

**THE ROLE OF CUSTOMER
INFORMATION IN PROVIDING
BANKING SERVICES: A CASE
STUDY AT A TOP THREE BANK IN
MALAYSIA**

by

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ABSTRACT

This case study tries to establish whether a bank makes full use of the customer information that it has in its database in its strategy to provide banking services to customers. The customer information is divided into four types namely customer personal information, customer needs, customer behaviour, and general information. Greater detail on the usage of each type of the customer information is discussed. The study concludes with some analysis of the future banking services and its impact on the customers.

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INTRODUCTION

In service sector, in particular banking services, customer information is very crucial in order to serve the needs of the customers. Since there are competitions, not only among local banks but also between local and foreign banks, these needs require efficient service with better quality. In early days, banks in particular act as a middleman between those who have funds with those who need funds. As time passed, the role of banks has changed and more services were added. Customer base has also increased with the increase in types of products in service. Linkages with other non-financial organizations, for example collection of bills, also help in increasing the amount of interactions between customers and bankers.

With diverse spectrum of customers, banks act in classifying customers into groups of corporate, high net-worth and retail customers at the least. While the first two groups of customers are easily identifiable based on the special characteristics and the amount of fund involved, the third group, it may be the majority, make up the rest of the bank customers. The first two groups, whatever the number is, would enjoy greater benefits and exclusive services with some banks provide different office set up to serve especially the high net-worth individuals personalized services.

With the introduction of technology where transactions are handled through the use of computers, customers should be getting a better deal not only in terms of less time spent to complete the transactions but other benefits as well, such as higher return on investment instruments and investment opportunities. Do the customers get what they expect to be and are they satisfied with the services rendered so far by the banks, or are they getting less