

Digital drivers of change in Indian wealth management

Digitising the delivery of products and services is vital for wealth management players across India, if they are to become more cost-effective and offer information, access and advice in a way which meets what clients demand today.

In India, more so than most other countries around the world, using technology to create a more relevant, consistent and profitable wealth offering via mobile, digital and social offerings is critical in delivering financial services efficiently and effectively.

The country's retail banks have made the biggest leaps forward in mobile and digital offerings so far.

When it comes to the more specific wealth segments, however, and especially the upper end of the wealth pyramid, many firms are lagging.

The industry now needs to adapt more quickly to the times, which includes becoming more process-oriented, as part of formulating appropriate advisory processes and scaling the business.

DEFINING DIGITAL

According to Satheesh Krishnamurthy, senior vice president and head of afflu-

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SATHEESH KRISHNAMURTHY
Axis Bank



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ent banking at Axis Bank, digital translates to disruption via new ways of doing

business. “Customers being able to go direct will drive change in business



the products and access the right advice and information, before they can fulfill those transactions as part of an online experience, adds Bharat Sharma, head of wealth management at ICICI Bank.

At the same time, data structures also need to be developed that facilitate a deeper level of analytics, and make this on-the-go via mobile devices.

Indeed, says Vaid, data security should command a large share of the IT spend.

models and old ways of doing business will fade away,” he explains.

Greater engagement of digital by the industry will also create greater speed and simplicity in. In short, say participants, it is re-writing the way banking is being conducted across the globe.

The client experience is another key beneficiary of digital, adds Anshu Kapoor, head of global wealth management at Edelweiss Global Wealth Management.

This is about delivering more value via digital channels, he explains.

Productivity and efficiency is another aspect. “What tools can we create for advisers and also clients?” he asks.

Digital also enables firms to re-think how they acquire clients, as a result of change in the way they deliver advice.

WHERE TO INVEST

With so much money being invested into digital more broadly, but the key, say industry leaders, is to create the right context and have a clear plan for how that money is going to be spent.

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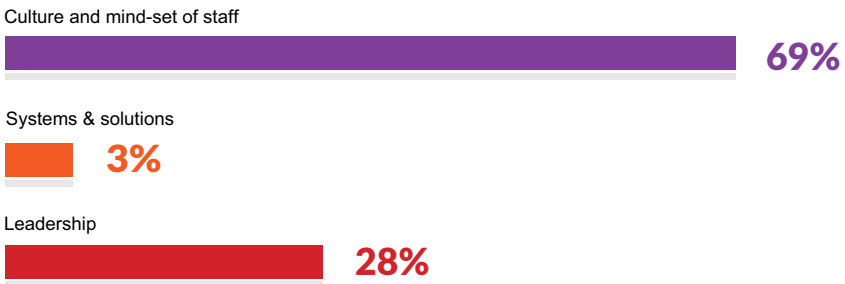
Sumeet Vaid, founder of FIINFRA.in, says it is essential to determine how to create a design that benefits the end-user experience and enables them to do what they want.

The end-to-end client experience must be focused on how clients experience

In addition, Kapoor says he is also focused on using data to get a true understanding of the customer, in order to get a competitive edge.

Technology is a way to support this, he explains, via analytics to understand the individuals’ behaviour.

WHAT DO BANKS MOST NEED TO CHANGE TO ADAPT AND THRIVE AGAINST DIGITAL DISRUPTORS?



Source: Hubbis Redefining the Digital Evolution in Wealth Management 2015 - Singapore

FEATURE ARTICLE

For example, setting up an account might require a 100-page document to sign. "We are now able to open a client account on a tablet in 30 minutes," says Kapoor. "If we don't get the first part of the journey right, then clients will not come to us."


ON THE FRONT FOOT

Rather than being reactive, becoming proactive is a way to harness technology in a more user-friendly way.

Current revenue models in India are transaction focused, so digitising this is a priority for many organisations.

This is also driven by an emergence of more digitally-savvy clients wanting to go direct to the manufacturers. As a result, those providers are working hard to create digital experiences to make them as effective as robo-advisers.

Another shift which is happening at a reasonably large scale, say practitioners, is around the use of technology in terms of what devices are preferred. For example, the screen size is an important factor in determining the type of business that will work and be successful.



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SUMEET VAID
FIINFRA.in

"Most people [in India] prefer to speak to someone they trust, with this consumer behaviour shaping the likely take-up rate [of digital]."


READYING FOR ROBO?

According to industry leaders, the client segment where a robo-adviser will be a more natural fit is the mass affluent space.

This is where this style of automated advice has found a lot of success in the US and UK markets, but it is based on the positioning of low cost. Some managers also offer a hybrid model depending on the preferences of specific clients.

In India, it is key to get it right for the mass affluent segment. And some practitioners see India as being a breeding ground for a large invasion of robo-advisers. Yet it will be challenging in the domestic market. Most people prefer to speak to someone they trust, with this consumer behaviour shaping the likely take-up rate. As a result the offering will need to be packaged in simpler products.

Further, with human advice being 'free', the take-up in this market is likely to be more based on accessibility. ■



"The end-to-end client experience must be focused on how clients experience the products and access the right advice and information."

BHARAT SHARMA
ICICI Bank