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## E-Wallet – An Engine of E-Commerce

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### *Abstract*

A mobile wallet or digital wallet, is a virtual mobile-based wallet where one can store cash for making mobile, online or offline payments. E-wallet is a type of electronic card which is used for transactions made online through a computer or a smartphone. As shopping patterns continue to evolve thanks to Covid 19, even mobile and digital wallets in India small-time have evolved with it. With UPI making payments seamless, mobile wallets and digital payment apps have been surpassing credit card usage and are slowly beginning to replace the traditional payment methods. An E-wallet needs to be linked with the individual's bank account to make payments. The global volume of online transactions is growing at a rapid pace. The trend is expected to intensify in coming years. India is still a cash economy but rapidly innovating digital wallets industry and encouraging customers to make the transition from cash to digital. With the detailed picture, this paper is going to explain how the E-Wallet engine of E-Commerce.

**Key Words:** E-Wallet, Online Payment, Transactions, Customers, Engine, E-Commerce

### **INTRODUCTION**

A mobile wallet or digital wallet, is a virtual mobile-based wallet where one can store cash for making mobile, online or offline payments. E-wallet is a type of electronic card which is used for transactions made online through a computer or a smartphone. As shopping patterns continue to evolve thanks to Covid 19, even mobile and digital wallets in India small-time have evolved with it. With UPI making payments seamless, mobile wallets and digital payment apps have been surpassing credit card usage and are slowly beginning to replace the traditional payment methods. An E-wallet needs to be linked with the individual's bank account to make payments. The global volume of online transactions is growing at a rapid pace. The trend is expected to intensify in coming years. India is still a cash economy but rapidly innovating digital wallets industry and encouraging customers to make the transition from cash to digital.

The globe is slowly paving its way towards a cashless society. From invoices to cards and now to mobile wallets, this significant transformation has reduced the weight of bulky wallets. We can pay for any product, transfer money, make bill payments, and almost everything to do with money from the comfort of our home. Once the online payment is made, the consumer is not required to fill the order form on any other website as the information gets stored in the database and is updated automatically. In fact, E-wallets are more flexible, faster, and safer. To the larger extent, it will be more useful in e-commerce related activities. Payment wallets in India have made online transactions of money easy and fast, with its one-tap feature and quick processing, all at one go. Of course, it is a type of pre-paid account in which a user can store his/her money for any future online transaction. With the detailed picture, this paper is going to explain how the E-Wallet engine of E-Commerce.

### **SIGNIFICANCE OF DIGITAL WALLET**

- A digital wallet securely stores all the payment information of users in a compact form. Thus, it greatly reduces the need to carry physical wallets.
- Companies that need to collect consumer data for their marketing needs can benefit greatly from digital wallets. They get to know the purchasing habits of consumers and increase the effectiveness of the marketing methods of their products.
- Many developing countries using digital wallets may be able to increase their participation in the global financial market.
- Digital wallets allow users to transfer funds to friends and family residing in different nations.
- Moreover, digital wallets eliminate the need for physical banks and companies in order to open and maintain a bank account. Hence, they also connect individuals and businesses in rural areas.
- A digital wallet is required to make transactions and maintain balances of cryptocurrencies.

### **IMPORTANCE OF E-WALLETS**

- E-wallet helped e-commerce spread all over the world. Without it, there is no e-financial transactions or e-purchasing.
- E-wallets have an easy way to pay bills of various kinds, commercial or governmental, or even invoices for restaurants and shops.
- It gives the owner an ideal flexibility to make any e-transaction. Just click some buttons, and the digital units will move from your personal account to the desired account immediately.
- Financial transactions made through cash wallets are much cheaper and faster than bank transactions.

## **BENEFITS OF E-WALLETS**

E-wallets are characterized by some benefits as follows:

### **CHEAP**

E-wallets are one of the cheapest means of e-transactions. The user is a merchant or customer who can use it at any time without fear of any additional financial burdens.

### **UNIVERSAL**

E-wallets have emerged as an alternative to traditional payment methods that have not been commensurate with the universality of e-commerce. So the digital wallet has emerged as a tool that can be used anywhere, anytime.

### **QUICK**

E-wallets are fast and flexible. They do not take as long as complex banking procedures, and do not need to waste time as traditional banknotes transfers.

### **SAFE**

E-wallets have a high-level protection system that allows customers to trust and rely on it as a formal alternative to banknotes or credit cards. So, wallets maintain highly secure e-payment gateways.

## **TOP DIGITAL WALLET AND ONLINE PAYMENTS APPS IN INDIA**

### **GOOGLE PAY**

It is currently the No.1 digital wallet and one of the top online payment's apps in India. With Google Pay you can send money to friends, pay bills and buy online, recharge your phone - all via UPI and directly from your bank account. Since Google Pay works with your existing bank account, which means your money is safe with your bank. Since the introduction of UPI, wallets have become passé with users preferring account to account transfer via UPI.

### **PHONEPE**

Next in the list of top online payment apps in India is PhonePe. PhonePe started in 2015 and in just 4 years it has been able to cross the 100 million download mark. From UPI payments to recharges, money transfers to online bill payments, you can do it all on PhonePe. Its got a very good user interface and is one of the safest and fastest online payment experience in India.

### **DHANI**

Dhani App is part of the Indiabulls group and has multiple features. It is not only a regular e-wallet app but it can also be combined with Dhani SuperSaver Card. Dhani also has a reward & loyalty program for Dhani customers wherein customers can play games and win cash to pay for mobile recharge, EMI payments, Insurance, and also for new Dhani products.

## **BHIM AXIS PAY**

BHIM Axis Pay is a UPI banking app that lets you transfer money instantly to anyone using just your smartphone. Make online recharges to your prepaid mobile and DTH set-top boxes directly from the app.

## **PAYTM**

PayTM is one of the largest mobile commerce platforms and one of the top online payments apps in India, offering its customers a digital wallet to store money and make quick payments. Launched in 2010, this e-wallet app works on a semi-closed model and has a mobile market, where a customer can load money and make payments to merchants who have operational tie-ups with the company. It can also be used to make bill payments, transfer money and avail services from merchants from travel, entertainment and retail industry. They also have UPI enabled payments now.

## **MOBIKWIK**

MobiKwik is an independent mobile payment network that supposedly connects 25 million users with 50,000 retailers and more. This e-wallet app lets its users add money using debit, credit card, net banking and even doorstep cash collection service, which can, in turn, be used to recharge, pay utility bills and shop at marketplaces. Owing to the growing need for convenience, MobiKwik has also recently tied up with large and small-time grocery, restaurants and other offline merchants.

## **YONO BY SBI**

This mobile wallet application was launched by State Bank of India to let users transfer money to other users and bank accounts, pay bills, recharge, book for movies, hotels, shopping as well as travel. This semi-closed prepaid wallet offers its services in 13 languages and is available for non-SBI customers as well. This app also allows its customers to set reminders for dues, money transfers and view the mini-statement for the transactions carried out.

## **ICICI POCKETS**

Pockets by ICICI is a digital bank that offers a mobile wallet for its customers. It provides the convenience of using any bank account in India to fund your mobile wallet and pay for transactions. With Pockets, one can transfer money, recharge, book tickets, send gifts and split expenses with friends. This wallet uses a virtual VISA card that enables its users to transact on any website or mobile application in India and provides exclusive deals or packages from associated brands.

## **HDFC PAYZAPP**

PayZapp is a complete payment solution giving you the power to pay in just One Click. It lets you recharge your mobile, DTH and data card, pay utility bills, compare and book flight tickets, bus and hotels, shop, buy movie tickets, music and groceries, avail great offers at SmartBuy, and send money to anyone in your phone book.

## AMAZON PAY

Amazon Pay launched globally in 2007 and India in 2017. It is an online payment processing service that is owned by Amazon. It is also a top online payment app in India and the global market. Amazon Pay uses the consumer base of Amazon and focuses on giving users the option to pay with their Amazon accounts on external merchant websites, including apps like Big Bazaar etc. Amazon Pay has also tied up with fintech companies such as Zest Money to enable no-cost EMI payment options on its platform. This makes it easy for consumers to purchase products on Amazon and pay for it through affordable monthly instalments.

## CONCLUSION

Now-a-days people use digital wallets more popularly. India ranks second highest in the Asia Pacific for digital payment adoption. Digital payments in India are set to account for 71.7 percent of the total payments volume by 2025, leaving cash and cheque transactions at 28.3 percent according to a report by a US-based payment systems company. Since Demonetization hit the Indian Economy harshly, the Government promoted the use of these wallets and since then the user base of these e-wallets has been increasing significantly. The large user-base indicate the growing need for secure, faster, and efficient transaction methods for the online marketplace. Regardless of what we've seen and read, top e-wallets in India have outweighed its concerns. The use of e-wallets has constantly increased due to obvious reasons and its surprising offers. E-wallets continue to gain prominence in smartphones and laptops across the globe and have dominated the discussions of new ways to pay.

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