

The Hindu Business Line SBI Card rides high on e-comm wave

Date: 18/10/2016 | Edition: Ahmedabad | Page: 9 | Source: KR Srivats

SBI Card rides high on e-comm wave

Crosses 4-million customer milestone

KR SRIVATS

New Delhi, October 17

Credit card issuer SBI Card has crossed the four-million customer base mark on the back of sharp growth in online spends, especially in e-commerce.

Riding this growth wave in online spends, SBI Card aims to add another million customers by September 2017, SBI Card CEO Vijay Jasuja told *BusinessLine* here.

Over the past two-three years, e-commerce has emerged as a key driver of growth in spending. The increasing popularity of online shopping, combined with growing awareness about the convenience of credit card usage and consumer confidence in safety of card transactions, has boosted online card spends.

"We are delighted that four million customers have placed their trust in us. Our values of transparency and customer centricity and focus on quality have resonated with customers.

"We look forward to extending industry-leading, tailored payments solutions that complement evolving needs and life-



Vijay Jasuja, CEO of SBI Card, in a file photo

styles to many more consumers," Jasuja said.

Two years ago, less than 25 per cent of SBI Card's card spends were on e-commerce. Today, it stands at 45-50 per cent of the total, according to Jasuja. The overall monthly spends on SBI Card stood at ₹3,300-3,500 crore.

E-commerce spends are growing at a rate of over 50 per cent for SBI Card while overall spends are growing in the range of 30-35 per cent, he added.

In the past five years, SBI Card has grown at a CAGR of 30 per cent, well above the industry CAGR of 20 per cent.

Jasuja highlighted that tangible benefits such as discounts,

cashbacks and rewards on online spends are yet another driving factor.

Cashbacks, rewards

"For example, our partnership with Flipkart for the Big Billion Days — where we offered 10 per cent instant discount to our cardholders in addition to merchant discounts — has seen tremendous response. We partner with various e-commerce merchants across categories, particularly during the festival season, to offer a rewarding shopping experience to consumers. This year, in addition to Flipkart, we also partnered with Snapdeal, Yatra and Urban Ladder," he said.

Jasuja also noted that the recently launched SimplyCLICK SBI card, which has been designed to reward online spending, has become a significant contributor to the company's portfolio, alongside its mass affluent products.

"As much as 45 per cent plus of all spends on the SimplyCLICK card are online and a trend we observe is that the younger the customer, the higher is the proportion of online spends," he pointed out.

SBI Card is also seeing a rising trend in online shopping in tier II and III cities as consumers get an avenue to purchase brands which do not have a physical presence in their cities, he said, adding: "We expect growth in online spends to remain strong over the next three-five years."

Jasuja also said SBI Card has seen multi-fold growth in equated monthly instalment (EMI) sales, as consumers shift towards EMI purchases, particularly for high-value items, such as mobiles and consumer durables.

EMI sales from online merchants are growing at double the rate of overall EMI sales growth, he added.