
“ANALYSIS OF ROI OF DIGITAL MARKETING CAMPAIGNS AND BRAND INTEGRATION FOR OFFLINE WALLET PAYMENTS & ONLINE BRAND STORES ”

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Abstract

Paytm is a mobile commerce platform and also a major e-commerce player in the Indian market. Paytm relies heavily on digital media marketing because it is an internet based company but equally on the various strategic partners they have for their different services that they provide to their 100million + customers all over India.

The study provides insight into various elements of digital marketing and client integration of the mobile payment (offline) in the company. Digital marketing is a continuously evolving sphere of marketing that has grown by leaps in bound due to the technological advancement. The future is cashless payments and paytm has pioneered it in so many distinctive ways. There is a constant need for a symbiotic relation between various business houses to have a fruitful partnership, for both the parties. The major objective of the internship was to obtain a first-hand experience of digital marketing and client servicing for a new developing market.

The scope of the project was:

- To study and analyze the Return on Investment put on numerous digital campaigns those were run on various platforms. The revenue generated due to the various ads and promotions were closely monitored and linked to the cost of the platform used.
- Brand onboarding/integration of “offline payment merchant” (Mother Dairy) and “Online Brand Store” (Lenskart), for strategic partnership to foster growth and provide a transaction service for wide consumer base of both the clients.

1.Introduction :

Simple and incredible. Paytm is here.

In 2010 One97communications founded Paytm as a prepaid mobile recharge website. Paytm stands for "Pay through Mobile" is headquartered in Noida, UP and has 5 regional offices and one global (Toronto). The focus of the company initially was mobile recharges, DTH payments, bill payments but in the year 2014 it entered the e-commerce market to tap into the market share of other big players (Flipkart, Amazon, and Snapdeal). Paytm is regarded and is the most popular online website for mobile and DTH recharges and payments. With 25 million wallets and 10 million in the first 3 years it is ranked in one of the top most downloaded apps. Being the consumer brand for One97, the major investors in PAYTM are:

- Alibaba Group
- SAIF Partners
- Ant Financial Services Group
- SAP Ventures
- Saama Capital II

Paytm expects to double its revenue run rate from US \$1.5 billion to US \$4 billion (Rs. 25,417 crore) by this year-end and more than half of revenue will expect from mobile wallet services.

In august 2015, RBI had granted an in-principle 'Payment Bank License' to Paytm and 11 entities including Reliance Industries, Vodafone, Airtel. Paytm will be launching India's first mobile app-based Payment Bank in October 2016. Paytm's Payment Bank, is not a traditional bank and will be used for funds withdrawal. It will be a digital banking system meant for transactions (buying products or services) online and offline, without exchanging currency notes.

Paytm has global expansion plan for the future, by partnering with Uber and Alipay. Uber's customers abroad will be able to in their native currency for their rides through Alipay. RBI does not allow Indians to make an online payment in foreign currency, and therefore Alipay will act as a mediator to convert the Indian currency into dollars and allow Indians in abroad to make payment for their Uber rides through Paytm.

After demonization step taken by Govt of India , Paytm has been used at most of the seller and buyers so it has very positive future.

1.2SERVICES:

- RECHARGES(Mobile/DTH/Metro/Datacard)
- BILL PAYMENTS(Electricity/Gas/Education/Water)
- MARKETPLACE (categories)
Mobile & Accessories/Electronics/Men's Fashion/Women's Fashion
Home Kitchen /Sports /Health & Beauty/Automotive Cars & Bike/Baby, Kids & Toys/Gifts & Sweets/Books/Industrial Supplies
- WALLET (payment)
Hotel, Flights, Movies, Amusement parks , Events, Bus tickets, Shopping from categories on Paytm/Send & receive money to & from friends/Avail of services at partner

destinations (Uber, Makemytrip, Bookmyshow, Fab Furnish, HomeShop18, Zovi, Healthkart,etc)

- BUY AND SELL

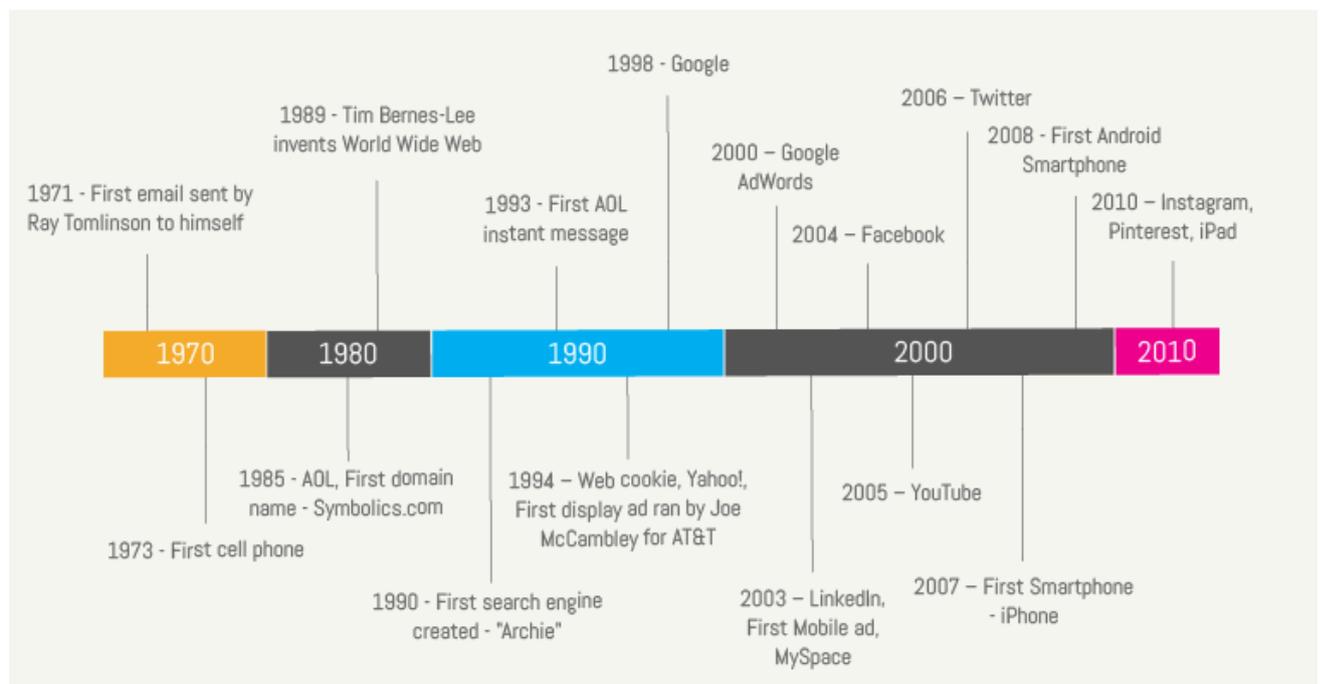
2. DIGITAL MARKETING

Digital Media Marketing is the brand new dimension in marketing which companies are using through various digital media, such as mobiles, email, social networks and other various methods. Digital marketing revolves around the internet, which is the biggest and the most powerful medium of communications in today's world. It is unlike the traditional method of communication.

This method has become pre dominant in today's era of technological advancement and globalization. It is to simply put a method of advertising through a medium that is far more effective and faster than the traditional methods, that are although still prevalent but hold a lot of drawbacks for smaller players in the market. The digital market platform has huge benefits and far better results, leading to motivation to action, personal attention to the consumer, etc. The overall benefits of digital space outweigh the benefits of traditional medium because of various options available in the digital space.

2.1 History of Digital Marketing

The term was first used in the 1990's. Over the years it has become more sophisticated and acceptable method of advertisement. Over the years it has become more sophisticated and acceptable method of advertisement. 1993 was when the first clickable banner was introduced.



The urban world has shifted from analog to digital not completely though but both co-exist, where digital media is growing by leaps and bounds. the amount of content on a digital platform is

increasing day by day as the users increase and companies have realized the potential of adapting to this dynamic shift in the game of selling and targeting. Digital marketing, therefore, is a very versatile combination of push (websites/SEO/EMAIL/sms) and pull (PPC/social media/mobile internet) internet technologies to execute marketing campaigns.

2.2 Types of segmentation strategies:

- **Demographic:** the target market is divided into various measurable variables that can be tracked and monitored (age/gender/income/place/education/marital status/race/household)
- **Behavioural:** the pattern of purchase and online behaviour of a customer is always traceable, thus a focused breakdown of behavioural activities is required.
 - Previous buying pattern
 - Browsing history
 - Interested activities (search)
- **Day parting:** the timing of various ads and promotion according to the time of the day results in better lead generation and results
- **Designated Market Area:** the message to be delivered through digital platform can be segmented into specific geographical area.
- **Retargeting:** the segment of users who have been to your webpage can again be targeted
- **Product-related:** the segmentation of consumers on the basis of the kind of product or service they avail on the web.

2.3 Benefits of digital marketing:

- **Tracking and monitoring:** Results such as the ROI, response rate, view etc. can be viewed in real time rather than waiting for some report of a research. The success and failure of the campaign is calculated more accurately and better planning can be done, to achieve the desired objectives.
- **Affordable than other traditional methods:** the cost difference is appalling between the regular and new methods. Even though traditional medium have a large reach but advertisers with small budgets are dependent on digital media as the cost is less and the reach is increasing.
- **Managing Customer Relationships:** due to high interaction level the expectation from the consumer increase and the level of relationship increases. The advertiser can help and understand the consumer better than earlier.
- **Regular and real time updates:** both the provider and receiver of the information can be immediately updated with the new or updated information available
- **Engagement and exposure:** the amount of interaction is huge and varied with the audience and thus, the advertiser can involve the audience in a far more superior and faster technique.
- **Addressable publicizing:** This means that, the message to be delivered on various mediums available can be tailor made for the targeted audience. This aids in cost reduction and helps in targeting a specific segment of population that are the customers.

Digital figures(India /worldwide)

- Web users: 462 million
- Mobile internet users: 371 million
- Social media users: 134 million

2.4 The Ecosystem

Advertisers and agencies are the demand generators, with publishers and their media providing assistance by supplying. Apart from these two, there are a set of various players who add value and facilitate both sides, such as exchanges and data providers. These players aid the process of advertisement online through various techniques and analytical methods. Some of the key players in the digital markets are:

- Advertiser/Digital Agency/ Publisher
- Ad Servers/ Ad Networks/ Ad Exchange
- DSP (Demand Side Platform)/ SSP (Supply Side Platform)
- Private Marketplace (PMP)
- Trading Desks
- Data Management Platform (DMP)
- Media Management
- Measurement & Analytics Data Providers
-

2.5 Various categories for online promotion activities on PAYTM

The digital marketing in Paytm consisted of various managers specialized in various skills. Because the digital marketing function was in-house and not outsourced, this included the design team, affiliate team, social media and analytics team. The entire process was divided into various categories which were tracked (monthly) on a live excel sheet.

Categories :

- Electronic
- Mobile app
- Fashion (apparel footwear accessories)
- Home and kitchen
- Automotive
- Baby kids and toys
- Books (stationary)
- Sports and health
- Gifts and sweet
- Others

- Industrial supplies
- Movie tickets
- Recharge
- Utilities
- Bus
- Hotels
- App installs
- Wallet and reactivation

2.6 Methods of digital marketing

- **Affiliate**

Affiliate marketing has been around from the early days of e commerce and have a high ROI chance. Affiliate marketing is a versatile mode of online advertising in which clients (PAYTM) pays commission to affiliates () only for results, like a visitor making an payment or buying something, rather than paying just to promote .This “pay per click ” model is new version of the “finders-fee” model, where mediators who introduce new clients to a business are awarded. The difference is, affiliate marketing is that advertisers only pay the affiliate when the new client introduction results in a transaction, making it a less risky and reward oriented for both parties.

Affiliates for Paytm:

- SVG Media
 - OMG
 - CashKaro
 - Tyroo
 - CouponDunia
 - Mobile Installs - Glispa, Avazu, Headway Digital
- **SEM (Google)**

The marketing of a business using paid advertisements that appear on the SERP (search engine results pages). The client bid on keywords that consumers of services such as Google Yahoo Bing might enter when looking for certain products or services, which gives the client an opportunity to showcase their ads to appear with those search results.

Search engine marketing consists of:

- Paid search results
- Organic search results

These ads, that are pay-per-click ads, come in different formats. Some are small, text-based ads, product listing ads (shopping advertisements) are more visual, product-based advertisements allows a consumers to see important information at-a-glance, such as price, offers, discount sand reviews.

Google AdWords greatest strength is that it offers clients the opportunity to put their ads in front of potential customer who are ready to purchase at the same moment. The SEM advertising

medium can do this, which is why search engine marketing is so effective and powerful way to increase business especially in India where Google is the market leader in search engines.

Type of bidding

Cost-per-click : The cost-per-click (CPC) is the sale you generate each time a user clicks on your ad. The CPC for any ad is at the discretion of the advertiser; depending on what they're advertising some advertisers may be able to pay more per click than others.

- **SEO**

It is the organic way of bidding and getting your website on top of the search engine query. It is about optimizing your web page, editing its content, HTML and associated coding, to increase the probability of specific keywords. Higher the website better the visibility.

- **Facebook**

Paytm goes to Facebook to drive business goals, increase transaction and app installation, and they need to know how effective these ads are at driving their stated goal. the definition of cost per click (CPC) on Facebook has changed and include clicks to websites and apps, and not likes, shares and comments.

This update is intended to help advertisers better understand how their ads perform against their objective.

CPC only accounts for “link clicks” — i.e., the clicks related to certain ad objectives:

- Clicks to visit paytm
- Call-to-action clicks that go to brand store (“discounts and offers”)
- Clicks to install paytm app

- **SMS**

SMS marketing is one of the key features of mobile phones. SMS works on all mobile devices. Among marketing tools SMS provides a decent response rates from consumer. The effectiveness of SMS campaigns is not very critical.

SMS are a marketing tool to promote services and customer service tool. Relevant and brief content is very important and so is the timing of the SMS, Shortcodes, URL links, Calls To Actions are various to measure and track the success of any SMS campaign.

- **Branding ROS**

It is often used while partnering with a media agencies. ROS is a type of online ad buying campaign where the banner, image, or media ad appears on various pages within the targeted Web site (NDTV). It is mostly used for branding campaigns, to generate awareness or sales for a new product or service, or for offers, discounts that are on Paytm (for e.g., bill payments, mobile recharge ,cash back offers).

It can be very effective when combined with behavioral targeting or remarketing, but it uses the CPM model in which paytm has to pay for the brand banner.

(Tie up with NDTV as a partner for advertisement and promotion)

MOBILE WALLET

A mobile wallet is a facility provided by various e-wallet companies that allow users to make

instant payment and various other transactions through their mobile application.

Mobile wallet provides a lot of benefit to wallet holders. There is a huge boost to the business due to mobile wallets as it enables customers to make transactions at various merchants. Essentially, customers store money in their digital wallet that they use for various payments. Mobile wallet providers (One97 Communication Limited, PAYTM, ItzCash Card Ltd., and One MobiKwik Systems Pvt. Ltd) will provide a platform to create an m-wallet account in which money can be transferred (debit, credit, online transaction from bank account).

The amount of money charged on transaction is zero and saves the customer from the problems that a normal banking transaction would face (card details and pin number). This is one of the major differences that the m-wallet carries from a banking wallet.

Due to the high mobile penetration in India, it is one of the most emerging industries in the markets. Growing partnerships between various m-wallet providers and service providers is paving a path for a standard and strong business model for the future.

3.1 Future of Mobile Wallet

The middle class is driving the markets in India, the sudden growth in the telecom industry and wealth generation has led to prospect growth in this segment. The simplicity and easy-to-use options have helped in the mobilization of wallets. However, rural India faces a lot of challenges in this market, low technological abilities, lack of credit history, the country's nascent credit bureau and national ID system, and limited access of banking and financial system across the country. India as of now has met the expectations as an emerging global player and has been able to meet the required market growth for a global level, but there is still a lot of developing a financial ecosystem inclusive of the rural population will be critical. Partnerships between leading companies (e-wallet/mobile service providers) and financial institutions have been already formed to meet this objective. These partnerships are aimed to provide mobile wallet-payment transactions that support basic banking services for India's ever-growing prospect population and untapped rural market. The major objective of the mobile wallet payment system is to ensure the growth by get the customer enrolled on the mobile wallet and make sure that the consumer uses the wallet daily for his transactions. The mobile wallet can be a catalyst in growth of formal banking system in the rural sector and ensure growth of cashless payments across the country. The aim of the industry leaders is to enable every bankable individual/families (more than 145 million) to be able to have a bank account and ensure that the urban consumer uses the m-wallet issued by a bank to realize the true potential of mobile wallets. The future potential of the m-wallets has been realized by the financial institutions/e-commerce/lifestyle shops, and hence each one of them is launching with their own wallet which can be recently seen with the launch of SBI Buddy, BookmyShow's own wallet to name a few. It would be moderately faster and simpler for banks vs a non-bank product, because they already have a select customer base and their product is less likely to suffer from interoperability.

In the due course of time, the major challenges that are faced by this growing industry, that coexists with various other established industries (banking and telecom), will be reduced by a significant margin. But there is still a long way to go to overcome these major problems. These mobile wallets can also be used to in international remittances.

The M-wallet market is projected to grow at a CAGR of around 30% in the next five years from 2015-2019.

3.2 Offline payment (m-wallet) market

Offline payments to merchants via the mobile app is the growing trend in the market. There is huge surge in tie-ups between offline merchants and payment platforms (paytm/ [MobiKwik](#)). In the Last 3 years, the amount of importance that is been given to mobile payments itself shows the urgency of the market players to tap into this segment.

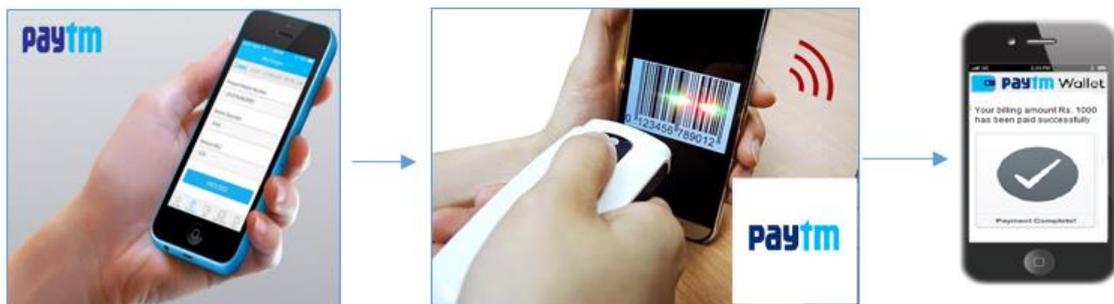
Mobile wallets payments via integrated offline merchants, have to be in proper order, to be acceptable by the general consumers. There are certain conditions that need to be prevail.

Following are the few pre requisite for smooth m-payment to offline merchant-

- Appropriate infrastructure for smooth operations
- Cash-out options (payment banks in the future)
- Hassle-free user experience (payment and acceptance)
- Interoperability among different wallet providers
- New techniques to market the service effectively (acceptance of method)

PROCESS OF TRANSACTION

For Customer



1. Customer opens Paytm App on his Smartphone & presents it to POS operator
2. POS operator scans the barcode on the customers smart phone
3. Billing amount is deducted from customer's wallet

For Merchant



1. POS operator selects Pay with Paytm
2. POS operator scans barcode on customer's Smartphone
3. Transaction is successfully processed

Paytm driving revenue growth through



The following are the targeted initiatives

- **Loyalty**

Launching loyalty program wherein the customer will be rewarded for multiple transactions on Mother Dairy & Safal Stores through Paytm Wallet

e.g.

- 5% Cashback up to Rs 200 on the entire amount If more than 5 transactions through Paytm Wallet in a month
- 5% Cashback up to Rs 200 on the entire amount If the Purchase value exceeds Rs. 2000 in a month.
- **Repeat purchase /cross selling**

-Running targeted sms & email campaigns to customers to make repeat purchases

-Incentivizing customer by providing cashbacks in their Paytm Wallet on their repeat purchase

-Sending cross-selling sms/emails to customers, informing them about other products

- **Online /offline/Marketing/Promotion**

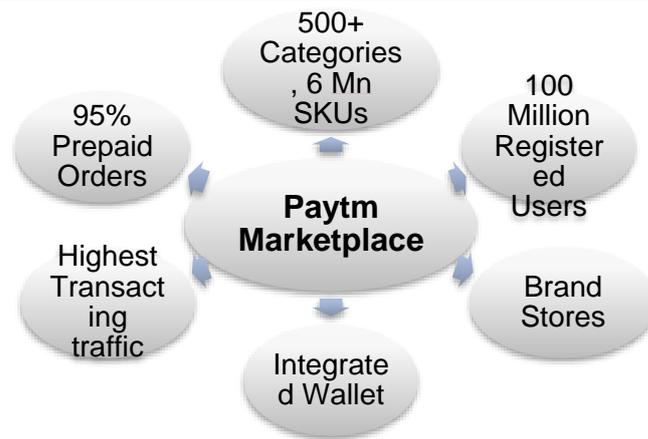
-Dedicated campaigns spread across Digital Media

-Digital marketing through Web, App and Social Media

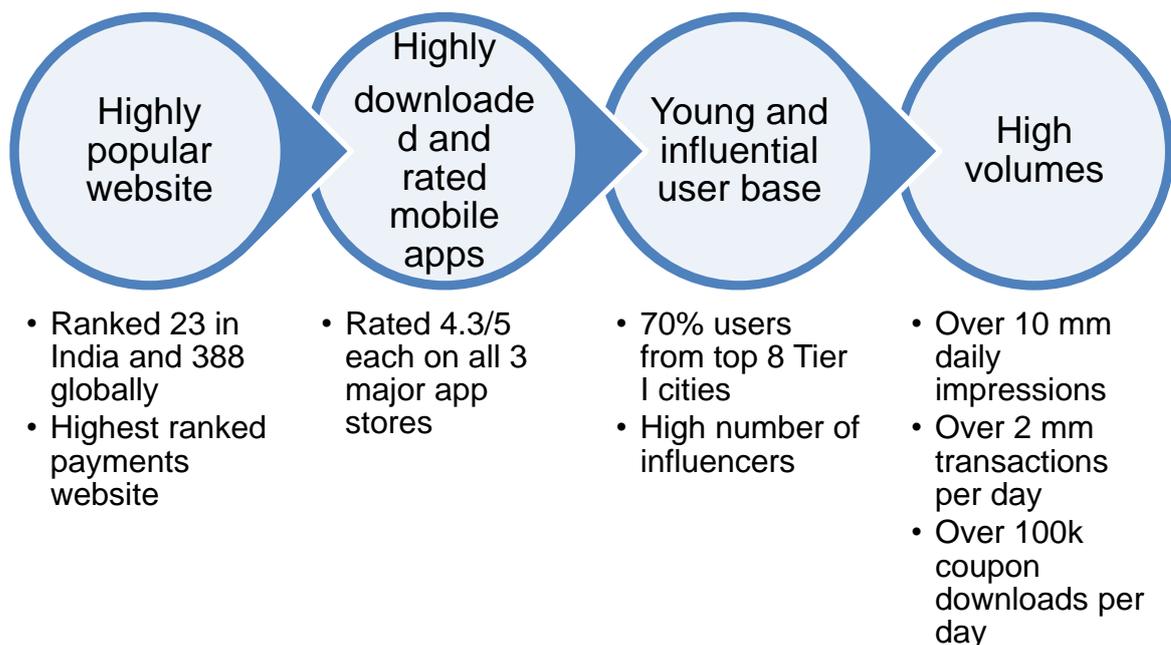
-Offline advertising through Press Release, Print, Radio, In-store and In-Mall promotions

Paytm – India's largest m-commerce company

Overview of Paytm Marketplace



4.2.2 Paytm Marketing



The final store provides a separate space on the paytm platform and post the integration both the brand work towards increasing the branding valuation online through formal network of deals and offers for customers.

CONCLUSION

The digital marketing team essentially works with all the other teams in order to run their marketing campaigns on various platforms and a detailed analysis of tracked data. This data shows the effectiveness of the campaigns by analyzing ROI=revenue generated/cost of ad.

The sales teams that undertook, integration of offline payment merchants and brands, had the responsibility to look for brands and companies that are inclined to partner with paytm .The major part of the process was to convince the brands for higher benefits and prospects of the partnership .Once the brands were on board(formally) there was a continuous dialogs with them to ensure that logistics and technical formalities (operations requirements) were completed ,to practically start the service in a stipulated time period .

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