

# Perception of Active users towards Whatsapp Pay in India

Vunnava Amulya, Perepu Raga Sruthi



**Abstract:** The emergence of Digital India reforms has led to the growth of Digital Payment apps. In order to get business opportunities, many organizations started focusing on the development of flawless payment apps. But, to sustain in the market, it is evident for an organization to understand the challenges involved such as, existing cut-through competition, awareness amongst public about digital transaction, and other technical challenges like, security concerns, etc. Apart from these challenges, an organization has to understand the perceptions of users towards their business. The current Study focuses on a new Payment application i.e., WhatsApp Pay, wherein the characteristics of active users' characteristics and perceptions differentiate adoption of WhatsApp Pay App to non-adoption of WhatsApp Pay in India has been analyzed. Since the company is one of the social media networking company entering into a new business. To analyze these facts, a primary data has been collected wherein youth across Hyderabad and Secunderabad were considered. The factors which effect the perception of users were Awareness and issues with regards to the Data Compliance techniques involved with regards to WhatsApp pay were considered. To analyze these, average response analysis has been applied. The study resulted that there is no significant impact on the awareness created and their perception towards WhatsApp Pay. The study also resulted that there is an impact on the data compliance issues which WhatsApp Pay had to come across in India.

**Keywords:** Digital Payment Applications, E-Wallet, WhatsApp Payment App, Consumer behavior

## I. INTRODUCTION

In Digital Era, it has become evident for various organization to avoid cash transaction and start with digital payments, especially after demonetization. This has led to the evolution of new market i.e., Digital Payment Market- Role of Banking and Payment market. This market has become one of the prominent markets, in India as well as in abroad. Since there is an increase in the demand for Payment apps, a business opportunity has evolved for many companies to start a new venture in this market. Therefore, Facebook Inc has started up their new venture i.e., "WhatsApp PayApp" in various countries across the world, including India. But though there

are opportunities available to grow in this market, not every organization is operating successfully due to the existence invisible challenges, which can be organizational specific or market specific. For WhatsApp PayApp, the organizational specific challenges, can be launching its new venture in each country, advertising their venture, coping up with cut through competition and most importantly, assuring the users on data storage and security. Facebook Inc being one of the social Networking companies, it is not easy for the company to get popularized as a payment app, as the company has faced lots of challenges across the world for the storage of user's data and other security concerns. In India, the company had to run with the Government, RBI and other legal authorities to launch its business. While, the company has started its payment app in Beta mode a year ago, the concerns with regards to the data assurance, transparency, etc. has led the company into a deep trouble. Recently, opposing the launch of WhatsApp Pay the RBI argued in Supreme Court that the messaging platform, the Facebook is non-compliant with data localization norms and that it had directed National Payment Corporation of India (NPCI) not to allow a full-scale launch of its payment business by WhatsApp on Unified Payment Interface (UPI). Apart from these, WhatsApp Payapp has also been challenged by Centre for Accountability and Systematic Change (CASC) as it has filed a petition in apex Court challenging WhatsApp's compliance standards and absence of a local grievance officer in India. This has formally damaged the WhatsApp's aspirations to have a payment play in India on a fast-growing UPI network. It is a challenging pace for every company initially to understand and comply with the laws and cope up with the negatives which spread across due to Press Media. These issues may change the perception of this Payment app amongst public. However, by understanding the company's ability in coping up with the challenges, there might still be a hope on this payment app. Though the media influences public, sometimes there may not of be any significance influence on users, due to the company's reputation in other market. Since Facebook Inc is one of the reputed social networking companies, there might be a positive hope amongst the public about the Payment App. The current study attempts to know the scope of WhatsApp Payments in India, perception of youth on this and the areas which has to be focused in order to attract youth in the market.

## II. REVIEW LITERATURE

Gökhan Aydin studied on the development of digital payment apps and its awareness. Primary data analysis applying stratified random sampling among two distinct groups (users and non-users) and analyzed using partial least squares structural equation modelling.

Manuscript published on November 30, 2019.

\* Correspondence Author

Vunnava Amulya\*, Faculty, Department of Commerce, St. Marys College, Yousufguda,, Hyderabad, India.

Perepu Raga Sruthi, Bachelors in Commerce, specializing in Computers from St. Marys College, Yousufguda, Hyderabad.

© The Authors. Published by Blue Eyes Intelligence Engineering and Sciences Publication (BEIESP). This is an open access article under the CC-BY-NC-ND license <http://creativecommons.org/licenses/by-nc-nd/4.0/>

## Perception of Active users towards Whatsapp Pay in India

The study revealed the challenges, an organization faced to sustain in this market [1]. Shailendra Singh Rana studied on the preferences towards mobile wallet by developing of smart phones and high-speed internet connectivity using 3G and 4G [11]. P.Sarika, S.Vasantha studied on Initiatives taken by the Government to develop mobile payment apps. The study revealed that the importance of Payment Apps in the current generation by analyzing using the primary data survey collected across various parts of the country [9]. Ashish Baghla studied on adoption of Digitalization and its growth in India which aimed in Transparency to eliminate black money. The study identified the reasons for adoption of digital payments by people in India and identified the problems faced by users in making Digital Payments. Dr.S.Manikandan, J.Mary Jayakodi studied on the application and usage of digital money and factors which affect the consumer's decision to adopt mobile wallet and the challenges faced by the users of mobile wallet. A survey questionnaire adopted to understand the factors which affect the adoption and usage of mobile wallet. To get the statistical result from the data collected the techniques of ANOVA has been adopted [2]. Arpita Pandey, Mr. Arjun Singh Rathore studied on the role of banks in Digital India. The empirical results of their study show the rapid increase in the demand for debit and credit card payments which implies the growth in Cashless Transactions in India. Shamshersingh and Ravish Rana, studied on the factors which effect the perception of users on digital payment. The study concluded stated that there is no significance variance in consumer perception based on demographic factors which as gender, age, profession and the annual income of the users. Dr. Edwin, K.W.Cheung studied about the perception of students on Internet Learning. The study resulted that there is a significance influence of digital learning on students' perception. The results of this study have shown that both the students' competence in PC skills and their Internet surfing usages are significantly correlated with the students' usages of e-learning via the Internet. Additionally, the results have also shown that the e-learning usage is significantly correlated with the respondent' feelings of enjoyment for using the Internet learning materials. Alarmingly, the respondents agreed that Internet learning increased their workloads in studying. Practitioners in the relevant fields then can make use of these findings when developing their e-learning courses. DaiThi Mac Sithigh studied on the App Law with rights and regulation in Smartphone age. The study has analysed the significance of smartphones and apps to the debate on Internet regulation is considered, and places in the context of the adoption of smartphones and apps. The importance (commercially and as a study in governance and control) of the iOS App Store (Apple) is highlighted, as is the need to explore forms of regulation that are not linked with a violation of competition law [8]. Hillman, Serena & Neustaedter, Carman & Oduor, Erick & Pang, Carolyn spoke about the new challenges and the successes of Mobile Payment Apps in North America. Their study focused on the perception of users towards Mobile payment apps. They study resulted that the users experience the challenges related to mental model

development, pre-purchase anxiety and trust issues [4]. S.MD. Shakir Ali, MD. Wasim Akhtar, S.K. Safaiuddin focused on challenges and opportunities for digital payments in Rural India. The study focused on the factors that impact and support towards digital transactions. To analyse the critical success of the factors market analysis, readiness of the infrastructure and stakeholders' accountabilities were considered [12]. Adrian Fong studied on the role of app Intermediaries in protecting data Privacy. The study analysed the data privacy issues associated with apps. It then examined the role of app stores and how they are viewed under the data privacy framework. After reviewing the current data privacy requirements which apps must satisfy to list on the app stores, this article then suggested the measures which could be implemented by the app stores to raise data privacy standards, namely the introduction of a contractual data access right for users and data privacy principles consistent with international norms[3]. R Renjan and KamalAnju studied on the perception of smartphone users towards mobile phone payment apps. They studied on the perception of smartphone users towards mobile payment systems. It concluded that the utility from the mobile payment platforms are one of the main drivers of their business. The level of accessibility, convenience, and comfort along with the monetary and non-monetary offers offered by these firms are founded to be the deciding factors. It also concluded that the income has no relation to the selection of mobile payments, but education and awareness are found to be the deciding factors [10].

### III. RESEARCH METHODOLOGY

#### A. Background of Population Studied

The youth in India constitute of 34% of population (as per 2011 census). Since youth is considered as future India, youth across the cities of Hyderabad and Secunderabad has been considered. In this investigation, since it is necessary to set a population who have use mobile payment app and are aware of social networking company i.e., Facebook Inc, the target population has been set up on that basis. A group of more than hundred students who generally use payment apps and are aware of Social Networking Company have been considered.

#### B. Research Questions

Many questions, as explained above, have not been answered conclusively in the literature. In this paper, our focus is to address the question "which of the characteristics of active users' characteristics and perceptions differentiate adoption of WhatsApp Pay App to non-adoption of WhatsApp Pay in India". Since the selected Payment app has been set to launch by a social networking company, it is necessary to understand the criticalities involved in adoption of this payment app by active users (assume the active users are youth in India). This research question is a loaded question, which can be further decomposed into several simpler research questions so as to facilitate this research investigation. We have formulated three sub-questions leading the research question.

They are: Does the awareness about WhatsApp pay effect the adoptability of WhatsApp Pay? Do the issues with compliance on data processing regulations effect the selected payment app? Correspondingly, a research model with three variables have been constructed (model-1). They are respectively Awareness of WhatsApp Pay App (N), Issues with compliance on data processing (I), Adoption of WhatsApp Pay (A). In the model constructed, the dependent variable is Adoption of WhatsApp Pay (A) and the other three potential variables, i.e., preference towards other payment app (P), Awareness on WhatsApp Pay (N), Issues with compliance on Data Processing (I) are independent variables which hypothesized to have impact on Adoption of WhatsApp Pay (A).

### C. Sampling Strategy and Research Design

Clearly, the main objective of this investigation is to examine the relationships amongst the three model variables. Intuitively, the values of some models are clearly not directly measurable, observable or quantifiable. To analyse using these, a carefully designed questionnaire survey has to be done in order to analyse the underlying values of these variables indirectly.

The targeted sampling population is youth across Hyderabad and Secunderabad Cities is one hundred (Sample size has been calculated with Raosoft.Com) with a margin of error 9.35%. The survey method has been adopted to collect the data relating to the model1. Specifically, we adopted cluster sampling method in order to get the responses only from youth who use digital payment apps. This has been considered as the apt method to analyse the model more effectively. We had developed a questionnaire that consists of the questions which can capture the data for all the model variables. Each model variable was measured with several questions which consisted of close-ended including multiple choice questions. They consisted of demographic details of respondents such as Age, income level, gender, etc along with the questions exclusively on WhatsApp Pay app. Respondents were asked to give their preference and perception on other Payment apps along with WhatsApp Pay app. They were asked to rate the payment app used by them. They were also questioned on awareness of WhatsApp Pay, Effect of Data Compliance issues on adoption of WhatsApp Pay and were also asked to give their recommendations for WhatsApp Pay app. Questions consisted of Ratio Scale such as 1-Excellent, 2-Good, 3-Neutral, 4-bad, 5-Poor and Likert Scale of five point such as 1-Strongly Recommended, 2-Recommended, 3-Neutral, 4- Slightly Recommended, 5-Not recommended.

In this study, several techniques had been employed to increase the valid return rate and the validity of responses. Data reliability test, Cronbach Alpha, has been done to test the validity and reliability of the data before proceeding with the analysis. Upon testing, Alpha value showed 0.75 which says, that the data can be reliable (as per the methods of reliability).

## IV. RESULTS AND DISCUSSION

Data collection period was carried out for a period of two-three weeks. Apparently, the data collection techniques that were employed to increase the valid return rate were quite effective. As explained previously, the questionnaires were used to investigate the relationships among the three

variables, namely, Awareness of WhatsApp Pay App (N), Issues with compliance on data processing (I), Adoption of WhatsApp Pay (A). The analysis of collected data reflecting the variables in the research model were carried out by the means of the response average (RA).

### A. Response Averages (RA) analysis

Descriptive statistics (mean and average) of the responses to questionnaire's questions are presented in table [1]. In the discussion which follows, Q<sub>j</sub> denotes question j in the questionnaire. Among the questions, Q<sub>1</sub>, Q<sub>2</sub>, Q<sub>3</sub> were used to collect the data on demographic information such as, gender age, income levels. These data were considered to segregate the sample for analysis, but were excluded from table [1]. Based on our designed questionnaire, Q<sub>4</sub>-Q<sub>6</sub> were based on their Payment App and Q<sub>7</sub>, which was in ratio scale (1-Excellent; 5- Poor), was on payment App Ratings, Q<sub>8</sub>-Q<sub>11</sub> about WhatsApp Pay app, its awareness, etc. and Q<sub>10</sub> was on the Recommendations to WhatsApp Pay app, which was in Likert scale corresponding to five categories, namely, 1 for strongly recommended, 2 for recommended, 3 for neutral, 4 for slightly recommended, 5 for not recommended. To analyze the huge amount of responses, we first examined the responses averages (RA) (i.e. the mathematical averages) to facilitate the discussion of the results. The RA to each question indicates the rough idea of the aggregate direction towards the two ends of the scale for each question. Since responses were restricted to 5 points, the response average (RA) value is 3 is the mid-point value of the scale which implies a neutral stance to the aggregate response to each question. RA less than 3 for any question implies that overall response to that question lies in the "recommended"-direction. Otherwise, the overall responses lie in "not recommended"-direction.

There are two questions for measuring the effects of awareness created by WhatsApp Pay on WhatsApp Pay's Adoptability. To analyze the effects, response analysis has been done. The table 2 shows the response analysis of WhatsApp pay. If the users had the awareness about the WhatsApp pay app, there are chances of them adopting this after its launch in India. Apart from this, it is also necessary to understand the limitation in awareness campaigns arranged by WhatsApp Pay. The average response of these is shown in Table 2. It is observed that amongst the active users, there were very less in number who are about of WhatsApp pay. Though WhatsApp has launched its pay App in India for 1 Million users, due to the lack in awareness, they are very less who used and rated the services available.

There is a question for measuring the impact of compliance issues on data processing regulations on adoptability of WhatsApp Pay by active users. To analyze the effects, response analysis has been done. Table 3 shows the response analysis of the Active users, wherein they answered for "the reasons behind not using WhatsApp beta app", in which Likert Scale question has been framed to understand the reason. Since the analysis is limited to the impact of non-compliance on Data Processing regulations effecting the perception of users, we limited our analysis to that extent. Upon analyzing the data, data resulted showing the response average as 1.88, which means there is an impact of issues with data compliance processing regulations on adoptability of WhatsApp Pay.



# Perception of Active users towards Whatsapp Pay in India

## V. CONCLUSION

We have concluded the survey study to answer the question, “which of the characteristics of active users’ characteristics and perceptions differentiate adoption of WhatsApp Pay App to non-adoption of WhatsApp Pay in India?” The survey results indicated several findings. Firstly, the results have shown that there is no impact of Awareness created by WhatsApp Pay app through beta mode on the adoptability of WhatsApp Pay. Though there was less awareness on WhatsApp Pay app, respondents showed their willingness to adopt this payment app. This shows that WhatsApp pay app has a wide scope to sustain in the market. But the results have also shown that there is an impact on the issues of data compliance processing regulations on adoptability of WhatsApp Pay. Apart from this, the recommendations given by respondents says that the majority of them recommended for high secured transactions, which implies that it is the responsibility of WhatsApp Pay to create a right platform with high secured transactions and less technical glitches.

## VI. HELPFUL HINTS

### A. Figures and Tables



[1] Model 1

Table- I: Response Average of Recommendations given by the respondents

	Provide a highly secured transaction facility	Assist for Foreign currency transaction	Withdrawal facility through ATM	Provide E-Wallet Facility	Facilitate in investing	Proper Troubleshooting management which can resolve issues as soon as possible	Cashback facility for every transaction
RA	0.76	0.53	0.61	0.69	0.57	0.73	0.67
STD	0.5	0.75	0.49	1.29	1.01	1.08	0.97
Rank	1	7	5	3	6	2	4

Table-II: Percentage of Responses who were aware of WhatsApp Pay

	Are you aware of WhatsApp Pay
Aware	19%
Not Aware	81%

Table-III: response Average of Active Users Perception on Compliance Issues faced by WhatsApp Pay.

	Do the issues with compliance on data processing regulations effect the selected payment app?
Average	1.88
Std Dev	0.91

## REFERENCES

1. Aydin, G. (2016). Adoption of mobile payment systems: a study on mobile wallets. 5, 73.
2. DR.S.Manikandan, J. J. (2015). AN EMPRICAL STUDY ON CONSUMERS ADOPTION OF MOBILE WALLET WITH SPECIAL REFERENCE TO CHENNAI CITY.
3. Fong, A. (n.d.). The role of app intermediaries in protecting data privacy. International Journal of Law and Information Technology, 25, 85-114.
4. Hillman, S. &. (2014). User Challenges and Successes with Mobile Payment Services in North America.
5. <https://www.businessstoday.in/technology/news/facebook-pay-what-is-it-how-different-is-it-from-whatsapp-pay-check-details-here-payment-service/story/390167.html>. (n.d.).
6. <https://www.livemint.com/technology/apps/whatsapp-pay-to-be-launched-in-india-soon-mark-zuckerberg-11572500020501.html>. (n.d.).
7. <https://www.moneycontrol.com/news/business/whatsapp-pay-launch-in-india-likely-to-be-delayed-report-4513591.html>. (n.d.).
8. Mac Sithigh, D. (2012, September 1). App Law Within: Rights and Regulation in the Smartphone Age. Edinburgh School of Law Research Paper No. 2012/22.
9. P.Sarika, S. (2019, April). Impact of Mobile Wallets on Cashless Transaction. International Journal of Recent Technology and Engineering (IJRTE), 7(6S5).
10. R Renjan, K. (2019, May). Perception of Smartphone users Towards Mobile Payment System an Empirical Study. International Journal of Recent Technology and Engineering (IJRTE), 8(1).
11. Rana, S. (2017). A STUDY OF PREFERENCE TOWARDS THE MOBILE WALLETs AMONG THE UNIVERSITY STUDENTS IN LUCKNOW CITY. Scholedge International Journal of Management & Development.

12. S. MD. SHAKIR ALI, M. W. (2017, June). DIGITAL PAYMENTS FOR RURAL INDIA - CHALLENGES AND OPPORTUNITIES. International Journal of Management and Applied Science, 3(6).

### AUTHORS PROFILE



**Perepu Raga Sruthi** is Pursuing her Bachelors in Commerce, specializing in Computers from St. Marys College, Yousufguda, Hyderabd. Her areas of interest are Finance, Marketing.  
Contact ID: [sruthiperepu@gmail.com](mailto:sruthiperepu@gmail.com)



**Vunnava Amulya** is Scholarly in Finance and Economics, who is working as a faculty in Department of Commerce, St. Marys College, Yousufguda. She has Pursued Masters with a specialization of Applied Finance.  
Contact ID: [vunnavaamulya@gmail.com](mailto:vunnavaamulya@gmail.com)