

Google ventures in the FinTech industry

Overview and Origin

Google is a global technology establishment founded in 1998 operating around the world. It specializes in a variety of products and services ranging from search engine to cloud computing to artificial intelligence to computer software and hardware.

Google's first introduction with the finance industry was with google wallet in the year 2011. Google wallet is a virtual wallet that allows individuals to make payments through credit, debit, loyalty and gift cards and transfer money from their phones. The founder of Google wallet are Rob Van Behren and Jonathan Wall.

Google pay is a consolidated system of Android Pay and google wallet. It was initially released as Android Pay in 2015 and later modified as Google Pay in 2018.

Project 'Cache' or smart checking accounts is the latest venture which will provide banking services to customer in partnerships with various financial institutions.

Also Google is in a process of launching a google debit card which can be directed through mobile application for monitoring purchases, checking balances and locking accounts and would be more of an app-based account.

According to "Global Data" leading data and analytics company Google was the most popular company amongst key FinTech influencers in Q4 2017 dominating in blockchain, Artificial Intelligence (AI), the Internet of Things (IoT) and big data except in payments.

Google has appointed Derek White as a vice president for global financial services who will look after Google's financial services cloud efforts. White was instrumental in transitioning BBVA (spanish bank) from traditional to a digital bank.

*** Name of company**

Project Cache - Smart checking accounts

*** When was the company incorporated?**

The project 'Cache' online checking accounts is going to be launched in 2021 in association with various banking partners - Citi group, Stanford Federal credit Union, BankMobile, Alabama based BBVA USA, BMO Harris, Coastal community bank, First Independence bank and New York-based SEFCU. The project 'Cache' would basically provide banking services and Google has plans to further add financial institutions for better and farther reach & provide a wider range of products.

*** How did the idea for the company (or project) come about?**

Google's key motivation to venture out in banking services is the customer data which will allow him to get an upper hand to Amazon in terms of online search battle.

Google banking services will have two divisions where the financial side of the accounts would be handled by the financial institutions and the front-end, intuitive user experiences and financial insights would be handled by Google. As a result of better brand partnership with financial institutions these banks would allow the google banking customers to keep their money in FDIC or NCUA-insured accounts.

*** How is the company funded? How much funding have they received?**

Citigroup and credit union at Stanford University

Business Activities:

*** What specific financial problem is the company or project trying to solve?**

1. Built in budgeting tools that will provide better financial insights to the consumers for their money.
2. It will makes things cheaper and provide better services for the customer with wide range of products.
3. Develop services which are primarily designed to simplify banking.
4. These financial insights and money management advise would thus lower the consumers hassle to check their financial health with financial advisors.

*** What solution does this company offer that their competitors do not or cannot offer? (What is the unfair advantage they utilize?)**

1. Unlike their competitors google is going to keep its financial institution partners much more front and centre for its customers.
2. Also Google banking customers will have an opportunity to keep their money in FDIC or NCUA-insured accounts.
3. It will provide digital checking and saving services.

*** Which technologies are they currently using?**

For Google Pay technology used are near filled communication (NFC) Technology, host based card emulation (HCE) and EMV payment Tokenisation specification.

Google banking services will use Google Pay to provide digital layer.

Unified Payment Interface platform

Blockchain Technology

Cloud computing

Artificial Intelligence

Landscape:

*** What domain of the financial industry is the company in?**

Personal Finance / Deposits / Online Banking

*** What have been the major trends and innovations of this domain over the last 5-10 years?**

Major innovations include Artificial Intelligence, Blockchain technology, Big Data, Robotic Process Automation (RPA), Cloud computing, Voice interfaces, Cybersecurity and Resilience.

*** What are the other major companies in this domain?**

Amazon has been in talks with JP Morgan Chase for checking accounts.

Apple - Apple Pay, Apple Card

Facebook - Facebook Pay

Ant financial - Ali Pay (Mobile and online payments platform) , Yu'e Bao (money market fund)

Uber - Uber Money

Paypal

Samsung Pay

Microsoft Pay

Results

*** What has been the business impact of this company so far?**

Google Pay doesn't charge additional fees to use this app but their main business is to monetize user data for advertising. Thus by collecting data of Google pay users they have better insights in terms of advertising. For online banking services business impact still not known as it is still in development stage.

*** How is your company performing relative to competitors in the same domain?**

Ant Financial is the biggest FinTech enterprise right now mainly operating in China followed by Apple Pay which is limited to Apple users only. One advantage Google Pay has is it is compatible for both android users and apple users. But still Google needs to work on this area to outperform its competitors.

Recommendations

*** If you were to advise the company, what products or services would you suggest they offer? (This could be something that a competitor offers, or use your imagination!)**

1. Google hasn't ventured out in the cryptocurrency field. It can launch products like Libra as Facebook.
2. Apple has announced the development of a tool called cryptokit framework which will allow developers to carry out a variety of cryptographic operations with improved authentication and encryption services for security purposes. Google can develop competitive services in the same field.
3. Product cache should be user specific. {different interface for business vs personal + age specific}
4. A proper protocol to deal with governance, risk and process controls for cashless banking to limit fraudulent activity.
5. Better tools and services for data handling.
6. Facial recognition payment technology as Ali Pay.

*** Why do you think that offering this product or service would benefit the company?**

Adding above mentioned products and services would allow Google to better serve consumers and increase their market presence compared to their competitors.

*** What technologies would this additional product or service utilize?**

Blockchain Technology, Machine Learning, Artificial Intelligence, Cloud computing and Biometrics

*** Why are these technologies appropriate for your solution?**

These technologies would provide cheaper, optimized and secured infrastructure for these products and services.

Addendum:

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<https://www.businessinsider.com/alipay-overtakes-paypal-as-the-largest-mobile-payments-platform-in-the-world-2014-2>

<https://www.worldremit.com/en/stories/story/2020/02/22/alipay>

[Chinese money market fund becomes world's biggest](#)

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<https://www.moneyunder30.com/best-payment-apps>

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