

Payments in e-commerce the next big thing

SBI Cards joins 7 e-commerce firms for payments

BS REPORTER

New Delhi, 15 September

SBI Cards on Tuesday launched a credit card especially meant for transactions on e-commerce websites. The idea is to cash on the emergence of 'payments gateways' as the next big thing in e-commerce. To boost usage of the product, called SimplyClick SBI Card, it has entered into a partnership with seven of India's biggest e-commerce entities — Amazon India, BookMyShow, Cleartrip, FabFurnish, Foodpanda, Lenskart and Ola.

According to Vijay Jasuja, chief execu-

tive, SimplyClick is a "first of its kind credit card", with reward points for online transactions. "The card would offer reward points to the tune of 5x on all online transactions. If done on partner sites, the reward points would be to the tune of 10x," he said.

SBI Card said it was focusing on online shopping across diverse categories.

Also, the card will reward loyal customers by offering them up to ₹4,000 worth of vouchers if they spend ₹2 lakh annually via the online medium. For possessing a card, there is a one-time fee of ₹499. Holders will also get an Amazon e-gift welcome voucher worth ₹500. And,

will get a reversal of the renewal fee on crossing annual spending of ₹1 lakh.

Experts said the first phase of the e-commerce revolution a few years earlier had seen the emergence of major entities (such as Flipkart, Snapdeal, Ola, Zomato) which either offered services or products. The past one year, however, belonged to companies providing payment gateways.

"The focus now is to provide solutions for helping to make online payments simpler and lessen cash on delivery," said Saurabh Kochhar, co-founder Foodpanda. "We have a number of mobile wallets incorporated, including Paytm, MobiKwik, SBI Buddy, PayU Money and Oxigen, among others. The cash on delivery for us

has reduced considerably."

The market for mobile wallet apps, say analysts, is presently around ₹350 crore in India and is estimated to touch ₹1,200 crore by 2019. Be it these or credit cards, everyone is trying to come out with a version of an e-commerce gateway.

According to mobile wallets, more payments would become cashless in the next few years. "At present, we have around five million subscribers, of which 30 per cent are repeat customers, meaning they use our services at least two or three times a month. We believe as more merchants, restaurants and grocers go online, mobile wallet usage would increase," said Virender Gupta, head of PayU Money Wallet and Checkout.