

# Delivering Wealth Management at Scale and with Customisation across India's Vast Wealth Management Landscape

As the Indian wealth markets expands and evolves across every segment from retail customers to UHNW clients, it is vitally important for the competitors in this dynamic environment to transform their platform and proposition with smart investments and digital strategies to create a lasting impact. The second panel discussion of the Hubbis India Wealth Management Forum in Mumbai on August 31 saw a panel of experts we selected from leading banks and wealth firms offer their insights into the issues as raised by the panel chair, Yash Shah, Partner at Synpulse. One of the speakers was Virendra Somwanshi, Head - Wealth Management & Capital Markets at Bank of Baroda.

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**VIRENDRA SOMWANSHI**

Bank of Baroda

**The discussion first** centred on the evolution of the wealth management proposition in India, with the Chair wondering if there remains a general reluctance in India for customers to pay for advice rather than just for products. Somwanshi replied that it is all about the delivery and recognition of value, as well as about the regulatory environment, which now better delineates between advisory and distribution.

who are licenced to advice; the quality of that advice is what makes the differentiation these days, because products are increasingly commoditised.”

### **Plenty of experience**

He explained that the offering will create value if it delivers a strong and agile platform that offers one-stop solutions for customers and a good quality advisory that can be promoted by the RMs, as well as the research and products teams and delivered digitally or in-person.

“Technology is therefore a big differentiator in the retail and the affluent spaces, there is a lot of democratisation of access,” he elucidated.

### **Opening new doors to new investors**

For example, he explained that Systematic Investment Plans, or SIPs, today account for around one-third of the equity AUM, noting that the

In short, he said that rather than being completely RM dependent, the way the organisations can add value to the customers is by ensuring that the quality of recommendations, the technology platform, and the customer experience are optimal, from a customer engagement point of view. “It all needs to combine holistically to allow the customers to see their favourite elements and access them quickly and easily,” Manish explained.

### **Know your customers**

The discussion probed further into segmentation, with Manish agreeing that there are different views on what constitutes an HNI investor, and where the lines of demarcation are between retail, mass affluent and HNI clients.

“We are especially optimistic about the affluent segment where we expect growth to be 15% or more over the next 5-6 years. Thanks to technology, we can bring the costs

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**« “We might think that the GenZ investors are only using the technology and discount platforms, but actually many of them are actually starting their journey through new-age Digital platforms. In short, there is immense potential for the Digitally enabled wealth management proposition across the Indian geography, across gender, and especially across the younger generations.” »**

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“Behavioural change is coming and in a major way,” he reported. “If there is value demonstrated and communicated, then there is a portion of customers who are more than happy to pay for the advice, through intermediaries

investors include a lot of first-time investors who can be on-boarded in a simple and easy manner. “I think at the last count, India has some 60 million SIP accounts, such is the scale that is coming through nowadays,” he added.

to service these types of customers down significantly, which is vital to being competitive in the future.”

### **Simplicity and speed**

He also pointed to the retail market, where there is immense

potential, and where it tends to be driven by cross-selling, and where technology is helping oil those wheels due to the speed and ease of opening new accounts.

“These customers want simplicity and speed, and we are doing everything we can to open access to them for first or additional investments, for example in SIPs,” he explained. This is part of the whole democratisation of wealth management in India, opening new and exciting opportunities across all segments of wealth. ■



### Getting Involved

Interested in being part of the discussion? Be sure to save the date of our India Wealth Management Forum 2024, which is taking place on Wednesday August 28th, 2024.

Want to find out more about how you can take part? Get in touch at [events@hubbis.com](mailto:events@hubbis.com).

