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A Study on Millennials and Generation Z's Attitude and Usage of E-Transaction and Mobile wallets in Mumbai

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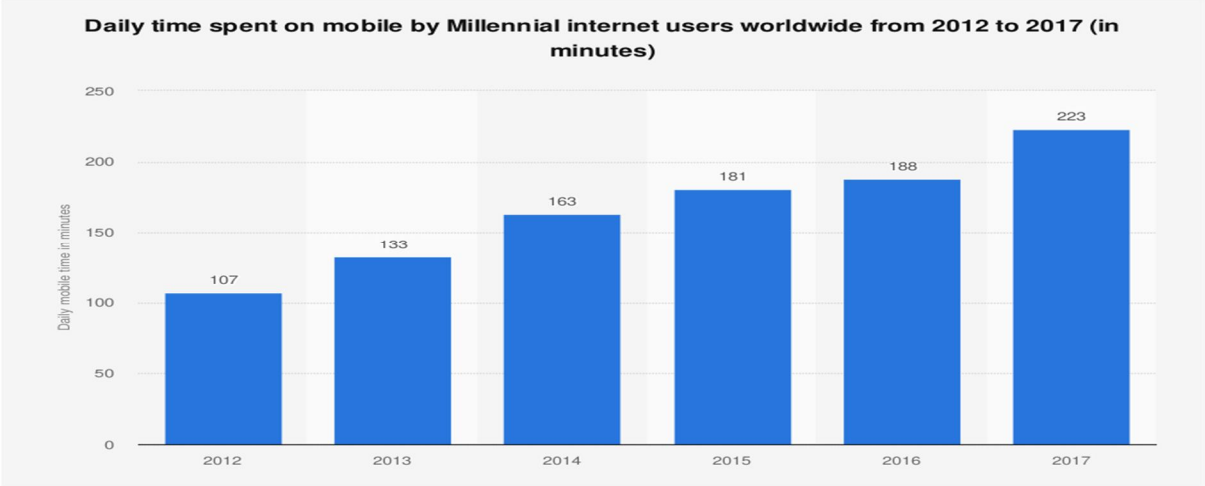
Abstract: ***Technology has played a vital role in uniting people across country. It has simplified many complexities with simple click using internet. The usage of smart phones is high among the millennials and generation Z and has become an integral part of their everyday lives. Millennials are generation which are born between 1980 to 2000, and generation Z is the demographic cohort succeeding millennials. Millennials and Gen. Z have witnessed the metamorphosis from traditional method of using paper currencies to e-wallets. This rise of e-transaction has smoothened the various transactions like online shopping, payment on dues etc. with just one single click. The present study aims to figure out how mobile wallets and e-transactions are evolving among the above mentioned sample. It also analyses the dimensions of the usage by analysing key factors such as motive for use, utility derived from use, level of use, reasons for use amongst others. Also the future proximity of e-transaction and mobile wallet's usage is forecasted. Descriptive analysis and Regression analysis was run on the primary data obtained from 115 respondents through a structured questionnaire. The results were able to throw distinctive insights into the usage of mobile wallets and e-transactions among Millennials and Gen Z.***

Keywords: Millennials, generation Z, tech savvy, digital natives, e-transactions, mobile wallets, online shopping etc.

I. INTRODUCTION

Millennials, are the demographic cohort following Generation X, Generation Y and preceding Generation Z. Researchers widely use and state people born at end of 1980's and starting 1990's and ending at 2000 as millennials and post 2000 born as generation Z. Millennials are called as tech savvy whereas Generation Z are called as digital natives in many study. These generations were born and grew up with access to social networks, smartphones, tablets, and all the other digital technology in use today. Digital literacy is high among millennials and generation Z as compared to the previous generations. They were born in the era of smart phones and digital world. They have been used to multiple devices. This results in shorter attention span among them and are extremely adaptable to multitasking. As per Goldman Sachs reports it is found that approximately50% of them worldwide use 10 hours online every day. Technology also gave rise to smart phones which subsumed various menial activities such as memorising the phone numbers, setting alarm, to keep a check list/to do list amongst other. Smart phones have become an integral part of everyday lives especially among youth. Millennials and Gen Z are the major users of smart phones as per a study conducted by Global smartphone brand Vivo, in association with Cyber Media Research (CMR). The study depicted that an average Indian spends approximately1/3rd of their waking hours on phone, which results to approximately 1800 hours a year.

Figure 1:



(Source: Global Webindex Statistics 2019)

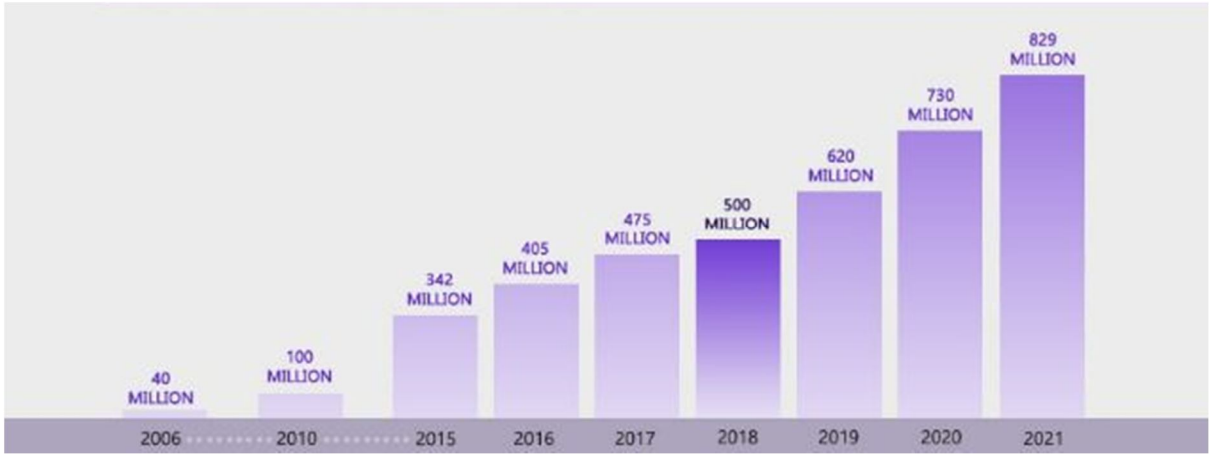
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As per a recent survey conducted by **IAMAI (**Internet and Mobile Association of India), the number of internet users in India is 420 million during June 2017. This record defeated US population. It is estimated that internet penetration will rise to 829 million Indians by 2021 as a report submitted by CISCO.

Delhi, Kolkata, and Mumbai ranked top 3 to have the highest internet penetration. Also Imphal, Jagdalpur, and Fatehpur listed in the bottom over 170 cities as per the survey. Rural areas are still lagging back as compared to urban areas for Online transactions, e-commerce activities, digital payments, etc. due to poor network quality, not able to buy internet packs, unaffordability and lack of electricity. It is depicted that a total of 16% of financial transactions are done via rural areas whereas 44% of users use the internet for transactions in the urban area.

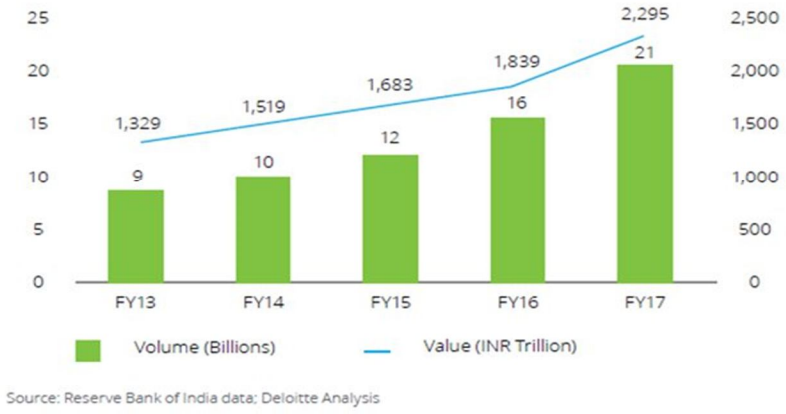
Figure 2: Internet Penetration in India



(Source: Govt., IAMAI, CISCO Statistics 2018)

Technology has basically eased many transactions. From viewing movies on CD to Web series on phone, booking tickets at the counter to booking online, transferring money via cheque in bank to transferring online. World is moving towards digitalisation post demonetisation. This gave birth to the giant online e-platform PayTm. Online transaction has sky rocketed high. Many m-wallet (Mobile wallet) has emerged like PhonePe, Ola money, BHIM, Google Pay, MobiKwik, Paypal etc. The major reasons for increase in digital wallet and online transactions are due to the high trust and emphasis of its importance among the youth. This has enabled ease in transactions such as online shopping, payment of bills, transferring money. It facilitated easy mode of carrying cash online, avoiding hard cash and even helps to avoid loss/theft of debit or credit cards. This research provides an insight to the adoption of m-wallets and e-transaction, consumers perception and its usage among Millennials and Gen Z. Infinite innovations and inventions were done to carve path to digital India.

Figure 3: Volume of online transactions in India between 2013-17



Source: Reserve Bank of India data; Deloitte Analysis

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Post Demonetisation, India has become one of the world's largest –growing mobile payments market. As per a recent report it is observed that more than seven out of ten Gen Z (72%) and Millennial (79%) consumers frequently shop online in comparison with 54% of Generation X and only 27% of Baby Boomers. It shows that a larger percentage of Gen Z (72% vs. 68%) and Millennials (79% vs. 70%) continuously shop online using a smartphone as they rank the top among smart phone users too.

Global trends are already demonstrating that having a vigorous digital offering is acute for financial institutions. China has almost done away with cash in support of digital payments. Digital-only start-up "challenger banks" was successful at taking customers away from traditional institutions in Europe and the U.K. And, in most of Asia. Also mobile banking has surpassed online banking in popularity.

As per the report of eMarketer, India has 337 million active smartphone users until November 2018. Latest according to Cisco, there will be 829 million smartphone users in India by 2022, this is almost 60% of the total population.

II. LITERATURE REVIEW

Dr.Hem Shweta Rathore in her research paper "Adoption of Digital wallet by consumers " have analysed the factors which influence consumers in adoption of digital wallet. The study also examined the risk and challenges in usage of digital wallet faced by consumers. It identified the major factor for adopting digital wallets are due to its ease and convenience in handling. It also predicted that in the near future digital wallet shall gain rifer acceptance.

Poonam Painuly And Shalu Rathi (2016) analysed in their research paper "Mobile wallet: An upcoming mode of business transaction "major benefits of using mobile wallets were ease of transaction, secured profile and convenience in handling application. The study concluded that business sectors like banking, retail, hospitality etc., are utilising mobile wallets and mobile payment instruments including contactless and remote payment in the customers –business and customers to customer's areas.

Grewal, Lindsey-Mullikin, and Munger (2004), in their research studied various factors that impact the adoption of e-commerce. Various factors were identified such as geographical area, store accessibility, perceived risk and online shopping perks, shopping fun and trust in Web sites

Wolfinbarger and Gilly, (2001), studied the attitude and intentions of consumers to shop online. Various prominent factors were identified such as situational factors, like time pressure, lack of mobility, geographical distance, need for special items and attractiveness of alternatives. Major attributes that drive online shopping was easy accessibility, convenience, comforts. It was much beneficiary for the consumers to access online without moving around but staying at home which saves time and are able to shop anytime whether day or night.

Lee and Turban, (2001) found that lack of trust is one of the most frequently cited reasons for consumers fearing shopping online using internet. When shopping was initially introduced online, it was a challenging task for the consumers to use it as there was little or no experience relatively.

Rotter (1971) has analysed in their study that in unique situations, people rely on their general outlook to trust while shopping online. Doney and Cannon, 1997, studied the features of trust in retails shopping such as retail setting in the salesperson, like the salesperson expertise, likeability, and similarity to the customer.

Sheth and Vittal, (2007), have shown in their research that though very few research have been done on Indian consumer-buying behaviour, basically emphasising on the role of gender, wide variety of indicators from those from the West may progress. Study has shown that Indian way of shopping is dynamics can be different. It is seen that shopping in Inia is perceived as a family activity: approximately 70% of shoppers always go shopping with the family, and 74% shoppers considers shopping as quality time to spend with their family. This inclination for family-oriented shopping was set up to be consistent across age groups, income segments, regions and city sizes.

Mayer et al. (1995) created a model that combines traditional marketing philosophy on consumer motivation to buy and the trust model. In this model, trust inclination which is a personality trait influenced by buyers is an important precursor of trust. In online shopping, information is inadequate to the buyer regarding the seller, prior to purchase. A buyer with a high inclination to trust will be highly likely to be a potential customer than a buyer with a lower inclination. Mayer et al. [1995] suggested that ability, altruism and integrity establish the core elements of credibility. Ability mentions the skills, competencies and characteristics that a seller should possess in specific domain. Sellers must convince buyers of the competency of their companies in online shopping business. Goodwill is the extent to which the seller is perceived by the buyer as wanting to do good for them. Sellers have to justify and convince buyers that they honourably want to satisfy their customers by doing good things for buyers, rather than just to maximize profit

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Sanghita Roy, Dr. Indrajit Sinha (2014), found that E- payment system in India has drastically grown in the recent years, but still a lot to be done to increase its usage. In the study conducted it was found that approximately 90% of the transactions are cash based. Technology Acceptance Model was used for the study. This suggested certain factors like innovation, incentive, customer convenience and legal framework are the four major factors that contribute to enhance and brace the E- payment system in India.

Slozko & Pello, (2015), stated E-payment systems have become important mechanisms and are used by individual and organizations as a secured and expedient way of making payments over the internet. At the same time it acts as a gateway to technological advancement in the field of world economy.

Nitsure (2014) in his research studied the problems faced by developing countries like India in adoption of e-banking system. It identified problems such as low dissemination of Information Technology. The research emphasised the major problems such as security concerns, privacy, rules, regulation and management. In developing country like India there is a foremost risk of the emergence of a digital split as the underprivileged and technologically challenged are excluded from the internet usage and so from the financial system.

Balazs Vinnai, Misys(April 25, 2016), in their research stated that It is critical for banks to consider new digital channels as part of an integrated strategy so as to evolve from first to

second generation digital banking. Reengineering processes around the customer is difficult, but banks must embrace digital banking in order to remain competitive in the current market and relevant.

A. Objective of the Study

1) To study the usage of e-transactions and mobile wallets among millennials and generation Z

2) To study the factors that influence the adoption of mobile wallets and e-transactions among them

B. Research Methodology

Sample size of 150 was selected out of which 115 respondent's response was collected. Primary method- Questionnaire was selected a means for data collection.

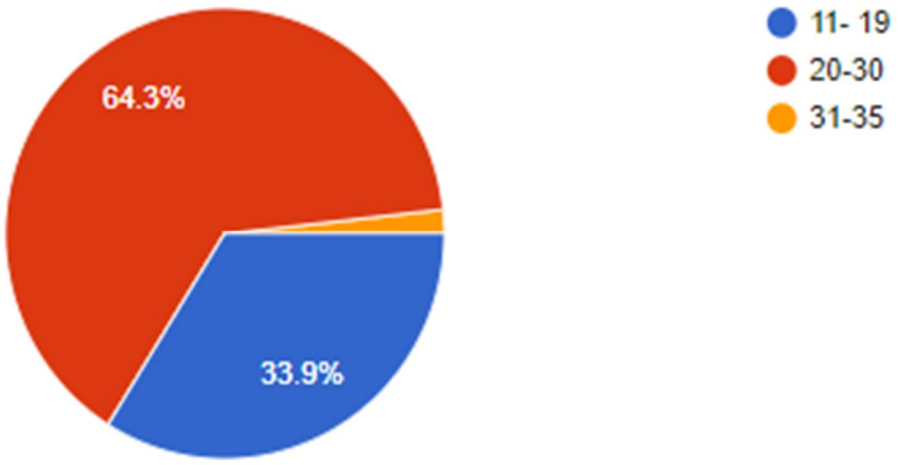
Secondary – Various Journals, newspapers, journals, global reports and statistic database were used.

III. DATA ANALYSIS AND INTERPRETATION

A. Descriptive Analysis

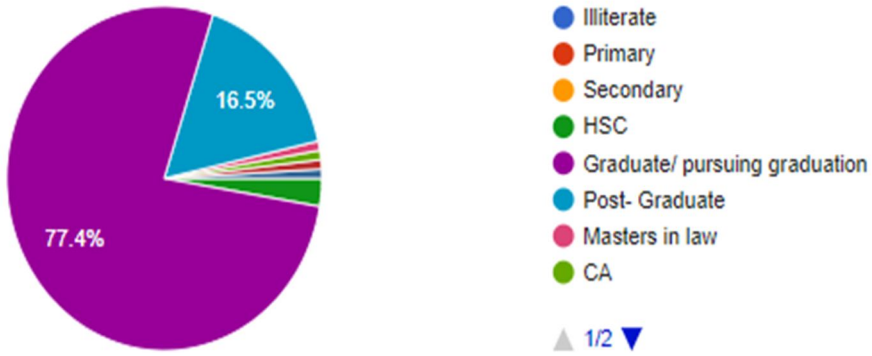
Data of the respondents

Age bracket and educational qualifications of respondents.

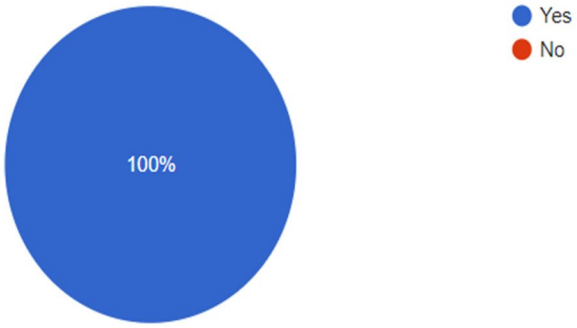


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Educational Qualification

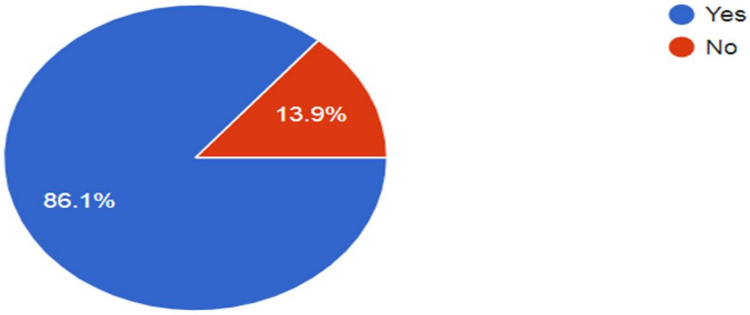


Question: Are you Aware about e-transactions and Mobile wallets?



It was seen that the total population was aware about e-transactions and mobile wallets. Millennials and Generation Z are completely aware about e-transactions and are moving towards a relentless change towards digital economy.

Question: Do you use e-transactions and mobile wallets?

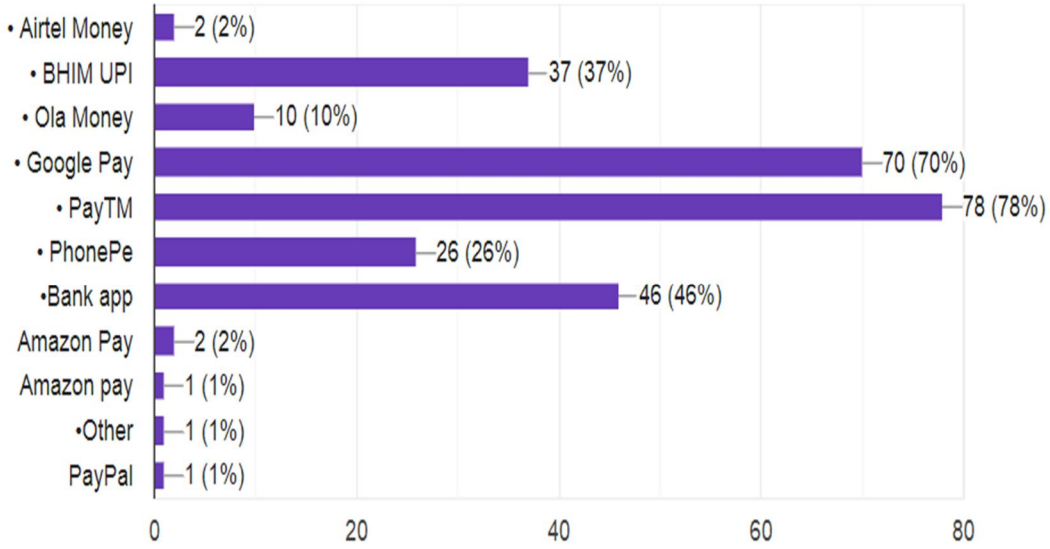


From the above data it is observed 86% of the respondents use e-transactions and mobile wallets. Approximately only 13% don't use e-transactions.

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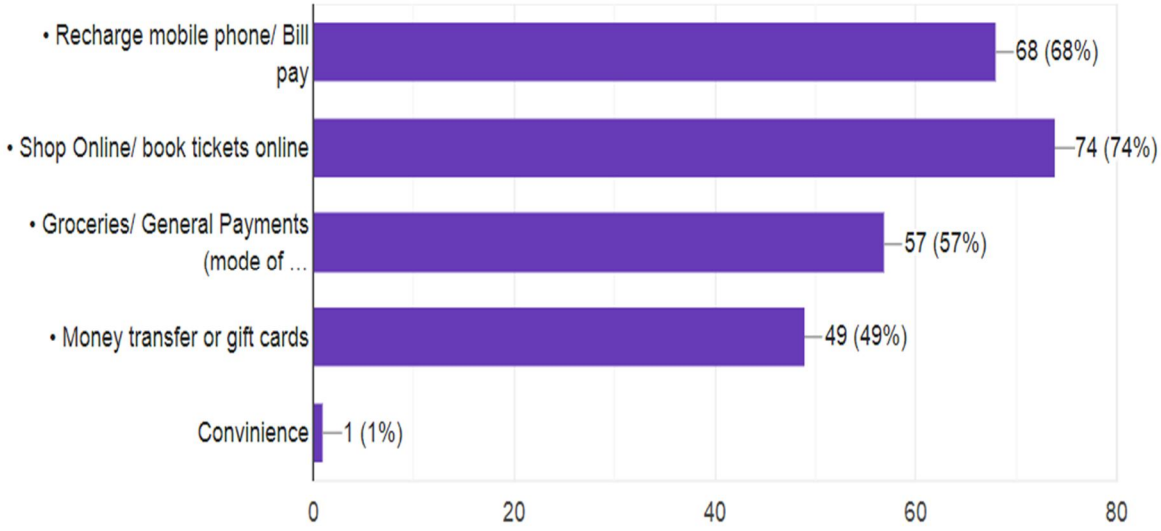
Following graph depicts the frequently used mobile wallets by the consumers. Paytm ranks first with 78% consumer's usage followed by Google Pay by 70% usage, 46% use Bank applications, 37% use BHIM UPI. Amazon Pay and Paypal are the least used applications for online transactions.

Figure 4: Frequently used Mobile wallet applications



The major utility of e-transactions and mobile wallet is depicted below:

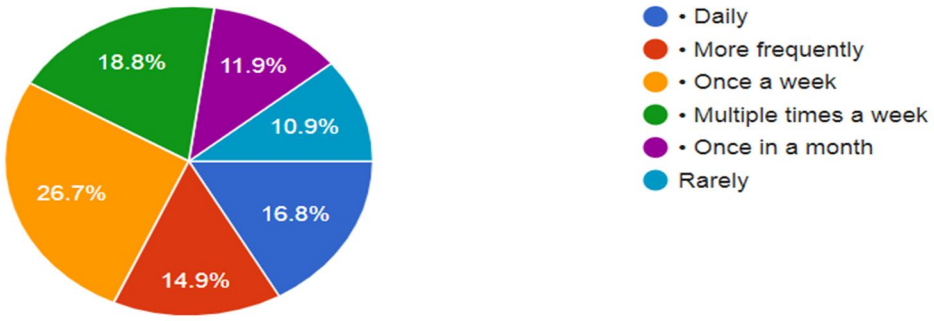
Figure 5: Purpose of using mobile wallets and e-transactions



It can be seen from the above chart 74% of the consumers use e-transactions and mobile wallets for Online shopping and booking tickets, 68% use for recharging mobile phones and paying utility bills. Only 49% use for transferring money or sending gift cards.

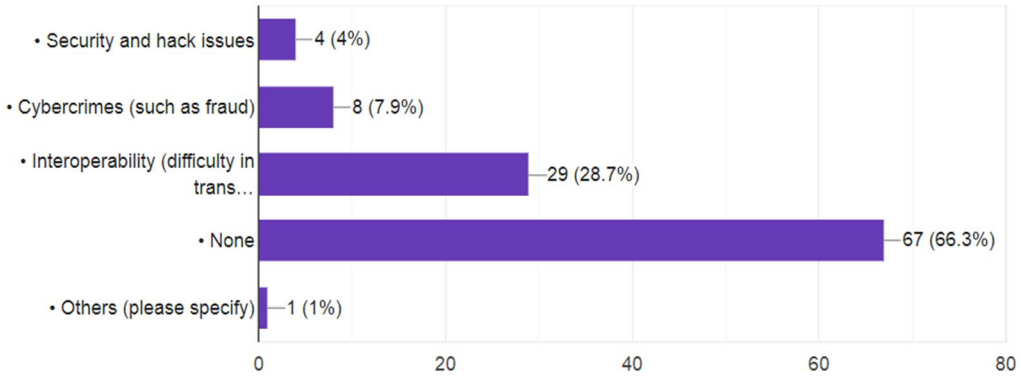
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Figure 6: Following pie chart shows the frequency of usage of e-transactions and mobile wallets.



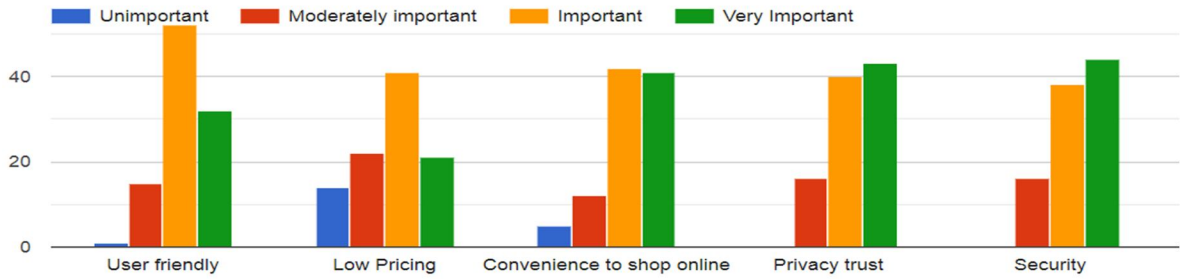
From the above it depicts that 26.7% use mobile wallets and e-transactions at least once a week, 18.8% use multiple times a week. Only 10.9% of the consumers rarely use who doesn't use e-transactions at all as per the survey.

Figure 7: Following Graph represents the problems and issues faced while using e-transactions and m-wallet.



It was observed that very few consumers faced security and hack issues. Majority of the consumers didn't face any issues while transacting the same. This trust on technology boosted its growth tremendously in the recent years.

Figure 8: Factors responsible for adoption of e-transactions and mobile wallets.



Certain factors influenced the usage of e-transactions and m-wallets like Security, user friendly (ease to use), Low pricing, convenience to shop, privacy trust etc. It was found that consumers give more priority to user friendliness, security issues for its major adoption and usage. These features impacted on masses to go cashless which can ultimately boost a cashless economy in the near future.

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B. Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.184[a]	.034	.025	.34709

a. Predictors: (Constant), Gen

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.462	1	.462	3.839	.053[a]
	Residual	13.252	110	.120		
	Total	13.714	111			

a. Predictors: (Constant), Gen
b. Dependent Variable: usage

Regression analysis run to assess the impact of generation on usage of e-transactions and m-wallets. This will help to evaluate whether being born in a generation plays a role in adoption of mobile payments.
Independent variable is coded on the basis of age of the respondents. Respondents in the age group of 20-30 are termed as Millennials and 11-19 Gen. Z.
Dependent variable was usage of e-transactions and mobile wallets which was derived from the questionnaire. The model is significant as shown by Table __ (ANOVA). Adjusted R Square is 0.025 which implies that generation has significant but minimal impact on the usage.

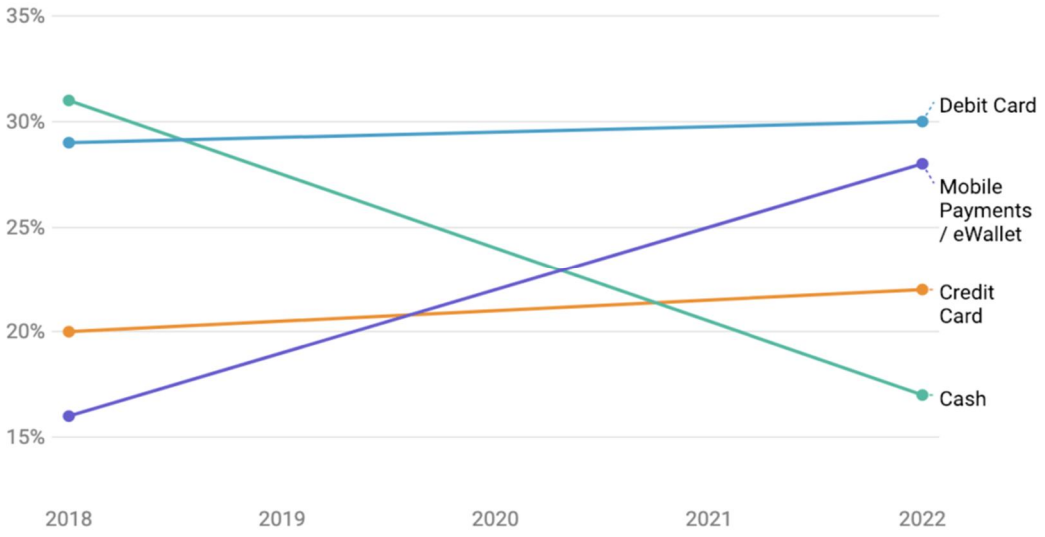
1) Findings

a) It is analysed from the above study that millennials and Generation Z are major users of e-transactions and m-wallets which validates their label of digital natives.
b) E-transactions and m-wallets will replace the cash transactions completely in the near future
c) Factors like convenience, time saving, cost effective, discounts and benefits plays a major role in adoption of e-transactions and m-wallet.
d) Security and privacy concern plays a major role for the users.
e) Users of e-transactions and m-wallet are completely satisfied on its usage.

2) A Cross Country Overview on usage of Mobile Payments: Across country it is seen that mobile wallets and e-transactions are gaining overwhelming response. Gradually and drastically many countries have started adopting e-transactions and m-wallets. The below table shows the use of mobile transactions will reach its inexorable rise and will become the most common mode of payment. Also a steep fall in cash is observed as people are constantly moving towards digital wallets and digital payment modes.

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Figure 9: Global Share of Point of Sale Methods



Data Source: Worldpay's 2018 Global Payment Report

Countries in Asia Pacific have become the dominant to adopt mobile wallets and e-transactions. China is considered to be one of the biggest user of m-wallets. A research study from eMarketer depicts that more than 45.2% of China's large population are currently using m-wallets. It is also forecasted to continue its relentless move towards cashless economy in the near future.

Figure 10: Asia Pacific Point of Sale Payment Methods Forecast 2018-2022

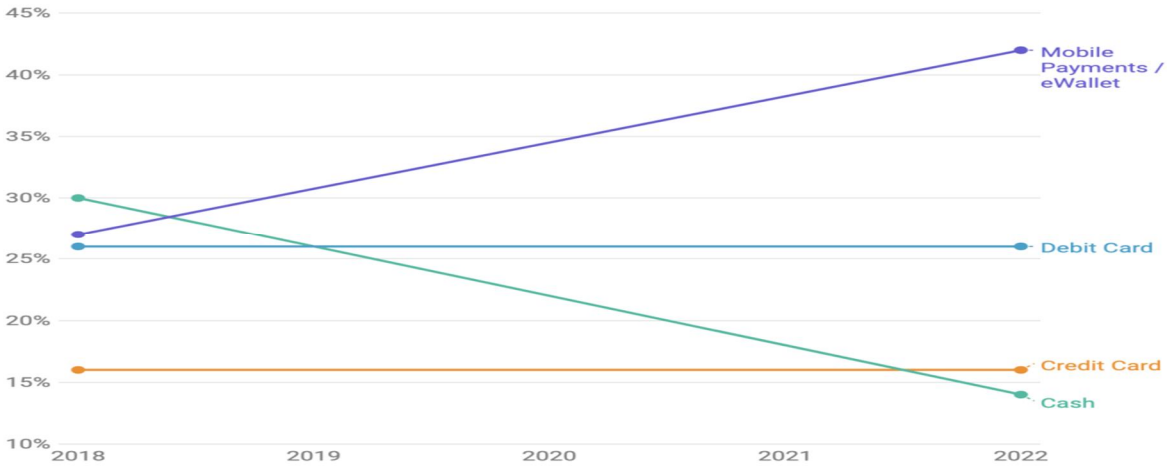


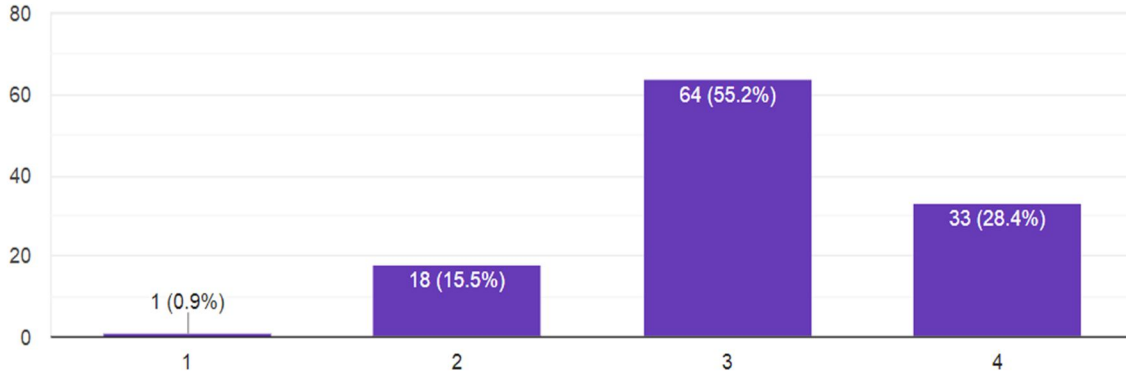
Chart by MerchantSavvy.co.uk | Data Source: Worldpay's 2018 Global Payment Report

IV. CONCLUSION

Demonetisation played a major role in inducing consumers to adopt e-transactions and m-wallets. Many m-wallets came into picture like Paytm, Google Pay, Airtel money, Ola money, bank applications etc. But Paytm and Google Pay stole the show. It was seen that major users frequently use Paytm and Google Pay for transacting online in Mumbai. The main purpose of using e-transactions and m-wallets include shopping, paying utility bills, recharge mobile phones, transferring money and sending gift cards like Amazon Gift cards. Various factors and features played a unique role in its adoption like quick transactions and transparency, convenience in shopping online, time saving, cost effective, high freebies like discounts coupons etc. Security and Privacy concerns were the major factors that strengthen its use among the millennials and generation Z. As per the report many users had no or less security issues. The level of satisfaction is observed to be high amongst the users.

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Figure 11: Level of satisfaction of using e-transactions and mobile wallets.



As per cross country analysis India is also in the race of digital technology world. Post demonetisation it gave birth to many mobile wallets, one of them is the Giant Paytm which took the major share of users. This study helps to analyse the usage of e-transactions and m-wallets among millennials and generation Z, and the various factors adopting its usage. It can be concluded from the study e-transactions and m-wallet has gained a momentum usage especially among millennials and generation Z in the recent years. It is also predicted it will lead India in continuous progress to march towards Cashless economy in the very next decade.

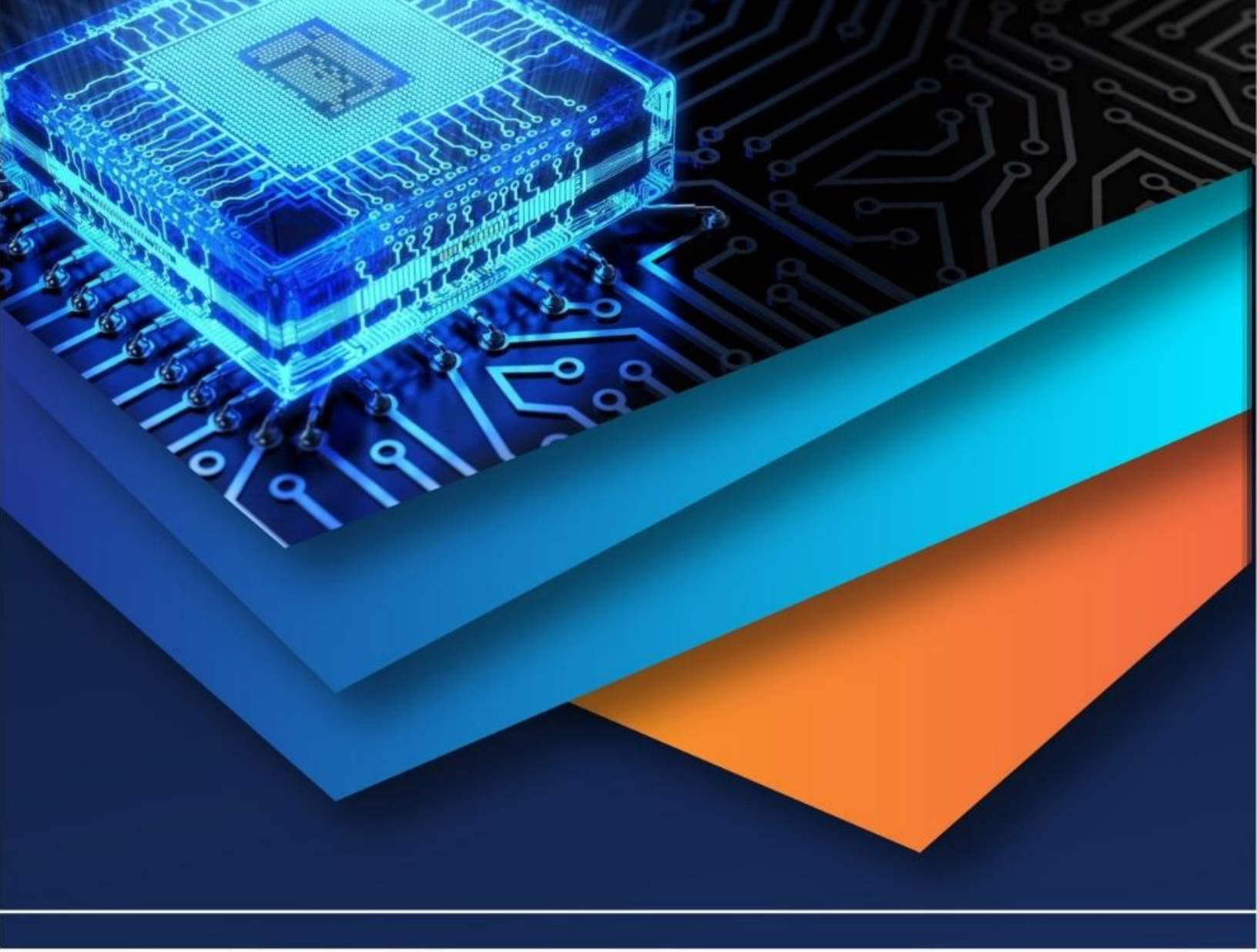
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