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### **Digital Revolution Ahead in the Wusiness World- Friction Less Payment is the Future**

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#### **ABSTRACT:**

The development of a country's financial sector plays an important role in all the sectors. In the present scenario everything is technology and the intention of today's consumer need and want has to be fulfilled in the doorstep of them. Banking in today's trend emphasize more on creating and sustaining customers by various mode as well as to make every simple transactions for the customers in a most simplified and effortlessly accessible manner. One such invention of Frictionless payment would be a compassionate module for the customers. Friction less payment refers to online and offline checkout processes where the barriers of business have been diminish. Frictionless payments include mobile and digital wallets, contactless card payments, auto-renewing subscriptions, device-initiated payments, invisible payments, contextual online payments, in-app payments, and one-click payments. Today's technology make the buying easier for the buyer and selling easier for the seller, and also in turn effectively decreasing shopping cart abandonment, while increasing revenue and improving the customer experience. Friction less payment is a demand by the consumer and a challenge to the banking sector where in too many tech complexities and credential requirements that demotivate the consumer. The challenge is to find a way to optimize this so that the conversion rate is better.

**KEYWORDS:** Friction less payments, Digital Wallets, Contactless card payments, App payments

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## **ROLE OF TECHNOLOGY INTO FRICTIONLESS PAYMENT**

Businesses have been integrating the use of technology to provide flawless services to their consumers. The role of technology has been materialize to be one of the biggest drivers of all sectors in India. The change in the technology and consumer behavior has been an aspect of the growth of digital technologies, platforms, and the internet has also enabled all type of businesses to expand their reach to newer markets and outside their accessible physical limitations. The banking reform reduced concentrating in the product market by encouraging the growth of smaller and younger firms. These effects were most well-defined in regions with lower levels of financial development prior to the transformation. The results are healthy after considering alternative model specifications and measures of dependence on external financing.

## **TRANSITION FROM CASH TO CARD**

The transition from cash to cheques and later to debit/credit cards freed consumers from having to carry around large sum of money. Though the technology supported for the proceedings, the process is evolved with number of formalities on various modes. The major reason for the added layer of payment complexity was, of course, security. When a new technology evolves it is that security issues will arise and to eradicate the complexities the next evolution of payments came in the form of RFID powered contactless credit cards and mobile wallets with biometric authentication, like Apple Pay and Google Pay. However, compared to mobile wallets, contactless credit cards are less secure and therefore in many countries their use is restricted to transactions below a certain threshold.

The process can be considered as a frictionless payment, a checkout process should consider certain components where, It should eradicate or reduces waiting time, Allowing a faster checkout, should reduces the number of steps required to complete the checkout process, The customer should have a natural experience, It should reduces the customer's cognitive strain by reducing the number of PIN codes Technologies such as chip and PIN and contactless come under the umbrella of EMV cards, the initials referring to the founding members – Euro pay, MasterCard and Visa – of the organization that defines the standards which have underpinned this revolution. EMV has been a major success. Much of the rationale for the introduction of EMV cards was to reduce fraud. Payment innovation has brought benefits through lower fraud and, more importantly, customer satisfaction

The digital revolution has been ahead in the business world. While physical credit cards and cash have been the prevailing methods for transactions, new payment methods via QR and Near Field Communication (NFC) technology have emerged to make the process as simple as possible. Frictionless payments, these type of digital payment methods have the potential to become a mainstay in worldwide businesses.

## **DEVELOPMENT AND RECENT TRENDS IN FRICTION LESS PAYMENTS**

- Frictionless payment supports the e-commerce industry, enabling consumers to shop from the comfort zones. Typically, customers key in their credit card details at the virtual checkout counter of the online shopping website to facilitate payment and complete their process. The company subsequently delivers the purchased items to the customer's doorstep. E-commerce giant, the Alibaba Group, has even developed its own digitized payment system – Alipay which enables more seamless transactions. Alipay's make users to first store their credit card details on the Alipay Wallet platform and after shopping through online, merely need to use their mobile phones to scan the QR code that appears at checkout to pay.
- Amazon the other E-commerce large company that has embraced frictionless payments, allowing their customers to know-how the frictionless way of life through their brick-and-mortar Amazon Go stores. Amazon Go is a grocery store that offers experience; customers simply walk out of the store with their chosen items, charged automatically to their Amazon account. This is made possible by Amazon's 'Just Walk out Technology', which tracks chosen products through the customer's mobile phone.
- The transport companies such as Uber and Grab Car have adopted digitized payment methods, providing their customers with hassle-free transport experiences. Customers who ride with Uber or Grab Car can link their credit card accounts to their Uber or Grab mobile applications. These mobile applications then track the ride and automatically charge the required fare to the rider's account. Riders can exit the vehicle immediately upon arriving at their destination, avoiding the usual process of rummaging for cash at the end of the trip and waiting for the driver to produce the correct change.
- Beyond payments, alike technology has been used to expedite immigration clearance procedures in various countries. One such country is Singapore, where all citizens hold biometric passports. At immigration checkpoints, citizens even skip the traditional immigration queues where officers manually check and stamp passports. Instead, they head to automated framework, scanning their passports and their fingerprints to clear immigration procedures quickly.

## **FRICTIONLESS PAYMENT IS THE FUTURE**

While frictionless payments have made transactions faster, smoother and more efficient for the customer, we have only scratched the surface of its potential. With companies like Ant Financial developing avenues for frictionless payments in other industries such as healthcare and education

and cities like Hangzhou attempting to go completely cashless, it is clear that digital payments are here to stay. The physical wallet might one day be obsolete, and our lives might just be made easier for it.

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