

A Descriptive Study on Digital - Mobile Marketing for Paytm Wallet Services

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Abstract

A significant shift from a cash based economy-post demonetization, 'Cashless transactions' i.e. digital, digitalization, wallets etc.; Paytm. Pay through Mobile is India's largest mobile payments and commerce platform with over 28 crore users”.

Research Objectives: 1. Demography analysis on current mobile payment users; 2. Understand the value offering by wallets for current users. 3. Determine the attitude predictors for mobile payment and non- mobile payment clusters.

Research-methodology: Quantitative; Research design-Conclusive research; Descriptive research-6W's- Who Where, When, What Why and Way, Single cross sectional design; Non probability sampling - Convenience sampling; Sample size n=164, Sampling methods-Personal interviewing (Mall intercept), electronic interview (Google form) and Data analysis (Excel, SPSS).

Key-Results: 1. Cross tab, Chi-square test -Demographic factors, Occupation is significant as compared to age, income, education and gender-. 2. Factor analysis- Paytm and banking app is significant along with how Paytm feels to use and how easy and secure. 3. Cluster analysis-Attitude predictors are Facebook and Twitter, Recharge Offers, Media and Paytm over mobile.

Implications: 1. More than 145 million can now have financial inclusion. 2. Wallet payments as a mainstream option.

1.0. Introduction-Startling Reality

Mobile wallet is a type of electronic card which is used for transactions made online through a computer or a smartphone. It has the same utility as a credit or debit card. An E-wallet needs to be linked with the individual's bank account to make payments. GOI by demonetisation has embarked on strategy to push digital transactions, mobile phone based payments are becoming an important means of transactions. Paytm wallet grew at a fast pace and has around 28 crore users from 11-12 crore one year ago. Over a period of time, it has become both a payment platform as well as the marketplace, paytm mall, paytm bank is the case to the point!

Mobile Marketing Definition: “A set of practices that enables organizations to communicate with and engage with their audiences in an interactive and relevant manner and with any mobile device or network”.

As per the RBI, a semi-closed wallet can be used for goods and services, including financial services, at select merchant locations or establishments that have a contract with the issuing company to accept these payment instruments. Companies like Paytm, MobiKwik offer such wallets.

2.0. Review of literature

There has been a gainful attempt to study digital-mobile wallets from several perspectives: Consumers array of payment modes (Pulina, 2011; Srivastava & Raghbir, 2008; Soman, 2001, 2003); Mobile payment transactions (Soman, 2001); Factors affecting adoption of digital wallets (Padashetty & SV, 2013); 'Payment Mode Influencing Consumer Purchase Model' (Braga & Mazzon, 2013); Unified theory of acceptance and use of technology (UTAUT) model, Shin (2009) amongst others.

This descriptive study proposes to build on the existing literature and focuses on the key factors that influences consumer's decision to adopt Paytm digital wallet as a mode of online payment.

3.0 Scope: The descriptive study was limited to the geographical area: Chennai (Municipal Corporation Zone) at select malls in Chennai-Express Avenue, Royapettah and Phoenix Mall, Velachery, the Time period: June-July 2017 (8 weeks), and sample size.

4.0. Indian Demography Trend-Paradigm Shift

If we were to consider the number of households equal to the demand potential, then it can be envisaged when the population is urbanized, exposed to global trends, and has increased disposable income. (Refer table 1). But, interestingly, disposable income is not restricted to the big metros and small town rural urban divides any more but is scattered all over India. (ICE 360° Surveys, 20114-2016).

Table 1 : Indian household income

Gross Household Income Annual (\$ Thousand)	2015	2016	2025 (Est.)
ELITE > 30.8, ₹2,002,000	3.1 (1.5%)	6.5 (2%)	15.8 (5%)
AFFLUENT 5.4-30.8 ₹1,001,00- ₹2,002,0007	(3%)	17 (6%)	33 (11%)
ASPIRERS .7-15.4 ₹500,500- ₹1,001,000	17 (8%)	40 (15%)	62 (20%)
Next Billion 2.3-7.7 ₹.500,500- ₹149,500	89 (42%)	121 (45%)	140 (26%)
Strugglers<2.3 ₹149,500	93 (44%)	82 (31%)	55 (18 %)

Source: BCG CCI PROPRIETARY INCOME DATABASE, BCG Analysis, Conversion \$1= Rs.65

Presently, the cumulative share of rural India is two and half times the eight metros and twelve the number of high income households). It is estimated by 2030 that India will witness a richer digital demographic democratic dividend! Furthermore, rural, older and middle income households would be all set to adopt mobile technology in conspicuous consumption. India is expected to be the fifth largest consumer of packaged goods armed with 1.29 billion consumers by 2030.

5.0. Problem definition

In the current situation of demonetisation how can business transactions be carried out?

What can/will be the medium of exchange?

Are the Paytm open wallet servicers a close substitute for cash transactions?

5.1. Research Objectives:

1. Demography analysis on current mobile payment users.
2. Understand the value offering of wallets with Paytm behaviour profiling.
3. Determine the attitude predictors for mobile payment and non- mobile payment clusters.

5.1. Research methodology

Quantitative research, focus is on collecting numerical data to explain the Paytm research objectives, data collected through questionnaire and mall intercept surveys. (refer Table 2).

Table 2 : Paytm research design

1. Research design - Conclusive research.
2. Descriptive research - Single cross sectional design
3. Non probability sampling - Convenience sampling
4. Sampling methods - Personal interviewing (Mall intercept),electronic interview
5. Data Collection: Questionnaire,(Google form)
6. Data analysis (Excel, IBM SPSS)

5.2. Research design

The heart of the paytm marketing research, the blueprint (refer-Table 3)

5.3. Conclusive research

Descriptive research is description of the services provided by Paytm.

Table 3 : Descriptive research, 6-W's!

1. Who ?– who should we consider as potential customer for paytm wallet?
a) anyone who uses Mobile Payment. b) anyone who prefers to go cashless. c).anyone who wants cash back offers.
2. Where? - Where should the respondent be contacted to obtain the required information?
a) In Shopping complex,b) Colleges,c) Online mediums
3. When?– when should be the information be obtained from the respondent ?
a) after using Paytm in order to evaluate their experience.
4. What ?– what information should be obtained from the respondent ?
a)Demographics b) Preference of Paytm compared to other brands,c)Attitude towards Mobile Payments
5. Why ?- why are we obtaining the information from respondent
a)To understand Paytm usage across different segments. b) To assess if consumers aware of Paytm.
6. Way? -ways in which responses were collected?
a) Internet interview,b) Personal interview

5.4. Data Collection Instrument

Google Paytm Forms (Cronbach's Value 0.789, n=164) allows collecting information from users via a personalized Paytm survey.

6.0. Key Findings - Descriptive Statistics

Key findings on Paytm is divided into descriptive and inferential statistics. Descriptive statistics is further sub-divided into demography and behaviour profiling. The impact of demonetisation has been varied and felt differently by different segments (refer table 4)

Table 4 : Impact of demonetisation on digital wallets

Segments	Digital Wallets	Before demonetisation	After demonetisation	Post cooling period
Housewives		1%	5%	2%
	(Daily expenses)	4%	8%	13%
Working Male	(Periodic expenses)	5%	7%	18%
	(Daily expenses)	13%	30%	19%
Digital Savvy Male	(Periodic expenses)	16%	28%	21%

SOURCE: KANTAR MILLWARD BROW

6.0.1. Primary research on Paytm has been based on demography i.e. age, income, education, gender and education. (refer table 5).

Table 5 : Demographic Profiling (n= 164 respondents)

- Age: 78% are between 18 to 25 age, 12.2 % are between 26-30 age, 4.9 %between age 31 – 35 age and 4.9% of respondents between 36 and above.
- Gender: 64.6% are male and female respondent 35.4%.
- Education out of which 39.6% were Masters, 3.7% were PhD/ research Scholars, 4.9% were Diploma and 51.8% were graduates. No illiterate respondents.
- Occupation: Out of which 61% were student, 6.1% were not working, 9.8% were doing Business and 23.2% were Salaried.
- Income level: 10k – 20K are 69.5%, 21k -30k are 9.1% and 51k and above are 11.6%.

6.0.2. Primary research on Paytm has also been based Behaviour, looks at Preferences, Purpose, transactions (refer table 6)

Table 6 : Behaviour Profiling (n= 164 respondents)

1. Preference: mobile payments out of which 22% did not prefer mobile payments and 78% preferred mobile payments.- Reason: mobile wallets, First it is Easy and fast, Second to track-monthly transactions.
2. Paytm availability: near respondents' area, 21.9% feels very satisfied, 35.2% feels very satisfied, 32% feels satisfied, 10.2 feels unsatisfied, 0.8% feels very unsatisfied.
3. Paytm transactions: the respondents do in a month, 25% did around Rs.1100-5000, 3.9% did around Rs.5100-10,000, 0.8% did around Rs.10,000 and above and 70.3% did around Rs.100-1000 (Bottom of the pyramid!).
4. Multi-purpose: uses for Paytm 79.7% used to do mobile recharge, 14.1 % used it for hotel booking, 23.4% used it for travel booking, 32% used it for utility bill payment, 1.6% used it in toll plaza and 18.8% used it for all the above purposes.
5. Paytm Awareness : 2.3% through FM,21.1% through TV advertisement,11.7% through Newspaper, 33.6% through online advertisement's, 36.7% through word of mouth, 30.5% through online medium and 25.8% came to know about Paytm all the above.
6. Positive word of mouth: respondent's would recommend Paytm to a friend out of 164 responses, out of which 39.8% feel strongly agreed, 32% feel agreed, 20.3% feel agreed, 5.5% feel disagreed, and 2.4% feel strongly disagreed.
7. Recommendations -Paytm to a friend, 50% said through FB, 28.9% said through Gmail, 8.6% said through LinkedIn, 9.4% said through Twitter and 60.9% said through other means.
8. KYC: Are people aware of Paytm KYC (know your customer services) out of which 44.5% people knew that Paytm KYC and 55.5% people not aware about Paytm KYC.
9. Cash back: Paytm offers 53.9% knew about Recharge offers, 27.3%.knew about online shopping offers, 16.4% knew about flight and hotel offers.
10. Frequency: how often the respondents use Paytmcash back offers, 4% used it daily, 31% used it weekly, 21% used it fortnightly, 35% used it monthly and 37% at other times.
11. Preference Paytm mobile wallet or offline Paytm banking services, 32.8% said both, 11.7% said neither, 50.8% said Paytm mobile wallet and 4.7% said both,offline Paytm banking services.

6.1. Key Findings - Inferential Statistics

1. Cross tab, Chi-square test-Demographic factors, Occupation is significant as compared to age, income, education and gender.

Occupation *Prefer_mobilepay Cross tabulation

			Prefer_mobilepay		Total
			Yes	No	
Occupation	Not working	Count % within Occupation	4 44.4%	5 55.6%	9 100.0%
	Student	Count % with Occupation	75 75%	25 25.0%	100 100.0%
	Salaried	Count % with Occupation	35 92.1%	3 7.9%	38 100.0%
	Business	Count % within Occupation	13 83.1%	3 18.8%	16 100.0%
		Count % within Occupation	127 77.9%	36 22.1%	163 100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.903	3	.012
Likelihood Ratio	10.860	3	.013
Linear-by-Linear Association	5.877	1	.015
N of Valid Cases	163		

2. **Levenes test for equality, Independent T-test: Gender (F=3.545, Sig, 0.062) and Occupation (F= 4.015, Sig. 0.047 with t= 2.462) as significant.**
3. **Factor analysis-** Paytm (Eigen value = 1.739) and banking application (Eigen value=1. is found significant along with how Paytm feels to use (Eigen value=2.685) and how easy and secure (Eigen value= 1.346)
4. **Cluster Analysis-**Attitude predictors are **First**-Facebook and Twitter, **Second**, Recharge Offers and **Third** Media and **Fourth** is paytm over mobile.

7.0. Conclusion

Paytm mobile wallet had been riding on a crest in the tide of demonetization, but, the impact of the tide has receded and it is cash which is still is king, with cash in circulation is ₹ 1,31,81.190 crores (Source: RBI as of 20 October,2107). Apart from mobile wallets there are several ways to go cashless Universal Payment Interface, UPI for interbank transactions, Aadhaar Pay a biometrics based payment system, Payment banks: Unstructured Supplementary data-USSD, Immediate Payment System-IMPS, Prepaid Payment Instrument-PPI.etc. However, cashless transactions forms less than 5% of all transactions in India. There is hidden potential for rapid growth as India is the home to the largest number of unbanked families (more than 14.5 crores), it is potentially one of the largest bases to capitalize. We may see then Paytm increasingly used for making payments for daily basic needs,) wherever they go. Essentially matching reliability with convenience at 4 G speeds!

8.0. References

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