

Citibank case

Literature, Russian Literature



The supreme mortgages crisis In October 2007 affected CitiBank as Collector Incurred losses of \$9. 83 billion for the last quarter of 2007. The ever-changing global economy encourages CitiBank to be more innovative to respond to new trends and customers' needs. It is an era of tough competition in which CitiBank has the duty to find ways to always increase operating efficiency while maintaining or even improving services to customers. There is a rapid change in technology that requires CitiBank to respond to new customers' demand.

For Instance, businesses demanded electronic Invoicing, automatic application of payments to accounts receivable and online payment guarantees. Due to the tough competition environment, if CitiBank is not able to provide such services, other banks could steal their customers. The Internet is probably the most important feature in the banking industry. Customers now prefer to run their transactions online because it is more efficient and less time consuming.

Citibank knew that this was vital to their success, and their balloons was to become the world's leading e-business enabler. Indeed, technology investments in the global financial service industry were growing at a rate of 4. % per year. CitiBank then implement an e-business strategy to deliver on its vision. 2. There are barriers to new entrants in the financial services industry, especially on the global market stage. Deutsche Bank and CitiBank were actually the two leading banks that Invested heavily in monitoring cash balances online.

It requires a lot of Investment from other banks to be able to compete with these two giants of the industry. However, CitiBank is faced with a low level of rivalry from some Macs that build their own systems and look for ways to disintermediation banks. Also, several genealogy companies compete heavily by using their technological expertise and interests in providing new services. It exists a high bargaining power of customers because their needs and expectations are changing rapidly. Indeed, In the financial services Industry, customers are everything.

The bargaining power of suppliers is medium due to the ability of CitiBank to acquire Lava Trading and other major electronic savvy companies in order to offer its institutional clients the benefits of the most sophisticated and robust electronic trading system in the market. There are no bustiest products in the financial services industry, and for the reasons mentioned above, this industry is unattractive if one is a new comer. However, for Institutions like Callback that enjoy a sustainable competitive advantage, It is definitely an attractive Industry. . Among its main capabilities, CitiBank is able to manage some of their clients' duties such as managing their accounts receivables and payable. CitiBank has been able to become not only a bank but global financial institution by building a broad customer base, offering diverse products, actively participating in the community, ND recruiting staff and senior management from the local population. Moreover, CitiBank made continuous investment in technology to provide corporate customers the most cost-effective, cutting-edge, reliable, and secure solutions.

Citibank's core competence would definitely be its customer service. Their focus on customers enabled them to acquire a significant market share. Customers' loyalty was driven by Citibank's commitment to excellence in its processing business. The bank was ranked higher than its competitors in the areas of accuracy, timeliness, accessibility, and responsiveness several years in a row. . CitiBank has several strengths, which include a global network, an innovative product offering, and an experienced staff group.

Indeed, the bank operated in 100 countries, it offered a wide variety of products and services, and employed over 268, 000 employees from which Transmission was staffed by world-class employees with expert knowledge of financial data. According to the case, CitiBank didn't have many weaknesses. However, I could identify increased operating costs of between 2005 and 2006 that caused the laying off of 17, 000 positions. On the other hand, there are opportunities available to CitiBank. The world's largest market, China is now liberalizing its market, giving CitiBank opportunities to enter this market.

Also, CitiBank can improve its online presence because it has been more focused on the US market, which is actually its largest. However, with the BIB transfers, Citibank is able to expand its international activities. Like any other financial institution, threats come from foreign exchange fluctuations, unstable market conditions, and regulators. CitiBank also has to face competition from technology companies that use their expertise to provide new services. For now, CitiBank enjoys a sustainable competitive advantage

until another bank is able to replicate what they are doing best on a global level.

The source of this sustainable competitive advantage is their ability to reach a wide array of customers by offering a customer service of excellence but also a wide range of products and services. I think that what may hinder CitiBank to go forward might be the high costs associated to technology investments in the global financial service. It is growing at a significant rate per annum, obligating CitiBank to spend a lot of money acquiring new technology and getting rid of its people. It could get to a point where talented employees do not want to work for CitiBank fearing lay offs. . CitiBank; s customers include Macs, financial institutions, government sectors, local corporations, and Seems. The bank has opportunities in other markets like China, India, and the European market. Indeed, in other countries the Internet on the cell phone is used differently. It is very common to see people making bank transactions through their cell phones. CitiBank should target some of their services to this particular group of customers. Instead of putting a big emphasis on its corporate customers, It snouts also consoler making e rots to meet Uninominal customers' needs. . CitiBank; s e-business strategy is based on the banks objective to become the world's leading e-business enabler. It adopted this strategy because it wanted to empower local, regional, and global customers and the business-to-business-to-consumer marketplace and provide solutions to help them take advantage of the efficiencies and opportunities created by e-commerce. The challenge will be to keep its operating costs at a reasonable level because technology

investments in the global financial service industry are constantly increasing. Another challenge was for

CitiBank to translate its traditional strengths to the Internet in a way that would add value for its customers. CitiBank was able to integrate products in new ways, build a new global infrastructure to deliver products and services online, and deploy Web- enabling access points to allow customers to connect seamlessly to the bank. I think that CitiBank will be successful as long as they take advantage of all the opportunities available with the Internet and technology. If it wants to remain competitive, it has to stay ahead of its rivals in following up with new future customers trends in order to satisfy their needs.