

SBI Card plans to double credit card customers in 2-3 years

To tap into bank's own customer base; grow card sales 30% this fiscal

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SBI Card, the joint venture between State Bank of India and GE Capital, is looking to double its credit card acquisition and improve its market share in the next two years.

According to Vijay Jasuja, Chief Executive Officer, SBI Card, the company has worked out a strategy for doubling its credit card customers on an incremental basis month-on-month, by tapping the bank's own customer base.

With a card base of close to 50 lakh, SBI Card is currently the second-largest issuer of credit cards after HDFC Bank. In terms of spend too, the company currently holds the second place with an average spend of ₹5,500 crore a month.

The company's card sales increased 26 per cent year-on-year to 45.6 lakh as on March 31. The company is looking to grow its card sales 25-30 per cent this fiscal.

"We have entered into a tripartite agreement with SBI and



Vijay Jasuja, CEO, SBI Card

CIBIL to offer pre-approved cards to eligible customers. The eligibility will be based on parameters including the quantum of deposits, loans or investments in various instruments such as mutual fund," Jasuja told *BusinessLine*.

Expanding customer base

SBI's own customers currently account for nearly 38 per cent of its total cards in circulation, while 47 per cent comes from open market and the remaining from co-branded offerings.

"SBI has a 45-50-crore customer base; even if we can get 1 per cent of that, it will make us market leaders in the segment," he said.

The share of SBI's own customers has been steadily increasing from 33 per cent a year ago to 38 per cent at present.

"We are looking at a big leap in this segment; we have been working on a strategy for the last 2-3 years and are on the last stage now. Once we cross this

stage, we will start seeing the numbers coming in."

The company also launched 'Unnati' card aimed at Jan Dhan account holders with a savings bank balance of ₹25,000. "This is one segment that we are looking at. We expect demand to pick up moving forward," Jasuja said.

Festival offerings

SBI Card is also set to go all out to woo customers with special online and offline offerings this festival season. It has tied up with Flipkart for its flagship Big Billion Days sale between September 20 and 24. Under the tie-up, the bank will offer up to 10 per cent cash back on all purchases.

This apart, it is also tying up with offline stores such as Croma and Reliance Fresh and travel portal Yatra.com for boosting spend on the card. It is also looking to partner large jewellers to offer discounts on purchase of gold and diamond jewellery on the eve of Dhanteras.

SBI Card is also coming up with EMI-based offerings for purchase of mobilephones, particularly for the younger population. "EMI schemes account for nearly 10 per cent of our total spend."