

STRATEGIES FOR HIGHER SATISFACTION OF THE ROMANIAN BANKING CUSTOMERS

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A bank must identify, assesses and clearly and fully understands customers' values and expectations if it's target is their higher satisfaction. The banking customers are expecting to receive individual attention and support and good quality banking products. The Romanian banks haven't yet succeeded to provide all services the customers expect, even they are progressively focusing on the banking services segment of their offer. This state of facts must be the starting point for the elaboration and performing coordinated strategies aiming to a better customer care, transforming the banking product into a complete offer and finding solutions for the customers education with a view to enlarging the customer base and enhancing the customer satisfaction.

*Key words: customer values and expectations, customer satisfaction, customer care, banking product model, banking service.
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1.Introduction

The focus on the customers should be a priority for every banking institution. This prerequisite requires a central place for the banking customer in the bank activity. The banking institutions should have relationship marketing with the main objective the customer satisfaction by added value delivering. In order to achieve this objective, the banks should identify and understand the customer's values and expectations.

The Romanian banking market has still a growing potential and the banks aren't at the highest level of their relation with customers. For this reason, a better transparence and more efforts aiming to enhance customer's loyalty is needed. The turbulence of financial international market, the concurrence and the higher expectations of Romanian banking customers are strong reasons for the banks to seek the higher satisfaction of the customers as main way for customers loyalty.

2. Customer satisfaction: from expectations to value delivering

The first mission of any company is to attract customers, since without customers a company couldn't survive. Attracting and maintaining customers are not easy as it could appear. Customers choose the best offer of many available alternatives. They wish to receive values as big as they could, therefore customers prefers the best offer in terms of delivered value.

How customers choose the most valuable products is a question the marketing professionals should find the best answer at. The customers have expectations about value and they act on the basis of these expectations. A value is an enduring belief that a specific mode of conduct or end of state of existence is personally or socially preferable to alternative mode of conduct or end of state of existence [Mühlbacher, Leih, Dahringer, 2006, p. 199]. The values are influencing the customer's perceptions. Values having an important impact on customer behavior are based on religious beliefs, concern work, achievement and wealth, are related to risk taking and changes, related to consumption in general. The firms create and deliver products they hope to exactly represent the expected customer values. The customers buy an established value which is comparing with the expected value. In this way, the customers could assess and establish if the expected value is different or not from the perceived value. The expected value depends on cost, experience, information, income and customer mobility. The perceived value is the customer's overall evaluation of the product or service offered. [Hollensen, 2004, p. 95]. It is the result of checking up the value they buy. The customer perceives the obtained value depending on the value of product. In its turn, this last value depends on the product features, quality and brand, social status it provides, company's reputation and provided services. The delivered value is the difference between the perceived value, which provides profit to the customer and the total cost for the customer in terms of money, time and energy. The customer satisfaction depends on his expectations' fulfillment. The expectations fulfillment depends on the delivered and perceived value. The fully satisfied customer only could be content and used as vector for new customers attraction.

The extreme diversification of customers is present in the expectations too, but common values for regional and global customers could be identified. The most often and fully shared are the following values [Hollensen, 2004, pp. 200-208; Danciu, 2005, p. 132]. Health is a very high common value to all countries. In the Anglo-Saxon countries, the material welfare is a priority, and image and social status are important values. Independence is a highly shared value in U.S. and Eastern Europe, while group membership is preferred in Japan and Latin America. The Germanic countries have the comfort and security as priorities.

The level of customer satisfaction depends on the ratio between the perceived value and the customer expectations. When this ratio is equal to one or more, the customer enjoys the complete satisfaction; otherwise the customer gets a partial satisfaction. Some claim a total customer satisfaction when there is equality between customer satisfaction and the delivered value. In other words, the delivered value should be as big as the expected value. Such an equality could be obtained only if companies identify, assess and understands customer's values and expectations

in various markets and, most of all, if it succeeds to create and delivers the expected value under the form of goods and services.

3.The expectations and the satisfaction level of banking customers in Romania

The dominant relationship characteristic of banking marketing requires big permanent efforts of the banks for better customers understanding. On the basis of variable combinations the customers use, the banks should identify the most valuable proposition under the form of banking suppliers using five variables in the following order: the convenience provided by the distribution; the cost in terms of price of banking service; the product satisfying the customer expectations, services which are including an effective communication and customer’s experience.

The banking institutions should permanently find the successful alternative. In the last decade of 20th century, banks were focused on their internal issues. This pervasive internal focus was the most limiting factor in the development of the banking industry, in J. Driscoll opinion [J. Driscoll, 1999, p. 23]. The recipe for success in the 1990’s was to standardize, centralize and automate. This approach often improved several of the organization’s key attributes – convenience, product selection and price – but had little focus on customers and it often adversely affected service levels and ambiance. This approach showed that many banks failed to make the value they add visible to the customer. At the same time, a new banking approach toward creating and maintaining close customers relationship becomes obvious. First of all, banks require a clear and complete understanding that they are in the services business. The banking customers are expecting personalized care, appropriate attention and high quality services. In an article published as early as the end of 20th century in the magazine Bank Marketing [1996, p. 50], H. Finch and M. Helms highlighted four major longstanding trends in customers’ service expectations:

- Greater expectations of customized service dealing;
- A stronger need for one stop service
- A growing desires for high/tech to be balanced with high touch
- Increased demand for add-on value.

These expectations were confirmed by further evolutions and they are present in fierce rivalry circumstances. Similar trends are perceptible in the Romanian banking market, too. A study performed by Mercury Research to which refers Romanian economic magazine Capital [13 December, 2007, p.45] suggests that high growth rate of banking market couldn’t longtime sustainable.

The Romanian banking markets is not a saturated one, so a question is arising: so long as banks are hoping for low costs and customers for maximal benefices how banks will succeed to increase future sales? As the conclusions of the above mentioned study suggest, the answer seems to be an increased direction’s change toward services activities. The findings of Mercury Research study mentioned above confirmer the already existing trends in the banking customers expectations. Until when some banking indicators and sometime the market’s positions begun to erodate, the banks have ignored such trends.

Prior to 2006, the population has not been ask if she is interested in alternative solutions to the existing services. These services were relatively poor in terms of number and diversity, as data from Table 1 show. Moreover, the numbers suggest that most customers are expecting numerous, prompt, high quality services.

Table 1. Banking services expectations of Romanian customers (percentage)

Expected service	Year	
	2006	2007
Polite banking staff	73	73
Fast solved requests/complaints	91	92
Consultations	87	88
Alternative solutions	*	86
Contact with the manager	*	80
Help in complaint solving	*	67
Help at the filling in the blanks	*	66

* Researches have not been performed

Source: Capital, 13 December 2007, p. 45 (According to Mercury Research)

Since 88 % of customers should like benefits by available services suggest that banks should increase the quality of it. If 65 % of banking customers want new services such as help by filling in the blanks and complaints solving, easier contact with the manager shows that the available services are not enough and they have not allways the best quality.

4. The increased influence of the customer care on the delivered value and banking customers satisfaction

First of all, the suppliers of services should take their customers care in order to become loyal. The customer care is a concept meaning “the fundamental approach of the service quality covering every aspect of the supplier’s operations, such as a bank, from the service’s design to its performance” [D. Carson, A. Gilmore, 1989/1990, p.51]. Kotler et al. [1999] Consider that in fact the service quality depends on the relationship between the buyer and the seller. The quality of the banking service shouldn’t be the only concern for the customer satisfaction. The banking institutions should prepare a package of the customer care, which is a mix of several banking services and is aiming to adopt an attitude carefully defined by the readiness of the banking institutions for help, being friendly, concerned in the relationships with their customers [D. Carson, A. Gilmore, 1989/1990, p. 51].

The complete model of the customer care could be conceived and performed as a package including the parts of the banking customers expectations. The banking customers expectations have a quantitative, tangible of instrumental dimension and a qualitative, intangible or psychological dimension. Both dimensions are related to the expected performance of every banking service.

The banks activating in the Romanian market should work both components, especially the intangible one, which is the customer care dimension. The physical facilities, the banking product, the appearance of the staff for example, which is tangible components of the customer care generally, are at the level of customers expectations.

Other quantitative parts, such as the speed of service delivery, are sometimes under customer’s expectations. The easy success to the services, of the banks, good communication, the readiness for help of the staff and sometimes his competence, specialized consulting, courtesy, politeness and even confidentiality are most frequently accused by the customers of numerous banks being under their expectations.

As the study performed by Mercury Research all ready mentioned shows, the Romanian customers of the banks want more intangible services, having a better quality and being as customized as possible, such as specialized consulting and help for various activities and operations. All these findings suggests that the banks should improve not only the environment of banking transactions but even perform an effective internal marketing aiming to a particularly attention to the personnel.

5. The consolidation of customer’s relationship by transforming the banking product into a complete offer

The banks aiming to develop closer relationship with their customers could take into account the fact that the majority of customers are not rewarding. Only 10 % of most rewarding customers generate on an average 86 % of profit while the first twenty per cent provide some 114 %, according to a research performed by Retail Economic Revisited. The other eighty per cent are consuming profit [Understanding the Customer: The Issues Strategies and Solutions/Activity Servlet? Ks Action]. Under these circumstances, the identification of the rewarding customers and the modification of the present customer behavior to the advantage of the banks offers become top priorities.

The banking institutions should very well know what and when customers demand and perform profitability analysis [Identify and Increase Consumer, Channel and Product Profitability/Vnnrcn/Activity Servlet? /Ks Action]. In their turn, the banking customers have their reasons when decide to abandon buying one-bank services. Around the world, over two third of all customers are not buying because of insufficient services. In order to understand what customers in the present and in the future want, this phenomenon suggests that the banks should place the customer in a key posture. The banks should prepare and perform complete services offers, within a relationship system, the contribution of customers included.

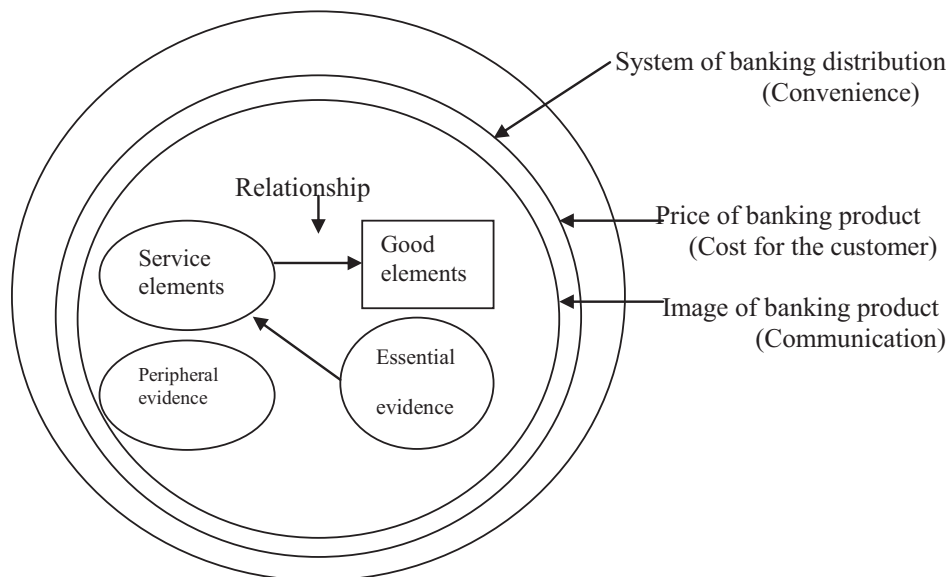
The banks approach aiming to persuade by their care for customers could be successful if they are using the complete model of the banking product. The molecular model proposed by Shostack [1985, p. 224] and illustrated in Figure 1 suggests that any banking product like every service / have complex character due to the mix of tangible elements, having a physical existence, and intangible elements. Both categories of elements are evidences of the banking service. This approach makes different the banking product from a good. A good never requires evidence, it is own evidence.

The essential evidence is related to the basic product and can’t be possessed by the customer of banking product. This type of evidence could have a dominant and crucial impact on purchase and the use of banking product. The deposits, credit and card are essential elements of the banking product.

Peripheral evidence is related to the secondary elements of the banking product. Typically, while peripheral evidence is actually as part of purchase, it has little value or no independent value and is possessed by the customer. As peripheral evidence, the banking card has no importance and is useless without an account and no possibility to withdraw or transfer the money.

In order to design a complete banking product, the remaining elements of the marketing mix should be take into account. First, the bank must consider the distribution channels and the needed logistic. Second, the bank must evaluate the cost and set a proper price for banking product, such as a card, credit, deposit and so on. Finally, the communication of the banking product must be considered. In this respect, a strategy based on the product evidence is needed. The promotion of a card must consider not only the card advantages but where it may be used, the ATM network etc.

The banks need a competitive advantage, preferably qualitative in nature, if they want to maintain present customers and to persuade new customers. The quantitative side of a banking product performance is fully found in the complete molecular model of the banking product. Every physical evidence must be supported by specialized and diversified services. Superior service has been a significant differentiator for a long time. As H. Finch and M. Helms highlighted in the last decade of twenty century [1996, p. 49], two points of view are proving they are true. One is the observation made by L. Berry [1986] that is futile to invest heavily in advertising and promotion to attract new customers of those customers subsequently leave because of poor service. The other is a observation made by F. Reichfeld and W. Strasser [1990, p. 106] who showed that the longer a customer stays with a firm, the more profitable that customer becomes.



Source: Adaptation according to Donnelly and Williams (1985)

Figure 1. The complete molecular model of the banking product

Obtaining a better satisfaction of the customer is an increasingly difficult objective to achieve, since customers expectations are permanently growing and diversifying. The longstanding customers expectations seems to follow the main trends of consumers' service expectations, which are the perception that service quality is deteriorating, increased demand for add-on value, a growing desire for high-tech to be balanced with high-touch, greater expectations of customized service dealing and a stronger need for one-stop service [Helms and Finch, 1996, p. 50].

The banks of Romania are in a consolidation process, but the Romanian banking system seems still to "industrialized" and standardized. They should be very carefully about how validate the customers demands and reformulate the banking product approach. Many Romanian banks declare customer loyalty, more market share and profit or consolidation of customer relationship as main objective [Business Standard.ro/article 24142/article 26492]. Such objectives show that banks are aware they need more stress on the customer orientation. This type of objectives validates the results of the researches performed in Romania, shown in Table 1, about the banking customers expectations. The results show that the overwhelming majority of the banking customers want improvement in the customer care segment. Such services as access to the manager, consulting, immediate support and so on are placed in the essential evidence category of the point of view of the banking customers.

The banking institutions may change the situation if they are able to integrate all the evidence customer expects, support services in particular, into the banking product and propose it as an unique and having a superior quality offer. Banks could fulfill such a strategic objective if they find adequate solutions to threats could appear getting fidelity of present customers and attracting new ones. The main way to seize the opportunities, improving the profit rate and attracting new customers could be superior ability for the estimation and quick performance of the proposed offers. A closer knowledge of the banking products by the seller could be added. The staff of the distribution network have first to promote and sell those banking products which better meet the customer expectations and are more profitable for the bank. In order to get a complete offer, a quick updated information about prices and banking products is needed. Updated and detailed information is a condition for the promotion and selling of most profitable products to the most profitable customers. The larger and easier the access of the customers to web auto service has a growing importance.

The customers like most channel mixes in negotiations with the bank. The on-line access to the information allows a quicker relationship with the bank and could reduce the customer's cost and time. Most of Romanian banks are still in the phase of the development of on-line service. A research performed by Romanian economic magazine Capital in 2007 found out that from 13 studied banks meaning 34,5 % of the whole number of existing banks in Romania, all of them offered internet services, most had home banking and only 3 offered access to the mobile banking.

6. The enlargement of customer base and superior satisfaction through education

The success of the relationship with banks customers depends heavily on the level of customer education. The informed and educated customers are an important source for the enlargement of present and potential customer base. The banks operating in the Romanian market are too little able to use this strategic component of the customer care. Even top banks ignore many of the methods for customer education and still have not coherent plans aiming different retail customer groups such as children, students and women. Individual education plans with themes such as financial planning, family and individual budgets, educational event in schools and universities are not yet parts of bank strategies aiming to attract and maintain customers and enlarge of customer base.

The banks mostly have promotion and information campaigns targeting the offer and news, but they have not meeting with customers or plans where customers work. The banks must considerate the customer education as the pressures on terms and offers of the banks and on customers become progressively greater as the numbers of players in the Romanian financial market multiply, available incomes are bigger and the threats due to international financial markets turbulences become a permanent variable.

The educational and informative plans seem not only justified but highly necessary, since little over 50 % of Romanians are in relationships with the banks and the majority of them still pay cash the invoices. Such plans could target groups such as employees, pensioners and students, Romanians who work abroad. The banking institutions could involve themselves in educational plans meeting the needs of local communities where they operate. In order to serve for local communities, banks could deliver information the customer needs. They have to organize seminars, educational plans including courses, letters and other educational materials.

7. Conclusions

As the present paper shows, the Romanian banks haven't yet succeeded to meet all the expectations, both quantitative and psychological, of their customers. Since the banking customers want more intangible services, having a better quality and being as customized as possible, the Romanian banks should work both components, especially the intangible one.

In order to consolidate the relation with customers and to have more loyal customers, the banks should take vigorous actions. They should transform the banking product into a complete offer and enhance the other components of the marketing mix: distribution channels, the proper price and communication of banking services. Some Romanian banks recognize the importance of the higher satisfaction of the customer by declaring customer loyalty or consolidation of customer relationship as main future objective.

A better education of customer may support the effort of the banks. In this area, the Romanian banking system has little initiative. Thus, educational and informative plans for customers are higher necessary. Such plans could target groups such as pensioners, students, and local communities.

All these areas of customer care and higher satisfaction of the banking customer could be a reason for further research.

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