



NEWS HIGHLIGHTS

KVB strengthens digital drive in rural areas

E-commerce firms' annual sales from each vendor capped at 25%

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Paytm Mall revamps e-store

Uber adds in-app chat, multi-destination feature in India

Today's View

Social Media's Growing Currency

In today's hyper connected world, social media has become a force to reckon with. **Social Media Marketing Industry report** states that 40% businesses reported an increase in business through social media; 85% witnessed an increase in exposure and 72% observed formation of new partnerships. Similarly, **Colt Technology Services report** suggests that more than 60% financial professionals acknowledge the correlation between people sentiments on social media and stock performance (though there are enough skeptical fundamental analysts about this position).

Banks and Fintechs the world over, acknowledging the integral role that social media plays in business growth, are seeking to leverage the power of social media analytics. Understanding these tools and the outcome is key to effectively devise customer segmentation strategies and commensurately offer personalized solutions based on customer preferences and needs.

Realizing the dependency, influence and potential of social media, even traditional financial institutions have begun investing in the domain. **Barclays**, for instance, optimized its mobile banking app using social media analytics in real time and improvised basis online feedback from users. The Bank also launched its Ring Mastercard, designed and developed through crowdsourcing on social media to pick out the most popular features to be incorporated in the new product. Similarly, **American Express** links the customer's Amex card with their social media handles to effectively provide meaningful deals based on their social media activity (likes, check-ins, etc.)

Fintech P2P lenders such as **Lending Club** and **Prosper** have grown exponentially leveraging social media as a core marketing channel. Social media platforms like twitter are aiding other institutions like Co-operative Bank mitigate risks by addressing concerns around a potential bailout in UK. **Avidia Bank's** digital marketing strategy helped achieve an 83% positive sentiment for Cardless cash, a product allowing customers to withdraw money from ATMs directly using their smartphones. Similar

OTHER INTERESTING NEWS

Amazon may back Grofers to counter Alibaba-BigBasket

Online grocery is emerging as the next battlefield for top internet companies in India with Amazon and Alibaba throwing their weight behind the category to get a toehold in what could potentially be a huge market.



Amazon's preliminary discussions with Grofers for an equity funding come on the back of Alibaba closing in on a \$200-million investment in BigBasket.

Source- *The Economic Times*

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Date- 29th August 17

results have been observed with **Bank of Baroda's** cash on mobile feature, which allows customers to withdraw cash from an ATM through transacting with its mobile banking app.

Back in India, **Tata Capital** launched its 'Salaam loans' commendably capturing the essence of social media to handover the baton for loan approval to the very people - the public at large. Under this initiative, individuals looking for funds are asked to upload a story on the web where other people or spectators touched by the spirit of braving unfathomable conditions offer their salaams (much like the Facebook likes) as a token of approval.

Attempting to tap the power of social media, **HDFC Bank** launched dedicated Digital Command Centres (DCC) to closely track, understand and acquire valuable insights from customers' conversations or experiences on social media. Even **Bank of Baroda** has employed QuickMetric's social listening and analytics engine to devise social media campaigns and manage online reputation and engagement with customers.

While there are some concerns surrounding regulation, brand reputation and productivity, organisations are acknowledging that the social media trend is more than that, and is here to stay. With social media's wide consumer reach, it is becoming growth engine in the modern banking context.

Today's News

KVB strengthens digital drive in rural areas

The first rural digital centre of Karur Vysya Bank was kick-started at Kathirampatti, an unbanked rural village in Erode district, Tamil Nadu, last week. The centre is part of the bank's initiative to empower the rural populace in a cashless environment. It is meant to create a digital payments ecosystem for all day-to-day financial activities in the village.

According to its Managing Director K Venkataraman, KVB has already brought on board about 57 per cent of the local population by opening accounts, and organising campaigns to sensitise and educate the villagers and merchants on the use of digital services.

Source- Business Line

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Union Bank plans tie-ups with fintechs for retail loans

Union Bank of India is planning tie-ups with financial technology (fintech) companies to source leads for retail loans. Rajkiran Rai G, Managing Director and CEO of the bank, said that we have started it on a trial basis. We want to go in a big way within two months. My target is to source at least 50 per cent of my retail loans from fintech companies.

Explaining the rationale behind this, Rai said more and more customers are applying for retail loans through the websites of fintech companies instead of going to the banks. "I need to have a tie-up with these fintech companies so that I get the leads."

Source- Business Line

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This News Letter has been prepared with the assistance of Pankaj Tadas and Manish Kulkarni

RBI approves Spice Digital to process bill payments under Bharat Bill Payment System as BBPOU

Spice Digital Ltd's Spice Money is India's leading India stack based FinTech Company. Spice Money received an in-principle approval to set-up as a Bharat Bill Payment Operating Unit (BBPOU) under the Payment and Settlement Systems Act, 2007 in May 2016.

After about a year of running the pilot, abiding by the technology and stipulated business processes, now, in an official communication, RBI has accorded final certification to Spice Digital for processing bill payments under BBPS as a BBPOU.

Source- India

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Uber adds in-app chat, multi-destination feature in India

Cab aggregator Uber Technologies Inc. on Monday said it has rolled out two new features—'in-app chat' and 'multi-destination'—to improve experience for its riders in India.

Using the in-app chat feature, riders can provide information like their exact location without incurring any call charges. It will also be available for 'Pool' riders. Also, both riders and driver partners will be able to see if their chats were delivered and read, helping confirm the receipt of communication, Uber said in a statement.

Source- Mint

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E-commerce firms' annual sales from each vendor capped at 25%

E-commerce players like Flipkart and Amazon will not be allowed to market more than 25 per cent of its annual sales coming from one vendor, the government on Monday clarified. The government had earlier mandated 25 per cent maximum sales from a single vendor but had not specified the period for computation of sales.

Further, the government clarifies that conversion of an LLP (limited liability partnership firms) into a company and vice-versa is permitted under automatic route for sectors where 100 per cent FDI is allowed.

Source- Business Standard

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FDI policy mentions start-ups for 1st time; AI may remain in domestic hands

The consolidated foreign direct investment (FDI) policy, released by the government on Monday, has mentioned start-ups for the first time.

Start-ups can issue equity, equity linked instruments and debt instruments to foreign venture capital investors in accordance with FEMA rules. They can also issue convertible notes to persons residing outside India under certain conditions. The policy states convertible notes to non-resident investors will have to be issued with government approval in sectors where it is required for foreign investment.

Source- Business Standard

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UIDAI refutes reports of Aadhaar data snoop; says system secure

The UIDAI today asserted that Aadhaar system has stringent security features to prevent any unauthorised capture or transmission of data, refuting reports that hinted at sensitive biometric data being allegedly accessed by certain foreign agencies.

The statement by the Unique Identification Authority of India (UIDAI) came after WikiLeaks hinted that CIA had allegedly accessed the Aadhaar database.

Source- The Economic Times

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India and Pakistan hit by spy malware — cyber security firm

Symantec Corp, a digital security company, says it has identified a sustained cyber spying campaign, likely state-sponsored, against Indian and Pakistani entities involved in regional security issues.

The campaign appeared to be the work of several groups, but tactics and techniques used suggest that the groups were operating with "similar goals or under the same sponsor", probably a nation state, according to the threat report, which was reviewed by Reuters.

Source- The Economic Times

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Paytm Mall revamps e-store

Paytm Mall has revamped its online store and launched a new app ahead of the festival season. The Alibaba-backed company has also adopted an omni-channel strategy wherein users can shop online and collect the products, or have them delivered, from the nearest retail store.

In a bid to serve smaller cities that have limited or no access to trusted branded products, Paytm Mall offers guaranteed branded products across 19,000 pin codes.

Source- Business Line

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Paytm Mall, Alibaba may invest \$200 million in BigBasket

Online marketplace Paytm Mall and its main backer Alibaba, which are in talks to pick up a significant stake in online grocer BigBasket, have extended the exclusivity period of their negotiations by two weeks, according to two people familiar with the developments.

The initial 45-day exclusivity period was to end on August 25. Paytm Mall and Alibaba are seeking to invest about \$200 million in BigBasket at a valuation to be decided after due diligence is completed, these people said.

Source- The Economic Times

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