

Customer-Centricity of Government Savings Bank in Bangkok

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ABSTRACT

The study determined the customer-centricity of government saving banks in Bangkok, Thailand. Specifically, it also looked into the customer-centricity on customer-focused leadership, understanding the customers, empowering the front line, metrics that matter, feedback that drives continuous improvement, and designing the experience. Further, it also looked into the level of impact of banks: more business opportunities, increased revenue, a better image of customer satisfaction and better business sustainability; and the relationship between impact and level of customer-centricity of officers/managers and the clients. The research used the descriptive correlation research design. There were 562 respondents. Questionnaires were used to gather the data needed in the study. The statistical treatment of data consisted of mean score to determine the level of customer-centricity, the banks' impact, and the correlation analysis to discover the relationship of the customer-centricity and impact of the banks. On the findings of the research, the customer-centricity of the government savings bank in Thailand has excellent management of the following: (a) Customer-focused leadership, (b) Understanding your customer, and (c) Empower front line. While the customer-centricity of officers or managers and clients of the government savings bank in Bangkok has good management in terms of the following:(a) Metrics that matter, (b) Feedback that drives continuous improvement, and (c) Design the experience.

Keywords: *customer-focused leadership, empowering, frontline, management*

INTRODUCTION

In today's organizations, to be customer-centric is not having it as a slogan, but rather the center of the business. Increasing government regulations, competitions, and cost reduction and shift in consumer preferences will drive organizations to focus on customer-centricity as an added competitive advantage. The bottom lines, efficiency and performance will provide evidence to its adoption. If curved correctly in the organization, profitability will be sustainable in the long run.

In search of market opportunities, financial institutions are delving on increasing market share with present customers. In all regions in America, Europe, and Asia-Pacific, aside from financial organizations, companies have adopted marketing campaigns as reinventing, restoring, and deepening customer loyalty to be more "customer-centric". Customer centricity is not just a byword, but a strategy to attain company visions and transforming the initiatives to deliver customer long term loyalty.

Customer centricity should be seen as the intended outcome, creating loyalty and value to improve organizational efficiency (Soda and Zaheer, 2012).

Customer-centricity is not a new concept but becoming essential to serve the customer better. Customer-centricity is a strategy that should be instilled in the whole organization, as everyone is serving the customer's needs. It is not about providing customer service, but offering customer satisfaction from needs identification up to post-purchase and service, and the strategy of elevating the customer as the foremost concern.

According to Steven (2017), customer-centricity is merely doing business with the customer in a way that provides a positive customer experience before and after the sale in order to drive repeat business, customer loyalty, and profits.

Shah, Rust, Parasuraman, Staelin and Day, (2016) studied customer service and found out that customer-centricity had become an elusive goal for many organizations. It is due primarily to the failure of understanding and addressing the issues and challenges of the organization.

Burritt and Coetzee (2016) studied Customer Centricity and Financial Inclusion: Lessons from Other Industries. They found that negative customer experiences that erode customer trust are at the root of many of these challenges. Many of these negative experiences result from poorly designed products that do not respond to clients' needs, are difficult for customers to activate and use, do not deliver on promised features, or are costly relative to their benefits. Service providers catalyze the customer-centric journey. Translating the customer-centricity of companies is a process of a comprehensive multi-stage and multi-year activity that transforms organizational change. Change requires overcoming barriers and enlisting enablers; conflict arises that necessitates active management of change to catalyze the customer-centric journey.

Customer-centricity is not just about offering excellent customer service. It means offering a great experience from the initial awareness stage, throughout the purchasing cycle, and finally into the post-purchase process. It is a strategy based on putting customers first and at the core of the business.

At present, the banking business in Thailand is fiercely competitive. Due to the customers having options, each bank tries to find a strategy to win customers such as by adding value to the needs of customers are met and offering quality service on the terms that consumers have the power to negotiate more. The banking business is trying to create a customer retention activity. At the same time, each organization is trying to draw its competitors' customers by applying price strategy, which, in the end, is a loser. This is not the right approach in the long run. So what is needed this time should be back to customer focus (Customer-Centricity). For this reason, CRM (Customer Relationship Management) has occurred in organizations, by customizing the product to match the needs of the customer.

The researchers strongly believe that the study's results and findings serve both the bank and its clientele. These may also guide the formulation of policies that will improve bank customer-centricity, enhance such effectiveness, and improve banks better.

The study determined the customer-centricity of banks. Specifically, it looked into the level of customer-centricity of government savings bank as perceived by bank officers and clients in terms of customer-focused leadership, understanding customer, empowering the front line, metrics that matter, feedback that drives continuous improvement and designing the experience; and impact of government savings bank on having more business opportunity, increased revenue, better image of customer satisfaction and better business sustainability; and the relationship between the level of impact and the level of customer-centricity of banks of officers/managers and clients.

METHODOLOGY

The research used the descriptive correlation research design. The respondents consisted of 162 bank officers and managers and 400 randomly selected bank clients in Bangkok. A survey questionnaire was administered to the respondents. The proponents and experts constructed the questionnaire and had it content validated by knowledgeable persons in their fields of specialization. For the ethical considerations, the study has minimal risk involved. An approved written request to gather data to participants was solicited as proof of adhering to the respondents' confidentiality and anonymity. Participants are benefitted from the study as it hopefully provides added insights into the improved customer service strategies. The data gathered in this study were treated statistically using the following: Mean to determine the level of customer-centricity of banks and impact of banks, and correlation analysis to determine the relationship between the impact and the level of customer-centricity of officers/managers and clients. The use of quantitative ratings assessed customer-centricity and the different areas of banks, and the corresponding descriptive interpretations are as follows:

Range of Score	Descriptive Rating
4.21-5.00	Very High (VH)
3.41-4.20	High (H)
2.61-3.40	Fair (F)
1.81-2.60	Low (L)
1.00-1.80	Very Low (VL)

RESULTS AND DISCUSSION

A. The Level of the Customer Centricity (By Officers/Managers and Clients)

The respondents' perceptions of the level of customer-centricity of officers or managers are presented in the Table below.

Customer Focused Leadership

Officers/managers. Table 1 shows that the level of customer-focused leadership is "Very High" with Sub Mean rating of 4.95, meaning that the leadership of banks puts a very high focus on customers of the banks. This study is confirmed by Mensah (2010) who stated that the overall customer satisfaction in Ghana, reliability explained overall satisfaction of customers in Spain.

Clients. The level of customer-focused leadership is "Very High" with a Mean rating of 4.96. This may be because government savings banks focused on the equality and importance of significant customers or retail customers to observe customer satisfaction consistency with bank strategy.

Relatively, in the study of Erins and Erina (2013) they mentioned that the development of customer satisfaction had an impetus from their clients.

"Listening customer voice" is highly practiced by bank officers and managers or CEO." This means that banks in Bangkok give due importance to the comments and suggestions made by the customers and properly evaluate them as deemed appropriate. In addition, Lemon and Verhoef (2016) mentioned that listening the customer's voice gives the opportunity for establishments to interact with consumers in multiple touchpoints, finding the opportunity to develop and enhance their professional relationships.

Understanding Customer

Officers/managers. The level of understanding customer is "Very High" with a mean rating of 4.83. It implies that the respondents highly understand the predicaments of their customers. It means that banks are aware of the importance of understanding customers. Lemon and Verhoef (2016) mentioned that

Table 1
Level of customer centricity of officers/managers and clients

Level of Customer Centricity	Officers/Managers		Clients		As a whole	
	Mean	DR	Mean	DR	Mean	DR
A. Customer Focused Leadership	4.95	VH	4.96	VH	4.96	VH
B. Understanding Customer	4.83	VH	4.96	VH	4.70	VH
C. Empowering the Front Line	4.30	VH	4.86	VH	4.58	VH
D. Metrics That Matter	4.07	H	4.14	H	4.10	H
E. Feedback That Drives Continuous Improvement	4.05	H	4.05	H	4.05	H
F. Designing the Experience	4.03	H	4.00	H	4.01	H
Grand Mean	4.30	H	4.51	VH	4.40	VH

Norm:

Range of Score	Descriptive Rating (DR)
4.21-5.00	Very High (VH)
3.41-4.20	High (H)
2.61-3.40	Fair (F)
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1.00-1.80	Very Low (VL)

understanding the customer and the customer journey over time is critical for firms , in addition Accenture (2015), stated that understanding and Improving the experiences of customers are the top business priority for companies.

Clients. The level of understanding the customer is "Very High" with a mean rating of 4.96. This means that the client respondents are aware that the banks listen to their feedbacks, and the bank mechanisms are in place.

Empowering the Front Line

Officers/managers. The level of empowering the front line is "Very High" (mean rating of 4.30). This means that the respondents are highly practicing empowerment that drives the frontliners to better serve their clients.

Clients. The level of empowering the front line is "Very High" with a mean rating of 4.86. This means that the bank frontliners are aware and felt that they are empowered to better serve their clients. Skudiene, Everhart, Slepikaite and Reardon (2013) emphasized that recognition of frontline employees has a huge impact on clientele's perceived value.

Metrics that Matter

Officers/managers. The level of the metrics that matter is "High" with a mean rating of 4.07. This means that the respondents provide necessary mechanisms that gauge performance and are given importance.

Clients. The level of the metrics that matter is "High" with a mean rating of 4.14. This means that the clients perceived that there are proper mechanisms installed of giving them importance pertinent to their satisfaction.

Feedback that Drives Continuous Improvement

Officers/managers. It can be gleaned from Table 1 that the level of feedback that drives continuous improvement is "High" with a mean rating of 4.05. This means that there is a high level for the feedback mechanism in banks in Bangkok that propel their developmental efforts. Subashini (2016) Service quality and customer satisfaction through feedbacks of costumers provided a useful tool for the banking services across the globe.

Clients. It can be gleaned from Table 1 that the level of feedback that drives continuous improvement is "High" with a mean rating of 4.05. This implies that banks in Bangkok give importance to the client feedbacks and this may be a way to improve their performance. Shah et al. (2016) mentioned that feedbacks are very important. Customer-centricity is necessary in the modern world for industries to succeed.

Designing the Experience

Officers/managers. It can be gleaned from Table 1 that the level of designing the experience is "High" with a mean rating of 4.03. This means that there is a high level of customer experiential satisfaction in banks in Bangkok, Thailand.

Clients. Table 1 shows that the level of designing the experience is "High" with mean rating of 4.00. This means that respondents through their initiatives provide activities enhancing client satisfaction.

Among the officers/managers and clients of government savings bank in Bangkok, Customer-Focused leadership and Understanding the Customers and Empowering the front line were perceived as the primary concern in implementing customer-centricity. While "designing the experience" was perceived as least practiced for customer-centricity.

On the level of customer-centricity, the results attained a grand mean of 4.40 as very highly practiced among the government savings bank of Bangkok. Separately, the officers/managers had a grand mean of 4.30 as highly practiced and the clients with grand mean of 4.51 as very highly practice

B. The Level of Impact of Banks by Officers/Managers and Clients

The respondents' perceptions of bank officers' or managers' and clients' level of impact are presented in Table 2 below.

Table 2
The level of impact of banks by officers/managers and clients

Impact of Bank	Officers/ Managers		Clients		As a whole	
	Mean	DR	Mean	DR	Mean	DR
A. More Business Opportunity	4.72	VH	4.66	VH	4.69	VH
B. Increased Revenue	4.78	VH	4.77	VH	4.78	VH
C. Better Image of Customer	4.78	VH	4.88	VH	4.83	VH
D. Better Business Sustainability	4.92	VH	4.92	VH	4.92	VH
Grand Mean	4.81	VH	4.81	VH	4.80	VH

Norm:

Range of Score	Descriptive Rating (DR)
4.21-5.00	Very High (VH)
3.41-4.20	High (H)
2.61-3.40	Fair (F)
1.81-2.60	Low (L)
1.00-1.80	Very Low (VL)

More Business Opportunities

Officers/managers. The level of more business opportunity is "Very High" an overall mean rating of 4.72. This means that the embracing the philosophy of customer-centricity opens doors for better investment windows and options for banks.

Clients. It can be gleaned from Table 2 that the level of more business opportunity is "Very High" an overall mean rating of 4.66. This means that banks have acceptable customer-centric practices and could provide more business opportunities for enlarging its investments. Shah et al. (2016) mentioned that customer-centricity opportunities may vary across different industries.

Increased Revenue

Officers/managers. The level of increased revenue is "Very High" with an overall mean rating of 4.78. This means that the banks have increased revenue for their organization, which maybe because of the excellent management and satisfaction of their customers.

Clients. The level of increased revenue is "Very High" with an overall mean rating of 4.77. This means that banks in Bangkok, Thailand, have increased their revenue due to acceptable customer-centricity practices.

Better Image of Customer

Officers/managers. The level of better image of customer is "Very High" with an overall mean rating of 4.83. This means that banks having good customer-centricity practices could have a better image for the customers they will elicit loyalty.

Clients. It can be gleaned from Table 2 that the level of better image of customer is "Very High" with an overall mean rating of 4.88. This implies that clients perceived a very high image of customers on the banks in Bangkok, Thailand.

Better Business Sustainability

Officers/managers. The level of better business sustainability is "Very High" with an overall mean rating of 4.92. This means that the banks in Bangkok, Thailand, have excellent customer-centricity practices, which could provide better performance leading to better business sustainability.

Clients. The level of better business sustainability is "Very High" with an overall mean rating of 4.92. This means that the banks in Bangkok, Thailand, have sustained their business better due to good customer-centricity management as perceived by their clients.

The Summary. The result showed that the overall level of impact of banks on both officers/managers and clients showed that a Grand Mean of 4.80 as "very high". It means therefore that the practice and adoption of customer-centricity in banks will bring operational goodness and efficiency. This finding was confirmed by Naeem, Akram and Saif (2009) who mentioned that service quality focused on optimizing value created by each customer when managed effectively, can contribute significantly towards customer satisfaction.

C. The relationship between the level of impact and the level of customer-centricity of banks of Officers/Managers and clients

a. The Correlation Coefficient between the Impact and the Level of Customer Centricity of the Officers / Managers is in Table 3.

Table 3 revealed that the indicator "Feedback that drives continuous improvement" is significantly related to the overall impact with the obtained r-value of .118, which is significant at .05 probability level. This result means that a high level of customer-centricity on feedback that drives continuous improvement tends to have a high overall impact on the part of bank officers and managers. This study is confirmed by Andaleeb et al. (2016) that banks must meet and satisfy the customers' investment objectives of earning returns, as well as the perceived notion

Table 3
Correlation coefficient between the impact and the
level of customer centricity of the officers / managers

Customer Centricity	Impact				Overall
	More Business Opportunity	Increased Revenue	Better Image of customer satisfaction	Better Business Sustainability	
Customer Focused Leadership	.023	.046	-.017	.013	.024
Understanding customer	.062	.051	-.031	.029	.040
Empowering the front line	-.049	.057	.101*	.002	.035
Metrics That matter	-.002	.040	.027	.029	.027
Feedback that drives continuous improvement	.083	.134**	.057	.084	.118*
Designing the Experience	.021	.005	-.055	-.032	-.011
Overall	.030	.091	.034	.038	.065

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

of prestige and honor as the tangible and intangible of customers' criteria for satisfaction.

b. The correlation coefficient between the level of impact and customer-centricity of the clients is presented in Table 4.

In Table 4, there is a significant relationship between the level of impact and the level of customer-centricity of the clients obtaining an r-value of .191, which is significant at .05 probability level. Besides, "designing the experience" shows a significant relationship on the overall impact with the obtained r-value of .322, which is significant at .01 probability level. The result means that a high level of customer centricity on "designing the experience" has a bearing on the part of the clients particularly on the provision of business opportunities, increase in revenue, better customer satisfaction and business sustainability. The results validate the findings of the study of Jirinova et al. (2013) that customers can contribute to the innovativeness of the organization as imbedded in the organizational processes and procedures.

CONCLUSIONS

Based on the findings, the conclusions were drawn. 1) The officers and managers of government savings bank in Bangkok have a high level of customer-

Table 4
Correlation coefficient between the impact and
the level of customer centricity of the clients

Customer Centricity	Impact				Overall
	More Business Opportunity	Increased Revenue	Better Image of customer satisfaction	Better Business Sustainability	
Customer Focused Leadership	.119	.099	.068	.119	.117
Understanding customer	-.011	.149	.102	.090	.094
Empower the front line	-.075	-.003	.103	.121	.020
Metrics That matter	.020	.056	.039	.056	.047
Feedback that drives continuous improvement	.093	.127	.234*	.163	.178
Designing the Experience	.279**	.300**	.265**	.183*	.322**
Overall	.082	.180	.218*	.198*	.191*

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

centricity, and the clients also have a very high level of customer centricity; 2) There is a significant relationship between the level of customer-centricity and feedback that drives continuous improvement and the level of impact of the officers/managers; and 3) There is also a significant relationship between the level of customer-centricity along designing the experience and the level of impact to its clients.

RECOMMENDATIONS

Based on the findings and conclusions presented, the following recommendations are forwarded. The management of banks in Bangkok, Thailand, should consider hiring the right people, setting expectations and guidelines, and creating good corporate governance to improve and maintain its customers and create a higher level of loyalty. Although the results found that three (3) factors of customer-centricity practices consist of (1) customer-focused leadership, (2) understanding your customer, (3) empower front line is "Very High," the management of banks in Bangkok, Thailand should create a strategy to increase the level of customer-centricity. They should devise a way to measure customer satisfaction, which they can use to evaluate organizational performance and detect problems and locate opportunities for improvement strategically. The management should further their customer-centricity to increase the higher level of return for the

organization. They should look and consider the feedback mechanism as their strong foundation in continuously improving their systems, programs, and activities through personnel advancement and development, which could be a vehicle for them to satisfy more customers and realize their set goals and objectives. A follow-up study should be conducted on the strategic management of the banks in Bangkok, Thailand.

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