

NEWS HIGHLIGHTS

Fundamental shift in payments; cash down, digital payments soar

Govt to allow e-payments for charging electric vehicles

Amazon recruits Indian merchants to lower prices

Bank of Baroda to step up MSME focus

Myntra inches closer to profitability; sets target to reach \$2.7-billion GMV run rate by FY19-end

Today's View

Being Human

Every digital savvy customer today is familiar with the user verification mechanism where one has to figure out letters in distorted images at multiple points – from login/registration to sometimes even for payments through COD etc. This mechanism, better known as CAPTCHA, has been traditionally used to differentiate humans from machines (bots). Google estimates over 200 million CAPTCHAs being filled in every day, from running security checks to deter spammers and hackers from inserting malicious or frivolous code on various websites to securing the portals of Banks.

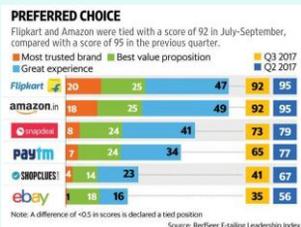
While the system has been fairly effective at keeping spammers at bay, it has also contributed to a not-so-good user experience as filling these CAPTCHAs can be tedious. Just recall how many times you could not book your tatkal ticket in time due to the CAPTCHA, which is not just difficult to interpret but also time consuming? And what about the differently abled and senior citizens that find it difficult to navigate?

To address these concerns, several firms are looking at better ways to authenticate the login. For example, **Microsoft** has developed Animal Species Image Recognition for Restricting Access (**ASIRRA**) which asks users to distinguish cats from dogs. **Facebook** is taking it one step ahead through social authentication by asking users to name a person from their social circle. To make it more interesting, web tools like 'Are You A Human?' even let users play a simple game for authentication.

INTERESTING NEWS

Flipkart, Amazon neck and neck on RedSeer's e-commerce index

India's top online retailers Flipkart and Amazon continue to be the most popular online shopping destinations, according to the latest RedSeer E-tailing Leadership Index (ELI).



The two continue to dominate e-commerce rankings. Both saw a slight decline in overall scores. They were tied with a score of 92, compared with a 95 in the previous quarter.

Source – Livemint

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Date – 27th Nov 17

Acknowledging the need to provide a better user experience with embedded security features, conglomerates, including banks, are exploring innovative ways to upgrade their authentication process. BFSI firms like **Visa**, **HSBC**, **IndiaFirst Life Insurance** have tied up with audience intelligence firm **Simpli5d Technologies** for their **NLPCaptcha** which ensures user does not only see the CAPTCHA but also engages with it. Unlike a regular CAPTCHA, NLPCaptcha asks user to fill in either their company's tagline or some other information related to the company.

Even the country's largest ticketing website **IRCTC** has introduced NLPCaptcha to boost its security as well as advertising revenues. With over 1 million ticketing transactions per day with over 100 million CAPTCHAs being entered on the IRCTC platform every month, this could be a step in the right direction to enhance security with the added benefit of improving user experience.

Today's News

RBI: Fundamental shift in payments habits post demonetization; cash down, digital payments soar

The RBI has noted that there has been a "fundamental shift" in the payment habits in the economy post demonetization. The study observed two significant outcomes. First, there has been a reduction in the usage of cheques prior to demonetization; and second, since demonetization, cash transactions have moved in a sustained manner to non-cash mode of payment systems.

"The increase in usage of cheques could be an effect of demonetization as cash availability was restricted and cheque became a convenient instrument to transfer funds, which takes one or two days given the substantial reduction in settlement cycle on account of implementation of cheque truncation system," the study explained.

Source – *Financial Express*

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Govt to allow e-payments for charging electric vehicles

The government will allow electric car users to pay for charging of their electric vehicles through digital means, including BHIM app and Bharat QR code. The government has accepted suggestions of a panel -- Committee for Standardization of the Protocol for Charging Infrastructure -- in this regard. In its report, the committee also mooted uniform standards for EV charging stations in India, which will enable electric vehicles of all models by different manufacturers to be charged at any station.

"The customers need to be billed for the charging and payment needs to be made. There are multiple options, including debiting the user's account based on VIN (vehicle identification number).

Source – *The Economic Times*

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This News Letter has been prepared with the assistance of **Sadhika A.** and **Manish Kulkarni**

T-Hub joins hands with Microsoft to launch accelerator

T-Hub has partnered with Microsoft to launch its first accelerator. The 90-day programme (from Feb) will enable entrepreneurs to access new revenue channels and help figure out and fix shortcomings in distribution channels.

CEO T-Hub said that entrepreneurs from around the world can apply for the programme and 10 of them will be selected.

Source – *The Economic Times*

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E-tailers go all out to keep sellers happy

E-tailers such as Flipkart and Amazon are now giving away shiny new sedans, trips to Europe and the U.S., gold and office makeovers to top sellers. After earning over a billion dollar in GMV during its mega Big Billion Day sale, Flipkart is now sharing the bounty from the windfall with its top sellers.

Source – *Business Standard*

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Credit card dues are soaring

While Indians were traditionally known to be credit averse, the scenario is changing. According to RBI data, the total outstanding on credit cards soared to Rs 59,900 cr at the end of Sept, from Rs 43,200 cr a year ago. Over the past two years, credit card outstanding is up 78%.

Source – *Business Standard*

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Amazon, in Hunt for Lower Prices, Recruits Indian Merchants

Amazon, always on the lookout for ways to lower prices, has been aggressively recruiting Indian vendors to sell their goods directly on their platform. At least 27,000 Indian sellers have signed up since Amazon began the outreach, ranging from the Tata Group to the Boho Street.

The result is lower prices for consumers. And it is also beneficial to Amazon, which gets to add to its product lineup and charge sellers hefty fees.

Source – NY Times

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Bank of Baroda to step up MSME focus

Bank of Baroda is planning to step up its focus on supply chain financing, providing loans to MSMEs associated with large corporates based on the credit rating of the latter.

So, MSME suppliers as well as dealers doing business with large corporates will get loans at relatively lower interest rates. Executive Director Mr. Ashok Kumar Garg added that as part of the supply chain financing initiative, BoB had signed an MoU with online marketplace Amazon to finance sellers.

Source – BusinessLine

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Myntra inches closer to profitability; sets target to reach \$2.7-billion GMV run rate by FY19-end

Myntra is inching closer to profitability in the current FY, underpinned by robust topline growth at the group entity that has over 40% share of India's e-retail. The combined entity of Myntra and Jabong is looking to shrink its negative EBITDA margin lower to (minus) 2-3% by Q4FY18.

Myntra Fashion Brands, which houses the private labels for the retailer, turned profitable 4 months ago, making up 24% of the top-line. However, CEO Ananth maintains that the firm will not widen the scope of private labels beyond 35% as a larger private brand focus would limit the pace of growth.

Source – The Economic Times

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B2B ecomm firms see the goods in kirana solutions

In August, ShopX was approached by Marico to stock and distribute their new range of deodorants at local stores in small towns and cities. ShopX CEO Amit Sharma decided to approach the opportunity through in-house innovation, developing low-cost samplers to boost sales of the deodorant.

ShopX, which works with at least 50 consumer brands, including P&G and HUL, assembled an R&D team that came up with a small sampler box of foam that would retain the deodorant's scent for about 10 days. It cost less than Rs 5. Marico is now looking at a national rollout, said Sharma.

Source – The Economic Times

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How digitization has changed the Indian online shopper

India's e-commerce growth has seen giddy days. In addition to entrepreneurs, even consumers have now evolved! Beginning with online convenience and discounts, the Government's demonetization drive forcing shoppers to go digital, e-commerce has created an online shopping arena. Advances in technology, logistics, payments, demand for convenience and trust has further given way.

Source – Moneycontrol

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Building blocks of AI

Playment, a Bengaluru-based start-up, aims to serve the purpose of providing high-quality training data, though its people work from home, for computer vision-based companies. Founded in 2015 Playment raised \$1.6 million recently as part of a pre-Series-A funding from Y Combinator, SAIF Partners, Sparkland Capital and others.

Source – Business Standard

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Zimbabwean Central Bank Considers Bitcoin 'Illegal'

Zimbabwe's central bank has announced that the use of Bitcoin is illegal in the country. The bank had already issued a warning in the past stating that investors in the digital currencies could lose their money without recourse.

Source – Coin Telegraph

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