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The arrival of e-Wallets: A Pre and Post demonetisation study

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Abstract

In India before 8th Nov. 2016 negligible use of e-wallets, Mobile wallets. Demonetization of 500 & 1000 Rupee Note will not remain legal tender. Due to this decision nearly 86% of currency in circulation was withdrawn. After Demonetization e-wallets gets popularity while making payment due to lack of availability of cash. At the same time Government also take initiative to increase the number of account holders through Jan Dhan Yojana. Still in countries like India most of the people favours Cash-On-Delivery. This research paper is aimed to know the situation before the demonetization and after the demonetization in case of e-wallets. This Paper also through the light that is using e-wallet is choice or due to No choice. It also focuses on the major issues while dealing with e-wallet like security, privacy concerns, and fees. Major problem faced by people while using e-wallet are Long transaction time taken by e-wallet, Security breach, Delay in payment and Refund.

Keywords: E-wallet, demonetization, online payment, consumer preference, mobile uses

Introduction

Many Wallets today are clustered with several cards, cash and more. Keeping track of all of these items can be difficult. The E-wallet provides all of the function of today wallet on one convenient. Smart card eliminating the need of several cards. The E-wallet will also provide numerous security features not available to regular wallet carriers. Identification is required for every credit card transaction & the card should be tempered with. These increased security measures and convenience makes this a worthwhile project. E-wallet is a means of authentication & payment for device independent e payment instructions. Digital wallet allows user to make e-tansation quickly and securely. An E-wallet functions much like a physical wallet. It is a method of storing various forms of E-money, it has also evolved into a service that provides internet users with a convenient way to store and use online shopping information. According to the government data, the number of daily transactions through e-wallet services such as Oxigen, Paytm and MobiKwik has shot up from 17 lakh recorded on November 8 when demonetisation was announced to 63 lakh as on December 7 (a growth of 271%). In terms of value, the surge has been 267%, from Rs 52 crore daily to Rs 191 crore now. (As reposted by times of India on December 10, 2016). In 2017-18, the Volume segment in Digital Payments is dominated by Debit Cards, PPIs and IMPS. These, together constitute close to 50% of the total volume of Digital Payments. Their combined share in 2011-12 was 14%. The Value segment in Digital Payments is dominated by RTGS and NEFT. These together constitute 53% of the total value of Digital Payments, which is almost same as in 2011-12.

What is E-wallet?

An electronic wallet is a type of electronic card, used for transactions made online through a computer, mobile or tablet. Its utility is similar to a credit or debit card. An electronic wallet must be linked to a personal bank account to make payments. An e-wallet is a type of pre-paid account. In which the user can deposit his money for his future online transactions. An e-wallet is password protected. With the help of e-wallet, payment can be made for groceries, online shopping and flight tickets. The wallet mainly consists of two components, software and information. The software component stores personal information and provides data security and encryption.

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The information component is a database of details provided by the user including their name, shipping address, payment method, amount to be paid, credit or debit card details, etc. For setting up an e-wallet account, the user needs to set up the software on his/her device, and enter the required relevant information. After making an online purchase, the e-wallet automatically fills the user's information on the payment form. To activate the e-wallet, the user must enter their password. Once online payment is made, the consumer is not required to fill an order form on another website as the information is stored in the database and updated automatically.

Type of e-wallets

- **Open wallet:** Open wallets are those which allow you to buy goods and services, withdraw cash and transfer funds to ATMs or banks. These services can only be launched jointly with one bank.
- **Semi-open wallet:** These are payment instruments that can be used to purchase goods and services on any card that accept merchant locations (point-of-sale terminals). These devices do not allow cash withdrawal or redemption by the holder.
- **Semi-closed wallet:** This is a wallet that can be used to purchase goods and services, as it is a payment instrument that is clearly repayable to merchants who are specifically accepting payment instruments. Contract with the issuer. This type of wallet does not allow cash withdrawal or redemption by the holder.
- **Closed wallet:** E-wallets have been around for a long time and their popularity is growing rapidly. Digital wallets have become payment banks in the e-commerce industry. SignPetPay Merchant offers specific closed wallet solutions that allow your customers to pay money on the move.

What is Demonetization?

Demonetization is the act of removing a unit of its status as a statutory tender. It is when a change occurs that the current money or forms are removed from circulation and retired, often replaced with new notes or coins. Sometimes, a country completely replaces the old currency with the new currency. The opposite of demonetisation is demonetisation, in which a form of payment is reinstated as a legal tender. Removing the legal tender status of a unit of currency is a massive intervention in an economy because it directly affects the medium of exchange used in all economic transactions. It can help stabilize existing problems, or it can cause chaos in the economy, especially if suddenly or without warning. He said, demonetisation is done by nations for many reasons.

E-wallet in India

There are several e-payment company run in India. This all are the digital payment platforms situated in pre and post demonetisation in India and all app are helps and make easy to payment through online. This are the as follows:-

1. Freecharge

It is an Indian digital marketplace for financial services located in Gurugram, Haryana, India. Free charge services are available in many financial instruments including

savings, payments, insurance, and investment and lending.

2. Amazon pay

Amazon Pay is an online payment processing service owned by Amazon. Launched globally in 2007 and in India in 2017, Amazon Pay utilizes Amazon's consumer base and gives users the option to pay with their Amazon accounts on external merchant websites, including apps such as BigBazar.

3. Paytm

Paytm is one of the largest mobile commerce platforms in India, offering digital wallets to its customers to store money and make quick payments. Launched in 2010, Paytm operates on a semi-closed model and has a mobile market, where a customer can load money and pay merchants who have operational tie-ups with the company.

4. Citi master pass

Citi Bank India and MasterCard have recently launched 'Citi MasterPass', India's first global digital wallet for online shopping. Using this, Citibank debit and credit card customers become the first in this country to be able to shop over 250,000 e-commerce merchants.

5. Google pay

As their part of the Google ecosystem they have grown their user base really quickly, despite being a late entrant. With Google Pay you can send money to friends, pay bills and buy online, recharge your phone.

6. ICICI Pocket

Pocket by ICICI is a digital bank that provides a mobile wallet for its customers. It provides the facility to use any bank account in India to fund your mobile wallet and pay for transactions.

7. MobiKwik

MobiKwik is an independent mobile payment network that connects 25 million users with 50,000 retailers and more. This mobile wallet allows its users to add money using debit, credit card, net banking and even doorstep cash collection service, which is used to recharge, utility bills and shop at market places. can be done.

8. Yono SBI

This mobile wallet application was launched by State Bank of India to allow users to transfer money to other users and bank accounts, pay bills, recharge, book for movies, shop in hotels Can be done.

9. BHIM APP

BHIM (Bharat Interface for Money) is a mobile payment app developed by National Payments Corporation of India (NPCI) based on Unified Payments Interface (UPI).

10. Phonepe

PhonePe was launched in 2015 and was able to cross 100 million downloads in just 4 years. From UPI payment to recharge, from money transfer to online bill payment, you can do all this on PhonePe.

Benefits of e-wallet in India

No Tax Evasion	Black money and tax evasion are two sides of the same coin. If you are depositing black money, you are not showing it as your income and therefore, you are not paying tax on the same. This means, the government loses tax revenue, which it uses for activities such as infrastructure development, conducting foreign trade, purchasing arms, paying off international debt, etc. With a cashless economy, every penny used in a transaction, every transaction will be recorded etc...
No Black Money	Cash can be inserted without any record. This is called unaccounted money or black money. This black money is what makes the rich filthy and rich, the poor. If there is no cash, hoarding is not possible and, therefore, black money can be effectively destroyed.
No Cross-Border Terrorism	Terrorism, black market etc. all thrive on fake currency. Once the economy becomes cashless and once fake currency is killed, the economy will rid itself of (mostly) terrorism and the black market.
No Counterfeit	If it is not a paper currency in circulation, then you cannot actually create fake currency, which is not only difficult to identify, but also difficult to get out of the economy.

Objective

- To find the improvement of e-wallets after demonetisation in India. To study about consumer perception.

- To may try the new trend of payment.

Data collection

Table 1: Pre demonetisation growth of the digital payment company

S. No.	E-Wallet	Industry	Company	Initiation
1.	Paytm	Private	One 97 Communications	2010
2	Amazon pay	private	e-commerce	2007
3	Tez	private	Payment co.	2015
4	Freecharge	Private	Snapdeal	August, 2016
5	Phonepe	private	Payment co.	2015

Table 2: Post demonetisation growth of the digital payment company

S. No.	E-Wallet	Industry	Company	Initiation
1.	Paytm	Private	One 97 Communications	2010
2	Amazon pay	private	e-commerce	2007
3	Tez	private	Payment co.	2015
4	Freecharge	Private	Snapdeal	August, 2016
5	Phonepe	private	Payment co.	2015
6	BHIM App	Public	National Payments Corporation of India	December, 2016
7	Airtel Money	Telecom Industry	Airtel	January, 2017
8	YONO SBI	Banking industry	Sbi bank	Nov, 2017

This is a only an example for E-Wallet companies of pre demonetization and after the demonetization increase in the number of companies. There is Growth in the number of companies through which we can say that increase in users of E-Wallet through increase in number of Service providers in the field of E-Wallet.

Major findings

- Demonetization drive has contributed extremely toward acceptance of online payment.
- E wallet is generally used for mobile recharge and payment of bills.
- Use of E wallets seems like that there is no other choice or for some offer like Cashbacks.
- Still there is major issues on E-wallet is Privacy concern, Security and charges.

Conclusion

The analysis outcome also suggest that security is biggest factor affecting consumer's Adoption Behaviour followed by technical know-how and intention to use. With the ease of online shopping and ease payment option through E-wallet, consumer are now experiencing peace of mind. The outcome of the study signify the work of Rathore H.M. as concluded E-wallets are rapidly gainingac see most of the payment happening through our mobile cameras scanning against the teller to pay the bills for purchases via virtual wallets. This Study indicated that main reasons for low preference of E-wallet as mode of payment are tendency of people to do not move out of

comfort of using traditional mode of payments, privacy concerns and threat to security. E-wallet users give very high level of importance to attributes like security, privacy concerns and pricing (Fees). The major problems frequently encountered by the respondents while using E-wallet are long transaction time taken by E-wallet for processing the transaction, security breach and delayed payment. Demonetization drive of government of India has contributed immensely towards awareness, usage and acceptance of online payment.

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