

How banks are marketing credit during India's biggest spending season

As festive consumption pushes credit demand higher, banks are balancing aspirational marketing and limited-period offers with affordability, transparency and responsible borrowing.

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Festive spending is increasingly intersecting with India's expanding credit economy. During the 2025 festive period, retail credit demand received a boost from festive sentiment and GST rationalisation, with [TransUnion CIBIL](#) noting higher demand for consumer durable, auto and two-wheeler loans in Q3 2025. Credit-card spending also accelerated, with [RBI data](#) showing a 15% year-on-year rise in average expenditure per card in September 2025.

A [Paisabazaar survey](#) of more than 2,300 credit-card users during Diwali 2025 found that 42% spent more than ₹50,000 on festive shopping, including 20% who spent over ₹1 lakh. As banks roll out festive offers, e-commerce platforms run mega sales and consumers get access to higher credit limits, borrowing can make a large purchase feel more manageable in the moment, even as the repayment stretches beyond the season.

That creates a more complicated equation for financial brands. A season built around aspiration, emotion and limited-period offers gives lenders an opportunity to position credit around everything from home improvements and travel to large-ticket purchases, but also raises a question: where does enabling a festive purchase end and encouraging one begin?

So, how do banks and financial brands make credit feel festive without making it feel predatory? As marketers use urgency, rewards and personalised offers to drive consideration, the question is how much of that communication can remain aspirational while still making affordability, repayment obligations and suitability part of the conversation.

Keeping aspiration grounded in a financial decision

Festive campaigns naturally lend themselves to aspiration. Home makeovers, vehicles, travel and milestone purchases give lenders a reason to position credit around what consumers want to achieve rather than the financial product itself.

But for lenders, the aspiration being communicated also needs to be tied to a purchase the customer can reasonably take on. [Ramesh KP](#), Head of Marketing, South Indian Bank, says the bank's festive communication is centred on helping customers meet existing needs rather than encouraging consumption for its own sake.

"Festive communication can be aspirational, but our responsibility as a bank is to keep the financial decision grounded in affordability and suitability. We focus on the customer's need or aspiration rather than encouraging consumption for its own sake. Credit should help customers achieve a planned goal, not create an unnecessary financial burden."

That emphasis on planned purchases also comes through in how Axis Bank frames its festive opportunity. [Anoop Manohar](#), CMO, Axis Bank, says the opportunity is not simply to drive higher spending, but to remain relevant when consumers are already considering purchases and aspirations.

"The opportunity in festive marketing is not simply to encourage greater spending, but to become more relevant at a time when consumers are ready to act on purchases and aspirations they have been planning for some time."

The distinction becomes important during a season when consumers are already being exposed to messages encouraging them to spend. For lenders, the aspiration in the communication has to coexist with the reality that the purchase is being financed and will have repayment implications beyond the festive period.

For consumers, however, the concern does not necessarily end with whether the credit was technically affordable at the point of purchase. A recent [study](#) examining Indian consumers found a positive association between impulse buying and post-purchase regret, while also finding that credit-card payments were associated with higher impulse-buying behaviour. In a festive environment built around limited-period offers, social media cues and emotional purchases, that raises a broader question: can the ease of accessing credit make a purchase feel more affordable in the moment than it eventually feels during repayment?

When the festive offer comes with a financial commitment

Festive marketing often depends on the mechanics of urgency: limited-period offers, additional rewards, waived fees and countdown-led communication. For financial products, however, the same devices can potentially make the promotional benefit more prominent than the cost or commitment attached to the product.

[Lakshman Velayutham](#), Chief Marketing Officer, Ujjivan Small Finance Bank, says the bank uses emotional storytelling and urgency-led propositions as part of its festive credit communication, particularly around milestone purchases. Offers such as zero processing fees and bonus reward points can make credit more relevant during the season, while targeted digital advertising and countdown-led omnichannel communication help position credit cards around immediate rewards and personal loans around larger purchases.

The challenge is that the same cues that create excitement around a festive purchase can also make borrowing feel like part of the occasion itself. When the immediate benefit is foregrounded, the decision to take credit can become closely tied to the urgency of an offer rather than the longer-term cost of the purchase.

Ujjivan separates the festive proposition from the decision to extend credit, with Lakshman noting that the promotional period does not determine whether a customer receives credit.

“While our offerings may be linked to the festive period, the credit evaluation is independent of the same. This ensures authenticity in communicating the said offers thereby eliminating any scope for mis-selling.”

A similar distinction applies to how the financial proposition itself is communicated. Ramesh says South Indian Bank builds the full financial proposition into its festive communication, with interest rates, repayment terms, charges and eligibility presented alongside the offer. The intent, he adds, is to ensure that the festive incentive does not overshadow the information customers need before taking credit.

Axis Bank similarly distinguishes between creating excitement around genuinely time-bound offers and manufacturing urgency around a borrowing decision, Anoop says. “There is an important distinction between creating excitement and creating pressure. Where an offer is genuinely time-bound, we communicate that clearly without creating artificial urgency, giving customers the space to make a considered choice.”

This distinction also aligns with the broader regulatory direction around digital credit. [RBI’s digital-lending framework](#) requires regulated entities to ensure borrowers receive information such as the all-inclusive cost of a loan through the Annual Percentage Rate, while the regulator has also highlighted customer-interest protection, mis-selling and transparency as areas of concern in digital lending.

For marketers, this makes the distinction between visibility and urgency particularly important during the festive season. An offer can be made more visible because of the

season, but the decision to borrow still needs to leave room for customers to consider the cost, terms and suitability of the credit.

Faster, more personalised credit, but with more clarity

The challenge becomes more pronounced as the customer journey moves online. Digital platforms have made it easier for financial brands to identify, target and onboard customers, while personalisation allows festive propositions to be tailored around individual needs and behaviour.

South Indian Bank says more than 98% of its transactions are conducted digitally and has invested in digital onboarding and straight-through processing journeys across products. Its approach is to pair this convenience with stronger communication around the implications of the credit decision.

“Today, as credit journeys become faster and offers become more personalised, customers need clarity on the product construct and implications of their decisions at every stage of the onboarding journey. We are therefore focused on combining digital convenience with strong credit assessment, transparent product communication and responsible customer engagement.”

Axis Bank sees personalisation as an opportunity to move from broad-based communication towards more contextual engagement. Manohar says that while increasingly sophisticated digital journeys can make communication more relevant and timely, they also place greater responsibility on brands to ensure customers remain informed and in control.

“The objective is not to communicate more, but to communicate better. Ultimately, the shift is from reach to relevance, using technology with greater precision while ensuring that customer needs guide how that precision is used and that customers remain informed and in control.”

This shift also changes what responsible festive marketing means. As customers encounter credit propositions through digital platforms, the communication is no longer limited to a campaign film or festive offer. Product discovery, targeting, eligibility, onboarding and disclosure increasingly form one connected customer journey.

At Ujjivan, responsible banking is similarly linked to understanding the customer before recommending a product. Lakshman says hyperlocal engagement gives the bank an opportunity to understand customer aspirations and match them with relevant solutions.

“Building an emotional connect with the customer through hyperlocal events gives the opportunity for us to offer relevant solutions basis customer needs. We understand the customer's aspirations and accordingly recommend solutions that fit their bill.”

The distinction matters because a festive purchase can end when the celebration does, but the financial commitment does not. A discount, reward or limited-period offer may create a

reason to act immediately; the cost of that decision is experienced over the months that follow.

The festive season, then, presents a particular marketing equation for lenders. The opportunity is to use a period of heightened consumption to make financial products more relevant, but the proposition cannot stop at the festive reward or limited-period benefit. As credit becomes faster and more personalised, the communication around what the customer is taking on becomes just as important as the reason to act.