Ten tips for building Relationship beyond Banking

*- By **Mr. B. Natarajan,** Former DGM, Indian Bank*

- Transaction basis to Trust basis: Normally the relationship between a Banker and a customer is a transactional relationship. Customer comes to the Bank to complete a transaction and the Banker helps the customer to complete it. This kind of relationship is not long lasting and will more often than not end when the transaction is completed. A banker should build relationship based on the trust of the customer. The customer should feel he / she has a "friend, philosopher and guide" in the bank as Manager. Such a relationship will outlive all kinds of transactional relationships.
- Come out of your 'comfort zone' and look at what the customer needs: Many Bank managers and Executives come with their own fund of knowledge and acquire certain banking knowledge by mere association with the bank through experience. They are happy and contended to work in their 'comfort zone'. But today the profile of customer base has changed due to 'demographic dividend'. Many new customers have joined the banks who are tech savvy and who want new products to suit their changed preferences. A traditional banker should come out of his comfort zone and be willing to experiment new ideas with the generation next.
- Take KYC as a tool rather than as a "nuisance": Many bankers think KYC as a mere matter of compliance and not as a tool to understand the requirements of the customer. Take KYC compliance as an opportunity to know more about the customer, meet him or her in their personal work space and home which will give a lot of very useful information to a banker.
- **Think customer first:** There may be occasions when the customer comes to a banker for advice which may put the banker in a situation of 'conflict of Interest'. The following instance of the author's experience will vouchsafe this.
- In the Bank where he was the manager, a customer was having a savings Bank account with large balance. He approached the Author for advice regarding investing the amount in a Mutual Fund scheme. The Mutual Fund was expected to give a better return than the SB Interest. The author advised the customer to invest in mutual fund even though this may result in withdrawal of deposit. But later on, when the customer realised good profits in the investment, he came back and deposited double the balance he originally had in the in the SB Account. Besides, this improved the trust of the customer with the banker. So, always think customer first by protecting the bank's interest most. It pays in the long run.
- **The three Cs of Customer satisfaction:** The three Cs of customer satisfaction are:

  1. Consistency 2.Consistency 3. Consistency.

  It is not sufficient if you make the customer happy at one instance. Customer satisfaction is a journey across time where you have to make the customer happy every time he visits or interacts with the bank. Good consistent customer service is the key to customer loyalty. The topic of consistency may not be very inspirational but very powerful in building lasting relationships.
- **It is cheaper to retain existing customer than acquire new ones:** A survey predicts that it costs six times more to acquire a new customer than retaining an existing customer. So it makes enormous economic sense to retain existing customers first which is often neglected in the heat of acquiring new customers.
- The 80-20 rule: It is a time tested rule of thumb statement that 80% of profits of an organisation comes from 20% of its clients. A Banker must be able to identify the customers belonging to

the profit of the bank and should focus the resources on them. This is critical in laying the groundwork for a successful customer retention strategy because it allows Bankers to maintain highly personalized, one-to-one, relevant communication.

- Maintain a distance: While it is very important that a banker should develop a close relationship with a customer, at the same time he should not become too close. It is very important that the Banker maintains a certain distance and remains detached to a certain extent with the customer. The ancient saying that it is not wise to become too close to King will hold water for bankers also. Be close with the customer, but at the same time maintain a distance.
- Walk the talk: Many a time a customer feels disappointed because the Banker is long on promise and short on performance. Don't promise what you can't deliver. It is normal scenario in credit handling a Banker promises to release the loan in one week but in reality even after two months nothing happens. This will reduce the confidence of the customer on the Bank. Promise what you can deliver and deliver what you promise.
- Don't ignore the poor and indulge the rich customers: Sometimes one can see in a Bank branch that poor customers are ignored while rich customers are indulged openly and blatantly differentiating them. This is not in good taste. Many small customers today will become super rich customers in the days to come. When they become super rich they will remember how they were treated when they were poor. The author knows an instance when a super rich customer was canvassed by a foreign bank, he said "When I was small It is this bank that helped me. Today I have grown rich. I will never go to any other bank". Such loyalty comes only when you deal with customers with dignity whether they are small or big.

The Most Important Asset In The Balance Sheet Of A Bank Is Its CustomerS