Final Project Report

"A Comparative Study on Phonepe and Googlepay"

Submitted to:

DMSR

G.S. College of Commerce and Economics, Nagpur

(An Autonomous Institution)

Affiliated to:

Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

In partial fulfilment for the award of the degree of

Master of Business Administration

Submitted by:

Richa Singh

Under the Guidance of:

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Nagpur NAAC Accredited "A" Grade Institution

Academic Year 2022-23

CERTIFICATE

This is to certify that **Richa Singh** has submitted the project report titled,**" A Comparative Study on Phonepe and Googlepay "**, towards the partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that he has ingeniously completed his project as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Reaccredited "A" Grade Autonomous Institution)** affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

Prof.Shubhangi Jepulkar   **Dr. Sonali Gadekar**

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Place: Nagpur

Date:

i

Academic Year 2022-23

DECLARATION

I here-by declare that the project with title "**A Comparative Study on Phonepe and Googlepay**" has been completed by me in partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Reaccredited "A" Grade Autonomous Institution)** affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course under taken by me.

Richa Singh

Place: Nagpur

Date:

Department of Management Sciences and Research,
G.S. College of Commerce & Economics,
Nagpur NAAC Accredited "A" Grade Institution

Academic Year 2022-23

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I would like to thank all those who helped me in making this project complete and successful.

Richa Singh

Place: Nagpur

Date:

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INTRODUCTION

The mobile wallets app is an innovative technology for avoiding the usage of physicalcash. In this cashless economy era, information and communication technology (ICT) plays a vital role in making payments using various payment modes.

The mobile wallet records all kinds of transactions with a clear payment reference and makes it accountable for tax payments. The term "digital payment" refers to using electronic means to pay for products and services online. This is referred to as a cashless economy since it avoids the use ofphysical money.

These digital transactions help to lower transaction costs while also speeding up the process of completing one transaction cycle. It lowers the risk of dealing with cash. The digital payment history may also be readily kept track of Digital transactions also benefit the government because transactions can be easily recorded, which helps to eliminate black money and so aids economic progress. The use of an E-wallet requires a bank account, and money may be deposited or transferred using this E-wallet. Some critical documents, such as a driver's license, health insurance, and other identification documents, can be kept in the wallet. Through Near Field Communication, transactions may be wirelessly transmitted to a merchant's account (NFC).

Furthermore, digital wallets are utilized for a variety of applications beyond than simple financial transactions. Digital wallet systems may be used for a variety of reasons, and money can be transmitted to anybody, anywhere, at any time using them. The Indian government's principal goal is to create the Indian economy "Cashless, Faceless, and Paperless." There are a variety of appsavailable that allow users to make online payments. These are incredibly easy to use and give consumers a lot of freedom because they allow them to makepayments at any time and from anywhere.

Phone pay and Google pay users. Users are advised to keep payment information as Secure as possible. E-commerce payment System depends on consumer preferences, ease of use, cost, authorization, security, authentication,accessibility and reliability.

The "Digital India" is the Indian Government's flagship program with a vision to convertIndia into a digitally empowered country. "Faceless, Paperless, Cashless" is one of Supposed function of Digital India. Digital payment system hasgained importance nowadays, especially after demonetization.

It has also introduced UPI (United Payment Interface) which is app based to transactacross multiple banks .Another improved version is set to be unveiled by the government, which makes banking transactions though mobile phones withoutinternet by a platform called USSD(Unstructured Supplementary Service Data). These initiatives have provided extensive boost up to the digital paymentsystem in the country. Government's other initiatives like BHIM and UPI are supporting in transition and faster adoption of digital payments.

Electronics Consumer transaction made at point of sale (POS) for services and productseither through internet banking or mobile banking using smart phone or card payment are called as digital payment. In today's digital era the usage ofinternet has increased dramatically. Now days the customers are adopting the digital devices in order to spend less time on banking. Major people wholive in urban areas are adapted to this digital payment systemand low number of people who lives in rural areas still didn't know the importance andservices of this online payment apps.

UPI is the coolest thing in the last few years. It has made a huge impact on the payment ecosystem. Because of the UPI, everyone, big or small, is making cashless payments.

You, me and crores of people are now using the Paytm, Phonepe, Google Pay, SBI Pay and so on. All these mobile payment apps use the UPI payment system for the payment. In this post, I would tell you that what makes UPI better than NEFT and IMPS.

Benefits of UPI

1. Free fund transfer

There were days when you have to part 5% of the amount for the fund transfer. Visa and MasterCard still charge 1-2% of the amount for making payment to the merchant. NEFT and IMPS are not costly but it would certainly pinch if the transaction is small.

2. Useful for small transaction

Before the UPI, You may have not paid ₹10 or 20 by using the debit or credit card. The card transactions are costly and small shopkeepers avoided it. But, UPI has changed the scenario. Now every shopkeeper or street vendor is ready to accept UPI payments.

The smooth and low-cost transaction had made it feasible for small shopkeeper and consumer as well. Once, you start using the UPI, you need fewer visits to the ATM. The UPI has made the merchant transaction very easy.

3. Privacy of bank account

You would agree that the convenience of the online transaction comes with the probability of fraud. That is why we are wary to share our account details and card details with anyone. The UPI has addressed this problem. It had found out the way of the fund transfer without the disclosure of bank account number or card details. In the IMPS and NEFT, you have to share bank account detail to get the money.

In the UPI System, UPI ID or VPA is used in place of the bank account number or card number. But in this method, you do not require to share the account number for getting the money.

You have to only give the virtual payment address or UPI ID. the virtual payment address is similar to our email ID. e. g Ramesh45@icicibank, 9876543210@axis. It is easy to remember this UPI ID.

In fact many mobile apps find out the UPI ID by using the contact details. Hence, you even don't need to know the UPI ID or VPA of the beneficiary.

4.More secure

Not everyone uses the card for payment. Not everyone uses the net banking for the online payment. People are reluctant to use the cashless methods because of the security concern.

What if someone overlooks your PIN while you punch it at the POS terminal. What if the website steals your credit card data and uses it for the international transaction.

The UPI has minimized this concern. Actually It is more secure than the present mode of transaction. In the transaction through the UPI, you never share you bank account details. You do not enter your credit card number or CVV. You only give a virtual payment address which does not give any clue about your bank account.

5.Instant Transfer

The UPI is based on IMPS platform. Thus it works 24 x7. You can make the payment any time. There is no restriction on holidays or odd hours. The bank strike will also not affect the UPI payments. In fact, it is so fast that you would not be able to stop payment.

The UPI not only makes instant fund transfer but registration is also instant. In the NEFT and IMPS methods of fund transfer, you can't transfer money just after the registration. There must be a cooling period. It varies from 30 minutes to 24 hours. But, UPI does not need registration for making a payment. Enter the beneficiary details and make payment.No hassle.

6.One App many account

It is a novel thing. Initially I could not digest the fact that all of my bank accounts can be accessed at one place. The UPI has made it possible. You can link all of your bank account at one UPI App. Thus, you do not need different apps of different bank account. One UPI app, which may not be from your bank, can be used to make payment from your bank accounts.

However, you have to choose a default bank account. So that if anyone makes payment to your UPI ID, the money goes to the default account number.

7. Various Apps to choose for

You also get the liberty to choose any UPI based app from the google play store. It is not mandatory to use the App promoted by your bank. Your bank account may be with the ICICI Bank, but you can use the UPI app of the axis bank.

Before using an app, check carefully the interface and ease. There are many Non- Bank UPI Apps which are quite popular. Some apps also give rewards for making transaction. The popular apps are Google Pay, Phonepe, Paytm, SBI Pay, Mobikwik etc.

8. Request Money

If you have given a service or product to someone and want the payment, what would beway to ask for the money? You will send a person or make a call.

You would agree that getting money from a party is always tough. There can be numerous excuses. But, the UPI would give more power in the hands of biller and It would not be easy for the client to give excuses.

The 'Request Money' facility of the UPI sends a message directly to the party. This message is sent via the bank. It only asks approval for the payment. If the client approves, the money would be remitted instantly. If the client does not approve, it means he/she does not want to pay. Now the biller can deal it differently.

Beware, Some fraudster may send you the unsolicited request of the payment. So approve only those payment which are genuine. Punch the UPI PIN only after the full assurance.

9. No loss of Interest

In a mobile wallet, You deposit money upfront to pay for the recharge, bill payment, shopping etc. So when you put your money in the mobile wallet it does not earn any

interest. If you deposit ₹10000 in a mobile wallet for a month, you would loose ₹33 of the interest. You would have earned this amount in the bank account.

In the UPI, you do not lose this interest as your money does not leave the bank account. The amount gets debited from the account at the time of the actual transaction. The wallet does not come in the middle. The money goes from one account to another.

10. Rewards and Cashback

There are many UPI based mobile apps. All of them are competing to capture the maximum number of customers. Thus, to lure the customer many UPI apps are giving rewards and cash back for making transactions. The Google Pay, SBI Pay, Amazon Pay, Paytm and Phonepe are the big names which give rewards for using the UPI payments. You may have learned that some people are making transaction just to earn the cashback.

Disadvantages of UPI

1. UPI is a deal for smaller fund transfers, when an amount is high then other modes of online transfer are preferable.

2. Another issue with UPI is that it is difficult to persuade customers to download the bank application to their smartphone for a single payment interface because they are concerned about online fraud.

3. Do not tell your personal information such as the date of birth, The UPI pin, and other information to any other person, so that your account will be safe.

4. If you want to transfer payment in the UPI, then you can transfer up to Rs 10,000 as much as possible. You should send it one at a time if you need to send it more than once.

5. You must know that you have to transfer money from the unified payment interface pin is also known as the UPI pin, and it is a very small digit, 4 to 6 digit while having a small digit, it is not safe, so make your payment carefully and its information does not let anyone else know.

6. It does not work on the slow of the internet.

7. UPI is a very fast and safe medium, but sometimes it takes a lot of time to send the payment after the bank's server down.

8. If you want to pay using the UPA, you won't need the UTI support app, which you'll need to install on your Android smartphone and use regularly take your mobile RAM too much. So that your mobile hangs or uses too much internet to avoid it, you can clear app cache and background data to the user can also shut down.

UPI Upcoming Features

Pre-Authorized Transactions

Forgetting to pay your bills can be penalized at times and cause you unnecessary trouble. In the UPI, one can pre-authorize the app to draw money for the selected items directly from the bank account before the due dates. This system would also work for EMIs and other bill payments. One would have the ease to customize as per the needs and also put a monthly cap on the automatic payments.

Biometric Authentication

Just like your smartphone unlocks itself through your fingerprint, the UPI app is set to be 'smarter'. This technology would work on phones which can capture fingerprints or high-quality iris images. The biometric authentication would end the need for MPIN during UPI money transfers.

UPI Milestone

UPI transactions concluded 2021 at a record high, where it **recorded Rs 456 crore transactions at Rs 8.26 lakh crore ($111.2 Bn)**. The UPI transactions crossed the 6 bn mark in July 2022. PhonePe, GPay and Paytm are leading the UPI game in India with 96.47% of transactions being conducted via these UPI platforms.
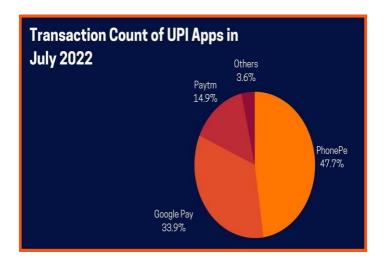
PhonePe has been leading the UPI space since the beginning of the year. The Bengaluru-based digital payments app witnessed an **85.5% increase** in its **revenue from operations**, which is **recorded at Rs 690 crore in FY21** from **Rs 372 crore in FY20**. **Google Pay** is the next in line among the **other UPI apps**, as per the reports dated **15th October 2021**.

A month after the launch of UPI123Pay, the UPI transactions surged by over 19% (19.6%), thereby becoming 540 cr transactions, when compared with February 2022's

452 cr transactions. Furthermore, the transaction value also witnessed a record rise of 16.17%, which was recorded at Rs 9.60 Tn in March from the previous month's Rs 8.26 Tn.

The real-time payment system, which was commonly referred to as the UPI, recorded 558 cr transactions, worth Rs 9.8 lakh crore in April 2022. The total transactions seen in March 2022 were 540 crores and valued at Rs 9.60 lakh crore. With total transactions for the month worth Rs 4.86 lakh crore, PhonePe stood as the UPI leader, followed by GPay, which materialised Rs 3.39 lakh crore worth of transactions. Paytm, Amazon Pay, and Whatsapp Pay, with Rs 101.65K crore, Rs 6699 crore, and Rs 242 crore, made up the league of 5 of the largest UPI apps that recorded the highest individual transaction values also in April 2022, along with being the most popular UPI apps of the month.

Fast forward to August 8, 2022 reports, PhonePe, search Google Pay and Paytm command a whoping 96.47% of the UPI transactions done in the month of July 2022. Here, PhonePe led the other UPI platforms with 47.67% of transactions, followed by search Google Pay's 33.9% and Paytm's 14.87% shares of the UPI market in transaction count.

As per the recent surveys, 74 crore mobile users have smartphones while the others out of 118 crore mobile users have feature phones, which are designed for voice calling and texting. This reveals that a significant portion of Indian mobile users uses feature phones. The UPI facility has certainly extended a whole new era of convenient bank account transactions merging multiple banks under one phone number so much so that the RBI thinks that the UPI should also be extended to feature phone users. This is the reason why the Reserve Bank of India governor Shaktikanta Das, has launched UPI for feature phone users, who can use the UPI facility without the need for the internet, which will help over 400 mn feature phone users use the homegrown payments network of India.

UPI, which was easily available to date for smartphone owners and the users of smartphones, was available only via the complicated method of USSD for the others will now be easily accessible with the launch of UPI123Pay on March 8, 2022.

While with the earlier Unstructured Supplementary Service Data (USSD) mode, the feature phone users had to dial *99#, which brought a set of menus before and initiated transactions, the new method will be easier and more cost-effective than the USSD method, which involved numerous chargeable messages.

There are 4 different technologies that will be used in this newly christened method of UPI123Pay. These are:

- **IVR** - The Interactive Voice Response or IVR numbers stand at the core of this process where the users can dial a number and start a secured call from their feature phones. After registering themselves, they can then start their financial transactions without the internet.
- **Apps** - The users can also use apps on their feature phones where they can avail of a wide range of UPI functions, which will help them proceed with the kind of UPI transactions they like, excluding the scan and pay transaction, the work for which is currently in progress.
- **Proximity Sound-based** - Another method that the feature phone users can use involves proximity sound-based technology. This technology relies on sound waves to enable networking. This eventually helps them perform contactless offline and proximity data communication on any device.
- **Missed calls** - The final method that the feature phone users can avail of is the Indian missed call approach. In this method, the users will receive a callback from a standard number, which will let them authenticate and make their transactions smoothly.

Since the launch of UPI123Pay on March 8, 2022, more than 37K users have joined the new initiative and 21,833 successful transactions have happened via the same, as per the written reply received from the Minister of State for Finance, Bhagwat K Karad.

COMPANY PROFILE

GOOGLEPAY

Google Pay (formerly **Android Pay**) is a mobile payment service developed by Google to power in-app, online, and in-person contactless purchases on mobile devices, enabling users to make payments with Android phones, tablets, or watches. Users can authenticate via a PIN, passcode, or biometrics such as 3D face scanning or fingerprint recognition.

As of 2023, it is currently available in 67 countries.

Google Pay uses near-field communication (NFC) to transmit card information facilitating funds transfer to the retailer. It replaces the credit or debit card chip and PIN or magnetic stripe transaction at point-of-sale terminals by allowing the user to upload these in Google Wallet. It is similar to contactless payments already used in many countries, with the addition of two-factor authentication. The service lets Android devices wirelessly communicate with point of sale systems using a near field communication (NFC) antenna and host-based card emulation (HCE).

When the user makes a payment to a merchant, Google Pay does not send the actual payment card number. Instead, it generates a virtual account number representing the user's account information.

Google Pay requires that a screen lock be set on the phone or watch. It has no card

Users can add payment cards to the service by taking a photo of the card, or by entering the card information manually. To pay at points of sale, users hold their authenticated device to the point of sale system. The service has smart-authentication, allowing the system to detect when the device is considered secure (for instance if unlocked in the lastfive minutes) and challenge if necessary for unlock information.

Technology

Google Pay uses the EMV Payment Tokenization Specification.

The service keeps customer payment information private from the retailer by replacing the customer's credit or debit card Funding Primary Account Number (FPAN) with a tokenized Device Primary Account Number (DPAN) and creates a "dynamic security code [...] generated for each transaction". The "dynamic security code" is the cryptogram in an EMV-mode transaction, and the Dynamic Card Verification Value (dCVV) in a magnetic-stripe-data emulation-mode transaction. Users can also remotely halt the service on a lost phone via Google's Find My Device service.

To pay at points of sale, users hold their authenticated Android device to the point-of-sale system's NFC reader. Android users authenticate unlocking their phone by using biometrics, a pattern, or a passcode, whereas Wear OS users authenticate by opening the Google Wallet app prior to payment.

Consumer Device Cardholder Verification Method (CDCVM)

In EMV-mode transactions, Google Pay supports the use of the Consumer Device Cardholder Verification Method (CDCVM) using biometrics, pattern, or the device's passcode. The use of CDCVM allows the device itself to provide verification for the transaction and may not require the cardholder to sign a receipt or enter their PIN. Additionally, in certain markets which have a "no verification contactless limit" using contactless cards, the use of CDCVM can enable merchants to accept transactions higher than these amounts using Google Pay, provided that their terminal software is updated to support the latest network contactless specifications.

Security

In most regions, Google Pay on Android permits the issuing bank to determine whether to allow its payment cards to be able to transmit when the mobile device is locked under a certain monetary amount. Issuers in Argentina, Brazil, Ecuador, Mexico, and the United States of America cannot allow locked-device payments except for select transit transactions.

On Wear OS, this option is not available. All transactions for all amounts on wearable devices must be authenticated by opening the Wallet app prior to tapping.

Availability

For the most part, Google Pay is available in all the same regions that Google Wallet is, with one exception.

In India, tap-to-pay through Google Pay is available through the G Pay app.

Google Pay (stylized as **G Pay**; formerly **Android Pay** and **Google Wallet** is a digital wallet platform and online payment system developed by Google to power in-app,online, and in-person contactless purchases on mobile devices, enabling users to make payments with Android phones, tablets, or watches. Users in the United States and India can also use an iOS device, albeit with limited functionality. In addition to this, the service also supports passes such as coupons, boarding passes, campus ID cards, car keys, event tickets, movie tickets, public transportation tickets, store cards, and loyalty cards.

As of January 8, 2018, the old Android Pay and Google Wallet have unified into a single pay system called Google Pay. Android Pay was rebranded and renamed as Google Pay. It also took over the branding of Google Chrome's auto fill feature. Google Pay adopts the features of both Android Pay and Google Wallet through its in-store, peer-to-peer, and online payments services.

The rebranded service provided a new API that allows merchants to add the payment service to websites, apps, Stripe, Braintree, and Google Assistant. The service allows users to use the payment cards they have on file in their Google Account.

PHONEPAY

PhonePe is an Indian digital payments and financial services company headquartered in Bengaluru, Karnataka, India. PhonePe was founded in December 2015 by Sameer Nigam, Rahul Chari and Burzin Engineer. The PhonePe app, based on the Unified Payments Interface (UPI), went live in August 2016.

The PhonePe app is available in 11 Indian languages. Using PhonePe, users can send and receive money, recharge mobile, DTH, data cards, make utility payments, pay at shops, invest in tax saving funds, liquid funds, buy insurance, mutual funds, and digital gold.

PhonePe is accepted as a payment option by over 3.5 crore offline and online merchant outlets, constituting 99% of pin codes in the country. The app served more than 10 crore users as of June 2018, processed 500 crore transactions by December 2019, and crossed 10 crore transactions a day in April 2022. It currently has over 44 crore registered users with over 20 crore monthly active users.

PhonePe is licensed by the Reserve Bank of India for the issuance and operation of a Semi Closed Prepaid Payment system with Authorisation Number: 75/2014 dated 22 August 2014.

History

PhonePe was incorporated in December 2015. In April 2016, the company was acquired by Flipkart and as part of the acquisition, the FxMart license was

transferred to PhonePe and rebranded as the PhonePe wallet. PhonePe's founder Sameer Nigam was appointed as the CEO of the company.

In August 2016, the company partnered with Yes Bank to launch a UPI-based mobile payment app, based on the government-backed UPI platform.

Within three months of launch, the app was downloaded by over one crore users. In 2018, PhonePe became the fastest Indian payment app to get a five crore badge on the Google Play Store. The PhonePe app overtook BHIM to become the market leaderin UPI transactions in August 2017.

In 2022, PhonePe became the first UPI TPAP (Third Party Application Providers) App to allow UPI activation through Aadhaar. A year later, it further expanded its services by launching international UPI payments, allowing users to pay foreign merchants with Unified Payments Interface (UPI). As per NPCI's UPI ecosystem statistics, PhonePe currently holds a 48% stake in the UPI market.

Innovation and partnerships

PhonePe helps merchants to accept payments through all UPI-based apps, debit and credit cards, as well as wallet (Including third party wallets) on the app.

2017

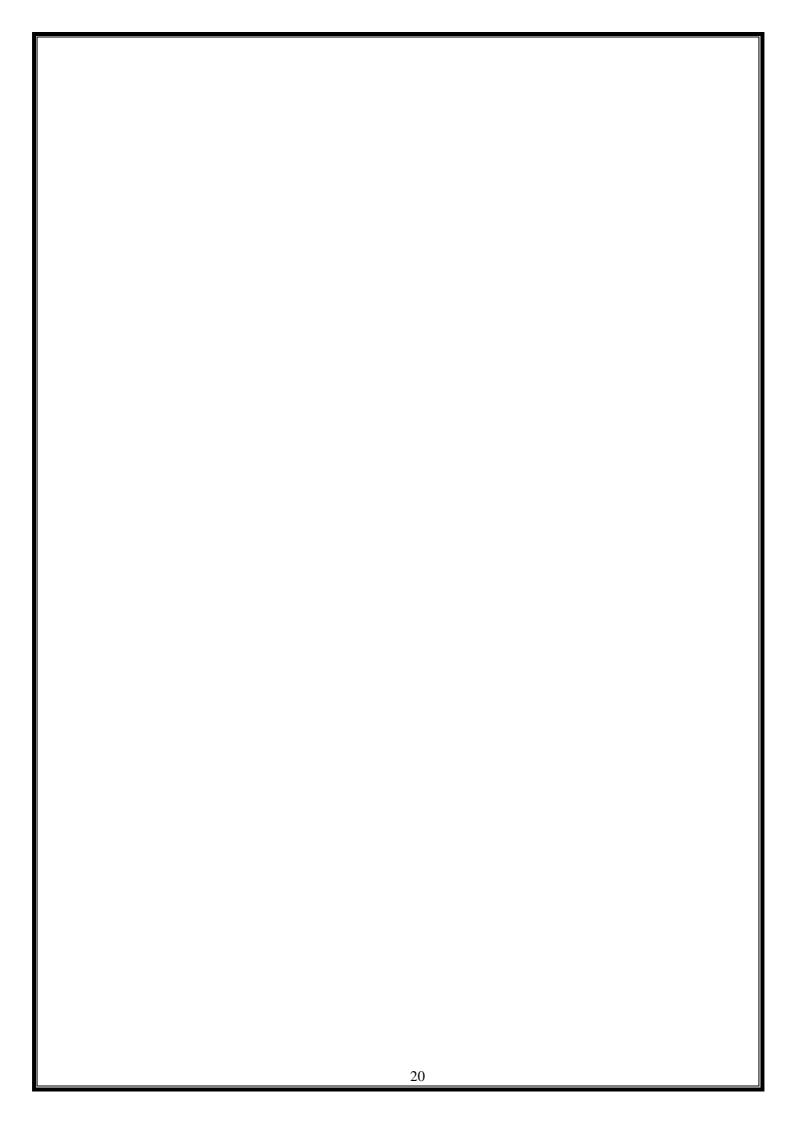In October, PhonePe launched a low-cost POS device built in India. The Bluetooth enabled POS device looks like a calculator and works with AA batteries. The hardware uses Bluetooth connectivity and enables payments through all the mobile devices that can access the PhonePe app.

2018

PhonePe partnered with Free charge in January 2018. This partnership enabled PhonePe users to link their existing Free charge wallets to the PhonePe app. PhonePe has also entered similar partnerships with Jio Money and Airtel Money.

2019

PhonePe launched tax-saving funds to help customers minimize their tax burden by investing in equity-linked saving schemes. In the same year, PhonePe alsobecame the first payment app to allow customers to make bids for initial public offerings through the UPI platform.

2020

In January, PhonePe became the first digital payment platform in India to launch international travel insurance. PhonePe also launched Liquid Fund in association with Aditya Birla Mutual Fund to provide the combined benefits of a fixed deposit and a mutual fund.

In February, PhonePe launched the chat feature on its app to enable its users to have conversations with each other within the app while requesting money or confirming the receipt of payment.

PhonePe launched Super Funds in May to aid long-term wealth creation by helping customers invest in equity, debt, and gold funds of mutual fund companies.

In June, the company launched domestic multi-trip insurance to cover all risks associated with all modes of travel within India at an affordable annual premium.

In July, the company formed a partnership with ICICI Lombard to launch Hospital Daily Cash insurance that covers expenses incurred during hospitalisation due to injury or illnesses.

In September, PhonePe became one of the largest insurance tech distributors in the country with over 5 lakh insurance policies sold on its platform. The company also expanded its Mutual Funds lineup in the same month by launching 7 new categories.

In October, the company ventured into motor insurance with the launch of car and bike insurance policies. PhonePe emerged as the fastest-growing in surtech company in India.

In November, PhonePe is the largest digital platform for buying gold with a 35% market share.

In December, Flipkart partially hived off PhonePe into a separate entity in order to access dedicated capital. As a part of this hive-off, PhonePe secured US$700 million in primary capital at a post-money valuation of US$5.5 billion from existing investors of Flipkart led by Walmart

2021

In March, PhonePe became the first digital payments platform to cross 100 crore monthly transactions on UPI, clocking almost 130 crore transactions across all of its payment offerings, including third-party debit and credit cards and its own digital wallet.

PhonePe also emerged as the leader in terms of transactions processed on Bharat Bill Payment System. It reportedly registered over 10 lakh UPI-enabled AutoPay mandates since the launch of the AutoPay functionality feature. It had also processed over 200 crore monthly transactions on its platform in October.

2022

In May 2022, PhonePe announced the acquisition of Wealth Management platform WealthDesk and Smart Beta Wealth Management Platform, OpenQ. The acquisitions were done with the aim of widening PhonePe's offerings in the wealth management space.

In April 2022, PhonePe crossed 10 crore transactions a day.

By September 2022, PhonePe had enabled the digitization of payments for 80 lakh merchants under RBI Payments Infrastructure Development Fund (PIDF) scheme.

PhonePe also tokenized 1.4 crore (14 million) debit and credit cards in compliance with the RBI's required card tokenization, to limit the possibility of fraud and protect customers' card information.

In September, PhonePe also announced the opening of its new 50,000 sq ft office in Pune. In November, PhonePe became the first UPI TPAP App to enable UPI activation with Aadhaar.

2023

In January, PhonePe declared the completion of its domicile shift to India and the full separation from Flipkart. The company also announced a partnership with Cloud flare to secure the mobile transactions made through its services.

In February, Phone became the first fintech platform to enable cross-border UPI payments.

Ownership and funding

In December 2020, Flipkart and PhonePe declared a partial split, with Walmart maintaining its majority ownership in PhonePe and the two entities now functioning independently.

PhonePe announced the acquisition of $350 million from General Atlantic, an US growth equity firm, at a pre-money valuation of $12 billion. Subsequently, another $100 million was attained in primary capital in February 2023 from Ribbit Capital, Tiger Global, and TVS Capital Funds, at the same valuation. This brings the total amount of funding raised by PhonePe to $450 million.

Licenses received in 2021

- PhonePe Account Aggregator Pvt Ltd, a wholly owned subsidiary of the PhonePe Group, received an in-principle approval to operate as an account aggregator from the Reserve Bank of India. The license allows PhonePe to launch its account aggregator platform that enables free and instant exchange of financial data between the financial information users and financial information providers with due consent from customers.

- PhonePe was issued an insurance broking license from the Insurance Regulatory and Development Authority of India (IRDAI) that allows PhonePe to provide personalised product recommendations to its users, and a much more diverse portfolio of insurance products for Indian customers.

Awards and recognition

- 2018: Recognised by National Payments Corporation of India (NPCI) for driving the largest number of merchant transactions on the UPI network.
- 2018: Best Mobile Payment Product or Service Category at the IAMAI India Digital Awards 2018.
- 2018: Won the UPI Digital Innovation Award from NPCI in 2018.

- 2018: Won the SuperStarUp Asia Award in 2018.

- 2018: Awarded at the India Advertising Awards 2018 in the Telecom and Technology category.

- 2019: Won the 'Best Mobile Payment Product or Service' at the 9th India Digital Awards 2019.

- 2019: Won the FinTech App of the Year 2019 at the Exhibit Tech Awards.

- 2019: Awarded the 'Best Digital Wallet' initiative at the 8th Annual Indian Retail & eRetail Awards 2019 organised by Zee Business and The Economic Times.

- 2020: PhonePe Switch was awarded by IAMAI India Digital Awards 2020 in the technology category and PhonePe also won an award for scaling payments and building an acceptance network for offline merchants.

- 2021: Won two awards at IAMAI India Digital Awards 2021 - Gold for Excellence in Wealth Management (for Mutual Funds category) and Silver for Unstoppable India video

- 2021: Won the 'Excellence in Insurtech' award at Assocham's Fintech & Digital Payments Awards 2021

- 2022: PhonePe won 'Fintech of the Year' award at BW Festival of Fintech Awards 2022.

- 2022: PhonePe was recently recognized as the Most Trusted Brand for Digital Payments as per the Brand Trust Report 2022 by Trust Research Advisory (TRA).

- 2023: PhonePe won 'Best Product/Service Innovation - 'End-to-end digital journey for Motor insurance' at ET BFSI Excellence Awards 2022.

- 2023: Phone won 'Best Tech for Payments' and 'Best FinTech App' at IAMAI's 13th India Digital Awards.

Legal challenges

On 14 January 2017, ICICI bank blocked PhonePe transactions, citing the reasons that it did not meet the NPCI guidelines. Initially, on 19 January 2017, NPCI instructed ICICI to allow UPI transactions via PhonePe. During this period, Airtel too blocked PhonePe transactions on its platforms. A day later, on 20 January 2017, NPCI

renounced the previous instructions citing the reason that PhonePe indeed violated the UPI norms.

After this, PhonePe closed its operations on Flipkart's website, to align itself with the terms stated in the updated verdict from NPCI. By February, 2017, PhonePe resolved the issues with ICICI and Airtel.

ESOP

PhonePe allots employee stock options (ESOPs) to its full time employees. In November 2021, PhonePe was reported to have conducted a buyback of ESOPs worth ₹135 crore, covering 75% of its current workforce who have completed at least a year ofservice.

RESEARCH METHODOLOGY

This study is exploratory in nature. Both primary and secondary data have been used for the study. Primary data was collected with the pre-designed

questionnaire to the consumers in Kalburgi district 60 consumers were selected conveniently as samples. Study on the basis of primary data helps to

understand the customer satisfaction on Google pay and Phone pay and the factors that influence their adoption. The method adopted for the study is

convenience sampling. The secondary data has been collected from the Internet.

OBJECTIVES OF THE STUDY

1. To study the GooglePe and PhonePay.
2. To study usage of GooglePe and PhonePay.
3. To study the facilities provided by Google pay and Phone Pay.

SCOPE OF THE STUDY

The aim of the study is to determine the satisfaction of customers in using Google Pay and Phone Pay. As this area e-payment system is widely used. The study is conducted on sampling method of survey.

LIMITATIONS OF THE STUDY

1. The time for the study was limited.

2. Could not cover different categories of people like (people with different financial status etc).

3. Sample method is being used for data collection and it is restricted for few people.

LITERATURE REVIEW

Govender&Sihlali (2014) they explored the factors determine the adoption of mobile banking services among students who are more technically knowledgeable. The questionnaire is prepared based on the qualitative approach. Based on the extension of the Technology Acceptance Model, the theoretical framework is developed to investigate the factors that determine student's acceptance of mobile banking. The constructs of TAM for mobile adoption such as Perceived Ease of Use, Perceived usefulness, Perceived Value, Trust Intention to Use, and Usage Behavior were used. The statistical tool multiple regression analysis was used to examine the influence of independent variables on the dependent variable of intention to use m-banking. The independent variables trust, perceived value, perceived ease of use and social influence may account for 42percent on the influence of dependent variable.

Cabanillas et.al., (2015) they have developed a model to examine user's intention to use mobile payment based on TAM and MPTAM (Mobile Payments Technology Acceptance Model). The study was investigated the moderator effect of the user's age between the subjective rules and the facility of use. The survey has been conducted among the 2012 national panel of internet user (physical & virtual). The analysis of data shows that an internet user's behavior is influenced by their intention to use new tools. The study findings show that most of the younger mobile payment users are satisfied and accepted the mobile technology tools when compared to older mobile users. This study has indicated that older consumers are the stronger relationship

between facility to use and subjective rules. So the mobile technology provider should give more attention to older consumers to create knowledge about usable of new tools.

Singh & Gupta (2016) They have conducted a study to identify various factors influence on the adoption of mobile wallet payment among customers They considered the various variables for the study are Convenience, Trust, Security, and Adaptability which have an impact on the satisfaction of mobile wallet usage. The study was investigate the relationship between the different basic variables of the study. The study findings show that mobile wallets are considered as the futures of cash.

Ahuja& Joshi (2018) have studied about the customer perception concerning Mobile wallets. In this study they examined that the factors exploration technique is used to classify the factors which influence customer opinion towards Mobile wallets. The study has been conducted about the different types of mobile wallets in India. The data is collected from both secondary data and primary data. The survey was conducted among 139 mobile respondents in the telecommunication industry.

SatinderBal Gupta, R. K. (2020) The use of E-payment system is increasing at a very fast rate. Day by day the numbers of users are moving towards online payment systems instead of using plastic money like cash etc. Making online transactions is very convenient and time saving. People can pay online not only for shopping but also for different purposes as many different apps are available that offers many services to the users. This paper studies the reasons of increasing popularity and use of payment apps by the people of India for making payments online and the continuous growth of

these payment apps in India. The authors of this paper analysed three most popular payment Apps used in India namely, Google Pay, Phone Pay and Paytm.

Dr. S. Poongodi, D. P. (2021) Digital payment system is gaining popularity due to the 'Digital India' campaign introduced by the government of India. There are various forms of digital payment system. Data for the study have been collected from 150 customers through issue of structured questionnaire by adopting snowball sampling Using Google Pay or Mobile Recharge,followed by payment of EMI, DTH Recharge conducted in the Kurali city, District of Punjab. Simple Percentage, Weighted Average Ranking and Chi-square test have been used to analyze the data. The study reveals that majority of the customers are female with the age of below 30 years and majority of them are undergraduates employed in private sector with an earning of up to Rs.20000 per month and they are aware about Google pay through friends, relatives and by themselves. The reasons for payment of insurance premium, settlement of hotel bill, payment of electricity bill, ticket booking, bank transfer and online purchase.

DATA ANALYSIS AND INTERPRETATION

Age category that use Online Payment

Age Group	No. Of Respondents	Percentage
18-25	40	66.66
26-35	10	16.67
36-45	07	11.67
Above46	03	05.00
Total	60	100

Source: Primary data

The Above table is shows that the 66.66% respondents of mobile users are 18 to 25 years aged, there are only 5% respondents are above 46 years old. Its clears that the young generations are using more Phone Pay and Google Pay app for financial transaction.

1. Online payment usage on the basis of Gender

Gender	Respondents	Percentage
Male	32	53.3
Female	28	46.7
Transgender	Nil	Nil
Total	60	100

The Above table is shows that the 53.30% respondents of mobile users are Male, there are 46.70% respondents are Female. Its clears that the Males are using more Phone Pay and Google Pay app for financial transaction.

Online Payment usage of respondents on the basis of occupation

Occupation	No of Respondents	Percentage
Student	20	33.33
Government Employee	12	20.00

Private Employee	20	33.33
Others	08	13.33
Total	60	100

Source: Primary data.

The Above table is shows that the 33.33% respondents of mobile users are Students and Private Employee, there are 20% respondents are Government employee. Its clears that the Students and Private Employee are using more Phone Pay and Google Pay app for financial transaction.

2. **Reasons for not using online payment**

Particulars	Respondents	Percentage
Lack of technical knowledge	25	41.67
Insecure	15	25.00
Chance of Fraud	10	16.67
Lack of trust	08	13.33
Others	02	03.33
Total	60	100

Source: Primary data.

The Above table is shows that the 41.67% respondents of mobile users are not using the Insecure, 16.67% are not using due to the Chance of Fraud. And 13.33% are not using due to the Lack of Trust for financial transaction.

More preferred online payment app

Payment app	No. of Respondents	Percentage
Phonepay	24	40
GooglePay	36	60
Total	60	100

Source: Primary data.

due to the lack of technical Knowledge, there a re 25% respondents are not using due to
The Above table is shows that the 60% respondents using Google Pay, there are only

40% respondents are using Phone Pay, for financial transaction.

3. **Satisfaction of respondents toward GooglePay**

Particulars	Highly satisfied		Satisfied		Neutral		Dissatisfied		Highly dissatisfied	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%
Convenient	26	43	27	45	6	10	1	1.6	0	0
User Friendly	24	40	26	43	8	13	2	3	0	0
Speed	18	30	25	42	12	20	5	8	0	0
Security	21	35	26	43	11	18	2	3	0	0
Communication Language	34	57	19	32	5	8	1	1.6	1	1.6

Source: Primary data.

The Above table is shows that the majority of respondents of Google Pay users are satisfied due to the Convenient, User friendly, Speed and Security, for financial transaction.

4. **Satisfaction of respondents toward PhonePay**

Particulars	Highly satisfied		Satisfied		Neutral		Dissatisfied		Highly dissatisfied	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%
Convenient	11	18	26	43	19	32	3	5	1	2
User Friendly	10	17	28	47	19	32	2	3	1	2
Speed	14	23	23	38	19	32	3	5	1	2
Security	10	17	25	42	20	33	3	5	2	3
Communication Language	18	30	23	38	16	27	2	3	1	2

Source: Primary data.

The Above table is shows that the majority of respondents of Phone Pay users are satisfied due to the Convenient, User friendly, Speed and Security, for financial transaction.

5. **Usage of Online Payment by respondents**

Particulars	No of respondents	Percentage
Daily	11	18.3
Weekly	20	33.3
Monthly	10	16.7
Occasionally	19	31.7
Total	60	100

Source: Primary data.

The Above table is shows that the majority of respondents are Uses of Online Payment Weekly for financial transaction.

Most preferred app

Particulars	GooglePay		PhonePay	
	Frequency	%	Frequency	%
Bill Payment	53	88	07	12
Mobile Recharge	48	80	12	20
Fund Transfer	56	93	04	07
Ticket Booking	49	82	11	18
Food Order	47	78	13	22
Application Fees	53	88	07	12
Tax Pay	52	87	08	13
Others	50	83	10	17

Source: Primary data.

The Above table is shows that the majority of respondents of users Preferred Google Pay Comparatively Phone Pay for financial transaction.

FINDINGS

1. Respondents in the age category of 18-35, account of 83.33% of the response, which indicates that the younger generation has more active participation in this project. This implies that online payments are of much use among the younger generation as compared to the rest.

2. A majority of 53.3% of respondents are men who use Googlepay and Phone Pay.

3. A majority of 76.7% of respondents are students who use GooglePay and Phone Pay.

4. Respondents not using online payment are of the opinion that online payments are not safe due to reasons such that of fraudulent activities, insecurity, lack of trust, technical issues etc.

5. A majority of 96.7% of respondent's phones support Google pay or phonepay

6. Most of the respondents prefer to use GooglePay than PhonePay. This indicates that GooglePay is the most widely known and used app.

7. 46.7% of people have been using the payment app below one year and 35% for one to two years and 18.3% more than two years.

8. Majority of the respondents stated 'satisfied' with the service provided by GooglePay in terms of convenience, user friendly, and speed, security and communication language.

9. Majority of the respondents stated 'satisfied' with the service provided by PhonePay in terms of convenience, user friendly, and speed, security and communication language.

10. A majority of 91.7% of respondents use GooglePay than PhonePay.

11. GooglePay provides more (85%) payment$_{xx}$ options when compared to PhonePay (15%).

12. Customer queries and problems are given fast responds by Google Pay than Phone Pay. This indicates that Google Pay is readily available to meet the needs of Formalities as when compared to Phonepe the customers and is customer friendly.

13. Majority of the respondents find Google Pay more cost effective as well as time effective than PhonePay.

14. As compared to Phone pay it has been observed that Google pay uses less legal formalities as when compared to phonepe.

15. About 85% of the respondents has stated that Google Pay offers more rewards than that of Phone Pay(9%).45%of the respondents agree that Google Pay has more offers than that of Phone Pay (15%).45% of the respondents agree that Google Pay has more cash back than that of Phone Pay (15%).

16. Majority of the respondents (83.3%) have not faced any problem of cash loss. But 16.7% of respondents lost cash through Google pay.

17. About 58.3% of respondents trust the security of Online Banking Services and only a small fraction of 6.7% feel that it's not secure. But 35% of respondents are neutral on security services rendered.

18. A majority of 58.3% of respondents finds the quality of Google Pay as excellent and 4.9% of respondents find the quality poor.

19. A majority of 62.7% of respondents find the quality of Phone Pay as excellent and5.9%ofrespondentsfindthequalitypoor.

20. A majority of 88% of the respondents has preferred to use Google Pay for bill payment,80% for mobile recharge, 93% for fund transfer, 82% for ticket booking, 78% for food ordering, 88% for application fees, 87% for tax payment and 83% for others. This indicates that Google Pay is more preferred over Phone Pay.

21. As compared to Phone pay it has been observed that Google pay uses less legal

22. About 85% of the respondents has stated that Google Pay offers more rewards than that of Phone Pay(9%).45%of the respondents agree that Google Pay has more offers than that of Phone Pay (15%).45% of the respondents agree that Google Pay has more cash back than that of Phone Pay (15%).

23. Majority of the respondents (83.3%) have not faced any problem of cash loss. But 16.7% of respondents lost cash through Google pay.

24. About 58.3% of respondents trust the security of Online Banking Services and only a small fraction of 6.7% feel that it's not secure. But 35% of respondents are neutral on security services rendered.

25. A majority of 58.3% of respondents finds the quality of Google Pay as excellent and 4.9% of respondents find the quality poor.

26. A majority of 62.7% of respondents find the quality of Phone Pay as excellent and 5.9% of respondents find the quality poor.

27. A majority of 88% of the respondents has preferred to use Google Pay for bill payment, 80% for mobile recharge, 93% for fund transfer, 82% for ticket booking, 78% for food ordering, 88% for application fees, 87% for tax payment and 83% for others. This indicates that Google Pay is more preferred over Phone Pay.

28. About 85% of the respondents has stated that Google Pay offers more rewards than that of Phone Pay (9%). 45% of the respondents agree that Google Pay has more offers than that of Phone Pay (15%). 45% of the respondents agree that Google Pay has more cash back than that of Phone Pay (15%).

29. Majority of the respondents (83.3%) have not faced any problem of cash loss. But 16.7% of respondents lost cash through Google pay

30. About 85% of the respondents has stated that Google Pay offers more rewards than that of Phone Pay (9%). 45% of the respondents agree that Google Pay has more offers than that of Phone Pay (15%). 45% of the respondents agree that Google Pay has more cash back than that of Phone Pay (15%).

31. Majority of the respondents (83.3%) have not faced any problem of cash loss. But 16.7% of respondents lost cash through Google pay.

32. About 58.3% of respondents trust the security of Online Banking Services and only a small fraction of 6.7% feel that it's not secure. But 35% of respondents are neutral on security services rendered.

33. A majority of 58.3% of respondents finds the quality of Google Pay as excellent and 4.9% of respondents find the quality poor.

34. A majority of 62.7% of respondents find the quality of Phone Pay as excellent and 5.9% of respondents find the quality poor.

35. A majority of 88% of the respondents has preferred to use Google Pay for bill payment, 80% for mobile recharge, 93% for fund transfer, 82% for ticket booking, 78% for food ordering, 88% for application fees, 87% for tax payment and 83% for others. This indicates that Google Pay is more preferred over Phone Pay.

CONCLUSION

Consumers' knowledge about new mobile technology innovation is increasing rapidly, and consumer's perception is most important in the usage of mobile wallet application in India. Consumers' need has increased with advanced technology. Consequently mobile wallets service providers are innovating new technology from consumer's point of view. Therefore, people can adopt and use their mobile wallets for the payment transaction, fund transfer, purchasing groceries and paying bills etc. The study has discussed the trust is the main factor affecting users' satisfaction directly and it impacts on many users intention to adopt mobile wallets. The results show that the trust has significantly positive impact on actual usage of mobile wallets.

SUGGESTIONS

Both Google pay and Phone Pay can revolutionize online payments and take cashless transaction to then ext. level, but then

- The customers need to be convinced about the safetyof mobile wallet sand their advantages.

- They need to be induced to use mobile wallets for allkinds of payments by making attractive offers such as cash back offer etc.

- All doubts and ignorance in that regard need to be addressed effectively to pump up the use of mobilewallets.

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