

BUY NOW
BNPL India Deep Dive
PAY LATER

Starts
This **April** - 2022



Stop Dreaming - wake up to the New World
of **BNPL** - Buy Now Pay Later



WELCOME TO BNPL INDIA DEEP DIVE

BNPL – Buy Now Pay Later has emerged as one of the most disruptive phenomena of the decade 2020. BNPL's impact is already visible widely and likely to intensify in the coming years, with the top line revenue (GMV) to notch up to USD 1- 3 trillion in 2026 -30 from a current estimated base of USD 226 billion.

In our "Approach Note" as a precursor to the deep-dive, we have tried to capture the meteoric rise and spread of BNPL across the continents. In essence the short and swift rise of BNPL, ushering in a change in the entire value chain is regarded as disrupting in effect as in the 1950-60 with the advent of credit cards in the US, therefore called a phenomenon. And it is rocking in India too. We present here a comparable construct and look into the basic differences of the evolving story in the Indian context.

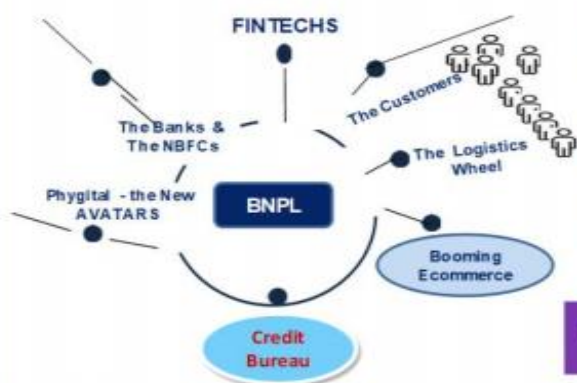


India's potential to emerge as the key BNPL market

	US	AUSTRALIA	INDIA	UK	GERMANY
No. of internet users (% of population)	290 Mn (78%)	22 Mn (88%)	550 Mn (40%)	55 Mn (80%)	71 Mn (88%)
No. of online shoppers	200 Mn	12 Mn	100 Mn	40 Mn	47 Mn
Total retail	\$3.6 Trn	\$250 Bn	\$820 Bn	\$500 Bn	\$550 Bn
Online retail (% of total retail)	\$450 Bn (13%)	\$20 Bn (8%)	\$30 Bn (4%)	\$90 Bn (18%)	\$80 Bn (15%)
Debt to GDP	80%	120%	16%	94%	53%
Credit Card penetration	75%	75%	3%	55%	35%
	zip Valuation \$37 Bn	afterpay Valuation \$20 Bn	zest Valuation \$3 Bn	Klarna. Valuation \$400*	

Cracking the layers is the key to Sustainable Long Term Drive

The Partnership Eco System - Collaboration amid Growing Fierce Competition



Diwali sale & aftermath 2021 crosses 2 lakh crore - TOI



THE Combination of Fintech, BANKS & FIs with Credit Scoring Companies playing a big role in pivoting BNPL, these partnership will rest on Logistics in a big way as Quick Commerce or Q-Comm is seeing exponential growth. SO REAL TIME DELIVERY & REMOTE SERVICING is all becoming a part of the journey.



Key Challenges Ahead : Sustainability

How BNPL in India can sustain

The very combination of factors like lack of Access to credit, rising eCommerce trends within booming retail uptake like Q-comm with rising trends in upsurge of getting branded household goods at doorstep delivery makes BNPL players a huge opportunity to become the playmaker as a convergence point of demand meeting suppliers in a seamless way as Tao Bao, Alibaba has long done in China, now being replicated by Amazon, Ebay, FlipKart etc worldwide.

The Indian Story would be different as it traverses the odds with opportunities. On the one hand the market size, unmet demand and the Digital and Finance rail is ready, the depth and broadening of the scale is of paramount importance to sustain itself and be ready for the Trillion Dollar opportunity.

How India can make it?

Amazon, eBay etc have been there for decades, why then BNPL?

Uniqueness lies in forcing Amazon to embrace BNPL as a product despite much bigger financial giants failing to capture the mood.

Klarna, AfterPay, Zipp, Zest in various ways breached the glass façade of High Streets finance & bulldozed its way into recognition by democratising the access to finance, bringing in the uninitiated.



With low access to credit as a plank to grow BNPL providers is in a unique position to conjure and hinge a meshed network of cross selling of goods & services. The twin challenges are of prime importance.

- 1) Cracking the Layers of the demography
- 2) Last Mile Delivery Strategy

For whom the BNPL Bell in India Tolls

As described in our Approach Note FFIFS believes & predicts with conviction that in India BNPL in its revamped forms is going to last & probably be a game changer by ushering in a revolutionary changes in the transaction eco-system as BNPL is not merely a payment method any more, it becomes a way of life. From a very narrow use case It will surge next years to scale unprecedented heights because of it all pervasive transaction empowerment. How so?

The gap in Credit Access provides for an innovative on-boarding & outreach challenge which Zest and others players have demonstrated. Mumbai, Bengaluru figures in this map along with Surat Coimbatore Chandigarh as subset of Tier II cities that can rival the big 6 metros, judging by the 2021 reports of Zest, Razorpay etc. Besides consumption pattern is changing one such innovative BNPL we found was Berger Paints purchase empowerment by BNPL method. It can possibly be replicated everywhere. It's the just beginning of the story

FFIFS believes in, as reflected by the huge interest by the Investors reposing their trust as the trend suggests where Indian start-ups continue to garner record millions of investment funds. Are all of them in a lurch for a mis-guided splurge? Perhaps not. It's a new story in the making, with projected Billions, already a worldwide phenomenon. Come join us and let us make another grand foray into an Inclusive Financial system deep dive. Be a part of the journey, engage, deliberate & debate and let us help find out more about BNPL & its powers to unshackle the locked doors of Access to Credit.

Shake Hand & Grow together so that EVERYBODY GAINS

ALL financial service providers, Large Companies, Regulators, Insurers, POS lenders, Embedded Financers, AI/ML driven Loan origination providers, eCommerce Players, Logistics providers, Merchants of all shades - Online or Brick and Mortar, Travel & Tours, Hotels - Entertainment, Food Delivery - Grocery, Mom & Pop stores, Kirana stores, Healthcare & Medicine providers and, practically all Supply Side providers SHALL use BNPL. And foremost of all, large stratum of ever growing Customers are the stake-holders of the Eco-system.



Objective of the Deep Dive

FFIFS with mBnk as a HOST with a seasoned group of very eminent professionals, have taken a mission mode view & wish to call all & sundry that let us try to fathom the depth of BNPL eco-system because we strongly believe that from a low base BNPL in its rapidly changing forms can really become a force in itself to bring forth the fundamental **issue of Access to Credit**.

- ❖ In our earlier engagements in DigitalInclusion & Financial Inclusion day we participated & saw how a small initiative created a momentum of a concerted movement where the government, the businesses, the advocacy groups and people from various walks of life came together, indulged in fierce debates & deliberations, which unleashed such mammoth projects like NeGP, Aadhar, UPI, Jan Dhan, Mudra etc. Now that BNPL is considered a worldwide phenomenon let us all jump in it together to create a win-win situation for all of us, to help make our community grow stronger, self reliant and well endowed.

WHO ALL ARE INVITED TO JOIN

- ❖ Pure play Fintech BNPL players whether lending themselves or in partnership with the banks, NBFCs, whether card based or non-card based, in B2C segment. These are the dominant players.
- ❖ BNPL B2B & B2B2C players, which are few, but increasing as in line with the global trend.
- ❖ The Giants driving eCommerce giants like Amazon, Reliance, Walmart & now Tata Neu.
- ❖ Travel & Leisure, Household Stuff, Food, Grocery, HealthCare, Insurers, Edtech, practically every industry vertical is looking at it to enlarge & retain their customer base. ALL OF THEM will come & join the discourse.
- ❖ **So Join us.**

TARGET OUTCOME FROM THE DEEP DIVE

- ❖ BNPL is rather a recent phenomenon in India, but entities like Zest Money been there in India since 2011 is growing big in 2021-22 period.
- ❖ But there are already so many FINTECHs in the fray with e-COMM giants Amazon, Flipkart, and Food delivery giants Zomato, Swiggy also in the fray.
- ❖ Altogether there is more than 40 odd entities in the fray & many more are coming as the banks are slowly taking their position to enter. Looking at the growth pattern of **Klarna, AfterPay** & now **Atome of Singapore**, rapidly covering 9 countries in and **attracting close to \$ 500 million + investment by StanChart** we feel that BNPL is going only one way, **UP & UP**.
- ❖ **Our Question- for whom?**

So Join the Discourse, Converge, Debate, Collaborate & interact with the best in the business. That is what FFIFS does Worldwide. Everybody benefits. Invite you all to join us & begin the journey from this April' 22.

Our Advisory Committee & Secretariat Members

BNPL INDIA DEEP DIVE - Advisory Committee Members



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Adviser, Encube, Collaborator
Former CMD - IOB
& Former Chairman of the
Banking Committee - ASSOCHAM
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Santanu Sengupta
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Convener

Conference Secretariat



Sushil Zaregaonkar
Director - EY



Jayanta Ray
Chief Banking Officer
mBank

Session Plans & Formats

Day 1 - 5th May' 22

Time : 3.30 pm

Inaugural Programme

Welcome Note to India Deep Dive Series

- ❖ Theme Presentation
- ❖ Industry Perspective
- ❖ Credit Bureau & BNPL
- ❖ BNPL in India
- ❖ Inaugural Address
- ❖ HOSTS' Vote of Thanks

No Q&A

Day1 5th May

Time - 5pm

Session 1

Notes and Perspective

The Global Trend & BNPL in India

- ❖ The Two Contrasting Turfs
- ❖ Will similar products positioning with varying subsets work here ?
- ❖ Early signs & How it is going to play Out.

❖ **Q&A - 15 minutes**

Day 2- What is in Store?

Day 2 - 6th May

Time - 3.30 pm

Session 2

Notes & Perspective

- ❖ BNPL is rocking with BNs of \$ investors fund pouring in this sector.
- ❖ Questions are prominent that with coming of Regulation and Credit Bureau references, given the nature of the financing model, will it be sustainable, viz Credit Card .

Q-A – 10 minutes

Day -2

Session - 3

Time - 5pm

Supply Side Dynamics - The Banks

- ❖ BNPL's GLOBAL FOOT PRINT thus far suggests that all of its major players are non-banks, making it a preferred payment method of choice. WHO bore the underwriting the risks & made available the cash to the merchants ? Not the banks - Or is it ?
- ❖ Where are the banks why they have not been ?
- ❖ Now that we see some movements what it is likely to be, will most of the banks front load it or stay behind , What is the journey like to be .

Q&A- 10 minutes

Day 3 - Sizzling

Day -3 Session- 4

Time - 50 mnts

BNPL VERTICLES - eComm VS THE PHYSICAL

- ❖ Global Trends suggest that Klarna, AfterPay, all started with a focus on Millennial, GenZs & developed their Merchant base to lure these segment & then became Ubiquitous.
- ❖ In India it is a mixed bag with Zest Money , Uni, LazyPay, PostPe all are accepted almost universally with increasing acceptance. From the current \$4-5 bn GMV to \$ 50 bn by 2026 or higher what is the journey like to be.

Q&A- 10 minutes

Day 3 - Session- 5

Time 45 minutes

BNPL TRENDS : FASHION LIFESTYLE VS UTILITIES

- ❖ Traditionally in most countries BNPL has risen on the planks of Life Style, Electronics etc as evident for the AfterPay Journey, or Klarna's.
- ❖ In India too early trends highlight the same – it is Electronics, Fashion etc. But of late increasingly the surge is on daily needs & Household good, Food & Groceries

❖ Q&A – 15 minutes

Day 4 - Daring the Tiger - Broadening the Base

DAY 4 Session- 6

Time 45 minutes

The Big Boys vs the Upstarts

- ❖ In India apart from the the eComm giants Amazon & FlipKart we see a fierce competition evolving in large format mti retail chains emerging with Walmart Jio & now the TATAS for controlling the 800 \$ plus Retail segment .
- ❖ How will the smaller players , the NEWBIES survive IN this tough battle as profitability vis a vis GMV concern arises & investors' appetite swivels

❖ Q&A – 15 minutes

Day 4 Session -7

Time 60 minutes

ACCESS TO CREDIT & B2B

From the Consumption of Impulse buying, BNPL users have been slowly moving away to more utilities and essentials. Although AfterPay or Klarna thrived on beat the CC syndrome in the developed economies we see changes are emerging in Europe as ALMA takes a different route. FFIFS believes Indian BNPL journey will be different sooner with B2B route as it empowers the SMBs to entice the community surrounding them & opens up risk mitigation as also the outreach to tier 2 & 3 cities. This is an evolving Model.

- ❖ What lies ahead?

Q&A 15 minutes

Day 5 - Revenue Model discovery & Investors Call

Day 5 Session -8

Time - 60 mnts

BNPL REVENUE MODEL DISCOVERY

BNPLs Global rise has been a combination of a Factors like Easy on-boarding, convenience & foremost -freeing up the locked desire to have the coveted items RIGHTAWAY. It had led to impulse buying and possible debt traps, but there has been a blitzkrieg of sorts, worldwide which powered customers & investors alike to BNPL. The question is What is possible in Australia, Europe or with US will it hold true in India context as MDR rate differentials? Lets try to find out some clues? Because it cannot thrive only on merchants Pay.

Q&A 10 minutes

Day 5 Session – 9

Time - 60 mnts

BNPL & THE INVESTORS RUSH

From the Mid 2021 when successive news of Billions of Dollars Valuation discovery news broke out everybody sat up. McKinsey report added further fuel to the fire when it spoke out 5 biz model of BNPL & how in the US banks have lost close to \$ 8-9 bn in 20-21. So worldwide including India Billions of Dollars are pouring in by the Investors. Is it a Gamble or well thought out strategy? Some early stage investors already rake in billions, What about the rest? **Let us find out about the Indian Story.**

Q&A - 15 minutes

End of Phase One

*Reach out to us for Speaking Opportunity. Please check for regular updates at our website: www.ffifs.org



Awards & Excellence Nominations



Best functionality in All Class from all aspects



Best Seamless end to end process from on-boarding to check out with without 1+3

Award: Winner, Runner Up & Second Runner Up



Best in class in merchant acceptance and bundled offers

Award: Winner, Runner Up & Second Runner Up



Best Utility & Household segment provider

Award: Winner, Runner Up & Second Runner Up



Best B2B BNPL in supply side management plus financing option

Award: Winner, Runner Up & Second Runner Up



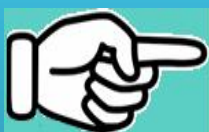
Best overall value for money BNPL provider

Award: Winner, Runner Up & Second Runner Up

WE invite experts, connoisseurs & people to participate in this competition & knowledge quest. It is open to all.* Please look at the website ffifs.org for detailed procedure, eligibility criterion & format & selection process, in different categories for an enlivening competition to be announced after the conclusion of the first phase of the Deep Dive. Watch Our for our announcement on ffifs.org.

- ❖ Only Online participation will be allowed.
- ❖ Only Registered organisation or individual will be allowed
- ❖ Entry Fee Applies
- ❖

** Conditions Apply*



**Watch out for our future announcements on
ffifs.org**



Partnership Programme & Benefits Directory

PRINCIPAL PARTNER *Entire Series*

Contribution Amount: INR 10.0 Lakhs (+ GST aa)

Key Note Address In the Inaugural Session & Valedictory Session

- Choice of 3 speaker slot along with Inaugural Valedictory Sessions.
- LOGO & Headline Prime banner on FFIFS & other partner sites for the full continuation of the Deep Dive
- Exclusive Logo Branding on other displays
- Logo on the main back drop of conference and all tracks, pre-events promotional literature, the conference proceedings.
- Company Logo to be featured In all events advertisements.
- Company's promotional material's in digital form from downloads section on ffifs website
- Logo branding competition & quiz
- Company website profile In HOT LINK in FFIFS website and other media

LEAD PARTNER/S *Entire Series*

Contribution Amount: INR 7.0 Lakhs (+GST aa)

- Choice of 2 speaker slot along with in 2 Sessions of choice
- LOGO & Headline Prime banner on FFIFS & other partner sites for the full continuation of the Deep Dive
- Logo on the main backdrop of conference and all tracks, pre-event promotional Literature, the conference proceedings.
- Company Logo to the features in all event ads .
- Company's promotional materials downloads in the event page including videos.
- Logo branding on conference website and news letters
- Company profile in Program Schedule & Directory

DAY LEAD PARTNER

Contribution Amount: INR 4.0 Lakhs (+GST)

- One Panel Member in each session of the day
- Logo on the main backdrop of conference and all tracks
- Logo on pre-event promotional literature
- Logo in conference proceedings
- Logo branding on conference website and News Letters
- Company profile in Program Schedule and Show

SESSION LEAD PARTNER

Contribution Amount : INR 2.0 Lakhs (+ GST aa)

- One Panel Lead Speaker in the desired Session
- Logo on the main backdrop of conference and all tracks.
- Logo on pre-event promotional Literature,
- Company logo to be featured in all event advertisements.
- Logo In conference proceedings
- Company promotional materials In delegate kit
- Logo branding In newsletters
- Company profile In Program Schedule and Show

PARTNER

Contribution Amount: INR .0 Lakh (+ GST aa)

- 1 panel speaker
- Logo in the website & promotional material and free campaign.
- Logo on pre-event promotional literature advertisements in other publications
- Logo branding on conference website and newsletters

SME/SMB PROMOTIONAL CAMPAIGN THROUGHOUT THE YEAR ON OUR WEBSITE.
To know more Please contact our Team for detail branding options.

Why Join & Support the Deep Dive

❖ From 2002 during the digital inclusion days FFIFS team members in various forms & under different umbrella organisations have been in the forefront of sustainable societal changes. Worldwide it is a daily battle for the best fruits of ICT development to be made available to the middle to bottom of the pyramids, which later days was called inclusive business. BNPL is a method to democratise payments & in the process it has presented itself as transformative catalyst .

❖ **This deep dive is a Mission** to explore and expedite **Access to Credit**, a better FINTECH led entrepreneurial drive & efforts, unlike the Government led projects earlier, to make it all pervasive , whereby government projects can also be powered. In India for BNPL to succeed it has travel out to the **outliers** from Mumbai & Bengaluru , which we and our fellow travellers know better than most. From the initial thousands we shall help bring millions once the momentum gathers & it becomes a project for the community . So Join the surge , accelerate the momentum. Let's create an ecosystem which evolves into a well oiled machine in ease, convenience, speed, timely delivery of a sustainable credit culture to empower the community. **Everybody wins.**



Events Host



Industry Partner

Co - Arranger



Payment

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