



## Strategic Analysis of E-Wallets – Digital Payments Apps

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### ABSTRACT

This research paper is based on a thorough examination of UPI (Unified Payment Interface) related applications in India. It demonstrates how the UPI market is evolving and which businesses are dominating. The study was carried out in the Pune Region, and a questionnaire was used for the survey. A conclusion is drawn after 82 respondents' responses have been collected. Additionally, secondary sources were used to gather the study's data, which allowed us to ultimately gain a thorough understanding of the sector. One phrase that is frequently used in today's society is "digitalization," which is also becoming more popular as people use their smartphones more frequently.

Keywords: e-wallets, UPI, Google Pay, PhonePe, Paytm, BHIM, Amazon Pay.

### Introduction

With over 135 crore people, India is a sizable market for digital payment applications. Recent statistics from TRAI indicates that there are about 114 crore phone customers in India, as well as 76.58 crore internet users and roughly 75 crore smartphone users. These numbers are not just standing still; they have also demonstrated exponential increase on a quarterly and annual basis. With such a large population, India is ranked #1 in terms of the value of transactions made through UPI, which is about three times more than China, which is placed second. The NPCI was established in 2008 with the primary purpose of creating the infrastructure for the industry of digital payments. In India, the fintech industry has more adoption rate than any other in the world that is 87% as per MOCI. UPI is the one of major and attractive part in fintech industry and hence make it an attractive investment option.

Process of UPI

1. The user has to first download and register on it.
2. Once the login they have to register with the Bank Details.
3. Set M-pin for transactions.
4. Ready to go.

### Literature Review

- Zlatko Bezhovski (2016), in their research paper entitled "The Future of Mobile Payments as Electronic Payment System" the study found that the customers using the digital payment applications will go on increasing continuously due to its various benefits and also smartphones becoming the core element of human beings life and stating that the digital payment industry has positive future ahead.
- Prof Trilok Nath Shukla (2016), in their research paper entitled "Mobile Wallet: Present and the Future" found that in future digital payments will have a major contribution in shopping experience of customers. Giving only security and easy to use payment system will not be enough to attract customers apart from this will require to give cashbacks, loyalty programs, etc. The marketers should grab this opportunity by partnering with various digital payment companies to attract to customers.
- Rahul Gochhwal (2017), in their research paper entitled "Unified Payment Interface-An Advancement in Payment Systems" they found that even the smallest retailer or merchant in future will be able to accept payment and also reduce their cost of intermediaries while carrying out transactions. The UPI will not only provide secure mode of payment but will also help in developing the technology ahead.
- James Joseph, K.V. Shriram, Lawlyn L.R. Rodrigues, Ashish Oommen Mathew and K.C. Gana (2018), in their research paper entitled "An Empirical Study on Consumer Adoption of Mobile Application in India" they found that easiness of use, services, pervasiveness, cashbacks were major to attract customers, also mobile payments were popular in urban but awareness is needed to spread it in rural areas of country and they also found that older people find it difficult to use digital payment applications.

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## Research Methodology

Research Methodology is used to solve a problem in a systematic manner and find optimal solution, it is a base for every research done. It helps to understand how the research is conducted, how information is collected, how to present it and how to conclude it.

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## Objectives of the Study

1. To study the significance of digital payment systems in e-commerce.
2. To investigate how users see applications for electronic payments.

Research Design – Descriptive

Sampling Method – Non-Probability Convenience Sampling

Sample Size - 100

Data collection – Primary and secondary

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## Secondary Data Analysis

### *Google Pay*

One of the greatest companies in the world, Google Inc., introduced Tez pay, also known as Google Pay, in 2017. Google Pay has already been adopted in 42 nations, and its use is spreading daily. Using this application is possible in 9 different languages. In order to give loans and profit from the interest charged, Google Pay has partnered with ICICI bank. Your transaction history is protected even from Google itself thanks to a feature called "Toggle" that is only available via Google. Next to PhonePe in terms of market share is Google Pay, at 36%. There are 220 million registered users, and 10 million businesses choose Google Pay.

### *Paytm*

Mr. Vijay Sharma discovered One97 communication, the parent business of Paytm, in 2010. Wallets, mobile payments, internet shopping, the Paytm Sound Box, and other digital items made their debuts in 2014 and left their mark. 2015 saw the introduction of Paytm's own bank after receiving an RBI licence. The most people have registered on Paytm, 350 million, and there are roughly 60 million bank customers. Paytm Postpaid, which offers services akin to credit cards, was just launched. Paytm makes money through offering loans and a variety of other services.

### *Phone Pe*

A payment app called PhonePe is utilised for UPI transactions. The creators of PhonePe, Sameer and Rahul, introduced this payment service in 2015. In all of India, PhonePe may be utilised in 11 spoken languages. The services that PhonePe offers include insurance, mutual funds, digital gold, and more. One other feature is the ability to withdraw money from PhonePe merchants using this programme. PhonePe, which has 20 million total merchant users and 350 million registered users, is successful enough to gain 50% of the market.

### *BHIM UPI*

The regulator, NPCI, created the Bharat interface for money, which is entirely focused on UPI transactions. It launched in December 2016, and as of today, 12.5 million users have signed up. The app can be used in 20 different languages, making it accessible to the majority of Indians, but it is losing market share to alternative payment apps. They should think about utilising various marketing techniques to expand as they are losing ground in the market.

### *Amazon Pay*

Amazon, an e-commerce corporation, launched Amazon Pay. It only has a presence in 18 nations. Amazon Pay has 50 million Indian users signed up, but it is losing ground to other services. They provide decent cashbacks and a variety of offers, but their strategy doesn't appear to be effective. Additionally, they receive income from interest on loans they make and from Amazon Pay Later. The use of the Amazon Pay interface might be simplified or improved to help the company advance.

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## Primary Data Analysis

### Preference of users

Option	Count	%
UPI	90	90%
Cash	10	10%

#### Users preference for payment gateways

Option	Count	%
Google Pay	32	32%
Phone Pe	28	28%
Paytm	33	33%
AmazonPay	3	3%
BHIM UPI	4	4%

#### Reasons for using digital payments apps

Options	Count	%
Ease to use	32	32
Accepted Everywhere	15	15
No need to carry change	51	51
other	2	2

#### Will digital payment gateways replace cash fully?

Options	Count	%
Yes	15	15%
No	85	85%

## CONCLUSION

A frequent term in today's society is "digitalization," and the term has been applied to the payment industry, which has been steadily converting to digital technology and expanding quickly year over year. The "Strategic analysis of UPI applications in India" was the study's primary topic. According to the report, the user base of UPI apps is growing as a result of several advantages, including two-factor authentication, convenience of use, and the elimination of the necessity for carrying cash. In-depth analyses of the features, market shares, and usability of the five most popular UPI applications used in India—PhonePe, Google Pay, Amazon Pay, BHIM UPI, and Paytm—are included in the report. Due to a number of advantages, the Indian digital payment system has been growing steadily and is predicted to continue growing in the future. PhonePe continues to grow and has maintained the top spot in terms of market share, followed by Google Pay, Paytm, Amazon Pay, and BHIM UPI. Due to consumers avoiding actual transactions involving paper money caused by demonetisation, UPI apps saw a rise in popularity. This industry experienced exponential development. We conducted a survey with a questionnaire, and 83 people responded. According to our research, the majority of individuals preferred online payments over cash because carrying cash increases the chance of losing it.

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