

INNOVATIONS AND TECHNOLOGY BASED INITIATIVES IN MUTUAL FUND DISTRIBUTION - A CHANGING PARADIGM IN INDIAN MARKET

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ABSTRACT

The world of financial services is changing in ways that are more dramatic than we would have foreseen even five years ago. Taking a leaf out of evolving ecosystem around mobile telephony's book, many financial institutions are using smart technology to remodel their branches into a smarter point of sale. This has given a genesis to a terminology of "emerging distribution intermediaries" in financial services. Mutual funds (MF) being the combiner of various savings instruments are regarded as the ideal investment vehicle for today's complex and modern financial scenario. But its penetration is poor. One of the major levers to increase penetration is innovations in distributing Mutual Funds products. Considering this, Indian government & regulator have taken many policy reforms & IT initiatives towards increasing retail participation in Mutual Funds and equity markets in recent past. Through this paper, the researcher has attempted to critically analyze these initiatives. Apart from highlighting various innovations in MF distributions, this paper will also highlight the present state of online Mutual Fund trading platforms. Further, the paper attempts to highlight the areas of concern, augmentation and intervention in this space.

Key words: Mutual Funds, Innovation, Distribution, Financial services

1. Introduction to Study

The world of financial services is changing in ways that are more dramatic than we would have foreseen even five years ago. Taking a leaf out of evolving ecosystem around mobile telephony's book, many financial institutions are using smart technology to remodel their branches into a smarter point of sale.

Almost every type of financial activity - from banking to payments to wealth management and more - is being re-imagined by technology. The last two decades have seen the Indian financial services sector undergoing a transformation. Liberalization, and other government and regulatory reforms have targeted expansion and penetration into the Indian financial services market. The one word which attracted center stage in these

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reforms was “financial inclusion”.

On the flip side, technology is pervasive throughout our lives. Accenture's digital consumer report in 2013 found that approximately one in three of these consumers access these sources at least half of the time through their mobile phone or

tablet device, much more so in emerging markets.

India today has one of the highest retail savings rates in the world but investors are still parking majority of their savings in physical assets like gold and saving. Penetration of financial services is very shallow (refer Table 1).

Table 1: Retail Penetration of Financial services in India

Bank deposit	Bank credit	Insurance	Pension	Retail equity
(Deposits/GDP)	(Credit/GDP)	(Premium/GDP)	(Pension AUM / GDP)	(% of total listed equity)
68	52	4	1	4
Source: - Confederation of Indian industry (2015), <i>Rethinking distribution: Smart solutions for smart customers</i> , Financial distribution Summit 2015, Mumbai: Price Water Coopers and AMFI*				

Barring Banking products, other financial services are not able to make enough inroads in our country. One of the key financial services for retail investors is Mutual Funds as it combines various savings instruments. Indian Mutual fund industry has grown rapidly in recent years (refer Table 2).

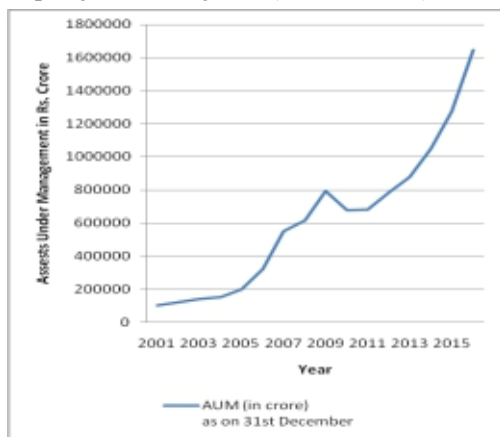


Table 2: Indian MF industry in terms of AUM (in crores)

Year	AUM (in crore) as on 31st December	Y-o-Y growth
2001	101822	
2002	122600	20.41
2003	140093	14.27
2004	150537	7.46
2005	199248	32.36
2006	323597	62.41
2007	549936	69.94
2008	615380	11.9
2009	794486	29.1
2010	675377	-14.99
2011	681708	0.94
2012	786544	15.38
2013	876921	11.49
2014	1051342	19.89
2015	1274834	21.26
2016	1646336	29.14

MF industry has doubled in last three years. From the year 2012 onwards, the industry has grown exponentially clocking consistent double-digit growth on year on year basis. For the first time in the history of Indian Mutual Fund Industry, in the month of January 2017 Average Assets Under Management (AAUM) crossed 17.83 lakh crore.

Indian MF industry has witnessed various phases such as

- Phase 1 1964-87, the infancy stage,
- Phase 2 1987-93, emergence of Public sector players
- Phase 3 1993 – 2003, entry of private players.
- Phase 4 2003 onwards, consolidation and growth.

Simply, Indian MF industry is enjoying unprecedented growth. At this juncture, researcher would like to delve into following questions –

- What are innovations that have happened in MF industry especially in distribution?
- Will these innovations be inclusive?
- How can these issues be further augmented to attract retail investors towards Mutual Funds?

2. Review of literature

The researcher found numerous research pertaining to the behavior of mutual fund

investors like Dorn Daniel, Huberman G (2005); Kenneth A. Kim and John R. Nofsinger, (2003); Bailey, Warren B., Kumar, Alok and Ng, David, (2010); Veld Chris, Veld-Merkoulova V.Yulia (2007). Lot many researchers have studied expenses and cost associated with mutual fund investments viz Miller, Ross M. (2005); Barber, Brad M., Odean, (2003); Haslem, John A., Baker, H. Kent and Smith, David M., (2007); Houge, Todd and Wellman, Jay W. (2006). Bulk of research has taken place about mutual fund manager's portfolio decisions and performance like Mark Grinblatt, Sheridan Titman, (1993); Kosowski, Robert (2006); Blake, David (1996) ; Lewellen, W., et al (1977); Sirri Eric, Tufano Peter (1998), Bluethgen, Ralph, Gintschel, Andreas, Hackethal, Andreas and Mueller, Armin, (2008).

There are wide differences across the countries in terms of how mutual funds are distributed. Let us start with mutual fund distribution channels prevalent in the USA. Mutual Fund distribution structure prevailing in the USA is well described in various works of literature. An official source for classifying Mutual Fund distribution intermediaries in the USA is reports and various publications of Investment Company Institute (ICI). ICI classifies MF distribution channels into three types as shown in Table 3 below: -

Table 3: Mutual Fund distribution channels in USA

Type of Channel	Employer or Retirement Channel	Sales force Channel	Direct Channel
Channel Members	Employees are investing in defined Contribution plans through employers	Full service Broker	Direct Mutual Fund company
		Independent Financial Planner	Discount Broker or NTF (Non Transaction Fee) supermarket
		Banks	
		Insurance Agent	
Share of channel as on 2001	48 percent	37 percent	15 percent

Compiled from www.wici.org

U.S. mutual fund distribution has been concentrated on full-service broker-dealers who maintain large retail sales force capable of penetrating the household or retail sector, and are compensated mainly on the basis of commissions. In recent years, discount brokers have made a substantial presence in mutual fund distribution, compensating for reduced sales effort and limited investment advice by lower fees and expenses. Insurance agents account for another 15 percent of the U.S. mutual fund distribution which focuses on mutual funds with an insurance wrapper like fixed and variable annuities and guaranteed investment contracts. Bank branches have played a limited role in the U.S. Bank channel accounts for the relatively small 13 percent share in the United States Mutual fund market.

Apart from the USA, Europe is dominant region for Mutual Fund Industry. The European countries like Luxemburg, France, UK, Ireland and Italy are amongst top 10 countries in terms of Mutual Fund industry asset size. These five countries together manage 27.4 percent of total mutual fund

assets of the entire world. This makes European Mutual Fund distribution channels important to our study.

As shown in the table below, mutual fund distribution through bank branches dominates in countries such as Germany (80 percent), France (70 percent), and Spain (61 percent), while the U.K. distribution is concentrated among independent advisers (See Table 4). But Italian distribution is roughly split between bank branches and independent sales forces. Overall, contrary to the US, European mutual distribution is dominated by bank channel.

Table 4: Share of various Mutual Fund /Insurance distribution channels in European Union

	USA	Germany	United Kingdom	France	Italy	Spain
Bank	8	80	10	70	43	71
Full service brokers	31.2					
Dedicated Sales Force			25			
Independent Sales force	20.3	14	50		44.1	
Discount Brokers	8.6	6				
Direct Channels	31.9		15		1.1	
Others				30	11.8	29

Compiled from: Ingo Walter (1999)² "The Asset Management Industry in Europe: Competitive Structure and Performance Under EMU"

A closer look at the United Kingdom shows that Investment Management Association (IMA) disaggregates Mutual Fund (referred to as Unit Trusts) flow data by investor type and distribution channel into the seven Categories. From retail investor's perspective, IMA classifies distribution channels into four types.

1) Direct investment from Mutual Fund Company

- 2) Independent Financial Advisor;
- 3) Tied sales force;
- 4) Private clients - refers to portfolio management services offered by banks, stockbrokers and law firms

Aslam, John (2010) has classified Mutual fund distribution channel as a direct & indirect distribution channel. Lakshmikutty Sreedevi and Baskar Sridharan (2003) also observed distinction of channels in the developed markets as personal distribution systems and direct response systems. Personal distribution systems include all channels like agencies of different models and brokerages, bancassurance, and work site marketing. Direct response distribution systems are the method whereby the client purchases the insurance directly. This segment, which utilizes various media such as the Internet, telemarketing, direct mail, call centers, etc., is just beginning to grow. When it comes to distribution channels one-size does not fit all (Dumm & Hoyt, 2002). Multiple distribution channels are the key feature of insurance as well as mutual fund distribution.

Categorizing distribution channels in India is a difficult task in particular, given the relatively poor disclosure by AMFI & SEBI of distribution activity in the mutual fund (as compared with the disclosure of performance data). Daniel Bergstresser, et. al. (2004) has also encountered this problem while conducting a study on Mutual Fund Industry in the USA.

As per AMFI, mutual fund distribution channels are classified as corporate agents (including banks) and individual agents. As far as direct channels are concerned, mutual fund companies are exploring various ways to reach directly. Direct channels like mutual fund company's offices, websites, telephone, mobile, ATM kiosks have evolved in the recent past.

Researchers have already discussed how bank as a distribution channel is evolving worldwide. Syed Shahabuddin (2008) explains how bank channel has slowly realized its own potential and is now emerging as a big player for the mutual fund industry. Considering this, one should accord bank as a separate distribution channel.

In a nutshell, need for multiple distribution channels is obvious for Mutual funds as they have low level of penetration of the products, diverse needs of customers, low level of awareness amongst the customers, and high degree of emphasis on service by existing customers. But the way the distribution intermediaries, as classified by the regulators, are increasingly becoming obsolete, newer distribution channels are emerging.

In this dynamic set up, the researcher would classify Mutual Fund distribution intermediaries for the purpose of the study as below -

- 1) Individual Mutual Fund agents / Individual financial advisor / Brokers.

2) Institutional or Corporate Agents (Group of people working together as a company or partnership firm, Mutual fund branch offices, National or regional level organizations operating through branches, Distribution houses, etc)

3) Banks.

4) Emerging & innovative distribution intermediaries (all those channels which are not covered by Sr. No. 1, 2, 3)

This research paper would try to explore emerging MF distribution intermediaries evolved in India and amongst similar global geographies.

3. Emerging & innovative distribution intermediaries in global markets

Globally, asset management companies are becoming integrated financial services companies. This has made them to revisit their strategies and distribution is not an exception to it. As we have seen earlier, in many countries multi-pronged distribution approach is used. This section will discuss various emerging distribution channels developed pertaining to insurance and asset management industry.

Telemarketing Channel – Telemarketing is the process of selling, promoting, a product or service over the phone. This channel possesses several advantages like human interaction facilitates two-way communication, immediate feedback, large

coverage and cost-effectiveness. This channel has emerged in the countries where tele-density is higher and telephone usage is also higher. It has emerged in Thailand, Indonesia, and Vietnam. In the Philippines, insurance companies bundle the life insurance products with mobile sales. Such kind of bundling tactics will not be possible in case of asset management industry. But surely telemarketing is useful for asset management companies to reach deeper into the marketplace.

Virtual Channels – Electronic kiosks, internet, mobile is increasingly used by financial services companies to increase brand awareness. Now, these mediums can also be deployed as distribution channels. Lot of non-life insurance products such as travel insurance, motor insurance, and health insurance are sold through kiosks. These kiosks can be installed in a convenient location such as malls, hospitals, airports, etc.

As Australia and South Korea, both have high populations of internet users, internet as a distribution channel has developed significantly. Internet channel is significant in attracting youths. Still, many investors prefer to discuss the product and its suitability with financial advisor or agent. Companies are also employing online financial advisor on 24/7 basis.

Worksite Marketing – Worksite or workplace marketing is the distribution of financial

products at the workplace, paid for by employees, but facilitated and endorsed by the employer. Worksite marketing is effective in well developed and well-regulated markets. Worksite market is prevalent amongst insurers in Malaysia, Thailand, and Australia. Countries such as Singapore, Hong Kong and Taiwan are likely to be markets where this channel will experience growth in near future.

Other forms of distribution channels include—

- a) Mall-assurance – Financial services are increasingly exploring the possibilities of selling financial products in supermarkets and retail chains. In South Korea, ING sells insurance via Tesco, while in the Philippines Generali Insurance sells through SM group retail chains.
- b) Selling through Shops – Companies are setting up shops to sell a variety of financial services. Life Plaza Holdings has 143 insurance shops across Japan and has 40000 visitors per year.
- c) Direct Response TV (DRTV) – Korean insurance companies have been selling insurance through DRTV since 2003. They label it as “homesurance”. CIGNA has used DRTV channels in New Zealand and Taiwan.
- d) Social Media – In the UK, companies are using social media network to sell less complex products.

Schwab and Fidelity are two biggest

examples of NTF (no transaction fee) supermarkets. Conrad S. Ciccotello, Jason T. Greene, Lori S. Walsh (2005) documented in detail the evolution of another form of Mutual fund distribution i.e. NTF supermarkets. Rather an NTF supermarket acts as both financial institution and marketplace serving as an intermediary between investors and the mutual fund company. NTF supermarket does not get any compensation directly from the investor for buying or selling the fund. Instead, the Mutual Fund company pays the NTF supermarket for “listing” the funds in this unified marketplace, as well as for servicing customer accounts.

NTF supermarkets offer brand recognition which is beneficial to small, specialized MF companies to market and distribute their highly differentiable products. These NTF supermarkets allow Mutual Fund companies to maintain the product focus while reducing shopping costs for investors. Conrad S. Ciccotello, et al (2005) also observed that these supermarkets also have implications for industry structure as investors increasingly rely on supermarket brand while determining the fund to purchase.

4. Emerging & innovative distribution intermediaries in India

4.1 One of the earlier innovations in MF distribution is online platforms. These platforms

started in 2009 by two leading stock exchanges in India i.e. NSE & BSE.

4.2 Investors can buy and sell schemes on

- the respective websites of the mutual fund houses by filling in their user name and a password or a personal identification number (PIN) to transact. These websites, however, do not give an aggregate portfolio view.
- 4.3 The other option is online transaction portals such as Fundsindia.com and Fundsupermart.com, which do away with the need to remember individual passwords or PINs. These portals usually do not charge customers.
 - 4.4 Online brokerages such as ICICIdirect.com and banks require investors to open online investment accounts by paying a nominal fee to do their MF transactions.
 - 4.5 MF Simplified, NSE's new platform for executing MF transactions without a demat account was launched in December 2014.
 - 4.6 AMFI's MF Utility, a centralized distribution platform was launched in January 2015. It offers an efficient "Transaction Aggregating Portal" that connects with key stakeholders including RTAs, Distributors, RIAs, Banks, AMCs, etc., thereby mitigating the risk relative to the current paper based transactions.
 - 4.7 In September 2009, leading registrar and transfer agents Karvy Computershare Pvt. Ltd and Computer Age Management Services Ltd (CAMS) launched a web-based platform called FINNET to help small distributors buy and sell on behalf of the investors, and prepare and mail consolidated statements to them.
 - 4.8 myCAMS started in September 2014 by Computer Age Management Services Ltd (CAMS), offers digital convenience for online mutual fund investing. Investors can do eKYC, open new folios, view existing portfolio, check Mutual fund NAVs, set up Systematic Investment Plan (SIP), opt for Common One Time Mandate (OTM) and do more across Mutual Funds serviced by CAMS through a single, secure gateway.
 - 4.9 Robo-advisors are a class of financial adviser that provides financial advice or portfolio management online with minimal human intervention. Financial technology startups like Unovest (25 fund houses available), ORO Wealth and Invezta (16 fund houses available) are Robo advisors operating in Mutual Fund space provide digital financial advice based on mathematical rules or algorithms.
 - 4.10 Reliance MF has tied up with Digital wallets (Freecharge) so that users can part their idle money into liquid Mutual Funds.

5. Critical examinations of innovative / emerging distribution channels from retail investor's perspective

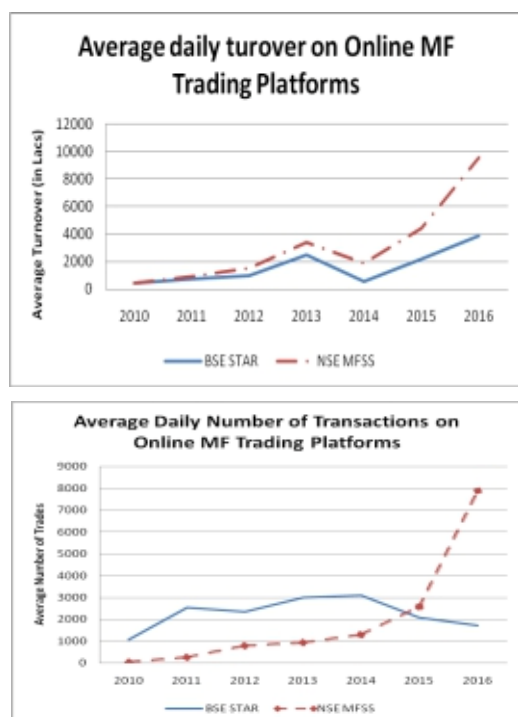
One of the oldest innovative distribution channels is MF online trading platforms launched by stock exchanges. Table 5 shows transaction statistics of these platforms since their inception.

Table 5: At a glance view of Transaction statistics at MF online Trading Platforms in India

Year	Average number of daily Transactions		Average daily Turnover	
	BSE STAR (in numbers)	NSE MFSS (in numbers)	BSE STAR (in Rs. Lacs)	NSE MFSS (in Rs. Lacs)
2010	1057	54	403.45	50.98
2011	2545	247	707.29	223.26
2012	2345	775	922.75	607.58
2013	3010	933	2478.6	945.89
2014	3104	1286	549.9	1375.26
2015	2092	2553	2140.06	2276.86
2016	1720	7885	3858.41	5688.18

Source: - Researcher's analysis of data collected from NSE & BSE websites

As shown in the figure below, both the existing MF exchange platforms - BSE's Star MF and NSE's Mutual Fund Service System, or MFSS - haven't done so well since their launch. Volumes have been thin (refer figure a, b) and mostly driven by brokers putting money in liquid funds.



But from the year 2014 onwards number of trades increased significantly on NSE's MFSS but numbers remained stagnant on BSE star. One of the reasons for the change in trend can be attributed to SEBI's decision to relax DEMAT account ownership condition for MF investors to transact on these platforms. Probably, from 2014 onwards, number & size per transactions has increased exponentially especially on NSE's MFSS. But the situation on BSE Star has not improved much. During this period NSE has augmented its platform by adding more AMCs, offering SIP facility, etc.

But volumes are small in relation to the size of MF industry. Stakeholders are facing following issues while transacting on these platforms

- Current exchange platforms do not allow investors to switch in and switch out of schemes, do SIPs or execute non-commercial transactions.
- Units purchased to take a day or two to get credited into investors' accounts.
- To redeem units, clients have to sign the Demat slip and give it to the depository. The depository, in turn, submits the request to the fund house, which gives it to the Registrar and Transfer(R&T) agent.
- Distributors, too, are not keen to use the platform because of the ambiguity surrounding trail commissions.

Exchanges especially NSE are working on doing away with these glitches. In fact, MF Simplified, NSE's new platform largely addresses these issues. Besides, the new platform offers a consolidated portfolio view and a single cheque payment mechanism and does away with the need for distributors to hand in applications separately to the R&T agents.

The biggest advantage of MF Utility is that, it offers both direct and regular plans. Direct plans are no-commission plans that have higher net asset values as expense ratios are lower. Relaxing Demat requirement is an enabling step but it's not a game changer. "Investors can wait for the MF Utility platform to begin before deciding on using the exchange route," says Suresh Sadagopan, a financial planner.

Table 6 shows how far these online platforms do cover Indian MF assets. Out of 42 AMCs, only 26 AMCs are available through AMFI's MF platform.

Table 6: Coverage of online MF platforms in terms of AMC & AUM

	NSE MFSS	BSE STAR	AMFI MF UTILITY	CAMS & KARVY'S FINNET
TOTAL AMCs ON PLATFORM	35	36	26	15
Percentage of total industry Assets under platform	99.71	98.13	94.05	62.47

Source: - Websites of these platforms

But despite of so many innovations in digital channels, retail participation is stagnant in

terms of assets and number of accounts. If one would go through the numbers, you will find, AUM percentage and account or folio percentage remained same (refer Table 7).

Table 7: Retail Vs Non Retail Participation in Indian MF Industry

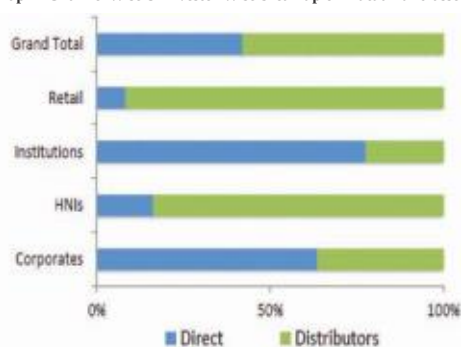
Year	Retail Segment		Non Retail* segment	
	AUM (in % of Total Assets)	Folio (in %)	AUM (in % of Total Assets)	Folio (in %)
14-Dec	22.09	95.89	77.91	4.11
15-Dec	21.65	95.28	78.35	4.72
16-Dec	20.67	94.36	79.33	5.37

Source: - Association for Mutual Funds in India (2017), retrieved from <https://www.amfiindia.com/research-information/aum-data/age-wise-fdi-o-data>

*HNI, Corporate and Foreign Investors

Again these digital channels were not able to mobilize retail businesses as only 8 % of total retail assets came from these direct channels (Refer Table 8).

Table 8 : Channel Wise Composition - assets of Indian MF Industry
Graph - Channel Wise & Investor Wise break up of Mutual fund assets



Globally Indian MF industry is fourth largest in terms of number of schemes, while it ranks 18 out of 46 countries in terms of its assets under management (Refer Table 9). This phenomenon makes direct channels irrelevant as they do not offer advice. Indian investors' awareness is very poor. They need

Table 9: At a Glance Global MF industry*						
Country	No. of schemes	Total(USD) millions of us dollars	Avg size of scheme (ticket size of scheme)	Rank in terms of number of schemes	Rank in terms of assets under management	Rank in terms of ticket size of schemes
Luxembourg	14,283	4,042,435	283.02	1	2	14
Japan	12,553	1,564,002	124.59	2	7	21
France	10,975	1,930,005	175.85	3	5	18
India	10,687	210,284	19.68	4	18	42
United States	9,802	18,741,962	1912.05	5	1	1
Brazil	9,126	1,014,562	111.17	6	10	23
Ireland	6,343	2,169,944	342.1	7	3	10
Germany	5,676	1,988,670	350.36	8	4	9
Canada	3,296	1,005,265	305	9	11	11
Australia	3,168	1,672,893	528.06	10	6	8
United Kingdom	2,790	1,547,825	554.78	11	8	7
Chile	2,507	48,721	19.43	12	27	43
Spain	2,325	288,473	124.07	13	15	22
Austria	1,585	160,098	101.01	14	19	24
South Africa	1,461	146,055	99.97	15	20	25
Liechtenstein	1,254	45,829	36.55	16	28	36
Belgium	1,046	86,009	82.23	17	25	27
Netherlands	1,030	811,325	787.69	18	12	3
Switzerland	865	498,665	576.49	19	13	6
China	800	1,258,575	1573.22	20	9	2
Italy	734	211,646	288.35	21	17	13
Norway	720	117,950	163.82	22	22	19
Philippines	641	5,100	7.96	23	38	44
Korea, Rep. of	619	411,250	664.38	24	14	4
Denmark	546	118,535	217.1	25	21	16
Mexico	516	102,097	197.86	26	23	17
Sweden	474	284,514	600.24	27	16	5
Poland	422	33,273	78.85	28	29	28
Turkey	399	13,704	34.35	29	33	37
Portugal	378	21,134	55.91	30	30	32
Argentina	376	20,463	54.42	31	31	33
Finland	374	95,500	255.35	32	24	15
Hungary	319	15,074	47.25	33	32	34
New Zealand	169	50,742	300.25	34	26	12
Greece	136	4,210	30.96	35	40	38
Czech Republic	131	9,028	68.92	36	34	31
Malta	123	3,284	26.7	37	41	40
Slovenia	113	2,573	22.77	38	43	41
Bulgaria	112	522	4.66	39	45	46
Slovakia	89	6,395	71.85	40	36	30
Croatia	87	2,503	28.77	41	44	39
Romania	76	5,553	73.07	42	37	29
Costa Rica	65	2,662	40.95	43	42	35
Pakistan	57	4,722	82.84	44	39	26
Trinidad & Tobago	44	6,836	155.36	45	35	20
Cyprus	24	181	7.54	46	46	45
AVERAGE	2376.43	8865.45	254.083			
Source: Investment Company Institute, ici.org , data retrieved on 08/03/2017						
* As on September 2016						

Table 10: Distribution of financial services in India

Industry	Number of Players	Distribution Expense
Banking	172	Number of branches = 170 K
		Number of ATMs = 180 K
		Number of Banking correspondents & agents = 357 K
		Number of Point of sales = 1.1 Million
Insurance	53 (life = 24, Non-Life = 29)	Number of branches = 20.9 K
		Number of Agents = 2.2 million
		Number of corporate agents = 1073
Mutual Funds	44	Number of Branches = 1600
		Number of Agents = 85 -105 K
		Corporate Distributors = 519

Source: - Confederation of Indian industry (2015), *Rethinking*

help so that they will able to select and perform all those procedural aspects such eKYC, One Time mandate, FATCA compliance, etc.

6. Conclusions

It has been observed that multiple industry participants such as AMCs, associations, R&T agents have come up with various digital channels and platforms. These digital platforms are evolving at the time when creators are engaged in augmenting these initiatives. But these innovations are not able

to attract (rather create value) retail investors. Rather Direct channels are highly used by corporate and institutional investors. At the same time, conventional offline channels are handholding retail investors and facilitating them to invest in Mutual Funds. We ourselves have created such a complex ecosystem (too many schemes leading to confusion) that even the most intelligent investor finds it difficult to invest money in Mutual Funds directly.

Investing through conventional indirect channels is costly as cost structure of indirect plans is higher. Rather, in coming days if industry participants would use two-pronged approach one for Top 15 cities where MF penetration is higher and other approach for rest of the market, these digital channels can further deepen MF penetration in top 15 cities where awareness is high. Simultaneously, conventional channel would continue to make efforts on beyond those 15 cities. Ultimately conventional as well as digital channels are going to coexist.

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