

In recent years, India's digital payments landscape has evolved significantly. The ongoing digitisation drive has ushered in the era of mobile wallets and digital payments solutions, which are slowly replacing banks and plastic money as the favourable choice for conducting transactions. The government's demonetisation move has also catalysed the growth of the digital payments industry, thus opening up significant opportunities for banks and other financial institutions. In this scenario, OboPay, a pioneer in the global mobile payments space, is well positioned to tap the burgeoning business opportunities in India.

OboPay started its operations in the US in 2005, after receiving a licence to provide interstate money transfer services. It entered the Indian market in 2008 by launching the Nokia Money mobile payments service after securing investments from Nokia and several other companies. However, Nokia's decision to exit its mobile money business in 2012 led to a shutdown of OboPay's Indian operations. Interestingly, post the government's demonetisation move in 2016 the company decided to re-enter the Indian market. Since then, it has significantly expanded its product portfolio and consumer base to secure a strong foothold in the country. Further, the company has recorded a stable financial performance this year, doubling its revenue as compared to 2016 and turning cash positive in terms of operations.

Product and service portfolio

In terms of coverage, OboPay's clientele spreads across 11 countries. This can be attributed to the company's diverse product portfolio, which offers businesses an integrated processing platform that links multiple participants to a transaction network by adopting a variety of payment technologies. According to Shailendra Naidu, chief executive officer, OboPay, "The payments platform was built to cater to the needs of the market and ensure easy money transactions using mobile applications as a primary means of transfer."

In addition to offering services through its pure-play payments platform, the company has set up a consulting division and a solutions division in the country. Through its consulting division, OboPay shares its experience of establishing payment ecosystems in different markets with start-ups and established enterprises in the digital payments space. It associates with entrepreneurs at the planning, programming and execution stages. While start-ups are guided on how to set up a payments platform, get the funding, choose an appropriate platform partner, etc., established enterprises are given suggestions on increasing their revenue, choosing

suitable technologies and diversifying their product portfolio. According to Naidu, “About 95 per cent of the clients we are consulting end up buying our platform as they are comfortable in working with our solutions.” Further, the company set up its solutions division to cater to the specific needs of enterprises and offer a variety of other services.

Meanwhile, amidst growing cybersecurity concerns, the company’s platform operates using a real-time monitoring system that follows all the standard security protocols in terms of digital security, client security, application development security and transmission security. “Of the 3 billion transactions handled by OboPay, there has not been a single case of fraud,” Naidu says.

Exploring new growth avenues

India plays an important role in OboPay’s global growth strategy. The company had applied for a prepaid payment instruments licence in India and has received provisional approval for the same. While the Indian market has witnessed the emergence of a number of players offering digital payment services to the consumer segment, the government and the enterprise segment are relatively untapped. Therefore, OboPay’s growth strategy focuses on these two segments.

As India is a large market, the company aims to focus on three sectors – healthcare, supply chain and government. These are relatively new in the digital payments market. In the healthcare space, OboPay is working with a large insurance company, government insurance entities and local hospitals in the country to create digital payment platforms. Further, in the supply chain space, the company is working with a large FMCG group in India for piloting its digital payments platform in select regions. The company also aims to partner with the government to build digital solutions that it can use for different markets. “We believe that once enterprises start adopting these solutions, the big boom will happen,” says Naidu.

Challenges and the way ahead

While OboPay is optimistic about leveraging the growth potential in the Indian market, the path is not without obstacles. Given the size of the Indian market, providing pan-Indian coverage and reaching out to all markets is a key issue for the company. Owing to the rapid evolution of the digital payments industry, recruiting talented and skilled individuals and retaining them is another challenge that the company is facing. Challenges notwithstanding, OboPay believes

that its focus on new market segments would fuel its growth in the digital payments industry in India.

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