

A Study on the Marketing of Paytm Wallets: Customer Value Offer Strategy

Srikant Kapoor, Associate Professor, Amity Global Business School, Chennai

Abstract

In today's competitive market environment companies are continuously forced to their marketing strategies. Many companies have also customized their value proposition increase their customer service levels, which has led to increased customer satisfaction profits to the companies. Paytm is one of the India's largest mobile payments and commerce platform. Mobile payments is a mode of payment using mobile phones. Instead of using methods like cash, cheque, and credit card, a customer can use a mobile phone to transfer money or to pay for goods and services.

This paper highlights the findings of the study carried out to evaluate the performance levels and enhance efficiency and productivity of the Mobile wallet services.

Keywords: Customer Service, Paytm, Payments, Mobile, Value

1. INTRODUCTION

Paytm is one of the India's largest mobile payments and commerce platform. It started with online mobile recharge and bill payments and has an online marketplace today. In a short span of time we have scaled to over 220 Mn registered users. Paytm is the consumer brand of India's leading mobile internet company One97 Communications. One97 investors include Ant Financial (AliPay), SAIF Partners, Mediatek, Sapphire Venture and Silicon Valley Bank. We strive to maintain an open culture where everyone is a hands-on contributor and feels comfortable sharing ideas and opinions. Our team spends hours designing each new feature and obsesses about the smallest of details.

Paytm, One97's flagship brand, is India's largest digital goods and mobile commerce platform - inspired and driven by a commitment to great consumer experience. Paytm is also a leading payment solutions provider to ecommerce merchants using its RBI approved semi-closed wallet. Paytm also has a payments bank license approved by RBI with which Paytm payments bank commenced operations from 23rd May 2017.

2.OBJECTIVES

Primary objectives

- 1) To explore the Paytm Behavioral segmentation based on usage
- 3) To know the visibility of place-distribution of Paytm.
- 3) To assess if consumers are aware of all the deals offered by Paytm.
- 4) To understand the consumer satisfaction levels of Paytm.

3.SCOPE OF STUDY

This study helps in basic research process that is carried out by Paytm (Pay through mobile) which includes Mobile wallet, bill payment, recharge, buy and sell, market place etc.

4.RESEARCH PLAN

Descriptive research methods are used when the researcher wants to describe specific behavior as it occurs in the environment. There are a variety of descriptive research methods available, the nature of the question that needs to be answered drives which method is used. It does not answer questions about how/when/why the characteristics occurred. Rather it addresses the "what" question (what are the characteristics of the population or situation being studied?)

The cross sectional study is most frequently used descriptive design,In marketing research. In cross sectional design involve the collection of information from an given sample of population elements only once.Single Cross section,In single cross sectional

design one of the sample response is drawn from the target population and information is obtained from this sample once.

<p>1. Who ?– who should we consider as potential customer for paytm wallet? a) anyone who uses Mobile Payment. b) anyone who prefers to go cashless. c).anyone who wants cash back offers.</p> <p>2. When?– when should be the information be obtained from the respondent ?</p> <p>3. What ?– what information should be obtained from the respondent ? a)Demographics b) Preference of Paytm compared to other brands,c)Attitude towards Mobile Payments</p> <p>4. Why ?- why are we obtaining the information from respondent To assess if consumers aware of Paytm.</p> <p>5. Way? -ways in which responses were collected? Internet interview</p>
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Figure1:Descriptive research

5.DATA ANALYSIS

Google Paytm Forms (Cronbach's Value 0.789, n=164) allows collecting information from users via a personalized Paytm survey. Google Forms is a tool that allows collecting information from users via a personalized survey or quiz. The information is then collected and automatically connected to a spreadsheet. The spreadsheet is populated with the survey and quiz responses.

Table 1: Scale Reliability

Scale: ALL VARIABLES

Case Processing Summary

	N	%
Cases Valid	163	100.0
Excluded ^a	0	.0
Total	163	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.789	34

5.1.Comparing Paytm with other Mobile wallets

Table 2: F-test

		Sum of Squares	df	Mean Square	F	Sig.
paytm	Between Groups	147.264	1	147.264	142.639	.000
	Within Groups	166.220	161	1.032		
	Total	313.485	162			
Bankingapp	Between Groups	268.594	1	268.594	383.141	.000
	Within Groups	112.866	161	.701		
	Total	381.460	162			
Freecharge	Between Groups	364.789	1	364.789	597.377	.000
	Within Groups	98.315	161	.611		
	Total	463.104	162			
Mobikwik	Between Groups	553.184	1	553.184	639.326	.000
	Within Groups	139.307	161	.865		
	Total	692.491	162			
Oxigen	Between Groups	120.288	1	120.288	112.359	.000
	Within Groups	172.362	161	1.071		
	Total	292.650	162			
paytmovermobi le	Between Groups	120.288	1	120.288	112.359	.000

	Within Groups	172.362	161	1.071		
	Total	292.650	162			
	Within Groups	116.110	161	.721		
paytmtype	Between	32.165	1	32.165	619.290	.000
	Total	268.479	162			
PayTMtransact	Between	51.448	1	51.448	183.844	.000
ion	Within Groups	8.362	161	.052		
	Groups					
	Total	40.528	162			
	Within Groups	45.055	161	.280		
Freeservie	Between	40.179	1	40.179	322.172	.000
	Total	96.503	162			
	Groups					
Avgpaytmtrns	Between	156.456	1	156.456	156.679	.000
	Within Groups	20.079	161	.125		
	Groups					
	Total	60.258	162			
	Within Groups	160.771	161	.999		
paytmsatisfy	Between	152.368	1	152.368	211.276	.000
	Total	317.227	162			
	Groups					
paytmpurpose	Between	1162.848	1	1162.848	58.855	.000
	Groups					
	Within Groups	3181.017	161	19.758		
	Total	4343.865	162			

recommendpa ytm	Between	110.436	1	110.436	134.731	.000
	Groups					
	Within Groups	131.969	161	.820		
	Total	242.405	162			
paytmkyc	Between	68.178	1	68.178	350.610	.000
	Groups					
	Within Groups	31.307	161	.194		
	Total	99.485	162			
Oftenuse	Between	350.593	1	350.593	280.001	.000
	Groups					
	Within Groups	201.591	161	1.252		
	Total	552.184	162			
paytmfeel	Between	104.386	1	104.386	333.706	.000
	Groups					
	Within Groups	50.362	161	.313		
	Total	154.748	162			
easyandfast	Between	55.721	1	55.721	244.385	.000
	Groups					
	Within Groups	36.709	161	.228		
	Total	92.429	162			
confidential	Between	120.288	1	120.288	196.888	.000
	Groups					
	Within Groups	98.362	161	.611		
	Total	218.650	162			
secured	Between	110.436	1	110.436	202.121	.000
	Groups					

	Within Groups	87.969	161	.546		
	Total	198.405	162			
keeptrack	Between	124.905	1	124.905	200.183	.000
	Groups					
	Within Groups	100.457	161	.624		
	Total	225.362	162			
preferovercash	Between	238.075	1	238.075	233.653	.000
	Groups					
	Within Groups	164.047	161	1.019		
	Total	402.123	162			
lesscost	Between	162.837	1	162.837	189.006	.000
	Groups					
	Within Groups	138.709	161	.862		
	Total	301.546	162			
easybycash	Between	117.610	1	117.610	513.413	.000
	Groups					
	Within Groups	36.881	161	.229		
	Total	154.491	162			
securityconcern	Between	88.649	1	88.649	373.408	.000
	Groups					
	Within Groups	38.222	161	.237		
	Total	126.871	162			
nobenifits	Between	163.814	1	163.814	541.008	.000
	Groups					
	Within Groups	48.750	161	.303		
	Total	212.564	162			

donttrusttech	Between	216.428	1	216.428	911.640	.000
	Groups					
	Within Groups	38.222	161	.237		
	Total	254.650	162			
difficulttime	Between	212.121	1	212.121	1042.79	.000
	Groups				4	
	Within Groups	32.750	161	.203		
	Total	244.871	162			
shopsdontuse	Between	135.073	1	135.073	456.491	.000
	Groups					
	Within Groups	47.639	161	.296		
	Total	182.712	162			

Inference: Shows variations between and within the groups, F statistics shows no uniformity among the variables. **Hence all are significant.**

5.2. Factor Analysis

Table 3: Communalities

	Initial	Extraction
paytmfeel	1.000	.391
easyandfast	1.000	.347
confidential	1.000	.747
secured	1.000	.758
keeptrack	1.000	.503
preferovercash	1.000	.727
lesscost	1.000	.557

Extraction Method: Principal Component Analysis.

Table 4: Eigen Values

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% Variance of	Cumulative %	Total	% Variance of	Cumulative %
1	2.685	38.350	38.350	2.685	38.350	38.350
2	1.346	19.222	57.572	1.346	19.222	57.572
3	.914	13.051	70.623			
4	.724	10.339	80.962			
5	.682	9.745	90.707			
6	.365	5.212	95.919			
7	.286	4.081	100.000			

Total Variance Explained^a

Extraction Method: Principal Component Analysis.

Table 5: Component Matrix**Component Matrix^{a,b}**

	Component	
	1	2
paytm	-.771	.394
Bankingapp	-.182	-.945
Freecharge	.733	.272
Mobikwik	.697	.075
Oxigen	-.297	.401

* Hence among the group most important ones are Paytm and banking apps.

Inference- This table shows you the actual factors that were extracted. In this case, there were two factors with eigenvalues > 1 . The “percentage’,of variance” column tells you how much of the total variability (in all of the variables together) can be accounted for by each of these summary scales. Factor 1 accounts for 38.357% of the variability in all 7 variables, and so on. So the most important Factors are how Paytm feels to use and how easy and secure it is.

6.CONCLUSION

With recent advances in mobile technologies, mobile commerce is having an increasingly profound impact on our daily lives, and beginning to offer interesting and advantageous new services. In particular, the mobile payment (m-payment) system has emerged, enabling users to pay for goods and services using their mobile devices (especially mobile phones) wherever they go. Mobile payment is anticipated to enjoy a bright future.

India is witnessing an exponential growth in the area of digital payment in recent times. With ever-increasing internet and mobile penetration, the country is all set to witness a massive surge in the adoption of digital payments in the coming years. Furthermore, flagship government initiatives such as Digital India will act as key catalysts and enablers of this transformation.

At present, mobile payments form a minuscule part of the overall digital payments industry in India. However, the contribution from phones and tablets is expected to increase to 30 per cent by 2020. The m-wallet segment includes transfer of money, services related to banking transactions, value-added services such as shopping, ticketing, recharging, and bill payments. In this segment, the highest, 38 per cent market share is captured by money transfer businesses, followed by recharge and bill payments, and utility areas by 30 per cent and 12 per cent, respectively.

7.RECOMMENDATIONS

Population and urbanization

Our high – density population , once considered the bane of our development , now stars are the key driver in our growth story. Its simple mathematics.

Volumes = potential, provided the population is urbanized, exposed to international trends, and has increased disposable income. And this certainly seems to be the case with India.

India's current population of 1.21 billion people is estimated to hit 1.48 billion by 2030, Rural to urban migration patterns in India are a typical in that migration isn't focused on a few meteors but spreads out across towns and cities too.

Demographers tell us that by 2030,there will be nearly 68 cities with populations of over a million people. We believe these emerging cities will spearhead growth as the number of affluent households increase, driving consumption and expenditure.

4G has kicked up the pace for India's smartphones revolution. Rural consumers tripled their mobile spends while while urban consumers doubled them. Its interesting to see the difference between digital million and newer additions to this bandwagon. Initial mobile users tended to be urban , affluent educated, primarily male and mostly young. By 2030, digital democratization will see more rural, older middle income adopting mobile technology and will significantly impact spends on entertainment, shopping and education.

"India is getting future ready and has started serious work on identifying and formalizing the standards for the rollout of 5G. The standards are likely to be ready by 2018,"

"5G will be an overarching umbrella of networks rather than a replacement technology and will usher in significant economic, political and environmental benefits,"

According to industry representatives and sectoral experts, the key drivers for 5G rollout and adoption will be a massively anticipated increase in data consumption, fast increasing digitalized life and services, growth of smart cities and the need to have an all encompassing network architecture which can utilize all available spectrum band rather than replace the existing networks, said an official statement.

8. FUTURE RESEARCH

The consumer payments industry (specifically wallets) will play a crucial role in the future growth of digital payments in the country. It will be driven by: Tapping into the untapped market: According to data from the Reserve Bank of India, India is the home to the largest number of unbanked families (more than 145 million), potentially one of the largest bases to capitalise on.

A focus on providing merchants with multichannel payment services Wallet payments through near field communication (NFC) Tokenisation, biometrics — because mobile devices will be a mainstream option for person-to-person or person-to-business payments Crypto currencies such as Bitcoin, Litecoin Developing solutions that are not payment solutions, but are touch payments — solutions for merchant, gift, loyalty, data analytics, and so on Financial inclusion: a wallet that can cater to this will definitely rule the Indian market Analytics solutions – payments transaction data analytics will be a major source of payments-related revenue.

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Ms. PRITHA MOHANTA, ALUMNA- MBA, Amity Global Business School, Chennai