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A Study on New Dynamics in Digital Payment System – with special reference to Paytm and Pay U Money

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Abstract

The present era is entering into a new pace in payment system by using digital wallets filled with coupons and offers, In this today's busiest world people don't have their time to sit and relax then how can do their personal works like to recharge their phones, to pay electricity bill, insurance or to shop etc. So to make people stress free new application has been introduced i.e. Pay tm or pay u money. People are using this application in their mobile phones in higher percentage and made help them to do their works easier. The present research paper is focusing on the impact of these new digital payment systems on customers and problems encountered if any.

Keywords: Digital Payment System, Paytm, Pay U Money, digital wallets, coupons and offers.

1. Introduction

Digital payment gateway is an e-commerce application, which facilitates acceptances of electronic payment and authorises credit card payments for online retailers, e-business etc. This payment gateway facilitates the transfer of information between a payment portal (such as website, mobile phone or interactive voice response service) and the front end processor. Digital payment system refers to an electronic device that allows an individual to make electronic commerce transactions, and also to purchase online items. It also facilitates digital wallet where it is linked to an individual's bank a/c. Customers use digital wallets to store payment data, eliminating the need to re-enter information each time when they make a purchase.

Digital Payment system is a sample of EDI. E-commerce payment systems have become popular in increasing way due to widespread use of the internet based shopping and banking. It includes security measures by use of Card Verification Number (CVN) which detects fraud by comparing the verification number printed on the signature strip with information on file with card holder's issuing bank. Digital payment system has a certificate from an authorised certification authority that provides Public Key Infrastructure (PKI) for securing credit and debit transactions. Nowadays, credit cards play a major role and become popular method of making online payments but it is expensive. The very good example for electronic payment system is PayPal.

An electronic payment typically involves the following phases,

1. Registration
2. Invoicing
3. Payment selection and processing
4. Payment authorisation and confirmation.

Digital payment system includes 3 common electronic payment instruments namely, cash, cheque and card. The main purpose of an electronic payment is to transfer monetary value from payer to payee. This process involves a financial institution. In today's world, we need an e-payment system that would not only provide secure payments but should also have effort to use mobile devices as "electronic wallets" to store payment details and account information.

Paytm

Pay Tm has become now India's largest mobile commerce platform as it is an Indian commerce shopping website. It started to perform its function by offering mobile recharge,

gas bill, electricity bill, telephone bill payments etc but today it offers various facilities such as DTH recharge, insurance facilities to wider market place to consumers on its mobile apps and web. Within in a short period of time Pay tm has scaled to more than 60 million orders per month. Pay tm is an acronym for pay through mobile. It entered through India's E-commerce market in 2014 providing facilities and products similar to online business such as flip kart, Amazon, snap deal etc. Pay tm has keep on changing from time to time to its terms and conditions as it is a legal contract between an individual customer, user or beneficiary. Pay tm is owned by ONE 97 Communications LTD and headquartered in NOIDA, India in 2010. It is privately held company founded by Vijay Shekar Sharma.

The pay tm services are not available to persons under the age of 18 yrs or to anyone previously suspended or removed from the services by pay tm. Pay tm are reseller only. It does not provide mobile service and is only a reseller of prepaid mobile services by telecommunication service providers. In order to use this service, we need to obtain access to the World Wide Web, either directly or through devices that access web based content. Pay tm offers a convenient and secure way to make online payments. It also provide true, accurate, current and complete information about payment details, signing into pay tm account. Nowadays, pay tm is also acting as bus ticket agent as it provides online bus ticket payments wherever and whenever.

Though Pay tm was founded 2 years back it has created a user base of 25 million wallet users and 10 million app downloads. Here pay tm wallet launched in 2014 with over 40 million wallets. Pay tm wallet refers the pre-paid payment instrument issued by pay tm including basic a/c and prime a/c. Pay tm company works with all mobile operators in all states in India for mobile recharge, DTH recharge, utility bill payments etc. It has also partnered with national banks to benefit the customers and also they are giving services of debit card, credit card, and net banking payments.

Pay tm got very well positioned in e-commerce when Indian Industrialist Ratan Tata made personal investment in firm in March 2015 and in the same month, Chinese e-commerce Company Alibaba group made an investment of \$575 million.

In today's business world, pay tm is increasing with mobile phones. People access various features through mobiles wherever they are, whenever they need it. In addition to this, pay tm is playing a major role by benefiting the customers to make online payments. Pay tm has also had the option of recharging and shopping from anywhere and whenever equipped with a secure online wallet called pay tm cash. Pay tm's main aim is to satisfy the customer needs by setting high goals and achieve them. Pay tm is growing at faster rate and there are 50 million users and 30 million app downloads within a couple of years. People satisfied with the awesome experience from pay tm.

Pay U Money

Pay u money is the best way to pay online payments. It is a leading online payment solution company in India which started its operations in October 2011. At present, pay u money have more than 1200 merchants on board. It has grown into the fastest growing consumer payment processor in the online payment space. It acts as a savings account payment gateway for individuals. Through this we can start receiving payments on online store even though business is

not registered.

Pay u money is trustworthy as they are able to understand customer problems and handle it easily. To integrate Pay u money on our mobile applications we have to submit 3 main documents namely,

- Your pan card copy
- KYC document (Aadhar card, passport, voter ID, driver license)
- Bank verification letter or cancelled cheque of savings bank account.

Pay u money is best way to make online payments where we can pay through credit card, debit card, net banking etc. It also provides protection to consumers, instant refunds and gets reward points. Pay u money get all refunds instantaneously with pay u money wallet. With pay u money wallet we can store our card data and we can also store money. By using the pay u money application customers can easily and securely pay their payments through their cards or net banking. Pay u money follow the preferred payment method which includes credit card, debit card, net banking wallet etc. as pay u money is payment gateway for individuals and unregistered business, it is growing at a faster rate in online payment space and we also get 10% instant discount anytime. Through this people can gain more benefits in quick time and processed at large.

Objectives

1. To understand the basic features of Digital payment system specially with Pay tm and Pay u money.
2. To know whether the people are aware of pay tm or pay u money and to chalk out the growth of Pay tm and Pay u Money.
3. To study whether the pay u money and pay tm has replaced direct net banking.
4. To understand the security system prevailing in Pay tm and Pay u money.
5. To focus on any problems encountered by customers while making payment.
6. To capture incremental sales by offering more payment options and cash back offers in pay tm or pay u money.

Research Methodology

The research methodology used is explorative study which includes primary data and secondary data. The sample size chose are 30 customers of Pay U Money and Pay tm which constitutes 20 customers belonging to 18-30 and 10 customers of 30-45 years age group. Our survey is based on questionnaire method.

❖ Awareness about Pay tm or Pay u Money

Pay tm or Pay u Money refers to the electronic payment for online transactions which offers recharges, shopping, utility bill payments etc. Nowadays, people are aware about various services provided by pay tm or pay u money. It catches the attention of young customers as it gets noticed by working on unique ads.

As this brand is increased day by day by the people it has created 100% awareness about the pay tm or pay u money by both the age groups and agreed about various facilities provided by it.

Analysis and Interpretation

Table 1: depicts the customers opinion regarding Pay TM and Pay U Money

Sl.no.	Particulars	Age group (18 to 30) years		Age group (30 to 45) years	
		Agree	Disagree	Agree	Disagree
1.	Awareness about Pay tm or Pay u Money	100%	0%	100%	0%
2.	Any delay in payment	40%	60%	80%	20%
3.	Security system	60%	40%	100%	0%
4.	Problems encountered while making payment	70%	30%	60%	40%
5.	Problem solving:				
	• Refund to A/c	40%	0%	60%	0%
	• Refund to wallet	60%	0%	40%	0%
6.	Satisfied with coupons, cash back and offers	85%	15%	80%	20%
7.	Satisfied with Pay tm or Pay u Money	100%	0%	100%	0%

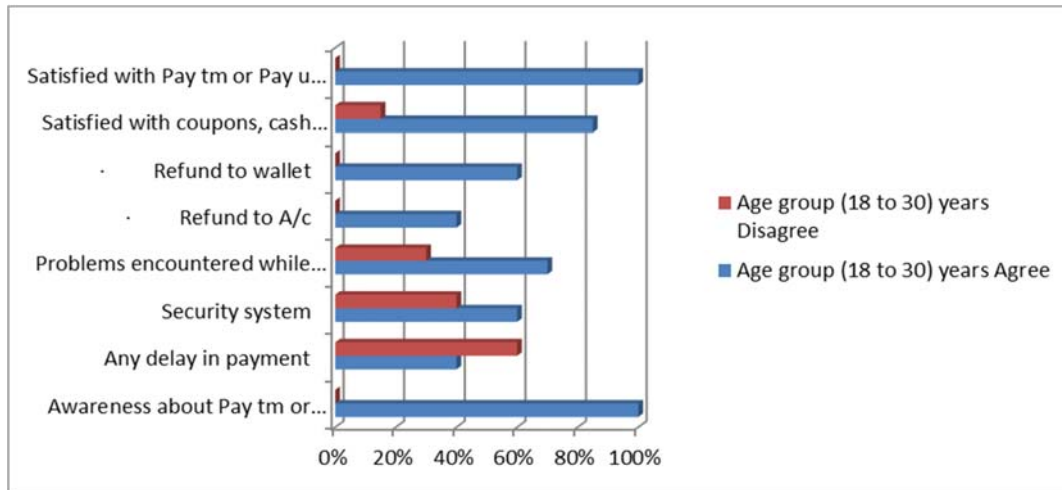


Chart 1: showing users opinion about Paytm and Pay U Money (b/w age group 18-30)

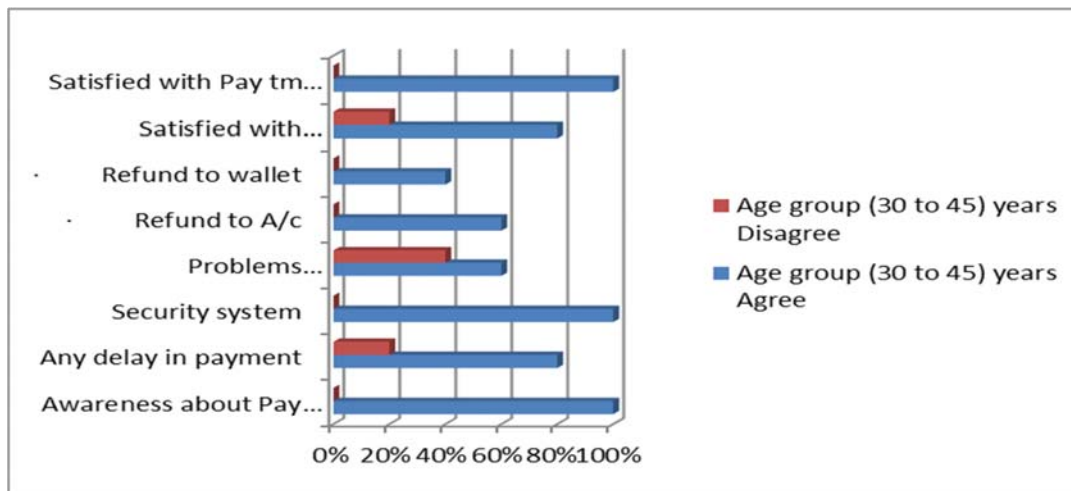


Chart 2: showing users opinion about Paytm and Pay U Money (b/w age group 30-45)

❖ **Any delay in payment**

Pay tm have the option of recharging and shopping from whenever, anywhere and access from wherever they are. Before opting pay tm people should think twice or not whether they provide service. Pay tm plays a significant role in payment of online transactions, but they suffer from the technological barriers as server may busy.

According to the survey, it shows greater volume for positive i.e. 60% people have agreed that there is no delay in payment and 40% people have disagreed between 18 to 30 years. Even there is a positive reaction in 30 to 45 years, as 80%

people agreed and 20% people disagreed. The disagreed people have told about that they have recharge mobile for Rs.100 but for 40-45 min it did not process and did not refund to bank a/c. this error was due to technical fault in pay tm.

❖ **Security system**

Nowadays, pay tm offers advanced account protection to gain this we have to login to additional layer of security on pay tm website. Pay tm has designed 2 step authentications to keep safe and secure our pay tm in mobile applications.

This feature is to make sure our account safe always.

As the security system is available to all in advanced way, people are well known about the attractive security training; majority of people i.e. 100% have satisfied with this between 30-40 years. Meanwhile, between 18-30 years age group 16 people are agreed and 4 people are disagreed because all of them are vulnerable to password thefts. To secure our pay tm transactions, we tend to use same password on all platforms and websites for our convenience.

❖ **Problems encountered while making payments**

Pay tm strongly believes in a sincere and transparent approach to its users. Pay tm treats the users fairly all times and encounter the problems and they take care of all complaints effectively. As the main aim of pay tm is at minimising customer complaints, grievances and reviews and redressal as they give first preference to customers to solve their problems.

All the employees at pay tm works in a good faith and people are attracted towards this pay tm or Pay u money application 15 people of them are agreed and 5 people are disagreed in 18-30 years of age group. As well, complaints raised by users are dealt with an open mind with courtesy and in timely manner most of them are satisfied nearly 6 of them agreed and 4 of them disagreed between 30-45 years age group.

❖ **Problem solving: Refund to A/c, Refund to wallet, no refund**

For every problem there is a solution. Here also pay tm users will come across some of the problems like delay in service, refundable etc. at the same time they also provide solutions to the customer problems. Pay tm solve the problems by refunding their amount to their A/c or to the wallet. Sometimes it may not refund also.

According to the survey, the amount has been refund to their wallet is high than refund to their a/c for the 18-30 years age group. The amount that has been refund to their wallet is 16, and refund to their a/c is 4. But for the 30-45 years age group users have received their amount to their a/c is high i.e. 6 than compare to refund to their wallet is 4. So pay tm app has provided these types of solutions as the users are increasing day by day.

❖ **Satisfied with coupons, cash backs and offers**

Pay tm not only process quick online transactions for payments of recharge, utility bill payments etc. it also provides various offers like coupons, cash backs etc. recently pay tm is giving special offer as if we make payment for Rs 100 using our pay tm wallet we will get Rs 105 cash back within 5-6 min as it will be valid for only 2 coupons. As it provides various offers it is attracted by all the users.

Special offers, coupons, cash backs etc offered by pay tm plays a major role. As in today's world people foresee about the various attractive gifts and keen to get benefit from one thing. As per this majority of people i.e. 17 are satisfied and 3 are unsatisfied between 18-30 years of age group. And also between 30-45 years 8 people are satisfied and 2 people are unsatisfied.

❖ **Satisfied with Pay tm or Pay U money**

Pay tm mainly focus on payment of online transactions, DTH recharge, utility bill payments. It provides true, accurate and complete information about pay tm or pay u money. It act as a pivotal role as we can pay through debit card, credit card,

net banking. It also provides security system to safeguard our wallet balance and it also offers cash backs, discount vouchers etc. Though it has been introduced recently people are well known about this and satisfied in processing it. Nowadays world is growing at large, they provide various applications to make online payments i.e. Pay tm, Pay u Money, net banking etc.

Based on the users, pay tm or pay u money creating a new brand in the society. According to the survey in both the age groups i.e. 18-30 years and 30-45 years age group people gave their 100% satisfaction towards pay tm but they have a request to get quick payment of transactions to benefit more to them.

Findings

- People are more aware about the online payments through mobile applications and there is a wider increase in growth rate.
- Due to advanced feature in pay tm and pay u money net banking has been directly replaced.
- Pay tm and Pay u Money is giving 2 level security authentication to safeguard our payment details.
- Pay Tm Company has come across the customer problems immediately while making payments.
- Pay tm and Pay u money is providing easy payment structures compared to Digital payment system.

Suggestions

- People should be more accurate about refunding their amount directly to their wallet if any delay in payment. People should update their pay tm or pay u money applications from time to time in order to safeguard.
- Users should be more careful about the offers, cash backs provided by pay tm or pay u money.
- The digital payment system has to take necessary steps to overcome delay in processing of payments.

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