

Local and Global CRM in Practice by HSBC Bank PLC in The Era of E-Commerce

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Abstract: As more and more business is conducted on-line through e-commerce channels, so the need to better manage these remote relationships with customers becomes paramount. The new paradigm in enterprise management which appears to enable this is Customer Relationship Management (CRM) and its sister application in e-commerce applications, e-CRM. The overall aim of the paper is to examine whether a new HSBC Group CRM proposition will bring benefits over the existing HSBC local entities CRM implementation. The results found in the initial investigation of CRM are used to compare and contrast the existing CRM capabilities in use within HSBC Bank PLC in the UK, highlighting any perceived issue with the current organisational CRM strategy. The new HSBC Group CRM proposition is introduced and again, the benefits of this are measured against the results from the HSBC Bank investigation. Finally, a conclusion is drawn that the HSBC Group CRM proposition should be implemented and recommendation are made for migration from the existing proposition to the new.

Key words: Customer relationship management, Local, Global, E-commerce and HSBC group

Introduction

HSBC Bank in the UK was created from the acquisition by the Hong Kong and Shanghai Banking Corporation of Midland Bank PLC. Midland Bank was originally founded in 1839 and at the time of the acquisition in 1992 had a substantial share of the UK Banking market, where HSBC was under-represented. To ensure continuity in the 'local' market of the UK, the Midland name and branding continued to be used in the early years of the HSBC takeover, with a subtle addition of 'subsidiary of HSBC Holdings PLC appearing on stationery and advertising material. Throughout the 1990s, HSBC continued to undertake many acquisition and mergers, which fragmented the HSBC brand even further and so in 1999 the Group decided to re-brand all of its subsidiaries around the world with a new brand name – HSBC. The letters were no longer to be an abbreviation for the parent founding company, but were to become a brand in their own right along with a new associated logo-the HSBC hexagon. Midland Bank traded in its Griffin logo for the HSBC Hexagon and its 'The Listening Bank' strap line for the HSBC Group's "HSBC – Your World of Financial Services" and became HSBC Bank PLC.

CRM has always been at the heart of HSBC Bank's business. Over the years, there have been many different approaches to CRM – a good example is the 'old style banking' of the 1950s 60s and 70s where each customer had a designated bank manager who they dealt with for all of their financial needs. This manager would have a detailed knowledge of the customer and their personal circumstances in addition to their financial position, based upon one-to-one meeting with the customer. This delivered a high level of personalised service and also many aspects of one-to-one marketing, although that specific term wouldn't be adopted until much later. Since then, business thinking has evolved from the perceptibly costly provision of personal one-to-one relationships through cheaper mass volume, potentially impersonal contact centres and a range of disparate contact channels back towards individual customer driven services, regardless of the methods of contact.

In 1999 to coincide with the re-branding, HSBC Bank introduced a new strategy, designed to completely re-focus the bank around the customer. This policy was introduced by the Bank's CEO and was implemented as an enterprise wide initiative to re-engineer every single process and policy to be customer-centric and aim to provide added value to the customer in all tasks. This strategy was known as 'Clearwater'. The strategy had one main goal – to 'manage for value'. This premise was to be applied internally and externally, by every member of staff, to every task they undertook – if it didn't directly add value for the customer, the company or the shareholder, then they shouldn't be doing it. Whilst this has an obvious potential benefit of cutting costs, the real aim was to reduce the amount of non-customer-contact time staff were spending throughout the bank, enabling a re-focus on customer contact activities. This was seen as critical to the success of relationship management in the bank, as the bank's customer base was becoming more heterogeneous and difficult to manage. The difficulties in managing customer relationships across heterogeneous markets are considered in a study by Eriksson and Mattsson. This concludes that 'as staff work more and more with customer interaction rather than internal handling of customer orders, their behaviour will be increasingly more important' when considering how managers should re-organise their businesses to develop

customer relationships. (Eriksson and Mattsson 2002). As this change of focus might suggest the Clear water policy contained a substantial CRM initiative.

Clearwater and CRM: Prior to the introduction of the Clearwater strategy, CRM had mainly been focused around the branch network and was primarily customer initiated. Wherever customer contact occurred, where practical, staff were targeted to ask customers to review their details to ensure that they were up to date. During these contacts, staff were also tasked with trying to cross-sell products or services based upon the current marketing campaign being run in the branch. There was no customer-specific targeting of the marketing campaigns and the branch would have been running with three or four different campaigns at once. The decision of which product or service to offer (if any) to the customer was purely dependent upon the experience and knowledge of the member of staff. Also having no consistent means to record contacts, there was the potential to ask the customer to update their details during every single contact they had with the bank and also try to re-sell the same products or services. This led to a definite reluctance in the workforce to approach customers, thus leading to declining sales and increasingly out of date data. This situation was about to deteriorate further, with the introduction of new e-commerce contact channels for the customer—TV Banking, PC Banking, Internet Banking and SMS Alerting. All these channels are automated and so give the opportunity for the customer's relationship with the bank to become totally one-sided as the customer becomes completely self-sufficient. A review of the UK bank found that the basic components required for CRM were in place, but they weren't necessarily being utilised in the most productive way. This was addressed with Clearwater, which introduced many enhancements to the CRM process that resulted in the following CRM capabilities within HSBC.

Create A Database: The customer database was enhanced to remove (and stop the future creation of) duplicate customer records and also to allow the creation of a full contact history for each customer via automated means for 'remote' channels and manual input for customer-facing staff. Access to the data was made available at all contact points throughout the bank, including the 'remote' channels. This provided the ability to obtain a single view of the customer with a comprehensive history of their relationship with the bank. All contact channels were also enhanced to record contacts on the database whenever any contact occurred with a customer, regardless of its origin (bank or customer). Additional "prospect" functionality was introduced to record contacts with visitors to the bank, again regardless of the channel used.

Perform Analysis On This Data: A new analysis process was developed to allow the business to enquire on the database to provide customer information from many different, configurable, perspectives. These included obtaining the most/least profitable customers, customers with the most/least contact, the number and types of products held per customer, customers who hadn't had any contact with the bank for more than a specified time etc. It also allowed customers returned within each query to be grouped into segments, for further analysis. Because of the prospect recording, this analysis could also focus on non-customers who were using the bank's resources.

Selected Customer To 'Develop Relationship' With: Using the new analytical process, the marketing department now had the ability to select anything from one individual customer up to the whole customer base to be targeted for individual campaigns. Because of the new contact data available, some of these campaigns became 'relationship enhancing' campaigns, where customers who had little or no contact with the bank would be contacted with the aim of improving the relationship with the bank rather than to sell a product or service.

Target Customers Using The Most Appropriate Methods: Using the new database and analysis techniques, a CRM contact component was developed where campaigns would be created by Marketing department and held against the chosen customer's profile on the database. Whenever the customer contacted the bank (by whatever means) they could be 'offered' one of their 'solutions' to browse – again this included soft service options as well as products/sales.

Manage The Relationship on The Appropriate Level: Using The solutions, service message could be presented to customers in addition to the standard marketing promotions. These service messages ranged from advising customers that they could benefit if they utilised specific function on their existing products or services through to individual 'special offers' to encourage account retention. The aim was to present these solution in such in way that the customer felt that the message was specific and relevant to them.

Consider Privacy and Data Protection Issues: The bank has a Privacy and Data Protection office who ensure that every development complies with the eight data protection principles documented implemented by the Data Protection

Act (1998) (hms0.gov.uk, 1998).

Personal data shall be processed fairly and lawfully.

Personal data shall be obtained only for one or more specified and lawful purposes, and shall not be further processed in any manner incompatible with that purpose or those purposes.

Personal data shall be adequate, relevant and not excessive in relation to the purpose or purposes for which they are processed.

Personal data processed for any purpose or purposes shall not be kept for longer than is necessary for that purpose or those purposes.

Personal data shall be processed in accordance with the rights of data subjects under this Act.

Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data.

Personal data shall not be transferred to a country or territory outside the European Economic Area unless that country or territory ensures an adequate level of protection for the rights and freedom of data subjects in relation to the processing of personal data.

These principles are clearly documented in terms and conditions presented to customers when initially creating or subsequently changing their relationship with the bank and must be explicitly agreed to. Regular reviews of data processing and development use of data are conducted by the bank's audit office. The new database analysis and CRM techniques used complied fully with the principles outlined above.

Means of Measuring Success: The new CRM solution provided the ability to record feedback with customer opinions on the solutions offered which was then feedback to the database to influence future analysis, providing full 'closed loop' marketing. This was the first time that the bank had been able to gauge customer reactions to different campaigns and alternative methods of wordings/ presentations etc. Feedback from customers has indicated that this is very positive – especially on the service solutions and the conversion rate to sales (and therefore increased profitability) on the marketing solutions has increased by over 10% (HSBC Intranet, 2003).

Clearwater and e-CRM: Clearwater and new CRM capabilities enabled the successful development of CRM within the bank's e-commerce channels (or e-CRM) – TV, PC and Internet Banking. Prior to the introduction of Clearwater, the level of confidence in the bank's database integrity and associated marketing techniques was low. It was therefore considered a high risk to utilise the data and analysis to present specific marketing opportunities to customers on remote channels, where there was no opportunity for a member of staff to interview if an error had been made. With the new CRM functions also came a new confidence which enabled limited personalisation of the e-commerce experience across the TV, PC and Internet Banking channels. The bank now invited the customer to view (and update) their own details on line, browse any 'solutions' available to them (again, these could be both marketing and service related) and provide either general feedback about the bank or specifically about the services and solutions offered on-line. This provided three specific benefits. Introduction of one-to-one personalised marketing/ servicing – it was now possible to present messages or content to a specific customer for them to view at their convenience and obtain feedback on those messages.

Allowing customers to update their own personal details on-line, the customer's details are more likely to be up to date, as they are encouraged to view and update them regularly. An additional benefit here is the reduction in cost to the bank of maintaining the customer's details due the customer performing these processes in place of bank staff e.g. changing their own address, amending their employment details, updating contact information.

Providing an easy method to provide feedback – feedback was now available from customers on specific campaigns, which provided an insight into how intrusive campaigns were considered, how minor changes to wording affected the success of campaigns and the inter-relationships between service and sales campaigns. This was also the first time that customers were given a quick and easy method to provide general feedback on their opinion of the bank, which was seen as a valuable new service.

Specific benefits of the Internet for relationship management purposes are discussed by Bauer, (Grether and Leach (2002)). They conclude that an increase in customer satisfaction with Internet services will lead to increased trust and commitment to an organisation, thus enhancing the relationship. To arrive at this conclusion they considered satisfaction, trust and commitment levels based upon provision of the following Internet capabilities (with their finding).

Constant Availability (of information): High availability does not affect satisfaction but does increase trust and commitment.

Efficient Transfer Of Information: Easy access to information does not affect satisfaction or trust, but does increase commitment.

Interactivity : Providing the ability to interact with the company increases satisfaction and trust (although by a limited amount) but does have a positive impact on commitment. However, the ability to interact and also make a purchase decreases satisfaction but increases trust. Commitment remains the same in this case.

Individuality: Providing customised services has no impact on customer satisfaction but slightly increases trust and commitment. Overall, they conclude that enterprise should focus on increasing satisfaction, which will lead to increases in trust and commitment (Bauer, Grether and Leach, 2002) and their results concluded that the best way to do this is to increase the interactivity between the enterprise and the customer. This could be seen as developing the relationship using on line methods.

HSBC's "Local" e-CRM Issues/ Problems: This issues described by Rigby, Reichheld and Scheffer 2002 are shown below, with a measure of the 'local' experience of HSBC Bank PLC against each point

Implementing CRM Before Creating a Customer Strategy: It is true that originally CRM was implemented prior to creating a full customer strategy involving CRM, but this was merely a natural evolution of the service provided to customers by the bank and was not thought of as a true CRM Implementation". Prior to enhancing their CRM capabilities and embarking upon development of e-CRM application, Clearwater was introduced to ensure a full customer (and staff) strategy was in place.

Rolling Out CRM Before Changing the Organisation to Match: The organisation required little structural change to support CRM. Initial reorganisations were required in the business, IT and marketing teams in the bank in order to support the e-CRM initiatives, but mostly it was about making the whole organisation work smarter, not harder and become completely customer- focused.

Assuming that More CRM Technology is Better: HSBC Bank have developed their own CRM technology alongside their re-engineering of processes and procedures as part of Clearwater – at all times, the business was very conscious of the need not to let IT drive its strategy or thinking. The technology has been changed as little as possible and whilst this does mean that business controls IT, it has also placed some restrictions on the CRM functionality available.

Stalking, not Wooing Customers: Having been in the CRM business for centuries, HSBC have a wealth of experience at dealing with customers and are very aware of the delicate nature of relationship management. All contact campaigns are carefully controlled by the business – whilst marketing may be dictating the campaigns and offers which are available, the business is in the complete control over which customers will be contracted and how often this will be allowed. Considering the above experiences to date, it appears that 'local' CRM works well for HSBC in the UK – so what are the issues that have contributed to the need for the Group to introduce a new 'group' CRM strategy?

Simplicity: HSBC Bank plc developed its e-commerce initiatives relatively quickly as a direct response to UK competitors who had already introduced these services. This is immediately apparent in their Internet Banking application. Due to the short time scales for delivery, the proposition was primarily centred on providing an additional 'channel' to allow access to the existing information and services provided by the bank. As the use of the Internet by the bank's customer base was still relatively low at the time (1999), it was very difficult to gauge the amount of interest customers would show in the Internet or to second guess their preferences and requirements. Therefore the UK business team defined their requirements mainly as a result of assessing competitor offerings instead of investigating the full potential that e-commerce could provide. To speed up the delivery of the project and to keep development costs low, the application was developed using the proprietary hardware and software already owned by the UK bank and existing IT skills and knowledge. The resultant Internet Banking application delivered to customers was very simple, providing a subset of the functionality available through the bank's branches, ATMs or telephone channels, with no real additional Internet specific functionality, other than the enhanced CRM functions. Whilst it would be possible to develop the e-commerce capabilities further, the cost of doing so would be prohibitive to the Group as a whole.

Duplication: In parallel to the UK developments, other entities throughout the HSBC Group were also developing and delivering Internet 'front ends' to their existing legacy banking systems following similar patterns. All of these development were being progressed in isolation and provided a completely tailored experience for each country's customers, but in the end the applications, functionality was primarily the same – providing a new channel for an old banking system. Because of the isolated environments in which the development happened and the proprietary nature of each entity's development technologies, none of these applications were re-useable by any of the other entities within the Group.

Global Customer: A growing percentage of the customer base throughout the Group have relationships with more than one entity in the Group. Wherever this happens, the customer receives differentiated service from each entity – where one may have Internet Banking the other may only provide telephone support. They will have different security requirements when the customer contacts the bank. The customer cannot use e-commerce applications to see the whole of their relationship with the bank – they have to check each entity individually. Not a good representation of a bank whose strap line is 'the worlds local bank' These were the main drivers that prompted the Group to review its e-commerce capabilities and begin the definition of the new Group CRM strategy.

The HSBC Group and E-commerce: The HSBC Group has evolved over nearly two centuries, originating in the Hong Kong and Shanghai Banking Corporation and growing via mergers and acquisitions into one of the world's biggest financial organisations. These mergers and acquisitions included the takeover of many major banks in various countries (e.g. Midland Bank in the UK, Marine Midland in the USA, CCF in France etc). Each individual bank that has become part of the Group originally had their own business strategies, development plans and IT development resources and their own legacy systems. During the growth of the Group rather than trying to impose a central global business proposition and IT platform across the whole Group, HSBC introduced a core set of business and IT standards and principles for each entity to follow. These principles provided enough flexibility to allow each entity to deliver localised solutions to the customer in the most appropriate way as agreed by each entity's business team. This ensured that the Group could gain the maximum leverage from existing business processes, IT systems and development resource allocation whilst still moving the entity towards an overall HSBC Group strategy. This strategy covered all aspects of the bank's business, including e-commerce, although there were no specific references or guidelines for e-commerce application, e-CRM or specific delivery channels.

An assessment of the Group's e-commerce capabilities shows that most of the major entities now have a stable e-commerce presence – mainly in the form of their own Internet sites with brochure ware-type content, although a high proportion of entities also have Internet applications (Internet Banking, Share dealing, Quotations etc.) Each entity is completely responsible for their own e-commerce development and has distinct, large organisational and technical infrastructures to support them. Further analysis on the types of e-commerce application provided and the functionality delivered indicates that up to 90% of this functionality is common across all entities. However, because of the proprietary nature of each entity's development and technical architectures, there is little scope to re-use any of the developed applications in other parts of the HSBC Group. When it is taken into account the HSBC is represented in 80 countries and territories around the world, it can be seen that scale of this duplication of effort is substantial. When we add to this the fact that most entities have only delivered very basic e-commerce functionality which does not make full use of today's e-commerce capabilities, it becomes clear that there needs to be a better way of organising, developing and conducting e-commerce across the whole Group. To resolve this issue, the Group plans to introduce a new strategy for e-commerce that will develop a core e-commerce platform to be used by all entities through the Group. This strategy and platform is known as 'hsbc.com'.

HSBC COM – More Than a Web Site?: Hsbc.com' is a collective term which covers the creation of a strategic delivery mechanism for the Group's e-commerce applications. Its aim is to deliver high quality, re-useable e-commerce solutions across the whole Group utilising cutting edge technology to provide functionality to rival and better other early adopter e-commerce applications. To achieve this, a new way of assessing and prioritising requirements across the different entities is required, as is the means to develop and deliver solutions to these requirements quickly. The IT platform on which these applications are delivered must also be technologically advanced, easily maintainable and have the ability to integrate with the major Group entities existing IT systems and platforms to leverage the banks existing investments. Customer support on the delivered applications must be second to more and all Group entities must support the hsbc.com proposition.

Support for the hsbc.com project has been given at the highest level in the Group and it is seen as the tool which will implement the best components of the UK's successful Clearwater strategy across the whole Group. The Group Chief Executive summarised the benefits of hsbc.com in an internal communication sent to all employees across the

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Group. Through www.hsbc.com we have an unparalleled opportunity to communicate the Group's values news and services to a broad range of stakeholders, including customers, shareholders, the media and other opinion formers the design of the site also reflects the global brand positioning of the Group" (HSBC Internet, 2002). It should be noted that the HSBC Group does not see the Internet and e-commerce as something new that will bring about a revolution in its core business, but more as an extension of its existing functions and capabilities which can be delivered via a new medium. Porter discusses this in a paper considering the Internet and how popular myths introduced with the advent of e-commerce have slowly been vanquished: "In our quest to see how the Internet is different, we have failed to see how the Internet is the same. While a new means of conducting business has become available, the fundamentals of competition remain unchanged" (Porter, 2001).

HSBC COM- The Implementation: The nature of the hsbc.com strategy has resulted in the following components being proposed for implementation.

Global Business Team: A new virtual business team for hsbc.com comprising representative from each major entity. This team will have responsibility for prioritising e-commerce business requirements across the whole of the Group. They also have the ability to author and release e-commerce content without IT intervention.

Global IT Development Team: A new virtual IT team comprising a development resource 'pool' of resources with a range of skills and abilities, drawn from all entities across the Group. The management of this team will split into two distinct functions- career and resource management. The career management function will provide Human Resource-related functions- objective setting, regular reviews, appraisals, pay reviews and other HR functions – whilst the resource management function will provide resource allocations day to day task management and work measurement across virtual project teams. This structure is being created to ensure greater use is made of scarce IT resource and also to ensure that developments for the whole Group are supported according to global rather than local priorities. The primary aim is to deliver the higher value project in shorter time scales.

IT Architecture: A new physical IT architecture will be developed, allowing the business to have real-time control of e-commerce content and, wherever possible, any decisioning processes used within e-commerce applications. This architecture will need to provide a Group-wide database for visitor/contact information, security processes to control logon, identification and verification of users of the applications and additional functionality as required by the global business team. It will also need to have an open architecture to allow integration with each entity's legacy systems to transfer data between the two.

Global Functionality: Wherever e-commerce functionality is requested, the global business team will need to assess this to decide if it is a global or local requirement. Ideally, functions should be developed once for the whole Group, then tailored (if appropriate) to cater for any specific local needs but the underlying functionality should remain the same. Again this will provide great productivity benefits across the Group and will also provide a core set of standards for e-commerce applications, which will be adhered to consistently around the group.

Presentation Layer: The hsbc.com platform has its own standards, structures and content rules which will govern all e-commerce applications. This should ensure that the customer interface becomes standardised and enhances the brand recognition across the world- wherever customers access HSBC and whatever e-commerce application they are using, the 'look and feel' of the service should remain consistent with the existing brand definition. Bradley (1991) defines brand as being "a product or service that provide additional benefits and added values that some consumers value sufficiently to buy" The HSBC brand in the non e-commerce world was already very well established, having developed over two centuries. The Group has placed great focus on the development of this recently on a worldwide basis, culminating in the decision to introduce the new 'the world's local bank' strapline to emphasise the Group's unique position and reach.

Simon 2001 considers existing brand theory and the 4Ps theory of Price, Product, Placement and Promotion, looking at the impact of e-commerce on each of these areas. When considering the values which comprise brand differentials he concludes that 'it is only the two way relationship between brand owners and brand users over which brand owners have a substantial influence'. When considering its e-commerce applications, HSBC wanted to build on this thinking by making full use of its existing branding and utilising the technological advances available within e-commerce applications, develop and enhance the relationship elements of customer interactivity. Hence the decision to extend the existing brand into e-commerce function (such as the introduction of First Direct for the UK's original telephone banking proposition).

Global Support Structure: As e-commerce applications are expected to provide 24 x 7 x 365 service so there is a need to provide support to these applications on the same basis. Full automated on line support will be provided at all points within hsb.com functions and content but manual support will also be required (e.g. text chat with agents, call backs from a call centre or email response support). To provide this, a new global support service will be created, consisting of a virtual team across the main entities existing call centres, enabling full 24 x 7 x 365 support to be provided from the various locations in the Group (also known as 'chasing the sun' processing).

For Better Or Worse? – The Global Strategy Analysed: Considering Rigby, Reichheld and Scheffer's CRM four sets of implementation issues and HSBC Bank's experience of them the new Group proposal will now be analysed.

Implementing CRM Before Creating a Customer Strategy: a new customer strategy has been created by the hsb.com project which takes the main points from each entity's existing strategies and adds new considerations for the whole Group, thus expanding the scope of the relationship possibilities with customers.

Rolling Out CRM Before Changing the Organisation to Match: Fundamental changes to the structural organisation are proposed to support hsb.com in both the business and IT. These are crucial to ensuring the success of the new model.

Assuming that More CRM Technology is Better: having had many years of IT development experience across the Group there is a clear understanding that this is not the case. Whilst a completely new IT architecture has been proposed this is purely to ensure that full advantage can be taken of new e-commerce technology and applications and is to be used position the Group to be able to rapidly respond to any technological or competitor developments.

Stalking not Wooing Customers: Utilising the local experiences across HSBC, the Group are determined that its new CRM capabilities will still be used sensitively to positively enhance the customer experience when dealing with the Group and its entities. Any CRM functionality proposed will still be controlled via each entity, ensuring that customer contact campaigns are still maintained at the same level as those prior to migration. The primary difference will be that the methods used to enhance the customer experience will change.

Similarly, looking at the rationale for the Group to introduce hsb.com the new solution is assessed against the original main drivers

Simplicity: The new hsb.com platform will introduce many new e-commerce abilities as standard (e.g. on line text chat, on-line product applications, click stream analysis and full personalisation and co-browsing with agent support) which will enhance the customer experience and bring it in line with other pure play financial competitors. The interface will at all times remain simple and easy to use for the customer whilst providing additional value adding services and functions. One key ability introduced is that of responding to competitors quickly – the whole Group can benefit from one set of development and, due to the IT architecture, this can be developed and rolled out very quickly.

Duplication: The ability to 'develop once and deploy many' will now become a reality, thus providing a greater level of benefit to the whole Group for each development that takes place. All developed applications and tools will potentially be fully re-useable across the Group and will also be customisable with very little effort, if local needs dictate this.

Global Customers: One platform and one entry point into the whole of the Group should provide a consistent and standardised experience for all customers, regardless of whether they have a relationship with more than one entity in the Group. The main aim here is to make customers feel that they have a relationship with the HSBC Group, no matter where they are based or do their banking. This will be used to enhance the Group brand and support the strap line "the world's local bank". It is important to note here that one of the key enablers for hsb.com is the ability to link back into each entity's infrastructure, so that all staff at all points throughout the organisation have access to the same information. This will ensure that the relationship is serviced consistently at all contact points for the customer, whether that is at the Group or the local level. The group wants to present HSBC as a 'joined up' bank where information given to any part of the Group flows seamlessly to all of the others – this is a key principle in the hsb.com strategy.

When customer research was originally undertaken for the Clearwater strategy, customers were asked to specify what was most important to them in their relationship with their bank. The research were summarised to provide the following customer requirement.

Know me as an individual and treat me as an equal'

'Be on my side'

'Provide expertise I can access'

'Recognise my value to you.

'Leave me in control'

'Provide simple to understand and easy to use products and services' hsbc.com has assessed the current fulfilment of these requirements and as a result, aims to fully meet and, in most cases, improve on them. These areas will be addressed as follows:

Personalisation of services and individual solution will be presented to customers on a one to one basis. Previous visits to hsbc.com will result in enhanced content and options in the future.

All content, products and services will be completely customer focused.

High availability will be the norm for any services provided by hsbc.com with easy access provided to information either directly or via on-line real-time agent support.

Customer value will be reflected in the content and functions presented via hsbc.com – special offers, discounted rates, specific products or services can now all be offered to one customer a customer segment or the whole customer base.

The customer will have complete control over what they see, access or use on the web site and will also be able to control the level of contract they have with the bank it will be possible for a customer to set their own contact preferences on-line, which will in turn drive the CRM analysis and campaign management performed by the local entities.

The level of complexity of products and services will still be controlled locally (due to local requirements, such as legal or regulatory controls) but hsbc.com can be used to provide additional help in describing product features or explaining service options (e.g. by providing demonstration of services on line).

Conclusion

E-commerce is now a necessary, fundamental part of any large-scale global organisation's strategy, as is the need to build a globally recognisable brand. Quelch (1999) quotes that 'global brands matter more now than they did in the past' as a result of e-commerce and this is eminently evident in the ever-increasing number of global e-commerce enterprise all vying for a share of the same market. In financial markets this is particularly evident and branding is based upon corporate image and identity' which then 'reduces consumers' perceived risks when they purchase financial services' (Davies, 1996). It is clear that to leverage its existing investment in brand, the HSBC group needs to provide a reliable, stable outlet for this existing brand identity which is globally consistent. E-commerce technology and applications can provide this outlet in the form of standardised applications which customers can utilise globally and be sure of receiving the same level of product support and servicing, regardless of the entities they have their banking relationship with. E-commerce will support the proposition that the relationship is between the customer and HSBC as a whole, whilst still supporting the local initiative required to provide individual content and tailoring to ensure that all customers receive exactly what they need from their relationship with the Group.

Specifically, taking the evidence in this paper, it would appear that the introduction of hsbc.com (and all that it entails) will provide many benefits to the Group, despite the perceived overhead from the local entities who are generally happy with their existing e-commerce applications and development teams. Leaving e-commerce as "local" within the Group will not further its overall global branding ambitions and still leaves the way clear for inconsistent servicing, product placement and branding between entities.

Entity Impact: The impacts on local entities can be categorised as follows:

Local (e.g. hsbc.co.uk)	Global (hsbc.com)
Delivers entity specific content and functions limited Group wide use.	Delivers global or entity – specific content with with complete/global functions
Non on-line tracking of visitor / customer actions.	Full click stream capture and analysis ability for all site visitors and customers
Limited personalisation content.	Full personalisation of content at individual level.
Limited feedback and contact functionality	Full feedback on line agent contact, collaboration and email functions
Local call centre support for issues.	Global call centre support for issues
Local business and IT resource required to develop functions – full control over which	Global IT resources available for all functional changes, prioritised across all business areas – only the

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projects are developed within local business / IT teams.

Local release mechanism for content changes with IT control/authorisation required.

Group customers treated as local customers by each relevant entity – no local knowledge of other of other relationship within the Group.

best projects will attract resourcing.

Business controlled content authoring quicker to market and fully controllable at Group level (for branding purposes).

Group customers now treated the same by each entity as hsbc.com links the individual entities to provide a single view of the relationship with the Group.

Customer Impact: HSBC Bank will need to consider the following impacts on their customers when migrating to hsbc.com and perform mitigating actions to address them:

Bank Task	Customer Impact
Review customer data and obtain additional data if required, for migration to new hsbc.com database.	May be asked to provide additional data for no apparent benefit.
Communicate new hsbc.com web-site and functions to all existing e-commerce users, explaining difference and functions available to them.	Will need to change logon procedure to get into and will then have additional functionality to learn, understand and use.
Review impacts of providing international agent hsbc.com issues including providing, local 24 x 7 support if required. Careful communication of the migration to international up port will be communicated	Will potentially be discussing their local support for banking details with staff from anywhere in the whole Group New York, Depending Upon The They agents. The 'Globe" nature of The bank stressed in
required to manage customers expectations of who they will deal with if they connect the bank	prior to allowing access to this service and the ability to request contact only must be retrained (at the customer cost –may not provide 24 x 7 x 365 locally)
Provide additional support and guidance to those customer with relationships with additional entities explaining new structure and contact but options.	Should see a vast improvement on contact options and Group communication of information
will Decide level of customer involvement observation in comparing feedback and connect preference	Will be offered new products services and functions will remain in control of this at all times – customers now have immediate access to feedback their and preferences on CRM function.

It is recommended that the hsbc.com project is implemented and that a migration plan for all local entities to migrate their customer data and e-commerce application onto the new platform is defined as soon as possible. Only when all the entities migrations are completed will the full benefits of hsbc.com be realised.

Hsbc.com will need to establish a migration path for each migrating entry for both their business/IT process and resources and also their customer base. A full review of the data held at local level for each customer should take place immediately – this will allow a new database structure to be defined for hsbc.com which will normalise the customer data held across all entities and ensure all existing functionality can be supported post migration.

It is further recommended that hsbc.com is implemented as a proof of concept for one entity only initially, introducing the new hsbc.com CRM tools on a one-by-one basis. This will allow customers to feedback their experience of the new platform and so provide guidance on which functions and services within hsbc.com would be most useful across the whole customer base. This feedback can then be used to drive the migration approach for the remaining entities, providing the highest benefit lowest cost functions first

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