

PayZapp is HDFC Bank's counter to Apple, Android

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Mumbai: HDFC Bank is positioning its PayZapp mobile application as an answer to Apple Pay, Samsung Pay and Android Pay — all of which are set to enter India in the current fiscal.

HDFC Bank, the largest card issuer in the country, is hedging all bets by incorporating as many as seven payment features in PayZapp. "It will have near field communication (NFC) or Host Card Emulation (HCE) capability, as we call it, as part of payment features," said Parag Rao, head (card payment products and marketing), HDFC Bank. HCE is a software architecture that enables payments from a dematerialised cards using NFC. HDFC Bank has readied half its network of 2.8 lakh point-of-sale machines to accept NFC payments.

PayZapp contains a prepaid wallet and a virtual prepaid card. Bank customers can also store their credit or debit cards in a dematerialised form in the app and use them for electronic payments. The customers can use the underlying cards or wallet for using mVisa's scan-and-pay option, where they pay by merely scanning a QR code. Or they



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can use their mobile phone's NFC capability to tap and pay at a point of sale terminal. They can also send money to peers through the app using the IMPS platform, said Rao.

HDFC Bank, with 71.7 lakh cards, has 29.4% share of the market. But despite its sheer dominance, the bank is not resting. It plans to double the rate of card issuance from the present level of 2 lakh cards a month to 4 lakh in the next 12-18 months.

"Given our dominant share, we have no choice but to

grow the market," said Rao.

The opportunity is the customers who do not have credit cards. As against 65 crore debit cards in India, there are only 2.4 crore credit cards.

According to Rao, the numbers will be achieved as the entire process has been digitized and customers can apply for and receive their cards without any human intervention. The bank is segmenting the market and coming out with different types of cards, including virtual credit cards for customers who will use this card only in the electronic space.

On trends in cardless payments, Rao said it was too early to say which platform would pick up. "It is too early to say. NFC has just come in. QR code has just come. The entire digital play is just a year and half old."

"What Indian consumers or merchants will adopt is difficult to say. China has adopted QR code scan-and-pay like anything. The whole success of Alipay has been because of scan-and-pay. India will also try that. It is difficult to say what will pick up in which economy. We will take all solutions to the customer and let the customer choose," said Rao.