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A Study on Public Awareness and Usages of E-Wallets with Special Reference to Palakkad City

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Abstract: The digital revolution has accelerated the shift from physical to digital transactions, with e-wallets emerging as a key enabler. This paper provides an overview of e-wallets, their components, and their role in the evolving cashless ecosystem. The increasing popularity of e-wallets is driven by factors such as convenience, security, and the push towards a digital economy. While the technology holds immense potential, challenges related to security, privacy, and consumer trust must be addressed for widespread adoption.

Keywords: *e-wallet, digital wallet, cashless transactions, digital revolution, mobile payments, financial technology, digital economy, security, privacy.*

Introduction

The digital revolution continues to transform most aspects of our daily life. In particular, the digital revolution has resulted in the vertical convergence of business channel capacities. The digital revolution also continues to transform the public sector organizations and services. A next step in the digital revolution is the transformation of the time honoured traditional physical wallet into the e-Wallet. Virtual cash or Cashless Transaction is an upcoming technology that has seen a tremendous growth in the past year. Cashless payments are now becoming a popular trend in almost every field. Be it E-Commerce websites or DTH recharge. Cashless services are proving to be the future of transaction services, with minimum or no use of physical cash. It is also being considered an alternative to plastic cash.

Demonetization has forced a lot of places to accept digital payments.

A digital wallet also known as "e-Wallet" refers to an electronic device or online service that allows an individual to make electronic transactions through a computer or a smartphone. Its utility is same as a credit or debit card. An e-Wallet needs to be linked with the individual's bank account to make payments. E-Wallet is a type of prepaid account in which a user can store his/her money for any future online transaction. Users might also have their driver's license, health card, loyalty card(s) and other ID documents stored within the wallet. The credentials can be passed to a merchant's terminal wirelessly via near field communication (NFC). Increasingly, digital wallets are being made not just for basic financial transactions but to also authenticate the holder's credentials.

E-wallet has mainly two components, software and information. The software component stores personal information and provides security and encryption of the data. The information component is a database of details provided by the user which includes their name, shipping address, payment method, amount to be paid, credit or debit card details, etc. A digital wallet is a software application with the following base functionality:

• It offers secure enrolment of the user (application download, identity check) and secure provisioning of credentials (e.g., user ID and password for wallet access).

• It offers the ability for the user to securely provision and store customer identity information (e.g., email address), payment information (e.g., credit card data), and shipping address details. The user can preselect a payment method within the wallet application to execute commerce transactions (i.e., pay merchants online, in-app, or in-store).

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• The funding of the wallet payment may come from a debit or credit card, prepaid card, bank account, e-money account, virtual currency, or any other store of value

OBJECTIVES OF THE STUDY

1. To study the public awareness about e- wallets
2. To identify the factors influencing the usage of e-wallets

Review of Literature

➢ Dr. Poonam Painuly, ShaluRathi(2016), in their paper "Mobile Wallet: An upcoming mode of business transactions" has explained about Mobile wallet, types and trends. Then discussed about the Role of mobile wallets in various sectors like Banks, Retail and Hospitality. The paper explains the importance of mobile wallets for Banks, Customers and Companies.

In future scope it talks of mobile wallets becoming a latest marketing channel in near future. And contribute highly in a seamless shopping experience for the customers that increase their tendency for frequent and more repurchases with delightful experiences. To conclude they speak the importance and growth of mobile money in business, social and economic perspective. The presence of mobile wallet spreading from urban to rural areas on a large scale. Hence, Wallet money sees a high bright future in near time

➢ Prof TrilokNathShukla(2016), in his paper "Mobile Wallet: Present and Future" has discussed about mobile wallet, working, types and its advantages and disadvantages. His analysis included perception of consumers and retailers about mobile wallets.

He concluded that mobile wallets will be used to engage with the customer by the marketers and digital businesses. Irrespective of the market status of these mobile wallets, marketers should take advantage of the emerging opportunities.

E- Wallet in India

Wallet365.com was India's first e-wallet, launched in 2006 by media firm Times Group in association with YES Bank. Since then, a number of banks and nonbanking financial service firms have entered the Industry. This includes retailers such as BigBasket and Grofers, e-commerce giants like Amazon, and even popular messaging app WhatsApp. Some of these, such as Paytm and Mobikwik, went on to corner a substantial share of the market. They were aided by rising smartphone penetration in the country, which has led Indians to increasingly adopt online banking over the past three-four years. The acute cash crunch triggered by the November 2016 note ban also came as a major booster shot.

TYPES OF E-WALLETS

As per the Reserve Bank of India, there are three kinds of e-wallets in India: Closed, Semi-closed and Open.

• Closed e-wallets

These are wallets used by an entity for facilitating the purchase of goods and services from it. These instruments do not permit cash withdrawal or redemption. As these instruments do not facilitate payments and settlement of third party services, issue and operation of such wallets are not classified as payment systems. Hence, RBI approval is not required for issuing them. E.g. Cab services, ecommerce and mobile companies create e-wallets for making payments towards purchase of products from them or for usage of their services. They provide cashbacks for payments made through this channel.

This is one way of ensuring loyalty of their customers.

• Semi-closed e-wallets

These are wallets which can be used for purchase of goods and services, including financial services at a group of clearly identified merchant locations/establishments which have a specific contract with the issuer to accept them. These wallets do not permit cash withdrawals or redemption by the holder. Wallets for amounts up to Rs.10,000/-and the total value of reloads during any given month also does not exceed Rs.10,000/-. Amount up to Rs.50,000/can be created in wallets by accepting any 'officially valid document' which is complaint with anti- money laundering rules. Such wallets are non-reloadable in nature. Amount up to Rs.1,00,000/-can be created by with full Know Your Client norms (KYC) and can be reloaded. E.g. Airtel Money, which is used for making payments for a range of services like money transfer from Airtel Money to another bank account or any other Airtel Money wallet or paying select utility bills.

• Open e-wallets

These are wallets which can be used for purchase of goods and services, including financial services like funds transfer at any card accepting merchant locations [point of sale(POS) terminals] and also permit cash withdrawal at ATMs/Banking Correspondents (BCs). However, cash withdrawal at POS is permitted only up to a limit of Rs.1,000/-per day subject to the same conditions as applicable the debit cards limit (for cash withdrawal at POS). E.g. M-pesa is an open wallet run by Vodafone in partnership with ICICI Bank. Axis Bank's e-wallet card, can be used for making payments on sites that accept Visa cards, with a minimum limit of Rs.10, and a maximum limit of Rs.50,000, and a validity of 48 hours.

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DIGITAL WALLET DELIVERY TECHNOLOGIES

While there are several different ways to classify the different digital wallet, viewing them as different executions of specific delivery technologies may help to clarify the space. Digital wallets use NFC, Optical/QR codes, digital (Online)-only transactions and text-message based transactions. Some digital wallets combine delivery alternatives, but they generally have a primary delivery approach.

.NFC (Near Field Communication) technology

The term "NFC" stands for Near Field Communication and is a growing payment with many advantages to the consumer. With this technology mobile devices such as smartphones have the ability to act as a virtual "wallet". Simply touch your NFC smartphone to an NFC enabled payment terminal to complete your transaction. There is no physical card required. If there are available coupons or discounts available, they will automatically be deducted from the transaction if selected. It is quick, simple and mostly, unlike magnetic stripe cards, it is secure.

. Optical/QR codes

QR code payments allow merchants to receive payments from customers simply by scanning generated QR codes using a smartphone camera. QR codes(Quick Response Code) are two dimensional bar codes. They consist a pattern of black squares arranged in a square grid on a white background. QR codes can be read with an imaging device such as a smartphone camera. Merchants can now initiate a payment, QR code is generated and customer pays by scanning it with his phone to transfer funds. The QR code payments carry the purchase transaction information to the mobile device of the buyer/customer. The QR code payments speed up the ecommerce payment experience and make it more secure.

All a customer has to do is scan. Traditionally, the mobile money process involves sending money to a merchant code or phone number. QR code payments reverse this process and allows a merchant to set his price and all a customer/buyer has to do is scan to complete the payment. This method of payment can be adopted in e.g. restaurants, fuel stations, super markets etc. It basically works for high traffic payment points where speed is of essence and the merchant wants to be in control of the payment amount.

• SMS based Payment

In the predominant model for SMS payments, the consumer sends a Payment request via a SMS text message or an USSD to a short code and a premium charge is applied to their phone bill or their online wallet. The merchant involved is informed of the payment success and can then release the paid for goods. Since a trusted physical delivery address has typically not been given, these goods are most frequently digital with the merchant replying using a Multimedia Messaging Service to deliver the purchased music, ringtones, wallpapers etc. A Multimedia Messaging Service (MMS) can also deliver barcodes which can then be scanned for confirmation of payment by a merchant. This is used as an electronic ticket for access to cinemas and events or to collect hard goods.

OPERATIONAL MECHANISM

Most e-wallets link the user's bank account, credit, and debit card information by installing the e-wallet software into the user's device (usually computer or smartphone). The user can preload cash in e-wallet and use it to make money payments and transfers. Shoppers can use e-wallet to pay for a purchase by simply tapping or waving the enabled device in front of the NFC enabled terminal at checkout, which is known as contactless payment transaction.

• User downloads the app on his/her device.

• Sign-up by entering the relevant information. The user will receive a password.

• Load money using debit/credit card or net banking.

• After shopping online, the e-wallet automatically fills in the user's information on the payment form.

• Once the online payment is made, the user is not required to fill the order form on any other website as the information gets stored in the database and is updated automatically

➢First Payment

• User registers, inputs their phone number, and the provider sends them an SMS with a PIN.

• User enters the received PIN, authenticating the number.

• User inputs their credit card info or another payment method if necessary (not necessary if the account has already been added) and validates payment.

➢ Subsequent Payments

• The user re-enters their PIN to authenticate and validates payment. Requesting a PIN is known to lower the success rate(conversion) for payments. These systems can be integrated with directly or can be combined with operator and credit card payments through a unified mobile web payment platform.

Findings of the study

• Most of the respondents are currently using e-wallets.

• Majority of respondents are aware about functions of e-wallets.

• The major source of information about e-wallet is friends//family.

• The study reveals that most of the respondents are frequently using e-wallets. 20% of respondents are never used e-wallets.

• 93% of respondents are preferred smartphones for availing the facility of ewallet.

• Most of the respondents preferred Google Pay over other e-wallets. Least preferred is Yono SBI.

• Majority of the respondents have been using e-wallets for a period of less than 1 year.

• Most of the respondents are agree that e-wallet is a useful mode of payment and no one is disagree.

• Most of the respondents are using e-wallet mainly for the purpose of paying bills, utilities and recharges.

SUGGESTIONS

• Marketing and promotion programmes should be conducted to create awareness among nonusers of e- wallet

• Discount offers and reward points on making payment through e-wallets can increase its popularity and adoption as well.

• Improving the security and safety features of e-wallets and educating the users about them would result in widespread acceptance of e-wallets.

• Advertisement should be made in the social media networks which will capture young people to get into the usage of e-wallets.

• Internet connection and security threads are main obstacles for less usage of e- wallets. So the government should initiate necessary steps to overcome the problems of network and security issues.

CONCLUSION

In conclusion, E-wallet is rising immensely due to the convenience of E-wallet or payment in this busy era. Notwithstanding technological advancement, many customers often prefer cash in hand to the traditional way because they think that cash in hand is more safety than E-wallet. This is the viewpoint of the old generation relative to that of the young generation, Just like others, everything has its pros and cons. We need to make the right choices as wise users and have the awareness of the E-wallet that we use.