

Banks May Tech the Spend Far

IT spending by banking and financial security firms is expected to grow by over 10% in 2014, according to research firm Gartner. This forecast includes spending by financial institutions on internal IT (largely personnel), hardware, software, external IT services and telecom.

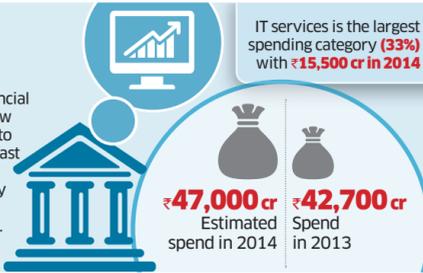


PHOTO-OP



EBOLA FIGHT CONTINUES: A researcher of the Atomic Energy Commission checks an Ebola diagnostic test in Marcoule, France on November 3. A prototype will be available soon to allow clinical validation in the field by the French company VEDALAB, European leader of rapid tests. - Reuters

TWEET OF THE DAY

#startups - Restrict yourself to a business where you already have the skills and the contacts

ASHUTOSH GARG @GARGASHUTOSH

TALKING TECH

Selfie-taking Drone is a Wearable

Researchers have developed the world's first wearable drone that can fly high and take pictures. This flying camera, Nixie, straps on like a watch, but with a range of sensors powered by Intel's Edison chip it can dismount from your arm, shoot into the sky, take a photo, and fly right back. It'll be able to capture HD-quality images. Currently in the prototyping phase, Nixie also boasts a panorama mode for aerial 360 degree arcs. - IANS

\$1 billion

The amount that Xiaomi plans to invest in online video content to support its smart television ecosystem.

TechBUZZ

Apple may Abandon iPad Mini in 2015



With Apple releasing a 5.5-inch iPhone and the 9.7-inch iPad range doing pretty well, some online reports say that Apple may wind down iPad mini production in favour of a 12-inch tablet. The bigger iPad is likely to be released in 2015 and be called the iPad Pro. The iPad Pro is also likely to have two additional speakers located on the device's top edge.

Wristband Helps You Kick Bad Habits

An American firm has developed a wristband that can shock people into giving up bad habits. The 'Pavlok' wristband lets the user simply pick a bad habit he or she wishes to tackle and choose the punishment it will mete out. The shocks can range anywhere from a vibration or sound reminder, to making the wearer pay a fee or sending a mild electric shock of up to 300 volts. It contains a Bluetooth radio that links to a smartphone app. - ANI

'Smartphones Killing Intimacy in Relationships'

Heavy smartphone use is destroying intimacy in relationships, leading to break-ups, cheating and divorce, says a study. As the quality of our physical connections gets diluted, people expect less and forget what real romance is, it added. Researchers from the Oxford University in Britain found a direct link between use of social networking sites and marital satisfaction. - IANS

NEW DOOR OPENS: Startups link home buyers & builders with cost-effective, end-to-end solutions via online platforms

Build Your Home Cheap 'n' Easy

Payal Ganguly & Vasumita S Adarsh

Hyderabad | Pune: Online platforms for construction and renovation services are fast mushrooming, as startups realise the potential of providing cost-effective, end-to-end solutions for home buyers and builders in the country.

For homeowners who don't have a reference point for price of construction services, Delhi-based Urbanhomez provides end-to-end solutions—from renovation, design consultancy and furnishings to contractors and labour for the job.

"The market is completely black and the need for choice and transparency is greater on the home-owner's side, as construction companies have pre-ordained suppliers," said Kapil Agarwal, founder and CEO of Urbanhomez. "In response to a query, the team gets back to the home owner with a choice of three companies / individuals suitable for the job based on the location of the customer and the budget."

The startup, incorporated in 2012, has 40% of customers revisiting. It is targeting a revenue of ₹5 crore by 2015-16.

On a similar note for B2B solution, Ahmedabad-based eConstructionMart.com has created a platform for trading in building material, helping the unorganised sector of sellers go online. The company, started in 2013, has 2,000 registered sellers. It is incubated and seed-funded by the Indian Angel Network.

"In this sector, adoption of technology is low. Though we don't hold any inventory, we often trade on our books for large companies, which do not want to deal with the sellers directly. We generate a lot of pricing data for buyers," said Vikram Patel, founder and CEO of eConstructionMart.com.

The B2B company works on the process of reverse bidding to get the best quotes from sellers. The company is looking to raise ₹3-5 crore in Series A funds to scale up.

"The market is large enough in India and the business model followed by eConstructionMart is ideal to scale-up to a global level," said Vikram Upadhyaya, investor and founder of GHV accelerator, who mentors 16 startups, including eConstructionMart.

Neetu Jain, who set up Panache Greentech Solutions with her father D S Mittal, said construction companies can save 10-20% by using the company's

roof insulation and waterproofing solutions.

"By using our solutions, companies benefit by reducing electricity costs and increasing longevity of the buildings. Our insulation and roof-cooling coating solutions keep the interiors cooler even when the temperature rises to 50 degrees Celsius," Jain said.

Jain, who has invested ₹15 lakh in the company till date, is targeting ₹5-crore revenue next fiscal.

Green India Building Systems and Services (GIBSS) is another company that is helping cut energy cost in buildings. The Mumbai-based company, incorporated in 2010, has seen a 300% year-on-year growth. The company offers technology solutions in areas of lighting, heating and air-conditioning.

PANKAJ RENJHEN
MD, Jones Lang LaSalle, India

The service providers are addressing the problem of helping small traders get a greater reach and are eliminating multiple layers of distribution

"Our technology helps reduce energy cost by 70%," said Mandar Kaprekar, executive director, technology and product, GIBSS. "We have around 80 clients now across hospitality sector, retail sector and real estate clients," said Kaprekar. The company has received ₹4.2 crore investment from Hyderabad Angels and is targeting a revenue of ₹100 crore by 2015-16 end.

"The service providers are addressing the problem of helping small traders get greater reach and are eliminating multiple layers of distribution through a trading platform. For those providing solutions, such as for green buildings, it needs to be backed by a strongly defined product line. The largely B2B business model will work only if there are real benefits. Opportunities lie in providing niche products and likely to attract SMEs, small builders and those looking to build a home and get better deals," said Pankaj Renjhen, MD of retail services at Jones Lang LaSalle, India.

Ezetap Hops on to Windows Platform

Switch to allow co to tap into enterprise sector also

Krithika.Krishnamurthy @timesgroup.com

Bengaluru: To leverage on the pervasive presence of Microsoft-powered terminals across small enterprises, payments solution provider Ezetap said its credit card reader devices will now be compatible with Windows platform.

This move will allow Ezetap, which was until now focused largely on retail, to tap into the enterprise sector as well.

"The enterprise segment is now looking at payments seriously. This is the right time for this," said Ezetap's co-founder Sanjay Swamy, declining to comment on its impact on company's revenue. Ezetap said it expects to sign a few large deals in

the near future.

Small businesses, hospitals, kirana stores, field sales officers in insurance are a few sectors in the radar, he said. The new add-on will allow all Windows-powered PC terminals and mobile devices to carry out transactions, something that was only available on Android till date.

Founded in 2011 by Abhijit Bose, Bhaktha Kesavachar, and Sanjay Swamy, the Bangalore-based company has offices in Mumbai and Delhi and recently started operations in Kenya.

It raised \$8 million (₹49 crore) from Helion Advisors, Social+Capital and Berggruen Holdings earlier this year. Till recently, the company had sold 20,000 devices, on a subscription model.

Microsoft said it is a win-win strategy for both — it can sell its operating system and devices to small enterprises with a ready payments solution in place.

"Payments will open up new segments that we haven't thought of before," said Vineet Durani, director of the Windows Phone business group at Microsoft.

Cbazaar Gets ₹50-crore Private Equity Fund Line

Peerzada.Abrar @timesgroup.com

Bengaluru: Cbazaar, an online Indian ethnic wear store, has received funding of ₹30-₹50 crore from private equity firm Forum Synergies and other investors as it prepares to scale up operations.

Existing investors Inventus Capital and Ojas Venture Partners also participated in this second round of funding.

This round of funding valued Cbazaar at about ₹150 crore, according to a person with direct knowledge of the matter.

Cbazaar, based in Chennai, makes custom-designed ethnic clothing for the Indian diaspora and will use the money to hire talent, improve technology and expand in markets such as the US, the UK, Canada, South Africa and the Middle East.

"The e-commerce model we saw was focused on discounts, losses and promotions. We don't believe those



Founders of Cbazaar: (Left) Rajesh Nahar and Ritesh Katariya

models can be sustainable," said Hemchandra Javeri, Co-founder and Managing Director of Forum Synergies.

"This (Cbazaar) model is financially viable and profitable." Founded in 2005 by friends Rajesh Nahar and Ritesh Katariya, both 37 years old, Cbazaar expects revenue of about ₹60 crore this year. It uses technology to customise ethnic apparel based on measurements provided.

"In future, a customer would need to just click a picture with a phone and send it to us for customisation," said Nahar.

"There is huge demand for ethnic clothing worn by actors and actresses in Bollywood movies and Indian soap operas," said Nahar, whose firm provided fashion design inputs for Bollywood movie 'Bullett Raja'.

Cbazaar ended up selling ethnic clothing after the founders tried their hand at the gifting business, a grocery portal and a railway ticketing service.

Global Brands Tap Fan Clubs to Sell in India

They look to reach out to larger audiences and untapped markets through fan merchandise and collectibles sellers

Biswarup.Goopu @timesgroup.com

New Delhi: Fan merchandise and collectibles sellers are on the radar of risk capital investors, as they look to be on online ventures that are increasingly becoming the platform of choice for brands looking to launch their products in India.

Online ventures, such as New Delhi-based Bluegape.com and Bengaluru-based Collectabilia are among the early movers in the country's nascent merchandise selling space, as global consumer brands, along with celebrities, look to reach out to larger audiences and untapped markets.

"India's never really had a reason for merchandising till now. As a category, fan merchandise should do really well, given the benefits of exclusivity," said Rohan Bhargava, co-

founder of CashKaro, a leading online coupons site.

Collectabilia recently tied up with Argentina and Barcelona footballing icon Lionel Messi, and obtained the exclusive rights to globally manufacture, retail and distribute a range of mobile, tablet and laptop covers under his MESSI brand. Separately, Bluegape has licensing agreements with a number of major film studios, such as Warner Bros, Yash Raj Films and producer-director Rakesh Roshan's Filmkraft. It had also tied up with the Aam Aadmi Party to sell its merchandise.

According to industry experts, the global fan merchandise market is estimated at about \$184 billion (₹11.1 lakh crore). Compared to that, the Indian market is at just \$125 million (₹769 crore).

"We're seeing the evolution of fan merchandising in India take place," said Sahil Baghla, co-founder and

chief executive of Bluegape.com, in an earlier conversation with ET.

The growth in interest comes at a time when consumer electronic and apparel brands are increasingly looking to leverage the country's burgeoning e-commerce sector, as they look to create an alternative distribution channel, offer more competitive pricing and reach out to a growing consumer class.

"E-commerce is creating that demand. An example would be Motorola's exclusive launch on Flipkart. They've seen it work, and now, the others are following suit," pointed out Bhargava.

Other, such as Microsoft, with its launch of the Xbox console and titles on Amazon, and Chinese phone

manufacturer Xiaomi have held phenomenally successful launches as well in the country.

"The development has made risk capital respond as well.

In 2012, marquee venture capital firm Accel Partners was reported to have invested about \$5 million in Universal Collectabilia, a celebrity merchandise and brand extension firm jointly owned by Anjana Reddy, scion of the Deccan Chronicle family, and Sachin Tendulkar. Additionally, in May earlier this year, ET was the first to report that Bluegape had entered into talks with prominent venture capital firms, to raise funding of about \$10 million (₹61.5 crore).

Strategic investors, too, have started expressing strong interest in the space.

"They are specialist players, and offer more relevant merchandise, which could be of great interest to

the horizontal e-commerce majors. There is also the first-mover advantage to think of," said Nitin Chhabra, founder of e-commerce consultancy Ace Turtle.

Apart from retailing from its own website, Bluegape also sells its products through the country's biggest e-commerce players, including Flipkart, Amazon and Snapdeal.

For the Indian ventures, however, the benchmark remains the US. Jacksonville, Florida-based Fanatics, Inc, the largest online retailer of officially licensed sports merchandise, reported revenue of \$1 billion in last fiscal.

"There is potential, but it will be largely online. The number of events — sports and Bollywood — are growing, and they're looking for new revenue streams. And that's where these players can cash in," said Chhabra.

Short Takes

Freecharge Hires Former InMobi CFO

BENGALURU Freecharge, an online platform for mobile recharge, has hired former chief financial officer of InMobi, Sharat Khurana, as its new finance head. Khurana, who was at InMobi when the company raised \$200 million (over Rs 1,200 crore) from Japan's Softbank, will handle financial operations, fund raising and corporate governance at FreeCharge. Khurana previously worked with US-based bank Capital One. "Sharat's depth and breadth of financial, legal and operational expertise makes him perfect fit for helping build a solid organization and support our next orbit of growth," said Alok Goel, chief executive at FreeCharge which provides an easy-to-use desktop and mobile platform for users to top up their mobile talk time.

Alibaba's Net Rises 15%, Revenue Up 54%

BEIJING Alibaba Group Holding reported quarterly results which showed net income rising 15.5% to \$1.11 billion for the July-September period, meeting forecasts. It was the Chinese e-commerce giant's first report to investors since its record-setting \$25 billion listing in September. Revenue rose 53.7% to \$2.74 billion, versus expected sales of \$2.7 billion, its fastest growth in three quarters. Diluted earnings per share were \$0.20, while non-GAAP diluted earnings per share were \$0.45, up 9.4% year-on-year.

SoftBank Cuts Profit Forecast 10% on Sprint

TOKYO SoftBank, the Japanese wireless carrier led by billionaire Masayoshi Son, cut its full-year profit forecast 10% on widening losses at its Sprint unit in the US. Operating profit will be about 900 billion yen (₹7.9 billion) in the 12 months ending March, the Tokyo-based company said on Tuesday, compared with an earlier forecast of 1 trillion yen. SoftBank's German traded shares fell 5.4%. Sprint, acquired in 2013 for \$22 billion, is eliminating jobs and changing plans.