



**A STUDY OF A BANK'S CUSTOMER RELATIONSHIP MANAGEMENT  
BASED ON VALUE CHAIN INTEGRATION**



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## Abstract

Title: A Study of a Bank's Customer Relationship Management Based on Value Chain Integration

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Customer relationship management is also one of the management measures of the bank. The quality of customer relationship management plays an important role in the core competitiveness of banks. Today, as the trend of global economic integration becomes more evident, Bank A faces both internal and external challenges. It is necessary to integrate customer relationship management with customer value chain in order to enhance bank customer relationship management ability by integrating customer relationship management with customer value chain. Based on this, the main research content of this paper is A bank customer relationship management based on the value chain. The article is divided into six chapters:

The first chapter is the introduction part, the research background of the value chain integration of commercial banks and the research background of customer relationship management, and the research significance are discussed, and the main contents and the research methods of this paper are discussed.

The second section provides a theoretical basis for the research of the literature review section, aiming at customer relationship management, value chain theory, commercial bank value chain, customer value chain and value chain integration.

## Acknowledgement

"With the wind and the night, the embellish is silent". Read the time, in my life perhaps only then a moment. But I learned a lot in this moment of pausing and listening. Scientific cultural knowledge, life philosophy, correct world outlook and values, these will be the precious wealth of my life. I'll enjoy my whole life.

"Take a companion to swim, remember the past and the years thick." In the time of studying and researching, we all work together for their own ideals, also because of their own dreams and go together, mutual help, mutual encouragement, in group learning and life, I have received all of the tolerance and care, also harvest a sincere.

"The new bamboo shoots are higher than the old bamboo branches and are supported by the old." I am very grateful to the teachers and leaders who have given me instruction and guidance, and I will study harder later. I believe that, as long as the teacher's inculcation and self motivated, there will be greater progress. Thank you for working with me, working together, and working together to be happy friends and colleagues. Because of you, I can continue to grow, continuous progress, continuous harvest happiness.

"The fragrance of plum blossoms comes from bitter cold, and from the grind out". The care of the leader, the teacher's teaching, the good friend's entrust, and the advice of the same window, these are external factors, the end of the road also need to rely on their own one step to walk out. Do not know how many gullies ahead, do not know how many difficulties in front of them to overcome. The only thing I have to do is to avoid hardship, improve myself, work hard and pursue the realization of dreams.

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# CHAPTER 1

## INTRODUCTION

### 1.1 Background and significance of research

#### 1.1.1 Research Background

For the development of banks, customers are the main source of their profits as well as the main target of bank services, mainly by placing their own funds through fixed deposits in banks, or buying wealth management products from banks, which the banks provide for them. A fee may be charged, or by lending to a loan client in the form of a loan, in the form of a difference in the form of a difference. For banks, the client is an important source of securing a stable profit. & nbsp; For this, the Bank needs to retain some high quality customers and keep attracting new customers, and how can that be done so that customer relationship management needs to be involved. Bank A, as an influential commercial bank in China, is able to promote A Bank's continuous improvement in customer relationship management in the context of today's economic market competition. Customer relationship management can directly affect the core competitiveness of banks, but for the core competitiveness of banks, the effective application of the value chain is the key to maintaining the core competitiveness of the bank. Therefore, it is necessary to associate the value chain with customer relationship management. From this stage, on the research of the combination of the value chain and customer relationship management, the research results are very few, and the focus of the research is not really integrating the customer value into it, this article is based on the value chain integration of A bank customer relationship management research. In this paper, we mainly discuss how to integrate customer value in customer relationship management and integrate the value chain in perfect integration, so as to better facilitate the bank's management of customer relationship and obtain more customer resources.

#### 1.1.2 Research Meanings

Through consulting the literature, it can be seen that both domestic and



foreign scholars have made some achievements in the research on customer relationship management and value chain, but the research on the value chain is relatively small compared with the research on customer relationship management, and the research results are more important from the perspective of commercial banks. Very little. In this paper, it is necessary to study the research object of commercial bank, combine the value chain and customer relationship management to study it, and in this article, put forward a new point of view, think that the customer value chain should not only pay attention to the transaction cost, but more focus should be heavy. The heart is placed in the process of the customer's psychological experience and the feeling inside. In other words, commercial banks need to be able to obtain more customer resources, on the one hand, to strengthen their work in the value chain of their own, but also to strengthen the customer's behavior and psychological concern. Through the research of this topic, we can enrich the existing theory system and provide some practical references for the customer relationship management based on the customer value chain. In this regard, the research of this paper has both theoretical and practical significance.

## **1.2 Research Content and Method**

### **1.2.1 Research Content**

The main research content of this paper is A bank customer relationship management based on the value chain. The article is divided into six chapters:

The first chapter is the introduction part, the research background of the value chain integration of commercial banks and the research background of customer relationship management, and the research significance are discussed, and the main contents and the research methods of this paper are discussed.

The second section provides a theoretical basis for the research of the literature review section, aiming at customer relationship management, value chain theory, commercial bank value chain, customer value chain and value chain integration.

The third chapter is based on customer value chain A bank customer

relationship management integration model, first to the A bank's general situation, secondly, analyze A bank integration value chain put forward, and from the customer information collection, customer relationship management system, customer value analysis, commercial bank financial innovation ,This paper discusses the internal value activities of customer relationship management of Bank A in relation to customer relationship management and value proposition, and also integrates customer perception value activities of customer relationship management of Bank A, customer perception value activities of customer relationship management value chain, and relationship between value activities of customer relationship management and value chain of A Bank A bank customer relationship management integrated value chain, etc.

The fourth chapter is based on the analysis of customer relationship management and problem analysis of A bank based on value chain. The present situation of customer relationship management in Bank A is based on the establishment of A bank data warehouse system, the improvement of customer relationship management ability, diversification of products and services, large distribution channels, etc .There are deficiencies in the existing deficiencies, the customer relationship management team is not professional, the customer experience is not really taken into consideration, and the service system based on the value chain is not constructed;

The fifth chapter is the performance evaluation and suggestion of A bank customer relationship management based on value chain integration. First, the evaluation index system of customer relationship management of Bank A is constructed and the weight is determined, and the results of performance evaluation of customer relationship management of Bank A are obtained, and A bank customer relationship management is put forward Optimize suggestions;

In the sixth chapter, the research contents of this paper are summarized, and the research direction of the next step is prospected.

### **1.2.2 Research methods**

(1) Documentation method : With the help of mobile internet, Baidu's academic, network space, school library, electronic reading room and other tools, we have reviewed a lot of literature on value chain and customer relationship management, and then select and integrate these documents The study of useful information is used as the basis for the research of this paper.

(2) Case study method : This paper mainly studies the bank customer relationship management based on the value chain, selects the more influential A bank as the specific pair of current research, describes the current situation of the relationship management under the integration of its value chain, and finds out the shortcomings, and then puts forward the pertinence It is suggested that in promoting A bank customer relationship management, it can also play a certain reference role for other banks in the country.

(3) Theory and practice law: Based on the theory of value chain theory and customer relationship management, the research on customer relationship management under the model of A bank value chain is discussed, and the theory and practice of customer relationship management under the model A bank value chain are analyzed.

In general, enhancements to the product and service portfolio are just beginning. The next level will certainly encompass more complex services based on insights from various sources, such as social networks, mobile devices, apps, and harmonized internal data. Leading examples can be seen in innovative financial technology players around the world. For example, Vodafone and Safaricom created M-PESA to serve the largely unbanked Kenyan population. Users pay cash into their account at an agent, such as a gas station or supermarket, and then use their mobile phone to pay retailers or other individuals. M-PESA serves as an alternative to bank accounts and credit cards, which is especially appealing to the rural population. In 2012, about a third of the Kenyan population used M-PESA.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Research on Customer Relationship Management**

The definition of the term relationship management was first appeared in the United States, and in the 1980s, American scholars put forward contact management, mainly by linking the information collected to the enterprise and summarizing the information. Later in 1999, a company called Gartner Group formally introduced the word customer relationship management and defined its concept. Because of the enterprise, whether basic survival or later development can not be inseparable from the customer, this, in the domestic of the research of customer relationship management, domestic scholars also have a strong research enthusiasm, began to invest in the study of customer relationship management. As to what role the customer relationship management plays to the enterprise, many scholars have put forward their own opinions, and some of the main viewpoints are summarized as follows:

(1) It is a management idea : Some scholars believe that customer relationship management can be regarded as an enterprise's management idea, which is mainly considered in the strategic angle of long term development of the enterprise, and pointed out that the enterprise strategy management includes the relationship management of the plate, the enterprise in the relationship management battle In a certain way, you can earn more customer resources, which in a certain way can help the enterprise get more profit, and through the form of customer relationship management, can also be enough to increase the customer's stickiness, improve the customer's satisfaction with the enterprise. Gartner Group points out that customer relationship management can let the enterprise stand in a more comprehensive perspective to deal with the problem, can greatly improve the enterprise's management of the customer, strengthen the close relationship with the enterprise, to maximize the realization of the client On the basis of the subject matter, can also maximize the realization of the enterprise's strategic objectives (Chen, 2013). Martin.

In an article called "close contact with customers: maximizing the value of brand value through customer relationship management", it is necessary to strengthen the customer's importance to the enterprise, so as to provide personalized service to the customer with the customer as the center. Yang is pointed out as one of the many strategies in the enterprise, customer relationship management plays a unique role, when the enterprise realizes the good customer relationship management, can not only guarantee the benefit maximization of the client, but also can guarantee the enterprise's profit maximization.

(2) It is a management mode and operational mechanism: Some scholars suggest that customer relationship management can be regarded as a management model of enterprises and the application mechanism of enterprises. Of course, scholars of this view tend to think in terms of business strategy, and think that customer relationship management is a business strategy for enterprises, and it is also a business strategy. A business process whereby the business processes the optimization of business processes by using the strategy of customer as the center, so as to promote the improvement of enterprise's profitability. Lawrence noted that the role played by the CRM system should not only be merely storage and processing of customer information, but should fundamentally change it and transform the information into a deep depth follow up of the customer, as well as to maximize the discovery of new customers. Frederic Newell points out that the goal of an enterprise to implement customer relationship management is to maximize the benefits of the customer, thereby maximising the benefits of its own, which means that the interests of the client are of great relevance to the interests of the business. Scholars Wang Wenming, Hu Hui pointed out that for commercial banks, the implementation of customer relationship management can be achieved through the implementation of customer relationship management, thus enhancing the quality of customer service, so as to improve the client's vital interests, at the same time To promote an enterprise's purpose of obtaining more profit. Cao Haiying, a scholar, pointed out that in the model of customer relationship management, the customer should be placed in the center position, and must be able to maintain a certain degree of synergy with other

subjects in order to maximize the effective implementation of customer relationship management.

(3) is an application software system: Some scholars put forward customer relationship management as an application software system of an enterprise, because it can effectively collect information from customers through customer relationship management system. Through the identification management of various kinds of information, the most effective way to manage the customer can be summarized. Michael Helms points out that customer relationship management can be divided into two types, one is operation type, one is analytical type, the analysis type is mainly based on the client's information, screen out effective customer, high quality customer information, operation type is for these information plans How to manage it effectively.

## **2.2 A Study on Value Chain Theory**

At the time of 1985, Michael. Potter first mentioned the value chain in a book called "Competitive Advantage," and formed the value chain theory, in which Michael. Porter notes that it's important for companies to show their strengths in a number of companies, which is to reuse everything that can create value, and the value chain can be said to be a collection, which is to link all the basic activities of value Pick up and form a collection (Guo, 2012). With the advent of the value chain, it soon gained the recognition of scholars at home and abroad, and attracted more scholars to join the research of the value chain. As the scholar Nooteboom points out that garment enterprises want to be more competitive in the market, they need to build up the value chain model to strengthen their competitive advantage; Francis Buttle offers a relationship with customers The core idea of the management value chain is to construct a model for the relationship management value chain, and point out that the biggest purpose of constructing the relationship management value chain is to promote the mutual benefit of enterprises and customers. Wang healthy, Kou Ji Song pointed out that customer value management is the core part of customer relationship management, and analyzes the value chain model of customer relationship

management, constructs the model and basic process of customer relationship management value chain, but in this process, the customer's heart has not been changed Perception integration, neglect the customer's perceived value, this, customer relationship management and customer value chain have no real sense of integration, can say only a single construction of the value chain model, and on the customer in this process, the impact of the enterprise value is not in It's a good analysis. Scholars in the Hong Kong, Wang Bo, Qian Rong and so on from the customer delivery value and value chain point of view, analyzed the way the customer has created value for the enterprise, and pointed out that the enterprise through the understanding of these methods to better provide the customer service, and to divide the customer into a few Type, one is a key development customer, one is a key customer, one is to maintain a customer, one is to abandon the customer.

Through the above summary, it can be seen that the domestic and foreign scholars have made some achievements in the research on customer relationship management and value chain, but the research on the value chain is relatively small compared with the research on customer relationship management, and the research is made from the point of view of the commercial bank It is very necessary to study the research object of commercial bank, combine the value chain and customer relationship management to study it. It is necessary to enrich the existing theory system to a certain extent, but also for the commercial bank to conduct customer relationship management based on the customer value chain It provides a certain practical reference.

### **2.3 Definition of the value chain of commercial banks**

By combining customer relationship management with the value chain, it is possible to promote the targeted customer relationship management of commercial banks to a large extent, and provide targeted delivery services to customers who can contribute value to the commercial banks, so that the bank can find the real help The bank's activities to create value, through these activities, effectively pull the distance between the customer and the bank, to help the commercial banks achieve business

objectives, this commercial bank is necessary to cause enough attention to this. For some process, if it is not important, the commercial bank can not spend too much investment in these areas, can save resources by outsourcing in the form of outsourcing, will compare the quality resources to create value for the enterprise. Because of the particularity of commercial banks, their value chain also has some similarities with other industries.

Table 2 .1 Commercial Bank Value Chain

Customer knowledge	customer value analysis	financial innovation	Relation Mgmt	Value proposition	Jonathan
Technical Support					Moist
Functional Services					
corporate culture and strategic management					
internal oversight					

The bank's management of customer relationship can be realized through continuous value activities: customer knowledge, customer value analysis, financial innovation, relationship management and value proposition; support activities include technical support, functional services, corporate culture and strategic management Management and internal oversight. The management ability of basic activities determines the competitiveness and image superiority embodied in the service delivery process.

#### 2.4 Definition of the Value Chain of Commercial Banks

In the past research, the customer value chain is regarded as the main economic value of customers by means of cost saving for customers. The starting point is from the financial point of view, focusing on the customer's consumption process. Harvey. Thomson and Morrie. The general rule is to think about this issue from the perspective of corporate strategy, and think that the customer value chain can effectively help the enterprise improve profitability, it is an effective strategy to improve profitability. Lu Yanzhao, Ma Jin Di is standing in the customer value view



of the problem, points out that the customer and the bank in conducting business transactions, both sides can get their own value, this point also points out in the course of trading, customers tend to pay more attention to The costs incurred by the transaction, rather than the experience in the course of the transaction (Huang, 2010). At the customer's point of view, Longzhen has constructed the value chain, and points out that the most important goal of the customer value chain is to promote the realization of the enterprise's profit target, and combine the position of both the enterprise and the customer To be sure, in the customer value chain, it is necessary for an enterprise to take certain guiding measures to influence the customer and to promote the customer's decision and strategy for the benefit of the enterprise (Hu, 2013).

In this article, the customer value chain should not only focus on the transaction cost, but more focus should focus on the customer's psychological experience as well as the feeling inside. In other words, commercial banks need to be able to obtain more customer resources, on the one hand, to strengthen their work in the value chain of their own, but also to strengthen the customer's behavior and psychological concern.

Other solutions such as artificial intelligence, video and chat functions for advisory services, crowdfunding, peer-to-peer payments, and social investing are acknowledged but not considered mature. Some banks have more interest in these topics and have collaborated with technology companies to explore possible new business models. For example, Citigroup, Royal Bank of Canada, and Australia's ANZ Bank have all announced plans to work with IBM's Watson, the robot that made its name by beating humans on the television quiz show Jeopardy, to enhance customer advisory experiences.

The banking and finance value chain is unique because it is based entirely around the production of services. In this industry, the "raw materials" are lenders and borrowers (private/public firms and individuals) that appear at both the beginning and the end of the chain. The products provided by this industry are divided between credit intermediaries (both depository and non-depository) and financial

intermediaries. North Carolina is strongest in depository credit intermediaries, most specifically, in commercial banks. These institutions primarily collect funds through deposits and lend funds by issuing loans. These institutions in general capture high levels of value, albeit on average not as high as other institutions like investment banks. Importantly though, the fine line between the functions of commercial banks and investment banks is continually becoming thinner, and in many cases in North Carolina, commercial banks also conduct investment banking services. This trend is serving to improve the competitiveness of North Carolina firms within the wider banking GVC. Moreover, the banking transaction does not represent the end of the relationship between the lender and the borrower. Banking services generally entail the establishment of a relationship between the two and as a result, firms perform a variety of activities before and after the sale of a product, which allow for multiple streams of value capture.

The supporting environment includes the entities that support and influence actors in the supply chain such as trade and professional associations, government agencies, testing and training facilities, community colleges and universities as well as material and machinery providers. The entities present in North Carolina are located along the bottom row of the visual. When you hover the mouse over these boxes the supply chain stages impacted by the supporting industry is highlighted and statistics or descriptive text is displayed when available.

# **CHAPTER 3**

## **THE VALUE CHAIN A BANK CUSTOMER RELSTIONSHIP MANAGEMENT INTEGRATION MODEL**

### **3.1A Bank Overview**

A bank has now has more than 33 years, of development experience, has been a stable rise in operation, has been playing the role of its own financial institutions, with the local economy to achieve a good win win situation. A bank is a large state owned bank managed by the central bank. A bank has China's largest customer base. It is one of China's largest commercial banks and one of the top 500 enterprises, in the world.

On June 22, 2016, A Bank ranked 3rd in China's 500 Most, Value Brand Analysis Report. In August 2016, Bank A ranked 4th in China's 500 enterprises, in 2016. In February 2017, Brand Finance released the 2017 Fortune, 500 list, ranking 10th in Bank A. A bank ranks seventh on July 31, 2017, the Fortune 500 list, Card issuing amount exceeds 2 .With a total consumption of nearly 800,000,000 Yuan, the market's leading edge expanded further; investment bank revenue rose 78 .2%, the whole year underwriting various bonds 52 branches,, the underwriting amount reached 164.6 billion yuan, the second year became the first major line of domestic bond underwriting; Custody income growth of 41%, managed assets scale for 11 consecutive years domestic first (Kang, 2010).

### **3.2 Analysis on the Internal Value of the Integrated Value Chain of Bank Customer Relationship Management in Bank 2A**

#### **3.2.1 Customer Relationship Management System**

From all lines of construction of information system, the construction of information system is basically established, and from the business development of A Bank, it is necessary to establish an electronic platform for customer relationship management in order to achieve the management objective of the customization of customer information system, and from the function It may be assumed that the main

role of the information system is to help banks better perform their services, but the role it plays is important for banks and that the results of the CRM system can provide a great convenience for banks in their work. For the CRM electronic platform system, the amount of information to be covered is very large, and also has some difficulty in technology, but for the construction of bank customer relationship information system, it can advance the construction of the system step by step, and the bank needs the root according to the existing database foundation gradually improved gradually. Data management level is a module in which information is technically analyzed and processed (Lu, 2012). The market is the result of data processing, and users can get it no matter what kind of information they need. The working principle of the Bank's data platform is as shown in the following figure:

### **3.2.2 Customer Value Analysis**

For A Bank, the main objective of the work is to calculate the value of the service object and the value that is likely to be achieved in the future, and the calculation of the future value of the customer is divided into two parts, both including the value of the past and the bank's next hope try to obtain the value as soon as possible. That includes estimates of future earnings that have not yet been achieved. For banks, the value of the customer's life cycle can be divided into two parts: one is the historical value, which refers to the actual benefits that the service object brings to the bank in its previous relationship with the bank. It plays an important role in predicting the future value of customers. The second is the client's future value, which means that the bank is expected to maintain a long term relationship with the customer and present the present value of the estimated future value. Although banks want to calculate the value of their future contributions as accurately as possible, the customer's future value is not necessarily achievable because of changes in income levels, consumer preferences and economic conditions (Lu, 2012).

### **3.2.3 Financial innovation of commercial banks**

(1) Product and service innovation: A Bank's action in this area is a lot, but for a job it's not a job to say that it can achieve the desired effect. The result of innovation should be able to meet the immediate needs of the service object, not to

complicate the work for innovation, leading to the failure of our service object to understand or accept the results of innovation. So we should pay attention to:

First, innovation should be simple and simple. Innovation requires the results to prove successful, and if you've paid too much in the upfront period to make innovations in a big, big project, then it's likely that it won't pay off.

Second, the results should be practical. Innovation is not a castle in the air, let the object of the service truly accept innovation, then our work result must make the customer feel innovation is meaningful and valuable to them.

Third, look for the market. To let innovation work smoothly, it is necessary to adapt the results to the needs of the market, which is a special product with high added value. For example, we can make use of modern technology to realize the acceptance and application of new service tools, change the existing service methods and enhance the flexibility of financial services in rural areas.

(2) Financial service model innovation: A bank insists on meeting the needs of the market, focusing on customer needs and increasing the innovation of service model. The first is to improve the efficiency of bank service. Drawing on international advanced experience in the course of banking and service transformation. At the same time, through the independent innovation design, the localization of the whole process, standardized service mode, intelligent processing credit management system, so that the A bank service is more professional, targeted and stronger.

The second is the innovation service system. According to the present situation of China's current economic development, A bank can set up specialized service outlets for all kinds of service objects, such as the corresponding service outlets for scientific and technological development enterprises, and realize new markets in the economically developed areas such as franchise outlets, franchised models and specialized teams. To reform the banking system, in order to ensure the competitiveness of banks in large and medium sized cities and key areas, measures should be taken to improve the operation business authorization, carry out business process transformation, realize optimal allocation of resources, improve incentives and constraints.

The third is the innovative bank marketing way. Through various forums and conferences, we discuss the bank enterprise financing and service docking, and maintain the smooth flow of information transmission.

### **3.2.4 Management of Customer Relationship**

In order to manage the content of customer relationship bank, the management content is more, this paper analyzes the service object with the bank. In the relationship process management, the bank only manages the customer relationship. The bank carries out the management object is not the customer, and the bank can only be determined by the customer itself, and the bank can't interfere with it (Li, 2010). The well intentioned guidance of the service object is what the bank needs to do so that the service object can make the most correct choice and maintain a good relationship with the bank for a long time. Commercial banks in this regard are available in a variety of ways to introduce them in relation to marketing and differentiation in relation to relationships.

(1) Relationship marketing: Customer concern contributes to a more lasting relationship between the customer and the bank, and the long term cooperation brings a certain amount of profit to the bank and the clients to achieve a win win situation. Bank through relationship marketing to achieve customer care needs. Under the background of sincere cooperation, the bank wants to establish the expected cooperative relationship between the two sides and meet each other's needs separately. a Palazzuraman and Leonard. Berry has summed up four types of customer value and can retain customer relationship marketing level relationship marketing, three level relationship marketing, secondary relationship marketing and first level relationship marketing.

(2) First level relationship marketing: Relationship marketing at the bottom is a first level relationship marketing, mainly through financial means to attract customers. The first level marketing planning refers to the bank often trades with which kind of customer, purchase the services provided by the bank, treat this kind of customer, the bank usually provides and implements a certain economic return marketing plan. At the same time, the first level relationship marketing can also

provide financial compensation for those who believe that services are not comprehensive enough.

(3) Secondary relationship marketing: On the first stage, the customer has added a certain social interest to provide the bank's secondary relationship marketing. However, in this kind of price stimulating relationship, the desire and demand of the target customers can be understood by the bank personnel, continuously improve their service level, the desire and demand of different objects can be met according to the service, let the customer feel the bank's endless service and do the best of the state. This enables banks to retain past customers and attract more customers.

(4) level relationship marketing: The first two levels are based on the customization of customer's customization, is the third way of relationship marketing. The main form is customer intimacy and mass customization. Use flexible organizational structure and business processes to meet the unique needs of different service objects. Through observing the needs of various objects, we can make every effort to provide the customer with the help that the bank can provide, improve the customer's traditional impression of the bank, raise the customer's satisfaction with the bank, and make the customer more willing to reach a long term cooperative relationship with the bank.

(5) relationship, marketing: level relationship marketing is based on the front three levels, added to the customer's structural ties. Not only people need to establish their relationship with customers, but also rely on network technology to manage properly, so that the customer is more convenient and full of the most comprehensive services. By regulating structural relationships, the Bank reduces the cost of maintaining the customer and can add new customers.

2. Differentiation marketing: Eighty per cent of customers contributed only 20 per cent of the profits, while remaining 20 per cent provided 80 per cent of the profits to banks. This is the twenty eighth principle. The Bank must strictly implement different marketing methods according to different service objects, and its main purpose is to have a good relationship with the valuable customers, maintain long term transactions, and form a long term cooperative relationship. To treat

ordinary customers, banks usually take process services and standardisation services, save money as much as possible, reduce unnecessary investment and maximize economic scale. A Bank is using this method to adopt different methods of service to all kinds of customers. A differentiated marketing strategy for Bank A is shown below (Thunder, 2015).

(1) Change marketing concept : Marketing concept is still not changed, many banks are still in the past traditional concept, in today's fast development environment seems somewhat inappropriate, other departments think that dealing with the customer relationship is still the marketing department's work, with no relationship with their department, and don't have to worry too much. In fact, the existence of all branches of the bank is to make the customer more satisfied and meet the needs and desires of the customer. And in the vast majority of the banks in our country, for the completion of their own work, a blind eye to the customer's needs, long this has been extremely unfavorable for the bank.

(2) Differentiation of products and services : The purpose of banks to provide services and products is not only to pursue profit and income but also to increase the satisfaction of market share customers. Banks need to take full consideration of customer needs to achieve these goals, constantly improve their own, form their own unique way of marketing, without affecting the quality of the process, simplify the process, make the customer convenient, bring convenience to the customer, maintain the relationship with the customer. In today's information age banks must realize the service is simple and simple. The requirements of the Bank are becoming higher and higher, and it is necessary to constantly review the customer information, to fully understand and comb the customer, identify the customer's needs and actively implement them. The needs of various service objects provide corresponding services and products, and provide the best and comprehensive service to our customers in a timely and effective manner.

(3) Differentiation of brand image: Not only do banks offer customers the most needed products and services in the transaction, but also to let customers feel their relationship with other banks in the image brand, the service attitude to



customers and the differences in service. John. Philip Jones (J. )P .Jones, one of the most prominent figures in advertising, defines the brand's connotation as: the function of interest is to provide value added and product services, making customers feel that their purchases are valuable. In its interpretation of the brand, Mr Kotler believes that services and product providers have long been a key point to the brand for a range of specific services, characteristics and interests. Enterprise's important competitive tools and intangible assets are brand image. The bank's focus should be to focus on the customer's service in order to deepen and recognize the relationship between the customer and the service object.

(4) Focus on market segmentation: Because of the reason of the market and the diversification of resources, any one of the commercial banks is not alone, and the market share does not represent the promotion of profits, and sometimes it brings great pressure and high cost to the bank, which is very disadvantageous to the development of the bank. As a result, the Bank itself needs to define what is the focus of its business, which is the key, and which customers should focus on, pay attention to the market segments, stabilize their market, provide the best quality and the most comprehensive service.

### **3.2.5 value proposition**

A bank's value proposition indicates that the customer has made a decision to deal with the business. Through this activity, the bank's own profit target is achieved. In order to increase profits and control costs as much as possible, banks must ensure customer satisfaction and achieve a win win goal of customers and banks while fulfilling their objectives.

(1) Business process optimization: The basic activity of the A bank value chain is the most important symbol of different competitors. Therefore, banks should fully reduce operational risk in the course of operation and play their own capacity to create value. Business process optimization should also take full account of whether inspection activities can achieve the goal of value change, the role of activity in the value chain rather than blindly cutting basic processes and activities so as not to cause unnecessary unnecessary losses to the banking business.

(2) Improve employee satisfaction : Employee satisfaction is ultimately achieved through business contacts between customers and employees. If the employee is satisfied with the present situation, the employee always shows the positive aspect to the customer in the work; conversely, if the employee has a negative or dissatisfaction mood, the customer service quality can be imagined. Whether the employee's status and mood will affect the employee's work and his behavior directly, and then affect the customer's mood, resulting in the customer's satisfaction with the banking service. It can be said that the first customer of the bank is the employee, and the employees can fulfill their goals and meet their own needs before they can play the role of their banking support. How employees make contributions to banks is shown below.

There are many specific measures to improve employee satisfaction, and banks can choose the most suitable incentives for employees to motivate employees according to market conditions and industry characteristics.

### **3.3 Analysis of Customer Perception Value in Value Chain Customer Relationship Management**

A bank customer concern is the source of corporate profits, which not only enables the customer to gain social benefit, trust benefit, economic interest, but also is one of the important weapon in the winning of commercial banks. Reicher and Mr. Passer through the survey: Once customers keep rates up by 5%, the increase in earnings will be between 25% and 85%. The higher the customer retention rate, the more satisfied they are to reflect the extent of the customer's expectations. Therefore, only when the customer thinks that he gets what he wants from the transaction, he will consider whether it is necessary for a long term cooperation with the bank to determine whether the customer will ultimately agree with the bank. By analyzing the customer value chain, we can further understand and realize the customer's needs and bring the most satisfied and comprehensive service to our customers (Li, 2003).

#### **3.3.1 Client Value Expectation**

The expected value of the client in the course of the transaction is divided

into the attributes of the service, the expected transaction result of effectiveness, the expected product and the customer's expectations of the transaction process. Therefore, the customer satisfaction in the transaction experience is divided into goal satisfaction, satisfactory result and attribute satisfaction. First, the customer will consider the product performance and the specific performance; secondly, when the transaction is over, the customer's contribution, he perceives the reception services of his own expectation; and finally, the customer will find the summary result and the transaction process, see whether the difference between the transaction before the transaction will be, whether the difference is significant.

### **3.3.2 Customer Perception Value**

Customer perception value is the difference between the customer perception loss and the perceived benefit of the customer. The benefits of a service object in the course of the transaction, such as the customer service personnel attitude is very sincere, such a service will make the customer happy and relaxed, so that the customer's emotional satisfaction is satisfied. As the object of all the sacrifices offered in the exchange, such as excessive service will make the customer very satisfied, and the customer thinks the transaction costs him most of his time, time consuming is the loss of the trade perception ( Yang, 2012). Note the difference between the same person in the same period of service evaluation. In the early stages, the technical characteristics and the performance of the product basically determines the customer's psychological feeling, also determines the customer's retention. With the development of customer's demand, the efficiency and quality of service is the key link and decisive factor to achieve the goal.

### **3.3.3 value proposition**

The value proposition of banks and service objects is synchronous. Once the service object is traded with the bank, the value proposition will be made to the bank in the next transaction. In the course of the transaction, the customer receives two relative ratio of psychological expectation and value experience to obtain the judgment of the service level of the bank ( Zhang, 2009). When the customer thinks that his satisfaction and value are significantly higher than their expectations and

input, the customer will find ways to maintain a cooperative relationship. On the other hand, if the customer is less aware of the bank's perceived value, the customer will feel the loss and find a way to find a new bank. Even if the transaction is interrupted during the course of a transaction, a deal with the bank's competitors will be carried out.

### **3.4 Analysis of Value Relationship of Value Chain of Customer Relationship Management in Bank A**

The interaction between customer value activity and internal value activity of Bank A enables banks to continually optimize and adjust financial services, thus enabling banks to improve their ability to manage customer relationships. The internal value activity is the basis for the bank to form a competitive advantage and gain profit. The source of bank profits is customer value activity. Customer value activities affect internal value activities through customer behaviour and decisions. Bank to adjust service and product strategy according to customer value activities, improve service ability. In the internal value activities, the customer centered concept runs through the whole story. Through the innovation of system innovation, financial innovation, technological innovation, service concept innovation and management innovation, banks can increase customer contribution rate and bank's resource utilization, thus gradually realize the bank's strategic objectives. In customer value activities, the Bank is guided by customer needs as a provider and provides the highest quality and satisfactory service to the customer as far as possible. It is important to note that, while the buyer's banking market has been formed, this does not mean that banks are at a disadvantage in the course of trading. A bank can improve customer loyalty through improved relationship management and good financial services, and take measures to guide and influence customers so that customers are willing to accept the financial services provided by banks and establish long term cooperative relations. There is a dynamic relationship between customer value and internal value activity of bank. Through service channels, the internal activities of banks have guidance and influence on customer value, and the work direction of internal value activities will

ultimately be determined by customer value activities. A bank's ability to maintain its leading position in competition is ultimately determined by the ability of its entire complex value chain.

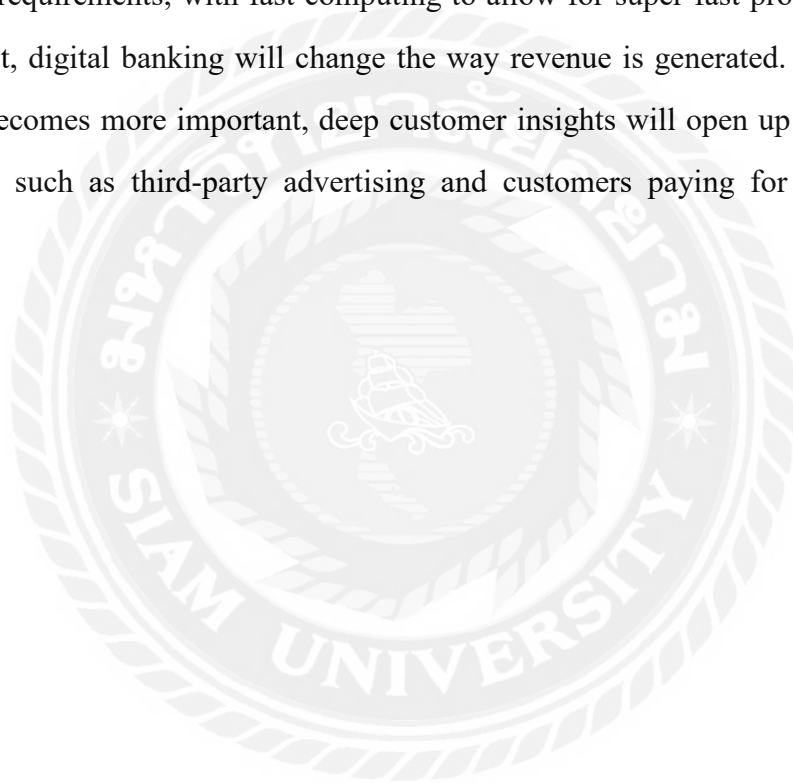
### **3.5 Analysis Framework of the Integrated Value Chain of A Bank Client Relationship Management**

A bank is a good bank in our country, and is also in a better position at home in terms of service ability, and has rich client resources, so Bank A has a certain foundation and advantage in implementing customer relationship management. However, due to the late start, domestic demand for customer relationship management and value chain theory research and practical operation ability generally lags behind international advanced level, A bank as the mainstay of domestic commercial banks, it is necessary to carry out deep understanding and analysis of customer relationship management, and fully understand the insideThe relationship between the value chain and the customer value chain. The purpose of Bank A and Client deals is to achieve more returns with minimal input, so the traditional bank customer relationship management value chain is no longer in line with the current needs. In the past, bank habits and from the perspective of the future, want to improve management efficiency and the risk control, with the banking initiative to the customer's transfer, the customer's important role is highlighted, the bank also slowly realized that the past approach has not been able to bring more value to them. In the past, this model is easy to control, but lack of flexibility, can not keep up with flexible market changes. Today, the bank only has a deeper understanding and contact with customers, can reflect the customer's ideas every move into consideration in their own service process, in order to take account of the customer's feelings in each link. A bank customer relationship management integration value chain model is as follows:

On the outside, customers benefit from fair prices with increased transparency and comparability. Banks meet their needs with immediate, high-quality interactions, and transactions are performed quickly and securely. Purchasing a product no longer requires 14 days. Customers are proactively informed about a rich

spectrum of personalized products and services, including financial advice, new opportunities, and peer comparisons. Overall, customers enjoy the banking experience, and they are happy to hear from their bank (or non-bank).

Making all of this possible will require support from the inside. The underlying operating model will need reshaping, with lean channel and organization structures in place to allow for fast processing. Decision and governance processes will need to be streamlined, with a new more-agile culture that has the right spirit to support a superior customer experience. An integrated IT infrastructure will be needed to meet all requirements, with fast computing to allow for super-fast processing. Last but not least, digital banking will change the way revenue is generated. As customer centricity becomes more important, deep customer insights will open up new sources of revenue, such as third-party advertising and customers paying for value-added services.



## **CHAPTER 4**

### **ANALYSIS ON THE STATUS QUO OF CUSTOMER RELATIONSHIP MANAGEMENT IN A BANK ON VALUE CHAIN**

#### **4.1A Bank Customer Relationship Management Status Quo**

##### **4.1.1 A bank data warehouse system is established**

The bank data warehouse system consists of three subsystems: customer relationship management system, integrated statistical system and credit risk management system. The construction of comprehensive statistical system provides statistical information to external regulators of commercial banks and meets the needs of branch network management. Credit risk management system enables banks to become leaders of risk control within the industry, realizing automatic statistics, online rejection and online acquisition. The Customer Relationship Management System (CRM) is an information management system that helps to set up a bank's better customer information management system, which includes: enterprise customer management system and personal account management system, system management of non-private customers and customers. The bank's software system helps to save much of the bank's work. Banks can get a lot of data and other information that other banks can't get through the system.

##### **4.1.2 The ability of employee relationship management is improved**

A bank with the "achievement of staff" business mission, has always been very important to talent. As of the end of 2016, the structure of the employees in Bank a: 178,145 personal banking personnel, accounting for 43.57%, risk and compliance managers 25,716, 85,931 others, company business personnel 41,638 people, accounted for 10.18%, Accounting funds and operations management personnel 72,294 people. The extent to which a bank can achieve profitability is determined by the quality level of its employees, and the proportion of staff at a bank is generally higher than that of 44.7%, a bank employees. High quality of staff to ensure that employees in the actual work of customer relationship management has a higher level

of implementation and understanding of the ability to ensure the smooth progress of customer relations, management is increasingly perfect. In addition, the management of relationship with the service object because a bank has always attached importance to, more than 10 years ago a bank began to cultivate a group of customer relationship management personnel, the establishment of a data warehouse system.

#### **4.1.3 Diversification of products and services**

The services and products of ICBC's department are set to meet the target of service, which can be a different service for each requirement. A Bank has always attached great importance to business innovation. In addition to traditional interest income, active measures should be taken to increase commission income, other income and fee income. Bank A in more than 20 innovative, financial products in 2016, the original 200 products have been improved and improved (Zhao, 2014). Over the past thirty years, Bank A has accumulated some management measures in corporate financial services. In addition to previous credit facilities, Bank A has a lot of experience in other services. The bank also attaches great importance to the bank's personal business, such as bank card issuing, A bank selling more than 400 million, cards in 2016, revenue nearly two hundred million, can be seen private enterprises for banking is not to be ignored. Services and products are one of the basic tools for banks to meet customers. Bank A is uniquely positioned other banks.

#### **4.1.4 Distribution channels are huge**

A Bank actively develops a broad market, expands the distribution channels of customers and builds service outlets throughout the country. At the end of 2016, Bank A had more than 10,000 service, outlets nationwide. These large scale network mechanism not only implements the connection between the service object and the business object, but also extends the link between the service object and the A bank, so that the service object and the A bank can exchange information at any time. The network is only one of A Bank's service channels, A Bank is currently expanding new channels online. Take online banking as an example, the bank's online banking, WAP mobile banking, mobile banking, internet banking transactions and ipohne iPad mobile banking, at 26 a, year .A 6% increase in speed. A bank's huge distribution



channel enables it to provide convenient services in cyberspace and in a wide geographical area. Through these channels, A bank can obtain a large number of information related to the service in a timely manner, and can make the most favorable business adjustment at any time.

## **4.2 A Problem of Customer Relationship Management in Bank A**

### **4.2.1. There are deficiencies in understanding**

The Bank's ability to manage customer relationship management attaches great importance, but in the absence of accurate positioning and actual situation, a bad phenomenon has arisen in Bank A. The main reason for this is that the location of customer relationship management is not accurate enough, and does not know where to start, which has led to a big fear of failure, and investment has not followed, and that is precisely a serious flaw in management. The existing A bank customer relationship management basically belongs to other systems, and the management and policy makers of Bank A do not really put it as the focus of the banking business. There is no uniform consensus among banks. In actual process operations, specific to the implementation of the business system, since each department or sub system has its own tasks or objectives, for which it is unable to reduce the intensity of work through cooperation. For example, the rest will think that it's not their job. They don't need to be involved, so they don't have to be involved, so they don't even work together at all. They still have traditional ideas.

### **4.2.2 Customer Relationship Management Team Inoperative**

The process of the system is through the development of customer relationship management, needs special business personnel, managers and technicians to cooperate fully to achieve. A bank in this area started early, raised a number of relevant personnel, but also accumulated some experience. However, due to the low quality of information collected by banks, some business personnel lack active cooperation, the management awareness of leading personnel is still weak, the lack of awareness of customer management, banks cannot rely solely on information to make decisions. Therefore, to achieve this effect, it is necessary to conduct all round

customer relationship training management of all departments of the bank, so as to promote the development and development of Bank A.

#### **4.2.3. don't really think about customer experience**

In the course of business development, the commercial banks have detailed market segmentation, and the corresponding policy services are actually implemented according to the specific situation. But many bank employees neglect one of the most important principles in the service process customer trading experience. The individual's psychological experience, both private and legal, will greatly influence the choice of partners and may terminate the bank's trading activities at any time and refuse to cooperate with each other. Some bank employees still think they are the leaders of the transaction, and don't pay attention to the customer's feelings and do not walk out of the seller's thinking mode. This kind of employee behavior makes the bank lose a large number of high quality customers, but also damages the customer's emotion, has caused a certain loss to the bank.

#### **4.2.4. There is no service system based on value chain integration**

Currently, although Bank A has maintained a more focused position on customer relationship management, operational activities in all areas are independent, and many work is largely in disorder and there is a lack of cooperation between departments. Moreover, the construction of the bank value chain does not fully reflect the customer centered concept. As a result, A bank wants to establish a value system integrated with the customer value chain, which must stand out in the fierce competition.

However, banks are not known for being fast movers. Customers are still waiting for this new banking experience, touted as a revolutionary transformation that will bring many new features, including anytime and anywhere banking, ultra-fast response times, and omnipresent advisors. So why don't banks just pick up the pace? Because it requires more fundamental changes than expected at first sight.

## **CHAPTER 5**

### **THE VALUE CHAIN INTEGRATION OF A BANK CUSTOMER**

#### **RELATIONSHIP MANAGEMENT PERFORMANCE**

#### **EVALUATION AND RECOMMENDATIONS**

##### **5.1A Bank Customer Relationship Management Evaluation Guidelines and Principles**

###### **5.1.1A Bank Customer Relationship Management Evaluation Guiding Ideology**

The important way to improve the competitiveness of A bank is A bank customer relationship management. Through customer relationship management, the customer and the bank can not only achieve a win-win situation, but also A bank can also win the competitive advantage in the industry. A bank customer relationship management evaluation guidelines are as follows:

(1) In order to increase initiative profitability, the service object will never profit from the bank. In order to achieve the profit target, A bank can only actively attack, maintain contact with the customer and lead the customer to cooperate fully with its business. In the course of the transaction, if the customer is not satisfied, the Bank's efforts will go down the drain, the customer can terminate the transaction at any time, transfer the cooperation object. It is necessary to keep the customers away from themselves, to control the initiative, so that the service object is not only financially dependent on themselves but also on the bank in terms of emotion and so on.

(2) To provide a scientific basis for decision-making, decision-making and management decision-making, in addition to decision makers with excellent managerial skills and experience, and to support a large number of information and data through the establishment of an index database based on this basis Work more reasonable, accurate information, for decision support.

(3) In order to improve customer satisfaction, A Bank finds the most critical part of the service in order to give customers a sense of satisfaction. In order to satisfy

the customer, only through continuous practice, A will be able to understand what the customer is most interested in the service. To understand the customer's needs, improve customer satisfaction.

### **5.1.2 A Study on the Construction of the Customer Relationship Management System of Bank A Bank**

A Bank is primarily concerned with its own safety, liquidity and profitability in several aspects of its business development to its customers. However, in the performance evaluation of the customer relationship management of the value chain, Bank A should take into account the following issues not only in the aspects of the feasibility, comparability and independence of operation;

(1) Systematic Principles : Customer relationship management belongs to a system. A bank must fully integrate its value chain and customer value chain into a cohesive and harmonious way. The tasks of each link are coherent, not alone, but also for different customers except for the management of the internal management of the bank Different adjustments have to be made.

(2) Principle of hierarchy of indicators : Based on the strategic objectives carried out by Bank A, this paper analyzes the details and makes relevant thinking. According to the development goals and plans of the bank, it is important to learn the contents of those aspects, so the performance evaluation indexes of Customer Relationship Management of Bank A will show a certain class nature Through constant division of each link's performance goal, to arrive at a system appraisal system.

(3) Value chain evaluation principle: Value Activity refers to the value analysis and organization framework of the Bank in the development and operation of each stage to test whether it has completed its intended target. Construct the corresponding indicator library to analyze the active and coordination of the current customer relationship management.

## 5.2 A Study on the Construction and Weighting of the Customer Relationship Management Evaluation Index System of Bank A

### 5.2.1A Bank Customer Relationship Management Evaluation Index System

(1) Key success factors for resolving customer relationship management in Bank A

Based on the strategic objectives of Bank A, this paper draws on the planning and principle of customer relationship management in order to share the reasons why A Bank completes the target plan. There is a wide range of issues involved, not only in every aspect of the bank's business, but also in financial terms, there are other economic factors and so on, so many factors, and not all, have a role to play in the strategic objectives of the banks, so there is a need to figure out the most crucial one It's a factor.

(2) Determining the specific evaluation indexes of customer relationship management of Bank A

Through analyzing the effective factors of A bank customer relationship management, it is found that the indexes of customer relationship management level are evaluated, and the relationship between the system and the whole system is further discussed. A: A specific evaluation index system for Customer Relationship Management of Bank A:

Table 5 .1 A Bank Customer Relationship Management Evaluation Index System

total target layer	intermediate target layer		Index layer
Safe mobility for profit	Internal Value	Financial Indicator	profit growth factor D1
	Events B1	C1	Capital Adequacy D2
			Liquidity ratio D3
			Non performing loan ratio D4

			Non interest income ratio D5
		Customer Knowledge C2	Customer Information Perfection D6
			Client Knowledge Management Normative D7
			Customer Knowledge Sharing D8
		Customer Value Analysis C3	Scientificity of customer value analysis D9
			Validity of Client Value Analysis D10
		financial innovation C4	Product and Service Innovation Number D11
			service mode innovative D12
	affect the customer perceived value Activity B2	Relationship Management C5	Number of outlets D13
			ATM market share D14
			Electronic bank D15
			Customer Retention Rate D16
			Customer



j index	nt				
ratio					
i					
index					
evaluation		1/3	1/5	1/7	1/9
value					
marks	take 8, 6, 4, 2, 1/2, 1/4, 1/6, 1/8 as, the intermediate value of the				
	review value				

The second step is to construct judgment matrix. By comparing every two factors, two or two comparisons can be drawn between each of the elements involved, and then the judging matrix of a number of items can be drawn according to a number of indicators in the middle tier.

Generally speaking, in the process of constructing judgment matrix, the method used is 1 ~ 9 scale, method, written judgment matrix, and this method is also used in the study of this topic. The results are as follows.

Table 5.3 Determination, of matrix scale and its meaning

Scale	Meaning
1	show the importance of two factors
3	suggest that the previous factor is slightly heavier than the latter
5	It is evident that the previous factor is more apparent than the latter
7	It 'shows that the previous factor is stronger than the latter
9	indicates that the previous factor is extreme over the latter
2、4、6、8	mean value of the adjacent judgment
reciprocal of the	It 'shows that the latter is better than the former



numbers mentioned above

Based on the above criteria, the judgment matrix between the criteria level, the indicator layer and the evaluation indexes of the indicator layer shall be listed:

Table 5.4 judgment matrix structure

A	B <sub>1</sub>	B <sub>2</sub>	...	B <sub>n</sub>
B <sub>1</sub>	a <sub>11</sub>	a <sub>12</sub>	...	a <sub>1n</sub>
B <sub>2</sub>	a <sub>21</sub>	a <sub>22</sub>	...	a <sub>2n</sub>
...	...	...	...	...
B <sub>n</sub>	a <sub>n1</sub>	a <sub>n2</sub>	...	a <sub>nn</sub>

Element a<sub>ij</sub> (i, j = 1, 2,..... n) The importance of the i factor and the importance of paragraph j. 1 9 o,f integers or penultimate, that is, yes

$$a_{ji}=1/a_{ij},$$

Set up a total of K experts to participate in the index weight coefficient determination. Suppose that the relative importance of the i index relative to the j is B<sub>xij</sub> (x = 1, 2, 3, ...).k), a K judgment matrix is given as follows.

$$AX = \begin{bmatrix} B_{11} & \dots & B_{1j} & \dots & B_{1n} \\ \dots & \dots & \dots & \dots & \dots \\ B_{i1} & \dots & B_{ij} & \dots & B_{in} \\ \dots & \dots & \dots & \dots & \dots \\ B_{n1} & \dots & B_{nj} & \dots & B_{nn} \end{bmatrix} \quad AX = (n = \text{number of indicators})$$

When the consistency of judgment matrix given by the experts is poor, that is, when the difference between the relative importance of the two indicators is larger, the expert consultation and judgment is required. When all B<sub>i</sub> and B<sub>j</sub>'s relative importance coefficients are given, the views of K experts will be summarized as follows: when all B<sub>i</sub> and B<sub>j</sub>'s relative importance coefficients are given at a given time:

When i < j, the arithmetic mean value of each expert's judgment is taken, i.e.:

$$B_{ij} = \frac{1}{k} \sum_{x=1}^k B_{ij}^x$$

When i > j, the harmonic mean of each expert's judgment is taken, i.e.:

$$B_{ij} = \frac{k}{\sum_{x=1}^k B_{ij}^x} = \frac{k}{\sum_{x=1}^k \frac{1}{B_{ji}^x}}$$

When  $i = j$ , take

Thus, the judgment matrix of  $K$  expert opinion is obtained.

hierarchy general sort and consistency check

The maximum eigenvalues of matrix  $A$  are calculated:

$$\lambda_{\max} = \frac{1}{n} \sum_{i=1}^n \frac{(AW)_i}{\omega_i}$$

The consistency of the test matrix to demonstrate that the weight of such calculation consistency index

$$CI = \frac{\lambda_{\max} - n}{n - 1}$$

To determine the order number of a matrix.

Calculate the relative consistency index:

$$CR = \frac{CI}{RI}$$

In formula,  $RI$  is an average random consistency index, which is the average of multiple consistency indices calculated according to random judgment matrix. The  $RI$  value of first order matrix is shown in table 5. 5.

Table 5.5 4RI value table

matrix									
order n									0
RI									
		.58	.90	.12	.24	.32	.41	.45	.49

When  $n \geq 3$ , the judgment matrix is always consistent.

The Consistency Ratio is a Randomized Consistency Ratio:

$$CR = CI / RI$$

When  $cr < 0.10$ , it is considered that the judgment matrix has acceptable consistency. When  $cr \geq 0.10$ , it is necessary to adjust and revise the judgement matrix, so that it satisfies the  $cr < 0.10$ , thus satisfying consistency.

(4) Determine the comprehensive evaluation weight of indicators

The corresponding single layer indicator weight is obtained, and its value is single layer indicator weight after consistency test. A single layer indicator weight can be synthesized by hierarchical synthesis, and the weight of the total target can be obtained at all levels. The following values are used as an example to illustrate the calculation of the weight of each layer:

$$B_6 = \begin{pmatrix} 1 & 1/5 & 2 & 1/6 \\ 5 & 1 & 3 & 1/2 \\ 1/2 & 1/3 & 1 & 1/4 \\ 6 & 2 & 4 & 1 \end{pmatrix}$$

formulaic

$$C_6 = \begin{pmatrix} 0.0800 & 0.0566 & 0.2000 & 0.0870 \\ 0.4000 & 0.2830 & 0.3000 & 0.2609 \\ 0.0400 & 0.0943 & 0.1000 & 0.1304 \\ 0.4800 & 0.5661 & 0.4000 & 0.5217 \end{pmatrix}$$

from above

$$r = (0.4236, 1.2439, 2.3647, 1.9678)^T$$

from above

$$W = (0.1059, 0.3110, 0.0911, 0.4920)^T$$

from above

$$BW = (0.4325, 1.3301, 0.3729, 2.5142)^T$$

FIND:

$$\lambda_{\max} = \sum_{i=1}^n \frac{(BW)_i}{nW_i} = 4.2399$$

Made

$$CI = (\lambda_{\max} - 4) / (4 - 1) = 0.0799$$

即  $CR = CI / RI = 0.0799 / 0.9 = 0.0887$

The CR = 0 can, be seen .0087<0.1. Meet Consistency requirements. W = (0 )1059,0.3110,0.0912,0.T is the weight vector of D6 D9D. Similarly, we can calculate the weight of all indicators, and then calculate the final comprehensive weight of the indicator layer according to the hierarchy in the indicator system table.

Table 5 .6 Comprehensive Weight Table of Customer Relationship Management Evaluation Index

total target layer	intermediate target layer		Index layer	index comprehensive weight
	internal Value Events1 0.6667	Financial indicator C10 .5422	Profit growth rate of D10 .1672	0.0604
			Capital Adequacy D20 .2917	0.1054
			Liquidity ratio D30 .3284	0.1187
			Non performing loan ratio D40 .0477	0.0172
			Non interest income ratio D50 .1650	0.0596
	Customer Knowledge C2 0.2330		Customer information perfect D60 .2680	0.0417
			Client knowledge management normative D70 .1946	0.0303
			Customer knowledge sharing D80 .5374	0.0330
	Customer Value Analysis C3 0.1397		The customer value analysis scientific D90 .3333	0.0310
			Validity of Client Value Analysis D100 .6667	0.0621

		financial innovation C4 0.0849	Product and service innovation quantity D110 .2000 Innovative service mode D120 .8000	0.0113 0.0453
affect the customer perceived value Activity B2 0.3333	Relationship Management C5 0.6667		Number of outlets D130 .0902	0.0200
			ATM market share D140 .0817	0.0182
			Electronic bank D150 .3574	0.0794
			Customer retention rate D160 .2968	0.0660
			Customer Complaints: D170 .1739	0.0386
value proposition C6 0.3333			Customer satisfaction D180 .1059	0.0118
			Employee quality: D190 .3110	0.0345
			Employee turnover rate D200 .0911	0.0101
			Employee training rate D210 .4920	0.0547

### 5.3A Bank Customer Relationship Management Performance Evaluation and Proposal

#### 5.3.1 Customer Relationship Management Evaluation Index Score Definition

In order to assess the customer relationship management system, the evaluation criteria for the above indicators must be determined. In this paper, the

quantitative index is used as an evaluation standard, and the score calculation method is as follows:

$$y_i = A + (100 - A)(X_i - \alpha) \div \alpha$$

$$y_i = A + (100 - A)(\alpha - X_i) \div \alpha$$

Among them,  $y_i$  is the final score of the index,  $A$  is the benchmark score,  $x_i$  is the target specific value,  $\alpha$  is the industry average. For positive indicators, the first method is calculated; the second method is calculated for reverse indicators. Six experts familiar with customer relationship management in commercial banks have been invited to score the qualitative index. The final calculation method of indicator values is as follows:

$$y_i = \sum_{j=1}^m x_{ij} / m$$

In which  $y_i$  is the final score of the indicator,  $x_{ij}$  is an expert  $j$ 's score for the indicator  $x_i$ . The value range of qualitative indicator is 0 ~ 100, and the service model is innovated as an example:

Table 5 .7 Innovative Criteria for Bank Service Mode

Description	grade definition	Score Range	Metric Description
Innovation degree of banking service model	Performance.	95100	Service innovation can give the customer a different experience; the provision of service often makes the customer feel the unexpected surprises; the service efficiency, can greatly improve the customer satisfaction degree.
	excellent	8095	Innovation can meet the changing needs of customers; can retain customers in a long way and ensure customer loyalty; innovation can attract new customers.
	Good	7080	Innovation can satisfy the customer's

			needs; service innovation can maintain customer satisfaction and loyalty; service has some minor flaws, but it can take measures to adjust and make up for it in time.
	Pass	6070	There is a certain gap between the service model and the customer's needs; the customer has the potential to change partners; the customer satisfaction is not high; the flaw in the service may not be fully remedied.
	need to improve	Less than 60	Service innovation is very different from customer demand; customer satisfaction is very low; the customer wants to change the partner immediately.

### 5.3.2 A Performance Evaluation of Customer Relationship Management in Bank A

Using the formula above formula, calculate the specific target score of A bank, then multiply the weight of ICBC's specific target weight, then calculate the evaluation score of customer relationship management of commercial bank. A Bank Client Relationship Management Performance Evaluation Score is shown in the following table:

Table 5 .8 Bank Customer Relationship Management Evaluation Score Calculation Table

total target layer	intermediate target layer	Index layer	index comprehensive weight	index score	weight score

					alue	
internal Value Events B1 0.6667	Financial indicator C10 .5422	Profit growth	0.0604			4.4092
		rate of D10 .1672			3	
		Capital	0.1054			8.5374
		Adequacy			1	
		D20 .2917				
		Liquidity ratio	0.1187			8.5464
	D30 .3284			2		
	Non	0.0172			1.3760	
	performing loan			0		
	ratio D40 .0477					
Non interest	0.0596			4.7084		
income ratio			9			
D50 .1650						
Customer	Customer	0.0417		3.5445		
Knowledg	information		5			
e C2	perfect					
0.2330	D60 .2680					
Client	knowledge	0.0303		2.6361		
knowledge	management		7			
management	normative					
D70 .1946						
Customer	Customer	0.0330		7.1060		
knowledge	knowledge		5			
sharing	sharing					
D80 .5374	D80 .5374					
Customer	The	0.0310		2.6660		
Value	customer value		6			



		Analysis C3 0.1397	analysis scientific D90 .3333			
			Validity of Client Value Analysis D100 .6667	0.0621	1	5.0301
		financial innovation C4 0.0849	Product and service innovation quantity D110 .2000	0.0113	0	1.0170
			Innovat ive service mode D120 .8000	0.0453	6	3.8958
	affect the customer perceived value Activity B2 0.3333	Relationsh ip Manageme nt C5 0.6667	Number of outlets D130 .0902	0.0200	5	.9000
			ATM market share D140 .0817	0.0182	5	1.7290
			Electronic bank D150 .3574	0.0794	8	6.9872
			Customer retention rate D160 .2968	0.0660	4	5.5440
			Customer Complaints: D170 .1739	0.0386	0	3.0880
		value	Customer	0.0118		1.0266

		proposition C6 0.3333	satisfaction D180 .1059		7	
			Employee quality: D190 .3110	0.0345	3	2.8635
			Employee turnover rate D200 .0911	0.0101	0 90%	0.9090
			Employee training rate D210 .4920	0.0547	0	4.9230
Final Score						82.4432

#### 5.4 A Proposal for Optimization of Customer Relationship Management in Bank A

By Table 5 .It can be learned that the customer relationship management evaluation of A Bank is finally divided into 82 .4432. Overall, it's quite good. The author thinks that the Bank's need to make the following actions:

##### 5.4.1 Promoting the construction of the Bank's culture and changing the concept of service

Create advanced enterprise culture, combine high level guidance and strong support, carry out the management idea forward, as A bank's top management and leadership to lead by example, actively participate in various decision making activities, plunge into practice, make the bank customer relationship management get a comprehensive affirmation and support Hold and carry out some financial support to sensitize employees' enthusiasm for their work, enhance their participation and change the patterns and concepts of past traditions. Strengthen the internal risk management of the bank, establish the correct competition consciousness in the industry, in a word, in the fierce market competition, A bank line wants to keep the

front of development, it will need to launch the collaboration force of all staff, not only to carry out the banking culture promotion, innovation service consciousness and the way Learn from the inside, training activities, continue to learn the development ideas and skills of some famous foreign banks in order to enhance their basic strength.

#### **5.4.2 Promoting bank innovation and enhancing customer relationship management ability**

A Bank should not only make a change in management concepts and methods, but should also strengthen the synchronous innovation of business, develop new talent team for the needs of the present development. Because the bank belongs to the service industry, then this decides the A bank must carry out business development, actively based on the market demand to develop new products, meet the customer's needs, maintain the customer resources, occupy market share, in addition, its own management is also very important, while also innovation Management concepts and methods, update various systems, can better achieve business innovation.

(1) Attach importance to management and innovation management system, so as to optimize the internal structure of Bank A. In respect of management mode reform and institutional improvement, banks should consider internal staff rewards and punishments, and make reasonable settings for employee's performance management. Continually optimize the organization structure, integrate the resources, change the traditional mode of internal resource allocation, and fully integrate the customer centered organization management, fully integrate the strengths of each department, and realize the bank's efficient operation and development.

(2) Strengthening innovation and expansion of business. Adjust the business process according to the development situation, rationalize it so as to reduce resource consumption and avoid waste of resources, so that the Bank's business can be effectively promoted. In addition, strengthen the internal management of the bank, pay attention to the promotion of efficiency, mainly focus on the customer's center to improve the quality of service, the process of innovation business should be fully integrated with the company's development strategy, so that the Bank into the

modernization management scope, actively integrated into the adjustment.

(3) Increase customer relationship management innovative talent cultivation, build a team of comprehensive quality strong team talent. Only by strengthening the cultivation of talents can we meet the needs of the rapid development of the present, and promote the long term sustainable development of the bank. Therefore, in response to this, A Bank must establish a comprehensive talent cultivation system and talent recruitment mechanism. In the process of cultivating talents, it is necessary to keep abreast of the needs of modern development, meet the development needs of the enterprise and enhance the personal capability of employees, and pay attention to the development of network technology talents, preferably It can realize the automatic processing of customer relationship management, provide effective information for internal management of bank, facilitate bank carry out various business activities; strengthen employee training, carry out targeted business training, one on one instruction, and carry out actual inspection to improve customer relationship management Ability. Select a suitable trainer, introduce foreign advanced training management mode, and combine its own development characteristics to formulate specific training system.

#### **5.4.3 Set up the value of "customer centered"**

In the development of the bank, while products and services are important, but Bank A and customer relationship maintenance are not limited to these two aspects, in general, the relationship is always contain certain emotional factors, so by enhancing the customer's identity of the bank's value concept, it will be very large Banks excavate a number of potential client resources, but some customers will be more stable, closely develop the relationship between the customer and the bank, increase the trust of the customer, make it more dependent on themselves, and further develop this to the largest, the bank fully developed to the customer To focus on the values of the Center, to "let the customer 100 percent, satisfied" (Zhang, 2015). In the process of product development and innovation, it is necessary to take into account the real needs of the customers in order to meet the needs of customers to develop new products, and provide corresponding service measures to strengthen the

recognition of the clients so that they can form close and friendly cooperative relations with the bank and realize the best interests of both parties. Bank department personnel must be familiar with the management system, concept and specification of the banking sector. In addition, it is necessary to strengthen the management, promotion and cooperation of sub branches, strengthen the use of the resources of each sub branch, intensify the spread of culture, let each employee of A bank consciously abide by the code of conduct, form a professional habit, and fully demonstrate good corporate image.

#### **5.4.4 Advance customer relationship management value chain integration**

As a result of the development of commercial banks and the creation of major source customers, it is necessary for A Bank to reflect the objective of meeting the customer's needs. So, feasible and known, customer demand is the key to the development of A bank, actively follow up customer dynamic information, correctly grasp the customer's needs, timely adjust and improve the business, service mode around the customer's needs and change, for the customer to provide a better than they expected Financial products. Here, there is a premise that Bank A must insist on the integration of internal value chain and customer value chain, so that there is an opportunity to improve customer relationship, strengthen management and improve management performance.

Now, new competitors from adjacent industries and financial technology startups are flooding the market with innovative, technology-driven deviations from the traditional banking model. And to add insult to injury, customers' attitudes have fundamentally changed. They are making decisions much faster and have access to a plethora of offers, leaving financial institutions struggling for customer loyalty.

The challenges in this fast-moving, demanding digital world are tough. The issue is not finding new digital solutions; the issue is the industry's long-standing history of not keeping in shape. The best running shoes will not make up for poor fitness, and banks are just warming up for the road ahead.

The findings of an extensive review of the literature provide the foundations for a general CRM paradigm, which is applied to a case study of a large European

bank's specification, development and implementation of CRM over a five-year period. Data for the case study were collected in 1-2 h long depth interviews with executives of the bank and a consultancy firm collaborating in the design of the programme, and were analysed by a formal coding procedure.

A shortage of practically grounded templates for the design and implementation of CRM programmes has left marketing managers struggling to apply the widely advocated principle to their own situations. By adding empirical evidence to prescriptions for best practice, this paper begins the process of bridging that gap between theory and practice.

The unique case study reported here will therefore be of definite interest and potential value to managers responsible for developing market intelligence into formal plans for a CRM strategy, beyond the specific context of financial services.

While the conceptual appeal of CRM is evident, implementation can be quite complex. Industry trade publications are replete with anecdotal evidence of success as well as monumental failures. Software vendors have been promoting the potential benefits while academics and consultants have raised an array of valid concerns. While CRM issues have been studied in many industries, the state of implementation in banking has not received much attention in the academic literature. To help bridge this gap and advance the state of academic knowledge on CRM in banking, a call for special issue of the JFSM was made. The best and most diverse papers submitted are published in this issue. The six papers published here cover a wide range of important CRM topics. They include strategic as well as implementation issues, empirical and theoretical approaches, and employ different qualitative and quantitative methods in their investigations. The contributors to this special edition reflect the global interest in CRM in banking and the international scope of the JFSM. Authors of the accepted papers come from Australia, Canada, France, New Zealand, Taiwan, UK and USA.

## CHAPTER 6

### CONCLUSION

The following conclusions are drawn from the study of this subject:

(1) The basic characteristics of the integrated value chain of Bank Client Relationship Management are embodied in the aspects of interactivity, value added and innovation.

(2) The present situation of customer relationship management in Bank A is based on the establishment of A bank data warehouse system, the improvement of customer relationship management ability, diversification of products and services, large distribution channels and so on.

(3) There are deficiencies in understanding the deficiencies of customer relationship management in Bank A, and the customer relationship management team is not professional, and there is no real consideration of customer experience, and there is no service system based on value chain integration.

(4) It can strengthen the customer relationship management in Bank A from promoting the construction of bank culture, changing service concept, promoting bank innovation, promoting customer relationship management ability, setting up the value of customer centered value, promoting customer relationship management value chain integration, etc.

The industry has been in a comfortable position for decades with low customer turnover, almost no regional competition, good personal relationships and trust as selling points, and not much intervention from regulators. Staying ahead of the curve was easy, and there was no pressure to change.

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