

CHAPTER FIVE

CONCLUSIONS, DISCUSSION AND RECOMMENDATIONS

This chapter presents (1) a summary of the study, (2) a summary of the findings, (3) discussions of the results, (4) conclusions, and (5) recommendations for further research

5.1 SUMMARY OF THE STUDY

5.1.1 Objectives of the study

The main objective of this study is to determine the customer characteristics and customer-perceived service quality of the ATMs at Kasikornbank and ascertain the comprehensiveness of the CRM strategy and customer relationship development across Kasikornbank touch points especially at ATMs.

5.1.2 Subjects

The subjects of this research were 142 people who live or work around the Aree area in Bangkok.

5.1.3 Materials

The questionnaire which was divided into 3 parts, was used to find out customer attitudes and preferences towards ATM usage from the perspective of service quality.

5.1.4 Procedures

The questionnaires were distributed to 142 people who are customers of Kasikornbank at the Phaholyothin branch from December 10, 2007 and ended on January 14, 2008. The data obtained from the questionnaires was analyzed by SPSS program version 11.5 in order to calculate the frequency and percentage.

5.2 SUMMARY OF THE FINDINGS

The result of the research can be summarized as follows:

5.2.1 General Information of the Respondents

Of all 142 respondents, 89 (62.7%) were female respondents. Most of them were between the age of 22 and 33 years old. On the aspect of their status, most of

them (79.6%) were single. Most of them have Bachelor's Degree. 111 of the total 142, or 78.2% of them, work for the private sector and most of them (47.9%) earn about 10,001-25,000 each month.

5.2.2 Information of ATM Usage

From the survey of the people living or working around the Aree area, the general attitude and adoption of the ATM, most of the respondents (43.7%) hold two ATM cards. The number of the respondents holding Kasikornbank ATM cards was 126 which showed that most of the respondents hold ATM cards issued by Kasikornbank. The second highest number, 63, is Bangkok Bank. And the least amount of respondents, none of them, holds Siam City Bank ATM cards. Most of them (47.2%) use ATM services about five times in a month.

For their reason as to why they use ATM services, the result shows that most of them indicated that they use ATM services because ATM machines are near their offices. The second most important reason is because they can use it to avoid the banking hall crowd.

For the reason why they reduce the use of ATM services, the result shows that most of the respondents indicate that their ATM usage reduction was caused by ATM crime. The second most significant reason is because they want to avoid the ATM surcharge.

Most of them frequently withdraw money through an ATM. This was considered from their response in which most of them ranked it as number 1, which means that it was the most important thing when using ATM services. The highest amount that most of the respondents have ever withdrawn from an ATM is about THB 10,001-50,000.

For the fund transfer transaction, the highest amount that most the respondents have ever transferred through an ATM is about THB 1,000 -5,000. For the inter-bank fund transfer transaction, the highest amount that most of the respondents have ever transferred is about the same amount as for the fund transfer transaction. Half of the respondents usually paid their mobile phone billing by paying through the ATM Mobile phone payment services. Most of them always select Thai when they use the ATM services.

5.2.3 Attitude Towards of Kasikornbank's ATM

The study reveals that the respondents were satisfied with Kasikornbank's ATM. In term of the provided services, they were most satisfied with the K-mAlert: Money Transfer. They appreciate being advised via SMS of each fund transfer with details including recipient's account number, transfer amount, and telephone number/reference number of sender.

For those who were satisfied with the "K-mAlert: Money Transfer", another service such as K-mAlert: SMS - alert service for spending via debit and credit cards also serve their needs.

In the aspect of the quality of service, the result indicates that 56.3% or 80 respondents are satisfied with the notice of ATM crime screen services when they use Kasikornbank's ATM. They were least satisfied with donations to charity services.

5.3 DISCUSSION

This section will discuss the outstanding issues of the results related to customer self-service in terms of ATM usage by people in the Aree area as well as the problems encountered by the respondent's of ATM usage.

The result shows that respondents evaluate ATM usage in terms of service quality. For the financial service providers, it is important to understand the attributes that they are based on the customer evaluation, whether they have a positive or negative effect on service quality. Financial service providers need to learn the important aspects of customer self-service and how these relate to their customers and the overall service level.

In this study, it is apparent that aspects of location, ease of use, speed and reliability need to be considered. Financial service providers need to struggle for excellence in these aspects as well as be able communicate their benefits. The result implies that the retail banks should be concerned with ATM crime and ATM surcharge in the long run.

5.3.1 ATM Crime Decreases the Respondents Use of ATM Services

Table 6 in Chapter 4 shows the results of the ATM usage reduction. 35.2% of the respondents avoid using ATM services because of ATM crimes such as card cloning and robbery.

ATM card cloning is on the increase nationally where skimming devices have been attached to ATMs. The crime is committed by attaching electronic skimming devices over the card slot on ATMs. The device will then read card details from the magnetic strip on cards inserted into the machine. In order to clone cards the criminal then needs the PIN. This is either obtained by means of a pin-hole camera which is also attached to the ATM (above or to the side of the key-pad) or by the criminal 'shoulder surfing' i.e. standing near you and memorizing the PIN or entering it into a mobile phone.

This also relates to the result from Table 13 in Chapter 4. Most of the respondents (56.3%) agreed with Kasikornbank's ATM crime notification. Thus, this point also infers that the respondents are concerned for their safety. The bank is encouraged to acknowledge the customers in this matter by providing security guidelines in its website and sending attachments to customers. The security tips will be very helpful to the customers who usually use ATM services. For example; If possible, customers should choose ATM where customers use it regularly, or at least one located in a safe place; observe whether the ATM has been modified; While using ATMs, customers should stand close to it and hide the keyboard with their hands while pressing the PIN; and customers should limit withdrawals to appropriate amounts by informing the branch customers have account with.

Based on the results, negative perceptions of ATM usage impacts on the adoption. These perceptions relate to the perceived the risks such as risk of safety. Promotional activities may be able to counteract these negative perceptions

5.3.2 Customers Avoid Use of ATM Services Because of the ATM Surcharge

As the retail banking industry attempts to build a new distribution channel system, the industry has provided more ways for customers to access their accounts. Banks are now forced to consider new ways to increase revenue through these distribution systems. They have added significant costs to each transaction.

At present, an ATM fee is the result of the bank's generated value and profitability. Over decades, banks have invested heavily in ATM machines due to their cost advantage on a per transaction basis. This has led banks to attempt to change customer's behavior through additional fees. This change in behavior will most likely be greatest to the banks in terms of cost reduction because the traditional teller transaction is almost more expensive than ATM transactions. Thus, banks must continue to innovate in order to meet the changing needs of the customers, while at the same time developing new fee structures.

According to Table 6, the results show that many respondents reduce the use ATM services because the bank charge them ATM surcharge per transaction or they do not have any knowledge of the ATM surcharge. Only 9.2% of the respondents are not concerned with the ATM surcharge. This point infers that there are a lot of respondents need the banks to clarify to them the ATM surcharge which the respondents must know before using the ATM services. The bank might attach the following table near an ATM machine:

Schedule of Fees

Details	Fees (Baht)
Balance inquiry	None
Balance inquiry of other banks under ATM Pool	Waiver of fee for the first 4 transactions (of balance inquiry and withdrawal) within one month, Subsequently, THB3 per transaction
Withdrawal within the same clearing district using KBank ATM card	None
Withdrawal within the same clearing district using an ATM card of other banks under the ATM pool	Depending on ATM card owner's bank
Withdrawal across clearing districts using KBank ATM card	THB10 per THB10,000 (Minimum is THB10)
Withdrawal across clearing districts using ATM card of other banks under ATM pool	Depending on ATM card owner's bank

(table continues)

Schedule of Fees (continued)

Withdrawal using foreign bank' ATM card	Depending on ATM card owner's bank
Transfer between your linked A/C	None
Inter-bank funds transfer under ATM pool, not exceeding THB10,000	THB25 per transaction
Inter-bank funds transfer under ATM pool, between THB10,001-THB30,000	THB35 per transaction
Other account funds transfer within the same clearing district	None
Other account funds transfer across other clearing districts	THB10 per THB10,000 (Minimum is THB10) plus THB10 for calling fee
SMS Alert for funds transfer within the same clearing district	Waiver of fee from now until January 15, 2008
Withdrawal using foreign bank' ATM card	Depending on ATM card owner's bank
SMS Alert for funds transfer across clearing districts	None
SMS Alert for inter-bank fund transfer s	None
Purchase/Payment and Barcode Payment	Depending on each participating merchant
Mutual fund service	None
Donations to Charity	None
Change PIN	None
Switch to KBank E-Savings Account	None
Register KBank Direct Debit	None
Apply for Mobile Phone Services	None

5.3.3 Customers Relationship Management (CRM) Contribution and Implications

The findings of this study have important implications for research and banks that are currently offering services related to Customer Relationship Management (CRM) as well as banks that are planning to offer such services.

Retail banks formerly collected and processed information by product and transaction, not by customer because it was quite easy to access. However, with the high competition in such businesses, banks need to truly understand customers and create relationships with them. Customers are demanding and receiving a larger variety of traditional and new banking products and delivery systems. Banks; therefore, are required to increase new distribution channels and obtain the customers share of the wallet. The share of wallet is the portion of the customer's entire financial relationship with the bank. The more products that a customer has with the bank, the cheaper it is to serve them per product, and the more difficult it would be for the customer to switch to another bank.

This research contributes to Customers Relationship Management (CRM) purpose, by identifying the relationship of ATM user behavior and Customers Relationship Management (CRM) contribution and implications. From the results of this study, respondents who use the services at Kasikornbank, Phaholyohin branch have a favorable attitude towards Customer Relationship Management (CRM) technologies in terms of ATM services. So the bank should focus new technical development of ATM services and pay more attention to the relative advantages of this product. In this way bank will achieve a higher adoption of ATM services.

5.4 CONCLUSION

The following conclusions can be drawn from the discussion above.

5.4.1 This study examined the aspects of adoption of customer self-service channels in terms of ATMs the customers take into consideration when evaluating the quality of services. Moreover, this study has considered the impact the implementation of Customer Relationship Management (CRM) can have on the overall service quality of a financial service provider. Finally the crucial relationship between customer-perceived service quality and customer preferences was investigated. In this study, the customers' attitudes and preferences towards ATMs have created a better view for a financial service provider.

5.4.2 In terms of customer self-services in the banking industry, the ATM is most useful for customer's daily transaction. Most young people have a positive effect

on the speed of service delivery. They agree that withdrawing money using ATMs is fast when compared to personal banking.

5.4.3 The results of the study show that the majority of ATM users still use normal transactions that ATMs originally provided such as money withdrawal. In accordance with the development of the ATM, the bank should promote other services such as purchase or payment transactions to increase usage rate by making the users feel it is not complicated to use those services.

5.4.4 Due to ATM crimes, the banks need to protect customers or potential customers' safety and security. Customers need to be sure that an ATM is reliable and accurate. Many respondents are dissatisfied with ATM crime and it makes them to reduce the ATM services.

5.5 RECOMMENDATIONS FOR FURTHER RESEARCH

Based on the findings and conclusions of this study, the following recommendations are made for the further research.

5.5.1 Further research should study other types of customer self-services such as Cash Deposit Machine (CDM), Cyber Banking, and Mobile Banking. It will be interesting for the banks to know customer preferences, attitudes and perceptions towards service quality with other self-service options.

5.5.2 Further research should add more questions concerning service recovery when the customers face problems using ATM services because this will be a measurement of customer perceptions of banking services. It will be valuable for the banks to be concerned with the services and the staffs' promptness; speed of service provided; ease of services usage; and professionalism of service providers.

5.5.3 Since the research studied only the people in the Aree area, further research should increase the number of respondents as well as study people in other area in order to investigate and compare the usage behavior of the ATM users in each area.

5.5.4 Further research should study and compare the different usage behavior of ATM users between male and female to find out if gender has an impact on the behavior of people using ATM services. This is because different genders have different behaviors. For example, more females might pay attention to the ATM

crime notice screen when they use ATM services at the machine than male. Moreover, as more young people use more ATM services, future research should also study whether young people prefer to have new transaction options for ATM services such as air tickets, gift voucher, and cinema tickets because the services are now beginning with bill payments and mobile top-up services on offer.

5.5.5 In the future, banking organizations have to implement new technological aspects, with strong security systems as a way of assuring the customers that their transaction is carried out in a perfect manner. Many banks will be able to deliver highly trustworthy, approachable, modified services through technology and will offer easy and effective means of providing services. The following are some of the issues for further research so as to concentrate more on quality service delivery to customers and offer satisfaction. Further research should concentrate on:

- Customers requirements and expectations for service
- Company performance compared with competitors
- Gap between customer expectation and perceptions
- Effectiveness of changes in service delivery
- Customer expectation for new services
- Future expectations of customers