

Demonetization: Rises the Most Effective Online Payment System, 'PAYTM'

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Abstract- The demonetization brought a cashless economy into existence, which was and will always be a great benefit to everyone. The cashless economy though affected the small vendors but bought them also into the same business. The idea of going cashless bought into existence the online payment activity that was beneficial for the Indian economy growth, better diversification and easy transfers of the materials. The most effective online payment system, which raised, was 'PAYTM'. Paytm the app which helps to transfer money without actual transferring the money i.e. paytm allows online money transfer from customer to vendor. Nowadays Paytm is the hottest and the most popular thing in everyone's daily and simple life.

Key words – Paytm, Demonetization, cashless economy, easy transfer of money.

Introduction:

The year 2016 though witnessed many ups and downs still it impacted the life of the common people. On 8th November 2016 at midnight India was shattered when our Honorable PM Shri Narendra Modiji announced the news of 'demonetization' of the currency. People were unable to digest that from 9th November 2016 there will be no currency of Rs 1000 & Rs 500 will be changed by its color and size. The 150 crore Indian people were in a tremendous shock when such news was viral.

The whole India was in a mood to celebrate the pre new year, which too witnessed in the form of demonetization. The higher class & upper middle class families were the focused among all as they would have found guilty for doing the fraud. The demonetization had its greater impact on the middle class and lower class people. The demonetization led the cash crunch, which was a disadvantage to the common people.

Money was not available in the banks; the common people had to suffer a lot. For weeks, the banks were surrounded by a queue of people daily. Not only the middle class people but the small vendors and other retailers were also in a big trouble. The fear of losing their business was roaming in their mind. Even the youth was in a big shock after such a tragedy. Thus, the demonetization had such a negative impact on people.

On the other hand, as it said that every coin has two sides in such a way the demonetization showed its negative impact likewise it also gave us various benefits, which not applied earlier. The demonetization brought a cashless economy into existence, which was and will always be a great benefit to everyone. However, the idea of going cashless was very tough but it is complete safe for the movement of transactions.

The cashless economy though affected the small vendors but brought them also into the same business. The idea of going cashless brought into existence the online payment activity that was beneficial for the Indian economy growth, better diversification and easy transfers of the materials.

The most effective online payment system, which raised, was 'PAYTM'. Paytm the app which helps to transfer money without actual transferring the money i.e. paytm allows online money transfer from customer to vendor. Nowadays Paytm is the hottest and the most popular thing in everyone's daily and simple life.

The paytm has also become the favorite of the small vendors like tea staler, vegetable seller, chat center. Everyone is seeing using paytm nowadays. The paytm system is simple, easy and time saving. Not only the money can transferred but other activities like movie ticket booking, train or air ticket booking, online shopping can do within minutes.

However, paytm is of great use but it is useful when you have a bank account through which money can transferred to the paytm wallet and the transactions could carried out.

Thus, the demonetization led to such a tremendous growth of new India and is leading towards a better India and helping towards Globalization.

Purpose of the study :

After the demonetization many small vendors are doing cashless transactions for their business. Government also motivates the cashless transactions and they provide facilities to the vendors to go cashless. Paytm is the easiest way for the vendors and customers for doing the small transactions. Autorickshaw drivers, cab drivers, vegetable vendors, tea stall vendors, mom and pop stores and likewise general physician, small boutiques, general stores, medical stores these are some beneficiaries of paytm.

After one year of demonetization it is necessary to find out whether the paytm is still effective in the market and how the vendors are benefitted by using Paytm. Do they have any impact on their turnover, profit, number of customers, number of transactions and goodwill? Is this impact positive or negative? It is essential to know that those who are not using pautm are also affected. What is the effect of non users of paytm?

Hence there is a need to carry a study on users of pautm . In this study information regarding users and non users of paytm will be collected and all information will be provided in the report. This report will be an important document of studying cashless transactions in India.

Detail Information of the concept of Topic:

In present time every business activity, be it advertising, ordering, payment etc, can be performed in the digital ecosystem. The research also enlists numerous points on the importance of cash less payment i.e. pay tm which are responsible for its development as the new convention. It has enabled the creation and exploitation of new business opportunities, at the same time increasing the stay of customers in the development of new products and services. Cashless system has not only augmented the performance of internal business management, but, has also enabled better customer relationships by promoting a business

model that is essentially based on information sharing. The accessibility of internet connectivity and other online tools herald a new revolution.

With mobile penetration providing a boost to digital downloads and enabling cheaper monetary transfers, the need of the hour is to enhance customer confidence by providing them assurance of safety and privacy, which shall accelerate movement towards a cashless economy. Despite innumerable prospects, the growth of cashless in India has not been up to its full potential due to certain challenges that inhibit the growth of firms. The growth of digital commerce in India is impeded by inadequate infrastructure, logistics failure, lack of tax uniformity and declining margins. In the face of intense competition, vendors have to pamper the customers with huge discounts, everyday offers and liberal returns policy which proves detrimental to their profits. As against the firms following inventory model, e-market places are more adversely affected by subsidies as they have to offer incentives to the seller for listing their products on the website in addition to the humungous discounts and wide range of offers to the customers. The increasing fulfillment costs (includes every cost incurred from the point an order is placed till the time its delivered to the customer.), lack of last mile connectivity in many sub-urban and rural areas and the rising reverse logistics also hinder the growth of cashless economy by resulting in huge loss.

Theory reviewed:

1) Nagpur: Responding to PM Narendra Modi's call to make cashless transactions, Maharashtra chief minister Devendra Fadnavis, on Tuesday, purchased oranges from a vendor inside Nagpur Vidhan Bhavan the 'PayTM' app. He bought about 4kg of the fruits from a farmer. According to sources, the CM's move was in response to opposition's claims that poor farmers and farm labourers were suffering due to Modi's demonitisation move. The Congress-NCP legislators had raised doubts on PM's call for going cashless, asking how the poor and illiterate could buy costly Android-based handsets.

2) The CM made a big statement through this activity that would motivate the small-time vendors, including vegetable and grocery sellers, to go cashless. I had brought about 10 farmers from Warud today and all of them were already using the Pay TM app, since 'Maha e-Wallet' is yet to be launched. They're also ready even to accept cheque and draft as they have bank accounts," Bonde told TOI.

The farmers would be opening another stall at MLA Hostel for other employees of the government who are staying there for the session. "Our products are of export quality having top grade. Even those which were sold today were plucked on Monday only. Post demonitisation there was a sharp fall in the prices, but slowly it returned to normalcy. Now, we're treading at Rs28,000/tonne in the wholesale market," said Bonde.

3) Grocery shops and milk booths too have gone cashless. Mother Dairy booths are using digital payment services to avoid the hassle of providing loose change. "People come to us with Rs 500 notes. It was getting very difficult to return change so we started accepting ewallets," said a Mother Dairy booth manager in east Delhi's Patparganj area.

4) Even parking facilities at tony malls in areas such as Vasant Kunj, Saket and even Noida and Ghaziabad have started accepting plastic money.

5) In January, Paytm had said it received the final approvals from the RBI and was planning to start payments bank in one or two months, but the launch was delayed. In the same month BhartiAirtel Ltd started operations for Airtel Payments Banks, a joint venture between Bharti Airtel Ltd and Kotak Mahindra Bank Ltd.

Introduction to research Framework:

A) Objectives of Research:

Following are the objectives the research study

- 1) To know the growth of using paytm after Demonetization
- 2) To know the hurdles of using paytm
- 3) To know the satisfaction by the users by the use of paytm.
- 4) To know the factors driving for the use of paytm.

Hypothesis:

H₁- "The use paytm are more benefitted for cashless economy after demonetization "

H₂-“ After Demonetization The most effective online payment system, 'PAYTM' is raised ”

Research Problem:

Demonetization: Rises the Most Effective Online Payment System, 'PAYTM'

Research Design:

This research is quantitative type and descriptive research design is adopted for the study. Data so collected shall be tabulated, analysed, interpreted and statistically tested to arrive at certain conclusions. Appropriate statistical techniques was used wherever necessary.

Sample study and Population:

i] **Sample Unit** - The researcher will focus on the small vendors in dharampeth area, in Nagpur. As a supplement to the information provided by the vendors in the sample units, the consumers were also be interviewed to get additional information to arrive at the conclusion.

ii] **Sample size:** The sample size will be 200 respondents.

As there is non availability of authorized dealers of small vendors in Nagpur area, so the total population will be taken as 10000 vendors approximately. The required size of the sample population as per the sample table is 500 hence the following formula is used to acquire the sample size.

Population of size (N) = 10000

Sample size (n) = 500

Number of companies = Population of size (N) / Sample size (n)

Number of vendors = 10000 / 500

Actual no. of vendors = 200

Z=1.96 (95% confidence level)

percentage : 0.55 (55%)

Confidence interval: 5

iii] Sampling type - Stratified Random Sampling. Stratification will be on various trade characteristics. Like General Stores, medical shop, general physician, Small dress designers small restaurants, etc.

iv] Sampling Area: Urban

Area of the Research:

Attempts have taken to study the view of vendors for use of paytm in area of Nagpur City. Researcher have considered Nagpur City as the area of research. It is one of the important cities in Maharashtra, as well as in the country. It is second capital of Maharashtra. It is located at geographical centre of India and well connected by rail, road and air with rest of the country and three national highways are passing through the city. To cater the need of increasing importance of city, Cargo Hub, Mihan project has already started and some IT companies have already started functioning and like Infosys, Mahindra-Satyam, have decided to launch their projects in near future.

The Paytm culture started in Nagpur city 2 years back. Cooperative consumer stores started long back, but the culture remains same as small retailers. More consumers are attracting towards Paytm because of its publicity, working and discount facilities. Paytm is a easy and time saving system that is a great advantage to small vendors. Markets in Sitabuldi, Sadar, Central Avenue, and Gandhi Baug meet the city's needs regarding cashless economy. Dharampeth and Itwari have emerged as a popular area for highest number of paytm users, which are small vendors.

Data collection Methods:

For this study primary as well as secondary data was collected.

Collection of Data:

A. Primary data:

Primary data was collected through the following primary sources.

- Sample survey method using a structured questionnaire which was collected through Google ,mailed questionnaire to the respondents at their e-mail.
- Interview method

B. Secondary Data:-

Secondary data collected through various sources like...

- Reference books on concerned topic
- Trade journals, financial newspapers, magazines
- Government agencies
- Articles published in periodicals
- Related journals
- Internet/Website

Scope and Limitations of the study:

The study made will be useful to organizations more particular to the brand and marketing managers, society, parents and Government agencies involved in marketing. In addition to these Companies, benefit Management Institutes, Academicians, students and research scholars. This aims are spreading awareness amongst the consumers and traders with the holistic concept of paytm.

This research is limited to vendors only. It can take for all type of business sector. This study is also limited to Nagpur only it can take at all India level also.

Existing data about the project

Primary data Collection through the questionnaires were as follows



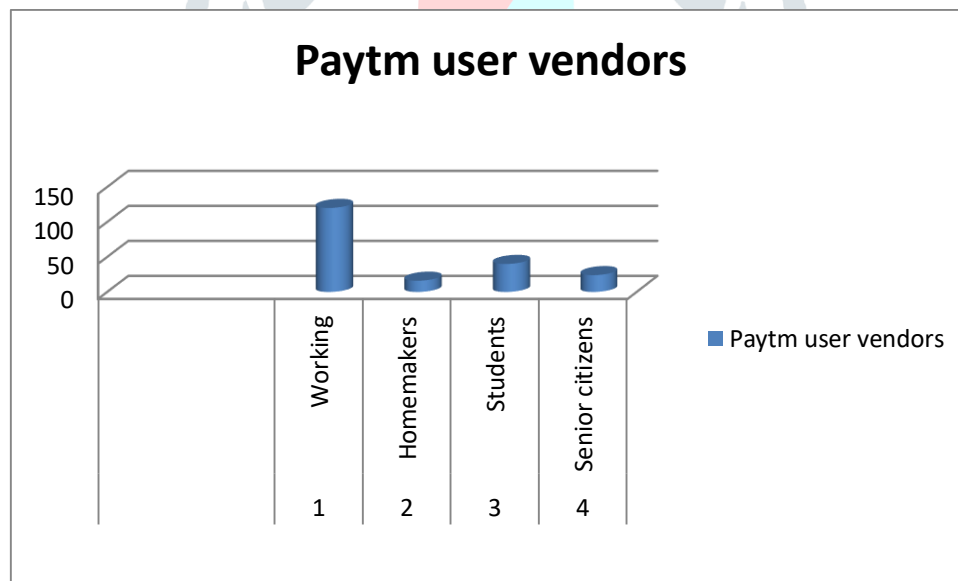
Hypothesis testing

The statement of hypothesis shall be tested through use of appropriate statistical techniques.

F- Test was applied to compare the responses of the samples

Graph no 1

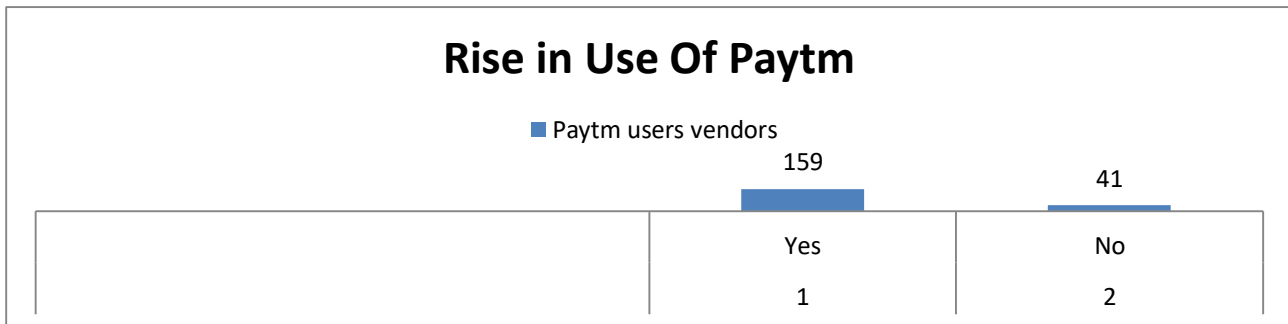
TYPES OF CUSTOMERS



From the above we can see that working people that visit to the paytm user vendors shop are more , the homemakers, students or senior citizens are less in numbers as compare to working people.

Graph no 2

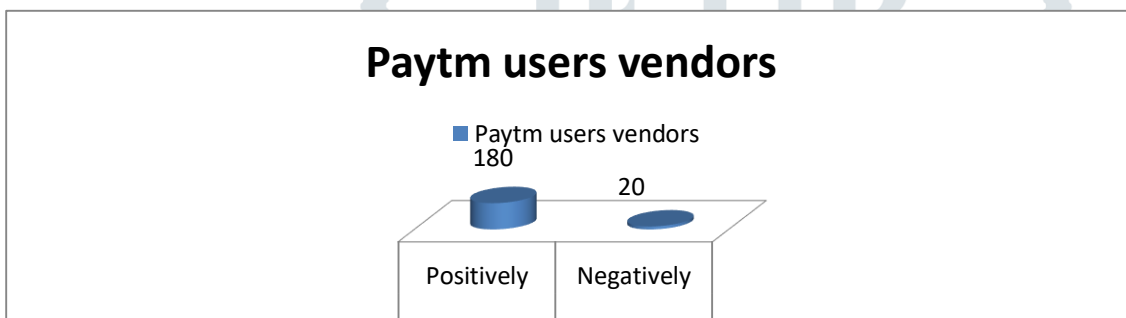
TYPES OF CUSTOMERS



From the above we can see that the use of paytm is increase after demonetization in Nagpur than the earlier market situation.

Graph no 3

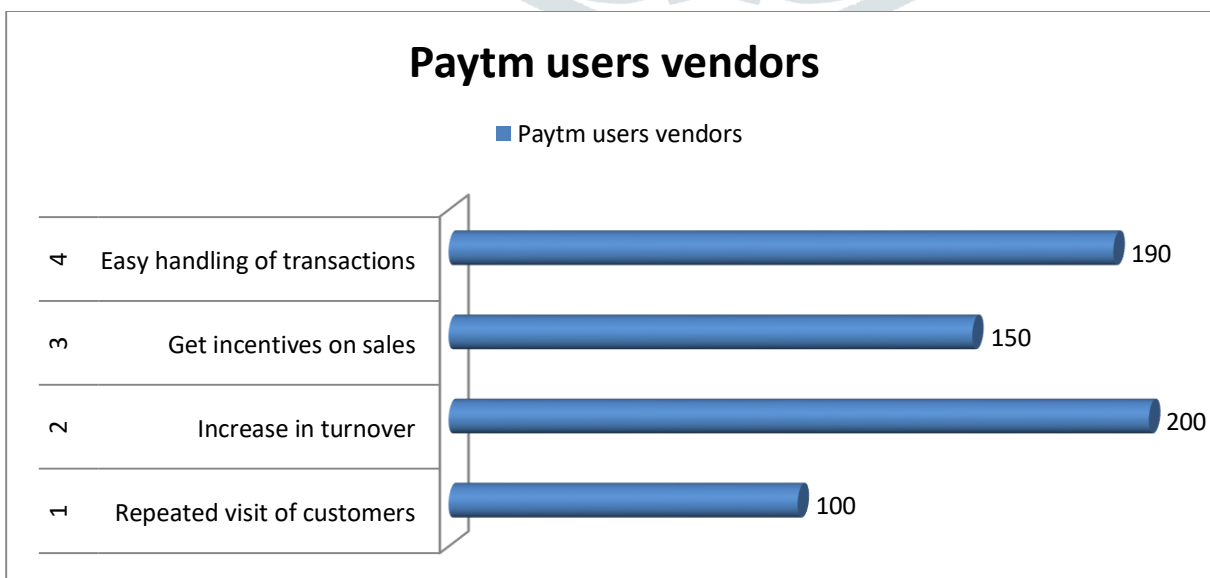
EFFECT OF PAYTM ON BUSINESS



From the above we can see that the paytm is effected positively on the business and increase profitability after demonetization in Nagpur than the earlier market situation.

Graph no 4

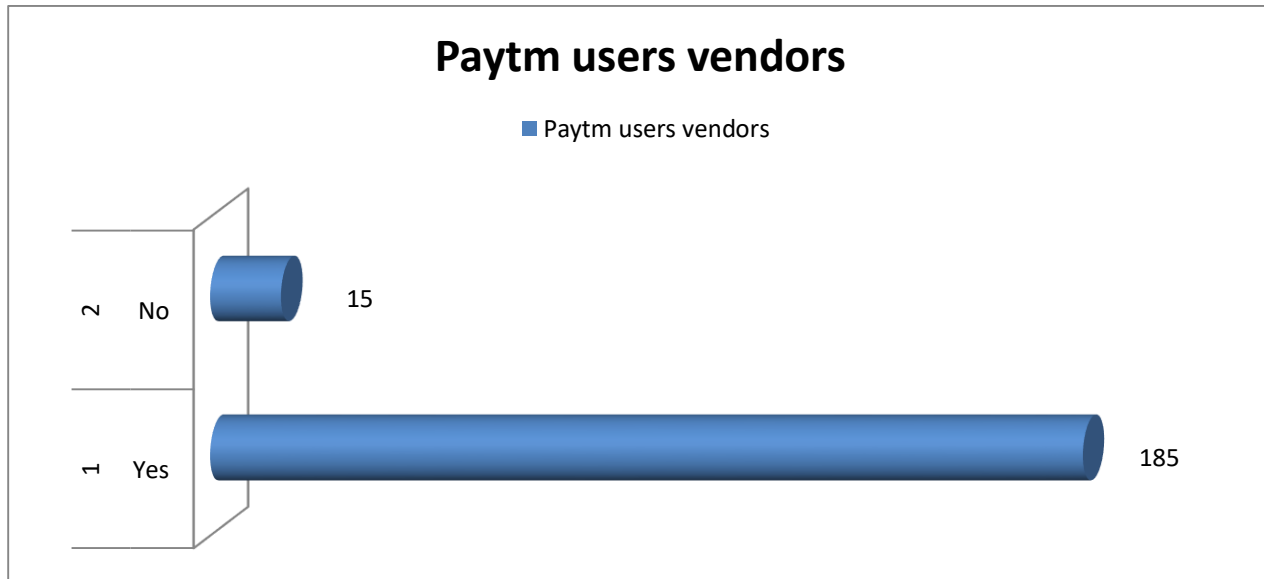
BENEFIT FROM PAYTM



From the above we can see that the ,1) small vendor that uses paytm is benefited with the repeated number of customers, 2)small vendors that use of paytm had a benefit of increase in turnover, 3) small vendor got the benefit of sales incentives and 4) small vendor users are benefited by easy handling of transactions.

Graph no 5

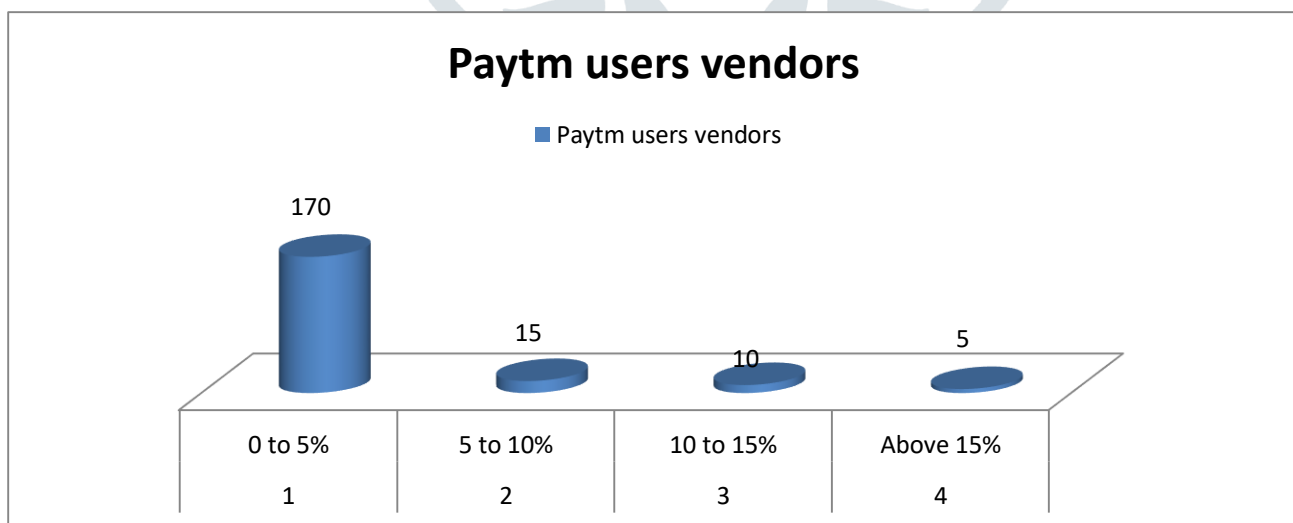
SATISFACTION BY PAYTM



The above graph clearly states that 185 paytm user small vendors are satisfied by using paytm and only 15 paytm small vendor is not satisfied using paytm.

Graph no 6

% INCREASING PROFITABILITY



The above graph clearly states that 170 paytm user vendors profitability in business is increased from 0 to 5% due to paytm. 15 paytm user vendor say that their profitability is increased from 5 to 10 % and 10 paytm user vendor say that the profitability of their business is increased from 10 to 15% because of paytm use and 5 paytm user vendor say that thier profitability is increased due to paytm.

Hypothesis Testing:

On the basis of data collection, the tests shall be applied for knowing whether the correlation coefficient that is calculated on the basis of sample data is indicative of significant correlation. For the same it may be considered to use either t test or f test depending upon the type of correlation coefficient. Other methods may be used to test hypothesis as per requirement with the progress of research.

H_0 :- “ After Demonetization The most effective online payment system, 'PAYTM' is not raised”

H_1 :- “ After Demonetization The most effective online payment system, 'PAYTM' is raised “

Using Z test for the Hypothesis testing

Z=1.96 (95% confidence level)

percentage : 0.55 (55%)

Confidence interval: 5

F-Test Two-Sample for Variances

	0.05	8
Mean	0.15	0.666667
Variance	0.0025	0.333333
Observations	3	3
df	2	2
F	0.0075	
P(F<=f) one-tail	0.007444	
F Critical one-tail	0.052632	

From the above F Test it is observed that the P value is 0.007444 . This value less than 0.55 Hence the null hypothesis is rejected and the alternative hypothesis is accepted.

There fore the hypothesis taken for this study i.e. -“ After Demonetization The most effective online payment system, 'PAYTM' is raised “is proved true.

This research provides a solid reasoning of using cashless methods in the current economy. The vendors and the business world who implement cashless system are the backbone of new economy. The findings of the study on “ A Comparative study on users of paytm and non users of paytm of small vendors in respect to Dharampeth Area, Nagpur City provides the useful information. The findings of the study are as follows:

Findings on Objectives:

1) The first objective taken for the study is, To know the advantages of using paytm by small vendors.

The data collected through the questionnaires supported that the following are the advantages of using paytm:

- a) Repeated visit of customers
- b) Increase in turnover
- c) Get incentives on sales
- d) Easy handling of transactions

90% vendors who use paytm agreed the above advantages of paytm

2)The second objective taken for the study is, To know the hurdles of non user vendors of paytm:

The data collected through the questionnaires supported that the following are the hurdles of not using paytm:

- a) 50% non users of paytm are not used to with technology
- b) 10% non users are not comfortable with the cashless system
- c) 40% of vendors not using paytm say that it is not required

3) The third objective taken for the study is, To know the satisfaction of the vendors by the use of paytm.: Hence after the data collection 90% of vendors who use paytm are satisfied with the paytm system

4) The fourth objective taken for the study is, To know the factors driving for the use of paytm.:

From the data it is clear that the following factors are driving the use of paytm:

- a) Demonetization
- b) Small amount transactions
- c) Big amount currency like Rs.2,000
- d) Easy transactions

90% of users accepted that these are the factors driving paytm by them.

Conclusions:

The following are the conclusions of the study:

- 1) The hypothesis taken for the study is "The Vendors who Use Pay Tm are benefited than the Vendors who don't use Pay tm" is proved true after the data analysis. The other conclusions of the study are as follows:
- 2) The paytm or the cashless system is good to handle and more convenient to the vendors as well as customers.
- 3) It is easy and safe than carrying cash in market place.
- 4) The use of paytm system is very useful for bank transactions.
- 5) It is good for those who are comfortable with cashless and digital mode of payments.

Suggestions:

- 1) The language of the paytm is in English language only, but the suggestion given by the vendors and observation made by the researcher, the transactions should be in other local languages also like Hindi, Marathi, etc.
- 2) The paytm system is operated by office less system. This is the online service where one has to download paytm app for the transactions. If any consequences occurs where to complain and where to ask? Is the biggest questions to the vendors. Hence it is suggested that there should be offline services and office establishment for the small vendors who are not comfortable with the online service.
- 3) Many vendors are worried about the helpline service of paytm because the mobile or telephone is not connected easily and they are not able to acquire help from the Helpline services hence, it is suggested that there should be regular representative of paytm who visit the vendors shop and solve their problems

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