

Role of E-wallets in business and financial transactions

Namita S Mane¹, Dr. Pradip M Joshi²

¹ Research Student, Department of Commerce JSPM's Jayawantrao Sawant College of Comm. & Sci., Hadapsar, Pune, Maharashtra, India

² Research Guide, Assistant Professor, Department of Commerce, MJ College, Jalgaon, Maharashtra, India

Abstract

This research paper prominently focuses on the role of ICT based E-wallets for the Digital transactions in business and financial transactions. It has observed that incorporation of ICT in the banking system is apparent. The utilization of ICT in business and financial transactions is tremendous at the level of the clients / customers and the owners. The use of digitization has brought many modifications in the transactions as they are found very user friendly. This research paper focuses on how E-Wallets are used in business and financial transactions particularly. The present paper covers the most essential aspects related to E-Wallets in relation to its implementation at the level of customer and merchant or trader.

Keywords: ICT, E-Wallets, financial transactions, modifications, incorporation, digitization

Introduction

'Digital Transactions' means the implementation and manipulation of digital technology by individuals, businesses and financial organizations for handling the information while doing the transactions. Digitization includes a variety of electronic gadgets for processing information. ICT handles and keeps this virtual data for different purposes like storage of data, retrieval of data and transmission of data in the interlinked systems. Digital transactions in business and financial organizations characterizes by efficiency, effectiveness and timeliness. Digitization with ICT helps to keep information in a structured form, makes analysis of transactions easy and smoothly, and allows to seek feedback. Digital transactions lessen the manual works of both the customers as well as owners. Digitization has enabled and implemented from the root level of the society. Besides, these benefits there are some negative aspects of its excessive use. In brief, Digitization has allowed customers and business and financial firms to transact smoothly, easily, and timely.

The researcher has covered the following ICT based systems used in the business and financial transactions- 1) E Wallets 2) Internet Banking 3) Mobile Banking E-Wallet is the abbreviated form of 'Electronic Wallet'. Financial transactions can be made with the help of these E-wallets by using the electronic gadgets like computer and smartphone with active internet facility. They can be used to perform the functions of credit and debit cards. These E-wallets have to be linked with one's bank account to do transactions. The chief aim of E-wallet is to have environment friendly paperless transactions. Financial transactions can be done easily and smoothly.

Open Wallets

Banks provide open wallets. Customers open wallets are permitted to use them for all types of transactions. Open wallets offer the flexibility to transact funds easily and smoothly. One can make payments online and at the store at any point in time. The open e-wallets service provider permits the consumers to do transactions from any place in the world. However, it is compulsory that both the sender and the receiver should have their accounts on the same application.

Closed Wallets

A closed wallet helps consumers to do payments with the help of an application or website. They are normally designed by the companies' selling products or services for their consumers. Consumers / Users of a closed wallet can make the use of the digital money only with the issuer of the wallet to do the transaction. If the transaction is cancelled, all money will get refunded the wallet.

Semi-Closed Wallets

A semi-closed wallet provides users the ease to make financial transactions at the listed merchants and locations. The coverage area of semi-closed wallets is limited. Merchants / traders have to accept the contract or agreement with the issuer to receive the payment from the wallet.

Crypto Wallets

Crypto wallets stock public as well as private keys of the consumers. The keys can be cryptocurrencies certificates of ownership. To provide extra security hardware wallets or cold wallets are used for the additional layer of security and safety. A USB stick may be utilized to operate wallets offline. These wallets can be utilized to process payments with cryptocurrencies.

IoT Wallets

IoT means for the Internet of Things. These are installed in watches, jackets, wristbands or other wallet enabled devices

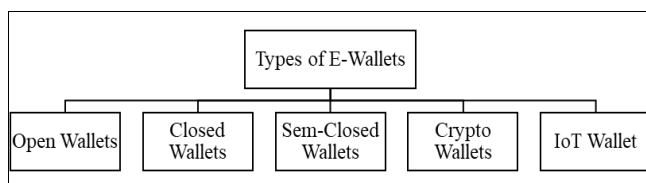


Fig 1

like smart car’s computers, smart fridges and more. IoT based wallets operate with e-money and virtual currencies.

Important E-Wallets

A mobile wallet or e wallet app or e wallet is an app that consists of your debit and credit card information which helps the users to pay for goods and services digitally using their mobile devices. Popular online payment apps or payment apps or e wallet list in India include.

- Paytm
- Google Pay
- Amazon Pay
- JIO Money
- Freecharge
- Yono SBI
- Airtel Money
- Payzapp
- MobiKwik
- Oxigen
- Ola money
- PhonePe
- MSwipe
- Axis Bank Lime
- Pay Umoney
- ICICI Pockets
- Citrus and so on

Characteristics of E-Wallets

The following are the characteristics of E-wallets.

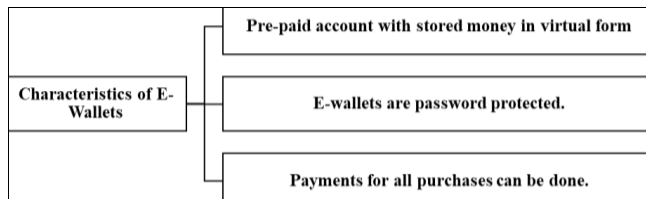


Fig 2

Software and Information are two main parts E-wallet. Software stores personal data means information. Security to your personal information is ensured by the software. The following information of the customer is saved in the database of the software.

- Customer Name
- Shipping Address
- Payment Method
- Bill Amount to be paid
- Credit or Debit card
- Bank Account Links

Consumer’s Functions

- Download the authentic app on your electronic gadgets / devices.
- Fill the correct details to sign up Set the password
- Keep money using debit/credit card or Net banking
- After making purchases pay the bill with the help of E-wallet
- Information is filled automatically as it is stored in the database.

Traders / Merchant’s Functions

- Download the app on Merchant’s electronic gadgets / devices

- Enter the personal and relevant details
- Set a password as per instructions
- Self-declaration as a merchant or a trader
- Start the acceptance of payments.

Things Needed for E-Wallets

- Active Bank Account / Debit / Credit Card Details
- Smart phone
- Internet Connection
- An App of E-Wallet

Advantages of Payment E-Wallets

Customer Convenience

The best benefit of using a E-Wallets is its accessibility. Customers can make payments using their mobile phones either using the contactless payments or by scanning QR code instantly. Financial transactions made using E-wallet is often easier and faster than swiping or inserting the cards.

Secure way to make payments

Transactions done through E-Wallets permit the customer to use the mobile phone to make in-store purchases. E-Wallets makes the use of a technology - Near – Field Communication (NFC) the customers have to do is to tap or wave your phone to make payments at the point of service (POS) terminal. E-Wallets provides a great level of security for the financial data of the customers. The customers can add a fingerprint or PIN or Password as an additional layer of security.

Improves Cash Flow:

The implementation of e-wallets has improved the cash flow in the markets tremendously. E-Wallets have brought many changes in it as it is very easy to access irrespective time place.

A faster way to make payments:

All the customers just have to tap, pay and get it done successfully. Many customers use E-Wallets and it has increased the number of people who use mobile phones, the e-payment system has increased momentum worldwide.

Integrates Loyalty Programmes:

The use of E-Wallets makes it possible to integrate loyalty and reward programs as customer information is kept in the app.

Role of Digital Transactions in Pandemic

Pandemic of Covid-19 is the worst situation in the world. Covid is contagious disease therefore people started doing untouched transactions also. It has changed the entire system of banking along with digital transactions. People started paying by using these E-wallets instead of hard cash. Traders / Merchants started accepting digital money through a variety of E-wallets. These integrated E-wallets are used easily and at any time. Money can be added to the E-wallet through Credit Cards or Debit Cards or Net Banking available on the payment application. All these E-wallets are user friendly and used by most of the people Every day financial transactions can be made with the help of these E-Wallets. The transactions can be of any type as mentioned below.

- Paying electricity or gas cylinder bills
- School or College fees
- Recharging the mobile phone
- Paying taxes online
- Paying for online purchases

Coupons, Rewards, Discounts: The utilization of payment apps and e-wallets provides its users with coupons, discounts, rewards, loyalty points. Digital Wallets have tie-ups with many firms that provide offers, discounts, coupons on using the payment apps. The e-wallets form an ideal environment to provide deal-seeking consumers with a huge range of benefits and helps mobile wallet app to stand out in the market.

Conclusion

E-Wallets are prominently used on daily basis by both the customers and the merchants. These E-Wallets are easily downloaded, registered and used with security. They have really made the financial transactions easy and smooth. Digitization in the field of banking has really brought a variety of applications based on ICT and E-Wallets is one of them. But at the same time both the customers and the merchants or traders must be aware of cyber-crime and fraud. These E-Wallets must be downloaded from the authentic sources only and not by any third party.

References

1. Skip Allums (2014), *Designing Mobile Payment Experiences Principles and Best Practices for Mobile Commerce*
2. Management School, Imperial College (2000), *EWallets in Ecommerce*
3. <https://www.goodreturns.in/payment-apps-and-e-wallets.html>