

## CONSUMER PERCEIVED PROBLEMS ON USING FOOD WALLET AN EMPIRICAL STUDY ON FOOD ALLOWANCE BUSINESS IN BANGALORE CITY

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**Abstract:** *Mobile wallets have changed the landscape of cashless payments in India; it has penetrated every payment transaction in daily, day to day life. Food allowance space was the one area where it is digitalized through the introduction Food wallets after RBI mandate to move into digital platform. Food wallet benefits the tax paying consumer by exempting the food allowance paid by the companies. Food wallets companies has moved into B2B space by tying-up with the corporates company offering complete digital platform to transfer the food allowance money and payments for the foods in the cafeterias and restaurants there by improving the employee satisfaction and moving away from hazels of paper coupons. Though adoption rate of food wallets are moving at rapid speed, there are many problems faced by the consumer using the new platform and this paper mainly analyses the problems and suggests the possible suggestions to improve the adoption. This paper has used the frequency distribution method and Friedman Test factor analysis to find the out the most import factor that causes the problem to the consumer using food wallet. Primary data was collected from 52 respondents and data was analysed and concluded. This paper suggests the possible solutions to Government and Food wallets providers to improve the adoption of food wallets and making policy decisions in the food allowance space.*

**Keywords:** *Mobile wallet, food wallet, Perceived problems, Food allowance space.*

### Introduction

Food wallet offers easy mechanism to transfer the food allowance digitally for the employees of the corporate sectors ,where Consumer are benefited by using the food wallet expenses as tax free allowance . PayTm food wallet, one such a product in the market, and is compliant with IT and RBI norms. The food wallet avoids the risk involved in distribution of food coupons and food vouchers; it allows users to pay seamlessly. In today's circumstance, the world needs each and everything in a faster, safer and secured manner. Paytm, a leading wallet provider has kick started in B2B world with Corporate Companies. PayTm has overtaken food voucher companies such as sodexo and ticket restaurant by introducing digital platform by following PayTm other companies like hunger box have also introduced the food wallet market. Despite the faster technology adoption the consumers are adopting the food wallet at a very slower rate because of many problems, hurdles while using the system. This study has been focusing on understanding Perceived Risks, and Problems of using food wallet by the consumer

### Literature review

**Rajesh Krishna et al.** Investigated on “Digital wallet: Requirements and challenges” (2006) Focussed the requirements and challenges of deploying a nationwide digital wallet (Mobile wallet) solution in Singapore. Further they building and developing a digital wallet. The study has discussed one of the key challenges, supporting peer-to-peer cash transaction between individuals using a digital wallet, in more detail and has given proposed solution for the challenges.

**Manpreet Kaur(2017)** Has examined “ demonetization impact on cashless payment sy and the role of electronic payment system”. This study concluded that the cashless transaction system is reaching its growth day by day, as soon as the market become globalised and the growth of banking sector more and more the people moves from cash to cashless system. The cashless system is not only requirements but also a need of today’s society. All the online market basically depends on cashless transaction system. This study further found that the cashless transaction is not only safer than the cash transaction but it’s less time consuming and not a trouble of caring wear and tear of paper money.it also helps in record of all the transaction done.so, it is said that without doubt that future transaction system is cashless transaction system.

**Mehta ET. Al (2016):** attempted to examine in this paper advantages and disadvantages of demonetization with its impact on banking sector. This research paper also explores the changing scenario of traditional payment system in India. The results showed that demonetization has provide positive results related to black money and illegal activities like terrorism funding, gambling, money laundering. But it adversely affects the growth of country. The study concluded that many trades and areas are still cash based in India and cannot be digitized.

**Singh (2016),** in their research paper specify that a slight drop has been noted in Indian stock market after demonetization. Demonetization process was also experienced by many other countries. It produces long and short-term implications on many sectors like: money supply, tax, GDP and GVA growth, real estate, banks and modes of payment and various service sectors. It influences overall economy of the country.

**Kaur (2017),** in this research paper indicated that Indian population hesitating to use cashless transaction system. After demonetization digital payment systems get importance in Indian Market. Cashless transactions increased after demonetization. It moves the country towards digitization. It is a safe and less time-consuming mode of Payment and helps to record all transactions for future use.

**Das and Aggarwal, (2010)**, in their article “Cashless Payment System in India: A Roadmap” specify that Cash is used as a mode of payment by large proportion of country. It is an expensive proposition for the Government. The country needs to move towards E-payment system. This will help reduce currency management cost, track transactions, keep a check on tax evasion, boost financial inclusion and integrate the parallel economy with main stream.

### **Statement of Problem**

Mobile Wallets companies like Paytm, Mobikwik, and Hunger box are looking for business in B2B segment by introducing the Food wallets that is taken front stage as a replacement for the paper based food coupons. Food wallets are mainly used in the companies’ Cafeterias, Restaurants and online food ordering platforms. Companies are easily be able to transfer the food allowances ceaselessly, helping the organisation and employees to save taxes and avoiding hazels from paper based coupon’s. Even though companies are enforcing their employees to adopt the food wallets, still it is not adopted in by many consumers that possess strong potential for the wallet companies to penetrate the B2B segments. Hence, this study primarily studies about the problems that stop the consumers using the Food wallets and perceived risks by the consumers. It also provides insights into the food wallet business which will be useful for food-wallet companies, Government agencies and consumer while solving and suggesting the solutions for below mentioned objectives.

### **Objectives of the Study**

1. To study the usage of food wallet.
2. To study the problems faced by the consumers while using food wallet.

### **Research Methodology**

This study has been conducted empirically by collecting the Primary and Secondary data. Primary data was collected from 52 respondents those who are using food wallet in Bangalore city, Secondary data was collected from various sources like Internet, articles, and Journals etc. Convenience sampling technique was used in the study to collect the samples.

### **Frameworks of Analysis**

The analysis was conducted based on the Objectives of the study.

1. To analyse usage of consumers, the relevant attributes Percentage analysis was used.
2. To study the problems faced by the consumer, Friedman test was used.

## Result and Discussion

The data collected were systemically processed, tabulated and made suitable for analysis and interpretations. The results obtained were classified, tabulated and the following analyses were performed in fulfilling the objectives of the study.

### Description of demographic profile of the respondents

Demographic profile plays important role to analyse the usage of food wallet. Table 1 shows the distribution of demographic profile of the respondents

**Table 1: Frequency and % regarding the demographic variables of respondents**

Variables		Frequency	%
Gender	Male	27	<b>51.92</b>
	Female	25	48.08
Age	Below 25 years	6	11.54
	26 to 35 years	21	<b>40.38</b>
	36 to 45 years	12	23.08
	Above 45 years	13	25.00
Educational Qualification	UG level	11	21.15
	PG level	23	<b>44.23</b>
	Other	18	34.62
Marital Status	Married	34	<b>65.38</b>
	Unmarried	18	34.62
Monthly Income	Below Rs 10,000	5	9.62
	Rs. 10,001 to 20,000	6	11.54
	Rs.20, 001 to 30,000	10	19.23
	Rs. 30,001 to50,000	15	<b>28.85</b>
	Rs. 50,001 to 60,000	8	15.38
	Rs. 70,001 to 80,000	7	13.46
	Rs 80,001 to 90,000	1	1.92
Designation	Manager	16	<b>30.77</b>
	Senior Manager	8	15.38
	Software Engineer	8	15.38
	Technical Leads	11	21.15
	Executives	5	9.62
	Non Executives	4	7.69
Working in a Corporate Company	Yes	46	<b>88.46</b>
	No	6	11.54
Total		52	100.00

It is clear from the data that 51.92% of the respondents are Male and 48.08% of the respondents are female and it can be interpreted that highest percentage of gender is male. Age distribution shows that 40.38% of the respondents who are in the age of 26 to 35 years are using more when compared with other age groups. In the Educational Qualification the distribution shows that 44.23% of the respondents are Post Graduate Level and it can be interpreted that highest percentage are Post Graduate Level. Regarding the Marital status the distribution shows that 65.38% of respondents are married and 34.62% of the respondents are Unmarried. Thus, it can be interpreted that highest percentage of the respondents are married. Regarding the Monthly Income highest distribution shown that 28.85% of the respondents are from Income groups between 3000 to50000.In the Designation the distribution shows that 30.77% of respondents are Manager who is the highest among other groups. Regarding the Working in a Corporate Company the distribution shows that 88.46% of respondents are working in a Corporate Company and 11.54% of the respondents are Not Working in a Corporate Company. This shows that food wallets companies which are tied up with corporates ensures that their employers are using the food wallets which is easy way of adding the customer into the system than the adding a retails customer with all the necessary data using KYC becomes very difficult.

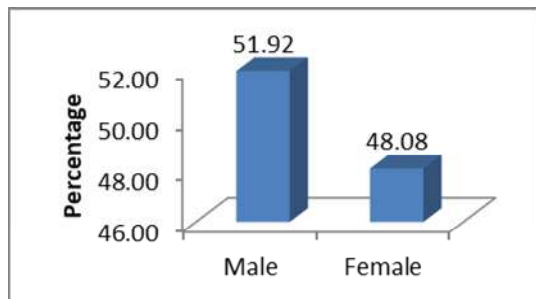


Fig 1.a Gender of the respondents

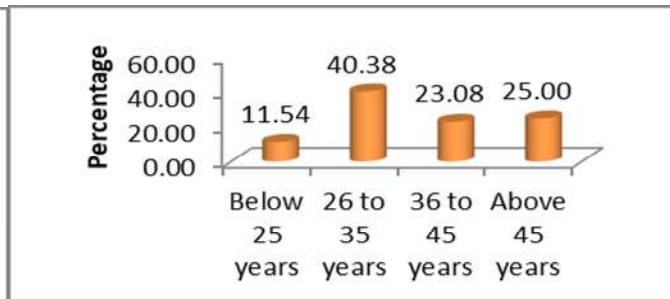


Fig 1.b Age of the respondents

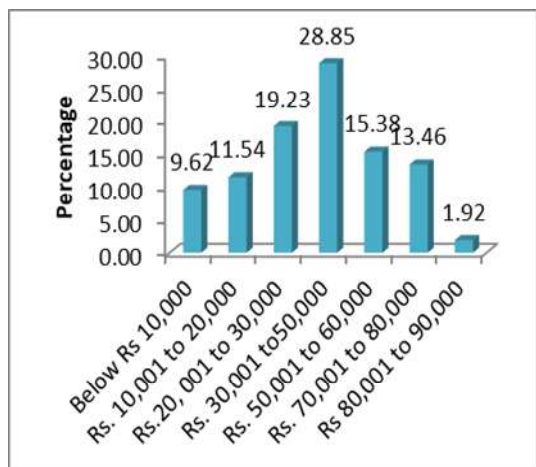


Fig 1.c Monthly Income of the respondents

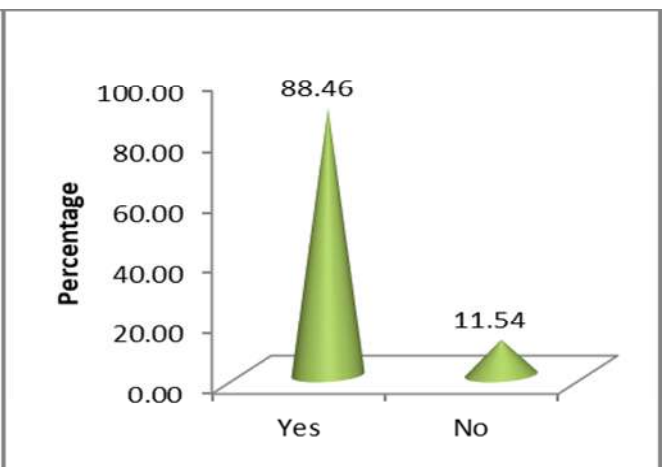


Fig 1.d Working in a Corporate Company

**Description of profile of the respondents**

**Table 2: Frequency and % regarding the variables of respondents**

Variables	Frequency	%	
Sector of company working	IT Sector	28	<b>53.85</b>
	Manufacturing	19	36.54
	Retail	2	3.85
	Other	3	5.77
Purpose do use Food wallet	Tax Benefit	18	<b>34.62</b>
	Avoid Paper Coupons	13	25.00
	Corporate Rules	10	19.23
	Offers and Deals	11	21.15
Amount spend for food from food wallet per month	Less than 1,000	9	17.31
	1,001 to 2000	19	36.54
	2001 to 3,000	21	<b>40.38</b>
	3001 to 4000	3	5.77
Like to refer your friends to use food wallet	Very likely	32	<b>61.54</b>
	Likely	10	19.23
	Neutral	10	19.23
Want to continue Food wallet Service	Always	36	<b>69.23</b>
	Often	7	13.46
	Sometimes	8	15.38
	Seldom	1	1.92
Have password protection of your mobile wallet	Sometimes	20	38.46
	Never	1	1.92
	Others	31	<b>59.62</b>
Use food wallet in online or Offline	Online	11	21.15
	Offline	6	11.54
	Both	35	<b>67.31</b>
Company do prefer for ordering food online	Swiggy	20	<b>38.46</b>
	Zomoto	12	23.08
	Uber Eats	8	15.38
	FoodPanda	4	7.69
	Others	8	15.38
Total	52	100.00	

The Table.2 shows the distribution of profile of the respondents who are using the food wallets and observed over the various factors as explain below. It's shown in the table the IT sector has the highest respondents of 53.85% when compared with other sectors. As shown in the table the purpose of using food wallet is mainly for a tax benefits which has the highest respondents of 34.62%, followed by avoiding paper coupon's has 25% of respondents and the offers has next highest percentages of 21.15. It is shown in the table that average amount

spent for the food wallet by the consumer per month is 2001 to 3000 which is 46.4% of respondents. It is also showing that highest percentage of respondents 61.54% would recommend the food wallet to their friends. Regarding the factor “Want to Continue Food wallet Service” the distribution shows that 69.23% of respondents are always willing to use. Regarding the Have password protection of your mobile wallet the distribution shows that 38.46% of respondents are sometimes, 1.92% of respondents are Never and 56.92% of respondents are others. Thus, it can be interpreted that highest percentage of the respondents are others.

### **Perceived Problems Faced by the Consumer while using Food Wallet**

Even though food wallet is popular now in India, still the adoption and usage rate very due to various problems faced by the consumers. The below section describes variables that could be a root cause for inconvenience of consumer while using food wallet. It is clear from the table3 that 13% of the respondents are not-likely, 44% of the respondents are somewhat likely and 42% of the respondents are very-likely Regarding the variable ‘Food wallet is valid for only in offline Food restaurants as well as in Online Food delivery Platforms’. It is shown in the table that 56% of consumers feels very-likely that “Always doubtful that the payment will be accepted through the food wallets or not” Since food wallet is part of main mobile wallet, 48% of the respondents are very-likely “Confused with Food wallet and PayTm main wallet”. Regarding the variable “Opting out of food wallet is difficult (only after 12 months)” 13% of the respondents are not-likely, 23% of the respondents are somewhat likely and 63% of the respondents are very likely.

Regarding the variable “Food wallet money may not be completely used” 10% of the respondents are Not-likely, 38% of the respondents are Medium and 52% of the respondents are Very Likely. Regarding the variables “Not possible to transfer money from food wallet to main wallet” 10% of the respondents are Not-likely, 42% of the respondents are somewhat likely and 48% of the respondents are Very Likely.



**Table 3 Problems faced by the Consumer while using food wallet**

Variables	Not likely		Somewhat likely		Very likely		Total
	N	%	N	%	N	%	
Food wallet is valid for only in offline Food restaurants as well as in Online Food delivery Platforms	7	13	23	<b>44</b>	22	42	52
Always doubtful that the payment will be accepted through the food wallets or not	8	15	29	<b>56</b>	15	29	52
Confused with Food wallet and PayTm main wallet	10	19	17	33	25	<b>48</b>	52
Opting out of food wallet is difficult (only after 12 months)	7	13	12	23	33	<b>63</b>	52
Food wallet money may not be completely used	5	10	20	38	27	<b>52</b>	52
Not possible to transfer money from food wallet to main wallet	5	10	22	42	25	<b>48</b>	52
Delivery men problem – Misusing, tasting the food on the way	9	17	22	<b>42</b>	21	40	52
Sometime expired goods are delivered	12	23	17	33	23	<b>44</b>	52
Food quality is not same as what you see online	6	12	19	37	27	<b>52</b>	52

As shown in the table 3 that the variable “Delivery men problem – Misusing, tasting the food on the way” 17% of the respondents are Not-likely, 42% of the respondents are somewhat likely and 40% of the respondents are Very Likely. Regarding the “Sometime expired goods are delivered” 23% of the respondents are Not-likely, 33% of the respondents are somewhat likely and 44% of the respondents are Very Likely. Regarding the “Food quality is not same as what you see online” 12% of the respondents are Not-likely, 37% of the respondents are somewhat likely and 52% of the respondents are Very Likely. It is clear from the table 3 that majority among Somewhat Likely with the factor of “Food wallet is valid for only in offline Food restaurants as well as in Online Food delivery Platforms, always doubtful that the payment will be accepted through the food wallets or not, Delivery men problem – Misusing, tasting the food on the way”. Among Very Likely with the factor of “Confused with Food wallet and PayTm main wallet , Opting out of food wallet is difficult (only after 12 months), Food wallet money may not be completely used, Not possible to transfer money from food wallet to main wallet, Sometime expired goods are delivered, Food quality is not same as what you see online”. In order to identify the factor which is more influencing the respondent



towards Problems faced by the Consumer while using food wallet the Friedman’s test analysis was used and the results were given in Table 4.

It could be noted from the above table that among the 9 factors “Opting out of food wallet is difficult (only after 12 months)” was ranked first. It is followed by the “Food wallet money may not be completely used”, “Food quality is not same as what you see online” was ranked third.

**Table 4 Friedman Test- Problems faced by the Consumer while using food wallet**

Variables	Mean	SD	Mean Rank	Reliability
Food wallet is valid for only in offline Food restaurants as well as in Online Food delivery Platforms	2.29	0.70	4.84	0.668
Always doubtful that the payment will be accepted through the food wallets or not	2.13	0.66	4.22	
Confused with Food wallet and PayTm main wallet	2.29	0.78	4.92	
Opting out of food wallet is difficult (only after 12 months)	2.50	0.73	<b>5.75</b>	
Food wallet money may not be completely used	2.42	0.67	<b>5.41</b>	
Not possible to transfer money from food wallet to main wallet	2.38	0.66	5.19	
Delivery men problem – Misusing, tasting the food on the way	2.23	0.73	4.66	
Sometime expired goods are delivered	2.21	0.80	4.70	
Food quality is not same as what you see online	2.40	0.69	<b>5.30</b>	

### Conclusion

In India, mobile wallets are becoming the de-facto standard for cashless payment across many industries including the employee benefits space like digital meal vouchers. After the RBI announcement to move away from the paper coupons in to the digital payments, many big corporate companies have actively introduced the food wallets from various service providers like PayTm, hunger box etc. Hence the study analysed various problems faced by the consumers while using the food wallet. It is concluded that it is difficult if the consumer wants to move out from the food wallet, because the companies are tied up with a particular wallet company and money is locked in food wallet. It also concludes that money deposited company on monthly basis, is not used fully utilized because the food wallets are used only at the limited places like company’s cafeteria, and few registered restaurants outside the company. Sometime consumer feels that when he orders the food through the food order platform like zomato and Swiggy, the food quality is not as same what is shown in the online platforms. This study suggests that food wallet companies

should improve the services by solving the above-mentioned issues, and governments should encourage food wallets to be used even for smaller companies by offering incentives in-order to increase the adoption of food wallets by the consumers and hence tax evasion can be reduced.

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