





**UNIVERSITY OF PETROLEUM AND  
ENERGY STUDIES.**

**A REPORT ON IMPLEMENTATION AND  
APPLICATIONS OF PAYTM IN  
ROUTINE LIFE.**



# **UNIVERSITY OF PETROLEUM AND ENERGY STUDIES.**

**Submitted to**

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## **Table contents**

- **Abstract**
- **Introduction**
- **Impact of Demonetization**
- **Purpose of Research**
- **History**
- **Methodology**
- **Research Gaps**
- **Future Plans**
- **Conclusion**
- **References**

# ABSTRACT

Paytm is one of the India's greatest compact exchange arrange. They started their journey by offering flexible restore and administration charge portions. Today it offers a full business focus to clients on its compact apply with the introduction of shopping stage on its adaptable wallet stimulate application. Paytm is broadening their fundamental establishments in Indian online business feature.

With an uncommonly constrained ability to center time, there are in excess of 25 million enrolled customers and are depended upon to twofold before the present year's finished. Paytm's thriving is trailed by disagreeable challenges even with banks and e-posteriors like Flipkart, Snapdeal who are en route of introducing their case compact wallets. In this way, as to suffer and create in the market Paytm is making effective exhibiting procedures and are broadening their operational power.

As such, making a walk closer to their place of sustaining their customer base. There are around 650 million-wireless supporters and 280 million people with particular money related adjusts .The huge business here is setting up the trust with the customers that their money is ensured and customers likes to be hinted when something turns out seriously which therefore develops the sentiment of care for their money..

# INTRODUCTION

## FOUNDATION OF PAYTM

Paytm was founded by Mr. Vijay Shekar Sharma in August 2010. He is also the CEO of Paytm. It started as a prepaid mobile recharge website. Its headquarters are in Noida, New Delhi, India. It is the consumer brand of parent One97 Communications. Ant Financial (AliPay), SAIF Partners, MediaTek, Sapphire Venture and Silicon Valley Bank are the investors of One97. The company launched its first Paytm wallet in 2013.

## FUNDING RECEIVED BY PAYTM

In 2015, Ratan Tata made an investment in Paytm. Paytm was the first Indian company to receive funding from Alibaba in 2015; the firm raised \$575 million from Alibaba group for a share of 25% in the company. Alibaba is a Chinese e-commerce company and the biggest stakeholder in Paytm parent company One97 Communications.

In March 2016 Paytm borrowed 300 Cr from ICICI bank. Further, Paytm received an investment from Mountain Capital, one of Taiwan-based MediaTek's investment funds, in August 2016 which valued 5 Paytm at of over USD\$5 billion. The company has over 13,000 employees and has 3 million offline merchants across India.

## CAMPAIGN BY PAYTM

Paytm have even started a campaign called —Paytm Karo

# **IMPACT OF DEMONETIZATION**

Demonetization of old currency notes of Rs.500 and Rs.1000 took place in the month December 2016. Most of the E-wallet providers has been benefitted with the demonetization but Paytm has been extremely benefitted. It gave a sudden push to six-year-old startup. Paytm has registered a landmark of seven million transactions the worth Rs.120 crore the very next day of announcement of demonetization. During demonetization in India, the company was doing more transactions than the combined average daily usage of credit and debit cards. Paytm has achieved more than its targeted performance. Within 12 days of demonetization Paytm crossed \$5 billion GMV sales. The number of offline transactions has increased from 15% to 65% in overall business. The valuation of Paytm has increased by 4.7%.

# **PURPOSE OF RESEARCH**

## **AIM**

To carry banking and money related administrations to a large portion of a-billion un-served and under-served Indians.

## **OBJECTIVE**

- The objective of creating net value, building a competitive infrastructure.
- To increase the market share of the Wallet, capturing the market.
- To create Paytm awareness in and around college campuses.
- To promote cashless payment solutions.
- Identifying and on boarding local KYC agents.



# HISTORY

## **In 2009**

- Paytm Gets registered as a subsidiary of One97 Communication.

## **In 2010**

- Paytm launches as an online recharge portal.
- Grows to more than 50k recharges in a day.

## **In 2011**

- Grows to become India's biggest recharge portal.

## **In 2012**

- Postpaid bill payment launched.
- Utility payment (Electricity, Gas, DTH introduced).
- 1 million users crossed.
- Customer Care goes 24x7.
- Introduction of premium offer coupons.

## **In 2013**

- Gets the RBI license for Semi Closed Wallet.
- Crosses 300,000 orders a day.
- Adopts IMPS as a new payment method.

## **In 2014**

- Paytm App has been featured as “Best of 2014 app” by Apple AppStore.
- Launches the first mobile only Marketplace for shopping.
- 22 million customers get registered.
- 12 million App users
- More than 15,000 merchants start using Paytm Wallet outside of Paytm.
- Reaches 800,000 orders per day.
- Launches Semi Closed Wallet.

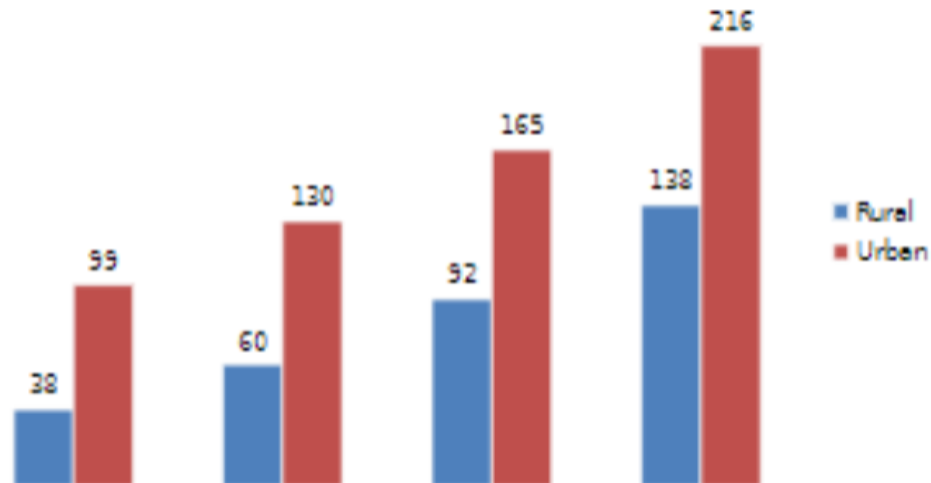
# METHODOLOGY

## DATA COLLECTION

### E-COMMERCE MARKET

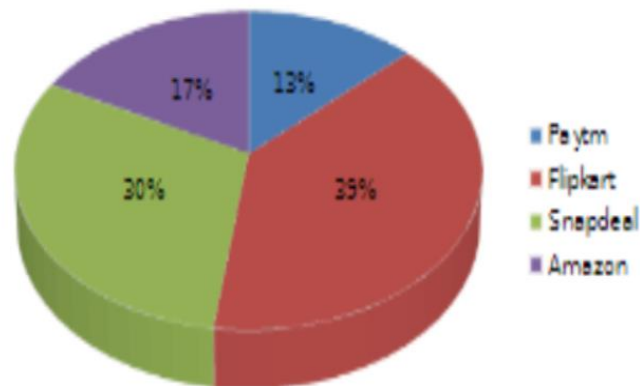
India has an Internet user base of about 243.2 million as of January 2014. The Indian E-commerce, uncovering innovation study reveals that the digital commerce market in India has grown progressively from 4.4 billion in 2010 to 13.6 billion in 2014 and is likely to touch 16 billion by the end of 2015 on the back of growing internet population and increased online shoppers.

### Geographical distribution of Internet users in India (Millions)



According to the research and survey done by the PWC on the Geographical distribution of internet users in India states that 216 million users are currently present in urban India with 138 million users in rural India. There has been an increase of 30% and 50% respectively in urban and rural area of India.

## Gross Merchandise Value of E-commerce Competitors.



The analysis done by one of the big 4 auditing and consultancy firm PWC says that the share of E-retailers & Bricks and mortar retailers will have an increase in their size of existence whereas by the independent retailing will have decrease by the next 5 years as the change in the purchasing pattern of the people is shift on buying the products are online.

As of 2015, seven Indian e-commerce companies have managed to achieve billion-dollar valuation. Namely, Flipkart, Snapdeal, InMobi, Quikr, Ola Cabs and Paytm. Gross Merchandise Value of E-commerce Competitors.

## GROWTH AND MARKETING STRATEGY

- Paytm has gradually tipped the scales in favor of bus ticketing, gifts & sweets and releasing coupon-based advertisements. This simulates the notion of two targets with one dart business. The business model clearly depicted that Payment along with Marketing creates a marketplace of digital goods.
- Paytm's raining offer mega sale, which happened in July was a unique sale for increasing the user's shopping experience. Getting up to 100% Cashback across Home, Sports, Automotive, Books and kids products was a successful marketing strategy.
- Paytm has ventured into industrial supplies to connect its merchants with small and medium enterprises. The move will help sellers on Paytm tap into India's vibrant industrial suppliers' market.
- Paytm's shopping app combines the old-world bargaining that happens with street vendors in an offline marketplace with an intelligent product discovery experience and the ease of buying on mobile. Users are able to do "real-time bargaining" with merchants selling products on Paytm through its live chat feature.

## **BENIFITS**

### **WHY TO USE PAYTM:**

- Paytm Wallet is RBI approved.
- It's safe & easy to use.
- You can use it on-the-go using web or mobile.
- You can use it any time and at many places to pay for your purchases.
- You can save money with many exciting cash back offers.
- You can add money using net banking, credit card or debit card.
- Paytm provides 24×7 support.

# RESEARCH GAPS

**Major research gaps are as following :**

- Paytm has been finding it difficult to manage the traffic on its mobile app.
- It faced a technical problem On 20 December, 2016 due to which the customers couldn't make the transactions.
- Paytm app disappeared from the Apple Store for many hours on 21 December 2016.
- They had de-listed the app due to technical issues and were waiting for the updated version to be approved by Apple.

# FUTURE PLANS

- Paytm will probably going to put the messenger in the center space. They will also add features of all other social networks to be integrated, and some more card-based infrastructure where you can share deals. This innovation will be a game changer for online commerce in India, where customers are traditionally accustomed to negotiating with sellers before any purchase.
- Paytm has announced its plans to venture into international markets. Its pilot expansion plans incorporate Singapore and other South East Asian markets. The company says that they chose South East Asian markets like Indonesia, Thailand and Malaysia, as they see great opportunity for payments on-the-go via the Paytm Mobile App in this region. Paytm intends to bring, to these markets, their app driven convenience of paying for utility bills in the first phase, and will cater primarily to areas such as bill payments, transportation, parking, metros etc. The company aims to reach up to two million customers in the first year of operations.
- Alibaba is helping Paytm on two fronts: technology and business. Paytm payment platform runs on 200 servers and it now plans to expand to 1500 servers to accommodate new users and enable multiple transactions in real time from bill payment to shopping.
- Few months back Paytm added some members on their board, among them is Inmobi founder Naveen Tewari. Paytm & Inmobi partner to create the largest discovery & mobile shopping platform in India.
- Paytm is working on a plan to introduce insurance cover for bus passengers against a range of risks, such as accidents, missed travel, cancellation of ticket and loss of baggage.

# CONCLUSION

With the advancement in technology, things have changed radically. Sometime back people, people use to rely on money yet now the trend of making exchanges electronically has gained a lot of importance. In the recent scenario utilizing E-wallets for doing exchanges is considered as one of the best approaches to get free of unnecessary burden. E-wallets offer a wide variety of facilities. E-wallets offer regular limits and money back focuses. It has provided people immense help during demonetization of old currency notes of Rs.500 and Rs.1000. The key variables like security, easy ease of use, cheaper, versatility etc. Have led to success of EWallet's in India. It is very easy to follow the sum and number of securities. E-wallets have emerged out as one of the easy methods of doing exchanges yet at the same time it must be spread to some sectors of the economy. In spite of the fact that in India numerous companies are giving the office of E-wallets to its customers yet at the same time numerous people are not aware about their utilities. Secret word security services have been provided to E-wallets to prevent it from any unauthorized access. In spite of the fact that E-wallets are easy to use yet it involves different restrictions like-technology bolsters, investment system outages etc.

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