

Customer Satisfaction and the Factors of Influence: Quantitative Marketing Research undertaken at the Main Banks in The Central Region of Romania

Elena Lidia Melnic

Transilvania University of Braşov

melnicelenalidia@gmail.com

Abstract

This article contributes to research on the satisfaction of consumers of banking services based in the Central Region of Romania. This article seeks to measure the general level of satisfaction through quantitative marketing research using a survey poll. The data is collected online from adults who live in this part of the country by using the Computer Assisted Web Interviewing (CAWI) methodology. Research focuses on five topics: the employees skills and how they contribute to the level of quality perceived by clients; how a banks' image influences the level of the quality; how satisfied clients are with the way that their complaints have been solved; the influence of the prices; and the influence of digitalization on quality as perceived by customers. The results seek to identify the attributes with the most important role in customers' satisfaction. The employees' skills which received the highest scores are the following: paying attention to the customers; good knowledge of products and services; and professional competences. In addition, customers appreciate factors affecting a banks' image such as being a secure bank, being accessible, having financial strength and adopting a friendly approach. By applying the Pearson's methodology to determine the most significant correlations, it is highlighted that: prices; Contact Center services; and the level of satisfaction with the way complaints have been solved are strongly correlated with the level of quality services as perceived by clients. However, the most remarkable finding from the research is that customers place a particular emphasis on working with flexible and modern banks, but simultaneously these two attributes recorded the lowest quotes among clients' perceptions of their actual main bank. This is challenging the banks to set it as priority axis for improvements, in order to deliver better quality services.

Keywords: customer satisfaction, quantitative marketing research, survey, banking, quality services.

JEL classification: M31, G21.

1. Introduction

In the last years there have been drastic changes in the local and international banking market and population perceive banks as the cause of many negative events and yet, without banks economy cannot function. Therefore, after the banks' image have been deteriorated, banks focus now on regaining the lost customer confidence. In addition, customers have become more demanding and want to get from personalized offer and simple solutions, easy to understand and apply. The demands of the customers not only reflect in the banks' offers for products and services, that they want to be as complete and clear as possible, but also in the way they interact with the bank staff. Expectations are growing and clients want to work with institutions that are directly concerned about their personal projects and goals, want to have a friendly, even empathetic dialogue.

Given the fact that banks operate in a mature market in Romania, where the continuous development of the business cannot be achieved only by attracting new clients, but rather by relying on the current clientele, it becomes a necessity to design and apply banking service quality programs. In this sense, the objective of the research is to identify the degree of satisfaction of the consumers of banking services in the Central Region as well as the factors of influence, in order to highlight the improvement axis required to be immediately implemented in the banks in order to deliver better services.

2. Literature review

Parasuraman, Zeithaml and Berry, through numerous researches, have defined a general model of service quality assessment, and Fornell (1994) and Reicheld (1998) have outlined two international benchmarks for the quality of banking services: Net Promoter Score (NPS) and American Customer Satisfaction Index (ACSI)

In Kaufman's opinion (2013), considered to be a global authority in the field of superior service quality, the value of shareholders tends to grow in line with reputation in services. Thus, the positioning of superior services in the organizational culture of companies in general and of banks in particular facilitates the growth of prices and profits.

Conceptually and theoretically, the quality of services is determined by the gap between "perceptions" and "expectations", as Parasuraman, Zeithaml and Berry have shown. In order to determine the general level of satisfaction, the present research analyzes both the customers' expectations and their perceptions of the services received.

Success for banks today is a mixture of attractive financial offers and a culture of superior services, as it's the only way make notable differentiation in the market.

Transforming every employee in a person who is constantly asking "*what I have to gain*" in one who thinks "*what can I do for you to receive more value*" are the basic principles of organisational culture based on Services of Excellence (Ron Kaufman, 2013).

According to a study conducted by GfK in October 2013, ING, Raiffeisen, Transilvania Bank and BRD Société Générale are the best-reputation banks in Romania. The results of the study show that more than 60% of the urban banking customers work with one of these banks.

The study was performed using the GfK Reputation Management Model – RepMan®. In the opinion of those who participated in the study (urban, bancarized population), the characteristics of a reputable banking institution are as follows:

- ❖ Customer orientation in a win-win approach, so that the interests of the parties are properly managed;
- ❖ The client is centrally positioned, and actions and processes are geared towards satisfying the needs in a better manner;
- ❖ Trade relations are built on trust and thus tend to last on long-term
- ❖ Management is based on values such as: honesty, transparency, ethics and accountability.

Another study, conducted in 2012 by VBS Client Research & Consulting, observes through a qualitative mystery shopping analysis that Romanian banking standards involve superficiality, lack of professionalism and serious mistakes of behavior. (Meseșan Cosmina Voichița, 2014).

The study was conducted at the main banks in the system, through interview operators, also known as "mysterious customers", which followed a scenario to obtain information on financing solutions to acquire a Real estate, through the "First House" program, or other financing solutions offered by the banks.

Serious behavioral deficiencies have been noted through all the processes. The polite formulas were missing and the basic rules of networking have not been applied, in most cases. Only 37.5% of bank consultants offered business cards to the customer.

The skills of the banking staff have been modest on identifying the needs of the clients and providing appropriate solutions to their needs. Just a third of the consultants have performed a custom simulation to the customer, the rest did not give interest in generating some repayment graphs and handing them to the customer's deepening.

The findings of the study indicate that during the time elapsed from the financial-banking crisis of 2008 to 2012, the focus of banks was not on customers, but on maintaining profitability

through the adoption of efficiencies and preadaptation to the market context, so many banks have closed branches and agencies, and the quality of services has suffered.

It can be concluded that banks didn't provide specialized consultancy for customers in the aforementioned period and is the main reason for which disappointing results have been accounted for on both sides. (Meseşan Voichița Cosmina, 2014).

3. Methodology and Framework

The quantitative research uses the survey methodology as a data collection tool for the questionnaire. Data collection and analysis took place over a period of 4 months during 2018. The questionnaire on which the data was collected includes 35 questions related to the behavior, expectations and perceptions of consumers of banking services in the Central Region of Romania. Eight of them were questions to characterize the surveyed population.

Subjects of both sexes were interviewed taken from the six counties of the region: Braşov, Covasna, Harghita, Mureş, Sibiu and Alba. 384 questionnaires were collected in the online environment.

The age distribution of the subjects interviewed is represented as it follows:

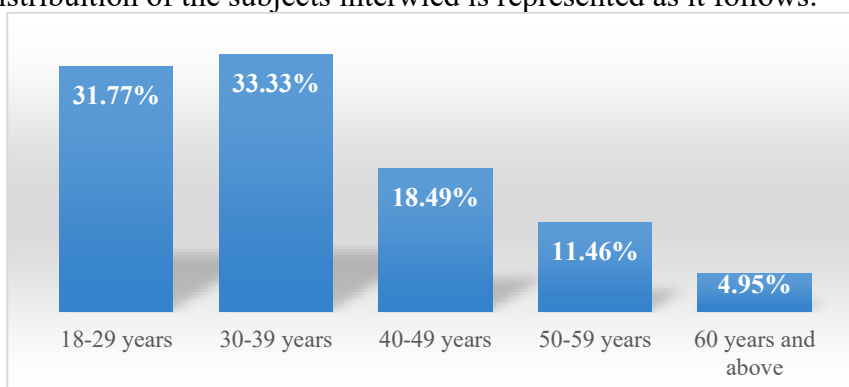


Figure 1. The age distribution of the subjects interviewed

The income distribution of the subjects interviewed is represented as it follows:

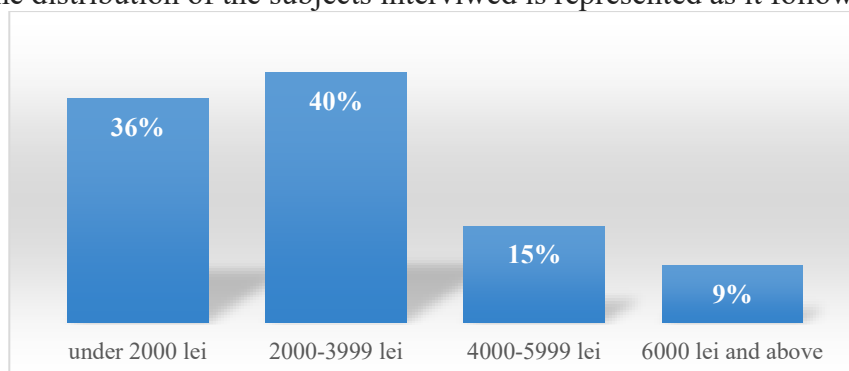


Figure 2. The income distribution of the subjects interviewed

The collected data was processed through the Statistical Package for Social Sciences SPSS (Statistical Package for Social Sciences), which analyzed aspects related to the behavior and satisfaction of the consumers of banking services in the Central Region of Romania.

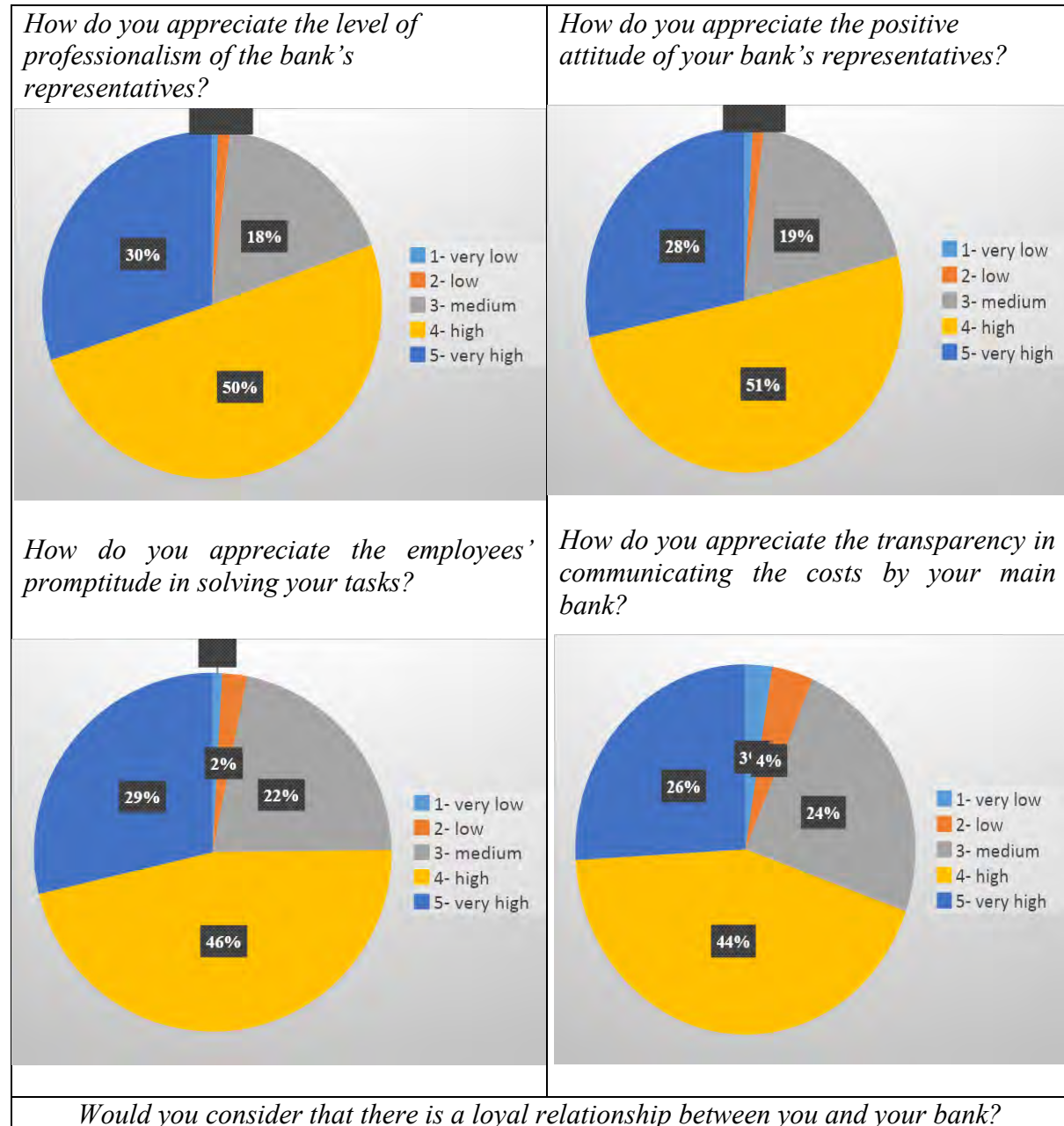
4. The Results of the Quantitative Marketing Research

The following chapter presents the customers' feelings, opinions and perceptions of the level of satisfaction they get when consuming banking products and services.

4.1 Analysis on the Employees Skills as perceived by the clients

The study reveals customers' perceptions of employees' interactions and the factors which are most important in setting a high quality banking service.

The subjects interviewed gave answers to 5 questions on the way they appreciate the skills of the employees and the results are presented below:



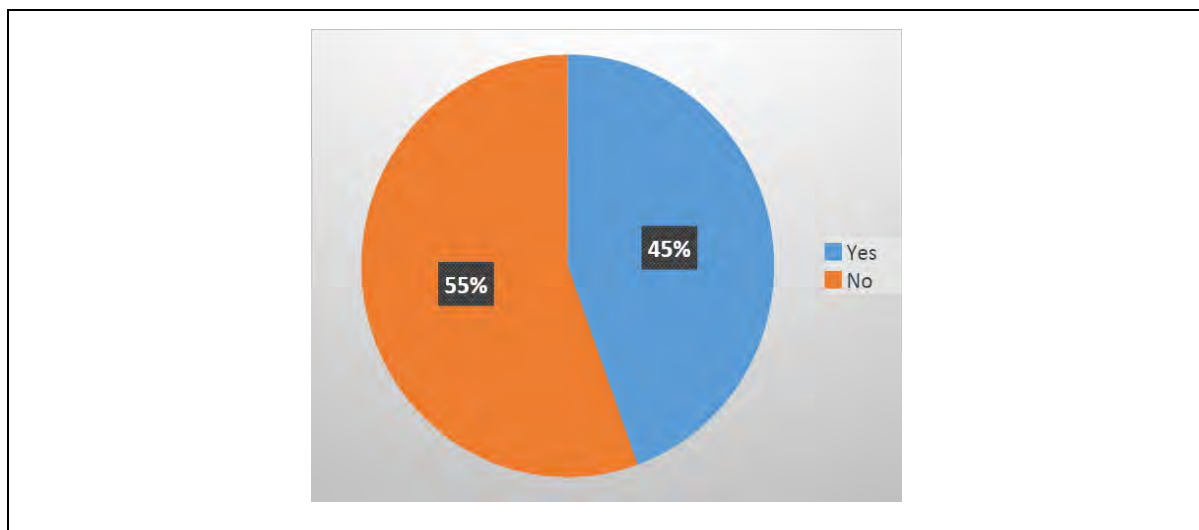


Figure 3. The customers' perception on the bank employees skills

Most of the customers consider that bank's employees have "high" level of professionalism and positive attitude, while the promptness of bank's employees and the transparency has lower incidence.

More than 50% of customers believe they don't get special treatment from employees, while 45% think the opposite. This indicates that employees do not continuously try to empathize with clients.

The interviewed subjects were asked which employees' skills they considered most important in influencing the quality of services.

The results show that 76% consider that paying attention to clients' needs and understanding the products and services are the most important, followed by professionalism (73%), discretion (70%) and promptness in solving their tasks (68%).

65% consider that positive attitude and availability are important attributes, too.

Less than half find that *sociability, smile, and the way employees promote products* are very important skills for bank's employees, while only 21% believe that *physical appearance* is very important.

4.2 Correlations between Bank's Image and the Level of Quality as perceived by Clients

Customers' perceptions of their main bank are presented in the figure no. 6, below.

On a scale from 1 (total disagreement) to 5 (total agreement), they perceive their bank to be secure bank (4.13), accessible (3.95), with financial strength (3.94) and friendly (3.91).

Medium-low values have been recorded for addressability issues to Romanians (3.63), modernity (3.59) and flexibility (3.53). These are benchmarks where banks should insist on improving them in future communication and promotion campaigns002E

Positive aspects are noted in terms of client disagreement with perceiving their bank as being cold and distant (2.1), respectively, enigmatic bank (2.23).

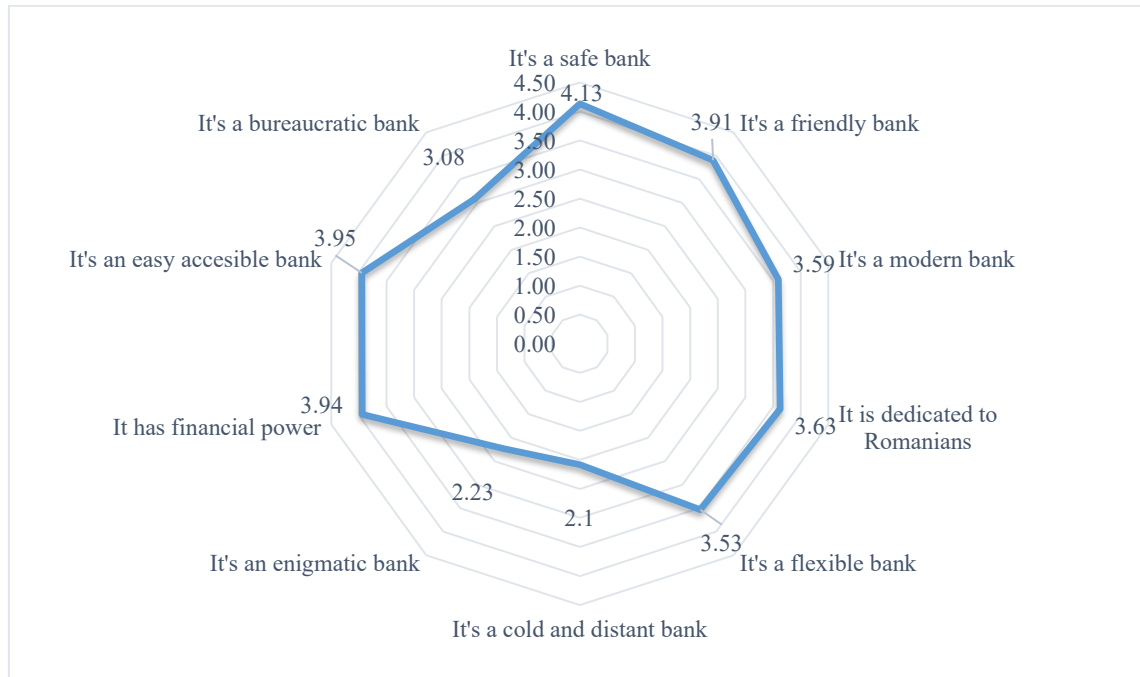


Figure 4. The image of the main bank

Based on this it is possible to determine the correlations between the variables which define a bank's image and the customer perception of the quality of banking services based on Pearson coefficients.

The quality of banking services has been determined as average between positive attitude, promptness, transparency and professionalism.

Table 1. The Pearson's correlation coefficients

| The variable researched | The Pearson ® correlation coefficients |
|-------------------------------------|--|
| <i>It's a safe bank</i> | .219** |
| <i>It's a friendly bank</i> | .401** |
| <i>It's a modern bank</i> | .379** |
| <i>It's dedicated to Romanians</i> | .260** |
| <i>It's a flexible bank</i> | .473** |
| <i>It's a cold and distant bank</i> | -.301** |
| <i>It's an enigmatic</i> | -.150** |
| <i>It has financial power</i> | .190** |
| <i>It's an easy accesible bank</i> | .313** |
| <i>It's a bureaucratic bank</i> | -.214** |

From the table, above, showing Person's indices, average intensity correlations with the quality of banking services are recorded in relation to the issues related to the flexibility of banks (.473), followed by being a friendly bank (.401) and being a modern bank (.379).

Corroborating the previously commented results, respondents place a particular emphasis on appreciating the quality of banking services based on it being a friendly, flexible and modern bank.

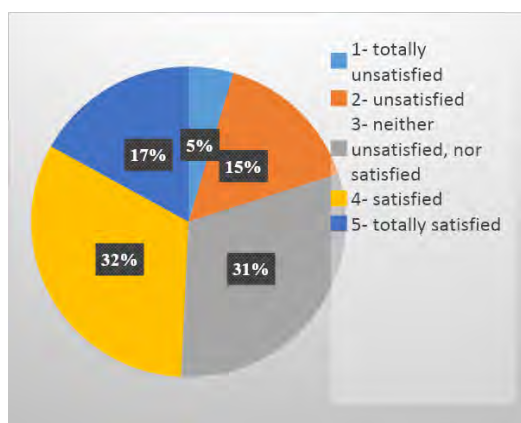
However, the attributes of flexibility and modernity have recorded low quotes among clients' perceptions of their main bank, thus these issues should be set as priority areas for banks when considering improvements to service quality.

Correlations are negative, as is normal, between being a cold and distant bank (-.301 **), as well for being a bureaucratic bank, (-.214 **) and enigmatic bank (-.150 **) and the quality of the services delivered.

4.3 Analysis of the Level of Satisfaction of Clients with Complaints handling

When asked whether they have ever addressed a complaint to the bank, only 65 out of 384, answered yes, showing the trend that people are not so willing to highlight what is not working as it should.

The research looked at *how satisfied people are by the way complaints were solved?*



A quarter of respondents declared a low level of satisfaction with the way their complaints were handled. Only 16.92% were totally satisfied by the way their complaints were handled, followed by 32.31% of people whose complaints were handled at the level of expectation.

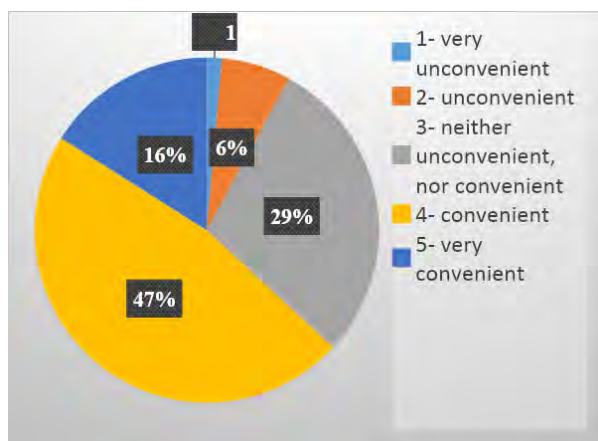
Almost a third (30.77%) were neither unsatisfied, nor satisfied in terms of their complaints being solved.

Figure 5. The level of satisfaction of clients with the way their complaints were solved

The research indicates that the main reasons for customer dissatisfaction with complaints handling are:

- ☐ Low competence of employees
- ☐ Lack of seriousness
- ☐ Lack of professionalism and flexibility
- ☐ Greater attention is required for optimal time transmission of bank statements
- ☐ Contactless cards are missing from the bank's offer
- ☐ More involvement is required for formulating a response to a complaint
- ☐ Lack of adequate responses submitted.
- ☐ Poor cost communication and inadequate counseling in the product proposal
- ☐ Not considering customer needs.
- ☐ Bureaucratic, unavailable bank
- ☐ Long time response to complaints.

4.4 The Influence of Prices on the Quality perceived by the Clients



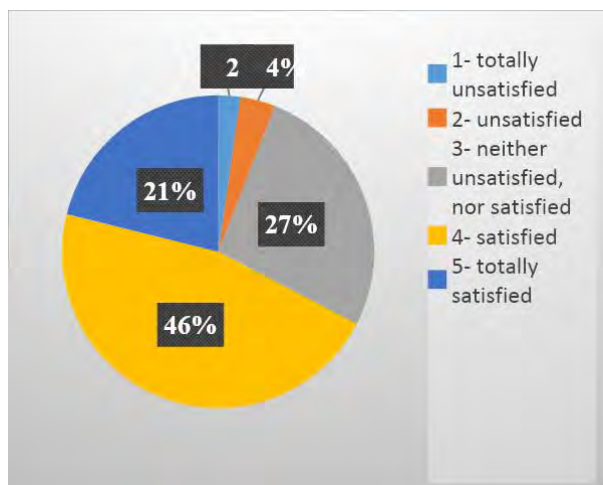
Question analyzed: *How do you find the ratio between the bank's rates and the quality of the services offered by your main bank?*

Most respondents consider that the ratio between the rates charged and the quality of services offered by their main bank to be convenient (47.04%), while only 16.06% find it very convenient. 29.01% think the report is average, while 6.48% and 1.41% find it unconventional and extremely convenient.

Figure 6. The influence of prices on the quality perceived by the Clients

4.5 The Influence of Digitalization on the Level of Satisfaction perceived by Clients

4.5.1 Level of Satisfaction with Contact Center Services

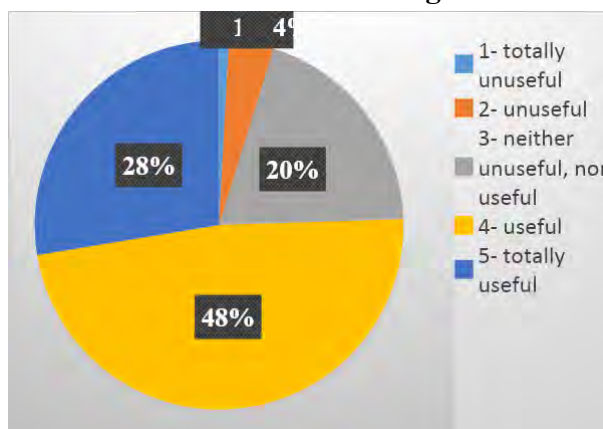


Question analyzed: *How satisfied are you with the Contact Center services provided by your main bank?*

More than 65% of respondents answered that they are content with the Contact Center services provided by their main bank, while 46.20% checked the "thankful" level. 21.13% of them are "very satisfied" while 26.76% are neither satisfied nor dissatisfied. Only 3.66% and 2.25% respectively are less satisfied or not at all satisfied with the contact center service.

Figure 7. Level of satisfaction with Contact Center Services

4.5.2 Usefulness of the Web Page



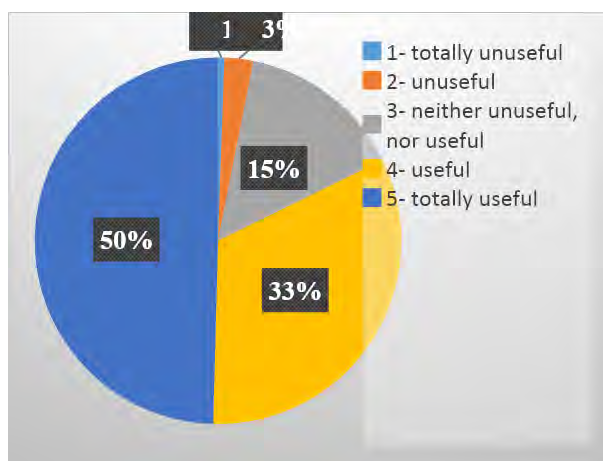
Question analyzed:

How do you find the webpage offered by your main bank?

For most respondents (47.89% and 27.61% respectively), the main bank's website is useful and very useful, while 19.72% were indifferent. Only 3.94% and 0.85%, respectively, consider it to be of little use.

Figure 8. The usefulness of the web page

4.5.3 Usefulness of Digitalization through specific Inputs (Internet Banking, Mobile Banking, SMS Banking and Self Banking- 24 hours)



Question analyzed: *How do you appreciate the digital services made available by your main bank via specific paths (internet banking, mobile banking, text banking) and NON STOP self-banking operations?*

Most of the respondents (82.26%) find digitalization (internet banking, mobile banking, sms banking) of self-banking operations open NON STOP) as useful and very useful 14.65% were indifferent and 3.10% stated that digitalization is not useful.

Figure 9. Usefulness of Digitalization

Correlation between the variables which define communication and customer relationship and customer perception of the quality of banking services

Table 2. The Pearson's correlation coefficients

| The variable researched | The Pearson (r) correlation coefficients |
|---|--|
| <i>The rates charged by the Bank for products and services</i> | .580** |
| <i>The level of satisfaction for the way complaints have been handled</i> | .463** |
| <i>The level of satisfaction with Contact Center services</i> | .497** |
| <i>The usefulness of the Web page</i> | .395** |
| <i>The usefulness of digitalization</i> | .380** |

At the level of the Pearson correlation indicators presented in the Table above, there are correlations which are statistically significant. The closest link is between the rates charged and the service quality index (.580), followed by the degree of satisfaction with the Contact Center services (.497) and the degree of satisfaction with the way in which complaints were resolved (.463). Positive but weak to moderate correlations are found for the usefulness of the web page (.395) and the digitization made available by the bank (.380).

5. Conclusions and discussions

5.1 General Levels of Satisfaction

For customer-centric banks, customer satisfaction is both an objective and a marketing tool. Banks must be particularly concerned about the level of customer satisfaction today, as digitalization allows consumers to quickly spread their experiences with the bank, across social and online environments, and thus, much more quickly promote both favorable opinions and negative feelings.

The general satisfaction score for the banks was determined based on the answers provided to the question “*How satisfied are you with your main bank?*”. The scale used is from 1 to 10 and the score is the average score of the respondents, where each mark was given 10 points as follows: for note 1, 10 points were allocated, and for note 10, 10 x 10, that is, 100 points.

The average earnings are 83 points and the first positions are held by the niche banks: Piraeus Bank, Patria Bank, CEC and ING, followed by Banca Transilvania and BCR, on the top of the ranking, followed then immediately below the average by BRD Groupe Société Général and Raiffeisen. The last place is occupied by Bancpost, which has the lowest customer satisfaction.

5.2 Axis for Improvements in the Banking System in order to deliver better Services

Respondents place a special emphasis on working with a flexible bank, but conversely the attributes of flexibility and modernity have recorded low quotes among clients' perceptions of their main bank. Therefore, these could be set as priority axis for banks in order to improve their services.

The majority of clients also considered the “willingness” of bank advisers to be the most important attribute in determining the quality of the services offered.

Once a bank notification is received, no matter what channel, immediate contact with the customer is required. Even if the complaint was formulated in writing and/or online, it is imperative to immediately contact the client and the employee who knows his / her history to

understand his / her dissatisfaction and to discuss the proposed solutions. Most of the time, responses are formulated in writing without discussion with the client, which completely opposes the way the customer wishes to reach a resolution.

The study also showed that only a small percentage of clients have ever expressed their dissatisfaction with the bank, and collecting customer feedback after interactions is gaining more input in marketing departments.

Therefore, when collecting negative feedback from clients, I consider it advisable to send email notifications to the client manager who manages the relationship with the client and to contact him / her to try to resolve the grievance.

The research showed that there are statistically significant positive correlations between the degree of satisfaction with Contact Center services and the service quality index of banking based on customer perceptions. For this reason, it is strategically important for banks to include Contact Center services in a priority axis to deliver high-quality services.

It has been seen in the study that customers found the weak services of Contact Centers, a reason for dissatisfaction with how their complaints are being solved. The long wait for phone operators to take over, or their weak expertise fail to deliver the right solutions.

In view of the above, it is necessary to correct the dimensions of the Contact Centers, which have been affected in recent years by significant staff cuts in attempting to optimize banks costs. On the other hand, it is necessary to provide specialized teleconsultants in Call Centers, which are at present largely staffed by simple telephone operators and not bankers.

The role of the staff in the marketing mix is decisive in the customer's perception of the quality of banking services. In the view of banking customers from the Central Region, "professionalism" and "positive attitude" are perceived as "high" by the majority of the population surveyed, while "promptitude" and "transparent communication" should be improved.

The final conclusion which can be taken from the research is that consumers from the Center Region want more attention from the staff and a good knowledge of the banking products. Therefore, banks must attach great importance to the recruitment and training process of human resources employees, to ensure that they have kindness, willingness to help, professional skills or empathy in their relationships with consumers.

5.3 Research limits and future researches

The research was conducted in the online environment, which requires access to computer or mobile devices and internet. Under these circumstances, the number of respondents was limited.

The answers were recorded in the Google Docs platform which sends the info in the database only after the questionnaire has been fully completed. This means it was not possible to record incomplete questionnaires. There was no interviewer to provide help if needed.

As for future researches, this one could be extended to the entire country. Also there can be researched the consumers' behavior, the consumers' satisfaction on products and services or the reasons for quitting the relationship with the main bank.

References

- BALOG, A., BĂDULESCU, G., Modele conceptuale ale calității serviciilor on-line, [online] Available <http://www.um.ase.ro/no8/3.pdf>. Accesat [11 Aprilie 2018]
- BERRY, L.L., PARASURAMAN, A., (1991), Marketing Services: Competing through Quality
- ENNEW C., WAITE N., (2007) Financial Services Marketing- An International Guide to Principles and Practice, Butterworth-Heinemann, London

- ESTELAMI, H., (2007). Marketing financial services. Indianapolis: Dog Ear Publishing, p.96,
- FORNELL, C., EVERITT BRYANT, B. , (1998), The American Customer Satisfaction Index
- KAUFMAN, R. (2013) Cultura serviciilor superioare, Editura Publica, Annals of Vocea clientului, Masurarea și evaluarea serviciilor, Cele șase niveluri ale serviciilor, pp 179-243, 259-319
- GFK [online] Disponibil la adresa <http://www.gfk.com/ro/search/search-results/?id=250&L=198&q=BRD> [Accesat 5 Iunie 2018]
- KOTHLER, P. (2005), Managementul marketingului, ediția a IVa, editura Teora, București
- MESESAN, C.V., (2014) Mystery Shopper. Annals of Mystery Shopping, Case Study: Bancile din Romania restante la amabilitate si professionalism, pp 19-28, 113-117
- MIHELIS, G., GRIGOROUDIS, E., SISKOS, Y., POLITIS, Y., & MALANDRAKIS, Y., (2001), Customer Satisfaction Measurement In the Private Bank Sector, European Journal of Operational Research, pp 347-360
- PARASURAMAN A, ZEITHAML V. AND BERRY, L. (1985) A Conceptual Model of Service Quality and Its Implications for Future Research. În: The Journal of Marketing, Vol. 49, No. 4., pp. 41-50
- ZEITHAML, V.A., BITTNER, M.J., (2000), Services Marketing- Integrating Customer Focus Across the Firm, Irwin McGraw Hill, 2nd Edition
- ZINELDIN, M., (2005), Quality and customer relationship management (CRM) as competitive strategy in the Swedish banking industry, The TQM Magazine , Voi. 17 , No. 4 , pp. 329.