

## Paytm bets big on offline market payment game

**Prabhu Mallikarjunan**

**Bengaluru, Oct 29:** Seeing a huge potential in the unorganised offline retail segment in the country, digital payment and m-commerce company Paytm which clocked \$2.4 billion annual in gross merchandise value (GMV) run rate in September, is now aggressively taking its product to the offline market.

Apart from kirana stores, taxi hailing services and fine dining, Paytm is running a trial with country's leading mass rapid transport systems and gas stations to accept its wallet service offline. In effect, it becomes like the ubiquitous debit card. The

company declined to identify the partners it is trying to rope in, citing competitive reasons.

Company founder Vijay Shekhar Sharma told *FE* that the company would be spending ₹1,500 crore over the next 18 months towards customer acquisition and activation by promos, discount and offers, apart from ₹600 crore investment in technology and people and about ₹400 crore in catalogues and logistics. Paytm, the consumer brand of One97 communications, currently has a user base of 100 million and is betting big in Tier II and III cities.

Speaking to *FE* Nitin Misra, VP (products) at Paytm said, "In



the unorganised retail segment, merchants prefer to live on cash and they don't want to go digital. We want to change this mindset and we see a huge opportunity

here. Paytm is giving a big push in the offline segment and will concentrate on partnering with gas stations, educational institutions, insurance companies and

transport agencies to use our wallet service.”

On Thursday, the company announced that insurance companies like ICICI Prudential Life, Religare Health, Reliance Life and Reliance General have partnered with Paytm to assist consumers in paying their insurance premiums online using its wallet service. Paytm is targeting annual premium payment in excess of ₹1,000 crore by going live with 15+ companies by the end of next quarter.

Misra, an ex-Airtel and Samsung executive, who is just four months in the company said his mandate was to improve the three S as he calls it - security, sta-

bility and scale. “Consumer trust is paramount. We are re-hauling systems, building a strong fund engine to ensure customer money is kept safe, and trying to minimise the downtime and better connectivity,” he said.

Just weeks ahead of the festival season, the company redesigned its website to make it simplistic and intuitive for the shoppers. With this, on the lines of its competitors, Paytm is looking for a 10x rise in sales during the three-day diwali festival sale that starts on November 3. The company said, In October, with the season sale starting, it has recorded 4x rise in sales compared to the previous month.