

RISE OF DIGITAL WALLET IN PANDEMIC

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Abstract

Smart phones are used everywhere in this modern world. The technological advancement has made everything 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.

Keywords: GooglePay wallet, Digital Payment, Consumer preference

Introduction:

How many of us have moved to using contactless payments during this pandemic? Whether it's using a digital wallet (or e-wallet), a card-not-present payment such as how we pay for our Amazon or Instacart food and goods, a private label debit app on our phone or the use of ACH, mobile and digital payments are here to stay. By using digital payments, consumers can make safe transactions without using cash.

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

Digital wallets largely eliminate 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 digital wallets not only afford ease of use, but also offer customers rewards and perks for using them. For instance, the Starbucks pay app, 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 them for their loyalty?

Digital wallets are also beneficial to businesses that collect consumer data so they can not only personally target consumers through loyalty programs and promotional offers, but they can also understand overall buying habits, stock up on the proper inventory and even optimize their workforce for busy times throughout the day. The more companies know about their customers' purchasing habits, the more effectively they can market to them and service them.

Next time you're getting ready to purchase gas, buy groceries or place an order for dinner, take a moment and consider your customer in the same or similar situation. Is this point-of-transaction an instance 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 customers during the uncharted times of COVID-19, your customer will remember how you helped them interact with fewer surfaces while providing an optimal — and easy — experience.

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

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 devices, enabling users to make payments with Android phones, tablets or watches.
- **PhonePe :** PhonePe is an Indian digital wallet platform and online payment company headquartered in Bangalore, India. PhonePe was founded in December 2015, by Sameer Nigam, Rahul Chari and Burzin Engineer. The PhonePe app, based on the Unified Payments 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 recharges, utility bill payments, travel, movies, and events bookings as well as in-store payments 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 payments processing service that is owned by Amazon. Launched in 2007, Amazon Pay uses the consumer base of Amazon.com and focuses on giving users the option to pay with their Amazon accounts on external merchant websites.

Research Methodology:

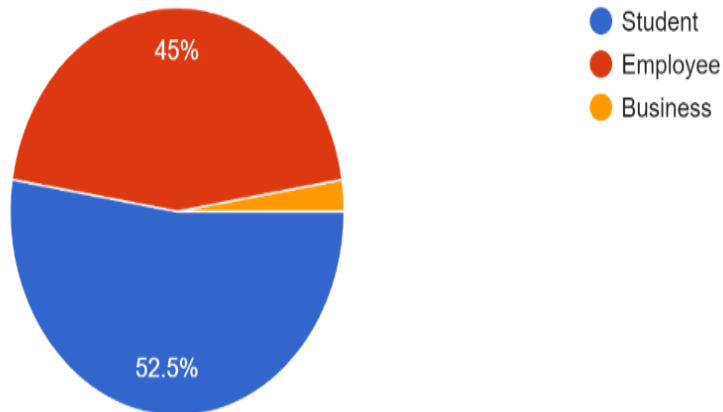
This research is based on the primary data collected from small group of people by using Google Forms and also online research findings.

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.

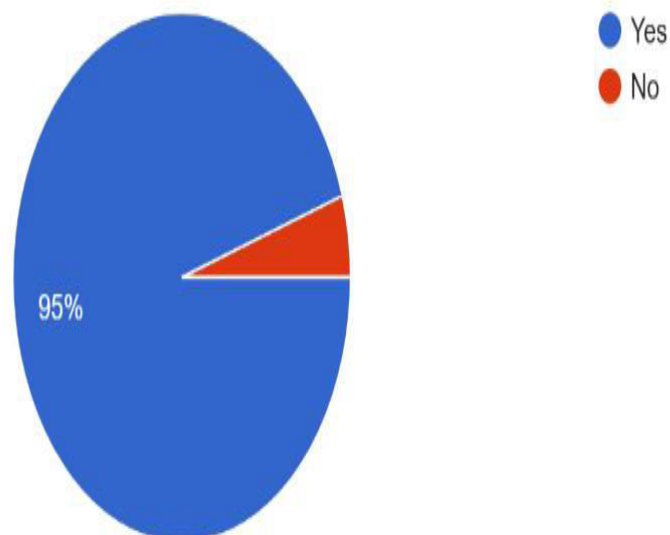
Occupation

40 responses



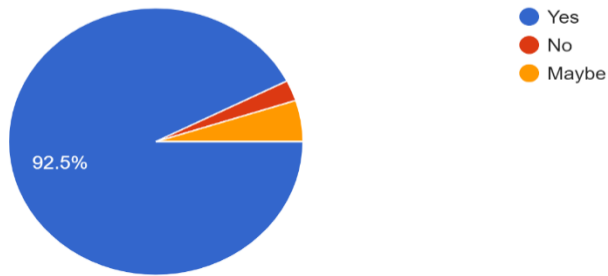
Do you use Digital Wallets for Payments

40 responses



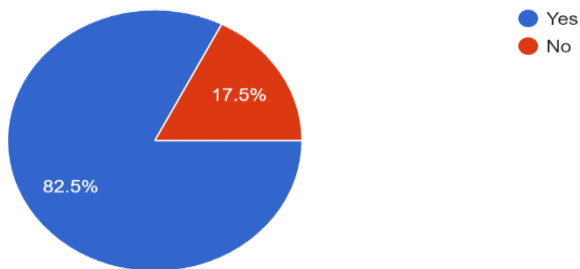
Do you find ease and convenience while using Digital Wallet ?

40 responses



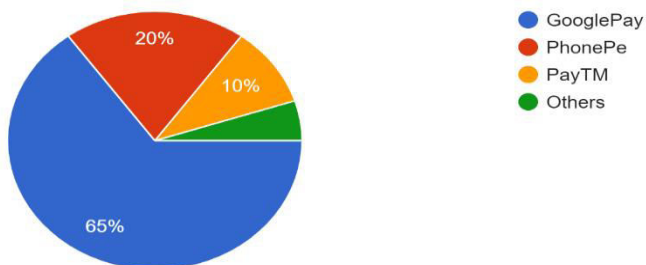
Do you feel safe and secured while using Digital Wallet for payments ?

40 responses

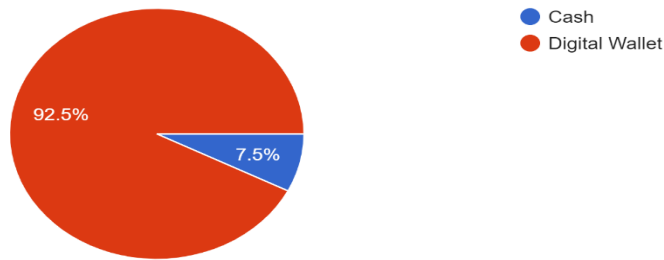


Which of these did you prefer during Covid-19 pandemic for payment purposes?

40 responses



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



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 is 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 massive surge in bill payments. Players like Paytm, Google Pay, Amazon Pay and PhonePe have benefited from online bill payments. The numbers also reflect a similar trend. If January saw around 15million bill payments being done monthly, for October the number jumped 58 percent to 23.7 million with almost Rs4000 crore being paid digitally. Also the amount of bill paid digitally has jumped two 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 growing multiple times. It has almost doubled in 2020 both in terms of volume and value. UPI saw its growth being driven by larger adoption of digital payments across categories, along with its usage in QR code based payments. Further the launch of UPI 2.0 has helped open up new use cases on the platform, even IPO payments are being done through UPI. So overall it has managed to catch the imagination of the nation and people are taking to UPI as a default P2P payment mode.

Digital payment platforms have also not just seen a surge in the number of transactions but the number of downloads of digital payment platforms have also almost doubled.

According to a survey of 42,000 respondents by consultancy firm Local Circles, buying essentials and mobile recharges are top use cases for digital payments and [Paytm](#) and Google Pay are among the top digital payment apps being used by consumers.

According to the report, after the lockdown kicked in more people have switched to digital payment mode.

The lockdown has also brought many first-time users who were earlier not very keen on using digital payments' mode for payments as now due to social distancing measures they need to pay online

Among the top gainers, according to the report include Paytm and Google Pay. “When consumers were asked what 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.

As the market for essential services has expanded, the retail stores have also witnessed a growth in the number of payments made via payment apps. “Many retail stores and local general stores have been reporting a major rush and spike in order because of the lockdown and as people purchase and stock essentials for use during this period,” the survey said.

Further there has been a rise in e-payments to the e-commerce platforms, delivering groceries and other essentials in the last three weeks with some reporting five times demand.

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

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

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.

Conclusion:

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

In the not too distant future, we could see social media initiated payments, voice activated payments, cryptocurrencies, biometric payments including facial recognition all becoming mainstream. However, one point is for certain, mobile payments and mobile wallets will continue to gain mass adoption

in the immediate future, and it's worth paying attention to developing countries which will likely contribute substantially to this development.

However, this is projected to change due to its cost effectiveness for merchants who will now require less infrastructure to process payments, whilst delivering more convenience for customers.

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

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