

# THE ADOPTION OF M – WALLET IN INDIA

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## ABSTARCT

*Mobile wallet or M – Wallet is the digital equivalent to the physical wallet in which we carry money. A user needs to make an account with a mobile service provider. After which money is added to the 'mobile wallet' account using a debit, credit, online transactions from account or via cash (a rechargeable kiosk). The main difference between a mobile wallet and online transactions via bank account is that, unlike banks mobile wallet does not charge any amount of money on every transaction and saves the customer from the hassle of entering card details and pin number for each and every transaction.*

## INTRODUCTION

Based on the study carried out by Assocham and Business Consulting firm RNCOC, the m-wallet market is anticipated to increase over 190 per cent reaching Rs. 1,512 billion by financial year 2022. In developing economies like India, this mobile application gives a platform to a much larger targeted population having no bank account but a mobile phone.

The exponential usage of smartphones and the steady internet penetration with players like Jio providing the cheapest data in the world coupled with the growth of e – commerce sector combined together the increasing purchasing capacity are the major attributes that will drive this growth.

The growing number of transactions is from Rs. 10 billion to Rs. 206 billion is a significant jump based on the report and this has proved that the consumers are ready to purchase products or services using the m – wallets. However, the major drivers for this are the various cash back, offers, loyalty benefits, lower interest rates and above all the convenience and ease of use that provides unbelievable advantage for the consumers.

Nevertheless, there are many challenges that the M – wallet face and still a huge population in the Indian sub – continent prefer to use cash, this has given rise to the Case on Delivery (COD) model used by major e – commerce and food delivery applications like Zomato and Swiggy, has made it more difficult for penetration of the M - Wallet. The biggest issue that consumers are worried about is the security, privacy issues, theft which invariably is on the rise. If M – wallets can deal with these issues at most care many consumers would prefer to shift to these options.

The current pandemic has enabled that change to an extent that the rural parts of the country too are using these apps. The Government along with RBI has launched in 2016 the Bharat Interface for Money (BHIM) where in the consumers can make direct payments to the anyone have the UPI (Unified Payment Interface) Id. This developed by the National Payment Corporation of India (NPCI) is a set in the direction. The M- Wallets are also encashing on the BHIM for payment transfer for a seamless payment transaction.

Finally, the world is moving digital and countries like Sweden have already made a mark where in the maximum transactions happen via card or mobile. This would bring a huge turnaround in

the emerging economies like India and would be a game changer where inclusive growth is concerned.

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