

A STUDY ON “AWARENESS AND ITS RISK OF USING DIGITAL WALLET’S”

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Abstract

The purpose of this study is to ascertain respondents' levels of awareness and usage patterns with regard to digital wallets in Vellore city. This study looks at people's understanding of the risks involved in utilizing digital wallets. In this paper it is evaluated user's comprehension and concerns with 32 respondents using a simple random technique. The results demonstrate broad adoption motivated by convenience, particularly among younger users. The majority of participants used Google Pay, according to the findings. Furthermore, a significant segment of participants demonstrates an indifferent attitude towards trust-related concern, app functioning problems, and delayed payments linked to digital wallets. The survey also reveals differing levels of knowledge about cybercrimes, fraud, and privacy hazards. Notably, social media and online resources became the main avenues for raising awareness of these subjects. The conclusion emphasises how crucial it is for public sector banks to raise awareness through focused communication strategies in order to reduce the dangers associated with transactions using digital wallets and guarantee safe financial transactions for customers.

Introduction

A digital wallet often known as an e-wallet. It is an electronic device, internet service, or software application that allows two parties to exchange digital currency units for products and services. This can include using a computer to make an online buy or a smartphone to make a shop transaction. Prior to any transactions money can be deposited in the digital wallet, or an individual's bank account can be linked to the digital wallet. The wallet could also contain the user's driver's licence, health care, loyalty card, and then identification documents. NFC (Near Field Communication) can be used to send credentials to a merchant's terminal. Digital wallets

Recibido: 27 January 2024 / aceptado: 11 February 2024 / publicado: 20 March 2024

are increasingly being used to authenticate the holder's credentials in addition to performing simple financial transaction when purchasing alcohol, for example, a digital wallet may authenticate the buyer's age. In Japan, digital wallets are referred to as "wallet mobiles", and the system has already acquired traction. A cryptocurrency wallet is a digital wallet that stores private keys for digital currencies such as bitcoin.

Hot and cold wallets are the two types of digital wallets. Cold wallets do not have access to the internet, whereas hot wallets do the majority of digital wallet users have both a hot and cold wallet. A wallet is typically used to make quick payments, but a cold wallet is typically used to store and hold your money and has no internet connections. When using digital wallet, consumers are not required to fill out order forms on each site because the information has already been kept and is immediately updated and placed into the order fields across merchant sites. Consumers benefit from digital wallets as well, because their information is encrypted or protected by a private software code. Retailers profit from a combination of fraud prevention, speedier payment acceptance lower transactions costs and lower theft loss.

Digital wallets are accessible to users for free and are relatively simple to obtain when a consumer purchases at a merchant site that is configured to accept server-side digital wallets, they enter their name payment and shipping information into the business own form. At the end of the transaction, the customer is prompted to register for a wallet of their choosing by providing a login detail for future deals. Users can also obtain wallets via the website of a wallet vendor. While wallets are free for users, suppliers charge merchants for them. Some wallet vendors arrange for retailers to pay them a portion of each successful purchase made using their wallets. In other circumstances, digital wallet vendors execute transactions between cards and participating merchants and levy a set fee to the retailers. Apple pay, google pay, amazon pay, Samsung pay, phone pe, Paytm, LG pay, Fitbit pay, Garmin pay, etc are the types of digital wallets.

Review of literature

Widya Sentanu, et.al (2020) explained the development of e-wallets in Indonesia has resulted in a number of benefits that may encourage users to continue using the service, as well as risks that may discourage them from doing so. This study redeveloped the risk and benefit factors that shaped the users' long-term intention by developing the limitations of the Benefit-Risk Framework. The PLS-SEM analysis method was used to collect data from 203 online questionnaires. According to the study's findings, convenience has the greatest positive impact on users' intent to return. Furthermore, users are most concerned about financial risk. It does not, however, preclude them from continuing to use the e-wallet service.

Akmal Nashren Abd Malik, et.al (2019) said in the age of the technological revolution, ewallets have risen to prominence as one of the most popular payment methods used globally. However, its services are still in their infancy and are unknown to Malaysian consumers. So far, only a few studies have been conducted to assess Malaysians' willingness to use e-wallets. The purpose of this paper is to investigate the factors that influence consumers' intentions to use e-wallets,

specifically among Malaysian youth aged 18 to 30. In this study, perceived usefulness, perceived ease-of-use, perceived risk, and trust will be investigated to determine their relationships with consumers' intentions to use an e-wallet in Malaysia. The Technology Acceptance Model (TAM) will be used to build the conceptual framework.

Lokinder Kumar Tyagi, et.al (2018) said nowadays, the vast majority of people, particularly the younger generation, prefer to purchase necessities via smartphone or laptop. As a result, an increasing number of businesses/firms are sprouting up at a rapid pace. There are companies that make a lot of money from online shopping. The work's gap is limited to the consumer's experience and what they believe about the main purpose of genuine utility of e-wallets. This study attempted to cover the level of customer satisfaction as well as the risk factors involved in e-wallet purchasing from the customers' point of view. The current study aims to empirically investigate the primary purpose/use of an e-wallet, customer satisfaction, and risk factors in e-wallet use.

Roopali Batra et.al (2016) explained that according to the findings, there is a sizable untapped market for digital wallets in terms of both increasing awareness and usage. The primary reasons for using wallets were discovered to be time savings and ease of use. Their main concern, however, remained the security of the money they transacted. The main barriers to its adoption are security concerns, such as the fear of losing money, and a lack of usability for international transactions. By investigating digital payment systems in India, an emerging concept, the study contributes significantly to financial research.

Tracey Caldwell (2012) explained that the google wallet mobile app popularised the e-wallet concept, but security flaws followed quickly. Banking malware, which attack the highly secure connection between the bank and the user, appear to be a focus of malware writers. He examines the security threats to e-wallets and proposes a number of approaches to securing ewallets, ranging from the secure element to optical tokens and cloud-based authentication. He also discusses the potential role of retailers, merchants, and telecommunications companies in e-wallets.

Purpose of the study

The purpose of the research on "Awareness and its risk of using digital wallets" is probably to investigate and comprehend consumers' awareness of digital wallets and the risks that come with using them. This may include looking into things like user behaviour, fraud prevention strategies, security concerns, and possible weaknesses in digital wallet systems.

Objectives of the study

- ✓ To know about the digital wallet users in Vellore City.
- ✓ To study about the risks involved in digital wallets.
- ✓ To analyse the level of awareness among people towards the risks involved in digital wallets.

Research methodology

This study explores on the users understanding and the risks involved in using digital wallets in Vellore City. The study adopted simple random convenient sampling techniques. The sample respondents collected for the study is thirty-two. The questionnaire is distributed over WhatsApp through Google form, it is used for the data collection purpose. The purpose of the questionnaire is to gather data on the awareness among various people on digital wallet, the risk involved while accessing the digital wallets.

Analysis

The Risk involved while accessing the Digital Wallets

FACTORS	STRONGLY AGREE (%)	AGREE (%)	NEUTRAL (%)	DISAGREE (%)	STRONGLY DISAGREE (%)
Network problems	37.5	25	28.1	0	9.4
Insufficient safety and security	6.2	31.25	37.5	15.6	9.4
Delayed payment	9.4	37.5	40.6	6.25	6.25
Transaction failure	12.5	37.5	31.25	12.5	6.25
Failure of app function	21.875	18.75	43.75	9.375	6.25
Lack of trust	6.25	25	50	12.5	6.25
Fraudulent activities	12.5	15.625	37.5	21.875	12.5
Hacking issues	15.63	37.5	21.87	15.63	9.37

The awareness among various people about using digital wallets

FACTORS	FULLY AWARE (%)	PARTIALLY AWARE (%)	NOT AWARE (%)
Features of digital wallet	50	37.5	12.5
Privacy issues	28.13	62.5	9.37
Cyber crimes	28.13	59.37	12.5
Charges made for transactions	43.75	50	6.25
Fraudulent activities that may occur	25	56.25	18.75

Findings

It is found that Nearly 65.6% of the respondents use Google pay. Nearly 50% of the respondents are neutral in facing the risk involved in digital wallet about the Lack of trust. More than 43.75% of the respondents are neutral in facing the risk involved in digital wallet about the Failure of app function. More than 40.6% of the respondents are neutral in facing the risk involved in digital wallet about the Delayed payment.

It is found that around 62.5% of the respondents are partially aware about the Privacy issues. More than 59.37% of the respondents are partially aware about the Cyber-crimes. Nearly 56.25% of the respondents are partially aware about the Fraudulent activities that may occur. Nearly 96.9% of the respondent said yes for internet source as the source of awareness. More than 87.5% of the respondent said yes for social media as the source of awareness.

Suggestion

Safety and security can be increased while accessing the digital wallets. Payments are delayed, it can be improved by updating the new version. Improvement can be made in the transaction failure and repayment of funds. There is lack of trust in using digital wallet it can be created by appointing the customer care executive and help centres 24*7. Awareness about the Cybercrime can be given to the users through social media. Digital Wallets owners should provide the details about charges made for transactions through SMS or Notifications.

Conclusion

Advertisements can be given to people that E-wallets are safe and secure it increase the trust among the people. Giving free vouchers advertising in malls, cinema theatres, social media, shops, newspapers, etc. Arranging public meeting and mass telecast in public place to make them aware about the cybercrimes. In this study we have analysed the usage of digital wallets in Vellore city but many of the customers may not aware about the private wallets and its risk involved so the public sector banks can create awareness to the account holders by sending message and mails to reduce the unnecessary risk and avoid the loss while transacting the money. Recently Indian Government banned some of the games in India Likewise all the risk wallets can be removed from India to avoid the digital crime.

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