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FROM THE DESK OF EDITOR...

The COVID-19 pandemic has severely impacted many industries and increasing economic hardship for Consumers, Businesses and Communities. Impact of Covid-19 has been multiple related to social, educational, economic, political, agricultural, psychological levels and many more. The ‘Lockdown’ and ‘Social Distancing’ has been recognized as the only method to control the spread of the pandemic and almost every country has adopted this method. Although the technology to facilitate remote work has been around for over a decade, COVID-19 has forced hundreds of millions of people worldwide to engage in a sudden, massive, real-time experiment with remote work arrangements.

However, this pandemic created an opportunity for change in pedagogical approaches and introduction of Virtual Education in all levels of education. Due to pandemic coronavirus schools, colleges and other educational institutions are witnessing a shift towards online learning. Education is defined more innovatively today as compared to what it was centuries ago when teaching originally began. This model built the bridge through which learning was delivered in a manner that helped create and develop the most brilliant minds and there was also a development of a whole new era of education.

Online education in India has witnessed an enhanced acceptance over a few years. It is becoming an integral part of the school, colleges and even in offices across India. Easy availability of the internet is the primary reason for the growth of online education in India. Between 2019 and 2020 the number of internet users in India increased by 128 million. For the first time, rural India has a greater number of internet users compared to urban India.

UGC and MHRD have launched many virtual platforms with online depositories, e-books and other online teaching/learning materials. Combination of the traditional technologies (radio, TV, landline phones) with mobile/web technologies to a single platform with all depositories would enhance better accessibility and flexibility to education. A large open on-line course (MOOC) is an internet course aimed toward limitless curiosity and open entry by way of the net. India is taken into account to be the largest marketplace for MOOCs after the USA.

However, digital learning is not without its challenges, since face-to-face interplay is perceived as the perfect sort of correspondence as in comparison with the relatively impersonalized nature of remote learning. The construction of the digital education infrastructure by the Government of India presently seems to be troublesome as a consequence of absence of price range. Further, remote learning more depends on the dependable energy flexibly and common Web connectivity which can be a critical factor for Tier 2 and Tier 3 cities in India.

In spite of all limitations now the time has come to push India’s economy towards solving all such Socio-economic issues. Inculcating strong Higher Education Base with Online Learning in the light of futuristic Vision laid down by New Education Policy could be the right weapon of solving many such issues which have been inherited over Generations. All such efforts require mindset towards “Continuous Research”.

Keeping all such ideas in mind and heart I feel extremely delighted to bring out the *Second Issue of E- Journal "MMK: ACE"* with the Papers included from a community of Researcher, Academicians from different strata addressing various aspects of COVID-19 which was the central theme of *Second Issue of E-Journal "MMK: ACE"*.

I extend my sincere gratitude to the Management of HSNC Board and our dear I/C Principal Dr.CA Kishore Peshori for their constant support and motivation towards strong Research foundation.
My heartfelt thanks to the Editorial Board Members Dr. Megha Somani and Mr. Manikandan Iyer for guiding me on several fronts.

Finally, big thank you to Peer-reviewers and Publishing House for helping us in publishing this E- Journal. Last but not the least I would like to sincerely thank to all the academicians' who have wholeheartedly contributed in this *Second Issue of E-Journal "MMK: ACE"*.

I invite feedback and suggestions from our Readers, Researchers and Academicians for further improvement in *E-Journal "MMK: ACE"*.

Dr. Aashish S. Jani

Executive Editor

PRINCIPAL'S MESSAGE

I am very happy to observe that our Research Committee has been very active during this lockdown period and has successfully brought out the second volume of our Ace Online Research Journal, where academicians and students are given a platform to publish their research articles. Last year, our college had the privilege of hosting a mega event, i.e. the XXVII HSNC Board's International Economics.

Convention – 2019 from December 1st December to 14th 2019, where many enthusiastic researchers from various colleges including West Georgia University from U.S.A, presented their research papers. At this Convention, we had launched the first volume of our E-journal, ACE, which was an academic initiative to encourage our young, upcoming researchers. Little did we expect at that time, that this online mode of communication would become the order of the day, as we have been witnessing in these current times. Nevertheless, we are glad that it was an initiative taken in the right direction and at the right time.

The greatest gains of all times in history has always been research driven. Whether it was discovering a vaccine for Polio, or drugs to combat HIV, these were all borne out of research projects. Therefore, Research activities are fundamental to every society, and should be especially encouraged in educational institutions. As Scientists around the world were struggling with their research to find a vaccine for the COVID 19 virus, we realize that it is highly imperative to cultivate this research culture amongst our present generation. I am glad that the editorial team has chosen to have deliberations on this very topical theme of the impact of COVID 19 on various aspects of the Economy and Education sector. I appreciate all the academicians, scholars and students for their valuable contributions and the thoughts that they have shared through this journal. I also applaud the initiative taken by my editorial board in their continuous efforts to inculcate research attitude and aptitude among our faculty and students.

I wish them all the best and hope that the ideas shared through this volume will find a way in bringing out some positive outcome and encourage many more students and teachers to become good researchers and thinkers.

Dr.CA Kishore Peshori

(I/C Principal)

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A Study on Growth and Future Prospects of Mobile Wallets in India

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Abstract:- The Government of India in the recent times has given an impetus for use of digital modes for making purchases and making payments. This paper attempts to identify the reasons for the growth of mobile wallets in India in recent times, specifically after demonetization. The paper also focuses on the challenges faced by the Indian Mobile Wallet Industry and the future prospects of this Industry.

Keywords:- Digitalization, Mobile Wallets, Demonetization.

I. INTRODUCTION

Just as we have a wallet with us to store cash and cards exactly in the same way advancement in technology has enabled us to receive and send money through mobile devices, this technology is referred to as Mobile Wallets. Mobile Wallet is an e-commerce model specifically designed for the mobile devices with a view to provide more comfort, convenience and ease of access. M Wallet, Digital Wallet or E Wallet are the other names of mobile wallet.

In a very simple language, it is a virtual wallet enabling users to store cash and debit and /or credit card details which can be used for making payments. It is a technology enabling us to make quick online payments of all our utility bills with the help of a tap on our cell phones, without having to use any cash or card. Initially, a user of mobile wallet is expected to transfer his preferred amount from his bank account, debit or credit card to his mobile wallet, and later on this amount can be used for online purchases, just as we load cash in our physical wallet, whenever we feel there is a shortage of cash exactly in the same way, we need to transfer funds to our mobile wallet as well. Mobile wallets free us from the need of carrying cash all the time to make payments, only a cell phone is enough. The various payment modes in wallet include payment by apps, text message, website or social media. The more common and preferred option is payment through apps.

➤ *Types of mobile wallets in India.*

In India, we have basically three types of mobile wallets: - open, semi closed and closed.

1. Open Wallets: - Only banks are entitled to issue such wallets in India. These open mobile wallets enable users to purchase goods and services online. In addition, these wallets can also be used for transfer of funds and cash withdrawals at the ATM.

2. Semi- closed Wallets :- They are the payment instruments that allows users to purchase goods and avail services at listed locations, merchants or establishments. The customer is unable to withdraw, add or redeem cash but technology certainly allows for transfer of virtual money into another user's account.
3. Closed Wallets :- This is a very popular service. These wallets are issued by company only for purchase of goods and services from that company only. No cash withdrawals or redemptions are allowed. A certain amount is locked up with the company in case of cancellation of order, gift cards etc. The stored money has to be compulsorily used for purchases from that company only, it cannot be used for payments to any other company.

II. OBJECTIVES OF THE PRESENT STUDY

1. To study the impact of demonetization on mobile wallets in India.
2. To examine the reasons responsible for the growth of mobile wallets in India.
3. To highlight the challenges faced by Mobile Wallet Industry in India.
4. To emphasize on the future prospects of Mobile Wallet Industry.

III. REVIEW OF LITERATURE

1. Priyanka Kotecha (2018) undertook research work to understand the shift in the Banking sector of India with reference to mobile wallets. She also highlighted the advantages and disadvantages of Mobile Wallets.
2. Dr. Manikandan and J.Mary Jayakodi (2017) in their research work studied the factors affecting consumer's decision with respect to adoption of mobile wallets in Chennai City.
3. T.Praiseye and Dr. Florence John (2018) carried out extensive research to determine the factors affecting consumers inclination towards mobile wallets. The study also highlighted the impact of demographic factors on preference of the consumers towards mobile wallet.
4. Dr. Ramesh Sardar (2016) through his research work tried to study the preference of customers towards mobile wallet more specifically in the urban areas of Jalgaon.

5. Upendranath Shukla (2017) attempted to study the future of mobile wallets in India by interviewing senior professionals who were using debit and credit cards . Through this study, an effort was made to find out to what extent people using cards for online payments would switch to mobile wallets.

IV. LIMITATIONS OF STUDY

The present research paper is based only on secondary data sources collected from scholarly research articles, financial newspapers, websites and other sources of information available on the internet.

The study was not able to analyse in detail the extent of competition faced by mobile wallets Industry after the introduction of UPI (Unified Payment Interface) by NPCI (National Payments Corporation of India.)

Therefore, further research can be undertaken to determine that out of the mobile wallets and UPI, which mode of online payment is preferred more by the customers. Research may also be undertaken to find that out of the various mobile options available in India, which is the most preferred option from customer's perspective involving various parameters.

V. DEMONETISATION AND THE RISE OF MOBILE WALLETS IN INDIA

With the Indian Government resorting to demonetization in December, 2016; more and more people have started adopted digital means of payment. The 2017 Consumer Payments Insight Survey by Global Data revealed that more and more Indian consumers are switching their preferences from cash and card towards mobile wallets. In fact, the rate of adoption of mobile wallets in India has been far better and faster as compared to developed economies of U.S and U.K. The Survey further revealed that India is one of the top markets globally with respect to mobile wallets adoption as close to 55.4% respondents surveyed indicated that they not only possessed a mobile wallet but they were also using it. The Report also makes a mention of demonetization as a major factor in the growth of mobile wallets as the severe shortage of cash in the country compelled the people to switch to electronic modes of payment. Even though, people in India still have a liking for digital banking channels for medium to high value transactions, mobile wallets are the most preferred option for daily transactions of less value. Post demonetization, mobile wallets are being extensively used at departmental stores, grocery shops, street vendors, tea stalls and even for auto and taxi rides. The Government policy of promoting digital payments, better infrastructure with respect to telecom and payments and easy availability of affordable smart phones were attributed as the factors responsible for rapid growth of mobile wallets in India.

Sr. No	Name of the Country	Adoption Rate (in percentage)
1	India	55.4
2	China	54.3
3	Denmark	43.9
4	United States	14.7
5	United Kingdom	8.1

Table 1:- Adoption Rate of Mobile Wallets
Source:- Global Data's 2017 Consumer Payments Insight Survey and Reserve Bank of India.

VI. FACTORS CONTRIBUTING TO THE GROWTH OF MOBILE WALLETS IN INDIA:-

1. User Friendly :- All the mobile wallets are extremely user friendly, they are very simple to operate , just at a tap with your fingertip funds can be transferred and purchases can be made or services can be availed.
2. Attractive offers :- Mobile wallets are always loaded with various exciting offers, coupons, scratch cards and rewards. Thus, apart from offering convenience of making payment to a person at a distant place from the comfort of your home/office, these attractive offers attract more people to use this mode of payment.
3. Security :- All the mobile wallets assign utmost priority to safety and hence chances of online theft are minimized, thereby instilling more confidence in the minds of the public to go for digital mode of payment rather than carrying cash everywhere.
4. Easy Availability of Phones and Infrastructural Development :- With the easy availability of cell phones at highly affordable rates, hassle free sim card availability and better internet connection without interruption and buffering , has significantly contributed to more people resorting to mobile based payment options.
5. Rural Inclusion :- Even in rural areas, people have easy access to phones and also internet connectivity, thus people having zero or very limited banking facilities in their areas can make use of cell phones for receiving and transmitting money.
6. Government measures :- The Indian Government of late has encouraged people to shift from hard cash to electronic modes of payments. The Government campaign of Digital India and demonetization, has further contributed to more and more people using mobile phones as a means of payment.
7. Change in attitude :- People in India are becoming more and more technology savvy and they prefer to use the latest and modern technology, thereby carrying cash and making payments is an old concept, now people make use of technology to transfer funds and making payment of bills and online purchases.

VII. POPULAR MOBILE WALLETS OF INDIA

1. Paytm: - The most popular mobile wallet in India Paytm, is an e-commerce payment system company based in Noida founded by Vijay Sharma. It offers a wide range of utility services like mobile recharges, payment of bills, movie tickets. It can also be used for making payments at grocery stores, restaurants, parking, tolls, and educational institutes by scanning the QR code. Paytm also has its Paytm mall app enabling customers to shop from 1.4 lakh registered users. Paytm is also having the license from the RBI to function as a Payments bank. The Paytm payments bank at present is the only profitable payments bank in India with deposits in excess of Rs. 1,000 crores and over 5.7 crore saving account holders. Paytm also had a tie-up with Master Card recently for providing over 10 million digital debit cards by the conclusion of financial year 2020-2021. In 2017, Paytm became the country's first payment app with downloads of more than 100 million. Paytm recently had a tie up with e-commerce giants like Uber, Make my trip, FoodPanda, Book my show for allowing the users of these sites to make payment via paytm App. Also Paytm offers many cash backs with a view to lure its customers.
2. Phonepe :- Another very popular mobile wallet which has started gaining a lot of prominence after its acquisition by Flipkart in 2016. It is widely used by many for making purchases on Flipkart. It also enables users to transfer money through different means like UPI/Bank Transfer/Wallet to Wallet Transfer. One of the most attractive and feature of Phonepe is the bill amount can be split among friends or colleagues, such feature is not available on most of the other wallet options. It also provide options for recharges and payment of bills. It has also partnership with merchants like Ola, Myntra, Red Bus, OYO, Mcdonalds, CCD, Faasos etc. All these merchants accept payments made through Phonepe app.
3. Freecharge :- The mobile wallet for many years was considered as the main rival of Paytm. This wallet has witnessed a significant rise in the number of online transactions during the last few years. Free charge is renowned for its attractive cashback offers. It also offers all the features that other leading mobile wallets offer like mobile recharges, payment of utility bills. Free charge is also extensively used by customers for recharging their Metro cards. FreeCharge also provides easy credit facility and also transferring funds and investing in mutual funds. E-Commerce sites like Snapdeal, Find Mystyle offer Freecharge as one of the payment option to their customers. It was acquired by Snapdeal in 2015 and sold by Snapdeal to Axis Bank in 2017. It also allows the facility to link Jio Money account with Freecharge account. Freecharge also regular provides coupon codes as an attraction for its customers

4. MobiKwik :- A digital wallet which became hugely popular and had a significant increase in its online transactions since demonetization. It has a tie up with more than twelve electricity companies spread over 8 Indian states. Mobikwik is a highly secured payment option online and chances of you account getting hacked are very slim. It also regularly comes up with different offers and cash back benefits to lure more customers.
5. Google Pay :- Google Pay is a wallet using UPI for payment interface. Of late, this has become the most preferred option for online payment by customers through mobile. The customer can pay and receive money directly from the bank account (provided the bank supports UPI). Payments in this option can be made by entering the bank details of the payee or directly from one person's UPI address to other person's UPI address. The payments and transactions are secured. This option in addition to sending and receiving money also allows users to send text messages. Scratch cards are introduced under this payment mode to have more customers; every payment in Google Pay rewards its user. It has partnered with firms like Mi and BookMy show.

VIII. CHALLENGES FACED BY THE INDIAN MOBILE WALLET INDUSTRY:-

1. Security & Fraud :- Risk associated with data security is one of the major challenges faced by mobile wallets industry in India. The main reason why people in India are hesitant and not wanting to use online modes of payment is they lack faith in the security feature provided by the companies. Thus, companies need to come up with a robust security features making online transactions safe and secure. Even, hackers are constantly updating their knowledge, so the real challenge is to design a system offering adequate security with extremely remote chances of online frauds. If frauds are reported frequently, not only the customer will suffer financial losses but it will also harm the reputation of digital service provider.
2. Support from merchants: - In India, most of the merchants still prefer accepting payments in hard cash rather than in digital form, thereby demotivating the customers, the customers may not switch to digital mode as it will not be accepted by the merchants.
3. Awareness amongst customers: - In spite of the best efforts by the Government to promote digital modes of payments, still there has not been a major change in the mindset of the people. Majority of the people still prefer to make payment through cash. So, the real challenge is to make people aware about digital wallets, educate them about the security features and also explain the benefits they receive by making payments through mobile wallets.

4. Competition from other online/ digital modes :- Usage of debit/ credit cards for online transaction is one of the biggest challenge faced by the mobile wallet industry. People have also started UPI based payment mode. This is now a very serious challenge for the mobile wallet industry , as with the introduction of UPI based payment, the share of mobile wallets in the online transactions is on the decline.

Sr. No	Online Payment Mode	Share in terms of percentage
1	Bank Transfer	20
2	Cards	29
3	Digital Wallet	25
4	Cash	17
5	Other Options	9

Table 2:- Share of Different payment options for E-Commerce transactions in India.

Source:- JP Morgan 2019 Payments Trends :- Global Insights Report

5. Compatibility:- The major challenge over here is that the application developed should be compatible for all types of mobile devices and operating systems. Customers basically prefer seamless and convenient way of digital transaction, and issues with compatibility can hamper the experience of the customers. Making sure that application is compatible across all operating systems (not only Android and ios) is a major challenge.
6. Competition: - There are more than 70 mobile wallets, so there is wide competition, the real challenge is to provide maximum service and benefits to the customers so as to not only attract new customers but also to retain existing customers.
7. Compliance: - At times, complying with all the government norms can become very challenging but it is imperative for the interest of customers.

IX. ROAD AHEAD FOR THE MOBILE WALLET INDUSTRY

Prior to Digitalization, only a handful of mobile wallets were in existence but post demonetization, there are many players who have entered in this field. Also initially mobile wallets were only used for mobile recharges and bill payments but now they provide a wide range of services like booking holidays, securing loans, booking travel tickets, trading in gold, buying insurance policies, investing in mutual funds in addition to the normal services of recharges and bill payments.

The significant increase in availability of smart phones and better and cheaper internet connectivity attracts more people towards mobile wallets. With more customers at their end , wallets are now partnering with major e-commerce merchants.

In the coming five years, India mobile wallet market is expected to grow at a rate of 150% with transactions totaling 4.4 billion dollars. It is also quite likely that smart phones will have more advanced features and contain QR and contactless reading capabilities required by mobile wallets.

The entire digital process should be hassle free and provide more convenience to the customers with high level of security for more people to adopt digital wallets especially in the rural areas and semi urban areas.

Another possible area where use of mobile wallets can improve is they provide buyers with the same user experience irrespective of the currency they use, be it dollar, euro or yen. This will be a boon for Indians migrating abroad.

A majority of Indian population is in the age group of 18-35. These people are more tech savvy and don't mind doing away with physical cash in favour of digital payments. The ball therefore is now in the court of mobile wallet industry to upgrade their systems and provide more benefit and security to the customers rooting for the online mode.

In this age of digitalization, only the best and the one which keeps on constantly updating itself will survive. The challenge is to become a stop shop for all the needs of the consumer. It is the customer who will decide the fate of payment option depending upon the benefits, convenience and security features they provide.

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