

INTERVIEW: NITIN CHUGH
HEAD, DIGITAL BANKING, HDFC BANK

Mobile banking may overtake internet banking in 2-3 years

HDFC Bank, which is betting big on digital banking, has now launched a virtual relationship manager through its mobile application for select customers.

Nitin Chugh, head of digital banking at HDFC Bank, tells Bhavik Nair in an interview that in the next two to three years, mobile banking is expected to overtake internet banking users. Chugh also says the bank's mobile app, PayZapp, has touched 7 lakh downloads and is expected reach a million in some time. Excerpts:

It has been a few months since you launched PayZapp. How is it doing? PayZapp is doing pretty well. We had launched it on the Android platform and it's expected soon on iOS. PayZapp was positioned very clearly as a full payment ecosystem. It intended to make the whole payment experience very seamless, secure and convenient. We are in the process of adding more and more merchants there. From the time of launch, PayZapp has touched

boarding process that we follow through. That introduces customers to these channels in their life-cycle with us rather than trying to introduce them later.

What is the new thing on the digital side that HDFC Bank is coming out with?

We launched our virtual relationship managers (RMs) a few weeks ago. This is meant for customers who do not have time to meet their RMs and would like to access the bank at their own convenience. So, we created a full virtual RM capability using telephone and video, got that feature linked with the mobile banking app for select customers. And, now, they are accessing us on a 24x7 basis over the video.

They can talk to their RM on the video using the app and can get everything that an RM does like transaction servicing, query handling, suggestions, advice, etc. It is being offered to a select set of customers. We have rolled it out and are sending it to



close to 7 lakh downloads and will be touching a million downloads in some time. We have also opened up PayZapp for non-HDFC bank customers.

How much of your existing customer base has shifted to mobile banking?

Mobile banking, per se, is growing at 80-100% per annum and most of the adoption is coming through mobile apps. A significant part of mobile banking adoption is also coming through the missed-call banking that we launched about a year-and-a-half ago. We saw that people who do not have a smart phone adopted very quickly to missed-call banking with nearly a third of the mobile banking customers using this feature.

What is your new customer acquisition strategy?

The new customer acquisition strategy is very clearly driven by our distribution. Our distribution strength has been our branches and 55% of the branches are in semi-urban and rural areas.

Since our existing customers have started to increasingly use mobile and internet banking, we are getting a lot of new customers through our existing customers also. When we get a new customer onboard, we make an effort to make them understand what they can do with our apps and internet banking, and that is the whole on-

our customers through invitation. Customers can call their RM anytime, even on a Sunday, without having to worry about fixing up a time. The bank will offer either a virtual RM or a relationship manager. We will be introducing text-chat also.

What is your target for mobile banking transactions going ahead?

Because more and more internet access is happening through mobile devices, we believe that in the next two to three years mobile banking will overtake internet banking users.

You had your instant personal loan feature available through your net-banking channel? Are you planning to bring it on to your app?

We will be coming out with that feature also. We are also planning to launch this feature on the ATMs.

Do you think tech companies coming out with a wallet every now and then will lead to something of a bubble in the future?

I don't think it will be a bubble, but I do believe that consolidation is likely to happen like it happens with most other new things where you have 50 people at the beginning, but they gradually consolidate into four or five people. That's my own personal view. But at least, as of now, it does not appear to be a problem because they seem to be well-funded.