

# A Study of Entering the Era of Digital Wallets in India

**Tanishka Kamtekar**

Research Scholar

The Byramjee Jeejeebhoy College of Commerce, Mumbai, Maharashtra, India

**Abstract:** *Now a day, Most of the people are using smart phone and technology. Mobile users can use their smart phones for money transaction or payment of bills by various digital wallet applications. The present study tries to study the various factors that can influence a millennial decision to adopt digital wallet as a mode of online payment. Apart from this, the study also attempt to find out the various risks and challenges faced by users. A structured questionnaire sent to 99 respondents for analyzing the factors affecting while using digital wallet and risk of usage of digital wallet. Statistical tool used for analyzing data. As a finding found that millennial using digital wallet but they have risk of transaction and personal details, security and price of various tax and cancelled transaction reimbursement.*

**Keywords:** Digital wallets can also store, Gift cards, Membership cards, Loyalty cards, Coupons, Event tickets, Plane and transit tickets, Hotel reservations, Driver's license, Identification cards, Car keys

## I. INTRODUCTION

### WHAT IS A DIGITAL WALLET?

A digital wallet (or electronic wallet) is a financial transaction application that runs on any connected device. It securely stores your payment information and passwords in the cloud. Digital wallets may be accessible from a computer; mobile wallets, which are a subset, are primarily used on mobile devices.

Digital wallets allow you to pay when you're shopping using your device so that you don't need to carry your cards around. You enter and store your credit card, debit card, or bank account information and can then use your device to pay for purchases.

### KEY TAKEAWAYS:

- 1 Digital wallets are financial applications that allow you to store funds, make transactions, and track payment histories on devices like phones and tablets.
- 2 You can store all of your financial information in a digital wallet; some even let you store identification cards and driver's licenses.
- 3 Digital wallets may be included in a bank's mobile app or payment apps like PayPal or Googlepay
- 4 Digital wallets allow people in financially underserved parts of the world to access financial services they may not have been able to before.

**Digital  
Wallet**



Currently, the technologies used by mobile devices and digital wallets are:

- 1 QR codes: Quick response codes are matrix bar codes that store information. You use your device's camera and the wallet's scanning system to initiate payment.
- 2 Near field communication (NFC): NFC is a technology that allows two smart devices to connect and transfer information using electromagnetic signals. It requires two devices to be close to each other to connect
- 3 Magnetic secure transmission (MST): The same technology used by magnetic card readers that read your card when you swipe it through a slot on a point of sale. Your phone generates this encrypted field that the point of sale can read. However, at least one digital wallet and mobile phone provider, Samsung, has phased out an MST feature for Samsung Pay on its Android mobile phones

**RESEARCH QUESTIONS**

- 1 Have people started using online payment mode?
- 2 Which mode of payment have they preferred?
- 3 What were the reasons for using the preferred mode?
- 4 What are the problems faced by the people while using these transaction modes?

**II. RESEARCH METHODOLOGY**



**OBJECTIVES**

- 1 Study the factors that influence millennial in adoption of digital wallet.
  - 2 To study the risk and challenges faced by millennial in use of digital wallet.
- Gap analysis: To determine the factors in which digital wallet service did well and the factors in which it lagged behind it. Thus, identify the gaps in service offered.

This study is exploratory in nature and uses quantitative and qualitative approach. The study is based on primary data collected from people in Mumbai region. A questionnaire was constructed, and data was collected from sample of 100 respondents via google forms. Convenient sampling method was used for data collection. Primary data was triangulated using necessary secondary data, collected from different sources such as news articles, government websites and magazines. The collected data was analysed using appropriate statistical tools like percentage, weighted average ranking etc.

**RESULTS:**





1. Demographic Profile of the Respondents:  
Total 100 respondents were surveyed in this current study. Their details are presented in table 1. It shows that, majority of the respondents were males (63%), and majority respondents belong to the age group of 40-50 years (33%)

2. Mode of Payment Preferred: According to table 2, 86% of total respondents preferred online mode. Males preferred online modes more (64%) than female. From Table- 3, it shows that majority (%) who preferred online mode belonged to the age group 40 -50 year



3 Mode of Payment Used- From Table-4 it can be understood that 34% respondents were using credit cards i.e. majority were aware and actively using online mode of payment. 30% were using cash before the pandemic. Gender wise, majority males were using credit cards (29) while majority females (18) were using cash

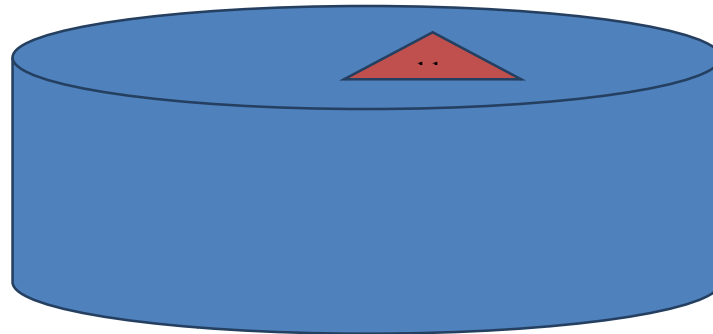
Chart-1: Usage of Digital wallets;

Usage of Digital wallets

|            |   |   |  |   |
|------------|---|---|--|---|
|            |  |  |  |  |
|            | Amazon  | Phonepay  | Google pay   | Paytm   |
| Percentage | 12  | 34  | 30   | 24  |

Analysis and Interpretation: Awareness of respondents towards digital wallets

93%=yes   
7%=no 

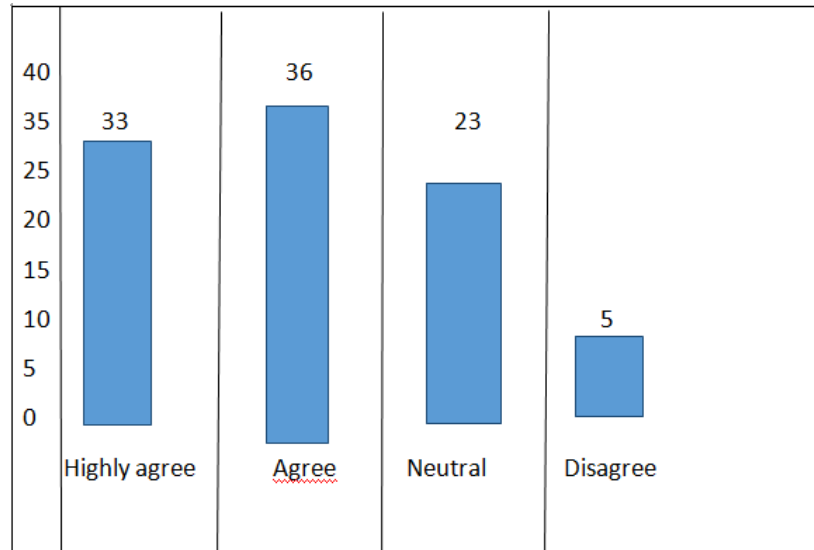


**Mobile Wallets in 2023: Revolutionizing the Way We Pay**

- 68%** of respondents are more eager to make purchases from stores that accept digital payment options
- 44%** of millennials make purchases via eWallet apps with QR or NFC technologies in-store
- 49%** of consumers use their mobile wallet apps to pay utility bills
- 46%** of adults mostly use digital wallets to send P2P (person-to-person) payments
- 1.4 bn** of unbanked adults remain to be reached worldwide

Source: The World Bank, PYMNTS, Mastercard, Deloitte © 2023

SECONDARY INFORMATION



Preference of digital wallets over cash

**III. FINDINGS OF THE STUDY**

- 1 The majority 34% of the respondent are using Phone pay.
- 2 The majority 34% of the respondent are using digital wallet for shopping purpose
- 3 The majority 64% of the respondent are deposits their amount up to 1000 to 15000
- 4 The majority 34% of the respondent are faced problems in transactions once a time.
- 5 The majority 36% of the respondent are prefer digital wallets over cash were highly agree.

**SUGGESTIONS:**

digital wallet is important for keeping all personal belongings, travel documents, money and cards protected from theft, damage or weather exposure. There are multiple layers of security for digital wallet transactions. Digital wallets use one of the more secure payment methods. In this article the researcher suggest that the digital wallet user should have awareness about money transfer and deposit to consume less time, fast and safety transaction. Several digital wallets are available, In this study Amazon digital wallet users are minimalist so, the company concentrate more on customer convenience.

**IV. REVIEW OF LITERATURE**

The very first patent of the mobile e wallet was registered in the year of 2000, this was the starting of a revolution in the field of digital payments. In this research paper forty-five studies were taken for the evaluation and the time phrase is divided into four phases i.e. From 2002-2004, 2005-2009, 2010-2015 and 2016- 2019 or present. In the above said time period, many of the factors are same and many of the new, which attracts the consumers to adopt and go digitally for making payments. The literature relating to the topic as under:

**Dewan and Chen, 2005; Kreyer et al., (2003)** "Acknowledgment and Use of Mobile Payments "Studies recommend that there is a general buyer enthusiasm towards utilizing versatile installment applications The underlying reception of portable installments has not, nonetheless, been as fast or far reaching of course

**Dahlberg et. al., (2007)** "Past, present and eventual fate of portable installments inquire about: A writing audit" proposed a structure of four possibility and five aggressive drive elements of versatile installment look into. The examination analyzed the two most essential calculates contemporary portable installments explore to be specific, versatile installment advances and shopper point of view of portable installments.

#### V. CONCLUSION

A digital wallet is a type of electronic device or software that allows users to make transactions digitally or electronically. This can include sending or receiving money, or making payments at online and offline stores. Digital wallets are often even safer than traditional payment methods. Each transaction is protected by the app, retail outlet, credit card Company, and the bank or credit union that issued the card. Digital and mobile wallet issuers protect platform users with a variety of access management and cybersecurity tools. The standard digital ID wallets of the future will store payment information along with other essential documents, including state IDs, SSNs, passports, citizenship information, medical records, home and office keys, and even biometric information such as fingerprints and face scans. It is estimated that India's digital payments industry will grow to more than 300% of its current size by 2025. The growth arc of digital payments is impressive, especially considering India's previously large unbanked population.

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