

## Mobile Wallet – A New Paradigm in Mobile Payments

**Rakhi M. R**

Assistant Professor, Christ Nagar College Maranallur, Trivandrum, Kerala India

---

### Abstract

The integration of internet with mobile phone changed the outlook of payment system. This revolutionary change starts with card payments (credit card or debit card), then move to net banking or online banking, finally it reaches mobile wallet. Mobile wallet is a virtual wallet that stores payment card information on a mobile device to make in store payments and can be used at merchants listed with the mobile wallet service provider. Mobile wallets are one of the best innovations in the field of technology. Millions of people are making payments from these E-wallets. It is commonly used for booking movie tickets, online recharges, DTH recharges and paying utility bills. The convenience in usage as well as easiness attracts more consumers to this application. This is a prepaid application where user needs to add money or enter card details or link their corresponding bank accounts for using such wallets. This gained more popularity during demonetization. The Mobile wallet speedup the movement of digitalization in our country.

**KEYWORDS:** Mobile wallet, virtual, prepaid, e-wallet, innovations

---

### INTRODUCTION

Charles Babbage, who is known as the father of computer initiated the path of computer, which changed the entire outlook of the world. Even though the introduction of computer started with an agitation among people, now it is an inevitable component in everywhere. As time passed by networking of computer give rise to internet which made everything on fingertip. Later the invention of mobile phone which is a telecommunication tool brings a drastic change in communication field. The integration of internet in mobile phone, now it is smart phone give the user same benefit of a computer. Every aspect which is availed through internet is now available in a mobile phone. This revolutionary change has effect on banking system and payment system. Online banking or net banking, card payment systems are output of such changes. Innovations and inventions are still carrying on this field.. Mobile wallet or digital wallet or smart wallet is another innovation in the field of payment system. Mobile wallet is an application used in smart phones where we can do some payment and other services like fund transfer, mobile recharges and online shopping.

#### Objectives

- To know the advantageous factors influencing the use of mobile wallets.
- To know the scope of services provided by mobile wallet Applications.

#### Mobile Wallet – A Smart Payment

The payment system has changed drastically with the introduction of internet over decades ago. Mobile wallet is one of such innovations where a smart phone can used as a wallet. It is an online prepaid payment system where one can save and use their stock money and they can use when it is required. It is a form of e-commerce model that is

designed to be used with a smart phone due to their ease and convenience. With the mobile wallet, it is possible to hold all of the items that can be saved in a physical wallet.

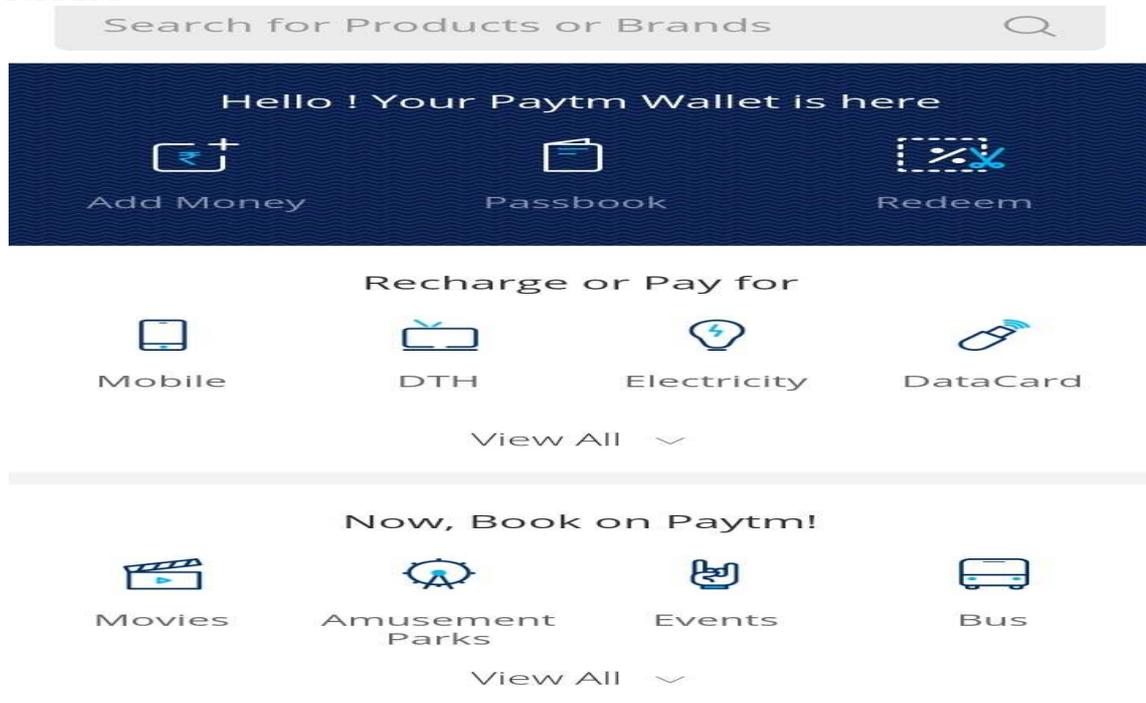
The mobile wallet is an App that need to be installed in the user s smart phone and user s card details such as credit card number ,debit card number and bank accounts need to be saved in that particular mobile wallet application. The wallet stores this information by linking a personal identification format like a number or key or QR code or an image of the owner. When a user makes a payment to any merchant, the mobile wallet uses the near field communication technology which uses the personal identification format created for the user to communicate the payment information to merchant PoS. Initially the mobile wallet was limited to mobile recharges only; later its scope has extended too many other services like bill payment, online shopping and money transfer. Paytm, Payumoney, Mobikwik, SBI Buddy, ICICI pockets, DFC chillers are some mobile wallets. This young concept has captured consumer’s mind very rapidly. The mobile wallet which is otherwise called Mwallet or digital wallet or Wallet can be used similarly to a real wallet. The digitized valuable stored in the wallet is used for purchases. These valuables can be card numbers or account numbers. Because of storing sensitive personal informations, security is the major issue which restricts consumers from sing mobile wallets. Mobile wallet employ several technologies including mobile apps ,mobile hardware devices ,near field communication and security methods like tokenization to create a user-friendly , mobile ostensibly secure payment experience.



As this is the era of digitalization, the rate of adoption of mobile wallet is increasing day by day. This trend is commonly seen among the age groups of teenagers and middle aged people. They are ready to adopt new payment applications which give them more convenience and easiness. Now every smart phone holders have at least one mobile wallet application with them. They are frequently using such application for online shopping, booking movie tickets and online recharges. Before the introduction of mobile wallet card payments and net banking were another new generation payment used by people. Even after the wide awareness as well as wide spread of mobile wallet or e-wallet among public, its usage is restricted by some smart phone users because of its insecurity and credibility issues. Users of mobile wallet claims convenience and easiness in using mobile wallet. This has gained wide spread coverage through word of mouth marketing or referral marketing. Every company offers some monetary incentive for referring their respective mobile wallet to friends or relatives. This catalyst accelerated

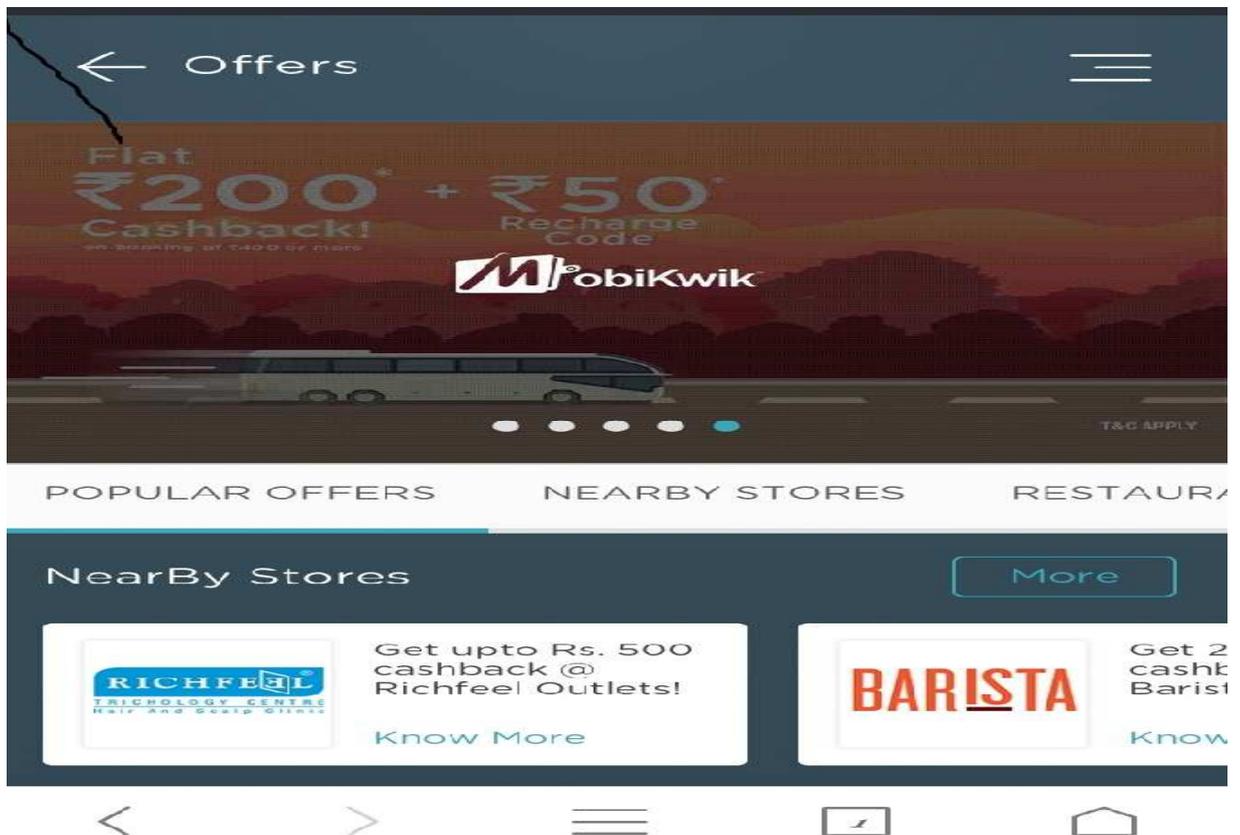
the growth speed of mobile wallet. Many users face delay in transactions, repetitive entry of information, network problems as an obstacle for using such mobile wallets. Many companies has launched mobile wallet still now. Some of the popular mobile wallets are discussed under:

## PAYTM



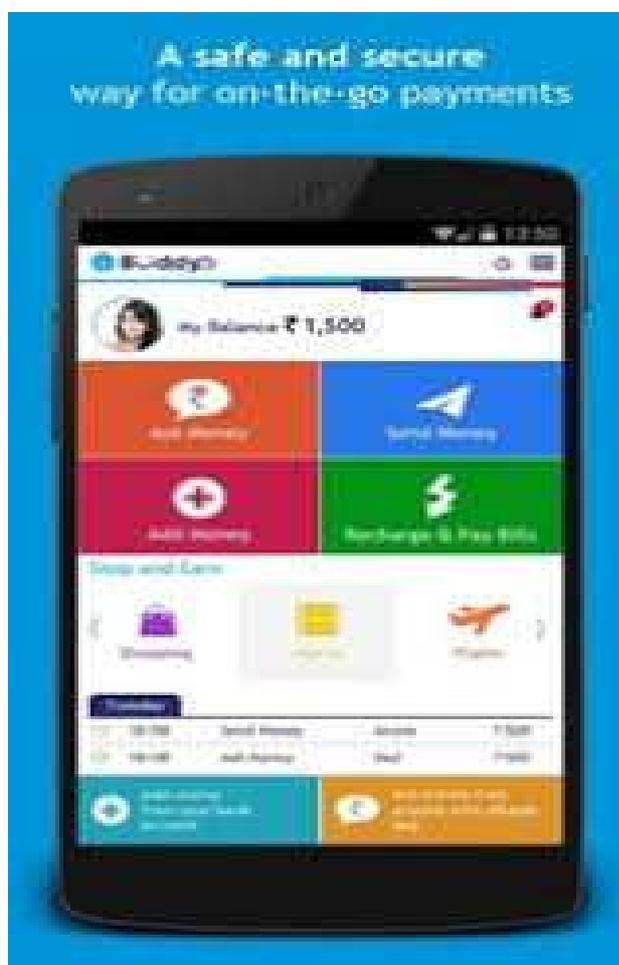
This is an Indian E-commerce website headquartered in Noida, India. It was launched in 2010 and adds to the industry of Fintech in India. The firm started offering mobile recharging, adding bill payment and online shopping with flipkart, Amazon and snap deal. Paytm launched movie tickets by partnering with cinepolis in the year 2016. It is an acronym for 'Pay Through Mobile 'with android, window sand Ios apps. The paytm services are not available to persons under the age of 18 or to anyone previously suspended or removed by paytm from availing the paytm services or accessing the paytm platform. It is available in 10 Indian languages and offers online use cases like mobile recharges ,utility bill payments ,travel movies and events booking as well as in store payment at grocery stores, fruits and vegetables shops, restaurants ,parking, tolls ,pharmacies and education institutions with paytm QR code .Now its services has been extended to paytm mall and paytm savings account.

## MOBIKWIK



MobiKwik started in 2009 enable users to pay in a flash for their recurring mobile recharges, bill payments and online purchases on popular e-commerce websites. MobiKwik has to be loaded money once before it can be used across functions. This provide users the option to add money using their debit card or credit cards ,net banking and cash pay – a door step cash collection service. MobiKwik is a semi closed wallet authorized by Reserve Bank of India. It was founded by Bipin Preet Singh and Upasana Taku in 2009 headquartered at Guragaon, India. Now it introduced the feature of sending and receiving money via mobikwik app. MobiKwik has only one goal- Make payment very easy and fun for every Indian .In may 2016 the company began providing small loans to consumers as part of its service.

## SBI BUDDY



SBI introduced SBI Buddy in August 2016. It is a prepaid wallet which can be used for merchant transactions, transfer money to other wallet users and bank accounts anytime anywhere. It is available in 13 languages in India. Any Indian citizen above 10 years of age and holding a valid mobile number is eligible to download and use SBI Buddy App and its services. Customers need not to be a SBI customer to use the SBI Buddy E-wallet. However, SBI customers do have an advantage over non customers since SBI offers "power up your wallet" option to them. SBI account holders can use SBI debit card or net banking credentials to have higher transactions limits upto 100000 in SBI Buddy. There is no minimum balance required in SBI Buddy account. However, there is a limit on the maximum balance in SBI Buddy account, customers with KYC form have a maximum limit of 50000 at any point of time and without KYC form, the limit is 20000. SBI Buddy is different from other E-wallet as it lets customers remind in the app that they can use for reminding themselves for paying bills on time, send money to a friend on a particular day and more.

Mobile wallet allows spending without swiping debit / credit cards. It is very simple to use. ***Common steps involved in using mobile wallet are:***

Step1: Download and signup for the wallet.

Step 2: Load money through net banking, Credit cards/Debit cards.

Step 3: Transfer money, pay bills or book tickets after entering username and passwords.

#### **Five security tips for using Mobile wallets**

1. Download mobile wallet apps only from official web stores such as Google play stores or apple store.
2. Read carefully the permissions required to install a mobile wallet
3. Select a strong password to protect mobile wallet from third party access.
4. Never use an open Wi-Fi or public Wi-Fi which may lead to lose your sensitive personal information
5. Only use established and well known websites for online shopping and paying for utilities.

This security tips keep the customers comfortable with mobile wallets and they can use it for savings also.

#### **CONCLUSION**

India is now the world fastest growing mobile payment market in the world. Demonetization act as a wind fall for mobile wallet companies in India. The convenience in usage as well as easiness attracts smart phone users to mobile wallet. The discounts, cash back offer stick customers to use mobile wallet rather than card payments or net banking. Even though the growth rate in adoption of mobile wallet increases, the security problem behind this mobile wallet creates hurdles for some companies. The wallet usually provides services like online payment, phone and DTH recharges, money transfers and online shopping. It is like bank account where customers can load money and use it for various services. Mobile wallets are convenient way for user to make in store payments and can be used at merchants listed with mobile wallet service provider. Mobile wallet act as a catalyst to speed up the movement of digitalization in our economy.

#### **REFERENCES**

1. Allardyce, S., Byrne, D., Ohta, T., Tuxford, S., Watts, M., Weedon, F. Pollard, B. (2016). Computer Law & Security Review. *Computer Law & Security Review*, 29(2), 185–189.
2. Kemp, R. (2015). Mobile payments: Current and emerging regulatory and contracting issues. *Computer Law & Security Review*.
3. Al-Somali, S.A., Gholami, R., Clegg, B. (2015). An investigation into the acceptance of online banking in India. *Technovation*.
4. Evans, M. (2014). Leveraging Consumer Loyalty to Drive Mobile Payments. *Euro monitor International*.