

***India with a population of approximately 1.25 billion, 700 millions of debit/credit cards is at the edge of go cashless. Indian likes to transact in cash having an urge to feel of the item and pay. But the scenario is changing...***

Government's move of Demonetization has been welcomed by the people of India, who have accepted to accelerate their move towards electronic transactions for the progress of the country. From the vegetable vendors, milkmen, rickshaw puller to small business owner are now turning to digital payments services. Successful in fulfilling its aim of curb on black money, demonetization is also going to boost its economy by making digital payments a dominant trend.

With the Government's flagship Digital India Programme, adoption of digital payments and enabling a seamless payment experience will play a crucial role in realizing the vision of a digitally empowered economy. The Indian payments industry still has a vast untapped potential to enable consumers transact, transfer electronically with ease, speed and security and to take India to a deserving leadership position globally.

### **What is Electronic money?**

Also known as e-money, is the money balance recorded electronically on a stored-value card. Electronic money is bank deposits, electronic funds transfer, direct deposit, payment processors, and digital currencies.

The retail industry has been little slow to adopt nascent technologies in order to accept mobile payments. However, consumers are getting increasingly comfortable with the idea of conducting transactions with the use of an ATM or a mobile phone; for which a number of choices are available handy.

### **Government Support**

To keep up with the pace of the global economy, the Government is pushing out policies to encourage a movement towards a cashless society. Pradhan Mantri Jan Dhan Yojana is a startup that connected rural Indians to banking system and introduced the convenience of use of plastic money. This is happening through various initiatives: Payment banks, Bharat Bill Payment Services, proposal to do away with surcharge / convenience fees etc.

## **Wallets & Banking Apps**

Savvy consumers are now even ditching their credit/debit cards when it comes to making a purchase online, all thanks to wallet and banking apps which allow swift checkout experience with freebies and awards points.

According to the chairman of the Payment Council of India, small merchants will be able to receive digital currency without deploying physical POS terminals or other infrastructure.

## **Benefits of Utilizing a Digital Payment System**

- 1. Time savings.** Money transfer between virtual accounts usually takes a few minutes, while a transfer through bank or a postal one may take several days also require time to wait in the line.
- 2. Reduced risk of loss and theft:** You cannot forget your virtual wallet somewhere and it cannot be taken away by robbers.
- 3. Low cost:** No or lower cost of disbursing and receiving payments
- 4. User-friendly.** Usually every service is designed to reach the widest possible audience, so it has the intuitively understandable user interface. In addition, there is always the opportunity to submit a question to a support team, which often works 24/7. Also forums are available to answer queries on the subject.
- 5. Convenience.** All the transfers can be performed at anytime, anywhere. It's enough to have an access to the Internet.
- 6. Online Passbook-** The online account contains the history of all transactions that can be checked anytime.
- 7. Credit Facility:** In case of credit card you have the option of buying on credit or paying later. Although the charges are high, it helps you in case of emergencies and contingencies.
- 8. Simplify Dispute Management:** With an electronic payment system, companies enjoy improved data accuracy and automated disbursement, receipt and payment processing to streamline vendor dispute management.
- 9. Improved Workflow Efficiencies:** Increased automation is a key feature of a robust electronic payment system, enabling less reliance on time-consuming and costly manual business processes.
- 10. Eliminates the need for carrying huge cash:** This eliminates the need for carrying huge load of cash which is risky and inconvenient too.