

# FUNDAMENTALS OF MANAGEMENT

## PROJECT DRAFT

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# PAYTM

Our Study would be divided into various parts and would cover these various listed domains:

1. Introduction
  2. Organizational Structure
  3. PESTEL Analysis
  4. SWOT Analysis
  5. Corporate Social Responsibility
  6. Framework for Corporate governance
  7. Managerial Values and ethics
  8. Marketing Strategy
  9. Targeted customers
  10. Alliances and Partnerships
  11. Recent/Upcoming Projects
  12. Unethical issues in Market Environment
  13. Financial Performance
  14. Scope Of Improvement
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## 1. INTRODUCTION

- One97 Communications Ltd established “Pay Through Mobile” which is popularly known as PayTM in August 2010 as a prepaid mobile recharge website.
- PayTM was launched as a mobile recharge website but today it is India’s leader in e-commerce.
- It allows the money transfer into its integrated wallet using debit card, credit card ,net banking,UPI,etc.
- This wallet can be further used to make payments for metro cards, Direct To Home (DTH), data cards, electricity bills,water bills, flight and bus tickets,etc.
- Additionally, it also enables users to buy goods from its e-retail platform.
- After capturing the e-commerce market it has also entered m-commerce which allows small business owners to list their products on its website.
- It is highly secure and reliable and is approved by the Reserve Bank of India

## 2. ORGANISATIONAL STRUCTURE

- An organizational structure is a system that outlines how certain activities are directed in order to achieve the goals of an organization. These activities can include rules, roles, and responsibilities.
- The organizational structure also determines how information flows between levels within the company. Having an organizational structure in place allows companies to remain efficient and focused.
- For this section we will analyse the organisational structure of Paytm.

### **3. PESTEL ANALYSIS**

- PESTEL Analysis is a strategic framework used to evaluate the external environment of a business by breaking down the opportunities and risks into Political, Economic, Social, Technological, Environmental, and Legal factors.
- PESTEL Analysis can be an effective framework to use in Corporate Strategy Planning and for identifying the pros and cons of a Business Strategy.

#### **Political Factors**

- Government influence on Paytm
- Demonetization
- Digital India

#### **Economic Factors**

- Fastest Growing economy
- Affordable smartphones and internet.
- Increase in per capita income

#### **Social Factors**

- Increase in online shopping
- Convenience

#### **Technological Factors**

- Cheap Internet
- Increase in the number of internet users.
- Most of the internet users access the internet using their smartphones.

#### **Legal Factors**

- Postpaid wallet offering
- Similar color scheme and logo as of paypal

#### **Environmental Factors**

- Donations to Bhopal gas tragedy
- Independence Day Campaign for the future of India- Skill training of youth
- Blood Donation Camp

### **4. SWOT ANALYSIS**

- SWOT stands for Strengths, Weaknesses, Opportunities, and Threats.
- SWOT Analysis is a technique for assessing these four aspects of a business.
- We will perform SWOT analysis of Paytm in order to understand their business in a better way.

#### **Strengths**

- First mover advantage
- Convenience options
- Tie-ups with merchants

- Bucket of services
- Offers

### **Weaknesses**

- Need for IT infrastructure
- Lack of awareness amongst users
- Fear of going cashless
- Poor customer care

### **Opportunities**

- Growing demand for aggregators
- Demonetisation
- Surge in the number of working professionals.

### **Threats**

- Fierce competition
- Growing concerns about safety.

## **5. CORPORATE SOCIAL RESPONSIBILITY**

- Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable—to itself, its stakeholders, and the public.
- By practicing corporate social responsibility companies can be conscious of the kind of impact they are having on all aspects of society, including economic, social, and environmental.
- We will discuss the steps taken towards CSR by Paytm and their effectiveness.

## **6. FRAMEWORK FOR CORPORATE GOVERNANCE**

- Corporate Governance refers to practices by which organisations are controlled, directed and governed.
- The fundamental concern of Corporate Governance is to ensure the conditions whereby organisation's directors and managers act in the interest of the organisation and its stakeholders and to ensure the means by which managers are held accountable to capital providers for the use of assets.
- To achieve the objectives of ensuring fair corporate governance, the Government of India has put in place a statutory framework.
- In this section we will discuss framework of corporate governance adapted by Paytm and their effectiveness

## **7. MANAGERIAL VALUES AND ETHICS**

- Managerial values are abstract ideals that act as guiding principles for managing enterprises.
- Organizational identities connote the central, enduring, and distinctive features of an organization's self-definition.

- There is a need to examine how and which managerial values are acted upon within developing country enterprises and how these values are reflected, projected, or disguised in the organizational identities of these enterprises.
- The Ethical Analysis of Paytm will cover the duty to keep customers informed and secure etc.

## **8. MARKETING STRATEGY**

- A marketing strategy refers to a business's overall game plan for reaching prospective consumers and turning them into customers of their products or services.
- A marketing strategy contains the company's value proposition, key brand messaging, data on target customer demographics, and other high-level elements.
- The case study would cover the 7Ps marketing mix of Paytm including the Product Strategy, Price/Pricing Strategy, Place & Distribution Strategy, Promotion & Advertising Strategy, People, Process and Physical Evidence

## **9. TARGETED CUSTOMERS**

- A target market refers to a group of potential customers to whom a company wants to sell its products and services.
- This group also includes specific customers to whom a company directs its marketing efforts. A target market is one part of the total market for a good or service.
- Consumers who make up a target market share similar characteristics including buying geography, buying power, demographics, and incomes.
- We will be analysing the targeted customers of Paytm on the basis of factors such as demographics, competition ,etc.

## **10. ALLIANCES AND PARTNERSHIPS**

- A partnership company is formed when the parties involved agree to share the business's profits or losses proportionately.
- This business is a separate entity, jointly owned and operated by the people in the partnership.
- An alliance is formed when businesses agree to collaborate without giving up their independent status.
- We will discuss Paytm's alliance and partnerships with
  - Suzuki Motorcycles
  - Alibaba
  - Offline/Online merchants

## **11. RECENT/UPCOMING PROJECTS**

- We will be discussing the recently launched / to be launched features in this section.
- Some of the recently launched features are :
  - Artificial Intelligence (AI)-driven security measures
  - Ability to make recurring, high-value payments and other monthly expenses in an instant.

## **12. UNETHICAL ISSUES IN MARKET ENVIRONMENT**

- Unethical issues in the Market Environment are defined as misleading, exploiting and spamming that falls outside of what is considered morally right or proper for a person, a profession or an industry
- This unethical marketing practice may include intentionally evoking rage or sadness to manipulate consumer decisions, using fear tactics, targeting disadvantaged people or tricking customers into buying a product or service.

We will be discussing at least following unethical issues regarding Paytm:

- Focus on advertising at the cost of infrastructure
- Suspected Insider Fraud
- Controversial Advertising Strategy
- Trademark Infringement Case filed by PayPal

## **13. FINANCIAL PERFORMANCE**

Since the balance sheet is not available we will be analysing the following in brief :

- Market cap
- Sources of funding
- Sources of income
- Annual expenditure

## **14. SCOPE OF IMPROVEMENT**

- Scope of improvement always exists in every company, job, organisation. And it is important to improve for the growth of any company.
- Initially, Paytm provided simple service of mobile recharge and utility bill payments, and today it offers a full marketplace to consumers on its mobile apps.
- It was a saviour app for many as it took care of utility bill payments and cash payments at restaurants without sharing your credit/debit card information.
- But still Paytm needs improvement on some places, in this section we will study the scope of improvement in Paytm in the following areas:
  - User Experience - Information Architecture needs improvement
  - Order Info – Use PULL system instead of PUSH method
  - Paytm Mall - Better Search Indexing is required
  - Localize More