

Leading Kotak Mahindra Banker Surveys the Growth and Diversification of the Indian Wealth Market

How has the Indian wealth management market developed and evolved in recent years since the Covid-19 pandemic it? Hubbis has followed the evolution of the market in India closely and consistently, but from afar in the virtual world we were all forced to inhabit during the pandemic. But on September 7 we could get up close and personal to leading experts in the market there in our first live event in India since 2019. In the first panel discussion of the day, we welcomed Manish Kathuria, President and Business Head, Priority Banking & NRI Banking at Kotak Mahindra Bank, who offered delegates some valuable insights, some of which we have summarised in this short report.



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Manish Kathuria
Kotak Mahindra Bank

Answering the moderator's question on digitisation of communication in the wealth market, Manish explained that the way customers used to interact in the traditional wealth management ecosystem is past. Radical and positive changes have emerged in the current scenario, he said. "Access has become hygiene, and in whatever mode, whether video, voice or chat, the customer expects faster turnaround times. Investment in technology is a must, and the pace of change has accelerated significantly, achieving omni-channel connectivity for clients, who increasingly prefer mobile to online. Our bank is certainly investing in technology on an ongoing basis."

He also referred to RMs' needs and explained how important information has become in making decisions. "We are working hard to ensure that relationship teams are given a real-time data feed so that they can engage in meaningful and contextual interactions with the customer. Again, further investment in the platform is vital for the industry in this regard, and of course we have been investing in data analytics

to help boost RMs' abilities to conduct more contextualised and personalised interactions."

As to key trends in the market, Manish agreed with general comments from the panel about the rising diversification of demand for investment products and the increasing sophistication of clients, adding that the financialisation of savings has really gathered pace in recent years. "The mutual fund industry is growing, and the alternate space has been growing robustly," he reported. "While real estate was always the traditional investment choice in India, there is more money being directed to funds and the alternate space is becoming extremely vibrant."

He said that investment activity is rising across the board, for the HNWI segment, the mass affluent market and the retail sector. "We are seeing diversification and also democratisation of wealth market participation here," he said. "Some of this is being driven by FinTechs, and also the advances amongst

the traditional firms and banks. All together, these are positive and encouraging trends."

"We are focusing on delivering the types of journeys they like, whether the DIY journey, or the RM-assisted journey. So we need to make sure we have the best tools and solutions for each route taken. The affluent as well as the HNWI space needs a lot of help and guidance, so we also need to invest in talent, training and expertise, so that our RMs can grow with customers and build trust all the time. This will further help us grow our customer base," he said.

Manish closed his remarks by noting that the opportunities are immense, as the financialisation of wealth in India is only in early stages. "By any measures such as investments as a percentage of GDP or mutual funds as a percentage of financial investments, India is far behind the developed markets," he reported. "But therein lies the great opportunity." ■

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