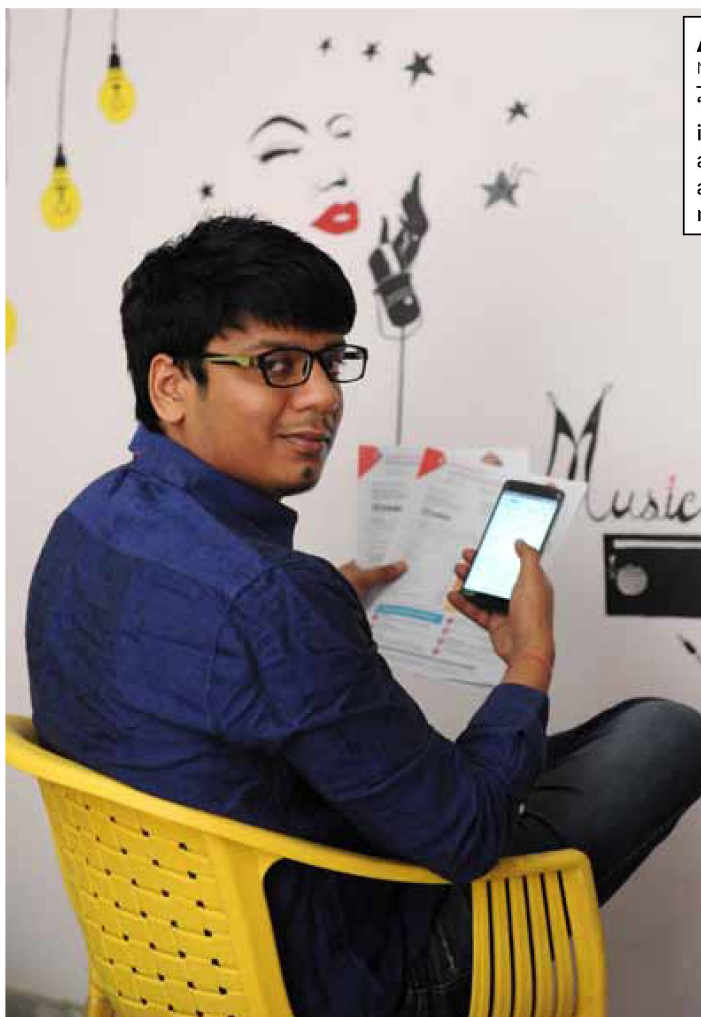


# THE DIGITAL FINANCIAL CONSUMER

With easy-to-use digital platform, more and more consumers are buying financial products online, by **Team OLM**



**Ankit Agarwal, 27**

New Delhi

**"The online world offers plenty of information and these days there are apps and sites through which I am investing as well as managing my money efficiently."**

services industry is slowly changing the way financial services are consumed.

For 27-year-old, Delhi-based Ankit Agarwal, managing money on his smartphone is similar to managing every other aspect of his life. "I use the digital interface to bank, track my investment performance, pay bills and compare financial products before buying them," he says. A cursory look on his smartphone shows several apps dedicated to managing his finances, which he says are very handy and reliable. It also helps him take charge of his money all the time.

"This is the golden period for the customer, where all the insurers are coming up with better online products at highly competitive prices. With innovations in online products and ease of buying, consumer stands to gain," says Sanjay Tripathy, Sr. EVP—marketing, analytics, digital and e-commerce, HDFC Life. Although banks and securities transactions were the first to move into the digital space by way of portals, the insurance sector has perhaps been the fastest to exploit the online opportunity, though the results are still mixed.

Photo: TRIBHUVAN TIWARI

**M**ention digital and a slightly older person would think of a website, e-mail or Facebook. However, for a much younger generation, digital is about

being able to manage their lives through their smartphones. A digital presence is a given whether it is to buy a film ticket or to order a cake from their favourite bakery. The digital path taken by the financial



Photo: PRODIP GUHA

**D K Guha, 54**

Kolkata

**"Most of my banking is online now and I do a lot of research on my investments online like finding out current prices and read reviews of experts."**

**Digital interface**

In order to deliver on the promise of digitisation, companies in the financial services have focused a lot on the right digital interface (inputs, outputs) that can interact with external stakeholders (clients, regulatory bodies, distributors, service providers and the market) with minimal human interface.

"Historically, the process of investing in mutual funds was seen as difficult and cumbersome. Lately, technology has come to the rescue of investors, by easing the process of on-boarding as well as transacting," explains Rajeev Thakkar, CIO, PPFAS Mutual Fund.

"Our digital channels are widely accepted across all age groups, but it is higher among the younger generation," says Manju Agarwal, deputy MD—corporate strategy & new business, State Bank of India. The bank witnesses 41 per cent usage of internet banking by those

under 30, with 25 per cent usage by senior citizens. These moves have not just increased the quantum of transactions, but also the value of such transactions which has gone up significantly. What has worked further to improve user experience



**SANJAY TRIPATHY**  
SR EVP—MARKETING, ANALYTICS,  
DIGITAL AND E-COMMERCE,  
HDFC LIFE

**"With the overall digital space expanding, there is more acceptance among the young population towards buying insurance online as well."**

is the enhanced connectivity and internet speeds which allows for digital transactions to be faster and the overall experience satisfactory.

"For me, the shift to technology has been slow and cautious and mostly because I have found it to be time saving and convenient," says 54-year old, Kolkata-based D K Guha. Guha works in an ad agency and has two teenage kids, who have adopted the digital world for several activities, however, he feels it has also made them thoughtless consumers, simply because of the convenience and lure of discounts. "I am open to using digital modes of managing and investing my money, but I would not like to make a total shift to the digital world too," he adds.



## Meeting of worlds

The shift towards digitisation is visible, yet it is not going to be a complete cross-over. Explains Subrat Mohanty, head of marketing, Bajaj Allianz Life Insurance; "The research online and purchase offline (ROPO) practice is quite popular today in Indian life insurance sector. The trend is resulting in a radical integration of the financial services experience across physical and virtual environments. As more and more consumers use mobile phones, tablets, and other digital devices to make basic financial transactions, financial services providers have responded by bulking up their websites and revamping traditional channels such as physical branches and call centres to support their digital efforts, reducing costs along the way.

Moreover, a new breed of companies have come up with technology start-ups in the financial services space, or 'FinTech' as they are called. These companies are fast-changing the way we transact online for financial products. "FundsIndia is an investment service that provides

## The biggest worry when it comes to using the digital interface with financial services is security.

high-quality, customised financial advice and an extremely convenient and friendly digital platform to execute the advise," explains Srikanth Meenakshi, co-founder and COO, FundsIndia.com. Their platform caters to the needs of both mobile and web users through a convenient user interface which facilitates convenient mutual fund investment transactions.

Explains Adhil Shetty, founder & CEO, BankBazaar; "Our full-fledged application platform allows people to search offers, select the one that suits them the best, and then apply for it online." Today, his platform offers consumers to choose a credit card, apply for loans, open savings bank accounts, invest in mutual funds and buy insurance policies across several financial institutions. "We have simplified finance so that it is as easy as shopping," stresses Shetty. There are several

platforms that have mushroomed, which are posing a stiff challenge to traditional financial services companies. In the process, the consumer has gained the most.

In case of Quantum AMC, the digital push was necessitated because of the AMC's approach to go without distribution, the conventional approach to mutual fund distribution. "At Quantum, because we don't rely on the distribution model, we are in a constant quest to innovate new technology to make investing simple," says Jimmy Patel, CEO, Quantum AMC. The company was among the first to simplify the user experience when it came to investing in mutual funds. "We were one of the first complete paperless invest online section and recently initiated self-IPV that makes the e-KYC process easy, which is a first in the industry" adds Patel.

## Security concerns

Despite all the advantages, the biggest worry when it comes to using the digital interface with financial services is security—people are still worried on losing money and control over their finances if their transactions aren't secure. "I had a bad credit card experience, when I got updates on unauthorised transaction. Luckily I did not lose money as I got a notification, which made me block the card immediately," recounts Guha. Consumers are worried over security issues when it comes to transacting online or digitally as they may become victim to fraudulent activities online like phishing, hacking of passwords, etc. To make sure consumer concerns are addressed, strong cybersecurity is a practise followed by all players in the financial services space.

A secure platform spells trust with consumers. "Our customer databases are encrypted with the latest encryption standards and are further protected by strong access controls," explains, Swami Saran Sharma, director and CEO, InsuringIndia, an insurance portal. The concern swells when one is transacting on platforms



**ADHIL SHETTY**  
FOUNDER & CEO, BANKBAZAAR  
**"We are certified by TrustE and regularly upgrade our security. Moreover, we do not retain any confidential customer data or pass on customer information like contact details to third parties."**

for the long run. "We use state-of-the-art encryption technologies for all our communications. We also use two-factor authentication for login, and all the password data are one-way encrypted to completely prevent data theft in this regard," adds Meenakshi.

An increasing awareness about financial products and services has been another factor resulting in more digital consumers of financial services. "There is opportunity for

e-literate buyer to seek out solutions for herself online and increased digital marketing initiatives by insurance companies are attracting more customers online," feels Anuj Gulati, MD & CEO, Religare Health Insurance.

The financial consumer is experiencing the personalised value-add services that they are so used to in an offline world, but they are finding the same in the digital world as well, which is helping them manage their finances efficiently. It is a mix of such factors that is making them willingly switch to digital alternatives that are now available in the market to manage their money better. "The experience has been good and one quickly realises the advantages when transacting digitally," quips Agarwal, even as he quietly goes about using his smartphone to check his portfolio. As digital adaptation to financial services rises, providers will have to brace up to the sophisticated demands of consumers, who are always a step ahead to discerning value over plain features. □

*With inputs from Anagh Pal, Aakar Rastogi, Himali Patel, Khushboo Rajput and Shipra Sharma*



**SRIKANTH MEENAKSHI**  
CO-FOUNDER AND COO,  
FUNDSINDIA.COM

**"We have a friendly process called 'Money Mitr' that helps new investors with an asset-allocated portfolio of funds based on basic inputs on the need entered by them."**



**RAJEEV THAKKAR**  
CIO, PPFAS MUTUAL FUND

**"Website interfaces have become increasingly user-friendly and intuitive. While mutual funds have been a little slow to adopt mobile-based interfaces, they are now making up for lost time."**



**ANUJ GULATI**  
MD & CEO, RELIGARE HEALTH INSURANCE

**"The only reason we see our customers not buying online insurance is the lack of trust on the online model itself, as there is a segment which believes in in-person buying."**



**SUBRAT MOHANTY**  
HEAD OF MARKETING AND SALES  
QUALITY, BAJAJ ALLIANZ  
LIFE INSURANCE

**"Research online and purchase offline (ROPO) practice is popular in our sector, with simple products like term insurance bought online."**



**JIMMY PATEL**  
CEO, QUANTUM AMC

**"A first time investor can easily invest through Quantum in a matter of few clicks, just with the help of his PAN card only, without actually even logging in to our platform."**



**SWAMI SARAN SHARMA**

DIRECTOR & CEO, INSURING INDIA  
**"We provide information in 10 regional languages, which covers about 94 per cent of the population catering to different age groups and geographies."**