

The Challenges and Future of E-Wallet

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INTRODUCTION: BACKGROUND

The term “cashless” is heard on a daily basis these days and it is called digital payment with no cold, hard cash involved. The transactions are made via electronic transfers where it only takes a tap of a smartphone or scan of a QR code to complete the process. E-wallet is an electronic device or an online service that enables electronic transactions. This includes purchasing items online, where banking accounts, bank cards, IDs etc can be linked to the digital wallet. Payments or purchases can be made with just a click away, with those banking and personal information stored in the system. E-wallet is surfing on the e-payment world currently and seems to stay for a long time. A note to consider is that digital wallets are not all about making transactions, but also to authenticate the purchasers’ credentials, such as; e-wallet could verify the age of the buyer to the store while purchasing alcohol or cigarettes. E-wallet proposes easy and safe transaction for purchasers as consumers are not required to fill out particulars when they purchase because the information has already been stored or saved in the e-wallet system. Other than that, due to rising number of snatch theft or crimes worldwide, e-wallet is a cashless transaction, hence the safe feature being embossed in it. On the other hand, e-wallets are made available to consumers without any charges.

The term e-wallet, mobile wallet, electronic wallets, virtual wallets, digital wallets, cashless transactions, mobile payments and similar terms are used interchangeably among consumers and sellers. These terms are mobile applications that enable financial transactions. Although e-wallet concept more pros than cons, it may not seem that many people are using e-wallet technology at the moment. Few years ago, most of the players in the banking industry foresee that e-wallets would take over the usage of cash and credit/debit cards (plastics) by consumers quickly. However, e-wallets haven’t exactly taken off and consumers’ reception and interest do not seem to take off and this shows that the concept of e-wallets still have a long way to go. What can be reasons for this phenomenon? Most of the prominent shops, whether it is online or walk-in are introducing the e-wallet concept for its buyers. The question remains, is this the future way of making payment when purchasing online or walk-in? Is the e-wallet function the same as our physical wallet in our actual wallet? Is there only one e-wallet for all the shops and purchases? At this moment, there are many different e-wallets platforms for different shops and each time the purchaser need to top-up or reload money in the e-wallets, it seems to pose as a hassle more than convenience and it is merely almost impossible to really empty the e-wallet to zero amount. There will be somehow some cents or dollars in these e-wallets. The e-wallet is in the current wave for the younger purchasers due to its “cashless” and “pay anytime” concepts. There are many perspectives that need to be considered before e-wallet makes it mark in the market entirely, such as; older generations reception, problems to eye-sight due to age, the e-wallet platform readiness, law pertaining to e-wallet, safety features of e-wallet, new trend of cyber crime arises, internet accessibility, stability and its speed in the country etc all make e-wallet little tougher on rising on a full scale. Other than that, consumers do

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not seem to like to go through the hassle to change that provide little differences between plastics and e-wallet. Both are cashless and, plastics are somehow very convenient too, just swap and sign or swap with 6-digit pin number at the counter. E-wallets need to have more benefits or perks than plastics in order to win over these plastics consumers. Currently, credit cards are the most popular mode of payment for consumers in the world followed closely with debit cards. Nevertheless; it is difficult to know the future given the stealth ability of e-wallet tools.

FOCUS OF THE ARTICLE: E-WALLET KEY TAKEAWAYS

CMB Consumer Pulse (2015), highlighted several key takeaways for E-Wallet:

- 2015 is the year when mobile payments take off and rewards and discounts won't be the only motivators—Familiarity and usage have doubled since 2013; with 15% having used a mobile wallet in the past 6 months and an additional 22% likely to adopt in the coming 6 months. Rewards and discounts are compelling to potential users but alternate uses including the ability to use a device as a photo ID or in spend management are also compelling.
- Barriers to mobile wallet adoption are diminishing overall—Security concerns remain the number one barrier to mobile wallet adoption—however just 62% of respondents list security as the number one barrier, down from 73% in 2013. The near ubiquity of online shopping (86% have made a purchase from their desktop or laptop in the past 6 months) may be acclimating consumers to perceived security risks like identity theft.
- Wearable technology, often called “wearables,” is clothing or accessories that incorporate computer and advanced electronic technologies. The designs often incorporate practical functions and features, such as pedometers, heart rate monitors and activity trackers. Wearables set to pave the way for mobile wallet adoption. While many consumers don't yet see the benefit to using their phone at the point of sale, the ability to scan a wearable device, like a smartwatch, at the register may help customers overcome this convenience barrier. Nearly 40% of those highly likely to buy wearables in the coming year want it to come with mobile wallet functionality. And the majority of likely wearable buyers claim that the presence/absence of a mobile wallet has a major impact on their purchase decision.

E-WALLET FEATURES

E-wallet is known as digital wallet is an electronic device or an online service that enables electronic transactions. E-wallets companies have been ramping up on their infrastructure with several features to capture the interest of consumers. The following are some of the common features of e-wallet:

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