

E-commerce players cashing in on going cashless

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Govt's demonetisation drive gives big opportunity to push cashless options

Mumbai, November 10:

The ongoing cash crunch arising out of the Centre's decision to demonetise ₹ 500 and ₹ 1,000 notes has provided a big opportunity to digital players, including e-commerce and wallet companies, to usher in a behavioural change among online users.

Nearly 70 per cent of current online transactions are based on cash-on-delivery (CoD). This could change soon if the initiatives being driven by the digital players pay off.

Abhay Doshi, Senior Vice-President and Head-Digital Services Platform Business, Flytxt said, "This is the biggest opportunity for start-ups offering mobile wallets, fleet taxis, food ordering services, mobile recharges services, multi brand retails, home services and last mile delivery services. The new move will only compel a larger number of sellers to accept digital money. This is the time when we can engage in new user acquisition and increasing their transaction numbers."

To cash in on the opportunities, companies such as Snapdeal and Paytm have launched a new mode of payment called "wallet-on-delivery (WoD)". The service allows users to make the payment only when their package is delivered and simultaneously removes hassles around tendering exact change.

"Goodbye Cash-on-Delivery, We are working with our courier partners to enable Wallet on Delivery, also known as Paytm-on-delivery." said Paytm's founder Vijay Shekhar on Twitter.

Mrinal Sinha, COO, MobiKwik, said that within a 50-day period many Indians will change their payments behaviour to move from cash only to a cash-free economy.

But poor penetration of credit cards and lack of good broadband connections could come in the way. As per RBI data, the credit and debit cards put together are at 754 million as of September 30, 2016 as against 625 million in the year-ago period in a country with population at 1.3 billion. WoD also means that people have to download the app and fill in their e-wallets through net-banking, which is a challenge in smaller towns where internet and broadband service is still patchy.

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