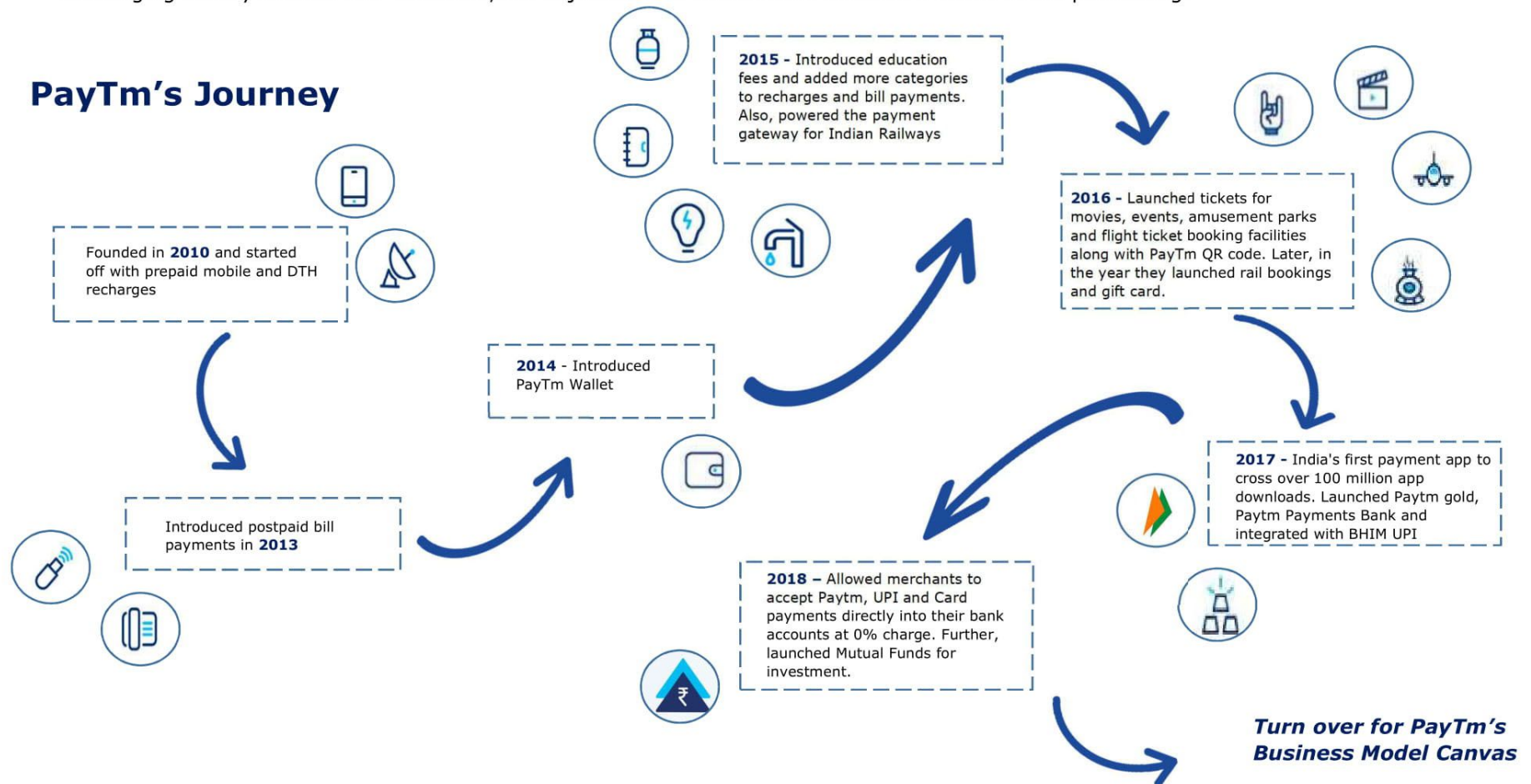
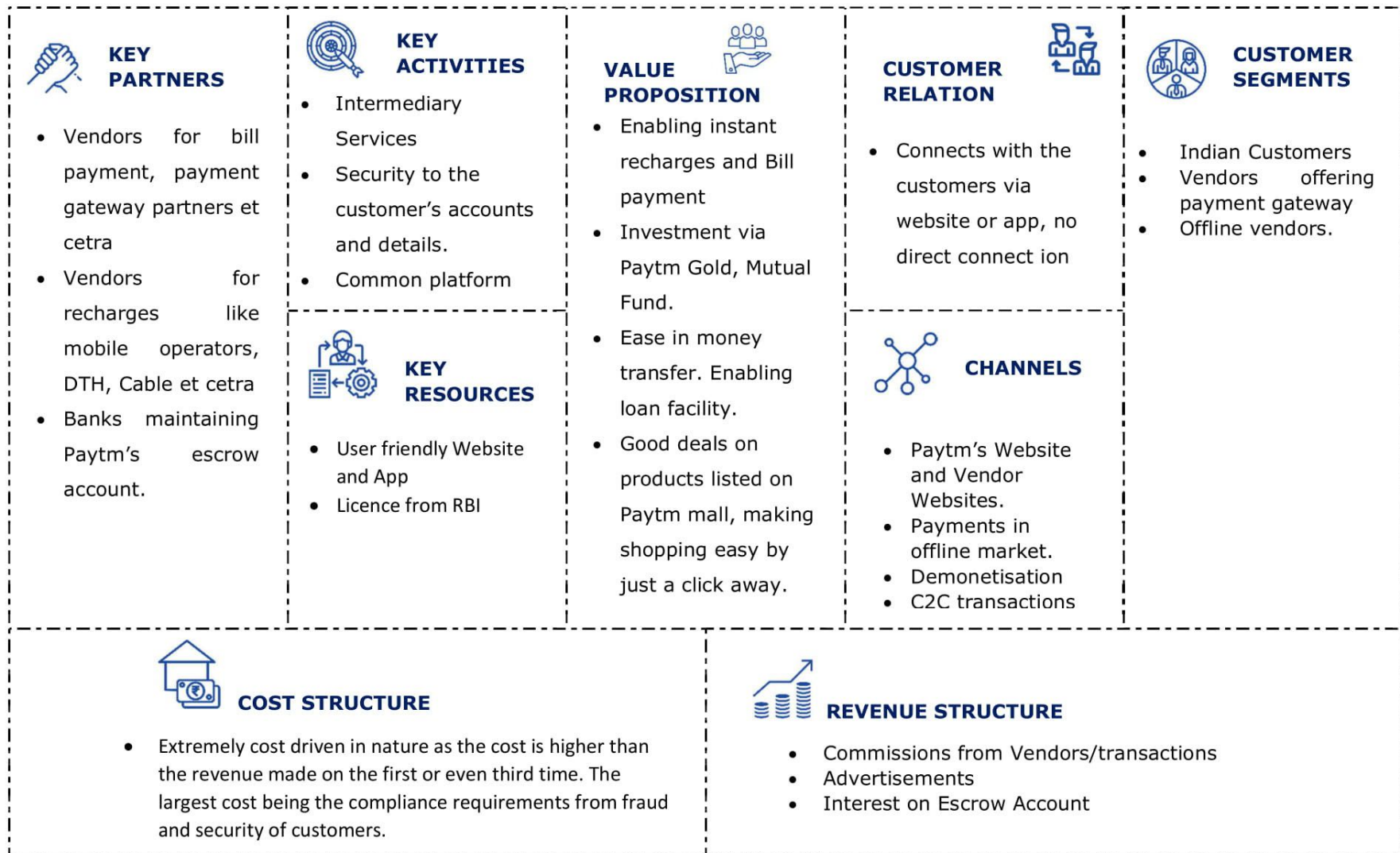







Paytm - Brand Study

Paytm serves as India's largest platform for mobile payments, e-wallet, and e-commerce. Hence, the main intent of this project was a holistic brand study to understand and analyse the business model of PayTm. With the growing competitors in the market, it is quite challenging to stay number #1. Therefore, the objective is to recommend ideas for a better brand positioning.

PayTm's Journey



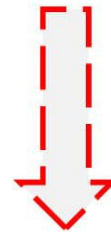


BRAND →					
FACTORS					
Digital Wallet	✓	✓	✗	✗	✓
UPI based transaction	✓	✓	✓	✓	✓
Security/ Authenticity of Virtual Payment Address	✗	✓	✓	✓	✓
Internet Connection requirement	✗	✓	✓	✗	✓
Recharges/Bill Payments/ Market Places	✓	✓	✓	✗	✓
Offers payment gateway	✓	✓	✓	✓	✓
Cashback	✓	✓	✓	✗	✓

Integration with BHIM UPI



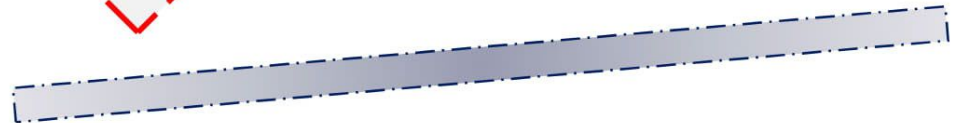
Paytm announced the integration with BHIM UPI in 2017. The aim was to broaden its user base to 200 million and help expand the usability of the mobile wallet. In October 2017, RBI directed companies and banks to make KYC- compliant prepaid payment instruments like mobile wallets within the next six months. Accordingly, Paytm integrated with BHIM UPI to save the customers from the discomfort of filling up the Know Your Customer form to keep their e-wallets functioning. However, in my view, the move isn't substantial because large wallet firms have a high number of merchant integrations, UPI-based apps, including BHIM working on the same.



DISADVANTAGES

The cashback received on the transaction do not hit the bank account, instead remains in the e-wallet.

Not an innovative idea as there are other merchant aggregators already using UPI.



ADVANTAGES

Lets you transfer money directly from one bank account to another.

No requirement of loading the digital wallet in order to make the payments to the vendors.

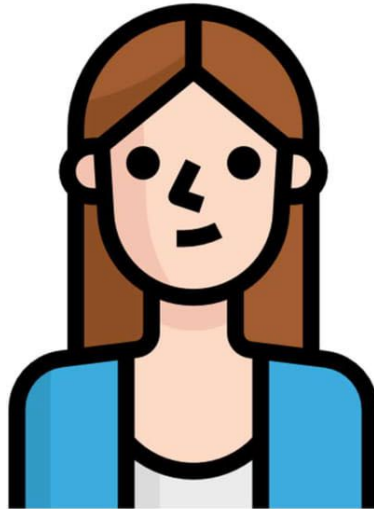
No KYC requirements to be followed



In customer's words



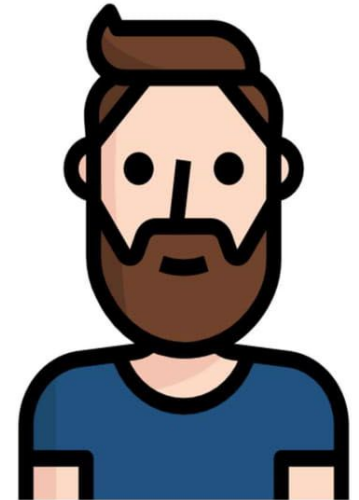
This is Joshua, a 19-year-old college going student. He receives fixed pocket money of INR 5,000/- every month from his parents. Out of this, he keeps INR 1000 in cash and the rest is transferred to his Paytm wallet. He enjoys using Paytm as he has limited access to his bank account and he is flattered by the big cash back and discounts that Paytm has to offer. According to him, the cash back and offers on Paytm makes his college life fun and outgoing.



Tanvi is 25 years old and is working with a company. Often in offices, there are several occasions where contributions are made to celebrate the same. Payments are mostly made on the digital platform. She enjoys using UPI on Paytm, as she can avoid loading her wallet before making a transaction. However, given a choice she prefers Google Pay over Paytm, as the cashback earned by her, directly gets credited to her bank account.



Mariam is a 60-year-old passionate home baker who bakes delicious cakes. She takes her payments in either cash or via PayTm. Mariam is comfortable using PayTm, however, is a little dissatisfied as the money in the e-wallet can only be used for payments via Paytm. Given her age, she does not trust the security of the UPI system and transfers the digital money to her bank account at the cost of 4% that Paytm charges to transfer the wallet balance to a bank account. Mariam doesn't like to recover her losses from her customers but would be happy if the transfer fee cuts down by at least 2%.



Abhinav is a freelance designer who accepts payment mainly via UPI on PayTm or PhonePe. He also accepts digital money through Paytm as an option for the clients who cannot transfer through UPI or net banking. He uses his e-wallet balance to make his monthly bill payments. However, a certain amount of balance remains idle in his wallet. According to Abhinav, it gets difficult to keep a track on the amount received in e-wallet. This is because the digital money remains in the e-wallet and limits the usage of the same.

Recommendations

1. MINIMUM WALLET BALANCE

Currently, Paytm charges 4% of the total transaction value in order to transfer to a bank account. i.e Wallet balance = **Rs. 200/-**, a **4%** fee will be charged to transfer the balance to the bank account. Therefore, in total, a customer transacts –

Rs 200 + Rs 8 (4%) = **Rs. 208/-** on an extra cost of Rs.8.

With **minimum wallet balance (MWB)**, a customer has to keep a MWB as prescribed by PayTM and the remaining money can be transferred to the bank with **0%** charges. For instance: If the MWB to be maintained is **Rs. 100/-** and the wallet has **Rs. 200/-**, the customer has to keep Rs. 100/- to maintain the MWB in order to transfer the remaining Rs. 100/- at 0% charges



It is relevant to note that, MWB is required only when a customer wants to transfer the wallet money to the bank account. This is because the MWB will be beneficial to PayTm in order to earn interest on escrow account rather than having a zero wallet balance. On the other hand it is beneficial for the customer, as the customers can transfer money to their accounts at **no extra cost**.

2. QUARTERLY INTEREST ON PAYTM WALLET

Currently, Paytm does not provide any interest on the balance as appearing on the wallet.

However, by introducing a quarterly interest on the wallet balance at say 1% at the end of each quarter. PayTm can increase the customer base as, any extra monetary benefit is always lucrative to the customers.

To explain this, let's consider the situation of Joshua, from the foregoing personas, who is a college student. It is given that, Joshua receives a monthly allowance of Rs. 4,000/- on PayTm wallet.

We can safely assume that by end of each month, he has some balance remaining in his wallet.

Let's assume that on the first month he saves Rs. 100, on the second month the cumulative savings goes up to Rs. 150 and on the third it goes up to Rs.165. On the end of third month, Joshua shall receive an interest on the wallet balance at 1% which will increase his total wallet balance from Rs. 165 to Rs. 167 (approximately).



This monetary benefit will attract more customers and help PayTm to earn on the interest rates of the escrow account.

3. A PERSONALIZED CUSTOMER ANNUAL REPORT

A personalized Customer Annual Report (CAR) can be an incredible marketing strategy for **Brand recognition and recall**. A CAR can typically show the infographic Income & Expenditure and Balancesheet of a customer by the end of each year.

The aim here, would be to create awareness and develop a sense of curiosity among the customers to have insights on the past activities carried out on the customer's Paytm account.

A specimen of Income and Expenditure can look somewhat like –

Hello, Navya! Here's your Income & Expenditure account for the Financial Year 17-18

EXPENDITURE



Your flight to Bali in the month of March!

INCOME



20% Cashback on your flight tickets and a lifetime of memories!!

This will add on to Paytm's customer value proposition for having a personal touch.

Paytm is India's largest mobile payments, e-wallet, and e-commerce platform. It is interesting to note that merchant integrators are on a spree of growing, mainly on a UPI based platform, making it easy for the customers to transact from anywhere. In such a fast paced market, it is needless to say that PayTm has tough competitions. To remain at the top of the game, PayTm should keep repositioning itself by bringing in more customer centric value propositions from time to time.