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Market Watch

Banking @WhatsApp a win-win partnership

BY ASHWIN MANIKANDAN, ET BUREAU | JUN 12, 2020, 08.32 AM IST

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Mumbai: As Indian lenders rewire their branch [banking](#) services in favour of digital alternatives during the [lockdown](#), [WhatsApp](#) is sensing an opportunity in its biggest market to capture a new user segment — retail banking.

The Facebook-owned [social media](#) giant has ramped up existing partnerships with some of the biggest names in Indian banking — [HDFC Bank](#), [ICICI Bank](#), [Kotak Mahindra Bank](#), [Axis Bank](#) and [RBL Bank](#).

The Application Programming Interface (API) integrations have allowed these lenders to provide basic services such as balance enquiry, routine updates, moratorium facility, credit card statements and in some cases even savings account opening options to customers.

The service is taking off with banks seeing engagements in millions as a nationwide lockdown to curb the spread of the pandemic has caused most branches to remain accessible only for select services.

For example, [ICICI Bank](#) has seen “close to a million users” apply for ‘WhatsApp Banking’ services, whereas [Kotak Mahindra Bank](#) said that it was handling 1.5 million monthly messages on the platform.

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partnered newspapers, locating nearby essential stores and opting for loan moratorium to this service,” said Bijith Bhaskar, head-digital channels and partnership, ICICI Bank.

Deepak Sharma, chief digital officer, Kotak Mahindra Bank, said the channel is an upgrade on traditional SMS and IVR used by the bank earlier. “Due to the familiarity and simplicity of the platform, many digital inactive customers, who earlier used SMS or the bank’s missed call service, have migrated to WhatsApp as their first digital channel,” said Sharma.

The flurry of engagements on the channel has presented a lucrative avenue for business expansion in India ahead of the highly anticipated launch of UPI services later this year. While the service is free of cost for most customers, the partnership model between banks and WhatsApp is a mix of subscription and per-transaction model.

“The recent Covid situation has underscored the imperative of quickly scaling services such as insurance, pension, banking and credit to



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