

INTERVIEW: RAVI NARAYANAN

COUNTRY HEAD - BRANCH BANKING & RETAIL TRADE FX, HDFC BANK

Consumers now see digitisation as an additional benefit

HDFC Bank has been undertaking a lot of initiatives in terms of digitising, both internally and for customers. The bank has its own payment and funds transfer mobile applications its own e-wallet and will soon have its own unified payments interface platform. It has also undertaken measures to completely digitise numerous back-end processes.

However, the private sector major has not slowed down in terms of opening branches and expanding its physical footprint. In 2015-16, HDFC Bank opened 506 branches in India, taking its total count to over 4,500 branches. It plans to add 450-500 branches this fiscal, according to Ravi Narayanan, country head - branch banking and retail trade FX. In an interaction with Pranay Lakshminarasimhan, Narayanan speaks about his take on the role of branches going ahead and the bank's physical ex-

panson plans for the current year. Excerpts...

Considering the increasing use of digital means of banking, what role do you think a branch will play going ahead?

I think there is a misconception that digitisation is in lieu of a branch. I think that misconception arises naturally, because it is like an alternate platform is available to do the same thing. However, that is the way the industry is looking at it. The consumers' perspective is what is important for us. And the truth is that the consumer today has not considered digital banking as an alternate platform. For him or her, it continues to be like an additional benefit. However, the branch continues to have its own advantages. Yes, digitisation is giving customers an option to perform all transactions at their own time and convenience. But we are not dissuad-

ing them to come to our branches. In fact, when a customer comes to the branch, we try to create awareness about how they can save their time and cost. Also, the physicality of the interaction between the customer and the bank at a branch creates room for interacting about enhanced activities.

So, do you think digitisation is complementing branch banking in any way?

Digitisation has discouraged customers to come to the branch for performing routine transactions like basic account maintenance activities or transferring funds into someone's account. All that we have put into a virtual world. Because sitting together and discussing face-to-face about financial awareness and new developments in the financial world cannot happen if say you come to get a demand draft made. Now that we have digi-



tised all these simple processes, the customer comes to a branch prepared to talk about something valuable. I think this symbiotic co-existence of digital means and brick and mortar branches is what the Indian ethos of consumer behavior will

continue to perpetrate. Digitisation is taking care of the routine transactions and the physical branches are evolving into the next orbit of engagement with the customer - cross-selling, up-selling, conversation-based selling.

How many branches did HDFC Bank open this year and how many do you plan to open in the current fiscal year? Also, how many of them are in rural areas and how many in urban locations?

Our total network consists of 4,520 branches. In the previous financial year, we opened slightly more than 600 branches, and the year before that, we did 400. So we are averaging around 450-500 branches a year.

This year too, you can expect something similar, upwards of 400. Roughly, 56% of our branches cover rural parts of the country while the remaining

branches are in urban locations.

What kind of geographies are you looking to expand your physical footprint in?

Expansion is happening everywhere. So if you take big cities, all of them expect Mumbai are expanding. Mumbai of course is restricted by its physical geography and topology. But if you see the New Salt Lake coming up in Kolkata, it's a huge place which is coming up, or you take Whitefield and Sarjapur in Bangalore, or Velachery and Thiruvanniyur in Chennai, all huge and good residential developments.

So even in urban areas and metros whenever we feel this is a set of customers that I would like to be present in, I will go. My physical footprint expansion in urban areas and the country will continue to follow where my customers want me to be.