

Fintech Revolution– The Step towards Digitization of Payments

1Dhruv Upadhyay, 2Dhruv Seth, 3Dilshad Ahmed Khan

Student

Galgotias University

Introduction

Founded in Delhi NCR, India, Paytm is an Indian electronic payment and e-commerce platform. Parent company One97 Communications created this consumer brand in 2010 and it went live in August of that year. "Payment via Mobile" is the acronym for the name. At the beginning of 2017, the company had more than 13,000 employees and a total of 3 million offline retailers in India. The Paytm payment gateway and the Paytm Wallet are also under its control. For the first time in 2015, Paytm received funding from Chinese e-commerce giant Alibaba after raising over \$625 million at a \$1.5 billion valuation, among other sources. One97 Communications, the company that owns Paytm, had the most investors, including the Alibaba Group. One97 Communications Limited established Paytm in 2010 as a prepaid mobile recharge website. Vijay Shekhar Sharma, the company's founder, said in an interview that he was inspired by vegetable vendors in China who were

accepting payments via their mobile phones. In 2013, he founded the Paytm wallet. As of November 2016, Paytm Wallet had over 150 million wallets and 75 million Android-based app downloads, making it India's largest mobile payment service platform. The demonetization of the 500- and 1,000-rupee currency notes contributed significantly to the increase in the use of this service. Paytm's transactions and profits soared after November 8th, 2016. Paytm received a licence from the Reserve Bank of India in 2015 to start "Paytm Payments Bank Limited," one of India's first payments banks. To facilitate a cashless economy, the bank planned to leverage Paytm's existing user base to offer new services such as debit cards and savings accounts as well as online banking and transfers. Vijay Shekhar Sharma will own 51 percent of the payments bank, One97 Communications will own 39 percent, and a subsidiary of One97 and Sharma will own 10 percent. On May 23, 2017, Paytm Payments Bank began operations with an invitation-only system. Paytm's Android and iOS apps became available to the general public on August 31, 2017.

Paytm Payments Bank for Paytm E-Wallet Users was launched in May 2017 by Paytm. According to a report published in May 2017, Paytm was in talks to acquire a majority stake in Insider by investing \$30 million. After acquiring a majority stake in Insider, Paytm customers can now book events instantly.

There are more than 1,000 dealerships digitising their catalogues to increase online usage and offline sales by Paytm Mall, a recently launched online marketplace based in Noida. When Paytm applied for a licence to set up a money market fund in June 2017, the Economic Times reported that the company was looking for a way for its customers to store money and earn interest on it. In order to begin the fund, they had already applied to the Reserve Bank of India, India's central banking institution.

LITERATURE REVIEW

As defined by the Webster's dictionary, literature includes both written and printed works that relate to a specific field of study. And "review" means "to re-examine, to re- study thoroughly". If you want to know what other researchers have to say about a given topic, you need to conduct a literature review. As a result, my project's literature

review is based on secondary data that I carefully studied throughout the course of the project and obtained from those sources. This project also serves as a repository for new information gleaned from the various datasets. Because of its focus on the comparative analysis of consumer durables, this project is particularly relevant. What is the real face of the consumer durables market? "

M-payments are currently under investigation, and future research directions have been determined through a review of the literature. As other scholars in the field of IS have already done, a multi-phased approach to conducting a literature review was taken (Dibbern et al., 2004; Dahlberg et al., 2007; Finney and Corbett, 2007;Dezdar and Sulaiman, 2009; Okoli and Schabram, 2010).

Dahlberg et al., (2007) conducted a comprehensive review of the m-payment literature from 1999 to 2006, and their paper has been highly cited since then. The contingency theory was used as a framework in Dahlberg et al., (2007)'s review of the literature, and papers were broadly classified against it.

It's important to remember that consumer and merchant adoption is influenced by a variety of external factors, such as cultural

and social norms, as well as economic factors. Mobile payment research can be classified using the contingency theory because m-payment services differ across countries because of a variety of factors, such as differences in payment technology infrastructures and regulations (ibid). SMS technology is used in Kenya's M-Pesa system, while QR code or NFC technology is used in other m-payment systems, depending on the regulations in their host country. There is no "best" model for m-payment system innovation, according to the adoption theory of contingency (Au and Kauffman, 2008; Ondrus et al., 2005). There is no single best way to organise, according to the theory of contingency, and any one method of organising is not equally effective in all situations (Ginsberg and Venkatraman, 1985; Dahlberg et al., 2007).

Legal, regulatory, and standardisation, as well as technology, security, and payment architectures are three of the three categories identified by the contingency theory lens.

A paper was classified as multiple categories if it addressed a number of the categories, but did not go into any depth about any of them. A 7x4 matrix was created to classify the papers in the review of the m-payments literature using these four categories and

the categories of stakeholders in an m-payment ecosystem.

The first step in establishing trends in m-payment research was to determine the scope of the review and the sources of information. Considering that m-payments have been studied since 1999 and published in a wide range of academic journals and conference proceedings, the authors focused their search on Google Scholar because it is widely accessible. Book chapters and trade papers were excluded from the search because they were not peer-reviewed. Searches were conducted using the terms 'mpayments' and 'mobile payments', and the most cited papers from 1999 to 2014 were then filtered.

A second search was conducted with the same descriptors to identify the most prevalent themes in the most recent academic papers published over the past year (2013-2014). Papers that did not go into depth about mpayments (mobile banking, m-commerce) were omitted from the review process entirely.

BUSINESS OBJECTIVE:

- o To acquire new merchants and map the market.
- o Paytm has made a concerted effort to promote itself on social media platforms like Facebook, Twitter, and Instagram.

It has been tagged "#Paytmkaro" on social media. PaytmKaro is a campaign by TVC that aims to portray Paytm as the most convenient

and easy pezy simple method of everyday transactions.

o They made sure that more and more people began to use their E-wallets. Twitter's new top trending hashtag is #PaytmKaro.

o

Not only that, but they began posting videos of users' positive Paytm experiences on Facebook as well. New commercials were being produced on a daily basis. Several of these commercials had memorable melodies and catchy lyrics.

o To focus on expanding the business.

o To hold meetings, conduct market research, and develop new businesses.

o To include all types of merchants, such as FMCG, Cosmetic, Apparel, Gift, and Jewelry, in the Paytm process.

RESEARCH DESIGN

In this study, the researchers used a descriptive research design, which means that they analysed the data they gathered for the study in order to draw conclusions.

There is a limited geographic area in which the study can be conducted: Delhi-NCR, which includes Knowledge Park 1,2,3; Jagat Farm, Pari Chowk; J.P., Alpha 1, and Botanical Garden; Sector 37; Laxmi Nagar, Gurgaon; Lajpat Nagar; NOIDA; and Tugalpur.

SAMPLE SIZE: The study will use a sample size of 100 participants.

TEST TECHNIQUES FOR SAMPLING

Convenience Sampling was employed in this study. A large number of completed questionnaires can be obtained quickly and efficiently using this method.

Gathering information is done using this method.

There are two ways to gather data:

There are two types of primary data:

- Additional Information

A questionnaire and personal interview with merchants in the Delhi and NCR region are used to collect primary data.

Magazines, the internet and my boss are all sources of secondary data.

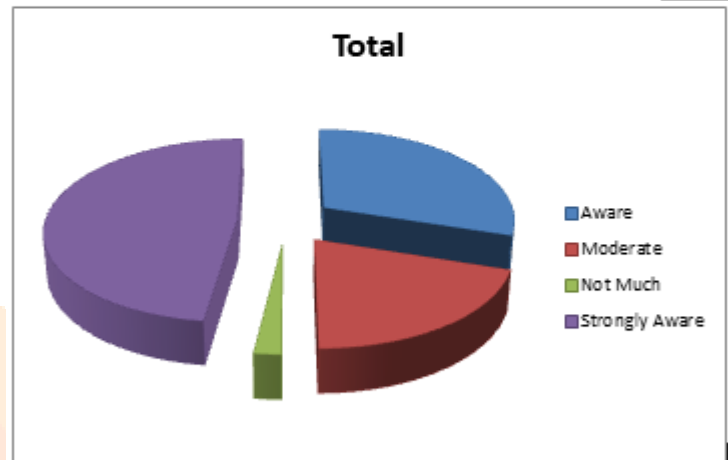
Structured questionnaires used by the organisation for exit interviews collected the data. It includes questions that are both open-ended and closed-ended.

Basic statistical methods are used to conduct data analysis. The data was analysed and graphed using Microsoft Excel. The Pivot Table was used to transform the primary data into graphs and pie charts because the research was focused on qualitative data.

1. I am aware of the online form of business e-commerce?

Scale	Count of Aware of e-commerce
Aware	30
Moderate	20
Not Much	2
Strongly Aware	48
hGrand Total	100

Chart Area

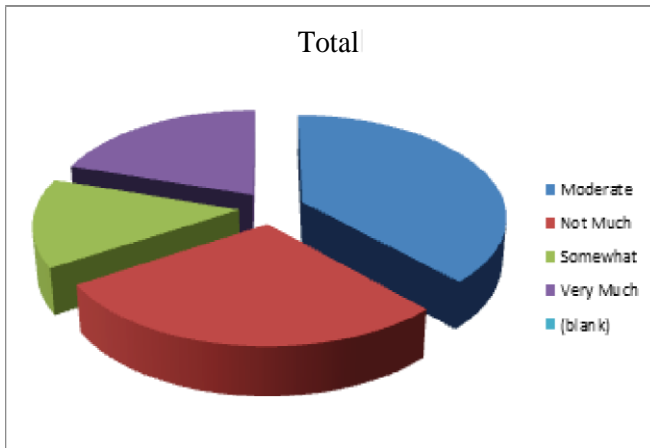


Interpretation:- Out of 100 Merchants:

- 48% is Strongly Aware of E-Commerce
- 30% is Aware of E-Commerce
- 20% is Moderately Aware of E-Commerce
- 2% is Not Much Aware of E-Commerce

L I Trust Online Trade

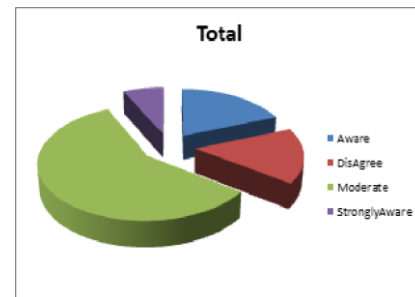
Row Labels	Count of Trust online Trade
Grand Total	100



- JB° is tnstaalze t«xle
- 2B",ñ do Stat ¥d.y zauch aa ooñoe trade
- 20,° very zauch test oalioa t«uLe
- 14°,ñ same bat tnzstaaliae bah

3. Are you aware of Online Debit card/Credit Card Payment gateways

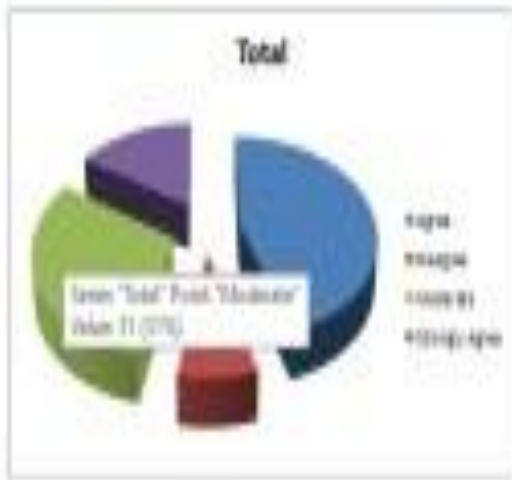
Scales	Count of Are youAware of Online Debit card/Credit Card Payment gateways
Aware	19
Disagree	16
Moderate	58
Strongly Aware	7
Grand Total	100



- 58°q are Mox¥raKy Auare of & online Debitm&Cnxlit Card Paymmt g&svays
- 19°ñ , are Aware of the online Debit mr&Credit Card Paymmt gdeawayi
- 16°ñ In ie aware of tie online Debit mid ialit Card Paymmt gairvzys
- 7°ñ are Sbongly Aware of tie online Debit or&Credit Card Payout g hnveyi

4. The application of e-commerce has increased over the past few years in India.

Table 4.1: Survey of 10 Indian E-commerce sites for 10 merchants from the merchant's interest for interest	
Agree	41
Disagree	3
Neutral	11
Strongly Agree	10
Total Total	100



Interpretation: Survey of 10 Merchants

- 41% Agree that the application of e-commerce has increased over the past few years in India
- 11% , has a moderate view The application of e-commerce has increased over the past few years in India
- 10% , Strongly Agree that the application of e-commerce has increased over the past few years in India
- 3% , Disagree that the application of e-commerce has increased over the past few years in India

FINDING

All of the 235 merchants I visited in my study had one thing in common: They all complained that Paytm's payment gateway was not up to snuff.

My client's interest in E-Commerce is split 50/50, but the other 50 percent aren't interested because they're unhappy with Paytm. After our meeting, I noticed or learned that.

About 20% of people are interested in e-commerce, but they lack computer skills.

30 percent don't like E-Commerce because, according to the merchant, the company process is extremely slow when it comes to payments, so we can't use Paytm.

More than 90% of merchants in the South are satisfied with Paytm and are ready to sign up for the service and use it across the entire e-commerce landscape.

Only 10% of the merchants in Gautam Buddha nagar are interested in e-commerce because

30% of them are not interested and 50% of them do not have a valid certificate.

The merchants that I met in Delhi have their own website and are selling products via E-commerce.

The vast majority of merchants are unaware of Paytm's services, believing it to be only a recharge company.

Merchants who own their own manufacturing business are interested in Paytm.

As a result of Paytm's relative newness in the market, the company's commission, feedback, service, and payment timing are all unique to the company.

CONCLUSION

During my internship, I was exposed to a wide range of new experiences. The first time I walked into the Paytm office, I was greeted by a group of energetic employees, and my reporting manager, Mr. Sudhansu singh, taught me about the company and our work. I learned a lot about the market and marketing during my internship, and these findings are based on my market research.

In a developing country like India, where the number of internet users continues to rise on a daily basis, a country's economy can benefit from E-Commerce as one of the largest and most popular business sectors. Currently, there are more than 30 million internet/mobile users, and the majority of them are young people. E-Commerce saves them both time and money. Online businesses make a variety of incentives available to attract new customers. Paytm, for example, has a product-specific daily Cash back offer. With the ability to widely apply, a developing country can industrialise and modernise. E-commerce can be made easier and more cost-effective with the help of IT. Application of E-Commerce in society and the economy.

Economic openness in Asia is helping to promote competition and internet

technology diffusion in a number of Asian countries. As a result, developing countries' economies are becoming more efficient and their markets more integrated thanks to the internet. According to a survey conducted in India, e-commerce is expected to become the country's leading source of employment. In the next three to five years, India is expected to have 40 to 80 million internet users, which is on par with, if not better than, many developed countries in terms of e-commerce. As a result, India's Internet economy will gain significance. The volume of transactions will be sufficient to keep the online economy going for some time.

investment-in-the-digital-economy-is-
Paytm/articleshow/46548625.cms.

References

Www.wikipedia.com

www.paytm.com

https://paytm.com/about-us/

https://m.yourstory.com/2016/08/paytm-funding-mediatek/

https://techcrunch.com/2016/02/10/indias-paytm-is-raising-another-400m-to-build-out-its-new-payment-bank/

http://m.timesofindia.com/business/india-business/Ratan-Tatas-fifth-personal-

