



TV 18



# LIME.7

SEASON

## CASE STUDY

IIM-K • WALLET • MOBIKWIK

# MOBIKWIK CASE STUDY



## ABOUT THE COMPANY:

MobiKwik is India's largest independent mobile payment network, connecting 17 million users with 50,000 retailers. MobiKwik enables users to discover retailers (brick-and-mortar stores, e-commerce websites, m-commerce apps, billers, telcos) and then start paying them with 1-tap.

MobiKwik is powering payments for Uber, Meru Cabs, Big Bazaar, WHSmith India, Café Coffee Day, PVR, BookMyShow, Domino's, Pizza Hut, Star Sports, GoDaddy, eBay, ShopClues, Myntra, Jabong, Pepperfry, HomeShop18, MakeMyTrip, Cleartrip, and Yatra. The company has raised close to \$30 million in funding till now from Sequoia Capital, American Express, Tree Line Asia, and Cisco Investments.

With MobiKwik, users load money into the wallet once using cash, loyalty points, debit card, credit card, and net banking to make secure 1-tap payments for purchases. Most MobiKwik users make 10 purchases every month using their wallet balance across diverse usages such as recharge, bills, food, travel & cabs, shopping, entertainment, etc. Users also transfer money to wallets and bank accounts of friends and family using MobiKwik. Users today enjoy MobiKwik wallet services on Android, Windows and iOS mobile applications and on MobiKwik.com.

MobiKwik aspires to be the largest source of digital transactions in India. The company's goal is to power \$5 billion in payments between 150 million users and 500,000 retailers. MobiKwik has also applied to RBI for a Payments Bank license in February 2015.

## CASE DETAILS:

In 2014, MobiKwik successfully built out its semi-closed wallet, enabling it across a multitude of digital businesses. Users who earlier could use the wallet only to pay their bills, recharge their phone, etc could now pay for their food, travel & cabs, shopping, and entertainment purchases too, using MobiKwik. From BookMyShow and eBay to Myntra and MakeMyTrip, MobiKwik becomes the preferred mode of payment on a lot of popular e-commerce brands. By the end of 2014, transactions on third party websites and apps accounted for around 35%-40% of MobiKwik's business. The success on the e-commerce side made us focus on the next big market - offline payments. The low penetration of plastic in India meant heavy reliance on cash payments. The question that played on our mind was - how do we change the user behavior (of both consumers and retailers) such that they replace cash payments with MobiKwik wallet payments?

- Debit cards issued in India run into 500+ million, but only about 10% of them are active
- Credit card penetration is low and stands at less than 30 million
- In India we have 30-40 million small and medium enterprises (SMEs), but only 1.1 million point of sale (POS) machines have been deployed so far
- The overall number of merchants in India who accept any kind of electronic payment is very low and stands at around 0.7 million today
- Given all the constraints, it is not a surprise to note that about 95% of payments in India still happen in cash

## TARGET GROUP:

On the consumer side: Users who own a smartphone and have mobile Internet access

On the business side: Brick and mortar stores and retailers

## CHALLENGE/OPPORTUNITY:

With 95% of the offline payments in India being powered by cash, the opportunity to combine the power of digital and mobile to drive adoption of an easier and more secure way of paying is what beckons us. On the technology front, the solution is ready. The question that remains is:

Given the technology is in place, how can MobiKwik get users to ditch the habit of paying with cash or cards and start using MobiKwik wallet?

## EXPECTED OUTCOME/ DELIVERABLES:

A marketing and communication strategy aimed at changing the payment habits of users, moving them from cash or card payments to MobiKwik wallet