

## Pitch

# "CUSTOMER CENTRICITY IS CORE TO SBI CARD'S OPERATIONS"- HARDAYAL PRASAD, CEO, SBI CARD

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## "CUSTOMER CENTRICITY IS CORE TO SBI CARD'S OPERATIONS"- HARDAYAL PRASAD, CEO, SBI CARD

November 5, 2018 By [Smriti Mishra](#) 0 365



*The rise of smartphones and technology has led to the emergence of proximity marketing globally. As per the report by Market and Market, it is expected to be worth \$52.46 billion segment by 2022 in US.*

Brands across the world are increasingly turning towards proximity marketing to deliver personalized content to consumers based in a particular location. In a similar attempt, SBI card partnered with Tata Star Bazaar to bolster the brands' reach and utilize the beacon technology to effectively communicate with its consumers. Mr. Hardayal Prasad, CEO, SBI Card tells us how the brand is leveraging the technology to enhance customer experience, future expansion plans for the program and how brands can successfully retain consumers through the beacon technology.

### Excerpts from the conversation:

#### Please tell us about your association with Tata Star Bazaar using proximity technology.

Our journey with the Tata Group began in 2006 with the launch of Tata Cards. This was India's first loyalty cum credit card offering.

In 2017, we launched the Tata Star Card in partnership with Star Bazaar, in response to the growing trend of grocery purchases using credit cards. The Tata Star Card was designed to offer an unmatched value proposition to customers who frequently make Departmental & Grocery category purchases from organized retail stores.

While on one hand Indian consumers are increasingly moving to digital payment modes for everyday spends, on the other hand rise of smartphones and technology has led to the emergence of proximity marketing globally. According to estimates, it is expected to be worth \$52.46 billion segment by 2022 in USA. The concept of providing contextual content to target consumers in a physical location is gaining in India too. In addition to retailers, digital payments players also stand to gain through integration of proximity technology in their marketing strategies.

SBI Card is the first card company, to adopt this innovative marketing medium and leverage it as a new customer acquisition channel while offering an enhanced shopping experience to its customers. We have tied up with Star Bazaar stores in Mumbai and Bangalore to implement an innovative proximity technology driven program. Through this technology we will send in-store offer details which customers can avail real time. They can also apply for Tata Star Card through their mobile phones, at the click of a button, in store. The campaign will enable us to bolster brand reach while enhancing Point of Sale customer experience.

### **How is SBI card leveraging technology to deliver personalised content for a particular target group?**

Customer centricity is core to SBI Card's operations and we aim to 'Make Life Simple' for our customers. We are always exploring opportunities to offer greater value to customers and that includes seeking associations/ collaborations that bring a superior proposition to our consumers.

A large proportion of customers at Star Bazaar are regulars. For these customers, Tata Star Card which offers significant value back on all purchases at Star Bazaar as well as periodic discounts and cashback offers is the most rewarding mode of payment. Therefore, all customers walking into Star Bazaar are potential target segment.

The technology we are using has a range radius of upto 70 metres and any customer walking into this radius can be targeted with customized notifications. Small devices called beacons target customers in the proximity of the device via Bluetooth and GPS. Push notifications are sent to their mobile phones, thus, informing them of relevant offers at the right time and right place. Very often, at Point of Sale (PoS), customers forget about the offers on their payment card. Proximity technology help in creating brand and offer recall for the customer at the store, enabling them to avail the right offer at the right time and allowing them to get maximum value on their purchases.

The innovative solution also allows the customer to connect with in-store sales representative and apply for the Tata Star Card right away, hence making the customer's on boarding journey smooth. Alternately, customers can also leave their contact details for us reach out to them later.

Further building upon its current in-store form, SBI Card also plans to scale up its proximity marketing initiative to target outdoor spaces such as popular shopping locations wherein customers passing by a store at a market or mall will get push notifications for on-going SBI Card offers in that store.

### **How has proximity marketing evolved in the recent years and what does the future hold (especially with concerns around protection of consumer information)?**

Marketing and branding has evolved over the years from traditional TVC and newspaper advertisement which carry larger and generic forms of messaging to proximity marketing today.

Consumers, today, seek an interactive and immersive customer experience. Proximity marketing helps to create an interactive touch point and has the capability to deliver a highly contextual and unique, personalized shopping experience. It allows retailers to understand the activity the customer is currently involved in and to reach out to the customer with a very targeted message. This provides a win- win solution – customers benefit from a relevant, customized and enriched experience while retailers are able to reach out to their audience directly both in-store & in the vicinity.

Proximity technology does not transmit any personal user information. The technology we are using only has the capability of one-way broadcasting of a signal which can carry limited values. Also, exact user location is not tracked.

### **What are the broad areas that you plan to expand into, using proximity technology?**

Proximity technology is not just limited to marketing, but also has wide applications in payments. SBI Card offers various proximity payment solutions. We have already launched Scan and Pay feature which allows the customer to scan merchant's QR code with his mobile phone to make payments. We also offer contactless payments solution wherein customers can simply tap their card at Near Field Communication enabled PoS terminal, to transact. We will soon launch Host Card Emulation based payments, a form of proximity payment solution where the customer can pay simply by tapping his phone at the PoS terminal without any need for a physical card.

Further, SBI Card has now evolved into using proximity technology for Hyperlocal Marketing which can be used to drive footfalls inside the physical stores. The technology can be extended to shopping malls where there could be multiple offers running across several stores.

### **How can brands effectively tap into the potential of proximity marketing to enhance consumer experience?**

Marketing has continuously evolved with retailers constantly adapting new approaches and technologies. Proximity marketing is a recent phenomenon, relatively new in India and yet to be adopted on a large scale. Proximity marketing has the potential to change the way customers behave and interact with brands and to positively disrupt the shopping experience, through clever use of technology.

It benefits all involved in the ecosystem – for customers, it is relevant and real time marketing since the customer is in close proximity of the product and will have a chance to experience the product/ offer in real time. For brands, it is a means to know what activity the customer is engaged in, cut through the clutter and bring a focused and contextual product/ service or offer to the consumer. For example, if a customer is browsing through or passing by a store and gets a notification of a lucrative offer, this may inspire instant action.

As adoption of smart phones in India rises (with number of smartphone users in India projected to reach over 490 million by 2022), Bluetooth enabled proximity marketing can enable brands to reach out to millions of consumers in a segmented way. Consumers get an enhanced end to end in store shopping experience, with on the spot personalised offers and rewards while brands can successfully attract and retain shoppers.