A STUDY ON CONSUMER ADOPTION ON DIGITAL WALLET PROJECT REPORT

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Abstract: This study investigates the determinants influencing consumer adoption of digital wallets, a revolutionary shift in contemporary payment systems. As digital transactions gain traction, understanding the factors that drive user acceptance is crucial for businesses and financial institutions. The research primarily focuses on perceived security, ease of use, and consumer awareness. Data were collected through a survey of 118 respondents over four months, using both primary and secondary sources. The findings reveal that Google Pay is the most preferred digital wallet, with usability and security being key drivers of adoption. While users express satisfactory experiences, significant concerns regarding data protection and identity theft persist. This study contributes valuable insights that can assist businesses in developing marketing strategies aimed at enhancing consumer trust and encouraging wider adoption of digital wallets. Recommendations include reinforcing security measures, improving customer support services, and ensuring a user-friendly interface for digital wallets. The results underscore the importance of addressing consumer concerns to facilitate the successful integration of digital wallets in everyday financial transactions

Keywords: Digital wallets, consumer adoption, perceived security, ease of use, user experience, payment systems.

I.INTRODUCTION

The digital revolution has fundamentally transformed the way consumers engage in financial transactions, particularly through the emergence of digital wallets or e-wallets. As cashless transactions gain momentum globally, these digital solutions offer convenience, speed, and enhanced security for users. This study explores the factors influencing consumer adoption of digital wallets, focusing on perceived security, ease of use, and consumer awareness. Despite their growing popularity, adoption rates vary across different demographics and regions. Understanding the determinants of consumer behaviour regarding digital wallets is vital for businesses and financial institutions aiming to foster trust and facilitate wider acceptance of these technologies. Through an analysis of user perceptions and experiences, this research will identify key drivers and barriers affecting digital wallet usage, ultimately leading to strategies that can enhance consumer confidence and promote the integration of digital wallets into everyday financial activities.

II.OBJECTIVES OF THE STUDY

1. To identify the most preferred e-wallets among users.
2. To determine the factors attracting consumers to digital wallets.
3. To analyze user satisfaction levels and the likelihood of future usage.

III.METODOLOGY OF THE STUDY

The present study analyze the level of satisfaction of the customers and awareness on digital wallet with relevant customer's preferences. Methodology is the way to systematically solve a research problem. It explains the various steps that are generally adopted by a researcher to solve the research problem.

SAMPLE DESIGN
A sample design is a definite plan for obtaining a sample from a given population I have used convenient sampling.
SAMPLE SIZE
A Sample size of 118 respondence were taken.
PERIOD OF STUDY
The study covers the period of 4 months from December 2024 to March 2025.
METHODS OF DATA COLLECTION
Data was collected through both primary and secondary data sources.

PRIMARY DATA

Primary data is data, which is collected for the first time for a particular information and data was collected using questionnaire (Google form) in order to study on consumer adoption on digital wallet within Coimbatore district, a structured questionnaire has been used as an instrument to collect the data. The questionnaire have been given to people who are using digital wallet.

SECONDARY DATA

A Secondary data is a data. which is the information is collected from already existing data and t secondary data was collected from various reviews.

IV.OVER VIEW OF STUDY

The study on consumer adoption of digital wallets explores the factors influencing the acceptance and usage of digital payment solutions It highlights how digital wallets enhance convenience, speed, and transaction security, yet notes that their adoption varies across demographics. Key areas of focus include perceived security, user experience, and technological readiness, with security concerns often hindering widespread acceptance. The research investigates the impact of demographic factors on consumer behavior and aims to identify barriers to adoption, such as fears of data breaches. Ultimately, the study seeks to provide actionable insights for businesses and financial institutions to improve user trust and experience, fostering broader acceptance of digital wallets as integral financial tools. By addressing these challenges, the research aims to contribute to a more inclusive and cashless economy

V.DATA INTERPRETATION AND ANALYSIS

SIMPLE PERCENTAGE ANALYSIS

Percentage analysis is used in making comparison between two or more series of data. Percentage is used to describe relationship. Percentage can also be used to compare the relative terms, the distribution of two or more series of data.

$$\text{Percentage of respondents} = \frac{\text{Number of respondents}}{\text{Total number of people answered}} \times 100$$

Chi Square analysis:

Chi-square analysis is a statistical test used to compare observed results to expected results in research methodology. It's most appropriate when the data is from a random sample and the variable of interest is categorical. The chi-square test determines if a difference between the observed and expected data is due to chance or a relationship between the variables being studied. The formula of Chi-square analysis is as follows.

$$x_c^2 = \frac{\Sigma\,(O_i - E_i)^2}{E_i}$$

C = Degrees of freedom

O = Observed Value

E = Expected Value

FINDINGS

The findings of the study on consumer adoption of digital wallets reveal several significant trends and insights. Most respondents (50.8%) belong to the 18-25 age group, with a majority (57.6%) being male, and 64.4% holding an undergraduate degree. Income levels indicate that 42.4% of respondents earn less than ₹25,000, highlighting a diverse demographic mix. Google Pay emerged as the most preferred payment method, with 53.4% of respondents indicating it

as their choice, followed by a preference for mobile payment apps by 36.4% of participants. In terms of usage, 43.2% of respondents utilize digital wallets on a weekly basis, primarily for in-store purchases. Ease of use is a crucial factor driving adoption, as 49.2% of users cite it as a key reason for their preference. Awareness levels show that 54.2% of respondents are somewhat aware of digital wallet features, yet 35.6% express concerns about security, with a notable 42.4% worried about the safety of their personal information. Transaction speed is perceived as the primary advantage of digital wallets, with 50.8% highlighting it as a significant benefit, and a substantial 66.9% indicating they would recommend digital wallets to others. Overall, these findings suggest a positive trend toward digital wallet adoption, tempered by security concerns that need addressing to enhance user trust and satisfaction.

SUGGESTIONS

1. Regularly update and improve app performance for smoother transactions.
2. Introduce gamified features, like streak bonuses for continuous usage.
3. Enhance customer support and provide faster issue resolution.
4. Provide financial incentives, such as cashback or vouchers, to encourage wallet usage.
5. Encourage users to leave positive reviews and testimonials.

VI.CONCLUSION

The study on consumer adoption of digital wallets highlights the growing popularity of this payment method, particularly among the 18-25 age group and male respondents. The findings indicate that Google Pay is the most preferred wallet, and weekly usage is the most common frequency. The key factors driving adoption include ease of use, speed, and security, with a significant portion of users finding the experience satisfactory. However, security concerns regarding personal information remain a notable challenge, although most respondents still feel somewhat secure using digital wallets. The primary benefits reported are transaction speed and convenience, while the main concern is data security. The chi-square analysis revealed no significant association between gender and nature of transaction, gender and frequency of usage, or age and preference towards specific digital wallets, suggesting that demographic factors have minimal influence on wallet preferences. Overall, the study concludes that while digital wallets are widely accepted and recommended by users, enhanced security measures, better customer support, and continuous app improvements are necessary to boost adoption and satisfaction levels further.

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