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Mobile wallets are both an opportunity and a threat: MasterCard official

KR Srivats

We are happy as long as there is equal opportunity and a level-playing field for everybody: Porush Singh

New Delhi, April 11:

Global payment services company MasterCard is unfazed by the growing momentum of digital wallets in India and its potential to revolutionise the payment industry here. The B2B technology company sees digital wallets as both an opportunity and a threat, according to Porush Singh, Country Corporate Officer — India and Division President-South Asia, MasterCard. Singh's views are significant at a time when digital wallets are emerging as a disruptive model that could erode the market for traditional plastic cards and change the dynamics of the electronic payment industry globally. Excerpts from an interview:

How is MasterCard positioning itself to face competition from digital wallets?

I think competition is good, especially in a growing market like India. In a market where only 1 per cent of spends is electronic and the rest is cash-based, there is increasing need for competition to drive innovation to meet consumer needs.

I think there is lot of opportunity in the Indian market going forward. In a growing market, there is more than enough for everybody. I sleep easy on this (competition).

We are happy that there are players like Rupay as long as there is equal opportunity and a level-playing field for everybody.

From our point of view, even if 99 per cent (cash-based consumers) becomes 98 per cent, it is going to double business. W have been investing so heavily in India (the technology hub in Pune) to build skills and leverage on our global learning so that manufacturing can happen here for the Indian market. Nearly 12 per cent of our global workforce is based out of India.

So are mobile wallets a threat?

I do see digital wallets as both an opportunity and a threat. It all depends on how they evolve. They are an opportunity as they expand the funding and aid electronification. They could also be a threat if they close everybody else to become a single solution in the market. I think wallets are a bigger opportunity, as in the initial phase they will enable funding from different sources.

Where do you plan to focus energies — debit or credit cards?

We will focus not only on debit and credit cards, but also on pre-paid and commercial cards. There is huge opportunity in each segment.

What is the aspiration for MasterCard in India?

Our aspiration is clearly to become the market leader. As on date, we are not. In the Indian market, it is important to grow profitably. We will focus on meeting the needs of consumers, partner institutions, accepting merchants within the framework of government policies. Whoever moves fastest in being able to meet the needs and whoever has creative solutions at the right time is going to emerge as winner.

What can one expect from MasterCard in the next 12 months?

Innovation in the digital space. Innovation would be around the products for consumers, banks and merchants.

You had a programme Master Your Card to train CAIT members (retail traders) on digital payments. What is its status?

The aim is to educate them about the advantage of electronic payments and help expand their business. We have done the training in multiple cities. Since its inception in 2015, more than 50,000 traders have participated in such trainings in various cities, including Delhi, Pune, Chandigarh, Jaipur and Ahmedabad.

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