

# Chartered Banker

Leading financial professionalism

## CUSTOMER RELATIONSHIP MANAGEMENT

### Assignment

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Charitable Body: The Chartered Institute of Bankers in Scotland (CIOBS) – Reg No.: SC013927



## Important Assignment Information

### ASSIGNMENT LENGTH

For assignments submitted on or after **1st September 2008**, there is a **maximum** word count of **2,500 words**.

From that date, if you fail to adhere to the maximum word count, a deduction will be made to your final assignment mark. Specifically, if you exceed the 2,500 limit, you will be deducted **1%** for every **100 words** or **part** of **100 words** over the limit.

For example, if you write a total of **2,614** words, a **2%** deduction will be made to your mark. For clarification, the word count includes all references and attached appendices.

### PASS COMPENSATION AWARD

In recognition of the importance attached to the assignments, an award of **Pass Compensation** will be made to you if you score between 45% and 54% in the final exam and if you complete the required assignment(s) under the following conditions:

1. The assignment mark must be 60% or above – where two assignments are required, then the average mark must be 60% or above **and**
2. Assignments must be in the hands of the Tutor **at least** one month prior to the **chosen examination date for each subject**.

For example, if you enrol to sit a **full** credit subject examination on **15<sup>th</sup> December**, you must have sent **both** assignments to your tutor by **15<sup>th</sup> November**.

Similarly, if you enrol to sit a **half** credit subject examination on **2<sup>nd</sup> March**, you must have sent the **sole** assignment to the tutor by **2<sup>nd</sup> February**.

Please also note the following:

- (a) Where an assignment is marked at less than 60%, this may show up as **'Fail'** in the web-based student record – this is purely with reference to the Pass Compensation award and does not necessarily mean it is a sub-standard submission
- (b) You are **not** permitted to **re-submit** an assignment in order to gain a higher mark
- (c) In the event that you fail an exam and have not completed the required assignment(s), you can subsequently complete the required assignment(s) – these will then count towards any re-sit examination undertaken. Submission dates for these assignments must comply with the relevant timescales as stated in **2** above.

## Question 1

‘The customer is king’

Discuss whether you agree or disagree with this statement, giving reasons for your answer.

**(20 marks)**

## Question 2

Evaluate the ways in which market research information can be used for control purposes within your organisation.

**(20 marks)**

## Question 3 - Case Study

Your bank is about to launch a new integrated current account product that is aimed at providing many customer services within a single account, including regular current account services, loan and mortgage facilities and a high interest savings facility. Mortgage customers will only pay interest on the net balance owing on the account, which offers a significant saving to them over the life of the mortgage.

The product is being marketed as a flexible lifestyle product, which a customer can use in different ways as their needs change over the family life cycle.

(a) Consider how the CRM approach used for the new product may differ from that used for customers with a regular current account.

**(15 marks)**

(b) What CRM approach would you recommend for:

- Newly married couples opening a joint account for the first time?
- Married couples with teenage children and a mortgage?
- Couples whose children have left home and have paid off their mortgage?

**(15 marks)**

(c) How might a review of customer transaction records over the first year of usage of the new product be used to refine the CRM approach used for this new product?

**(10 marks)**

(d) Following the launch, explain how you would handle a written complaint from a longstanding customer who has not been offered this new account. He is the managing director of a company that is one of your bank's biggest and most lucrative local business accounts and on a personal level, is very well connected in the community. He is extremely angry that not only did he learn of this new account from a fellow director but he continues to be disadvantaged by not enjoying the benefits of the net balance. He considers that on reflection he must have paid 'thousands' of pounds in 'excess' interest during the life of his mortgage given that his current account always operates with a sizeable credit balance. Your explanation should include:-

- How you would approach the situation and a draft of your detailed response, taking cognisance of your bank's complaints procedure?
- How you would proceed if the customer responds that your proposals are unacceptable and he feels disadvantaged to the degree that if the situation persists, he may consider proposing the transfer of the business connection to a competitor?

**(20 marks)**

**(CASE STUDY TOTAL MARKS – 60)**

**TOTAL ASSIGNMENT MARKS – 100**