



NEWS HIGHLIGHTS

Bank of Amazon? Facebook Financial? Regulator could open banking to tech giants

IRDA makes linking of Aadhaar with insurance policy mandatory

Snapchat redesigning its app to attract more users

China's technology ambitions may upset global trade order

Today's View

Do it Now (and Pay Later)

Customer delight is key. Period. And service providers increasingly understand and are working toward just that. In most cases, the solutions get quite innovative.

In their quest to remove all points of friction, especially in the closing of transactions, service providers have lately been experimenting with buy-now-pay-later transactions. Beyond providing an option to the credit-constrained consumers to buy what they like, they are also offering a popular alternate to cash transactions.

A major chunk of e-commerce purchases in India are Cash on Delivery (COD) transactions; a concept largely introduced to overcome the consumer's wariness about delivery of the ordered goods. **Flipkart** already rolled out this facility for a select customer base with a pre-defined credit limit. It allows these customers to make purchases on Flipkart through the month without having to pay for the products immediately. The outstanding amount can be conveniently paid by the 10th of the next month.

Asos, a U.K. based online fashion retailer, also launched a **'try-before-you-buy'** service in partnership with **Klarna**, allowing shoppers to order products and try them on at home before paying for what they want to keep within a 30-day time frame.

INTERESTING NEWS

Flipkart eyes Pepperfry for strategic investment

Flipkart has initiated talks with Pepperfry for a strategic investment as it explores ways to diversify its business through acquisitions and investments.



For Flipkart, an investment in Pepperfry would open the doors to a category that racks up high gross margins, second only to the fashion category. Flipkart registers margins of 20-40% in its fashion business, with its own labels yielding the higher end of the range.

Source – *The Economic Times*

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Date – 09th Nov 17

Simpl, an Indian Fintech startup, has further simplified the purchase experience on platforms like **BookMyShow** and **Fasoos** where one can order and simply checkout with Simpl. It then prompts the user to enter their mobile number and the OTP sent to their mobile number to confirm the payment. Simpl then adds up all of the user's purchases or expenditures via the platform and requires the user to come back and make the payment on the 1st and 16th of every month. Not unique to Simpl, the payments platform **PayU** has also introduced a similar service called **LazyPay**.

The most prominent addition to this segment though would be the Indian Railways' ticket booking platform **IRCTC** which has collaborated with **ePayLater** to provide this checkout option. Passengers can now book tickets 5 days prior to the journey with a service charge of 3.5% and pay anytime during the next 14 days.

Even cab-hailing platform **Ola**, introduced its **"Ride Now, Pay later"** checkout option called Ola Credit with a pre-defined credit limit. It lets users take multiple rides without paying instantaneously; instead, it allows users to pay at the end of the credit cycle or once they max out their limit. All this at no extra cost or interest!

So, welcome to this brave new digital world where you can eat, shop and travel without a worry (and on credit). What remains to be seen is the balance of benefits of comfort of spot purchases vis-a-vis the risk induced in the system. Time will tell.

Today's News

Online groceries is a tough nut to crack. So why are India's e-commerce giants obsessed with it?

The next frontier for the great Indian e-commerce battle could be shampoos, cereals, fruits, and vegetables. Despite a failed attempt two years ago, Flipkart is once again experimenting with online grocery retail with a service called Supermart.

"We intend to scale it up to all customers in Bengaluru and take it to other cities," said a Flipkart spokesperson. Flipkart's move into the segment comes over 20 months after Amazon India launched grocery sales in Feb '16.

Source – Quartz

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Sops for digital payment push on the cards

Benefits in terms of credit or exemption could be provided within CGST and SGST to encourage such transactions. A merchant could get credit for digital payments that can be adjusted against GST liabilities. Consumers could be incentivized through lower tax on digital payments.

The government feels built-in incentives in the tax structure could help in making digital transactions more acceptable to customers and merchants as the benefit is visible immediately.

Source – TechGig

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This News Letter has been prepared with the assistance of Sadhika A. and Aparna Anand

Did note ban induce firms to adopt digital payment?

The Government of India (GoI) announced the withdrawal of legal tender notes of Rs 500 and Rs 1,000 denominations on November 8, 2016. As per the GoI notification dated November 8, 2016, this was necessitated to tackle counterfeiting of Indian banknotes, effectively nullify black money hoarded in cash and curb funding of terrorism with fake notes.

Further, on November 12, 2016, the Reserve Bank of India (RBI) issued a press release stating that while efforts to change currency were afoot, the public was encouraged to switch to alternative modes of payment such as prepaid cards

Source – Business Standard

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Amassing talent for an AI world

There was a recent report in The New York Times about the astronomical salaries being paid to people who have a Ph.D. in Artificial Intelligence (AI). People with barely a few years under their belt are getting paid anywhere between \$300,000 and half-a-million.

What is interesting is how this may be a peek into talent management in a digital world. It will force organisations to rethink the way they view talent.

Source – Business Line

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China's technology ambitions may upset global trade order

Washington officials and major global companies are worried about a new generation of deals that could give China a firmer grip on the technology of tomorrow.

Under an ambitious plan Made in China 2025, Beijing has designs to dominate cutting-edge technologies like advanced microchips, AI and electric cars, among many others, in a decade. And China is enlisting some of the world's biggest tech players in its push.

Source – *The Economic Times*

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IRDA makes linking of Aadhaar with insurance policy mandatory

IRDA said linkage of Aadhaar number with insurance policies is mandatory and asked insurers to comply with the statutory norms.

In a communication to all life and general insurance companies, IRDA said the rules have “statutory force” and as such they have to implement them without awaiting further instructions.

Source – *Livemint*

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Snapchat redesigning its app to attract more users

Snap is redesigning Snapchat in an attempt to reach a broader audience, going back to the drawing board as Wall Street clobbered it for another quarter of slowing user growth. It reported revenue and user growth for the 3rd quarter below expectations as it struggles to compete with Instagram.

User growth in the last three months was below what analysts expected. Daily active users rose to 178 mn in the 3rd quarter from 173 mn in the 2nd quarter.

Source – *ET Tech*

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Bank of Amazon? Facebook Financial? Regulator could open banking to tech giants

Bank of Amazon. Facebook Financial. Wal-Bank. Amid intense lobbying by financial firms, US politicians for years have rejected attempts by giant retailers to muscle in on banking

But Keith Noreika, the temporary head of the agency that oversees US national banks, said on Wednesday that it's time for another look. Addressing the industry at a conference in New York, he called for ending the centuries-old separation between banking and commerce.

Source – *Sydney Herald*

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Fino tie-up for digital payments

Fino Payments Bank said on Wednesday that it has tied up with Mother Dairy and Gokul Dairy to digitalise payments of milk pourers. To facilitate digital payments for milk pourers of Mother Dairy Fruit and Vegetable Pvt Ltd, a subsidiary of National Dairy Development Board, the bank will open accounts and provide instant RuPay debit cards.

The same will be done for milk pourers affiliated to Maharashtra-based Gokul Dairy. Post account opening, the payment due to milk pourers will be directly credited into their accounts. They can withdraw money from the milk collection centres or from any ATM using RuPay debit card.

Source – *BusinessLine*

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IDFC Bank partners MobiKwik for co-branded virtual Visa prepaid card

On the first anniversary of demonetisation, IDFC Bank has entered into a “strategic alliance” with mobile wallet major MobiKwik to launch a co-branded virtual Visa prepaid card for customers of MobiKwik.

“It's a win-win. This tie-up puts our brand in the hands of very large customers that MobiKwik brings.”, Avtar Monga, Executive Director, IDFC Bank told BusinessLine

Source – *Livemint*

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