

# Consumers Perception towards Paytm with Special Reference to Karur District

M.Usha 1, Dr.K.Ramesh Kumar 2

*1 Assistant Professor, Department of Computer Science, Valluvar College of Science and Management, Karur  
ushachandran20@gmail.com*

*2 HoD, Department of Commerce, Valluvar College of Science and Management, Karur  
drrameshkumar2012@gmail.com*

**Abstract:** As shopping pattern continue to grow, the payment platform and payment gateway industry drive the previous patterns. Mobile point of sales machines have existed for a long time. Fintech's utmost role in ecommerce is it alters and improves the online payment system. When consumers do not have credit or debit cards, fintech has offered alternative payment methods. The emergence of payment platforms integrate with ecommerce platforms has improved effectiveness and safety for ecommerce. As technology evolves, digital wallets are becoming majority mode of online payment system. There are many digital wallet applications in India and Paytm is one such application. It offers its customers a digital wallet to store money and make fast payments. The aim of this research paper is to analyse the customer perception towards Paytm and the factors influencing the customers to use Paytm in Karur District.

**Keywords:** Paytm, Digital Wallet, E-Commerce, Fintech, Mobile Commerce

## I. INTRODUCTION

Digital payments give the liberty of making payment of phone bills, insurance, electricity bill, gas bill, credit card bills at anytime and anywhere by just using Smartphone. Most payment apps give large discounts for financial transactions and deal on different recharges and payments. One such example is Paytm. Paytm is the most popular app for online recharges and bill payments. This digital wallet and Unified Payment Interface (UPI) app offers numerous services on its platform which include payments, money transfer, shopping, recharge facilities, bill payments, and movie, bus and air tickets. PayTM made its means into the e-commerce marketplace in the year 2014. Now it offers multiple products ranging from mobile recharges to buying apparels or electronics. It is enabling customers to get everything at one place. As a result over a period of time it has grown to be both a payment platform as well as the marketplace. It has even acquired the license from Reserve Bank of India to run a Payments Bank. The aim of this research paper is to investigate the satisfaction level and factors influencing the customers to use Paytm. Respondents are categorized on the basis of age, Frequency of usage, Purpose of usage, average monthly spending on Paytm and factors such as ease of use, fast service, multi-utility and convenience.

### Statement of the Problem

Paytm stands for Payment through mobile. It is an E-Commerce payment system and E-Wallet company based in Noida, Uttarpradesh, India. This study analyses the user's perception towards Paytm in Karur District.

### Significance of the Study

The present study was conducted to analyse the customer's satisfaction level and factors influencing the usage of Paytm based on various factors namely, Simple to use and Download Paytm App, Convenience, fast service, multi-utility, Security, Privacy and Customer Service.

### Objectives of the Research

- To study the customer perception towards Paytm apps and factors influencing customers to use Paytm in Karur district.
- To find out the acceptance level of Paytm as an alternative to the cash and card transactions.
- To study the role played by Paytm in supporting growth towards Digital India.
- To analyse the flexible services provided by the Paytm
- To study the opinion among people in accepting Paytm as a solution to the Indian Demonetization.

## II. REVIEW OF LITERATURE

**Abhijit M. Tadse and Harmeet Singh Nannade.,** (2017) did a study on "Usage of Paytm". The proposed study tries to study the usage of Paytm by Smartphone users. The study also attempt to figure out the different inconveniences faced by Paytm users. It has been concluded Paytm has to work upon the Payment gateway to improve the transaction efficiency as 70% because people faced problem with payment gateway. Only 5% people declare to have got assistance every time they had a failure so the service could be better to provide the needs of

maximum customers. Paytm is currently doing well in terms of privacy but it has to work upon discounts and offers, transaction time and bring modernization to increase customer satisfaction.

**S. NazimSha and Dr. M. Rajeswari** (2018) did a study to learn the importance given to Paytm by people in their daily regular life and success of Paytm in promoting the Cashless economy. The aim of this paper is to study the flexible services presented by Paytm promoting the Cashless economy and also supporting the Digital India and to study the opinion among people in adopting Paytm as a solution to the Indian Demonetization, to examine the importance of Paytm in day to day life and to study the role played by Paytm in making India Digital.

**Abhilasha Seam et.al.**, presented a paper titled as "Factors Affecting Consumer's Choice to use Mobile Wallet to access M-Commerce Industry in India" (2017). In this paper they did a study with the context of incredible growth of mobile commerce industry in India. An experimental research was undertaken to find out factors impacting consumers' preference to use mobile wallet service. This paper portrays how the factors were determined using Logistic Regression, and Structural Equation Modelling.

### III. RESEARCH METHODOLOGY

#### Research Area

Research Area is Karur District.

#### Respondents

Respondents are Paytm users in Karur District.

#### Population and Sample

In this study, 50 samples are selected for the study.

#### Data Collection

Primary data collection is used in this study. A simple questionnaire has been used to collect data from respondents.

#### Data Analysis

The collected data are analysed with the help of MS-Excel. The statistical tools used in this study are Percentage Analysis, Correlation Analysis and Chi-Square Test.

#### Hypothesis Testing

H0 = There is no significant relation between gender and acceptance level of Paytm supports Digital India.

H1 = There is significant relation between gender and acceptance level of Paytm supports Digital India.

### IV. RESULTS AND DISCUSSIONS

The results of the collected data are based on the following analyses.

#### Age of Respondents

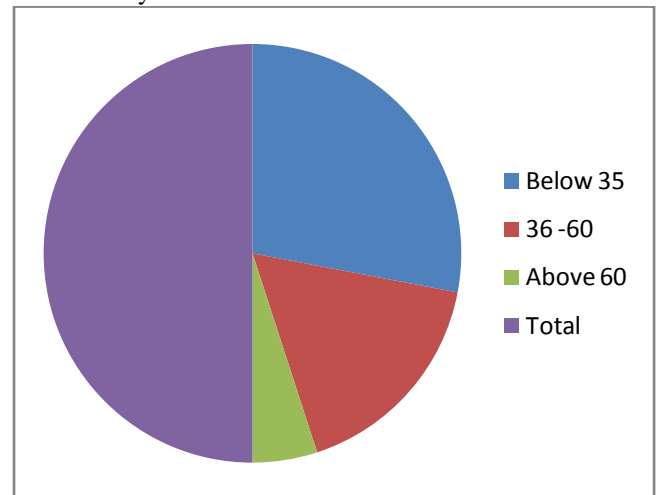
The age of a person weights the level of knowledge and working experience which in turn would influence their views on Paytm services. Hence, it is incorporated as one of the profile variables. The age of the respondents is classified as below 35 years, 36 to 60 years and above 60 years. The distribution of respondents based on the age is shown in Table 1.

**Table 1: Age of the Respondents**

| Age in Years | Frequency | Percentage |
|--------------|-----------|------------|
| Below 35     | 28        | 56         |
| 36 -60       | 17        | 34         |
| Above 60     | 5         | 10         |
| Total        | 50        | 100        |

Source: Primary Data

From the Table 1, it is observed that majority of the respondents are below 35 years of age and the least age group among the respondents is above 60 years.



**Fig 1. Age of the Respondents**

#### Gender

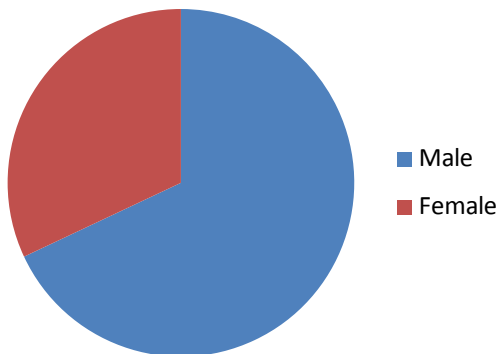
The gender of the respondents is included as one of the profiles in the present study. Since the gender shapes knowledge and ability to deliver Paytm services and also their expectations of the Paytm services, it is included as one of the profiles. The classification of the respondents based on gender is shown in Table 2.

**Table 2: Gender of the Respondents**

| Gender | Frequency | Percentage |
|--------|-----------|------------|
| Male   | 34        | 68         |
| Female | 16        | 32         |
| Total  | 50        | 100        |

Source: Primary Data

From Table 2, it is inferred that majority of the respondents (68%) are male and (32%) of the respondents are female.



**Fig. 2. Gender of the Respondents**

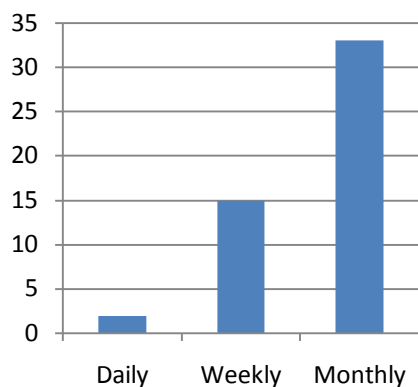
**Frequency of Paytm usage**  
The frequency of usage of Paytm is categorized as daily, weekly and monthly. The distribution of respondents is presented in Table 3.

**Table 3: Frequency of Paytm usage**

| Usage   | Frequency | Percentage |
|---------|-----------|------------|
| Daily   | 2         | 4          |
| Weekly  | 15        | 30         |
| Monthly | 33        | 66         |
| Total   | 50        | 100        |

Source: Primary Data

From Table 3, it is observed that the majority (66%) of the respondents use the Paytm monthly and 4% of the respondents use it daily.



**Fig 3. Frequency of Paytm usage**

**Purpose of using Paytm**  
The Purpose of using Paytm by the respondents in the present study is classified as recharge, ticket booking, bill payment and

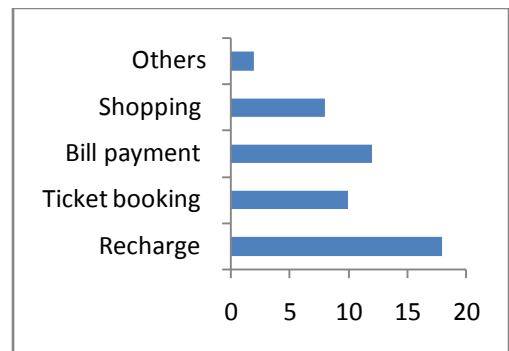
shopping. The distribution of respondents based on the purpose of using Paytm is shown in Table 4.

**Table 4: Purpose of using Paytm**

| Purpose        | Frequency | Percentage |
|----------------|-----------|------------|
| Recharge       | 18        | 36         |
| Ticket booking | 10        | 20         |
| Bill payment   | 12        | 24         |
| Shopping       | 8         | 16         |
| Others         | 2         | 4          |
| Total          | 60        | 100        |

Source: Primary Data

From Table 4, it can be inferred that Majority of the respondents (36%) use Paytm for recharge since it is very convenient to recharge your phone anytime anywhere without being dependent on the recharge shops. 24% of the respondents pay their bills through Paytm because it saves time and it prevents the respondents from standing in long queues. Generally public use Paytm for Recharge, Ticket booking, Bill payment and Shopping.



**Fig 4. Purpose of using Paytm**

**Factors influencing to use Paytm**  
To find out the factors on which customer make their decision for suggesting Paytm service, Different parameters have been taken for evaluation. Even though, there are many variables this study limits itself to six, which the respondents are asked to rate. The results are shown in Table5.

**Table 5: Factors influencing to use Paytm**

| Factor      | Highly Influenced |   | Influenced |   | Neutral |   | Not Influenced |   | Highly Not Influenced |   | Total |   |   |
|-------------|-------------------|---|------------|---|---------|---|----------------|---|-----------------------|---|-------|---|---|
|             | 5                 | 1 | 5          | 1 | 5       | 1 | 5              | 1 | 5                     | 1 | 5     | 1 |   |
| Multitility | 6                 | 2 | 2          | 4 | 1       | 2 | 3              | 6 | 8                     | 1 | 6     | 5 | 1 |

|                                       |    |    |    |    |    |    |    |    |    |
|---------------------------------------|----|----|----|----|----|----|----|----|----|
| Fast service                          | 13 | 26 | 29 | 58 | 36 | 48 | 12 | 25 | 10 |
| Convenience                           | 19 | 38 | 12 | 24 | 9  | 18 | 7  | 14 | 36 |
| Promotions and Offers                 | 5  | 10 | 7  | 14 | 9  | 18 | 10 | 20 | 19 |
| Ease of use                           | 21 | 42 | 9  | 18 | 12 | 24 | 5  | 10 | 36 |
| No need to carry debit or credit card | 32 | 64 | 9  | 18 | 4  | 8  | 3  | 6  | 24 |

Source: Primary Data

The high level of influence was recorded in No need to carry debit or credit card followed by Ease of use, Convenience, Fast service, Multi utility and Promotions and Offers. The neutral value was recorded in Multi utility. The highly dissatisfied variable was recorded in Promotions and Offers.

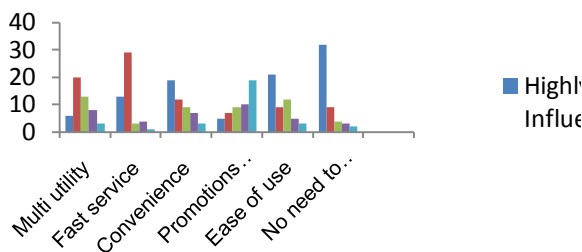


Fig 5. Factors influencing to use Paytm Acceptance Level of Various Factors

To find out the Acceptance Level of Various Factors for suggesting Paytm service, Different parameters have been taken for evaluation. The results are shown in Table 6.

Table 6: Acceptance Level of Various Factors

| Factor                                | Strongly Agree | Agree | Neither Agree Nor | Disagree | Strongly Disagree | Total |
|---------------------------------------|----------------|-------|-------------------|----------|-------------------|-------|
| Fast service                          | 13             | 26    | 29                | 58       | 36                | 48    |
| Convenience                           | 19             | 38    | 12                | 24       | 9                 | 18    |
| Promotions and Offers                 | 5              | 10    | 7                 | 14       | 9                 | 18    |
| Ease of use                           | 21             | 42    | 9                 | 18       | 12                | 24    |
| No need to carry debit or credit card | 32             | 64    | 9                 | 18       | 4                 | 8     |

|  | 50 | 100 | 50 | 100 | 50 | 100 | 50 | 100 | 50 | 100 |
|--|----|-----|----|-----|----|-----|----|-----|----|-----|
| Disagree                                     | 50 | 100 | 50 | 100 | 50 | 100 | 50 | 100 | 50 | 100 |
| Paytm provides a flexible service.           | 13 | 26  | 29 | 58  | 36 | 48  | 12 | 25  | 10 |     |
| Paytm is a key to the Indian Demonetization. | 32 | 64  | 9  | 18  | 4  | 8   | 3  | 6   | 24 |     |
| Paytm supports Digital India                 | 21 | 42  | 9  | 18  | 12 | 24  | 5  | 10  | 36 |     |

Source: Primary Data

The high level of acceptance was recorded in Paytm is a key to the Indian Demonetization followed by Paytm supports Digital India and Paytm provides a flexible service. The highly disagree value recorded in Paytm supports Digital India is 6%.

**Chi-Square Testing**

**H0** = There is no significant relation between gender and acceptance level of Paytm supports Digital India.

**H1** = There is significant relation between gender and acceptance level of Paytm supports Digital India.

By applying chi-square test, the calculated value (p) is 0.2801. Similarly table value for chi-square with degree of freedom 12 at 5% significance level is 0.991062. The obtained result is not significant at level  $p < .05$ . As calculated value is less than table value, hypothesis stating, there is no significant relation between gender and acceptance level of Paytm supports Digital India.

**Correlation Analysis**

Correlation analysis is done to find out the relationship between flexible services offered by Paytm and Paytm is a key to the Indian Demonetization. The value of Pearson Correlation Coefficient R is 0.3482. Although technically a

positive correlation, the relationship between these two variables is weak.

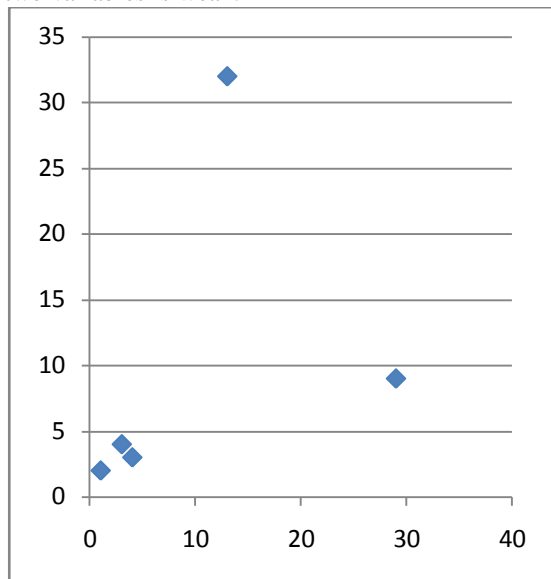


Fig.1 Scatter Plot

#### Major Findings

- It is observed that majority of the respondents are below 35 years of age and the least age group among the respondents is above 60 years.
- It is inferred that majority of the respondents (8%) are male and (32%) of the respondents are female.
- It is experiential that the majority (66%) of the respondents use the Paytm monthly and 4% of the respondents use it daily.
- It can be inferred that Majority of the respondents (36%) use Paytm for recharge since it is very convenient to recharge your phone anytime anywhere without being dependent on the recharge shops. 24% of the respondents pay their bills through Paytm because it saves time and it prevents the respondents from standing in long queues. Generally public use Paytm for Recharge, Ticket booking, Bill payment and Shopping.
- The high level of influence was recorded in No need to carry debit or credit card followed by Ease of use, Convenience, Fast service, Multi utility and Promotions and Offers. The neutral value was recorded in Multi utility. The highly dissatisfied variable was recorded in Promotions and Offers.
- The high level of acceptance was recorded in Paytm is a key to the Indian Demonetization followed by Paytm supports Digital India and Paytm provides a flexible service. The highly disagree value recorded in Paytm supports Digital India is 6%.

- There is no significant relation between gender and acceptance level of Paytm supports Digital India.

#### V. CONCLUSION

Paytm supports their customers to transfer their payments in the simplest method. It is a good digital wallet application to download because of its wide network of partners and this feature makes it convenient while travelling. From the data analysis, it has been observed that convenience, ease of use, security, multi-utility and fast service are satisfactory. These factors significantly affect the satisfaction level and use of Paytm application. Majority of the respondents accept that Paytm as an alternative to the cash and card transactions and it plays an important role in supporting growth towards Digital India. Flexible services provided by the Paytm are satisfactory and it is a solution to the Indian Demonetization.

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