

## NEWS HIGHLIGHTS

VC-backed firms mop up record \$9.6 billion in Jan-Sept 2017

Tata CLiQ to launch e-wallet in 4-5 months

Deadline to link Aadhaar with government schemes extended till 31 March

Mobile apps may be fueling shopping addiction among consumers

Amazon to deliver packages straight into your living room

## Today's View

### Beyond UI

Banks, especially large scale financial institutions, with complex structures and legacy systems are usually not at the forefront of agile user experiences. In fact, abandonment rates for online banking applications are around 97%, due to poor User Interface (UI), as per research by **LetsTalkPayments**. Identifying this concern, a multitude of innovative firms, especially fintechs, have gone one step ahead of UI, providing dedicated products and services built around superior User Experiences (UX). The concept of UX exceeds merely designing user interfaces – and deals with taking a holistic approach toward digital platforms, financial services, marketing, and even human psychology.

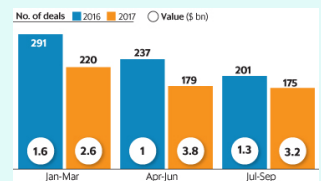
As per a survey from **MIT Technology Review**, 91% of the companies that maintain highest levels of UX deploy advanced technologies like artificial intelligence, predictive analytics and Internet of Things to craft a pleasant user experience having matched user needs at a much deeper level. Leveraging these advanced technologies, Fintech app **Robinhood** is providing a seamless trading experience, enabling it to become the first financial app to win an Apple Design Award. Similarly, Fintechs like **Venmo** are improving the User Experience by attaching a social element to the otherwise tedious financial management tasks.

Identifying the need for providing better UX, even banks are developing collaborations with dedicated UX consultancies. **Standard Chartered Bank**, **Shanghai Rural Commercial Bank** and **IOOF** have collaborated with UX design firm **ThoughtWorks** to improve the UX on their applications. Moreover, UX design firms like **Clay** are providing design solutions to Fintech firms like Prism (a bill payment app) and even a leading Bitcoin wallet.

## INTERESTING NEWS

### VC-backed firms mop up record \$9.6 billion in Jan-Sept 2017

In the 9 months ended Sept, VC-backed firms mopped up a record \$9.6 billion in fresh capital (double the capital raised in the same period last year). At a global level, the pace of investments has been more moderate.



China, India and South-East Asia, the 3 largest VC markets in Asia, accounted for 42% or \$53.8 billion of the total capital deployed during the period.

Source - Livemint

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Date - 26<sup>th</sup> Oct 17

Following the emerging trend of simplifying and perfecting UX design, E-commerce giant Flipkart and Fintechs like **Perfios** are taking the support of dedicated UI/UX design firms like **INKONIQ**, to combine design thinking, technical mastery and innovation to deliver a streamlined experience across applications.

Adopting and offering a unique and rewarding user experience is not just about fixing sloppy application designs. It goes much beyond and involves rethinking the whole customer journey: digital, physical and emotional. In a whole gamut of applications cloning offerings and services, user experience will prove to be the tiebreaker.

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## Today's News

### Paytm's Senior VP Krishna Hegde to oversee lending

Paytm has appointed its SVP Krishna Hegde as head of lending as the company looks to offer financial products to customers and merchants in partnership with lenders. Till recently, Hegde was heading Paytm's digital gold product.

Financial services and products will be the core source of revenue for Paytm's payments bank, which was launched earlier this year, since the entity cannot lend directly. The company is said to be partnering with banks and NBFCs to offer financial products.

Source - *The Economic Times*

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### Tata CliQ to launch e-wallet in 4-5 months

Tata CliQ will launch an e-wallet exclusively for use in the marketplace in the next 4-5 months and eventually foray into selling services such as financial services. It also plans to double the present 60 brands who have set up their omni-channel presence on the platform in one year.

Tata CliQ will soon launch newer categories like jewellery, home furnishing and furniture. However, FMCG is not in the pipeline as yet.

Source - *The Economic Times*

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### Samsung India R&D centre working on 5G technology

Samsung has started work on 5G technology at its research and development centre in Bengaluru, Dipesh Shah, managing director, Samsung R&D Institute told Danish Khan in an interview.

He said the centre, the South Korean conglomerate's largest outside its home country, was also responsible for the last part of development of the company's Artificial Intelligence-based assistant app Bixby.

Source - *The Economic Times*

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This News Letter has been prepared with the assistance of Sadhika Agarwal and Manish Kulkarni

## Amazon to deliver packages straight into your living room

Amazon will now deliver packages inside homes as well. The new service, Amazon Key, incorporates a smart lock fitted to a customer's door, as well as a new Amazon security camera to record the movements of the delivery person.

Doors will be opened for delivery only if the relevant driver is verified by Amazon's system. The service, available only to Amazon's Prime subscription users, starts at \$250 and includes an Amazon Cloud Cam and one of several smart locks made by Yale and Kwikset.

Source - *Press Herald*

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## Ecommerce Players Flipkart, Amazon Slash Investments in FY16-17

Amazon has been pumping in more money in its marketplace as compared to rival Flipkart. However, both of them slashed investments in their respective marketplaces in FY2016-17.

Flipkart slashed investments into Flipkart Marketplace to \$414K (INR 27 lakh) in 2016-17 from about INR \$250 Mn (1,629 Cr) in the year before. Amazon's \$308 Mn investment in its marketplace this year was significantly less than the \$1.14 Bn (INR 7,643 Cr) it pumped in the year before. The same trend followed this year as well.

Source - *Inc42*

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## Deadline to link Aadhaar with government schemes extended till 31 March

The Centre told the Supreme Court that it was willing to extend the deadline for linking Aadhaar to various schemes to 31 March 2018, applicable only to those who have not yet enrolled for Aadhaar.

The previous deadline of 31 December for mandatory linking to various services will continue to hold for those who already have an Aadhaar card.

Source – Livemint

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## Alteria Capital gets Sebi nod to float Rs1,000 crore venture debt fund

Alteria Capital Advisors LLP received the approval from SEBI to float a Rs1,000 crore (about \$150 million) venture debt fund. Based in Mumbai, the category-II Alternate Investment Fund, is raising Rs800 crore with a green-shoe option of another Rs200 crore.

The fund has received a commitment of 10% of the corpus from a domestic family-owned business group and expects the first close of Rs400-500 crore by March 2018.

Source – Livemint

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## VC Group Andhra Angels To Invest \$15 Mn In Startups, Announces TiE Amaravati Chapter

The state of Andhra Pradesh is expected to receive yet another boost in the startup activity. A new group of VCs and business leaders, Andhra Angels, is expected to invest over \$15.38 Mn (INR100 Cr) in startups over the next few years. The VC group is expected to take shape over the next 6 months and plans to enrol nearly 50 investors in the initial phase.

Also, the Board of Trustees of TiE Inc has approved the formation of TiE Amaravati Chapter. As per Suresh Chitturi, Managing Director, Srinivasa Farms and Director of Andhra Angels, the idea behind the group is to give a boost to the startup activity in the state.

Source – Inc42

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## Mobile apps may be fueling shopping addiction among consumers

Mobile phone is no longer being used to purchase just low-ticket items in India, as fashion, electronics, health and beauty categories have been gaining traction through retail and shopping apps, according to a survey conducted by commerce marketing company Criteo.

The survey's findings indicated an increase in confidence towards the use of shopping apps.

Source – The Economic Times

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## EBay Inc Acquires 5.4% Stake In Ecommerce Unicorn Flipkart

eBay Inc acquired a 5.4% stake in Flipkart in exchange for its eBay India business for \$211 Mn and \$514 Mn cash.

This was a part of an agreement made in July 2017. They also made the commitment to jointly pursue cross-border trade opportunities and tied up to launch a new programme, 'Flipkart Global'.

Source – Inc42

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## JPMorgan Chase launches digital-only bank

JPMorgan Chase launched Finn, mobile banking platform that allows users to open accounts, make deposits, issue checks, track spending and create savings plans.

Currently being tested for iOS users, it offers tools specifically geared toward helping millennials manage spending

Source – Business Insider

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## Why India's e-commerce pioneer does not see Flipkart turning profitable. Ever

The founder of India's first e-commerce platform Indiaplaza, K Vaitheswaran, does not see Flipkart turning profitable - ever.

He says "Flipkart continues to go into a bottomless pit,"

Source – The Economic Times

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