

Can your bank afford new customers?

A big topic of conversation at **MEFTECH** and other banking industry events this year will be the concept of the 360 view of the customer. A buzz term for sure, but one that comes with more questions than solutions.

44% of companies focus more on customer acquisition than retention

Despite the term “customer” being fairly self-explanatory - 44% of FSS companies have a higher focus on new customer acquisition than on retention and only 18% focus more on retention.

While these figures in isolation may not mean much, when combined with the respective propensities of existing and new customers to buy, the case for customer experience and understanding starts to become clear.

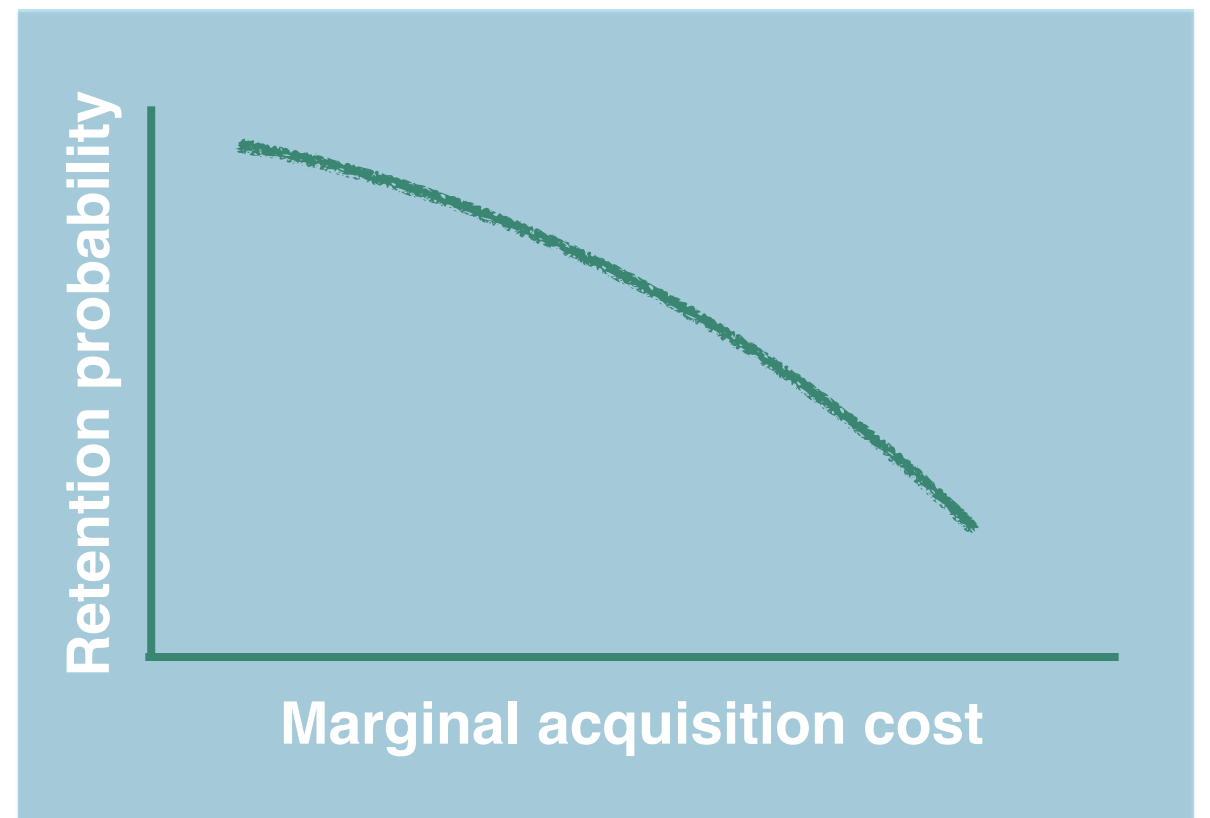
Recent studies indicate that the probability of selling to an existing customer is between 60 - 70%, while the same probability of selling to a prospect is only 5-20% depending on the industry. Which means, worst case, it is 3 times easier to sell to an existing customer than it is to someone you are still courting.



What’s more, is that the number of banking services used, and therefore the revenue per customer increases with the number of years that the customer has been banking with you. Which stands to reason, as relationships lengthen, the also deepen.

The hidden cost of acquisition

Recently acquired customers, particularly switchers, tend to present a bad marketing investment. And the easier they are to acquire the less likely they are to consume more than a small number of your services and the more likely they are to jump ship for a better offer from someone else.



The obvious implication of this is that the figures that many banks and FSS companies will report on customer acquisition are not “apples to apples” when compared to total customer numbers - because the value of newly acquired customers isn’t the same as that of customers who have tenure over 2 years.

A 360 view on real customers

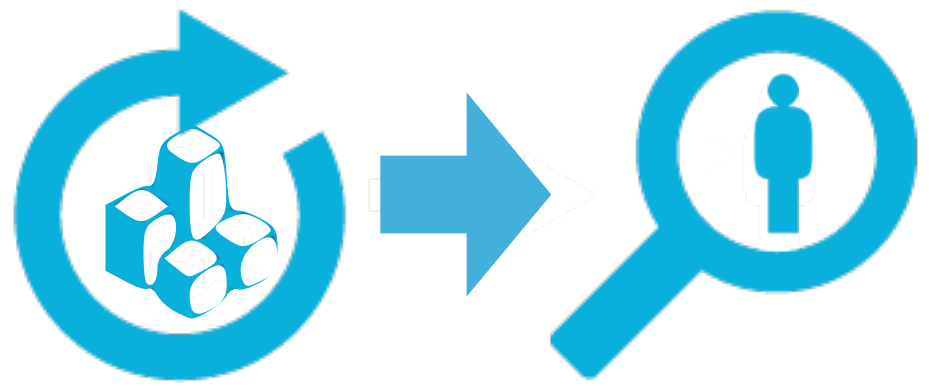
Today's customers expect more from their banks—personalized service, real-time solutions, and the ability to do business when and how it is most convenient for them. To meet these demands, you'll need the ability to deliver more value at every opportunity through more personalized and timely offers and interactions. The way to do that, is to put the customer first, in everything you do.

Whether you're trying to grow market share, wallet share or customer satisfaction, your bank's success depends on creating more personal and relevant experiences for individual customers. IBM can help you achieve this critical goal by infusing predictive customer insights into your marketing decisions, processes and initiatives.

Through our integrated offerings, you're able to transform your organization to be more relevant, responsive and efficient by advancing your capabilities in these core areas:

Deepen customer understanding

Access and analyse more data and more types of data from more sources to view customers as individuals rather than generalised segments



Strengthen foresight

Augment your analytics with advanced predictive modelling that helps you pinpoint next-best actions and flag potential customer concerns early on



Enhance engagement and outcomes

Act with precision to connect with customer through the right channel at the point of interaction and influence



To find out more about how IBM can help you better understand your customer and build relationships of mutual benefit, please call us on **+971-4-3907-210**