

## MOBILE E-WALLETS PAYMENT IN TODAY'S SCENARIO

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**Abstract:** This paper study about e-payments specifically mobile wallets. As we all know that after demonetization, there is a tremendous increase in number of e-payments. Modern transactions make use of ATM, Debit and Credit Cards, NEFTs and m-wallets etc. According to a survey done by author, customers are using e-wallets mostly for the purpose of recharging and payment of bills. A lot of effort is required to make the mass aware about importance and ease of using e-wallets to perform myriad operations. This paper specifically targets their preferred mode of payment. It also suggests some steps that should be taken for betterment of e-payment facilities.

**Keywords:** e-wallet, Demonetization, m-wallets, Digital Payment, Digital India

### INTRODUCTION

An electronic wallet can be defined as a virtual cashless service which can replace hard cash notes. For purchasing anything, the person does not have to rush to ATMs or banks to withdraw cash, rather transaction can be done there and then in a fraction of seconds. It has become an upcoming way of purchasing goods and services without any physical movement of cash. The main objective of e-wallets is to make quick transactions thereby discouraging people to make use of use cash. This boom is the aftereffects of Demonetization.

### CATEGORIES OF E-WALLETS

E wallets can be categorized into four parts: open wallets, semi open wallets, closed wallets, semi close wallets.

**Open Wallets:** As the name suggests, open wallets are open to multiple services i.e. it allows a customer to buy goods and services, transfer funds and also to withdraw cash from banks or ATMs.

**Semi-open Wallets:** This type of wallet is subject to a condition that it has to be associated with some specific company. The customer can load money in some application and spend it.

**Closed Wallets:** These are most popular specifically amongst e-commerce companies. Some minimum

amount is reserved with the merchant in case of return or cancellation of product.

**Semi-Closed Wallets:** These types of wallets are in high demand by merchants with the limitation that they do not provide redemption or withdrawals. This wallet allows you to buy goods and services from listed merchants thereby opening an account in your name.

### LITERATURE REVIEW

Ambarish Salodkar et al. discusses that there are numerous applications like Paytm, freecharge, mobiquick etc. These applications can be downloaded and used for different purposes like making bill payments, doing online shopping and recharging phones etc.

Some of these applications have their own portals a person can perform all the above mentioned and many more tasks via app itself. In all the applications a person has to link his credit/ debit card number with the application to make use of services provided by app. This paper also discusses different characteristics, various needs and risks of electronic payments. The author agrees on the fact that e-wallets allow the users to enjoy comfortable and easy going platform to shop and pay, that too in minimal possible time.

Pinal Chauhan elaborated how e-Wallets are going to make money transaction less cumbersome for the users.

The people who use mobile applications just need to make payment at point of sale just after doing the purchasing. Autor also throw light on server side e-wallets and client side e-wallets. An encryption algorithm, known by the name RC4 is used for providing a secure transaction. Even after having some demerits like interoperability, advantages overweigh the disadvantages.

Roopali et al. worked upon studying how digitalization of payments can be considered as a boon to growth of a country's economy. Authors also done an in depth analysis of adoption patterns i.e. how people reacts and adopts digital wallets. In his analysis, he concluded that the number of users incorporating the habit of believing and using digital wallets has increased tremendously. People find it a more convenient and less time consuming way for making the payments. It also elaborates about top five digital wallets in India. However the question of security remains unanswered. People feel helpless at the time of making international transactions. A lot of security mechanisms are yet to be explored to make the transactions foolproof.

Trilok Nath Shulka tells that with the advent of technology, smart phones have grabbed the attention of a wide variety of customers. By using smart phones, it becomes easier for people to use web applications more often. It has become a convenient platform for users to transfer money in fraction of seconds. The credit goes to various government agencies that motivated and reinforced people for using smart phones and this is how people are contributing towards digital India. Telecom companies have also proved as a helping hand by providing 3G and 4G technology for faster transactions.

Author also discusses four types of e-wallets in India: open, closed, semi-open and semi-closed. He also emphasize that companies should offer certain kinds of coupons, cash back, gifts to promote the usage of m-wallets among users. Many more applications of m-wallets are yet to be discovered.

Pawan Kalyani presents usage, scope, advantages and disadvantages of virtual wallets specifically in India. He also gives recommendation for adopting the technology within the minimum possible time frame. He categorizes virtual wallets into four categories: Open wallets, semi-open wallets, closed wallets and semi-closed wallets. He also focuses on the issues and challenges that wallet companies are struggling with.

The major issues of concern are data security, phone battery, dispute resolution, market penetration and user acceptance etc. Technology has to walk a long way ahead to educate people to increase the customer base.

Author talks compares the transaction in ancient time and in modern world. Earlier people had barter system, then people started making use of cash now-a-days majority is drifting towards transaction through mobile devices. Today, people are using credit cards, debit cards and m-wallets for payments. Author also discusses about advantages and risks that are associated to e-currency and also about types of e-wallets. Modern transactions make use of ATM, Debit and Credit Cards, NEFTs and m-wallets etc. According to a survey done by author, customers are using e-wallets mostly for the purpose of recharging and payment of bills. A lot of effort is required to make the mass aware about importance and ease of using e-wallets to perform myriad operations.

Hem Shweta states that smart phones have spread all over the markets and people have now started to make different kinds of payments through mobile phones. He also explores various challenges faced by digital wallet users. Customers, banks and financial institutions are benefitted by the use of Digital wallets. Tech-savvy customers are increasing at a tremendously faster speed.

## **E-WALLET COMPANIES**

After analyzing pros and cons of demonetization and looking at awareness of general public, many companies have launched their e-wallets in the market with different terms and conditions to gain competitive advantages. Although many of them are not able to survive in the market, but some are very popular amongst people. These are as follows:

### **PAYTM**

Paytm is the most popular e-wallet in the market today having a user base of 20 million or probably more. It was launched in 2010. Majority of stores accept payments through Paytm. All the credit goes to Mr. Vijay Shekhar Sharma and his team. One just needs to load money into wallet and he can directly use it anytime and anywhere.

Paytm can be used in myriad applications areas which includes payment of gas/ electricity/ water bills.

It can be used for booking tickets for buses, cabs, flights, hotel rooms etc. In addition to all this, it can be for recharging mobile phones, DTH services etc.

**OXIGEN**

Oxigen is among one of the larger payment solution provider. It uses a 6 digit one time password for making your payment secure. This code is sent on your registered mobile number. Additionally, this mobile wallet is integrated with NPCI that allow instant money transfer to and from more than 50 banks. This feature is approved by RBI. According to a recent report published by VCCircle in April'16, mobile application claims to have 20 million users, 10000 websites and 9000 merchants. It includes services like money transfer, bill payment, bookings and many more.

**FREECHARGE**

This mobile wallet was introduced in 2010. It has gained popularity in recent past and claims to have 20 million registered users. With this app also, customers can make payments of DTH, utility bills, prepaid and postpaid bills, bookings etc. Apart from online stores FreeCharge offers offline stores like Hypercity, MsDonalds, Cinopolis and Shoppers Stop.

**PAYU MONEY**

PayU has mobile wallets over 4000 merchants which includes prestigious companies like-Goibibo, Zomato, Snapdeal and Bookmyshow, to name a few. It is a key company of Naspers Group. PayUMoney gain competitive advantage by offering advanced payment gateway solution to various online businesses by making use of progressive technology.

**APPLICATIONS**

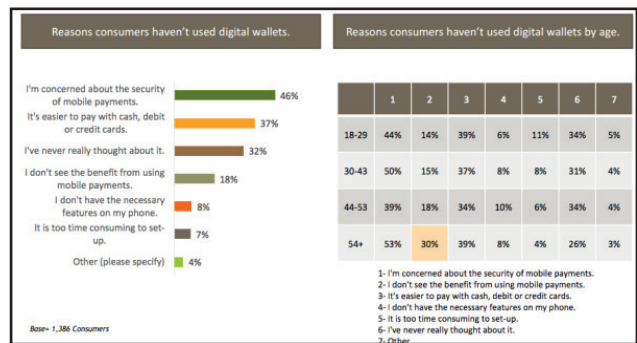
A person can make use of m-wallets in different application areas depending upon his need and preferences. Some of the major applications include:

- Recharging pre-paid mobile phones
- Pay for travel booking and movie shows
- Book hotel rooms
- Transfer money into other's account

- Purchase movie tickets
- Pay insurance premium



Being Insight believes that the emergence of mobile wallet services will be the most significant development in the payments industry during this decade. Mobile wallet services will change both offline and online commerce by enabling new shopping experiences for consumers and by creating an unprecedented opportunity for retailers and brands to interact with their customers while purchase decisions are being made. However, the mobile wallet market is still in its infancy and the wallet services need to develop substantially before this vision can become reality. Till now, mobile payments are not considered secure. Apart from this, one major reason is that there are chances of losing money. Many respondents specified that it takes days to get the money back and this reconciliation is a time consuming task.



**CONCLUSION**

After discussing many aspects, it is analyzed that young women are becoming more aware and responsible towards digital payments and are contributing in some or the other way towards growth and success of making India digital. In spite of many security issues, people are inclined towards e-payments because of its convenience, ease of use, quick service and availability.

### **FUTURE SCOPE**

A lot of security aspects are still left unexplored. Information technology has to work hard towards making the transactions secure and complete as this is one of the major hindrance in the success of digital payments. Also, there should be consistency in as transaction. Either transaction should be completely executed or should not be executed at all to avoid reconciliation issues. Mobile wallets could be introduced in transportation services in busses as a lot of cash transaction is involved on daily basis.

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