

One of the more discernible trends in the financial - service industry in recent times has been the adoption of programs designed to encourage more personalized relationships between an institution's employees and its clients, particularly those clients who are major depositors.

The expression most commonly used to describe this type of program is "relationship banking".

A good definition is provided in the 1985 book *Marketing Financial Services*: In relationship banking the emphasis is on establishing a long-term multiple - service relationship; on satisfying the totality of the client's financial service needs; on minimizing the need or desire of clients to splinter their financial business among various institutions.

Implicit within any definition of relationship banking is recognition that the financial -service requirements of one individual or relatively homogeneous group will likely be substantially different from those of another individual or group.

A successful relationship banking program is' therefore dependent in a large part on the development of a series of financial - service "packages" each designed to meet the needs of identifiable homogeneous groups.

Another dimension of relationship banking is the development of highly personalized relationships between employee and client.

In most financial institutions today the client is serviced by any employee who happens to be free at the time regardless of the nature of the transaction.

Personalized relationships are therefore difficult to establish.

In a full relationship banking program, however, the client knows there is one individual within the institution who has intimate knowledge of the client's requirements and preferences regarding complex transactions.

Over time, the client develops a high level of confidence in this employee.

In short, a personalized relationship evolves between client and employee.