

USAGE OF PAYTM – A STUDY IN MADURAI CITY

Dr.T.Venkatesan

Associate Professor of Commerce, Vivekananda College, Madurai, Tamil Nadu, India

Abstract

Smartphones have brought out a huge change in the lives of people. People enjoy great comfort with the advancement in science and technology. People in the present day find things much easier and perceive things based on technology. Smartphones play a vital role in this regard offering users a great platform for communication and access to a wide range of applications. Paytm is the Indian mobile-first financial services company that offers payments, banking, lending and insurance to consumers and merchants through its mobile app. The total number Paytm users crossed more than 280 million users till 2017. The aim of this research paper is to analyse the usage of Paytm by users in Madurai city.

Keywords: Paytm, Smartphone, E-Commerce

Introduction

Globally, the usage of smartphone is rising rapidly. Information and Communication Technology (ICT), has changed the climate of banking sector. ICT provides access to information through integration of hardware and software in telecommunication. With the help of ICT, banks started searching for innovative alternate banking system to save time and money. Their tireless and ceaseless efforts resulted in the transformation of traditional banking into electronic banking. With the help of electronic banking, traders started searching for innovative mobile apps for alternative payment system to encourage cashless transactions and to save time. Paytm is an Indian mobile-first financial services company that offers payments, banking, lending and insurance to consumers and merchants since August 2010. The aim of this research paper is to analyse the usage of Paytm by users for which respondents were categorized on the basis of, age, Frequency of usage, Purpose of usage and average monthly spending on Paytm.

Significance of the Study

The research was conducted to analyse the usage of Paytm by users and to study the satisfaction level of Paytm users based on different parameters namely,

- Easy to Download Paytm App
- Ease to use
- Convenience
- Less Transaction Time
- Secured and Privacy
- Cash Back Discounts
- Pricing for Products
- Customer Service

Research Question

What specific challenges are faced by Paytm users in Madurai city, India?

Objective of the Study

To study the satisfaction level of Paytm users in Madurai city based on different parameters.

Review of Literature

Shwet Kumar, Vijay Yadav, Atiqu-Ur-Rahman, Aditi Bansal(2014), did a study on "Paytm". They examined on Paytm achievements, particularly in designing, working and developments of Paytm which consolidated an examination on organizing a store, web progression, online gadget and also depicted about electronic portion system.

Dr. Kariminder Ghuman and CS Shruti Srivastava (2015), asked questions for clarification about Paytm in their article named "Recharging: The Right Way? - A case study on e-payment giants: Freecharge & Paytm". One among the questions is that do the customers prefer a one stop shop for everything on a single platform like Paytm or specialist websites like FreeCharge that are specialists in that domain and have a strong and unique positioning?

Prof Trilok Nath Shukla (June 2016) in his paper "Mobile Wallet: Present and the Future" has discussed about mobile wallet, working, types and its advantages and disadvantages. He concluded that mobile wallets will be used to engage with the customer by the marketers and digital businesses. Irrespective of the market status of these mobile wallets, marketers should take advantage of the emerging opportunities.

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.

About Paytm

Paytm was founded in August 2010 after its founder Vijay Shekhar Sharma put \$2 million at stake. Paytm is India's largest leading payment gateway that offers comprehensive payment services for customer and

merchants. Paytm offers mobile payment solutions to over 7 million merchants and allow consumers to make seamless mobile payments from Cards, Bank Accounts and Digital Credit among others. Paytm pioneered and are the leader of QR based mobile payments in India. QR code is a machine-readable code consisting of an array of black and white squares, typically used for storing Uniform Resource Locators (URLs) or other information for reading by the camera on a smartphone. With the launch of Paytm Payments Bank, Paytm aims to bring banking and financial services to half-a-billion un-served and under-served Indians. Our investors include Softbank, SAIF Partners, Alibaba Group and Ant Financial. Paytm strives to maintain an open culture where everyone is a hands-on contributor and feels comfortable sharing ideas and opinions.

Methodology

Research Sites

Research sites are Paytm users in Madurai city.

Respondents

Respondents are Paytm users in Madurai city.

Population and Sample

In this study, 60 samples are selected for the study.

Data Collection

Primary data collection is used in this study. A simple questionnaire has been used to collect data from respondents.

Data Analysis

The collected data are analysed with the help of Excel. The statistical tool of Percentage alone is used in this research to identify the satisfaction level of Paytm users in Madurai city. The study used descriptive method in order to get the statistic result from respondents.

Results

The results of the collected data are based on the following analyses.

Age of Respondents

The age of a person influences the level of knowledge, exposure and working experience which in turn would influence their views on various aspects related to the Paytm services. Hence, it is included as one of the profile variables. The age of the respondents in the present study is classified as below 35 years, 36 to 60 years and

above 60 years. The distribution of respondents based on the age is shown in Table 1.

Table 1: Age of the Respondents

Age in Years	Frequency	Percentage
Below 35	34	57
36 -60	20	33
Above 60	6	10
Total	60	100

Source: Primary Data

It is observed from Table 1 that more than half of the total respondents are below 35 years of age. The least age group among the respondents is above 60 years.

Gender

The gender of the respondents is included as one of the profiles in the present study. Since the gender shapes knowledge and ability to deliver Paytm services and also their expectations of the Paytmservices, it is included as one of the profiles. The classification of the respondents based on gender is shown in Table 2.

Table 2: Gender of the Respondents

Gender	Frequency	Percentage
Male	38	63
Female	22	37
Total	60	100

Source: Primary Data

It is inferred from Table 2 that male respondents outnumber female respondents.

Frequency of Paytm usage

The frequency of usage of Paytm by the respondents has been measured through the views of the respondents. The frequency of usage of Paytm is classified as daily, weekly and monthly. The distribution of respondents is presented in Table 3.

Table 3: Frequency of Paytm usage

Usage	Frequency	Percentage
Daily	2	3
Weekly	18	30
Monthly	40	67
Total	60	100

Source: Primary Data

It is observed that the predominant frequency of Paytm usage as viewed by the respondents is 'monthly' which constitute 67 per cent to the total. The least usage of Paytm is come under category 'daily' which constitutes 3 per cent to the total.

Purpose of using Paytm

The Purpose of using Paytm by the respondents in the present study is classified as recharge, ticket booking, bill

payment and shopping. The distribution of respondents based on the purpose of using Paytm is shown in Table 4.

Table 4: Purpose of using Paytm

Purpose	Frequency	Percentage
Recharge	22	37
Ticket booking	12	20
Bill payment	17	28
Shopping	9	15
Total	60	100

Source: Primary Data

Of the total respondents, 22 are used Paytm for the purpose of recharge of their mobiles followed by 17 who are using Paytm for bill payment which make 37 and 28 per cent respectively. The least purpose of using Paytm by respondents is come under category 'shopping' which constitutes 15 per cent to the total.

Devices on which Paytm is used

Paytm can be used only after it is downloaded in the devices used by the respondents. The devices on which Paytm is used by the respondent in a month is classified into mobile, tablet and PC/Laptop.

Table 5: Devices on which Paytm is used

Device	Frequency	Percentage
Mobile	43	72
Tablet	12	20
PC/Laptop	5	8
Total	60	100

Source: Primary Data

It is observed that the predominant frequency of devices used for Paytm usage as viewed by the respondents is 'mobile' which constitute 72 per cent to the total. The least frequency of devices used for Paytm usage is come under category 'PC/Laptop' which constitutes 8 per cent to the total.

Average monthly Spending on Paytm

In order to know the average monthly spending on Paytm, the respondents have to connect themselves with the Paytm malls. It depends upon the buying behaviour in term of amount spend by the respondents. This study confines these less than 100, 101 to 1000, 1001 to 2000 and above 2000. They are listed in Table 6.

Table 8: Level of Satisfaction Based on Different Parameters

Variable	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total
Easy to Download Paytm App	12(20)	25(42)	12(20)	8(13)	3(5)	60(100)
Ease to use	3(5)	15(25)	34(57)	7(12)	1(2)	60(100)
Convenience	2(3)	45(75)	10(17)	2(3)	1(2)	60(100)
Less Transaction Time	5(8)	38(63)	11(18)	4(7)	2(3)	60(100)
Secured	8(13)	12(20)	23(38)	11(18)	6(10)	60(100)

Table 6: Average monthly Spending on Paytm

Amount (Rs.)	Frequency	Percentage
Less than 100	9	15
101 to 1000	30	50
1001 to 2000	16	27
Above 2000	5	8
Total	60	100

Source: Primary Data

It is observed that the predominant frequency viewed by the respondents is '101 to 1000' which constitute 50 per cent to the total. The least frequency is come under category 'Above 2000' which constitutes 8 per cent to the total.

Difficulties in Paytm

As the difficulties in usage of Paytm influences their views on its usage, it is included as variables. This study confines these problem with barcode detection, delay in confirmation of order, failure in payment gateway and lack of knowledge to use. They are listed in Table 7.

Table 7: Difficulties in Paytm

Difficulties	Frequency	%
Problem with Barcode detection	18	30
Delay in confirmation of order	12	20
Failure in payment gateway	10	17
Lack of Knowledge to Use	20	33
Total	60	100

Source: Primary Data

Of the total respondents, 20 are worried about lack of knowledge to use Paytm followed by 18 who are worrying about Problem with Barcode detection which make 33 and 30 per cent respectively. The least difficulties in Paytm is 'failure in payment gateway' which constitutes 17 per cent to the total.

Level of Satisfaction Based on Different Parameters

The Level of Satisfaction on Paytm have been measured on the basis of different variables. Even though, the variables are too many, this study confines itself to thirteen, which the respondents are asked to rate at Five Point Likert Scale. The results are shown in Table 8.

Privacy	7(12)	24(40)	16(27)	10(17)	3(5)	60(100)
No need to carry debit or credit card	38(63)	11(18)	5(8)	4(7)	2(3)	60(100)
Cash Back Discounts	28(47)	12(20)	10(17)	8(13)	2(3)	60(100)
Pricing	25(42)	10(17)	15(25)	7(12)	3(5)	60(100)
Transfer money from Paytm to bank account	10(17)	24(40)	16(27)	7(12)	3(5)	60(100)
Good wallet limit for Know Your Customer & Non-Know Your Customer both	15(25)	34(57)	3(5)	7(12)	1(2)	60(100)
Less documentation at respondent's home to Upgrade Paytm wallet limit	2(3)	45(75)	10(17)	2(3)	1(2)	60(100)
Slow Paytm Server	6(10)	8(13)	11(18)	12(20)	23(38)	60(100)
Easily Return money to the same bank	23(38)	12(20)	11(18)	8(13)	6(10)	60(100)

Source: Primary Data

The high level of satisfaction is shown in the following variables namely, no need to carry debit or credit card, cash back discounts, pricing and easily return money to the same bank. The normal level of satisfaction is shown in the following variables namely, easy to download Paytm app, convenience, less transaction time, privacy, transfer money from Paytm to bank account, good wallet limit for know your customer & non-know your customer both and less documentation at respondent's home to upgrade Paytm wallet limit. The highly dissatisfied variable is slow Paytm server.

Conclusion

The present study concludes that the usage of Paytm is only at a satisfactory level. The customers 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. The Paytm may initiate necessary action for periodic updation, up gradation and maintenance of both hardware and software and to prevent cases of slow server and complete breakdown of system by having back storages.

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