

**FAILURE OF WHATSAPP DIGITAL PAYMENT IN INDIA.****Jinali Akshay Tejani**

Research Scholar, Nagindas Khandwala College (Autonomous) Affiliated to University of Mumbai

**ABSTRACT**

The shift from cash to digital wallets, exemplified by the rapid adoption of Unified Payments Interface (UPI) transactions in India, underscores a transformative trend in financial technology. UPI's convenience, interoperability, and user-friendly features have made it immensely popular across retail and small businesses, bridging urban-rural divides with its QR code accessibility.

Despite this growth, the digital wallet landscape remains fiercely competitive, with companies offering enticing incentives like coupons and cashback to attract users.

In this context, WhatsApp, leveraging its extensive global user base, ventured into digital payments but faced significant challenges. Chief among these was public skepticism stemming from concerns over WhatsApp's privacy policies and data handling practices. The linkage of digital wallets to bank accounts necessitates stringent privacy and security measures, crucial for building consumer trust.

This research aims to uncover the reasons behind WhatsApp's failure to gain traction in the digital payment space, despite its vast reach. Through a survey targeting diverse age groups— boomers, Generation X, millennials, and Gen Z—the study seeks to identify critical gaps in WhatsApp's offering and propose strategies to address them. Literature review highlights varying perspectives on WhatsApp's payment feature, emphasizing issues in customer acquisition and retention.

Key insights from this study will inform recommendations for WhatsApp and similar platforms aiming to succeed in India's dynamic digital payment ecosystem. Understanding these challenges is vital for enhancing user trust and reshaping strategies to better align with consumer expectations and market demands. This abstract encapsulates the essential elements of your research, outlining the context, objectives, methodology, and key findings of the study regarding WhatsApp's digital payment endeavors in India.

**INTRODUCTION**

A shift from cash to digital wallets has been witnessed by human mankind. UPI transactions have rapidly gained widespread adoption, like a wildfire spreading in Amazon forest. With features like convenience, interoperability and being user friendly, UPI is highly accepted by the people.

Popular in retail as well as in small business with easy access to QR code UPI has become an intangible wallet. UPI payment gateways to facilitate payments and has become boon for both consumers and merchants. Businesses from various sectors are integrating UPI payment

gateways to facilitate it as it becomes easy for the business to transfer money directly to their bank account and for the government to track money and transaction of business and individual. Importantly, UPIs have spread not only in urban areas but also in rural areas.

Despite this tremendous growth and the entry of numerous digital wallet companies offering coupons and cashback offers is also increasing. This has even attracted the customers towards various digital wallets. With the user market been so volatile consumers shift from one application to another application for better offers and coupons.

Despite having a huge database, WhatsApp has failed its entry in Digital payment wallet due to lack of various facilities. One of the major reasons for failure is that WhatsApp has always been in talk due to its privacy policy and selling data of its customers. This reduces people's belief in apps for sharing their bank details and passcodes.

## *International Journal of Applied Engineering & Technology*

---

With digital wallet being linked with your bank account and financial statements it is very important for the application to increase privacy and security rules so that it increases the belief of the people.

### **OBJECTIVES**

Being a company with data of almost entire world a company which ranks has failed tremendously for entering digital payment wallet. What went wrong and what are the reasons that contributed towards the failure of WhatsApp in getting customers to join digital payment which was directly connected to existing application. The main objective of this research is to know the gap that was not filled by WhatsApp and what are the measures that can be considered to fill that gap.

### **RESEARCH METHODOLOGY**

The research methodology contains a survey on reasons for the failure of new update of the application. Primary data was collected using google form. Various age groups were targeted.

The major reasons is to understand the perspectives of bloomers, Generation X, millennials and Gen Z since each group has different ways of spending money and different mode of payments. This would eradicate the research from any biasness based on age and spending of money and not keep it tilted to digital payment which is highly accepted by Gen Z generation.

### **REVIEW OF LITERATURE**

**(Srivastava, 2021)** WhatsApp is a powerful product and having digital payments as a feature in the product is making daily transactions faster among its user bases. Based on research, secondary research on WhatsApp payment isn't mainstream. WhatsApp might have its own reasons for not being able to incorporate the things but there are certain factors that can even make a business or even break a business.

The early bloomers did have a bad experience and they were ready to switch digital payment mode quite easily. With multiple positive reviews over the internet, WhatsApp payment has made life easier, with one single application for messaging as well as digital payment. The product seemed to be lacking mostly along the trigger and acquisition, and a little bit along the retention

**(Grover, 2022)** his tweet read, 'WhatsApp pay has the biggest failure in India as a teach product. Everyone has WhatsApp on their phone – sending money on WA using UPI as easy as sending a pic. It should have beaten Paytm, Phone pe, google pay, etc. country manager can't win you markets – good riddance now! "With reference to his tweet he even posted a picture of WhatsApp huge advertisement in the newspaper and expressed in Hindi how useless the ad was to the consumer because the ad focused on WhatsApp as messenger app and not show casing the side of digital wallet.

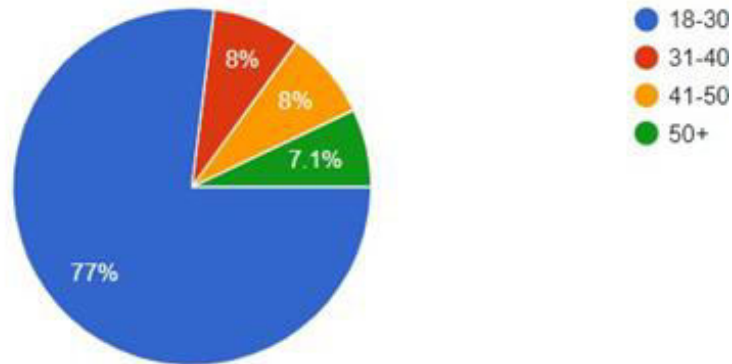
### **(IANS, 2021)**

Facebook being a parent company of WhatsApp started digital payments in India in the year 2018 with nearly 10 lakh users but failed to make its way even after more than three years of its inception, as the transaction value of UPI continues to break all records in India. In the month of September 2021 3.65 billion transaction worth Rs 6,54,351 crore was recorded. But this was majorly recorded by rival companies like Gpay, Phonepe, Paytm while WhatsApp only accounted 0.01 %.

**DATA INTERPRETATION**

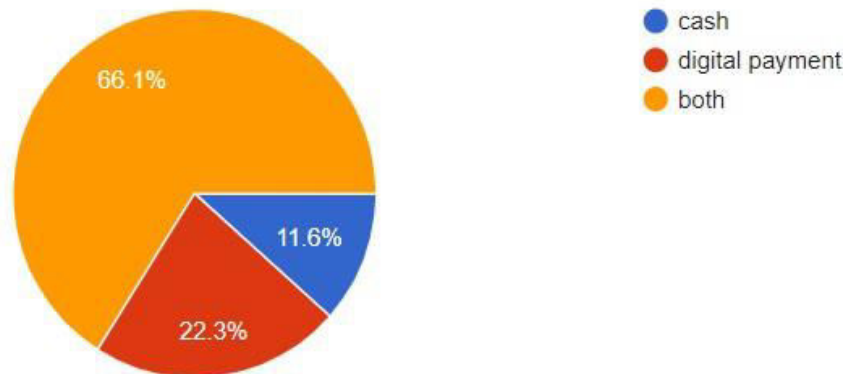
age

113 responses



As discussed above the data was collected from various age group but as seen the age group of 18 to 30 are the highest respondents. Since this age groups mostly accounts as working group age and adapt to change much faster than bloomers and gen X.

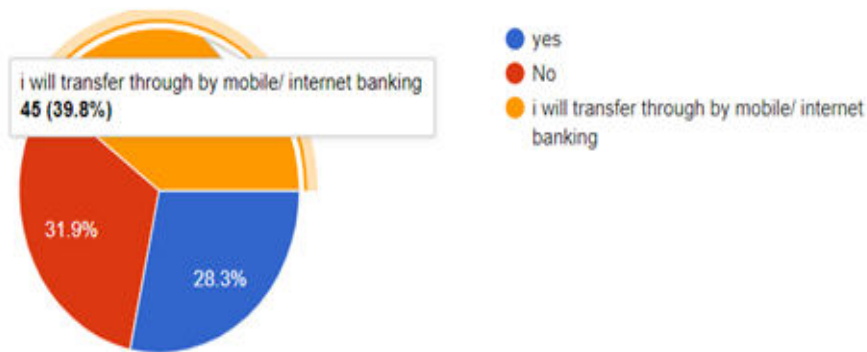
what type of payment transfer you prefer?



With the emerging trend in digital wallet we have mixed of respondents which uses both type of payment method as and when required in the situation. Cash replacement still looks difficult even after many replacement applications are available.

would you use digital wallet to transfer a big amount?

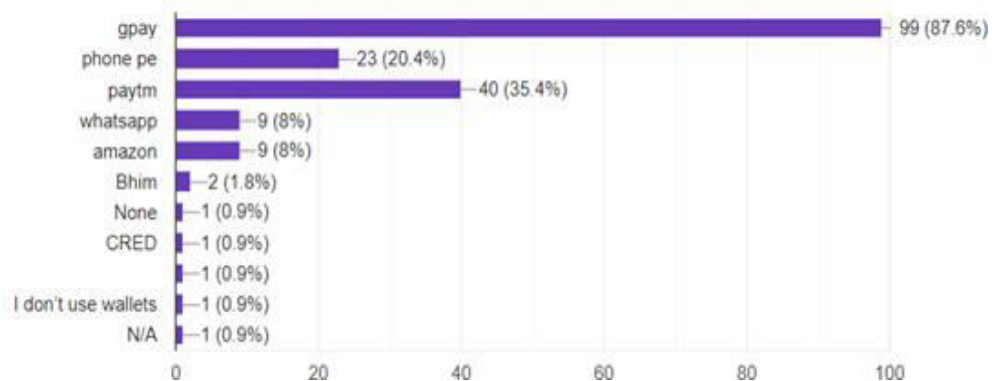
113 responses



With availability and with almost zero transaction fees digital wallets are still not considered as the best mode to transfer a big number of money and people still rely on their bank Internet and Mobile banking services even after a transaction fee been charged.

select all the digital wallet used by you.

113 responses



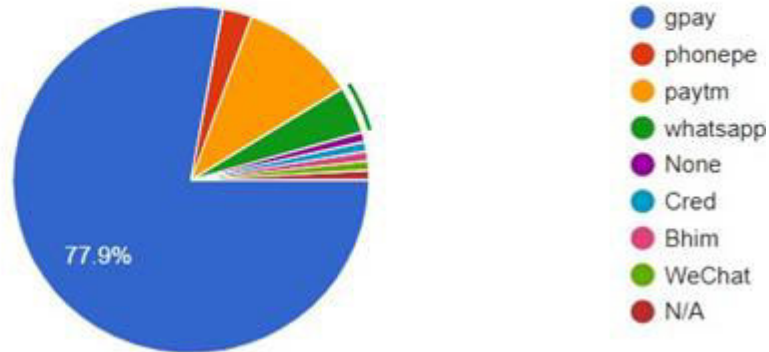
Respondents use multiple digital Wallet payment method including application like Gpay, Phone Pe, Paytm, WhatsApp, Amazon digital wallet.

But when categorized down to selecting the most used digital wallet payment used by them Gpay has topped the ranking. With more of advertisements Gpay has resided in the minds of people and that is why it is the first app that comes up when talked about digital payment wallet.

### International Journal of Applied Engineering & Technology

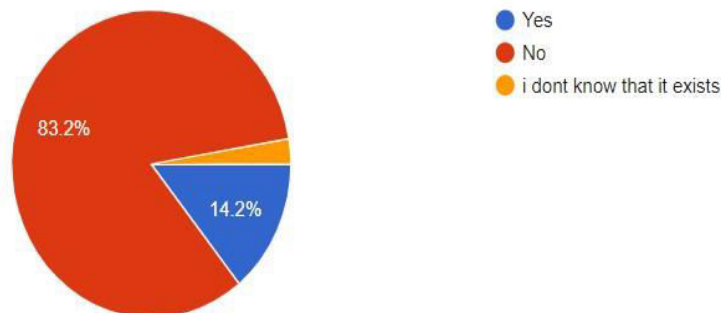
which digital wallet is most used by you

113 responses



did you try using whatsapp digital wallet?

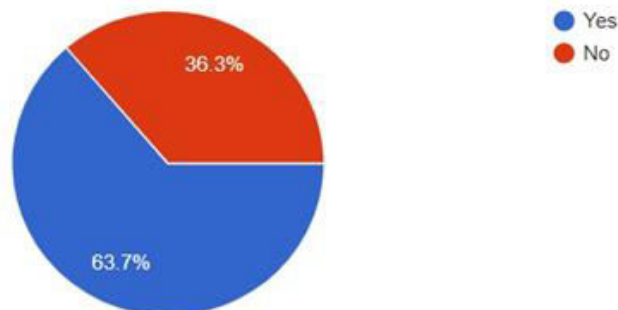
113 responses



During the research people have upfronted opted that they don't want to use WhatsApp digital payment wallet. While many minimal populations did not knew about WhatsApp wallet.

if you get frequent cash backs / coupons would you use Whatsapp digital wallet

113 responses



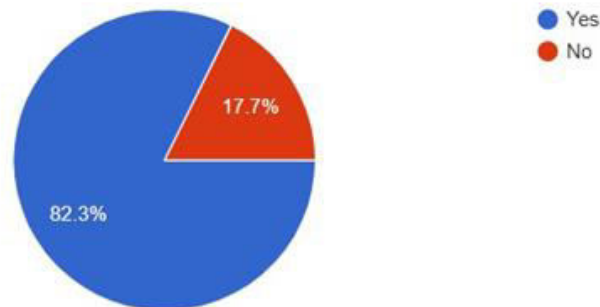
The respondents are very volatile and would switch brands just because they get cashbacks and coupons. While some people are loyal customers and would stick to their ongoing brand.

## *International Journal of Applied Engineering & Technology*

---

do you think Whatsapp should advertise more about its digital wallet to spread awareness

113 responses



The major reasons that WhatsApp has failed was because it failed to advertise and the major consequence that occurred was people did not adopt that application.

### **FINDINGS**

- The company should focus more on advertisement more.
- The company should give cashbacks because that is the only way that the company can do comeback.
- Awareness is going to be key factor to re-enter the market.
- The company requires to target the age group of 18 to 30 since this is the age group that adopts change easily.
- India is a huge market with highest population and even highest number of working populations. It would be very beneficial for the company to focus and educate its database i.e. customers so that it will cater huge money and increase its market share.

### **CONCLUSION**

The issues surrounding WhatsApp payments in India highlight significant challenges in integrating digital financial services into the country's diverse and complex financial landscape. Despite initial enthusiasm and potential benefits for users, the frequent reports of payment failures underscore the critical need for robust infrastructure, stringent security measures, and seamless regulatory frameworks.

As WhatsApp continues to navigate these challenges, it must prioritize user trust and satisfaction by addressing technical glitches promptly and enhancing transparency in communication.

Moreover, collaboration with regulatory authorities and financial institutions is essential to ensure compliance and mitigate risks effectively.

The evolution of WhatsApp payments in India serves as a valuable case study in the global drive towards digital payments, emphasizing the importance of adaptability, reliability, and consumer protection in shaping the future of financial technology.

### **BIBLIOGRAPHY**

1. <https://www.linkedin.com/pulse/mysterious-business-failure-whatsapp-sandcup>
2. <https://uxplanet.org/why-whatsapp-payment-isnt-mainstream-yet-70383a764b6b>
3. <https://www.linkedin.com/pulse/mysterious-business-failure-whatsapp-sandcup>