



Hsbc Credit Card Rewards Program

HSBC / CITI CASE ANALYSIS

GROUP 4

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AGENDA

- **Global Banking Industry**
- **HSBC Background**
- **CITI Background**
- **Critically assess the business and IT strategies of HSBC and Citigroup**
- **In your opinion which bank has the better IT investment strategy and why?**

GLOBAL BANK INDUSTRY

	2006-2010	2010-2015
Overview	<p>Consolidation: In 2007, the 10 largest US commercial Banks already controlled 49% of the country's banking assets (29% previous years). The assets of the largest global banks reached \$63.8 trillion in 2005.</p>	<p>Technology is of key importance in improving efficiencies, enhancing the customer experience, and achieving regulatory compliance</p>
Off shoring	<p>IT spending would increase from 6% of the industry's \$44 billion total annual IT budget to 30% by 2010 (Quittner 2006)</p>	<p>Growth in IT spending by the banking sector is predicted to reach \$184.7 billion by 2014, a healthy growth of around 4.0% during 2010-2014.</p>
Re-regulation	<p>Multifactor authentication was put on the top of bank's technology priority list in 2007</p>	<p>Risk management and the evolving regulatory landscape remain the key focus</p>
Changing Customer Needs	<p>Develop new branch strategies tailored US Banks Opened 3.459 new branches in 2006.</p>	<p>New online services: changing customer channel preferences with increasing adoption of mobile and social media.</p>