

The Impact of Internet Banking Service on Customer Satisfaction in Thailand: A Case Study in Bangkok

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Abstract— The purpose of this study was to find the internet banking service dimensions that will have the impact on customer satisfaction among top three banks in the Bangkok area: Bangkok Bank, Kasikorn Bank and Siam Commercial Bank. Questionnaires were used to collect data from 450 respondents by using quota sampling. Multinomial logistic regression analysis was employed to obtain the important internet banking service dimensions that have the impact on customer satisfaction. Results showed that providing 24hours-7days service, completing a task accurately, contacting staff to check immediately, providing accurate information & up to date, transaction process is fast, and providing online registration times were the important factors that have the impact on customer satisfaction.

Keywords— Customer Satisfaction, Internet Banking Service, Logistic Regression Analysis

I. BACKGROUND

IN business field, Internet is used widely by masses, and has numerous benefits to offer, especially in Internet Banking services. Nowadays, people are so busy in their work lives, that they don't even have time to go to the bank for conducting their banking transactions. All banks provide online banking facility to their customers as an added advantage. Internet banking enables people to carry out most of their banking transactions using a safe website, which is operated by their respective banks. The services available online vary from bank to bank. Most of the general services are on all banking websites such as –view account balances, pay bills, view records of transactions, transfer money to linked accounts with the same bank, transfer money to specially selected unlinked accounts, check interest in accounts, send money overseas, Change your details, etc. [1].

These are not all of the services available because each bank is different and in the competitive nature of banks they are always offering new features to attract customers. Banks create their banking interfaces and websites in a viewable and

user-friendly manner, which enable customers to conduct their financial transactions with ease. All online banking services, provided by some banks, are free of cost [1].

Banks in Thailand have entered into internet banking service since 1995. However, many Thai banks have been striving to compete with foreign banks by providing better services to meet new Internet Banking service challenges. With high rate of NPL (Non-Performing Loans) and economic crisis on-hand since 1997, many Thai banks are forced to reduce cost via reduction of human resources. Many experienced workers have retired with early retirement package offered by the bank. Remaining employees with less experience have more work to do and work faster within shorter service hours. As a result, customers have to wait longer in line and suffer from error prone transactions at the over the counter services inside the banks. The open and closing time of bank service hours also have been changed from between 8:30 a.m. and 4:00 p.m. (7 ½ hours) to 9:30 a.m. to 4:00 p.m. (6 ½ hours) [13].

Therefore, the first four Thai banks (Thai Farmers Bank (TFB), Siam Commercial Bank (SCB), Bank of Asia (BOA) and Krung Thai Bank (KTB)) have decided to initiate, explore and attempt to launch Internet banking service as a mean to reduce waiting time, errors, costs, and improve customer satisfaction since 1997. Their Internet banking services allow customers to access and inquiry about their own accounts and perform simple frequently asked transactions via the Internet from their computers at work or home at their convenience time. However, the feedback from customers in terms of satisfaction, complaints, and suggestions remain unknown and needed to be discovered in order to improve or disprove of internet banking services. The remaining nine Thai banks are in early stages of planning, developing and implementing their first internet banking services to their customers [13].

Nowadays, Banks have a lot of competitors not only other commercial banks but also international bank that open in Thailand, especially in Bangkok. It is better for customers to have more choice to select best brand of bank for them to satisfy their need but for banks, they have to find the ways to satisfy customer and keep competitive advantages above other banks. Bangkok Bank got the first prize from Bank of the year award in year 2010 followed by Siam Commercial Bank and Kasikorn Bank respectively. These imply that customers

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