

Mobile Wallets Gateway For Cashless Payment

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Abstract

Smart phones are an integral part of peoples' daily lives in the modern world. Smart phones are now gadgets where mobile users can conduct financial transactions or make payments utilizing a phone-installed application thanks to technical improvement. The current purpose is to explain the mobile wallets concept, mobile wallets functions, mobile wallet types and their benefits. Moreover, usage of mobile wallets by various companies has been described. It also aims to highlight various factors that influence consumers' decisions to adopt mobile wallets as well as risks and challenges that are faced by mobile wallet users.

Data from 100 respondents were gathered using a standardized questionnaire.

Keywords: mobile payment, digital wallets, cashless economies, transaction protocols, etc.

1. Introduction

The mobile wallet serves as the digital counterpart to the actual wallet we use to carry cash. It is an electronic platform that enables users to maintain financial accounts similar to bank accounts.

A user must register for a mobile service company account. After then, funds are deposited to the digital wallets account with a debit or credit card, cash, electronic transfers from the account, or by using a credit card. The key distinction between using a digital wallet and making online purchases using a financial institution is that, in contrast to banks, mobile wallets don't charge any fees for transactions and spare users from having to enter their pin number and card information again.

The mobile wallet, which also refers to utilizing the phone to make payments, is sometimes mistaken for mobile banking. It is the electronic version of the actual wallet we currently carry about in our pockets or purses. Because we always have our phones with us and use them to pay for items like groceries and public transportation, the necessity for actual currency is dwindling.

In order to receive and transmit money via mobile devices, business houses and individuals can use a mobile wallet. Due to their accessibility and ease, mobile devices were built to be used with this type of e-commerce model. Mobile wallet or a mobile fund transfer are other names for a mobile wallet.

A mobile wallet, also known as a m wallet, an e wallet, or a digital wallet, is a type of mobile technology that functions much like a traditional wallet. With the inclusion of credit and debit cards, mobile wallets make it simple to execute safe transactions on a mobile device.

2. International mobile wallets

In 2015, the size of the worldwide mobile wallet market was estimated at USD 592.45 billion. To improve the customer experience, the service stores the customer's payment information and makes them accessible at the time of sale.

The technology performs two functions, including financial administration and fund transfers. With the development of NFC and digital money services together with the fusion of point-of-sale devices and mobile devices, payment technologies have experienced a substantial change.

Banks, technology companies, and payment service providers are working together with the essential players to create the necessary infrastructure for boosting the customer experience. Value added services have also been a driving force behind industry demand for cashless transactions. To set their companies apart from rivals, the major players in the industry have included value-added features into their services. Mobile coupons and services, digital loyalty programmes, dynamic currency conversion, real-time fraud detection, and digital charity boxes are a few of the features. Lack of security and privacy concerns with mobile payments may have an impact on segment demand. Over the projected period, the absence of government laws governing cashless payments is also anticipated to limit industry demand.

3. Indian mobile wallets

In India, the market for mobile wallets is anticipated to grow to US\$6.6 billion by 2020, according to a TechSci Research analysis. Due to increasing smart phone penetration, a rise in mobile internet users, and expanding government support, the mobile wallet business in India is expected to grow at an exponential rate. Additionally, in order to draw in new customers, mobile wallet businesses operating in India provide alluring discounts and incentives. In order to provide consumers with a reliable and seamless digital wallet platform, wallet businesses have increased their partnerships with telecommunications companies and financial institutions in recent years. The use of mobile wallets is expanding across a range of applications, including financial or banking transaction, mobile bill payment and recharge, ticketing, utility applications, etc.

Additionally, it is anticipated that over the next 5 years, the number of financial transactions made through mobile wallets would increase as a result of the approval of cashless debit licences for significant corporations like Paytm, Idea, Vodafone, etc.

4. RBI's efforts to promote mobile wallets

A digital wallet is a mobile wallets service offered by some service providers. Users can load a specific amount of money onto their mobile wallet, which can then be used to make purchases at both online and offline retailers affiliated with the digital wallet service provider. With this digital payment method, customers can make purchases without using cash or swiping a credit or debit card at physical stores. The increase in mobile internet usage is one of the key drivers fueling the Indian digital wallet business. The main reason for this is that telecom providers have cut their internet prices as a result of intense competition and the development of new technologies.

In India, there are four different kinds of mobile wallets:

Open Wallet: An open wallet is one that enables a user to make purchases, withdraw money from ATMs or institutions, and transfer money. Only a bank can jointly introduce these services. Additionally, it enables users to transfer money to any bank account associated with a cell number. For instance, Vodafone and ICICI's M Pesa

Semi-open wallet: A semi-open wallet is one that enables users to do transactions with businesses that have an agreement with the semi-open wallet provider. The money that was loaded cannot be withdrawn or refunded; the user must use it all. Consider Airtel Money.

Closed wallet: It is quite well-liked by e-commerce businesses. In this instance, a predetermined sum of money is reserved with the merchants in the event that the order is cancelled, returned, or gift cards are lost. Consider the e-wallet from Flipkart.

Semi-closed wallet: Users may purchase goods and services from the listed merchants but cannot withdraw or redeem cash. Consider Paytm.

5. RBI policies

To ensure the prudent and customer-friendly development of this area of the payments and settlement systems, the Reserve Bank of India issues the guidelines that establish a framework for the oversight and regulation of persons able to operate payment services involved in the issuing of pre-paid means of payment in the nation. In accordance with Section 18 of a Payments & Settlements Systems Act of 2007, the Indian Reserve Bank issues statutory guidance. Following the adoption of the Payment and Settlement Systems, Act of 2007, banks and non-bank businesses have been authorized by the Reserve Bank of India to issue pre-paid forms of payment in the nation while adhering to their rules and regulations in this area.

The "Issuance and Operation of PPIs" standards, which were published in April 2009, have occasionally been updated to reflect changes in the industry and advancements achieved by PPI issuers. Depending on the category of PPIs that are allowed, anyone who has been given permission by the Reserve Bank of India to issue pre-paid bill payments may do so using reloadable or non-reloadable PPIs. Banks are allowed to issue and refill such forms of payment at their ATMs and branches in exchange for cash payments, debit payments to bank accounts, credit card payments, and through their financial intermediaries designated in accordance with the RBI's aforementioned criteria.

Banks may also issue and reload quasi designated payment instrument through agents using cash, debit cards, or credit cards, provided that they meet the requirements listed below: The pre-paid payment method issuers shall be accountable as the superintendent for all the acts of negligence or committee of their agents, and the issuing bank may carry out adequate due diligence on the persons prior to actually appointing people as agencies for the sale of these instruments. The issuer shall be accountable for all payment mechanisms issued by their agents.

6. M-wallet companies

Airtel Money: Users of the Airtel Money application can conveniently top off prepaid accounts or settle postpaid payments. If you have money loaded into your digital wallet, you can also buy online. Additionally, it is exceptionally safe because you need a unique 4-digit Pin for every payment or transaction you make.

Freecharge: One of most famous companies in India right now for digital payments, Freecharge, has a reputation for focusing all of its marketing efforts on young people. It is a terrific way to save money while making payments online because you receive an equal number of coupons for each recharge you make.

JioMoney: JioMoney is a new digital payment app that was released in 2016. One can get fantastic discounts and offers using JioMoney. Users also can bookmark their often-visited stores to speed up their shopping.

Juspay: A payment browser called JusPay Safe processes more than 650 transactions every day. They provide a browser that allows customers to rapidly pay with cards with just two clicks.

Mobikwik: Indian e-wallet service Mobikwik allows users keep their money and is situated in Gurgaon. This digital wallet, which Bipin Singh and the Upasana Taku founded in 2009, enables the users to reload, bill payment, and make transactions from third parties with only one tap.

Paytm: The most popular mobile wallets app in India at the moment is Paytm, which was released in 2010. Given that Paytm payments are accepted practically everywhere, it is difficult to resist making the whole transition. It's practically impossible to do anything without Paytm, from paying phone bills to purchasing movie tickets.

7. Review of literature

Barker (1992) surveyed 200 cardholders and non-holders in two samples to gauge how Turkish customers felt about credit cards and how card issuers were behaving. The "case of payment" and "risk of carrying cash" were the two main justifications for using a line of credit. Because people are unfamiliar with credit cards, non-holders do not utilise them. Informal sources of data seem to penetrate the market more effectively than mainstream media advertising. According to the report, credit card businesses should adopt new administrative and marketing practises rather than sticking to a tried-and-true formula.

Ngoc Doan (2014) investigated the market environment for mobile users' use of mobile wallets. According to the report, consumer adoption of mobile wallets in Finland is still in its infancy, and both mobile wallet businesses' and Finland's financial authorities' marketing efforts are crucial to the devices' eventual success.

Sastry and Neeharika (2014) conducted research on the significant contribution made to the creation of a digital wallet that can operate on many platforms. The study addresses security concerns by providing an access control model that moves toward an interoperable mobile wallet because security is the primary worry when it comes to information about finances.

Sanaz Zarrin Kafsh (2015) has identified the factors that affect the consumers' adoption of mobile wallets. This study relied on the technology acceptance theory and theory of innovation diffusion. According to the study, there is a significant relationship between perceived utilisation, perceived ease of use, and regarded security in predicting mobile wallet adoption.

Shalu Rathi and Poonam Painuly (2016) mentioned that the advantages of wallet money include ease of payment, secured profile, and convenience in managing application and stated that business sectors such as banking, retail, hospitality, and so on are using wallet money and digital payment instruments such as contactless and distant payment in the customer to business and customer to customer areas.

8. Objectives of study

1. Determine user awareness and preferences for digital wallet service providers.
2. Research the issues that consumers face when using mobile wallets.
3. Research the services offered by mobile wallet providers as well as the services used by mobile wallet users.

9. Research methodology

Primary and the secondary data were gathered for this research. A questionnaire was used to collect primary data from 100 users. Secondary information was used to supplement the research. This research was carried out in Chandigarh.

10. Data Analysis and interpretations

Demographic Profile of Respondents

Demographic Profile		Count	Percentage
Gender	Male	45	45.0
	Female	55	55.0
Age (Rs.)	Upto 20	55	55.0
	21-30	23	23.0
	31-40	14	14.0
	Above 40	08	08.0
Education	Upto H.Sc	10	10.0
	Degree	85	85.0
	P.G and above	05	5.0
Occupation	Employed	02	2.0
	Business	64	64.0
	Profession	27	27.0
	Student and housewife	07	7.0
Monthly Income	Upto 10000	04	4.0
	10000-20000	30	30.0
	20000-30000	44	44.0
	Above 30000	22	22.0

Source: Primary Data

Out of 100 participants, 55% are under the age of 20, 55% are female, 85% have a degree, 64% are business owners, and 44% have monthly incomes between Rs. 20,000 and Rs. 30,000. There are also 64% businessmenS among the 100 respondents.

11. Findings

1. Of the total respondents, 86% are familiar of mobile wallets, while 8% are not.
2. According to participants, 63% of information was obtained via social media, 21% from friends, and 20% each from newspapers and television. The stakeholders in mobile wallets have information into how to market their goods cost-effectively and where to do it.
3. Out of 100 respondents, Pay Zapp, Chillr, Airtel, MobiKwik, PhonePe, JioMoney, Freecharge, Googlepay and paytm account for 5%, 7%, 9%, 12%, 3%, and 66% of the respondents, respectively.
4. The majority of respondents (54%) appreciate having access to coupons, prizes, and discounts. The majority of respondents (60%) think utilising a mobile wallet is a smart idea.
5. The overwhelming majority of respondents (58%) concur that using mobile wallets is intriguing. Out of 100 participants, 60% support adopting mobile wallet services to make payments more convenient.
6. The majority of respondents (58%) utilise mobile wallet services on a monthly basis. 48% of respondents, on average, had a monthly load of Rs. 1100–2000.
7. According to 88% of respondents, mobile wallet services enable quicker utilisation of mobile applications. The vast majority of respondents stated that mobile wallet services are good.

12. Conclusion

The use of mobile wallet payments is a significant new technological platform that supports banking firms in India by promoting their use of mobile technology and by assisting in the growth of their clientele. A mobile wallet's adoption will automatically rise when security concerns are addressed and decreased. Everyone now owns a smartphone, but it's important to raise awareness of and acceptability for mobile wallet services that are easy to use, highly secure, private, secure, and accessible without any effort or disruption.

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