

Study on Challenges in Building Start-Up With Special Reference to Paytm

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Abstract

The last decade has seen tremendous growth in use of internet and mobile phone in India. Increasing use of internet, mobile penetration and government initiative such as Digital India are acting as catalyst which leads to exponential growth in use of digital payment. Start-ups are newly emerging business ventures with innovative ideas. Paytm is one of the emerging Indian e-wallet company. Paytm was founded in August 2010 by Vijay Shekar Sharma. The mobile wallet adoption has grown significantly in the last couple of years with the rise in users for smartphones and mobile internet with better data connection. Paytm has emerged as one of the leading competitors in e-wallet market. The study focuses on various challenges faced by the paytm and to study the impact of paytm in the society. The data is collected from secondary sources. Difficulty in adoption of change, unacceptance due to fear of security breach and fraud, competition from debit card and credit card, trade mark infringement case filed by PayPal, transactional issues, and performance issues these are the major challenges faced by the paytm.

Keywords: Paytm; Mobile; E-Wallet; Internet; Cash.

Introduction

What Is Startup Culture

A start-up is used by individual founders or entrepreneurs to search for a repeatable and scalable business model. More specifically, a start-up is a newly emerged business venture that aims to develop available business model to meet a market place need or problem founders start-ups to effectively develop and validate a scalable business model.

A start up culture is a workplace environment that values creative problem solving, open communication and a flat hierarchy. In a corporate culture core values are typically informed by the identity of the company including its mission statement, products and customer services. In

start-up culture these core values tend to reflect the personalities and ethos of the people who worked for the business.

Paytm

Paytm which stands for *pay through mobile*. Paytm is an Indian e-commerce payment system and digital wallet company, based out of NOIDA SEZ, India. Paytm was founded in August 2010 with an initial investment of \$2 million by its founder Vijay Shekhar Sharma. Paytm is available in 10 Indian languages and offers online use-cases like mobile recharges, utility bill payments, travel, movies, and events booking are well as in-store payments at grocery stores, fruits and vegetable shops, restaurants, etc. with the paytm QR code.

Two words that come to almost every Indian's mind while Shopping, Post demonetization, are "*Paytm karo.*" Paytm has brought a paradigm shift in the retail industry by completely transforming the payment methodology. Initially, this online wallet cum e-commerce website was used to make payments for limited utilities like mobile and DTH recharge and shopping bills. Over the years, this portal has expanded its scope and has brought about anything and everything under the ambit of its operations. Customers now can

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recharge their metro card, pay bills for utilities like electricity and water, transfer funds to other bank accounts, book flight/train/bus tickets, make hotel reservations, etc. Now the latest *Paytm Success Story* is ever expanding with the addition of e-retail and m-commerce stores.

Paytm is an RBI-approved wallet – says it keeps the money you put in the Wallet is “protected under Escrow account with a reputed bank.” Paytm uses VeriSign-certified 128-bit encryption technology, which means that the secret key used in transactions is a sequence of 128 bits and does not reveal anything about the password length or contents. The platform is PCI DSS 2.0 certified, which means it does not store credit card data in unencrypted form.

Paytm Transferring money instantly to the bank from Paytm account Safe to store customer’s

CVV number. Paytm has launched an app password feature for Paytm Wallet in order to ensure the money is safe even if the customer lose or misplace his/her phone. A customer can use Paytm even without a Smartphone

Statement of The Problem

Paytm is an emerging start-up in India. It is an Indian e-commerce website that enables its user to pay online using mobile number for various services. The study deals with the various challenges faced by the Paytm as a start-up.

Objectives

- To study various challenges faced by the paytm.
- To study the impact of paytm in the society.

Methodology

This study is descriptive in nature. The data is collected from secondary sources like internet.

Findings

Difficulty in Adoption of Change

Indians have always preferred direct money transactions but paytm introduced a cashless economy through technology. Which both where a new concept to Indians to digest. But paytm was able to bring this concept by enlarge to a minority

of the community. The challenge of moving toward e-payments isn’t limited to infrastructure: For PBs to succeed, cash obsessed Indians will need to migrate to digital alternatives, which will require behavioural changes above and beyond technological hurdles.

Unacceptness Due to Fail of Security Breach and Fraud

There is a wide notion that technology transaction is 80% highly risky. It is not only a notion but also 50% have proven to be true. This fear of common man was dealt with by paytm through its common people centred advertisements. Globally numerous events of hacking occurs of email accounts, databases, bank details etc. the increasing digital transactions pose cyber security as the main challenge for public. Consumers worry that their wallet could be hacked or attacked.

Competition From Credit And Debit Cards

Cards form one of the biggest challenges to further adoption of mobile wallets. Given the current limits on transactions through this channel, limits which are wider in the case of cards does provide a significant roadblock to adoption.

Trade Mark Infringement Case Filed By Paypal

On December 18th US based e-wallet company paypal filed a trade mark infringement case against paytm. Paypal has said that paytm has no reason to adopt identical colours and colour scheme other than to take advantages of the reputation built by paypal.

Transactional Issues

The leading e-wallet firm has been battling continued transaction problems. Customers trying to load money onto their paytm wallets have had money deducted from their bank account but not credited to their paytm wallets. Users also complained that efforts to transfer money back to their bank account were also failing.

Performance Issues

Paytm is an e-wallet app and it deals with money matter. Now for each of us money is very important and time has an equal importance, based on the informal survey conducted among the paytm subscribers it was widely opined that compare to other wallet apps such as phone pay, paytm shows

a few seconds delay. Even though it is just for a few seconds it is valuable and the performance issues is corrected can help the application attract more customer base.

Conclusion

The mobile wallet adoption has grown significantly in the last couple of years with the rise in users for smartphones and mobile internet. With better data connection. Paytm has emerged as one of the leading competitors in e-wallet market. They emerged over the years in an economy where people traditionally believe in a physical cash economy. Paytm has helped India in a stronger way as through demonetisation. People tend to keep a cashless transaction. Paytm even though in its beginning year have managed to overtake credit card and debit card systems in the country. India has only been recently exposed to unlimited internet facilities but in that small span of time Indian people have got addicted to internet. Paytm but as offered the facility of cash transaction offline. Paytm has provided a platform for all kind of businesses in order to carry out their transaction on real time basis.

Policy implications

The growth of paytm as a start-up has been exceptional, but till date they the problem of not being able to penetrate a traditional market such as Kerala. And also to take out among the old generation. This issue can be overcome if more advertisement and benefits be provided to every common man.

Paytm emerged at a time where the use of internet banking was considered to be risky affair.

But still today people find it difficult to accept sending and receiving money through internet facility. This limitation can be overcome through proper awareness among every single citizen of the country.

One of the policy implication that which they can correct is that the cash back offers provided to the customers are not rendered properly to the customers. Which is a wide complaint that goes throughout the paytm customers if they could correct the facility rather than just implementing the system to provide proper feedback. So as to know is it has been properly given it could increase its customer base and efficiency and the level of customer satisfaction. Which would take the paytm company itself to the next level.

Another implication has to be reformed for paytm is that its wallet limit up to 100,000 which if extent can attract more customers. But all together paytm has grown to be a successful leader in the wallet industry in India.

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