



## **An Overview of Mobile Wallet Adoption in Rural Communities**

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### **ABSTRACT**

The progression of technology has brought several changes in various aspects of our lives, including the means by which we manage our finances. E wallet is a digital version of traditional wallet that allow people to store, manage and conduct electronic financial transactions. When smartphones can function as leather wallets, it is called "Digital Wallet" or widely known as "Mobile Wallet". These are designed to work seamlessly with smartphones enabling users to make mobile payments using Near Field Communication (NFC) or other technologies. The adoption of digital wallets, especially mobile wallets in rural communities is of greater importance in this technological era as they are lacked by various resources as compared to developed communities. Digital wallets can contribute significantly to financial inclusion of rural people to a great extent. This paper gives an overview of the benefits and challenges on the adoption of digital wallets among rural people.

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### **Introduction**

Digitization is a trend that no industry can afford to overlook. Every industry, no matter how big or little, conventional or e-commerce, consumer-facing or industrial, is going to be impacted by the digital wave that will eventually change the face of the economy.

Millions of people's lives have been impacted by mobile phones. More mobile phones are in use than any other technical item that can be utilized for consumer product and service delivery, production, marketing, or sales. This has given service providers and retailers alike rich new prospects.

Global smartphone adoption has made it easier for non-financial businesses like Google and traditional banking services to expand their clientele and enter new markets by providing a wider range of goods and services, especially those that involve providing cutting-edge payment options. Financial services are now available to us at home and in our pockets. Financial transactions have expanded in convenience and reached a wider user base as a result of this transition. The adoption of digital payments is driven by technological advancement in financial applications and mobile devices. Consumers who use their cellphones to make mobile payments can save credit or debit card information in their mobile wallet, which they can access by touching or passing it over a sensor while in the comfort of their own homes or at the scale.

The new mobile payment program, known as a mobile wallet, performs multiple duties, including substituting the traditional wallet. By turning a smartphone into a virtual debit card and allowing money to move with the user, mobile wallets give smartphones additional features. Because mobile wallets allow users to easily and quickly access money, they give retailers an additional means of connecting with customers and driving up sales. The incorporation of these additional services boosts the overall user experience and further simplifies everyday financial transactions.

Customers who are using mobile payments are becoming more trusting this method as a result of the convenience and transparency that these transactions offer. The spread of technology-based payment solutions depends on meeting the needs of consumers, whether they are actual or perceived, as their acceptance will dictate whether or not any particular mobile payment system becomes the norm. China and India account for more than two thirds of the global mobile wallet user population.

Mobile technology is an increasingly big part of consumers life today, however mobile payments is not one of the most used mobile services even though the technology and payment solutions exist. It might be that, there is still a lack of acceptance of mobile payments among consumers today. This makes the market unstable because, in the event that customers are hesitant to use such service, retailers will be hesitant to accept mobile payments. In order to reap the benefits of mobile payment implementation, businesses need to have a deeper understanding of the critical variables that must be taken into account for successful adoption. This might be achieved by offering their clients a quick, easy, and engaging experience. Many businesses stand to gain or lose a great deal from the adoption of mobile payments.

The study understands what are the factors that influence the adoption of mobile wallet applications, its usability, acceptance, and challenges.

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## Key Features of Mobile Wallets

Unlike traditional financial services, mobile wallets do not necessitate users to have a physical bank account. This is specifically advantageous for users who may face challenges in accessing banking services owing to inadequate physical infrastructure in their areas. With these wallets, users can effortlessly set up an account using their mobile phones and appreciate a range of financial services, like making payments, transferring funds, and even getting government aids directly into their wallets.

Another feature of digital wallets that adds value for users is its convenience. Mobile wallets permit users to carry out transactions anytime, anywhere, through their mobile devices. The financial transactions can be performed with just a few taps on their smartphones facilitating saving of time, effort, and transportation costs thereby ultimately enhancing people's overall financial experience. Nowadays certain mobile wallets support international transactions enabling users to make payments or send money across borders with ease. Additionally, such e-wallets provide transaction histories and receipts, permitting users to easily track their monetary transactions, which can be useful for planning and budgeting activities.

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## Most Commonly Adopted Digital Wallets in India

### Paytm:

Paytm has experienced fabulous growth since its commencement in 2010. It provides a user-friendly interface and numerous of payment options, that allows consumers to make transactions with ease across several trade classes. With strong security proprieties in place, people can trust Paytm to handle their monetary transactions securely. Its wide network of over 200 million active users has supported to its supremacy in the Indian e-wallet landscape.

### PhonePe:

Another formidable player PhonePe is launched in the 2016. This app allows people to make quick dealings, with immediate money transfers, bill payments, and online shopping. Its features, especially cashback rewards and a user-friendly interface, have stimulated its rapid adoption among many. Its acceptance in Indian sector is attributed to association with major e-commerce players and its widespread promotion campaigns.

### Google Pay:

Google Pay, formerly known as Tez, arrived the Indian market in 2017. With its simple, Users find it easy to perform financial transactions using this e-wallet due to its hassle-free interface and integration with other Google apps. It allows users to make seamless and secure payments directly from their bank accounts. a Furthermore, it offers extra benefits such as scratch cards and rewards, which have contributed to its increasing popularity.

### Amazon Pay:

Famous E-commerce operator Amazon launched its digital wallet, Amazon Pay, in India in 2016. It allows users to make expenditures for various services, including recharges, bill payments, and online shopping. With a wide acceptance across numerous online platforms, Amazon Pay has arisen as a prevalent choice among Indian customers.

### Mobikwik

It is an Indian digital wallet and mobile based payment system which was invented in 2009. Though it was started as a mobile recharge platform, it expanded its services to develop a complete digital payments platform. Security feature of this app include two factor authentication and encryption protocols.

### Vodafone M- Pesa

It is a mobile money transfer and payment services offered by Vodafone in various countries. claims to be India's largest cash out network, with over 85,000 M-pesa agents spread across the country

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## Benefits of Digital Wallets

Users of e wallets can link their credit or debit cards, as well as their bank accounts, to their mobile wallet, permitting them to make speedy and hassle-free transactions at a wide range of traders. This eradicates the requirement of carrying physical cash or cards, reducing the danger of loss, theft, or deceitful dealings.

Another advantage of mobile wallets is their capability to enable peer-to-peer (P2P) transfers. Users can effortlessly send and receive money to and from their friends and family members, eliminating the need for complex bank transfers. They significantly reduce the usage of plastic waste created by traditional wallets and loyalty cards. Furthermore, mobile wallets encourage financial inclusion by providing access to banking services for those who have no traditional accounts. This is mostly helpful in developing countries where mobile penetration is high nevertheless traditional banking services are limited. The progress of e wallets has urged innovation in the fintech industry, leading to the expansion of advanced financial products and services that provide to new consumer needs.

Digital wallets allow communities to get advantage from the growing e-commerce sector. With the upsurge of online marketplaces and the availability of goods and services at the click of a button, digital wallets enable convenient and secure online transactions. This provides opportunities for business persons to showcase and sell their products to an extensive customer base across different geographies. By doing so, people can improve their income-generating activities and contribute to economic growth in their communities.

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### **Challenges in the adoption of Mobile Wallet application**

Through examining previous studies, the following paragraph pursues to shed light on the challenges allied with mobile wallet usages in rural context.

#### **Lack of Infrastructure**

In well developed areas, the acceptance of mobile wallet applications has become relatively common, with countless people selecting to practice digital payment systems as an alternative of outdated cash dealings. But, when considering the rural groups, mobile wallet applications have struggled to gain acceptance. One of the main reasons for the lesser acceptance of e-wallet applications in backward areas is the lack of infrastructure. Although e-wallet applications necessitate smartphones for usage, many individuals in rural communities may not have access to these devices. Additionally, the accessibility of internet connections in such areas is often restricted, creating difficulty for people to get the mobile-wallet applications. Additionally, the lack of robust banking infrastructure and ATMs further hinders the efficacy of mobile wallet applications in rural areas.

#### **Lack of Awareness and Trust**

Another vital issue that donates to the lack of acceptance is the lack of awareness and trust among rural communities about mobile wallet applications. Mobile wallets are comparatively a new concept for many people, especially in rural areas where technological developments may not be as predominant. The educational campaigns have not sufficiently presented rural populations to the advantages and security measures associated with mobile wallets. Moreover, some persons may be doubtful regarding the safety of their financial data and may hesitate to accept mobile wallets due to fear of fraud and cyber-crimes.

#### **Cultural and Behavioural Considerations**

Cultural and behavioral aspects also have influence in the acceptance of mobile wallet applications in rural areas. Cash transactions have long been the custom in communities, and some persons may be reluctant to change. There is fondness for currency and face-to-face communications, values deep-rooted in rural cultures. Moreover, a substantial percentage of rural populations may have low levels of knowledge or restricted acquaintance to digital technology, making it more difficult for them to engage in mobile wallet platforms.

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### **Measures to Promote Mobile Wallet Adoption**

In this era, there has been a drive to bridge the digital gap and fetch technological developments, with e-wallet applications, to rural people. Several organizations and governments have been trying to expand internet infrastructure in such areas, facilitating it convenient for persons to access e-wallet applications. Besides, education and awareness programmes play a vital role in the implementation of digital wallet applications among rural communities. These initiatives can be applied to provide awareness to rural communities regarding the advantages of e-wallet applications, such as suitability, safety, and the capacity to make fast and continuous transactions.

Another major reason contributes to the lower adoption of digital wallet applications is the preference of rural community for traditional cash transactions as such transactions are deep-rooted in their daily life and have been the standard for generations. To address this, e-wallet providers can cooperate with resident businesses to offer incentives or rebates while using digital payment methods. Furthermore, it is important that e-wallet applications specifically tailored to the needs of rural communities. It can be ensured by prioritizing simple interfaces, providing support in local languages, and also by offering features that are significant to the sole conditions of rural areas.

The lack of reception of mobile wallet applications in rural areas is a complex issue. It is rooted from various aspects such as limited accessibility and inadequate infrastructure, lack of awareness and trust, and cultural and behavioral considerations. Addressing these issues demand a complete approach that comprises developing infrastructure and connectivity, arranging awareness programmes, and modifying mobile wallet platforms to meet the specific requirements of rural communities. By addressing these issues, mobile wallets can become a feasible financial solution for rural communities, enhancing financial inclusion and allowing individuals with better access to contemporary payment means.

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