

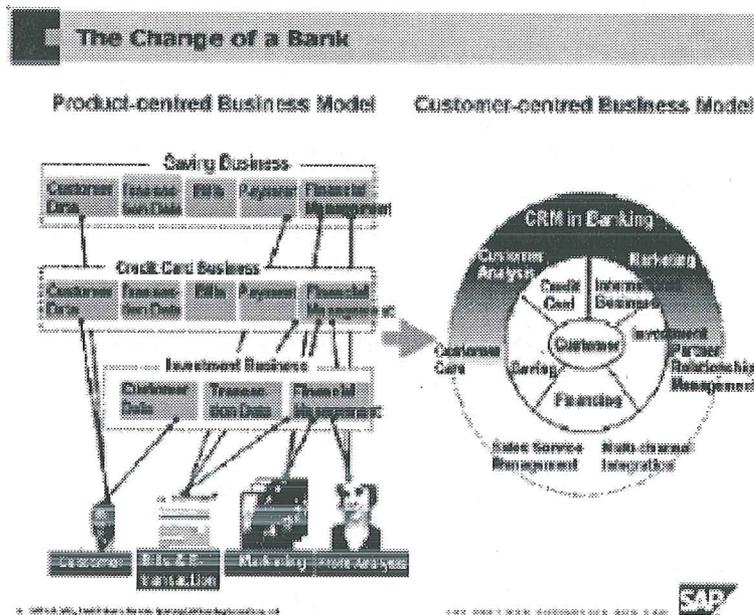
services to the **High Net Worth Customers**. The structured approach to CRM provides various benefits to the bank, viz., a distinctive and consistent customer experience, clear identification of the organizational, technological and process-related capabilities and prioritization of these capabilities.

### Need of CRM in the Banking Industry

- Over time, retail bank customers tend to increase their holding of the other products from across the range of financial products / services available.
- Long-term customers are more likely to become a referral source.
- The longer a relationship continues; the better a bank can understand the customer and his/her needs & preferences, and so greater the opportunity to tailor products and services and cross-sell the product / service range.
- Customers in long-term relationships are more comfortable with the service, the organization, methods and procedures. This helps reduce operating cost and costs arising out of customer error.
- With increased number of banks, products and services and practically nil switching costs, customers are easily switching banks whenever they find better services and products. Banks are finding it tough to get new customers, and more importantly, retain existing customers.

### CHANGE OF BANK VISION

Traditionally, banking business is divided by finance products. Saving account is a system while international card is another. There is nothing wrong indeed. However, in order to survive in the competitive market, bank, must change from the scenario stated at the left side of the following chart to the scenario at the right side.



There is no overnight transformation from being finance product-centred to customer-centered. Due to the business nature of the banking sector, this transformation has to be at a