ICICI Bank

Technology has been in the DNA of ICICI bank since its inception. Be it one of the first banks to offer ATMs or banking using social media, ICICI Bank has been a pioneer in identifying market trends much more earlier than its competitors. Today, the market has completely changed, with born-in-the-cloud startups competing with traditional banks.

The first impact of digital has been on the payments business – from cash to cards, to mobile payments. Anything that can be converted from physical mechanism to a completely digital mechanism is digital transformation. The way employees interact with the systems is different, the same is the case with how employees interact with customers.

"This digital transformation is forcing us to do a lot of rethinking on three bases. Our existing business is very critical; for incumbents like us, the traditional business model is important. Within our existing businesses, we are making the processes much more efficient. This includes things like robotic process automation, covering 950 processes," states B Madhivanan, CTDO, ICICI Bank. Another important element has been the ability to service customers, both existing and new. In terms of existing customers, it's about cross-selling; whereas, it's about creating bases in terms of new customers. For instance, providing tablets to the front-end for the sales teams or digital forms for SMB retail customers.

B Madhivanan,
CTDO, ICICI Bank

Reimagining banking

On the digital front, the bank's efforts include a different approach on how processes are viewed end-to-end and how decisions are taken; alongside high level RPA. On the transformation side, the bank wants to steer businesses in a completely different way. "Our Executive Director and MD are driving the agenda of direct-to-consumer (D2C). Until now the model has been intermediary in nature – it could be an employee, or a channel partner. Now as the world is becoming bigger and more connected, it's creating an ability for us to reach out directly to customers – which is crucial for us," explains Madhivanan. Whether customers do banking through retail, internet banking, or mobile, it contributes to the digital story.

Transformation for the bank is about virtually recreating a model wherein customers come directly without any intermediary.

Additionally, a thought process is underway in completely reimagining the bank and the services offered. "We are thinking if there is a way to reimagine the most often used banking services, from a mobile perspective – such as payments, lending, trade, financial management, buying policies, investing. Our iMobile app, for example, acts as a channel on one hand; we have about 180 services on mobile currently. We are also trying to reimagine if we can do things that we have never thought of, on iMobile," says Madhivanan.

There are various products on the sidelines of current and savings

accounts, wherein the bank is trying to reimagine the experience and context. The price points of insurance are high because it is being delivered by a physical mechanism. If the same insurance product is offered on a mobile app, there is a possibility of creating customised products at a cost that would have never been possible in a branch scenario. The impact of this is not just on cost-to-income, but there is a new segment of revenue. For instance, a policy can be sold over a phone, which is not possible in physical bank branches. This is making the entire context more relevant – it is a unique combination of driving consumer journeys.

Run, Transform and Reimagine are the three areas being worked upon. The first two will primarily focus on cost-to-income; whereas reimagination will create completely new business segments. This is being made possible through a three-way process. Transformation is a combination of the technology and the innovation teams. Whereas, the reimagination part is a combination of new age technologies such as retail internet banking, corporate internet banking, iMobile, etc.

Creating instant consumption models

This is an era of instant consumption, and the bank realises the strategic importance of creating products that can be consumed immediately. Backed by powerful analytics, the bank has created several instant products – instant credit card, instant PPF facility, instant digital credit. Several of these products are unique. For example, the bank has tied up with Paytm to jointly launch 'Paytm-ICICI Bank Postpaid', a digital credit account with instant activation: with no hassles of documentation or branch visit, while activation is fully online. This enables lakhs of new-to-credit customers to get instant digital credit for shopping. This is based on a new Big Data based algorithm by ICICI Bank for real-time credit assessment of customers. The algorithm uses an intelligent combination of financial and digital behaviour of the customer including credit bureau check, purchase patterns, frequency of purchase to ascertain the credit – worthiness of a customer within a few seconds. Based on the credit-score of the customer, the bank offers upto 45 days interest-free credit limit.