

Updated app, digital cards among HDFC Bank’s priority launches

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A **REFURBISHED PAYMENTS** app, digital credit cards and a fully interoperable merchant solution will be among HDFC Bank’s priority launches over the next two-three quarters, Parag Rao, head – payments business and IT, at the bank, told *FE*. The Reserve Bank of India (RBI) lifted its penal embargo on digital launches by the bank on Saturday.

“Over the next two-three quarters we would be talking about five-six areas where we’d be going to the market with either an upgraded digital offering or a completely new offering. We’ll space them out to give time for us to get everything right and also for customers to absorb them,” Rao said.

HDFC Bank will refurbish its PayZapp app and launch it as a complete payments app called PayZapp 2.0 on the latest available digital technology platform. The bank believes this app will leverage its existing strengths, such as its 60-million-strong debit and credit card franchise. Unlike its earlier version, PayZapp 2.0 will have Unified Payments Interface payments enabled. It will include a range of payment options, including modes like tap and pay to



Parag Rao, head – payments business and IT, HDFC Bank

transact at all merchant establishments with the required enablement.

PayZapp 2.0 will also have offers across merchant categories through the Smart-Buy platform.

“Over the next three years, we want this to be among the top three payment apps in the country by way of transactions and volumes,” Rao said, adding that the app will be targeted at new-to-bank as well existing customers.



The bank plans to use the app as a funnel for acquisition of customers. There will be a section on it for the bank to sell credit cards and other banking products.

The bank’s second priority area is the launch of a mobile-only credit card, which will also be serviced purely through digital channels. This product line will be a precursor to other mobile-only, do-it-yourself (DIY) products that the bank plans to launch, including its challenger bank. HDFC Bank had 16.04 million credit cards outstanding in January.

For its merchant customers, HDFC Bank will expand its SmartHub Vyapar app-based solution, which has already had a soft launch. Targeted at medium and small merchants, the app provides a DIY experience and assisted journeys to avail of all payments solutions, loans and other value-added services on a single platform.

The app will be interoperable with other payment platforms for acceptance transactions. For larger merchants, the bank will club the app with a point of sale machine to address their requirements.

The approach to small and medium enterprise (SME) relationship management will also be digitised further. HDFC Bank hopes to be able to reach out to a broader set of SME customers with this shift.

Analysts at Jefferies said in a report dated March 12 that HDFC Bank will now be able to launch platforms that integrate its offerings in the areas of auto, healthcare and rural financing in partnership with non-financial players.

More importantly, the bank will be able to operate more smoothly, the report said. “The lifting of the ban would also allow the bank to smoothen business-as-usual initiatives, instead of having to seek clarity from RBI in case of doubts.”