

CHAPTER 15

A Comparative Analysis of Spending Patterns on Google Pay and PhonePe

Anuradha Patil, Vaishnavi Phadke** and Prerana Chavan****

ABSTRACT

The rapid adoption of Unified Payments Interface (UPI) applications in India has transformed consumer payment behaviour, leading to increased use of multiple digital payment platforms by individual users. This study examines why users split their spending between Google Pay and PhonePe, focusing on functional, psychological, and platform-related factors. Using a descriptive research design, the study analyses user spending allocation, interface preferences, and merchant ecosystem influence on platform loyalty. Primary data collected through structured questionnaires is supported by secondary literature on digital payment behaviour. The findings indicate that users adopt a rational allocation strategy based on convenience, perceived reliability, rewards, and merchant acceptance rather than exclusive platform loyalty. The study highlights that multi-app usage is a deliberate and efficient consumer behaviour in India's evolving digital payment ecosystem.

Keywords: UPI Multi-App usage, Digital payment behaviour, Platform loyalty.

1.0 Introduction

India has witnessed an impressive evolution in the payment system over the last decade. The introduction of the Unified Payment Interface (UPI) by the National Payments Corporation of India (NPCI) in 2016 has revolutionized the way financial transactions are conducted. It allows users to transfer money in real time, in an absolutely secure manner, and at negligible costs. As per reports by the Reserve Bank of India (RBI) and NPCI, the volume of transactions conducted by the UPI has risen from an insignificant number in 2016 to an impressive count of billions of transactions in recent years. This is not just an example of the evolution of technology but is also indicative of an evolutionary change in consumer Behavior.

**Corresponding author; Assistant Professor, SCM, D.Y. Patil International University, Pune, Maharashtra, India (E-mail: anuradha.patil@dypiu.ac.in)*

***Student, SCM, D.Y. Patil International University, Pune, Maharashtra, India (E-mail: 20240305050@dypiu.ac.in)*

****Student, SCM, D.Y. Patil International University, Pune, Maharashtra, India (E-mail: 20240305036@dypiu.ac.in)*

Some of the prominent players in the Indian digital payment market include Google Pay and PhonePe, each holding a substantial market share. It has been observed that these digital payment applications not only enable peer-to-peer transactions but also offer various services such as bill payments, mobile recharge, merchant payments, financial services, insurance, etc. Although both applications offer similar services, there is a difference in terms of user interface as well as reward points. Additionally, both applications differ in terms of integration as well as the provision of further financial services. It is interesting to note that rather than showing loyalty towards a specific application, the majority of the population has the ability and knowledge to utilize both applications in an effective manner. This phenomenon is known as ‘spending split,’ showing a paradigm shift in the concept of brand loyalty.

The conventional paradigms for the research of consumer Behavior, as defined in the classical theories of consumer Behavior, highlight that a consumer generally evinces brand loyalty towards a given brand. However, in the digital payment domain, the empirical observations highlight a different trend wherein the consumers utilize different digital payment applications. Instead of spending on a single predominant digital payment application, the consumers rationally spend on different digital payment applications in accordance with the contextual factors. This highlights that the consumption of digital payment applications is now governed by the factors of efficiency instead of brand loyalty. The existing literature highlights the relevant insights for understanding the consumer Behavior in the context of digital payment applications.

Specifically, the usability, simplicity of the interface, and security of the digital payment applications emerge as relevant factors for the adoption of digital payment applications. For example, in one study, it was found that consumers prefer PhonePe over Google Pay because it offers a number of financial services, including entertainment payments and mobile recharge. At the same time, Google Pay has been found to be a secure payment application. The study conducted among 120 students found that 56.67 percent of the respondents preferred PhonePe over Google Pay, indicating a significant difference in terms of satisfaction level ($p = 0.020$). The study conducted among 1,000 consumers found that convenience is strongly correlated with recommendation. The study conducted using UTAUT2 theory among 618 consumers found that facilitating conditions play a significant role in influencing consumers’ behavioural intentions.

However, whereas many studies have compared aspects of satisfaction, factors of adoption, and behavioural intentions of consumers across different apps, there is limited research that has been conducted to understand the rationale behind the planned division of expenditure across Google Pay and PhonePe. The studies conducted so far have mostly focused on determining which of these two is better, whereas there is a lack of studies focusing on the co-existence of these two apps by the consumers themselves.

This study aims at filling the existing gap in research by understanding the different determinants that affect the consumers in terms of functionality, psychology, and application in terms of division of expenditure across Google Pay and PhonePe. For this study, a descriptive research design has been adopted, in which the primary data collected in the form of questionnaires has been analysed. Literature has been used to justify the conceptual understanding of this study.

This study is of significant importance in the context of the evolving digital landscape of India. The digital landscape of India is witnessing stiff competition in fintech apps, making it imperative for consumers to understand consumer Behavior in order to take strategic decisions. The findings of this study reveal that the use of multiple apps is not random but is an Intentional and efficient consumer strategy aimed at maximizing utility, minimizing risks, and maximizing satisfaction. optimizing rewards. Rather than

Thus, showing low loyalty, the customers display rational financial decision-making by exploiting the advantages of the two platforms. This research makes a significant contribution to the body of knowledge concerning digital payment system Behavior by moving the focus from the preferred platform to the allocation strategy of the two platforms. By examining the rationale behind the allocation of funds between Google Pay and PhonePe, the research gives us insight into rational customer Behavior, competition between the two platforms, and the changing dynamics of the Indian digital payment system.

2.0 Literature Review

In the comparative study of PhonePe and Google Pay in the year 2025, Chirag Tyagi discusses how the spending of 60 users is distributed according to their preferences and values for features, ease of use, and security in the respective apps. In the study “Comparative Study on Customer Adoption and Satisfaction towards PhonePe and Google Pay among Higher Education Students in Sagar City” by Megha Bhoote and Dr. S. Murilidhar in the year 2026, the authors conclude that out of the total participants in the study, 56.67% prefer PhonePe over Google Pay for spending on entertainment and recharges, while Google Pay is more popular among the participants for security aspects.

However, there is a significant difference in satisfaction levels between the two apps. The authors have not mentioned the reasons behind the spending pattern of the participants using both apps. In the exploration of digital payments in FinTech in the year 2025, Lokesh S. and Dr. Sasirekha K have mentioned the popularity and challenges faced by Google Pay and how users are attracted to this app. However, the reasons behind the spending pattern are not mentioned in this study either. In the year 2026, the study “Influence of Promotional Policies and Schemes Introduced by Digital Wallet Services on

Consumer Spending Patterns” discusses the spending pattern of PhonePe users and is authored by Riaan Nair and Jyotsana Munshi. However, the reasons behind the spending pattern are not mentioned in this study either. In the year 2025, the comparative study of customer satisfaction in urban areas compares the satisfaction levels of the users with PhonePe and Google Pay and is authored by Rahul Kumar Sahu.

Thirupathi Manickam, G. Vinayagamoorthi, and S. Gopalakrishnan (2022) examined the experience that customers get when they use a mobile wallet. This research highlights the experience that customers get when they use digital payment applications such as Google Pay and PhonePe. Dr. Rekha Kumawat (2025) examined the Indian digital payment landscape and highlighted the experience that customers get when they use mobile payment applications such as Google Pay and PhonePe. This research indicates that the increase in the number of digital payment systems and the number of people using these applications has led to a greater percentage of the Indian payment landscape moving towards these applications.

Mohd Saim (2025) examined the experience that customers get when they use digital payment applications such as Google Pay and PhonePe. This research indicates that the experience that customers get when they use these applications is a result of the convenience that these applications provide to the customers. Jyoti Lamba and Maya Yadav (2025) examined the experience that customers get when they use digital payment applications such as Google Pay and PhonePe. This research indicates that the experience that customers get when they use these applications influences the spending habits that customers adopt. Roktim N. Dhiman and Honey Kanojia (2021) examined the experience that customers get when they use digital payment applications such as Google Pay and PhonePe. This research indicates that the experience that customers get when they use these applications is a result of the convenience that these applications provide to the customers.

Most existing research on digital payment platforms focuses on customer satisfaction, adoption, and which app the customer prefers to use—Google Pay vs. PhonePe, for instance. Researchers usually compare the features, usability, security, and rewards offered to determine which app the customer prefers to use. While these research papers provide insights into what could be the reason for a customer to prefer a particular app over another, the most common Behavior observed among customers in recent times is that customers do not prefer to use only one app for digital payment. Instead, they prefer to use both Google Pay and PhonePe for different kinds of transactions. This Behavior has not been extensively analysed in most existing research.

What is the missing link in the motivation behind the intentional distribution of transactions across two platforms and not just one? While in reality, there is a cashback offer, ease of use, and acceptance by merchants and past experiences with an app that cause users to switch between apps, there is limited research into this aspect of multi-app

spending Behavior. The purpose of this study is to fill this information gap by exploring the reasons behind the distribution of spending between Google Pay and PhonePe and the various factors that affect this.

3.0 Research Methodology

The present research will follow a descriptive and analytical approach in understanding the factors that prompt people to use two or more apps for their transactions with Google Pay and PhonePe. The research aims at identifying the functional and psychological factors that prompt people to have more than one UPI app, how people segregate different types of transactions between the two apps, and how the interface of the apps and the strength of the merchant ecosystem contribute to partial loyalty towards the platform. The research is based on the principles of empirical research, which is based on actual observations and fresh data from the respondents. For the present research, the primary data has been collected with the help of a structured questionnaire prepared using Google Forms and circulated among the active UPI users of both the apps. So far, the research has obtained 52 responses from the respondents using the two apps in the Indian market. Convenience sampling has been used for the present research, where the respondents have been selected based on their accessibility and willingness to participate in the research. Even with a limited number of responses, the research provides significant behavioural knowledge of the people using two apps for their transactions.

Besides the above data, we have used secondary data sources like research papers, RBI reports, reports published by the fintech industry, and reports published on digital payments to strengthen the theoretical framework. The data collected was analysed using percentage analysis and a comparative approach to identify trends, preferences, and the reasoning behind the allocation of funds between the two platforms. Basic statistical analysis was used to identify the difference in satisfaction and Behavior.

The study aims to cover active users of Google Pay and PhonePe platforms for peer-to-peer transactions, bill payments, payment of online shopping bills, and offline transactions. The study has been restricted to these two platforms to ensure a meaningful comparison. Other prominent players like Paytm and BHIM have not been considered for the study. The study has been conducted for the Indian population, with a greater focus on the urban and semi-urban population, where the usage of UPI has been higher.

This research provides practical and real-world knowledge regarding how Indian consumers interact with the Indian digital payment system, while at the same time being aware of the limitations of the system. The fact that the research only has 52 respondents may not be enough to cover the whole scope of all the UPI system's users in the Indian market. Convenience sampling may have limitations in the form of bias, where the sampled

people may have similar demographic or behavioural factors. The fact that the research only relies on self-reported data may be limited by the fact that people may respond based on how they perceive themselves or may not recall the information as required. However, the research provides insight into how Indian consumers behave in the Indian digital payments system and why they diversify their spending habits.

4.0 Discussion and Data Analysis

The data shows that the majority of the respondents belong to the 20-25 age bracket, making this the most active category when it comes to digital payment. It is evident that men dominate the user base, but the number of women using digital payment services is substantial. It is evident that the majority of the respondents use UPI services at least multiple times a day. It is evident that Google Pay is popular, but a significant number of the respondents have used both services.

Table 1: Demographic Profile and Usage Behaviour of Respondents

Variable	Category	Frequency	Percentage
Age Distribution	Below 20	9	16.7%
	20–25	26	48.1%
	26–30	8	14.8%
	31–40	4	7.4%
	Above 40	7	13.0%
Gender	Male	33	61.1%
	Female	21	38.9%
Frequency of UPI Usage	Multiple times a day	43	79.6%
	Once daily	5	9.3%
	Few times a week	5	9.3%
	Occasionally	1	1.8%
Most Frequently Used App	Google Pay	29	53.7%
	PhonePe	14	25.9%
	Both equally	11	20.04%

Source: Survey Data

The indicates that most of the behavioural statements are grouped around a mean of 4 or higher, which is an indication of general agreement among the respondents. Performance in terms of functionality is significant, as Google Pay is associated with speed, while PhonePe is associated with the success of transactions. Rewards and cashback are also factors in the decision. These are all factors that demonstrate the role of strategic

decisions in the Behavior of digital payments. People are also inclined towards using more than one application, as they perceive that having more than one option makes the chances of a failed transaction low. The interface is significant, with high mean values showing the importance of the role of simplicity in the preferred application.

**Table 2: Mean and Standard Deviation of Behavioural Factors
Influencing Multi-App Usage**

Statement	Mean Score	Standard Deviation
Functional Performance Perception		
Google Pay offers faster transaction processing compared to PhonePe	4.13	0.93
PhonePe provides a better transaction success rate	3.65	0.93
Influence of Rewards and Promotional Incentives		
Rewards and cashback influence which payment app I choose	4.09	0.93
Multi-App Usage as a Risk Reduction Strategy		
I switch to another app if one app becomes slow or fails	4.07	0.88
Using multiple UPI apps reduces the risk of transaction failure	4.02	0.90
User Interface Influence on Platform Preference		
Google Pay has a more user-friendly interface than PhonePe	4.07	0.92
App design and ease of navigation influence my choice of payment app	4.00	0.89
Merchant Ecosystem Influence		
PhonePe has wider merchant acceptance	3.78	0.95
Merchant acceptance determines which payment app I use at a store	3.96	0.91

Source: Survey data

Table 3: Correlation Matrix of Key Behavioural Variables

Variables	Rewards Influence	App Design Influence	Merchant Acceptance	Habit Influence	Multi-App Comfort	Deliberate Multi-App Usage
Rewards Influence	1.00	0.77	0.51	0.41	0.15	0.31
App Design Influence	0.77	1.00	0.44	0.36	0.28	0.37
Merchant Acceptance	0.51	0.44	1.00	0.29	0.26	0.21
Habit Influence	0.41	0.36	0.29	1.00	0.33	0.32
Multi-App Comfort	0.15	0.28	0.26	0.33	1.00	0.38
Deliberate Multi-App Usage	0.31	0.37	0.21	0.32	0.38	1.00

Source: Survey data

The results of the correlation analysis indicate that there are significant correlations between the behavioral factors that influence the use of multiple apps. Notably, the analysis indicates a high and positive correlation between rewards influence and app design preference, implying that the two factors are closely related in the sense that people who are

influenced by rewards are likely to be influenced by the design of the apps. Additionally, the analysis indicates that merchant acceptance is correlated with reward-based behavior, implying that people are likely to use a platform that is not only associated with rewards but is also accepted by most merchants. Habit formation is correlated with intentional multi-app usage.

5.0 Conclusion

The study examined the reasons behind the practice of users of digital payment systems using multiple digital payment systems and spreading their transactions over multiple platforms like Google Pay and PhonePe, rather than using only one app. The study found that the practice of using multiple digital payment systems is quite common and is the result of both the features of the digital payment system and the psychology of the users. Moreover, the study also reveals that rewards and promo offer play an important role in the practice of users using multiple digital payment systems. On the other hand, the study reveals that the features of the digital payment system, such as the ease of using the app, the users' familiarity with the app, and their trust in the app, are also important factors for the practice of users using multiple digital payment systems. The study reveals that the practice of users using multiple digital payment systems reduces the risk of transactions for the users.

References

1. National Payments Corporation of India (NPCI). Unified Payments Interface (UPI) system overview. <https://www.npci.org.in/what-we-do/upi/product-overview>
2. Reserve Bank of India (RBI). Digital Payments in India – Annual Report and Payment System Indicators. <https://www.rbi.org.in>
3. Google pay official website–digital payments platform information. <https://pay.google.com>
4. PhonePe Official Website-Digital Payment and Financial Services Platform. <https://www.phonepe.com>
5. Reserve Bank of India – Report on Trend and Progress of Banking in India. <https://www.rbi.org.in/Scripts/Publications.aspx>
6. Statista – UPI Transaction Statistics in India. <https://www.statista.com/topics/7606/unified-payments-interface-upi-in-india>
7. Invest India – Digital Payments Ecosystem in India. <https://www.investindia.gov.in>
8. Ministry of Electronics and Information Technology – Digital India Initiative. <https://www.digitalindia.gov.in>

9. Jetir Research Journal – Digital Payment Behaviour Studies. <https://www.jetir.org>
10. ResearchGate – FinTech and Digital Payment Research Articles. <https://www.researchgate.net>
11. Tyagi, C. (2025). *A comparative study of PhonePe and Google Pay*. Journal of Digital Finance Studies.
12. Bhoote, M., & Murilidhar, S. (2026). *A comparative study on customer adoption and satisfaction towards PhonePe and Google Pay among higher education students in Sagar city*. International Journal of Management and Technology Research.
13. Lokesh, S., & Sasirekha, K. (2025). *Exploring digital payments in FinTech with reference to Google Pay users*. Journal of FinTech Research.
14. Nair, R., & Munshi, J. (2026). *Impact of digital wallet promotional offers on consumer spending behavior: A study of PhonePe users*. International Journal of Business and Finance Research.
15. Sahu, R. K. (2025). *A comparative study of customer satisfaction between PhonePe and Google Pay in urban areas*. International Journal of Commerce and Management Studies.