



ORIGINAL RESEARCH PAPER

MANAGEMENT

POTENTIAL OF AN E-WALLET: A STUDY AMONG THE SELLERS IN DIBRUGARH CITY, ASSAM

KEY WORDS: e-Wallet, Prepaid Payment Instrument, Point of Service, Transaction.

Gautam Barthakur

Research Scholar Centre for Management Studies Dibrugarh University.

Dr. Ajanta B. Rajkonwar

Department of Commerce Dibrugarh University.

Dr. Pratim Barua

Centre for Management Studies Dibrugarh University.

ABSTRACT

The e-Wallet may be regarded as an online/electronic account cum software application used for financial or commerce based transactions made online from a computer or a smartphone. The purpose and usability is same as that of plastic cards. e-Wallets can be linked to a registered financial source or with the individual's bank account, or plastic cards. Cash can also be deposited at a e-Wallet Service point in order to facilitate a transaction. e-Wallet comprises of two major components, i.e., software and information. For setting up an e-Wallet account, the merchant needs to use a browser or install the applications on a device, and feed relevant information into the application. Registering on the online platform is mandatory. Everywhere, there has been a surge in the use of e-Wallet applications, making it highly significant in India too, as pointed out by World Payments Report 2018. There are many challenges for many merchants to accept and adopt these kinds of technologies. Thus, it becomes necessary to conduct a study and understand various requirements. The perception towards such a platform like e-Wallet or allied payment platforms used by various merchants/business establishments operating in Dibrugarh is very significant.

INTRODUCTION

In the age of technology most of the business transactions are becoming a part of the digitalisation process or have become an end result of a digital transaction. It is more evident of the fact the millions of daily transactions are now happening around the world with the press of a button on our handheld devices. A recent report highlighted the growing importance of emerging payment technologies introduced by FinTech firms and equally important BigTechs such as Facebook and Google. Smartphones has given us a lot of opportunities to use technology in a different way every now and then. This has been possible because of technologies like UPI, e-Wallet, Virtual Debit or Credit feature in Plastic Cards, etc.

To take the gameplay further ahead, we have now with us Prepaid Payment Instruments or e-Wallets such as Paytm, PhonePe, Amazon Pay, ICICI Pockets, HDFC PayZapp, etc. In light of the above even companies like Google has introduced Google Pay (formerly Tez) in India which takes the advantage of a real time system known as Unified Payment Interface developed by National Payments Corporation of India. The UPI based platform provides a real time settlement mechanism of accounts engage in a financial transaction. For the user, the process is handled quite easily with little or no use of personal data at the transactional front except the mandatory unique UPI ID and PIN. On similar grounds, the existence of e-Wallets cannot be nullified either, it is not only a digital wallet to store money like a prepaid payment instrument but also a medium to use UPI ID to confirm and complete a financial transaction successfully. Therefore, it becomes inevitable that the concerns and issues are addressed carefully by looking at users' acceptability and usability because of its gigantic future prospect or volume of data that the system is likely to handle in the near future.

Hence, a study is being conducted among sellers in the city of Dibrugarh in the state of Assam (India) to understand the complications of the e-Wallet system. Further, the study would help learners to identify the practical details of the subject i.e. e-Wallet. The study would provide an understanding of the e-Wallet system and how people find it as relevant as other digital mediums. The study intends to highlight the satisfaction among sellers in accepting and using such a technology in their retail outlets or as a point of service.

A payment related systems may be comprised of Unified

Payment Interface based technology like BHIM, plastic cards including debit, gift card, Credit feature in Plastic Cards etc., Internet Banking and Mobile Banking platforms, crypto currencies, cash and electronic wallets. It has been a challenge to promote the use of e-Wallets as users are getting more and more benefits through plastic cards and UPI based platforms. Soon after the announcement and implementing zero charges for wired transactions such as RTGS and NEFT by State Bank of India - India's Largest Bank, the work for e-Wallet service providers have become more challenging.

e-Wallet as a Concept

With the advent of new technologies and an urge among technologists to find better ways to put human life at ease, we have been seeing a lot of examples in the different fields. Finance is such a domain which neither was behind nor is excluded by technologists. Stock markets, consultancy and customer services, guidance and investment decisions are more actively planned, created, operated and upgraded at different moments guided by similar rules and standards in all economies. Similarly, in these same lines we now have a platform more common to us as electronic wallets being used by different corporations including private and government entities more actively than ever before.

An e-Wallet is a type of electronic account or identity based on which transactions are made online through a computer or a smartphone. Its primary utility is same that of a wallet but now some major corporations are upgrading it to as a plastic card, payment gateway, ecommerce platform, UPI based transaction service, etc. An E-wallet may be linked with the individual's bank account to add money (preload) or make payments or Service Points that is in the form of brick and mortar shop may be used to deposit cash which in turn is deposited in the e-Wallet account.

Components or Parts required

e-Wallet has mainly three components, hardware i.e., a computer or a smartphone, software application or app and Authentic User information. Software component stores personal information and provides security and encryption of the data whereas information component is a database of details provided by the user which includes their name, shipping address, payment method, amount to be paid, credit or card details, etc. Major payment e-Wallet apps now comes

integrated with either UPI, Payments Bank account, ecommerce platform, or electronic Debit or Credit feature in Plastic Cards or comes with all these additional services in one single app.



Features of e-Wallet

e-Wallet Use

Consumers willing to use an e-Wallet, can follow the below mentioned steps:

1. First, one should download the app on a device or by using internet browser.
2. Second, signing-up by entering the user related details. The user will receive a password.
3. If a User wants to load money using debit/Credit feature in Plastic Cards or Internet banking, a User can do so by using a payment gateway or in case make an UPI transfer.
4. While shopping online, the e-wallet may automatically fill the user's details on the payment menu or page.
5. Once the online payment is made, the user is not required to fill the order form on any other website as the information gets stored in the database and is updated automatically.

If Merchants/Sellers or Sellers wants to use an e-Wallet system, they can follow the steps give below:

1. First, one needs to download the Merchant/Seller app on his/her device.
2. Secondly, signing-up by entering the relevant information. The user will receive a password.
3. A Self-declaration by a merchant and acceptance.
4. Start accepting payments through a number or account identity or QR code.

Security Essentials

An application always has security concerns. Every user is worried about making a transaction without making any error or without losing information to anyone. Like keeping the information secured and safe, it is the priority for all e-Wallet service providers to remain immune to threats. People may look at some of the major security parameters concerning e-Wallet security environment.

VeriSign Secured means the Identity of the website you are accessing is been verified and validated by VeriSign. When a website signs for issuing an SSL Certificate, the Certificate Authority verifies business documents, legal company documents and domains.

PCI DSS Payment Card Industry Data Security Standard is an information security standard for organizations that handle branded Credit feature in Plastic Cards from the major card schemes. The PCI Standard is mandated by the card brands and administered by the Payment Card Industry Security Standards Council.

SafeKey® (American Express SafeKey) is a fraud prevention tool that is offered to all customers who use this card. SafeKey, like 3d Secure offers additional protection to you as a shopper

and as a company.

ISO 27001 (formally known as ISO/IEC 27001:2005) is a specification for an information security management system (ISMS). An ISMS is a framework of policies and procedures that includes all legal, physical and technical controls involved in an organisation's information risk management processes.

1.5 Practice and Process

- Register your mobile number at bank for regular information by SMS for every transaction.
- Never share your PIN or OTP to anyone.
- Keeping the application free of malicious software such as malware, virus etc.
- Transact at only trusted merchants.
- While at Point of Sale, ensure no one is looking over you.
- Notify any unauthorized electronic transaction as soon as possible.
- Update the application regularly or as and when asked or informed.
- Never leave devices unattended.

Research Importance

The study aims to understand the current status of e-Wallet systems among sellers in the city of Dibrugarh. The purpose is to understand all the payment platforms that are widely being used by a seller in the city. The area covered is under the Dibrugarh Municipality Board which has 22 wards. With the purpose of identifying sellers who are using more than one payment systems while accepting payments from customers. The following objectives are being set by the researchers for this study:

To identify the different payment platforms in Dibrugarh city.

To study the usage of e-Wallet applications over other payment interfaces including cash.

To understand the acceptance and performance of e-Wallet platforms with other payment interfaces.

Purposive sampling is used to identify the sellers using more than one payment platform under the municipality region of the city.

Data Analysis

The survey concluded with responses from 31 sellers who have been identified to use more than one payment platforms. Distinctly eight sellers were registered merchant users of an e-Wallet platform prominently the services of PayTM was found to be more active than any other services. Since, SBI 'ebuddy' e-Wallet stopped its operations and migrated to a new Payment Facilitator SBI 'Yono' from the Month of November 2019.

The questionnaire method was used to collect various demographical parameters on one set and on the other payments related information was sought from the sellers.

Within a short period of two months we were able to find the following e-Wallet platforms and Payments Systems to be active in the city of Dibrugarh:

e-Wallet: PhonePe, Airtel Payments Bank Wallet, PayTM, Amazon Pay, MobiKwik, ICICI Pockets, HDFC PayZapp.

UPI-based Applications (other than e-Wallet): GooglePay, BHIM UPI.

It was also found that the most prominent e-Wallet service providers have also included the newly introduced UPI Payment mode, which now comes built-in with the respective apps.

The following findings from the survey is highlighted below:

1. There were a total of eight registered retail users of the e-Wallet known as PayTM, i.e. nearly 26% of the respondents. Therefore among the respondents we can finally conclude that PayTM platform is the leader among various e-Wallet service providers.
2. Majority of the respondents, a total of 96.77% were found to have been providing the facility of Debit and Credit feature in Plastic Cards to the customers along with cash.
3. Major benefits were provided by e-Wallet platforms, which were found to be more than Debit and Credit features in Plastic Cards offered by various financial institutions. Whereas, no such relevant benefits were attached to buyers who used to pay through Cash while making payments.
4. The study found that a very few were reluctant to use e-Wallet services as according to them customers preferred Cash and Cards most of the times while making payments.
5. Most of the sellers started using e-Wallet service after the post demonetization period.
6. Most of the Merchant Users were found to be in between the age of 30 to 40 years.
7. Almost all merchant points with payments systems like e-Wallet and Plastic cards were operated by male.
8. 90.6% of the retail outlets using various payment systems were married. A similar number was found to be of that of males who used e-Wallets along with other payments interfaces.
9. The business turnover was found to be about 1-2 lakhs per month who respondent. The response rate was found to be nearly 80% when this query was made.
10. Almost all the respondents were graduate who were using the payments services.
11. Majority of the business houses were having an annual turnover of 10-20 lakhs where 93.8% of the merchant users were found to be graduates.

Transaction Information:

1. 40.6% of the times the outlets reported a footfall of around 100 people a day.
2. The outlets were using the e-Wallet services since the last two years. A majority of the outlets were using Plastic Cards since starting their operations. UPI Based Payments were being in use since Less than a year. Mobile Banking was rarely used but was operational since more than two years.
3. The following reasons were behind the introduction of e-Wallet based banking - competition and e-Wallet and plastic cards fostered faster transactions, thereby saving a lot of time.
4. 41.9% of the users have been using and have shown keen interest in using cheque, draft and Google Pay as other payment interfaces.

Responses regarding some comparative aspects

Please Rank '1' for being Most Preferable to '4' for being Least Preferable, for the following four categories according to the query made.

The study after comparing and linking the services of Plastic Cards, UPI, e-Wallets and Cash found that :

- A. More payment features/options available in e-Wallets.
- B. More ease of Use advantage is linked to Cash payments.
- C. Offers are comparatively better in e-Wallets than through payments made through a Plastic Card.
- D. Whereas the study found that the risk involved is at minimum when payments are made in cash.
- E. It was found that Cash transactions were error free inspite of unknowingly accepting fakes currency notes a few times.
- F. It was also found that the customers gave high priority in using Cash followed by Plastic Cards .

- G. For the Merchant User, the e-Wallet and Plastic Cards empowered them with better access to Customer information.
- H. Profitability or wide usage through means of payments among all is still found to be coming from the overall Cash transactions.
- I. The sellers suggested that they would like to go with all the available means of transactions. On the other hand, most of them suggested that they will always go with Cash until there is a phenomenal behavioural change among customers.
- J. Service Quality can be improved by having new efficient payment systems and point of sale offers, which can be a combined effort of sellers and various payment platforms. It was found that cash remains a top priority to remain in track in an important parameter like service quality.
- K. Quick responses and closer of Sale advantage is found to be linked with Cash followed by Plastic Cards.
- L. Cash and e-Wallet services were found to be less costly, more often with offers and cashbacks in terms of e-Wallet Service.
- M. The merchants lacked trust in digital platforms and hence goes with Cash based transactions most of the times.
- O. Feeling of insecurity exist among users and is linked to e-Wallets.
- P. Customer complaints were found to mostly related to transactions made via Debit or Credit feature in Plastic Cards.

It was found that the e-Wallet technology that the merchants use to work with enables them to do the job more effectively and was found to be user friendly.

Suggestions and Related Issues of Importance

The payment platforms or services as a whole are being dependent on the number of users. More the number of users, more willingly the sellers will come forward with the platform. The e-Wallet service is more advanced and requires understanding of the application with its wide range of features which are incomparable with services that of Plastic Cards. In a fast changing market and customer service quality enhancements and convenience the study quite gently have given a clear picture of payment systems. The current changes and issues have highlighted the following areas:

1. Promotion and Use: The e-Wallet service providers need to promote the application among people and sellers in different scale in terms of reaching the right prospect.
2. Exposure with Benefits: The frequency of exposure with the applications can be increased through various promotional events. Some of the currently available benefits include offers, discounts, cashback, etc. which must continue.
3. Smart Use: All the payment services have their own advantage based on varied circumstances, therefore it shows us an essential situation based used. The competency of each of the applications must be understood and the payment platform must be implemented or be used based on circumstances.
4. Company appointed Staff with Service Points: The service points should have exclusive Customer Service Points and people appointed specifically to address the issues of payment platforms.
5. Seller Customer Centric: The services of the e-Wallet platforms should be adopted by keeping people's sentiments and usability from time to time.
6. Becoming Platform Independent: Plastic cards or e-Debit cards, UPI Interface and Banking facilities including mutual fund investments are now part of e-Wallet platform. Whereas, now loading cash into the wallet is just a formality with no mandatory requirement to add cash beforehand and having cash reserves in the wallet account. Each time while making a payment the e-Wallet itself act like a payment gateway. The means to take more and more financial services into the ambit of e-Wallet platform must continue.

CONCLUSION

The major retailers who were selling products and providing services seems to be working actively with different payment platforms. The study successfully highlights the aspects of different payment platforms in Dibrugarh city being in use. The study also highlight the usage of e-Wallet applications over other payment interfaces including plastic cards, UPI enabled platforms and cash. Further, the acceptance and performance of e-Wallet platforms with other payment interfaces have been significant based on specific circumstances. The study effectively puts forth the views expressed by merchant users or sellers regarding the significance of payment systems.

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