

Rising Growth of Digital Payment in India

India's digital payment story is fresh but thrilling from being a cash-obsessed economy. The payment industry is experiencing a transformational change due to the fast pace of mobile internet usage and revolutionary regulatory policies. The coming years will witness this new way of money movement in the Indian market economy.

Current Storyline

Digital payment modes such as electronic authentication, mobile wallets, and payments banks, are gradually surging forward in India. To gain a strong customer base, digital wallets provide cashback offers and other profitable deals using the credit system approach. Now, companies offering digital wallet facilities have marked their footsteps in the consumer's pocket as well as smartphones.

The payment in supermarket, restaurant, and shopping malls and offline transactions have been immense these days. And it is expected that the offline transactions will play a role of major contributor in the realm of digital payment. There is an exponential growth graph since digital wallet evolution which gives a new power to the digital sector. The electronic deposit tale hits the following sectors:

- Entertainment business (BookMyShow)
- Internet ticketing (IRCTC)
- Tourism (Yatra, MakeMyTrip, Cleartrip, Goibibo, etc., for airlines and hotels)
- Restaurant (Zomato, Swiggy, Foodpanda)

Demonetization Effect

Another factor behind the rise of digital payments is RBI policy of demonetization, the act of withdrawing old currency notes of certain denomination. Since then, the digital transactions have reached to the next level.

The circulation of limited cash gave it an opportunity of go-cashless to fill the gap of liquid cash until it comes again in pocket. On large scale, the digital wallet is now used by consumers of all age groups especially 15 to 50.

Key Contributors

There are multiple factors leading to the exponential growth of digital transaction which includes:

- Increasing number of smartphone users
- Convenient payment
- Enlarging consumer readiness
- Surging non-banking payment institutions, etc.

Ease, accessibility and profitable deals are three primary variables boosting the development of electronic transfer services in India. The Indian government initiative by launching new payment system (UPI and Aadhar linked payments) has strengthened the digital infrastructure.

Security Concerns

Security has always been a challenge in every industry. But thanks to government and digital payment service providers who keep working on the data security to ensure no possible attack on consumers' data and it remains unaffected. The Do's and Don'ts are clearly told to consumers; one of the common Do's is **"Never share your account password and PIN with others"**. Such efforts to educate consumers are continue via email, phone call, and message.

Future of Digital Payments in India

Comparing to the last few years, the expansion of dynamic payment system and digital transfer channel continues to grow with several trends. This reinforces digital payment market and makes India one of the exciting electronic payment hotspot across the world. The biometric technology has given a new life to this sector and provides ease for consumers to access on device even when you don't remember password/PIN.

After the success of Amazon Alexa, FinTechs also started making voice assistance for all electronic payment systems, the recent innovation in the digital payment market. Facial recognition payment could be another outbreak in this market.

Conclusion

Nearly 383% growth in digital payment market is witnessing the high adoption rate from business and consumers. As the digital payment demand shoots up, the concern of data security goes up too. Therefore, consumers are recommended to follow good security habits. We are looking forward to welcome innovative ideas whose contribution will take this electronic payment industry to the next level of success.