

‘Technology has helped us open multiple channels to serve rural customers’

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Ujjivan Small Finance Bank is putting technology to good use to bring a slew of banking services, including government schemes, to the doorsteps of the unserved and under-served segments of society. Vijay Balakrishnan, Chief Marketing Officer, sheds light on the journey so far and the way forward. Excerpts from an interview with *BusinessLine*.

Technology is one of your high points. We hear there are some new developments at Ujjivan on this front. Tell us about it.

In our latest initiative, we are rolling out mobile apps in four Indian languages – Bengali, Kannada, Tamil and Marathi. It is already available in English and Hindi.

The other four will be out in about a month from now. This will make transacting on-the-go easier for our non-English speaking customers.

One of the things we do for the unserved and underserved customers is linking the government's Direct Benefit Transfer (DBT) at the time of opening the accounts.

A lot of customers are unaware of the subsidy coming in.

We are also trying to get other government schemes to our customers. One particularly important initiative launched in rural areas is the agri and rural vertical where the bank has established ultra-rural branches.

Customers in these markets can easily open a bank account and also avail the DBT.

How is tech bringing doorstep banking to your customers?

Ujjivan SFB's pre-launch research indicated that most of its customers had limited exposure to formal banking channels, and even those who did, had found the experience daunting, given that a significant percentage of them are neo-literates or semi-literates.

Technology has enabled us to open multiple channels to serve customers and reduce our operating costs.

Ujjivan offers to its customers services such as instant account opening on a wireless hand-held device, 24/7 internet and mobile banking, and biometric ATMs where fingerprints are the new pins, and form-free banking.

Ujjivan's cost-to-income ratio rose to 72.3 per cent in the June quarter from 57 per cent in the previous three months due to new branches and higher number of staff. How will this ratio pan out in the coming quarters?

As our Managing Director said in his post-results call, this is a year of building the branches of the staff. We believe that with the increase in income from other products and services, we should be able to manage these costs. Over the next three-four quarters, you will see a certain type of stabilisation happening in the 55-57 per cent range.

What were the learnings from the research conducted about expectations from a bank for both the rural and urban poor?

We partnered with Parinaam Foundation, a non-profit organisation, and Ujjivan's Corporate Social Responsibility arm, to organise community development as well as educational and financial inclusion programmes. These programmes teach the basics of banking such as debt negotiation, loan mechanism, and how to use bank services – ATMs, SMS alerts and chequebooks. Since 2010, our community development programmes have reached out to more than 12-lakh beneficiaries across India.

Our customer research and insight studies revealed five key brand drivers: Simplicity, Convenience, Assistance, Trust and Security. These insights have helped us craft relevant products.

We had been giving loans for over a decade now to almost 40 lakh customers; as a bank, we now have the opportunity to offer financial products through an institution they can bank with safely. We have taken on a new positioning stance of 'Better Banking, Better Living' espousing this transition.

With so many SFBs operating in the country now, how are you differentiating yourself?

Our biggest differentiator is our focus on the unserved and under-served segments. The products of Ujjivan are mainly offered with the key objective of fulfilling comprehensive financial inclusion for the customer segments we cater to. There is no entry barrier for savings accounts; a customer can carry out transactions at various access points, such as branches, centre meetings, ATMs, mobile banking, via internet and phone banking.

Our FDs and recurring deposits start at as low as ₹1,000 and ₹100, respectively. Ujjivan also has a 24/7 multi-lingual phone banking team with no lengthy IVR that enables direct interaction with our teams to assist customers with queries and concerns, if any.

The branches have been specifically designed to be customer-friendly with our approach of assisted service.

What is your NPA position?

We don't have any NPAs. It is less than 0.35 per cent. Repayments are in excess of 99.5 per cent. We have a healthy portfolio. We only see repayments improving by a few decimal points hereon.

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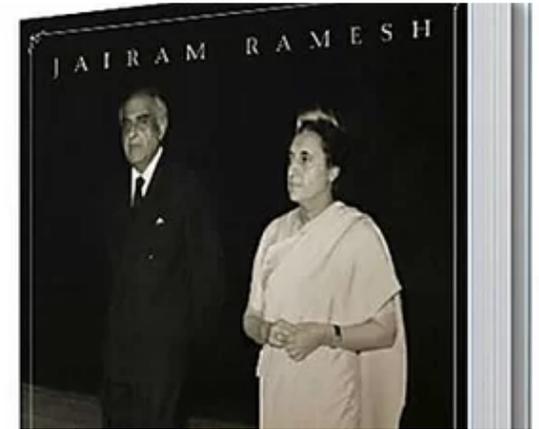
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