



*IIMC CASE RESEARCH CENTER (IIMCCRC)  
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## **CUSTOMER ONBOARDING AT ICICI SECURITIES: THE DIGITAL MARKETING DILEMMA**

**APRIL 2017, MUMBAI, ICICI SECURITIES HEADQUARTER**

It was just another busy day at the office for Shilpa Kumar, MD & CEO of ICICI Securities. She had chaired a number of meetings throughout the day. The financials for the last quarter of 2016-17 looked decent. The only concern that kept bothering her was the challenge of getting a larger number of customers, who opened account with ICICIdirect.com, to start their investments. While millions of customers have an ICICI Direct account, the number of new customers that were active were less than expected.

Ever since she assumed the position of MD & CEO of the organization, she had been keen about converting the dormant accounts into active ones to tap in the large pool of potential clients. The numbers which were reported in the meeting were not satisfactory. The average client activation rate of the existing accounts was low, with a majority of the customers acquired through various leads from other businesses of the ICICI Group. A significant portion of the customers acquired through the salary accounts of ICICI Bank contributed least to the active client base of ICICI Direct. The salary account segment consisted of the new-age, young customers who opened their first salary account with ICICI Bank. The flagship 3-in-1 account of ICICI - a salary, a demat and a trading account was the default one offered to the new customers to encourage them in investment and

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*Prof. Indranil Bose and Samadrita Bhattacharyya of the Indian Institute of Management Calcutta developed this case study as the basis for class discussion rather than to illustrate the effective or ineffective running of an organization.*

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trading. Scale-wise this segment contributed significantly. However, their propensity to invest and trade using the ICICI Direct platform was low.

With almost three decades of experience in the banking and finance sector, Kumar realized the importance of scale when it came to customer acquisition. Also, she was aware of the cost incurred by the organization in continuing that process and the extensive deployment of human resources it demanded. During the meeting that morning, she emphasized the need to increase the conversion rate to further improve their bottom line. Along with her team, she evaluated the current initiatives taken for successful customer onboarding. The discussion led to the use of digital channels to reach out to the young audience, make them aware of the benefits of early investment, create a positive attitude towards the financial market. Several alternatives emerged during the brainstorming session, including the use of social media such as Facebook for launching campaigns, being visible on web-based channels like YouTube to share promotional videos and success stories from real clients, and creating their own online Q&A forum or blog to engage more customers.

The ideas were tempting but needed deeper evaluation before taking up any of them. There was no precursor for the organization to follow in this context. She knew that the ICICI Group had a glorious past of pioneering many initiatives in the country's banking and financial services industry (BFSI). However, to introduce new initiatives in digital media meant substantial investment in terms of time and money and considerable risks as well.