CASE STUDY ON RAZORPAY
GROUP 5

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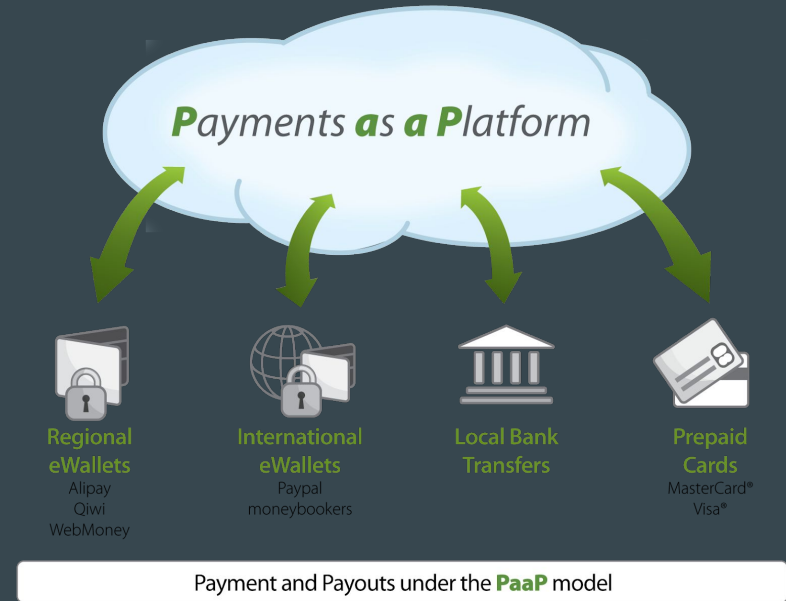CA 1 : PROJECT MANAGEMENT AND ENTREPRENEURSHIP (HSMC701)

CSE : SEMESTER 7

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OVERVIEW

- Razorpay is a leading financial technology company based in India that offers a comprehensive suite of payment solutions for businesses of all sizes.

- It is a ten-year-old Indian B2B fintech startup in digital payments which is venturing into digital lending.

Payments as a Platform

Regional eWallets
Alipay
Qiwi
WebMoney

International eWallets
Paypal
moneybookers

Local Bank Transfers

Prepaid Cards
MasterCard®
Visa®

Payment and Payouts under the **PaaP** model

OVERVIEW (CONTINUED)

- Razorpay a B2B payment solutions provider
- It aims to simplify digital payment flows involved in acceptance, processing and disbursement of payments through superior technology and automation.

OVERVIEW (CONTINUED)

- Founded in 2014 by Harshil Mathur and Shashank Kumar, Razorpay aims to simplify and enhance the digital payment experience by providing a seamless and secure platform for online transactions.
- It offers a wide range of payment solutions under one roof, reducing the need for multiple service providers.
- To maintain its growth trajectory, Razorpay has launched multiple new products in the digital payment space as well as announced a foray into creating a marketplace for digital lending through launch of Razorpay Capital.
- This overview examines the critical challenges faced by Razorpay, the evolution of its venture lifecycle, the innovative solutions it implemented, and an analysis of its sales and marketing strategies that contributed to its success.

CHALLENGES FACED

Market Penetration

➤ *Educating Businesses on Digital Payments*
   ◆ Raising awareness about the benefits of digital payments.
   ◆ Conducting workshops and training sessions for SMEs.
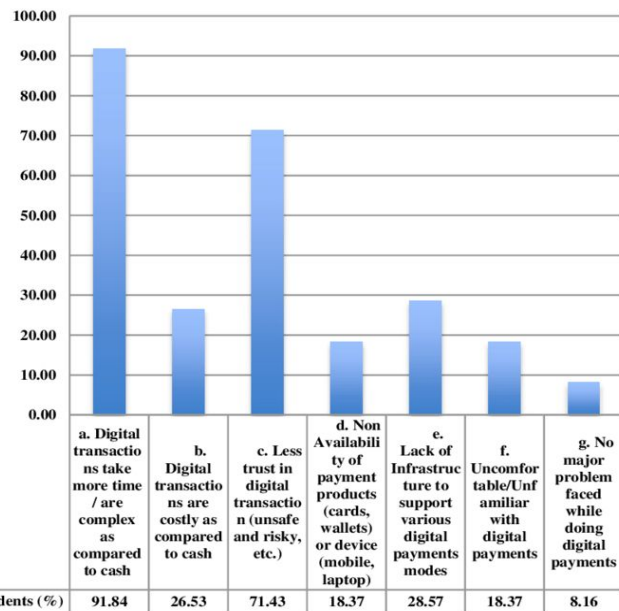   ◆ Providing resources and support to onboard businesses.

➤ *Building a Secure and Reliable Platform*
   ◆ Developing a robust and scalable infrastructure.
   ◆ Ensuring uptime and reliability amidst high transaction volumes.
   ◆ Implementing strong encryption and security measures.

➤ *Scaling Operations Amid Rapid Growth*
   ◆ Managing rapid customer acquisition and onboarding.
   ◆ Expanding the team and operational capabilities.

Challenges faced in making digital payments

	a. Digital transactions take more time / are complex as compared to cash	b. Digital transactions are costly as compared to cash	c. Less trust in digital transaction (unsafe and risky, etc.)	d. Non Availability of payment products (cards, wallets) or device (mobile, laptop)	e. Lack of Infrastructure to support various digital payments modes	f. Uncomfortable/Unfamiliar with digital payments	g. No major problem faced while doing digital payments
No. Of Respondents (%)	91.84	26.53	71.43	18.37	28.57	18.37	8.16

CHALLENGES FACED (CONTINUED)

Initial Challenges

➜ *Gaining Trust in a Traditional Market*
  ◆ Overcoming skepticism towards online payments among businesses and consumers.
  ◆ Building credibility in a market dominated by cash transactions.
  ◆ Ensuring data security to gain user confidence.
➜ *Competition from Established Players*
  ◆ Competing with well-established companies like Paytm, CCAvenue, and PayPal.
  ◆ Differentiating Razorpay offerings from competitors.
  ◆ Securing market share in a crowded space.
➜ *Regulatory and Compliance Hurdles*
  ◆ Navigating complex financial regulations in India.
  ◆ Ensuring compliance with RBI guidelines and KYC requirements.
  ◆ Adapting to frequent regulatory changes.

CHALLENGES FACED (CONTINUED)

Technology and Infrastructure

➔ *Ensuring Platform Security and Fraud Prevention*
  - ◆ Implementing advanced fraud detection algorithms.
  - ◆ Continuously monitoring for suspicious activities.
  - ◆ Investing in cybersecurity measures and infrastructure.
➔ *Managing High Transaction Volumes*
  - ◆ Optimizing the platform for peak traffic and transaction loads.
  - ◆ Ensuring seamless payment processing even during high demand periods.
  - ◆ Balancing speed and accuracy in transaction processing.
➔ *Integrating with Various Banks and Financial Institutions*
  - ◆ Establishing and maintaining relationships with multiple banking partners.
  - ◆ Ensuring smooth and secure API integrations.
  - ◆ Handling discrepancies and ensuring reconciliation across platforms.

VENTURE LIFE CYCLE

The venture lifecycle is a series of stages that a business goes through from ideation to exit, including conception, seed funding, startup, growth, expansion, maturity, and exit, each with unique challenges and opportunities.

A VENTURE'S TYPICAL LIFE CYCLE
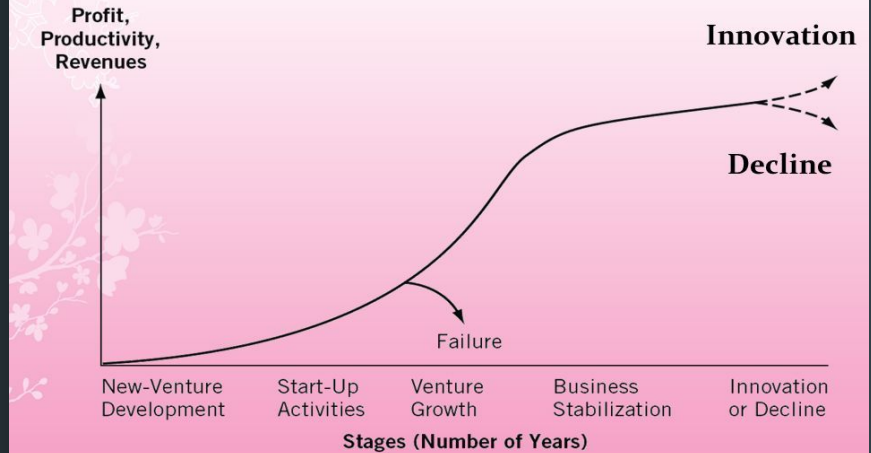
VENTURE LIFE CYCLE (CONTINUED)

Ideation/Conception (2013):

➔ Founders Harshil Mathur and Shashank Kumar identified the problem of cumbersome payment processes for Indian businesses.

Seed Stage (2014):

➔ Development of the business plan and MVP.
➔ Secured seed funding from angel investors and incubators like Y Combinator.

Startup Stage (2014-2015):

➔ Officially launched Razorpay.
➔ Began onboarding initial customers and processing transactions.
➔ Raised Series A funding from investors like Tiger Global and Matrix Partners.

Growth Stage (2016-2018):

➔ Expanded product offerings to include more payment solutions.
➔ Significant increase in customer base and transaction volumes.
➔ Secured Series B and C funding rounds to support scaling efforts.

VENTURE LIFE CYCLE (CONTINUED)

Expansion Stage (2019-2020):

➔ Diversified services to include lending (Razorpay Capital) and neobanking (RazorpayX).
➔ Formed strategic partnerships and entered new markets within India.
➔ Raised Series D and E funding to fuel further expansion.

Maturity Stage (2021-present):

➔ Established itself as a market leader in the Indian fintech space.
➔ Continued innovation and introduction of new financial products.
➔ Raised Series F and G funding, achieving a valuation of over $7 billion, signaling strong market presence and stability.

Future Exit Stage (potential):

➔ Possibilities include an IPO or acquisition by a larger financial entity.
➔ Ongoing focus on maintaining growth and profitability to maximize exit options.

SOLUTIONS IMPLEMENTED

RazorPay is a comprehensive financial technology company providing a suite of payment solutions to businesses.
Focuses on simplifying and automating payment processes, enhancing business efficiency and customer experience.

Key Solutions:
➔ Payment GatewaY
➔ RazorPayX
➔ Payment Links
➔ Subscriptions
➔ Smart Collect

SOLUTIONS IMPLEMENTED (CONTINUED)

Payment Gateway:

Features:
- Supports multiple payment methods: Credit/Debit Cards, UPI, Net Banking, Wallets.
- Real-time tracking, fraud prevention, and analytics.

Benefits:
- Streamlines checkout experience, reducing cart abandonment.
- Enhances trust with secure transactions.

RazorPayX:

Features:
- Automated payouts: Schedule and automate bulk disbursals.
- Smart corporate card: Manage and control business expenses.
- Current accounts: Integrated with powerful APIs for seamless operations.

Benefits:
- Saves time with efficient payout automation.
- Enhances cash flow management and financial transparency.

SOLUTIONS IMPLEMENTED (CONTINUED)

Payment Links:

Features:
- Easily create and share payment links via SMS, email, WhatsApp.
- Customizable: Add descriptions, set amounts, and expiration dates.
- Real-time tracking of payment status and updates.

Benefits:
- Simplifies payment collection for one-time transactions.
- Provides flexibility and convenience to customers.
- Facilitates quick and secure payment without the
  need for a website.

Subscription Management:

Features:
- Automated recurring billing for subscriptions.
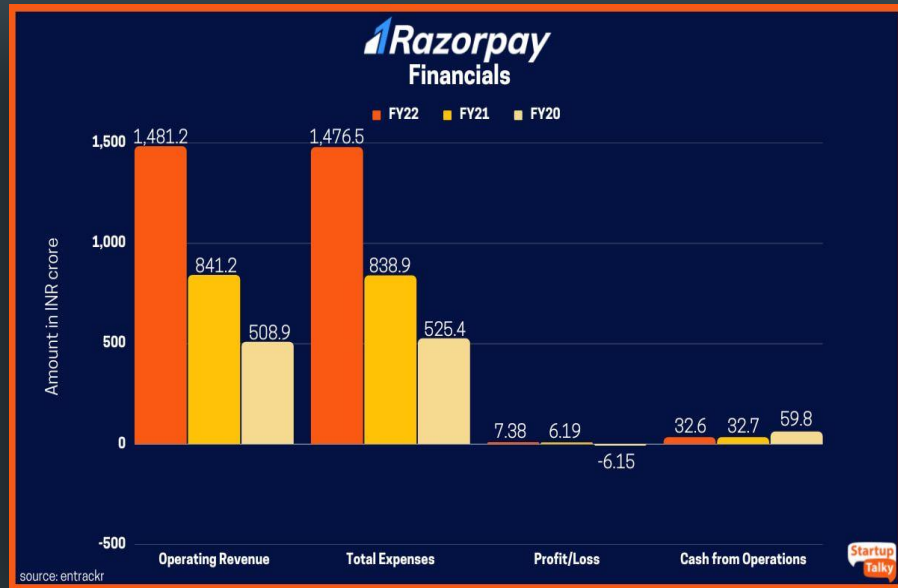- Supports multiple subscription plans: weekly, monthly, yearly.

Benefits:
- Ensures timely payments with automated billing.
- Simplifies management of subscription plans and renewals.

SALES AND MARKETING ANALYSIS

Market Trends & Online Marketing

➔ **Massive Shift to Online Marketing:** Over 50% of marketers are expected to allocate more resources to online mediums.

➔ **Importance of Market Analysis:** Businesses need to conduct market analyses and understand industry trends.

➔ **Solution-Oriented Content:** Acts as a strong lead generator for businesses.

➔ **Reliance on Lead Generation:** Most SaaS and service-based companies depend on lead generation for revenue and sales.

Razorpay Financials

FY22 | FY21 | FY20

Amount in INR crore

	Operating Revenue	Total Expenses	Profit/Loss	Cash from Operations
FY22	1,481.2	1,476.5	7.38	32.6
FY21	841.2	838.9	6.19	32.7
FY20	508.9	525.4	-6.15	59.8

source: entrackr

Startup Talky

SALES AND MARKETING ANALYSIS (CONTINUED)

Marketing Strategies

➔ **Social Media Marketing**: Brands can build a strong audience base and drive engagement by posting shareable content.

➔ **Internet Marketing**: Uses all web-based channels for spreading messages about products and services.

➔ **Conversational Marketing**: Involves real-time interaction with the brand through chatbots or customer service executives.

➔ **Benefits of Conversational Marketing**: Provides a sense of security to customers and is effective for tech-based and e-commerce companies.

SALES AND MARKETING ANALYSIS (CONTINUED)

Marketing Mix Strategy

➔ **Product Strategy:** Includes products like Razorpay Route, Smart Collect, Subscriptions, and Invoices, along with Razorpay Capital and RazorpayX.

➔ **Pricing Strategy:** Offers Standard and Enterprise plans, with customized options for large transaction volumes.

➔ **Place Strategy:** Provides various online payment modes and a comprehensive dashboard for handling payments.

➔ **Promotion & Branding:** Focuses on sectors like e-commerce, ed-tech, and small enterprises, and offers collateral-free credit lines for MSMEs.

CONCLUSION

Razorpay is a leading payment gateway in India, offering seamless integration and a comprehensive range of payment methods, including cards, UPI, and net banking. It stands out with advanced features like automated payouts and subscription management, making it an ideal choice for businesses of all sizes seeking a reliable and versatile payment solution.

REFERENCES

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THANK YOU