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CUSTOMERS' OPINION ON THE SERVICE QUALITY OF THE CURRENCY EXCHANGE SERVICE

Abstract:

The aims of the research were to study the opinion of customers on the service quality of currency exchange business and to compare the opinion of customers with different demographic profile including gender, age, education level, career, and average income per month. A quantitative research was employed in this research. The research sample consisted on 400 customers who had an experience of using the service of the currency exchange service. A questionnaire was used as a data collection tool. The collected data were analyzed with descriptive statistics including frequency, percentage, standard deviation, t-test, One-Way ANOVA with a .05 level of statistic significance. The findings of the research showed that based on the opinion of the customers, they viewed that the overall service quality of currency exchange business was at a high level. When considering at each dimension of the service quality including the service venue, the service procedures, and the service providers, the customers also viewed that each of these dimensions were also at a high level. Moreover, it was also found that customers with different gender were likely to have no difference in their opinion on the service quality whereas those with different age, career, education level and average income per month tended to have different opinion on the service quality with a .05 level of statistical significance.

Keywords:

Service Quality, Exchange Currency Business, Customers

JEL Classification: Y80

Background and Significance

At present, service model of foreign currency exchange business has been improved a lot as a result of phenomenal growth in international tourism in many countries including Thailand as well as other social factors, government policies, advance in technology, and intense completion in the business.

To be successful in the foreign currency exchange business, many factors are required. One of the key factors is that the administrators of the business have to have good vision, the company has to have good financial status, the business has to provide sufficient and proper facilities for the customers and efficient management system. These factors can make the customers be confident, reliable and satisfied on the company's service.

Trading of foreign currency involves selling and buying money in different currencies by comparing the value of one currency to another currency such comparing the value of Thai Baht to US Dollar or comparing Thai Baht to Yuan. Such comparison of the value of money is known as foreign exchange rate. The foreign exchange rate changes according to demand and supply of the currency at each period of time. Important factors determining the foreign exchange rate are trade value, amount of international investment, and prediction of players in the stock exchange market.

It is true that if there were only one currency in the global market, foreign currency exchange would not be necessary. However, in fact, the world has various currencies, therefore doing international trade and interacting and travelling of people from different countries involve at least two currencies. The main objective of trading foreign currency is to transfer purchasing power of one currency to another currency.

Nowadays, the business of foreign currency exchange face with more intense competition because differences and fluctuation in the value of foreign currencies can generate a lot of profit to the business and the governments of many countries have been promoting international trade business with other countries. Moreover, travelling to other countries become much more easily and convenience. These activities involve foreign currency exchange. Therefore, entrepreneurs of this business has to adjust their marketing strategies accordingly to changes occurred in the economic world.

In Thailand, the government has tried to encourage people to be the owners of small and medium-sized enterprises and support them by issuing policies, providing knowledge in running a business, and helping them to gain access to financial sources. The business of foreign currency exchange is one of the businesses supported by the Thai government because it has the potential to improve the economy of the country and can support international trades and international tourism activities occurred in the country. Therefore, the researcher was interested to study on the quality of foreign currency exchange service. This study used the service provided by Super Rich International Exchange (1965) Co., Ltd. as a case study. The findings of this study were

expected to provide information on the opinion of the customers which can be used as guidelines for the improvement of service quality.

Objectives of the Research

This study aimed to:

1. study the opinion of customers on the quality of currency exchange service offered by Super Rich International Exchange (1965) Co., Ltd and;
2. compare the opinion of customers with different demographic profile including gender, age, education level, career, and average income per month on the quality of currency exchange service.

Scope of the Study

Scope on the content/variables to be studied

As this research was a quantitative research in nature, there were two main groups of variables to be studied, namely:

- 1) Independent variables which was the demographic background of the customers of Super Rich International Exchange (1965) Co., Ltd including gender, age, educational level, career, and average income per month.
- 2) Dependent variables which was the customers' opinion on the quality of currency exchange service of this company. In this study, three main dimensions of the quality of currency service were looked at: service venue; service procedures; and service providers.

Scope on population

Population of this research were people who have an experience of using the currency exchange service of Super Rich International Exchange (1965) Co., Ltd.

Scope of study period

This study was carried out between February 2017 and July 2018.

Research Methodology

This study employed a quantitative research approach because its primary aim was to measure the customers' opinion on the service quality and to examine a casual relationship between the customers' demographic background and their opinion on the service quality.

Population and sample

Population of this study were the customers of the Super Rich International Exchange (1965) Co., Ltd. Sample were selected by using simple random sampling. The sample size was calculated using Taro Yamane formula. As a result, 400 respondents were selected.

Data collection tool

To collect the data, a self-administered questionnaire was developed by the researcher. The questionnaire consisted of two main parts. The first part contained questions on the respondents' demographic background including gender, age, educational level, career, and average income per month. The questions in this part were in a form of multiple choices. The second contained questions on the customers' opinion on the quality of currency exchange service of the company, divided into three main dimensions: service venue; service procedures; and service providers. These questions were designed in a form of five-scale rating ranging from the highest, very high, moderate, low, and the lowest.

Data Analysis

The collected data were analyzed with descriptive statistics including frequency, percentage, standard deviation, t-test, One-Way ANOVA with a .05 level of statistical significance.

Research Findings and Discussions

The finding on the respondents' demographic background showed that among 400 persons, most of the respondents were female (61.75 percent), aged between 31-35 years old (28.75 percent), graduated with bachelor's degree (49 percent) and worked as a government officer or an officer for a state enterprise.

In terms of their opinion on the quality of currency exchange service of the company, it was found that in general, they thought that the service had high quality in overall. The aspect of service that was rated the most was service procedures which was followed

by service venue, and service providers, respectively. All of these dimensions were rated at a high level.

Upon analyzing the relationship between the customers' demographic background and their opinion on the quality of currency exchange service, the findings revealed that customers with different gender were likely to have no difference in their opinion on the service quality whereas those with different age, career, education level and average income per month tended to have different opinion on the service quality with a .05 level of statistical significance. This might be because either female or male customers had received equal service from the service providers. This can be an indicator that there is no discrimination in terms of service provision between different gender in many organizations in Thailand.

As mentioned above that the customers with different age and career were found to have different opinion on the overall quality of service (Hasoontree, 2017) however, when considering at each dimension of the service quality, it was found that these customers did not have different opinion on the quality of service procedures, but they had different opinion on the quality of service venue and service providers. This is consistent with the study of Wongsa (2010) which found that people with different age had different opinion on the overall quality of service.

As for the relationship between educational level of the customers and their opinion on the service quality, the study found that people with different educational level had different opinion on the overall quality of service. However, when looking at each dimension of the service quality, it was found that they didn't have different opinion on the quality of service procedures and service venue. The explanation of this finding may lie on the fact that expressing an opinion on any issue is a result of perception, especially perception gained from education process and experiences. Having different education and learning experiences therefore influence how people express their idea/opinion. Some people have high expectation on service providers. This is consistent with the study of Wongsa (2010) which reported that people with different educational level tended to have different opinion on the overall quality of service.

Moreover, this study also revealed that people with different average income per month had different opinion on the overall quality of currency exchange service provided by the company. However, when considering at their opinion on each dimension of the service quality, it was found that they did not have different opinion on the dimension of service providers, but had different opinion on the dimensions of service venue and service procedures. This can be concluded that the customers' income was likely to affect their opinion on the quality of service.

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