

More than 55% of HDFC Bank customers use two or more channels to access the bank

HDFC Bank's Kartik Jain writes about how tech transformed marketing at one of India's largest private sector banks

ON PG4



# Banking on Data...Digitally

The era of marketing to an audience of one is here, says HDFC Bank's Kartik Jain



**M**r. Amit Shukla used his credit card to pay his visa application fees for his overseas holiday. The next day when he logged in to his MobileBanking account, he saw a personalised message for a forex travel card with special rates for the country of travel. He clicked on the banner to know more, but did not follow through on the online application. His relationship manager soon called him, enquiring about his holiday plans and offering to help him with his foreign exchange and travel insurance requirements!

Welcome to the omni-channel world of data driven digital banking. The last 5 years have seen a sea change in the way banks engage with their customers, driven by a fundamental shift in customer behaviour, enabling technologies and analytical capabilities.

Customers are now present on a larger number of digital touch points - more than 55% of HDFC Bank customers use two or more channels to access the bank. Furthermore, the mobile revolution provides an opportunity to target customers in a contextual manner based on location and behaviour. MoLoCo - Mobile, Location, Context is here to stay. Low cost smartphones and cheaper data plans have led to the rise of videos and messaging. Video views are up more than 10 times in 5 years, instant messaging users grew 3X in one year.

In an always on, interconnected digital world, the network effect has multiplied, with the user leaving a cookie trail as he explores, giving distinct clues on intent and interest. The result is data explosion that includes external sources like social media, web third party data, and credit bureau



data, coupled with internal bank data such as transactions, emails, system logs and clickstreams. Data volumes have grown over 9 times in 5 years, with around 80% of it being unstructured.

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The good news is that analytical techniques and computing power have kept pace - new cutting edge technology has made it possible to analyse extremely large volumes of data in a fraction of time. Moreover the cost of data storage and computing is decreasing. We realised the value of data and technology early on and invested in

analytical infrastructure and specialised skill sets to take advantage of these trends. This helps us get deeper insights into our customer for sharper targeting with relevant messages delivered on preferred channels.

For example, deals on restaurants near you are shared based on cuisine preference exhibited through past transactions. Each of our 32 million customers has a next best action recom-

mended for them. We work with hundreds of data variables, multiple behavioural segments and triggers to feed into thousands of such campaigns in a year. Mapping of customer journeys increases conversion many-fold. We are testing artificial intelligence platforms to engage with customers virtually.

Needless to say, customer expectations from their service providers are increasing. They expect you to be accessible in the channel of their choice, anticipate their needs and surprise them with better experiences. So it is imperative that brands ensure all products are available across channels in an easy, convenient manner. Our customers can avail of a personal loan in 10 seconds through net banking. Virtual RMs engage with our customers remotely. MobileBanking can be accessed without a data connection. Our agricultural customers can top up loans in seconds and missed call banking services are a hit in rural India. HDFC is the only bank to enable standing instruction for pre-paid mobile services without an internet connection.

In the hinterland, as BFSI players aggressively extend their services, rural demand will drive consumption. A revolution is in the making with the omnipresence of Aadhaar, mobiles and bank accounts. Rural analytics is the next frontier.

These are exciting times to be an analytical marketer in financial services. We have data, technology and channels of access which cut across customer segments - helping realise the holy grail of marketing to a customer of one and that too at scale.

*The author is head - marketing, HDFC Bank. Views expressed are personal.*



Kartik Jain