Customer Relationship Management

Gustavo Martinez
CRM Director

HSBC Mexico June, 2004



© HSBC Mexico, S.A. (HBMX) subsidiary of HSBCHoldings plc. All rights reserved

Confidential work. This document contains information of a proprietary nature. All information contained here shall be kept in confidence and shall be for the original recipient's use only. Any unauthorized reproduction by any other party shall constitute an infringement of copyright.



- HSBCS Mexico and HSBC CRM Vision
- BI & CRM Processes and Examples
- BI & CRM Architecture
- Results: Customer Experiences & Metrics
- Next Step: Real Time by August 2004
- Conclusions



- HSBCS Mexico and HSBC CRM Vision
- BI & CRM Processes and Examples
- BI & CRM Architecture
- Results: Customer Experiences & Metrics
- Next Step: Real Time by August 2004
- Conclusions



CRM Vision

To become the best Financial Services Company in Mexico from our customers perspective.

To become the most convenient, most intimate, and easiest-to-use

bank in México.

1,300 Branches
50M transactions/month

Phone Banking
3.5M transactions/month

6M Customers
17,000 employees

Get, Keep and Grow

4,000 ATMs

25M transactions/month

HSBC The world's local bank

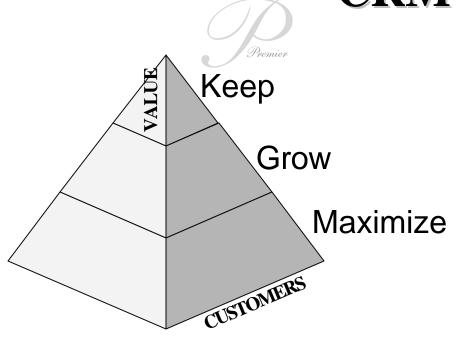
On-line Banking

1M transactions/month

The Eight Blocks of CRM

8 Value, Retention, Effectiveness CRM METRICS **CUSTOMER EXPERIENCE** How the customer experience value 6 Culture and structure **ORGANIZATIONAL** COLLABORATION 5 Applications, Architecture, Infraestructure **CRM TECHNOLOGY** Customer Lifecycle, Knowledge Management **CRM PROCESSES** Data, Analysis, the Customer Single View **CRM INFORMATION** 2 Objectives, effective customer interacion **CRM STRATEGY** The Value Proposition **CRM VISION** HSBC ◆**X** The world's local bank ** Source: Gartner Group

CRM Strategy



- 1. Keep:
- Most Valuable Customers
- Relationship Strategy
- The best product
- The best Service
- Gain Customer Knowledge

- 2. Grow:
- Low Current Value
- High Potential Value
- Cross Selling
- Gain Customer Insight

3. Maximize:

- Low Current Value
- Low Potential Value
- Increase fees
- Self service Channels

Treat different customers differently



- HSBCS Mexico and HSBC CRM Vision
- BI & CRM Processes and Examples
- BI & CRM Architecture
- Results: Customer Experiences & Metrics
- Next Step: Real Time by August 2004
- Conclusions

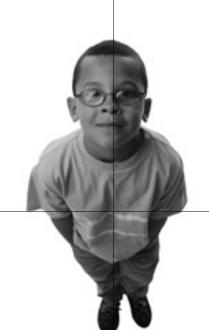


CRM Processes

1.Identify

- ■360°view of the customer
- ■Keep learning
- ■Behavioral and demografic data

One by One



2.Diferentiate

- ■First by the value
- ■Then by the needs

3.Interact

- ■Comunicate with eficiency and eficacy
- ■Listen to him and keep record.

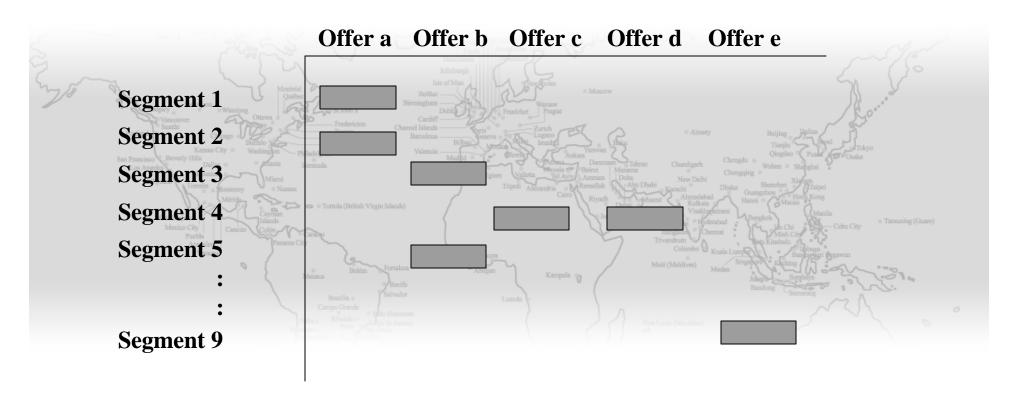
4.Personalize

■Customize products and service based on what customer wants.

** Don Peppers, Martha Rogers, The One to One Fieldbook



Specific treatment focused on specific needs

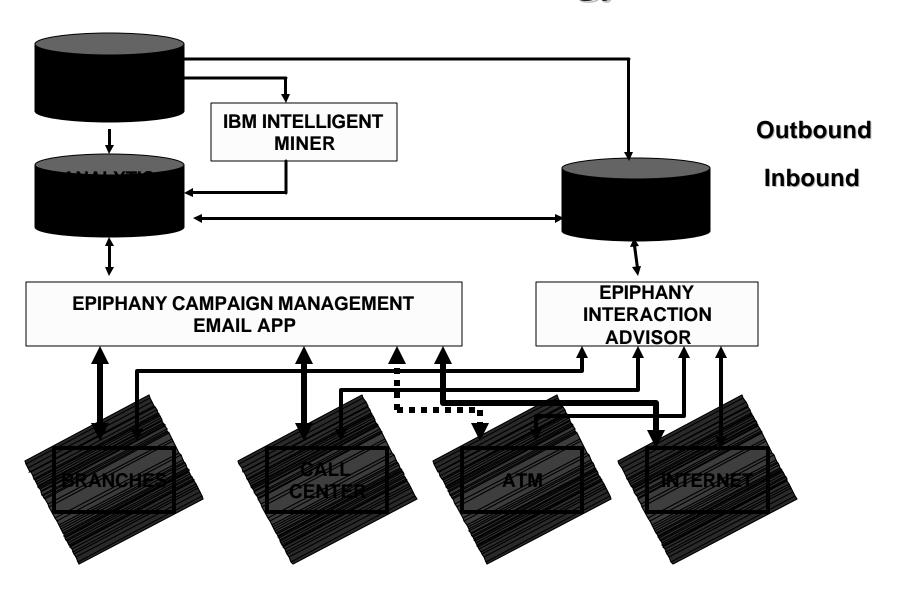




- HSBCS Mexico and HSBC CRM Vision
- BI & CRM Processes and Examples
- BI & CRM Architecture
- Results: Customer Experiences & Metrics
- Next Step: Real Time by August 2004
- Conclusions



CRM Technology

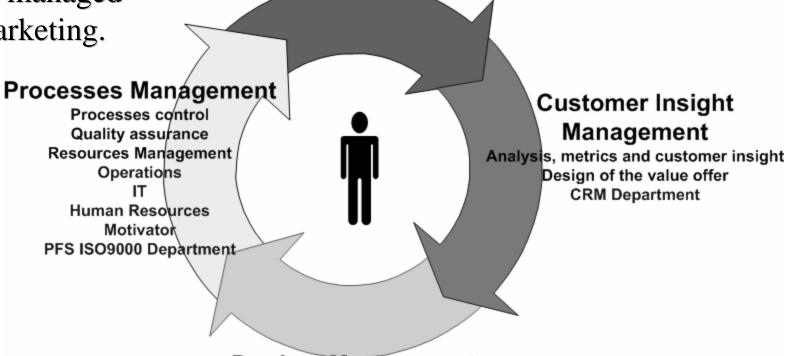


CRM Organizational Collaboration

Marketing is such an important function so can't be managed only by Marketing.

Service Management

Deliver the value offer with the right processes PFS Contact Channels



A great sponsorship has been provided since the begining

Product Management

To have the best product in the market To design products that meet customer needs

> To take care of the brand Product Departments Marketing Department Risk Analysis Department



- HSBCS Mexico and HSBC CRM Vision
- BI & CRM Processes and Examples
- BI & CRM Architecture
- Results: Customer Experiences & Metrics
- Next Step: Real Time by August 2004
- Conclusions



CRM Customer Experience

PROFITABLE CUSTOMER



Checks Balance



Informed About Preferred Pricing



Congratulated On Birthday

GROWABLE CUSTOMER



Customer Deposits Extra Money



Executive Aware Of The Opportunity



Executive Inquires
About the Balance
Movement



Opens a CDA and a Car Loan

GROWABLE CUSTOMER



Good Behavior On Deposit Accounts



Customer Withdraws From ATM



Informed About an Authorized Loan

CRM Metrics

To Improve results by:

- a. Increasing leads
- b. Improving processes
- c. Improving channel efectiveness
- d. Improving information tools in channels

- HSBCS Mexico and HSBC CRM Vision
- BI & CRM Processes and Examples
- BI & CRM Architecture
- Results: Customer Experiences & Metrics
- Next Step: Real Time by August 2004
- Conclusions



Real Time Personalization Server

1.Campaign



Enterprise Initiated, Marketing-Driven





Customer-Initiated, Relationship-Driven "Appropiate"

2. Event Driven



Customer-Triggered, Product as Service "Convenient"

- HSBCS Mexico and HSBC CRM Vision
- BI & CRM Processes and Examples
- BI & CRM Architecture
- Results: Customer Experiences & Metrics
- Next Step: Real Time by August 2004
- Conclusions



Conclusions

- 1. Customers more satisfied and more loyal
- 2. Increased Efficiency in Customer Management
- 3. Improved profitability per Customer Segment
- 4. Treat Different Customers Differently





