

HDFC Bank's E-volution Gives Customers a New Marketplace

Bank rolls out PayZapp which will be a one-stop platform for users to undertake many transactions

Our Bureau

Mumbai: HDFC Bank is no longer a bank. It is a marketplace. India's most valuable lender on Wednesday rolled out an app that would combine the features of a bank branch and hundreds of e-commerce platforms which could protect consumers' wallet and ensure that the bank retains its dominance in the retail segment.

Customers of HDFC Bank from now on need not separately download apps of companies such as Flipkart, BigBasket.com, BookMyShow, Cleartrip, Makemytrip, Goibibo and Expedia. All that they have to do is get HDFC Bank's PayZapp which would facilitate transactions at thousands of merchants across the country.

"The genesis of this was that a lot of the investors who came to meet started saying that banking is going to be obsolete," said Aditya Puri, managing director and chief executive at the bank. "You are going to be a dinosaur. They said there are so many of these bright kids sitting in Silicon Valley who are looking how to disintermediate you."

Indian banking is at the crossroads as nimble start-ups are shaking up behemoths of two

hundred years with their affordable technologies for transactions. The Reserve Bank of India is actively promoting differentiated banks such as payments banks and small banks as four decades of bank nationalisation failed to achieve financial inclusion.

HDFC Bank's app will also indicate offers that are available where the customer is located

The HDFC Bank app will give customers options to send money, recharge mobile, make bill payments, book hotels, make grocery purchases and even book online movie or airline tickets. "Within PayZapp, HDFC Bank offers Smart Buy — which is a virtual market place," said Puri. "Almost everything you want to buy is available there and most things would be at a discount. On your monthly purchases, I can assure you that you will save quite a bit of money—at least 10-15%."

The launch of the new products comes close on the heels of RBI governor stating that by August it would issue payments bank licences which are expected to compete with banks particularly for third-party transactions. As of now, HDFC Bank has tied up with

At Your Fingertip

Volume of mobile phone transactions in the month of March 2015



Mobile Phone Transactions

HDFC Bank	6,030
ICICI Bank	2,515
Axis Bank	1,970
Canara Bank	1,715
SBI	1,660

(₹ crore) Source: RBI

around 15 big merchants and within 45 days it plans to have a tie-up with 10,000 merchants, Parag Rao, senior executive vice president of the bank told reporters.

HDFC Bank will introduce loyalty points, QR code based payments and contactless payment mobile instruments. The app will also indicate offers that are available where the customer is located. Nearly 63% of HDFC Bank's total transactions are done through internet banking or mobile banking platform.

HDFC Bank ranks first among all commercial banks in terms of mobile payments.