

# 2021 India **Mobile Payments** Market Report



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Mobile payments in India accelerated their lead over cards amid the COVID-19 pandemic. Large technology companies intermediating mobile payments are becoming financial supermarkets by cultivating partnerships with financial institutions and securing regulatory licenses. Banks' payments strategies revolve around credit cards, but partnerships with fintechs will be key to future growth.

Complete data exhibits are available in an [Excel spreadsheet](#).

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## Payment apps seeking to be super apps in India

	In-app features	Paytm	Walmart's PhonePe	Google Pay	Amazon Pay in Amazon.in app
Funding methods	Bank account using UPI	●	●	●	●
	Stored value wallet	●	●		●
	Debit, credit card	●	●	●	●
Payment features	Send money	●	●	●	●
	Request money	●	●	●	●
	QR code payments	●	●	●	●
Bill payments	Recharge prepaid mobile phone plan	●	●	●	●
	Pay utility bills	●	●	●	●
	Pay credit card bills, insurance premiums and loan EMIs	●	●	●	
E-commerce, travel	Purchase groceries/merchandise	●	●	●	●
	Make flight, train, bus or hotel bookings	●	●	●	●
	Book Uber/Ola car rides		●		
Financial services	Buy gold	●	●	●	●
	Instant loan	●	●	●	●
	Invest in mutual funds		●	●	
	Buy insurance	●	●	●	●
Others	Mini programs <sup>1</sup>	●	●	●	
	Chat with contacts		●	●	
	Check account balance	●	●	●	●

Data compiled July 17, 2021.

UPI = Unified Payment Interface; EMIs = equated monthly installments

<sup>1</sup> Mini programs are light-weight apps of third-party companies that function within Paytm, PhonePe and Google Pay, covering hundreds of services for users.

Source: S&P Global Market Intelligence analysis of select mobile payment apps for Android users.

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# Executive summary

## Introduction

Despite the economic contraction due to the COVID-19 pandemic, mobile payments accelerated since 2019 in India. Popular payments services in India are overlaid on the Unified Payments Interface, or UPI, a banking industry-sponsored protocol that lets people link their bank accounts with their phone numbers through payment apps.

India's mobile payments landscape features Google Pay, Walmart-owned PhonePe, Alibaba-backed Paytm, Amazon Pay and Facebook's WhatsApp. PhonePe and Google Pay have tightened their grip on UPI payments, but this rapid growth has entailed high amounts of cash burn due to the absence of traditional payment revenues.

Leading consumer fintechs are building financial supermarkets, but they differ in how they deliver financial services. Paytm is shifting toward risk-bearing models by seeking licenses to control both manufacturing and distribution of financial services. Google, on the other hand, has steered clear of regulation through innovative integrations with financial institutions and fintechs. PhonePe and Amazon Pay hold a middle view, with the two companies leveraging partnerships with incumbents and seeking licenses available for nonbanks.

Fintechs that enable online and offline enterprises to accept various payment methods and facilitate reconciliation and settlement recently have received greater investor attention. Payment aggregators and gateways remain enmeshed in card payments and enjoy relatively better monetization opportunities than consumer fintechs that provide UPI payments. But the growing share of UPI payments will put pressure on revenues for business-to-business fintechs.

Banks have long conceded the space in mobile payments to technology companies. Although their payments strategies will continue to revolve around credit cards, banks suffered a significant drop in fiscal 2021 interchange revenue as consumers hunkered down amid lockdown measures. Technology companies may be responsible for the rise of non-card alternatives, but they remain banks' best bets in driving the card business. Alliances with technology companies may yet provide a way for banks to minimize disintermediation risks in payments.

## About the India Mobile Payments Market Report

This report estimates the size of India's mobile payments market, explores growth trends in mobile and card payments and estimates the market share of banks and nonbanks.

S&P Global Market Intelligence defines mobile payments in India as transactions initiated by payment apps comprising account-to-account transfers and payments made from stored-value accounts. Card transactions comprise in-store and online payments made using debit and credit cards.

The report evaluates two business models in the marketplace: business-to-consumer companies providing mobile front-end applications and business-to-business companies enabling online and offline enterprises to accept various payment methods. It evaluates the revenue models and funding needs of homegrown startups.

Further, it features large technology players, including PhonePe, Google Pay, Paytm and Amazon Pay, and their financial services offerings.

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