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The Impact of COVID-19 on E-wallet's Payments in Indian Economy

भारतीय अर्थव्यवस्था में ई-वॉलेट के भुगतान पर COVID-19 के प्रकोप का प्रभाव

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Abstract:

The negative effects are undermining the major sectors of the Indian economy in terms of airfare, airline and hospitality, and you are feeling vulnerable. Digital, online and offline transactions, operated by leading firms are impacted because of the set limits for ending COVID-19 outbreaks before they become uncontrolled. While customer traffic to digital channels is still high, the price of payment has dropped dramatically. If this trend continues to persist for a long time, businesses in the digital payments sector will suffer in the next two or three months as people become increasingly aware of the outages.

The unpredictable times in which we live, when the impact of the Coronavirus outbreak has gone on economically and socially, can have a temporary impact on purchase patterns, among others. It would be a great boost for ecommerce including popular food, entertainment and food. Going back, over the last four years, digital payments have grown substantially from 5% to 30%, backed by demonetisation and the Government's ongoing drive to further the unwanted Indian economy. Online Travel Aggregators, movies and resorts and the entertainment industry, make up the largest share of the digital payments industry in India, contributing around 40%. Everything else comes from local debt and financial services.

Key Words: COVID-19, Digital Payments, Indian Economy, Finance.

Introduction

COVID-19's continued growth has been one of the major problems in the world economy and financial markets. With the effects of an outbreak of coronavirus outbreaks, India, like many countries around the world, is taking

many steps, including blocking the country as a whole; Universal travel limit; Closing public places and traveling; We also urge the public not to go into the houses, maintain the social distance and work from home. The upheaval of the economy is high and the temporary decline in employment of businesses is considered large and small. With the much-anticipated economic growth, the financial outlook for digital payment is different and will follow the same trend, at least in the short term. But industrial stability and innovation will play a major role in growing the economy.

Business impact

The adverse effects of the COVID-19 epidemic come on important sectors of the Indian economy, with the kindness associated with the manufacturing, automotive, retail, airline and hospitality industry. It also affects fast-growing digital payments linked to the above areas. Closing shops, closing trips and cutting consumer spending (outdoor food, movies and entertainment and more) have a negative impact on digital payments. In some categories, a decline in digital pricing is evident in the airlines, travel, hospitality, hotels, entertainment, e-commerce (non-essential) and restaurants.

In addition, cross-border payments, whether B2B or C2B, decreased significantly due to temporary closures, leading to unlimited travel restrictions. Global lending is affected and reduced. However, there are certain areas that see the impact on digital payments in the form of increased adoption during the closing period. These include online grocery stores, online pharmacies, OTT players (telecom and media), EdTech, online gambling, returns and operational / financial payments. The digital payment system also receives money from the government, which already provides financial assistance to the poor by transferring directly to bank accounts. The fund managers and CEO of the National Payment Corporation of India have also urged people to increase the use of digital payments so that payments are not affected.

Digital payment, when appropriate, has become a necessity in these times. With many areas participating in the digital payment revolution, it is still too early to realize the long-term impact of COVID-19 on digital payments.

Data Collection Method

Data is collected from secondary sources, such as books, articles, magazines and websites.

Research Objectives & Questions

- To study the impact of covid-19 on e-wallet in India.
- Will Ecommerce Grow And How Will It Affect Payment Industry.
- Will There Be Any Changes In Transactions Volume.
- Will Digital Solutions Serve As A Cash Boost For FinTech's.

RBI Is Pushing For Digital Payments During COVID-19

(RBI pushes digital payments in the time of COVID-19, 2020), RBI Governor Shaktikanta Das on Monday urged Indians to use the country's digital payment infrastructure in the country in a bid to end the coronavirus virus epidemic. "The RBI and the government have a strong focus on improving digital payment," Das said, pointing to examples of using NEFT, IMPS and UPI to cut through social networks to create jobs. He also said that banks were given the right advice to improve digital payments. The RBI also said in a separate notice that COVID-19 could be prevented from avoiding network forums and visiting public places. "The public can use these digital payment

methods through their home invasion by using online means such as mobile banking, online banking, credit cards etc. and spending money in crowded places while sending money or paying bills Avoid," urges the director.

COVID-19 As Catalyst In The Deep Adoption Of Digital Payment Frameworks

(CHAWLA, 2020) founds that Until 2019, digital payments receivables were slow and varied by country. The reasons included culture, democratization, and technology - many of which were economists at different stages of development. However, the long-term uncertainty of the COVID-19 issue will result in the public being accommodated on digital payment platforms, almost as much as power. With inbound wireless access significantly improved, with about 5.1 billion unique users and 3.7 billion unique Internet users by the end of 2019, it will help smooth the adoption of digital payment platforms. And with many competitors offering digital payment platforms, the competition should help sharpen the user experience of the app as poor performance will lead users to vote on their (digital) wallets.

How COVID-19 Increases Digital Payment Adoption Worldwide

(Patel, 2020) analyses that the digital payment acceptance rate is dropping in 2019. In addition, it was a major change in every category and country. COVID-19 disease has increased the adoption of digital payment solutions. Although various economic disputes around the world are at various stages of development, the outbreak has forced people to change their buying habits to interact with eCommerce and m-commerce. This has blocked the way for digital payments. We can hope that the coronavirus crisis will end soon, but an increasing number of smartphone users will drive the development of digital payments in the future. While most of the competitors will come with digital payment platforms, customers will undoubtedly have an enhanced experience. Whether it's a digital wallet or other means of communication, digital payment solutions are here to stay.

Covid-19: Want To Pay Offline? Go To Digital

(Gera, 2020) says that, The government has introduced a 21-day shutdown to contain the spread of coronavirus, allowing only essential services to operate, but the operation of these services still requires some form of human interaction, which is best avoided at these times. Although not all people can be avoided, people can still not be contacted when other services such as payment and banking are available. Although the government has been pushing digital payments for a long time now, these options are important now to keep the spread of the population. A great way to achieve this is the use of online biller and UPI and wallet apps. By paying off online loans, many banks have incorporated their payment desk into their online banking systems. The system is simple, and users can find that they can even place payment payments on automatic payments. However, if you are uncomfortable with using such services, apps such as PayTM and PhonePe allow payment of fees on their platform. "India is still in the first phase of coral reefs and there are many steps to take to prevent the spread. However, when you consider the current situation, offline payment can be a way forward and payment methods such as UPI, IMPS, RTGS, portable wallets and net banking can be very helpful in reducing human interaction, "said Mandar Agashe, co-founder and senior chairman, Sarvatra Technologies, a provider of payment solutions.

Cashless After Covid-19?

(Saigal, 2020) analysis that When the World Health Organization issued a statement on March 9 urging people to turn to computer-generated purchases to counter the spread of Covid-19, many governments and retailers around

the world took action. In China, thousands of banks were either destroyed or killed by the virus in order to stop the spread of the virus. South Korea has followed suit, and in the US, the Federal Reserve has begun blocking imports from Asia before bringing it back into the economy. Canadians, however, have done the other way around. Rumours say that some people have been spraying banknotes on washing machines to get rid of the virus - they are taking advantage of the fact that their 'paper' money is made of plastic. This requires financial exploitation reaching a whole new level. Some retailers have blocked spending on their stores to keep employees and customers safe, preferring to pay without communication. In the meantime, for those who are trapped in their homes, shopping online is a way of life. Even the most unwilling are willing to get used to it. Manish Kohli, chief financial officer at Citi, says in his office in New York that even his wife - a disgusting mobile money banker - has started using Venmo to pass on money to members of the community who had been breaking through the streets to get the belongings of others in need.

Electronic Payments Seem To Be More Attractive As People Fear That Money Can Spread The Coronavirus

(Rooney, 2020) highlights the key points as:

- Seeing money as a coronavirus vehicle can change how consumers choose to pay in person.
- Critics say that the "psychological factor" of people who think money as "dirty" can spur more adoption of things like Apple Pay and Venmo.
- "People default to normal, unless something pushes you away," said Jodie Kelley, manager of the Electronic Transaction Association. "Wireless billing has been considered as something new for consumers who know what they're up to."

Modi Demonism Will Be Used During The Coronavirus Closure

(SHUKLA, 2020) The demonic catastrophe led by Prime Minister Narendra Modi to the Indians three years ago is now likely to occur during the 21-day national coronavirus closure. The demonetisation crisis that took place in November 2016 severely damaged the Indian economy, which is still not fully eradicated. But there has been a positive outpouring of mistreatment that Modi has given to Indians - more and more people are volunteering and accepting digital payments, telephone transfers and e-commerce. With all of India experiencing lockout, the fact that a large portion of the urban population is used to buy their online items solves a major logistical problem. When people can buy their milk and vegetables using the smartphone app - it makes it easier to restrict the mobility of citizens to minors. Most importantly, now that payments and transfers have moved online, people can pay for basic things like electricity, water, LPG, phone bills, and food television using digital wallets like Paytm and Google Pay. This has two major benefits during closing times. First, citizens no longer have to leave their homes physically to rebuild their phones or pay for electricity. Secondly, locking means closing a large part of India's commercial activity. But with these operating companies, the economy is finally slow.

Covid-19 Tipping Point for Digital Payments

(Vincenzo Gringoli, 2020) analysis at glance:

- After spending has dropped, many payment companies are focusing first on improving their business.
- They now face the challenges and opportunities of the medium term, namely the rapid transition of digital payments. Regulators, for example, cut down on currency notes and encouraged non-contact payment.

- Leading companies have begun to take steps now that will put them in a better position for future economic stability.
- Some are moving toward gaining the trust of buyers and sellers. Those who can afford to pay continue to make a case to gain market share. And some are developing their own credit risk assessment tools and effective financial solutions.

The Impact of COVID-19 on Payments

(AGARWAL, 2020) The global payment system has shown great resilience in fighting disease. The general public continues to rely on payment systems and providers and there is little reporting of critical infrastructure. But the industry is moving away from the euro barrel. The biggest changes for payment providers are the result of this devastation, the increase in useless debt, the reduction of revenue and the greater need for customer service groups. Payment value has decreased due to depreciation and trade. In the short term, this will force payment providers to make changes to the operating model, which can give them greater flexibility and prioritize new short-term goals. The long-term effects of the epidemic on land payments are very high.

- **A powerful impetus for a respected society**

In early March, the World Health Organization warned that the coronavirus could spread. WHO recommends using communication payments where possible to help control the virus. COVID-19 continues to raise costs by forcing more retailers to close their doors and sell online orders for sale. For these reasons, the epidemic causes a large number of unpaid payments. This may not end up costing everywhere, but it is enough to push many markets toward a new palladium.

- **New need to protect fraud**

Sadly, any pool provides opportunities for criminals. With rapid global change, many new approaches are open to hackers. It operates as public health authorities or other government agencies on a standard COVID-19 scale and demands payment to the target. In response, major retailers and financial institutions must make big money to improve fraud prevention and detection. Artificial intelligence and machine learning can make a huge difference in this area.

- **The dynamic variable equation**

An epidemic can change the nature of the returns for two reasons: the first is the rise of more fraud, and the second is the highest level of financial disruption in the world. As businesses and individuals become more powerful, payments are increasingly viewed. The widespread adoption of distributed ledger technology can serve as a lost result. Blockchain solutions for tracking freight and payments can be very deceptive, especially for commercial finance.

- **A strong practice for paid fintech's**

Reducing the number of foreign payments means a reduction in the payment solution providers' fees. This affects all aspects of the payment industry, but fintech's tend to feel more depressed as their investments look for low-risk areas. FinTech's should prepare a friendly funding environment. Some may enter for profit, while others may want to do research in conjunction with an established financial services company.

- **Flexible cash flow management**

The epidemic has pervaded most of the world, as well as businesses of all sizes, in difficult economic times. As a result, the median estimate of all revenue stream increases. At the level of some consumers and small businesses, the use of payment tools, such as direct loans and repayment cards, can be reduced and replaced with other tools that allow for larger "payment payments" and greater control. The market can be created at the business level of a very robust testing tool for temperature dashboards, loans and savings signals. In the bank's view, lenders also need real-time dashboards that have plans and options for an effective solution.

- **Increasing mobile wallets with tokens**

COVID-19 gives consumers a good reason to be wary of public payment centres. Digital wallets like Apple Pay and Google Pay will eventually allow you to make a payment without touching the card or entering a PIN. The use of mobile wallets is expected to increase in the future, while the use of physical payment cards will decrease. Businesses that fail to accept payments from digital wallets may experience disappointing growth in the post-pandemic world, but payments for peer-to-peer communications or between different types of wallets are common.

- **Buying an explosion of online shopping and other digital outlets**

Governments have urged citizens to stay home (and in some cases, travel is illegal), and the use of online shopping and delivery services has exploded. Businesses like PayPal, Amazon and Instacart have seen bigger spikes than necessary.

There are two main consequences of this for payment providers and their customers.

- First of all, anyone offering cheap online shopping and Checkouts is also now recognized. For such providers, the clock will improve their systems.
- Second, as more and more consumers are turning to online orders for daily purchases, such as groceries, some consumers may be confused by how the process repeats itself. If your meal order is the same over time, why always order again when ordering?
- Internet users are open to ordering their normal items using Internet-of-Things (IoT)-enabled devices. For example, this could include buying food automatically at the right time. IoT-driven payments will grow on the roof in the coming years.

- **Behavioural customer behaviour change is driving digital technology**

Community reductions and other measures to reduce the disease exacerbate the need to provide digital banking services. This forces many traditional payment providers to quickly track their digital procurement efforts. Real estate banks and paying players may want to work together to bring digital payment solutions to the market. The full impact of COVID-19 is unknown for months - if not years. The global economy looks very different when we get back to normal. The subscriber sector plays an important role in economic development. The possibilities are:

- Converting cash and checking into digital payment systems
- Building infrastructure to support more remote vendors
- Accepting digital currency in universal payment solutions
- Controls cloud-based infrastructure, automation and analytics to scale

RBI Is Pressing The Bank's Digital Cover Against The Covid-19 Virus

(Government NewsLatest Government NewsDigital Payments, 2020) Raising its plan to fight the deadly Covid-19 virus, the Reserve Bank of India on Monday issued a recommendation and urged consumers to use digital banking facilities and not stay with any contact who might reduce the risk of catching the deadly virus. "In the wake of efforts to reduce coronavirus epidemics by avoiding social networking and visiting public places, the public can use digital banking payments from accessing their homes through online channels such as mobile banking, antibanking, credit cards, and avoiding unnecessary spending. many when sending money or paying bills," the RBI said in a statement. While addressing the media, the governor of the Reserve Bank of India (RBI), Shaktikanta Das, asked customers to use the digital banking facilities as much as possible. "In the context of COVID 19, the RBI and the government are simultaneously focused on promoting digital payments," Das said, adding that the governing body is far superior in various ways to delivering secure, secure and affordable payment systems. "Programs including the National Electronic Fund Transfer (NEFT) and the Institution Payment Service (IMPS) are already available on 24X7 for easy and fast internet transactions," Das said. Das was speaking to the media to announce ways to address the impact of the epidemic on Indian businesses and the economy. While he said that digital banking services including NEFT, IMPS, UPI and BBPS were available night and day to facilitate fund transfer, procurement, services and debt repayment. against Covid-19 virus. NEFT is an interactive bank-managed payment channel that is used to transfer funds by the customer between different accounts. In 2019, RBI announced the elimination of repayment costs through NEFT and RTGS and asked banks to transfer grants to customers. Currently payments through NEFT and RTGS are free or the cost will be significantly reduced. RBI has also made the availability of the NEFT program 24x7 from January this year.

New Digital Products Can Alleviate Payment Issues During Difficult Times

(Khosla, 2020) concludes as, the far-reaching spread of coronavirus has emerged as one of the biggest threats to the economy and financial markets worldwide. Industries in all sectors are carrying the negative impact of COVID-19. Countries and governments are taking several steps to contain the effects of the global epidemic. Among the many security measures, the COVID-19 outbreak also underscored the need for digital payments to eliminate payment issues during those difficult times. At such an important time when community outreach is important and made by many, digital payments seem like a good idea. Even RBI has emphasized card transactions and urged customers to use online banking facilities, guaranteeing uninterrupted transactions. These days small grocery stores, OTT, online gaming, e-learning, ATM outsourcing and Broadband use are also encouraging the use of digital payments.

Conclusion

During the COVID-19 outbreak where people were encouraged to keep up with the public sphere, there has been an increase in orders placed on ecommerce websites and apps for food, entertainment and food. Someone who performs any such services on ecommerce platforms can pay through the payment gateway. It ensures sensitive information, such as credit card numbers, hosted on an interface or on an ecommerce website, is transmitted securely through various channels, thus making the digital payment option safer and safer. The Near Field Communication (NFC) feature in the PoS portal allows one to easily pay retail sales to their shop. The customer can choose to pay using their credit / contact cards or with the Tap & Pay feature in the mobile app by tapping their

smartphones at the PoS terminal. In conclusion, let us choose safe and easy digital payment methods and ensure that we follow preventive measures to combat the epidemic collectively.

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