



NEWS HIGHLIGHTS

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Many startups say yet to benefit from 'Startup India'

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Today's View

All Things Subscription

All Things Subscription - that's the business model innovation upending many a traditional business. After all there is seldom a better way to ensure visibility and stickiness of customers, than making them pay at a set frequency. And now this trend is catching up in the e-commerce industry as well. Although there is nothing new about subscription conceptually (we all have subscribed to newspapers, magazines, gyms, or digital libraries), the model has now moved online, becoming bigger and better.

Technology companies have long made use of this model to sell their software suites. **Adobe** offers its creative suite comprising of **Photoshop** and **Illustrator** to its customers on a monthly subscription model and as unbelievable as it may sound, 84% of Adobe's revenue is via its subscriptions!

According to a **Forbes** report dated April 2017, subscription-based companies' websites attracted about 37 million visitors. Since 2014, that number has reportedly jumped by over 800%, reinforcing the fact that this trend is here to stay.

Even in the e-commerce journey, "**Subscription Boxes**" have taken a leap in popularity. With an element of surprise, E-commerce companies are sending out packages of pieces they've picked out for their customers, on a periodic basis. In the beauty space, U.S. based **Ipsy** and **Birchbox** and India based **FabBag** and **MyEnvyBox** are making a splash. These mystery boxes generally contain 3-4 carefully curated, pint-sized beauty and grooming products. This product bundling idea not only helps distribute beauty products and provide exposure to global cosmetic brands, but it also enables marketing and brand building and invites constructive feedback for cosmetic brand partners.

INTERESTING NEWS

Stellar payouts from Flipkart, Paytm boost value of exits by VC firms

Investors' returns totaled \$2.6 billion in 2017 while new deals brought in capital worth about \$1.1 billion to India.

Flipkart has seen shareholders like Tiger Global and Accel rake in around \$1 billion, while Paytm has seen share sales worth over \$600 million by investors like SAIF Partners, Saama Capital and Sapphire Ventures.

Source – *The Economic Times*

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Date – 05th Dec 17

In the area of child development, India-based startup **Flintbox** offers periodic toy boxes for kids with the vision to develop and sell developmental toys. Quite interestingly, they developed toys around themes such as Mad Scientist, Space Adventure and so on.

Similarly, U.S. based **Blue Apron** and **Home Chef** and India based **The Gourmet Box** deliver a box of ingredients for a complete meal that one can easily cook at home and **Dollar Shave Club** is selling men's shaving products on the subscription model. Now, in a first, India-based e-commerce start-up **Buttalks** is curating and delivering to its subscribers the kind of underpants they ought to own.

In the fashion space, **Stitch Fix**, another subscription box, gets a personal stylist to choose five fashion pieces based on the style profile created by the subscriber on the website. Once they receive the boxes, the user is allowed three days to try on the pieces, decide what to keep, and send back the rest. One is even invited to write in detailed feedback about the items, so the stylist can make more personalized selections the next time around.

With changing retail tastes and an upsurge in consumers' aspirations, it is not adequate to just give them what they know they want, because that's something they can get anyway on a click of a button. Customers today need to be wowed and the Subscription boxes have come in providing just that. The premise is - who wouldn't like the suspense and the thrill of finding something new every month in their mystery box.

Today's News

Xiaomi said to be planning IPO, seeks at least \$50b valuation

Xiaomi is in talks with investment banks about an IPO, seeking a valuation of over \$50 billion. Banks are suggesting Hong Kong as the likely destination, while concerned whether valuation can reach the \$50 billion level.

Xiaomi has gained momentum in recent months after stumbling against local rivals. A successful IPO may bring it at least \$5 billion, aiding expansion.

Source – *The Economic Times*

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Many startups say yet to benefit from 'Startup India'

80% of the 2,830 startup respondents said their business had not benefited in any way from government's Startup India programme. They have received frequent tax notices due to change in valuations. The programme has so far seen only 5,350 startups officially recognized under it, of which only 74 have availed tax benefits so far. Also, the total Rs 10,000 crore fund commitment, stands at Rs 605 crore to 17 AIFs that have funded 75 startups.

Source – *The Economic Times*

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

Uber joins forces with global public transport association

Uber said it is joining a global public transport association to improve mobility in the cities it operates in. It also said it was joining the International Association of Public Transportation (UITP) to connect more people to public transport.

Uber's head of transportation policy and research, said aligning the company with public transport authorities was a good way to make Uber a better partner for cities. UITP represents public transport providers around the world, including Transport for London (TfL) - which in Sept stripped Uber of its operating licence.

Source – *Reuters*

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China's A.I. Advances Help Its Tech Industry, and State Security

As China tests the frontiers of AI, iFlyTek serves as a compelling example of the country's ambitions. It uses sophisticated A.I. to power image and voice recognition systems. It also hosts a lab to develop voice surveillance capabilities for China's domestic security forces.

Those tight ties with the government could give iFlyTek and other Chinese companies an edge in an emerging new field. China's financial support and its loosely enforced and untested privacy laws aid these companies.

Source – *NY Times*

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Paytm unveils its ATM, to invest Rs 3000 crore in offline distribution network

Paytm unveiled its ATMs or partner outlets where customers can open bank accounts, deposit cash and withdraw money. It plans to invest Rs 3000 crore over the next 3 years to expand these offline-distribution networks by allowing local stores to act as potential cash-in and cash-out points.

It plans to add 100,000 "Paytm ka ATMs" across India to the current strength of 3,000 approved outlets. It offers zero charges on all online transactions and no minimum balance is required for holding an account. In the first phase, it has started with select cities including Delhi, Lucknow, Kanpur, Allahabad, Varanasi and Aligarh. These outlets feature local banking correspondents who help customers in depositing and withdrawing money.

Source – Moneycontrol

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Estonia has lessons for India's digital economy

In the next 3 years, India will add more than 300 million new mobile subscribers. Like other countries in Asia, India is developing a "mobile-first" digital culture. This will not happen by default, however. For India to reach its digital potential, two things are necessary. First, it is vital that the digital revolution be widely diffused. Digitization will boost the economy if it includes communities and regions that may have previously been distant from the ICT advancement.

Second, it is equally important that sectors be opened up to new digital business models through reductions in regulatory restrictiveness. Despite improvements, India has among the most restrictive regulations for product markets in the Asia-Pacific region. But for countries to reap the digital dividend, there must be space in the economy for new digital competition, experimentation and entrepreneurship.

Source – Livemint

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SIB executes transactions via block-chain technology

South Indian Bank, in partnership with a leading currency exchange house in West Asia, has successfully executed overseas transactions using blockchain technology. SIB joins a niche group of banks in the global market to exchange and authenticate remittance transaction messages on blockchain in real time. The pilot transaction was successfully executed by forex transaction from the UAE to India.

At present, SIB has a tie-up for inward remittances with four banks and 34 exchange houses in all GCC countries, and in South East Asian countries such as Singapore, Australia and Hong Kong. The bank has been aggressive in digital innovations and has launched its in-house developed mobile app, SIB Mirror+, which offers secured digital e-lock for its customers to lock their accounts at their convenience.

Source – BusinessLine

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Tata Communications to invest up to Rs 160 cr in cloud business

Tata Comm. has earmarked a capex of \$20-25 million for its overall cloud business for the coming calendar year. "If you look at India, the market (cloud) would be anywhere from \$1.5-2 billion, including infrastructure, software and platform services." said Srinivasan CR, SVP, global product mgmt and data centre services. He pegged the growth of this business in India around a CAGR of 30-32%.

"All these markets are growing because cloud at the heart of digital transformation. 80% of the companies in the world are going through some kind of transformation, somewhere the journey of digital cloud is growing," added Srinivasan.

Source – The Economic Times

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PayPhi powers cashless payment for LPG delivery

Digital payment solution PayPhi, announced a strategic initiative to transform how consumers pay for LPG cylinders. HP Gas consumers will now have the opportunity to adopt one among several cashless payment options for paying for their LPG cylinder.

Payments can be made using Aadhaar, UPI or BharatQR. The solution does away with need of mPOS as it is tightly integrated with the HP Gas delivery application. For payments, consumers have to provide their Aadhaar no. and finger print at the time of delivery.

Source – ANI News

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