

DIGITAL WALLETS: A DETAILED STUDY

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Abstract

The modern epoch is involving into a new momentum in payment scheme by means of digital wallets packed with cards, offers and coupons. Current atmosphere is business world, populace don't have much time to do their routine works as mobile and dish TV recharge, electricity bill payment, funds and insurance payments or online shopping etc. In current scenario smart phones take place a vital role in the day today life of populace. This review paper reviewed a detailed study on digital wallets along with focusing on the impact of these new digital payment systems on customers and technological advancement.

Keywords:

Digital Payment System;

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1. Introduction

It has been well said that every disruption creates opportunities and one this kind of disruption was the declaration of demonetization on 8th November, 2016, the honorable Prime Minister of India, Mr. Narendra Modi publicize the government preparation of demonetizing notes of 500 and 1000 with instantaneous consequence which escort to gigantic dread in all over the country. But as it said that every coin has two sides, demonetization has been functioning mostly in the support of digital wallet startups. Our nation i.e. India has perceived an exceptional boost in use of digital wallets and is gradually moving being a cashless nation. Regardless of being introduced in 2008 in India, the digital wallet been glowing acknowledged and accepted by a mainstream of the marketplace and its utilization has only amplified the recent demonetization. The digital payment structure place a significant function in this technological progression. Digital payment doorway is an e-commerce approach, which make possible the recognition as well as approval of e-payment and approved banking card payments for e-business. This doorway facilitates the relocate all the required card data between a payment gateway and the forefront processor.

There are numeral developers which are foremost to the intensification of e-payment and evolution from cash economy to e-economy. These developers comprise diffusion of web compatibility with smart phones, some of the non-banking economic organization providing digital payment systems, climb of financial technical sector and drive by government. The above mentioned aspects are constructing optimistic ambiance for expansion of digital payment in India.

2. Digital Payments Modes in India

- i. Banking cards
- ii. Mobile Wallets
- iii. USSD
- iv. Point of Sale (PoS)
- v. UPI
- vi. Mobile Banking
- vii. Bank pre-paid cards

- viii. Internet Banking
- ix. Bharat Interface for Money (BHIM) app
- x. Aadhaar Enabled Payment System (AEPS)
- xi. Micro ATMs

i. Banking cards:

Banking Cards are the broadly utilized payment technique along with a variety of features and advantages like safe and secure payments, ease to use, etc. The key benefit of any banking cards is that they can be utilizing to compose other kind of digital payments.

Services –

- The International banking cards may utilize across worldwide for numerous currencies
- These cards may utilize at Point of Sale machinery, ATMs, retail Shops, wallets, online transactions, and for e-commerce websites.

ii. Mobile Wallets

One can say that Mobile wallet is the digital correspondent to the physical wallet in which we hold money. Mobile wallet is online platform consent to users to maintain currency inside, as bank account. Further money is added to the ‘mobile wallet’ account using a banking card, online transactions from concern account or by means of cash.

Services -

- Balance Enquiry
- Transaction History
- Accept and pay money
- Profile management

iii. USSD

The modern payment service *99# implies on Unstructured supplementary service data (USSD) channel. This service permits banking transactions through fundamental attribute of mobiles, internet data facility is not required for using USSD based mobile banking. It is visualized to present economic intensification beneath banking culture in the conventional banking services.

Services -

- Balance enquiry
- Mini Statement
- Funds transfer

iv. POS (Point of sale)

PoS portal directed to those that already were set up at all retail stores where buying completed by consumers using banking cards. It is typically a portable gadget that scan and reads banking cards. On the other hand, by means of digitization the extent of PoS is growing and this portal is also accessible on mobile portal and via internet browsers. There are diverse category of PoS portal such as Physical PoS, Virtual PoS and Mobile PoS.

v. UPI

Unified Payments Interface (UPI) is a structure that amplifies numerous bank accounts into a sole mobile app of concern bank, integration various banking features, flawless fund routing & commercial payments into one lid. It also furnish to the “P2P” gather application which can be programmed and remunerated accordance with necessity and ease. All banks offer individual UPI App based on handset platform.

Services –

- Balance Enquiry
- Transaction History
- Send / Pay Money
- Add bank account
- Change / Set MPIN
- Notifications
- A/c Management

vi. Mobile Banking

Mobile banking is a broad phrase utilized for the wide range of services. Mobile banking is about to the practice of functioning financial or banking transactions via smart phone. The range of mobile banking is growing with the launch of numerous mobile wallets, web based payment

application, UPI. Lots of financial institutes have their individual apps and consumers can utilize the similar to accomplish banking transactions at one click.

vii. Bank pre-paid cards

Bank prepaid card is a payment gadget on to which one can stack money for purchasing. Such kind of card might not be associated with bank account of the consumer. On the other hand, a debit card issued by the bank is allied with the consumer's bank account.

Services -

- Balance Enquiry
- Transaction history
- Add money
- Bank A/c
- All Cards
- Accept Money
- Pay money
- Another wallet (mobile no.) with same provider
- Pay merchant
- Bar Code reader
- Cash-Out (Cash withdrawal)
- Touch and Pay

viii. Internet Banking

Internet banking depicts the method of executing banking transactions online. These may consist of various services like opening new FD/RD, transferring amounts, Bill payments, etc. Internet banking is also illustrated as virtual banking or e-banking. Some of the financial transactions are Electronic Clearing System (ECS) National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS), and Immediate Payment Service (IMPS).

ix. Bharat Interface for Money (BHIM) app

The BHIM app (Bharat Interface for Money) permits users to pay using the UPI application. It can also utilized in alliance with UPI and banking transactions can be carried out using a virtual

payment address (VPA). Anyone can connect their bank account with the BHIM interface in a very easy way. One more facility is to connect multiple accounts. This app can be utilized by any person having a mobile number, debit card and an authentic bank account. Funds can be transferred to various bank accounts, virtual addresses or to an Aadhaar number.

x. Aadhaar Enabled Payment System (AEPS)

Abbreviation as Aadhaar Enabled Payment System can be used for banking transactions like available balance enquiry, fund withdrawal, fund deposit, payment transactions, Aadhaar to Aadhaar fund transfers, etc. All the above mention transaction and other services are accomplished through a banking correspondent based on Aadhaar authentication.

xi. Micro ATMs

Micro ATM is a mechanism that is utilized by a large volume of Business Correspondents (BC) to convey essential banking services. This platform will facilitate Business Correspondents like a local grocery shop vendor to perform instantaneous transactions. The basic transaction types supported by micro ATM are:

Fund transfer, Deposit, Withdrawal, and Balance enquiry

3. Literature Review

Some of the studies on digital wallets are as follows –

Roopali batra et al.'s [2] research, intend to experientially observe the acceptance of digital wallets by of the respondents. A study of client opinion, prototype preferences used by consumers and contentment level about digital wallets is accomplished based on an analysis of 52 respondents. In addition with this analysis it also recognizes the hurdles and challenge to the acceptance of digital wallets. To attain the aforementioned function a logical opinion poll was directed to respondents in which they were ask over a variety of questions regarding acceptance of digital wallets. The outcomes specify that there present an enormous intact marketplace for digital wallets. Less time consumption and simplicity of usage were turn out to be the core cause for using wallets. Safety matters like cash loss and less usability for global transactions are the major hurdles to its acceptance.

Pawan Kalyani [3] illustrates research paper concentrate on the paperless e-currency transaction that is getting trendy globally, India is a emergent market and numerous services are accessible on web and they receive payments online, but it also analyze number of people are truly relying on it, Number of people are utilizing it for online transactions furthermore, the research is based on the survey answer by respondents. Research reviewed that populace are utilizing only some services typically for recharging mobile bill, DTH bills, but there are lots of services which are already utilized in the global market. The knowledge and realistic usability of the E-wallet is short, that must be amplified by adding extra value added services to it.

Taheem, K. et al. [4] demonstrate outcome from the research which tinted on different aspects that inspired people to use digital wallets for online transactions. It is found that people in Punjab utilizing digital wallets because of the objects of security & controllability, communal sway & worth and necessitate for performance improvement. This review specifies that people of Punjab use any kind of digital wallet because of these recognized motives.

Madhu Chauhan et al.[5] researched regarding e-payments particularly mobile wallets. After demonetization, there is an incredible increase in number of e-payments. This paper particularly marks undergraduate learners and depicts their favored approach of payment. It also put forwards a few steps that must be consider for improvement of e-payment conveniences.

A research illustrates as per Ministry of Finance statement (December 2016) on Digital payment, economic incorporation is one of the leading challenges in front of India. 53 percent of Indian populace had admittance to official financial services. In this perspective, digital payment can be active as accelerator to economic incorporation. Growing accessibility of mobiles, accessibility of network communications, even out of 3G and 4G networks and huge trade eco structure are the significant enablers of digital payment in India. It is advance hold up by the synchronized efforts of industry, regulator and government. As per RBI's report 'Vision 2018' four pronged strategy focusing on regulation, robust infrastructure, effective supervisory mechanism and customer centricity has been adopted to push adoption of digital payment in India. [6]

4. Drivers and Barriers of digital wallets adoption

In India acceptance of digital payments are promoted by the Government. But citizens of India are accepting gradually these digital payments. Table 1 includes causes of drivers and barriers of digital payment system.

Table 1. Drivers and barriers of Digital Payment system[1]

Drivers	Barriers
Contribution value added for clients, traders, network operators, financial organizations and other contributors in the ecosystem.	Complex value-chain with lack of cooperation.
Easy-to-use	Financial Regulation.
Buying is more convenient	Inaccessibility of an extensive series of mobile payment competent handset.
Offers variety of options	Limited retailers
Less time required	Out of Battery then no purchasing
Business opportunities and greater potential revenue.	System Outages, supporting technologies

5. Digital Wallets Available in India

Digital payment system starts in India few years ago. In starting it was stated that citizen of India is not ready for digital payment system. In early days digital payment was status symbol. But during and after demonetization citizens of India are partial forced for using digital payment due to cash shortage. Banks and payment agency saw the opportunity of business in this domain. Now a day, most of the banks came up with their wallet and private players also came with payment bank concept. Table 2 summarizes various wallets offered for digital payment.

Table 2. Wallets offered by various agencies.

<p>Airtel Money:</p> <ul style="list-style-type: none"> • Recharge prepaid and postpaid accounts • Online shopping • Safe because of secret 4-digit mPin 	<p>Ezetap:</p> <ul style="list-style-type: none"> • Bangalore based digital payment solution • Accept card payments via electronic devices • Customers get e-receipts through an SMS or email
HDFC PayZapp	Citrus Pay:

<ul style="list-style-type: none"> easily compare flight and hotel tickets buy music or pay bills with the app Simple connect your debit/credit card 	<ul style="list-style-type: none"> offers a Citrus wallet for customers as well as payment solutions to businesses strong base of 800+ million customers
ICICI Pockets <ul style="list-style-type: none"> VISA powered used on any Indian website transfer money to email ids, WhatsApp contacts 	JioMoney <ul style="list-style-type: none"> Consumer receives great discounts and offers bookmark frequently visited retailers so shopping can be made quicker
Freecharge <ul style="list-style-type: none"> target the youth in all their promotions equivalent amount of coupons given for every recharge you make 	Citi MasterPass <ul style="list-style-type: none"> free digital wallet processing is fast securely store all details related to the payment card
JusPay: <ul style="list-style-type: none"> payment browser with over 650+ transactions in a day make payments quickly via cards with 2 clicks 	Mobikwik: <ul style="list-style-type: none"> Gurgaon based e-wallet payment system enables users to recharge, pay bills, and make third-party purchases with one tap
LIME: <ul style="list-style-type: none"> Launched by AXIS First mobile app to integrate wallets, shopping, payments, and banking 	MomoeXpress: <ul style="list-style-type: none"> Bangalore based digital wallet in India paying for your rickshaw ride to salons & spas, there are over 3000 outlets available at your disposal
MoneyonMobile: <ul style="list-style-type: none"> multilingual app authorized by the Reserve Bank of India buy goods, products, and services from registered merchants 	Oxigen: <ul style="list-style-type: none"> FinTech Company Along with making online purchases and paying bills, you can also send gift cards to your dear ones
Paytm:	State Bank Buddy:

<ul style="list-style-type: none"> • currently the largest mobile wallet app in India • accepted almost everywhere 	<ul style="list-style-type: none"> • online wallet in India that's available in 13 languages • Users who don't have SBI accounts can send money via Facebook, or to other bank accounts, book hotels or movie tickets and much more
<p>PayUmoney:</p> <ul style="list-style-type: none"> • free payment gateway solution for merchants to collect payments from customers via debit/credit cards or net banking, and more • offer SMS and email invoicing for merchants that do not have a website 	<p>PayMate</p> <ul style="list-style-type: none"> • launched PayPOS • app for small business owners to receive payments conveniently via debit cards and credit cards

6. Conclusion

Digital wallets somewhere are and will be the futures of currency. Currently the days have come when 'Kirana' store, chemist shop and restaurant in India accepted the cashless transaction through digital wallets. Technical expertise will transform the whole thing and it shows the way for future outlooks particularly in financial ground. Being a new product which is almost a concerned with technical background, consumer education is essential so it is the responsibility of all the digital wallet financial institutes to tutor them. With the help of this, more rapidly digital wallet will be an immense triumph in global market.

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