

RESEARCH PROJECT ON
(MARKETING AND BRANDING OF PAYTM)

*FOR THE PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE
AWARD OF
BACHELOR OF BUSINESS ADMINISTRATION*

UNDER THE GUIDANCE OF:
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SUBMITTED BY:
Naqueb khan

BACHELOR OF BUSINESS ADMINISTRATION
(2020-2021)



GALGOTIAS
UNIVERSITY

SCHOOL OF BUSINESS, GALGOTIAS
UNIVERSITY

Certificate From Faculty Guide

This is to certify that the project report (**Marketing And Branding of Paytm**) has been prepared by **Mr Naqueeb khan** under my supervision and guidance. The project report is submitted towards the partial fulfillment of 3 year, full time Bachelor of Business Administration .

(Ms. Nishtha Dwivedi)

Declaration

I, Naqueeb Khan 18GSOB1010402, student of BBA of School of Business, Galgotias University, Greater Noida, hereby declare that the project report on “Marketing And Branding of Paytm at Paytm” is an original and authenticated work done by me.

I further declare that it has not been submitted by any other person in any of the institutes for the award of any degree or diploma.

Naqueeb khan

ACKNOWLEDGEMENT

The beatitude and bliss that accompany the successful completion of any task would not be complete without the expression of appreciation to the people who made it possible. So with reverence, veneration and honour I acknowledge all those whose guidance and encouragement has made successful completion of my project.

The project title “**MARKETING AND BRANDING OF PAYTM** ”. Research has been conducted by me on **Paytm** .

Last but not the least I feel indebted to all those persons and organizations whose/which have provided help directly or indirectly in successful completion of this study.

PREFACE

The BBA curriculum is so designed that student get enough theoretical & practical knowledge of business world which helps them to explore their skills in the corporate world in future.

The BBA training helps the students to understand & gain knowledge about the industry & market environment. It develops skills of analyzing & interpreting problems through application of concepts & techniques of management.

This training assisted me to gain an insight into the skills embedded in the working environment; the training has created an imprint, which will go a long way in shaping my career ahead.

I shall consider all my efforts to be worthwhile if this endeavor of mine able to satisfy all those concerned.

Naqueb khan

18GSOB1010402

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A PROJECT REPORT ON MARKETING AND BRANDING OF PAYTM



Introduction

Paytm is an Indian electronic payment and e-commerce brand based out of Delhi NCR, India. Launched in August 2010, it is a consumer brand of parent company One97 Communications. The name is an acronym for "Payment through Mobile." The company employs over 13,000 employees as of January 2017 and has 3 million offline merchants across India. It also operates the Paytm payment gateway and the Paytm Wallet.

Among other sources of funding, in 2015, Paytm became the first Indian company to receive funding from Chinese E-Commerce Company Alibaba, after it raised over \$625 million at a valuation of \$1.5 billion. The Alibaba Group was the biggest stakeholder in Paytm parent company One97 Communications

Paytm was founded and incubated by One97 Communications Limited in 2010 as a prepaid mobile recharge website. In an interview, its founder Vijay Shekhar Sharma related how he was inspired during a visit to China, when he saw vegetable vendors using their mobile phones to receive payments from some customers. This led to him establishing Paytm wallet in 2013.

In 2013, the company launched Paytm Wallet, which became India's largest mobile payment service platform with over 150 million wallets and 75 million Android based app downloads as of November 2016. The surge in usage of the service was largely due to the demonetization of the 500 and 1000 rupee currency notes. After 8 November 2016, Paytm's transactions and profit increased significantly.

In 2015 Paytm received a license from Reserve Bank of India to start one of India's first payments banks, called " Paytm Payments Bank Limited" At the time, the bank intended to use Paytm's existing user base for offering new services, including debit cards, savings accounts, online banking and transfers, to enable a cashless economy. The payments bank would be a separate entity in which the founder Vijay Shekhar Sharma will hold 51%, One97 Communications will hold 39% and 10% will be held by a subsidiary of One97 and Sharma.

Paytm Payments Bank launched operations on May 23, 2017, initially with invite only system. From August 31, 2017, the services of the bank were open to everyone through Paytm Android and iOS app

In May 2017 Paytm Launched Paytm Payments Bank For Paytm E-Wallet Users. Also in May 2017, Paytm was reported to be in talks to pump in \$30 million in Insider in for a majority stake. In July 2017, Paytm acquired a majority stake in Insider in, allowing its users to book events instantly.

By June 2017, Paytm Mall, the recently launched online marketplace of the Noida-based organization, has confirmed that it is digitizing the catalogues of more than 1,000 cars and two-wheeler dealerships to increase online usage and offline sales. In June 2017, *The Economic Times* reported that Paytm was seeking a license to set up a money market fund to enable its users to store cash and earn interest on it. They were awaiting an approval having already applied to India's central Reserve Bank of India to start the fund.

Company profile

Paytm is an online recharge and bill payment application that offers prepaid mobile, datacard and utility recharge services. Paytm is an acronym for "Pay Through Mobile." It was founded and incubated by One97 Communications as a prepaid mobile recharge website. Today, it is recognized as India's most popular online venue for prepaid mobile and DTH recharges and shopping. In its first three years. Paytm's Android and iOS apps have been among the most popular. Since its inception, the company was able to create a base of 25 million wallet users and 10 million app downloads. It is compatible with all mobile operators in all Indian states for prepaid mobile, DTH, and datacard recharges as well as for postpaid mobile, landline and datacard bill payments. Paytm is also collaborating with several national banks for credit card., debit card, and Internet banking payments. Likewise, it is working with different billers for utility bill payments. Four years after it was created, the company launched Paytm Wallet to become India's largest mobile payment service platform with more than 40 million wallets. It became the preferred method of payment by some of the top consumer internet companies such as Uber, BookMyShow, Tolexo, and others. The company got a major boost in 2015 when Indian industrialist Ratan Tata invested on the company. In the same month, Chinese ecommerce company Paytm will have the rights to the branding of the series with the company logo, designation as sponsor of the series, stadium visibility, and broadcast sponsorship. Paytm was the official partner of the Mumbai Indians in the Indian Premier League. The company was also given the license to start India's first payments bank. Once created, the bank will attempt to attract Paytm's mobile payment users by offering them new services which includes debit cards, savings accounts, online banking and transfers, and others. However, the payments bank will be a different entity where Vijay Sharma will have a 51% share. One97 Communications will have a 31% share and 10% shares will be allotted to the subsidiary of One97 and Sharma. Among the major competitors of Paytm are Freecharge, Mobikwik, and Rechargeitnow. Vijay Shekhar Sharma is the company CEO with an Owler approval rating of 74%.

OBJECTIVE OF THE PROJECT

The project is based on the Marketing and Branding of Paytm . To create the awareness of Paytm services between the students.

Objective of this project is to understand the following

- To know about the customer satisfaction level associated with the Paytm.
- To know the marketing strategies of Paytm.
- To Create the Brand awareness between the Students.
- To understand the basic features of Digital payment system especially with Paytm.

- To know whether the people are aware of pay tm or pay u money and to chalk out the growth of Paytm.

- To study whether the pay u money and Paytm has replaced direct net banking.
- To understand the security system prevailing in Paytm.
- To focus on any problems encountered by customers while making payment.

- To capture incremental sales by offering more payment options and cash back offers in Paytm.

SCOPE OF THE PROJECT

As learning is a human activity and is as natural as breathing. Despite of the fact that learning is all pervasive in our lives, psychologists do not agree on how learning takes place. How individuals learn is a matter of interest to the marketers. They want to teach customers. They want to teach customer in their roles as their roles as customer. They want customer to learn about their products, product attributes, potential customer benefit, how to use, maintain the product and new ways of behaving that will satisfy not only the customer's needs, but marketer's objectives.

The scope of my study restricts itself to create the awareness, and doing promotion of Paytm inside the college campus. There are many other competitors in the market, but my study is limited to Paytm leaving behind the others. The scope of my study also limits me to India only thus enabling me to study the basics of marketing through the marketing strategies applied by Paytm in India.

LITERATURE REVIEW

Electronic commerce or e-commerce refers to a wide range of online business activities for products and services. It also pertains to “any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact.

E-commerce is usually associated with buying and selling over the Internet, or conducting any transaction involving the transfer of ownership or rights to use goods or services through a computer-mediated network. Though popular, this definition is not comprehensive enough to capture recent developments in this new and revolutionary business phenomenon. A more complete definition is: E-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform, and redefine relationships for value creation between or among organizations, and between organizations and individuals.

While some use e-commerce and e-business interchangeably, they are distinct concepts. In e-commerce, information and communications technology (ICT) is used in inter-business or inter-organizational transactions (transactions between and among firms/organizations) and in business-to-consumer transactions (transactions between firms/organizations and individuals).

In e-business, on the other hand, ICT is used to enhance one’s business. It includes any process that a business organization (either a for-profit, governmental or non-profit entity) conducts over a computer-mediated network. A more comprehensive definition of e-business is:

“The transformation of an organization’s processes to deliver additional customer value through the application of technologies, philosophies and computing paradigm of the new economy.”

Three primary processes are enhanced in e-business:

1. Production processes, which include procurement, ordering and replenishment of stocks; processing of payments; electronic links with suppliers; and production control processes, among others;
2. Customer-focused processes, which include promotional and marketing efforts, selling over the Internet, processing of customers’ purchase orders and payments, and customer support, among others; and
3. Internal management processes, which include employee services, training, internal information-sharing, video-conferencing, and recruiting. Electronic applications enhance information flow between production and sales forces to improve sales force productivity. Workgroup communications and electronic publishing of internal business information are likewise made more efficient

IMPORTANCE OF THE STUDY

The importance of this study starts from marketing strategies and covers the basic pillar of marketing i.e. The 4 P's of Marketing.

The importance of the study on this project is to understand the various aspects of marketing through marketing strategies of Cadbury India Ltd.

The 4 P's of Marketing are:

- **Product** -A product is seen as an item that satisfies what a consumer demands.
- **Price** - The amount a customer pays for the product.
- **Place** - All of the methods of communication that a marketer may use to provide information to different parties about the product. Promotion comprises elements such as: advertising, public relations, sales organization and sales promotion.
- **Promotion** - Refers to providing the product at a place which is convenient for consumers to access.

And to arrive at my findings, I have done a few analyses:

1. **SWOT** Analysis - a study undertaken by an organization to identify its internal strengths and weaknesses, as well as its external opportunities and threats.
2. **PEST** Analysis - a PEST analysis is a business measurement tool. PEST is an acronym for Political, Economic, Social and Technological factors, which are used to assess the market for a business or organizational unit.

**PA
YT
MA
CH
IV
EM
EN
TS**

2017 – One97/ Paytm win the **Most Innovative Company of the Year 2014 Award** at Business Standard Awards.

2016 – Paytm wins the **Disruptive**

Digital Innovator Award at NDTV Digitizing India Awards.

2015 – Vijay Shekhar Sharma featured in Economic Times **“India’s Hottest Business Leader under 40”**

2015 – Paytm won the **Frost & Sullivan India ICT Award** for Mobile Commerce Company of the Year in B2C segment.

2015 – One97/Paytm recognized among **Smart Innovators of 2014** at the Inc India Awards.

2015 – Vijay Shekhar Sharma recognized among the **Most Innovative CEOs** of 2014 by Inc India.

2015 – Paytm Wallet gets the **Best Digital Wallet Award** at IAMAI’ India Digital Awards in Delhi on 15th Jan 2015.

2014 – Paytm App featured in **Apple App Store’s Best of 2014** in the Mobile/DTH Recharge & Shopping Category.

2014 – Paytm is the winner of **Indian Express IT**

Award in Mobility Solutions 2014. 2014 – Paytm

App is a finalist at the international **Meffys** in

Consumer Trust category. 2014 – Paytm is **Gold**

Winner at the **MMA Smarties** in the Mobile App

category.

2014 – Paytm is **Silver Winner** at the **MMA Smarties** in the mCommerce category.

2014 – Paytm gets recognized among **Delhi/NCR’s Top 50 Brands** at a celebration by Paulwriter.

2014 – Paytm wins the **Best Mobile Money**

product at the 4th India Digital Awards. 2013 –

Paytm wins **Knowledge Faber Best Mobile**

Wallet Program Award

2013 – Paytm wins a special mention in **m Billionth Awards** in mCommerce/mBusiness category.

2013 – Paytm is **Gold Winner** at the **MMA Smarties** for commerce

- MORE THAN 10 CRORE ACCOUNT.
- 15000 CRORE BUSINESS REVENUE.
- 109 MILLIONS OF USER.

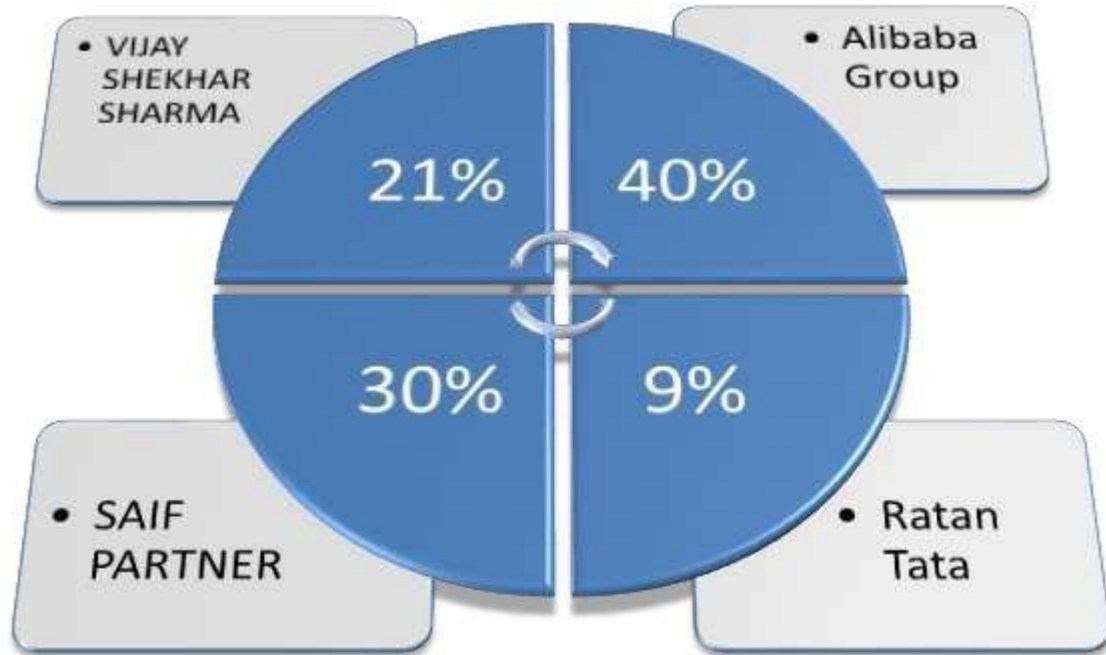
2015

- RBI GIVES LICENSE OF PAYMENT BANK TO PAYTM.

2016(AFTER DEMONITISATION)

- 50LACS NEW USER.
- 70LACS NUMBER OF TRANSACTION DAILY.
- 1.5LACS NUMBER OF SELLERS ADDED.
- KYC – 0%
- KYC – 0%
- APP DOWNLOAD - 200%
- TRANSACTION - 250%
- CARD DETAIL LOAD- 30%
- VAULT DEPOSIT – 1000%
- APP USE – 435%

Market share of Paytm



TECHNICAL ARCHITECTURE OF PAYTM

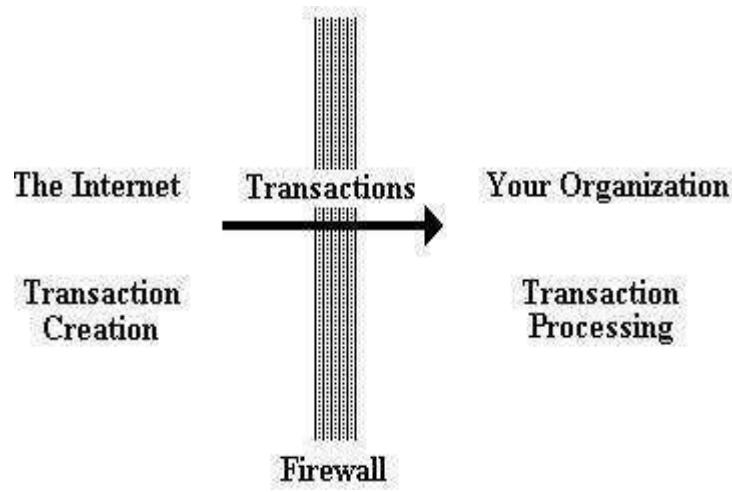


Figure 2#: A high-level architecture for electronic commerce.

There are three components to this architecture: the Internet, a firewall, and your organization. The Internet is where you will interact electronically with your customers, your firewall will provide you with reasonable protection against people who wish you harm, and your **Organization's systems will process the business transactions generated on the WWW by your customers.**

SUPPLY CHAIN MANAGEMENT OF PAYTM

It is the management of flow of goods and services to the customer. Supply chain management has been defined as the "design, planning, execution, control, and monitoring of supply chain activities with the objective of creating net value, building a competitive infrastructure, leveraging worldwide logistics, synchronizing supply with demand and measuring performance globally.



Fig 3#: SCM of Paytm

REVENUE MODEL OF PAYTM

Paytm earn their revenue through the market place model. They work on market place model and they believe in the market place model for their revenue, they give to opportunity to vendors to sell or listed their products on paytm website, so the buyer are comes and buy the products. In this activity paytm charge commission from the seller so this is a some part how they generate their revenue. They do also some more activity to generate their revenue.

Paytm knows that Revenue model is framework of revenue. It is a description of business generates income, profit, or an average earning in a business. And they fully concentration their revenue model.

That's believe also purely marketing strategy, they get earnings from sponsored advertisers, showing

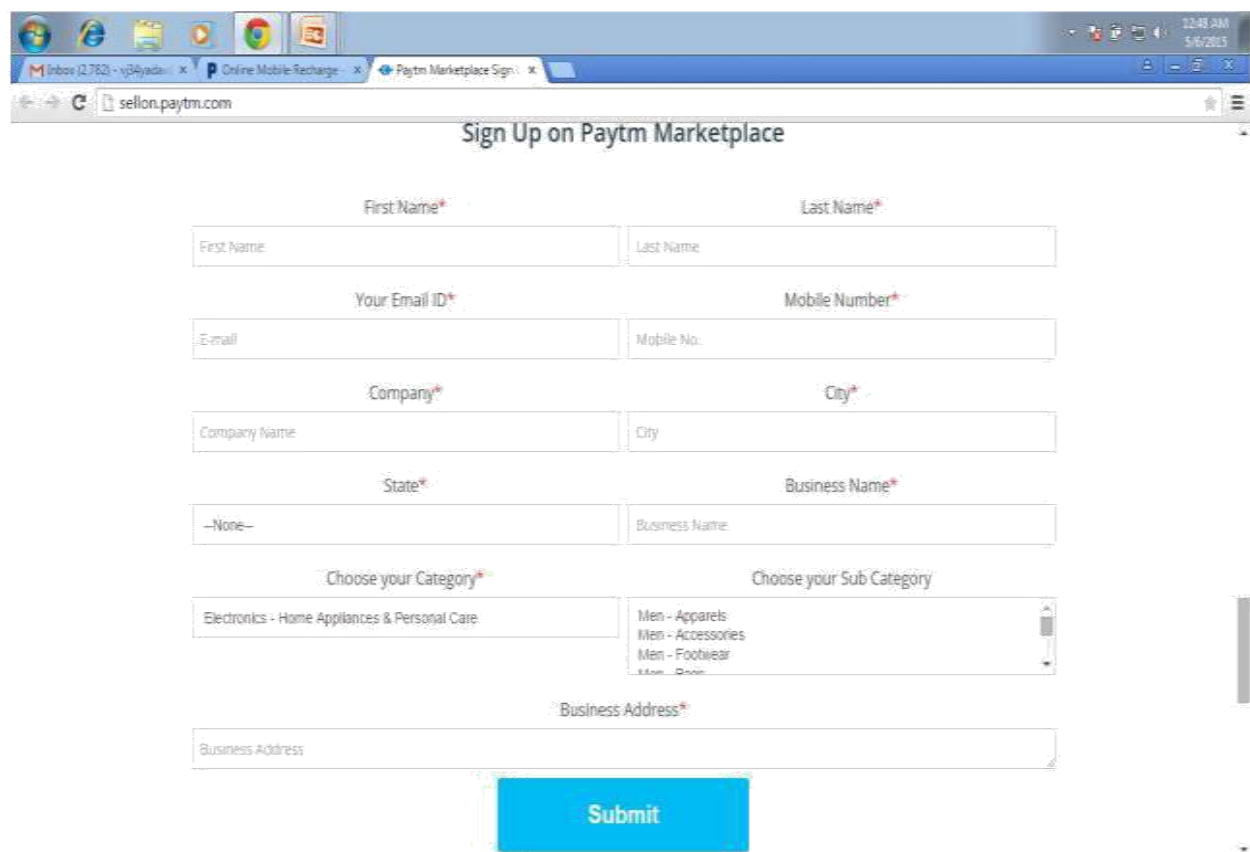
Ads, they give coupons (from sponsors), so in order to gain some popularity and to bare the competition they are giving the cash back. So they attract more visitors as well as get more sponsors, ultimate lye making them profitable. It's a most profitable strategy of paytm.



Fig#4: Screen shot of paytm market place they give the opportunity to sell their product on paytm web site.

Registration Process For Merchants In Paytm Website

Paytm provide market place for merchant's .this is a registration process for merchants to register themselves in paytm website. They provide simple registration for merchants to sign up in the site, the mandatory fill up is show red star (*) they must fill up by merchants. The form process is very simple you fill up are some necessary things like: name, email- id, mobile number, city, business name, category (business), and business address. And all completion you press the submit button and after you can business in the paytm website. This a activity of paytm to earn their revenue through the merchants.



The image shows a screenshot of a web browser displaying the 'Sign Up on Paytm Marketplace' form. The browser's address bar shows 'sellon.paytm.com'. The form is titled 'Sign Up on Paytm Marketplace' and contains several input fields, each with a red asterisk (*) indicating a mandatory field. The fields are arranged in two columns:

- First Name* (input field)
- Last Name* (input field)
- Your Email ID* (input field)
- Mobile Number* (input field)
- Company* (input field)
- City* (input field)
- State* (dropdown menu, currently showing '-None-')
- Business Name* (input field)
- Choose your Category* (dropdown menu, currently showing 'Electronics - Home Appliances & Personal Care')
- Choose your Sub Category* (dropdown menu, currently showing 'Men - Apparels')
- Business Address* (input field)

At the bottom of the form is a large blue 'Submit' button.

Fig 5#

After completion this process paytm offer to merchants chooses the subscription plan this is the way paytm earn the revenue from the merchants. Through the subscription model. This is the part of subscription model of paytm.

Overview: How Merchants Sell Their Products Through Paytm Site:

This screenshot shows the seller name, product description that is filled by the seller, product images, and the price of the product that all this filled are set by the seller. If the buyer buys this product from the site so seller paid commission to paytm on every sell.

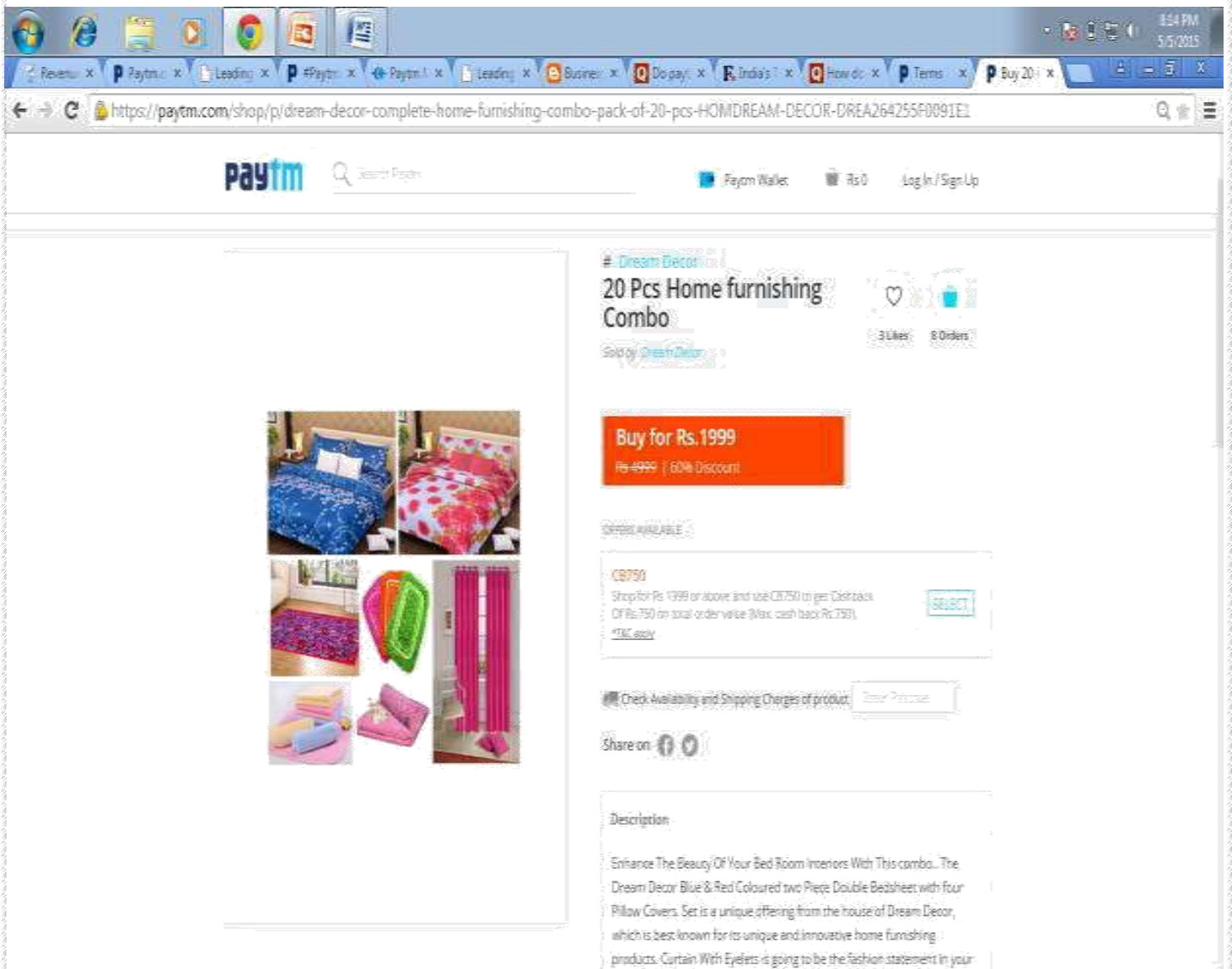


Fig 6 #: This is the activity the paytm earn revenue from the seller as a commission when seller products are sold in this site. This is the best strategy for paytm to earn their revenue part.

WHY PEOPLE ATTRACT TOWARD PAYTM

- **Easy Accessible:**

The paytm side easy to accessible they are much easy as compare to other site people are like them for their easy accessible specialty paytm also available on the mobile, tablets, laptops , and for paytm the high speed data connection is not required .it is easily work on mobile without any problem.

- **Chat Facility:**

Paytm provide chat facility to their buyer so they can bargain the product price from the seller. Through very easy steps they can avail the facility of paytm chat facility. This screen shot define how customers bargain to the seller:



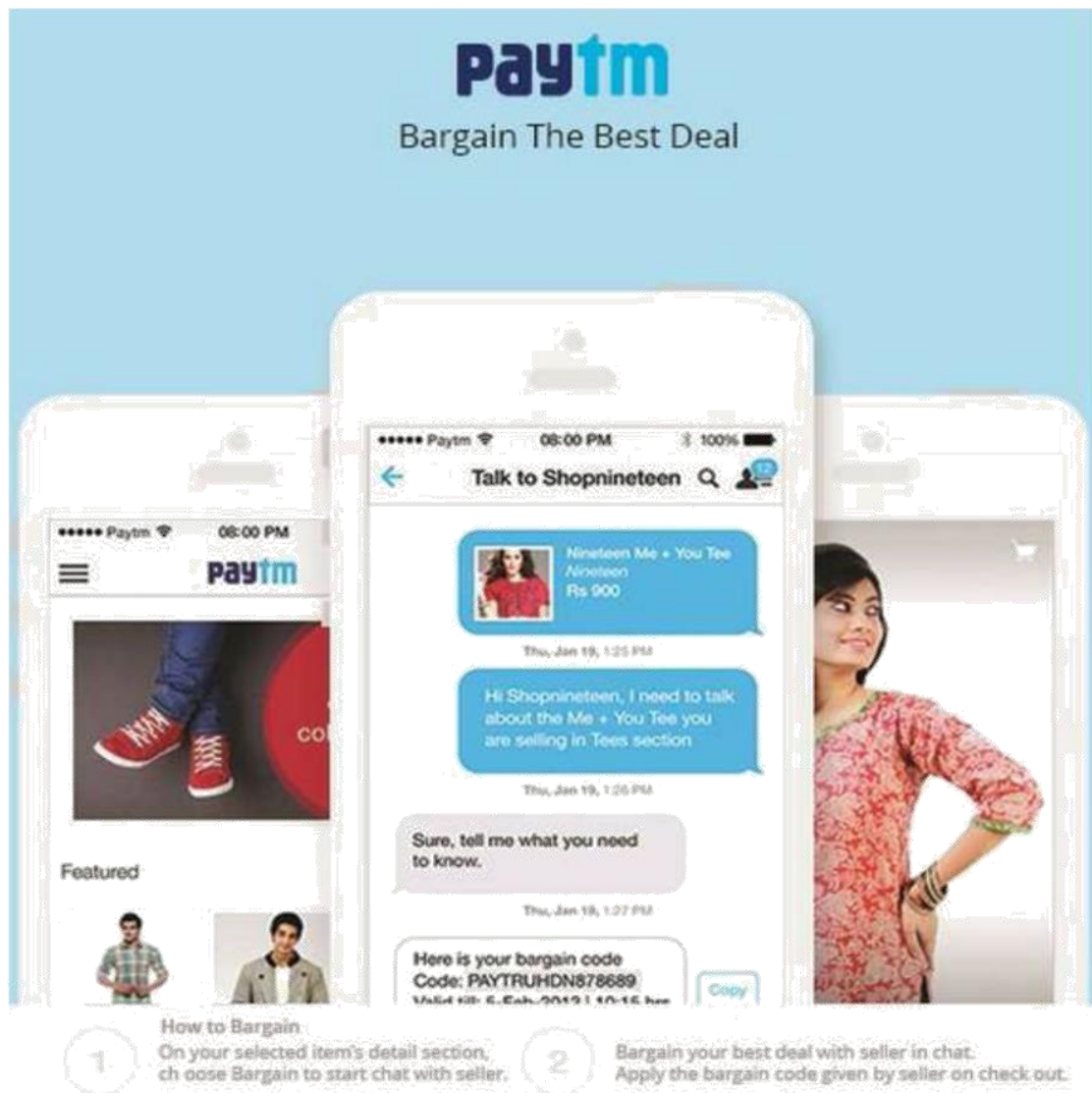


Fig 11#

- **Mobile Friendly:**

Paytm service is also available in mobile so you can easily download and use this application **in your mobile anywhere. On other hand we can say that it's a mobile friendly application.**

They are available on many stores:



Fig 12#

- **Safe and Secure Payment:**

Paytm uses many trusted software for their security purpose they used many security application they provided best security when any transaction are done, they uses 256 bit of encryption for their security purpose.



Fig 13# this are the application / software paytm use for their security purpose.

- **RBI Approved Digital Wallet**

Their digital wallet is approved by the **reserve bank of India** (RBI). So people are trusted on their paytm wallet service. That means they follow all the rules and regulation they are required to work e-wallet

Competitors-

- Oxigen Wallet
- Mobikwik
- Free Charge
- Vodafone M-pesa
- Airtel Money

Seller Opportunity in Paytm

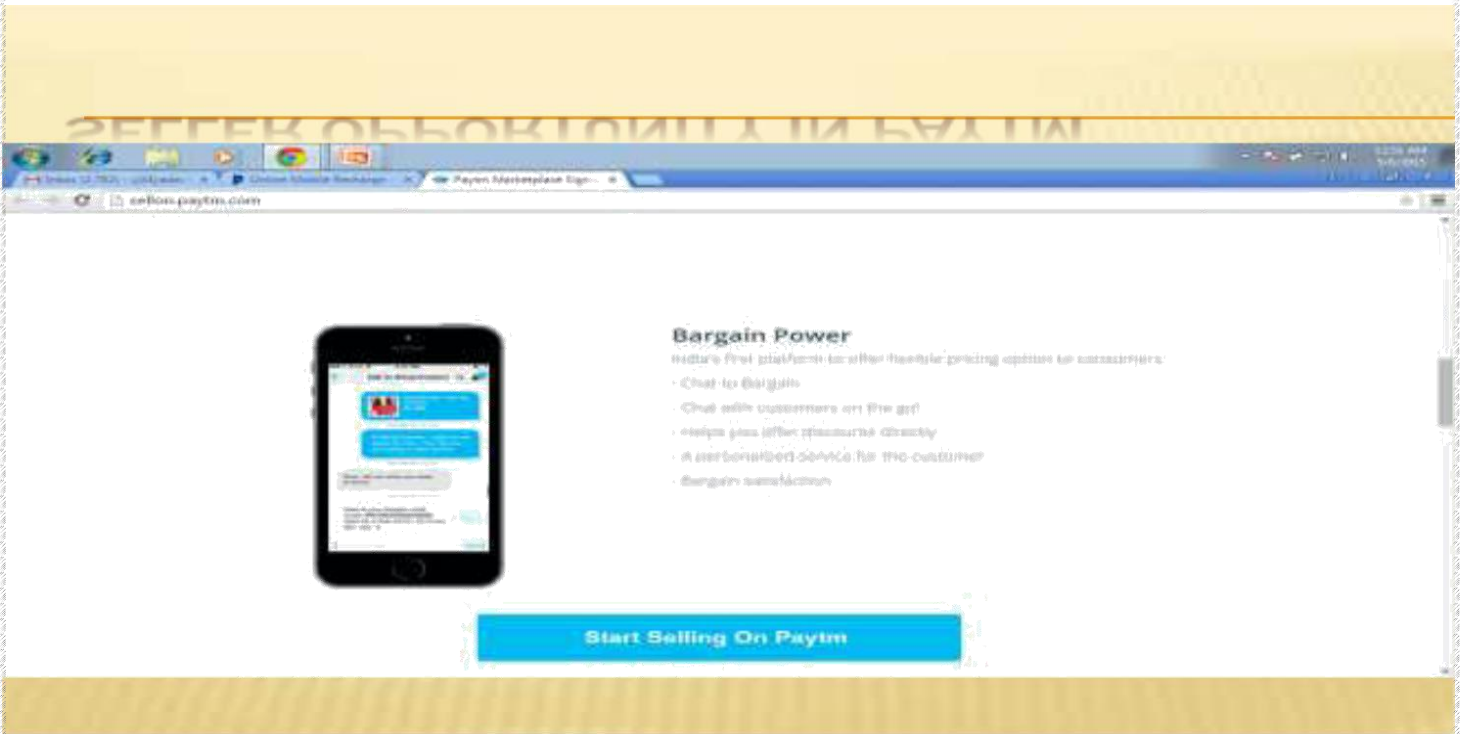
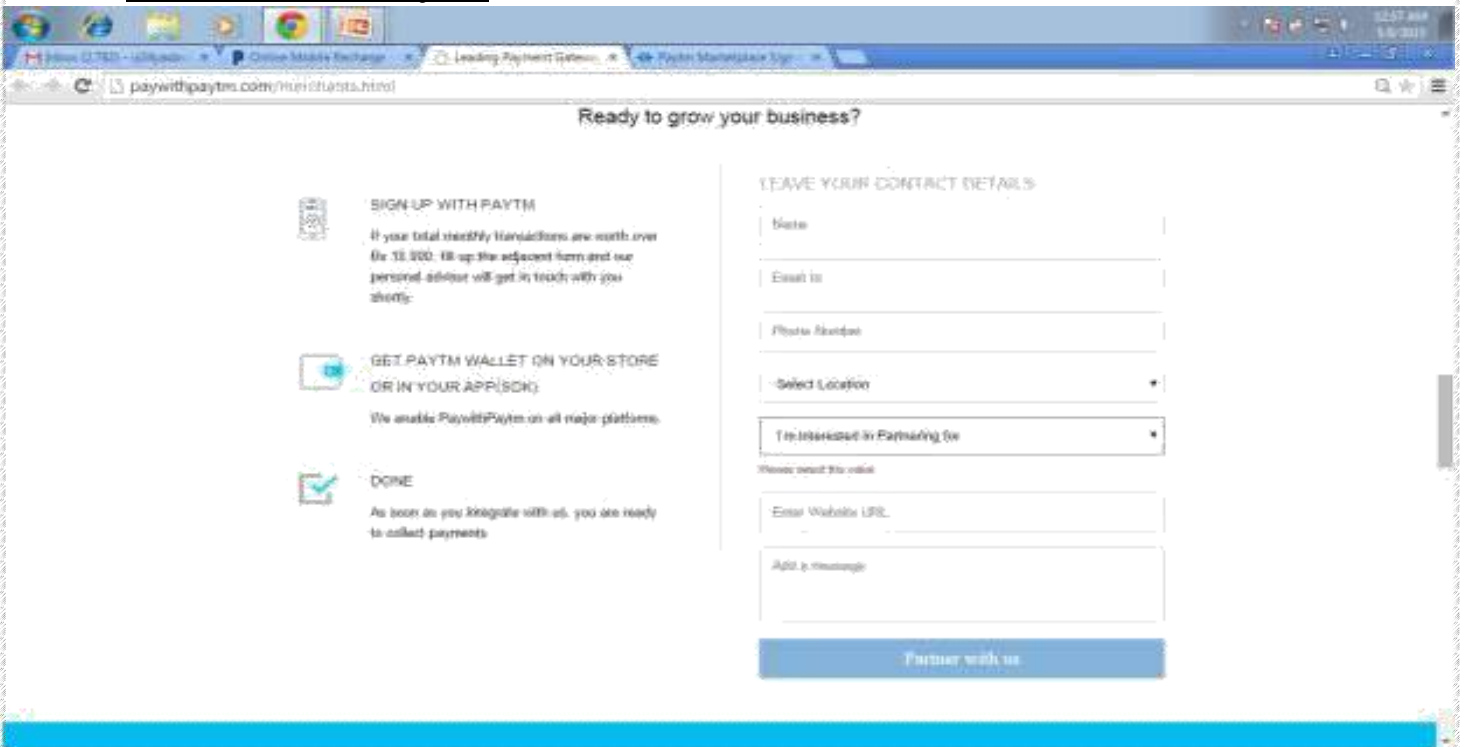


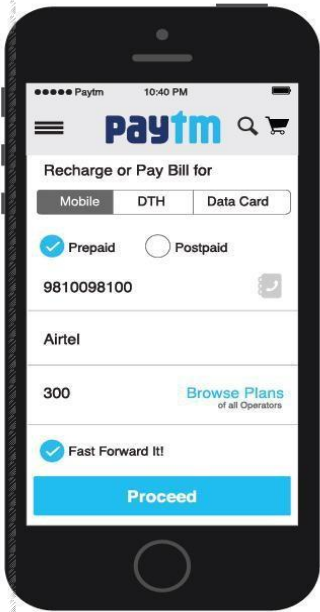
Fig 14#: A consumer can also sell or do business with the help of paytm

Partner with Paytm:





*Integrating Educational institutions/ schools / colleges
with m-commerce*



Our Offering to
Schools/Colleges/Educational
Institutions

Integration with 40+ Banks,
Web and Mobiles

- Improve cash flow
- Convenience for parents
- Faster transactions

Lead the change in the
Education sector

- Enable tech
- Brand awareness
- Cross sell merchandise

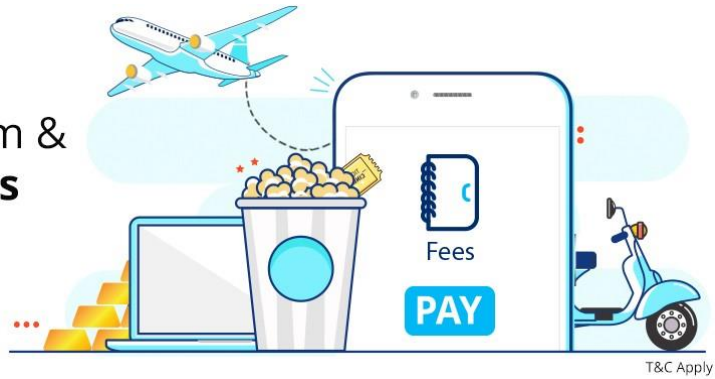
Convenience for Students

- Fee Payment
- Online admission form
- Purchase uniform,

Merchandise, Books

Pay Your Fees on Paytm & Get Exclusive Offers

Promocode: FEE



T&C Apply

Paying fees was never this easy, last date to pay the fee and running low on time? No worries, Paytm is here to your rescue. Pay your school & college fees online at our site and get drool worthy cash back too. Don't wait in long queues or stand for hours to deposit your school or college fees, instead PaytmKaro from the comfort of your home. Paytm aims at providing easy and quick solution to millions of students and their parents in India. We enables you to pay your school, institutes or college fees through online transaction which is easy, fast and secure.

Pay your college, school, institution, tuition, medical college, and engineering college, distance learning programs or registration's fees at our multi-utility online portal without the hassles of time consuming physical process of cash deposits. Use Promo code: **PAYFEE**.

Offer Details:

1. Education Fee Payment Rs. 100 or Rs. 10000 cash back on Rs.10000
2. Promo code: **PAYFEE**
3. Lucky Winner will win 100% cash back every day.
4. User can use only one Promo code at a time.
5. Offer is valid from 1st July to 30th July'17.
6. Offer only for KYC Wallet Users- so Upgrade your Paytm wallet or KYC done

The screenshot shows the Paytm mobile app interface. At the top, there's a search bar and navigation icons. The main banner features a cartoon character holding a smartphone, advertising a 'MAGIC RECHARGE OFFER' with 'Flat ₹100 Cashback on ₹100 Mobile Recharge & Bill Payments' and the promocode 'LOOT'. Below the banner is a table of offers:

Recharge Flat Rs 100 Cashback	Bus Ticket Upto Rs 200 Cashback	Electricity Bill Payment Flat Rs 100 Cashback	Clothing Collection Upto 50% Cashback	Appliances Upto 80% Cashback
----------------------------------	------------------------------------	--	--	---------------------------------

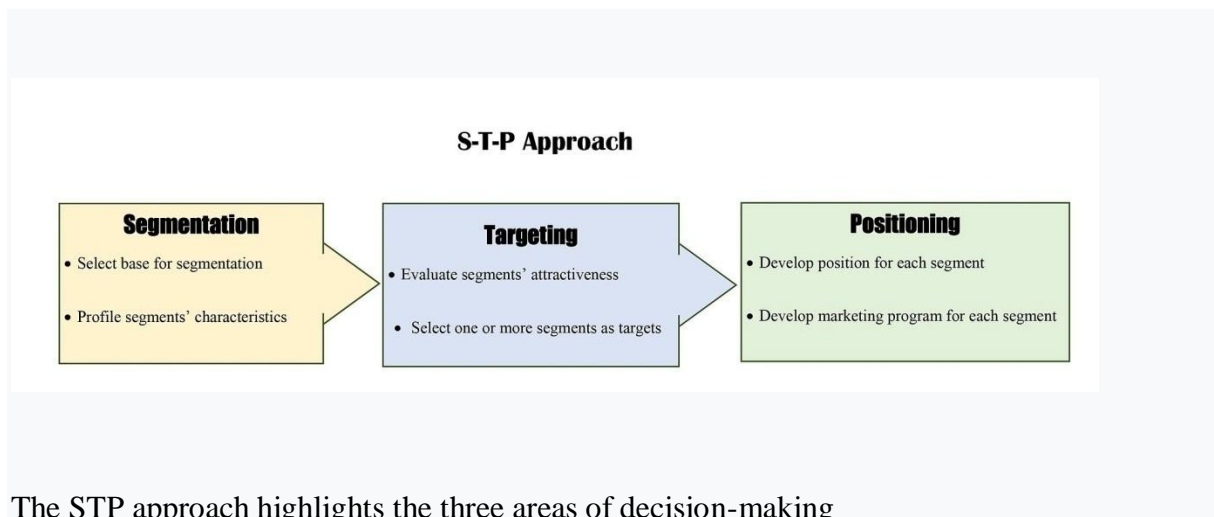
Below the table are more promotional tiles:

- Yamaha: Upto ₹5,000 Cashback
- Mobile Recharge & Bill Payments: Get 100% Cashback
- Book Bus Ticket: Upto ₹150 Cashback, Code: BUS150
- Amazing Offers on Recharge, Bill Payments & More
- Shoppers Stop E-Gift Cards: Flat 10% Cashback
- Deals Near You: Offers on Restaurants, Shopping & More

Additional text on the banner includes 'Coming Soon 12-14 Oct. Brands Pe Aisi Deals Aur Kahin Nahin!' and 'T&C Apply - ₹10/month for next 10 months'.

the most profitable or that have growth potential – so that these can be selected for special attention.

Many different ways to segment a market have been identified. Business-to-business (B2B) sellers might segment the market into different types of businesses or countries. While business to consumer (B2C) sellers might segment the market into demographic segments, lifestyle segments, behavioural segments or any other meaningful segment.



The STP approach highlights the three areas of decision-making

Market segmentation assumes that different market segments require different marketing programs – that is, different offers, prices, promotion, distribution or some combination of marketing variables. Market segmentation is not only designed to identify the most profitable segments, but also to develop profiles of key segments in order to better understand their needs and purchase motivations. Insights from segmentation analysis are subsequently used to support marketing strategy development and planning. Many marketers use the S-T-P

approach; Segmentation → **targeting** → **positioning** to provide the framework for marketing planning objectives. That is, a market is segmented, one or more segments are selected for targeting, and products or services are positioned in a way that resonates with the selected target market or markets.

Paytm in your Pocket

Live the Paytm experience on the go.
Get the app now!





PAYTM WALLET DATA

YOUR STORY | INSPIRE
INNOVATE
IGNITE



Started in Jan 2014

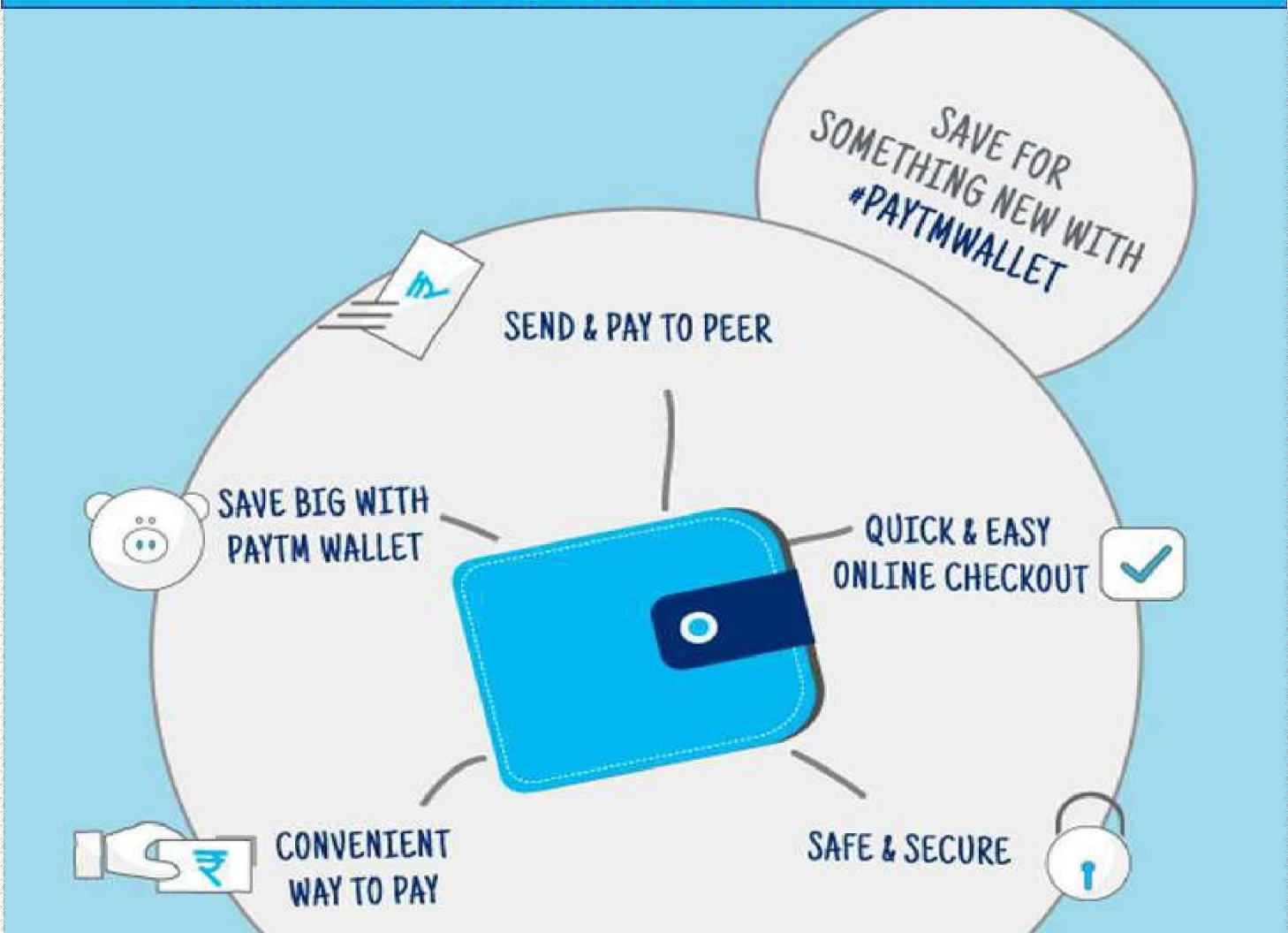


Reached 20 million users in Dec 2014 end



100 million in July end 2015

80% OF MARKET SHARE OF WALLET USERS IN INDIA
CURRENTLY DOING **10,000 CRORE ANNUAL GMV** RUN RATE



#PaytmKaro

one97

paytm



paytm

POSITIONING

Free Cash in Every Break!!





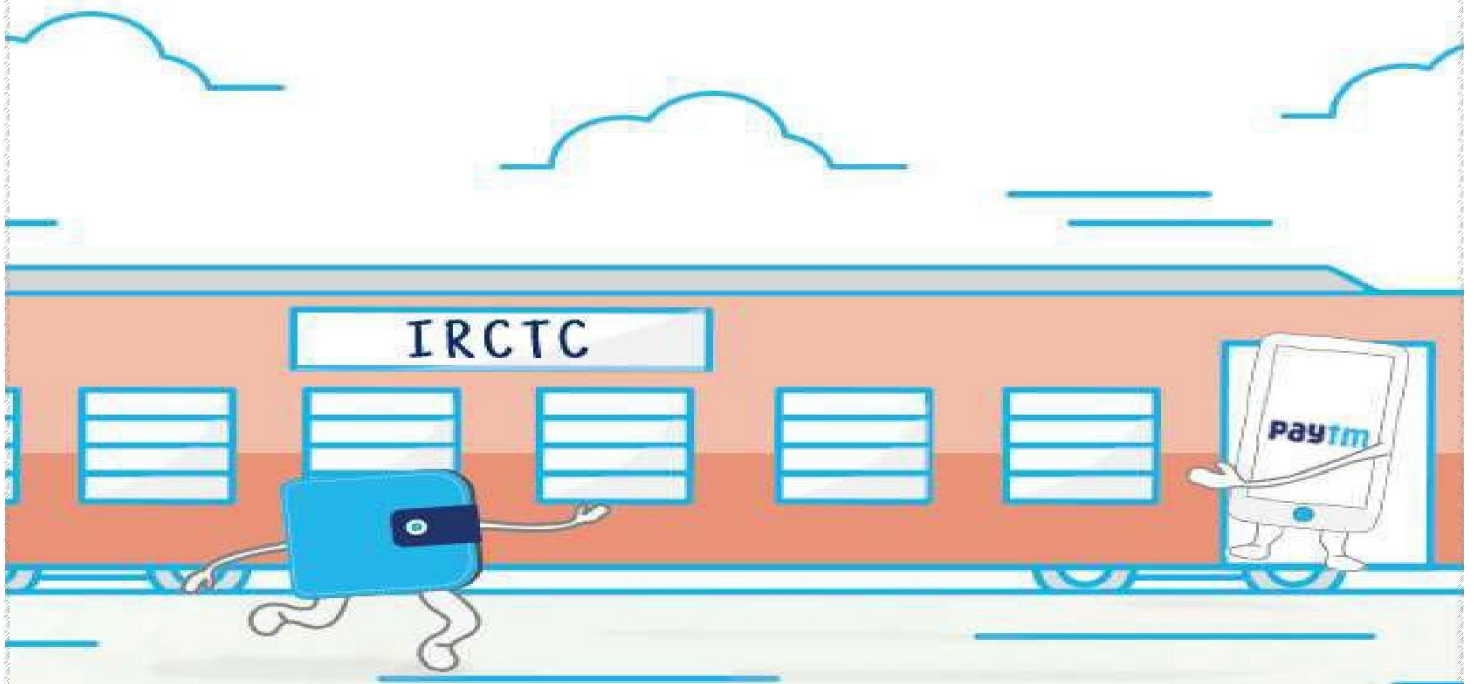
**HARR KOI
JEETEGA!**

**FREE ₹15
RECHARGE
GUARANTEED!**



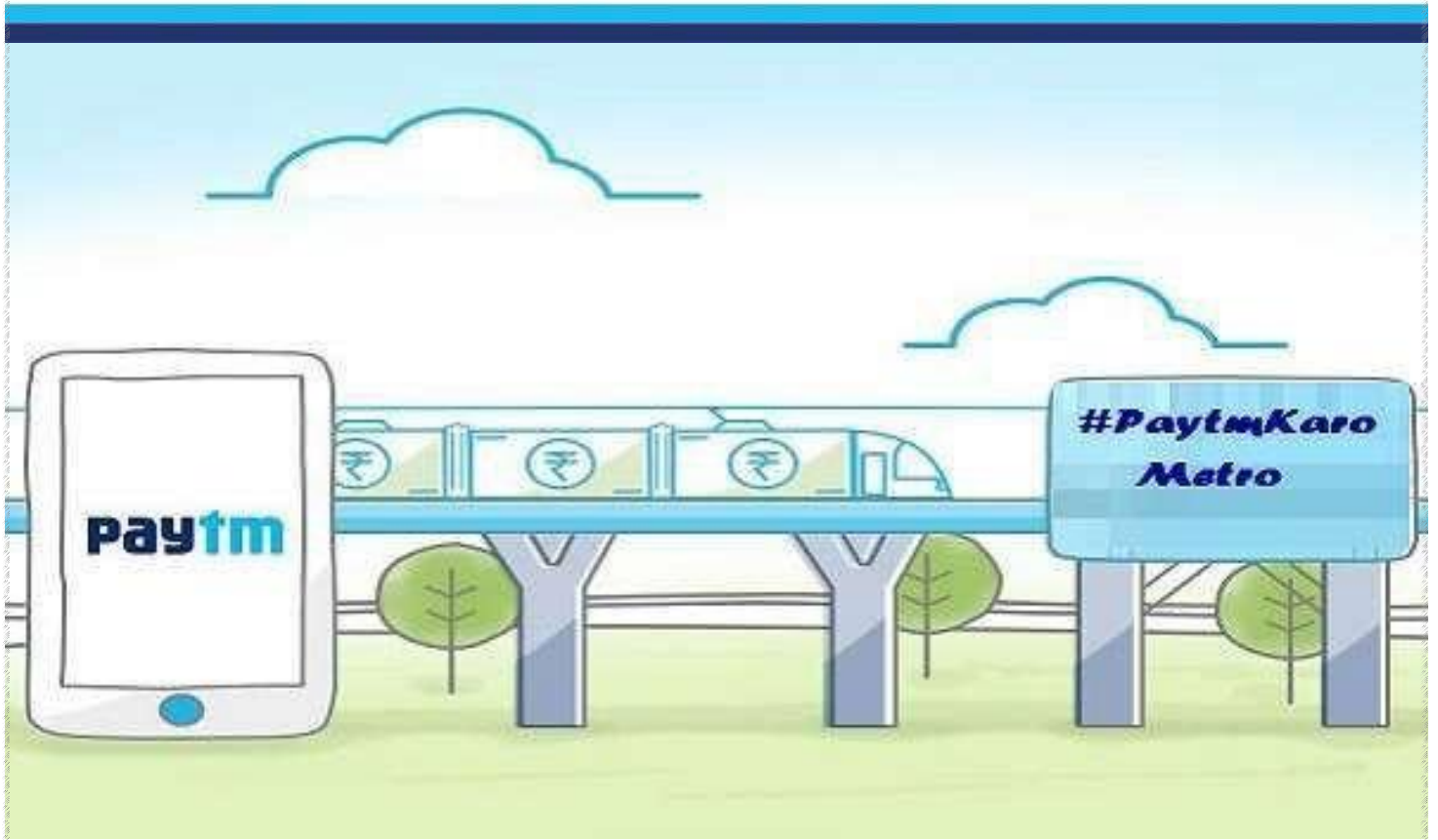
Offer valid on all big bottles of Pepsi, 7-Up, M.Dow, Slice and big packs of Lays and Kurkure.
Recharge worth Rs. 10/- VIA SMS is only available for prepaid customers and not postpaid customers.

TARGETING



Paytm Wallet "meets" IRCTC
Now, book train tickets without any hassle!

paytm



PAYTM BUS TICKET COUPONS



Future Group
& Paytm
tie up to bring
Big Bazaar online



FUNDING

It comes as no surprise that Alibaba has made a strategic investment in Paytm. In a joint statement, Alibaba and One97 Communication (Paytm parent's company) announced that Alibaba and Ant Financial have agreed to make a strategic investment in Paytm. Ant Financial (Alibaba's payment arm) made its initial investment in Paytm in February 2015. Alibaba will now become a new investor in Paytm after the completion of the transaction.

This time, Paytm put up a requirement of a bigger tranche and Alibaba Group agreed to pump in \$500 million instead of \$375 million. After this transaction, Alibaba becomes the largest stakeholder in One97 Communication. It holds about 40 per cent stake in the company.

The new tranche will help Paytm achieve scale and develop its vibrant mobile commerce and payment ecosystem in India and invest in marketing, technology, and talent.

Daniel Zhang, Chief Executive Officer of Alibaba Group, said, "India is an important emerging market with strong e-commerce potential, and we look forward to partnering with Paytm to deliver innovative products and services to consumers. Supporting the success of local home-grown entrepreneurial companies has long been an important part of Alibaba Group's globalization strategy. This investment will further expand Alibaba Group's global footprint to India's thriving mobile commerce market."

Paytm had crossed 100 million wallet users in July this year and claims to have a GMV run rate of Rs 10,000 crore. The company had also attracted a round from Ratan Tata and plans to onboard one million sellers by 2016.

Vijay Shekhar Sharma, Founder and CEO of Paytm, said, "Paytm is building India's most dominant mobile payment and commerce ecosystem. With the Alibaba and Ant Financial partnerships, we look to bring half a billion Indians to the mainstream economy and help millions of small businesses leverage this large m-commerce opportunity. This investment by Alibaba and Ant Financial is a reaffirmation of their belief and commitment to the long term Paytm opportunity."

With this, Alibaba has become the official investor in Paytm and this round will help Paytm accelerate scale and compete with unicorns like Flipkart, Snapdeal, Amazon, and Shopclues. Paytm is doing a host of new things like banking, building a marketplace for movie tickets and distributing financial services (insurance premium etc.).

PAYTM GROWTH

Paytm Records 1 Billion Transactions & 147 Million Wallet Users in 2016; Records 80 Million Active Users in December 2016

Paytm has had an amazing 2016, especially owing to demonetization and the Government promoting a cashless and digital economy. The company announced a lot of new initiatives like booking IRCTC tickets, movie tickets and offline transactions.

Paytm is soon going to merge its wallet business with its payments bank which is going to be the biggest news for the company in 2017. This means all its payments operations in one place, and hopefully a larger customer base. Paytm set a new record for a digital wallet company in India – 5 million transactions processed in one day, which speaks volumes of its reliability.

In a blog post by the company, celebrating the phenomenal year it has had, Paytm listed down the key set of achievements. Starting with the best one, the company started from 122 million wallet users in January 2016, and went up to 147 million in December 2016, almost a 45% jump in 12 months.

147 million
Transacting Users in 2016

200 million
Unique Visitors on App+Web

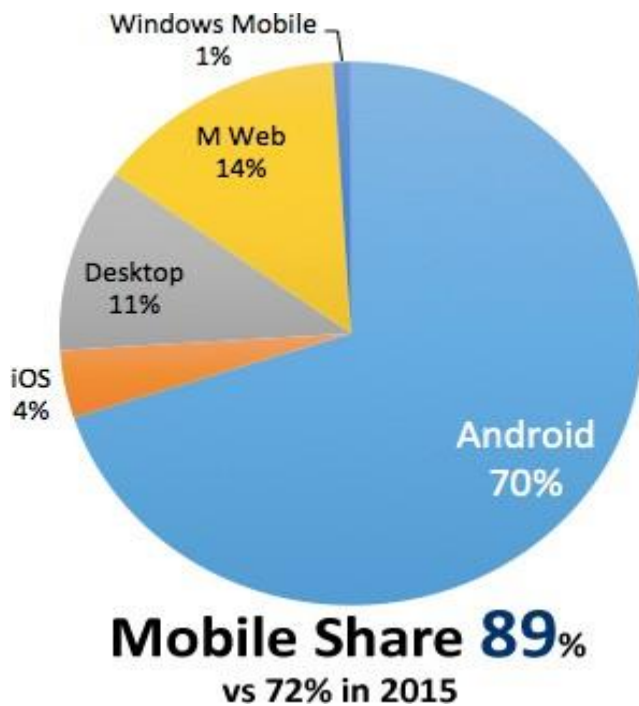
2 billion
User Sessions

80 million
Monthly active users in Dec

Paytm also recorded a whopping 1 billion transactions in 2016, which so far has not been achieved by any of its competitors. Take a look at some of the interesting numbers posted by the company –

- 147 million transacting users in 2016
- 200 million unique visitors on the app and the web combined
- 2 billion user sessions
- 80 million monthly active users in December 2016

Paytm has also 89% of the mobile share in the market, with 70% coming from Android, 4% from iOS, 11% from desktop, 14% from mobile web and 1% from Windows OS. Compared to last year's 72%, the share has increased a lot.



The company also emphasized on its diversification – movie ticketing business, airline and train tickets, hotel bookings and event tickets. 9 million travel tickets were sold in 2016 on Paytm, while 3 million movie tickets per month were sold last year.

Big Launches in 2016



The company also said that their movie ticketing business contributed to 25% of the box office collections for some movies, which means that Bookmyshow has a serious competitor. This industry is clearly not a monopoly anymore and Paytm wants to get even more aggressive this year.

One of the biggest successes for Paytm in year 2016 was the expansion of their offline reach – They registered a whopping 12X growth in this space! Their transaction value jumped from just Rs. 1.5 Cr in March 2016 to 200 Cr in December alone!

We went Offline

no, we are not referring to our downtime in iOS App in Dec 😊



Contribution of 26% to digital payments

The company has single headedly captured 26% of all digital transactions. The highest share has been taken by debit and credit cards at 40%, followed by NEFT/RTGS at 25% and UPI at 9%.

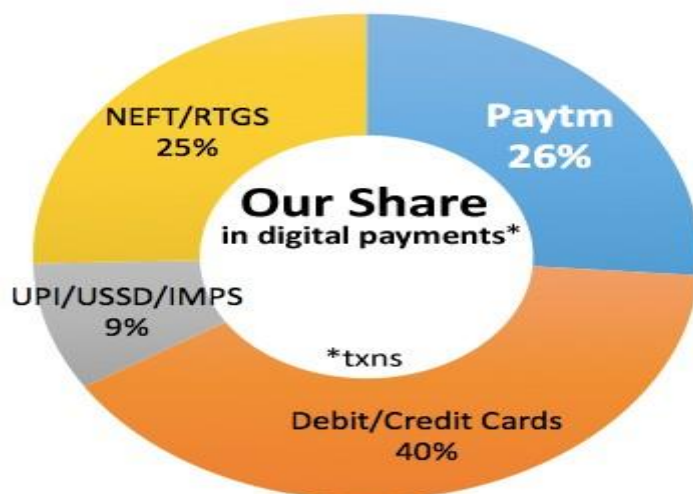
Having a 26% share in a fierce market is a huge deal, especially when you're competing with cards. However, the market Paytm is targeting is relatively smaller as well, which makes it easily acceptable.

Overall it has been an exceptional year for Paytm and the company hopes for a better and bigger 2017. As the payments bank merges with the wallet, the business is going to get larger and easier for its customers.

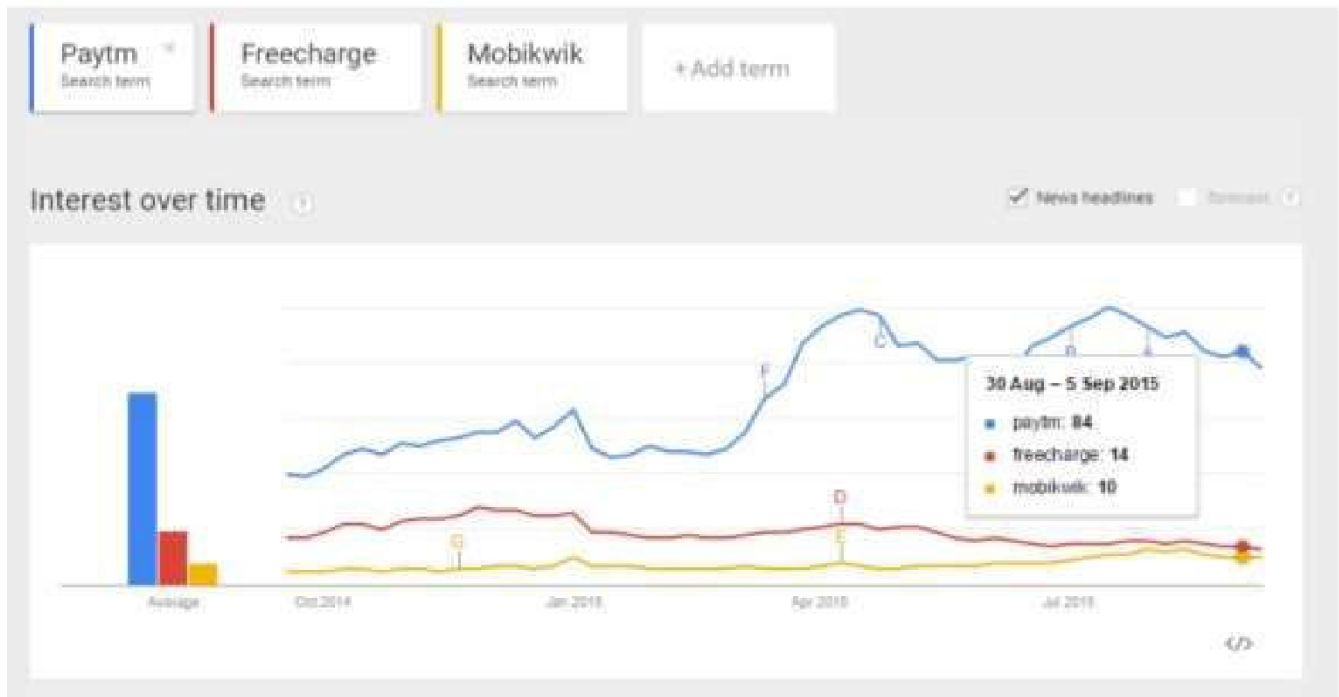
Some Interesting Facts:

53%

Paytm's share in all RuPay Online Transactions



Paytm is way ahead of its competitors



Source: Google Trends



"While our Nearby feature helped millions of customers find their nearest Paytm merchant on a daily basis, we have also enabled priority check-out counters for Paytm at More, Big Bazaar and Central stores, to ensure quicker check-outs," said Jessjeet Bhandari, senior vice-president.

Within days of demonetisation, Paytm has partnered with various large retail outlets -- W, Jumbo, Archies, Woodland, Madura Garments, Red Tape, Modern Bazaar, and Easy Day -- to enable cashless transactions at these stores very soon.

Paytm is currently accepted at major offline stores, including Big Bazaar, Central, e-Zone, Croma, Heritage Fresh, More, Spencer's, Red tape, The Mobile store, WH Smith and Bata. About 850,000 offline merchants accept it.

PAYTM KYC

We are overwhelmed at the response we are getting from you to increase the wallet limits as many of our users are now using Paytm for lot more transactions than ever before. As a result, many users are exceeding the default limits of Rs.20,000 a month.

To increase your wallet limits, just get a KYC done and upgrade your account. After completion of your KYC process, you can spend unlimited amount and store up to Rs.100,000.

Paytm uses Aadhaar based E-KYC process to upgrade your account

Most secure KYC process ever

The E-KYC is absolutely secure as it uses biometric details from Aadhaar to verify an account.

Instant and 100% paperless

The Paytm E-KYC process is instant. The Paytm agent carries out a quick and easy E-KYC process using a mobile-based biometric scanner. The customer's consent is also captured using Aadhaar-based authentication eliminating the need of Paper.

PAYTM PAYMENTS BANK

The Paytm Payments Bank will bring a new banking model to the world where an account holder's money will be absolutely safe. Deposits will only be invested in government bonds that are used for the development of our nation.

In 2015 Paytm received a license from Reserve Bank of India to start one of India's first payments banks, called "Paytm Payments Bank Limited". At the time, the bank intended to use Paytm's existing user base for offering new services, including debit cards, savings accounts, online banking and transfers, to enable a cashless economy. The payments bank would be a separate entity in which the founder Vijay Shekhar Sharma will hold 51%, One97 Communications will hold 39% and 10% will be held by a subsidiary of One97 and Sharma.

Paytm Payments Bank launched operations on May 23, 2017, initially with invite only system. From August 31, 2017, the services of the bank were open to everyone through Paytm Android and iOS app



We will offer an annual interest of 4% for all savings accounts. Our merchant partners will also have access to current bank accounts.

Paytm had created a new corporate entity, the Paytm Payments Bank Limited, which holds both its wallet business, and the new bank business. Although they're both run by the same company, the payments bank is different from your Paytm wallet.

When you update the app, the first time you open the app you're greeted by a popup about the bank, and in case you don't tap on this, you can revisit this screen by tapping on the bank icon on the home page. If you proceed, the app will then ask you to set a pass code for the bank, and ask you to appoint a nominee, which is a pretty simple process. Next, you have to enter your address - if you've shopped from Paytm, your saved addresses are shown here, or you can enter a new address. You also have to enter your Aadhaar number, and name as printed on the Aadhaar card, and then Paytm will organise a representative visit to carry out the KYC formalities and create the account. If you've already gotten KYC done for the Paytm wallet, this step is done automatically, according to reports.

The whole process is pretty seamless, and you can create an account in minutes without having to go to a bank branch, or filling in a lot of paperwork. As with Airtel, your phone number is your account number. You can see your bank statement, alongside the wallet statement, in the Paytm app.

The bank account has no minimum balance requirement, though maximum balance is capped at Rs. 1 lakh. Unlike a wallet, payments banks are allowed to offer interest on deposits, and Paytm Payments Bank is offering interest at 4 percent per annum. Paytm also says that all electronic transfers including UPI from the bank account won't see any transaction charges. You're also issued a virtual RuPay card to use online, at no additional charge.

However, if you need to transfer money from your Paytm Wallet to the bank, you'll have to pay a fee of 3 percent on this, according to the Paytm website. Also, physical services such as a chequebook, demand drafts, and debit cards, will be available but for a nominal fee.

The debit card can also be used to make withdrawals from ATMs. Paytm is not launching its own physical ATMs, but you can withdraw money with no additional charges five times a month from other bank ATMs, after which there is a Rs. 20 withdrawal charge, which is a standard provision.

In contrast, Airtel is offering a higher rate of interest - 7.5 percent - but it is not offering a debit card. Instead, it is providing a virtual debit card that can be used online at no additional charge.

There are some limitations on payments banks - one is that these banks are not allowed to issue loans, which also means that they cannot issue credit cards. However, payments banks can partner with other financial institutions, to offer additional services, so more features could be rolled out over time.

Paytm mall

In a bid to beat frauds ranging from unauthorised discounts to duplicate products, e-wallet company Paytm will set up exclusive brand stores, managed by the brands themselves, to ensure original products and realistic promotions.

In 2015, Paytm had delisted 3,200 sellers for frauds, but brands were still distressed over the dilution of their image. Now, it has signed up more than 1,000 brands like Samsung, Dell, HTC, HP, Whirlpool, Woodland, Lakme, Casio, Samsonite and Puma in this new avatar.

The brands will manage these stores themselves. For example, Samsung will choose a handful of authorised sellers to host their inventory on the brand store. It will also be able to customise the brand page, put up promotions and showcase products, just as it would do in its showroom or on its website.

The Paytm store can be integrated with the brands' own website as well. "We will provide everything the brand needs, from catalogues, payment tools and logistics support," said Amit Bagaria, V-P at Paytm. Brands can also connect offline sellers to brand stores.

Paytm has two categories – structured (branded products) and unstructured (non-branded products). For the unstructured it will continue to have a long tail of retailers. "But, in the next six months we will move 90% of all structured products to brand stores... This will help in regulating unauthorised discounts and curb frauds," said Bagaria.

Brand stores are not a new concept. Snapdeal started it in 2012. Flipkart and Amazon also have it, but not on the scale that Paytm is envisaging. "For them it's about giving brands a little more visibility, but for us it's out core strategy," said Bagaria, a former Flipkart executive.

TMall, owned by Alibaba, has done this in China. Brands like P&G, Adidas, UNIQLO, GAP, Nine West, Ray-Ban, Dell, Samsung, Logitech, Lipton, etc have exclusive stores on TMall. Paytm would be the Indian version of Alibaba.

Alibaba and its affiliate Ant Financial have a substantial stake in Paytm's parent company One97 Communications.

Paytm Mall had recently delisted as many as 85,000 sellers to ensure quality control. The company routinely evaluates existing logistics partners and aggregation centres to

review their performance and buyer feedback. “Based on this audit, the company has delisted 6 out of 14 logistics partners and 30 courier aggregation centres, as they were unable to offer a consistently superior consumer experience,” it added.

The move will limit deliveries from the platform to 17,000 pin codes from 26,000 earlier. “We believe working with fewer retailers and pin codes that leads to a superior customer experience is more important than rapid expansion,” said Amit Sinha, COO, Paytm Mall.

Swot Analysis

Strengths:

- Paytm has got extremely high brand awareness across India.
- Paytm was able to scale up its business quickly after demonetization.
- Offers multiple cash back options to customers.
- Paytm is largely accepted by merchants across India, which has helped the brand grow.
- Strong marketing campaigns have helped spread brand awareness.
- Word of mouth of cashless transactions and ease of use has been accepted well by the people.
- Strong investments from Ratan Tata, Alibaba group etc have strengthened Paytm's position.

Weakness:

- Audience in India is less the savvy as majority consider cash as primary currency.
- Paytm has diversified too much.

Opportunities:

- Paytm can cater to a larger audience with some offline presence as well.
- Paytm can educate customers on accepting cashless transactions and online payments which would in turn boost their customer base.
- Offer more banking services along with online payment options.

Threats:

- Banks offering e-wallets on their saving accounts.

- Security and privacy of user is a concern for Paytm.

SUGGESTIONS AND RECOMMENDATIONS

- People should be more accurate about refunding their amount directly to their wallet if any delay in payment. People should update their pay tm or pay u money applications from time to time in order to safeguard.
- Users should be more careful about the offers, cash backs provided by pay tm or pay u money.
- The digital payment system has to take necessary steps to overcome delay in processing of payments.
- People are more aware about the online payments through mobile applications and there is a wider increase in growth rate.
- Due to advanced feature in pay tm and pay u money net banking has been directly replaced.
- Pay tm and Pay u Money is giving 2 level security authentication to safeguard our payment details.
- Pay Tm Company has come across the customer problems immediately while making payments.
- Pay tm and Pay u money is providing easy payment structures compared to Digital payment system.

CONCLUSION

- Paytm saves **customer's time** on going to separate websites for separate payments.
- Most importantly it is very **easy to use**.
- In a nutshell, it is one useful app that can really come in "**handy for customer**" and it is definitely worth a try.
- Paytm for android is **available for free** on google playstore.

Limitations

- Lack of support while doing research.
- Lack of practical training.
- Limitation of time and money
- Sample size is small.
- Respondents have biasness for the brand.
- Problems derived because of not any prior experience of research.
- Confidence level of respondents.

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