

**ADOPTION OF M-WALLET PAYMENT SYSTEM BY HOSPITALITY INDUSTRY OF CHHINDWARA CITY.
ISSUES AND CHALLENGES****Tapan Kaushal**

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ABSTRACT:

The Indian government has adopted policy to put the cash economy out of cog in the hope that more and more people could be brought into the cash-less economy. After the demonetization, Mobile Wallets Corporation has expanded rapidly to be the major recipient. Like paytm, freecharge and mobikwik benefitted extremely with major portion of transactions moving towards digital side. In urban areas and even tier two cities it turn out to be easier to access a high speed mobile internet services due to adoption of low-cost smart phones, which help to replace the traditional wallet and they focus on mobile wallet to become a fashion and popular among the people. It can be used to make payments and transaction without the difficulties of carrying cash physically. M-wallets has provided a number of option to the customer like payment of bills, recharge, fees paying option etc and also benefits customers with cash backs offers and number of rewards it raise which makes it even more beneficial to go cashless. According to recent report of trade body ASSOCHAM and business consulting firm RNCOS, the mobile wallet market in the country is expected to hit rupees 151200 crore by financial years 2022 from just about rupees 150 crore now. According to RBI data, m-wallets had presently exceeded mobile banking in volume terms. For the financial year ended March 2016, the volume of m-wallets transactions doubled for the April 2015-February 2016 period to over 550 million. M-wallet is playing a vital role in taking economy to the cashless side. This research paper gives a view of adoption of M-wallet in Hotel and Restaurant sector of Chhindwara city.

KEYWORDS: M-wallet, Cashless.**INTRODUCTION:****CASHLESS ECONOMY:**

Cashless societies portray as an economic state whereby financial dealings are not conducted with cash or in physical banknotes or coins, but rather throughout by digital information (usually an electronic version of money) between the transacting parties.

India having one of the maximum cash to gross domestic product ratios in the world, and lubricating economic activity with paper has a lot of operating cost too. According to a 2014 study by Tufts University, The Cost Of Cash In India, cash operations cost for the Reserve Bank of India (RBI) and commercial banks was about Rs21000 crores annually. India continues to be ambitious by the use of cash; less than 5% of all expenses happen by machine however the finance minister, in 2016 budget speech, talked about the idea of making India a cashless economy, with the aim of restricting the flow of black money. Even the RBI has also recently unveiled a document "Payments and Settlement Systems in India: Vision 2018" setting out a plan to support electronic payments and to facilitate India to move towards a cashless society or economy in medium and long term. For bringing India towards cashless side M-wallet is going to play a vital role.

M-WALLET

Mobile wallet usually refers to payment services operated under financial guideline and performed via a mobile device. Instead of paying via cash, cheques or card. A consumer can use a mobile phone to pay for a wide range of transactions. Although the concept of using non coin based currency systems has a long history, it is only freshly that the technology to prop up such systems has become widely available.

M-wallets have emerged as the most significant contributor in pushing cashless and electronic payments. A mobile wallet app is a virtual wallet where a registered customer can preload a certain amount of money with any service provider, which can be used for various bill payments and recharges. Broadly, there are four kinds of wallets in India - open, semi-open, semi-closed and closed.

1. Open wallets allow users to redeem money and withdraw cash, apart from buying goods and services, including financial services. Only issued by banks e.g.: ICICI Bank Pockets, HDFC Bank Payzapp, SBI Buddy.
2. Semi open wallet: A semi-open wallet, which will allow the customer to transact with merchants at PoS that have a tie-up with Operator. You can't withdraw cash or get it back. Another example for semi open is Gift Cards issued by banks
3. Semi-closed wallets can be used to buy goods and services, including financial services, at select merchant establishments. You cannot withdraw or redeem cash with them e.g.: Paytm, Mobikwik, Citrus, PayUMoney, Oxigen, M-pesa.
4. Closed wallets can be used only for buying goods and services from a particular merchant. Refunds have to be used for further transactions with same merchant. No redemption or cash withdrawals are allowed. E.g.: Bookmyshow, Makemytrip, Flipkart

PAYTM

As of February 2017, 40 percent of the Smartphone users in India use Paytm. Paytm was founded and incubated by One97 Communications in 2010 as a prepaid mobile recharge website. In 2013, the company launched Paytm Wallet, which became India's largest mobile payment service platform with over 150 million wallets and 75 million android based app downloads as of November 2016. The surge in usage of the service was largely due to the demonetization of the 500 and 1000 rupee currency notes

Ab ATM nahi , Paytm karo" and "cash is so yesterday

After 8 November 2016, Paytm's transactions and profit increased significantly

The Paytm Wallet enables users to book air tickets and taxis, mobile recharge, and payment of DTH, broadband and electricity bills among others, the company has single handedly captured 26% of all digital transactions. As of security part now even Paytm support fingerprint scanner i.e without applying user finger print no one can transfer funds from wallet.

MOBIKWIK

MobiKwik is an Indian company offering a mobile phone based payment system. Customers add money to an online wallet that can be used for payments. The company reports a user base of 50 million customers. Each and every penny stored in your wallet is well accounted for. You can also use the extra in-app security settings available on all mobile platforms. MobiKwik received the coveted PrePaid Payment Instrument license from the Reserve Bank of India on 18 July, 2013.

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FREECHARGE

FreeCharge is India top payments app. Customers across the country use FreeCharge to make prepaid, postpaid, DTH, metro recharge and utility bill payments for numerous service providers. It launched wallet in September 2015 and customers are already using it to pay across all major online platforms and offline stores like Shoppers Stop, McDonalds, Cinepolis, HomeStop, Crosswords, Hypercity and even for E-Rickshaws, the list is growing by the day.

OXIGEN

Oxigen wallet is India's leading payment solutions provider. Since 2004 it have been serving India through its business of service aggregation providing instant recharges, bill payment & money transfer through POS machines at over 500,000+ retail outlets .With the Oxigen Wallet, they strive to bring to you the convenience of the same services and more to your mobile phones and desktop. With the trust of 20 million users and counting a network of 15,000 online and offline merchants, 170+ Banks and 15,000 modern trade partners across the country we are one of the most widely accepted mobile wallet in the country.

ITZ CASH CARD

Launched in 2006, Itz Cash Card Ltd., is India's first ever "Multi Service Prepaid Card company" and the leader in this sector. Introduced by the highly diversified Essel Group - a business conglomerate, having businesses in Media and Entertainment, (Zee Network), Tourism and Amusement, (Essel world & Water Kingdom), Packaging, (Essel Propack), Publishing(DNA), and Satellite entertainment (Dish TV). ItzCash is another successful venture that has innovated the entire paradigm of payment solutions across the web and the mobile. ItzCash Card offers a portfolio of customized e-commerce and m-commerce solutions in the B2B & B2C space. ItzCash has an extensive pan-India network spanning over 40,000 ItzCash franchisees branded as ItzCash World Outlets.

M-PESA

M-Pesa is a fast, protected and handy way to transact on mobile brought to you by Vodafone, through its wholly owned subsidiary Vodafone M-Pesa Limited (VMPL) in association with ICICI Bank. Development for the bank began as early as 2008, ICICI launched M-Pesa on 18 April 2013. M-Pesa is a registered trademark of Vodafone and is now available across India. VMPL has been authorized by Reserve Bank of India under Payment and Settlement Systems Act, 2007 for Setting up and Operating a Payment System in India. VMPL is also a business correspondent of ICICI Bank. It provides various services like withdraw money, send money and various recharges. It is one of the emerging companies in the sector.

JIO MONEY

Jio money is a wallet launched by Jio a wholly owned subsidiary of Reliance Industries. Jio money is a smart app with smart feature which provide users various options like pay or send money, recharges, offer coupons of various sites, charity option etc. It launched with convenient option of scan and pay. It is one of most advance app available.

AIRTEL MONEY

Airtel money is a product of Bharti Airtel limited. It allows users to add money instantly and securely. The moment you send money, it is received immediately in the bank account and a confirmation is sent to both sender and receiver. Recently airtel also become the first company

to launch its payment bank in India. App allows user to send and receive money from anywhere, payment of various bills and recharges and shop online through it.

REVIEW OF LITERATURE:

1. (sardar, 2016), He showed that M-wallets have emerged as the most significant contributor in pushing cashless and electronic payments. The surge of smart phones and internet connectivity of 3G and 4G is reflected in the robust growth of Mobile-wallets in India. The present study is focused on preference towards mobile wallets among the urban population of Jalgaon city and effectively analyzed the impact of demographic variables on the usage of Mobile wallets. A total of 60 respondents were analyzed from the urban area of Jalgaon city and their responses were analyzed. Chi-square and T test was used to analyze the data. This study will help in devising appropriate strategies for Mobile wallet companies to tap the potential customers
2. (Dr. Partap Singh and Dr.Virender Singh, 2016) They shown focused on India has amongst the highest level of currencies in circulation at 12.1% of GDP. Cash on hand is an estimated at around 3.2% of household assets, higher than investment in equities, or roughly around \$ 220 billion. Of this cash, 87% is in the form of Rs 500 and Rs 1,000 notes or roughly Rs 14 lakh crore (\$190 billion).A significant portion of the household cash on hand is generated by economic transactions that are not reported to tax authorities or generated through corruption. Scrapping the higher denomination money would either result in these being brought into the system or the money just disappearing. The present paper highlights the probable consequences of this decision on various economic variables and entities.
3. (Shukla, 2016) Has shown focus on Innovative small businesses which will be going beyond merely accepting mobile wallet payments to forming more inclusive mobile strategies than their direct competitors. The smart phone has become the preferred medium for money transactions in cycle with its increased usage and the convenience it provides on the go. So tremendous has been its adoption that the mobile wallet market in India is expected to reach US USD 6.6 billion by 2020 as per the India Mobile Wallet Market Forecast and Opportunities, 2020. Telecom networks are now offering 3G and 4G services across more geography at extremely affordable prices, giving a tangible boost to e-commerce businesses. Stimulated by these factors, more than 40 per cent of e-commerce transactions started happening via mobile phones in India with more than 52 per cent transactions through digital payments. The country is surely moving towards a cashless economy.
4. (CHAUHAN, 2013) Has thrown light on Using the basic concepts of Embedded Systems, an idea for changing the future of Cards (Banking, Petro, Health, Tele-voice, etc.) is proposed in this paper. Requirement of a special card reader, limited lifetime, acceptance being the main disadvantages of today's traditional cards, led to the design of e-Wallet. The main objective of e-Wallet is to make paperless money transaction easier. The main idea behind this paper is to bring in a cheaper, more versatile and much more easily usable kind of a card. Using this e-Wallet the transaction procedure can be as simple as: the customer goes to the point of sale (POS), does the purchasing and when it comes to the payment, the customer submits his e-Wallet to vender who connects it to his terminal (PC).

IMPORTANCE OF STUDY

M-wallet is one the most trending mode of payment in the country after demonetization, still it facing a lot of issue and challenges as it going through its developing phase. Mobile wallet in city like Chhindwara is creating its image in a large level as users are gaining at a rapid speed and started demanding mobile wallet payment option from the business houses. Lot of business houses started putting M-wallet option but still there are many who are not paying attention towards it. This study light focuses upon the usability of mobile wallet in hospitality sector of Chhindwara city, and also states the reason of non usability of M-wallet.

OBJECTIVES:

1. The objective of the research paper is to analysis the usability and non usability of M-wallet in Hospitality sector of Chhindwara city.
2. To study issue and challenges of adopting M-wallet payment system.

STATEMENT OF THE PROBLEM

Within the last decade or so, our world has turn out to be more digitized. For example, we now have internet purchase, and social connections made via short message service (SMS), e-mails and social networks on the Internet. Two significant factors that have contributed to this expansion are the use of mobile phones, and the use of the Internet. We are further 'on the go' than ever and get stuff done while we are on the go via our digital services revolving the world to a mobile village. A part of the over mentioned digital purchases are digital payments. And when the whole thing is mobile, the payments have to be mobile too; we have to be able to pay for goods and services no matter wherever we are. Thus there is a need for an electronic wallet, an e-wallet, with which mobile payments can be made. It is consequently relevant to pay concentration towards mobile payment option as cashless payment.

METHODOLOGY:

SAMPLE SIZE:

The study is based on convenient sampling technique. Total size of sample is restricted to 30. Sample is taken from various hotels and restaurants of Chhindwara city. Restaurants and hotel having annual turnover of more than 25 lakhs has been taken for sample.

TOOLS FOR DATA COLLECTION

Primary data have been used. Primary data was collected through the structured questionnaire. The data collected were further analyzed by using percentage analysis.

LIMITATIONS OF THE STUDY

In real world, researchers in any field of knowledge make the floor for advance researches and this process goes on but all studies and researches have their own borders. The researchers have to face many troubles, some related to circumstances or situations. The main limitations of the study are as follows.

1. Sampling approach has been used in this research. As such the study goes through from the limitations of sampling in general. The particular limitation of this study has been the non-inclusion respondents of cities other than Chhindwara city due to time constraints.

2. The study being part of behavioral research and primary data was collected through Questionnaire as such suffers from the subjectivity biases of the respondents.

3. Again this study is limited to the Chhindwara city so the overview of conclusions of the study may consequently not have universal applicability.

4. The time constraint has been a major limitation of this study.

5. The present study is limited to only 30 respondents, who having annual turnover of more than 25 lakhs in Chhindwara city has been taken as sample.

QUESTIONS	TOTAL RESPONDANT	OPTIONS	NUMBER OF RESPONDANT	PERCENTAGE
DO YOU SUPPORT CASHLESS TRANSACTION?	30	1. YES	23	76.67%
		2. NO	07	23.33%
DO YOU SUPPORT M-WALLETAS MODE OF RECEIVING PAYMENT?	30	1. YES	18	60%
		2. NO	12	40%
IF YES, WHICH M-WALLET DO YOU PREFER?	18	1. PAYTM-18	18	100%
		2. M-PESA- 00	00	00%
		3. MOBIKWIK- 08	08	44.45%
		4. JIO MONEY- 06	06	33.34%
		5. AIRTEL MONEY- 00	00	00%
		6. FREECHARGE- 00	00	00%
		7. OTHER- 00	00	00%
IF NO, WHAT IS THE MOST RELEVANT REASON RESPONSIBLE FOR IT?	12	1. SECURITY REASONS	01	8.34%
		2. DON'T USE SMARTPHONES	00	00%
		3. LACK OF TECHNICAL KNOWLEDGE	03	25%
		4. PROBLEM IN MAKING PETTY PAYMENTS	01	8.34%
		5. LIMITED AMOUNT CAPPING PER MONTH IN M-WALLET	03	25%
		6. DON'T WANT TO DISCLOSE TRANSACTION IN PASSBOOK	02	16.66%
		7. OTHERS (IF ANY)	02	16.66%

Source: Primary data

The study shows the democratic view of various Restaurants and hotel of chhindwara city. Out of 30 respondents who were taken for the study, 76.67% supports cashless transaction and remaining still continues with being on cash terms. Only 60% of those respondent started using M-wallet as payment receiving option remaining still depend on cash payment mode. There are various M-wallet option is available some user prefer three some prefer two type of option out of them 100% M-wallet user prefer Paytm, 44.45% user prefer Mobikwik and 33.34% user prefer jio money. But still there are no user of airtel money, m-pesa, freecharge and other. There are some who don't prefer M-wallet, 8.34% people have security issue, no one is there who stated that they don't use Smartphone, about 25% user having lack of technical knowledge, 8.34% user having problem in making petty expenses, 25% user thinks that there is limited amount capping per month in M-wallet, 16.66% don't want to disclose volume of their transactions in books of account and 16.66% stated various other reason for not using M-wallet.

CONCLUSION:

Chhindwara is one of the most developing city of Madhya Pradesh, with a literacy rate over 89% peoples are shifting towards cashless system very quickly. The data clarify that there are majority of hotel and restaurants started accepting hard or E-money. There is a positive side of usability of M-wallet among Hotel and Restaurants business houses. Most of them are using M-wallet as payment receiving option in their particular business. But there is a Interesting fact in the study that 76.67% i.e. 23 person support cashless transaction but only 18 out of them started using M-wallet i.e. 78.26% shifted towards using M-wallet which means remaining 21.74% moved towards being cashless by using card swap option or using NEFT or RTGS but not started preferring M-wallet. This clears that most of the peoples are started putting M-wallet option and remaining are supporting cashless transactions but still have a personal reason like security factors, limited amount capping, lack of technical knowledge etc for not adopting it. But the progress of M-wallet is growing is a very positive way after Demonetization. Even now small hawkers are also putting m-wallet options in there shop as well as giant business houses too providing this option to the consumer. The study clearly indicates that M-wallet soon going to replace the traditional cash system, as it is easy to adopt, low risk factor involve and also provide various offers like cashback, discount etc to customer which keep their interest in it. India vision towards being a cashless economy needs a wider support from M-wallet and they are getting it in an efficient manner. There is a shining future of digital payment in India with the help of M-wallet.

SUGGESTION:

M-wallet is going to be most popular mode of payment in future. It still needs a further more improvement to encourage people to use M-wallet, there is a fear among the user of losing money or chance of fraud in M-wallet payment, peoples are scared of being lost of mobile can cost loss of their money in M-wallet but now a day's apps are improving their security by putting fingerprint requirement for payment and login, but still there are various devices which does not support fingerprint sensor so apps have to show some improvement by providing two step verification option too. Many people still don't know how to use this technology so workshop must be conducted and proper knowledge about usability of M-wallet must be provided to everyone. There is limited amount capping per month for a M-wallet user even after KYC maximum limit is 1 lakh rupees only for a user which must be increase as for big business houses 1 lakh rupees in a month is not a big issue. Even now Indian mobile operator moved towards 4G but still there is network issues even in big cities also this must be remove as without proper connectivity there is no scope of M-wallet. By implying these improvements M-wallet can get a speedy blow and become primary mode of payment very soon.

SCOPE FOR FURTHER RESEARCH

Further Similar studies can be undertaken for other emerging economies in the world and further, a comparison could be done. After going through of above study a new area which is discover for the further studies is that people are shifting towards cashless transaction but not everyone is preferring M-wallet as a type of cashless transaction, they are depending on RTGS,IMPS,NEFT or UPI payment option. Finding the reason and problem behind it will be the new task of further study.

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