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What is a mobile wallet?

• Mode to carry one’s credit/debit card information in a digital form on one’s mobile device
• Payment through smart phone or tablet instead of using plastic card
• Used for shopping online, booking tickets, paying bills etc.
Types of mobile wallet

• Open Wallet
  ➢ Buy goods and services
  ➢ Withdraw cash at ATMs/Banks
  ➢ Transfer funds
  ➢ Send money to any mobile number bank account
  ➢ Example: M-Pesa by Vodafone and ICICI
Types of mobile wallet

- Semi-Open Wallet
  - Transaction with merchants having contract with wallet company
  - User can’t withdraw cash or get it back
  - User will have to spend the amount he had loaded
  - Example: Airtel
Types of mobile wallet

• Closed Wallet
  ➢ Money is locked with merchant in case of a cancellation or return of order or gift cards
  ➢ Example: Flipkart Money

• Semi-Closed Wallet
  ➢ Cash withdrawal or redemption not permitted
  ➢ Allows users to buy goods and services at listed merchants
  ➢ Example: Paytm
Mobile Payment Transaction

- Transfer of funds in return for a good or a service
- M-payment vital driver for Indian e-commerce industry’s growth
- M-payments available in India since 2010
- Driven by rise in smartphone and tablet users, low mobile tariffs, affordable handsets, and penetration of the internet
Transaction Volume of Mobile Payment (INR Billion)

Source: Associated Chambers of Commerce and Industry of India (ASSOCHAM)
Transaction Value of Mobile Payment (INR Billion)

Source: Associated Chambers of Commerce and Industry of India (ASSOCHAM)
Merits of Mobile Wallet

• Zero probability of misplacing, pick pocketing or snatching
• Restricted exposure to confidential information as payment is one-tap unlike net banking or debit/credit card
• Rewards in form of discounts and cashbacks
Demerits of Mobile Wallet

• Internet dependent with good connectivity
• Limited to mobile-savvy people
• Limited number of merchants listed with m-wallet company
• Amount limitation while depositing in m-wallets
• Dependent on mobile functionality
Major Players in India

- Airtel Money
- Citi Master Pass
- Citrus Pay
- Jio Money
- Ola Money
- PayUMoney
- State Bank Buddy
- ICICI Pockets
- Axis Bank Lime
- Paytm
- MobiKwik
- Oxigen Wallet
- mRupee
- Vodafone M-Pesa
- HDFC PayZapp
- FreeCharge
- Ezetap
- ItzCash
Mobile Payment Overview

• Transaction Volume (FY 2016) = INR 2.9 billion
  ➢ CAGR (FY2016 – FY 2022) = 132%
  ➢ Estimated Transaction Volume (FY 2022) = INR 460 billion

• Transaction Value (FY 2016) = INR 8.2 trillion
  ➢ CAGR (FY2016 – FY 2022) = 150%
  ➢ Estimated Transaction Volume (FY 2022) = INR 2205 trillion
Non-Cash Payment Value by Transaction Type (FY17)

Source: Associated Chambers of Commerce and Industry of India (ASSOCHAM)
Non-Cash Payment Volume by Transaction Type (FY17)

- Cheques: 39.0%
- RTGS: 55.7%
- CCIL: 5.0%
- Others: 0.3%

Source: Associated Chambers of Commerce and Industry of India (ASSOCHAM)
Drivers of Mobile Wallet Industry

• Increase in mobile internet users due to reduction of charges by telecom operators
• Rise in usage of smartphones because of decreasing handset prices
• Growth of e-commerce industry on the back of increased internet penetration and smartphone users
• Huge benefits at online and offline stores
• Ease and convenience of doing transaction
Trends in Mobile Wallet Industry

- M-wallets for basic phone users
- Technology firms entering m-wallet business
- Launch of Unified Payments Interface (UPI)
- Entry of new players in the market
- Provision for short term credit via m-wallets
- Rising merchant tie-ups
- M-wallet facilitating banking services via social media platforms
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