

A comprehensive study on rapid adoption of digital payments amid COVID-19 crisis in Mumbai

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Abstract

Demonetization decision coupled with government's initiative to make India a cashless economy is expected to bring a phenomenal transformation in the way people make payments and expected to increase inclination towards online payment. The covid-19 pandemic has expedited the shift towards digital payments, increased digital channel adoption, and spurred consumer interest in savings and safer investments in India. Anxiety of spread of virus made physical transactions almost crashed; the digital payments in India have witnessed an exponential spike in the last few months of lockdowns. Among the various modes of online payments, the mode gaining popularity during present time is E-wallets. In a nation such as India where during COVID-19 crisis larger part of vendors / customers favors Cash-On-Delivery, thus emphasizing increasing adoption rate. This generates research interest to study the readiness of people to use E-wallets and factors influencing the adoption of E-wallets including the factors refraining the usage of it, during the crisis epoch. This research paper is explorative by nature and aimed at examining the adoption of E-wallets as a mode of payment in Mumbai City, India based on literature review as a part of doctoral study.

Keywords: Smartphone Users; digital Payment, E-wallet, COVID-19 crisis.

1. Introduction

The diffusion of technology-based payment solutions hinges on addressing the needs, perceived or real, of consumers whose adoption will determine whether any specific mobile payment system becomes a standard (S. Ezell, 2009). Mobile wallet with the support of mobile technology as allowed the owners of Smartphone to carry out many financial transaction and identification implements the mobile wallet money is used in the various areas in India across businesses like banks, retailers and online shopping etc. The present study aims to explain the increasing impact of e-wallet money endorsed by different companies during this pandemic crisis. When smart phones can function as leather wallets, it is called "Digital Wallet" or widely known as "Mobile Wallet". (Rathore, 2016). The technological advancement has made Smartphone as devices where the mobile users can make money transaction or payment by using application installed in phone. India is currently at the top in usage of digital payments and will be seen in the next six months. Many e-retailers are also requesting payments via digital mechanisms, which are also contactless and reduces risk of spreading coronavirus. Besides the National Payments Corporation of India (NPCI) has also urged people to use digital payment methods, so that people do not step out even to go to the ATM, reduce social contact and curb the spread of Covid-19. As the

market for essential services has expanded, the retail stores have also witnessed a growth in the number of payments made via payment apps. According to a survey by consultancy firm Local Circles, when consumers were asked what digital payment app have, they been using the most in the last three weeks, since the coronavirus outbreak, 33% said Paytm, 14% Google Pay, 4% PhonePe, 10% Amazon Pay, 6% BHIM while 33% used other apps. In the past three months from March end till June 2020, over 42% Indians have used digital payment mode multiple times as compared to the pre lockdown period.

Anyhow according to RBI data, usage of debit cards, the second-most popular payment mode after currency notes, crashed 44% in terms of transactions and 55% by value, compared to March 2020 pre lockdowns. The data also showed a 70% fall in use of credit card by volume and 60% by value. Digital wallet transactions were down 33% by value, while the fall in terms of numbers was 42%. This is the sharpest month-on-month slide observed in these three payments channels since demonetization. The use of RTGS, NEFT, IMPS and UPI also fell in April as the economic activity nearly stalled. RTGS payments, which are mainly used by large businesses, MSMEs and vendors for high-value transactions, nearly halved to Rs 64 lakh crore from Rs 120.5 lakh crore in the previous month. NEFT, used by both corporates and individuals to transfer funds, fell 43% month-on-month to Rs 13 lakh crore. The value of transactions through IMPS, which is largely used by small businesses and migrant labors, fell 40% to Rs 1.21 lakh crore in April versus March. Bankers said IMPS volumes are a better indicator of payment patterns of the people at the bottom of the pyramid, since that is the cheapest form of fund transfer in India. The value and the number of payments in the economy continued to decline sharply in April due to the Covid-19 pandemic that has led to a nationwide lockdown and the labor migration.

2. Review of Literature

Mobile payment instruments fall under the category of electronic money, which "includes all non-cash and non-paper payments instruments such as plastic cards

and direct transfer and all money transactions via electronic channels"(S. Singh,1999). L. Van Hove. (2004) notes that electronic wallets, although frequently compared to debit cards, should instead be compared to cash. He explains that "the rationale behind their introduction - from the mid-1990s onwards - was indeed to provide consumers and merchants with an electronic payment instrument that could handle small transactions cost effectively (L. Van Hove,2004). The Committee on Payment and Settlement Systems of the Bank for International Settlements defines an electronic purse or wallet as "a reloadable multipurpose prepaid card which may be used for small retail or other payments instead of coins" (Committee on Payment and Settlement Systems, 2003). Unlike debit or credit cards, transactions using an electronic wallet are carried out off-line without the direct involvement of financial intermediaries and the burden of these institutions' high fixed costs (Z. M'Chirgui and O. Chanel,2008).

Electronic-Wallet allows users to make electronic commerce transactions quickly and securely. (Upadhayaya, 2012). A mobile wallet is a much-advanced versatile application that includes elements of mobile transactions, as well as other items one may find in a wallet, such as membership cards, loyalty cards and travel cards. (Shin, 2016). Through digital wallets, the payment infrastructure with immense advancement in technology has become highly consumer friendly. (Kunal Taheam, 2016). However, the idea of a digital wallet is not new. Indeed, Japan, America, Sweden and South Korea have already rolled out cell phone-based digital wallet solutions. Consumers in those countries can use their cell phones to pay for groceries, order drinks from a vending machine, and even identify themselves at airline ticketing counters. (Rathore, 2016).

Poonam Painuly and Shalu Rathi (2016) in their research paper "Mobile wallet :An upcoming mode of business transaction "have analyzed that ease of transaction ,secured profile and convenience in handling application put forth the benefits of wallet money and also concluded that business sectors like

banking ,retail, hospitality etc., are making use of wallet money and mobile payment instruments including contactless and remote payment in the customers –business and customers to customers areas.

Rajesh Krishna Balan, Narayan Ramasubhu, and Giri Kumar Tayi (2006) in their research paper "Digital wallet: Requirement and challenges "have identified about Singapore's use of digital wallet and analysed the key challenges in building and deploying a digital wallet. Dr.Hem Shweta Rathore in her research paper "Adoption of Digital wallet by consumers "have analyzed about the factors that influence consumers in adoption of digital wallet and also analyses the risk and challenges faced by consumers in usage of digital wallet and concluded that shoppers are adopting digital wallet largely due to convenience and ease to use and in the future years digital wallet will gain more widespread acceptance.

Rathore Hem Shweta studied various factors affecting adoption of digital wallet as a mode of payment by consumers and different risk and challenges encountered by users while using digital wallet. The study was conducted by collecting primary data through a structured questionnaire from 132 smart phone users (respondents). Researcher found that main factors contributing towards the adoption of digital wallet as a mode of payment are convenience in making payment online, brand loyalty and usefulness of digital wallet. It was found that users of digital wallet are satisfied with the services provided by them. The most crucial and challenging issues for adoption of digital wallet are security and safety. Shoppers are adopting digital wallets at an incredibly rapid pace, largely due to convenience and ease of use. (Rathore, 2016)

TahemKrunal, Sharma Rahul, and Goswami Saurabh (2016), conducted a descriptive study to examine the factors driving use of digital wallets in state of Punjab.The study was conducted during the fourth quarter of 2015 by collecting primary data from 386 (Selected using snowball sampling) users of digital wallets in state of Punjab. The results of this study

indicated that People in Punjab have been found using digital wallets due to the motives of controllability & security, societal influence & usefulness and need for performance enhancement. This study indicates that people of Punjab use any type of digital wallet due to one or all of these identified motives. (Kunal Taheam, 2016)

Kalyani Pawan in his paper studied the awareness and usage of paperless E-Currency transaction like E-Wallet using ICT in the youth of India. The paper elaborately explains features of various E-wallets in India. Researcher found that the most preferred modes of payment among the selected respondents are Cash on Deliver (COD) and credit card and debit card. It was found that respondents have good amount of information about the e-payment and e-wallet services available in India, but they know very little about the same types of services available outside India. Researcher concluded that awareness and practical usability of the E-wallet is low, that should be increased by adding more value added services to it. (Kalyani, 2016).

Sardar Ramesh studied the preference towards mobile wallets among the urban population of Jalagon city of Maharashtra. The study was collected by collecting primary data from 60 users of mobile wallet through a structured questionnaire. The study aimed at examining the awareness and preference towards the usage of Mobile wallets in Jalgaon and to find out the impact of various demographic variables on the usage of mobile wallets. Data was analyzed using chi-square and t-test. It was found that Majority (29%) of the respondents are preferred to use Mobile wallet payment to transfer money followed by recharging mobile or DTH payment and so on. Majority of respondents (90%) believes that an instant payment is an important factor to opt for Mobile payments. Respondents opined that security is the most critical issue while making online payment. (Sardar, 2016).

Shukla Trilok Nath in his research paper "Mobile Wallet: Present and the Future" stated that Based on current developments, it is safe to say that mobile wallets will soon be a self-reliant ubiquitous ecosystem.

In the near future, mobile wallets will be used to engage with the customer by the marketers and digital businesses. With the addition of the value-added services that go beyond just payment, experts believe that mobile wallets will become a new marketing channel. Mobile wallets won't just be about mobile payments; they would become one of the major contributors of a seamless shopping experience for the customers. Simply offering faster and more-secure payments would no longer be good enough; the industry players will have to counter the real pain points such as giving consumers the ability to see what's on stored value cards at any moment in time, access loyalty points, or automatically receive digital copies of payment receipts. (Shukla, 2016).

Hee Shin-Dong, in his study "Towards an understanding of the consumer acceptance of mobile wallet" seeks to validate a comprehensive model of consumer acceptance in the context of mobile payment. It uses the unified theory of acceptance and use of technology (UTAUT) model with constructs of security, trust, social influence, and self-efficacy. Structural equation modelling is used to construct a predictive model of attitudes toward the mobile wallet. While the model confirms the classical role of technology acceptance factors (i.e., perceived usefulness and ease of use are key antecedents to users' attitude), the results also show that users' attitudes and intentions are influenced by perceived security and trust. (Shin, 2009).

3. Main Objectives of the Study

- i. To study the consumers perception towards mobile wallet.
- ii. To study the factors that influence consumers in adoption of mobile wallet.
- iii. To study the problems faced by consumers in use of mobile wallet.

4. Research Methodology

The research methodology is the fashion to figure out the research problem and to acquire the info systematically. It is based on the most effective fashion to obtain useful info with a very minimum price to

acquire the consequences of an investigation. Every research is based on the data which is analyzed and interpreted to get information. This study is based on secondary data collection, conducted by collecting information from a diverse source of documents or electronically stored information, books, Journals, GST Council Sites, RBI Reports, newspapers, magazines etc.

Digital Wallet in India

Different Types of E-Wallet According to Reserve Bank of India four kinds of wallet money that are available are Open Wallet Open wallet enables the users to buy goods and services, withdraw cash at ATM or bank and transfer funds. M-pesa by Vodafone and ICICI is a good example for open wallet. Semi -open wallet allows you to transact with merchants that have contract with the companies for e.g. Airtel money is a semi -open wallet were merchants have contract with Airtel in which withdrawal of cash is not possible or can get it back but you can spend the money what you have loaded. Closed wallet is a popular with E-commerce were certain amount of money is locked with the merchant in case of cancellation on or return of the order or gift cards. A semi-closed wallet allows us to buy goods and services at listed merchant and perform financial services at listed location but a semi -closed wallet does not permit cash withdrawal or redemption for e.g. PAYTM.

Airtel Money with the Airtel Money app, users can easily recharge prepaid accounts or pay postpaid bills. You can also shop online if your digital wallet has cash loaded in it. It's also extremely safe as every transaction or payment you make requires a secret 4-digit mPin. Citi MasterPass, a free digital wallet, helps make checking out while online shopping a speedier process. Once you've stored all your payment and shipping details in your Citi Wallet, simply click on the MasterPass button and it will take care of the rest. Citrus Pay Citrus Pay, one of the top e-wallets in India, it offers a Citrus wallet for customers as well as payment solutions to businesses. With a strong base of 800 million customers, it has definitely earned its spot as one of the best mobile wallets in India. Ezetap,

a Bangalore based digital payment solution founded in 2011, offers business owners solutions to accept card payments via electronic devices. It also sends customers e-receipts through an SMS or email. Free charge, one of the most famous names right now when it comes to digital payment in India, has been known to target the youth in all their promotions. With equivalent amount of coupons given for every recharge you make, it's a great option to save while paying your bills online. HDFC PayZapp, making digital payment in India simplified with one click payments, is one of the top online wallets in India. Users can easily compare flight and hotel tickets and even buy music or pay bills with the app. Simple connect your debit/credit card once and forget worrying about making payments. ICICI Pocket While you might find a Pocket card redundant, considering you're opting for an e-wallet app to avoid using a card, they do have a pretty neat wallet app. Jio Money, launched recently in 2016 by Jio, is a digital payment app. With JioMoney, one can receive great discounts and offers. Users can also bookmark their frequently visited retailers so shopping can be made quicker than usual. JusPay Safe is a payment browser with over 650+ transactions in a day. They offer a browser with which users can make payments quickly via cards with 2 clicks.

LIME, launched by AXIS in 2015, was the first mobile app in India to integrate wallets, shopping, payments, and banking. Apart from the usual features like making payments, they also let you analyze what you spend. With a cool feature that rounds up all your change and invest in a deposit, and a shared wallet tool, they've definitely earned their spot in the top list of mobile wallets in India. Mobikwik is a Gurgaon based e-wallet payment system in India that helps its users store their money. Founded in 2009 by Bipin Singh and Upasana Taku, this digital wallet enables users to recharge, pay bills, and make third-party purchases with one tap. MomoeXpress, a Bangalore based digital wallet in India, claims to have the fastest checkout system. Though they're only available in Bangalore, they have a wide range of solutions they offer to residents on

the city. From paying for your rickshaw ride to salons & spas, there are over 3000 outlets available at your disposal.

MoneyOnMobile, authorized by the Reserve Bank of India, enables users to buy goods, products, and services from registered merchants. It's a multilingual app that reaches remote areas of the country to millions of users making online payments available to a wide population. Mswipe, the first mobile point-of-sales solution in India was founded in 2012. They don't exactly offer an app, but they do provide a machine that can be attached to your mobile device to accept card payments. This may not be a digital wallet app but it does support going cashless. Ola Money, launched in 2015, is a digital wallet in India offered by Ola. While it's majorly being used to make payments for Ola cab rides, making cashless traveling a dream come true, it can also be used to buy groceries or flight tickets and much more. Oxigen, a FinTech company founded in July 2004, is one of the major providers of digital payment in India. Along with making online purchases and paying bills, you can also send gift cards to your dear ones. PayMate, founded in 2006 by Ajay Adishesann, launched PayPOS in 2012, an app for small business owners to receive payments conveniently via debit cards and credit cards and also process electronic transactions. Paytm, launched in 2010, is currently the largest mobile wallet app in India. With payments via Paytm being accepted almost everywhere; it's hard not to simply switch to it completely. From paying mobile bills to buying movie tickets, there's almost nothing you can't do with Paytm. PayUmoney, a part of PayU India, is a free payment gateway solution for merchants to collect payments from customers via debit/credit cards or net banking, and more. They also offer SMS and email invoicing for merchants that do not have a website. State Bank Buddy, a product of State Bank of India, is an online wallet in India that's available in 13 languages. Users (non SBI account holders too) can send money via Facebook, or to other bank accounts, book hotels or movie tickets and much more.

Benefits of Mobile Wallet

The various benefits of mobile wallet are:

- Lower Cost - Purchases made in stores now –a-days does not require cash because purchasing process is been made simple by tapping on the mobile device. The point of sale system as reduced transaction cost of business.
- Competitive Advantage - Mobile wallet application provides a more comfortable transaction process to the customers giving business that employ this technology a competitive edge in the market
- Modern Mobile - wallet opens up an entirely new aspect to payment method on large markets, introducing many businesses opportunities and greater potential revenue.
- Convenience Consumers - are able to make their purchase in seconds with simply tapping on their mobile device. The purchasing is made quicker and easier bringing satisfaction to the consumers.

Adoption of digital modes of payment amid pandemic

After constantly rising for the past several months, the volume, as well as value, of transactions through UPI payment system dropped in March due to the 21-day nationwide lockdown imposed to combat the coronavirus infection. Unified Payments Interface (UPI) is an instant payment system developed by the National Payments Corporation of India (NPCI) an RBI regulated entity. The 21-lockdown imposed by the government with effect from March 25 to fight coronavirus seems to have adversely impacted the transactions through UPI. The NPCI data on IMPS (Immediate Payment Service) revealed the number of transactions fell to 21.68 crore in March from 24.78 crore in the previous month. There was also a decline in the value of transactions during March to Rs 2.01 lakh crore from 2.14 lakh crore in February. IMPS provide real-time fund transfer which offers an instant, 24X7, interbank electronic fund transfer service that could be accessed on multiple channels like Mobile, Internet, ATM, SMS, Branch and USSD (*99#). The

NPCI data on IMPS (Immediate Payment Service) revealed the number of transactions fell to 21.68 crore in March from 24.78 crore in the previous month. There was also a decline in the value of transactions during March to Rs 2.01 lakh crore from 2.14 lakh crore in February.

Amid rising fears of Covid-19 spread, when the physical transactions have almost crashed, the digital payments in India have witnessed an exponential spike in the last 21-day lockdown period. Initial three weeks evidenced over 42% Indians have used digital payment mode multiple times as compared to the pre lockdown period.

Digital payment platforms have also not just seen a surge in the number of transactions but the number of downloads of digital payment platforms have also almost doubled. The lockdown has also brought many first-time users who were earlier not very keen on using digital payments' mode for payments as now due to social distancing measures they need to pay online for buying essentials. Among the top gainers, according to the report include Paytm and Google Pay. When consumers were asked what digital payment app have, they been using the most in the last three weeks, since the coronavirus outbreak, 33% said Paytm, 14% Google Pay, 4% PhonePe, 10% Amazon Pay, 6% BHIM while 33% used other apps.

As the market for essential services has expanded, the retail stores have also witnessed a growth in the number of payments made via payment apps. Many retail stores and local general stores have been reporting a major rush and spike in order because of the lockdown and as people purchase and stock essentials for use during this period.

Impact of lockdown on online payment modes

The adverse effects of the COVID-19 pandemic are trickling down to major sectors of the Indian economy, with manufacturing, auto, retail, aviation and hospitality bearing the brunt of the lockdown. This in turn has affected fast-growing digital payments which are closely linked to the aforementioned sectors. Shut shops, travel bans and reduced discretionary spends

by consumers (on dining out, movies and entertainment and so on) are further negatively impacting digital payments. Digital payment volume declines are seen in airlines, tourism, hospitality, hotels, entertainment, e-commerce (non-essentials) and restaurants, among other sectors. Further, cross-border payments, be they B2B or C2B, have significantly declined owing to the temporary shutting down of borders further, resulting in restricted movement of goods. International remittances too have been affected and have reduced. However, there are also a few areas that are seeing an uptick in digital payments by way of increased adoption during the lockdown. These include online grocery stores, online pharmacies, OTT players (telecom and media), EdTechs, online gaming, recharges and utility/bill payments. Digital payment volumes are also receiving a boost through the Government, which has pledged monetary assistance to the poor via direct transfers to bank accounts. The finance minister and the CEO of the National Payments Corporation of India have also urged people to increase the use of digital payments in order to make payments contactless. Digital payments, once a convenience, have become a necessity in these times. With a majority of the sectors that contribute to digital payments still in a state of flux, it is still too early to ascertain the long-term impact of COVID-19 on digital payments.

Sector	Impact
Telecom	Telecom companies will also see an increase in transactions as payments and recharges shift to digital channels. Further, the boost in demand for broadband internet services will also fuel the rise in transactions.
Insurance	Owing to the COVID-19 pandemic, insurers have seen a rise in digital payments as new and renewal policy payments are made online.
Ed Tech	The lockdown and shutdown of schools and educational institutions have proved to be a boon for EdTech companies. with an increase in demand for their services enabled by online payment.
Domestic remittances	The lockdown has caused severe loss of business for restaurants and hotels. The restrictions on travel have hampered the peak season for many. This in turn will have an adverse impact on payment volumes.
Healthcare / Pharma	Payment players associated with the healthcare / pharma sector will see an increase in digital payments due to the COVID-19 pandemic.
E-Commerce (essentials)	Players catering to online selling of essential items have seen a surge in transactions due to the lockdown. Payment processors having exposure to such retailers stand to gain in relative terms considering the current situation.
Government	Payments involving the Government(s) would increase on two counts: firstly, the financial aid provided by the Government via Direct Benefit Transfer (DBT) (GZP): and secondly. donations made to Government funds like PM CARES and PMNRE P26 would contribute to an increase in digital transactions.
Electronics and Consumer durables	Volumes of payment companies having clients in the electronics and consumer durables segment will take a hit owing to the disruption in supply chains, delivery and demand.
Hotels and Restaurants	The lockdown has caused severe loss of business for restaurants and hotels. The restrictions on travel have hampered the peak season for many. This in turn will have an adverse impact on payment volumes.

Physical retail (non-essential)	Non-essential physical retail has also taken a hit as forced closure has resulted in loss of business. Payment companies will see a marked decline in these transactions.
E-Commerce (non-essentials)	Non-essential e-commerce businesses will be adversely affected as they prioritise essentials given the limited delivery bandwidth due to the lockdown.
Small and Medium Businesses and capital loans	Players with exposure to SMB and capital loans will be negatively impacted as working capital dries up for many players owing to temporary closure of businesses, impacting repayments and increasing the possibility of non-performing assets (NPAs).
Cross-border payments	Payment companies with large cross border transactions will be impacted as supply-side uncertainties, factory closures and trade barriers are affecting cross border trade.
International remittances	International remittances will decrease as wages of Indians abroad would be negatively affected.
Payment fees - card schemes	Major card schemes have delayed the roll-out of their new interchange fee structure. Sectors like real estate and auto would see rate decreases, while growth sectors like e-commerce and mobile ordering would see a hike in fees. Overall network fees would decrease for card schemes.
Physical retail (essentials)	With concerns of transmission of the virus through the exchange of physical currency, digital payments at local grocery stores have increased. Payment players having exposure to this category stand to gain.

There will be a continued push to adopt digital payments from governments, regulators and banks alike. There will be a marked shift away from cash as digital means gain popularity and acceptance and transform from a convenience to a necessity. People's anxiety of immediate survival, be it food and/or medicines, is counteracting long-standing apprehensions of digital transactions that may have inhibited greater adoption until now. There will be a marked shift in consumer behavior, with a significant population of first-time adopters continuing with digital payments even after the current crisis ends. Real-time contactless payments will gain traction. They will assist in moving the needle on digital payments toward high-volume but low-value transactions from the current low volume, high-value tilt and eventually lead to a decline in cash usage. Wearables will also gain traction as people look to adopt contactless payment modes. QR code payments will see an uptick - as they are cost-effective and contactless. Offerings such as offline to online payments will also see an increase. These will gain traction as they will assist a lot of small and individual business owners (like milk and vegetable vendors) to collect payments when people are hesitant to use cash, and eventually lead to a decline in cash usage. Higher utilization of DBT rails will be seen as India recovers, thereby enabling instant infusion of money to the bottom of the pyramid. This in turn will drive rural spending, which will help in kick-starting the economy. We may also see a slightly larger proportion of transactions being converted to EMIs owing to the slowdown that may result from the COVID-19 pandemic. The disruption caused by the pandemic will compel financial players to prioritise a process overhaul. Touch point experience will change overall with all channels moving to social distancing norms along with associated regulatory hurdles. Banks and NBFCs will offer unsecured and consumer durable loans as well as credit cards with zero paperwork and no in-person contact. Adoption of video KYC is expected to gain momentum. Further, increase in virtual card issuance and usage will also be seen.

5. Discussion

The Reserve Bank of India last year said it aimed to increase digital transactions to about 15% of gross domestic product by 2021, from nearly 10% at the time. The government is aiming for a billion digital transactions per day as the world's fastest-growing Smartphone market empowers consumers to transact at the click of a button. Global tech giants such as Amazon.com Inc. and Alphabet Inc. are placing bets on India's digital-payments market, which is forecast to quintuple to \$1 trillion by 2023. To get a piece of that pie, they're competing with Alibaba-backed local startup Paytm, and Facebook Inc.'s WhatsApp Pay - still in its testing stage in the country - among others. For now, the companies are racking up losses as they offer discounts and cash backs to lure users. Recent surveys suggest their time is coming. Three-quarters of Indian consumers reported greater use of digital payments since the virus outbreak, and 78% expect to continue increasing their use in the next six months - the highest figures among 11 nations surveyed - according to a recent report from Capgemini Research Institute. Another survey by Facebook and Boston Consulting Group showed a rise in online payments in India since late March after a nationwide lockdown to check the virus's spread, and said there's a strong likelihood the trend will continue over the next six months. India is second only to China in terms of the volume of cash withdrawn from ATMs, according to the RBI, and currency in circulation - at 11.2% of gross domestic product - is higher than in most major economies.

One reason is that only a third of India's population has Internet access, and those who do often face connectivity problems. In addition, some 20% of Indians have no bank account, which limits the extent of card transactions. Still, even as overall digital payments declined during the first weeks of India's lockdown, when most businesses shut, gains were seen for essential services that continued to operate - grocery, pharmacy, mobile top-ups and utility payments.

The virus has "quickenened the pace of digital-payments adoption" even in small cities, and there's a huge demand from merchants for contactless payment solution.

6. Conclusion

Mobile wallet usage awareness as spread among the people in India due to government policy of demonetization and this as forcefully induced the usage of mobile wallet. The security issues are tighten and risk factors are reduced will automatically increase the adoption of mobile wallet. Apart from these issues the convenience and ease of use as gained an credit to mobile wallet and it can be concluded that they will be a tremendous growth in adoption of mobile wallet in the forthcoming years. The trend of consolidation among payment processors and acquirers will continue as companies look at survival. Digital payments companies are essentially cash businesses and depend on the risk capital they carry. As transactions dip, there could be more deals action in this space.

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