

E-Wallets in India: Usages and Problem

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Abstract :

India is going to become cashless. Indian government launched digital India Campaign to reduce dependency of Indian economy on cash and prevent from money laundering. To making cashless India and increasing trends in using digital payment system various Payment methods are emerging and developing. India is developing country and maximum area is rural and shocking is computer literacy is only 6.5% then question arises that implementation of digital payment system. The cashless system includes digital banking services, Mobile banking services and digital wallets or e-wallets. In the India and all over India some E-wallets are using to make transaction. There are several types of e-wallets are available in the India it provides different types of offers , cashback and offers to attract the customers. In India students of college or higher education are part of our Economy and it is important to know the impact of digitalization on College students.

The research paper is going to examine the effectiveness of E-wallets in the college students. It is also going to focus on problems of e-wallets transaction.

Introduction: India is slowly paving its way towards a cashless society, from those heavy physical wallets to virtual wallets; we're transforming at a significant pace. Remember those days, when we would carry those bulky wallets full of cash and credit? But all thanks to mobile wallets, for reducing our freight whilst making payments and transactions easier. Now, we can pay for almost any product or service, transfer money, make bill payments, book tickets etc at the comfort of our home. Gone are the days when you had to wait for hours just to get your hands on that 'first day, first show' ticket of your favorite movie.

Mobile wallets have made our lives much easier, with its one-tap feature and quick processing all at one-go. Mobile wallets are designed to enable a secure and integrated flow of transactions with hassle-free process. A mobile wallet uses a bank account, credit/debit card information to process payments seamlessly while fully securing all the details of the user. These wallet helps lower the paying processing time, reduce fraud and are economical as compared to other physical wallets.

Demonetization by the Indian government also gave a push to these wallets, and since then, the user base of these wallets have been constantly increasing. Before demonetization, cash transactions accounted for almost 95% of transactions, 85% of people were still paid in cash, and almost 70% of shoppers voted 'Cash on delivery' as the most preferred mode of payment. Yet according to some estimates, the India mobile wallet industry is set to grow by 150% next year, with the transactions amounting to \$4.4 billion.

Objectives:

1. To Study the concept of E-wallets.
2. To know the different types offering E-wallets used in India.
3. To know the use of E-wallets to higher Education Institutions.
4. To know the effectiveness of E-wallets on College students.

5. To understand the problem in e-wallets.
6. To suggest the measures for it.

Research Methodology:

The Primary Data as well as Secondary data is used to make the research. The research is based on Sample selected in area of research. 100 respondents have been given for the study.

Concept of E-Wallets: E-wallet stands for electronic wallet. It is a type of electronic card which is used for transactions made online through a computer or a smartphone. The utility of e-wallet is same as a credit or debit card. An e-wallet needs to be linked with the individual's bank account to make payments. The main objective of e-Wallet is to make paperless money transaction easier.

Types of E-wallets :

Different types of e-wallets or digital wallets are designed to serve different purposes depending on the needs of the business and the end-users. Some common types of e-wallets offered by issuers include:

1. **Closed wallet:** A closed wallet allows users to make payments through an app or website. This type of wallet is typically created by businesses that sell products or services. Users of a closed wallet can only use the stored funds to make transactions with the wallet's issuer. If a transaction is cancelled or a refund is issued, the entire amount is returned to the wallet.
2. **Semi-closed wallet:** A semi-closed wallet allows users to easily make transactions at specific merchants and locations. This type of wallet has a limited coverage area. To accept payments from a semi-closed wallet, merchants must agree to a contract or agreement with the issuer.
3. **Open wallet:** Banks offer open wallets that can be used for any type of transaction. Open wallets make it easy to transfer funds and can be used for online and in-store payments. The provider of an open e-wallet allows users to conduct transactions from anywhere in the world, but both the sender and receiver must have accounts on the same app.
4. **Crypto wallet:** Cryptocurrency wallets store users' public and private keys, which act as ownership certificates. Hardware wallets, also known as cold wallets, provide an extra layer of security and safety. These wallets can be operated offline using a USB stick. Cryptocurrency payments can be made using hardware wallets.

Popular E Wallets In India: India has seen a phenomenal increase in the number of digital wallet users. The nation is slowly moving towards being a cashless economy. A Digital Wallet or a Mobile Wallet (e-wallet) makes your life easier by helping you to carry out transactions in a quick and easy way.

1) **PayTM:** PayTM Launched in 2010, PayTM is the largest digital wallet app in India. PayTM is one of the most used e-wallets in India with over 160 million people using PayTM across the nation. They've managed to raise around Rs. 2.2 Billion through funding by investors. Payments made through PayTM's digital wallets in India are accepted almost everywhere across the nation. As a customer PayTM offers you various services through its digital wallets system. You can also use their e-wallet to make payments to numerous online merchants. One of the best things about this digital wallet is that it allows you to do much more than carry out your e-commerce transactions. Similarly, through their digital wallets in India, you can transfer money, travel, shop, and carry out many more transactions through PayTM. With payments via PayTM being accepted almost everywhere, it's hard not to simply switch to it completely. PayTM has recently partnered with selective educational institutes across India to make it easier for the users to make cashless payments of fees as well.

2) Google Pay: Google Pay has quickly made a name for itself as one of the best digital wallets in India. Even though Google Pay has been a late entrant in the market of digital wallets in India, it has quickly managed to make an impact on the users' thanks to their hassle-free services.

Currently, Google Pay has more than 25 million a month active users of the digital wallet in India. Send and receive money instantly in your bank account using Google Pay UPI. You can easily send money to your friends, recharge your phone, pay bills and much more through Google Pay. Google Pay is directly connected to your bank account and your registered phone number. This helps you save time that you would rather spend on reloading wallets and doing additional KYC which is generally required for other digital wallets in India.

3) Amazon Pay: The Global Giant i.e Amazon has developed its own digital wallet known as Amazon Pay. The digital wallet was launched in 2007 globally. However, Amazon Pay was launched in India a decade later i.e in 2017. More than 33 million people use Amazon Pays Digital wallet to make payments for various transactions. Previously Amazon Pay was only used to make payments when you purchase something from Amazon. Now Amazon lets you make payments through Amazon Pay while transacting with selected merchants. Amazon Pay also offers various benefits like discounts and cashback. Amazon Pay allows you to access data from the site of the merchant in a seamless manner. Therefore, helping you streamline your purchase process. Similarly, you can transact without entering information like credit card or debit card details, address, etc. While doing this you can be sure of security since Amazon has restrictions when it comes to data security, your data is safe and secured without losing integrity.

4) PhonePe: PhonePe is an all-in-one UPI-based digital payment app. It is one of the most popular digital wallets in India. PhonePe has been able to cross the 100 million download mark within just 4 years since it's existence. The app is powered by Yes Bank and launched by Flipkart, two giants in their respective industries. The app crossed the 100 million user mark in 2018 and is growing day by day. we can do everything through this app, from UPI payments to paying through the PhonePe e-wallet, from QR code payment to paying through your debit & credit cards. PhonePe is not just like any other digital wallets in India, it has many features in the app that make your lives easier. Get great deals and cashback on bill payments, food outlets, shopping, and much more through PhonePe. PhonePe assures data security against cyber-criminals. Along with this PhonePe is a multi-lingual app. The app is available in English, Hindi, Marathi, Tamil, Bengali, and more. Therefore making it easier for users to use the app seamlessly across the nation.

5) Freecharge: Freecharge, one of the most famous names right now when it comes to digital payment in India, has been known to target the youth in all their promotions. Kunal Shah and Sandeep Tandon founded Freecharge in 2010, to make it easier for people to transact through their digital wallets in India.

6) BHIM: This digital wallet is backed by The Reserve Bank of India (RBI) and launched by The National Payments Corporation of India. BHIM is probably one of the best digital wallets in India based on UPI. The BHIM digital was launched in India by Prime Minister Narendra Modi for all the android users. BHIM has played an important role in the quest to make India a cashless economy. BHIM enables QR code scan-and-pay option. Likewise, you can generate your own unique UPI PIN and QR code through the app. Also, you don't need to worry about security issues as your login expires after 90 seconds of inactivity to minimize inappropriate and fraudulent use of your data. Additionally, BHIM also provides you a transaction history to make sure that you keep a check on your transactions through the app.

7) ICICI Pockets: ICICI is one of the leading Indian multinational banks. Currently, it is the largest private sector bank in India. ICICI Pockets is a digital-payment based app for mobile phones. The digital wallet in India service was started to make your lives easier by enabling you to make digital payments in an easy way. The app uses a virtual VISA card to enable users to transact on any website or mobile across the nation.

8) JioMoney: JioMoney, launched recently in 2016 by Jio, is a digital payment app. The app is inspired by the concept of digital wallets in India. Similarly, the JioMoney app lets you get all the benefits of cash. Above all without any of its limitations.

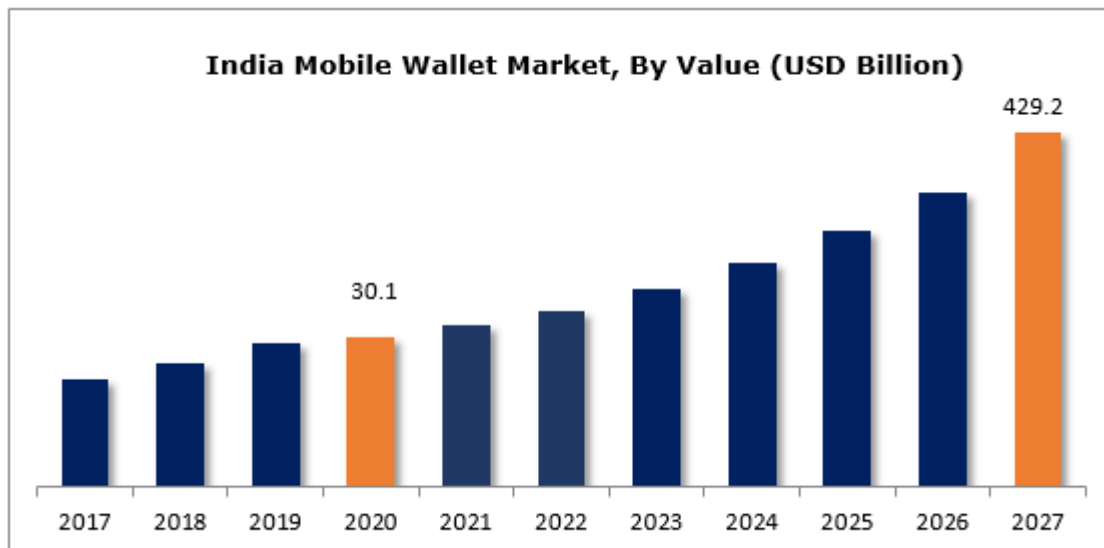
9) **HDFC PayZapp:** HDFC PayZapp is making digital wallets in India simplified. Consequently it is one of the top digital wallets in India with one-click payments. PayZapp is a complete digital payment solution. Users can easily compare flight and hotel tickets and even buy music or pay bills with the app. Simply connect your debit or credit card once and forget to worry about making payments. It is probably one of the best one-click payment solution digital wallets in India. And PayZapp lets you enjoy amazing offers at SmartBuy, you can send money to anyone in your phone book through their digital wallet in India.

The digital wallet app is fast, secure, and convenient to carry out digital payments. Above all, you don't need to reload money again and again in your PayZapp digital wallets in India. Because once you link your Debit or Credit card, you won't need to worry about reloading your e-wallet. Likewise, the app keeps your details secure with the bank and the data isn't stored on any phone or website. Consequently, PayZapp conducts three security checks for each transaction by using proprietary technology.

10) **Citi MasterPass:** Citi MasterPass is one of the free digital wallets in India launched by Citi Bank India and MasterCard. It is India's first global digital wallet which helps you make the checking out process quicker on e-commerce sites. The co-branded MasterPass solution is the first of its type Asia and Indian marketplace. Users also get the benefits of services like storing all your credit, debit, loyalty cards, and shipping details in one place. Citi Bank credit and debit card users are able to shop with more than 2,50,000 online merchants.

11) **Mobikwik:** Mobikwik is a Gurgaon based e-wallet payment system in India that helps its users store their money. Their payment system of digital wallet in India was founded in 2009 by Bipin Singh and Upasana Taku. Mobikwiks large network connects more than 25 million users with approximately 50k merchants through their payment system of digital wallets in India.

Current Position of E-wallets in India:



<https://www.blueweaveconsulting.com/report/india-mobile-wallet-market/report-sample>

Delhi, Jan. 25, 2022 (GLOBE NEWSWIRE) -- *India's mobile wallet market is growing at an impressive CAGR owing to the increasing number of smartphone users in the country. Additionally, the growing awareness among consumers regarding convenient payment options through mobile wallets is also propelling the market forward*

A recent study conducted by the strategic consulting and market research firm BlueWeave Consulting revealed that the **India mobile wallet market** was worth USD 30.1 billion in 2020. According to the study, the market is

estimated to grow at a CAGR of 46.3%, earning revenue of USD 429.2 billion by the end of 2027. Mobile wallet transactions spiked after the government demonetized Rs. 500 and Rs 1,000 in 2016. The Indian government has provided individuals with a variety of digital wallets, including UPI, BHIM, Aadhaar Pay, and Payment Banks, which have reshaped payment processes.

India's mobile wallet market is, therefore, flourishing at a high rate owing to the increasing number of smartphone users and growing awareness among consumers regarding convenient payment options through mobile wallets. In addition, merchants are adopting mobile wallets at a rapid pace due to the lower set-up infrastructure and transaction fees compared to traditional card-based payment systems. However, poor internet connectivity, limited internet accessibility, and risks associated with cybersecurity may severely hamper the market's growth.

Flourishing E-Commerce Sector Propelling the India Mobile Wallet Market Growth

The flourishing e-commerce sector is among the major driving factors for the India mobile wallet market. Once a user pays on a shopping site for the first time, the mobile wallet saves their data automatically and enables one-tap payments in the future. This makes it convenient for the customers to make payments without any hassle. Additionally, several e-commerce websites partner with mobile wallet platforms to offer attractive deals and discounts, which are projected to drive market growth over the forecast period.

Market Growth will be Driven by the Increasing Number Of Smartphone Owners & Internet Users

According to the IAMAI-Kantar ICUBE 2020 report, India's number of active internet users is projected to surge from 622 million in 2020 to 900 million by 2025, with groundbreaking growth of 45%. According to the report, there will be more internet users in rural India than in urban India by 2025, reducing the gap between urban and rural access to the internet. Likewise, according to data released in 2019 by the Telecom Regulatory Authority of India (TRAI), India's telecom regulator, the country's mobile phone subscriber base exceeds one billion. Thus, with increasing internet accessibility and the number of smart phone users in the country, the India mobile wallet market is also anticipated to surge in the upcoming years.

E-wallets to higher Education Institutions: Advantages

Table No 1

Question	Useful	Availability – Anytime any where	Useful for payment	Useful to make investment	Time Severer	Security	Easy to handle
Yes	98	97	99	98	97	89	99
No	2	3	1	2	3	11	1

The survey have been taken for the higher education student and it shows that E-wallet is useful , available anytime anywhere, easy to handle , time saver and more secured.

Table No 2

Disadvantage:

Question	Technical Issues	Dependency on technology	Dependency on Device	Internet Problem	Frauds	Wallet Help Disk Less Response	Privacy Problem
Yes	56	100	100	49	35	65	78
No	44	0	0	51	65	35	22

The survey also reveal that most of the problem found about wallets. There is technical issue problem of ewallets. Device and internet is essential part of the ewallets , without network ewallets is useless. Some issues regarding to the help disk of ewallets that it cannot reply quickly.

Measure : The research should make for addressing the problem related to the ewallts .

Conclusion : Ewallets are very useful and easy to use, it is use in india in very large amount. In India all age group customer uses ewallets. In India Paytem, Phonpe, and Google pay these wallets are very popular. Ther survey reveals that technical issies and dependency on network and Internal problem are the most common problem in ewallet technology.

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