



End-to-end digital sales and customer on-boarding: Holy Grail of digitization - How far is India

FIBAC 2019

AUGUST'19, MUMBAI

**Digital creates an opportunity to be relevant to customers,
on their terms**

Anonymous

Digital Banking is already here

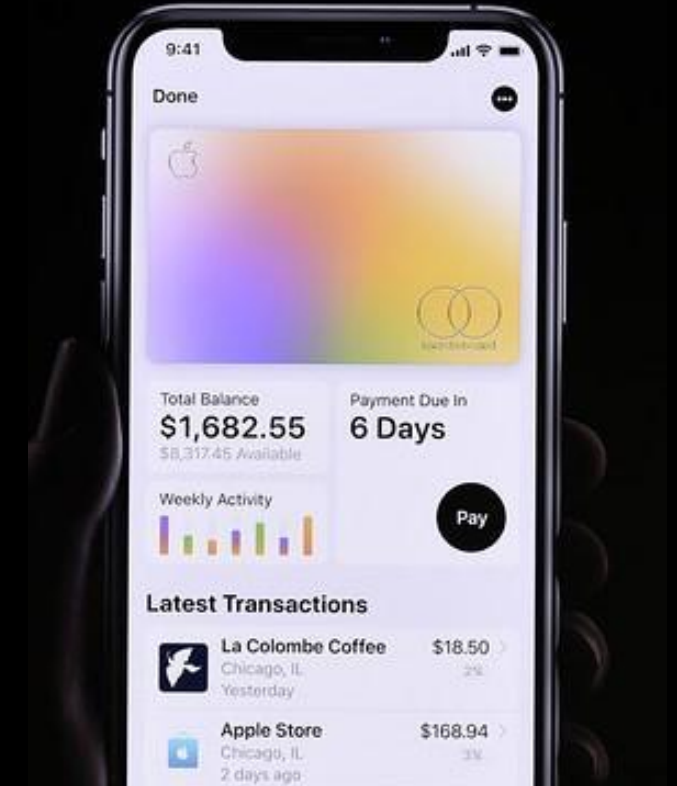


In the **US**, 1/3 of personal loans are now originated by Fintech lenders



In the **UK**, neobank Monzo¹ was 3.5x faster to reach 1m customers than a branch-based challenger bank

Bank Open in **India** fastest to reach 100K customers (10 months)



Products like the Apple Card illustrate the pace of disruption

Traditional basis of incumbents' success is eroding

1. Monzo: An application based bank in UK with no physical presence offering hyper personalized customer experience
2. Referring to credit card users who are < 25 years of age; user base refers to entire user base of WeChat
Source: TransUnion data 2018, Company websites, BCG Analysis

Rise of digital customers in India

47%

Smart phone & internet penetration

70%

Urban consumers buy financial products digitally

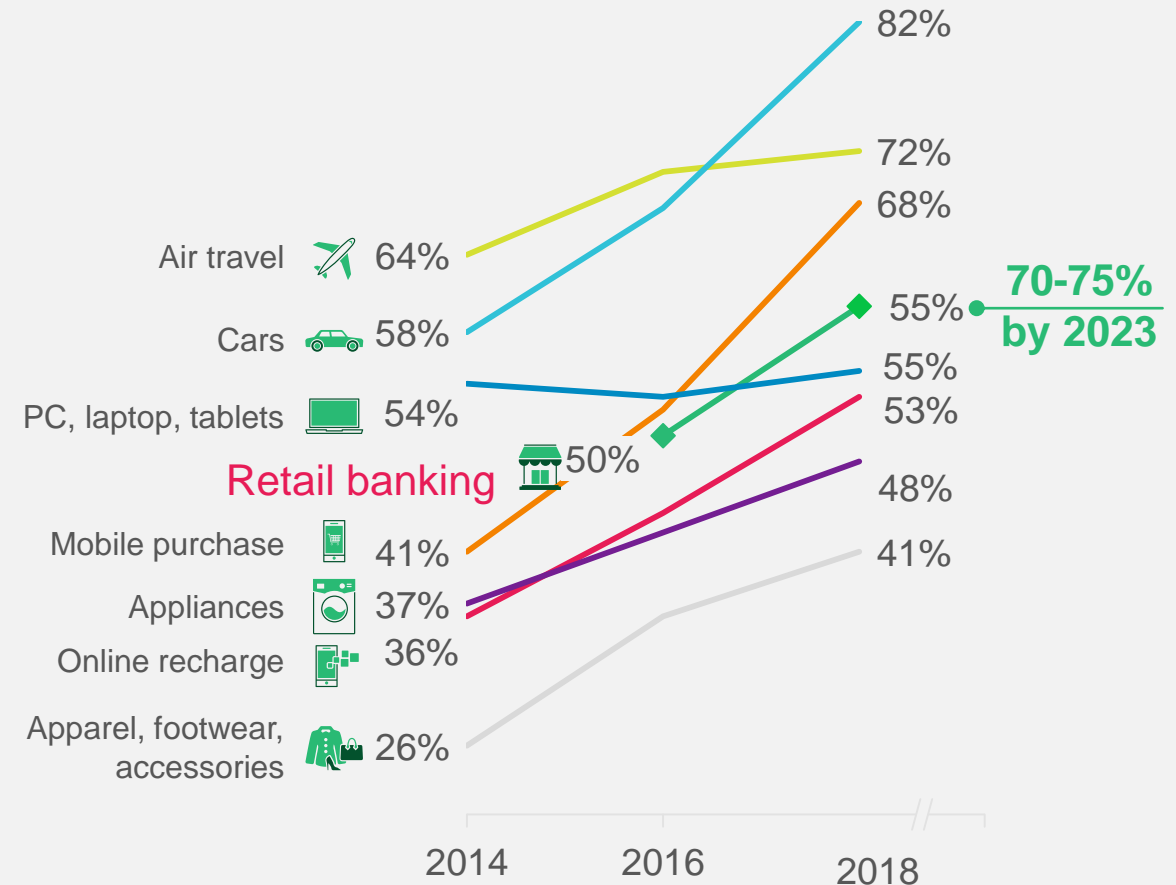
9.8gb¹

Data consumption per user per month

>90%

Lending related² searches on mobile

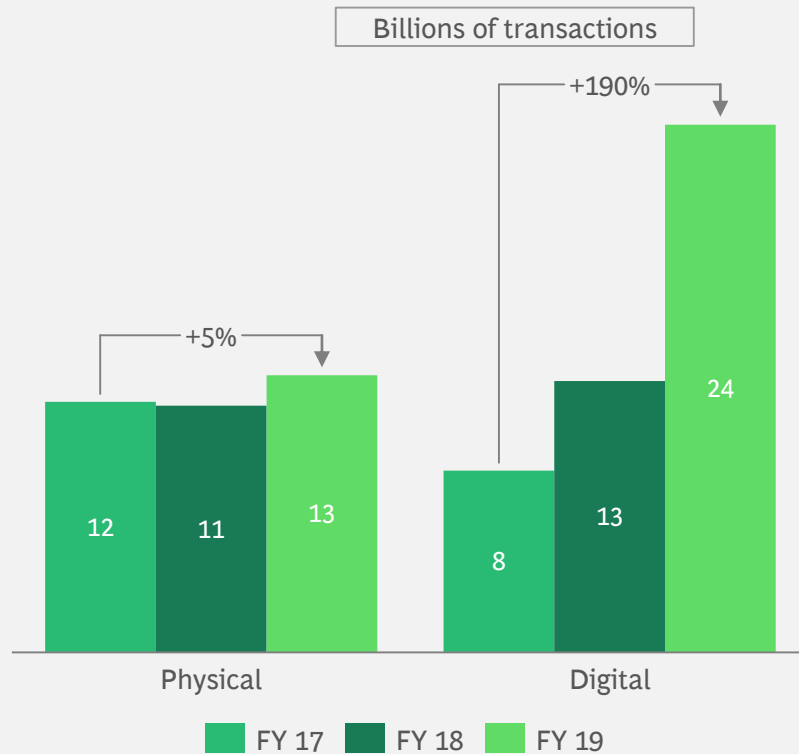
Expansion of digital influence



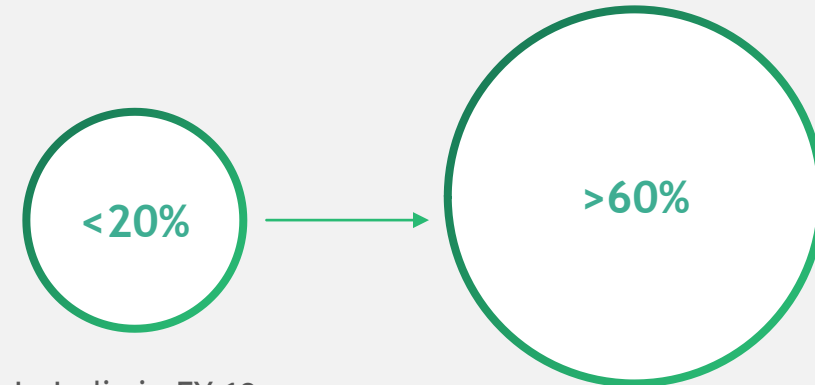
1. Expected by FY20 2. Searches on Google website/app conducted via mobile
 Source: BCG CCI Digital Influence Study (N=18,000), BCG Center for Consumer Insights, TRAI, BCG Publications, BCG Analysis

Banks need to move to digital sales to monetize increasing digital traffic

Banks have digitized transactions....



...focus should now shift to digital sales



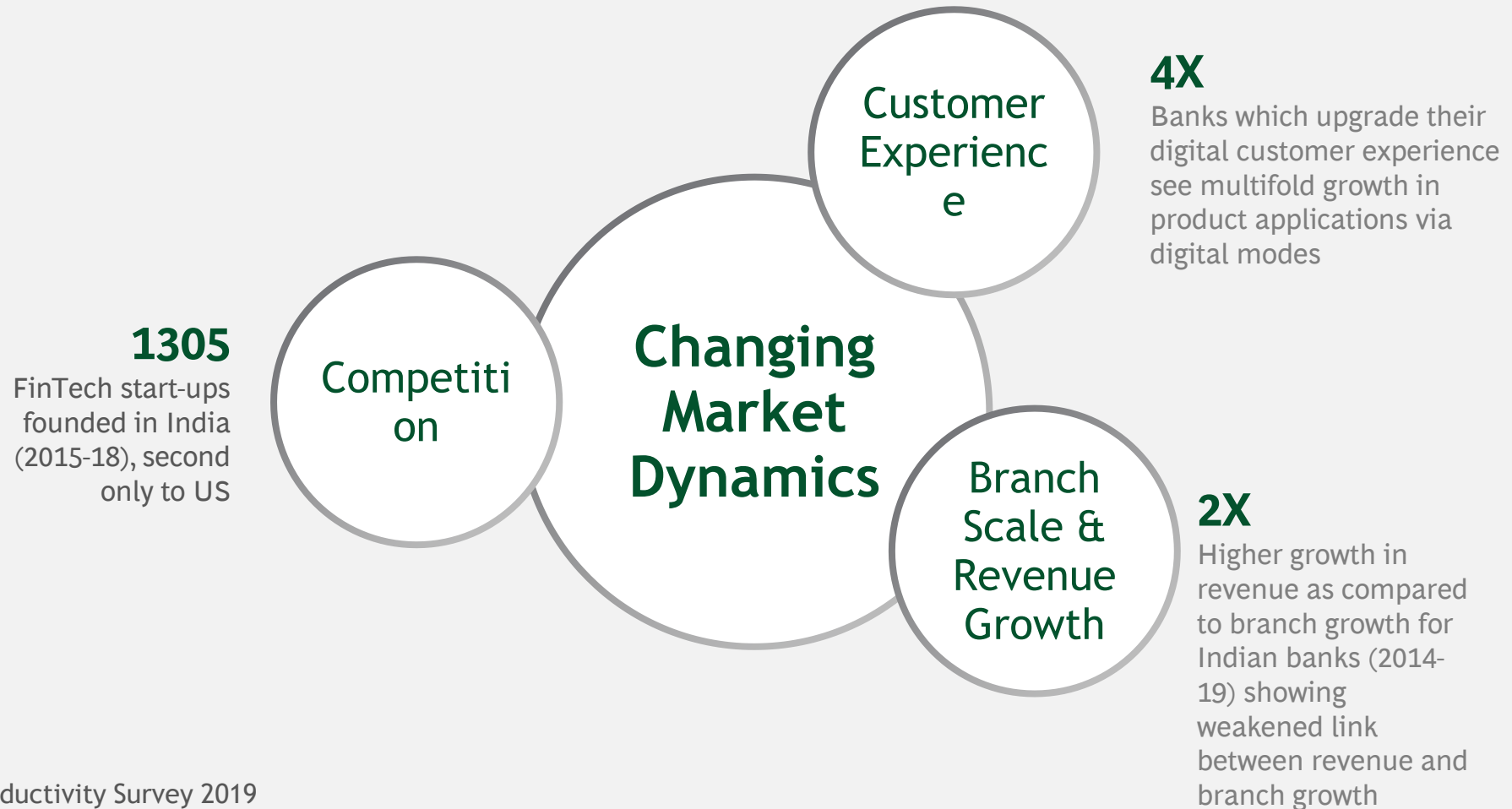
In India in FY 19, lesser than 20% of loans were sold via digital channels¹

Global banks with advanced digital sales capabilities sell a majority proportion of loans via digital channels

¹ Personal loans data for 10 Banks (Private and PSU banks included)

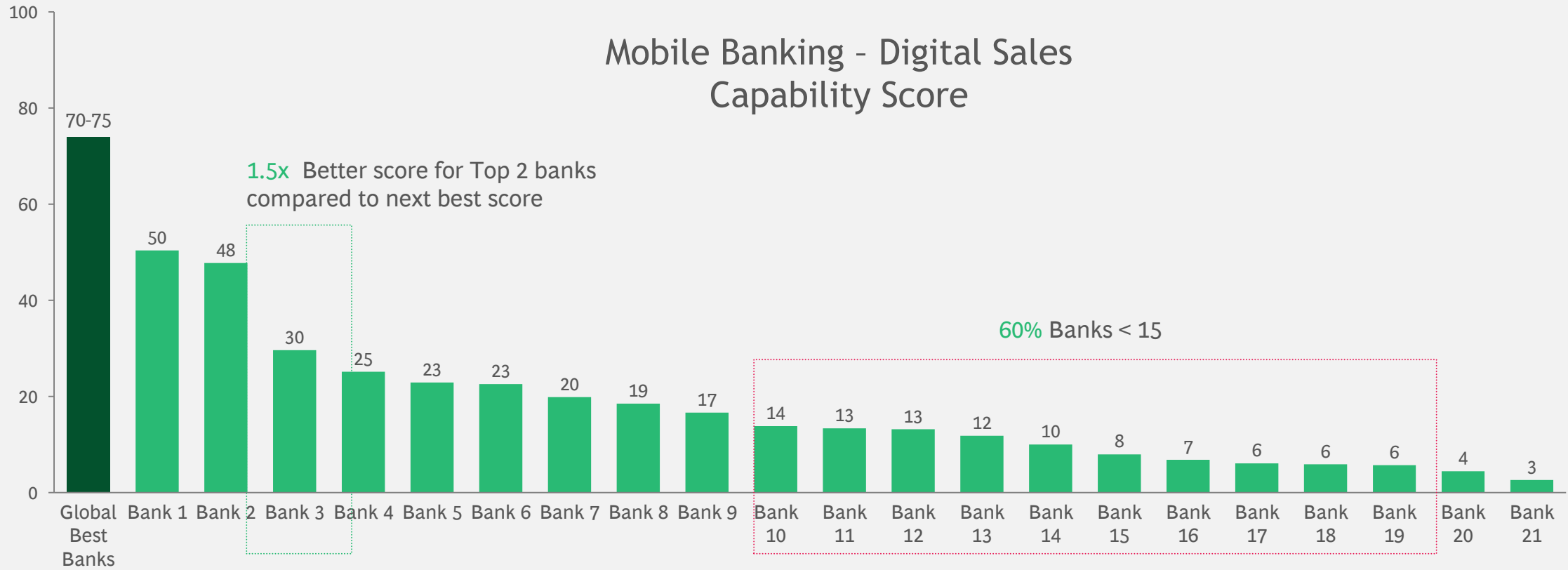
Source: BCG analysis; FIBAC Annual Productivity Survey 2019; RBI Data

Digital sales excellence will be an important source of strategic advantage



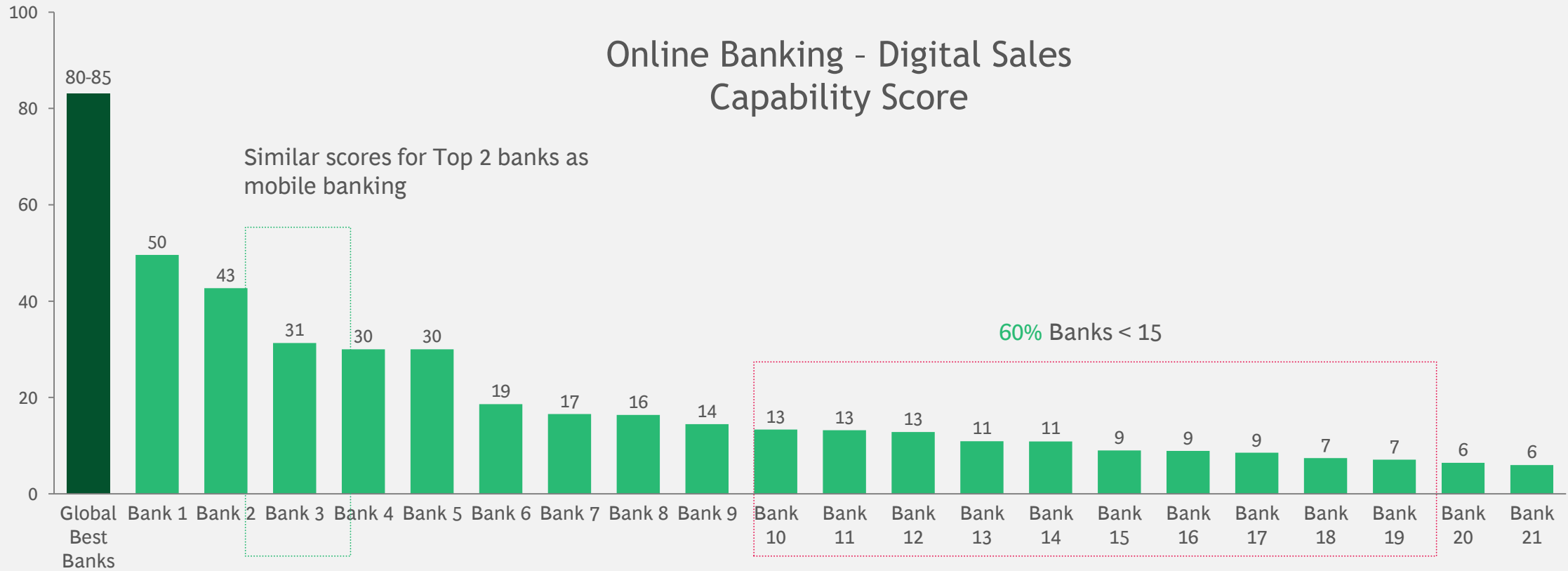
Source: BCG analysis; FIBAC Productivity Survey 2019

Indian banks well below global peers on mobile digital sales capabilities



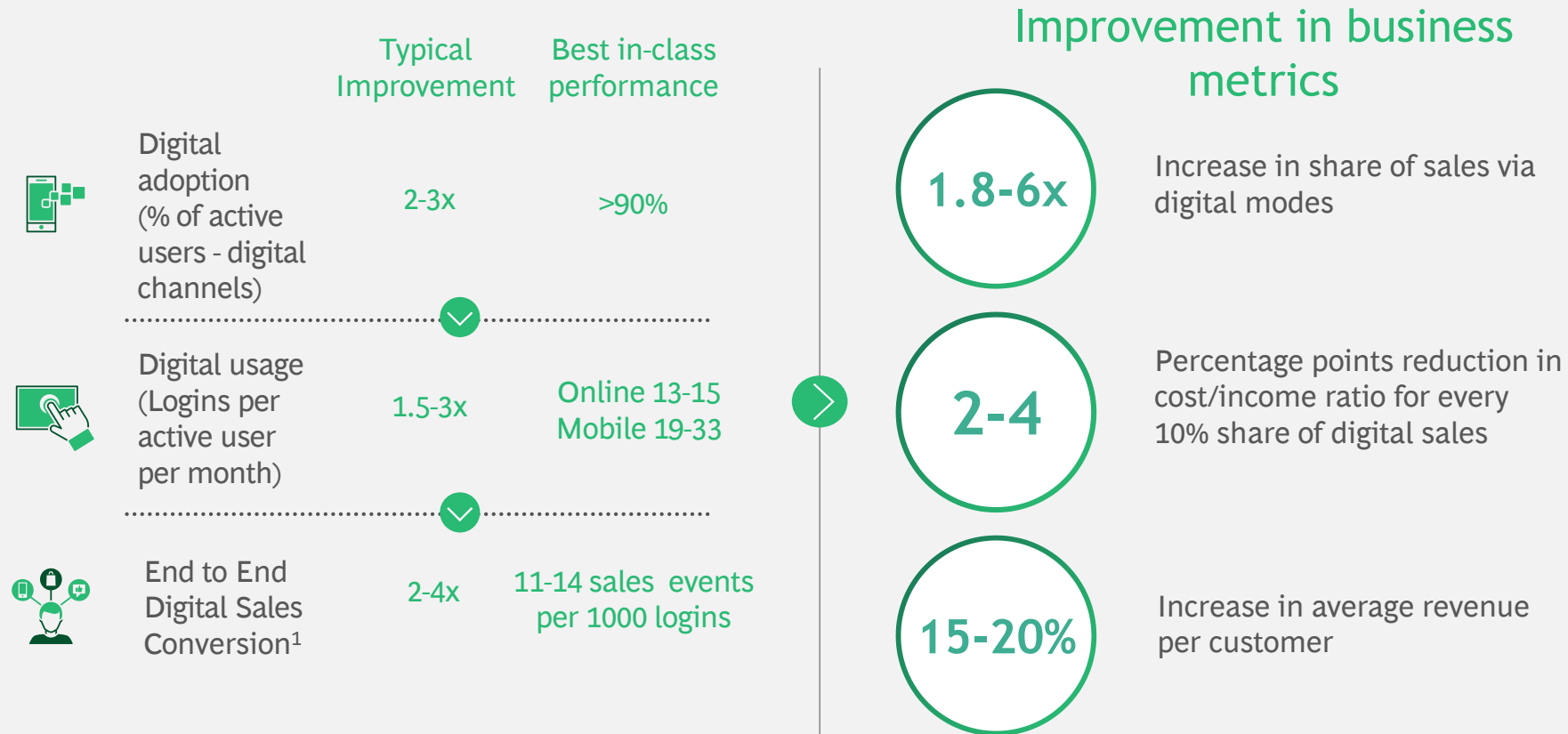
Source: BCG India Digital Capability Diagnostic; BCG Global Diagnostic

Global trend of higher online scores compared to mobile not observed in india



Source: BCG India Digital Capability Diagnostic; BCG Global Diagnostic

Improved digital sales capabilities drive improved business metrics



¹Varies by product, public vs private site, and source of client (e.g. aggregator)
Source: BCG analysis

Key questions to be answered

DNA of digital sales

- 1 How do I design my **digital marketing and sales stack**?
- 2 What **data sources** will I need?
- 3 What **business processes and operating model** must I establish?
- 4 What **tools and infrastructure** will I need?
- 5 How do I deliver seamless **sales fulfilment**?
- 6 What **talent** do I need to bring in to my organisation?
- 7 What **governance** structures are required?
- 8 Where should I start and what is the **action plan**?
- 9 Do I need to build it all **at the same time**?
- 10 What will be the **return on my investment**?

Panelists today



Abhay Gupte
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