

NEWS HIGHLIGHTS

Google's Tez payments app clocks 7.5 mn installs in a month

Paytm Mall warns vendors against using unicommerce services

Xendpay receives RBI approval to offer outbound remittances from India

Netmeds sticks to e-route

This startup is helping villagers buy on Amazon

Today's View

Banks - The New Accelerators

Fintechs & Banks are moving toward a world of collaborations. Not only is this required from the point of view of sustainability of Banks or Fintechs but also for the sake of the customers that deserve the best service and experience. To work out a successful collaboration, it is imperative that they be arranged and succeed now. Bank-backed accelerators are aggressively bridging the gap between the two, and in the process creating a symbiotic relationship.

Being able to innovate while maintaining and growing their legacy businesses is the biggest challenge faced by Banks today. Creating a new business model for them would require a cultural shift and new technology with huge costs involved. As for the Fintechs, they need partners to build their business; to help validate their business models or complement the business offering or even take their product to the market.

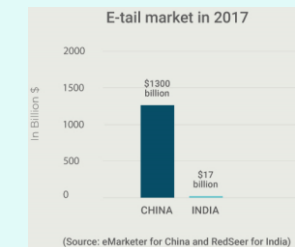
These accelerators, are fixed-term programs that provide resources including workspace, early capital, entrepreneurship training and ongoing mentoring to nourish these young businesses. In the U.S. and Europe, there already exist well established Bank-backed accelerators that are constantly helping establish collaborations between fledgling Fintechs and incumbents.

In March this year, **Deutsche Bank** introduced its fourth innovation lab in New York City, after Silicon Valley, Berlin and London. These labs experiment emerging technologies in the areas of artificial intelligence, cloud technology and cybersecurity and are designed to help the bank evaluate and adopt such technologies, contributing to the bank's digital strategy.

INTERESTING NEWS

Will Indian e-commerce ever match up to the Chinese dragon?

India's etail has taken up significant space in the investor wallet and mind till recently but it is clear that it is still nascent, and tiny, compared with China's.



It is not just the difference in size of the markets, but the consumer base as well. By 2020, China will have 660 million online while India will have only 175 million.

Source - Yourstory

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Date - 27th Oct 17

Wells Fargo hosts a semi-annual six-month accelerator program in San Francisco that connects Fintech entrepreneurs with potential customers (industry experts, mentors, bank professionals) and potential investors (venture capitalists).

BBVA is running the 9th edition of its BBVA Open Talent competition which aims to find the brightest and best entrepreneurs who are transforming financial services through innovation. In the last five years, over 3,250 companies have entered, with winners raising over €116 million in investments.

Back in India, some Banks like **Kotak Mahindra** and **SBI** have their own innovation hubs that help these fintechs validate their business models and achieve scale. **Bank of Baroda** recently introduced its fellowship programme - “**Sayajirao Gaekwad Fellowship Program**” with the objective of supporting young individuals desirous of setting up their own Fintech, Rural, Agri, Financial Inclusion start-ups in due course through providing them experience in the Banking/Financial industry on live projects undertaken by them as part of the Bank.

Since Banks and start-ups are two unique entities, proximity is the key for a fruitful collaboration. With both working closely, it will also be a good opportunity for the Bank and its Employees to re-learn and re-energize themselves, becoming agile and capable of pivoting when the time is ripe.

Today's News

Google's Tez payments app clocks 7.5 mn installs in a month

Google's UPI app Tez has racked up 7.5 mn users that have made over 30 mn transactions. Coming into the UPI payments space over a year late, Google has demonstrated that there still is space for growth in India's digital payments ecosystem and sets the precedent for Google to invest in more region specific products.

Google Tez is the first app that uses multiple banking partners to power its UPI service. It also has a cash mode that uses unique audio frequencies to pair two nearby devices to enable payments.

Source – Business Standard

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Paytm Mall warns vendors against using unicommerce services

Paytm Mall told its sellers not to use services of Snapdeal-owned Unicommerce eSolutions warning that any breach in this could result in either termination of contract or legal action for infringement of its legal rights. The Noida-based firm has alleged unauthorized usage of Paytm's trade name by Unicommerce and that the latter wrongly told sellers that it has an integration with Paytm.

Source – The Economic Times

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

Govt readying policy to help e-commerce firms go global

The Ministry of Elec. and IT has initiated preparation of a policy framework which will fuel the growth of the e-commerce economy. The ministry said a policy framework is underway for expanding e-commerce economy within India and globally including Saarc. The focus is also on developing India as a global hub for 'fintech'.

Source – DNA India

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China leads Asia-Pacific peers in digital payment

China is leading its Asia-Pacific in digital payment with the total transaction value of digital payment platforms in China reaching \$5.5 trillion in 2016.

Of Chinese customers 86% use digital payment, higher than the Asia average of 58%.

Source – China Daily

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OfBusiness secures additional debt funding of Rs 25 crore from Kotak Bank

Matrix-backed SME financing and product fulfilment platform raised another Rs 25 crore over the existing Rs 50 crore working capital committed by the bank.

The startup caters to 22 SME clusters across 7 states. It will use the funds for geographical expansion, deepening presence, and ramping up technology.

Source – The Economic Times

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Xendpay, a pay-what-you-want money transfer service, receives RBI approval to offer outbound remittance services from india

Xendpay offering quick, low cost and secure cross-border money transfers, has received regulatory approval from the RBI to commence operations in India. Currently offers services across 205 countries in 49 currencies and 1056 currency pairs, available across desktop, tablet, and mobile devices.

Over 60% of payments made via Xendpay are for family support reasons with the rest constituting travel payments, overseas property investments, leisure, health and migration.

Source – Paymentweek

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Netmeds sticks to e-route for now

Netmeds has put its plans of setting up offline retail outlets in Chennai on hold, as it expands in Tier-II and III towns. For now, it is setting up 5 new warehouses. It also plans to double the number of pharmacists on rolls to 120 to support growth.

Earlier in the year, Netmeds had announced plans to open 10 stores to cater to patients with immediate medical needs.

Source – Business Standard

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This startup is helping villagers buy on Amazon

IndiaBuys is an assisted ecommerce startup, which helps people in rural India buy products online through their stores. The first store was set up in Rajahmundry, followed by Tenali and Karimnagar.

Stores can be opened by any person in any town on a franchise-based model with a total investment of Rs 1.25 Lakh. The customer is not charged anything for the sale - IndiaBuys earns from the franchise fee and charges the store owners 10% of the store earnings.

Source – The News Minute

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Uber Fields Bids for Its Subprime Lending Unit's Assets

Uber is fielding bids for some assets of the subprime lending unit that the ride-hailing giant is shutting down. The bidders include rental-car companies and Fair, the used-car leasing startup.

Dara Khosrowshahi is reviewing Uber's vast operations for parts that could be broken off or sold. The board determined that Xchange is unsustainable and should be sold or consolidated into a smaller unit within Uber.

Source – Bloomberg

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Twitter shows signs of life in third quarter as user growth, sales rise

Twitter beats sales estimates and added more monthly users. The company reported that monthly active users gained 4% to 330 mn in the 3rd quarter. Daily active users increased 14%, the 4th consecutive quarter of double-digit growth.

The company also reported its net loss narrowed to \$21.1 mn.

Source – Livemint

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SC asks WhatsApp to improve redressal system

SC has asked WhatsApp to improve its redressal system to simplify lodging of complaints against circulation of videos showing sexual violence and also curtailing them.

It also asked the government to create an admin. mechanism to receive information on circulated content.

Source – Hindustan Times

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M-Commerce To Make Up For The 45% Of All Online Sales By 2021

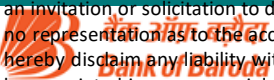
According to a study by Worldpay, m-commerce in India will emerge as the fastest growing sector, making up 45% of all online sales by 2021.

India continues to be the market with the highest proportion of mobile shoppers (75.8%).

Source – Exchange4media

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