

“WHAT HAPPENED IN INDUSTRIES LIKE RETAIL, HOTELS, TAXI CABS AND MUSIC WILL HAPPEN IN BANKING

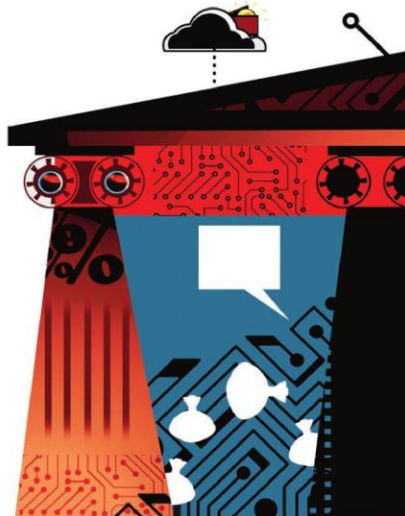
Piyush Gupta, CEO, DBS

ON PG2



You Can Always Bank On your Smartphone

No endorsements of our favourite gadgets, this. It's the guiding principle behind Singapore-based DBS Bank's ambitious India foray. **By Ravi Balakrishnan**



Over a decade ago, a prominent public sector bank official concluded a presentation at a seminar with an internal training video. He informed us, with some measure of pride, that all the people who starred in the film were employees. Which is perhaps why they played being entirely disinterested in and disconnected from customers with such aplomb. Like Bollywood stars acting out characters who defy law, good sense and good taste with impunity, this was a performance rooted in life experiences. The highlight was a clerk behind the counter who stared in an absent almost post-concussive manner at the ceiling, the floor, his desk, anything other than the customer who tried to attract his attention with an endless litany of "Suniyeh bhai sahab, suniye." I'm not sure if the bank's staff changed their ways after the training video, but if anything, it reminded us of why banking was almost universally regarded as a chore.

The possibility of being done with all this is alluring. It's what Singapore-based DBS is betting on for its India foray. Digibanking upends several hoary traditions: a large near ubiquitous network of imposing buildings and ATMs, and packed branches where customers jostle for the attention of the staff. Instead, DBS believes there's a market for customers who will go through the entire KYC process using an Aadhar card in order to access a full range of banking functions via their mobile phones. They can even sign up at hangout spots like a Café Coffee Day. The lack of legacy investments has left the bank with the ability and perhaps even the need to be more disruptive. The five year plan is to rope in 5 million full accounts in the country.

Piyush Gupta, CEO, DBS explains, "What happened in industries like retail, hotels, taxi cabs and music will happen in banking." On the one hand, regulatory hurdles have lifted, making such a structure easier. On the other, every part of the value chain in banking is being disrupted by startups. The second big inspiration is Alibaba, the Chinese giant that has grown by leaps and bounds on the back of an entirely digital interface - Gupta points out that it is the biggest payment company in the world, with zero branches and mass consumer adoption. And so Digibanking where banking ceases to be an end in itself and becomes more of a means to an end, complete with the handy catchphrase live more, bank less.

While the idea is not short on ambition, there are aspects that are troubling. Most consumers will happily spend an hour or two running their banks down, but a lot of what makes these places inconvenient, paradoxically, also helps build reassurance. As Benny Thomas, executive strategy director - planning at CP+B explains, "It's what's called the witch doctor's trick: why lawyer's offices have books and why doctors make you wait. The point is - it's not your job to understand this. Pay me, I'm an expert."

However Anil Nair, CEO and managing partner (digital), L&K Saatchi & Saatchi, the agency working on Digibanking believes, "The ecosystem is breaking barriers. Hotel brands used to be built over a century and now you have new ones in two years. There's a generation for whom the value system and needs are completely different. They no longer want large offices and pesky customer relationship managers."

These are questions that Gupta admits DBS is grappling with. The contours of an optimal arrangement between a digitally led offering and the more familiar parts of the business are still being worked out. Gupta says, "We believe millennials and the younger generation will be more amenable to thinking of online brands and platforms. But when we run polls, we find young people are comfortable putting small amounts in Facebook or PayPal but for large amounts they still prefer a bank. It's not entirely clear what the tipping point will be."

For its part, DBS is investing in everything from a seamless interface, complete with a virtual assistant, zero balance accounts and a 7% interest rate, hoping superior customer experience will win the day. To publicise the offering, it's also brought on board Sachin Tendulkar to build trust and familiarity, and a handy



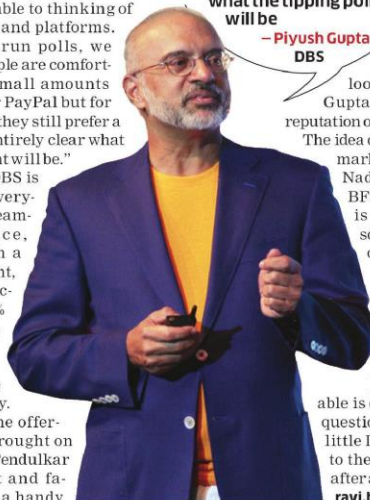
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Quick Take

- ▶ **CONSUMERS ARE** embracing payment wallets and web based services in categories like retail, taxis and hotel bookings.
- ▶ **IT'S ENCOURAGED** Singapore based DBS to push Digibanking, a system where physical banking infrastructure is not as important and all banking needs can be met by smartphones
- ▶ **DBS HOPES** the customer experience will be rewarding enough to meet its target of 5 million active accounts in five years
- ▶ **MARKETING EXPERTS** believe consumers - especially the niche ones that DBS will attract - are ready to embrace the platform
- ▶ **DIGIBANKING IS** first being tried out in India. The face of the campaign is Indian cricket legend Sachin Tendulkar

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- Piyush Gupta
DBS



mnemonic in the form of a dinosaur named Digor, a dinosaur that survived extinction by embracing change.

As for safety, the bank's putting in place several checks to make sure unauthorised payments or ones that look suspicious are flagged. Gupta points to DBS's hard won reputation of being the safest bank.

The idea certainly has legs according to marketing consultant, Shripad Nadkarni of MarketGate: "In BFSI, product differentiation is minimal. DBS lacks the scale of an ICICI or SBI. The offering is in synch with consumer evolution. They will target a small niche for whom the need for physical reassurance may not be as high."

Whether the niche is large enough to be profitable is of course the billion dollar question. If it isn't, we wager poor little Digor will have to succumb to the inevitability of extinction after all.

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