



## NEWS HIGHLIGHTS

Govt. directs banks & NPCI to change process of mapping Aadhaar-linked A/Cs for subsidies

Ola acquires Foodpanda India, to invest \$200 million

Alibaba Cloud all set to launch India data center

MDR cut will push more merchants to go digital: Founder, Paytm

Myntra to use the power of kiranas

## Today's View

### Old is Gold

It's widely known that the most valuable asset and a significant factor in ensuring business success for any company are its customers. Hence, being attentive to their needs and proactively solving their problems can go a long way in ensuring customer loyalty. As per Walker Info, customer experience would overtake product and price as the key brand differentiator by 2020.

While acquiring new customers is largely sought after, retention of existing customers must remain equally important. As the old verse goes, "Make new friends, but keep the old. One is silver, the other gold." Similarly, a long-term customer is more valuable compared to a single-deal customer, and it's a lot less expensive to retain a current customer than to acquire a new one.

**Harvard Business School** stated that businesses have to spend approximately 500% more resources to acquire new customers compared to keeping the existing ones.

However, it has become extremely difficult to retain existing customers since they are constantly presented with enticing competitor offerings. With the advent and penetration of technology in every domain, Fintechs are making it easier to ensure customers are kept at the centre of the business. As an instance, Tel Aviv-based **Slide Piper** is a SaaS platform which helps on-board customers quickly and efficiently through web-portals. The platform, currently being used by **PwC**, **Barclays**, **TechStars** and **Meeco**, provides analytics for tracking of location, device and performance which makes customisation possible.

## INTERESTING NEWS

### Amazon sees a big spot in B2B, global sales

Indian merchants selling to global customers and B2B commerce have the potential to become much larger than the local B2C for Amazon's India unit. Both these businesses are also more profitable opportunities given lack of competition and higher margins, according to Amazon's India country head and SVP Amit Agarwal.



Besides global sellers and B2B, Amazon also sees payments becoming a significant part of the business in 18 months.

Source – *The Economic Times*

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Date – 20<sup>th</sup> Dec 17

Likewise, London-based **Datasine** offers tools that combine psychometrics research and big data analysis to build individual psychological profiles based on previous behaviour. Leveraged by financial institutions such as **BNP Paribas** and **Hello Bank**, these profiles are then used to predict individual risk tolerance, the likelihood of loan repayment, etc.

Further, Vancouver-based **Agreement Express**, an on-boarding automation software, is extensively being used in the financial services domain. It helps customers transform the experience of how customers sign up for their services. It's digital on-boarding solution eliminates 95% of processing errors or issues. The solution can be used across different verticals for Payments, Wealth Management, Insurance and Real Estate Agreements. Back in India, **Zoho's** flagship cloud CRM solution helps track sales activities, predict customer behaviour, and automate and streamline sales processes.

On the other hand, start-ups like Florida-based **Doboz** help businesses retain their customers by enabling merchants/companies to create their own custom currency and loyalty program in the form of gift cards, promo codes, reward points and referral programs - without committing the resources to build their own internal systems.

In the age where companies are rapidly winning new customers through collaboration with various start-ups, retention of the existing customers is doubly challenged. Hence, companies prioritizing customer retention and formulating strategies in the right direction will be able to achieve long-term business success.

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## Today's News

### Government directs banks & NPCI to change process of mapping Aadhaar-linked accounts for subsidies

The government has issued a notification directing banks and NPCI to change the process of mapping Aadhaar-linked bank accounts for government subsidies. Apart from overhauling its process for mapping Aadhaar-linked bank accounts to subsidy payments, government is also temporarily halted the existing provision of overwriting existing subsidy linked bank accounts with freshly mapped Aadhaar accounts.

Bharti Airtel was alleged to have used the e-KYC verification process mandated by the Aadhaar Act to open payments bank accounts without users being aware of this. Now, NPCI shall allow override request pertaining to an Aadhaar holder only if it is accompanied by the name of his current bank on the APB (Aadhaar Payment Bridge) mapper and confirmation from the requesting bank that it has obtained the requisite consent of the Aadhaar holder for switching to the requesting bank on the mapper.

Source – *The Economic Times*

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This News Letter has been prepared with the assistance of **Sadhika Agarwal** and **Pankaj Tadas**

### Start-up incubators: DIPP for tweak in CSR norms

The DIPP has urged MCA to tweak CSR guidelines to have a flexible regime for supporting incubators. They suggested that CSR guidelines should not have stipulated locations for incubators. For an incubator supported by the government, any corporate spend should be counted for CSR no matter where the incubator is located.

Source – *BusinessLine*

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### Aadhaar has been far less beneficial than claimed

A research paper by IDRBT concludes that while Aadhaar has brought in biometric authentication on a large scale, the benefits to consumers have been mixed, with not much benefit to those in the last mile.

While analyzing biometric authentication data from Andhra Pradesh, the study says the data indicates that statistics may be masking larger problems related to access of rations as far as delivery of government benefits to the last mile is concerned.

Source – *BusinessLine*

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### U.S. and UK blame North Korea for WannaCry

The attack is said to have hit over 300k computers in 150 nations, causing billions of dollars of damage. U.S. and UK have officially blamed North Korea. The allegation is said to be "based on evidence".

Source – *BBC*

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## Ola acquires Foodpanda India, to invest \$200 million

Ola has acquired Foodpanda India from its German parent Delivery Hero AG in an all-stock deal that will see Ola infuse \$200 million in Foodpanda India's operations.

Under the deal, Foodpanda's India business will be transferred to Ola in exchange for the latter's stock. The deal marks Ola's foray into the online food ordering and delivery segment.

Source – Livemint

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## Alibaba Cloud all set to launch India data center to take on Google, Microsoft and AWS

Alibaba Cloud is gearing up to open its India data center in January 2018. As part of its announcement, the company has invited clients to sign up for services to be delivered by the new data center.

Situated in Mumbai, the India data center will help meet the surging demand for cloud computing services among the fast-increasing number of small and medium-sized businesses in the region. The Indian data center will offer a full suite of services, for enterprises and organizations to build IT infrastructure for business on cloud.

Source – Inc42

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## MDR cut will push more merchants to go digital: Founder, Paytm

The recent government announcement on incentivization of digital payments of up to Rs 2,000 at merchant outlets could be the next "demonetization moment" for the Indian economy, said Vijay Shekhar Sharma, founder, Paytm. This move could get small merchants who were keeping away from digital payments to finally start accepting payments digitally.

Sharma, who is focusing on UPI in a big way, said Paytm could be generating the highest volumes on UPI in the next three months. He believes these moves will help payments to move towards mobile payments, led by QR codes.

Source – The Economic Times

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## Myntra to use the power of kiranas

Myntra aims to leverage the power of mom-and-pop stores to showcase and sell its merchandise. The firm will display some of its products in kirana outlets, like FMCG firms do by hiring dedicated shelves at such stores.

In the coming months, Myntra plans to partner hundreds of kirana outlets for this omni-channel play. It will pay the shopkeepers who are ready to sport Myntra's co-branding sign boards and keep display shelves showcasing its lifestyle products such as apparels, shoes and cosmetics items.

Source – The Economic Times

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## Facebook says data requests from India surged

The Indian government requested Facebook for data 9,853 times in the first half of 2017 - up from 6,324 times in the first half of 2016. Facebook restricted access to 1,228 pieces of content in response to legal requests from law enforcement agencies. Majority of the content restricted was alleged to violate local laws relating to defamation of religion and hate speech.

Source – NDTV

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## Battle for bigger pie of food delivery space set to intensify

Food tech firms have their work cut out in 2018, with Uber and Ola entering the food delivery space, taking their rivalry to a new level, and existing players Zomato and Swiggy planning to raise fresh funds by the first half of next year for further expansion. According to sources, Zomato has been in talks with Ant Financial for raising the next round of funds.

Source – Business Standard

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## WhatsApp asked to stop sharing data with Facebook

France's privacy watchdog has issued formal notice to WhatsApp, asking it to stop sharing user data with Facebook within a month. Data is transferred to Facebook for: targeted advertising, security and business intelligence.

Source – The Economic Times

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