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A COMPARATIVE STUDY OF MARKETING STRATEGIES OF GOOGLE PAY IN COMPARISON TO OTHER ONLINE PAYMENT APPLICATIONS

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Abstract

The digital payment industry in India has witnessed unprecedented growth in recent years, driven by factors such as increased smartphone penetration, government initiatives to promote digital transactions, and changing consumer preferences. As a result, numerous online payment applications have emerged, vying for market share. This research paper conducts a comparative analysis of the marketing strategies employed by Google Pay in comparison to other prominent online payment applications in India. This research is limited to the Indian market and focuses on online payment applications, including Google Pay, PhonePe, Paytm, and others. The study's findings can provide insights into the digital payment industry's marketing strategies, helping businesses and policymakers understand the key factors driving success in this rapidly evolving sector. Through an examination of various marketing dimensions, including brand positioning, advertising tactics, user engagement strategies, and partnerships, this study aims to shed light on the factors contributing to the success of Google Pay in the Indian market.

Keywords: *Digital Payments, Online Payment Applications, Google Pay, Marketing Strategies.*

Introduction:

The digitization of payments has transformed the way transactions are conducted in India. The proliferation of smartphones, increased internet penetration, and government initiatives like Digital India and demonetization have propelled the adoption of digital payment methods. Among the many players in this landscape, Google Pay has emerged as a dominant force. However, it competes with several other online payment applications, each employing its unique marketing strategies.

Digital Payment Landscape in India:

The digital payment landscape in India has evolved significantly over the past decade. Factors such as increased smartphone penetration, affordable data plans, and government initiatives have led to a surge in digital transactions. Various online payment applications have entered the market, offering a wide range of services, from peer-to-peer transfers to bill payments and online shopping.

Marketing Strategies in the Digital Payment Industry:

Marketing strategies in the digital payment industry encompass brand positioning, advertising tactics, user engagement, and partnerships. Successful players in this space create a strong brand identity, employ effective advertising campaigns, engage users through rewards and cashback programs, and forge strategic alliances to expand their reach.

Google Pay: A Brief Overview

Google Pay, a product of Alphabet Inc., was launched in India in 2017 as Tez. It rebranded to Google Pay in 2018. It quickly gained popularity due to its simple interface and seamless integration with bank accounts and mobile numbers.

Competing Online Payment Applications:

Google Pay faces competition from several online payment applications in India, including PhonePe, Paytm, BHIM, and others. Each platform employs distinct marketing strategies to attract and retain users.

Review Literature:

- Akhila Pai H. (2018) has pointed out that the Government of India initiated the concept of 'Digital India' to increase the usage of internet and mobile wallets which in-turn leading to cashless payments.

- Anil Kumar. Punna & Mahesh Kumar. Punna (2017) reveals that mobile banking is an essential instrument for transfer of funds from one account to another. Cashless payments are made through virtual and app-based transactions, and it has been widely adopted by the people after the demonetization.

- Vijayashri Mahindra Gurme (2017), the development of information technology through mobile devices generates novelty called "Mobile Wallet".

- Creating a strong brand identity is essential. Google Pay, in particular, is known for its simplicity and reliability, positioning itself as a secure and user-friendly platform (Kar & Dwivedi, 2020).

- Extensive advertising campaigns, both on television and digital platforms, have been a hallmark of online payment applications. Google Pay's advertising efforts have been impactful, with a focus on educating users about its services (Sharma & Shukla, 2019).

- User engagement is vital for user retention. Google Pay, like its competitors, offers rewards and cashback programs to incentivize users and encourages active participation on its platform (Choudhury & Agarwal, 2020).

- Collaborations with merchants, e-commerce platforms, and banks have been instrumental in expanding the reach of these payment apps. Google Pay, for instance, has partnered with a wide range of merchants and financial institutions (Google Pay India, 2021).

Objectives:

- To understand different effective marketing strategies of G-pay.

- To know whether going cashless has helped the Indian economy.

- Comparison between different payment gateways.

- Understanding people's point of view about online payment.

- Awareness of Google Pay related customer satisfaction level.

Research Methodology:

This descriptive study discusses the customer usage on mobile wallets on Google Pay, Paytm and PhonePe. This research has been carried out with a systematic process like determining the sampling method, collecting data, analyzing the data, identifying the major findings and given the conclusions. As the population size is infinite, we have adopted snowball sampling under the non-probability sampling methods to collect data from the respondents.

We sent the google form and it has reached a heterogeneous group of 100+ respondents who have given their opinion by filling the questionnaires. In that around 76 respondents are using Google Pay. We used both primary and secondary data collected from respondents and other resources. Primary data collected with the help of a questionnaire in the form of a google form sent to theusers, and the same was forwarded to their contacts. Secondary data was gathered from different sources such as articles

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published in different journals & newspapers, published books, periodicals, conference papers, working papers, and websites, etc

Analysis and Interpretations of Data: The data was collected from the users of Google pay, Paytm,
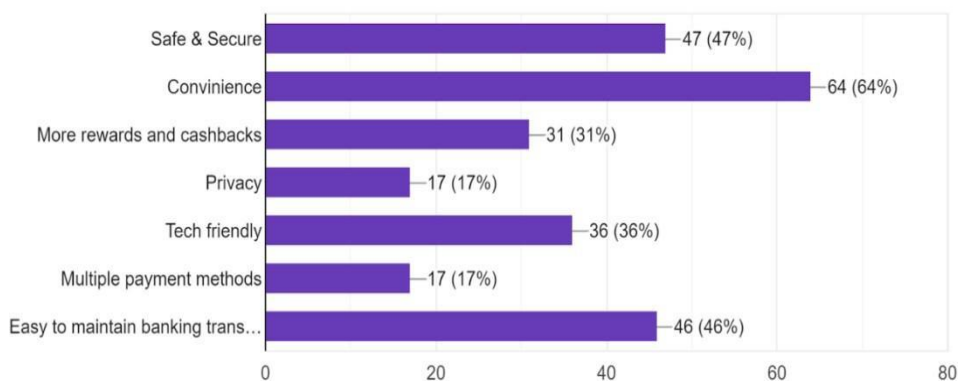
Primary data:

PhonePe and other online payment application users. Totally 100+ respondents had participated in this survey, and based on their information, we analyzed the data with the help of their responses.

Which online payment application is used by you most frequently?
100 responses

- Google Pay
- Paytm
- PhonePe
- Others
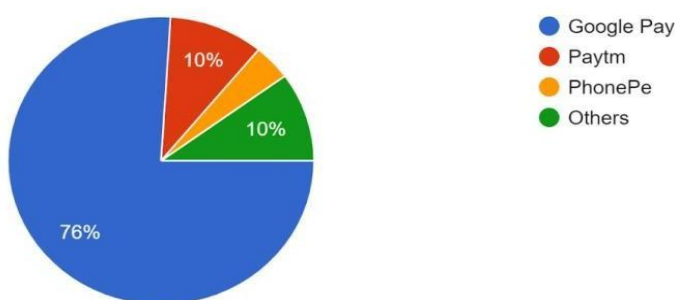
This pie chart reveals that out of 100 customers, 76 are using Google Pay as their daily used online payment application.

Why do you prefer paying through these payment apps? (You can select multiple choices , if any)
100 responses

- Safe & Secure — 47 (47%)
- Convinience — 64 (64%)
- More rewards and cashbacks — 31 (31%)
- Privacy — 17 (17%)
- Tech friendly — 36 (36%)
- Multiple payment methods — 17 (17%)
- Easy to maintain banking trans… — 46 (46%)

Is Google Pay trustworthy?
100 responses

- Yes
- No

Here, the respondents are using these online payment applications as they find it much more convenient to pay through just scanning their UPI and make payments easily even if they do not have cash in their hands. Also, around 98% of the respondents are trusting Google Pay in these digital transactions.

Preliminary Survey

We had conducted a survey and were glad to receive more than 100 responses in just a few days' time. Some of the questions along with its statistical data are mentioned above. Other few questions and few of its common responses are as mentioned below:

1. **According to you how is Google Pay different from other online payment apps?**
   - It is tech friendly and easy to use.
   - It offers cashbacks, rewards and vouchers.
   - It can easily use by all the age groups.
   - Since Google is a brand, people more often use it.
   - It avoids unnecessary procedure that need to follow during other online payment apps.

2. **What is the target audience of Google Pay?**
   - According to the survey the main target audience is from the age group of 18-50 years.
   - Retail shops and local vendors are also becoming their next prey.
   - Also, the crowd that believes in cashless payments are its target.

3. **Do you think any factor would affect online payment?**
   - One of the biggest factors that affects online payment is the quality of network. If there is poor network connection, then it might lead to failure of transaction and your money would get stuck for a period of time.
   - One should also have knowledge about the procedure of making payment to avoid any mistakes.
   - Security concern is also a factor which would affect online payments.

4. **What is Google Pay doing to attract more and more consumers?**

   - As we all know that Gpay is investing a lot on its advertisements.
   - They are providing cashbacks, rewards and vouchers to its customers.
   - They are trying to make it the fastest and safest online payment platform.
   - Dominating the market by getting more users.

Findings and Conclusions:

We have received the outcomes from the respondents as per our expectations. Users of Google Pay are undoubtedly more than of any other payment applications such as Paytm, PhonePe, Apple pay etc. Some of our respondents had both negative and positive to say about the digital applications other than Google Pay. Some of the responses asked about why one should not use Paytm, PhonePe and other applications are because they feel they need to give a lot of personal information and banking details for using that particular application. Some users mentioned about their invading privacy of their banking transactions. Some finds it ineffective because of its working on all android and apple phones. Other than this people find the marketing strategies of Google Pay much more attractive and useful since it pops its notification for every tiny thing. Some of the findings are:

- Online payment is rapidly gaining the status of default mode of payment for products and services.
- Even rural parts of India are accepting this new technology, with efforts of government in making India more Digitalized.
- Paytm was the pioneer in Online Payment Apps in India, thus enjoys unique place in consumers' mind and lives of Indian citizens at large.
- But as the competition has rose and plenty of online payment apps as well as banks creating online

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options for transactions, the market share of Paytm has suffered negatively.

- Google entered the online payment industry after its Indian counterpart app Tez was rebranded as Google pay for better recognition in the market worldwide.

- In relatively less time Google Pay has acquired near to one-third of the online payment market.

- It's easy to install Google Pay on smartphone or smart watch.

- User can use it to pay for shopping at online stores, shops and restaurants, booking tickets, peer-to-peer transactions including shared lunch payments, keeping visual cards, passports and tickets. Additionally, it allows user to connect to their bank accounts to manage and search accounts, and choose to let Google Pay search inbox to check receipts.

- Google Pay is built on a number of security measures to ensure that money is not misused or stolen.

- One of the great benefits of mobile payment methods like Google Pay is that besides being easy to use, they also reward user for using or promoting it.

- According to Google, Google Pay is free for both customers and vendors.

Google is seeking to focus on developing Google Pay into a multipurpose digital wallet by extending the range of cards, passes and tickets that the service supports and is working with crypto currency providers to introduce digital cards that will enable users to store crypto assets but still make payments in conventional currencies.

The company is also planning to add more payment features to its search and shopping services, such as showing consumer loyalty cards and personalized discounts directly in search results. The plans are part of a strategy to build Google Pay as a "comprehensive"

service by further rolling out support for digital tickets, airline passes and vaccine passports and to turn Google into "the connective tissue for the entire consumer finance industry.

Google Pay is emerging as the secret weapon in Alphabet's (GOOGLE) plan to dominate India's boom in online shopping, social networking, video streaming and cloud gaming.

- Google Pay maintained its second lead with INR 3.03 Lakh Cr transactions.

- Google Pay is second in line in UPI market leadership.

- The payment giant commanded a little over 37.5% of the total market share in 2021 with transactions worth INR 2.74 Lakh Cr.

- Google Pay presently has over 10 MN merchants across 19,000 pin codes,

- enabling 15 Bn transactions annually, spanning 220 MN+ users.

- PhonePe and Google Pay currently own 47% and 34% of the UPI payments market share respectively (as of December 2021).

- It spends almost 1058+ crores every year for its digital advertisements which leads to its rapid growth.

Limitations:

1. **Not always Accepted:** The user can use Google Play in many stores and online shopping sites, but one can't go anywhere without cards or cash and be absolutely sure that everywhere one will be able to pay with Google Pay. This is especially true if users are heading to a market, or to a rural or remote area.

2. **Not as effective on all phones** Not all smartphones are the same. Although all modern smartphones have NFC, if user have an older phone than he may need to check if NFC is working as Google Pay requires this to send transaction data to the payment point.

3. **Concerns of Data Privacy** Google Pay and many

other mobile payment methods leave behind a transaction record that causes concern for some people. However, the high level of security used by Google Pay means user do not have to worry about hacking.

- Banks could easily enter market
- Many niches available for new comers
- Competition can eliminate profits
- Increasingly easy entry for competitors

Challenges and Future Prospects:

1. **Regulatory Challenges:** The digital payment industry faces regulatory challenges related to data privacy, security, and compliance. Google Pay and competitors must navigate these challenges effectively.

2. **Security Concerns:** Security is paramount in the online payment industry. Google Pay and competitors must continuously upgrade security measures.

3. **Emerging Trends and Opportunities:** The study identifies emerging trends, such as contactless payments and blockchain technology, and discusses the opportunities they present.

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