide their bank details to the payment applications and willing to use them in future.

Key Words: smart phones, mobile payment applications, perception, students, India

1. INTRODUCTION

Through the 'Digital India' initiative, the Government started promoting through some slogans like "Faceless, Paperless and Cashless". This push has seen a variety of support from the Indian Government and some private companies. A recent report by Redseer Management Consultants says that India's digital payment market is worth about 2160 trillion rupees with 160 million users in 2019-2020. This market is predicted to grow nearly thrice its current size to 7092 trillion rupees with about 800 million users by 2025. In the analysis given by Redseer, there has been a 78 percent increase in digital payments at grocery stores because of the safety digital payments provide because of Covid, making people prefer contact-less payments to cash today. Likewise, some famous apps like Google Pay, PhonePe, Paytm, Amazon Pay, WhatsApp Pay, Mobikwik, Oxigen service, Freecharge, Yono by SBI, HDFC PayZapp, ICICI Pockets and online transfers like IMPS, NEFT and RTGS have helped make this transition smooth by providing us with rich user experience in this platform.

2. LITERATURE REVIEW

It has been said that every disruption creates opportunities and one such disruption is demonetization on 08 November 16, 2020. Demonetization creates huge opportunities for digital wallet/digital payments (Eswaran, 2019). Eswaran (2019) explained the reasons for the adoption of a digital wallet. Convenience and speed of the transaction are the benefits of the customer using mobile wallets. Information distributed from the reserve bank of India recounts an announcement of a monstrous blast in both selection and utilization of a portable wallet as a transaction method (Gupta, 2019). The advancement of technology had risen the growth of m- payment system where goods and services have been transacted without using physical contact way of transactions. The growth of m-wallet and their transactions positively contributes the economic growth and cashless transaction. (Sarika & Vasantha, 2019). The mobile wallet provides the consumer's convenience to buy the products online with greater ease after the demonetization in India. This paper is about the consumer's preferences and the identification of factors influencing the adoption of mobile wallets in Kanchipuram district, Tamil Nadu (Bai, 2019). India rapidly stepping towards the digital revolution. In the future, the economy will be driven by the cashless transaction. The main factors considered in the model are attributes received by the respondent and education level (Darshan et al., 2019). The attitude of the common people about the development of mobile payment has positively increased from year to year (Kavitha & Kannan, 2020). The solutions for the mobile payment apps have been updated occasionally for the convenience of the users.

Many mobile payment apps have developed for the users' comfort and most of the users are this generation of students. The students require speed and comfort in the transaction of the money. The cashless transaction system has been introduced in the universities for the payments and it saves the parents' time in standing in the queue. (Jain, 2017). The publicity and the environment in which we live play a role in behavioural intention on the adoption of mobile payment services (Prabhakaran et al., 2020). The variables, risk, security, and trustworthiness in the services explain the adoption of mobile payment services (Deka, 2020). The increased usage of mobile phones and the development of technology are the main reason for the change in the consumer lifestyle. It is focused on the consumer perception of mobile wallet users and whether they are satisfied with online transaction services. The alteration from the electronic payment mode to mobile payment mode has developed more in India (Singh Sambhy, 2014). The payment transaction happens more in cities and mostly in the urban consumer markets. Mobile payment apps are used in almost most of the product and service categories (Tejas, 2019).

Even though the mobile payment service has developed there are some problems among the users, the service provider should focus on frictionless and secured payment solutions (Sharmila, 2019). In the industry circle,

mobile payment services are frequently used in the IT sectors. The employees of the IT sector pay the bill mostly through online payment and mobile payment services. The fresh graduates in the IT sectors are habitually using the services. The usage of mobile payments for purchasing goods and services, refraining determinants influence mobile payments among the students (Rana, 2017). In our daily life, the smartphone plays an important role and technological development has made a greater contribution to the mobile wallet and smartphone users can make transactions by using a payment application (Vijai, 2019). Each bank is using technology to improve their turnover and ease transactions. Now the people are using mobile payment for the easy way of the transaction and it made the banks to involve and develop the new mobile payment apps. Trust, perceived use, consumer perception, and behaviour intention on the utilization of mobile wallet among the college students (Tiara et al., 2019) and the awareness among the students about the mobile payment services (Kokila & Gokul Krishnan, 2019).

3. RESEARCH RATIONALE

Mobile payments have changed the way in which people transact, shop and pay their bills. Students belonging to this generation have grown up using smart phones and laptops. A thorough review of literature shows that many studies so far have covered the general perception about mobile payment applications and their usage. This study specifically covers the student's perception on mobile payment applications. The objectives of this study is to,

- Understand the perception of mobile payment applications among the college students
- Comprehend the impact of demographic variables on mobile payment applications
- Analyze of spending pattern and usage of mobile payment applications

4. METHODOLOGY

This study is about students who use mobile payment applications for payment of utilities, bills and money transfers. The sample size of this project is 465 and the target respondents were students doing under graduation, post-graduation and doctoral studies in various colleges in the city of Coimbatore, India. A structured questionnaire was developed to collect data for the study. The data collection period was during the lockdown where more and more users had become comfortable in processing payments through mobile applications. The questionnaire was circulated through mails to 600 students and the follow up was undertaken through phone calls. 470 responses were received, out of which 5 responses were incomplete and therefore not suitable for further analysis. With a response rate of 77.5% the data was further analyzed.

5. ANALYSIS AND DISCUSSION

Table -1: Demographic profile of the respondents

Variables	Categories	Count	Percentage (%)
Age	17-25	437	94
	26-30	16	3.4
	31-40	6	1.3
	40-50	6	1.3
Gender	Male	197	42.3
	Female	267	57.4
	Others	1	0.21
Education status	Under graduate	340	73.1
	Post graduate	105	22.6
	Ph.D.	14	3.01
	Government jobs	1	0.2
	Others	5	1.07
Type of stay	Day scholar	226	48.6
	Hostelite	239	51.3

The data shows that 94% of the respondents are between 17-25 years of age. 57.4% of the respondents are female and 73.1% are undergraduate students and 22.6% are post graduate students. Almost equal representation of day scholars and hostelites were seen among the respondents.

Table -2: Frequency of using mobile payment apps

Frequency	Count	Percentage
Daily	90	19.35
Weekly	115	24.73
Monthly	169	36.34
I do not use the mobile payment apps	91	19.56

The data shows that majority of the respondents use mobile payment apps on monthly basis rather than daily or weekly basis. It was also found that 19.56% of the respondents did not use mobile payment apps.

Table -3: Usage of mobile payment applications

Mobile Payment Applications	Percentage
Google pay	34
Phone pe	17
Paytm	15
Amazon pay	6
Mobikwik	1
CRED	1
WhatsApp pay	2
UPI/BHIM	11
SBI Yono	5
ICICI Pockets	2
Others	6

The analysis indicates that the majority of the respondents (34%) used Google pay, followed by Phone pe (17%) and Paytm (15%) as their prime app for making payments online.

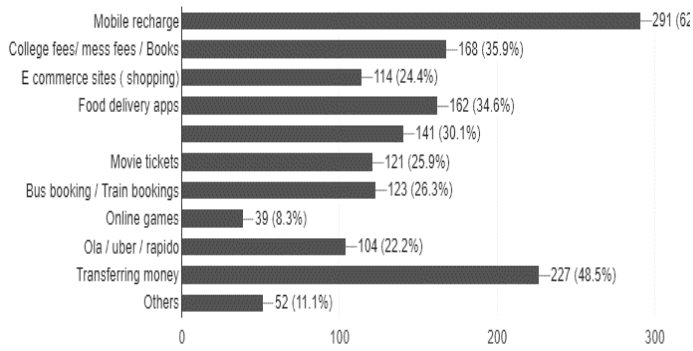

Fig -1: Purpose of mobile payment applications

Further analysis was done to understand the purpose for which the mobile applications were used. The analysis is presented in Fig 1. Majority of the respondents used mobile payment apps for recharging mobile phones, transferring money peer-to-peer, and in recent times people have started using them for paying college fees and on food delivery apps. The least application was for online games. Analysis was also done to understand the association between demographic variables such as age and gender of the respondents on the usage of payment apps.

purpose

Gender	Age	Bus Booking/..	College fees/ mes..	E-Commerce..	Food Delivery ..	Hotels/R..	Mobile Recharge	Movie Tickets	Transferring Money	Online Games	Ola/Uber/..	Others
Female	17-25	49	103	56	74	69	140	36	103	16	44	29
	26-30		1	2	2	2	4		3		1	1
	31-40	2	2	2		2	3		3			2
	40-50		1			1	1		1	1		
Male	17-25	67	56	50	79	62	131	80	111	19	54	16
	26-30	4	1	3	4	1	6	3	2	1	1	1
	31-40		2		1	1	3	1	1	1	2	
	40-50					1	1		1	1	1	1
other	40-50											1

Fig -2: Gender wise mobile payment usage

The analysis showed that majority of Female respondents in the age group of 17-25 years used mobile payment apps for transfer of money, paying the college fees, and mobile recharge. On the other hand, the male respondents used mobile payment apps for mobile recharge, transfer of money, movie tickets and food delivery apps.

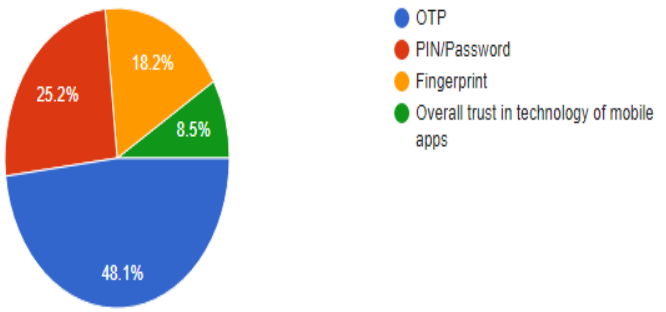

Fig -3: Security in mobile payment apps

Security is an important consideration for all people who use online payment modes. The respondents were questioned about the preference among the different security options available in terms of One-time password (OTP), Personal Identification number (PIN) and biometric parameters like finger print. The study reveals that 48.1% of the respondents preferred OTP as a reliable measure for the security of their transactions followed by 25.2% of the respondents preferring PIN as against 18.2% preferring Fingerprint.

Table -4: Reasons for shifting towards mobile payment apps

Reason	Count	Percentage
Easy and fast way to make payments	128	27.5
No need to carry huge cash	107	23
24*7 transfer	80	17.2
Time saving	62	13.33
Cashbacks/rewards	39	8.4
Easy to track the record of payments	33	7.1
Discounts	16	3.4

The study showed that 27.5% of the respondents preferred mobile payment apps as it is easy and a quick way of making payments. They also believed that mobile payment apps would save them the hassle of carrying huge cash and give them the advantage of using these applications round the clock.

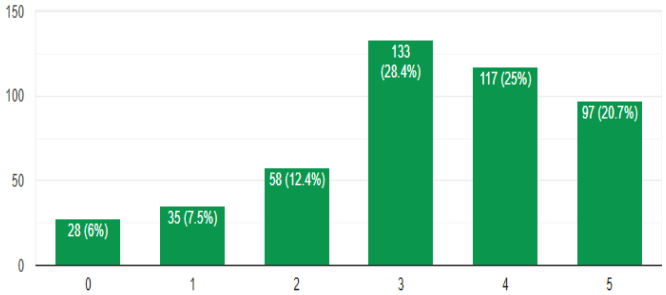

Fig -4: Confidence in mobile payment apps

The analysis shows that the majority of the students (45.7%) are comfortable and confident about sharing their bank data with the mobile payment application providers.

Table -5: Reasons for not using contactless payment method

Reasons	Count	Percentage
Don't know much about this	221	47.52
Never heard about this	135	29
Credit/debit cards does not work for contactless payments	80	17.2
Others	29	6.23

This analysis shows that majority of the respondents(76.52%) were not aware and had never heard of the payments done using near field communication(NFC) facilitating contactless payments.

Table -6: Monthly spending pattern

Purpose	0 - 1000	1000-2500	2500-5000	5000-10000	> 10000
Mobile recharge	402	45	17	0	4
E-commerce	350	85	23	6	4
Food delivery apps	360	79	24	2	3
Hotel/restaurants/mall	314	93	40	12	9
Movie tickets	375	66	19	3	5
Transferring money	262	87	77	16	26
Online games	406	36	16	7	3
Ola/Uber/Rapido	385	55	19	7	2
Bus/train tickets	345	88	22	5	8

The analysis shows that for micro payments less than Rs1000/- the respondents used mobile payment apps for online games and mobile recharge. For payments between Rs1000-2500/-, the respondents used mobile payment apps for payment of restaurant bills, shopping and for purchase of bus/train tickets. If the value of the transactions were between Rs2500-5000/-, the respondents preferred mobile payment apps for transferring money to their peers and for payment of restaurant bills/shopping. If the value of the transactions were beyond Rs5000/- the payment apps were mostly used for transferring money.

6. CONCLUSION

The study was conducted to understand the perception of students regarding mobile payment application usage. The study found that students found it more convenient and easier to use mobile payment apps than traditional payment methods. Additionally, more students are using mobile for smaller transactions and in the case of larger transactions, it was used for transfer of money. Overall students prefer Google Pay, Paytm and PhonePe for mobile payments. Most of the respondents were not aware of NFC payments and its usage was found to be rare. Many students find payments apps preferable due to the convenience of usage. Interestingly majority of the students felt that it was safe to provide bank details to the payment application providers. This study shows the penetration of mobile payment apps among the younger generation, who would be potentially using them for more purposes in the future. Policy decisions relating to the financial inclusion has paved way for many people to operate bank accounts. This along the smart phone penetration has facilitated the increasing usage of such mobile applications which has dramatically increased during lockdown. This study gives a lot of insights about the usage, spending pattern and perception regarding the mobile payments. This would help the application providers to position their application in an increasingly competitive mobile payment market.

REFERENCES

1. Bai, s. Archana. "A study on consumer preference of mobile wallet in Kanchipuram district."
2. Darshan, E. Murali, and Harsh Kumar Agarwal. "Variables leading to growth of e-wallets and favouritism towards digital payment mode."
3. Deka, Pradeep Kumar. "Intention to use mobile wallet by youths in northeast India." *Journal of Management in Practice (Online Only)* 5, no. 1 (2020).
4. Eswaran, K. Kamatchi. "Consumer perception towards digital payment mode with special reference to digital wallets." *Research Explorer* 22 (2019).
5. Gupta, Anubhuti. "Rise and Evolution of Mobile Wallets in India." *International Journal of Management, IT and Engineering* 7, no. 11 (2019): 194-214.
6. Jain, Paras. "Cashless system of colleges in India." *International Journal of Social Sciences and Humanities (IJSSH)* 1, no. 3 (2017): 1-7.
7. Kavitha, K., and Dr D. Kannan. "Factors Influencing Consumers Attitude towards Mobile Payment Applications." *international Journal of Management* 11, no. 4 (2020).
8. Kokila, M. S., and Dr S. Gokula Krishnan. "An Empirical study on the awareness and usage of payment Banks among College students in Bangalore city." *International Journal of Research* 8 (2019).
9. Prabhakaran, Sarika, Dr S. Vasantha, and P. Sarika. "Effect of social influence on intention to use mobile wallet with the mediating effect of promotional benefits." *Journal of Xi'an University of Architecture & Technology* 12, no. 2 (2020): 3003-3019.
10. Rana, Shailendra Singh. "A study of preference towards the mobile wallets among the university students in Lucknow City." *Scholedge International Journal of Management & Development* 4, no. 6 (2017): 46-57.
11. Sarika, P., and S. Vasantha. "Impact of mobile wallets on cashless transaction." *Int. J. Recent Technol. Eng* 7, no. 6 (2019): 1164-1171.
12. Sharmila, K. "A critical evaluation of mobile wallet in Chennai city."
13. Singh Sambhy, Gurpreet. "Study of Mobile Payment Services in India: Distribution of the roles, responsibilities and attitudes amongst actors of the payment systems." (2014).
14. Tiara, Oza Rahmah, and Osly Usman. "Effect of Trust, Perceived of Use, Consumer Perception, and Behavior Intention on the Use of Digital Wallet among College Students." *Perceived of Use, Consumer Perception, and Behavior Intention on the Use of Digital Wallet Among College Students (December 25, 2019)* (2019).
15. Tejas, D. A. V. E. "Consumer acquaintance and perception about mobile wallets in Indian urban consumer markets." *International E-Journal of Advances in Social Sciences* 5, no. 13 (2019): 233-239.
16. Vijai, C. "Mobile wallet and its future in India." (2019).