

**I**n the centrally planned economy, customers in general, and customers of the banking system to be precise, weren't held in high regard. Producers could produce anything of all level of quality and customers were forced to accept them, because there was always a shortage of goods. The economy was closed, there weren't enough goods for customers to choose so they had to buy before goods were sold out. Therefore all goods produced have gone like hot cakes.

In such a situation, the banking system, acting as a money lender, was given the right to supply (or refuse to supply) capital to borrowers at its will, and therefore, its customers were treated very badly.

Recently, when the market economy under the management of the government has come into being, there was a great change in the way of doing business, the customer is considered as the "king", the "god"... the producer and supplier can't develop their businesses if they don't know how to cultivate the relations with customers.

As for the banking system, the customers is the paymaster of the banking system, as a Swedish expert in banking puts it. This opinion is right to affirm the relationship between the customer and the banking system. What effects does this relationship have on the operation of the banking system?

Various facts show that one can't lend money to somebody without knowing them. In supplying bank

credit, making a decision on lending based only on an application and some documents produced by the customer is a risky deed. But depending on the economic information services for information about customers is necessary but not sufficient, one can only learn about customers minutely by developing the close relationship with them. Depending on information about customers, the bank can orient them towards profitable businesses, and then the capital supplied could bring in profit for both the bank and customers. Moreover, this relationship could help the bank keep away from loss-making businesses or set forth measures to save customers from financial difficulties.

What should the bank do to develop a close and good working relation with its customers? In our opinions, the following are acceptable measures:

- The working practices: In banks, there must be an army of workers who have a businesslike manner of working. They should be ready to satisfy all reasonable requirements of customers. Thus, many training courses in communication skills and knowledge of banking services should be given to the bank personnel and management.

- In customer relations, the professionalism is a need: all decision on lending money should be made within a short time (several hours for example) in order to make customers feel assured, and keep them away from waste of time. Thus the bank personnel should have professional skills,

experience and communication skills. They should have the ability to give financial advice to customers.

- The bank should gather continuously information about customers' financial situation and requirements whatever they are in order to treat customers properly, because the more information the bank gathered, the more effective its suggestions became. The bank can only achieve this aim when the customer puts absolute trust in the banking system and the auditing business operates trustfully and effectively.

- The bank should supply more services to its customers of all kinds. It must look for new customers and supply services to anybody related to old customers. By doing so, the system could learn about old customers and thereby gathering more information about them.

- The bank should try its best to maintain its customer relations, therefore it need not make any change in its personnel. Experienced personnel could learn well about customers and make reasonable decisions on lending money or give good advice to customers.

In short, the mutual trust and knowledge could help with forming a close relation between customers and the bank. Both parties will benefit from this relation, especially in financial matters. This relation will be a measure that helps the bank avoid risk and maintain its intangible assets, and then, develop its business■

# FOSTERING CUSTOMER RELATIONS: A MEASURE TO IMPROVE BANKING SERVICE

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