

## Digital Wallet: The next way of growth

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### Abstract

There was a time when transactions happened through barter system. Then notes and coins came. Now the world is moving towards digital wallet. Digital wallet system is integral part of electronic commerce. Electronic commerce provides the capability of trading on the internet. In an electronic commerce environment, payment take form of money exchange in digital form by using digital wallet and are therefore called digital payment. A digital wallet is definitely one of the business options that one will have to explore on the nature. A digital wallet is a virtual service used as a substitute for physical cash. In India Digital wallet created new way of buying products or product class. Digital wallet provides the ability to carry out secure transactions that are very quick and efficient with the click of button. Since last decades the users of internet are growing so this is an opportunity for digital wallet to grow rapidly. After demonetisation in India, people using digital wallet to meet their needs.

**Keywords:** electronic commerce, digital wallet, digital wallet in India, virtual service

### Introduction

After Demonetisation in India, cashless transaction is nearing technology that has a lot of growth in India. Since demonetisation made on 8<sup>th</sup> November 2016 made people to use cashless transaction to meet their payments. Different ways for keeping your money always emerge along with time. Some time back, people mostly rely only on the cash but as the time passes out, the trend of plastic money (ATM Cards) becoming popular and it's really the secure and more comfortable. But, it didn't end here. Now, you would hear the trend of digital money or most of the people might be using digital wallets. A Digital wallet refers to an electronic device that allows an individual to make transactions over product or product class. Here individual bank account can also be linked to digital wallet so that they can do transaction. A digital wallet is a system that securely stores users' payment information and password for number of payments methods and websites. A Digital payment is a transformation in the way you pay for things, many digital wallet services work through application on your Smartphone. At the Supermarket, for instances you might simple tap you phone to simply tap your phone to a compatible check-out register to pay instantly. For others, all you need to use them is something you know, such as your mobile phone number and a PIN (personal identification number). No matter what form it takes, a digital wallet is based on encryption software that substitutes for your old, analogy wallet during monetary transactions. You benefit from the protection and convenience. Merchants benefit because they're more protected against fraud and they sell more products. A digital wallet system can be best system to organize your finances.

Prime Minister Narendra Modi in his 'Mann Ki Baat' address on 22 May 2016 on Sunday said India should move towards becoming a 'cashless society' using the JAM (Jan Dhan Account) mechanism and electronic payments as this was crucial to curb black money in the country. Digital wallet enables the users to make transaction at their finger tip.

### Objectives

- To suggest growth measure in digital wallet in India
- To understand the significance of digital wallet in India
- To study about the benefits of digital wallet
- To show increases in internet users

### Methodology

#### Nature of Study

The study is mainly descriptive in nature. Secondary data are used for the purpose of the study

#### Secondary Data

Secondary data was collected from websites, various articles and journals

#### Limitation of the study

- Lack of primary data
- Time consuming
- As the research mainly depends on secondary data, it may not be hundred percent accurate.
- The study is limited to India only

#### Digital wallet advantages

Digital wallet allow users to contain stored amount online behind a password to make transaction comfortably

#### The following are the advantages of digital wallet

##### 1) Time saving

Digital wallet reduces the amount of time needed to do transaction. Digital wallets facilitate to keep amount in electronic mode so that it will be comfortable to make online payments without enter the card details. If users' want to make me payment in other mode they have enter the details about cards. Digital wallet keep amount in electronic form so that user can make payment without much time.

**2) Ease of use**

Digital wallet is like one click pay with no need to fill details about card viz card number, passwords every time. It allows user to link digital wallet to accounts and pay immediately so that no hassles to enter the details each time.

**3) Security**

Digital wallet can increase the transaction security since the wallet does not pass the payment card details to the website. Digital wallet allows users lock your wallet. Most of Digital wallet service provides extra security to keep your money secure from unauthorised access

**4) Convenient and information stored under one roof**

Digital wallets are convenient, it helps to eliminate need to carry the physical wallet. There would synchronization of data from multiple platforms. Bank accounts, credit and debit cards, mobile accounts and bills - all will be interconnected and help in better management.

**5) Attractive Discount**

Digital wallet provider offer discount but for this the users must make payment process only with digital wallet.

**Top 10 mobile wallets in India**

Ranks	Name of the company	Details of the company
1	PayTM	PayUMoney, a Gurgaon-based company that provides online payment solutions launched its wallet service last year. This e-wallet by PayUMoney enables the user to store cash and pay for various services and transactions. In order to differentiate themselves from other players, they provide a wide range of benefits that include one-touch check out and discounts / cashback offers on every transaction made. This e-wallet also provides instant refunds on order cancellations and buyer protect to ensure the right purchase and customer satisfaction.
2	Momoe	Momoe is a Bengaluru based mobile payments startup that focuses on changing how customers pay while eating out, travel and shop. Using the Momoe app, one can store their credit card details and make mobile payments at various restaurants, grocery stores, apparel, salons and other retail outlets. The app’s initial foray was into restaurants which attracted many installs due to the ease of payment options. The users were able to see live tabs, split bills and pay directly, without having to wait for a physical bill to arrive. Even though its services are currently available only in Bangalore, due to the growing popularity of the app and investment funds they will soon be expanding their services to six new cities.
3	PayUMoney	PayUMoney, a Gurgaon-based company that provides online payment solutions launched its wallet service last year. This e-wallet by PayUMoney enables the user to store cash and pay for various services and transactions. In order to differentiate themselves from other players, they provide a wide range of benefits that include one-touch check out and discounts / cashback offers on every transaction made. This e-wallet also provides instant refunds on order cancellations and buyer protect to ensure the right purchase and customer satisfaction.
4	Mobiki	Mobi Kwik is an independent mobile payment network that supposedly connects 25 million users with 50,000 retailers and more. This mobile wallet lets its users add money using debit, credit card, net banking and even doorstep cash collection service, which can in turn be used to recharge, pay utility bills and shop at marketplaces. Owing to the growing need for convenience, MobiKwik has also recently tied up with large and small time grocery, restaurants and other offline merchants.
5	Citrus	Citrus Pay is a popular e-wallet app for cash storage, payments and money transfers. Besides tying up with online service providers from varied sectors, they are now collaborating with Woohoo, a gifting and shopping portal to let its customers shop at more than 5000 offline stores listed with them.
6	State Bank Buddy	This mobile wallet application was launched by State Bank of India to let users transfer money to other users and bank accounts, pay bills, recharge, book for movies, hotels, shopping as well as travel. This semi-closed prepaid wallet offers its services in 13 languages and is available for non-SBI customers as well. This app also allows its customers to set reminders for dues, money transfers and view the mini-statement for the transactions carried out.
7	Citi MasterPass	Citi Bank India and MasterCard recently launched ‘Citi Master Pass’, India’s first global digital wallet for faster and secure online shopping. By using this, Citi Bank Debit and Credit card customers become the first in this country to be able to shop at more than 250,000 e-commerce merchants. It ensures faster checkout with a single click or touch and stores all your credit, debit, prepaid, loyalty cards and shipping details in one place.
8	ICICI Pockets	A pocket by ICICI is a digital bank that offers a mobile wallet for its customers. It provides the convenience of using any bank account in India to fund your mobile wallet and pay for transactions. With Pockets, one can transfer money, recharge, and book tickets, send gifts and split expenses with friends. This wallet uses a virtual VISA card that enables its users to transact on any website or mobile application in India and provides exclusive deals or packages from associated brands.
9	HDFC Chillr	Chillr is an instant money transfer app created by HDFC to simplify money transfer and payment process for its customers. Using this mobile payment app, one can transfer money to anyone in their phone book, thereby cutting out on the hassles of adding a beneficiary. It is currently available only for HDFC Bank customers and can be used to send money, recharge, split bills, request funds or transfer and will soon be able to pay at online & offline stores.
10	LIME	Axis Bank, the third-largest private sector bank launched ‘LIME’, an application that offers a mobile wallet, payments, shopping and banking facilities. This mobile wallet is available for both account & non-account holders and lets a user add money using his or her credit, debit and net banking details. One can also share the wallet with their loved ones or pool in funds into a shared wallet for a particular purpose (Example: Gifts, vacations, etc.)

Source: www.socialbeat.in

**Internet users in India to access digital wallet**

To operate digital wallet, the user must have internet facility. The following shows the increase in the internet users in India.

Year	Internet user (Numbers in Millions)	Increases in percentage of internet user (Numbers in Millions)
2014	226.3	Base Year
2015	277.4	22.58
2016	321.8	16.01
2017	365.1	13.45
2018	411.1	12.6
2019	458	11.41

Source: www.statistia.com

The above table express that, the percentage in internet users increasing at diminishing rate. This help to digital service provider take an opportunity grow further with development in internet users

**Recent development in digital wallet after demonetisation in India**

After Demonetisation in India, top one company in mobile wallet in India is PayTM served over 45 Million users between November 12, 2016 and November 22, 2016. Added over 5 million new users since demonetisation started on November 8, 2016. The PayTM company has also expanded its merchant network by 1, 50,000. Over 1 million offline merchant across India accepting Paytm. The company aims to reach 8 million transactions, worth Rs 400crore a month, by the end of the current financial year (Source: 23 November 2016, 20 Page Number- Business Standard Mumbai Edition).

For Digital wallets in India, the last 15 days from November 8, 2016 have done what 10 years of being around could not. The Modi government’s move to withdraw Rs500 and Rs1, 000 currency notes from circulation has pumped new life into slowly unfolding digital money revolution, and companies are busy upgrading their sales projections( Source: 23 November 2016, 20 Page Number- Business Standard Mumbai Edition).

**Findings of the study**

Since demonetisation took off, for digital wallets in India, the last 15 days have done what 10 years of being around could not. The digital wallet company also expanded its merchant network by more than 1, 50,000. The company also added over 5 Million new users since demonetisation started on November 8, 2016. This is the time, for Digital Wallet Companies to grow further and be the next way of growth because people are moving towards digital life by accessing internet facility to their life. Internet is dynamic in nature because it helps modernise the environment. The users of internet are increasing in India, so the digital wallet companies take an opportunity of demonetisation and increase in internet users to grow further.

**Suggestions and conclusion**

The digital wallet is destined to become the virtual representation of a person on the internet. Digital wallet changed the way completing transaction. Digital wallet offers facilities at lower costs, convenience to the customers in payment process by reducing time involved in process. Whereas traditional modes include cash, cheque, debit card, credit card. The problem with the traditional modes is

inconvenience, lack of security, coverage and time involved in that process.

Since demonetisation took off, digital wallet companies have lot of opportunity to penetrate into market and make India grow at digital life. The Prime of Minister of India Narendra Modi also speaks on Digital India. Digital wallet is an integral of digital India. With Digital wallet growth helps to curb black money in the country because digital wallet leads to transparency in society.

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