

A complementary methodology to probabilistic approach to measure banking  
service quality

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Abstract

Banking industry has been a well-developed sector in Taiwan. The high similarity level among financial institutions makes banks not easy to increase profit spreads through product innovation and development. Therefore, the improvement of service quality has become a major strategy for improving competitiveness. The efficient way to measure service quality, to diagnose customer's expectation and the measurement of satisfaction level, is to evaluate their perceptions of the quality attributes.

Compared to Kano's model, the traditional one-way quality model is focused on one particular quality element; only when the element presents customers satisfaction, and vice versa. Kano's two-way model distinguishes five categories of quality attributes that a different impact on the formation of customer satisfaction has been proved to be more effective than one-way model. A considerable amount of research has been carrying out to enhance the performance of Kano's model. However, seldom studies the contribution to total service quality of the five quality categories. In this paper, it aims to categorize banking quality attributes by customers perceptions based on Kano's two-way model. A new methodology is proposed to complement the probabilistic approach to measure the contribution of quality categories of four banks located in Hsin-Chu. AHP algorithm and unequal level in Likert scales suggested as a reinforcement to construct a whole-aspect diagnostic system, and provide suggestions to bank administrators on service quality improvement via an intermediate "Quality Experts (QEs)". From the results of this study, banking managers can focus their efforts to strengthen their weak attributes by the identification of attractive attributes and embed them into future services to provide innovative services and facilities that

customer perceive as being important in determining their overall service quality of the banks.

Keyword : service quality, Kano' s model, AHP