Service Quality at Thailand's Government Savings Bank: Chonburi Province

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Abstract
This research identifies five different customer service variables that affected service quality at Thailand's Government Savings Bank in Chonburi Province. Customers were satisfied by bank service tangibles, responsiveness of the bank to customer needs, the bank's reliability, the bank's empathy for customer needs, and by the bank's assurance for customer confidence.

The most important variables were customer perceptions of bank security and safety, the bank's commitment to protecting customer information, courteous bank employees, knowledgeable and skilled bank employees, and a bank's interest in customer problem-solving.The variables that ranked lower in importance were the ability of bank employees to provide quick service, the bank had a good layout for customer service, the bank offered modern equipment such as bank book updates, the bank offered drinking water or coffee for customers and whether or not the bank's had enough parking.
Key Words: *Service Quality, Customer satisfaction, Competitive advantage, Thailand*

Introduction

Competition in the banking sector has dramatically increased as banks place increasing importance on service quality and customer satisfaction to sustain a competitive advantage. The different aspects of service quality include staff training, the bank's physical appearance and decor, products that meet customer demand and marketing activities. When these variables are implemented successfully, a bank achieves customer satisfaction.

Thailand's Government Savings Bank (GSB) vision is to be a financial institution that caters to individual savings, economic development, social development, national environmental development and grass roots development from the perspective of effective management and social responsibility. It is very important for GSB to evaluate and monitor its service quality because the Bank is subject to internal audits and scrutiny from outside institutions.

GSB is a juristic person and a state enterprise that operates as a financial institution guaranteed by the Government under the supervision of the Ministry of Finance. The GSB operates 1,121 branches all over the country (Thailand Government Savings Bank, 2015).

Competition in banking product sales and service quality has significantly increased as more and more free trade agreements have been implemented. Many foreign banks have entered the Thai market and domestic banks have been forced to work harder to attract customers.

The factors or variables related to banking customer satisfaction must be studied because the results will give banks the critical information they need to improve customer service satisfaction and to also enhance a bank's competitive advantage.

Literature Review

Research into the relationship between service quality and customer satisfaction has found that core qualities have a direct influence on customer satisfaction. They have a significant and tangible affect on the service quality that Bank employees offer to build good relationship with customers, and help staff learn how to meet customer needs (Fatima & Razzaque, 2014).

Dhurup, Surujlal and Redda (2014) identified seven dimensions of technology-based service quality: assurance, responsiveness, accessibility, speed, ease of use, fulfillment and accuracy, and they noted these dimensions significantly influenced customer satisfaction and loyalty. They found that measuring customer satisfaction of online banking service quality has become an important part of a bank's efforts to improve service quality strategies.

The growth of smart technologies and a wider range of customer payment options have improved banking customer satisfaction and loyalty. Perceived value and customer satisfaction are two main variables that significantly affect the relationship between service quality and customer loyalty, which are also enhanced by reliability, validity and the ability of bank staff to communicate well with customers (Shin, 2014).

Research into theme parks has shown that service quality also includes reliability, tangibles, assurance, responsiveness and empathy, since these all have had a dramatic influence on customer satisfaction and loyalty. It is very important for theme park management teams to improve service through better operational planning and by developing appropriate service strategies to improve customer satisfaction that translates into brand loyalty (Kuo & Wu, 2014).

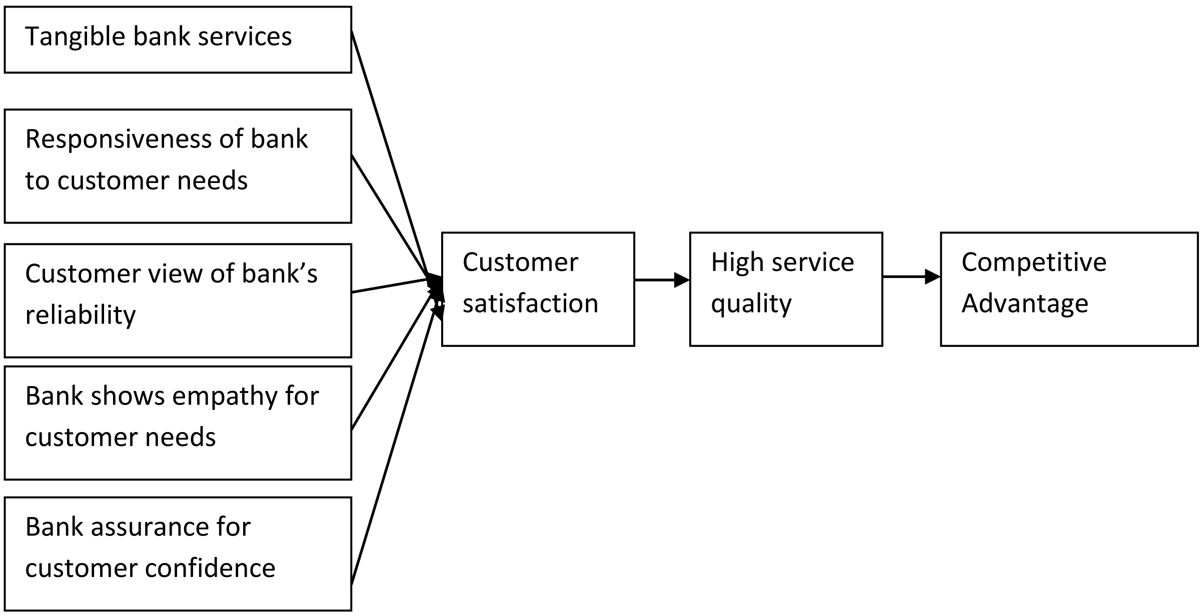
In the airline industry, service quality variables such as terminal tangibles, airline tangibles and empathy have had a direct effect on customer satisfaction. The relationship between customer satisfaction and customer word of mouth recommendations has had a significant impact on the way customers choose airlines. Empathy is a key ingredient of customer satisfaction with airline service.

For example, airlines that offered good transportation between city venues and an airport were considered to be empathetic, and this was one way that empathy could be measured (Suki, 2014).

Empathy and tangibility variables are the dimensions that have the most influence on the perceived quality of higher education. Comparing differences in empathy and tangibility at private and public institutions has been shown to be an effective quality enhancement strategy(Calva-Porral, Levy-Mangin & Novo-Cortil., 2013).

Accessibility, tangibles and reliability have also had a dramatic impact on customer satisfaction in the hotel industry. Although empathy and staff competency have had positive effects on guest satisfaction levels, satisfaction rates have not necessarily been found to be statistically significant. These results show that service quality that is embedded in customer satisfaction can improve service quality, which then has a significant effect on service quality improvement (Markovic & Jankovic, 2013).

Conceptual Framework



Methodology

This exploratory research focuses on variables that affect Thailand's Government Saving Bank's service quality in Chonburi Province. The research explored the degree to which each variable related to the future development of the bank's service quality.

The research applied quantitative methods by distributing and anaylzing questionnaires as qualitative contextual tools. Secondary data considered a literature review that reconfirmed the research findings.

The research process began with a literature review, which was used as a basis to establish parameters for measuring bank service quality. Supervisors and experts were then consulted before conducting the initial surveys with the bank's customers. The measures were applied to the results of the final version of the survey. The survey's results were analyzed using a Mean, and conclusions were drawn from the study's findings.

The exploratory research focused on 334 bank customers who were doing business with the bank. They completed final questionnaires that were divided into 4 parts.

The first questionnaires focused on customer satisfaction with four different dimensions of the bank's service: tangible customer bank service, bank's responsiveness to customer needs, customer perceptions of bank's reliability, bank shows empathy for customer needs and bank's assurance for customer confidence. The final questionnaires focused on customer satisfaction with bank service variables.

Results-Table 1 Customer satisfaction with bank service

Service Quality	Mean	Service Quality Level
Customers perceive bank service as tangible	3.85	Satisfied
Responsiveness of bank to customer needs	3.79	Satisfied
Customer perception of bank's reliability	3.72	Satisfied
Bank shows empathy for customer needs	3.70	Satisfied
Bank's assurance for customer confidence	3.65	Satisfied
Average	3.74	Satisfied

Table 1 shows the Mean results for these variables: Customers perceive bank service as tangible, Responsiveness of bank to customer needs, Customer perception of bank's reliability, Bank shows empathy for customer needs and Bank's assurance for customer confidence. The results found that customer responses were in the satisfied level, the mean=3.81. The Mean of Customers perceive bank service as tangible was 3.85. The Mean of Responsiveness of bank to customer needs was 3.79. The Mean of Customer perception of bank's reliability was 3.72. The Mean of Bank shows empathy for customer needs was 3.70, and the Mean of Bank assurance for customer confidence was 3.65.

Rational, core and tangible dimensions have been shown to be positively associated with customer satisfaction in retail banks when customers perceive that they truly receive excellent service from their bank (Nateh & Kuada, 2014).

In the car rental business, service quality, customer satisfaction and customer loyalty had positive relationships with high service quality, which led to high customer satisfaction as well as customer loyalty. Empathy refers to personalized services or a personalized service provision mode that attracts customers, and when empathy is demonstrated, this has a strong impact on customer satisfaction (Zhang, Xie, Huang & He, 2014).

Universities all over the world are focusing on providing excellent quality service and customer-centered practices since they must increase the numbers of students to improve their competitive advantage. Service quality variables such as reliability, tangibles, responsiveness, empathy and assurance have been shown to have a direct effect on student satisfaction. This is why universities must urgently emphasize service quality variables to improve student satisfaction (Naidoo, 2014).

Table 2 Customer Perceptions of Highest Service Quality Variables

Service Quality Variables	Mean	Service Quality Level
Customers perceive high safety and security	4.00	Satisfied
Bank has a secure customer information protection system	3.97	Satisfied
Bank employees are courteous	3.90	Satisfied
Bank employees are knowledgeable and skilled	3.86	Satisfied
Bank shows an interest in customer problem-solving	3.85	Satisfied
Average	3.91	Satisfied

Table 2 shows the Mean results for customers' perceived highest service quality variables: customers perceive high safety and security, bank has a secure customer information protection system, bank employees are courteous, bank employees are knowledgeable and skilled and the bank shows an interest in customer problem-solving. The results found that customer responses were in the satisfied level, in which the Mean= 3.91. The Mean of Customers perceived high safety and security was 4.00. The Mean of Bank has a secure customer information protection system was 3.97. The Mean of Bank employees are courteous was 3.90. The Mean of Bank employees are knowledgeable and skilled was 3.86 and the Mean of Bank shows an interest in customer problem-solving was 3.85.

Table 3 Customers' Perceived Lowest Service Quality Variables

Service Quality Variables	Mean	Service Quality Level
Bank employees provide quick service	2.34	Dissatisfied
Bank has good layout for customer service	2.25	Dissatisfied
Bank has modern equipment such as bank book updates	2.10	Dissatisfied
Bank offers customers drinking water or coffee	2.10	Dissatisfied
Bank has enough parking	2.05	Dissatisfied
Average	2.16	Dissatisfied

Table 3 shows the Mean of customers' perceived lowest service quality variables results for these variables: bank employees provide quick service, bank has a good layout for customer service, bank has modern equipment such as bank book updates, bank offers customers drinking water or coffee and bank has enough parking. The results found that customer responses were in the dissatisfied level, in which the Mean=2.16. The Mean of Bank employees provide quick service was 2.34. The Mean of Bank has a good layout for customer service was 2.25. The Mean of Bank has modern equipment such as bank book updates was 2.10. The Mean of Bank offers customers drinking water or coffee service was 2.10, and the Mean of Bank has enough parking was 2.05.

Conclusions and Suggestions

Customers are satisfied with customer service when they perceive they are receiving tangible bank services, when they believe the bank is responsive to their needs, when they perceive the bank as reliable, when the bank shows empathy for their needs and when they believe the bank's assurance for customer confidence. When perceptions of a service meet their expectations, it means they are satisfied with a bank's service. Responsiveness to customer needs has become an important factor in banking service as customers want more choices from their service providers and easily accessible information.

The variables that showed the highest service quality results were: Customers perceive high safety and security, Bank has a secure customer information protection system, Bank employees are courteous, Bank employees are knowledgeable and skilled, and Bank shows an interest in customer problem-solving. Safety and security was important to customers since the bank has their money, and they want to be assured the bank makes personal safety and security a priority for customers. A secure customer information protection system is important because personal information can be too easy to access if the bank's IT system is not secure. Banks need to pay more attentions on customer problem-solving because it will create customer satisfaction.

The variables that showed the lowest service quality results were: Bank employees provide quick service, Bank has a good layout for customer service, Bank has modern equipment such as bank book updates, Bank offers customers drinking water or coffee, and the Bank has enough parking. This means the bank needs to make improvements in these areas to improve its competitiveness advantage. Customers value their time. They are busy, so fast service creates customer satisfaction. New IT systems or modern equipment are main supporting tools for customer satisfaction, so the bank absolutely needs to pay attention to updating its equipment and facilities to meet customer demand for convenience. This would definitely enhance customer service quality perceptions.

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