

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

The advances of the Internet have revolutionized the way many organizations, especially the financial services industry conduct their business. Many financial institutions have used the Internet advantage as their market expansion tools. The high- technology equipment is implemented in their customer service system and helps to empower organizations with new business models and new ways to offer around the clock accessibility to their customers. Many banks in Thailand have initiated their strategy plan coping with their Customer Relationship Management (CRM) to support their customer processes. Online-banking, telephone banking and automated machine are designed to help those banks serve their customers' needs.

With the high competition in financial services industry in Thailand, Kasikornbank Public Company Limited (KBank) has improved and re-branded its organization. The bank consolidated its effort to streamline operations. The consolidation process would help the bank prepare for competition and also be part of an effort to push the bank toward being an universal bank offering various financial services to customers. As a result of a recent re-engineering process, the bank might be one of the country's most advanced computerized retailing services.

With the introduction of customer self-services in the financial services industry, there have been many assumptions about customer behavior. In banking, customer self-service is usually made between Internet segments and branch segments (Mols, 1999). This paper is part of a research project which shows some challenging assumptions. Customers' channel choices are viewed dependent upon characteristics of the transaction (or service), channel, customer relationship and individual differences. The focus in this paper is to report the results of an analysis on the effect of individual differences on customer channel choice for transactional services. The analysis is based on the transactions and customer data, and is focused on the data available that can cast light on factors influencing the adoption and use of self-service channels (ATMs).

1.2 STATEMENT OF THE PROBLEM

1.2.1 Main Question

- Do people in the Aree area prefer to use customer self-service in terms of the ATM rather than the personal counter?

1.2.2 Sub-Questions

1. What are the customers self-service in terms of the ATM behavior of people in the Aree area?
2. How are people in the Aree area satisfied with Kasikornbank's customer self- services?
3. What are the improvements of Kasikornbank's customer self- services that the respondents need?

1.3 OBJECTIVE OF THE STUDY

1. To determine the customer characteristics and customer-perceived service quality of ATMs of Kasikornbank; in the perspective of a financial service provider, it would be valuable to know what part of the ATMs is needed to improve.
2. To ascertain the comprehensiveness of the CRM strategy and customer relationship development across the Kasikornbank touch points especially at the ATMs.

1.4 DEFINITION OF TERMS/VARIABLE AND DEFINITIONS

Automated Teller Machine (ATM) means an unattended electronic machine in a public place, connected to a data system and related equipment and activated by a bank customer to obtain cash withdrawals and other banking services.

Customers means customers of Kasikornbank, Phaholyothin branch

Aree Area means the area of Aree or Phaholyothin Soi 7, on Phaholyothin Road, Phayathai District, Bangkok

1.5 SCOPE OF THE STUDY

This research focuses on the ATM usage behavior of people in the Aree area of Bangkok. The subjects of this research were limited to people working and living in the Aree area.

1.6 SIGNIFICANCE OF THE STUDY

1.6.1 To study the behavior of customers of Kasikornbank in ATM usage

1.6.2 To develop strategies to help financial service providers improve their customer self-services

1.7 LIMITATION OF THE STUDY

This study attempts to contribute to providing a better understanding about technology based self-service especially ATMs from a customer perspective, based on previous literature reviews and theories. The study describe mainly Self-Service Technologies (SSTs), perceived service quality, customer involvement in part of Customer Relationship Management (CRM), and factors explaining the customers' attitude towards Customer Self-Services (ATMs) to enhance service quality in the case study of K-ATM .

1.8 ORGANIZATION OF THE STUDY

This study is divided into five chapters. The first chapter is an introduction which consists of background, statement of problem, objectives of the study, definition of terms, scope of the study, significance of the study, limitation of the study, and organization of the study. The second chapter is the review of literature. The third chapter is the methodology consisting of subjects, materials, procedures, and data analysis. The fourth chapter presents the results and tables of the survey. Finally, the last chapter will provide a summary, conclusion, discussion, and recommendations for further research.