

A STUDY ON CHANGE IN EXPENDITURE PATTERN OF YOUTH ESPECIALLY DUE TO ADOPTION OF E-WALLETS

Dr. Mangesh Vasudeo Panchal, Ph.D., UGC-NET, M.Com., B.Ed., Assistant Professor,
Department of Accountancy, Hindi Vidya Prachar Samiti's R. J. College of Arts, Science and
Commerce, Ghatkopar, Mumbai

Ms. Mala Goplani, UGC-NET, MMS, M.Com. Assistant Professor, Department of Banking and
Insurance, Hindi Vidya Prachar Samiti's R. J. College of Arts, Science and Commerce, Ghatkopar,
Mumbai

Abstract: The rapid advancement of digital technology and the proliferation of E-wallet services have ushered in a transformative era in the way individuals manage their finances and make payments. This study investigates the implications of E-wallet adoption on the expenditure patterns of youth, aiming to shed light on the evolving financial behaviors of this demographic. The researchers used a survey method for data collection with a diverse sample of youth aged 16 to 35 Years from Mumbai city. 276 Responses were collected and participants' usage of E-wallets, changes in spending habits, and their overall financial experiences were examined. The researchers used SPSS 20 Software for data analysis. Mean, Median Mode, Chi-Square test and Correlation was used to test hypotheses. Preliminary findings indicated a notable shift in the expenditure patterns of youth since the widespread adoption of E-wallets. Participants reported increased convenience, time saving, reduced reliance on physical cash, and improved budgeting capabilities. This study resulted in valuable insights into the dynamic relationship between the adoption of E-wallets and the expenditure patterns of youth.

Key words: E- wallets, Expenditure Pattern, Adoption Of E-Wallets, Youth

1. Introduction:

In recent years, the rise of digital technologies has reshaped various facets of our daily lives, including how we conduct monetary transactions. One such transformation is the increasing adoption of electronic wallets, or E-wallets, among the youth population especially post COVID 19 pandemic. E-wallets provide a convenient and secure platform for storing, managing, and transferring funds digitally. The youth demographic, often characterized by its high propensity for technological adaptation, has been at the forefront of embracing E-wallets as a payment method. The ease of use, accessibility, and features offered by E-wallets, such as quick transactions, loyalty programs, and integration with various merchants, have attracted the attention of young consumers. Consequently, this shift in payment behavior has the potential to significantly impact their expenditure patterns. This paper aims to explore the impact of E-wallet adoption on the expenditure patterns of young individuals, shedding light on how this technological innovation influences their financial behavior and consumption habits.

2. Review of Literature:

The adoption of E-wallets and its impact on the expenditure patterns of youth have been a subject of growing interest among researchers and scholars. Several studies have examined various aspects related to this phenomenon, shedding light on the implications of E-wallet adoption on consumer behavior and financial habits. The following review of literature gives an outline of important studies in this domain:

Jagannarayan, M. N., & Uma, R. (2020) assessed the income and consumption level during and before lockdown, determined the impact of fintech on maintaining consumption expenditure and factors that motivated the customers to continue to use the online payment modes. The study suggested that there has been a change in consumer behavior, with a shift in expenditure patterns towards health-related expenses and essential goods. Online shopping and digital payment methods had played a crucial role in sustaining consumption, with electronic payment being recognized as a key driver of increased household consumption. The convenience and efficiency of electronic

payments empowered consumers to access credit, enhance financial resources, participate actively in the digital economy, and engage in transactions that are secure and transparent. The impact of fintech, electronic payments, and e-commerce on consumption were diverse and context-dependent.

Singh, G. (2020) reviewed the factors affecting digital payments and adoption behavior for mobile e-wallets. The review suggested that e-wallets have emerged as a modern form of plastic money, indicating that technological advancements in digital payments have improved the performance of the banking sector and contributed to the goal of a cashless country. The majority of respondents in various studies mentioned were utilizing e-wallets for recharges, money transfers, and other transactions due to the perceived benefits of security, speed, convenience, and time savings. It was observed that younger age groups, particularly those between 18-25 and 25-40, were the primary users of digital wallets. Factors such as perceived cost, perceived risk, and the impact of demonetization had been studied to assess the adoption process of mobile payment services, particularly during the period of India's demonetization event. The findings suggested that factors like mobile penetration and government initiatives such as Digital India had acted as catalysts for the exponential growth of digital payments. Furthermore, the review highlighted that electronic consumer transactions at the point of sale (POS) had been influenced by the increasing use of digital wallets.

Tiwari et al. (2019) discovered significant correlations between the dependent variable (awareness about digital wallets) and independent variables (age, gender, annual income, occupation, marital status, and qualifications). The study found that individuals in the age range of 36-45 exhibit greater awareness of digital wallets. Additionally, the research revealed a noteworthy association between the choice of digital wallets and the preference for Paytm over other digital wallet options among the participants. Furthermore, the study identified a significant relationship between the features that drive the adoption of digital wallets and various independent variables. Respondents aged 26-35 were motivated by the convenience features of digital wallets, while those aged 46-50 prioritized the security aspects. In order to enhance the adoption of digital wallets, it is advisable to improve their security features and promote the importance of security among older users. These findings provided an overview of the connections between different variables and offer valuable insights for businesses and policymakers aiming to encourage the adoption and utilization of digital wallets. The study revealed that all these independent variables were positively related to the dependent variables and played a crucial role in determining the acceptance of digital payments. The findings highlighted that increasing awareness among youth about digital payments leads to a greater willingness to accept and adopt them. Moreover, the results indicated that the perceived security of digital payment platforms positively influences the youth's acceptance and adoption of these platforms in their daily lives. Additionally, it was observed that respondents had utilized at least one or more digital payment modes and platforms, with PayTM being the most commonly used platform.

3. Objectives:

- a. To examine the extent of adoption of E-wallets among the youth population and understand the factors influencing their adoption decisions.
- b. To assess the impact of E-wallet adoption on the volume of transactions made and thus analyze the changes in expenditure patterns of young individuals.
- c. To understand the role of demographic factor (Age) in influencing the change in expenditure patterns of youth after adopting E-wallets.

4. Hypotheses:

1. Null Hypothesis: H₀: There is no relationship between the age of the respondents and the adoption of E-wallets.

Alternate Hypothesis: H₁: There is a relationship between the age of the respondents and the adoption of E-wallets.

2. Null Hypothesis: H₀: There is no relationship between the age of the respondents and their volume of transactions made thereby influencing the change in expenditure patterns after adopting E-wallets.

Alternate Hypothesis: H1: There is a relationship between the age of the respondents and their volume of transactions made thereby influencing the change in expenditure patterns after adopting E-wallets.

5. Research Methodology:

The methodology includes collecting data from both the sources viz; primary data which was collected from youth residing in Mumbai city through survey method with the help of structured questionnaire and secondary data has been collected from research journals, research articles, theses, internet websites, etc. Descriptive research design is used in the paper.

Sampling Plan:

Sample size: 276 Youths

Sampling Population: Youth from Mumbai (Aged between 16 and 35 years)

Sampling method: Convenience Sampling

Statistical Tool: SPSS 20 (Mean, Median Mode, Chi square test and Correlation)

Limitations: The data is collected from the Mumbai region (only from Youth aged between 16 to 35 years)

6. Data Analysis and Interpretation:

1. Adoption and Usage of E-wallets with regards to the Gender and Age of the respondents:

Table no: 1 (Gender and Age wise Adoption level of E-wallets)

Gender	16-20 Years	21-25 Years	26-30 Years	31-35 Years	Total
Male	82 (58.57%)	53 (37.86%)	4 (2.86%)	1 (0.71%)	140
Female	91 (66.91%)	34 (25%)	4 (2.94%)	7 (5.15%)	136
Total	173 (62.68%)	87 (31.52%)	8 (2.90%)	8 (2.90%)	276

Source: Collated from Primary data

From Table no: 1 (Gender and Age wise Adoption level of E-wallets), out of 276 respondents, the total Female respondents are 136 which is 49.27% and rest of 140 are Male respondents which is 50.73%. Out of 136 (49.27%) females, 66.91%, 25%, 2.94% and 5.15% belonged to the age group of 16-20, 21-25, 26-30 and 31-35 years respectively. Out of 140 (50.73%) males, 58.57%, 37.86%, 2.86% and 0.71% belonged to the age group of 16-20, 21-25, 26-30 and 31-35 years respectively.

2. Percentage wise factors influencing the adoption of E-wallets: (1: Lowest and 5: Highest)

Here 1- Lowest, 2- Low, 3- Moderate, 4- High and 5- Highest

1. Easy and Convenient

Table no: 2 (Easy and Convenient as a factor influencing the adoption of E-wallets in Percentage)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	26	9.4	9.4	9.4
	2	16	5.8	5.8	15.2
	3	60	21.7	21.7	37.0
	4	63	22.8	22.8	59.8
	5	111	40.2	40.2	100.0
	Total	276	100.0	100.0	

Source: Collated from Primary data

From Table no: 2 (Easy and Convenient as a factor influencing the adoption of E-wallets in Percentage), out of the total respondents, the majority of them i.e. 40.2 % were found to be highly

A STUDY ON CHANGE IN EXPENDITURE PATTERN OF YOUTH ESPECIALLY DUE TO ADOPTION OF E-WALLETS
influenced with the first factor- Easy and Convenient which means most of them found the E-wallets highly convenient and easy to use.

2. Time-Saving

Table no: 3 (Time Saving as a factor influencing the adoption of E-wallets in Percentage)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	22	8.0	8.0	8.0
	2	19	6.9	6.9	14.9
	3	59	21.4	21.4	36.2
	4	58	21.0	21.0	57.2
	5	118	42.8	42.8	100.0
	Total	276	100.0	100.0	

Source: Collated from Primary data

From Table no: 3 (Time Saving as a factor influencing the adoption of E-wallets in Percentage), being the second factor, also highly influenced the majority of respondents i.e. 42.8% which shows that most of the respondents chose to use E-wallets because of the factor of time saving.

3. Availability of discounts, reward points and offers

Table no: 4 (Availability of discounts, reward points and offers as a factor influencing the adoption of E-wallets in Percentage)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	44	15.9	15.9	15.9
	2	62	22.5	22.5	38.4
	3	77	27.9	27.9	66.3
	4	36	13.0	13.0	79.3
	5	57	20.7	20.7	100.0
	Total	276	100.0	100.0	

Source: Collated from Primary data

From Table no: 4 (Availability of discounts, reward points and offers as a factor influencing the adoption of E-wallets in Percentage), the majority of the respondents i.e. 27.9% were moderately influenced by the third factor- Availability of discounts, reward points and offers. But 20.7% of them were most influenced by this factor which means they use E-wallets because they enjoy the benefits of reward points, discounts and offers available in the wallets.

4. Anywhere and Anytime payment is possible

Table no: 5 (Anywhere and Anytime payment is possible as a factor influencing the adoption of E-wallets in Percentage)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	20	7.2	7.2	7.2
	2	35	12.7	12.7	19.9
	3	65	23.6	23.6	43.5
	4	52	18.8	18.8	62.3
	5	104	37.7	37.7	100.0
	Total	276	100.0	100.0	

Source: Collated from Primary data

From Table no: 5 (Anywhere and Anytime payment is possible as a factor influencing the adoption of E-wallets in Percentage), being the fourth factor also influenced the majority of respondents

i.e. 37.7% which highlights that these people use E-wallets because of the availability of wallets anytime anywhere.

5. No physical handling of cash

Table no: 6 (No physical handling of cash as a factor influencing the adoption of E-wallets in Percentage)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	27	9.8	9.8	9.8
	2	27	9.8	9.8	19.6
	3	56	20.3	20.3	39.9
	4	57	20.7	20.7	60.5
	5	109	39.5	39.5	100.0
	Total	276	100.0	100.0	

Source: Collated from Primary data

From Table no: 6 (No physical handling of cash as a factor influencing the adoption of E-wallets in Percentage), 39.5% being the majority were found to be highly influenced with this fifth factor which means that majority of the people use E-wallets because of its feature of not carrying hard cash with them.

Calculation of Mean Median and Mode based on the factors influencing the adoption of E-wallets

Table no: 7 (Mean Median and Mode based on the factors influencing the adoption of E-wallets)

Factors influencing the adoption of E-wallets	Mean	Median	Mode	Skewness	Std. Error of Skewness	Kurtosis	Std. Error of Kurtosis
[Easy and Convenient]	3.79	4.00	5	-.829	.147	-.343	.292
[Time Saving]	3.84	4.00	5	-.838	.147	-.340	.292
[Availability of discounts, reward points and offers]	3.00	3.00	3	.116	.147	-1.121	.292
[Anywhere and Anytime payment is possible]	3.67	4.00	5	-.539	.147	-.861	.292
[No physical handling of cash]	3.70	4.00	5	-.684	.147	-.718	.292

Source: Collated from Primary data

From Table no: 7 (Mean Median and Mode based on the factors influencing the adoption of E-wallets), the mean median and mode of Easy and Convenient factor are 3.79, 4 and 5 respectively. The mean median and mode of Time Saving factor are 3.84, 4 and 5 respectively. The mean median and mode of Availability of discounts, reward points and offers factor are 3, 3 and 3 respectively. The mean median and mode of Anywhere and Anytime payment possible factors are 3.67, 4 and 5 respectively.

A STUDY ON CHANGE IN EXPENDITURE PATTERN OF YOUTH ESPECIALLY DUE TO ADOPTION OF E-WALLETS respectively. The mean median and mode of No physical handling of cash factor are 3.70, 4 and 5 respectively.

3. Impact of E-wallet adoption on the volume of transactions made (per month) (Gender and Age wise change in expenditure pattern)

Table no: 8 (Gender and Age wise impact of E-wallet adoption on the volume of transactions)

Age/ Volume of transactions	16-20 Years	21-25 Years	26-30 Years	31-35 Years	Total
Less than 20,000	70 Males (66.03%) 80 Females (66.67%)	33 Males (31.13%) 30 Females (25%)	3 Males (2.83%) 3 Females (2.50%)	0 Male — 7 Females (5.83%)	106 Males 120 Females
20,000 to 35,000	6 Males (37.50%) 6 Females (66.67%)	8 Males (50%) 2 Females (22.22%)	1 Male (6.25%) 1 Female (11.11%)	1 Male (6.25%) 0 Female —	16 Males 9 Females
35,000 to 50,000	3 Males (75%) 2 Females (66.67%)	1 Male (25%) 1 Female (33.33%)	0 Male — 0 Female —	0 Male — 0 Female —	4 Males 3 Females
More than 50,000	3 Males (21.43%) 3 Females (75%)	11 Males (78.57%) 1 Female (25%)	0 Male — 0 Female —	0 Male — 0 Female —	14 Males 4 Females

Source: Collated from Primary data

From Table no: 8 (Gender and Age wise impact of E-wallet adoption on the volume of transactions), it is clear that the majority of people i.e. 70 Males (66.03%) and 80 Females (66.67%) belonging to 16- 20 years of age spent very less through E-wallets which was less than Rs. 20,000 per month. In the criteria of volume of spending Rs 20,000 to 35,000 per month, the majority of males were 50% who belonged to the age group of 21-25 Years and that of females 66.67% belonged to the age group of 16-20 Years. In the criteria of volume of spending Rs 35,000 to 50,000 per month, the majority of males were 75% and that of females 66.67% who belonged to the age group of 16-20 Years. In the criteria of volume of spending more than Rs 50,000 per month, the majority of males were 78.57% who belonged to the age group of 21-25 Years and that of females 75% belonged to the age group of 16-20 Years.


Therefore, the key finding from this data is that the majority of the respondents belonging to the age group of 16-20 years and 21-25 years were more likely to spend through E-wallets but the volume of the transaction per month was less than Rs. 20,000 for majority of the respondents (106 Males and 120 Females) and very few of them (16 Males and 9 Females) fell in the category of Rs. 20,000 to 35,000 per month.

Hypotheses Testing:

1. H0: There is no relationship between the age of the respondents and the adoption of E-wallets.

H1: There is a relationship between the age of the respondents and the adoption of E-wallets.

**Certified as
TRUE COPY**


Principal
Ramniranjan Jhunjhunwala College,
Ghatkopar (W), Mumbai-400086.

Correlations

Table no. 9 (Calculation of Correlation between Age and Adoption of E-wallets)

		Age in Years	Adoption of E-wallets
Age in Years	Pearson Correlation	1	.055
	Sig. (2-tailed)		.361
	N	276	276
Adoption	Pearson Correlation	.055	1
	Sig. (2-tailed)	.361	
	N	276	276

Source: Collated from Primary data

Table no. 9 (Calculation of Correlation between Age and Adoption of E-wallets) showed, since the p-value (0.055) is equal to 0.05, the null hypothesis is rejected and an alternate hypothesis is accepted i.e. there is a significant association between the age of the respondents and the adoption of E-wallets.

2. H0: There is no relationship between the age of the respondents and their volume of transactions made thereby influencing the change in expenditure patterns after adopting E-wallets.

H1: There is a relationship between the age of the respondents and their volume of transactions made thereby influencing the change in expenditure patterns after adopting E-wallets.

Table no. 10 (Chi-Square Test)

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.469 ^a	3	.037
Likelihood Ratio	8.824	3	.032
Linear-by-Linear Association	7.693	1	.006
N of Valid Cases	276		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 3.45.

Source: Collated from Primary data

Table no. 10 (Chi-Square Test) showed, since the p-value (0.037) is less than 0.05, the null hypothesis is rejected and an alternate hypothesis is accepted i.e. there is a significant association between the age of the respondents and their volume of transactions made thereby influencing the change in expenditure patterns after adopting E-wallets.

7. Findings:

With Regards to the hypotheses, the above study found that:

1. The null hypothesis is rejected and an alternate hypothesis is accepted i.e. there is a relationship between the age of the respondents and the adoption of E-wallets.
2. The null hypothesis is rejected and an alternate hypothesis is accepted i.e. there is a relationship between the age of the respondents and their volume of transactions made thereby influencing the change in expenditure patterns after adopting E-wallets.

**Certified as
TRUE COPY**

8. Conclusion:

The study highlighted the adoption level of E-wallets amongst youth has increased to a great extent (Gpay and Paytm being the most popular amongst all). The study also resulted in the positive relationship between age and adoption of E-wallets and their volume of transactions made thereby influencing the change in expenditure patterns after adopting E-wallets. The observation derived from this study indicated that a significant portion of survey participants within the age brackets of 16-20 years and 21-25 years displayed a propensity to make expenditures using E-wallets. However, the majority of these respondents (comprising 106 males and 120 females) tended to engage in transactions amounting to less than Rs. 20,000 per month. Conversely, a minimal number of participants (16 males and 9 females) were situated in the category of monthly transactions ranging from Rs. 20,000 to Rs. 35,000.

9. Suggestions:

- Implement educational initiatives in schools and colleges to acquaint young individuals with the advantages and functionalities of E-wallets.
- Use social media platforms, influencers, and popular youth-centric channels to promote E-wallets and share success stories.
- Offer exclusive discounts, cashback, or loyalty points for transactions made through E-wallets. These incentives can attract youths and encourage them to use E-wallets for their purchases.
- Collaborate with popular brands and retailers to create special offers for E-wallet users.
- Ensure that the E-wallet app is user-friendly, intuitive, and visually appealing. A seamless and enjoyable user experience can contribute significantly to adoption.
- Consistently enhance the app by incorporating new features and improvements based on user feedback.
- Conduct workshops or online sessions to enhance financial literacy among youths. Help them understand budgeting, saving, and responsible spending through E-wallets.
- Clearly communicate the fees and charges associated with E-wallet transactions. Transparency builds trust and helps users make informed decisions about their spending.

10. References:

- Jagannarayan, M. N., & Uma, R. Fintech innovation (Digital Payment) promotes household consumption Keynesian Approach-during & before COVID-19 Pandemic: A Case of Chembur, a suburb in Mumbai.
- Jagannarayan, N. (2020). AN EMPIRICAL STUDY ON THE FACTORS INFLUENCING WORKING WOMEN'S PREFERENCE FOR ONLINE SHOPPING OF DRESSES IN MUMBAI CITY.
- Singh, G. (2020). A Review of Factors Affecting Digital Payments and Adoption Behaviour for Mobile e-wallets. International Journal of Research in Management & Business Studies (IJRMBS 2019), Vol. 6 Issue 4, ISSN : 2348-6503.
- Tiwari et al., (2019). A study of Consumer adoption of Digital Wallet special Reference to NCR. 9th International Conference on Cloud Computing, Data Science & Engineering (Confluence), Noida, India, 2019, pp. 664-669, doi: 10.1109/CONFLUENCE.2019.8776939
- Tiwari et al., (2019). A study of Consumer adoption of Digital Wallet special Reference to NCR. 9th International Conference on Cloud Computing, Data Science & Engineering (Confluence) 664-669. 10.1109/CONFLUENCE.2019.8776939. https://www.researchgate.net/publication/334764085_A_study_of_Consumer_adoption_of_Digital_Wallet_special_Reference_to_NCR
- Regalix, R. (J A N 2 0 1 8). The state of e-wallets and digital payments in India 2018. Mountain View, CA: Regalix Research.
- Sagayarani, D. (2015). Digital Payments In India. IOSR Journal of Business and Management, PP 28-33.

Certified as
TRUE COPY

Principal
Ramniranjan Jhunjhunwala College,
Ghatkopar (W)