

With smartphones, mutual funds tap and swipe for customers

Applications help investors and advisors go paperless while on the move

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The ₹16.5-lakh-crore mutual fund industry has embraced smartphones in a big way to reach investors and ease the investment process. Several fund houses have been actively launching phone-based applications in recent months.

Some of these applications include Ipru Touch by ICICI Prudential Mutual Fund, FinGo from Birla Sun Life Mutual Fund, EasyApp from Axis Mutual Fund, and UTI Buddy from UTI Mutual Fund. Besides these, registrar and transfer agents Computer Age Management Services (Cams) and Karvy, too, have gone live with their mobile applications myCAMS and KTrack, respectively.

These applications allow investors to purchase or redeem their investments, with just a few clicks. Further, they allow real-time monitoring of investments.

Until recently, know your customer (KYC) norms were seen as a hurdle to online investing; however, with the advent of e-KYC norms, these applications and online investing, as a whole, have got a boost.

Industry executives see digital expansion as the future of the mutual fund industry. The sector currently is quite



Illustration: BINAY SINHA

underpenetrated, with less than two per cent of India's population having access to these investment products.

Launching of mobile applications is part of a strategy by fund houses to increase on-boarding of investors.

"In the past one year, we have seen a surge in customer engagement and usability of the mobile app. There is a jump of over 300 per cent use on the mobile app,

which now accounts for over 10 per cent of our overall online business," says Sundeeep Sikka, chief executive officer (CEO) of Reliance Mutual Fund.

Increasing transactions are a clear signal that acceptance of mobile applications is on the rise among investors. This is also helping mutual funds and distributors to keep their costs low.

The adoptability of the mobile applications isn't just restricted to big cities. "Nearly 40 per cent of the transactions are from beyond top 15 cities, pointing to the potential of the investors," says N K Prasad, CEO and president of Cams, which operates the myCams app.

Besides, industry players believe online presence has increasingly become more important than physical presence.

"Mobile-based facility is a big leap for the mutual fund industry, empowering distributors and investors. This ensures that a transaction is processed electronically, thereby making it paperless, and reducing the overall transaction time and cost. Going forward, this model would help distributors tap investors in remote areas of the country. This mode of transaction will be a big enabler for the sector," says Raghav Iyengar, executive vice-president, ICICI Prudential AMC.