

# Catalyst

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Newsletter from  
Customer Service Excellence Foundation

**Customer Service Excellence Foundation** is a not-for-profit organization striving to create a customer experience driven, globally competitive Indian economy.

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## E-Mail interview with Ravi Varanasi

Senior Vice President

National Stock Exchange of India Ltd.



**Q:** You have two types of customers, namely, the brokers who you directly deal with and end customers who actually buy and sell shares. Which one of this is your principal customer to whom you tailor your services?

**A:** Our principal customer is and will always be the end-investor and we at NSE are single-mindedly committed to improving their financial well-being. Everything we do at NSE is oriented towards this goal. In this endeavour, we work along with our Members (brokers) to maintain market integrity and most importantly, garner customers' trust.

**Q:** With respect to end customers, they may access you through many channels like (a) direct trading terminal, (b) terminals offered by brokers, (c) web-based terminals offered by banks (d) telephonic ordering, etc. Which channel is the most popular? What is the single most important factor which determines satisfaction in that channel?

**A:** Multiple channels are at play simultaneously. Many a time, it is the same customer using different channels at different occasions. It comes with no surprise that digital platforms such as internet and mobile platforms are and will continue to get more prominence. Ease of access and affordability would continue to drive a higher-use of these channels. Today at NSE, we provide, through our Members, a direct trading terminal for end-investors called "NSE NOW", easing the cost and time of technology build-up for our members. At the same time, we make online trading available for a much larger audience. We have made available mobile apps across mobile platforms. In last year, we have also started to integrate social sites such as Facebook and YouTube to engage and educate a much larger customer base.

All investor orders are routed only through the NSE registered Members and reach through a trading system, called National Exchange for Automated Trading (NEAT, a state-of-the-art client server-based application



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used by the Members to route customer orders to the exchange). NSE and its Members provide a whole range of different channels to their clients to facilitate them transact their orders. Some of the common choices of channels are as follows:

- Individual investors (Day traders) prefer Exchange provided trading terminal (NOW) and NEAT.
- Individual investors (Long term) prefer Telephonic orders and member provided online portals (IBT).
- Institutional investors prefer NEAT, DMA, NOW and Telephonic orders.
- Proprietary traders prefer NOW and NEAT.

Every client has a unique view and objective for trading and their choice of channel is dependent on their sensitivity to two primary factors, i.e., time and price. The market is extremely dynamic and prices of a security can change in less than a tenth of a second. Speed of connectivity decides how fast the client can get information (broadcast) of the real-time price and how soon his order reaches the exchange. The performance of the channel is dependent on the mode of connectivity (Internet, telephone, VSAL, leased lines, MPLS, etc.) which provides different levels of performance in terms of uptime, latency and cost efficiency.

Q: Customer Experience depends on the quality of service offered by the brokers. What efforts do you take towards delivering a better customer experience?

A: We work to provide assistance towards every aspect of trading to our Members. The role we play is much beyond offering just a world-class trading infrastructure. We work towards adding meaningful value transcending their value-chain, i.e., from customer acquisition to customer retention. The services offered by NSE to its Members can be broadly categorised as follows:

**Knowledge:** NSE conducts a series of "Knowledge Builder" seminars and workshops for its Members for both existing and new exchange-traded products, operational and technological developments, functional issues and soft skills. The objectives are to provide the required know-how and knowledge to fulfil their business development requirements and help improve their customer experience.

**Technology and service support:** NSE provides Members an entire ecosystem which ensures cutting edge technology and state-of-the-art service platform for its members. This ensures customers easily access the market through a user-friendly interface. NSE's unique solutions like dedicated connectivity grid with regional POP, TCPIP-based WAN, and wide range of services and facilitates like DMA, NOW, Algo, Co-lo, computer-to-computer link (CTCL) and Internet-based trading (IBT). This help its Members to cater to the evolving demands of their customers. NSE Member Portal, NSE Assist and Help Desk are some of the platforms available to Members which help them communicate their request, feedback and suggestions and remain connected with the Exchange 24x7.

**Information dissemination:** Access to information and its interpretation is the key to taking informed decision for trading. NSE provides through its website ([www.nseindia.com](http://www.nseindia.com)), series of critical information on price, corporate news, analytics and graphical tools on real-time basis to help the clients take informed trading decisions. NSE provides a gamut of risk management tools, reports and alerts to its members to operate in the market. This ensures market safety, integrity and corporate governance.

NSE continuously keeps on exploring ways to bring down transaction cost and has helped its members to reduce operating cost. NSE has introduced innovative solutions, latest technology and adopted best market practices to provide one of the most efficient markets in the world. One of the most important parameters to measure market efficiency is 'impact cost'. The impact cost of CNX Nifty50 is 0.06% - this is one of the lowest in the world.

Q: Towards delivering good service to end customers, do you rely more on technology or training?

A: Both of them go hand-in-hand; so not an either-or situation. One of the strengths of NSE has been its success in harnessing technology to increase market penetration and provide easy access to markets for the investors. Besides a service set-up for members, we also have a service set-up for handling any end-investor queries or grievances. A large number of service calls are

received daily and without the right technology infrastructure it would be difficult to manage an efficient delivery of responses and resolutions.

On the other hand, achieving all this would not have been possible unless the end users are able to experience the benefits and its advantages in an effortless manner. This requires sharing and handholding the Members and customers to make them understand and demystify the complexities and simplify them to make the process and the procedures easy to use. Therefore training holds a much higher importance. Our training programs are targeted not only at our employees but also for our Member fraternity. We conduct approximately 800 programs annually for our Members' dealers and end-investors.

Above all else, 'the attitude and compassion with which we eagerly assist our customers' is the dominating employee mindset. This, we believe, is the core differentiator building strong customer relationships.

Q: With increasing customers' familiarity with e-transactions and penetration of mobile phones, what type of shifts do you see in the way the customers access you?

A: Both e-transaction and mobile have revolutionised how people live in their everyday life. The expectations and aspirations of the people are changing. The customers today expect omnipresent and instant access to markets. Geography and time are no longer barriers. Customers want reduced transaction costs; they want to do more in less time and aspire to be offered the best-in-class services and support. Because of this reason, the use of technology by the investor has seen a many fold increase. While retail clients prefer using online transactions rather than physical calls or meetings, institutional investors and FIIs use sophisticated hardware and software to execute trades. Huge amount of investments have been made both by NSE and its Members to provide a robust infrastructure and support system capable of handling the explosive growth in information and transactions.

Over last few years, we have built mobile apps across all available platforms. Realizing the increasing mobile penetration, this is the channel that will continue to increase its usage amongst investors. Considering increasing screen-sizes being offered by smart phones and tablets, and coupled with technology ramping up to higher Internet speeds at affordable prices, end-investors will be more in control of their investment. We look at mobile app not just for educating and providing knowledge, but also to enable direct trading.

Q: What is the role of social media sites in understanding your customers as well as in reaching out to them?

A: We find social media can help us learn a great deal from our customers' dialogue. We look at it as a new platform to amplify our communications, a source of customer insight and to have direct two-way engagement. We ensure that we integrate social media on all our major events and campaigns. We intend continuously investing into this space, largely to learn about our customers. We can learn a great deal from

listening to what our customers are dialoguing in the social space - towards investing in capital markets. This space can serve as a large reservoir for improving our customer understanding. It is also the most cost-effective means to reach out to customers.

Q: You have high volume customers/HNIs as well as a large number of small investors. How do you try to satisfy both?

A: We look at each customer segment and their needs and expectations. We have dedicated teams studying and working to create meaningful value for each customer segment. NSE has designed its product and service offering in a unique manner to provide highest level of satisfaction for the entire spectrum of customers.

The HNI/high volume customers are usually evolved customers and understand the complexities of the market better. Hence they are capable of planning complex trading strategies. They require ability to access and process information faster and need capability to transact large number of trades in a very small time. A bouquet of products is available for these clients in equities, equity derivatives, currency derivatives and debt market segments. NSE also provides DMA, Algo and trading platform to cater to the need of faster access and processing of trades to its Members to service their customers' orders. Various data feed products on NSE data is available to both end investors and market intermediaries which is offered by IISL, a subsidiary company of NSE.

Small investors are invariably individual retail investors who are at various stages of understanding of the complexities of the market and its dynamics. NSE and its Members provide various forms of handholding ranging from education through seminars, workshops and advisories and providing them easy-to-use tools which help them understand the market. Simple products are also available at NSE to participate in the market. NSE provides a trading platform called NEAT on Web (NOW) exclusively for the retail clients free of charge to its members to facilitate these individual clients to trade and access market.

Apart from the above, a free to access robust investor protection mechanism at NSE dedicated to safeguarding the interest of all investors called Investor Grievance Cell (IGC) is in place to help clients resolve their complaints if any, with NSE Members.

Q: Can you give an example where you have tried to improve customer experience based on feedback?

A: Sometimes the problem can be identified in the simplest of qualitative customer dialogues. We try to maintain a list of areas for continuous improvement. We do prioritize between the various action areas, but ensure that we do not miss out any feedback. We have realized that the prize for simplest of actions can be material enough and therefore give a high priority to the ones that can be delivered quickly, thus break the more time-taking complex projects into smaller and get quick wins to allow a steady stream of progressive improvement in our customer service, till the entire project is complete.

Some of the recent big impact changes made based on customer feedback are-

1. Migration from X.25 technology to TCPIP-based technology for connectivity
2. Co-location facility for institutional and proprietary traders to cater their need of Algo and DMA trades
3. Volatility-based strike intervals to increase liquidity in the market
4. New category of Membership (Alpha Membership) to cater to the requirements of limited client base
5. Reduction of transaction and connectivity charges and efficient use of capital through fungible bank guarantees

Q: Customer service or customer centricity is not only for the marketing department but for the entire company. How does one institutionalise this in a large company like NSE?

A: Customer service is one of our core values and all activities revolve around it. The entire process and system has been designed keeping in mind the needs and aspirations of the customer. We live this value not just in letter but in spirit, where all functions work together to create a distinct customer advantage. We have an open and transparent culture and our ways of working ensure that each strategic project is supported by multi-functional groups. That to me, ensures that "everybody is involved." Obviously for every strategic project there is an owner who holds the primary responsibility but the environment of co-creation further enables a comprehensive view so as to tackle the challenges and deliver better.

Q: Do you consider your company a B2B company (NSE to Brokers) or B2C company (NSE to end customers through brokers)?

A: As it would be with most companies, we too have an aspect of B2B as well as a strong B2C element. In our B2B environment, we support not only our Members but also work along with all financial entities in the capital markets. In a way both are interlinked as a part of an integrated value chain. End-investors depend on brokers' value proposition to get the right guidance and infrastructure to invest wisely across a range of product-choices offered by various financial value-creators to suit them. We bridge the gap across all of these touchpoints to bring a seamless and safe investing culture and environment for end-investors.

Q: Since you have the expertise of moving large amount of money from A to B (over Rs. 1,00,000 Crores a day) through millions of transactions, do you see NSE becoming a payment gateway or e-transaction company?

A: We are strongly focussed towards capital markets. That is our corporate expertise. We do not look at ourselves as a transaction engine but more so with the intellectual ability to create investment choices for different customer profiles so as to suit their need, to curtail their financial risk and create opportunities for them in the form of exchange traded products and services to better their financial well-being.

## Edelweiss Financial Services Ltd.



Edelweiss is one of India's leading financial services groups, with operations that span more than forty different lines of business. The company's operations straddle the entire spectrum of financial services in the wholesale and retail market segments like Credit (including Retail Finance), Capital Markets & Asset Management, Commodities and Life Insurance. ([www.edelweissfin.com](http://www.edelweissfin.com))

With a net worth of over INR 30 billion, Edelweiss is adequately capitalised to exploit the opportunities emerging from this robust economic growth. Edelweiss employs over 3,600 professionals across 224 offices and branches spread across 109 cities of India and overseas. Edelweiss' core philosophy of 'Ideas create, values protect' is translated into an approach that is led by entrepreneurship and creativity, and protected by intellectual rigour, research and analysis.

### Edelweiss has five main lines of business:

#### Credit

Launched in 2007, in a short span of five years, the credit businesses now contribute about one-third of Edelweiss revenues. The Credit business comprises of Corporate Credit (Corporate Loans, Sponsor Funding, IPO Financing, Real Estate Financing), Retail Finance (Housing Finance, Loan against Shares, ESOP financing, SME financing) and Debt Capital Markets.

Edelweiss offers a wide range of Housing Finance products that are designed to address a variety of financing needs in the shortest possible time.

Corporate Credit offers a wide range of products and services for corporates focusing on helping companies meet liquidity and investment requirements through various custom-made, innovative products and solutions. It also helps promoters leverage their shareholding in order to meet business requirements and for expansion and diversification of their businesses.

Edelweiss' financing solutions for retail clients are designed to be quick, reliable and flexible, covering both long- and short-term funding needs.

Retail Finance provides reliable financing solutions to individuals to help them tide over temporary liquidity requirements by way of Loans against Shares and Loans against ESOPs. It also provides Margin Funding and IPO Financing to retail clients.

Edelweiss is among the leading intermediaries in the Fixed Income Market and services the investment needs of the participants as a knowledge provider.

#### Capital Markets and Asset Management

The Investment Banking business of Edelweiss is dedicated to providing the highest quality independent financial advice and transaction execution to corporations, entrepreneurs and investors.

The Edelweiss Global Wealth Management team aims to offer services calibrated to the individual requirements of each client.

Backed by unparalleled research capabilities, Edelweiss has emerged as India's largest domestic Institutional Broking house, with a client coverage that spans across geographies. With strong research backing, our agile Institutional Broking teams advise clients in consistently innovative

ways. This is supported by a robust technology platform and strong execution capabilities.

The Retail Broking business of Edelweiss is dedicated to building long-term relationships with clients and empowering them to gain from market opportunities. Edelweiss offers a unique online trading experience across exchanges and market segments through an intuitive platform - [www.edelweiss.in](http://www.edelweiss.in).

Edelweiss Financial Planning is an advisory service that helps clients take control of their finances and assist them in achieving their goals by equipping them with a financial plan that is best suited for them.

Edelweiss Mutual Fund follows a disciplined and process-oriented investment approach to help investors achieve their financial goals. Edelweiss products include the entire risk return spectrum and are designed to offer the best opportunity to the investors for investment growth in Indian asset classes, with a constant focus on risk and preservation of capital

Edelweiss Alternative Asset Advisory group advises global and domestic institutional investors on investing in attractive liquid, illiquid and hybrid investment strategies in India.

#### Life Insurance:

Edelweiss TokioLife Insurance is the first of the new generation insurance companies in India as a joint venture with Tokio Marine, one of the fastest growing life insurance companies in Japan. Capitalizing on the immense growth potential in the life insurance sectors that the country offers, Edelweiss TokioLife Insurance has set up operations in India with a highest startup capital of Rs. 550 crores, dedicated to building a long-term sustainable business focused on consumer centricity. The company's approach is to help its customers meet their life-stage financial goals by providing them innovative insurance products that have been designed with the needs of the Indian customers in mind. The company is now present in Maharashtra, Gujarat, Delhi, NCR, Chandigarh, Punjab, Haryana, Uttar Pradesh, Goa, Karnataka, Andhra Pradesh, West Bengal, Orissa, Bihar and Jharkhand with 45 branches pan India. This would go up to 64 branches by FY 14 and 75 branches by FY 15.

#### Commodities

Edelweiss Commodities business spans the bullion and agri-commodities sectors. Edelweiss' culture of research, flexibility in decision making, balance sheet strength and risk management gives it an enormous edge in the business. The company distributes precious metals at 12 centres; over 400 active wholesale clients.

#### Treasury

Treasury performs the vital function of providing liquidity to various businesses and managing balance sheet while at the same time mitigating risk and optimizing return on capital.

Edelweiss' Treasury management strategy of diversification has enabled it to emerge as one of the few multi-asset class operations in India. It enhances capital efficiency of assets as well as liabilities while managing liquidity cushion.