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Economics

IMPACT OF DEMONETIZATION ON THE USE OF M- WALLETON THE INDIAN ECONOMY

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ABSTRACT Mobile Wallet business has exponential scope of growth across the country. Earlier usage of m-wallet was not all common but in the whole scenario of demonetization cash transactions became very difficult which helped e-wallets to become the major players and their business flourished with a quantum leap. The mobile transaction was the only feasible option at that time which was keeping pace with such rampant change of India's economic scenario. Between October 2016 to January 2017, it nearly tripled from Rs. 33.8 billion to Rs. 83.5 billion. According to economists, by not integrating the economy of India with digital transactions, India will lose the chance to save around 2% of the GDP, which is around Rs. 2,15,000 crores. With such high stakes, it is only sensible that, moving forward, there is a consistent effort towards educating the masses on the benefits of switching to digital modes of financial transactions. The purpose of this paper is to actually acknowledge the fact that demonetization had a huge effect in increase in usage of Mobile wallets.

KEYWORDS : Mobile Wallet , Demonetization, India , Economy

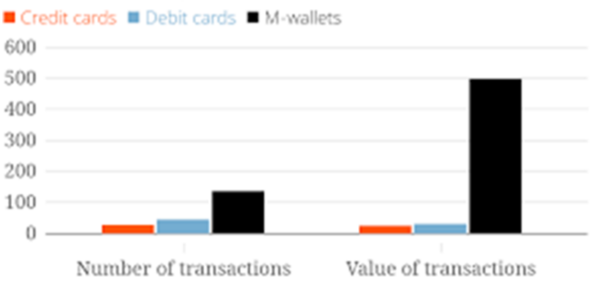
INTRODUCTION

After demonetization that came into effect four years ago , digital payments increased manifold. Indian economy has shown tremendous revolution in agriculture and all other sectors but it is badly shattered due to illegally possessed money called black money. It gave rise to parallel economy operating within the country which is day by day widening the gap between the rich and poor. The Indian government at different occasions in order to control dark cash in the nation reported some wilful methods however it went unnoticed. Abruptly on 08th November, 2016 Prime Minister, Mr. Narendra Modi announced India's real "Money vasectomy" and in the midst of the outcome in reducing cash in the economy, coming as a problematic step to quick development of the nation into a breakaway economy.

The abrupt move to demonitize the monetory forms has incapacitated the economy to some extent. . It has caused numerous challenges for the general public as there was inadequate accessibility of new cash notes. People needed to hold up in long lines outside banks just as ATM booths which were yet to be redesigned. This has made them to shift from paper money to plastic money, wallet money etc.

Wallet money was available earlier but came into more use after demonetization . With demonetization, the trend of cashless transaction has increased. Year after year, the growth rate of registered internet users in India stands at an impressive increase which means there is an increase in use of digital technology and banking.

Paytm witnessed sevenfold increase in the transactions to a five million a day. App downloads for Paytm increased by 300%. Prepaid cash cards were another option that customers found useful, and that meant good news for companies like ItzCash, Ola Money, FreeCharge, Flipkart Wallet.



MOBILE WALLETS

"Wallet' in ordinary sense means a satchel or collapsing case for securely holding cash or individual data, for example, character and banking cards."

Gone are the days when people had to carry a fat, heavy wallet in their pocket . Now, with the widespread use and launch of various mobile wallets in India, one can use them to make in-store payments, online purchases, pay for digital content, and receive offers, cash backs and rewards.

A mobile wallet is a digital version of physical or real-life wallet where one adds money to purchase various goods and services and which stores payment card data on a cell phone. Such wallets are integrated and designed to allow secure, hassle-free and speedy payments for goods and services. It uses a bank account, debit or credit card information to process payments and the payment details are stored in a secure and encoded format.

Mobile wallets are slowly becoming a way of life and it has the potential to be the most sought-after type of payment mechanism in future, according to many economists and scholars.

With the focus in India shifting towards a cashless economy and a digital future, the government has also been adopting various methods to promote and encourage the use of such technology. This has been made possible through the various government-backed digital payment apps such as BHIM app or the Unified Payments Interface (UPI) payments app.

Payments for Goods and Services Purchased Online

When payment is made through a digital wallet for goods and services, the time taken will be lesser when compared to credit or debit card payments. Mobile wallets can be used for paying utility bills, DTH plans, and mobile bills or to recharge a prepaid connection. Purchases can also be made on e-commerce sites through digital wallets. Most e-commerce sites have tie-ups with many of the digital wallet companies and hence allow customers to make payments through the same.

SCOPE OF MOBILE WALLETS

Mobile wallets can be used to practically purchase anything. Here is a list of things you can do with a mobile wallet:

- Can be used for both in-store and online purchases from e-commerce websites
- To pay various utility bills such as electricity, prepaid recharge, booking movie tickets, telephone bills, etc
- Can be used to order food online
- Can be used for travel bookings
- Online fund transfer can be made through a digital wallet
- Many financial products such as mutual funds and insurance can be purchased
- Transfer funds to another mobile wallet holder

BENEFITS OF MOBILE WALLET

- Secure and safe:

It is not always wise to carry a lot of money as there is a chance one might lose it. Embracing mobile wallets mean that one does not have to carry credit/debit cards or money. Money can be stolen, cards can be stolen or misused but this is not the case in mobile wallets. Digital wallets are secure because they use only encrypted data.

- Convenient:

Mobile wallets are fast becoming the most convenient form of payment mechanism. It is very simple to use, there is no need to carry anything but your smartphone and all payment information is already on the phone.

- Multiple accounts:

The main advantage of a mobile wallet is that one can store multiple card and account information in one single app and choose whatever payment mechanism you want to use.

- One stop solution for paying bills:

Numerous computerized wallets and payment applications have turned into a helpful stage for paying service bills. Be it cell phone bills, web or power charges, all such service bills can be paid through a solitary application with no problem.

- Helps keep dark cash under control:

Advanced exchanges will enable the administration to monitor things and it will help wipe out the dissemination of dark cash and fake notes over the long haul. Aside from this, this may likewise give a lift to the economy as the expense of printing cash additionally goes down.

- Offers, discounts and cashbacks:

There are numerous prizes and limits offered to clients utilizing versatile wallets. There are alluring money back offers given by numerous computerized payment banks. This comes as help to clients and furthermore acts an inspirational factor to go cashless

- Availability:

Mobile wallets are available 24*7. A customer can use such wallets at any time, from any place

- Faster, easier, more convenient:

Maybe, one of the greatest favourable circumstances of cashless payments is that it accelerates the payment procedure and there is no compelling reason to fill in protracted data. There is no compelling reason to remain in a line to pull back cash from an ATM or convey cards in the wallet. Likewise, with the move to computerized, banking administrations will be accessible to clients on an all day, every day premise and on all days of a year, including bank occasions. Numerous administrations like advanced wallets, UPI, and so on, take a shot at this premise. To pay by wallets, all one needs to do is 'tap and pay' as per his/ her suitability.

DRAWBACKS OF MOBILE WALLETS:-

- Mobile wallets are not accepted everywhere:

A dominant part of the general population don't utilize cell phones, or have an Internet association and the individuals who have Internet association only a bunch of them utilize versatile wallets. So we can say that just few individuals use the portable wallet as an payment alternative. Fundamentally, versatile wallets have been constrained to urban zones just where individuals are much mindful of such advances.

- Connection:

Web availability remains a more concerning issue for an extraordinary number of individuals. On the off chance that you are heading off to a slope station which does not have enough portable towers to help the flag then Internet speed would be very moderate to play out an exchange.

- No mobile no wallet:

In the event that your portable has been lost, at that point versatile wallet is additionally lost and you should hold up till you don't buy another portable, download the portable wallet application and supplement all your data once more.

- Device failure:

Cell phones are known for their equipment and programming issues. On the off chance that there isn't sufficient capacity on versatile, at that point the client couldn't download the application, lower battery issues exists as well, programming similarity dependably remains, and so on. These gadget disappointments limit the utilization of versatile wallets.

- Risk of loss of personal information

The greatest dread is the danger of wholesale fraud. Since we are socially not receptive to computerized exchanges, even knowledgeable individuals risk falling into phishing traps. With the rising occurrence of online extortion, the danger of hacking will just develop as more individuals bounce on to the advanced stage.

- Difficult for tech-unsavvy

The advanced medium may demonstrate a test for the tech-hostile individuals, who will require more opportunity to adjust or the accessibility of different choices to direct exchanges. It's an issue for the more seasoned individuals, who may all of a sudden end up bolted out of their records in the event that they can't download an application or don't have money.

Types of M-wallets permitted in India

According to the Reserve Bank of India, there are three kinds of mobile wallets in India: closed, semi-closed and open.

- Closed wallets:

These are wallets issued 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 for third party services, issue and operation of such wallets are not classified as payment systems. Hence, RBI approval is not required for issuing them.

Example: Cab services, e-commerce and mobile companies create m-wallets for making payments towards purchase of products from them /for usage of their services. They provide various offers for transactions done by using such wallets. This is one way of retaining customers.

- Semi-Closed wallets:

Such wallets can be used for buying products or availing services, including monetary administrations at a gathering of plainly recognized dealer areas/foundations which have a particular contract with the backer to acknowledge them. These wallets don't allow money withdrawal or recovery by the holder.

Wallets for sums upto Rs.10,000/ - can be made under this class by tolerating least subtleties of the client, gave the sum remarkable anytime of time does not surpass Rs. 10,000/ - and the all out estimation of reloads amid some random month likewise does not surpass Rs. 10,000/ - . Sum upto Rs.50,000/ - can be made in wallets by tolerating any 'authoritatively substantial record' which is consistent with against tax evasion rules. Such wallets are non-reloadable in nature.

Sum upto Rs.1,00,000/ - can be made by with full Know Your Client standards (KYC) and can be reloaded.

Examle : AirTel Money, which is used for making payments for a scope of administrations like cash exchange from Airtel Money to another financial balance or some other Airtel Money Wallet or paying select service bills.

- Open 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 upto a limit of Rs.1000/- per day subject to the same conditions as applicable hitherto to debit cards (for cash withdrawal at POS).

Example: M-Pesa is an open wallet run by Vodafone in partnership with ICICI Bank. Axis Bank's e-Wallet Card', can 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.

Who can issue wallets in India?

Just those organizations consolidated in India and having a base paid-up capital of Rs. 500 lakh and least positive total assets of Rs. 100 lakh at all the occasions are allowed to issue wallets in India.

In any case, those banks which have been allowed to give Mobile Banking Transactions by the RBI are allowed to dispatch any kind of mobile based wallets. Non-Banking Financial Companies (NBFCs) and different people are allowed to issue just shut and semi-shut wallets.

People approved under Foreign Exchange Management Act (FEMA) can issue outside trade wallets and where such people issue such instruments as members of payment frameworks approved by the Reserve Bank of India, they are excluded from the domain of severe rules identified with prepaid instruments. Be that as it may, the utilization of such wallets is restricted to passable current record exchanges and subject to as far as possible under the Foreign Exchange Management (Current Account Transactions) Rules, 2000.

LIST OF MOBILE WALLETS IN INDIA

1. PayTM

PayTM is one of the biggest platform in India, offering its clients an advanced wallet to store cash and make fast payments. . Aside from making online business exchanges, PayTM wallet can likewise be utilized to make charge payments, exchange cash and benefit administrations from shippers from movement, excitement and retail industry.

2. Amazon Pay

Amazon Pay is an online payments preparing administration that is claimed by Amazon. Propelled in 2007 comprehensively and in India in 2017, Amazon Pay utilizes the shopper base of Amazon and spotlights on giving clients the alternative to pay with their Amazon accounts on outside vendor sites, including applications like BigBazaar and so on. You likewise get the opportunity to Shop on Amazon utilizing Amazon Pay.

3. Google Pay (formerly known as Tez)

As its piece of the Google environment they have scaled up their client base actually rapidly, inspite of being a late participant. With Google Pay you can send cash to companions, pay bills and purchase on the web, energize your telephone. Since Google Pay works with your current financial balance, which implies your cash is sheltered with your bank. There's no compelling reason to stress over reloading wallets and you don't have to do extra KYC - which is required for the various applications.

4. PhonePe (now part of Flipkart)

PhonePe began in 2015 and in only 4 years it has had the capacity to cross the 100 million download mark. From UPI payments to energizes, cash exchanges to online bill payments, you can do everything on PhonePe. It has a generally amazing UI and is one of the most secure and quickest online payment involvement in India.

5. Mobikwik

MobiKwik is a free versatile payment arrange that as far as anyone knows associates 25 million clients with 50,000 retailers and then some. This portable wallet gives its clients a chance to include cash utilizing charge, Mastercard, net banking and even doorstep money gathering administration, which can thus be utilized to energize, pay service bills and shop at commercial centers.

Another one of a kind component they have is their cost tracker which permits to set spending plan for your costs over all payment instruments and it utilizes your SMS information to examine and control spends.

6. Yono by SBI

This versatile wallet application was propelled by State Bank of India to give clients a chance to exchange cash to different clients and ledgers, pay bills, energize, book for motion pictures, inns, shopping just as movement. This semi-shut prepaid wallet offers its administrations in 13 dialects and is accessible for non-SBI clients also. This application likewise enables its clients to set updates for contribution, cash exchanges and view the smaller than usual articulation for the exchanges did.

7. Citi MasterPass

Citi Bank India and MasterCard as of late propelled 'Citi MasterPass', India's first worldwide advanced wallet for quicker and secure internet shopping.

By utilizing this, Citi Bank charge and Mastercard clients become the first in this nation to have the capacity to shop at in excess of 250,000 internet business dealers. It guarantees quicker checkout with a solitary snap or contact and stores all your credit, charge, paid ahead of time, devotion cards and dispatching subtleties in a single spot.

8. ICICI Pockets

Pockets by ICICI is an advanced bank that offers a versatile wallet for its clients. It gives the accommodation of utilizing any financial balance in India to finance your versatile wallet and pay for exchanges.

With Pockets, one can exchange cash, energize, book tickets, send endowments and split costs with companions. This wallet utilizes a virtual VISA card that empowers its clients to execute on any site or versatile application in India and gives selective arrangements or bundles from related brands.

9. HDFC PayZapp

PayZapp is a finished payment arrangement enabling you to pay in only One Click. PayZapp gives you a chance to energize your portable, DTH and information card, pay service bills, look at and book flight tickets, transport and inns, shop, purchase motion picture tickets, music and staple goods, benefit extraordinary ideas at SmartBuy, and send cash to anybody in your telephone directory.

10. BHIM Axis Pay

BHIM Axis Pay is an UPI banking application that gives you a chance to exchange cash right away to anybody utilizing only your cell phone. Make online energizes to your prepaid portable and DTH set-top boxes straightforwardly from the application.

Challenges to the adoption of mobile wallets in India

Regardless of the benefits of using mobile payments, they are still in the race to turn into reality in many nations. Except if convenient activity is attempted in India to conquer these difficulties, it is improbable that they will take off at scale and their advantages won't gather to the objective of a cashless society in India. Following are some challenges faced in adoption of mobile wallets in India:

- Closed-loop payments

As of now, outside of NFC gadgets that ride the rail of the current card-based payment framework, portable payments are to a great extent being driven by single proprietors that are making closed loop payment frameworks. Shut circle payments frameworks with settlements as the center recommendation may function admirably for little nations with a couple of expansive players however for a nation as assorted as India, it is basic to have norms and interoperability among different portable payment frameworks. In such manner, activities, for example, UPI and IMPS will be basic in making a portable payments organize that is interoperable crosswise over banks, payment organizations, gadgets and channels.

- Speed of transactions

The speed of mobile payment exchanges is still moderate, particularly at the POS, where purchasers and trader search for a fast process. Also, in zones of poor availability of internet, transactions regularly come up short or break. This outcomes in a poor purchaser experience, which dis-boosts them from making mobilepayments.

- Digital literacy of consumers

An extensive section of the objective populace isn't happy with the utilization of innovation. Specialist organizations should put resources into streamlining the innovation and interface, and in instructing clients. Indian customers are going on the web to get to essential cell phone administrations. Since there is no standard stage around which versatile payments are developing, there is an absence of comprehension among shoppers and shippers on how they can utilize portable payments administrations. At the point when exchanges fall flat or are stuck at one point, they are uncertain of the option accessible to them and its practicality. In addition, in a nation, for example, India, versatile as a stage must be multilingual and ought to be prepared to do in the end empowering voicebased transactions.

- Trusting non-banks as monetary specialist co-ops

Rural India has to a great extent remained away from standard banking, to the degree that a portion of the general population trust that banking isn't for them. All the while, they crowd money or resort to casual techniques for acknowledge, for example, cash loan specialists. There is a long history of corrupt cash banks in India exploiting the rustic poor in India. Customers are inalienably moderate in changing their propensity and confiding in new specialist organizations, particularly when it identifies with their funds. Open and private foundations need to meet up to instruct purchasers on the most proficient method to utilize portable as a banking and payments stage to help assemble trust in the framework.

- KYC process

The KYC procedure in India is as yet bulky. Most banks and telecom organizations require confirmations of character and address in the physical structure to open ledgers. Opening a full KYC consistent versatile cash record can take upward of three to four days. While e-KYC has tackled the issue of constant approval, it requires interest in biometric gadgets, which are as of now costly. In any case, with cell phones getting implanted with biometrics (unique mark and iris scanners), the cost test of substantial scale acquisition of equipment for biometric confirmation for KYC or payments is relied upon to be settled. Smaller than normal KYC accounts with decreased points of confinement have likewise helped in conquering this issue, as prove by the fast scale-up of portable wallet organizations. To make improved access, thoughts, for example, KYC conveyability, shared KYC among establishments and shared acquisition of biometric gadgets at the BC level ought to be investigated.

- Easy availability of hard money

For Indian shoppers to utilize mobile payment benefits all the time, it is important that they are guaranteed that the put away esteem can without much of a stretch be changed over into money whenever required, even in the remotest pieces of the nation. For example, even the most monetarily proficient and carefully started individuals in India like to convey money while voyaging. Having the solace of having the capacity to change over put away an incentive to money is basic to the Indian setting for boundless reception of versatile payments. UPI can possibly take care of this issue by rearranging P2P transactions so much that an individual can exchange cash to anyone in return of money. BCs in remote areas are not effectively available or they become inert because of low exchange rates. Except if there is a structure at an industry level to guarantee the accessibility of money at BCs and their suitability, shoppers are probably not going to utilize versatile as a store of significant worth.

- Security doubts

Security remains an imperative issue that should be tended to for the accomplishment of versatile cash administrations. While versatile systems as of now have encryption on the messages transmitted over the system, portable exchanges require extra following and logging for administrative interest. As administrations become NFC based, extra security issues may manifest with put away esteem applications on the NFC chip. 4.8. Administrative obstructions The administrative structure for monetary exchanges by means of cell phones is at present not very much created in many nations. As guidelines develop, versatile financial specialist organizations may need to agree to severe controls, for example, KYC necessities to avert tax evasion, terrorism funding, etc, which may include costs and hinder the pace of appropriation.

LITERATURE REVIEW

1. Worldline India, a global company responsible for providing services for electronic transactions, has just released its 'Digital Payments Report' for 2018.

This report is an in-depth analysis of payment trends across traditional channels in India like debit and credit cards and new payment methods like mobile-based payments, e-wallets etc for the year 2018.

The report further analyses the consumer spending pattern across all categories based on the transactions. As per the 'Digital Payments Report' for 2018, these states carry out maximum digital transactions in India.

Top 10 States in transactions	Top 10 Cities in transactions
Maharashtra	Bangalore
Karnataka	Mumbai
Tamil Nadu	Chennai
Delhi	Pune
Andhra Pradesh	Hyderabad
Gujarat	Delhi
Uttar Pradesh	Kolkata
Kerala	New Delhi
West Bengal	Gurgaon
Haryana	Coimbatore

E-Wallet services have challenges up their sleeves

As we move on with 2020, more and more Indians are expected to adopt different forms for cashless payments and wallets will be high on the list.

As per Worldline India, the number of transactions done on mobile wallets in 2018 was 3.98 billion, an increase of 33.4 percent over 2017. Meanwhile, the value of transactions in 2018 was Rs 1.73 trillion, an increase of 81.46 percent over the previous year.

2. Prof. Eduardo Henrique Diniz, Prof. Joao Porto de Albuquerque Prof. Adrian Kemmer Cernev in their article, Mobile Money and Payment (2001-2011)

The use of mobile technology has become widespread with astonishing speed all over the world, particularly among the poor. The more mobile phones go to the hands of people who formerly lacked access to financial services, the more the notions of mobile money, mobile payment and mobile banking become pervasive as a means of financial inclusion.

3. Jayadatta S in their "A Study on Digital Wallets And Mobile Payments",

"More importantly digital wallets hold the promise of that momentous day when a consumer can certainly leave their home without a wallet. With recent developments ranging from the advent of the smartphones to unbundled network tokenization, that day is surely closer than ever before. In addition, the history of payments innovation offers a clear cut guide to success for digital wallets. The path for the banks is also more uncertain, but builds on clear strategic imperatives and historical moats. Following them will surely ensure the continued relevance of banks even as a broad range of players do accelerate innovations around how consumers move, pay and also manage their money."

4. GATE, a virtual card issuing platform, released its Mobile Wallet Trends Annual Report.

The report highlights trends of both mobile wallet and mobile payment usage across global markets.

Mobile wallets are still in the nascent stages in most countries, where some areas are starting to see an uptick in success. Worldwide, 2.07 billion consumers used a mobile wallet to make a purchase in 2019; this is up nearly 30 percent from the 1.6 billion consumers recorded at the end of 2017. China is currently the largest adopter of mobile payments, but other countries are starting to catch up.

India has also seen increases in mobile payment usage due to governmental demonetization and the African market has seen strong growth as well due to factors such as low barriers to market entry.

The report goes on to highlight the potential mobile wallets represent to the globally underbanked population. Over 1.7 billion adults (21 percent of the world's total population) do not have access to a traditional bank account. A billion of these adults do have access to a mobile phone, though, and are potential customers for mobile wallets.

5."Payments is a critical part of the value chain that allows for continuous customer engagement. As we have seen with many types of e-wallets and mobile payment systems, offering a relevant payment experience for specific cohorts will help uptick activity and brand loyalty. This ultimately leads to higher customer satisfaction, increased revenue and a better product experience," added Gerban.

6. Denis Dennehy, David Sammon in their article Trends in mobile payments research

"Mobile payments (m-payments) are increasingly being adopted by organizations as a new way of doing business in the 21st century. During the last few years, the use of m-payments as a new payment channel has resulted in an increase in the volume of literature dedicated to the topic

7. Kadamudimatha (2016) in International Journal of Research in Management & Social Science Volume 6, Issue 1 (X): January - March, 2018 ISSN 2322 – 0899

The study evaluated how the mode of payment has kept on changing from barter system to the latest trend i.e. Digital Wallet.

In India after demonetization people have started to use it as a substitute of physical money to meet their needs , as it's a secure way to make transaction and easy to use. He has stated that it is not only useful for making transaction but also time saving, simple to use, attractive offers and discounts are also provided. At present there are many digital wallet companies in India namely Paytm, PayUMoney, State Bank buddy, etc.

Further it was discussed how post demonetization there has been an increase in internet usage and digital wallets. The digital wallet companies also got an opportunity to expand their market and how it will help our country to become a Digital India. Singh (2017) studied how digital payment and digital wallet in India got popularized due to demonetization.

A tremendous growth in the usage of internet and the no. of smart phone users is increasing so people found it convenient to use it as an alternative for cash. In this study, he also pointed out that how different digital wallet companies were having competition to enter and expand the Indian market as it was the best opportunity for them to establish their company. It was also predicted that in future India will become a cashless economy and with digitalization people will surely adopt the digital mode of payment. ANOVA was used in this study to show that there is no significant variance in the consumer perception with respect to its demographic factors.

8. Kumar, p. (2015) in his research paper "An analysis of growth pattern of cashless transaction system"

He examined the behaviour of customer towards cashless transaction system & how far they are adopted to this new world of cashless society. It is expected that if awareness & education about cashless transaction system is developed then only we will be in a position to stop fake money in the Indian economy. It was concluded that the cashless system is not only requirement but also need of today's society the cashless transaction is not only safer than the cash transaction but it is less time consuming & not a trouble of carrying & trouble of wear & tear like paper money.

The digital payments have now become a common mode of transaction be it E-commerce, Mobile bill payment, Direct-To-Home Recharge, Electrical bill, Restaurants, Vendors, etc. The basic purpose of this initiative was to make our economy a digital and cashless economy. This platform of transaction saves a lot of time and it's one of the fastest and safest modes of transaction as it can be used from any part of the world. As we know that in today's generation the use of a smart phone has become very common among all the age-groups. The youth of the country, who are more technologically advanced than the elder ones, can contribute the most towards the growth of the mobile wallets.

SIGNIFICANCE OF THE STUDY

It is not like no mobile wallet was there in India before demonetization but, no real specific need was felt earlier. The demonetization urged the need of using m-wallets.

India is majorly a cash based economy and people in India used to transact in cash making it extremely difficult for the government to keep a track of all these transactions leading to corruption and increase in the black money in the country.

To eradicate the black money from the country the government announced a ban on the legal tender of Rs. 500and Rs. 1000 notes. With demonetization, there was unavailability of cash, due to which, people had no other option for transaction and Indian society moved slowly from cash to digital transaction system. There were many substitutes for cash available in the modern economy ranging from cheques, debit cards, pre-paid cards, credit cards and mobile wallets.

Thus, there arises a need to study how this has effected the growth of m-wallets on the basis of various demographic factors.

OBJECTIVES OF THE STUDY

- To study the effect of demonetization on the usage of mobile wallets.
- To analyse the demographic profile of respondents used for current research.
- To suggest the ways for increasing the use of m-wallets by the people.

RESEARCH METHODOLGY

This research paper is a form of explorative research in which information was gathered both, from primary as well as secondary sources. Secondary data was gathered by studying and observing different literary works accessible on internet.

Primary information was gathered by conducting a survey.

Sampling technique

The sampling technique chosen was random sampling.

Sample size

The questionnaires were filled from 113 respondents of Delhi NCR.

Analytical tools

Primary information was investigated using google docs.
Secondary information was analysed by applying case study method.

Limitations

- The geographical location for current research is Delhi NCR.
- The sample size was limited.

DATA INTERPRETATION

As per the objectives of the paper, the data collected from the respondents were analysed and the observations are interpreted and discussed below:

In this research a demographic analysis was conducted, which is shown in Analytical Table 1 below:

Particulars	Percentage	
Age	16-18 years	6.3
	18-30 years	76.8
	30 years and above	17
Occupation	Student	50.9
	Business	8.9
	Job	36.6
	Other	3.6
Annual Income	Less than Rs. 5,00,000	50
	Rs.5,00,000-Rs.8,00,000	18.8
	More than Rs. 8,00,000	31.3

Source: Primary data collection

Different demographic characteristics of respondents are analyzed as below:

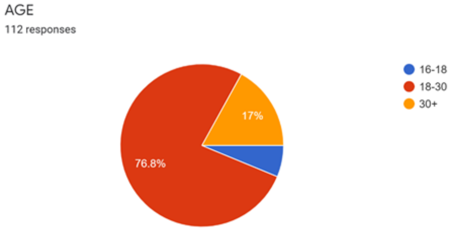


DIAGRAM 1

It shows that out of total respondents

- 6.3% were from age group 16-18 years
- 76.8% from 18-30 years
- 17% were above 30 years

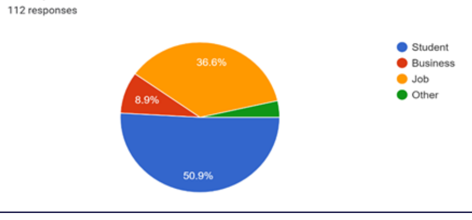


DIAGRAM 2

It represents occupation of the respondents :-
Student- 50.9
Business-8.9
Job-36.6
Other-3.6

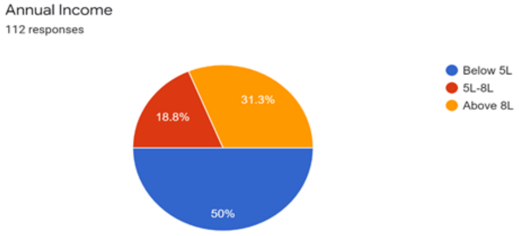


DIAGRAM 3

It shows annual income of the respondents:-
Below 5,00,000-50%
5,00,000-8,00,000 –18.8%
Above 8,00,000-31.3%

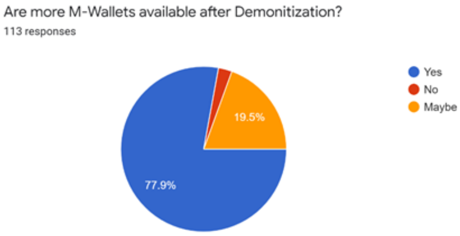


DIAGRAM 4

It shows that out of total respondents , 81.3% use M Wallet and 18.8% don't use it.

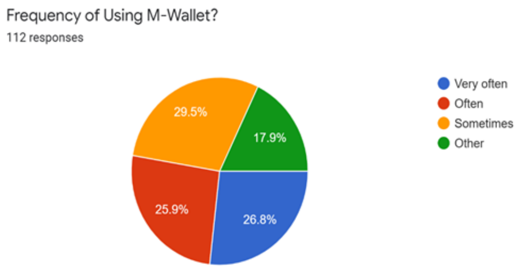


DIAGRAM 5

It shows frequency of usage of m-wallets by the respondents-

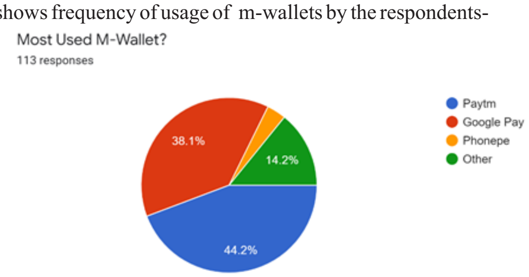


DIAGRAM 6

This shows that paytm is the most used m wallet as 44.2% of the total respondents use it, 38.1% use google pay , 3.5% use phonepe and 14.2 % use other available m wallets.

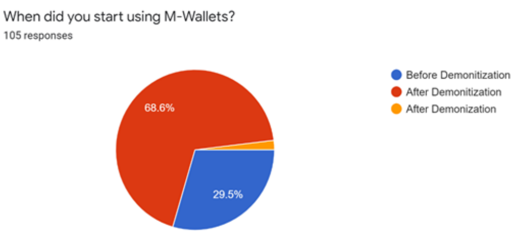


DIAGRAM 7

Following question was asked to know from when does the customer started using mobile wallets and it resulted as 68.6 of total respondents shifted after demonetization, 29.5% were using it before demonetization

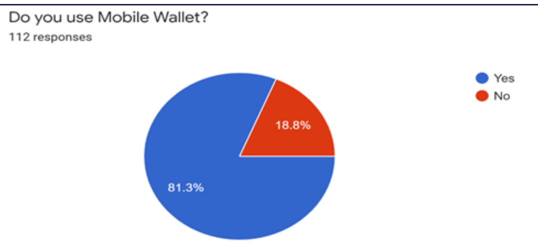


DIAGRAM 8

This question was to know whether more m wallets are available after demonitization and 77.9% feel yes there are more options and 19.5% are not so sure but they feel too that options have increased after demonitization

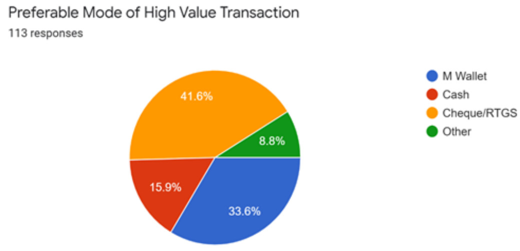


DIAGRAM 9

Most preferred mode of high value transactions is cheque used 41.6% of the respondents , m wallet is used by 33.6% , cash by 15.9% and 8.8% use other modes.

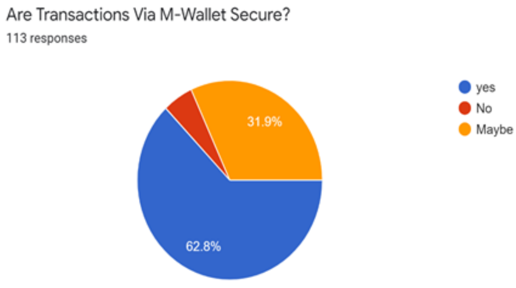


DIAGRAM 10

This represents whether the m wallets are secure or not and 62.8% feel they are secure and 31.9% feel maybe they are but no one was against it

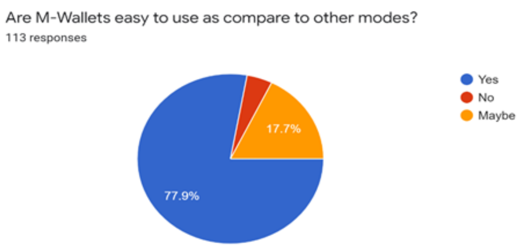


DIAGRAM 11

This shows that 77.9% of the respondents feel that it is easy to use M wallets as compared to other modes and 17.7% are nto sure but they think maybe they are easy to use.

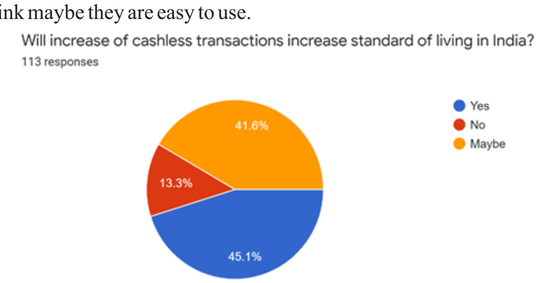


DIAGRAM 12

This represents whether increase in cashless transaction lead to increase in standard of living-
45.1% - voted yes
41.6% - voted for maybe
13.3- voted for no

CONCLUSION

Demonetization has a really strong, effective and significant impact on the cashless transactions in India. In fact, it changed the way of transacting that people were very habitual of using since ages. There has been a significant change in the usage of digital payment system pre and post demonetization. The growth of the cashless transaction system is reaching new heights.

In an era of digitalization, the study aims to study the effects of demonetization on the usage of mobile wallets by public of India, based on a study of 113 respondents from Delhi NCR. The study observed that respondents preferred mobile wallets because using these not only saves time and are easy to access, but are also a secure way of doing transactions including high value transactions.

Almost 82% of the people of India uses mobile wallets, where most of the people started using such wallets after demonetization due to insufficient cash available in the market.

It was also observed that usage depends on various demographic factors such as age , occupation etc.
It was observed that most of the respondents were from age group 18-30 years and seem to use M wallet a lot.
It was also observed that it is easy to use as compared to other modes of transactions.

Also, it is correct to state that the cashless system is not only a requirement but also a need for the society. It is predicted that by the year 2025 there will be a great change in the number of users of mobile wallets and there will also be a fall in the use of cash as a mode of payment.

SUGGESTIONS

After performing research on the topic "EFFECT OF DEMONETIZATION ON MOBILE WALLETS", recommendations to increase the use of mobile wallets in India:

1. As the base of the mobile transactions is internet, high risk of cyber-crime exists. Thus, people should be properly and completely informed to keep their personal information secure and enjoy the benefits of the mobile wallets in the safest way.

2. Proper structure including cyber police force, high end forensic labs, technology, laws etc. must be created in order to punish the cyber criminals and reduce such crimes.

3. Internet plays the main and important role in every cash less transactions, without which it is impossible to transact; hence government must invest in infrastructures availing internet. Especially free Wi-Fi zones must be provided at local places.

4. Extra charges on transfer to bank account from a mobile wallet must be stopped.

5. Advertisement campaigns must be launched to promote cash less transactions by mobile wallets and provide valuable help in using it.

6. To attract more and more people to use mobile wallets, special cash incentive plan must be launched to consumers as well as traders and service providers for using cash less transactions by mobile wallets.

7. Government must officially disclose all information of demonetization and state it's benefits to general public to encourage people to use cash less platforms.

8. Many people are still not aware of the procedure of using mobile wallets, Government or the companies owning such wallets should launch proper technical education programs to guide such people.

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