

HDFC Bank Uses Technology-led Marketing to Keep Costs Low

Market Mavens

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A marketer who helped revitalise the sales of chocolate brands such as Picnic, Perk and 5-Star for Cadbury and launched India's first end-to-end portal to buy insurance for ICICI Lombard, is now busy changing the way the country's largest issuer of credit cards and auto loans markets itself.

Kartik Jain, 42, executive vice-president and head marketing at HDFC Bank, has been pushing result-oriented local and digital marketing since he joined India's second-largest private bank last year.

"We want our marketing campaigns to result in at least thrice the revenue they cost," says Jain, an IIT and IIM alum.

He launched some 4,000 campaigns and 400 analytical solutions (a 40% y-o-y increase) in the past year to bring in more customers to the bank and aggressively stepped up its digital presence to increase business from this channel by over 60%.

Jain, a keen trekker who has run three half marathons (and wishes he had time for more), is pushing his colleagues to shift away from a centralised marketing function, and think local by setting up local marketing teams to cater to specific needs of a community or locality. "I want our marketers to focus on the catchment areas around branches and run campaigns to suit residents or businesses there," he says.

His result-oriented approach is something his rivals and industry watchers admire. "He's an objective-driven marketer who has been able to effectively leverage technology and digital programmes," says Sanjay Jain, chief marketing officer of Reliance Capital. HDFC's Jain stands out for his focus on return on investment and not spread across many hard-to-measure campaigns, he says.

Ajay Kelkar, COO of customer relationship solutions firm Hansa Cequity, says Kartik Jain uses technology and digital media more effectively than most of his peers. "This gives the bank an opportunity to get one view of the customer and, in a muted economy, opens up better opportunities to cross sell products," he says.

As marketers become more concerned with cost, the idea of highly visible above-the-line advertising rarely appeals to Jain. "We haven't done a big-ticket campaign in 2-3 years," he says. Instead,

the ads will be targeted, like its Infineon credit card ads pegged at big spenders.

While he wouldn't disclose his marketing budget, Jain says HDFC Bank spends less than one-fifth of it on above-the-line activities, with the rest reserved for below-the-line campaigns. "Marketing is about customer engagement that leads to measurable business results," he says.

While it's a challenge to get close enough to customers to garner key insights for new campaigns, marketers like Jain are increasingly under pressure to reduce spends in a slowing economy.

Jain is leaning heavily on digital campaigns to proselytise HDFC Bank. Under him, the bank's website has become the most visited private bank website and the most responsive bank on Facebook, according to a survey by Social Bakers in May 2012.

"With increasing penetration of internet and mobile, digital marketing has become an inexorable element of marketing...this is especially true in the case of financial services, where products and services cannot be distributed efficiently without the use of technology," Jain says. Parag Rao, who heads HDFC Bank's credit card business, says while Jain's overview across the bank's businesses has allowed him to synergise marketing campaigns, his data analytics team is a welcome bonus.

"We undertake a lot of customer analytics across our different businesses and since Kartik has an insight across them we have visibility of their spends and can target them with specific products," Rao says.

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KARTIK JAIN
Marketing Head, HDFC Bank



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