



## A SOARING GROWTH OF E WALLETS POST DEMONETIZATION – STUDY IN AHMEDABAD

**Ms. Nazneen Shaikh** Shri Chimanbhai Patel Institute of Management and Research, Ahmedabad

### ABSTRACT

India is traditionally a cash-based economy, with the value of physical currency in circulation estimated to be over 11% of GDP, one of the highest among emerging economies. The government's announcement on demonetization and its push to encourage cashless transactions, India is experiencing exponential growth in digital financial transactions which began as a convenient mode of payment in cash-crunch phase. From bill payments to buying groceries, the country has come a long way in accepting, adapting and, ultimately, preferring E-wallets over cash as a result Digital payment companies have seen a substantial jump in their business as a result of the government's measures towards promoting cashless transactions post demonetization.

The primary objective of this paper is to understand about the consumer adoption status of Electronic wallet within the research area limited in Ahmedabad. It also measures the consumers usage of E-Wallets pre and post demonetization. As one of the main agenda of demonetization is to make digitalized economy, this research will be useful for the Government and business stakeholders of E-wallet who would like to expand the business to earn more market shares.

Research was designed in quantitative method using questionnaire which was sent to potential respondents who reside in Ahmedabad. The findings illustrate clearly that the adoption of E wallet among consumers in Ahmedabad is only at the beginning stages of the Innovation-Decision Process. It also shows that consumers here express positive attitudes toward E-wallet Post Demonetization.

**KEYWORDS** : Demonetization, Digitalization, E Wallets.

### India and Digitalization:

Digital India is a vision of Indian Government to remodel country into a well-informed economy and digitally empowered society, with decent governance for residents by bringing harmonization in public accountability. Centre has made the largest changes in identification and monetization that the country and most of the world has ever seen by introducing a nationwide ID database and largely eliminating physical currency. Non-cash payments saw a surge immediately following the demonetization policy enacted in November 2016, when cash in circulation fell by two-thirds. Digital transaction volumes grew 43 percent between November and December 2016, driving hopes that the shock would kick-start India's transition to a cashless economy. Roughly 98 percent of consumer transactions dependent on cash prior to demonetization, Growth in digital payments did indeed slow in the first two months of 2017, but the latest March data indicates that the shift from cash is still underway, with an overall increase in digital transactions of 33 percent by volume and 59 percent by value since November 2016. A report by Red-Seer Management evaluated that mobile wallet sector in January-March 2017 grew 81 percent in volume terms.

### E-wallets and Growth Post-demonetization:

E-wallet is a prepaid account used to store money. It is an innovative way to make payment using mobile. It is a replacement of physical wallet. Today you can purchase anything using e-wallet. E-wallet is fastest and convenient method to make cashless payment online and offline. In addition to convenience e-wallet also provides cash back and discount offers. Banks are forced to rethink their payments strategy the rapid adoption, scale-up and increase in the utilization of Electronic wallets by their own customers have made banks rethink their retail payments tactic. Hence, they have tweaked their digital strategy, and are vigorously focusing toward youth and tech savvy customers. Electronic wallets companies also have turned out to be the single largest beneficiary of demonetization which overnight sucked out 86 percent of the country's currency in circulation and triggered India's biggest ever cash crunch. The Payments Council of India, the growth rate of the digital payments industry, which was earlier in the range of 20-50 per cent, has accelerated post demonetization to 40-70 percent. As Market in India will witness a CAGR of 58.90% as forecasted for the period: FY2017-FY2023.

### Literature Review:

K. C. Balaji and K. Balaji (2017) studied that demonetization process in India and its impact on cashless transactions. The demonetization

has several aims of eradicating black money, removing counterfeit notes, stopping money laundry and so on. Apart from these direct and primary aims it focuses on encouraging cashless transactions as well. Cashless transaction uses credit and debit cards, online payment gateways and digital wallets for financial transactions. Singhal (2017) studied that with the introduction of smart phones and mobiles application the usage of internet banking has been increased. But there is a long way to go as rural population of India is still waiting for some program from banks that will facilitate their usage of e-banking services. (Sanjay 2017) Technological stride has changed the way banking is done in the present scenario. Internet banking has become a convenient and common phenomenon with increased and easy access of internet over smart phones, tablets and computers. Introduction of 3G and 4G network has enabled more and more people to go for internet banking for banking facilities. Deepa Joshi and Sapna Parihar (2017) Digitalization & Customer Perception towards the Banking Services studied that All banking transaction from home without visiting and spending time in queues and all the services are available for 24x7 are the main attraction of the e banking system. Even after catering so many facilities the customer perception differ in service quality issues. The present study reveals the customer perception towards the service quality in e-banking facilities. Manpreet Kaur (2017) studied demonetization and its Impact on cashless payment system Demonetization is a generations memorable experience and is going to be one of the economic events of our time. Its impact is felt by every Indian citizen. Demonetization affects the economy through the liquidity side. Demonetizing is Progressive shift to a cashless economy with a greater focus on electronic transactions is being envisaged.

### Research Gap:

Demonetization voided overnight 86% of cash in circulation. Obviously, in a country whose economy is 90% cash dependent, with one of the agenda of Cashless Economy and immense growth of Electronic wallet usage is revolutionary changes in economic scenario. Hence, here exists a possibility for further study for identifying Rising Growth of E wallets post demonetization in Ahmedabad.

### Statement of problem:

As study taken over by Global Data specify that Total mobile wallet transactions in India to reach Rs 800 billion at the end of 2017 digital and payments are becoming the need of hour for all. E-wallet transection benefits customers through saving time, compact

chances of loss and theft of cash, user friendly approach, suitability and much more. The paper focuses on customer usability of E-wallets instead of cash pre and post demonetization and the growth of E-wallet usage in Ahmedabad.

**Objectives of Study:**

To study awareness of E-Wallets towards pre and post demonetization.

To know the frequency of usage of E-Wallets Pre and Post Demonetization.

To know customer reliability towards E-Wallets.

To Study customer satisfaction towards EWallet usage.

**Hypothesis:**

1. There is significance difference in awareness of E-Wallet towards Pre and Post Demonetization.
2. There is no significance difference in usage of E-Wallet towards Pre and Post Demonetization.

**Research Methodology:**

The Researcher has taken descriptive type of research along with convenient sampling Method. The study is primary based and tool used for data collection is questionnaire with 300 samples of Ahmedabad. The secondary data has been collected from various Articles and Research Reports. The tool used for data collection was questionnaire and T test (Parity) is used for hypothesis as the research deals with pre and post demonetization period.

**Data Analysis:**

Researcher has taken 300 respondents for the study at Ahmedabad city.

On asking respondents on their perception for demonetization played major role in increasing use of E-wallets, from the collected data researcher infers that 60.7% of respondents thinks that demonetization has played important role whereas, 39.3% people believes demonetization has not played important role in usage of e-wallet. Asking on Awareness on e-wallets among respondents pre and post demonetization. The researcher infers that there is 60% who are aware about e-wallet before demonetization, and 100% samples are aware about e-wallet after demonetization the growth of 40%. The next data on rating the usage of e wallets pre and post demonetization, 40% respondents use E-Wallets from pre-demonetization whereas more than 50% people occasionally use E-Wallets from post Demonetization. and approximately 25% people doesn't use e-wallet after demonetization.

The researcher has found that Paytm is used by more than 85% respondents which seems to be most favorable, second to sixth position stands for MoBiWiki, free charge, SBI Buddy and jio money and Amazon pay. And it has been observed the usage of these E-wallets has been increased post demonetization. On frequency of usage the respondents acknowledged that pre- demonetization usage E-Wallets once in month or twice in quarter and after demonetization most of the people use E-Wallets on daily basis. Post-demonetization most preferable mode of payment is E-Wallets. Pre-Demonetization most preferred mode of payment was net banking and least preferred mode of payment is by cheque pre and post Demonetization.

The main purpose of using E-Wallets are bill payments, online purchasing and recharge which are 80% of respondents. The researcher has also inferred that respondents have increased the limit of maintaining the balance in E-wallets is ranging from 5000 to 10000 post demonetizations. Which was less than 1000 pre-demonetization and the benefits like discount and cash back is a significant reason for increase in usage of E-wallet. 76% respondents believe that keeping balance in E wallets is safe and Mostly E-wallet make impact on middle class people in society post-

demonetization. On decision making for buying product through e-wallet Respondents are highly satisfied with safety and convenience, most people are satisfied with easy use of account management.

**Research Hypothesis:**

**Usage of E-wallets:**

Variables		LEVEL OF SIGNIFICANCE	SIGNIFICANT VALUE	RESULT
Variable:1	Usage of E-Wallets Pre-Demonetization	0.05	0.080	P>α
Variable:2	Usage of E-Wallets Post-Demonetization	0.05		P>α

P>α = H0 Accepted

There is no significance difference in usage of E-Wallet Pre and Post Demonetization.

**Awareness of E-Wallets**

Variables	LEVEL OF SIGNIFICANCE	SIGNIFICANT VALUE	RESULT	
Variable:1	Awareness of E-Wallets Pre-Demonetization	0.05	0.000	P<α
Variable:2	Awareness of E-Wallets Post-Demonetization	0.05		P<α

P<α = H1 Accepted

There is significance difference in awareness of E-Wallet Pre and Post Demonetization.

**Conclusion:**

The study limited to samples taken from Ahmedabad the researcher analyzed that youths are becoming more aware and responsible towards E-wallets usage and are contributing in some or the other way towards growth and success of making India digital pre and post demonetization the hypothesis inferred that there is rich amount of growth for awareness post demonetization the main reason was crunch of money for some period. All the respondents are heading towards more usage of E-wallets. Hence, the future of E-wallets seems bright, number of internet users is expected to touch the 650-million mark by 2020. There are enough digitally-savvy customers willing to try new innovations and are preferring the convenience of digital money. The challenge in building an understanding of the significance of Electronic wallets in daily life among all people needs to be loomed with a multi-pronged effort.

**REFERENCES**

1. Dr.Hem Shweta Rathore (2016) "Adoption of digital wallet by consumers" BVIMSR's journal of management research. Volume 8 issue 1, pp 69-75.
2. [https://www.researchgate.net/publication/221303252\\_e-Wallet\\_Properties](https://www.researchgate.net/publication/221303252_e-Wallet_Properties)
3. Aaina Khan, Apurva Khedkar, Pinky kanojia, Professor Sonam Pareek (2017) Safer Ewallet
4. Mugdha Variyar & Pratik Bhakta (ET Tech), "Digital wallet cos claim massive growth post demonetization; RBI data says otherwise" December 08, 2016, 08:39 IST
5. Ambarish Salodkar, Karan Morey and Prof. Mrs. Monali Shirbhate, "Electronic Wallet", International Research Journal of Engineering and Technology (IRJET), Volume 2, Issue 9, December 2015
6. <https://www.thehindubusinessline.com/money-and-bank-ing/digital-transactions-shoot-up-post-demonetisation/article9944062.ece>
7. Ramesh Sardar, "Preference Towards Mobile Wallets Among Urban Population Of Jalgaon City," Journal of Management (JOM), Volume 3, Issue 2, July-Dec (2016)
8. <https://www.financialexpress.com/industry/technology/emergence-of-e-wallets-in-india-here-is-how-the-payments-industry-is-growing-rapidly/451008/>
9. Roopali Batra, Neha Kalra, "Are Digital Wallets the New Currency?", Apeejay Journal of Management and Technology, Vol 11, No 1, January 2016
10. Hem Shweta Rathore, "Adoption Of Digitalwallet By Consumers", Bharati Vidyapeeth's Institute of Mngement Studies & Research, Navi Mumbai