

International Students' Perceptions of Service Quality in the UK Banking Sector: An Exploratory Study

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Abstract

This study reviews and evaluates international students' perceptions of UK banks. The specific research objectives were to identify international students' expectations and perceptions of service quality from UK banks and to assess the quality GAP or dissonance between these. A total of 297 international students studying in the UK responded to the survey. Data gathered was analyzed using Statistical Package for the Social Sciences (SPSS 16). The study reveals that the main areas of service quality with which international students are generally satisfied relates to tangibles such as physical layout and appearance. The key areas of dissatisfaction that the study identified were with factors related to reliability and empathy. This appears to be the first study in the UK banking sector that has focused on service quality with respect to international students. The study supports arguments for a more client focused and empathetic approach to meeting this customer segment needs with less homogeneity in the product offering. Whilst this study relates to banking it highlights that international students are a growing customer segment within many developed economies and that with increased globalization service companies may need to give greater consideration to the needs of this particular client group.

Over recent years banks have seen a considerable increase in the number of international students requiring banking and financial services while they study and work in the UK. In the past, the National Union of Students (NUS) and the United Kingdom Council for International Student Affairs (UKCISA) have reported that international students have experienced considerable difficulty in accessing and getting satisfactory levels of service from UK banks (BBC, 2005). As a response to these criticisms and with an increasing number of international students coming to the UK to study, some banks have developed specialist accounts tailored to meet the needs of this particular customer segment (Barclays, 2010; HSBC, 2010; Natwest, 2010). Despite these attempts to develop products and packages for this specific group of stu-

dents, Morgan (2010) notes that many international students still face considerable difficulties and barriers when seeking to open a bank account in the UK and many university international offices, still report considerable dissatisfaction amongst international students in their access to and relationship with the major UK banks.

This paper presents research into international students' satisfaction with the banking sector in the UK. Based on the findings, this research argues that with the current challenges facing the UK banking sector and increasing globalization of the banking industry, it is essential that UK banks respond more flexibly to the needs of this customer segment. If UK banks are to maintain a competitive advantage in what is now a global industry, they need to realize that this customer segment is a potentially influential group of future global personal and corporate customers.

Data produced by Higher Education Statistics Agency (HESA, 2010) shows that in 2008/9 the largest numbers of international students studying in the UK were from China (47,035), India (34,380) and Nigeria (14,380). As many of these economies are now significantly outperforming those of the US and Europe, it is highly likely that banks will be looking to do business with many of these graduates in the future. Poor perceptions by these students of banking services whilst studying here might not just mean the loss of a personal customer but could lead to potential lost corporate revenue from students who are likely to be the future business leaders in these economies.

This study was prompted by difficulties and frustrations reported by a number of international students, studying at three UK universities, in seeking to access the services of the UK banking sector in 2009. The objectives specified for this research are derived from use of the SERVQUAL (Service Quality) and GAP models developed by Parasuraman, Zeithaml and Berry (1988).

The *main objectives* of the study were to:

- a) assess international students' expectations and perceptions of service quality in their engagement with UK banks;
- b) identify any service quality gaps experienced by this customer segment; and
- c) make recommendations of how service quality could be improved for this particular customer segment.

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Context and Background

The role of international students in the UK economy

International students are a major source of income for universities and the UK economy as a whole. It has been estimated that international students contribute over £5.3 billion (US \$8.5 billion) to the UK economy each year (Universities UK, 2010). UKCISA (2010) views this as a conservative estimate and cites a report by the British Council produced in 2007, indicating that with income from private sector students the overall value to the economy is in the region of £8.5 billion (US \$13.6 billion). As well as the direct income gained from their fees the UK economy benefits from their spending on secondary items and services such as accommodation, food, entertainment and travel.

HESA (2010) indicates that in 2008/9 there were 368,970 international students currently studying in the UK. This accounts for 15% of the overall student population in the UK. Within the overall student population it is of note that 66% of taught full-time postgraduate students and 43% of all research students in the UK are international students (HESA, 2010). Table one below gives a breakdown of international students by level of qualification studying in the UK in 2008/9. It is also noteworthy that in the disciplines of business, management, engineering and technology 31% of all students studying in the UK are international. This supports our earlier assertion that many of these graduates will potentially be influential in decisions about accessing the global corporate financial market later in their careers.

All International Students in Higher Education (2008/9)	Mode of Study		
	Full-Time	Part-Time	Total
Level of Study			
Postgraduate research	33,530	6,745	40,275
Postgraduate taught	110,990	20,875	131,865
Postgraduate other	4,195	7,050	11,245
First Degree	144,555	8,800	153,355
Other undergraduate	12,615	19,615	32,230
Total non-UK	305,885	63,085	368,970

International Students (non-UK domicile) in HE, 2008/9. Source: UKCISA (2010)

Given the recent review of higher education funding (Browne, 2010) it is also likely that their numbers will continue to increase and add valuable income to a sector which faces significant cuts in public expenditure. This then represents a key customer segment for the UK banks to address in terms of services offered and meeting the needs of this group.

The banking sector and international students in the UK

UK banks and building societies offer a variety of services and packages to international students which range from specific accounts tailored for international students' needs to basic deposit accounts that interna-

tional students may access. The services provided by banks change on an annual basis and often the published services advertised via the internet do not always represent the larger range of options available. The British Banking Association publishes an overview of services and benefits available to international students which offers a useful comparative analysis of available products for international students by UK banks (BBA, 2010). It is noticeable from this review that there is considerable homogeneity in the type of accounts that are offered to international students and that unlike the domestic student market there are far fewer services and many restrictions applied to international students when opening a bank account.

It is clear from recent trends by banks in developing specific packages for international students that this is viewed as a growing and potentially valuable segment in the general student market for banking. Lloyds-TSB has perhaps gone the furthest in segmenting this market by offering a banking package specifically for Islamic students as part of their suite of Shariah approved products for customers who wish to bank in accordance with specific principles and requirements of Shariah law (Lloyds-TSB, 2010).

The concept of service quality

Service quality has been the subject of considerable discussion and debate in academic literature and led to a plethora of definitions. According to Kotler (2003), 'a service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.' (p. 444). Parasuraman, Zeithaml and Berry (1985) define service quality as 'the degree and direction of discrepancy between customers' service perceptions and expectations'. (p. 15). Berry, Parasuraman and Zeithaml (1988) also state service quality is 'an attitude of the consumer relating to the results from comparisons between his expectations of service and his perceptions of actual service performance.' (p. 19). From these definitions it is clear that a major factor relating to the assessment of service quality is the gap experienced by the customer between their expectation for a service and their perception of the actual experience of engaging in a service transaction. Wakefield (2001) supports such a stance as he views service quality as the difference between expectations of service and perceptions of the service actually received.

Newman (2001) notes that early approaches to measuring service quality have included customer satisfaction (Rust & Zahorik, 1993; Hallowell,

Schlessinger, & Zornitsky, 1996); relationship quality (Storbacka, 1994); service recovery (Hart & Bogan, 1992) and customer service (Lewis & Entwistle, 1989; Berry, Bennett & Brown 1989). From several of these studies claims have been made that attention to service quality can assist with customer retention, increased profits and significantly reduced marketing costs.

Research into services satisfaction has tended to start with an appreciation of the characteristics that set services apart from goods. These are generally recognised as intangibility, inseparability, heterogeneity and perishability (Harrison, 2000). Further research conducted by Wolak, Kalafatis and Harris (1998) supports the use of these characteristics for studies into buyer behaviour related to services. Blanchard and Galloway (1994) note that most researchers in this area agree that service consists of both an outcome and a process. These studies indicate that customer perceptions of the process of purchase are different when buying a product from buying a service. Hoffman and Bateson (2001) explored services marketing and satisfaction as “deeds, efforts, or performances” whereas they viewed goods as “objects, devices or things.”

There are recognized complexities when seeking to measure customer satisfaction with services, particularly with respect to the banking sector. Zeithaml, Parasuraman and Berry (1990) note that services are basically intangible. Intangibility also relates to the difficulty that consumers may have in understanding service offerings (Dibb, Simkin, Pride & Ferrell, 2001). Compared to tangible products, services are delivered in the absence of physical substance, which makes it more difficult to mentally grasp and evaluate (Gronroos, 2000).

Angur, Natarajan and Jahera (1999) in an assessment of service quality in the banking industry in India draw a key distinction between concepts of customer satisfaction and service quality. Whilst they recognize that these two elements are related they contend that it is possible to isolate and measure perceptions of service quality independently. They also note the significant impact that new technologies, for example, increased use of automatic teller machines (ATMs), telephone and on-line banking have had on the nature and basis of the customer relationship. In fact they contend that as technology becomes more standardized and widespread across the banking sector it will be the human factor that differentiates banks in terms of service quality.

Lewis, Orledge and Mitchell (1994) note an international dimension to service quality when they

state, ‘Perceived service quality is a global consumer judgment or attitude, relating to service and results from comparisons with their perceptions of actual service performance’ (p.2). For international students their assessment of service quality from UK banks is likely to be based on comparisons with their previous experiences of banking in their own country. Thus expectations might be affected by cultural factors and how developed the banking sector is in the students’ country of origin. The specific impact of cultural factors relating to students’ region of origin are considered later in this article.

A review of existing literature identified that the most extensively used approach to measure service quality is the SERVQUAL instrument as developed by Parasuraman, Zeithaml and Berry (1988). The SERVQUAL instrument is a multiple-item scale with high reliability and validity, designed to measure customer expectations and perceptions. Its developers claim SERVQUAL is a diagnostic tool that uncovers a firm’s broad weakness and strengths in the area of service quality (Hoffman & Bateson, 2001). Nowadays, the SERVQUAL instrument has been widely tested or adapted in various settings, such as the service quality provided by a hospital (Babakus & Boller, 1992), banking (Spreng & Singh, 1993), and discount, departmental store and shopping malls (Teas, 1993; Dabholkar, Thorpe & Rentz, 1996). The authors of the SERVQUAL model originally identified ten determinants of service quality based on a series of focus group sessions. They subsequently refined these ten determinants into five specific components, these being: tangibles, reliability, responsiveness, assurance and empathy.

The recognized SERVQUAL questionnaire comprises of a 22 item Likert-type scale which incorporates the five elements of service quality. Questionnaires designed to measure service quality using this approach seek first to measure consumers’ general expectations relating to the sector and then consumers’ perceptions regarding the specific company whose service is being evaluated. Through the use of this instrument a quality gap is calculated by subtracting the score for expectation from the perception.

SERVQUAL whilst widely used as an instrument has also been subject to some criticism. Lewis, Orledge and Mitchell (1994) identify that some of the limitations with the instrument are: weighting of statements, negative statements, two lists and rating scales. In terms of weighting of statements it is arguable whether all facets of service quality are equally important in every sector. To this extent the generic design

of the questionnaire may pose some limitations on its use in culturally diverse sectors. In its original form some negatively worded statements were used which often led to confusion by those completing the surveys. The use of two lists one to measure expectation and one to measure perceptions has also led to confusion amongst participants in SERVQUAL studies. This view is also supported by Avkiran (1999) who notes “a tendency to set expectations higher than perceptions thus making a gap between perceptions and expectations inevitable” (p. 2). Two particular issues concerning the rating scales are highlighted. These are the lack of verbal labels for statements 2 – 6 which some have argued may lead to an over-using of extremes of the scale by respondents and secondly the lack of differentiation in the scales not allowing for subtle differences in opinion by respondents. Buttle (1996) notes that despite the widespread adoption and use of SERVQUAL there have been a number of criticisms of both the approach adopted by SERVQUAL and the instrument itself (Cronin & Taylor, 1992, 1994; Iacobucci, Grayson & Omstrom, (1994); Andersson, 1992; Babakus & Boller, 1992; Leblanc & Nguyen, 1988).

In reviewing the literature, it has become apparent that there are no published studies relating to international students perceptions of service quality with the UK banking sector. Lewis and Bingham (1991) and Lewis (1981) in studies of domestic UK students noted that locational connivance and parental influence were more likely to affect a student’s choice of whom they banked with rather than free gifts or advertising. Lewis, Orledge, and Mitchell (1994) in a further study found that domestic students were likely to switch accounts if they perceived poor service quality from their banks particularly if they were dissatisfied with bank charges or overdraft facilities. Bingham (1989) found that students’ major needs from banks were for low cost overdrafts facilities and free banking with low or no interest current accounts.

Methodology

The main strategy adopted for this research is based on a survey method. The collection, interpretation and analysis of this survey data form the core of this study. Saunders, Lewis and Thornhill (2007) would therefore classify it as using a deductive approach. Given the timescale within which this research took place and the sample size achieved for this study (294), it would classify as exploratory research.

The main population for this research was international students studying in the UK in 2008/9.

Considering time, budget, and the geographic constraints of the research, it was unrealistic to include all the customers in this research and to select them randomly. Therefore, a restricted probability sampling strategy, namely cluster sampling was used in this research. According to Kangis and Passa (1997), the unit costs of cluster sampling are much lower than those of other probability sampling strategies, and it offers convenience and has been used by many researchers. The main way in which cluster samples were obtained was via the use of a snowball effect to collect the data. Personal contacts were used at four universities across the UK to distribute an email and encourage international students to complete the on-line or paper based questionnaire. Contacts were asked to approach undergraduate and postgraduate students across a range of disciplines and from a range of countries.

The questionnaire used in this study was designed using the standard SERVQUAL categories of tangibles, reliability, responsiveness, assurance and empathy. The questionnaire was designed in three sections. The first sought to gather general demographic data on respondents including general factors such as age, gender and region of origin. Other demographic data relevant to this study such as level of course being studied, respondents’ bank and length of time that the respondent had been in the UK was also collected in this section. By collecting this demographic data, it has been possible to conduct detailed statistical analysis on the general survey population and to further analyze responses according to factors such as region of origin, level of course of study, gender etc.

All calculations included in the study were carried out on the Statistical Package for Social Science (SPSS 16) program. In conducting analysis on the data generated from this study, three main statistical tests were applied; these were Mann-Whitney U Test, Kruskal-Wallis Test (Kruskal-Wallis H Test) and Chi-square test for independence (Pearson Chi-square test).

In addition to the administration of the SERVQUAL questionnaire, ten students were interviewed in depth to gain more insight into their expectations and perceptions of service quality with the UK banking sector. The focus group was conducted with participants on the MAIBM at a London University. There were two key objectives in conducting a focus group. The first was to develop a revised questionnaire following the pilot study to see if any further refinements could be suggested and the second was to explore in more depth issues related to service quality.

Results and Analysis

Data collection and analysis

As a snowball method was used for distributing the questionnaire it is impossible to know exactly how many people received details about this study. The total response rate to the survey over a 6 week period was 297 of which 270 were deemed valid responses. Of those responses not deemed valid 6 respondents who completed the questionnaire were domestic UK students, so not relevant for the purposes of this study. A further 21 survey responses were incomplete, in these cases most of the respondents had failed to complete the questionnaire in full.

The gender split between respondents was relatively even with 56.7% of the respondents being female. This would be representative of the fact that UK higher education in general has higher participation rates among females than males. 72.6% of respondents reported that they were not in any form of paid employment. There may, however, need to be some caution with this result as strict visa regulations on employment may have affected students' responses to this question.

In total, 99.3% of the respondents indicated that they held a bank account in the UK whereas only 0.7% (n=2) of respondents had a building society account. Whilst this makes it impossible to conduct any meaningful or valid research into service quality relating to the building society sector of the market it gives a clear indication that international students prefer to organise their financial affairs with banks. One reason for this may be because the concept of a building society is alien to international students who do not understand what building societies are or the services that they offer. 26.3% of respondents indicated that they were charged by their bank for account services. This may well indicate that the tailored international student accounts that offer more services for a charge are increasing in popularity. This may also have an effect on students' expectations of service quality as one might expect students who are paying for services to have a higher level of expectation.

Overall 77.4% of the respondents to this study were enrolled on a taught postgraduate programme. In total 89.6% were engaged in studies at higher education level. This correlates with HESA (2010) data which indicates that in 2008/9 91.2% of international students in the UK higher education sector were registered on graduate level study.

It is noticeable that the regions with the most respondents were Asia (46.3%), Europe (15.2%) and North America (14.1%). This result is not surprising as

according to HESA (2010) China (PRC), India and the USA are the top three countries of origin for non Home/EU students studying in the UK. The EU still makes up the largest single group of non-domicile UK students with a student population of 117,660 in 2008/9.

Reliability

An essential aspect relating to reliability of this study is the internal consistency of the scale used in the SERVQUAL Instrument. In order to ascertain this Cronbach's alpha coefficient was applied to the 26-item scale of Expectation (E), Perception (P) and the Gap Score (G=P-E).

The Reliability test of the Expectation Scale indicates Cronbach's alpha coefficient value was 0.943; however, through reducing the number of variables that were measured the reliability could be improved. This was specifically the case if the values for E1 and E2 were removed. Pallant (2007), states that values on Cronbach's alpha above 0.7 have acceptable reliability and scores above 0.8 are preferable. DeVellis (2003) also suggests that any unreliable items in which the Corrected Item-Total Correlation is below 0.4 should be removed to improve the reliability. Total Correlation value of both E1 and E2 are below 0.4, as they are 0.164 and 0.338. Therefore, E1 and E2 were removed. The Cronbach's alpha value of Expectation after removing E1 and E2 is 0.951 which indicates a high level of reliability with the remaining data. Since it was decided to use a seven-point likert scale there are no outlier issues relating to the data analysis.

The Cronbach's alpha coefficient value of the Gap Scale was 0.961. G1 was removed to improve the reliability. As a result of this the Cronbach's alpha value was improved by 0.03 to 0.964, the test further suggested that if G2 was removed the reliability could be improved. The Corrected Item-Total Correlation of G2 was 0.401, just above 0.4, but it was still decided to remove this item. The final Cronbach's alpha value is 0.965 after removing G1 and G2.

Ranking of the key dimensions of service quality

A ranking was conducted on the five key variables that comprise the SERVQUAL dimensions. This was conducted using the mean scores generated for Expectation, Perception and Gap and the results are displayed in table two.

It is of note that the highest ranked score for expectation amongst respondents was reliability and that respondents' perceptions of actual service quality for this dimension ranked third. This dimension

	Expectation (E)	Rank	Perception (P)	Rank	Gap (P-E)	Rank
Tangibles	5.4463	5	4.9204	1	-0.5259	5
Reliability	6.3548	1	4.2763	3	-2.0785	1
Responsiveness	6.1852	3	4.2333	4	-1.9519	3
Assurance	6.2574	2	4.5389	2	-1.7185	4
Empathy	6.0711	4	4.0467	5	-2.0244	2
Overall	6.1665		4.3782		-1.8123	

Table 2: Summary ranking of key SERVQUAL dimensions

therefore indicates the largest perceived service quality gap between expectations and perceptions. The empathy dimension has the lowest perception score and indicates the second biggest gap, although respondents' expectations on empathy are not high. It is also interesting to note that although respondents considered tangibles to be the least important dimension in relation to service quality it was the dimension that participants perceived as achieving the highest level.

Assessing the impact of gender service quality

Further analysis of the data was undertaken to ascertain if there was any significant difference between the expectations, perceptions and service quality gap based on gender. In relation to expectation, analysis of the data revealed that there was no significant difference between genders. A Mann-Whitney U Test revealed that there was a significant difference in relation to perceptions between male and female respondents to the survey.

In relation to perception the mean rank overall value of the male population in this survey is 149.07, whereas for the female population it is 125.12. This indicates that male customers were generally more satisfied with the service they received than female customers. The significant differences in relation to perception and gender relate to the dimensions of responsiveness, assurance and empathy where male respondents scored higher than females. The mean rank presented in table three indicates that male perceptions are overall higher than female across all five dimensions of service quality that were analysed although they are only significant as indicated in Table 3.

	Expectation			Perception			Gap		
	Male	Female	Sig.	Male	Female	Sig.	Male	Female	Sig.
Tangible	140.21	131.90	-	145.26	128.04		137.60	133.90	
Reliability	139.89	132.14	-	140.77	131.47		142.10	130.45	
Responsiveness	126.95	142.04	-	151.43	123.32	X	156.62	119.35	X
Assurance	133.99	136.66	-	149.14	125.07	X	149.11	125.09	X
Empathy	133.06	137.37	-	152.70	122.35	X	154.09	121.28	X
Overall	133.68	136.89	-	149.07	125.12	X	151.11	123.57	X

Table 3: Mean Rank and Significance for Gender

The Mann-Whitney U Test revealed there is a significant statistical difference in the overall Gap score. It also shows that female respondents perceived lower service quality according to the mean rank value of gap (G=P-E), the value of female respondents is 123.57 and for males it is 151.11.

Assessing the impact of specialist international account holders

Analysis was conducted on whether there were differences between respondents that paid for account services and those that did not. It is perhaps surprising to note that non-paying account holders had significantly higher expectations overall than paying account holders. In particular they had higher expectations with regard to the dimensions of tangibles, reliability and responsiveness.

The data in table four also indicates that there are significant differences in responsiveness, assurance, empathy dimensions and over all perception. Paying account holders perceived higher service quality than non-paying account holders. This would indicate that the banks are offering premium services to those international student account holders that open their charging accounts. Overall paying account holders have a smaller gap between expectation and perception. This would suggest that the introduction of these specialist international accounts with a range of additional services offered to international student account holders may lead to an increase in perceptions of service quality among this target group.

	Expectation			Perception			Gap (P-E)		
	Paying Account	Non Paying Account	Sig.	Paying Account	Non Paying Account	Sig.	Paying Account	Non Paying Account	Sig.
Tangible	111.08	144.21	X	141.18	133.47	-	159.49	126.94	X
Reliability	110.80	144.31	X	148.79	130.76	-	158.42	127.32	X
Responsiveness	105.47	146.21	X	160.27	126.66	X	158.42	127.32	X
Assurance	122.35	140.19	-	166.61	124.40	X	168.26	123.81	X
Empathy	129.41	137.67	-	162.63	125.82	X	164.82	125.04	X
Overall	110.77	144.32	X	158.59	127.30	X	167.15	124.21	X

Table 4: Differences in Expectation, Perception, and Gap between paying and non-paying account hold

Difficulty in opening a bank account

In total 38.1% of respondents indicated that they had difficulty in opening a bank account in the UK. This appears to support the UKCISA (2008) research and anecdotal evidence that prompted this study. Factors which might account for this are: difficulties by international students in navigating a different banking system; increased paperwork and verification required for anti-terrorism and money laundering measures and other cross cultural factors such as language and adjustment to a new country.

The result of Chi-square test for independence and Yates Continuity Correction (for a 2 by 2 table) indicated no statistical significant association between the perceived level of difficulty in opening an account and account charge status. $X^2(1, n=270) = .162, p = .586, \phi = .033$. According to Gravetter and Wallnau (2007) the effect size for two categories is: small=.01, medium=.30, large=.50.

The phi coefficient value for this test is .033 which can be considered small.

Further tests indicate that there is no significant association between account charge and Region, $X^2(1, n=270) = 3.362, p=0.644$, where the results indicate that the effect size is moderate to small, $\phi=0.112$. It is interesting to note that a specialist international student account type of account was most popular with students from Asia.

The result of the Chi-square test for independence indicate there is a strong significance between regions and the level of difficulty in opening an account, $X^2(1, n=270) = 26.184324, p<0.001$ with a medium effect size ($\phi=0.311$). The results indicate that 50% of respondents from Africa, the Middle East and Latin America feel that it is difficult to open an account in the UK, this contrasts with 30% of students from the other regions who claim to have experienced difficulty in opening an account. This is worthy of further investigation particularly in respect of a larger sample size to explore if there is any correlation between ease of opening an account and consumers that hold paying accounts.

Assessing the impact of region of origin on customer satisfaction

Kruskal-Wallis Test results revealed there are significant differences in both Perception ($p=0.020$) and Gap ($P=0.007$) in the responsiveness dimension when the data is analysed according to region of origin of the respondents. In order to investigate which regions were significantly different the Mann-Whitney U Tests were performed and different regions were put into pairs and tested with the Bonferonni adjustment $\alpha 0.0125$.

The results indicate there are significant differences between North American students where the gap score is larger than the Middle East ($p=0.001$) and Asian students ($p=0.006$) who have a lower perception score compared with Middle Eastern students ($p=0.002$).

Conclusions

This study set out to explore international students' expectations and perceptions of service quality from UK banks. As previously mentioned owing to constraints related to time, costs and the size of the study it has to be considered exploratory in nature.

The study revealed that the main areas of service quality with which international students are generally satisfied relates to tangibles such as the physical layout and appearance of banks. However, the importance of these factors are likely to decrease in the future

as more clients use on-line and telephone banking services to access their account services remotely. The key areas of dissatisfaction that the study identified were with factors related to reliability and empathy. This suggests that international students do not trust all the banks procedures and systems and that they believe that the bank and its employees do not understand the particular needs of international student account holders.

Whilst it would appear that the introduction of specialist accounts for international students have made a contribution to improving satisfaction with this customer segment there is still evidence to support a view that international students are generally dissatisfied with the overall levels of service that they receive from UK banks and that there is a significant mismatch between this customer segments expectations and actual perceptions of the service they receive thus indicating a service quality gap.

Owing to the sample size it is difficult to make generalisations about country of origin effects on issues related to service quality, although both data gathered through the survey and a small number of interviews appear to indicate that students from Africa and the Middle East have more difficulties in opening an account than students from other countries. In terms of meeting equality in access to services this area is worthy of further investigation.

The study revealed a difference in expectations between holders of specialist paying and non-paying account holders with the latter having generally higher expectations of the service they expected. This is somewhat unusual as one might normally expect a person that pays for a service to have a higher expectation than someone who does not. This finding from the survey would benefit from further more focused research. Whilst there are some key differences as reported in the results based on gender and paying and non-paying account holders, overall the data reveals that there is a general level of dissatisfaction with service quality among all respondents.

Methodologically this study supported earlier criticisms that the SERVQUAL questionnaire can be too complex in nature and that respondents can become confused when faced with two similar sets of questions designed to measure expectations and perceptions. This issue was further compounded in this study as English was not the first language for many of the respondents so subtle differences in the questions were not always immediately realized.

Perhaps more worrying for the sector is the fact that 60% of respondents considered the service

they received as occasionally adequate or worse. 10% of respondents were so dissatisfied with levels of service quality that they were considering changing their bank compared to only 5.6% who felt they received excellent service. This suggests that there are still high levels of dissatisfaction with the sector by international students with at best the service providers being considered as mediocre.

This should be an area of concern to UK banks as many of the customers are likely to be influential in the future about accessing global financial and banking services to support industry and commerce in their own economies. Poor perceptions of service quality as a student might not just result in the loss of a personal bank account but could affect the decisions that members of this customer segment make when operating in the global corporate financial market. This may also be the case for these future consumers purchase decisions in relation to other services.

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