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SERVICE QUALITY IN A BANK: BANGKOK BANK PUBLIC COMPANY LIMITED (CHONBURI) CASE STUDY

The article studies the variables of customer satisfaction and customer trust on the example of Bank Bangkok in Chonburi Province (Thailand). The average estimates for the following factors are provided: quickness of service, responsiveness to complaints, interaction, physical parameters inside the bank, bank's security and availability, bank's attitude to privacy and confidentiality, online banking, ATM and passbook services, self-service banking. Author's recommendations on services further improvement are provided on the basis of the evaluation results.

Keywords: Bank Bangkok; service quality; customer satisfaction; customer trust; privacy and confidentiality.

Адисак Сувіттават

ЯКІСТЬ ОБСЛУГОВУВАННЯ В БАНКУ: НА ПРИКЛАДІ БАНКУ «БАНГКОК» (ФІЛІАЛ В ЧОНБУРІ)

У статті досліджено зміни задоволеності клієнтів та їх довіри на прикладі Банку «Бангкок» у провінції Чонбури (Таїланд). Представлено середні оцінки за наступними параметрами: оперативність обслуговування; реакція на скарги; взаємодія з клієнтами в цілому; фізичні параметри всередині банку; банківська безпека; доступність банку; ставлення банку до питань приватності та конфіденційності; онлайн-послуги; наявність банкоматів та розрахункових книжок; самообслуговування. Надано авторські рекомендації стосовно подальшого покращення якості обслуговування, виходячи з представлених результатів.

Ключові слова: Банк «Бангкок»; якість послуг; задоволеність клієнтів; довіра клієнтів; приватність та конфіденційність.

Рис. 1. Табл. 5. Літ. 10.

Адисак Сувіттават

КАЧЕСТВО ОБСЛУЖИВАНИЯ В БАНКЕ: НА ПРИМЕРЕ БАНКА «БАНГКОК» (ФИЛИАЛ В ЧОНБУРИ)

В статье исследованы переменные удовлетворённости клиентов и их доверия на примере Банка «Бангкок» в провинции Чонбури (Таиланд). Представлены усреднённые оценки по следующим параметрам: оперативность обслуживания, реакция на жалобы, взаимодействие с клиентами в целом, физические параметры внутри банка, банковская безопасность, доступность банка, отношение банка к вопросам приватности и конфиденциальности, онлайн-услуги, наличие банкоматов и расчётных книжек, самообслуживание. Представлены авторские рекомендации по дальнейшему улучшению качества обслуживания, исходя из представленных результатов.

Ключевые слова: Банк «Бангкок»; качество услуг; удовлетворённость клиентов; доверие клиентов; приватность и конфиденциальность.

Introduction. Thai GDP in 2015 was estimated to be about 3.5–4% growing which is better than the previous year as political situation is quite stable, government is investing in infrastructure projects and overseas tourists are coming back, however export is still a challenging issue.

Since economy is expected to be growing up, this makes customers conduct more bank transactions and also provides more channels for bank selection which mainly depends on the factors of satisfaction and loyalty.

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Bank service quality refers to customers' satisfaction and loyalty which consists of intangible service, customer trust, quick service providing and customer insight. Each of these parameters also has variables of customer satisfaction and loyalty.

Competition between banks is steadily increasing as banks need to increase revenue and market share by providing excellent products and services for their target customers. Competition is increasing, thus excellent service quality is the main target for bank's competitive advantage improvement.

Bangkok Bank is Thailand's largest bank and a major regional bank in Southeast Asia, and also Thailand's market leader in corporate and SME banking. It has the largest overseas branch network of any Thai bank, in 14 economies, including wholly-owned subsidiaries in Malaysia, China and one representative office in Myanmar. With approximately 17 mln accounts, including business and retail customers, Bangkok Bank has the largest customer base in Thailand. The bank has a nationwide network of over 1,200 branches and over 230 business centers and business desks. The bank's extensive self-service network includes ATMs and cash deposit machines, phone banking, and an easy-to-use bilingual Internet banking service, enabling customers enjoy fast, round-the-clock banking (Bangkok Bank, 2015).

All of the above makes this bank a very good choice for service quality study, in particular its branch in Chonburi province which is an industrial and sea export hub in Thailand.

Methodology. This is an exploratory research focusing on variables which affect Bangkok Bank Public Company Limited service quality in Chonburi Province, Thailand. The research aims to explore the degree to which the variables related to bank service quality predetermine its future development.

The research uses by quantitative methods, namely, questionnaires for qualitative contextual tools. Secondary data have been taken from literature review to reconfirm the research findings.

The research process started with literature review. Basing on it, parameters' measurements for bank service quality were set, which need to be further consulted with supervisors and experts, before conducting the initial surveys with bank customers. The measures were then applied to the final survey version. The survey results were analyzed by using a mean and SD model. The conclusions had been drawn from the study's findings.

The exploratory research focused on 343 customers doing business with the bank under study. The questionnaires have been separated in 4 parts by the research parameter measurements.

The first questionnaires were focused on overall bank service quality which customers received.

The second questionnaires were focused on the parameters of intangible service quality of the bank.

The third questionnaires were focused on the parameters of customer trust to the bank.

The fourth questionnaires were focused on bank's quickness in responding to its customers.

The last part of the questionnaire was focused on customer insights about the bank.

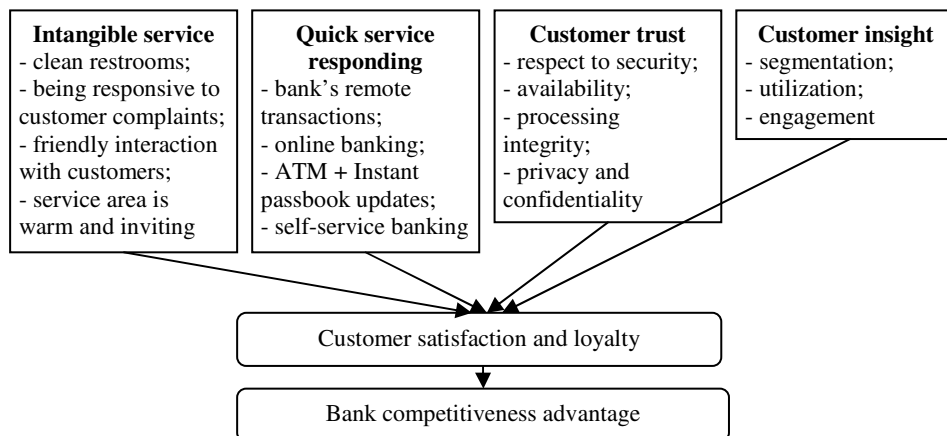


Figure 1. **Conceptual framework of this study, author's**

Literature reviews. Intangible assets of commercial banks have great impact on their products and services provision as these assets are distinctive and hardly copied by competitors. Intangible assets provide significant operational cost reduction, increase customer loyalty and satisfaction and also help banks retain their competitiveness advantage (Andreeva, 2014).

Bank service has as intangible element which needs effective quality delivery process from a bank as a service provider to target customers. Currently many banks have introduced ICT (information and communication technologies) for their products and services thus enhancing both customer satisfaction and their competitive advantage. However, banks need to improve applications or ICT practices (Sujatha et al., 2013).

After the 2008 financial crisis, the study on customer trust and satisfaction in Denmark found that customer trust is less than customer satisfaction and loyalty when compared with the study before the 2008 financial crisis. Bank management must consider improving customer satisfaction and loyalty after the financial crisis and should rebuild the relationship between customer trust and loyalty for fuller benefits of customer trust building effort and enhance customer retention (Hansen, 2015).

Convenience and trust are the major considerations in Indian customers' attitude to financial transactions in Internet banking. Indian customers are using internet banking as it is very convenient for them. For customers' fears on transaction security to be mitigated, banks address must and promote customer accounts security systems which will enhance customers' trust (Khare et al., 2012).

Internet banking really needs continuous process improvement as this provides huge opportunities in bank overall improvement, easy and quick banking services, new bank services and products, effective system control and cheaper communication tools with customers. However, Internet banking is facing some challenges such as lack of customer safety and trust, lack of employees' interactions and needs high skills and capabilities of staff, then bank needs to emphasize employees' training for their further competencies improvements (Al-Weshah, 2013).

Chinese outbound tourists' perceptions of service quality values consist of emotional value, price value and experiential value which are based on satisfaction and loyalty. Tourist agency managers need to deeply understand customer insights such as mentioned values for their service quality improvement and thus increase customer satisfaction and loyalty (Yan et al., 2014).

Results. Table 1 shows the mean results for the following variables: intangible service, customer trust, quick service provision and customer insight. The results show that customer responses were at a rather satisfying level in which the mean is 3.85. The mean of intangible service is 4.08. The mean of customer trust is 3.95. The mean of quick service provision is 3.74 and the mean of customer insight is 3.63.

Table 1. The Mean of bank service quality, author's

Variables	Mean	Results
Intangible service	4.08	Very satisfied
Customer trust	3.95	Very satisfied
Quick service provision	3.74	Very satisfied
Customer insight	3.63	Very satisfied
Average	3.85	Very satisfied

Banks or financial institutions must hire high-capability persons from universities or business schools since they provide higher performance, which help banks cut cost. Professional training of specialists for further human resource development in banks would continuously develop since it helps banks in their sustainable growth and interaction with educational institutions focusing on intangible assets development and competency-based management (Andreeva, 2014).

Consumers feel sensitively the risk of online banking interactions; however, they are still willing to deal with online or mobile banking. Consumers are attempting to mitigate distrust they have in bank services by continuously asking for paper bills and bank statements. Since bank billing and statements are the way to enhance customer trust, bank must continue sending their bills to customers (McNeish, 2015).

Service quality dimensions consist of service quality, customer satisfaction, customers' perceived value and quick service providing. Quick service providing has direct effect on customer satisfaction as customers do not want to waste their time while service receiving (Wu, 2013).

New product development requires a synthesis of customer focus and competitor focus, however it is very difficult since customer insight and competitor insight integrations are very complex. Integration of customer-oriented and new product development is positive, if a company deeply integrates both parts, creating new products which support customer needs (Chuang, et al., 2015).

Table 2 shows the mean results for these variables: clean restrooms, being responsive to customer complaints, friendly interaction with customers and service area is warm and inviting. The results found that customer responses were at a very satisfied level in which the mean = 4.08. The mean of clean restrooms is 4.30. The mean of being responsive to customer complaints is 4.10. The mean of friendly interaction with customers is 4.09 and the mean of service area being warm and inviting is 3.85.

Table 2. The mean of intangible services of bank, author's

Variables	Mean	Results
Clean restrooms	4.30	Very satisfied
Being responsive to customer complaints	4.10	Very satisfied
Friendly interaction with customers	4.09	Very satisfied
Service area is warm and inviting	3.85	Very satisfied
Average	4.08	Very satisfied

Table 3. The mean of customer trust in bank, author's

Variables	Mean	Results
Bank respects security	4.10	Very satisfied
Bank is always available	4.05	Very satisfied
Bank processing is integral	3.95	Very satisfied
Bank keeps customer information private and confidential	3.70	Very satisfied
Average	3.95	Very satisfied

Table 3 shows the mean results for these variables: bank respects security, bank is always available, bank processing is integral and bank keeps customer information private and confidential. The results show that customer responses were at a very satisfied level in which the mean = 3.95. The mean of bank respects security is 4.10. The mean of bank is always availability is 4.05. The mean of bank processing is integral is 3.95 and the mean of bank keeps customer information private and confidential is 3.70.

Table 4. The mean of bank quick service responding, author's

Variables	Mean	Results
Bank's remote transactions (deposit and transfer)	3.90	Very satisfied
Online banking (payment for goods and services)	3.80	Very satisfied
ATM and instant passbook updates	3.65	Very satisfied
Self-service banking	3.61	Very satisfied
Average	3.74	Very satisfied

Table 4 shows the mean results for these variables: bank's remote transaction (deposit and transfer), online banking (payment for goods and services), ATM and instant passbook updates and self-service banking. The results found that customer responses were at a very satisfied level in which the mean is 3.74. The mean of bank's remote transactions (deposit and transfer) is 3.90. The mean of online banking (payment for goods and services) is 3.80. The mean of ATM and instant passbook updates is 3.65 and the mean of self-service banking is 3.61.

Table 5. The mean of customer insight about the bank, author's

Variables	Mean	Results
Customer segmentation	3.93	Very satisfied
Data utilization	3.84	Very satisfied
Customer engagement	3.54	Satisfied
Customer needs satisfaction	3.21	Satisfied
Average	3.63	Very satisfied

Table 5 shows the mean results for these variables: customer segmentation, data utilization, customer engagement and customer needs satisfaction. The results show that customer responses were at a very satisfied level, the average is 3.63. The mean of customer segmentation is 3.93. The mean of data utilization is 3.84. The mean of customer engagement is 3.54 and the mean of customer needs satisfaction is 3.61.

Conclusions and suggestions. Intangible services of banks are becoming important as customer satisfaction is mainly dependant on intangible services provided by the bank. Clean rest rooms, being responsive to customer complaints, friendly interaction with customers and service area being warm and inviting are the main variables for intangible services and their customer satisfaction. Banks have to face customer complaints, then responsiveness of the bank on customer complaints must be addressed for better customer satisfaction and retention.

Bank service is always money-involved, thus customer trust becomes crucial for service quality. Respect to bank security, being always available, bank processing integrity and keeping customer privacy and confidentiality are the main variables for bank customer trust. Many corruption cases are related to bank operations, thus customers show now more their attention to bank security and integrity process as they make sure their money and properties are safe. Personal information is one of the factor that bank needs to keep confidential as these are many ways for customer information release. If bank wants enhance customer satisfaction, it really needs to improve its customer trust perspective.

Currently customers are always in a rush and have limited time for bank transactions, thus new technologies strongly support quick service for customers. Bank's remote transactions, online banking, ATM+ instant passbook updates and self-service banking are the main variables for quick service provision as new IT and information systems definitely provide quick service to customers and customers do not necessary have to show up at the bank. The concern for customers here is transaction security since it is managed by machine.

Customer insight is yet another critical factor in bank service quality since services and products provision to customers must present better solution for satisfaction customers. Customer segmentation and engagement are the main parameters for customer insight. Customers have difference needs which depend on their personalities and therefore customer segmentation provides more suitable services and products as to their needs. Customer engagement gives the bank an opportunity to set a relationship which would help bank know customers needs and wants.

Limitations of the research results and prospects for further research. Since this study had been conducted only in Chonburi province which is located in Eastern part of Thailand, the results do not be cover all of Thailand service quality results. Timing of this study also had some limitations as the researcher did not get the research fund, a longer term study should be considered.

Future research will also consider the issues related to service quality from both service providers and customers perspectives. Such a work would improve service quality conceptual framework model appropriately and would facilitate the bank innovative development.

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