

# Kasikorn Asset Management: Broadening the Offerings, Distribution and Digital Capabilities

**Benjarong Techamuanvivit, First Senior Vice President, Strategic Planning Division, Kasikorn Asset Management, recently met with Hubbis to discuss the evolution of the Thai wealth management market and what her firm is doing to keep up with and probably beat the competition. A keen pastry chef in her spare time, she knows that the right planning, the correct ingredients and careful preparation will produce the best results.**

**“2018 WAS CHALLENGING FOR US, as it was for the market as a whole,”** Benjarong begins. “But we are pleased to have been awarded the best fund launch, the K-Guarantee-Fund-A, which closed last February. It is the first multi-asset guaranteed fund, with Amundi and Credit Agricole, their parent bank, as the guarantor.”

She explains that the product has been popular among local investors as it caters to their risk appetite and that it triggered a spate of interest amongst local competitors.

Another key development was the growth of digital activity, while physical transactions diminished. “This has been justifying our efforts to invest in digitalisation,” she reports. “We now estimate we are about 60/40 in favour of digital and growing, both online and on our mobile app, whereas before it was 40/60.”

### **New distribution avenues**

She turns her attention to the expansion of distribution through external parties, noting that TMB Bank had been partnering since 2017, and had high inflows in 2018, especially with the guaranteed fund. “We are open to work with third-party distributors,” she says. “Our products are very competitive and well suited to the market.”

Competition has become much more intense, Benjarong reports. “The clients are becoming more sensitive to new offers, to new pricing, to new product varieties,” she explains. “Competitors are also fighting hard for good sales-people as well.”

Another opportunity beckons in new asset classes for the ‘UI’ category above accredited investor. “We can launch literally anything under the sky for that

type of investor,” she reports. “As a product person like me, that is ideal as it offers some fun, but of course these are only for UHNWIs, not for the retail market

### **Open architecture prevails**

Looking at other openings, Benjarong notes that there are greater opportunities to be on other providers’ platforms. “Here I mean the broader wealth management space, a variety of the Thai banks that are increasingly adopting open architecture like we are Kasikorn Private Bank have for some time offered non-KAsset product. For example, SCB and TMB now have open architecture.”

ESG is also in the pipeline for the firm. “Demand from the private banks is clearly rising,” she says, “as interest and demand

was double treatment in the past, whereby the investor who bought bonds directly would have tax withheld, but if they bought a local bond fund it would be tax-free. Accordingly, the new law will be a 15% withholding tax, which represents a challenge because in the low yield environment returns will drop even further. However, it is happening across the board.”

### **Digital days**

Digital is the channel that targets the middle-income customers, says Benjarong. “But this is beyond transacting,” she comments. “Everyone these days has the mobile app for transactions, or for online service, but for us we have extended this to our advisory service. The client will be risk profiled, of course,

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increase amongst the younger generation. They increasingly want to be considered as ‘good citizens’, involved in some form of impact investing. Additionally, there could be private equity, structured as a mutual fund, so we are going to launch that as an alternative asset class. And there are other non-traditional products such as absolute return strategies, long/short multi-asset strategies.”

Benjarong also highlights a new fixed income fund tax due to emerge during 2019. “There

and then they would be guided towards investment in certain types of products and models, as a result of their preferences. And we then follow-up and give them advice, for example on a quarterly basis they would be provided with some alert, through the app, to report the IRR they have achieved, what they might have expected, or suggestions for higher returns based on their risk profile and our advice.”

That approach, she elucidates, is the way forward for mass customisation of advisory on wealth planning.



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“It is free advice,” she explains, “but fees are then embedded with the management fee for products they buy and if they are a client of KBank for example or TMB, and they use our mobile application, whichever bank is the selling agent will earn the trailer fee and the front-end fee.”

### Captive no longer

This, she says, is all positive for the market in that customers are no longer captive customers. “They have more choice and with the intense competition there is a wealth of information out there for them to compare and to see who offers the best for them in terms of performance delivery and reasonable fees, and other metrics.”

“We quite aggressively launched products for the past five or more years and we are now in a phase of streamlining, boosting product due diligence capabilities to help us review which products are to be taken out, which products replaced, and which product continue to do well. That is an ongoing exercise for us to ensure our firm’s competitiveness and cost-efficiency.”

### Getting Personal

Born and raised in Bangkok, Benjarong attended the eminent Chulalongkorn University, studying finance and banking, before completing her MBA at Sasin University, which is also affiliated to Chulalongkorn and connected to two pre-eminent US businesses schools.

She began her career at Citibank as an investment product specialist and later investment product head, before moving to Deutsche Bank Private Wealth Management. She later helped the former CEO of Aberdeen Investments found Manulife Asset Management Thailand. She has been with Kasikorn Asset Management for the past ten years.

Benjarong enjoys baking and used to run her own online bakery that she closed down a few years ago. “It was fun,” she recalls, “Cheesecake Palette used to be my online delivery cheesecake shop. I have had a passion for baking since I was really rather young.”

Spare time is nowadays spent indulging her passion for music from the 1920s to 1950s, both at home and seeing live performances. “Yes,” she says, “I really do love those oldies.”

Other activities include keeping fit, and meditation. “I recently completed a week of intensive meditation. We follow a set method and it includes listening to Buddhist teachings, the Dhamma, all the good deeds and all the principles.”

She explains further, adding that her interest in this relates to the connection between body and soul, which are separate, but which people should strive to bring together in harmony at points in their lives.

Travel includes regular visits to the US with her parents to see her sister, who resides there and runs her Thai restaurant as a Michelin star chef in San Francisco.

And favourite places she has visited include Abu Simbel in Egypt, Angkor Wat in Cambodia and Czech Republic for its fairy tale scenery and castles.

## Benjarong's key priorities

Looking ahead to her and the firm's key priorities for 2019, she focuses on digital. "The first area is to enhance the firm's data analytics," she reports. "On a digital platform, there is so much data that we can work on, for example sending customers customised information during a period of market turbulence, actions to take, recommendations and so forth. Then we can monitor whether the client opens or reads the communication, whether they follow it, and if they do what is the outcome after several months."

She expands on this, explaining that much can be learnt about client behaviour. "We are not doing this just for the digital channel," she says. "We have invested in terms of resources and software infrastructure for the firm to come up with these kinds of analytics to help with customer satisfaction and retention. It produces returns in terms of repeat sales and customer loyalty."

She reports that the firm has found that if the clients buy certain products and hold them for some

time, perhaps for five years consecutively, from year six onwards they would likely consider a second fund or another type of fund.

"We can then look into the demographic profile of that client and then offer them funds that fit their profiles," she clarifies. "We have started this for some time now and it has proven successful. Data analytics enabling more targeted marketing is how I would describe this, and it enhances the after-sales service and helps increase revenues."

The firm's second priority, from Benjarong's perspective, is the digital roadmap. "We have a target to achieve," she notes, "so, for example, this year we want online account opening through our mobile application, because clients previously had to open physically before they could log in, but right now it would all be possible online, at least it will be during this second quarter."

She explains that this also targets the non-Kasikornbank clients, for example, the firm has been working with two major banks to link the systems together with au-

tomatic authentications processes.

Her final mission for 2019 is also in the digital space. "Right now," she explains, "we have a mutual fund mobile application, K-My Funds, from Kasikorn Asset, and we have the pension or provident fund app for K-My Provident Fund. In this space our provident fund members can log in, see their statements, their returns. Within 2019 we will link the two apps and this will enable the clients to switch funds based on what will effectively be a retirement calculator. This, in turn, means that if they see a shortfall in their future lifestyle needs on retirement, the customer can plot that and plug the gap with, for example, a retirement mutual fund from our mutual fund range of products."

The rapid expansion of private wealth at the upper levels in Thailand and the continuing rise of the mass affluent market offer firms such as Kasikorn Asset Management great opportunities. Competition is clearly intensifying, but the firm appears to be adapting niftily to position itself for some fruitful years ahead. ■

