

BANK ACCESSIBILITY: A DETERMINANT OF SERVICE QUALITY

Richard Germain
Oklahoma State University

ABSTRACT

The paper reports findings from a study of the development of bank marketing in the United States and Canada. In particular, one narrow area of banking is discussed: namely, accessibility. The literature upon which the study is based includes the banking trade press (both magazines and books), individual bank and general banking histories, original bank archival material and newspapers.

Accessibility is discussed in relation to three practices: hours of operation, location accessibility, and personal accessibility. First, in the United States, hours of operation tended to differ for savings versus the commercial banks. The savings banks of the United States during the early nineteenth century operated as part-time institutions. They normally operated one or two evenings or one or two afternoons a week. It was especially those that operated during evening hours that made themselves accessible when the majority of the public was not at work. Commercial banks in smaller rural areas initially operated as well on a part time basis, but those in large urban centers used "bankers hours" (i.e., 9:00 am to 3:00 pm) or a close variant thereof. By 1880, savings banks, despite operating on a daily basis, retained evening hours one or two nights a week.

The primary mechanism used to control hours of operation among commercial banks was bank clearing houses. One of the first tasks of the one organized in Chicago in 1865, one of the earliest in the nation, was to set hours of operation as a rule for admittance. Such standards were enforced the early part of the twentieth century when the Night & Day bank, New York, began operations in 1906. The bank was open twenty-four hours per day, six days a week. Within a relatively short period of time, other banks in New York and in other large metropolitan areas began operating around the clock or until midnight at a central location. The practice was promoted heavily in newspapers and was used as a means of differentiation.

Second, location was a factor that impacted accessibility. By 1910, banks in urban areas in newspaper advertisements were including maps with arrows pointing to convenient locations and in these advertisements words such as "convenient" and "accessible" were common. Banks also adopted location accessibility in slogans designed before 1930. The expansion of the Canadian banks into the prairies provides another example of how banks utilized accessibility to their advantage. Owing to a shortage of lumber, related building suppliers and skilled labor, Canadian banks, took to ordering prefabricated structures from timber suppliers in British Columbia early during the twentieth century. Two were quickly replaced the Canadian Bank of Commerce's San Francisco office after its destruction by the earthquake and subsequent fire in 1906. The Canadian Bank of Commerce had an architectural firm design several special prefabricated buildings for their own use. These were erected in newly found prairie towns, the bank hoping to dominate the commercial business before its competitors moved in with permanent structures. The bank's white and red neo-classical buildings fronted by columns providing a striking contrast against the muddied prairie town roads. If the town failed to develop as expected, the bank was knocked down and transported by rail to another town where growth was anticipated. Between 1906 and 1910, the bank had erected over seventy of the buildings.

Third and last, accessibility was often a matter of personal accessibility of bank officers. In the United States in particular, bank officers made a point of having offices in public view from the main banking hall. This was thought to be democratic and contrasted markedly with the "hidden" officer more likely to be found in Europe and adopted by Canadian banks. The personal accessibility of senior officers was a unique selling point in advertisements.