

Analysis of Customer Management of Commercial Banks

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Abstract: At present, most traditional commercial banks tend to design products based on their own interests and use universal standards to issue loans to customers. They rarely provide customized and personalized services based on the actual situation of customers, or not even trying to understand customers' financial service needs. From the perspective of customer relationship management, there are still many problems and areas for improvement. This paper takes the JB branch of the Bank of Ningbo in China as an example. By sorting out the customer relationship management theory, this paper organizes and categorizes the research results on customer relationship management of commercial banks and proposes that commercial banks should provide customized and personalized services for different customer groups. The theoretical basis of services is designed to provide reference for the modern development of commercial banks.

Keywords: Commercial banking, Financial services, Customer relations.

1. Introduction

The corporate bank account manager (BCM) of a commercial bank can be said to be the bridge between the bank and its customers. It is the most important grassroots position among the various positions in a commercial bank. Its work is mainly customer-centrism, handling customer deposits, loans, and other intermediary businesses, and is responsible for maintaining customer relationships. But if you want to become an excellent account manager, you must have strong public relations capabilities and systematic marketing strategies, a strong sense of service, and be able to actively mobilize various resources of commercial banks to provide customers with comprehensive and integrated services. Their responsibilities require a comprehensive understanding of customer needs, marketing products to them, and soliciting business. At the same time, they need to coordinate and organize relevant departments and institutions to provide a full range of services to customers and establish and maintain relationships with customers on the premise of proactively preventing risks. Long term close contact.

The services provided by corporate bank account managers to customers are roughly divided into two types: account opening and lending. Lending includes per-credit loans and mortgage loans. This article will discuss how to manage customer relationships, and managing customer relationships starts from contact management → relationship impact → Customer Care Customer Relationship Management (CRM). The connotation of commercial bank customer relationship management is bank customer relationship management, which is mainly to establish communication channels between banks and customers and manage the channels for banks to maintain existing customers and attract new customers. At the same time, it analyzes customer needs to provide support for bank decision-making. Banks mainly use customer relationship management to strengthen and improve customer relationships, provide customers with high-quality services, and improve customer service efficiency, so that banks can grasp customer needs, win more customers, and overall reduce costs in the rapidly changing

market competition. Bank operating costs.

This article starts from customer relationship management to sort out and propose the theoretical basis that commercial banks should provide customized and personalized services for different customer groups.

2. Literature Review

(Lu Haiyan 2008) believes that it is inevitable for banks to implement customer relationship management:

2.1. Strengthen customer relationship management and improve the competitiveness of commercial banks.

The inevitable choice to enhance profitability is to strengthen customer relationship management, discover customer needs, promote the bank's financial products, and leverage the bank's overall advantages through back-end collaborative work to provide customers with a full range of financial services. Banks will do business and develop products according to the requirements of customers. This is how commercial banks continue to innovate services in the process of meeting customer needs, win the market and customers, and enhance their comprehensive profitability.

2.2. Implementing customer relationship management is an inevitable choice for banks to implement marketing strategies.

The marketing concept believes that only by exploring, guiding, and satisfying customer needs and demands through a complete, effective system and a socially responsible attitude can an enterprise effectively achieve its goal of pursuing profits.

2.3. Implementing customer relationship management is to meet the diverse needs of customers.

The inevitable choice for financial service system innovation is the emergence of customer relationship

management to better meet customer needs. It requires that when banks provide services to customers, it is no longer "what I have, you use it" but "what you need, what I design for you". This update in service concept makes the bank's service methods more diversified and personalized, so that it can meet the needs of customers to the greatest extent.

2.4. (Ye Linzhen, Dian Weiyi 2003) explains the specific steps for my country's commercial banks to implement customer relationship management.

2.4.1. Collect customer information. Banks need to segment their customers and provide personalized services based on the needs of different customers. Under the legal premise of protecting customer business secrets and personal privacy, conduct in-depth and multi-perspective analysis of group customer information, conduct comparative analysis of objective data and structural changes of social financial institutions, and establish a complete, scientific, and objective Information analysis system for customer needs and market changes.

2.4.2. Conduct classification analysis on customers and identify "gold medal" customers. For banks' customer relationship management, the most difficult thing is to identify target customers. In a sense, gold medal customers are the target customers of the bank. Banks that focus their efforts on transactions with these "golden" customers will make much more profits than if they treat all customers equally.

2.4.3. Meet the differentiated needs of "gold medal" customers and cultivate customer loyalty. There is a high correlation between customer loyalty and bank profits. When banks discover "gold medal" customers, they must provide personalized services based on their needs based on the analysis of "gold medal" customer information, improve customer satisfaction, cultivate the loyalty of these customers, and thereby increase customer lifetime value. Customer needs are characterized by diversity, difference, and change, so the financial service requirements caused by customer needs are also diverse. From a CRM perspective, to facilitate management, banks must constantly and accurately determine which customer needs are basic needs and which are special needs and adopt corresponding policies in a timely manner. To retain "gold medal" customers, the truly meaningful work is to discover the special needs of customers and meet them in a timely manner to increase customer dependence and transfer costs.

2.4.4. Transform and differentiate non-"gold" customers. Non-"gold medal" customers will not bring greater benefits to the bank, and some may even harm the bank's interests. According to traditional customer relationship management theory, banks should gradually encounter or abandon these customer groups. However, relying on the rapid development of information technology, banks can analyze them through effective means and differentiate and transform them on this basis. First, for growth customers with greater potential, banks can help them grow by providing investment and financial services that suit the needs of growth customers, and establish close cooperative relationships with them during their growth process, thereby transforming such customers into Potential or actual gold medal customers; secondly, analyze some general customers with common characteristics, gain a deep understanding of their common investment and financial management needs, and guide and standardize their

investment behavior. Develop some highly targeted, self-service investment and financial management services based on existing technologies, with a large customer base, low maintenance technology content and low maintenance costs, and convenience and speed as customer satisfaction standards; Third, for customers other than the above two types of customers, it is difficult for banks to make profits no matter what service method they adopt. For this reason, banks should adopt an abandonment strategy.

2.4.5. Maintain good contact with customers and obtain customer feedback. For banks to provide good customer service, it is very important to obtain valuable feedback from customers. From this feedback information, banks can learn many things that are beneficial to business development. For example, customers purchase the bank's main products just to get free gifts, customers may find the bank's website navigation inconvenient, etc. Armed with important information such as this, banks can adjust accordingly. For example: improving website design, products or services, advertising, and marketing strategies, etc., will better strengthen customer relationship management.

2.5. (Jiang Lili 2005) Put forward the problems existing in customer relationship management of commercial banks

2.5.1. Lack of systematic understanding of customer relationship management the core of customer relationship management is to establish a customer-centered idea, regard customers as an important resource of the enterprise, and meet customer needs as the goal. In actual daily work, the customer-centered operating philosophy is not established. The understanding of customer relationship management is only superficial, and there is no deep understanding of the potential needs of customers. Of course, it is impossible to provide targeted services.

2.5.2. Limitations of the traditional management system and business processes the management system of my country's commercial banks is vertical management under the unified leadership of the president. It has many management levels, duplicated institutions, and low business process efficiency. Under this management method, management departments at all levels are only responsible to the president, and lack horizontal communication and contact with each other, let alone mutual collaboration; and the application of customer relationship management is based on market and customer needs. It is based on a division of labor and collaboration mechanism as the core, involving various management departments within the bank. At the same time, the various businesses launched by banks are often artificially divided and scattered in different professional management departments. The design of bank business processes is still centered on functions and businesses, resulting in inefficiency of the entire bank business process and being unsuitable for the modern banking industry, the need for rapid development.

2.5.3. Lack of comprehensive talents. Account managers of modern commercial banks must not only have strong professionalism and role understanding, but also have a high comprehensive business level and internal and external coordination capabilities and understand the financial products and services that the bank can provide. You should be able to understand the service. Some business disputes must be handled by yourself, but you must be able to explain why, be proficient in the basic procedures of operation, and conscientiously perform the duties of the customer's shopping

guide and waiter. Due to the lack of system training, commercial banks lack comprehensive talents who have a precise grasp of the operational concepts of customer relationship management, are familiar with various businesses, and have an IT background.

3. Empirical Analysis

3.1. The role of commercial banks in implementing customer relationship management.

3.1.1. Customer relationship management can increase sales revenue of commercial banks.

The essence of customer relationship management in commercial banks is differentiated management of customer value and differentiated management of response methods. Customer relationship management can help banks identify differences in customer value and needs, facilitate banks to clarify goals, use the most appropriate methods to continuously generate revenue from the most valuable customers and customers with the most growth potential, and develop general customers and potential customers, find the problems, and causes for customers' below marginal cost.

3.1.2. Customer relationship management can improve banking services.

Improve customer satisfaction. Customer relationship management emphasizes that services are personalized and can improve customer satisfaction with the bank. It is a link in the bank's overall marketing. Customers evaluate the quality of bank services not only by their technical quality, but also by their functional quality. 3.1.3. Provide decision support for bank product positioning and market decisions.

Through customer relationship management, banks can quickly understand changes in customer needs and predict customer needs in a certain period in the future. This enables banks to adapt to changes in demand in terms of product positioning and market decisions and enables banks to provide the businesses and services that customers need most, thereby achieving the purpose of guiding customer consumption and attracting customers, and continuously consolidating the bank's advantages in market competition. status. The competition and development of the modern financial industry have begun to break through the traditional business framework and enter a "customer-centered" era of change, focusing on collecting customer information, conducting sufficient data mining, analysis, and innovative services, and designing high value-added, Personalized financial products and providing customers with complete financial services have become the core of modern commercial bank operations. It can help banks make full use of their customer relationship resources to expand new markets and business channels, improve customer satisfaction and the bank's profitability, and enable banks to gain a foothold and develop in fierce competition.

3.2. Countermeasures for customer relationship management issues in commercial banks

The comprehensive application of data mining technology. Data mining helps to effectively synthesize and classify data, discover some potential relationships, and make comprehensive judgments about possible future behaviors. Customer relationship management is the fundamental

guarantee for commercial banks to obtain more customers. Effective use of data mining technology in customer relationship management can provide effective technical support for the CRM process. Using traditional statistical analysis methods to analyze commercial bank data is a long process, and it is easy to miss due business opportunities. Using advanced statistical tools and artificial intelligence technology in data mining, we can complete the mining of massive data from commercial banks, allowing companies to obtain information in a timely manner and act. After effectively using data mining technology, commercial banks have achieved the goal of better understanding their customers to facilitate effective marketing and further expand business opportunities.

3.3. Key strategic points for the successful implementation of commercial bank customer relationship management

3.3.1. Establish customer-centered business flow processes.

As the financial market shifts from a seller's market to a buyer's market, bank customer relationships shift from bank-led to customer-led. If commercial banks want to win in the competition, they must adapt to the new situation and establish a modern commercial bank business strategy that is customer-centered and based on customer needs and interests. Taking Bank of Ningbo's Hangzhou Jiubao Branch as an example, it urgently needs to establish a "center-and-spoke" organizational structure, compress management links, shorten the management radius, and restructure internal structures to reduce distortion in information transmission.

3.3.2. Implement differentiated service strategies, establish, and stabilize high-quality customer groups, and implement customer relationship management.

In 2000, ABN AMRO divided its customers into four categories: top, important, core and mass customer groups, providing targeted differentiated services, and its operating income more than doubled. Analysis also shows that 40% of its revenue comes from top customers. To provide personalized services to key customers, it is necessary to establish a supporting service system, design unique service processes, and provide specialized financial products.

3.3.3. Establish a corporate culture suitable for the implementation of customer relationship management.

Let everyone in the enterprise truly focus on customers in terms of thinking and behavioral habits. Individual departments are responsible for specific work with customers, but it is the bank that is accountable to the customer. Facing customers with one face is the fundamental guiding ideology for the successful implementation of customer relationship management.

3.3.4. Make full use of information technology to support customer relationship management.

Modern commercial bank customer management integrates the latest information technologies, including Internet and e-commerce, multimedia technology, data warehouse and data mining, expert systems, and artificial intelligence, etc. Its software should reflect financial marketing management ideas that include customer care and customer satisfaction. With the development of science and technology, information technology is now widely used in customer relationship management in China's commercial banking industry.

4. Summary

This paper studies this article in this general environment by focusing on the relationship between account managers and customers. In short, it is proposed in this paper that it is inevitable to sort out customer relationships, which can improve the competitiveness of commercial banks, promote marketing, and meet the diverse needs of customers. An analysis of customers has been proposed above, find out how “gold” customers are providing them with the services they need based on their individual needs. In this process, you need to cultivate customer loyalty to increase their lifetime value. Non-“gold” customers need to be differentiated and transformed based on their analysis. Banks can also provide them with long-term investment and financial management services, help them grow and provide them with cooperative relationships. However, research shows that commercial banks have many levels of management, duplicate institutions, and low business efficiency. Therefore, each management department is only responsible to the president, so there is a problem of decentralized management. Through customer relationship management, banks can quickly understand changes in customer needs and predict customer needs in a certain period in the future, which can help banks make full use of their customer relationship resources to expand new markets and business channels, improve customer satisfaction and the bank's Profitability enables banks to gain a foothold and develop in fierce competition. The strategic focus of customer relations is to establish customer-centered business processes, establish stable customer relationships, implement corporate culture adapted to customer relationship management, and finally use information technology to support customer relationships. It is concluded that the relationship between account managers and customers is very important, and banks can achieve strategic priorities by dividing customers. Customer relationship management should be a comprehensive reflection of business strategy, business processes, performance evaluation, organizational structure, and information technology. The successful implementation of customer relationship management can provide thoughtful and high-quality services to attract and retain more customers and can optimize customer-facing work processes to reduce the cost of acquiring and retaining customers.

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