

# Edenred's India arm to go digital with loyalty cards, vouchers

Will help the company gain foothold in newer markets

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The Indian arm of French pre-paid services provider Edenred said it will invest in technology, development of new solutions, and even acquisitions to align its growth with the international business.

A pre-paid service provider develops and manages solutions for corporates, which use loyalty cards and vouchers as a reward, recognition and even employee retention tool.

## **Total issue volume**

To start with, the company said it is looking to migrate to a digital format as it has done in other parts of the world. Edenred has operations in 40 countries worldwide and has total issue volume of €16.7 billion service

vouchers issued globally.

Edenred in India caters to over 3,500 corporate customers and has over 2.5 million beneficiaries.

Johann Vaucanson, Managing Director, Edenred India, said India is one of the fastest-growing markets in Asia. "Our main growth driver is to increase the penetration in the business. We are currently present in 3,400 cities. We are looking at new innovative solutions and digital is one of them," he added.

Edenred said the future lies in digital solutions, and by 2016, over 70 per cent of the issue volume is expected to be digital, with transactions occurring through cards, smartphones and over the Internet.

According to various estimates, despite India still being a nascent market in the overall penetration, the pre-paid market is growing backed by the large number of corporates adopting it. The company entered India in 1997. According

industry estimates, India contributes less than one per cent to the global revenue.

Vaucanson said the company's business model revolves around the commission it earns from corporates and merchants. In India, Edenred competes with players such as Sodexo, Itzcash and Payback, among others. He did not give details of revenue generated from the India or the market shares the company plans to acquire.

Vaucanson said the digital platform will help it gain foothold in newer markets. He said the digital platform will replace vouchers and the card can be topped up online.

"This will save logistics costs for companies. Additionally, managing an online card is much easier," he pointed. In the offline format, clients would purchase paper vouchers each month, which had to be distributed to the end users and then redeemed for meals or gifts at merchants.