



# INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

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## “A STUDY ON CONSUMER PERCEPTION TOWARDS Paytm”

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### **ABSTRACT:**

The world is increasingly mobile people want access from whenever, anywhere and are equipped with a secure online wallet called Paytm cash. Paytm is one of the India's largest mobile commerce platform. They started their journey by offering mobile recharge and utility bill payments. Today it offers a full marketplace to consumers on its mobile apps with the introduction of shopping platform on its mobile wallet recharge app. Paytm is deepening their roots in Indian e-commerce market. With a very short span of time, there are over 25 million registered user's and are expected to double by the end of this year. Paytm success is followed by adverse challenges in the face of banks and e-tailors like Flipkart, snapdeal who are on the path of introducing their own mobile wallets. In order to survive and grow in the market Paytm is developing effective marketing strategies and are expanding their operational competitiveness.

**KEYWORDS:** Paytm wallet, Banking Apps, M-wallet, E-commerce, online payments.

### **INTRODUCTION:**

A digital wallet is a type of virtual wallet service that can be used by downloading an app. The digital or mobile wallet stores bank account or debit/credit card information in an encoded format to allow secure payments. One can also add money to a mobile wallet and use the same to make payments and purchase goods and services. This eliminated the need to use credit/debit cards or remember the CVV or 4-digit pin. some of the mobile wallet apps in the market are Paytm, mobikwik, freecharge, etc. The various services offered by mobile wallets include sending and receiving money, making payments to merchants, online purchase etc.

Paytm is India's largest mobile payments and commerce platform. It allows you to pay bills and make online transactions. 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 Railway and Uber added as a payment option. It launched into e-commerce with online bus ticketing.

In 2015, it unveiled more use-cases like education fees, metro recharges, electricity, gas, and water bill payments.

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 booking and gift cards.

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 RS. 1 of pure gold online. It also launched Paytm Payments Bank an 'Inbox', a messaging platform with in-chat payments among other products.

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

In March 2018, Paytm Money was setup with an investment for rs.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.

### **Paytm-Pay Through Mobile**

#### **COMPANY PROFILE:**

Paytm is India's leading financial services company that offers full-stack payments & financial solutions to consumers, offline merchants, and online platforms. The company is on a mission to bring half a billion Indians into the mainstream economy through payments, commerce, banking, investments, and financial services. The brand Paytm is founded by Vijay Shekhar Sharma and is headquartered in Noida, Uttar Pradesh.

Paytm is a payment gateway that provides payment services for customers and merchant and allow consumer to make seamless mobile payments from cards, bank accounts, and digital credit among others.

Founded on 2010, Paytm is owned by one of India's mobile internet firms, one97communication. Its Investors include SoftBank, SAIF Partners, Alibaba Group, And Financial.

**INDUSTRIES:**E-commerce, Financial Services, Internet, Mobile apps, Mobile Payments

**Headquarters Locations:** Noida, Uttar Pradesh, India

**Headquarters Regions:** Asia-pacific(APAC)

**Parent company:**One97 Communications

**Founded Date:** Jan 1,2010

**Founders:** Akshay Khanna, Vijay Shekhar Sharma

**Operating Status:** Active

**Category:** Ecommerce-Online payments

**Sector:** IT & Technology

**Products:** Paytm Mall, Paytm Payment Bank, Paytm Money, Paytm Gamepad and Paytm postpaid

**Services:** Online shopping, Payment systems, Digital wallets

**Tagline:** Paytm Karo

**USP:** online payment systems with high customers base and acceptance

### Paytm STP

**Paytm Segmentation:** People with smartphones looking for cashless payment transactions.

**Paytm Target Market:** Urban tier1 tier2 cities-young and middle-aged people

**Paytm Positioning:** Paytm can be used as an alternate for cash to make payments for daily basic needs.

### OVERVIEW OF MARKET

Indian mobile payments and e-commerce giant Paytm has a global market in its sight. The startup, whose peer-to-peer and consumer to business mobile payments apps currently boasts 300 million customers in India, aims to onboard millions more around the world.

As a first, it's using Canada as a testing ground. "Paytm Canada is our beta test, or our warhead to get an entry into new geography beyond India," said founder and CEO Vijay Shekhar Sharma. Payments is a customer acquisition rail, but our real revenue product is when businesses pay us fees to accept payment, Sharma said.

Paytm Canada customers can use the app to pay bills in India, for example. They may be trying to play on the diaspora; if you send money to a family member and can also use it to pay Canadian merchants, it becomes a multi-purpose app, True said.

Over the past few years, India has taken a leap to become the leading nation to drive payment adoption and technology to masses. From online-only to full 360-degree adoption of payment via mobile phones, primarily through QR codes, wallets, cards, and UPI; India now shows the way to the world how Digital Payments can become mainstream.

Paytm is the preferred payment gateway for a majority of leading and the largest online Platforms. This include IRCTC, Zomato, Oyo, Gofers, Big Basket, PVR, Club Factory, Dominos, Jio and Idea among others. Our focus is on providing an intuitive transaction experience while offering easy integration with any existing platforms.

## LITERATURE REVIEW

- **Dr.T.Venkatesan(2018)**

In the article titled "usage of Paytm", concludes that the usage of Paytm is only at a satisfactory level. The customer face problems in ease of use, security issues and slow Paytm server in the usage of Paytm. Paytm can establish a separate wing with trained staff to address the issues and problems related to Paytm services.

- **FE Bureau(2017)**

States that according to the RBI Demonetization has increased the growth of Paytm & Mobikwik which is known as the digital Payment companies.

- **Dr Poonam Painnullu, Shalu Rathi(May 2016)**

Study revealed on "Mobile Wallet: An upcoming mode of business transactions" has explained about Mobile wallet, types and trends. Then discussed about role of mobile wallet in various sectors like bank, retail, and hospitality. In future scope it talks of mobile wallet becoming the latest marketing channel in near future. To conclude they speak the importance and growth of mobile money in business social and income prospective.

- **Ninna Mallat & AnssiOorni(2014)**

Study revealed on the value of different customers satisfaction and loyalty metrics in predicting customer retention, recommendation and share of wallet (2007) examined different customers satisfaction and loyalty metrics and test their relationship to customer retention, recommendation and share of wallet using micro (customer)level data.

- **Zilvinas Bareisis,(2012)**

Study revealed on Banks should think twist before going down the path of launching their own brands independent wallets. For some it might make sense, but many others will likely be better off focusing on making their payment credentials available on top of wallet in the wallets already out in the market.

- **Sandhya(2018)**

Studied about the Paytm usage problem fact by the employers of XYZ company limited. To analyze the study. The data collected by convenience sampling method through questionnaire from 150 employees and they were analyzed using Chi-square statistical tool. The findings concluded that XYZ company limited employees are cautious about the services offered by Paytm, number of alternatives available in payments.

- **S.Nazimsha and Dr.M.Rajeshwari(2018)**

Study to learn the importance given to Paytm by people in their daily regular life and success of Paytm in promoting the cashless economy. The aim of this paper is to study the flexible services presented by Paytm Promoting the Digital India and to study the opinion among people in adopting Paytm as a solution to the India Demonetization, to examine the importance of Paytm in marketing India Digital.

## **STATEMENT OF THE PROBLEM**

- Digitization increasing in our country and government is encouraging a cashless society.
- Perhaps the main thought behind demonetization was first, to control the black money in the economy and anti-money laundering which has been used extensively by terrorist and second to increase E-transactions in the country.
- Large number of purchases by consumer made online while cash on delivery option is available.
- Many prefer to make payments online through these mobile banking applications.
- Understanding the prevailing situation, many mobile banking applications offer different benefits which include the consumers to use their wallets.
- The UPI interface will allow bank account holders across banks to send and receive money from their smart phones just using their Aadhaar unique identity numbers, mobile phone number or virtual payments address without entering bank account details.

## **OBJECTIVES OF THE STUDY**

- To study the factors that influence the customers to use of Paytm.
- To know about the awareness of users towards Paytm.
- To study the demographic factors influencing the customers to use Paytm.

## **LIMITATIONS OF THE STUDY**

- Respondent bias was one of the major limitations of research and there might not be the perfect positive response from all the respondents.
- The sample size is very less comparatively to the total population.
- The duration of the study is one of the limitations of this study.

## **RESEARCH METHODOLOGY**

### ➤ **Research design**

The aim of this research paper is to analyze the awareness and factors influencing the use of Paytm this research used descriptive method to get the statistical result of the respondents.

### ➤ **Data Collection and sample size**

The primary data is collected using descriptive structured questionnaire from 50 respondents belongs to the study area of working people, student's business concern under convenient sampling method.

### ➤ **Research Instrument**

Instrument used for this study was questionnaire. Questionnaire was prepared and circulated to 50 people through google forms and responses are collected.

### ➤ **Sources of online data**

After establishing the objective and determining the design of the research study the data used for the study was collected from two sources, primary source, and secondary source. Primary data is collected

by circulating the questionnaires and the secondary data is collected from those data which have already been obtained by some other researcher.

➤ **Data Analysis and Interpretation:**

**Percentage Analysis:**

Percentage analysis is used for the analysis of primary data collection. Percentage is special kind of ratios that express the relationship of one variable in comparison to another percentage analysis formula.

$$\text{Percentage} = (\text{No. of respondents} / \text{Total respondents}) * 100$$

The statistical information is presented in table, graph, and diagram. The tables consist of arrangement of statistical data in rows and columns whereas in graph and diagram the data is presented through charts. A chart can be taken the shape of either diagram or graph.

**Data Analysis and Interpretation:**

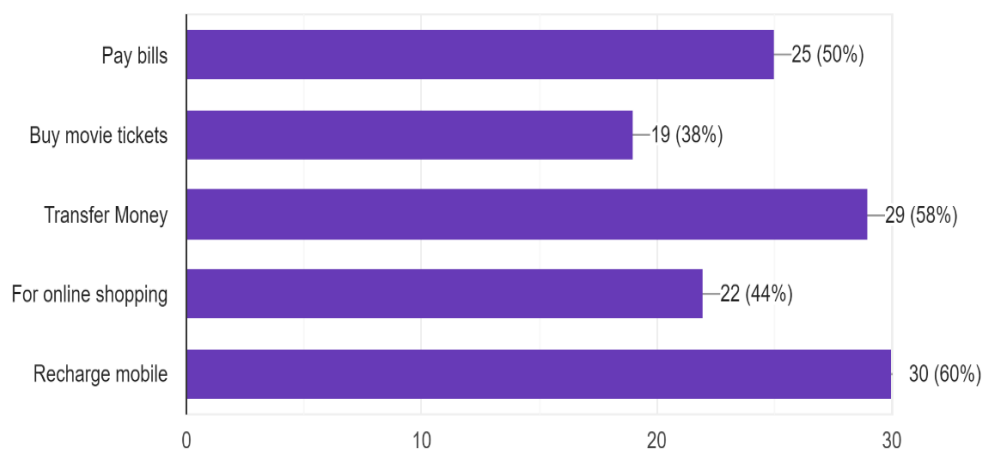
**Table showing Simple Percentage Analysis**

Variables	No Respondents (N=50)	of	Percentage (%)
<b>Age</b>	18 to 30 years	41	82
	31 to 40 years	4	8
	41 to 50 years	3	6
	Above 50 years	2	4
<b>Gender</b>	Male	23	46
	Female	27	54
<b>Educational Qualification</b>	Diploma	5	10
	Under Graduation	29	58
	Post-Graduation	15	30
	Doctorate	1	2
<b>Occupation</b>	Student	30	60
	Self employed	11	22
	Professional	7	14
	Home maker	2	4

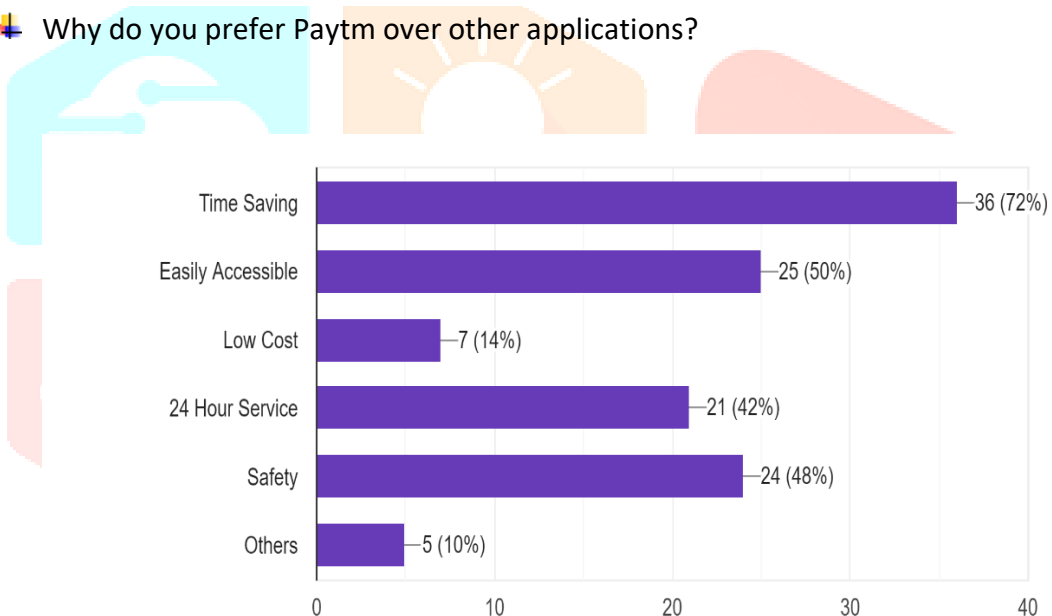
<b>Monthly Income</b>	Below 10,000	28	58
	10,000 to 20,000	8	16
	21,000 to 30,000	4	8
	31,000 to 40,000	2	4
	41,000 to 50,000	4	8
	Above 50,000	4	8
<b>Aware of online payment mode</b>	Yes	47	94
	No	2	4
	Maybe	1	2
<b>Paytm a useful mode of Payment</b>	Yes	41	82
	No	3	6
	Maybe	6	12
<b>Source of Information</b>	Social Media	15	30
	Friends	33	66
	Magazine	1	2
	Radio	1	2
<b>Frequency of Paytm usage in a month</b>	Less than once	12	24
	1 to 2 times	15	30
	3 to 5 times	14	28
	More than 5 times	9	18
<b>Amounts spend for shopping through Paytm in a month</b>	500 to 1000	29	58
	1100 to 2000	11	22
	2100 to 3000	5	10
	More than 3000	5	10
<b>Duration of Paytm usage</b>	Less than one year	21	42
	1 to 2 years	14	28
	2 to 3 years	15	30
<b>Recommendation of Paytm</b>	Yes	39	78

to friends	No	2	4
	Maybe	9	18

For which purpose you use Paytm most?



Why do you prefer Paytm over other applications?



### FACTORS INFLUENCING THE PAYTM USAGE

In recent years, the growth of Paytm has increased tremendously as our payment system progress to next level, we have various service, and it is equipped with a secure online application. The factors are analysed by Likert’s five-point scale. The factors which influencing the customers to use Paytm in that it is user friendly and there are many factors. The following table shows the factors influencing the Paytm usage.



Factors	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Easy to download	11	22%	26	52%	9	18%	2	4%	2	4%
SMS Alert	11	22%	25	50%	11	22%	1	2%	2	4%
Availability and acceptance at different stores	12	24%	25	50%	10	20%	1	2%	2	4%
Advantage of reward points and discounts	8	16%	20	40%	13	26%	8	16%	1	2%
Replaces traditional system	7	14%	26	52%	12	24%	3	6%	2	4%
Easy refund of money to bank	15	30%	22	44%	9	18%	3	6%	1	2%
Data retention	7	14%	28	56%	13	26%	1	2%	1	2%
Pay to person to person	15	30%	26	52%	8	16%	1	2%	1	2%
Ease of transaction	15	30%	27	54%	6	12%	1	2%	1	2%
Encrypted security logic	11	22%	26	52%	11	22%	1	2%	1	2%
Flexibility	13	26%	26	52%	9	18%	1	2%	1	2%

The above table gives the information about the factors that influence the consumers to use Paytm.

In the above given table, it is observed that 52% of the respondents says agree that Paytm is easy to download, 22% of the respondents says strongly agree, 18% of the respondents says neutral, 4% of the respondents says disagree or strongly disagree.

50% of the respondents said that Paytm has SMS alert system, 22% of the respondents also said strongly agree, 22% of the respondents have neutral response, 2% of the respondents are disagree on this, and 4% of the respondents are strongly disagree.

In the availability and acceptance of Paytm at different stores, 40% of the respondents agree on this, 24% of the respondents strongly agree, 2% of the respondents disagree, and 4% of the respondents strongly disagree.

Out of 50 respondents 40% of the respondents agree that Paytm has advantage of reward points and discounts. 26% of the respondents shown neutral response, 16% of the respondents says strongly agree and disagree and 2% of the respondents were strongly disagree.

In the factor of Paytm that it replaces traditional system 52% of the respondents agree, 24% of the respondents are neutral, 14% of the respondents strongly agree, 6% respondents disagree, and 4% respondents strongly disagree.

44% of the respondents said that Paytm has easy refund of money to bank, 30% said strongly agree, 18% respondents were neutral, 6% said disagree and 4% said strongly disagree.

52% of the respondents said agree that we can pay from person to person from Paytm, 30% said strongly agree, 16% said neutral, 2% said disagree and 2% said strongly disagree.

56% of the respondents said that data retention factor influences them to use Paytm, 26% respondents said neutral, 14% of the respondents said strongly agree, 2% of the respondents said disagree and strongly disagree.

For ease of transaction factor 54% of the respondents said agree, 30% of the respondents said strongly agree, 12% said neutral, 2% of the respondents said disagree and strongly disagree.

52% of the respondents said that encrypted security logic factor influences them to use Paytm, 22% of the respondents said strongly agree, 22% of the respondents said neutral, 2% of the respondents said disagree and 2% of the respondents said strongly disagree.

52% of the respondents agree that the flexibility factor influence them to use Paytm, 26% of the respondents says strongly agree, 18% of the respondents says neutral response, 2% of the respondents says disagree and 2% of the respondents said strongly disagree.

## **FINDINGS OF THE STUDY**

### **Percentage analysis**

- Majority (82%) of the respondents are in the age group of 18 to 30 years.
- Majority (54%) of the respondents are female.
- Majority (58%) of the respondents are under graduation.
- Most (60%) of the respondents are students.
- Majority (94%) of the respondents are aware of online payment mode.
- Majority (56%) of the respondent's monthly income is below 10,000.
- For majority (82%) of the respondents Paytm is a useful mode of payment.
- Most (66%) of the respondents get information about Paytm wallet through their friends.
- Majority (58%) of the respondents said that Paytm wallet is accepted everywhere.
- Most (30%) of the respondents said that they use Paytm for 1 to 2 times in month.
- Majority (58%) of the respondents said that they spend 500 to 1000 rupees in a month for shopping through Paytm wallet.

## Suggestions

Paytm provider needs to inform about their services on the mass level.

Paytm should be made easy so that it will help the user for use.

Paytm provider can do necessary correction in the security system that can increase the number of users using Paytm.

Paytm provider should made easier in KYC process.

## CONCLUSION

The present study has tried to understand the consumers perception regarding Paytm. Paytm app is a familiar app used for e transactions. It is true that Paytm faced a successful growing path after demonetization. Even the smaller vendors have introduced Paytm to promote cashless payment methods. Therefore, we could generalize the trends that we are moving to a cashless economy. It indicates that the adoption of Paytm is influenced by the education level of the customer. It is observed that the persons using internet from a longer time are aware and are using Paytm. The age group of the user has also influenced the usage of Paytm. It is observed that the users in the age group of 18 to 30 are aware of Paytm and are using Paytm for various purpose.

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