

# Research Paper on Adoption of E-wallet by Consumers

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## 1. Abstract

Smart phones are used everywhere in this modern world. The technological advancement has made all thing possible under one touch. By using applications installed in the smart phones the user can pay bills and transact their money to anyone at their ease. During pandemic consumers were asked to stay at home and strict rules were imposed. This resulted in heavy use of digital wallet for payments for different things such as ordering food, booking a cab, ordering grocery and other online payments such as bank transfer. These mobile applications work with the support of e-wallets which is recognized as digital wallets. This paper proposes the design of connecting different e-wallets present into single smart phone and also shows how much the consumers preferred using e-wallets on daily basis for making day to day transaction during this pandemic situation.

## Keywords

GooglePay wallet, Digital Payment, Consumer preference

## Abbreviations

ACH :- Automated clearing house,

E-wallet :- Electronic wallet,

PayTm :- pay through mobile.

## 2. Introduction

How many of us have started using contactless payments during this pandemic? Whether it's using a digital wallet or Electronic-wallet, a

cardnotpresent payment such as how we do the payment for our Amazon or Instacart food and goods, a private label debit app on our phone or the use of ACH, mobile and digital payment are here to stay. By using digital payment, consumers can make safe transaction without using cash.

I'm not saying cash is going away, but given our new contactless way of life, there are many convenient ways to make payment Now a days. Let's take a look at digital wallet for example as one of the most convenient ways to purchase goods and services.

Digital wallet largely eliminates the need to carry a physical wallet by storing all of a consumer's payment information securely and compactly. They also offer another option to pay when shopping online (think GooglePay) or at the gas station using a phone (thinkPhonePe).

Some of the digital wallets not only user friendly, but they also offer customer withmany different rewards and perks for using them. The Starbucks pay app, is on of the example which Target's Wallet and Amazon Pay are digital wallets that offer perks like loyalty points and coupons. What better way is there to welcome customers back into stores and shops then rewarding customers for their loyalty?

Digital wallets are also beneficial to businesses which collect consumer data so they can not only personally target consumers through loyalty programs and promotional offers, but they can also understand overall buying behaviour, stock up on the proper inventory and even optimize their workforce for busy times throughout the day. The more information companyhave about

their customers buying behaviour, the more effectively they provide the service to them.

Next time when you are getting ready to purchase gas, buy grocery or place an order for dinner, take a moment and consider your customer in the same or same situation. Is this point of transaction an example where offering to take a wallet payment would be more convenient? Would they feel safer and more at ease? Likely the answer is yes. If you can provide that peace of mind for your customer during the unchartered times of COVID-19, your customers will remember how you helped them interact with fewer surfaces while providing an optimal — and easy — experience.

Young customer is attracted for recharges done through mobile wallet. There was a drastic growth of mobile wallets during Covid-19 pandemic in India. Mobile wallet was the significant contributor in pushing contactless and electronic payments.

### 3. Top digital wallets in India

**GooglePay:-**Google Pay is a digital wallet platform and online payment system developed by Google to power in-app and tap-to-pay purchases on mobile device, enabling users to make payment with Android phone, tablet or watch

**PhonePe:-** PhonePe is an Indian digital wallet platform and online payment company whose headquarter is located Bangalore, India. In the year 2015, It was founded by Sameer Nigam, Rahul Chari and Burzin Engineer. The PhonePe app, based on the Unified Payment Interface, went live in August 2016.

**PayTm :-** PayTm is an e-commerce payment and financial technology company, based in India. PayTm offers online use-cases like mobile recharge, utility bill payment, travel, movies, and events booking as well as instore payment at grocery stores, fruits and vegetable shops, restaurants, parking, tolls, pharmacies and educational institutions with the Paytm QR code.

**AmazonPay:-**Amazon Pay is an online payment processing service which is owned by Amazon. Launched in 2007, Amazon Pay uses the consumer base of Amazon.com and mainly focuses on giving user the option to do the payment with their Amazon account on external merchant websites.

## 4. Research Methodology

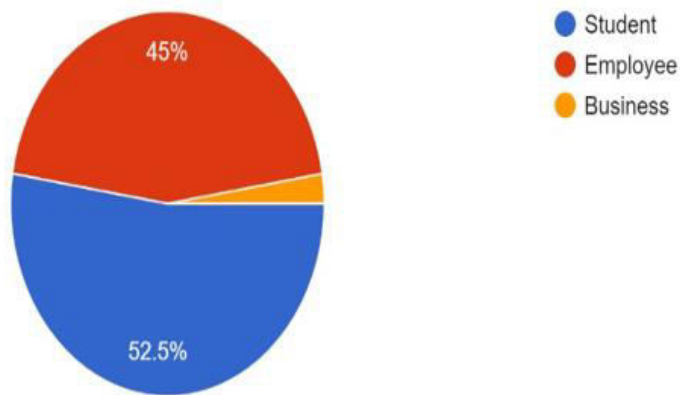
This research is based on the primary data collected from small group of people by using Google Forms and also online research findings.

With these available resources the data was collected, reviewed and then analysed for better understanding of the situation of the digital wallet during the covid-19 period.

Following are the questionnaire pie chart which helps us to understand the consumer preference.

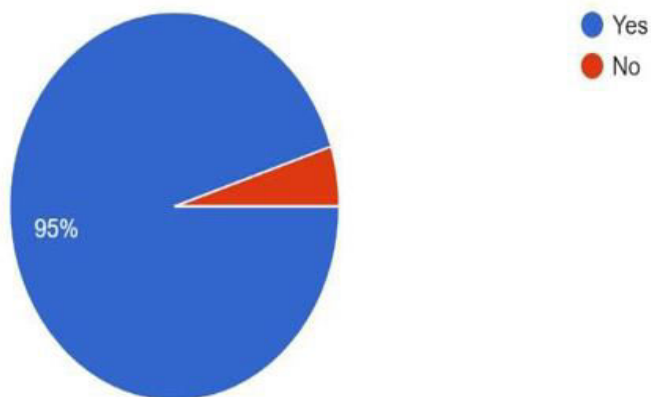
## Occupation

40 responses



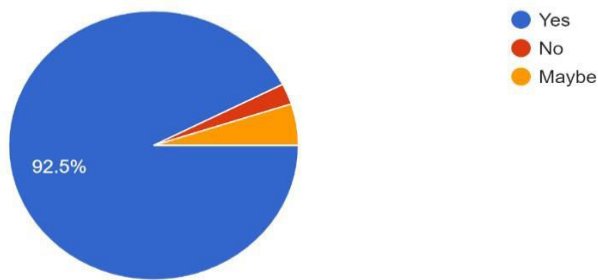
## Do you use Digital Wallets for Payments

40 responses



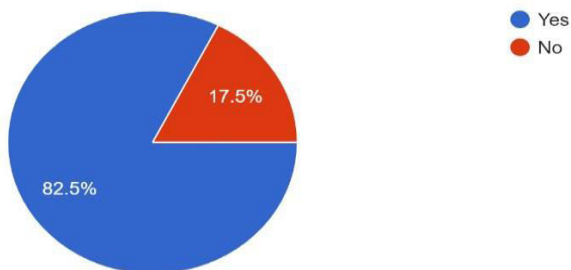
Do you find ease and convenience while using Digital Wallet ?

40 responses



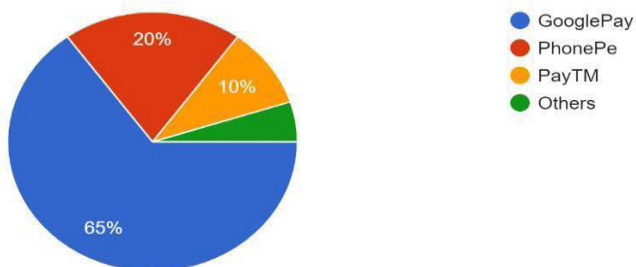
Do you feel safe and secured while using Digital Wallet for payments ?

40 responses



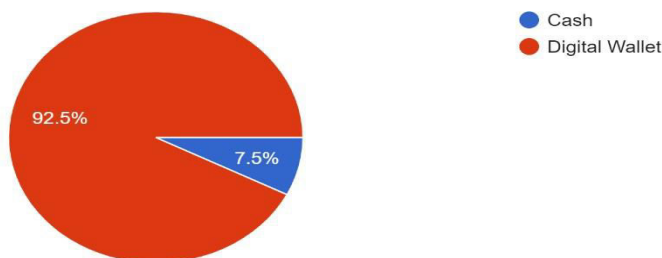
Which of these did you prefer during Covid-19 pandemic for payment purposes?

40 responses



In future do you consider using Traditional way of cash or Digital Wallet for payments ?

40 responses



## 5. Findings

As the above study have shown us that the consumer during the covid-19 has used digital wallets extensively. Consumers are getting comfortable with this online mode of payment and are finding it easier and safer mode of payment. It not only helped companies generate more revenue with thousands of transactions being made but also helped in the crisis by avoiding physical contact through cash.

Multiple industry insiders also pointed out that they have reported a huge surge in bill payments. Digital Players like Paytm, Google Pay, Amazon Pay and PhonePe have benefited from online bill payments. The numbers also reflect a same trend. If January saw around 15 million bill payments being done monthly, for October the number jumped 58 % to 23.7 million with almost Rs Four thousand crore being paid digitally. Also the amount of bill paid digitally has jumped 2 times in the same time period.

While every other payment mode has gone through its up and down during the year, Unified Payments Interface saw its adoption increasing multiple times. It has almost doubled in year 2020 both in terms of volume and value. UPI saw its increase being driven by larger adoption of digital payment across category, along with its usage in QR code based payments. Further the start of UPI 2.0 has helped open up new use cases on the platform, even IPO payment are being done through UPI. So overall it has managed to catch the imagination of the nation and people are taking UPI as a default P2P payment mode.

Digital payment platform have also not just seen a upsurge in the number of transaction but thenumerousdownload of digital payment platform have also almost doubled.

According to a survey of 42,000 respondents by consultancy firm Local Circles, buying essentials and mobile recharge are top use cases for digital

payments. [Paytm](#) and Google Pay are amid to be the top digital payment apps being used by consumers.

According to the report, after the lockdown, more people have started to use digital payment mode.

The lockdown has also brought many first-time users who were earlier not very known on using digital payment, mode for payments as now due to social distancing measures they need to pay online. Paytm and Google Pay are among the top gainers, according to the report. “When consumers were asked which digital payment app have they been using the most in the last three weeks, since the coronavirus outbreak, 33% said Paytm, 14% Google Pay, 4% PhonePe, 10% Amazon Pay, 6% BHIM while 33% used other apps,” the survey report said accordingly.

During this pandemic, the market for essential services has increased, the retail stores have also witnessed an increase in the number of payments made via payment apps. “Numerous retail store and local general store have been reporting about great rush and spike in order because of the lockdown and as people purchase stock essentials for use during this period,” the survey said.

Further there has been an increase in e-payment to the e-commerce platform, dispatching grocery and many other essentials in the last 3 weeks with some reporting 5 times demand.

Many of the e-retailers are also requesting payment through digital platform, which is also contactless and reduces risk of spreading coronavirus. Besides the [National Payments Corporation of India](#) (NPCI) has also encouraged people to use digital payment method, so that people do not step out even to go to the ATM, reduce social contact and limit the spread of Covid-19.

As per the report about 54% of surveyeeshave used their Visa card, while 30% have made online payments via Mastercard. About 12% respondents have used Rupay card for making online payments

## 6. Business strategies which have been implemented

With ever growing user base companies have started using various schemes and offers to attract the consumer for using their application for various payments. One such fight between companies is going on that is GooglePay and Phonepe but as we can see in data we collected the consumers are using GooglePay over Phonepe for various payment purposes.

This shows how the companies fight over to gain advantage in the market. Google have given consumers more cashback offers as well as engaged the user to stick to their platform which helped them to capitalize on the market.

## 7. Conclusion

Hence the main reason for this study was to figure out how we as a customer would react to our own changing environment such as pandemic and other changes. Also we caught up to the technology and ease as well as transforming and bringing the revolution in the mode of payment from cash to digitally making transactions we have come a long way.

In future, we may see social media initiated payment, voice activated payment, cryptocurrency, biometric payment including facial recognition all becoming mainstream. However, one point is for certain, mobile-payment and mobile-wallet will continue to gain mass adoption in the immediate future, and it's worth paying attention to developing countries which will likely contribute significantly to this development.

However, this is projected to change because of its cost effectiveness for merchants who will now require less infrastructure to process payment, while delivering more convenience for customers.

There is an exciting digital journey ahead of us. However, as we continue to adopt digital payment wherever we are in the world, security and trust should be at the forefront of the experience, and therefore a secure, reliable, and robust payment infrastructure needs to be in place.

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