



“STUDY OF FACTORS CONTRIBUTING TO THE POPULARITY OF PAYTM AS MOST SUCCESSFUL UPI APPLICATION”

Dr. Manmeet Kumar Siras

(Author correspondence)

Associate Professor, Faculty of Commerce & Bus. Admin,
M.M.H. College, Ghaziabad, UP-India

Deepika

Research Scholar, Faculty of Commerce & Bus. Admin,
M.M.H. College, Ghaziabad, UP-India

Abstract

Unified Payment Interface (UPI) is an innovative and most convenient method of mobile payment. UPI is very effectively designed and prepared platform that make it user friendly, easy to control and widely accepted payment method. UPI allows customers to transfer funds from one account to the other, instantly and mostly free of charge. The Indian government has been taking several initiatives to promote and encourage Digital Payment System in country. As part of the “Digital India” campaign the government aim to create a “Digital empowered economy” that is faceless, paper less, cash less.

Key Words: UPI ID, Paytm, BHIM UPI, Digital Payment, PhonePe,

Introduction:

UPI is an instant payment service that allows customers to make very fast and easy online funds transfers without charges. To transfer money via UPI we need an application that performs the process of the money/funds transfer. There are applications available for the purpose like Paytm, PhonePe, BHIM, Google Pay and many more, However, Paytm is most popular and widely accepted application. For the use of Paytm you do not need to add the bank account details of the beneficiary or await your bank’s approval for adding a beneficiary unlike various other traditional methods of online money transfer. On the Paytm app, all you need is to enter the receiver’s mobile number and you can make immediate money transfers.

Paytm is an Indian e-commerce payment system and digital wallet. Paytm is available in More than 10 Indian languages and offers online use-cases like mobile recharges, utility bill payments, travel, movies, and events bookings as well as in-store payments at grocery stores, fruits and vegetable shops, restaurants, parking, tolls, pharmacies and education institutions with the Paytm QR code. Paytm is one of the best UPI apps through the provision of quick, successful



transactions that gives a hassle-free timeless experience to the users. It allows you to send and receive money from your friends and family just by using the receiver's mobile number. You can also make payments at shops/merchants simply by entering their contact numbers or by scanning their QR codes. With Paytm, you can scan the QR codes of all UPI service providers, and not only of Paytm. You can also earn cash back and various discount vouchers on every UPI payment.

REVIEW OF LITERATURE

Suresh A, Anjali R (2019) in the paper "A Study on Customer Satisfaction of Bharat Interface for Money (BHIM)" stated that BHIM application is one of the best move by the government of India for instant bank to bank transaction and it is being accepted and loved by a large number of people in India.

Brahmjot Bagga, Nitin Patidar(2019) in the research paper "Awareness of BHIM App Launched By Government of India" BHIM App is still a new app and new intervention among all. It has the power to influence customers towards paperless transactions & emerge more in future. BHIM app provides you an area for transactions and checking balance updates.

Dinesh M. Kolte, Veena R. Humbe (2019) in the research paper "Study of UPI/BHIM Payment System in India" stated that students are extensively using the 3rd party UPI/BHIM on mobile phones. For students it is a convenient payment system and can be a very useful tool with students for online transactions. This will help students for digital payments without need of any complex mechanism and boost countries economy with transparency.

Rahul Gochhwal (2017) in his paper "Unified Payment Interface—An Advancement in Payment Systems" concluded that UPI has enabled mobile phone to be used as a primary payment device for making and accepting payments. UPI leverages high tele density in India .

Mrs. Sukanya N, S.Subbulakshmi (2021) in the research paper 'A Study of customer perception with special reference to Chennai City' Customer's are quite satisfied with the service of Unified Payment Interface (UPI) application. The developer has to improvise their service strategies so that customer's expectations can be satisfied. Improvement can be still to be made in the security levels while using the UPI apps. The developer has to give more advertisement through discounts and offers which attract and retain its customer towards the use of the app.



K. Suma Vally and K. Hema Divya.(2018) in the Paper “A study on digital payments in India with perspective of consumers Adoption” conclude that the deployment of technology for digital payments have improved the performance of banking sector and able to achieve the motive cash less country. This study also give emphasis to the percentage of awareness on maximum utilization of technology. Banks should take effective measure in creating awareness towards the effective usage technology and security.

Suresh A, Anjali R (2019) in the paper ”A Study on Customer Satisfaction of Bharat Interface for Money (BHIM)” stated that BHIM application is one of the best move by the government of India for instant bank to bank transaction and it is being accepted and loved by a large number of people in India.

Objectives of the Study

The main objective of the study is to find out the factors contributing to the popularity of the Paytm UPI application among the customers. Some other objectives are :

1. To know the customer attitude towards adoption and usage of Paytm Application for making cashless transactions.
2. To know the basic features and service provide by Paytm to customer for making cashless transaction.
3. To know the convenience, offer provided by Paytm to customer for making more and more digital transactions.
4. The study also makes focuses on problem faced by customer while making digital payment.

Hypothesis :

On the basis of review of literature and detailed analysis of subject, The following hypotheses have been formulated :

1. There is no significant association between features and services provide by Paytm and the more likely that Paytm will be adopted.
2. There is no significant association between Cash back, discount and other offers and adoption of Paytm among customers.
3. There is no significant association between Security, Privacy satisfaction of Paytm customers.



Research Methodology:

The present research is an empirical study. The survey for the present research is conducted through primary data with the help of a questionnaire.

Sample Size: The sample taken for the study consisted of 120 respondents. Out of the 160 respondents 90 are male and 70 female. For data collection random sampling will be adopted on the ground of cost and time effectiveness.

Data Collection:

Since the research is exploratory in nature, the appropriate research strategy had been research survey. The present study is mainly based on the primary data had been collected with the help of structured questionnaire and interview and other relevant data had been collected from some secondary and tertiary sources. Both types of data i.e., secondary and primary data have been used in the present study. The secondary data was collected at first from the textbooks, previous research reports, newspapers, magazines and journals.

Result and Analysis

Hypotheses 1: There is no significant association between features and services provided by Paytm and the more likely that Paytm will be adopted

Table 1 : Reason for using Paytm * Use of Paytm Cross-tabulation

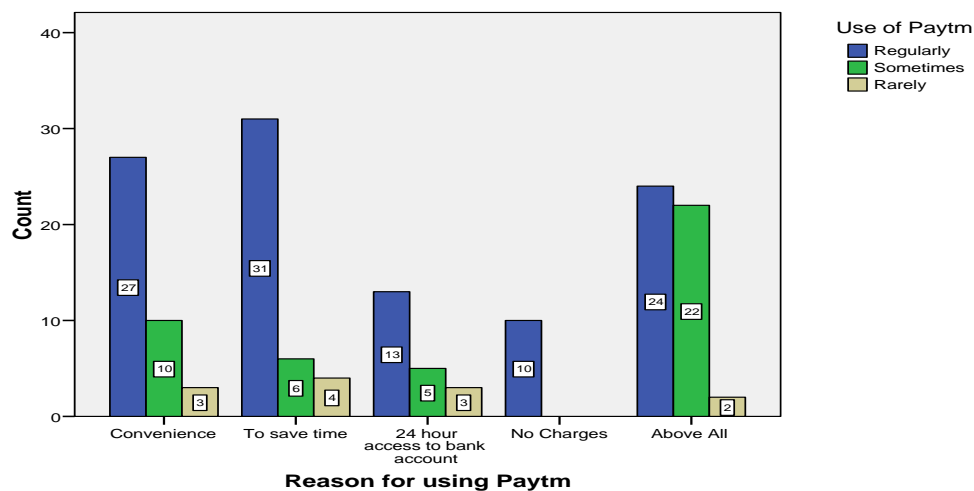
Reason for using Paytm		Use of Paytm			Total
		Regularly	Sometimes	Rarely	
Convenience	Count	27	10	3	40
	% of Total	16.9%	6.3%	1.9%	25.0%
To save time	Count	31	6	4	41
	% of Total	19.4%	3.8%	2.5%	25.6%
24 hour access to bank account	Count	13	5	3	21
	% of Total	8.1%	3.1%	1.9%	13.1%
No Charges	Count	10	0	0	10
	% of Total	6.3%	.0%	.0%	6.3%
Above All	Count	24	22	2	48
	% of Total	15.0%	13.8%	1.3%	30.0%
Total		105	43	12	160
		65.6%	26.9%	7.5%	100.0%

Table 2 : Chi-Square Tests

	Value	df	Asymp. Sig. (2- sided)
Pearson Chi-Square	18.822(a)	8	.016
Likelihood Ratio	21.311	8	.006
Linear-by-Linear Association	.949	1	.330
N of Valid Cases	160		

a. 6 cells (40.0%) have expected count less than 5. The minimum expected count is .75.

Bar Chart



Interpretation :

Results are showing the association between features and services provided by Paytm and the more likely that Paytm will be adopted Pearson Chi-Square(X^2) value is **18.822** and the degree of freedom (**df**) is **8**. At the 5 % level of significance the table value is **15.507**.

The resulted will be reported as: Since the Chi-Square(X^2) value is **18.822 > 15.507** more than the table value, therefore, the above hypothesis is wrong or not accepted *i.e.* There is

significant association between features and services provided by Paytm and the more likely that Paytm will be adopted.

In other words we can say that variables are not independent of each other i.e. features and services provided by Paytm have significant impact on adoption of Paytm.

Hypotheses 2: There is no significant association between Cash back, discount and other offers and adoption of Paytm among customers

Table 3: Impact of offers * Use of Paytm Cross-tabulation

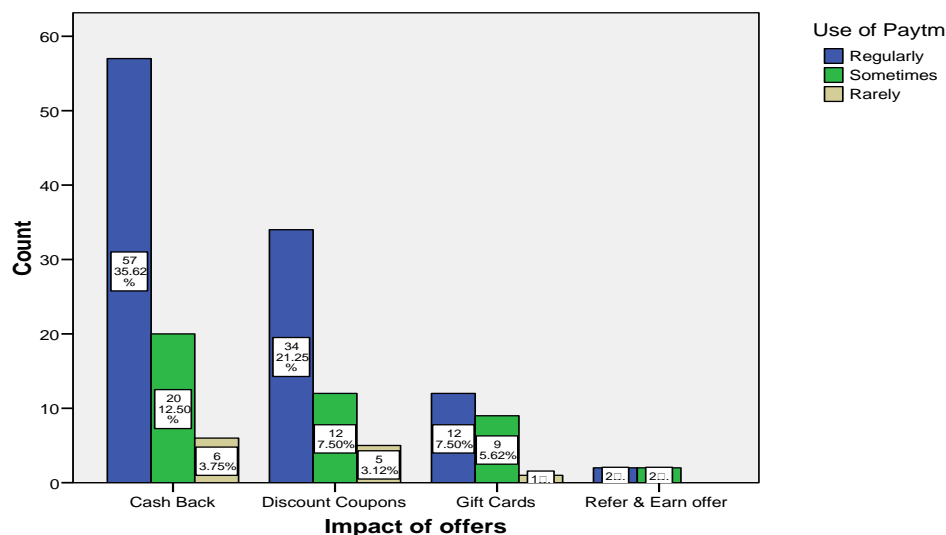
Impact of offers		Use of Paytm			Total
		Regularly	Sometimes	Rarely	
Cash Back	Count	57	20	6	83
	% of Total	35.6%	12.5%	3.8%	51.9%
Discount Coupons	Count	34	12	5	51
	% of Total	21.3%	7.5%	3.1%	31.9%
Gift Cards	Count	12	9	1	22
	% of Total	7.5%	5.6%	.6%	13.8%
Refer & Earn offer	Count	2	2	0	4
	% of Total	1.3%	1.3%	.0%	2.5%
Total	Count	105	43	12	160
	% of Total	65.6%	26.9%	7.5%	100.0%

Table 4 : Chi-Square Tests

	Value	d. f.	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.471(a)	6	.613
Likelihood Ratio	4.449	6	.616
Linear-by-Linear Association	.659	1	.417
N of Valid Cases	160		

a. 5 cells (41.7%) have expected count less than 5. The minimum expected count is .30.

Bar Chart



Interpretation :

Results are showing the There is no significant association between Cash back, discount and other offers and adoption of Paytm among customers. Pearson Chi-Square(χ^2) value is **4.471** and the degree of freedom (df) is **6**. At the 5 % level of significance the table value is **12.592**.

The resulted will be reported as: Since the Chi-Square(X^2) value is $4.471 < 12.592$ less than the table value, therefore, the above hypothesis is correct or accepted *i.e.* There is no significant association between Cash back, discount and other offers and adoption of Paytm among customers.

In other words we can say that variables are independent of each other i.e. Cash back, discount and other offers have no impact on adoption of Paytm among customers.

Hypotheses 3: There is no significant association between Security, Privacy satisfaction of Paytm customers

Table 5: How satisfied you are with Paytm * Security & safety in using Paytm Cross-tabulation

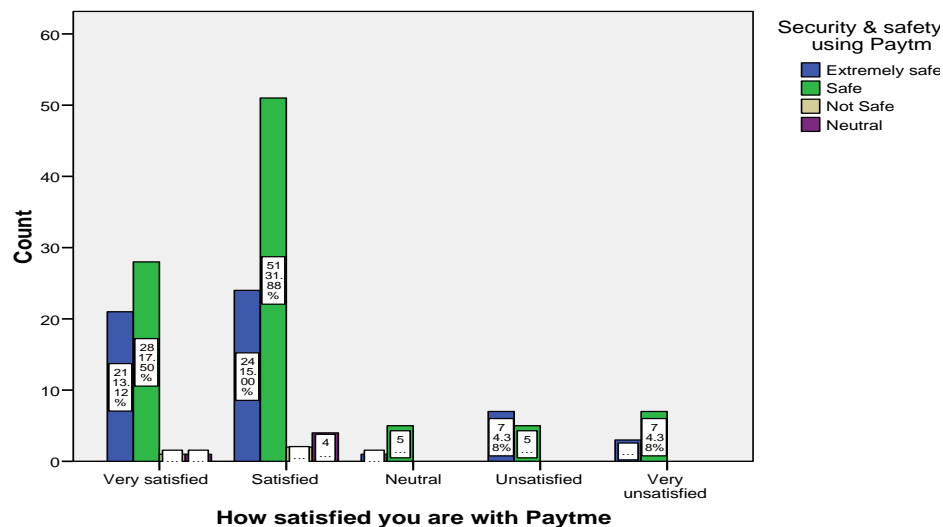
How satisfied you are with Paytm		Security & safety in using Paytm				Total
		Extremely safe	Safe	Not Safe	Neutral	
Very satisfied	Count	21	28	1	1	51
	% of Total	13.1%	17.5%	.6%	.6%	31.9%
Satisfied	Count	24	51	2	4	81
	% of Total	15.0%	31.9%	1.3%	2.5%	50.6%
Neutral	Count	1	5	0	0	6
	% of Total	.6%	3.1%	.0%	.0%	3.8%
Unsatisfied	Count	7	5	0	0	12
	% of Total	4.4%	3.1%	.0%	.0%	7.5%
Very unsatisfied	Count	3	7	0	0	10
	% of Total	1.9%	4.4%	.0%	.0%	6.3%
Total	Count	56	96	3	5	160
	% of Total	35.0%	60.0%	1.9%	3.1%	100.0%

Table 6 : Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.088(a)	12	.778
Likelihood Ratio	9.233	12	.683
Linear-by-Linear Association	.155	1	.693
N of Valid Cases	160		

a. 14 cells (70.0%) have expected count less than 5. The minimum expected count is .11.

Bar Chart



Interpretation :

Results are showing the association between Security, Privacy and satisfaction of Paytm customers. Pearson Chi-Square(X^2) value is **8.088** and the degree of freedom (**df**) is 12. At the 5 % level of significance the table value is **21.026**.



The resulted will be reported as: Since the Chi-Square(X^2) value is $8.088 < 21.026$ less than the table value, therefore, the above hypothesis is correct or accepted *i.e.* There is no significant association between Security, Privacy and satisfaction of Paytm customers.

In other words we can say that variables are independent of each other i.e. Security, Privacy satisfaction of Paytm customers have no impact on satisfaction of Paytm customers.

CONCLUSION

UPI money transfer has transformed the old ways of transferring funds online. We have left behind the time when we need to wait are for a day to add the receivers as beneficiaries to their bank accounts and then transfer the money through long methods. Paytm UPI money transfer allows you to directly transfer as much as Rs. 1 lakh in a day to any bank account, and that too in a few, simple steps. All you need to do is enter the receiver's contact number only.

Paytm actually got popularity because of its online services like Convenience, 24 hour access to bank account, Free of charge facility. Moreover, the promotional offers like Cash back offer on mobile, D2h, electricity and recharges of other services, Offering of the discount coupons and rewards points etc. are the major factors contributing to the popularity of the Paytm. Being among the first online recharge providers, Paytm covered all mobile operators, dish operators, data-card providers etc. Moreover, it enabled bill payments of electricity and water bills etc

Limitations of the Research

The main aim of the current study was to offer an in-depth understanding of the major factors contributing to the popularity of the Paytm and customers' perception and attitude towards Paytm. Due to the qualitative nature of this study, it is difficult to generalize the actual findings to a bigger population. In turn, a quantitative study with a bigger sample frame could generate new insights of the popularity of the Paytm UPI service, and could add extra value and a higher validity for the results of this study.

REFERENCES :

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2. Haugtvedt et al., (1994). Paytm featured that brand reposition is based on aligned belief.
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4. FE Bureau (2017) states that According to the RBI: Demonetization has increased the growth of Paytm & Mobikwik which is known as the Digital payment companies.
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