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E- WALLETS & UPI: A FUTURISTIC APPROACH TOWARDS DIGITAL INDIA

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ABSTRACT

This Research Paper examines the awareness level of people of different areas in India about e-banking facilities like E-WALLET and UPI and how much usage of these apps has increased in day to day life after demonetization. The present study is conducted to get more information about the use of e-banking facilities for different purposes post demonetization in India. The demonetization resulted in huge growth in digital payments/transactions. With the government initiative such as Digital India and growth in use of mobile and internet are means to epidemic growth in use of digital payment. This transformation towards digital payments benefits in more transparency in transactions which empowers the country's economy and help the country to grow. The survey is conducted among all age group and income group of people male/female both. The objective of this research paper is to study the positive impact of Digitization on payment system. The present paper focuses on the analysis of the adoption level of these digital payment systems by customers of all groups. In this survey we have almost 160+ respondents. The survey was done on rural as well as urban customers of both public and private sector banks. It is observed that urban female youth have higher awareness and usage of e-banking whereas rural women have noticeable awareness about e-banking but level of using digital banking is very low. Further stepwise data is collected to determine the factors that contributed in creating awareness and use pattern of e-banking. Finding of the study are helpful for banks to improve their e-banking facilities, making their websites user/customer friendly and improving awareness/ knowledge and usage of e-banking.

Keywords E-wallet, UPI, Digital Payment, Demonetization, Digital India

INTRODUCTION

The banking sector is the lifeline of today's modern economy. It is one of the important pillars of the financial sector, which plays a very important role in the functioning of an economy. It is very important for economic development of any country that its financial requirements of trade, industry and agriculture are met with higher degree of faithfulness and responsibility/duty. Thus, the development of a country is integrally linked with the development/growth of banking sector.

The government's decision to ban Rs. 500 and Rs.1, 000 notes on November 8, 2016, to restrain black money and terrorism financing through fake/feigned notes has called up mixed reactions. Demonetization has affected the daily lives of millions of peoples, which includes small sector domestic workers, small traders, farmers etc.

In the study, track way demonetization has led to the expeditious/quick adoption of e-wallets, and credit and debit cards as a means of payment. Such digital payments have in a large way replaced cash transactions at least in urban areas and somewhat in rural as well. Many economists and socio-political researchers also believe that the country's way to digitization was smoothened and the time to achieve a cashless society has been compressed.

The path toward digitization in India started with the e-procurement start-ups, such as FlipKart, Jabong, and Snapdeal etc. These e-tailors helped begin the process of taking/influencing customers to online channels in the country. Most of these e-tailors conduct the major proportion of their business through cash, but what they did do and is continuing to do is familiarize people with the convenience of online channels and cash less transactions. While there is no evidence of e-tailors benefiting after about 86 percent of the currency in circulation by value in India was withdrawn, business at large fintech companies, popularly called e-wallet firms, have grown. According to media reports, including in the Economic Times, transactions in e-wallet companies had increased by more than 700 % in the first few days after demonetization occurred.

Slowly, but surely, digital transaction is becoming popular. Not just in India, but in other countries as well; despite the fact that, the rate of acquisition is different. In countries, such as the US and Netherlands, a large proportion of the transactions are through digital/online modes of payment, while in others, such as Italy, cash retains on prime position. In India, many people in rural areas and the informal sector do not aware about/ do not have bank accounts. About 43% lack access, according to different reports and surveys, despite the government's efforts to improve financial involvement. Even those who have bank accounts may not have easy approach to a physical branch or may hang back before using a bank account because of a lack of familiarity

and knowledge about usage. However, the internet and the sharing economy cannot be wished away in our country or across. As internet connectivity increase, the digitization of the economy is legitimate.

As a part of Digital India movement, government of India also highlighted on digital payment system. To give boost and better encampment of digital payment system government also setup number of new modes of digital payment under National Payments Corporation of India (NPCI). It is an umbrella organization for all vend in India.

It facilitates fund transfers, payments, horse trade of securities. These value-added services made banks —virtual, where physical presence can be omitted. Banks provide following e-banking facilities

1. Viewing account balances
2. Viewing recent transactions
3. Downloading bank statements in pdf format
4. Viewing images of paid cheques
5. Ordering cheque books
6. Downloading periodic account statements
7. Downloading different apps for M-banking, E-banking etc.
8. Fund transfers
9. Third party payments, paying bills
10. Investment purchase or sale
11. Loan solicitation and transaction, EMI payments
12. Register utility billers

UPI:

Unified Payments Interface (UPI) is a system that empowers different bank accounts into a single mobile application of any participating bank; merged several banking features, logical fund routing & merchant payments into one hood. It also serves to the co-worker collect request which can be scheduled and paid as per requirement and comfort. Every Bank provides its UPI App for Android, Windows and iOS mobile platform.

MOBILE WALLETS

A mobile wallet is a path to carry cash in digital pattern. You can tie-up your any card information in mobile device to mobile wallet application or you can transfer money online to E-wallet. In lieu of using our physical plastic card to make transactions, we can pay with your smartphone, tablet, or smart watch any device. An individual's account is required to be associated to the digital wallet to load money in it. Most of the banks have their own e-wallets and some private companies e.g. Paytm, Freecharge, Mobikwik, Oxigen, mRuppee, Airtel Money, Jio Money, SBI Buddy, Vodafone M-Pesa, Axis Bank Lime, ICICI Pockets, SpeedPay etc.

LITERATURE REVIEW

Pawan Kalyani (2016) in their paper “An Empirical Study about the Awareness of Paperless E-Currency Transaction like E-Wallet Using ICT in the Youth of India” presented the use, pros and cons of virtual wallets especially in India. He also provides information on certain issues being faced by the E-Wallet companies. Other problems like data security, smart phone issues, and market penetration and user acceptability were also discussed.

Poonam Painuly and Shalu Rathi (2016) in their research paper “Mobile wallet: An upcoming mode of business transaction” have analyzed that with help Mobile Wallet business transactions would be take place easily and also concluded that business sectors like banking, retail, hospitality etc., are making use of wallet money and mobile payment instruments including contactless and remote payment in the customers –business and customers to customers areas

Prof. Trilok Nath Shukla (June 2016) in his paper, “Mobile Wallet: Present and the Future” has examined about different types of mobile wallet, its working, merits and demerits. He also concluded that mobile wallets provide many opportunities to businessmen and digital businesses to engage more consumers.

RESEARCH OBJECTIVES

1. To study the effect of demonetization on digital payment.

2. To study the consumers perception towards E-Wallets & UPI.
3. To study the difference between growth in different mode of digital payment before, during and after demonetization.

HYPOTHESES OF THE STUDY

- H0 - There is no contribution of E-wallets and UPI in Digitalization of India.
- H1 - There is a significant contribution of E-wallets and UPI in Digitalization of India
- H0 - There is lack of awareness of the use of E-wallets and UPI amongst Individuals.
- H1 - There is adequate awareness of the use of E-wallets and UPI amongst Individuals.

RESEARCH METHODOLOGY

RESEARCH DESIGN:

This research is primarily a Case Study research to be developed through Descriptive methods by involving the participants as users of E-wallets & UPI.

SAMPLE SIZE

Primary data will be collected from 167 respondents who will be the users of E-wallets & UPI, located in Mumbai.

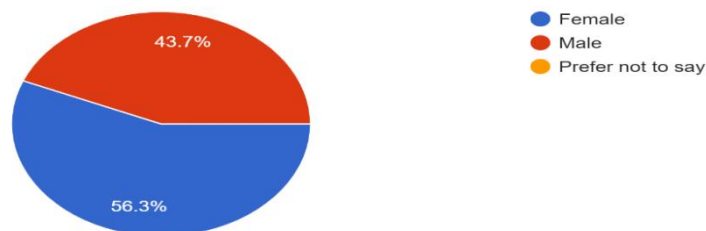
DATA COLLECTION METHODS AND INSTRUMENTS

This research shall use primary data as well as secondary data. Primary data is mainly in quantitative form. The primary data shall be collected through Survey Method. The survey will be conducted through a Questionnaire as instrument of data collection. Secondary information shall be collected through authentic reports, journals, books, manuals, research reports, newspapers and available online sources.

DATA ANALYSIS AND INTERPRETATION

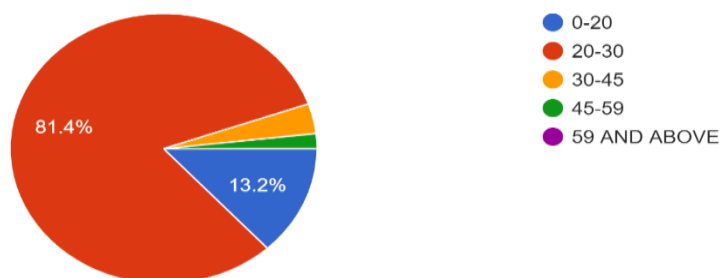
The collected data of 167 respondents has been analyzed and presented through Pie Charts and Bar Graph

GENDER
167 responses



Out of 167 respondents, 56.3% were the females while 43.7% were the male. As per the survey, females responded more than males.

AGE GROUP
167 responses



Among the 167 respondents, 81.4% people were from the age group of 20-30 years. Whereas very few people were from age group 45-59 years. And a small group of people around 13% were from 0-20 year age group. It shows that our young generation is more familiar with digitalization.

INCOME GROUP

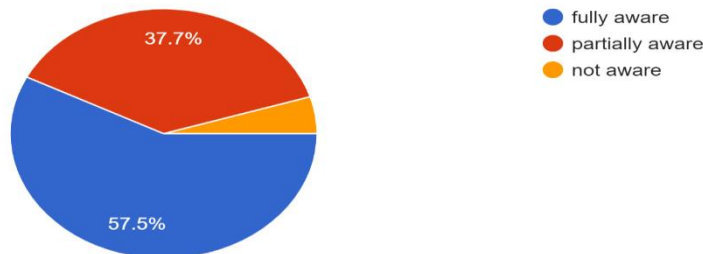
167 responses



As we talk about income group of people more than 75% of respondents are from 0-200000 pa. Income group. 17 percentages of people are from 2-5lac pa. Few are above 5lac pa. Income group.

Are you aware of functions of e-wallets and UPI?

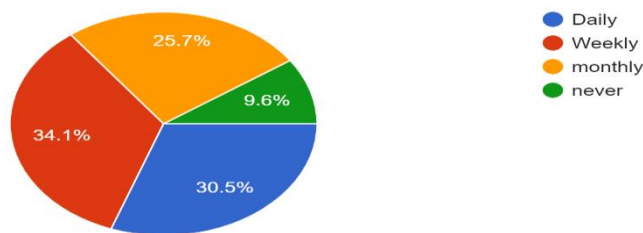
167 responses



When we did the survey we got to know that more than 55% of respondents are fully aware about the functioning of e-wallets and UPI. Rest 37.7% of people is partially aware and few are unaware of digital banking system.

How often do you use E-wallets & UPI

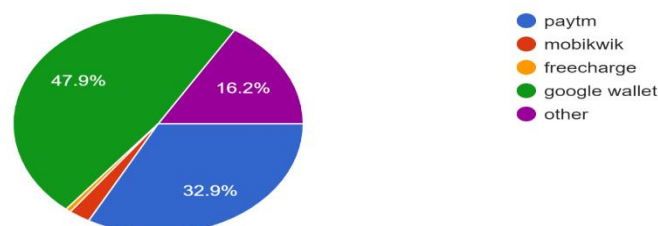
167 responses



According to the survey it's almost used by all people whether it is daily, weekly, monthly. There are 9.6% of people who have never used digital banking system.

which E-wallet do you prefer most of the time?

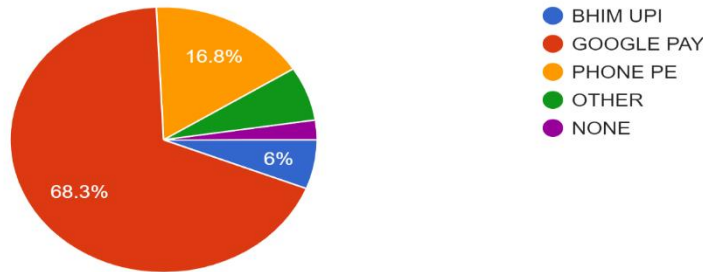
167 responses



This shows that people love to use google wallet as compare to other wallets. After Google wallet respondents second choice is Paytm. Rest prefers/uses other apps.

which UPI app you prefer the most while transacting online?

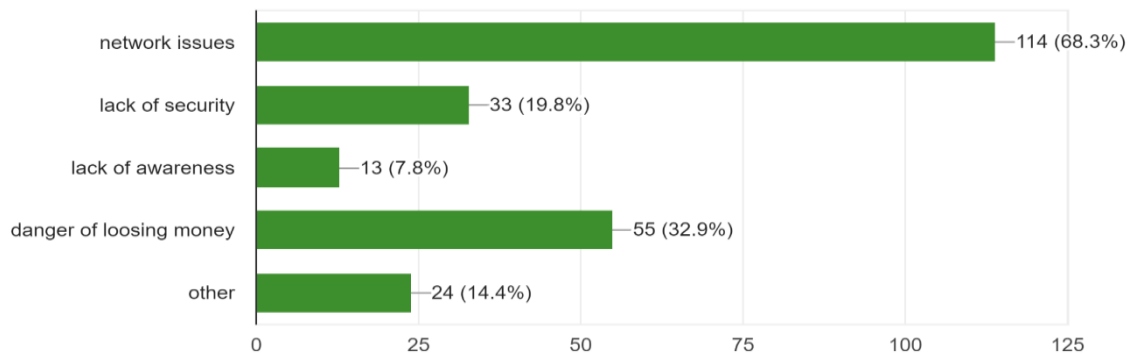
167 responses



If we talk about UPI’S respondent’s choice is Google pay. More than 65% prefers Google pay over any other app. than few prefers BHIM UPI /PHONE PE.

what difficulty you feel while using E-wallet/UPI?

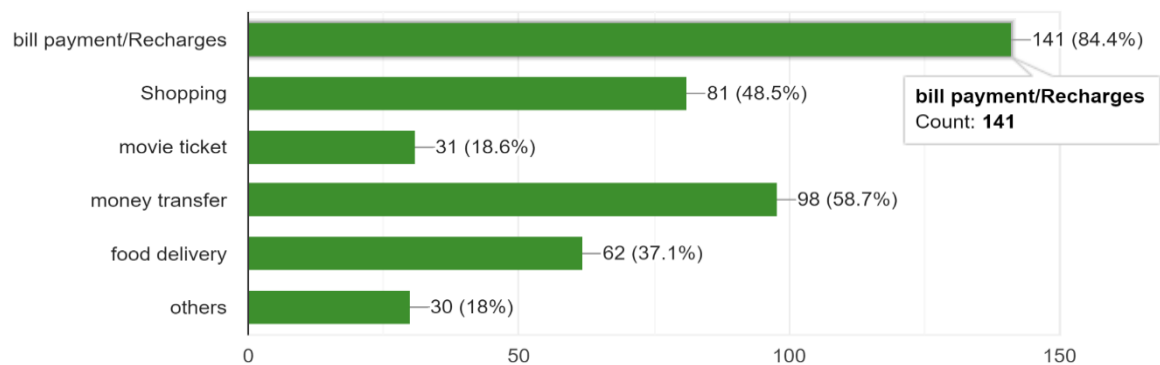
167 responses



As per this statistic nearly 70% people are facing network issue while transacting this leads to danger of losing money and lack of security as well. There are people who are not aware of digitalization of banking system.

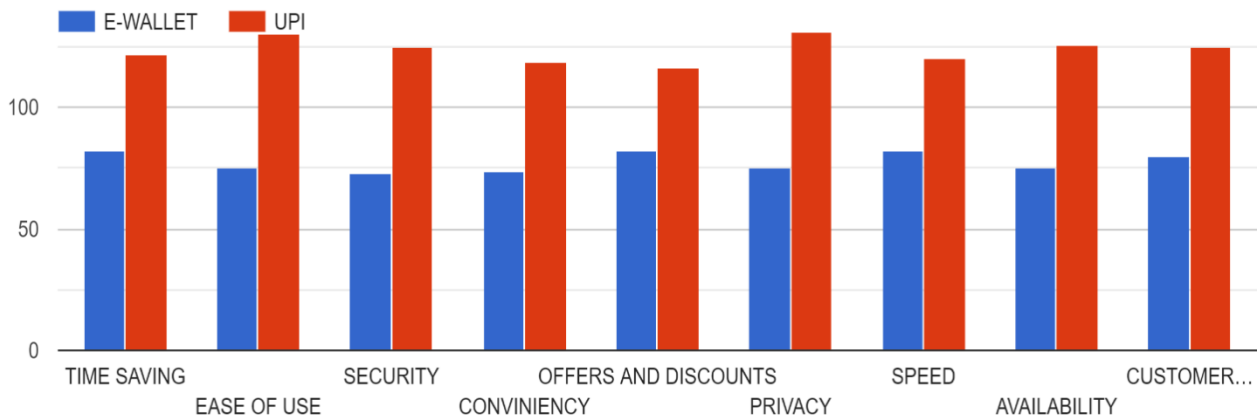
your purpose of using E-wallets & UPI?

167 responses



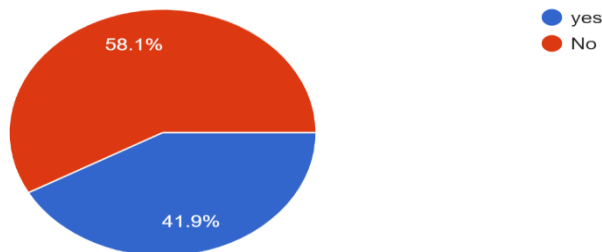
Most of the people (around 85%) use these apps for bill payments and recharges. Large number of people uses these facilities for shopping/movie ticketing/money transfer/food delivery etc. around 18% people uses these for other purpose.

According to you which is more reliable?



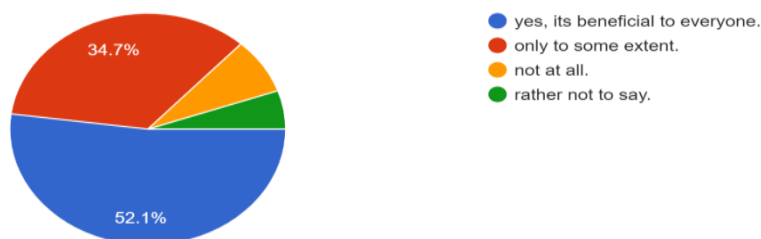
It can be clearly seen that people’s choice is UPI over E-wallets. They found UPI transactions more reliable, time saving, speed, available. Respondents found UPI more convenient and they get more rewards/offers and discounts over E-wallet applications.

Do you feel safe while you provide your bank information to any app?
167 responses



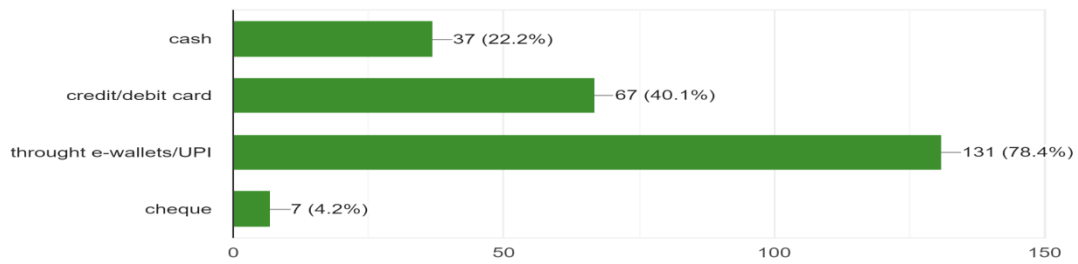
The most important question arises is of safety. Here in India people don’t feel safe transacting online. They are not comfortable giving their bank information due to lack of security in Indian banking system. There are many fraud cases related to hacking / fake calls and many more. Due to all these people now a days are not comfortable giving their bank information to any other apps.

According to you, in this COVID-19 SCENARIO the digital facilities which are provided by various banks are beneficial or not?
167 responses



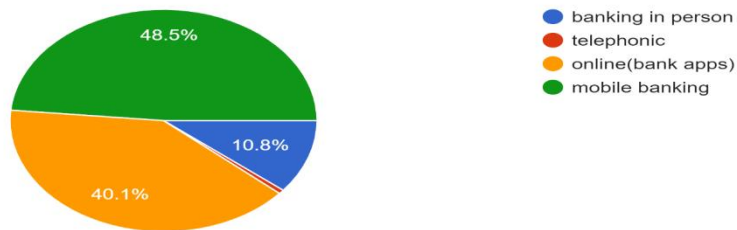
If we talk about the current scenario, according to me it’s very helpful and too much beneficial because more and more cashless transaction may help India to fight against covid-19. In survey also nearly 85% respondents agree to this. They also find it beneficial.

what is your mode of payment in this COVID-19 situation?
167 responses



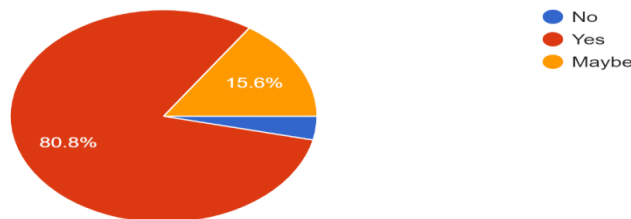
Due lack of security and awareness around 22% respondents using their mode of transaction as cash which is also not safe to some extent as per covid-19. Rest 78% is familiar with e-wallets /UPI. Nearly 40% are using cards to transact which is safer than cash transaction.

which mode of banking is more comfortable to you?
167 responses



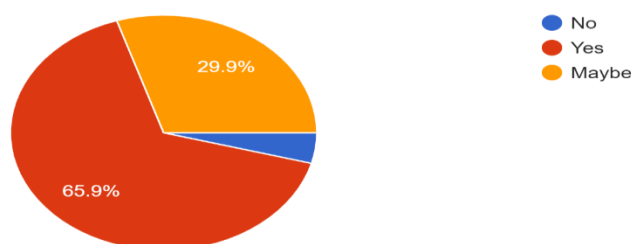
Nearly 90% of respondents are using online/ mobile banking as their mode of banking. 0.3% is with telephonic and nearly 11% are with banking in person.

according to you banking sector adopting these digital technologies will help india to grow in future?
167 responses



According to me as well as the respondents YES the digitalization in banking sector will definitely help India to grow in nearby future. Very few people are not agreeing with this statement and around 16% are not sure. It will surely help India to become developed country in near future.

Do you think E-wallets & UPI helps in making India fully Digital
167 responses



As per survey, 66% of people are agreeing with this statement. Rest 30% is not sure. And there are people who thinks that these things will not help in making India fully digital in any which way.

LIMITATION OF THE STUDY

- Study is limited to respondents who will be available during survey in the Mumbai.
- Sample size will be 167 respondents.
- Many respondents are from age group 21-30 thus it does not cover all age group.
- Due to Covid 19 and Lockdown offline survey is not possible.

FINDINGS

1. 60% rural people do not have ATM. It restricts them to use e-banking services
2. 90% swipe machines are far from the reach of rural people.
3. 83% of rural people are unaware about digital transaction.
4. The awareness level about e-banking is more in urban areas in compare to rural areas.
5. The use of e-banking services in urban areas is more than rural areas.
6. After demonetization awareness about e-banking is significantly increases in both rural and urban areas.
7. Rural people are facing difficulty in using banking sites due to lack of infrastructure or education.
8. Payment through mobile increased by 13%
9. 63% people are happy with demonetization.

CONCLUSION

If we talk about conclusion of demonetization, in one word it's successful.

We can elaborate in detail as;

1. Many people get to know about working of banking system for the first time.
2. Reduced cash transactions will impact reduced generation of black money (kaaladhan).
3. Sleepless nights for all illegal business holders, they are always scared about modi's next move.

As per the survey people do think that after demonetization the term digitalization came in to existence. This is because after demonetization people do not had any other option for transacting and this lead India to cashless economy to the certain extend. People believe that this digitalization in banking sector will help India to grow in near future.

We also concluded that people aren't sure with the security provided for transacting, they still feel unsafe because there are many fraud cases hacking cases they have fear of losing money hence they hesitate to provide their bank information to any other app.

SUGGESTIONS

According to the survey, what we have concluded that people are afraid of losing their money and they do not trust online banking that means there is lack of security.

That means the security for online banking should increase and awareness among people should be spread. On online fraud there should be strict punishment so that people will not hesitate using digital system. Apart from this, awareness campaign on local level should be done.

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