

Digital money gaining currency

Abhishek Law
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Online grocers, taxi aggregators & even small retailers see spurt in non-cash transactions



Kolkata, November 15:

Cash may not be king in India anymore. Post-demonetisation, there has been a steady rise in non-cash transactions across sectors — up to 1,500 per cent in some cases. And, it is not just mobile wallets that are seeing growth.

For example, online grocer BigBasket has seen its non-cash transactions grow, as has been the case with Spencer's Retail. Taxi aggregator services Ola and Uber too claim uptick in numbers. According to Hari Menon, Co-Founder and CEO, BigBasket, the company has seen an at least 20-22 per cent rise in transactions from November 8 onwards on a month-on-month basis.

“The numbers could have been higher, say, 30-35 per cent, had we been able to deliver all orders. In fact, order delivery times have increased because of huge demand,” he told *BusinessLine*. Previously, non-cash (through Net banking, debit cards, credit cards and mobile wallets) to cash transactions were almost 50:50. Now, it is 80:20, that is, out of every 100 transactions, 80 are through non-cash options.

Menon maintains that it will take another 10-odd day for deliveries to normalise. “Apart from logistics issues like delivery vans, you also need to train people. We have started doing that now. In another week to 10 days it should normalise,” he pointed out.

For Spencer's retail, it has been more of a mixed bag. On Wednesday and Thursday (two days after demonetisation), there was a drop in sales and number of transactions across its stores pan-India.

“However, from Saturday there has been healthy recovery, and the number of transactions has picked up significantly,” a spokesperson said.

According to company sources, there has been a major jump in non-cash transactions, which are now over 80 per cent of the overall transactions.

Normally, cash to non-cash transactions in the organised retail sector is 60:40.

Mom & pop outlets

In fact, the mom-and-pop stores have found some way out. In Kolkata, for example, some small retailers are still accepting the older denominations. “I'm still accepting some old ₹ 500 notes, especially from people I know,” Ramen Sikdar, who runs a retail store in a north Kolkata locality said. Moreover, smaller retailers have started downloading wallets, such as Paytm and Freecharge, as an alternative.

Small retailers have also found ways to help themselves stock up. Across the small retail sector, credit cycles have been extended with FMCG majors stepping in to help, sources said. Multi-business conglomerate ITC, in an emailed response, said: “Given our long-standing relationship with trade partners, we continue to engage with them to discuss and resolve issues, as in the prevailing scenario to ensure availability of our products to consumers.”

Interestingly, taxi aggregators Ola and Uber are also seeing a spike in their non-cash transactions, not to mention the increase in application downloads. An Ola spokesperson points out that ‘Ola Money’ has already seen a 15-fold growth in recharges. Uber too reiterated that it has seen a “significant uptick”, but did not give numbers.

(This article was published in the Business Line print edition dated November 16, 2016)