TO STUDY USAGE OF THRID-PARTY APPLICATIONS OVER NATIVE BANK APPLICATIONS

A Project Submitted to

University of Mumbai for partial completion of the degree of

Bachelor in Commerce (Financial Markets)

Under the Faculty of Commerce

By

MR. PIYUSH B. PUNDIR

7435

Under the Guidance of

MR. NIRAV GODA

THAKUR COLLEGE OF SCIENCE AND COMMERC

Thakur Village, Kandivali (E), Mumbai 400101

APRIL 2021

Certificate

This is to certify that **MR. PIYUSH B. PUNDIR** has worked and duly completed his Project Work for the degree of Bachelor in Commerce (Financial Markets) under the Faculty of Commerce and his/her project is entitled, "**TO STUDY USAGE OF THRID-PARTY APPLICATIONS OVER NATIVE BANK APPLICATIONS**" under my supervision.
I further certify that the entire work has been done by the learner under my guidance and that no part of it has been submitted previously for any Degree or Diploma of any University.

It is her own work and facts reported by her personal findings and investigations.

Mr. Nirav Goda

NAME &

SIGNATURE OF EXTERNAL

Date of submission:

Declaration by Learner

I the undersigned MR **PIYUSH B. PUNDIR** hereby, declare that the work embodied in this project work titled "**TO STUDY USAGE OF THRID-PARTY APPLICATIONS OVER NATIVE BANK APPLICATIONS**" forms my own contribution to the research work carried out under the guidance of

MR. NIRAV GODA, result of my own research work and has not been previously submitted to any other University for any other Degree/ Diploma to this or any other University.

Wherever reference has been made to previous works of others, it has been clearly indicated as such and included in the bibliography.

I, hereby further declare that all information of this document has been obtained and presented in accordance with academic rules and ethical conduct.

PIYUSH B. PUNDIR

Certified by,

MR. NIRAV GODA

Acknowledgment

I would like to acknowledge the following as being idealistic channels and fresh dimensions in the completion of this project.

I take this opportunity to thank the **University of Mumbai** for giving me the chance to do this project.

I would like to thank my **Principal, Dr. (Mrs) C.T. Chakraborty,** for providing the necessary facilities required for completion of this project.

I take this opportunity to thank our **Coordinator, Mr. Nirav Goda**, for her moral support and guidance.

I would also like to express my sincere gratitude towards my project guide **Mr. Nirav Goda** whose guidance and care made the project successful.

I would like to thank my **College Library**, for having provided various reference books and magazines related to my project.

Lastly, I would like to thank each and every person who directly or indirectly helped me in the completion of the project especially **my Parents and Peers** who supported me throughout my project.

INDEX

LIST OF CHARTS

CHAPTER 1

INTRODUCTION

1. INTRODUCTION

1.1 What are Third Party Trading Applications (BHIM / UPI)

Unified Payments Interface (UPI) is a fast payment system developed by the **National Payments Corporation of India**, an organization controlled by the RBI. The UPI is built on top of IMPS infrastructure that allows you to transfer money quickly between any two banking bank accounts. India has taken a big step towards achieving a prosperous economy with the advent of the UPI. This new payment method allows you to use your smartphones as a visual bank card. Allows transferring money from one bank account to another instantly via a personal phone. Payments can only be made via mobile devices. Money transfer via UPI works on a 24x7 basis. The UPI ID starts with your mobile number followed by the '@' symbol and the application you are using. For example, in the BHIM app the UPI ID is displayed as XXXXXXXXXX @ upi, and in Paytm by XXXXXXXXX @ paytm.

BHIM is an Indian mobile payment app developed by National Payments Corporation of India, based on Unified Payments Interface. Named for B. R. Ambedkar was also launched on December 30, 2016, aimed at simplifying e-payments by banks and driving free transactions. It's not the same. BHIM (Bharat Interface Money) is a mobile wallet app that helps drive payments online. ... Unified Payment Interface (UPI) is a payment method that allows you to use your mobile phones to send or receive money. This works as a platform, while BHIM is a separate mobile wallet app.

How to register or access BIM

- Download and install the BHIM app in the Google Play store or in the Apple App store
- Language Choose your preferred language
- SIM Select a SIM with a mobile phone number registered in your bank
- Login by entering a 4-digit password
- And Select and link to your desired account
- Set your UPI PIN by assigning the last 6 digits and the expiration date of the debit card
- Now Your account is now registered and ready to use. Send or request money and go free!

1.2 History of BHIM / UPI Applications

In other cases, you can scan the QR code with the BHIM app to transfer money. One can also request money through the app. The app is developed by the National Payments Corporation of India (NPCI). Launched by the Prime Minister of India, Narendra Modi on 30 December 2016 to find a digitally empowered society. The main reason that led to BHIM / UPI Apps was to lead India to digital India and India without money.

What led to these applications:

• Digital India Program

Digital India is a campaign launched by the Government of India with the aim of ensuring that Government services are available electronically to citizens through improved online infrastructure and by expanding Internet connectivity or making the country more economically empowered in the technology sector. Digital India is essentially a concerted effort by the Government of India to connect rural areas with the help of the internet and give them access to basic internet services. The aim of this program is to transform India into a digital society with a world that is knowledgeable about influencing IT as the engine to grow a new India.

This is the 21st Century and at this time India must fight hard to meet the aspirations of its people where government services can reach from house to house to help the people and contribute to the lasting positive impact. "India lives in the valleys" said Father of the Nation, Mahatma Gandhi. Former Indian Prime Minister Shri Atal Bihari Vajpayee told television on March 22, 1998: "Government will work hard to make India a world power of information technology - in particular, [we will] make India one of the world's largest manufacturers of software and vendors - within a decade." . The Prime Minister also commended the experts to tackle the three national projects in which he seeks to increase the role of languages in computers, using the internet to improve the communication of government citizens and wants to improve the use of IT applications for rural and agricultural development. (Nikam et. Al, 2004) According to a 2015 report, in India by 2019 approximately 2.5 lakh villages will have telephone and broadband connections as well. With the help of Digital method, import costs will be zero and India will have 4,00,000 Internet access points. Educational institutions including schools and universities will also have a Wi-Fi hotspot that is very useful for a variety of activities. The Honorable Prime Minister said in his speech "I see technology as a means of empowerment and as a tool that connects the distance between hope and opportunity & Digital India is a business of India's transformation at a level that is, unparalleled in human history". The program was launched in 2015. Digital India is a key program for the Government of India with a vision to transform India into a digitally empowered and knowledge-based economy. "Flawless, paperless, penniless" is one of the roles called Digital India

• November 2016 (Demonization)

In November 2016, Indian Prime Minister Narendra Modi announced a policy of 86 percent of the country's overnight tenders. Demon drives in India have removed all 500 and 1,000 rupee notes in order to reduce what the Prime Minister calls the 'shadow economy'. On November 8, 2016, the Government of India announced the casting out of demons in all the 500 and ₹ 1,000 banknotes of Mahatma Gandhi Series. It also announced the issuance of ₹ 500 new bills and ukuze 2,000 bills for cash used.

Demon possession means the act of depriving a legal tender of monetary units. It occurs whenever there is a change in any national currency. Includes withdrawals of current forms or currencies that are being distributed often with new notes or coins.

The demonic proclamation was followed by a prolonged shortage of funds in the weeks that followed, which caused great disruption to the economy. People who wanted to exchange their bills had to stand in long lines, and many deaths were linked to money laundering.

According to a 2018 report from the Reserve bank of India, approximately 99.3% of demonic paperwork, or ₹ 15.30 lakh crore (15.3 trillion) of 15.41 lakh crore formerly demon possessed, was deposited in the banking system. But uninvited investment could have cost 10,720 crore (107.2 billion), which has led analysts to say that an attempt has failed to remove black money from the economy. Stock indexes for BSE SENSEX and NIFTY50 fell more than 6 percent a day after the announcement. The move has reduced the country's industrial output and GDP growth rate.

Initially, the initiative received support from several banks and other international analysts. The practice has also been criticized as unethical and unethical, and protests against government, protests, and strikes have been met in many parts of India. Controversy has also erupted over the relocation of both houses of Parliament

1.3 Features of BHIM Application

Features of BHIM App:

- BHIM App allows users to send or receive money to or from UPI payment addresses and also to non-UPI-based accounts.
- Users can create their own QR code for a fixed amount of money, which is helpful in retail transactions. Users can also have more than one payment address.
- Allows users to check the current balance in their bank accounts and to choose which account to use for conducting transactions, although only one can be active at any time.
- No need to register the payee before the transaction.
- For using the BHIM app there is no need for Internet Banking.
- There is 'Scan and Pay' facility which makes the payment transfer quick, especially between merchants and consumers.
- There is no charge for transactions from 1 to Rs. 1 lakh.
- BHIM App currently supports 20 languages including English.

1.4 Features of UPI Applications

Features of UPI:

- The service is available 24/7.
- UPI system will not at all include the wallets.

- Charges can be applied depending on the amount of money transferred.
- The transaction will be shown as an IMPS Bank transfer in the bank account statement.
- Merchants will not be able to track even the account number.
- No need to carry debit or credit cards which also sometimes leads to security problems.
- The limit on transactions through the UPI system is Rs. 1 lakh.
- All UPI-enabled banks will allow their apps to be consolidated for single-window operations.
- Both the sender and receiver should have UPI enabled platform for the transaction to take place.

1.5 Which one is better BHIM or UPI Apps

A study of difference between BHIM and UPI apps and will help us understand about which one is better for digital transaction. Let's take Google Pay as an example of UPI App.

Comparison	BHIM App	Google Pay (Tez)
Ease of use and Interface	BHIM app has all the features on the home screen like the send, request, scan and pay. And just below these, you can find the options to access the transaction records, bank account profile and rewards.	Google Pay has the payment button right in the middle of the screen and you can also make payments using the UPI ID, mobile number or account number.
Speed	BHIM app is comparatively slower than Google Pay.	Google Pay is faster but PhonePe surpasses it.
Features	BHIM app has a unique feature which lets users make payments using Aadhar Card. You can use the beneficiary's Aadhaar number to make payments. The only condition is that the beneficiary's Aadhaar should be linked with the bank account.	Google Pay has Tez Mode payments. It lets you make instant payment without knowing any beneficiary details using QR technology. It also syncs your Google contacts and checks who of them are using Google Pay. Then it displays them on the new payment page. But it lacks some important features such as payments using Aadhaar number, which is available in BHIM.
Security	BHIM uses a 4-digit passcode. It uses UPI's security mechanism for the payments. It works on	Google Pay also has a security mechanism called Tez Shield. It protects your

	two-step authentication for payments. The first step is your mobile number. Your SIM that is registered with your account should be inserted in the phone. And the second step is your UPI PIN. You must enter the UPI PIN to perform any transaction through BHIM.	personal and bank details from unwanted fraudulent activities. Google Pay uses a 4-digit Google PIN. You can also use your phone's default screen lock method to unlock Google Pay app. This makes unlocking Google Pay a lot easier than BHIM.
Transaction Limits	If you link your savings account, you send funds up to Rs. 20,000 per day per bank account using BHIM app. And you can perform no more than 20 transactions per day per bank account.	If you use Google Pay, you can send funds up to Rs. 1 lakh per 24 hours per bank account. Here you should note that the upper limit Rs.1 Lakh is set by UPI itself. So, you cannot transfer more than 1 lakh per bank account per day using any UPI platform. And you can perform no more than 20 transactions per day per bank account.

1.6 Can UPI completely replace Cash or Card

- According to RBI's estimates, the cash floating in the system is about 18% of the country's gross domestic product, making India as one of the most printed currency-dependent country in the world.
- UPI's success depends on few factors. For example, consider these numbers:
  There are 760 million Aadhaar cards, and with 26 million of Aadhaar numbers getting added every month, soon the total Aadhaar card issuance will touch a billion by next year. Out of India's 900 million mobile phones, 120 million are smartphones.
- So, even though the use of smartphones is increasing, its nowhere near the levels of Aadhaar registration. In India, its estimated that there are over 25 million merchants and only 1.2 million have card readers. Still a major chunk of risk-averse customers hesitate to use cards.
- All out efforts therefore must be made to increase smartphone penetration if UPI is to succeed, eventually rendering cards redundant for online payments.

UPI is a great step in right direction and its is set to become an efficient alternative to mobile wallets and make cashless payments faster, easier and smoother for millions of people in India.

It has potential to make micro payments cashless which will benefit both buyers and sellers.

1.7 Different UPI Apps

i. Paytm

Paytm was founded in August 2010 with an initial investment of $2 million by its founder Vijay Shekhar Sharma in Noida, a region adjacent to India's capital New Delhi. It started off as a prepaid mobile and DTH recharge platform, and later added data card, postpaid mobile and landline bill payments in 2013.

By January 2014, the company had launched the Paytm Wallet, which the Indian Railways and Uber added as a payment option. It launched into e-commerce with online deals and bus ticketing. In 2015, it unveiled more use-cases like education fees, metro recharges, electricity, gas, and water bill payments. It also started powering the payment gateway for Indian Railways.

In 2016, Paytm launched movies, events and amusement parks ticketing as well as flight ticket bookings and Paytm QR. Later that year, it launched rail bookings and gift cards.

Paytm's registered user base grew from 11.8 million in August 2014 to 104 million in August 2015. Its travel business crossed $500 million in annualized GMV run rate, with 2 million tickets booked per month.

In 2017, Paytm became India's first payment app to cross over 100 million app downloads. The same year, it launched Paytm Gold, a product that allowed users to buy as little as ₹1 of pure gold online. It also launched Paytm Payments Bank and 'Inbox', a messaging platform with in-chat payments among other products. By 2018, it started allowing merchants to accept Paytm, UPI and card payments directly into their bank accounts at 0% charge. It also launched the 'Paytm for Business' app which is now called Business with Paytm App, allowing merchants to track their payments and day-to-day settlements instantly. This led its merchant base to grow to more than 7 million by March 2018.

The company launched two new wealth management products - Paytm Gold Savings Plan and Gold Gifting to simplify long-term savings.

In January 2018, Paytm entered into a joint venture with Alibaba Group-owned gaming company AGTech Holdings to launch Gamepind, a mobile gaming platform. Gamepind was later rebranded as Paytm First Games in June 2019.

In March 2018, Paytm Money was setup with an investment of ₹9 crore to bring investment and wealth management products for Indians.

In March 2019, Paytm launched a subscription-based loyalty program called Paytm First.

In May 2019, Paytm partnered with Citibank to launch Paytm First credit card

In July 2020, Tata Starbucks partnered with Paytm allowing its customers to order food online during a coronavirus (COVID-19) pandemic.

ii. PhonePe

PhonePe is an Indian digital payments and financial services company headquartered in Bangalore, 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 over 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 and mutual funds and gold. In addition, PhonePe also allows users to book Ola rides, pay for Redbus tickets, and book flights and hotels on Goibibo through the Switch platform.

PhonePe is accepted as a payment option at over 17.5 million offline and online merchant outlets across 500 cities in India covering food, travel, groceries, medicines, movie tickets etc. The app crossed 100 million user mark in June 2018 and also crossed 5 billion transactions in December 2019. It currently has over 280 million users. The company launched the PhonePe ATM in January 2020. The PhonePe ATM allows neighborhood Kirana stores to dispense cash in real-time to customers.

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

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

In October 2017, 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.

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

iii. Google Pay

Google Pay (stylized as G Pay; formerly Pay with Google and Android Pay) 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, student ID cards, 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 autofill 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.

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 the Google Pay 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, host-based card emulation (HCE), and Android's security.

Google Pay takes advantage of physical authentications such as fingerprint ID where available. On devices without fingerprint ID, Google Pay is activated with a passcode. When the user makes a payment to a merchant, Google Pay does not send the credit or debit card number with the payment. Instead, it generates a virtual account number representing the user's account information. This service keeps customer payment information private, sending a one-time security code instead of the card or user details.

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

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 last five minutes) and challenge if necessary, for unlock information. Spring CEO Alan Tisch said Google Pay improves mobile shopping business by supporting a "buy button" powered by Google Pay integrated within vendor's creative design.

iv. Amazon Pay

Amazon Pay is an online payment processing service owned by Amazon. Launched in 2007, Amazon Pay uses the consumer base of Amazon.com and focuses on giving users the option to pay with their Amazon accounts on external merchant websites. As of March 2021, the service is available in Austria, Belgium, Cyprus, Denmark, France, Germany, Hungary, India, Republic of Ireland, Italy, Japan, Luxembourg, Netherlands, Portugal, Spain, Sweden, Switzerland, United Kingdom, and the United States.

Amazon Pay announced a partnership with Worldpay in 2019 allowing WorldPay clients to enable Amazon Pay as a part of the same integration.

Amazon Pay has undergone many changes in its evolution to improve the online payments processing for Amazon customers on external websites. While Amazon Pay is the most recent product, it represents the culmination of previous trial and error products, and strategic acquisitions.

Amazon in 2013 acquired GoPago's technology (mPayment) and hired their engineering and product teams. Amazon was interested in the mobile payment business. GoPago's app allows shoppers to order and pay for goods and services before they arrive at a business.

In September 22, 2010, Amazon published a security advisory regarding a security flaw in its Amazon Payments SDKs. This flaw allows a malicious shopper to shop for free in web stores using those SDKs. Amazon mandated all web stores to upgrade to its new SDKs before Nov. 1, 2010. Amazon acknowledged security researcher Rui Wang for finding this bug. The detail of the flaw is documented in the paper "How to Shop for Free Online - Security Analysis of Cashier-as-a-Service Based Web Stores" by Rui Wang, Shuo Chen, Xiao Feng Wang, and Shaz Qadeer.

1.8 What are Bank's Native Applications (Internet Banking)

Internet banking, also known as online banking or e-banking or Net Banking is a facility offered by banks and financial institutions that allow customers to use banking services over the internet. Customers need not visit their bank's branch office to avail each and every small service. Not all account holders get access to internet banking. If you would like to use internet banking services, you must register for the facility while opening the account or later. You have to use the registered customer ID and password to log into your internet banking account.

Features of Online Banking

- Check the account statement online.
- Open a fixed deposit account.
- Pay utility bills such as water bill and electricity bill.

- Make merchant payments.
- Transfer funds.
- Order for a cheque book.
- Buy general insurance.
- Recharge prepaid mobile/DTH.

Advantages of Internet Banking

The advantages of internet banking are as follows:

- **Availability:** You can avail the banking services round the clock throughout the year. Most of the services offered are not time-restricted; you can check your account balance at any time and transfer funds without having to wait for the bank to open.
- **Easy to Operate:** Using the services offered by online banking is simple and easy. Many find transacting online a lot easier than visiting the branch for the same.
- **Convenience:** You need not leave your chores behind and go stand in a queue at the bank branch. You can complete your transactions from wherever you are. Pay utility bills, recurring deposit account instalments, and others using online banking.
- **Time Efficient:** You can complete any transaction in a matter of a few minutes via internet banking. Funds can be transferred to any account within the country or open a fixed deposit account within no time on net banking.
- **Activity Tracking:** When you make a transaction at the bank branch, you will receive an acknowledgement receipt. There are possibilities of you losing it. In contrast, all the transactions you perform on a bank's internet banking portal will be recorded. You can show this as proof of the transaction if need be. Details such as the payee's name, bank account number, the amount paid, the date and time of payment, and remarks if any will be recorded as well.
-

Disadvantages of Internet/Online Banking

The disadvantages of internet banking are as follows:

- **Internet Requirement:** An uninterrupted internet connection is a foremost requirement to use internet banking services. If you do not have access to the internet, you cannot make use of any facilities offered online. Similarly, if the bank servers are down due to any technical issues on their part, you cannot access net banking services.
- **Transaction Security:** No matter how much precautions banks take to provide a secure network, online banking transactions are still susceptible to hackers. Irrespective of the advanced encryption methods used to keep user data safe, there have been cases where the transaction data is compromised. This may cause a major threat such as using the data illegally for the hacker's benefit.
- **Difficult for Beginners:** There are people in India who have been living lives far away from the web of the internet. It might seem a whole new deal for them to understand how internet banking works. Worse still, if there is nobody who can explain them on how internet banking works and the process flow of how to go about it. It will be very difficult for inexperienced beginners to figure it out for themselves.

- **Securing Password:** Every internet banking account requires the password to be entered in order to access the services. Therefore, the password plays a key role in maintaining integrity. If the password is revealed to others, they may utilise the information to devise some fraud. Also, the chosen password must comply with the rules stated by the banks. Individuals must change the password frequently to avoid password theft which can be a hassle to remember by the account holder himself.

1.9 Difference between UPI and Internet Banking

Unified Payment Interface (UPI) and Internet banking are two of the most commonly used banking tools which facilitate the user to perform several baking operations through the internet

The difference between UPI and Internet Banking is that UPI is mainly used to transfer funds (both peer to peer and merchant payments) using the various mobile applications offering this service. Whereas, Internet Banking offers fund-transfer services along with other banking options like loan applications, credit card applications, and opening of a fixed deposit account.

UPI and Internet banking both are used as instant payment systems but require different levels of inputs in order to complete the transaction. UPI only requires the Virtual Payment Address (VPA) of the beneficiary whereas Internet Banking requires the beneficiary's bank account details.

Today, more and more people are opting for UPI over Internet Banking owing to its ease of access and lower chances of transaction error. However, Internet Banking is necessary to perform certain banking operations where UPI is impuissant.

Parameter of Comparison	UPI	Internet Banking
Speed of transaction	The average number of touch inputs from the customer to complete a transaction is 6.	The average number of touch inputs from the customer to complete a transaction is 50.
Cost of fund transfer	No extra amount is charged.	A small amount of fees is charged per transaction (usually Rs. 5 to Rs. 15).
Banks offering service	29 banks.	Almost all banks.
Beneficiary addition	Only the Virtual Payment Address (VPA) of the beneficiary is required.	Pre-addition of beneficiary's details (like bank account number and IFSC code) is required.

UPI does not require the addition of any beneficiary in order to transfer the funds, only their Virtual Payment Address (VPA) is sufficient. To perform a transaction using Internet Banking, the details of the beneficiary,

including the bank account number and IFSC code, are required; however, this need not be repeated for every transaction once the beneficiary is added.

UPI can only be accessed through the mobile applications offering this service. Whereas, Internet Banking can be accessed through the website or mobile application of that particular bank.

Transactions made through UPI are currently free. However, banks are planning to induce minimal charges on each transaction. On the other hand, Internet banking charges around Rs. 5 to Rs. 15 per transaction.

Internet banking offers a large range of services like loan applications, credit card applications and opening od a fixed deposit account. Whereas, UPI is used for find transfer related work.

UPI has a very high success rate whereas Internet banking transactions register 10% lower success rate than the former.

CONCLUSION

Both UPI and Internet Banking are banking tools which facilitate the customer to perform various banking operations using the medium of internet. Both of them are adept at different ranges of operations.

However, both UPI and Internet Banking allow the user to make online transaction from their bank account any another one instantly. Either one of them is regarded as very secure methods to perform banking services.

CHAPTER 2

RESEARCH METHODOLOGY

2. RESEARCH METHODOLOGY

2.1 OBJECTIVES –

- To know how many users use third-party applications and native applications to avail online banking facilities.
- To find out why people switch from native applications to the third-party applications.
- To know whether the third-party applications are safer or equally safe to the native applications that are being provided by the banks.
- To know whether it is fine to use third-party applications or not.
- To know whether third-party applications provide services like query solving for an online transaction or not.
- To know how banks can increase the number of users and shift the users from the third-party application to the native application.
- To know which is better in terms of understanding and usage for a normal user.
- To know what are the factors that influence users to like and use the application for banking facilities.

2.2 LIMITATIONS OF THE STUDY –

- Due to the global pandemic, collecting responses/primary data for this research was a bit difficult as everything was collected online.
- As the data was collected online through google forms, it was a bit difficult to make people fill the questionnaire as compared to the offline world.
- There were not many research done on this topic before, so finding information was a bit tough.
- Lack of awareness among the people regarding the security of online applications for banking transactions.

2.3 HYPOTHESIS –

Predicted statements that are verifiable and are possible to occur are called hypothesis. They should be direct and clear in nature.

There are two types of hypothesis, they are:

• Null Hypothesis (Ho)

• Alternate Hypothesis (Ha)

Following are the hypothesis of the study:

1. HO: Most people use mobile applications for online banking services.

   HA: Most people still use banking services through traditional methods.

2. HO: Majority people prefer using third-party applications for using banking services online.

   HA: Most people still use native banking applications for using banking services online.

3. HO: Majority of the respondents have used and experienced both the applications.

   HA: Majority of the respondents have still not used/experienced both the applications.

4. HO: Majority of the middle-aged people feel safe about transacting online.

   HA: Majority of the middle-aged people feel unsafe about transacting online

5. HO: Most of the people usually pay via digital payment method.

   HA: Most of the people usually pay through cash.

6. HO: Majority of the people use BHIM app for UPI transactions.

   HA: Majority of the people use G-Pay or Paytm for UPI transaction.

7. HO: Most of the people prefer topping up their digital wallet and then pay digitally through it.

   HA: Most of the people pay directly through UPI service after registering their bank account.

8. HO: Majority of the people use bank's native application for transaction.

   HA: Majority of the people use third party applications like Paytm and G-Pay.

9. HO: Most of the people believe in the cash-back offers provided by third party applications.

   HA: Most of the people do not believe in cash back n continue using bank's native application.

10. HO: Majority of the people believe that their data is safe with third party applications.

    HA: Majority of the people believe that their data is safe only with bank's native app.

2.4 DATA COLLECTION –

PARTICULARS	DATA
TOTAL NUMBER OF RESPONDANTS	82
GENDER -	
MALE	58
FEMALE	24
AGE GROUP -	
15 - 25	77
26 - 40	4
41 - 55	1
OCCUPATION -	
STUDENT	71
CORPORATE EMPLOYEE	9
BUSINESS	2
APPLICATION USERS -	
NATIVE APPLICATION	6
THIRD-PARTY APPLICATIONS	76

DATA ANALYSIS -

The **tool used** for data collection in this research is **Google Forms for Personal use**.

For this research I was able to collect 82 responses from 82 respondents, out of which 58 were male and the rest 24 were female.

A huge percentage of the total respondents were from the age group of 15 – 25 i.e. 77 people out of 82.

4 respondents were from the age group of 26 – 40 and just 1 respondent was from the age group of 41 – 55.

As expected, a huge number (71) of respondents were students whereas 9 were corporate employees and just 2 were from the business background who were using banking services through mobile applications.

We found out that majority of the people(76) use third-party applications like Google pay, Paytm and the rest 6 people were still using the bank's native application.

CHAPTER 3

LITERATURE REVIEW

3. LITERATURE REVIEW

Article 1:

#4 Reasons Why BHIM App is Better Than Other Private Mobile Wallets

Source: Entrepreneur India

Written by: Nidhi Singh

Date: 17 January, 2017

Since the time the government has introduced the BHIM app, a handful of banks have also queued up to create their own UPI payment app.

Launched by Prime Minister Narendra Modi on December 30, 2016, BHIM (Bharat Interface for Money) is a mobile application developed by the National Payments Corporation of India (NPCI), built on the Unified Payment Interface (UPI).

Named after Bhim Rao Ambedkar, BHIM app is intended to facilitate e-payments directly via banks and simplify cashless transactions.

The main advantage of BHIM App is that you don't have to remember the banking details. All you need is a virtual payment address of the payee to make a digital transaction.

Considering the Bhim App is directly linked to bank accounts and is created by the government of India, the app will clearly appear as a more trustworthy option for the Indians.

While the BHIM App is government's initiative for easy online payments, Paytm has emerged as one of the most widely accepted ways of offline digital transaction. Many other mobile wallet companies such as MobiKwik, Freecharge, PayU Money are likely to take a hit with the growing popularity of the Pay BHIM app.

Let's take a look at four reasons that makes BHIM App a better payment app for mobile transactions than others such as Paytm.

All in One App for All Bank Accounts:

The biggest USP for BHIM is that it works across all banks and users do not need to use separate apps in case they have multiple accounts in different banks. So, if a user has bank accounts in 3-4 UPI enabled

banks, and then BHIM will join all his banking functions, and enable cashless transactions by saving time and hassles of having multiple mobile wallet accounts.

Whereas for Paytm transactions you need to add money to the Paytm wallet via net banking or credit/debit card each time it runs out of money.

No Internet Connectivity Required:

The BHIM App can transfer funds from one bank account to another without an internet connection. For that, you need to dial *99# from a mobile phone, and this will show a welcome screen with seven options - to send money, check your balance, or see transaction history. So, with BHIM app, a non-smartphone user can also do any transaction from anywhere.

Paytm has also introduced a new feature that will allow anyone to make payments using a Paytm wallet without Internet or smartphone. But for transferring your funds from the bank accounts one still needs internet.

Government-backed App Vs Privately-owned Apps:

The BHIM app is backed by the government of India which makes it the most secure and reliable cashless payment option. At present, there are 5 payment options on this app —including mobile number, bank account, IFSC code and Aadhar number.

On the other hand, Paytm is backed by a private mobile internet company One97 Communications. One97 investors list include Ant Financial (AliPay), SAIF Partners, Sapphire Venture and Silicon Valley Bank.

Authentication & Security:

The BHIM app has three level authentications, which makes it more secure option from a customer point of view. The three levels of authentication include device ID or mobile number, the bank account which you are linking to this app, and third the UPI Pin to complete the transaction.

Paytm does not ask for any PIN or password when you are paying using your wallet balance. Hence, anyone can make payments using Paytm balance.

Saket Modi, the founder of Lucideus Tech, the cyber security firm that has been actively working with the government on ensuring the security of the BHIM app says it just a testimonial.

'Soon every single village in India will have a broadband connection. The Indian government is going to come up with even better platforms to make people digitally driven in transacting money," Modi said on the sidelines of **BIMSTEC-SAARC Women Economic Forum** event.

In the coming days, it would be interesting to see the options government introduces to promote a more cashless economy.

Analysis:

- The Bhim App is directly linked to bank accounts and is created by the government of India, therefor, the app will clearly appear as a more trustworthy option for the Indians
- Through Bhim app we can transact funds without internet connectivity, we just have to dial *99# from mobile phone, a non-smartphone user can also do any transaction from anywhere.
- If a user has bank accounts in 3-4 UPI enabled banks, and then BHIM will join all his banking functions, and enable cashless transactions by saving time and hassles of having multiple mobile wallet accounts.
- There are 5 payment options on this app —including mobile number, bank account, IFSC code and Aadhar number. But, Paytm is backed by a private mobile internet company One97 Communications. One97 investors list include Ant Financial (AliPay), SAIF Partners, Sapphire Venture and Silicon Valley Bank.
- The BHIM app has three level authentications, which makes it more secure option from a customer point of view.

Article 2:

BHIM 2.0: Transacting with ease

Source: Financial Express

Written by: Ishaan Gera

Date: 11 November, 2019

With new add-ons, NPCI is trying to bring the Bhim app on par with other payment options.

The app which commanded 50% of the market in both transactions and volumes in August 2017, had only 4-6% market share in August 2019.

The government last month announced the launch of the second iteration of its BHIM (Bharat Interface for Money) app. While the app was very popular right after demonetization, its popularity took a hit as other payment apps such as PhonePe, Google Pay, and Unified Payments Interface (UPI) apps from banks flooded the market. The app which commanded 50% of the market in both transactions and volumes in August 2017, had only 4-6% market share in August 2019.

The reasons for the decline in its popularity can be traced to its inability to keep up with its new rivals which sported new features. Ever since the introduction of Bharat QR, the app has not been updated to accommodate new features, leading to customers switching to platforms that provide ease of use and a better user interface with more features, such as chats.

Digital innovation

When the government introduced UPI, a plain vanilla interface was in itself an innovation. The BHIM app, built on UPI technology, could be used to carry out simple forms of transaction. You could send money, ask for money, or check your bank balance. And all this could be done in several Indian languages. The novelty of UPI, over Immediate Payment Service (IMPS) which offers an inter-bank electronic fund transfer service

through mobiles, was that the platform neither required a separate Mobile Money Identification Number (MMID) number to conduct transactions, nor did it need lengthy bank account numbers and IFSC code. The process was easy, one could create a virtual ID to mask the account number or better yet, transactions could be carried out using mobile phone number, as was the case with wallets.

	BHIM 2.0	PayTM	PhonePe	Google Pay
Automated bill payment	Yes	Yes	Yes	Yes
Chat service	No	No	No	Yes
Partners	No	Yes	Yes	Yes
Challan payments	No	Yes	No	No

How they compare

Not many had thought that the payment innovation would be such a big hit. Data from National Payments Corporation of India (NPCI) show that UPI transactions hit the one-billion-mark in volumes last month. While the number of combined UPI and mobile wallet transactions is more than that of debit and credit card, in terms of value UPI still has a long way to go.

Although wallets did not have that many innovations either and were still plain vanilla systems, depending on cashbacks to lure customers, competition from UPI has ensured innovation on the part of digital wallet players. Not only can one book train tickets, pay challans, electricity bills and buy gold using wallets, they also come equipped with features like automated payments for bills, donations and scheduled payments.

BHIM 2.0: More features

The private companies-backed UPI apps also introduced innovations of their own, but limited scope from NPCI has not allowed the sector to be on par with wallets. The NPCI changed that in August this year when it launched the UPI 2.0 platform, which allowed donations and automated clearing of bills, and the likes of PhonePe front loaded their apps with systems such as bill payments besides government payments.

But now the government is also in the race, with BHIM 2.0. Whereas earlier BHIM accommodated only a reminder system for bills, now you can keep an automated payment. Donations can be made. Language support has been increased. And, now BHIM features all banks on its UPI platform, and allows multiple bank account linking. The amount of money transfer, though, still has a ceiling. While others allow Rs. 1 lakh, BHIM still does not allow that.

Preference for apps such as Google Pay (it allows chat), PhonePe (more payment options) or PayTM (challan and NPS payments) will always be there, but the government is at least making an effort to compete. ‘Tap and Pay’ feature is something that the government can introduce, so also Face ID. More important, government needs to allow linking of credit and debit cards to ensure ease of access.

After all, the job of the government in payments space is not just to compete but innovate and lead the way. As long as digital is growing, the 'how' should not matter.

Analysis:

- The govt. had to come up with BHIM 2.0 because, after they introduced Bharat QR the app has not been updated to accommodate new features, leading to customers switching to platforms that provide ease of use and a better user interface with more features, such as chats.
- BHIM app commanded 50% of the market in both transactions and volumes in August 2017, but now it had only 4-6% market share in August 2019.
- Earlier BHIM accommodated only a reminder system for bills, after the update you can keep an automated payment.

Article 3:

'UPI-Help' Launched on BHIM App: Register Complaints, Check Transaction Status

Source: NDTV Profit

Written by: Nikita Prasad

Date: 16 March, 2021

UPI-Help: The redressal mechanism will provide a superior and hassle-free experience on issue resolution for the BHIM UPI app users, according to the NPCI

UPI-Help: In a bid to strengthen a transparent dispute redressal mechanism, the National Payments Corporation of India (NPCI) has launched a new 'UPI-Help' on the BHIM UPI. According to a statement released by NPCI, the initiative is a part of the Digi-Help stack. The redressal mechanism through UPI-Help will provide a superior, hassle-free experience of issue resolution for the BHIM UPI app users. UPI Help will assist users to register complaints online through the BHIM UPI app. It will also resolve complaints online for person-to-person transactions. According to the NPCI, the new UPI-Help will assist BHIM UPI users to avail the following:

- Checking the status for pending transactions
- Raising complaints about transactions that have not been processed or money not credited to the beneficiary
- Raising complaints about merchant transactions

The UPI-Help feature will help in resolving complaints online for person-to-person or P2P transactions. Additionally, in case of pending transactions where the user does not take any action, the UPI-Help feature will attempt to auto-update the final status of the transactions on the app.

NPCI has gone live on the BHIM app for the customers of the AXIS Bank, State Bank of India, HDFC Bank, as well as ICICI Bank. The customers of Paytm Payments Bank, and TJSB Sahakari Bank, will also be able to access UPI Help soon. The customers of other banks participating in UPI will be able to access UPI Help in the next few months, said NPCI.

Meanwhile, NPCI recently partnered with State Bank of India (SBI) Payments to announce the launch of 'RuPay SoftPoS' for merchants. The RuPay SoftPoS aims at digitally enabling the merchants to turn their smartphones into a PoS machine. The service is likely to empower customers to make easy 'Tap and Go' payments using the merchant's NFC-enabled smartphones.

Analysis:

- The NPCI launched "UPI Help" on BHIM app so that the users could easily file complains about the problems they face while doing any UPI transaction.
- It also helps to file complain against any fraud that may happen during the UPI transactions.
- "UPI Help" is an initiative which is a part of Digi-Help stack.
- It helps in checking the status of pending transactions.
- UPI help feature also attempts to auto-update the final status of the transaction on the app, if the user does not take any action.
- NPCI has gone live on the BHIM app for the customers of the AXIS Bank, State Bank of India, HDFC Bank, as well as ICICI Bank.

Article 4:

No Debit Cards Needed: Now Withdraw Cash by Scanning QR Code on UPI App! (How It Works?)

Source: Trak.in

Written by: Radhika Kajarekar

Date: 3 April, 2021

No Debit Cards Needed: Now Withdraw Cash by Scanning QR Code On UPI App! (How It Works?)

As per the newest reports coming in, debit cards will no longer be needed at ATMs – one can now withdraw cash simply by scanning a QR code.

Debit Cards Will No Longer Be Needed to Withdraw Cash?

The first ever interoperable cardless cash-withdrawal (ICCW) solution has been launched by NCR Corporation, the maker of automated teller machines (ATMs). This solution is based on the Unified Payments Interface (UPI) platform.

In 2019, we had reported to you about the Bank of India introducing a similar system that withdraw cash from an ATM using a QR code. This does not require ATM cards to withdraw cash anymore, thereby promoting card-less cash withdrawals.

For this new facility, NCR will be collaborating with City Union Bank, as confirmed by the lender. In addition to that the bank has already upgraded its 1500 ATMs to be implemented with QR code-based interoperable cardless cash withdrawal facility.

As per Navroze Dastur, managing director for India and regional vice-president for South East Asia at NCR Corporation, this is definitely one step ahead from using the UPI apps on a cell phone but without any ATM cards.

N Kamakodi, managing director of City Union Bank has stated, "We have partnered with NCR to deliver ICCW solution that will enable us to deliver this next-generation solution to our customers which will allow them card-less cash withdrawal using UPI QR code at our ATMs."

How Will Cash Debit Through QR Code?

Once the new facility is implemented, customers will be able to withdraw cash through their mobile and will not be dependent on any UPI-based apps such as BHIM, Paytm, GPay etc. This also means that we will no longer be needed to carry any ATM cards when we visit the UPI enabled ATMs.

The QR code will be scanned on the screen customer and the cash withdrawal will be authorized through the mobile phone. The QR code will also be changed constantly in order to ensure the safety and security of the transactions.

Also, the withdrawal limit has been limited at Rs.5000 as of now. As per Dastur, there will not be any need for additional regulatory permission as the facility is UPI-based and an extension of the UPI app.

"What we have done is that we upgraded the existing software to allow this mode of transaction on existing ATMs of City Union Bank. There is no hardware upgrade or change," he mentioned.

Dastur also revealed that NCR and National Payments Corporation (NPCI) Are already in the discussions with some public and private sector banks; The discussions are in the final stage as well. A formal association will also be announced in the recent future formal association will also be announced in the recent future.

Analysis:

- According to the latest reports coming in, now we can withdraw cash from ATM machines using the UPI app and no debit card will be need.
- It is the first ever interoperable cardless cash-withdrawal (ICCW) solution has been launched by NCR Corporation, the maker of automated teller machines (ATMs).

- For this new facility the NCR will be collaborating with the City Union Bank.
- The QR Code that's going to be displayed on the ATM screen is going to be changed time to time for ensuring the safety of the transaction.
- As of now the withdrawal limit is decided to be Rs. 5000.

Article 5:

UPI transactions cross Rs 5 lakh crore in March, up 145pc from last year

Source: Your Story

Written by: Thimmaya Poojary

Date: 1 April, 2021

The Unified Payments Interface (UPI) — the digital infrastructure for online financial services in India — has touched a new benchmark, with over Rs 5 lakh crore worth of transactions recorded for March. The transaction value for March stood at Rs 5,04,886 crore, with a volume of 2.73 billion transactions, according to a tweet by the National Payments Corporation of India (NPCI), which runs the UPI platform. This new benchmark indicates a 145 percent growth in UPI transaction value over the last year. In March 2020, the amount stood Rs 2,06,462 crore at 1.24 billion transactions.

The strides made by UPI over the last year has been rapid, receiving major traction when the government announced the first phase of lockdown to combat the COVID-19 pandemic. This resulted in increased reliance on digital payment platforms. In fact, this new benchmark comes at a time when new developments are surrounding the UPI platform, with the Reserve Bank of India (RBI) inviting applications for setting up a new network for digital financial transactions — a rival to the NPCI-owned UPI called, New Umbrella Entity (NUE). According to reports, around six consortiums have submitted their bids for NUE, including Tata Group, Reliance Industries, Paytm, ICICI-Axis Bank, India Post, and iServeU.

As per the RBI guidelines, the NUE will be a for-profit entity that will foster competition and de-risk the reliance on a single platform like UPI. At the same time, NPCI has also come out with new guidelines that bar any third-party apps — PhonePe, and Google Pay, among others — to have more than 30 percent market share. However, industry observers believe it would be challenging to implement such a proposal and could

be self-defeating. Walmart-backed PhonePe is the leading third-party app on the UPI platform, followed by Google Pay.

According to PhonePe, the digital payments platform has crossed over a billion transactions on the UPI platform for March. It took over Google Pay as the market leader a couple of months back.

Analysis:

- The pandemic has encouraged the UPI transaction a lot, more and more people are using this platform for transition to ensure less contact with others.
- Last year in March the amount of transactions made was Rs. 2,06,462 crores within 1.24 billion transactions, and this year it touched the benchmark of Rs. 5,04,886 crores in 2.73 billion transactions.

Article 6:

How to Make Offline UPI Payments Without Internet on Your Phone

Source: Gadgets to Use

Written by: Ritik Singh

Date: 31 March, 2021

Want to send money to someone with no internet on your phone? The internet has been a major barrier for digital payments in India as not everyone has proper connectivity on their phones. However, thanks to USSD-based mobile banking, it's very much possible to send and receive money via UPI on your Android phone, iPhone, or even a basic feature phone without any data connection. In this article, let's have a quick look at how you can make offline UPI payments without internet on any phone out there.

Make Offline UPI Payments (without Internet) on your Android, iPhone, or Feature Phone

Want to make a payment but don't have access to the internet in your area? Or do you have a basic feature phone with no option to access the internet or UPI payment apps? You need not worry about anything since one can also make payments using the USSD-based *99# offline mobile payment service.

USSD-based mobile banking was initially launched as a NUUP (National Unified USSD Platform) service by the NPIC (National Payments Corporation of India). Later, NPCI introduced UPI payments with an upgraded USSD 2.0 facility, launched along with BHIM in December 2016.

The service grants mobile banking services to every common person across the country. And using the same, you can send and receive money without any data connection, even on a basic feature phone running a 2G network.

Features of *99# Offline UPI Payment Service:

- No data or internet connection required for doing transactions– uses voice connectivity.
- Provides basic features like sending money, checking account balance, and changing the PIN.
- Accessible through a common code *99# across all telecoms.
- Works across all mobile phones on GSM service providers.
- Available round the clock, 24 x7.
- It can be accessed in multiple languages.

Requirements:

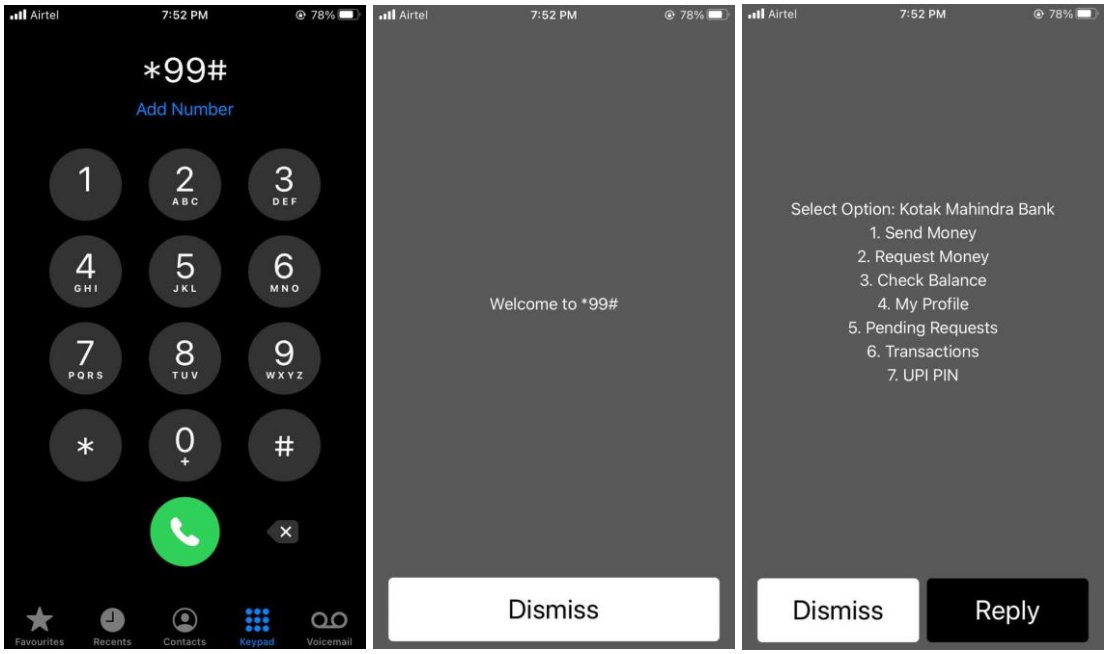
- Any Android phone, iPhone, or a basic feature phone.
- Mobile number registered with the bank.
- Here's the list of banks that support *99#.

You can use the *99# service to make UPI payments to local shops and vendors– just ask them the UPI ID instead of the QR code. One can also use it for emergency payments without the internet.

Steps to Make Offline UPI Payments using *99#

Below is a detailed guide on how you can make offline UPI payments without the internet on your phone using the USSD-service. But before we start, make sure to download the BHIM app and complete the one-time registration. Once the SIM card and phone binding are done with your bank account, proceed with the steps given below.

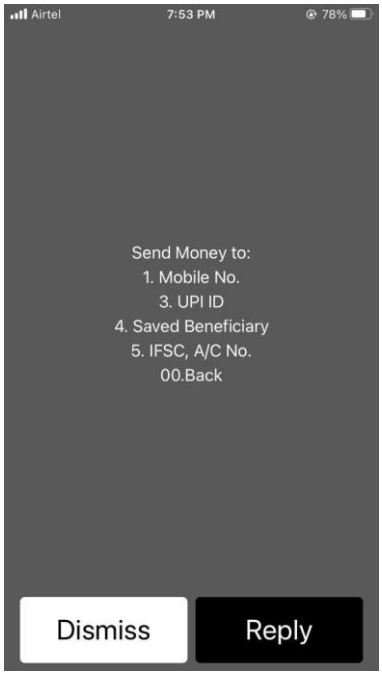
Step 1- Dial *99#



Open the dialer and dial *99# on your phone. A menu will soon appear on your screen with seven different options, including Send Money, Receive Money, Check Balance, My Profile, Pending Requests, Transactions, and UPI PIN. The use of each option is detailed below:

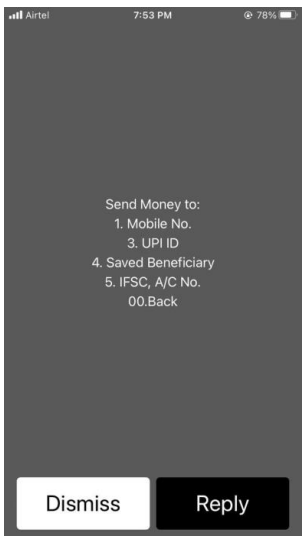
- Send Money – To send money to any customer using various options provided.
- Request Money – To collect money by entering UPI ID or Mobile No. of a UPI registered customer.
- Check Balance – To check your bank account balance.
- My Profile – To know your UPI details, change language, manage UPI ID and beneficiaries.
- Pending Transaction – To check pending UPI requests (if any).
- Transaction – To know about the last 5 transactions performed via UPI.
- UPI PIN – To set/change your UPI PIN.

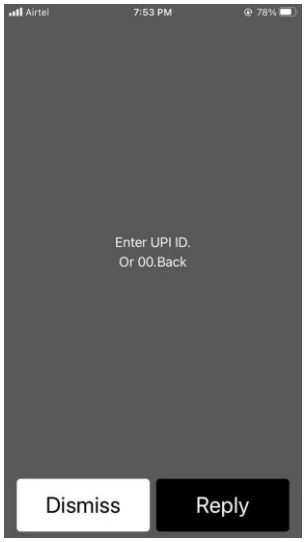
Step 2- Select Send Money

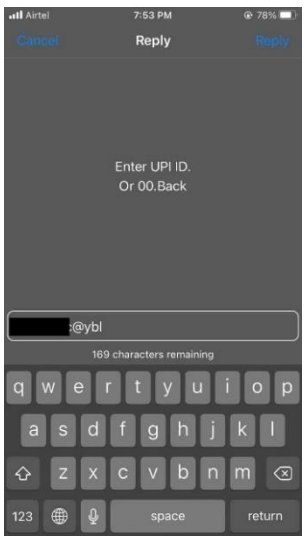


Reply with 1 to select 'Send Money' from the available options. You'll now see the options to send money using a Mobile number, UPI ID, or Account No. & IFSC code. Select your desired option to make payment.

Step 3- Choose Beneficiary



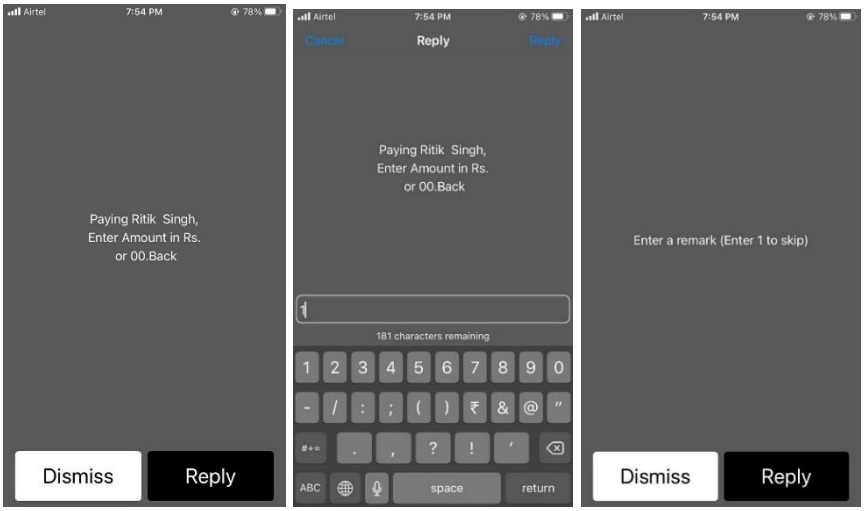




- **If you have selected Mobile No:** Enter the mobile number of the person you're sending money to.
- **If selected UPI ID:** Enter the other person's UPI ID, for example- 9826xxx123@upi.

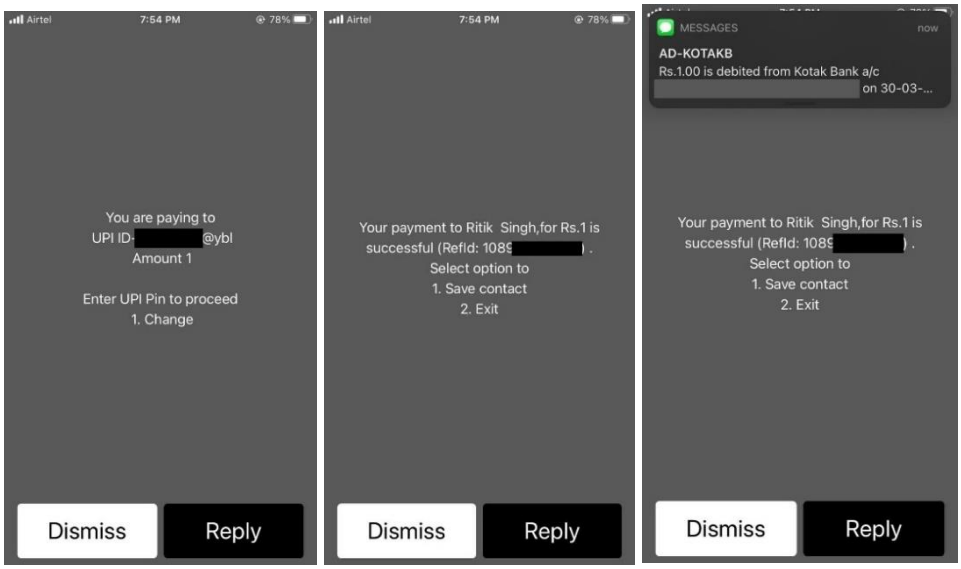
  In the case of bank payment: You'll have to enter the valid 11-digit IFSC code of the beneficiary bank account. Then, enter the complete account number of the person.

Step 4- Enter Amount



Once you've entered the beneficiary's mobile number, UPI ID, or bank account details, you'll be asked to enter the amount. Reply with the exact amount you want to send in rupees. In the case of UPI payments, you'll also see the name of the beneficiary. Add remarks if you want to.

Step 5- Enter Your UPI PIN



Now, enter your six or four-digit UPI Pin. Then, click on Send. You'll now get the transaction status along with the reference ID on your screen. It'll also give you the option to save the beneficiary if the transaction was successful.

Analysis:

- This feature not only enables offline transactions but also helps non-smartphone users to transact with ease.

- To proceed with offline transaction, we just have to dial *99# on our mobile phone.

- It provides basic features like sending money, checking account balance, and changing the PIN. And we can avail this facility 24/7.

- As mentioned above there are 5 easy steps to make a complete and safe offline transaction

1) Dial *99#

2) Select send money

3) Choose beneficiary

4) Enter amount

5) Enter your pin

CHAPTER 4

DATA ANALYSIS, INTERPRETATION AND PRESENTATION

4. DATA ANALYSIS, INTERPRETATION AND PRESENTATION

DATA ANALYSIS, INTERPRETATION AND PRESENTATION OF THE QUESTIONNAIRE.

NUMBER OF QUESTIONS – 15

NUMBER OF RESPONSES – 81

QUESTION 1 –

DO YOU USE THE FACILITY OF MOBILE BANKING THROUGH APPLICATIONS?

RESPONSE –

1. YES	78 (95.1%)
2. NO	5 (4.49%)

DATA PRESENTATION –

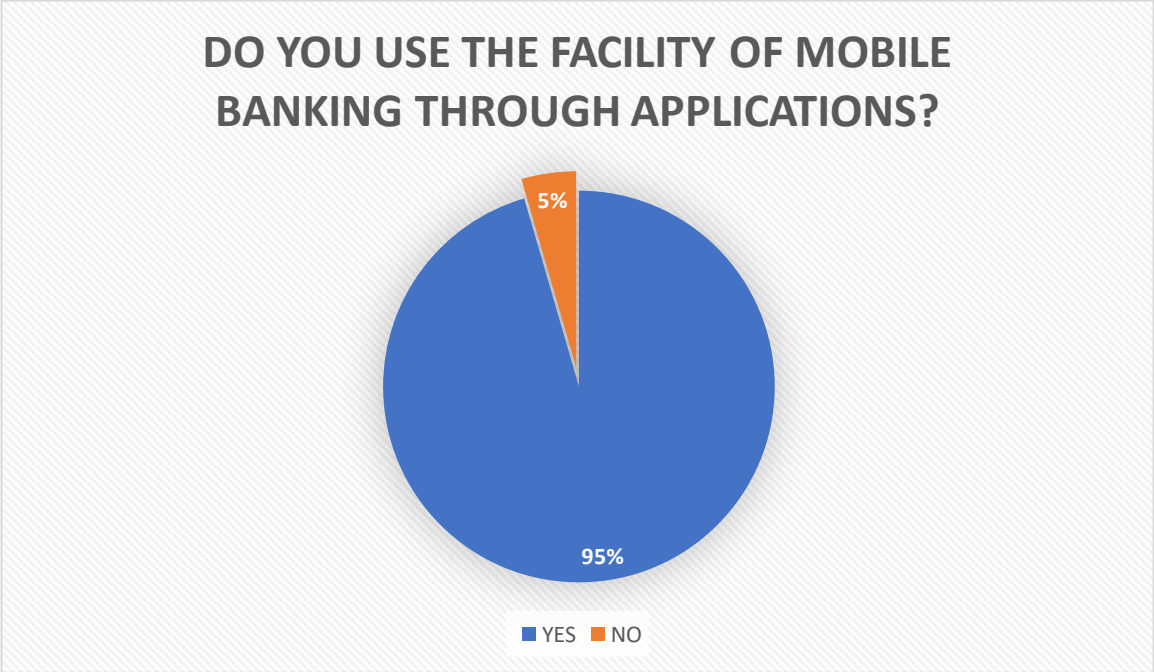


CHART NO. 4.1

ANALYSIS –

Out of the total responses received, 95.1% (77) of the people agreed to use the facility of mobile banking through applications, whereas the rest 4.49% (5) people refused to use thise facility through mobile application. This shows a huge diference between those who use mobile banking through applications and those who don't. This means that a huge number of people have already gone digital and are performing banking activities through the internet.

QUESTION 2 –

WHICH APPLICATION DO YOU USE FOR YOUR ONLINE TRANSACTIONS?

RESPONSE –

1. BANK'S NATIVE APP	6 (7.3%)
2. THIRD PARTY APPS LIKE PAYTM,PHONEPE, GOOGLE PAY	76 (92.7%)

DATA PRESENTATION –

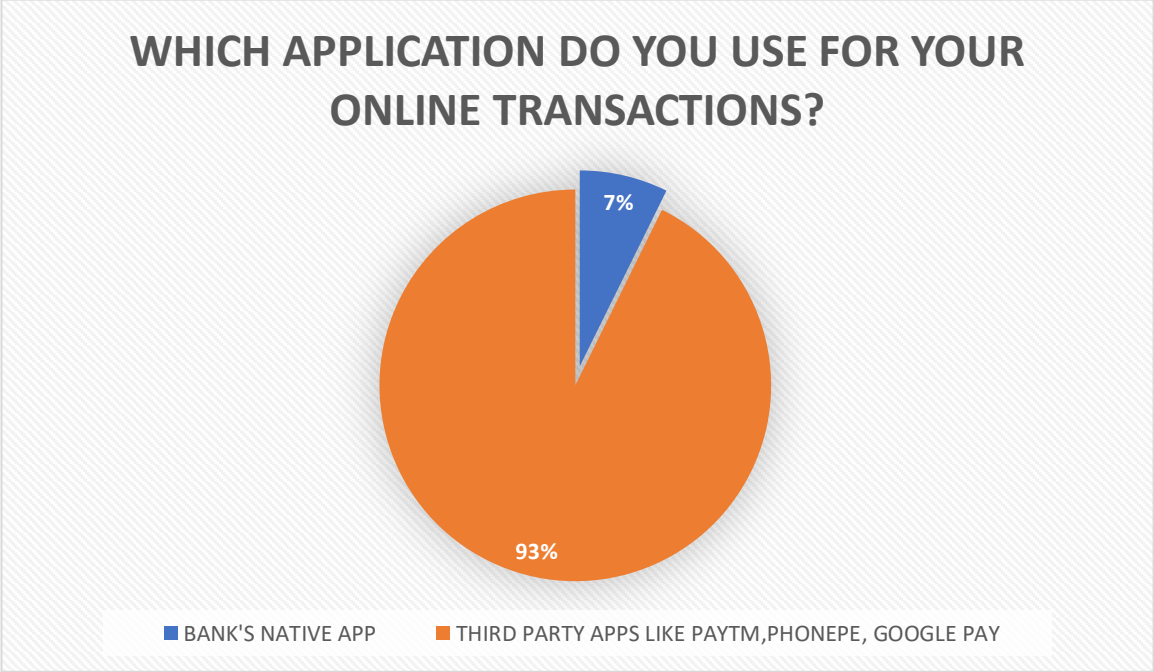


CHART NO. 4.2

ANALYSIS –

Out of the 82 respondents, 76 people prefer using third party applications like paytm, google pay, phonepe whereas the rest 6 people are comfortable in using their bank's native applications to avail the facility of internet/mobile banking through applications.

QUESTION 3 –

HAVE YOU EVER USED BOTH THE APPLICATIONS?

RESPONSE –

1. YES	61 (74.4%)
2. NO	21 (25.6%)

DATA PRESENTATION –

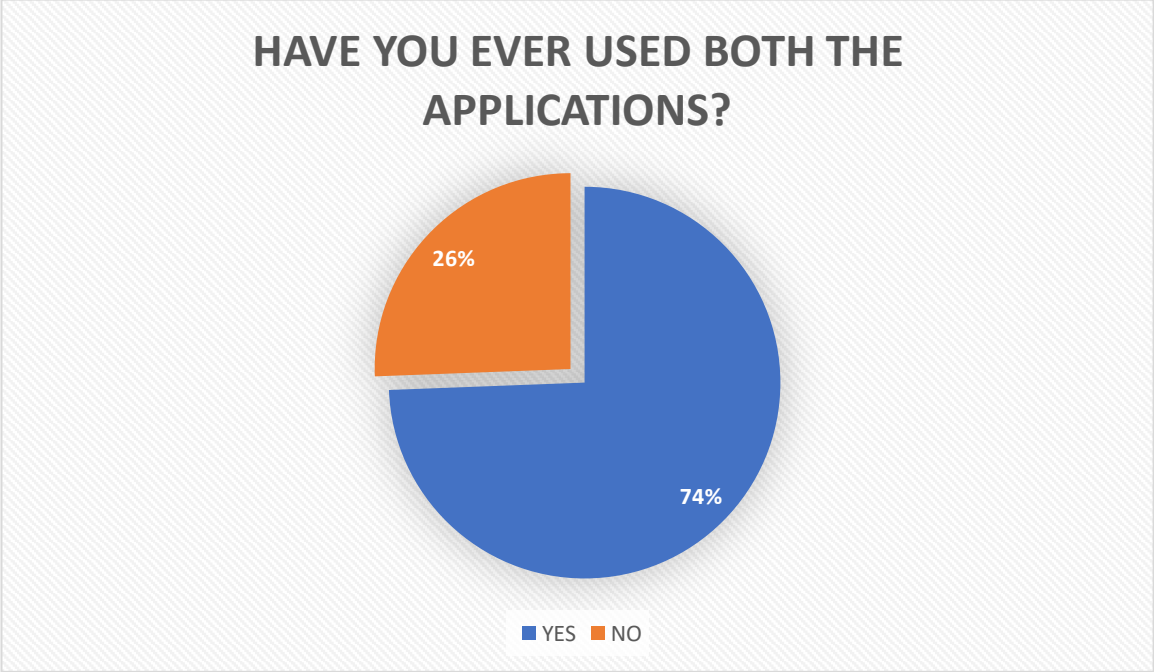


CHART NO. 4.3

ANALYSIS –

61 out of 82 respondents have used both the applications i.e Bank's native application and Third party apps like Google Pay, Paytm, Phonepe as well. This means these respondents who account to 74% of the total respondents have experienced both applications, both servers and both the servers.

QUESTION 4 –

WHICH AS PER YOU IS BETTER AND EASY TO UNDERSTAND FOR A NORMAL USER?

RESPONSE –

1. THIRD PARTY APPLICATIONS	75 (91.5%)
2. NATIVE APPLICATIONS	7 (8.5%)

DATA PRESENTATION –

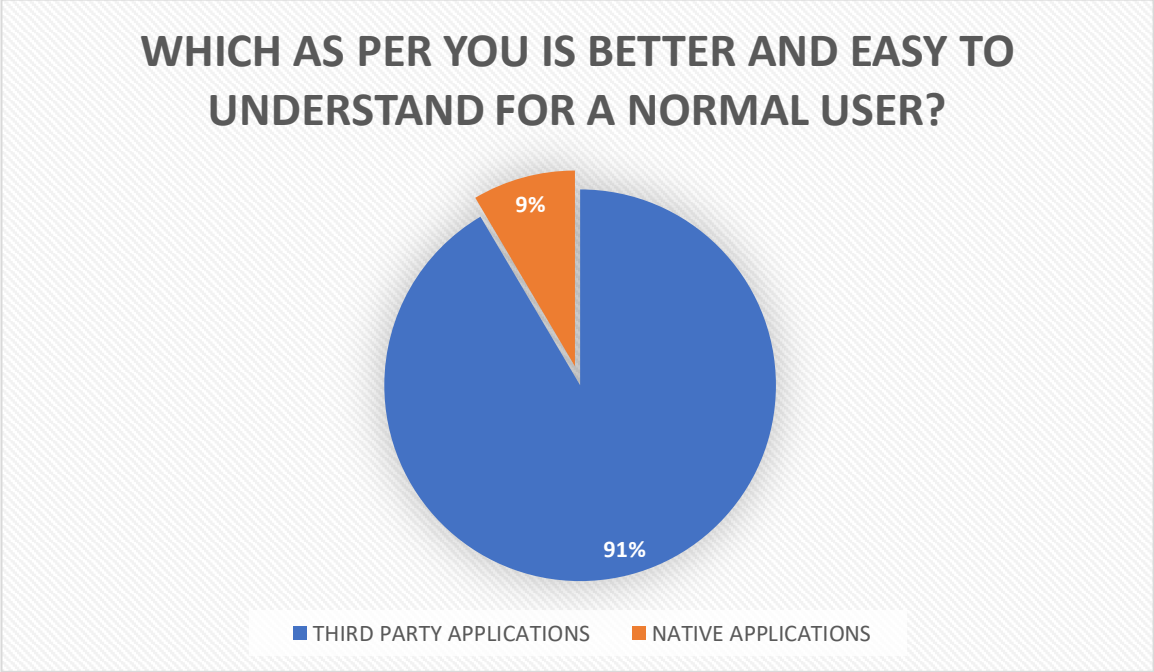


CHART NO. 4.4

ANALYSIS –

As not many people are tech savy and understand most of the technical terms, we asked people which is better for a normal person with normal knowledge in terms of usage, to which 91% (75) people voted for Third party applications whereas the rest 9% (7) people think that the bank's native application is easy and better to understand for a normal person.

QUESTION 5 –

IN A BANKING APPLICATION, WHICH FEATURE DO YOU LIKE THE MOST?

RESPONSE –

1. USER INTERFACE	5 (6.1%)
2. NUMBER OF SERVICES	31 (37.8%)
3. SERVER SPEED	7 (8.5%)
4. ALL OF THE ABOVE	39 (47.6%)

DATA PRESENTATION –

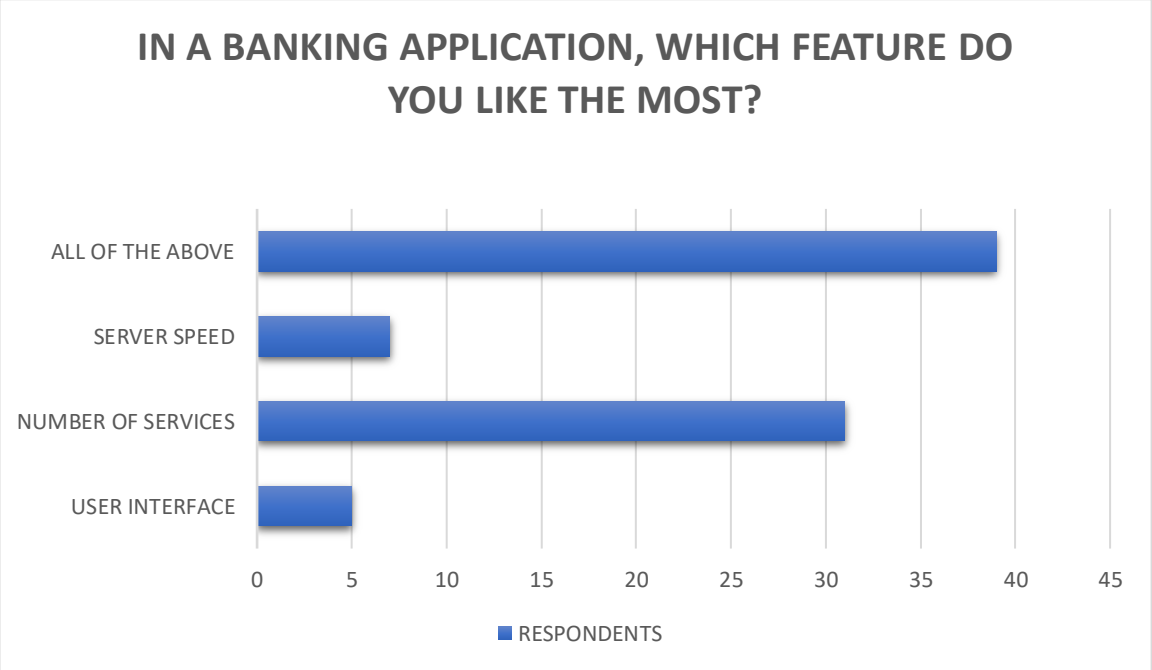


CHART NO. 4.5

ANALYSIS –

When asked which feature do people like the most in a banking application, 6.1%(5) people like user interface of a banking application the most, whereas 37.8(31) people like to have more number of services in a banking application. Server speed is liked by 8.5%(7) people and the rest 47.6%(39) people said that all of the options were important to them in order to choose a banking application.

QUESTION 6 –

AS PER YOU, WHY DO PEOPLE SWITCH FROM THE BANK'S NATIVE APPLICATION TO THE THIRD-PARTY APPLICATIONS?

RESPONSE –

1. BAD USER INTERFACE	15 (18.3%)
2. SLOWER SPEED OF TRANSACTIONS	13 (15.9%)
3. LESS FEATURES	15 (18.3%)
4. ALL OF THE ABOVE	39 (47.6%)

DATA PRESENTATION –

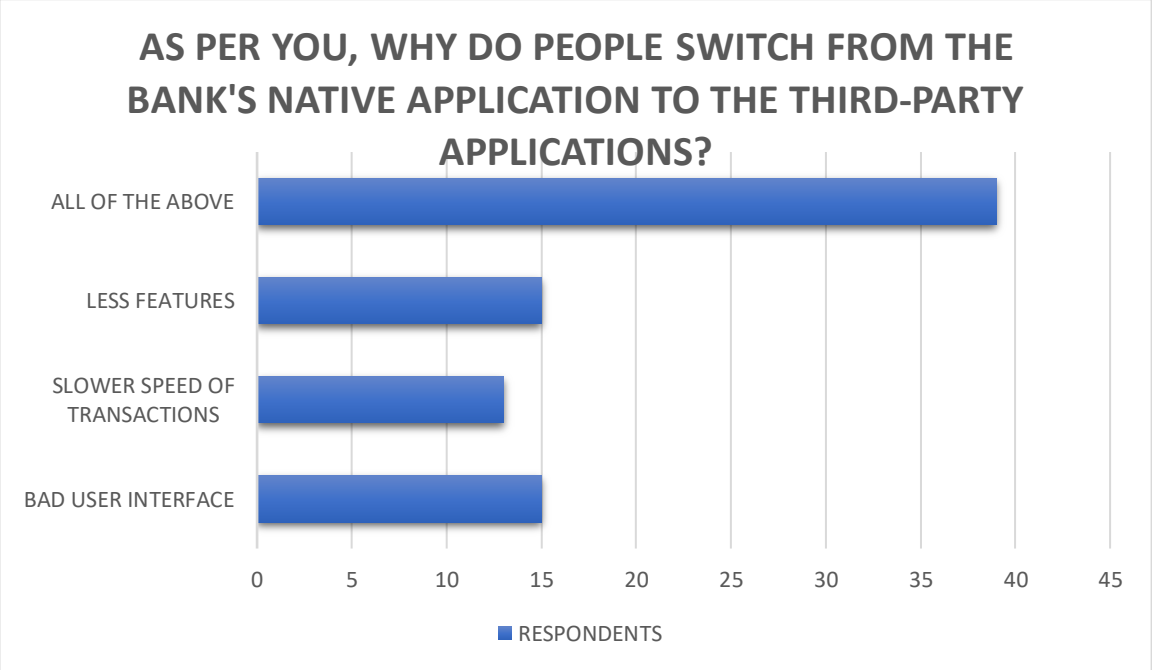


CHART NO. 4.6

ANALYSIS –

We tried to find the reason why such a large number of people were switching from native banking applications to the third party apps and that is when 18.3% (15) people replied that they think user interface of the application could be the reason, the other 15.9% (13) people think that the slower speed of transactions is the reason why people migrate. The other 18.3% (15) respondents think that providing lesser features is one of he reason why native applications are losing it's customers while the rest 47.66% (39) people think that all the options are the major reasons why people switch.

QUESTION 7 –

ARE THIRD PARTY APPLICATIONS SAFER THAN THE BANK'S NATIVE APPLICATION?

RESPONSE –

1. YES	7 (8.5%)
2. NO	13 (15.9%)
3. MAYBE	28 (34.1%)
4. IF NOT MORE, THEN EQUALLY SAFE	34 (41.5%)

DATA PRESENTATION –

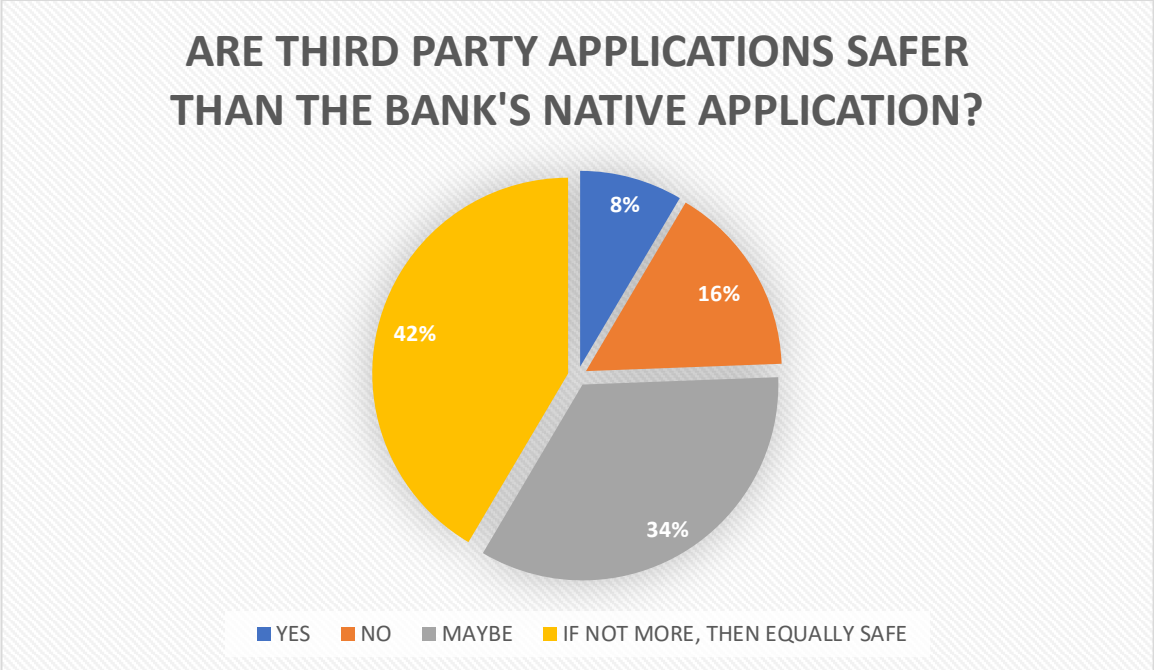


CHART NO. 4.7

ANALYSIS –

Safety of data is an important factor, especially the financial data that we put in these apps. 8.5% (7) people think that the third party apps are safe than the native apps whereas 15.9% (13) people think that the native app is safer than the third party app. 34.1% (28) of the respondents don't really know which is safer whereas the rest 41.5% (34) of the respondents say that if both are equally safe.

QUESTION 8 –

WHY DID YOU CHOOSE A THIRD-PARTY APPLICATION OVER YOUR BANK'S NATIVE APPLICATION?

RESPONSE –

1. CASHBACK OFFERS	13 (14.6%)
2. EXCITING DISCOUNTS	6 (7.3%)
3. BETTER SERVICES	19 (23.2%)
4. ALL OF THE ABOVE	45 (54.9%)

DATA PRESENTATION –

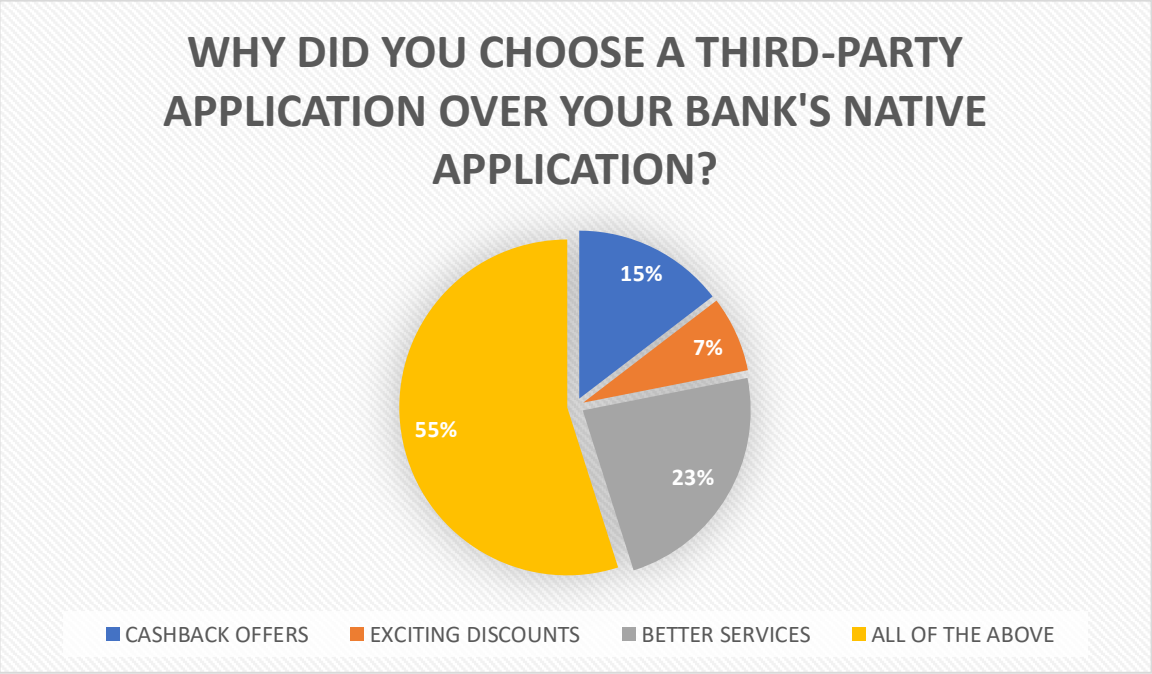


CHART NO. 4.8

ANALYSIS –

14.6% (13) of the total respondents migrated from the native apps to the third party apps for the cashback offers being provided whereas 7.3% (6) of the respondents switched for the exciting discounts. 23.2% (19) of the respondents migrated due to better services whereas the rest 54.9% (45) migrated for all the already mentioned reasons.

QUESTION 9 –

HOW CAN A BANK INCREASE IT'S USERBASE ON IT'S NATIVE APPLICATION?

RESPONSE –

1. TAKE SUGGESTIONS FROM THEIRCUSTOMERS	22 (26.8%)
2. DO A DETAILED RESEARCH	9 (11%)
3. IMPROVISE THEIR USER INTERFACE AND SERVERS	29 (35.4%)
4. PROVIDE EXCITING CASHBACK AND DISCOUNT OFFERS	22 (26.8%)

DATA PRESENTATION –

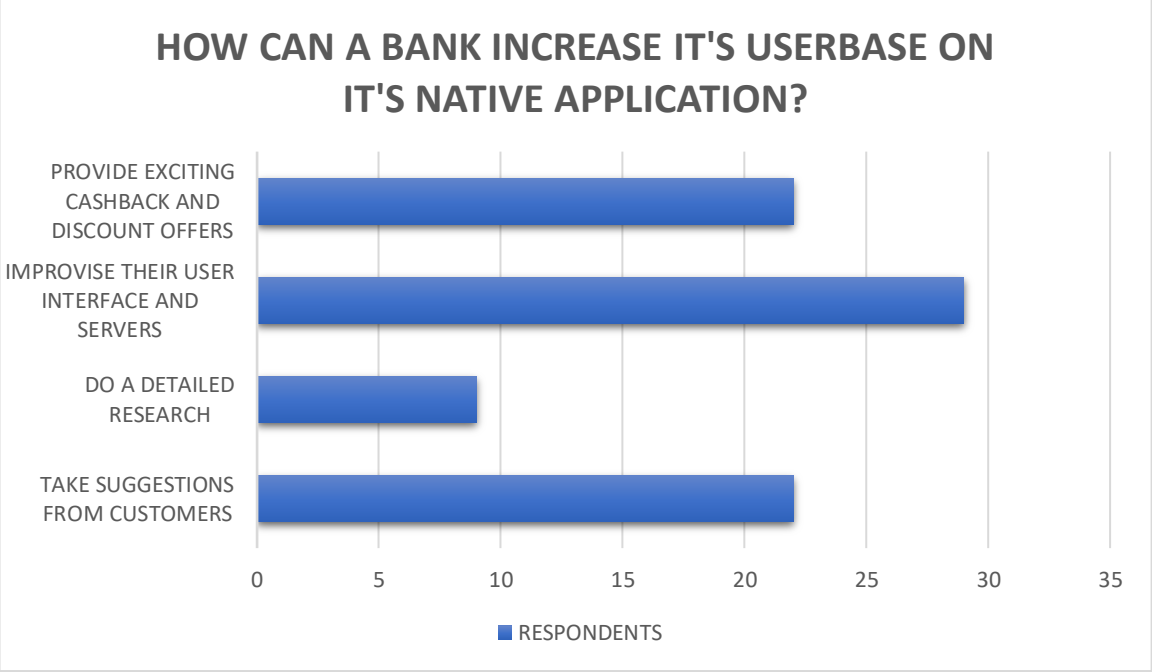


CHART NO. 4.9

ANALYSIS –

If a bank wants to increase their userbase in the native application, then as per 26.8% (22) of the respondents, the bank should take suggestions from their customers, as per 11% (9) of the respondents, the bank should carry a detailed research. The majority of the respondents I,e 35.4% (29) think that improving the user interface and servers can get the bank more customers on their native app whereas 26.8% (22) of the people think that providing exciting cashbacks and discount offers will lead to an increase in the userbase.

QUESTION 10 –

WHAT IS MORE IMPORTANT FOR YOU?

RESPONSE –

1. SECURITY	59 (72%)
2. DISCOUNTS AND CASHBACK OFFERS	10 (12.2%)
3. BETTER SERVICES	13 (15.9%)

DATA PRESENTATION –

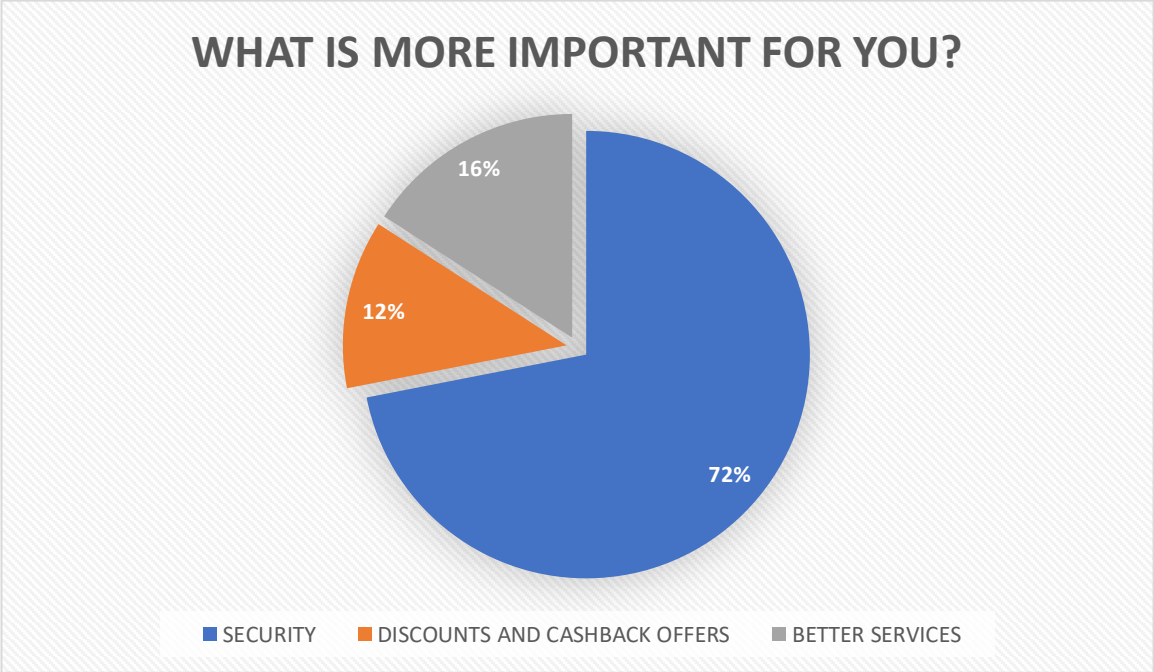


CHART NO. 4.10

ANALYSIS –

72% (59) of the respondents accepts that security is more important to them than anything else, when it comes to online banking/transactions. The other 16% (13) think that better services are more important tio them over other things whereas the rest 12.2% (10) of the respondents think that discounts and cashback offers are most important for them.

QUESTION 11 –

IS YOUR DATA SAFE WITH THIRD PARTY APPLICATIONS?

RESPONSE –

1. YES	10 (12.2%)
2. NO	11 (13.4%)
3. MAYBE	17 (20.7%)
4. EVERY APP COLLECTS DATA AND USES IT FOR THEIR PROFIT	44 (53.7%)

DATA PRESENTATION –

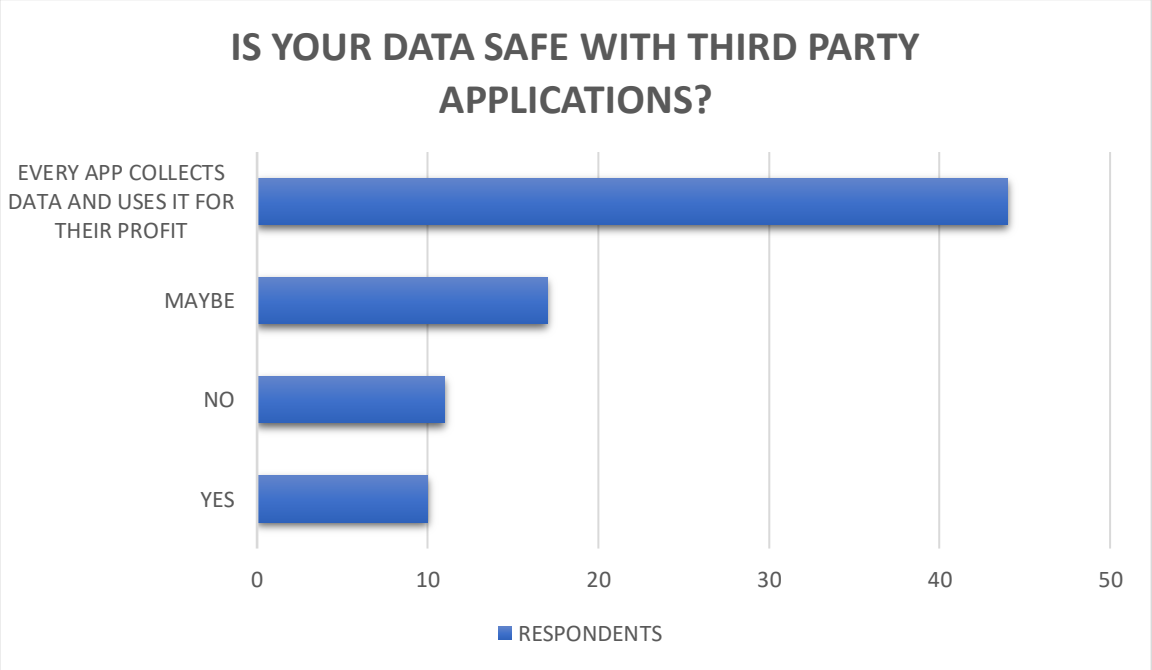


CHART NO. 4.11

ANALYSIS –

.Data is the new money, and how our data gets handled plays an important role, that's why we asked the users what they think about their data, 12.2% (10) of the respondents think that their data is safe with third-party apps, the other 13.4% (11) thinks that their data isn't safe with these third-party apps. 20.7% (17) of the people are not sure about how their data is being handled by the third-party apps whereas the majority and rest of the respondents 53.7% (44) think that just like every other app, even these third party apps must be using their data for their profits.

QUESTION 12 –

CAN THIRD PARTY APPS RESOLVE YOUR QUERIES, JUST LIKE BANKS, IN CASE OF SOME MISSHAPPENING DURING AN ONLINE TRANSACTION?

RESPONSE –

1. YES	30 (36.6%)
2. NO	22 (26.8%)
3. MAYBE	30 (36.6%)

DATA PRESENTATION –

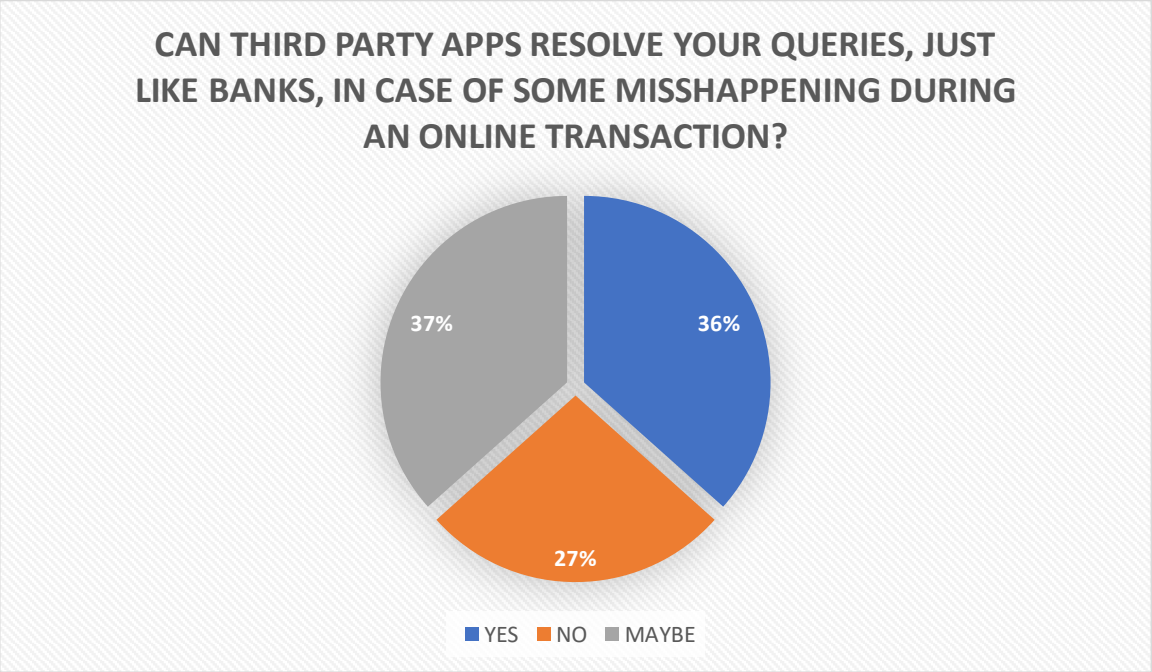


CHART NO. 4.12

ANALYSIS –

With a huge number of customers comes a huge number of queries, during online transaction errors/frauds, one feels the need to contact to an official and get problem solved. 37% (30) of the respondents think that third party apps can solve their queires regarding online transactions, the other 27% (22) thinks that third party apps cannot provide any assistance whereas the rest 36% (30) is not sure whether these third party apps can provide assistance or not.

QUESTION 13 –

IS IT A GOOD SIGN THAT PEOPLE USE THIRD PARTY APPLICATIONS MORE OVER THE NATIVE BANKING APPLICATIONS?

RESPONSE –

1. YES, IT IS FINE TO USE THIRD PARTY APPLICATIONS	68 (82.9%)
2. NO, PEOPLE SHOULD ONLY USE NATIVE APPLICATIONS	14 (17.14%)

DATA PRESENTATION –

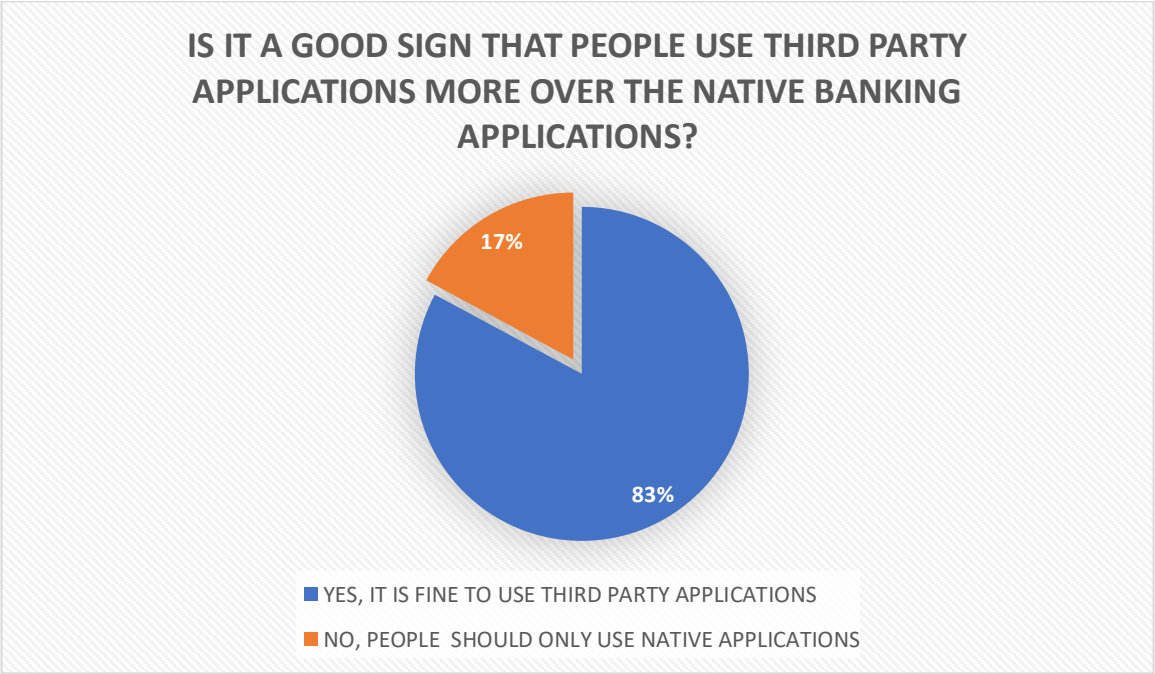


CHART NO. 4.13

ANALYSIS –

When we asked people that is it right to use the third-aprty apps or not, almost 83% (68) people said yes it is fine to use third party apps whereas the rest 17% (14) thinks that one should only use the native applications.

QUESTION 14 –

WHICH APPLICATION PROVIDES EASIER LOG IN?

RESPONSE –

1. THIRD PARTY APPLICATIONS	78 (95.1%)
2. NATIVE APPLICATIONS	4 (4.9%)

DATA PRESENTATION –

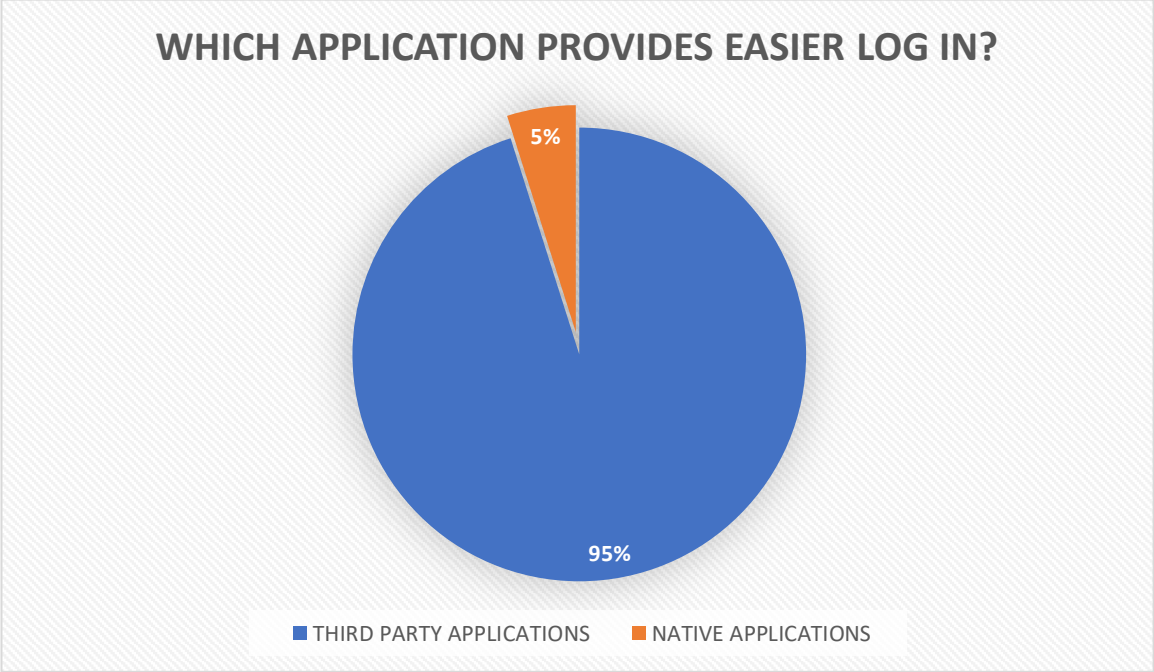


CHART NO. 4.14

ANALYSIS –

Logging in to make payments is one of the important feature, and when asked, 95% (78) of the respondents replied that third-party apps provide easier login for users whereas the rest 4.9% (4) thinks that native apps provide esier login..

QUESTION 15 –

WHICH ONE PROVIDES HIGHER LIMIT OF DAILY TRANSACTIONS?

RESPONSE –

1. THIRD PARTY APPLICATIONS	45 (54.9%)
2. NATIVE APPLICATIONS	37 (45.1%)

DATA PRESENTATION –

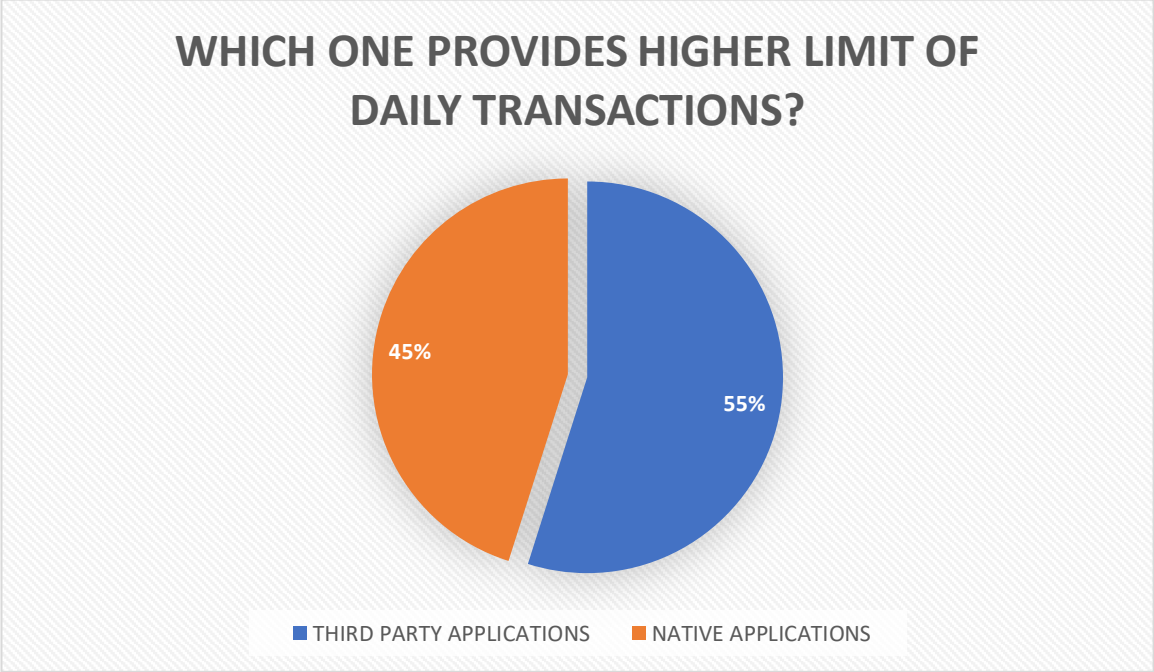


CHART NO. 4.15

ANALYSIS –

There is a limit set on the amount of daily transactions, as per 45% (37) of the respondents, native applications provide higher limit of transactions whereas as per 55% (45) third-party apps provide a higher limit on daily transactions.

CHAPTER 5

CONCLUSION AND SUGGESTIONS

5.1 CONCLUSION

- It was observed that majority of the people prefer using third-party applications over bank's native applications.
- Very few people use the native applications provided by the banks for using banking services online.
- Majority of the people using third-party applications are attracted towards these apps because of the Cashback offers, User interface and Discount offers.
- Security is one of the top priority of users using applications for banking services online.
- Majorly, people from the age group of 15 -25 make more use of these mobile applications for banking services online.
- More than half of the sample size have experienced both of these applications.
- 95% of the sample size thinks that third-party applications are easier for logging users in the app.

5.2 SUGGESTIONS

TO INCREASE THE NUMBER OF USERS IN THEIR NATIVE APPLICATION, BANKS MUST TAKE THE FOLLOWING STEPS –

- TAKE SUGGESTIONS FROM THEIR CUSTOMERS
- IMPROVISE THEIR USER INTERFACE AND SERVERS
- DO A DETAILED RESEARCH
- PROVIDE EXCITING CASHBACK AND DISCOUNT OFFERS
- IMPROVE THE SECURITY OF THEIR SERVERS AND DAT CENTERS
- IMPROVE THE SPEED OF THEIR SERVER
- PROMOTE THEIR APPLICATION THROUGH ADVERTISEMENTS
- CREATE AWARENESS ABOUT THEIR APPLICATION IN THEIR BRANCHES

CHAPTER 6

APPENDIX

6. APPENDIX

GOOGLE FORMS SURVEY

QUESTION 1 –

DO YOU USE THE FACILITY OF MOBILE BANKING THROUGH APPLICATIONS?

- YES
- NO

QUESTION 2 –

WHICH APPLICATION DO YOU USE FOR YOUR ONLINE TRANSACTIONS?

- BANK'S NATIVE APP
- THIRD PARTY APPS LIKE PAYTM,PHONEPE, GOOGLE PAY

QUESTION 3 –

HAVE YOU EVER USED BOTH THE APPLICATIONS?

- YES
- NO

QUESTION 4 –

WHICH AS PER YOU IS BETTER AND EASY TO UNDERSTAND FOR A NORMAL USER?

- THIRD PARTY APPLICATIONS
- NATIVE APPLICATIONS

QUESTION 5 -

IN A BANKING APPLICATION, WHICH FEATURE DO YOU LIKE THE MOST?

- USER INTERFACE
- NUMBER OF SERVICES
- SERVER SPEED
- ALL OF THE ABOVE

QUESTION 6 –

AS PER YOU, WHY DO PEOPLE SWITCH FROM THE BANK'S NATIVE APPLICATION TO THE THIRD-PARTY APPLICATIONS?

- BAD USER INTERFACE
- SLOWER SPEED OF TRANSACTIONS
- LESS FEATURES
- ALL OF THE ABOVE

QUESTION 7 –

ARE THIRD PARTY APPLICATIONS SAFER THAN THE BANK'S NATIVE APPLICATION?

- YES
- NO
- MAYBE
- IF NOT MORE, THEN EQUALLY SAFE

QUESTION 8 –

WHY DID YOU CHOOSE A THIRD-PARTY APPLICATION OVER YOUR BANK'S NATIVE APPLICATION?

- CASHBACK OFFERS
- EXCITING DISCOUNTS
- BETTER SERVICES
- ALL OF THE ABOVE

QUESTION 9 –

HOW CAN A BANK INCREASE IT'S USERBASE ON IT'S NATIVE APPLICATION?

- TAKE SUGGESTIONS FROM THEIR CUSTOMERS
- DO A DETAILED RESEARCH
- IMPROVISE THEIR USER INTERFACE AND SERVERS
- PROVIDE EXCITING CASHBACK AND DISCOUNT OFFERS

QUESTION 10 –

WHAT IS MORE IMPORTANT FOR YOU?

- SECURITY
- DISCOUNTS AND CASHBACK OFFERS
- BETTER SERVICES

QUESTION 11 –

IS YOUR DATA SAFE WITH THIRD PARTY APPLICATIONS?

- YES
- NO
- MAYBE
- EVERY APP COLLECTS DATA AND USES IT FOR THEIR PROFIT

QUESTION 12 –

CAN THIRD PARTY APPS RESOLVE YOUR QUERIES, JUST LIKE BANKS, IN CASE OF SOME MISSHAPPENING DURING AN ONLINE TRANSACTION?

- YES
- NO
- MAYBE

QUESTION 13 –

IS IT A GOOD SIGN THAT PEOPLE USE THIRD PARTY APPLICATIONS MORE OVER THE NATIVE BANKING APPLICATIONS?

- YES, IT IS FINE TO USE THIRD PARTY APPLICATIONS
- NO, PEOPLE SHOULD ONLY USE NATIVE APPLICATIONS

QUESTION 14 –

WHICH APPLICATION PROVIDES EASIER LOG IN?

- THIRD PARTY APPLICATIONS
- NATIVE APPLICATIONS

QUESTION 15 –

WHICH ONE PROVIDES HIGHER LIMIT OF DAILY TRANSACTIONS?

- THIRD PARTY APPLICATIONS
- NATIVE APPLICATIONS

CHAPTER 7

BIBLOGRAPHY

7. BIBLOGRAPHY

ARTICLES –

- https://www.entrepreneur.com/article/287895
- https://www.ndtv.com/business/upi-help-goes-live-on-bhim-upi-app-now-register-complaints-easily-check-status-of-pending-transactions-2392132
- https://trak.in/tags/business/2021/04/03/no-debit-cards-needed-now-withdraw-cash-by-scanning-qr-code-on-upi-app-how-it-works/
- https://gadgets.ndtv.com/how-to/features/online-payment-frauds-upi-apps-e-wallets-how-to-avoid-steps-guide-2384538
- https://yourstory.com/2021/04/upi-transactions-cross-rs-5-lakh-crore-march-google-pay-phonepe
- https://gadgetstouse.com/blog/2021/03/31/make-offline-upi-payments-without-internet-on-your-phone/
- https://www.financialexpress.com/money/bhim-2-0-transacting-with-ease/1760502/

WEB LINKS –

- https://www.bhimupi.org.in/what-we-do
- https://www.npci.org.in/what-we-do/upi/faqs#:~:text=Unified%20Payments%20Interface%20(UPI)%20is,any%20two%20parties'%20bank%20accounts
- https://www.creditmantri.com/forum-is-upi-and-bhim-the-same/
- https://cleartax.in/s/bhim-upi-app#:~:text=In%20another%20case%2C%20you%20can,realise%20a%20digitally%20empowered%20society
- https://www.longdom.org/articles/digital-india--empowering-indian-citizen-through-technology.pdf
- http://cashlessindia.gov.in/
- https://enskyar.com/Blogs/Features-of-Bharat-Interface-for-Money-App
- https://www.entrepreneur.com/article/287895
- https://www.ibpsguide.com/about-bhim-app-upi/
- https://www.livemint.com/money/personal-finance/why-bhim-is-losing-to-other-apps-in-upi-race-1556007428797.html
- https://www.creditmantri.com/forum-bhim-or-google-pay-which-is-better-and-why/#:~:text=Google%20Pay%20has%20the%20payment,mobile%20number%20or%20account%20number.&text=BHIM%20app%20is%20comparatively%20slower,faster%20but%20PhonePe%20surpasses%20it
- https://www.profitbooks.net/upi-unified-payment-interface/
- https://cleartax.in/s/net-banking
- https://askanydifference.com/difference-between-upi-and-internet-banking/#:~:text=UPI%20and%20Internet%20banking%20both,the%20beneficiary's%20bank%20account%20details

THANK YOU.