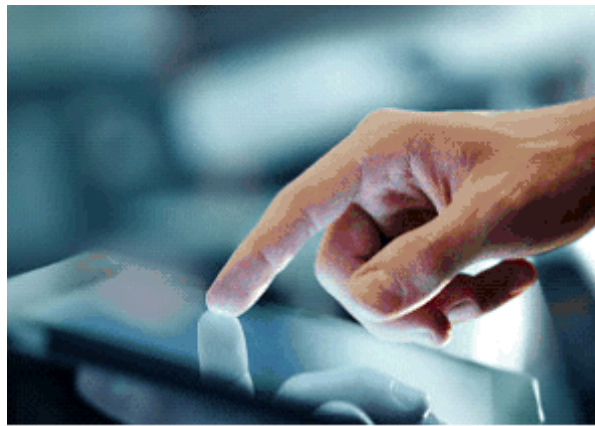


Lafferty News published an online review of the product, that highlights some of the key advantages of the product. We've pasted it below for quick reference. Lafferty Group is a major provider of advanced knowledge services for the financial industry worldwide. The *Lafferty News Service* publishes a series of online newsletters that provide timely and incisive news, research, commentary, analysis and interviews.

HDFC Bank's PayZapp looks like an Apple Pay moment for India

HDFC Bank, a leading private sector retail bank, and India's top brand, has released its one-click payment platform called PayZapp, which is expected to be positioned as an all-in-one mobile payments platform as part of HDFC's 'GoDigital' strategy.



At the outset, PayZapp sounds like just another of the mobile payment apps that have been unleashed on the Indian consumer regularly over the past two years. India has numerous mobile payment solutions and, with the exception of M-Pesa, all of them are home grown apps: PayMate, PayZippy, Paytm, Bijlipay are the names that cropped up as disruptors in the mobile payment space in recent years. The early bird Airtel Money – with its closed loop model – never really took off and doesn't come up as top of the mind recall now.

Various other banks like ICICI Bank (which launched M-Pesa) and Axis Bank (PingPay – social media-based payment) have launched innovative mobile payment services to customers.

However, with the launch of PayZapp, it looks like the Apple Pay moment for India has arrived. As we all know, the US was also drifting aimlessly on mobile payments (remember SoftCard and ISIS by Verizon?) until the seminal moment when Apple launched Apple Pay. The US mobile payment industry has never looked back since then and with Samsung Pay and Android Pay following in quick succession, consumers really look to be taking to mobile payments.

I see this as a similar transformational event taking place in India. India's mobile payment ecosystem will never be the same again. What NPCI's IMPS and other enablers have been trying for years now looks to be breaking through.

PayZapp is not going to be just another mobile payment launch for the following reasons:

- HDFC Bank is a leading acquirer and issuer in the cards space. Its formidable reach will ensure that both merchants and cardholders will see PayZapp as a ubiquitous solution.
- PayZapp operates on the existing payment infrastructure – just like ApplePay – the cardholder can scan the HDFC Bank debit or credit card or key in the number after downloading PayZapp from Google Play, etc.
- It is available for Visa and MasterCard, which means all HDFC Bank plastics in circulation are available for use as mobile payment cards through this app.
- Since this is a mobile payment solution offered by a bank and is convenient to use, it will have greater credibility than a mobile payment solution by a non-bank start-up.
- The sheer brand coverage of HDFC Bank will lend a universal appeal to both merchants and cardholders.
- PayZapp may also be a game changer, as it seeks to eliminate the various intervening steps required to pass a mobile transaction, as it is adopting an approach of providing a payments channel that authenticates users directly with the bank's systems.
- It is compliant with the RBI norms of two-factor authentication.
- As the bank is controlling the transaction flow from end to end, it is going to go down well with cardholders on security.
- The P2P funds transfer option is very attractive and looks simple to use.
- PayZapp will have a beneficial collateral effect on all the other mobile apps – particularly by other banks – and will lead to a surge in mobile payment transactions as a whole.

So, in summary, mobile payments in India may be at a point where all the huge promises will become a reality and the true potential of mobile payments is finally realised.

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