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**A STUDY ON CUSTOMER SATISFACTION IN THE
BANKING SERVICE;
A CASE OF HONG LEONG BANK BERHAD,
KOTA SENTOSA BRANCH**



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ABSTRACT

The research study aim to investigate the customer satisfaction in the banking service. The link between customer satisfaction and the quality of service are explored. My research aim to illustrate the extent to which customer service influence customer satisfaction in the banking services. The study concludes that with a framework for recommendation that could be used in the customer service program.

The method of research has been that of a case study, with a number of methods applied in the collection of data and qualitative information. I have gathered data from customers of HLB Bank in Kota Sentosa from the establishment under research.

Hence a variety of research method including questionnaires, interviews and observations. The prevalent views of the respondents who undertook the survey revealed that friendly, confident staff was the most chosen choice elements for customer satisfaction in the banking services and apart from that, the environment and the ambience were also of great significance.

CHAPTER ONE

INTRODUCTION

1.1 Background of study

Banking and finance industry operates in a highly dynamic environment. Bankers must adapt to the changes and moreover the challenges in today are rapidly evolving economy. Banking is in the service sectors and today's customers are seen to more demanding and more sophisticated than in the yester years. Apart from that customers have a high expectation towards the quality of service rendered by service providers. Services are multiplying and they are increasingly delivered poorly. Organizations must avoid this trend. Most organizations are aware that the service they offer to their customers is a significant source of competitive advantage. Service companies, which primarily rendered services, must be concerned with the way they interact with their customers. As such, there is a need for strategies to focus on customer.

Consider this following situation. A customer walked into a bank decided to cash the cheque personally and were hoping to cash the cheque in minimum time so he could fetch his son early. His expected time was about ten minutes. However he was willing to wait for another 15 more minutes in view of the existing crowd. The bank has consistently projected itself as a "customer-centered " bank in its media forecasts.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Malaysia averted negative growth in 2001 mainly due to services sector, which grew robust 5.5% in 4Q01, and 4.9% in 2001. The three major services contributors in 2001 were the "Finance, insurance, real estate and business services which added 7.3%, followed by "Government services" (5.4%) and "Transport and communication" (+5.2%). We expect the services sector to remain the growth driver this year with a growth of 5.1%.¹

2.2 Financial system in Malaysia

The Malaysian financial system comprises the central bank, i.e. Bank Negara Malaysia, the banks and non-bank instituting and the financial markets. The banking system comprises Bank Negara, the commercial banks, finance companies; merchant banks and discount houses constitute the biggest financial intermediaries.

The non-bank financial institution, which account for 30% of total assets include saving institutions, provident and pension funds, insurance institutions, and leasing companies. The commercial banks, finance companies, merchant banks are licensed and regulated by Bank Negara Malaysia set up under Central bank of Malaysia ordinance 1958. Bank Negara

Zulkifli Hamzah (Economica . 4.3.2002).4Q01 –Review: *GDP GROWTH*