



NEWS HIGHLIGHTS

India seeks to develop 'Amazon of logistics services', test run likely by March next year

Govt, WhatsApp at loggerheads on tracing origin of messages

Google may rename Tez as Pay & bring UPI to store

Growth-hungry Swiggy looks beyond online food ordering

Today's View

Digital Cartelization

Benjamin Graham has rightly said **"Cartels have spread and will spread as long as the world lacks an effective mechanism by which balanced expansion may be achieved without a resulting disruption of prices"**

Cartels are basically an agreement between a group of companies to fix prices, manipulate bids or to share customers.

Digital Cartelization is emerging as the new challenge. From the legal viewpoint, the use of algorithms to carry out a cartel has the similar outcome as a cartel carried out by humans but machines undoubtedly making quicker and even better decisions. In the current digital economy, the markets are managed by robo-sellers and automated pricing bots leading to the creation of more sustainable cartels without leaving behind any trail of evidence.

The digital and tech-driven tools calculate the price automatically on the basis of demand & supply, competitor's pricing along with the predefined profit and price targets by the seller and algorithms. These algorithms completely exclude the need of face to face collusion or price setting.

Pricing tools search the across the web for competitors' prices, stalk relevant database for past demand data and come up with pricing strategies within milliseconds, way faster than the cartel club of movers and shakers. For instance, **The Houston Company** has developed automated pricing software,

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Myntra comes offline with cosmetic products

India's largest online fashion retailer Myntra will soon foray into multi-brand brick-and-mortar retailing of beauty and cosmetics products under Myntra Beauty brand and is scouting for large spaces in malls and high streets across top cities, people familiar with the development said.



Source – The Economic Times

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Date – 24th Aug 18

which executes a customer's business strategy based on reams of market data, generates prices for corporations such as **Virgin Atlantic, Siemens** and **ABB**. The software set more prices each day than Twitter sends tweets.

If several competitors all adopt the same pricing technology — and react identically to changing market conditions — the result would be the same as if their executives had colluded on prices. Hence, the role of regulators becomes very crucial in such scenarios. For example, **Competition Commission of India (CCI)** is the sole authority in charge for preventing activities that have any adverse effect on competition in India, including the cases of digital cartelization. CCI is extremely vigilant in gauging new market and pricing practices. However, we believe that the regulators like CCI would need to keep evolving digital technology measures to track the algorithm-driven pricing practices of the current digital economy.

All, to stay a step ahead.

Today's News

India seeks to develop 'Amazon of logistics services', test run likely by March next year

After the launch of the government e-marketplace (GeM), the Centre is trying to replicate its success at a much larger scale by bringing together all logistics players on one platform through a national logistics e-marketplace for better price discovery and reducing logistics cost. The test run for the online logistics marketplace is likely to begin by March 2019.

"The detailed project report has been approved by a committee of secretaries. Consultancy firm KPMG has been assigned to submit the "request for proposal" document by October this year, after which vendors will be selected for developing various components of the logistics e-marketplace which will be like the Amazon of logistics services", said Keshav Chandra, joint secretary-logistics at the commerce department.

Source – Mint

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Govt, WhatsApp at loggerheads on tracing origin of messages

It seems there are some disagreements between Indian government and social media app WhatsApp, with the Facebook-owned company maintaining that 'traceability' will undermine end-to-end encryption. The Government, on the other hand, is firm on providing for tracing origins of fake messages, which it has communicated to the company.

"Building traceability would undermine end-to-end encryption and the private nature of WhatsApp, creating the potential for serious misuse. WhatsApp will not weaken the privacy protections we provide," said a spokesperson at WhatsApp.

Source – BusinessLine

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This News Letter has been prepared with the assistance of G. Balakrishna and Darshika Singh

Flipkart's Superr Sale on August 25: Expected deals and offers

Flipkart is set for a one-day sale called the "Superr Sale" that will be held on August 25. Flipkart Plus members get the added benefit of access to the sale a day before it commences, i.e. on August 24 at 9 pm. Xiaomi, Samsung, Asus and Apple smartphones will all be available during the Superr Sale. All the major deals for non-Flipkart plus users would be announced on August 25.

Source – Mint

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Digital SB accounts click with youngsters

Digital Savings Bank accounts that can be opened online instantly have become a hit with youngsters.

Unlike a normal account that requires one to go to a bank to submit documents in line with Know Your Customer (KYC) norms and wait in queues, digital accounts can be opened anytime using a smartphone or computer.

Source – BusinessLine

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B2C deals gain traction in banking as digitization cuts down middlemen

As digitization cuts down middlemen, banks are seeing an increased demand for Business to Customer (B2C) solutions. Recent bank-fin-tech partnerships were focused mostly on B2C solutions, say experts.

Source – Business Standard

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Google may rename Tez as Pay & bring UPI to store

After making a big bang entry into the Indian payments space with Tez, Google is close to renaming the service as Pay and consolidating it under the global payment umbrella of Google Pay, two people in the know of the matter said.

This could potentially open the Unified Payments Interface (UPI) as a mode of payment for app purchases on Google Play Store, which experts say is a huge use case waiting to be tapped. When contacted, a Google spokesperson said there was nothing new to announce at this point in time. "We have always maintained that we will bring payments across different platforms," the spokesperson said in an emailed response.

Source – *The Economic Times*

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Growth-hungry Swiggy looks beyond online food ordering

Swiggy, India's largest online food ordering and delivery startup, has planned several new initiatives over the coming months, including hyperlocal deliveries across sectors, co-founder and chief executive Sriharsha Majety said.

"We are experimenting with some such (hyperlocal) categories," Majety said in an interview. "We've been closely observing our consumers' lives and we feel that there are some unique capabilities that we have that can take a shot at solving more problems, even outside the realm of food. You'll see us start making small forays into new areas." The startup will continue to prioritize growth over near-term profitability, he added.

Source – *Mint*

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For a smart city to be really 'Smart', Blockchain has to be its Brain, and Soul

Prime Minister Modi's flagship project — the Smart Cities Mission — has unleashed a huge potential market for the cutting-edge technology market in India. Blockchain is one of them. This despite the fact that the mega-project, which was launched on June 25, 2015, reportedly failed to meet the deadline with only 1.8% of the sanctioned funds having been utilized so far.

With a view create livable cities for its citizens, 100 cities have been selected under the Smart Cities Mission. The goal of the Mission is to implement innovative digital technologies in these smart cities and dovetail them with the Digital India vision to enable the digital empowerment of citizens. The project envisions the integration of 'digital' into every aspect of city life — from infrastructure, healthcare, education, cleaning, hygiene, and waste management to services.

Source – *Inc42*

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CM Vasundhara Raje launches India's largest business incubator — Bhamashah Techno Hub

In a big step forward to strengthen the startup ecosystem in Rajasthan, the CM Vasundhara Raje launched India's largest business incubator — the Bhamashah Techno Hub — in Jaipur.

The incubator will provide end-to-end support to startups, ranging from infrastructure, technology, angel funding, access to venture capitalists, mentorship, exposure to national and international organization's and experts and much more. At the moment 180 startups have already set their base at the Bhamashah Techno Hub.

Source – *Inc42*

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Singapore IT refurbishment firm invests in re-commerce platform InstaCash

Jaipur-based re-commerce platform InstaCash has raised an undisclosed sum in fresh funding from Singapore-based CompAsia, an information technology refurbishment firm, a company statement said.

Source – *VC Circle*

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ICICI Bank announces partnership with Manchester United

ICICI Bank, India's private sector bank, has agreed to a multi-year partnership with Manchester United, bringing a range of competitive co-branded credit and debit card to the club's 35 million Indian followers.

Source – *BusinessLine*

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