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SBI Card Banks on Ecommerce Boom

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Expects 60% of transactions to come from etail

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New Delhi: SBI Card, a joint venture between GE Capital and India's largest bank—State Bank of India on Tuesday said that it is expecting ecommerce transactions through credit cards to account for about 55%-60% of its total transaction value in the current fiscal. "Currently, about 40-45% of the value of transactions on SBI Card come from ecommerce. This number has almost doubled over the past two years," Vijay Jasuja, CEO of SBI Card told ET. The company has about 3.2 million cards in circulation in India.

On Tuesday, SBI Card tied up with seven top ecommerce startups namely Lenskart, Ola, FabFurnish, Amazon, Foodpanda, Bookmyshow and Cleartrip where by it will give back ₹2.50 back as reward points to a buyer for every ₹100 worth of shopping on these sites through its newly launched the SimplyCLICK SBI Card.

Gurgaon-based SBI Cards & Payments Services, provides credit card solutions to retail and corporate customers. SBI holds 60%

Growing up

40-45%

Current value of transactions on SBI Card that come from ecommerce



3.2 million
Number of SBI cards in circulation

stake in the venture which started in 1998 with the rest being held by GE Capital.

For ecommerce companies, saving card details gives them customer stickiness, repeated purchases, seamless transactions and reduces cash-on-delivery business, which eats away their margins. For most Indian online retail companies cash-on-delivery accounts for over 50% of their shipments.

"A majority of our customers recharge Ola Money that is now usable across a host of merchants online, outside of Ola's offerings. With this partnership, SBI Card users will benefit from additional reward points," said Sudarshan Gangrade, the vice-president of marketing at Ola.