

Kotak Bank hopes to double customer base in 18 months

OUR BUREAU

PRINT · T+

Share

Share 2

Launches '811' mobile app with over 100 features

Mumbai, March 29: Kotak Mahindra Bank expects to double its customer base to 16 million within the next 18 months on the back of its newly-launched '811' digital banking ecosystem.

Further, with more customers taking to digital banking, the private sector bank's future branch expansion will be more measured.

According to the private sector bank, '811' is a mobile banking app, which allows paper-less, real-time account opening, with over 100 features for banking, payments and shopping. It offers a zero balance savings account with zero charges for all digital transactions and customers can earn up to 6 per cent interest on their savings bank accounts.

The customer acquisition cost, according to bank officials, is 80-90 per cent lower than the traditional channel.

"Customers get very upset with charges. Therefore, we felt that if we can dramatically reduce our costs, we must be able to give the customers the benefit of that, which is zero balance, zero charges.

"Our view is customer ownership is important, the size of physical infrastructure has to follow that objective. And with '811', we believe we can serve a lot more customers with relatively less branches than what we needed earlier," said Uday Kotak, Executive Vice-Chairman and Managing Director.

Hence, Kotak Mahindra Bank's branch expansion will be more measured. "It will be linked to the fact that we want to expand customer ownership across the length and breadth of India.

"And if we feel we need beachheads and branches for that purpose for customer to be comfortable we will do it. But our core strategy is own customers, not physical infrastructure," explained Kotak.

(This article was published in the Business Line print edition dated March 30, 2017)