

# Role of Age is Determining The Perception About e-wallets: A Study of Baby Boomers and Millennial

Amrita Nair and Romi Sainy

Jaipuria Institute of Management,  
Indore

## ABSTRACT

Nowadays Smartphone's has become very important in each and every individual's life. Irrespective of gender and location people have started accepting the digital payments. To make India a cashless economy the usage of Smartphone users is getting drastically high. Now let us talk about E-Wallet. It is defined as an online payment mode of transaction where an individual need to link his/her bank account with the wallet to make payment. The various modes of payment or digital wallet used by people are paytm, Google pay, free charge, etc. By choosing one of the method of digital payment mentioned above that is paytm, people use this not only for payment but also to book movie tickets as well as bus tickets at a lesser price as compared to the original price of the tickets. People who use these wallets on a regular basis are awarded by cash backs in some or the other way. Therefore, these offers attract the people to use more and they encourage other people who are still not using it, to be the users of these E-Wallets. The aim of our study is find out the impact of age on adoption of e-wallet by comparing two age groups that is: people who are born between 1946 and 1964 and people who are born between the years 1981 to 1996. The people who are born between years 1981 to 1996 are called millennial and people who are born between the years 1946 and 1964 are baby boomers.

**Key words :** E-Wallet, Baby boomers, Millennial

### Introduction:

These days' smart phones are becoming very essential part of people's life. If we move towards the current scenario the old system of transaction through coins and big notes are dropping. May be big notes will take time but transactions in thousands are currently taking place with the help of digital wallets. May be our future generation will be able to transact money in lakhs and cores through digital payment. Digital wallets are slowly becoming the new mode of tap-and-go consumerism, making fiscal transactions seamless, transparent, safe and incredibly convenient.

This research paper mainly focuses on the adoption of digital wallets between two age group that is baby boomers and millennial. We can introduce baby boomers as an age group of people who were born during or between the great depression and World War 2 that is in the year 1946 and 1964. According to telegraphindia.com our country did not have any baby boomers but in the U.S. 36 percent of the population consist of baby boomers. Now talking about millennial, these are the people who are born between the years 1981 and 1996 that is 22 to 37 years old.

It has been assumed that in the coming years Millennial will be the highest earning generation and will turn the entire banking industry upside down. Accordingly, the future will be a cashless economy. Millennial just prefer paperless future. They are expecting a world where all money is going to be digital. According to analysts Millennial will comprise half of the global workforce. They are becoming most important in terms of technology adoption.

### **Objective of the study**

The main aim of the study is to find out the impact of age on the adoption of e-wallet by comparing two age groups: Baby boomers and Millennials.

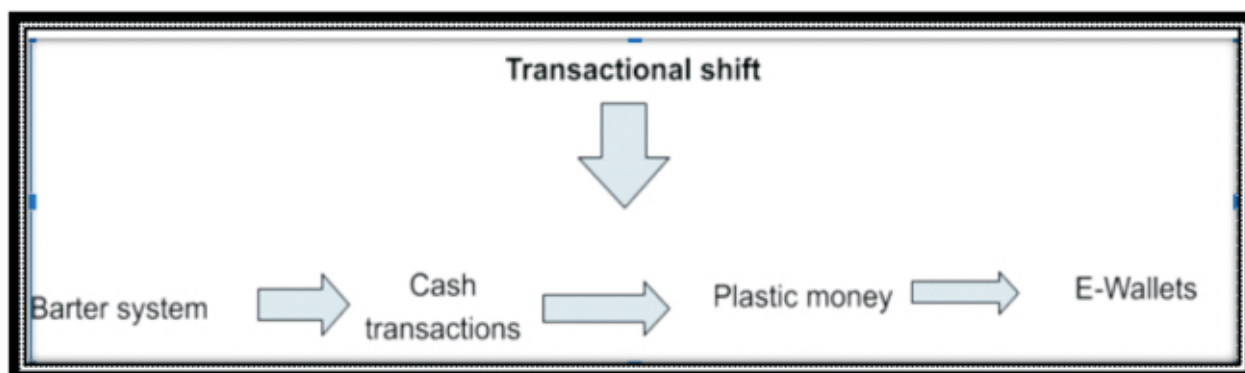
### **Review of Literature:**

Smart phones in our life has become very important. Earlier people used them for using social networking sites, to take selfies and capture videos but now people are using for digital making payments. Many people do not carry money if they have access to any of the modes of digital payment. If consumers have sufficient money in their digital wallet they even purchase grocery from the store and also book flight tickets without the use of debit and credit cards. The conclusion of this research paper is that E wallet has become a very important platform for money transaction. The consumers feel that payment through these modes is comfortable and reliable for them. These methods are highly accepted by the consumers. The usage of E wallets should not only be confined to youth but also to people of other age groups. (Varsha & Thulasirm, 2016).

India is moving ahead on the path of digital revolution. The modes of payment in future will be fully digitalized as the consumers are increasingly using their mobile phone for payments. The market for payments made through digital medium has grown at a compounded annual growth rate (CAGR) of 10% between 2010 and 2013. They have also stated that the contribution from phones and tablets is expected to increase to 30 per cent by 2020. This research paper also tells that the mobile wallets are used for banking transactions, shopping, booking tickets and many more. The conclusion derived from this paper is that there is a need for huge awareness of the usage of digital wallets as there exists huge market which is untouched. The digital modes of payment have emerged due to online shopping. (Batra & Kalra, 2016).

The users of digitalized modes of payment will not only capture the urban area but rural area also. This will capture the rural market by the year 2020. The government of India is launching many UPI (united payment interface) solutions and BHIM app for smooth transition to digital payments. This method is an attempt to encourage poor and illiterate people from the rural areas to adapt the method of digital mode of payment so that Indian economy can grow. This paper can be concluded by stating that Indian economy will digitalize in rural area through mobile based payments that are faster and cheaper to roll out. It is a matter of increasing awareness in rural area. (Ravi. D., 2017) (Ravi. D., 2017)

The arrival of the smart phones and internet has changed the way of living of the people in the country. Without these People almost feel handicapped without internet. All the time consumers need not to carry cash, credit card, debit card etc. for purchasing a product and making the payment. Instead of that they just need to download certain applications which are related to methods of payment in their smart phones for shopping through digital media or through different stores located in different places. This paper also tells about transactional shift that had happened right from the Barter system to the Virtual wallets or Electronic wallets. This research paper can be concluded by stating that Virtual Wallets in near future are for sure going to disrupt both the online and offline business. Therefore, the companies will develop the strategies accordingly and in the same manner they will develop their business model according to the changing trends of the consumers. This paper tried to cover the Virtual Wallet market mechanism and scope in India, further discussing the advantages, disadvantages, issues and challenges. (Sarvepalli 7 Prakash, 2016)



**Figure 1.1**

New technologies and digitalization are in the life of people is providing a different shape towards functioning of business as well as behavior of consumers. In this new digital era mobile phones have become basic necessities of life. Without mobile phones people cannot imagine to live their life even for a second. This mobile traffic is replacing computers and laptops for the usage of internet in every part of the world. (Aydin & Burnaz, A study on mobile wallets).

Smart phone users are increasing day by day and they are able to afford the internet services provided very easily without any hurdles. Not only they use smart phones for communication but also for using various social media such as facebook, instagram, twitter, instant messaging through whatsapp and many more. Therefore smartphones play a very vital role in each and everyone's life. (Rana, 2017).

Adoption of E wallets is growing rapidly in India after demonetization. The government's motive of India being towards a cashless economy becoming successful. Demonetization affected the economy to adopt E wallets on a small scale. The users were more in metropolitan cities as compared to 2 tired cities. It is also seen that consumers who feel ease to use e wallets are only using it rest who do not feel comfortable, not use these wallets. (Yadav & Sindhu, 2018).

The governments initiative of making the country digital India increased the use of mobile and internet users and exponential growth in use of E wallets and digital payments. Many changes took places in the modes of payment. While purchasing a product through e commerce systems, cash on delivery mode is getting minimized. Governments other initiatives like BHIM and UPI are supporting in transition and faster adoption of digital payments. The various modes of digital payments available are Debit/Credit card, RTGS/NEFT, IMPS, UPI, USSD and E-wallets. (Vally & Divya, May 21, 2018).

Cashless payments are becoming trendy nowadays. Usage of these E wallets is reducing the use of cash transactions. The presence of mobile wallet is spreading from urban to rural areas on a large scale. In Mumbai toll plazas are accepting MobiKwik, pay tm, and Free Charge for paying the toll taxes and even free charge is accepted by the police for challans in the city. This research paper is concluded by stating that there are three major factors which play an important role in consumer adoption which are convenience in Ease of use, quick online transaction and usefulness of E-wallet. (Pachpande & Kamble).

This paper aims to understand the factors causing change in the attitude development as well as the intention of the consumers to use mobile payment systems. This was a study made in Turkey where they analyzed that the concern for security did not laid much effect on the attitude and use intensions but more or less there was effect of social influence among the users. The users were influenced by direct marketing activities. They also found out that these devices and the services provided to the people rapidly became basic necessities of daily life throughout the world. (Aydin & Burnaz, Adoption of Mobile payment systems: a study om mobile wallets, 2016).

**Research Methodology:**

The aim of this research paper is to find out the impact of age on adoption of e-wallet by comparing two age groups: Baby boomers and Millennial.

The Hypotheses for this study were determined based on the literature review. This enabled the determination of the variables that may affect the perception of the E-Wallets- A study of baby boomers and millennial. The hypothesis is listed below:

Ho: There is no significant difference between the perception of the E-wallets between two Baby Boomers and Millennial.

In order to reach the aim a structured questionnaire was prepared and responses were collected equally from both the age groups in order to understand the gaps occurring. The respondents were selected based on their age from the two age groups i.e. Millennials and Baby Boomers. The Mann Whitney U test is a non-parametric test that is useful for determining if the mean of two groups are different from each other. It requires that four conditions be met. Total of 100 questionnaires were distributed 38 filled responses were received from the first group and 39 filled responses were received from the second age group.

**Results and Findings:**

**Table 1  
Test Statistics**

	<b>Millennials</b>	<b>Baby Boomers</b>
Mann-Whitney U	158.000	158.500
Wilcoxon W	389.000	294.500
Z	-.602	-.292
Asymp. Sig. (2-tailed)	.547	.771
Exact Sig. [2*(1-tailed Sig.)]	.561 <sup>b</sup>	.774 <sup>b</sup>

a. Grouping Variable: Age

b. Not corrected for ties.

Source: Compiled and Computed from the responses received through Questionnaire.

The Mann-Whitney U test is used to compare differences between two independent groups when the dependent variable is either ordinal or continuous, but not normally distributed. The table 1 above shows that the Z value shows that we do not have a significant difference among the group which is further proved by the P value which happens to be insignificant. Therefore, the null hypothesis is accepted that there is no significant difference between both the age group that is Millennials and Baby Boomers with reference to adoption of digital wallets. As both the age groups displayed the similar traits in terms of their digital habits. The reasons though may be different however their banking and shopping habits are governed by



convenience. The baby boomers have restricted movement due to which they are compelled to use digital wallets. In case of millennials they are driven more by convenience and scarcity of time.

### **Interpretation of the responses:**

It is seen that millennials are aware about the digital wallets and they are using it frequently. They give importance to smart phones for making online money transactions in form of pay tm and other digital wallets, for using social media and booking tickets online. The main purpose of using E wallets by this group is to book tickets, Transfer the money, recharge and make bill payments. They carry both cash as well as E-wallets while purchasing a product or a service. They mostly use Debit card and Paytm for their transactions. As a result, they feel ease in purchasing the products online and secured transactions. They also want that E-Wallets should be widely available in India.

Whereas it is seen that the baby boomers are not using the digital wallets frequently. Some have started using it but they do not feel comfortable. This age group who uses the E-Wallets mainly focuses on using digital wallets for making bill payment. They feel comfortable only in carrying cash with them as they have habit of purchasing products with cash. They are not able to shift from the traditional method to modern method of purchase. They mostly use Credit or Debit card for the transactions. This age group is not sure about the transactions being secured in the digital mode of payment. They do not trust these digital transactions and also, they are not in favor of wide availability of E Wallets.

### **Discussion:**

The understanding about the two different age group is that, in this era the millennial only uses E-wallets but after the research, but it is seen that baby boomers also use the digital wallets but the percentage of the people using these wallets is very few. Baby boomers who use these E-wallets do not feel very safe in terms of transactions. According to the analysis, it will take time for the baby boomers to fully trust and adopt digital payments.

On the other hand, Millennial is very much confident in terms of using digital wallets. If new innovations come in this area this age group will be able to adopt these things very easily.

### **Conclusion for the research:**

This research paper concludes that millennial is highly influenced by the technology and they want that the economy should be cashless but the study says that if the economy will be fully cashless, baby boomers will face problems in terms of a transaction of money while purchasing goods or services.

Baby boomers say that they have the habit of purchasing goods with cash as it is widely accepted.

Now talking about the secured transactions millennial are very much sure that the transactions are secured but the baby boomers are not sure about the transactions being secured.

Even though the economy has not become a fully cashless economy Millennial consider e-wallets as both alternates and substitute choice. When they do not carry much cash they use e-wallets but if they carry the required amount of cash they make payments through cash.

In a nutshell, baby boomers face difficulty in adopting these e-wallets. They need guidance for using the same.

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