Consumer Banking Industry—Customer Service Politeness Evaluation

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Abstract

"Politeness is also a service"; in all service industries, it is not just a slogan - for a good enterprise, whether it treats customers wholeheartedly can be told from the behaviors of its clients. An investigation on 33 commercial banks in the Taiwan region has been conducted during this study. It is discovered that the "levels of politeness" presented by every bank is not very similar and part of the banks need to promote their levels of politeness. This study can also observe the degree of considerations about customers by commercial banks, as can be taken as the key points to improve their future services.

Keywords: bank, level of politeness, PZB model, customer satisfaction

1. Research Motivation and Research Purpose

Banking is an industry with high service characteristics, providing various financial commodities to customers. Banks have no "tangibles" products and they meet customer demands through financial operations. At the same time of meeting customer demands, banks will implement various different-level programs, which are the services provided by banks. Because these programs are the critical procedures of product realization of banks, the operations (services) of these programs will become extremely important. Since the "4-7-9 Reform Scheme" (commonly referred to as the first financial reform), the banking industry has entered into a relatively open and customer-oriented market. The first financial reform aimed to reduce the bad debt ratio of financial institutions to below 5% within 2 years and increase the bank capital adequacy ratio to above 8%. After the first financial reform, successive promotions on Financial Mergers Institutions Law, abolishment of Asset Management Company (AMC) and Sec Financial Acts were implemented (Lee, 2002). Since the fourth quarter of 2004, the well-known "Second Financial Reform" has been started; with a hope that at least three financial controlling companies could have a market share of over 10% by the end of 2005, the number of financial institutions with government shares would be reduced from 12 to 6, the number of financial controlling companies will be reduced by half, i.e., to 7 and at least one financial controlling company would be listed abroad or introduce foreign investment. However, either on the introduction of foreign investment or by the specific reform of local banks, whether banking industry forgets or remembers the original intention of serving customers while facing the global financial crisis is the major motivation of this paper.

After the ten SERVQUAL dimensions including tangibles, reliability, responsiveness, competence, courtesy, credibility, security, access, communication and understanding were put forward in 1985, PZB "Service Quality Conceptual Model" stepped into a long standstill. Most research scholars usually take PZB theoretical perspective and deduce it into a form of "customer questionnaire" to perform service measurement (Yeh, 2002; Lin, 2006). But years before, some scholars have already proposed that "price" is one of the "critical factors" that impact customer satisfaction in service industries. No matter how the proportions of ten dimensions are arranged or ranked, the actual customer satisfaction fluctuates with the critical variable "prices" only, that a real difference will happen in the measurement between customer satisfaction and service quality. The majority of customers think price is service. Such a measurement oriented completely by "consequence" will ignore the spirit of efficiency and consistency that can be provided by overall financial services on procedure standardization. Therefore, this study is conducted with the hope of designing a set of instruments for measuring service quality with equal importance on "result" and "procedure", differentiating from the past consequence-oriented service measurement method. This paper is based on "practical observations" method (going as mystery customers) to carry out the actual evaluation of the assessment instruments that are designed by the researchers of this paper on any commercial banks. It is aimed by this research to break down the illusion that "questionnaire" is defined as the unique measure of assessment by observing the rationality of the design process of assessment instrument: on the one hand, with a hope to fill in the vacancy of the blind spot of SERVQUAL. On the other hand, its objective is to observe the current service status of every commercial bank at the same time. Along with these objectives, the research question is "what is customer's perception of service quality of commercial banks in Taiwan", and practical observation method will be applied to examine this research question.