

A Study on Impact of Digital Wallets on Generation Y

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Abstract: A Cashless society refers to the state of the economy whereby the financial transaction are conducted without the use of money in the form of bank notes or coins, but takes place with the transfer of digital information between the transacting parties. In today's era it includes the payments with the means of plastic money or with the use of various online payment methods available. In India the cashless society have existed from the time the human society came into existence, earlier the goods used to be exchanged with other goods without the use of money such as paper notes or coins involved in it, it was also a form of cashless society also known as the barter system of exchange and in today's modern world the paper currency has been replaced by its digital equivalent value meaning that the legal tender (money) exists, is recorded and is exchanged through electronic digital form. In the scenario where the economy is progressing at a high rate, there is an evident increase in the use of digital methods payments. It constitutes the lifestyle and spending pattern of the youth in today's environment. People today prefer to carry plastic cards, mobile or e-cash rather than carrying the paper cash. This research paper analyses about the students awareness related to the cashless society and the impact that it has made on the students mentality and their spending patterns subject to day to day expenses or towards an online purchase for food, clothes, travelling or academic expenses. It also highlights the change in student's behaviour on moving from the physical cash method of payment towards the cashless society. This study deals with the change in the spending pattern on the basis of the change in their mentality, lifestyle and adaptability patterns after the cashless society has paved its way in today's society. It also deals with the impact that it has created towards the economy and the effect in the environment with the entry of various kinds of online payment methods and application.

Keywords: Digital payments, expenses pattern, debit card, payment apps, digital economy.

INTRODUCTION:

A cashless society brings in picture the state where the economy does not involve the usage of the physical form of cash or coin for conducting the transactions. The transaction thereby takes place with the online mode of payment through various applications and other sources such as virtual wallets or plastic cards such as debit and credit cards. The economy earlier was dominated by the circulation of physical cash such as paper notes and coins used for the purpose of payment but as the progress aspect with respect to the economy have come into picture and with the entry of various methods of online payment there has been a shift of people's preference from the usage of physical cash to the digital payments ways.

Indian Prime Minister Shri Narendra Modi, Launched "Digital India" scheme on 1 July 2015 with an aim of ensuring the provision of Government's services electronically to citizens by improvising online infrastructure and by increasing connectivity of internet as well as by creating the digital empowerment in the country in the field of technology. It is both enabler and give more boost to other key Government of India schemes, such as Bharat Net, Make in India, Startup India and Standup India, industrial corridors, Bharatmala, Sagarmala, dedicated freight corridors, UDAN-RCS and E-Kranti. As of 31 December 2018, India had a population of 130 crore people (1.3 billion), 123 crore (1.23 billion) Aadhaar digital biometric identity cards, 121 crore (1.21 billion) mobile phones, 44.6 crore (4460 million) smartphones, 56 crore (560 million) internet users up from 481 million people (35% of the country's total population) in December 2017, and 51 per cent growth in e-commerce. The Government of India entity Bharat Broadband Network Limited (BBNL) which executes the Bharat Net project is the custodian of Digital India (DI) project. Bharat Net was to connect all the 625,000 villages of India by December 2018. The ratio of male to female Internet users is 64:36.

Student's life is full of new and exciting experiences and there are often lots of things going on, and the expenses vary from one student to the other based on their particular needs and life style. Some students use bikes and public transportation to get everywhere they need to do, while

others students opt to maintain their own vehicles. These aspects and mind-set constitute their behaviour towards the spending habits that they carry.

Students start to get more self-sufficient and reliant if provided with freedom and care. It makes them independent and forms their behaviour and pattern for spending; they mostly become reliant on the financial aspect of their life.

HISTORY OF DIGITAL PAYMENT IN INDIA:

The evolution of India’s financial infrastructure can be divided into three phases:

FIRST PHASE	SECOND PHASE	THIRD PHASE
1984: Introduction of Magnetic Ink Character Recognition (MICR) technology	2001: Internet banking	2010: Immediate Payment Service (IMPS)
1987: First ATM installed in Kolkata	2004: National Financial Switch (NFS)	2012: Adoption of ISO 20022 messaging standard in the Next Generation RTGS (NG-RTGS) system
1988: Computerized settlement operations at clearing houses of RBI	2004–2005: Real Time Gross Settlement (RTGS), National Electronic Funds Transfer (NEFT)	2014: Jan Dhan Yojana, National Unified USSD Platform, RuPay Card, Bharat Bill Payment System (BBPS)
1998–2000: Core banking software	2007 : Mobile banking	2016: Unified Payment Interface (UPI), payment banks, mobile wallets
	2008: Cheque truncation systems	2017: Bharat Interface for Money (BHIM) app

Coming to the student’s life, few years ago students did not even know how to make use of debit card but today as the requirement have arrived for the economy to go cashless; there is a requirement for the youth to adapt to the online payment method that needs for the better understanding of digital era. Students have now come to know about various kinds of apps and their usages with the knowledge they have for this cashless economy.

Today visiting any place, having food and beverages and going for other entertainment purposes would require money. Earlier, students only had the options of using paper cash for making payments but then in today’s era there has been a shift in the methods of payments that are made by the students. Today most of them have at least one online payment application installed in their mobile phones with digital cash and they prefer making a payment with digital cash or wallet because it is easy.

There has been a radical increase in the number of online payment applications that have made their way in this cashless economy. The five most commonly used online payment apps are Paytm, Mobikwik, Bhim UPI, Google Pay which has made the payment mechanism very easy for the students and has got the hold of the trend that constitutes the cashless economy.

STATEMENT OF THE PROBLEM

The society has seen much transformation in the recent years and a step towards the digital economy is another step for a big transformation coming ahead. As for any nation their youth is the main asset for a long term investment purpose, the youth of any nation must be known with the recent trends in digitalisation and various other factors prevailing in the market so that they can contribute their bit towards the developmental purpose. This study deals with the knowledge of the digital economy that the youth has and their way and acceptance of using those methods. If a nation’s youth is ignorant about the changes that takes place in the environment around them it can be difficult for a nation as a whole to come up with the solution for development.

Review of literature

Sl. No.	AUTHORS	YEAR	TITLE OF STUDY	OBJECTIVE	CONCLUSION
1	Prof.Mamta , Prof. Hariom Tyagi and Dr. Abhishek Shukla	2016	The Study of Electronic Payment Systems	To create awareness about various methods and frauds of online payments, offer solution for the same.	The successful applications of electronic payment systems rest on the way the privacy and security dimensions have been perceived by consumers as well as traders. If the same has been managed well then in turn it would improve the confidence in the system in the market
2	Sujith T S, Julie C D	2017	Opportunities and Challenges of E- Payment System in India	This study intended to recognise the issues and encounters of electronic payment systems and provide some resolutions to improvise the e-payment system	The study found that, the reach of mobile network, Internet and electricity is also expanding digital payments to remote areas. This will surely increase the number of digital payments
3	Preeti Garg & Manvi Panchal	2017	Study on Introduction of Cashless Economy in India 2016: Benefits & Challenge’s	To study the benefits of cashless economy and to assess the preparedness for the implementation of the cashless economy by Indian Government.	The study found that by introducing cashless economy in India, will surely be seen as a step in right track. It helps in growth and development of Indian economy. Major challenges that can hinder the implementation of the policy are cyber fraud, high illiteracy rate, attitude of people, lack of transparency and efficiency in digital payment system.

Objectives of the study:

- To know the student’s awareness related to the cashless economy.
- To assess the most used online payment apps by the students.
- To analyse the expenses pattern of student which affects their life style.
- To understand the impact of going cashless on student’s spending pattern.

RESEARCH METHODOLOGY

DATA COLLECTION: Data has been collected from one hundred and twenty five students studying in the final year of various prestigious colleges in Bengaluru. All these students were personally interviewed or interacted through telephone and given a questionnaire having twelve Close ended questions. These questions explore the diversity and intensity of the problem and its possible dimensions among the interviewees. The data generated from this exploratory qualitative study were coded and then analysed through percentage method. The questions framed were developed on the basis of various literature of review and understanding of the researcher interviewing the respondents.

SAMPLING TECHNIQUE: Sampling method used for the study was Random sampling. Out of one hundred and twenty five filled questionnaires only one hundred were valid for research work.

For the purpose of framing questions various studies conducted earlier were referred to and with the interaction with various respondents it was updated.

DATA ANALYSIS:

Collected data was tabulated, coded and analysed through percentage method.

Limitations of the study

- The researchers had time duration as a major constrain.
- It is restricted only to final year students studying in various reputed educational institutions of Bengaluru.

Findings from the study

On the basis of primary data collected from 100 respondent's i.e. students of final semester belonging to various prestigious institutes in Bengaluru, following were the findings of the study:

- Sixty percent of the respondents were male and pursuing Bachelors of Business Administration
- As most(36%) of the respondents have come from other places to pursue their education in Bengaluru, their monthly expenses are more than seven thousand five Hundred when compared to the Bangalore based students(28%) who spend only up to two thousand five hundred monthly.
- When interacted, respondents (60%) agreed of having food and beverages as the heaviest element on their pocket money when compared to clothing and accessories (28%) or travelling which sums up to only eight percent of their total expenses.
- All the respondents are aware of various modes of cashless payments available and their usages of these apps are Paytm (72%)
- Instead of using various modes of cashless transactions, plastic cards and virtual wallets, few (16%) of the respondents were unaware about Digital scheme launched in the year 2015.
- Since majority of the respondents are using various cashless mode of payments for Ex. Debit Card, Mobile Wallets, UPI, NEFT they believe that going cashless has had a high impact on them.

Conclusion

There is lot of studies conducted which reveals that cashless payments or digital payment has its own bright as well as dark side. On one hand people are getting comfortable with digital payments, on the other there is some kind of negativity which holds back many from adopting the new system. These negative perceptions can be viewed as security issues, poor mobile network, and lack of interest on part of merchant, high transactional costs, lack of technology knowledge on part of user, dysfunctional POS machines, delayed reimbursement in case of wrong or failed transactions. One of the major reasons which restrict people from using digital wallets is financial limits.

There are numerous positive signs for the progress of cashless payments in India which are convenience in use of cashless transactions and incentive system (cash back policy) .Finally the paper concludes that unless the perception of the people is rightly addressed by various organisations dealing with digital payments, Government and Banking institutions, India may not become a cashless economy . They should overlay the path for safe and secured means to cashless transactions.

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Annexure

1. Name
2. Name of College/ University
3. Gender
4. Course
5. Monthly Expenses
6. What is your money mostly spent on?
7. Are you aware of any cashless mode of payment?
8. Which are the apps you have heard of?
9. Are you using any cashless mode of payment?
10. If using cashless mode of payments, which are the ones which you use?
11. Are you aware about the Digital India Scheme?
12. When was it launched?
13. Is there any impact on you, of going cashless economy?
14. Which mode of payment would you prefer for paying for your day to day expenses?