

Customer Service Impacts on Bank Policy in Bangkok, Thailand: A Qualitative Approach

Dr Paul TJ James

Graduate School, Bangkok University

Rama 4 Road, Klong-Toey, Bangkok, 10110, Thailand

E-mail: paul.j@bu.ac.th

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Abstract

Becoming more customer focused in the banking industry of Thailand and measuring service quality levels is beginning to be understood to be a very useful tool to help manage the relationship between the business and its main stakeholder. This paper interrogates a broader, deeper and more involved understanding of the issues generated within the Thai service-banking context; and to consider more implicitly the issues and questions raised, this empirical groundwork utilised an interpretive approach to understand the perceptions of bank customers.

The population for this research were new customers of 6 months or less and had recent and on-going experiences of local bank practices, reflecting the criteria of theoretical purpose, relevance and appropriateness. A random sampling process targeted to a closed list of new customers (385) who spoke adequate levels of English was applied – all respondents were Thai resulting in a total of 18 customers determined as the resultant sample frame.

Overall results, included 5 Key-themes (Staff Related; Service Process; Technology/Media; Product Related; and Customer Related) and 25 sub-themes distributed across three areas (Service Design Elements; Service Delivery Elements; and Post-Service Management). The limitations of such a small study should be noted. These results may be considered adequate for exploratory analysis only and a larger, more involved study is needed to validate the present study.

Keywords: Banks, Qualitative methods, Customers, Thai

1. Introduction

Becoming more customer focused in the banking industry of Thailand has now become a rallying call for banks who want to survive and even grow (Cui, Lewis and Park (2003); Naumann and Giel (1995)). Thai banks are now emphasizing improved customer service to retain their customers and compete with large multinational firms (Moon and Stone, 2003). This has created the possible break-down of demarcation lines between the various classes of financial institutions as the entry of multi-national banking consortiums has also created more complex consumer responses resulting from increased competitive market positions. Consequently, the level of increasing competition and changing consumer demands in the banking sector in Thailand has led every bank leader to consider the impact of the ordinary consumer on their bottom line (Rotchanakitumnuai and Speece, 2003). Further, pressures surrounding the Thai banking industry from around the world have influenced major operating changes through liberalization of the economy of which the Thai banking sector has been central to these developments while the Thai banking sector is still not completely deregulated (Gerrard and Cunningham, 2003) and foreign banks are not yet allowed to engage with customers in the market directly. Nash (1993) reported that many customers in the UK were dissatisfied with the relationship they have with their bank and this aspect has also been identified as a growing issue for the Thai banking industry. This raises the first research question - What is the customer perception of bank service quality?

Measuring service quality levels is beginning to be understood to be a very useful tool to help manage the relationship between the business and its main stakeholder – the consumer. A major cause of issues resulting from a breakdown in this relationship is the level of discontent between what the company promises and what customers receive (Parasuraman, Ziethaml and Berry, 1985). The tumultuous change patterns associated with the banking industry in Thailand in the last eight years has created complex developments in the use of technology, marketing practices and banking strategy resulting in different patterns of consumer treatments. Bank consolidation practices and the need to reduce non-performing accounts have led the industry to seek more appropriate ways to match consumer needs. Consequently, research that inquires into how banking practices develop closer links with their customers has been very thin on the ground in Thailand. The need therefore for this type of research is overwhelming in order to help consolidate present practices and also to stimulate new methods to communicate more effectively between banks and customers. Further, This indicates that the banking sector is possibly still internally oriented (monopolized) and has yet to move to a more mature market oriented sector. The conditions therefore suggest that it is perhaps now pertinent to explore the relationship between the banking sector and the consumer – especially in terms of service requirements and developments. This raises the second research question - What is the character of bank-customer service interaction?

2. Service Quality in Thai Banks

This literature review attempts to bring together some of the more important aspects of service quality that faces the Asian banking industry and more specifically, within the Thai banking sector. In this respect, a cursory review of the literature suggests that service quality

and performance in the bank industry in Thailand appears to be underpinned by notions of customer value; customer retention and loyalty; delivering services to meet and exceed customer expectations; and service assessment mechanisms and these aspects will be discussed below.

Services in general now account for over 70 per cent of production and employment in many developed countries (Moore, 1999). More importantly, services account for 46.7% of GDP in Thailand with services in the banking sector accounting for nearly 75% of this [1]. In monetary terms, the need to manage banking service is therefore considered crucial to the Thai economy. Etzel, Walker and Stanton (2001) indicates that services are identifiable, intangible activities that are the main object of a transaction designed to provide want-satisfaction to customers. Similar but distinct definitions prevail in the literature most notably, Parasuraman, Ziethaml and Berry, 1985; Bessom (1973); James (2005); and Grönroos (2001).

The Thai banking industry is learning that they cannot maximize value to customers if they supply products that are perceived as defective, late or ineffective (Harrison and St John, 1996). To enhance such productive involvement, Thai banks have been advised to develop better relationships (Hines, 1994; Kumar, 1996; Womack and Jones, 1996). Further, as Purvis (1993) indicated that in order to remain and/or increase profitability, banks must continue to cut costs and offer better and more comprehensive services to their customers in order to retain more customers and provide more effective service delivery designs. The literature continuously suggests that customer retention is economically more advantageous to a bank than constantly attempting to seek new customers through more expensive marketing activities (Reichheld and Sassar, 1990; Sheth and Parvitiyar, 1995) and that this consequently is underpinned by the notion that building and maintaining long-term customer relationships is central to improved bank performance (Ennew and Binks, 1996). There would appear to be three main studies which examined the nature and importance of benefits (residual and actual) customers had derived from longer-term relationships with service providers and these can be applied here to banks in Thailand. These are Beatty et al. (1996); Beatty (1999) and Gwinner et al. (1998). However, an examination of these studies suggests that these are not the only crucial factors as the nature of banking services requires more than just the managerial determination of service standards; it requires an adept management style that allows different perceptions from different parties to the service act to be amalgamated so that all service elements match consumer expectations and demands; and in turn match service quality through delivery to those consumer expectations.

Service quality is however, perhaps by its very nature a dynamic concept – both in terms of consumer perceptions as well in practical application (Oliver and Rust, 1993). The work of Avkiran (1994; 1999) may be useful to consider here who proposed that perceived service quality is a global judgement or attitude relating to the superiority of the service; whereas satisfaction is related to a specific transaction. Thus, consumer perceptions of the organisational service intent are important in the construct of service quality. Underpinning this possible service quality construct appears to be the notion of customer value. In addition to this, Chalermratana (1996) suggests that service quality should not be considered an

engagement in a static process, but a process that encompasses pre-service elements, during-service elements, and post-service elements. This appears to be the chief theoretical foundation of service quality models introduced by Berry et al., (1985); Grönroos, 1983; and further Zeithaml Parasuraman and Berry (1990). In this respect, Parasuraman, Zeithaml and Berry, (1985, 1988) first developed a framework of service quality construct dimensions that are widely cited and discussed. This raises the third research question - What is the impact of bank-customer service response?

Clearly of issue is the notion of whether banking organisations and consumers alike are capable of accurately assessing consistently the required levels of service quality and how this helps develop effective processes to enhance the consumers experience of the service provision. Antonides and Van Raaij (1985) - cited in Parasuraman et al, (1985) - point out that people differ in their perceptions of reality, their experiences and personal situations and respond in a mostly individual way when asked about their service quality requirements. This situation is compounded negatively through the notion that perceptions of service quality may be substantially affected by the expectations prior to or actually created in the service delivery (Avkarin, 1999). For example, Houston, Battencourt, and Wenger (1998) conclude that as the waiting time increases consumer perceptions of service quality drops.

3. Methodology

To gain a broader, deeper and more involved understanding of the issues generated within the Thai service-banking context and to consider more implicitly the issues and questions raised, this empirical groundwork utilised an interpretive approach (Walsh, White, and Young, 2008) to understand the perceptions of bank customers. Customers were considered specialist knowledge agents as their opinions and experiences influenced policy application in the bank. The research used a semi-structured questionnaire, which provided an appropriate element of context and flexibility (Cassell and Symon, 2004) and this further aided by applying an inductive/theory building approach (Glaser and Strauss, 1967). Given the lack of appropriately focused research in this area, this methodology is seen as suitable for creating contextual data for the purpose of forming richer theory development (Cayla and Eckhardt, 2007). The population for this study was customers of the main branch located in Bangkok, Thailand - chosen through applying the approach of Carman (1990). After discussions with top management – new customers of 6 months or less would take part in the research and this reflected the criteria of theoretical purpose, relevance and appropriateness (Glaser and Strauss, 1967). It also indicated the importance given by the bank to the research bearing. A random sampling process targeted to a closed list of new customers (385) who spoke adequate levels of English was applied – all respondents were Thai. This was chosen primarily because the customers had recent and on-going experiences of local bank practices and was well placed to offer specific thoughts and impressions of their new experiences. Using Glaser's (2004) sampling processes, a total of 18 customers were thus determined as the resultant sample frame, which was also considered the result of convenience sampling process first initiated by Harrel and Fors (1992). Similar studies on service quality had used a sample size of 62 (Llosa, Chanson, and Orsingher, 1998) and 20 (Colgate and Norris, 2001). A requirement in terms of rigour was to ask each respondent the same set of questions creating a notion of

determination of question context that the researcher used as a template to create a flexible and open questioning arena.

Each interview was audio recorded for future analysis. Interviews were conducted in English and took approximately 60 minutes. All interviews were recorded digitally after gaining explicit permission, and were later transcribed verbatim using NVivo software. The conduct of the interviews follows a similar process used by Gray and Wilcox (1995) with each individual group being asked the same set of questions - modified through ancillary questioning (probes and follow-ups) in the same way as Balslem (1991). To increase the reliability of the data, the actual transcription was returned to each respondent – via e-mail - for correction, addition or deletion and return, which followed the process of validated referral (Reeves and Harper, 1981). Whole-process validity was achieved as the respondents were considered widely knowledgeable of the context and content associated with the research orientation (Tull and Hawkins, 1990).

Each interview was initially manually interrogated and coded initially using the EverNote software according to sub-themes that 'surfaced' from the interview dialogue - using a form of open-coding derived from Glaser (1992a); and Straus and Corbin (1990). This treatment was also reinforced and extended through the use of thematic analysis conducted using the NVivo 9 - qualitative software package similar to Walsh et al. (2008). Each interview was treated and coded independently. In this way, no portion of any interview dialogue was left uncoded and the overall outcome represented the shared respondents views and perspectives through an evolving coding-sequence (Buston, 1999). Various themes were sensed from the use of the software packages, as well as from the initial manual-coding attempts. This dual form of interrogation was an attempt to increase the validity of the choice of both key themes and sub-themes through a triangulation process. NVivo 9 was further used to explore these sub-themes by helping to pull together each of these sub-themes from all the interviews (Harwood and Garry, 2003). In this way, it was possible to capture each respondent's comments across transcripts (Riessman, 1993) on each supported sub-theme and place them together for further consideration and analysis.

4. Theme Outcomes

Overall, 5 Key-themes (Staff Related; Service Process; Technology/Media; Product Related; and Customer Related) and 25 sub-themes distributed across three areas (Service Design Elements; Service Delivery Elements; and Post-Service Management).

Table 1. Theme Assessment

Key Themes	Sub-Themes		
	Service Design Elements	Service Delivery Elements	Post-Service Management
1 - Staff Related	Management/ Administration Process Design Training	Staff Performance Personal Characteristics Communication Process Product Knowledge Bank Process Knowledge	Staff Performance Training Staff Control Staff Skills
2 - Service Process	Service Distribution Personal Characteristics	Service Evaluation Training Method/Practice	Training Service Promise Service Failure Assessment
3 - Technology/Media	Technology Media/Marketing Practices	Technology Media/ Marketing Practices	Training Service Promise Service Failure Assessment
4 - Product Related	Product Material Service Promise	Product Relevance Service Promise	Training Service Promise Service Failure Assessment
5 - Customer Related	Customer Orientation Customer Needs	Customer Expectations Service Experience Motivation Bank Recommendations	Training Service Promise Service Failure Assessment

5. Research Findings

Following on from accepted qualitative practices, the outcomes of this research are presented and any comments or inferences are drawn at the same time. The outcomes are stated below where the discussion focuses on the research questions, main themes, sub-theme elements within each key theme and the breadth of respondent illustrations/extractions as used in the reporting of this research (numbers do not infer relative importance) are presented in Table 2, below. The discussion format used in this paper reflects the respondent's voice through a streamlined and articulated approach for reporting. Consequently, the style adopted for reporting and illustrating the data is greatly influenced by Gonzalez, (2008) and also Daniels et al. (2007) and is discussed below, focusing on the raised research questions and the resultant main themes.

Table 2. Sub-themes discussed in this paper (other sub-themes are considered of less persuasive significance)

Research Questions	Main Themes	Sub-Themes	No. Refs	
What is the customer perception of bank service quality? (Q1)	Staff Related (SR)	Staff Performance	C2, C4, C5, C7, C8, C9, C11, C14, C16, C18 (10 = 57 total)	
		Product/Process Knowledge	C1, C13, C17 (3 = 27 total)	
	Service Process (SP)	Service Evaluation	C2, C3, C6, C7, C8, C9, C11, C12, C13, C15, C17 (11 = 54 total)	
		Personnel Characteristics	C2, C4, C6, C10, C11, C13, C17 (7 = 27 total)	
What is the impact of bank-customer service response? (Q2)	Technology/Media (T/M)	Media/Marketing Practices	C2, C4, C8, C11, C13 (5 = 36 total)	
		Customer Related (CR)	Bank Recommendations	C1, C16 (2 = 24 total)
			Customer Expectations	C5, C12, C17 (3 = 9 total)
		Customer Orientation	C2, C11 (2 = 11 total)	
		Customer Needs	C5, C8, C14 (3 = 22 total)	
		What is the character of bank-customer service interaction? (Q3)	Product Related (PR)	Product Material
Service Promise	C15, C18 (2 = 12 total)			
Totals	5	11	57 = 292 total	

6. Major Theme Discussion

The following discussion uses the five key-themes (contained in Table 1, above) as its basis and consequent sub-themes in terms of where the sub-theme would appear to have most influence. This discussion attempts to correlate the relevant issues that the research question demands to be answered by using the sub-questions. Answering the sub-questions appears to answer the main question posed.

6.1 What Is the Customer Perception of Bank Service Quality?

This is informed by Key theme 1 (Staff Related); and Key theme 2 (Service Process).

6.1.1 Key Theme 1 - Staff Related

Staff Performance - Staff performance appears to be accepted by customers as a major influence in the face-to-face contact with the bank - mirroring a similar outcome to Newman (2001). For example, one response (C4) which typifies a significant minority of customers (8) indicates that, yes, it is very important, yes because you spend a lot of time working out which bank to use and what products may be we should use. So I think the performance is extremely important... it's very important. Further, another customer (C9) comment which typifies a significant minority of customers (4) suggested that, some of it [staff interaction], I think, is outstanding. Some of it less so. Obviously I find that the standard varies a little... - which appears to indicate that staff performance was considered by customers to vary and may reflect wider variations in adopted banking standards. The exact level of influence can be illustrated by a customer (C11) who typified a significant majority (11) in that, staff performance is the bank quality. Poor staff performance means the bank does not care about its customers. This... [Bank] ...has much to learn about meeting customer needs. One customer (C2) comment which is representative of a small minority (6) takes this further and indicates that staff performance, ...is important in the context of the initial interview when we go to open an account. It does make big a difference. You must have good quality staff for those times...

From the evidence, there does appear to be a difference in customer perception between some staff. This appears to contradict the findings of Naumann and Giel (1995) where employees' perceptions of service and actual customer perceptions of service quality tend to match. Reasons for this may be, for example, as one customer (C14) who typifies some customer comments (7) stated that ...there is a mixed ability group delivering direct customer service. One customer (C5) further highlights this as ...you can't compare some of the staff. It would seem as if some are more mechanical. However, another customer (C18) indicates ...I find that the front staff offers me quite a lot of ideas and information to help with my finances. I find Z very worthy, extremely well prepared but I'm not quite sure why I don't find his input more valuable. Thus, the evidence from this study does not seem to mirror Williams and Attaway (1996) in terms of the need for Thai bank staff to service customers more effectively or Bove and Johnson (2000) whose study reflects the importance of customer loyalty and the development of a strong relationship between the customer and a single member of staff. However, another customer (C8) comment which appeared to represent a small minority (5) indicated ...I think that some members of staff are not given the same kind of remit as they are given less bank products to introduce or manage. This in itself may underpin why many customers appear to feel that some staff aren't totally equipped to deal with customers. This aspect is typified further by another customer (C16) who states ...I think the problems are based, ...on personality, shaped by their own experiences of where they've come from and some are obviously limited in that experience...and of course customer training.

A small group of customers appeared to anticipate problems associated with staff performance (6). As one customer (C5) suggested ...it didn't really affect my overall perception of the bank capability. I think, I was disappointed and I hoped that it wasn't going to happen again. Customers appeared to evaluate staff performance as an individual, develop

opinions and then share these with their peers and family. It was noted from the evidence (4) that this process appeared to alleviate stress created by perceived ill-performing staff and was used by many customers as a sounding board. This naturally affected customer perception as individual viewpoints were either strengthened or reduced as a consequence of this type of group discussion. This point was taken up by a significant minority of customers (4) which was typified by one customer (C7) who suggested that ...we don't have the opportunity to discuss at the bank bad staff practice - mostly because the staff don't allow us to feedback to them our disappointments or concerns and to stimulate any kind of positive change. This suggested that there is little evidence that the bank actually wanted to stimulate customers in giving them appropriate feedback on bank staff performance.

Product/Process Knowledge - Product knowledge appeared to be central to a customer's perception of quality of service delivery of a bank product. Many customers (12) appeared to feel that product knowledge allowed them to trust the staff and the message given and thus have greater confidence in the staff. Here, one customer (C17) indicated ...yes, I think that's very important, for them to appear to put across a sort of positive picture and also to be able to structure their selling process. Some of the best ones have been where the representative has laid out a sort of framework of what they're going to discuss and actually followed that through. A number of customers (7) appeared to suggest that the level of product knowledge gave an indication of the flexibility of delivery. This is highlighted by one customer (C13) who stated that ...the product content I can get from a brochure and I want somebody to make me stop and point out appropriate alternatives and I guess become more confident and more perceptive as a result of that. They have not done this at all.

Customers perceived differences in the demonstration of product knowledge between management and sales staff. One customer (C1) who typifies the customer comment (8) stated that some management ...knows their stuff very well, whereas many of the others are struggling. This suggests that more experienced staff are perceived as being more adept at dealing with diverse customer requirements. This has concerns over what customer training programmes are utilised and to whom this training is being directed to.

6.2.2 Key Theme 2 - Service Process

Service Evaluation - Customers appear to understand that the effort they put into the evaluation is seen as a superfluous exercise. Most customers (8) appeared to use the bank service evaluation form as the only means of staff evaluation (Duclos, Vokurka and Lummus, 2003). This is embodied by one customer (C3) who states that ...we get this form at the end of the new account opening. To me this isn't sufficient, but it is the only form we have for giving feedback on the staff performance and the process used by the staff. This is further illustrated by another customer (C11) who typifies a minority (4) and states ...I'm not quite sure that any evaluation is taken quite seriously enough by the bank. I feel that they just give it to us and then it's wasted. Another customer (C8) suggested that ...well, we have a questionnaire at the end of the new account process, which we are invited to fill in frankly. And I think people do...but nothing happens...does it? This may indicate why many customers (9) appear to consider that the comments made on the evaluation form are not taken seriously by bank staff

or are just taken as lip-service resulting differences/indifferences between customer satisfaction and service quality (Reeves and Bednar, 1994). However, to add to this a minority of customers (4) reported that they were aware of some changes being made as a consequence of action taken through the bank assimilation of customer comments and any consequent new ways of building relationships with customers (Trim and Lee, 2006). This is illustrated by one customer (C15) who stated ...certainly there was [improvements]... I think there was the extension of banking times and also more ATM facilities. Which personally I wouldn't have gone for, but I think some customers would have found it to be a good thing. Another customer (C12) indicated that ...the bank has appeared to have modified the product ranges and how they deal with customers once or twice. I don't know whether it's our job to tell the bank what they should do - they are the professionals.

However, a significant minority of customers (7) perceived that they considered many of the improvements as superficial in nature, leading to an ineffective unilateral customer development Kahn (1998). This was revealed by one customer (C7) who stated that ...most of the changes are related to administration. Very few relate to the service process or address staff weaknesses. They still behave in the same way as before. A minority of customers (5) do not perceive any changes to the service delivery element and this is typified by one customer (C6) who stated ...have they? I've not seen this. This may be seen as raising an issue if changes are made to service provision - how are these changes communicated to customers?

Many customers (6) appeared to find the evaluation process useful. This is illustrated by one customer (C13) who stated that ...I think it's useful in a couple of ways. One that, I think it's good to be reflective at the end of a discussion with staff about your problems and how they can help solve them. And secondly, that one hopes that points will influence the future bank customer strategy. However, another customer (C17) responded ...well it was the only one [bank] that I use – nothing changes really.

Some customers (3) perceived that there were problems with the evaluation form in its present state and this is illustrated by one customer (C2) who indicated that ...because they ask you to comment on the whole banking experience, I actually found that very hard. Because I want to distinguish between different situations and different people and that's not always possible.

A small minority (4) voiced the opinion that customers don't complete the evaluation forms at all because the bank management may not respond to any future loan favourably – especially if they are negative about a particular service offering. As a consequence, some customers (3) appeared to make a personal choice of not taking their opportunity to make written or verbal comments. This point is illustrated by one customer (C9) who stated ...what's the point; nothing will really change, will it? and I don't want to risk my loan application. This is a situation of concern, as this focuses in on matters of trust and organisational policy.

Personnel Characteristics - Many customers (9) appeared to portray what characteristics of good staff that they thought were useful and valuable, as staff has been found to influence the quality and delivery of products and services to external customers (Zeithaml et al., 1990; and Schneider and Bowen, 1995). However, there was a minority (4) who did not have an opinion

even when urged. Of the customer opinions that were vocalised, and typified by one customer (C10) who stated ...I think clarity in the interaction between the customer and the staff. Somebody who has a clear idea of what customers need and how to solve their problems as well as having time to talk. For these customers it was clear from the evidence that they wanted a more relaxed style of interaction with more interaction rather than a serious, bureaucratic administration type process. This appears to corroborate an outcome from Newman (2001); and Geyskens, Steenkamp and Kumar (1999). Another customer (C4) further suggested that ...I think, a sense of humour is important, it helps to keep you interested. One customer (C6) submitted that ...I'm sure No.1 for me is that they've got to have some sort of confidence - which has something to do with thoroughness and preparation I suspect [laughter]. They have got to have some substance as well. They can't - just can't offer new things without any knowing what I want.

Many customers (8) made comments on what they saw as a representative of poor staff interactions with customers (Ghoshal and Westney, 1991). One customer (C11) comment epitomized this aspect as a staff member who ...he used outdated information... There were expectations for getting involved in trying to understand what the bank could offer. Instead I was appalled at the childish way they treated you. This affected customers perception as another customer (C2) indicated ...it made me take the bank less seriously. Another customer (C13) comment characterised poor customer interactions as ...being boring monotone, and telling, rather than explaining. Unfortunately, some of the staff behaved this way – with a rather superior attitude. This had obviously created issues with customers as a number reported that they just stopped the process and left to talk to someone in another branch – and in one customer's (C17) view – I'm never going back again. These concerns illustrate the fragility of customer relations during the initial stages of customer involvement with the bank (Rowley, 2000).

6.2 What Is the Impact of Bank-Customer Service Response?

This is informed by Key theme 3 (Technology/Media); and Key theme 5 (Customer Related)

6.2.1 Key Theme 3 - Technology/Media

Media/Marketing Practices - Many customers (9) enthused that the literature provided was helpful and presented enough detail for understanding the bank's products – and in a majority of these customers (7) – as depicted by one customer (C11) ...too much detail, and too complicated to be of practical use indicating that Mahadevan's (2003) notion that useful data should be shared effectively is a major issue to consider. However, it appears that there were differences between customer service staff and other administrative staff in how they used this media and in the variety of media utilised. Other administrative staff appeared to be more structured in their presentation of bank products, whereas customer service predominantly were reported to refer to a variety of products that illustrated alternatives in terms of cost as well as diversity. As one customer (C4) indicated who typified a majority of customers (12) ...customer service staff were more confident with their product presentations. It was as if they were better trained than other staff. They used a variety of tools. They looked like professionals to me. However, a significant minority (7) indicated that the usefulness and

appropriateness of some media were brought into question (underpinning Hughes, 2002) which purports that new opportunities are evolving for customer relationships to be nurtured - as some were never used or were considered by customers as superficial and superfluous to their needs, such as calculators and loan payback sheets. Moreover, customers perceived that the appropriateness of the overall media package received was becoming less relevant to their needs illustrating the impact of ethnocentrism (Kaynak and Kara, 2002) as depicted by one customer (C8) ...I question the volume and coverage of materials given as explanations to products as I am concerned that the material is too complex for me - so how can I assess them properly? Another example, linked to customers (7) appeared to want more useful product as one customer (C2) commented ...the service representative of [bank] was dwelling on outdated, more expensive and less flexible products and was noticeably behind the times. On this, another customer (C13) attested that they needed ...more focused and useful products for different lifestyles... ..and thus there was less choice available due to a lack of competition. This appears to support Rust and Zahorik (1993) in terms of attempts at customer retention.

6.2.2 Key Theme 5 - Customer Related

Bank Recommendations - Many customers (8) appear to want to recommend the bank to close colleagues or even sub-ordinates of theirs now realise that brand management and brand image (Nicholls et al., 1995) requires careful consideration (Park, Jaworski and MacInnis, 1986). For example, one customer (C1) indicated ...when we're happy we tell other people, y'know who are close to us. Although, a small minority of customers (5) signified their reservations related to the management of the bank through lack of trust or commitment (Morgan and Hunt, 1994) and how the staff managed customers as depicted by one customer (C16) who stated that ...our family has a lot of money here, and I lost money on investments. It is just not fair. We trust them and they do this to us. Further, a significant minority of customers (9) as illustrated by one customer who indicated that they were ...expected to bank with a particular bank because of work requirements. This is not good at all. Not good... This suggested that some customers had little choice about what bank they went to and therefore the service they could expect and that this may be a weakness in some bank brand management (Abele, Wright and Starkey, 2003b).

Customer Expectations - A significant minority of customers (7) reported that they had expectations on how they would participate in the services that the bank provided. For example, one customer indicated (C12) that because ...some staff were given the authority to make certain decisions that have had a negative effect on us using the bank. For example, another customer (C5) suggested that ...the choice of credit card and the level of credit were determined by bank staff... - which perhaps reflected some inflexibility in the administrative arrangements of the banking process rather than towards meeting customer needs. This outcome corroborates the work of Malhotra et al (2005). Further, another customer (C17) suggested that ...customers can have all the expectations they want, but the bank is there to make money, so they will try to give customers the best deal possible, as long as the risk is manageable and that the bank gets their cut. When applying the disconfirmation paradigm developed by Parasuraman et al. (1988) it can be concluded that customers in this study tend not to be a satisfied group. Nor was there any evidence of delighted customers, a term first

coined by Oliver, Rust and Varki (1997) describing customers whose expectations are exceeded by their banking experiences.

Customer Orientation - A small minority of customers (7) appeared to consider that the bank was administratively oriented, rather than customer oriented (Sturdy, 2000) - with management appearing to concern themselves with bank administrative quality and product/information quality (Dwyer, Schurr, and Oh, 1987). This was typified through one customer's viewpoint (C11) that indicated ...we had to follow the bank procedure exactly. And when we got it wrong we had fill another form in - this was ridiculous. It was anticipated by some customers (4) that banks should have changed over the past five years as indicated by one customer (C2) who stated ...you'd think that they would have got it right by now. All that money in changing how the bank looks and they still can't remember my name! The evidence from customers does not appear to support the view of banks as supportive nor as customer oriented as required (Jayawardhena and Foley, 2000); Rubin, 1995).

Customer Needs – Whilst the evidence indicated that some bank staff meets customer's needs by attempting to be responsive and outward customer orientation, a significant minority of customers (9) suggested that most bank staff did not (supporting Axson's 1992, notion of a major gulf in views between the bank and the customer) - as typified by one customer (C14) who indicated ...I can't remember when they [bank staff] went out of their way to help you. Again, when applying the disconfirmation paradigm developed by Parasuraman et al. (1988) it follows those customers in this study may not be a fully satisfied group.

The findings revealed that service evaluation mechanisms do not appear to be trusted (Merrilees and Fry, 2003) or understood effectively by customers and therefore levels of customer anxiety appears to be high. As one customer (C8) suggests ...if we give them negative evaluations it may affect my credit standing or my brothers or sons. So I won't take the risk. This appears to support the outcomes of Darby and Karni (1973) in a study of the effects of customer misinformation. Consequently, this may be an issue of concern for the bank management. Further, the notion of trust between staff and customers appears to be deficient as the relational exchange between service providers and customers, is not simply a series of independent transactions (e.g. Berry, 1983; and Jackson, 1985) leading to the desired level of customer satisfaction (Geyskens, Steenkamp and Kumar, 1999). As such the evidence points to a customer need to develop a relationship that is likely to rely on such issues as trust, equity, responsibility, and commitment confirming the work of Gundlach and Murphy (1993). Customer expectations and bank customer orientation appear from the evidence to indicate a wide gap between both realities and this corresponds with the findings from the possible lack of visibility in the banks understanding of customer needs (based on Dick and Basu, 1994). For example, one customer (C5) who typifies a large portion of the sample (12) suggested that ...if the bank will only listen to us, I know they will benefit financially in the end. Consequently, further research is needed to explore the reasons for such differences and the possibilities surrounding the closure of customer expectations and bank customer orientations (Aaker, 1995). This appears to support the work of Donthu and Yoo (1998) who argued that cultural influences on service quality expectations are profound and consequently, the result

here leads to the suggestion that bank strategies affecting service quality must address what customers expect. The bank would appear to view customers as necessary, but not the focus for bank processes. Consequently, at issue is the development of a consumer orientation in which to build more effective measures to communicate with the consumer. Retaining customers has therefore become even more important, as well as more intensified efforts at customer relations (based on Leung, 1997).

6.3 What is the Character of Bank-Customer Service Interaction?

This is informed by Key theme 4 (Product Related)

6.3.1 Key Theme 4 - Product Related

Product Material – Only a small number of customers (4) appeared to indicate that the material provided to customers was standardized and yet supportive and flexible (Polonsky, Suchard and Scott, 1999) in terms of the advice and information provided and thus Kreppa et al. (2003) are justified in claiming that management should be able to think in terms of identifying unmet customer needs through the media. As one customer (C1) suggested ...yes, they do provide sufficient material, but sometimes it is out of date. In contrast, another customer (C6) indicated ...the material is not very good. It does not provide us with all that we need to know in order to make useful financial decisions – but then aren't they all like that? However, other customers (8) failed to link the banks web-site with printed material, as one customer (C14) depicted ...oh the net is different. It's not paper is it. You can't take it to the bank and say this is what you stated. This indicated that some customers may not be experienced enough to assess the effect of the internet on bank operations, or that customers do not trust the bank unless it is directly from them in writing. This appears to confirm one of the outcomes found by Rotchanakitumnuai and Speece (2003); and Verhoef, Reinartz and Krafft (2010).

Service Promise – A significant majority of customers (11) indicated that they had experienced a failure in the service promise (supporting Grönroos, 1996) and that this was not an isolated event – meaning that this occurred more than once. For example, one customer (C18) stated that ...opening hours are often changed without notice and contrary to those that are indicated in the brochure. They don't seem to consider us customers suggesting that the outcomes from Howcroft and Durkin (2000) may have not been headed as customer interaction is an important facet of bank management. Another customer (C15) suggested ...the bank says that it will transfer a fixed amount every month to my other account; but often the bank sends it twice or even not at all. We don't trust them – even when they state it in writing. I mean, they put it in writing that no matter what process errors occur – it is always the customers fault! That's not good, is it? This appears to illustrate the well accepted notion of Parasuraman, Ziethaml and Berry (1985) in that central to the nature of service quality is the dissatisfaction gap between what the company promises (Carlzon, 1987) and what is received and delivered to the customer (Harrel and Fors, 1995). Customers appeared to indicate that the material provided to customers was standardized and yet supportive and flexible in terms of the advice and information provided.

7. Summary of Outcomes

A model of outcomes, the relationships to the research questions and perceived client experiences can be seen in Figure 1, below (as taken from Table 2). The model illustrates the conceptual development, relationships perceived to correspond to each research question and how they influence the bank service perceptions.

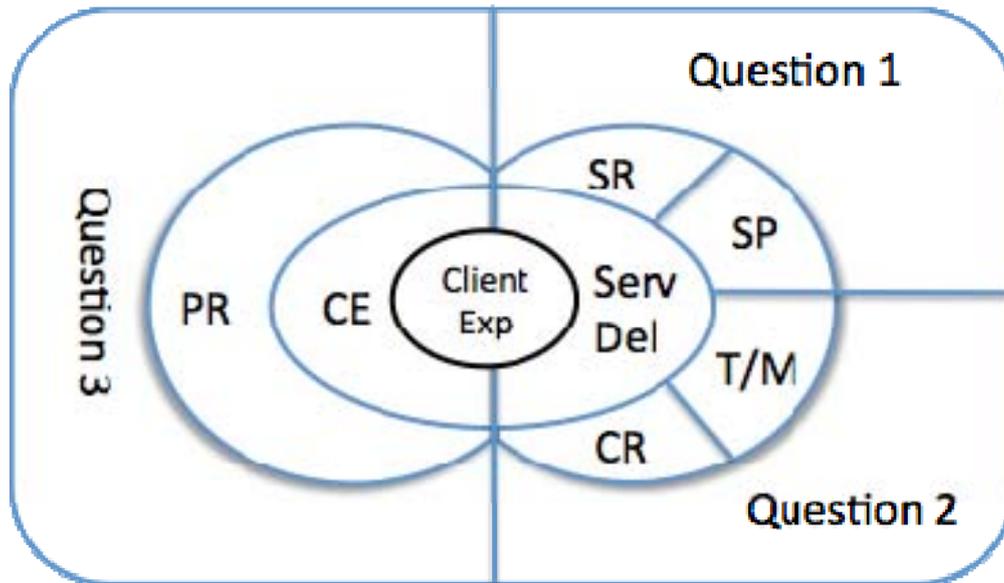


Figure 1. Relationships to the research questions and perceived client experiences

8. Conclusion

Clearly, from the evidence presented here, Thai banks may need to re-examine their broader service development and implementation processes if they are to address the issues surrounding the management of the bank-customer relationship – mirroring the outcomes found by Nunaz and Yulinsky (2005).

The evidence presented here suggests that customers have established views about what constitutes good practice when bank staff interacts with them. It is, therefore, of importance for banks to explore the reasons for bank customers in Thailand in order to ensure that customer views are taken into consideration (Azvine and Nikraves, 2002) when developing new bank products, changing the banking system through responses to competitive forces and highlighting the increasing importance of the understanding changing consumer behaviour and attitudes (Byers and Lederer, 2001) in Thailand's financial industries.

Staff appeared to have difficulty in dealing effectively with customers in a way that helped reduce the perceived bureaucracy from bank processes (following on from Winsted, 1997a). This will lead to more capable staff and providing significantly greater and more useful information based on customer preferences (Azvine and Nikraves, 2002). In regard to any generalisations that can be made from the outcomes of this paper, it must be understood that this study was a small-scale study and that care must be used not to extend the meanings and reported experiences out of the bank interview context. In this respect, much more research

must still be carried out, possibly to widen the scope to include all banks in Thailand.

The limitations of such a small study should be noted. These results may be considered adequate for exploratory analysis only and a larger, more involved study is needed to validate the present study.

Furthermore, very few empirical studies have been carried out in Thailand that investigate the customer, service design elements, service delivery elements and post-service management factors/issues, which contribute to the establishment and strengthening of relationships between customers and banks. In this respect, future research needs to be aimed at attempts to understand an increasingly complex and challenging banking sector situation.

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