

# Samsung looks to drive growth in India with two co-brand credit cards

## Article

**The news:** Samsung will launch two co-brand **Visa** credit cards in India with **Axis Bank**, per a press release.

Both cards offer 10% cash back on all Samsung purchases and rewards for purchases made at select merchants, including online grocery provider **bigbasket** and food delivery brand **Zomato**. Neither has a transaction minimum.

The cards come in two tiers:

- The **Signature card** has an annual fee of INR 500 (\$7), and cash back is capped at INR 10,000 (\$135) annually. It offers a welcome bonus of 2,500 points worth INR 500 (\$7) after customers make three transactions.
- The higher-tier **Infinite card** costs INR 5,000 (\$68), and cash back is capped at INR 20,000 (\$271). The card has a 30,000-point welcome bonus worth INR 6,000 (\$81) after customers make three transactions.

**Why it's worth watching:** India's credit card market is ripe for growth.

There were about **939 million debit cards** in circulation in August compared with only about **78 million credit cards**, according to data from the Reserve Bank of India. And the government is trying to increase credit card use: Last week, the **National Payments Corporation of India** expanded the **Unified Payments Interface (UPI)**—the country's mobile bank-to-bank instant payments system—to link with credit cards. This feature will let more merchants in India take credit card payments indirectly, which could boost overall use.

While several fintechs have been competing to fill the credit gap, established issuers like Axis Bank may have an easier time doing so thanks to their scale. The government's recent crackdown on fintech lending may also put Axis Bank in a better position to grab market share.

**The opportunity:** Here's how each player involved can win from the Samsung Axis Bank Visa credit cards.

- **Samsung can use the cards to tighten customer loyalty and drive sales volume.** Co-brand cards let retailers use brand-specific rewards to develop stronger customer relationships. **Best Buy**, for example, said its credit card was the second-largest driver of customer loyalty and repeat action.
- **Axis Bank can use Samsung to increase its credit card market share.** Samsung is a popular technology brand in India, especially for mobile devices. Axis Bank can use this popularity to attract more credit cardholders and bolster spending.
- **Visa can use the cards to maintain its lead over home-grown network Rupay.** While Rupay dominates the Indian debit card sector, it lags far behind in the credit card space, where Visa and **Mastercard** take the lead. The Samsung cards can help Visa maintain its lead over Rupay and compete more effectively with Mastercard.

## Payment Methods Adults in Select Countries Are Likely to Use for In-Person Purchases, May 2021

% of respondents

	Mobile payment	Cash	Debit card	Credit card
Australia	24%	54%	71%	41%
China	77%	39%	19%	25%
Denmark	64%	31%	34%	66%
France	15%	55%	72%	20%
Germany	20%	69%	36%	37%
Great Britain	27%	62%	84%	46%
Hong Kong	56%	49%	23%	71%
India	63%	36%	50%	28%
Indonesia	72%	57%	41%	11%
Italy	25%	47%	65%	44%
Mexico	27%	56%	66%	35%
Poland	21%	49%	54%	32%
Singapore	45%	50%	46%	60%
Spain	30%	52%	65%	39%
Sweden	37%	45%	71%	41%
UAE	30%	36%	53%	45%
US	24%	59%	61%	56%
<b>Total</b>	<b>37%</b>	<b>51%</b>	<b>57%</b>	<b>41%</b>

Source: YouGov as cited in company blog, June 21, 2021

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