MODULE 1 UNIT 2
Video 1 Part 2 Transcript

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How do you think PayNearby and FinTech as a whole can be better engaged in the Asia Pacific region?

ANAND KUMAR BAJAJ: The whole region, Asia Pacific, is waking up to the digitization cause. Everything is being automated and the key idea here being that credit, assurance, which is insurance, content, or commerce can reach masses best if it is rendered digitally. Physically, lot of these services are not possible, not viable. What is interestingly happening in this region is to be able to consume all these models digitally is the best way. And hence, the payment lane, the line railroads of digital has to be intact. UPI is a poster boy from India, which has brought up a commendable line of support to the consumption partnered with the digital payment line.

Interestingly, the regulator in India, that is the Bank of India for us, has come up with few more models like a sandbox, with a innovation hub, with a FinTech department, and most important, the regulator came out with a question asking people that, "tell us where are we wrong; we are willing to review our guidelines". So a regulatory review board was set up. India and, am sure, followed by the countries in the region are waking up to the cause of reaching digital services to citizens. And I'm glad that even Securities and Exchange Board of India, which is SABI, and Insurance Regulatory and Development Authority, IRDA, both of them have come up with their own sandboxes.

So regulators helping you innovate and facilitate right at initial with compliance issues is commendable. Why wouldn't the region get the benefit? And the UPI, the way it has been designed has also now been brought on the feature phone in India. You can actually dial up with your feature phone and make digital payment and so has offline digital payment model been introduced recently by regulator, where you can tap and pay with your card, even if the merchant POS is not connected. These models would not have been evolving in a Western world, which is evolved. It is no comparison that is West good or East good on innovation, it is a need-based model, which is developed. And the entrepreneurs in the respective regions have to think on the feet for their own local area, and then do the module deployment. Yes, what Vijay Govindarajan says that "there would be a reverse innovation, what you build", because digital has a very high disregard for barriers. What is built for high-end can be taken to the bottom of the pyramid, likewise, what is built for the bottom of the pyramid can be co-adopted, opted for consumers in a better area.

What is the next big problem for PayNearby to solve?

BAJAJ: The whole idea of distribution as a service (DaaS); DaaS means subservient, being subservient. That's what we are, and we believe that being a distribution-as-a-service provider, a platform to reach the masses, we have demonstrated trust; we have demonstrated build credibility; we have built a seven and a half billion to ten billion dollar of processing every year. And with this railroad that has been built as artery into the hinterlands of the nation as distribution as a service, like I said. We believe now, we are capacitized to deliver any service on these rail roads. For example, we have already started working and delivering for a large e-commerce partner. Where my stationary shop in a rural area is selling football, or a grocery store is selling a dress, a frock, to the girl child of the customer there.

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We have already partnered with a large FMCG company to facilitate ordering at the last mile with the same pipe that we have relayed. It's a two way pipe, so to say. If we look at the possibilities, they are immense. With this distributed architecture, you don't only relay services, but you can conduct survey and get data insights from various corners of the country, an all lat–long tag. So a super enforced national map on one hand can show you the inputs coming in from every corner on various questions, various service samples that you would want to run, conduct. They can conduct audits for you in various regions for various clients. You as a new entrant in a country with the FMCG aspirations, you can know which part of the country should you go and deploy your models because I have photographs of each retail outlet, which I can allow my partners to survey and check. Okay, this is a shop which sells a Dove or a Fiama Di Wilis soap, and this is where they want to launch their new product.

Look at it as a distribution, which can allow smaller FMCG companies to reach out mass rural and other part of the country. So a distributed architecture, very connected with digital nodes and powered by local-language speaking micro-entrepreneurs with high grade of human intelligence is what we have created. This is beyond artificial intelligence, which needs data. Here is a node, which is human intelligence powered with actual data on the ground: the retailer, the digital Pradhan partner, as we call them, respectfully. He knows that Mr A, his son is going to study in a town and we need education loan. Mr B is building up their house and they need a low-cost housing loan, or Mrs C just broke her bike and she needs a new bike or an insurance for that bike. Or imagine a pharmacy store seeing the medicine requested by a consumer and he can tell him, "look, if you took a insurance, medical insurance, it would serve you better next time".

So these connected nodes now are getting trained model-by-model to relay the services that you want in their local language with a video. How wonderful would it be when you are only present and you are actually being able to commandeer the services and connect the broken bridges of the urban and the rural divide. This is what PayNearby would be known for in the country, in the region, on the globe.

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