

THE QUALITY OF BANKING SERVICES - A BASIC PREMISE OF A BANK SUSTAINABILITY

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Abstract *In recent years, organizations are obliged to render more services in addition to their offers. The quality of service has become an aspect of customer satisfaction. It has been proven by some researchers that service quality is related to customer satisfaction. Others used service quality dimensions to evaluate service quality. The main purpose of this study is to examine the relationship between customer satisfaction and service quality in service sectors with respect to the service quality dimensions.*

Customer satisfaction has been a subject of great interest to organizations and researchers alike. The principal objective of organizations is to maximise profits and to minimise cost. Profit maximisation can be achieved through increase in sales with lesser costs. One of the factors that can help to increase sales is customer satisfaction, because satisfaction leads to customer loyalty (Wilson et al., 2008), recommendation and repeat purchase.

Romanian banking system can be characterized as a dynamic business environment in which banks encounter considerable difficulties to increase or at least to maintain market share. Increasing the number of banks led, on the one hand to increased competition, and on the other hand has increased standards that banks must meet to gain a net advantage in this area.

Competition between banks is a factor that generates increasing demands from customers, putting pressure on management. People everywhere are now more and more access to information, both quantitatively in terms of sources and in terms of quality, so it is expected that banks working together to meet the needs where when and how they want. Otherwise, customers are willing to make changes, and the bank risks losing its market share for competitors.

Considering all of this, the main concern of credit institutions in Romania should be to maintain a portfolio of clients. Long-term cooperation relations between a bank and its customers is the proof of that bank's efforts in providing quality services that meet consumer demands.

Keywords: *Customer satisfaction, Service quality, dimensions, SERVQUAL, service sectors, competition*

JEL classification: *G21, M31*

1. Introduction

Keeping existing customers is a challenge for banks and a starting point in trying to improve performance, financial performance. It is therefore necessary more and more to focus all efforts aimed at improving services, a bank has more than won as not only meet our customer needs, at their request, but even they anticipated. As some researchers, "high-quality services resulting in satisfied customers" who "becomes, then, loyal customers." In other news, the high standards adopted by some banks to bring them a competitive advantage over others, in that if the customer is satisfied, most likely will continue to use the services of the institution that has worked and even recommend his knowledge, ignoring offers other banks. So it is important to review the quality of services so that you can identify those that need improvement. Banks should be responsive to the feedback they provide to customers and nuance, in the sense of knowing which aspects are crucial in obtaining a degree of satisfaction as close to maximum. Only then will be able to distinguish between other actors in the banking and loyalty to their customers.

In terms of consumer services can be perceived as benefits or experiences, so to say he is satisfied or rather, the client evaluates every contact he had with the bank: indirectly, through ATMs, Internet Banking etc. or directly with staff within the bank. So I would say the following idea: quality is the aspect that concerns the banking institution and customer satisfaction is the result of how the bank providing the services. The overview of the degree of satisfaction of a consumer banking products and services is made when the customer actually walks bank and when they call for electronic devices.

2. The need to analyze banking services quality and customer satisfaction

The analysis of banking services quality and customer satisfaction is imperative for several reasons.

The first reason is determined by the idea that the services by their nature are intangible products offer a bank can be easily copied by competitors, and its provision of services is no exception. Since there are tangible and can not be seen, they can be easily adapted as a competing banking institution, without the bank to stand out in a negative way. All banks in Romania offers customers the ability to withdraw money from ATMs to access their accounts via Internet Banking service. In addition, is almost no differences between the characteristics of these services from one bank to another. In these circumstances, the mere fact that credit institutions include in their offer these services is no longer a competitive advantage. However, how it is treated within a bank customer can be a major difference, is almost impossible gestures staff, ambience and atmosphere of competition created to be reproduced. What distinguishes the modern channels of traditional service delivery channels is the fact that involve contact between man - machine, while the second category involves direct relationship between client and staff, which must meet certain quality. Attitude, gestures, experience of employees believe there are aspects difficult to copy exactly. There are researchers who have given attention to this subject and concluded that is a direct, positive, link between staff serving customers and overall satisfaction reported by him, in that staff is the factor that makes a difference: people who use services banks generally believe that the differences are insignificant market supply from one institution to another, so that often choose depending on how you believe they have been treated within the bank.

It shows, such a relationship of cause - effect (positive) between the quality and professionalism of employees in the banking system -> increase customer satisfaction -> loyalty -> increasing the market share.

The second reason concerns the preoccupation of banks to open new territorial units, although the market is visibly affected by the negative consequences of financial crisis that shook the world. It is true that expansion is not as great as the glory years in the field and that all banks have resorted to closing agencies, but it can be seen, however, that are interested to come closer to their customers every neighborhood of large cities.

Third, customer satisfaction is even greater as more directly interact with the bank due to culture and history of our people; the communist regime, which marked Romania was characterized by the fact that freedom of expression and socialization have been oppressed, so currently Romanians want to interact a lot with each other, especially with those are managing their money, because they feel so safe, unlike other peoples, who are more individualistic.

It is the duty of those who are part of the management to consider all these requirements and to handle continuously the improvement of employees who will establish a relationship with customers based on trust, which will reduce their uncertainty and enhancing their satisfaction felt. Quality that the service consumer appreciates comes ultimately from the trust that he receives reliable information from the services provider that is useful banking and, whenever there is a confusion or is not handle in a certain respect, finds support promptly.

Service quality is an important tool to measure customer satisfaction (Hazlina, 2011). Empirical studies show that the quality of service offered is related to overall satisfaction of the customer.

For these reasons, the premise from which we start in making the case study was that perhaps Romanians satisfaction regarding banking services that benefit is mainly influenced by the relationship they establish with the bank, innovation than the physical elements, tangible or processes in general.

As shown, the concept of customer satisfaction is defined in the literature as a variant form of statements and definitions. In this sense, some authors (Zeithmal, 1991) shows that the definitions set forth on customer satisfaction varies depending on the level of specificity. Thus, according to this level of specificity, the definition of customer satisfaction may refer to:

- 1.Satisfaction about the product
- 2.Satisfaction on the decision to acquire experience
- 3.Satisfaction on performance attributes
- 4.Satisfaction on the experience of consumption
- 5.Satisfaction on the institutions and shops
6. Satisfaction related to pre-purchase experience

Another interesting interpretation of the concept of customer satisfaction is that grouping definitions into two categories(Yi,Y., 1991):

- 1.The definitions that address satisfaction as a final state of the consumer and which do not focus on the process that lead to it.
- 2.The definitions which concern the entire process of constructing and training of customer satisfaction definitions that are more precise and analytical, stressing at the same time, the nature and importance of different elements (dimensions) construction of this concept, and the links between them.

Therefore, some experts feel that the concept of customer satisfaction is related to the after-purchase products or services, it is impossible to judge satisfaction as long as the product or service was not consumed. In their view, customer satisfaction is a global judgment relating to the consumption experience specific product or service itself influenced by personal characteristics and consumer. Other authors consider the concept of satisfaction as an overall assessment of the utility of a consumer product or service based on the perception of "what" and "how" was provided.

Also, the concept of customer satisfaction can be explained and operationalized in terms of the quality concept. Thus, most experts agree that customer satisfaction can be defined as an assessment of the various dimensions of quality products and services.

The border between customer satisfaction and service quality is difficult to delimit, terms are often confused. If a quality service refers to the way in which it is supplied, then we can say that the general feeling of satisfaction are using it. Satisfaction comes from experience, from customer contact with the service. Some authors consider quality as an intrinsic attribute of service and customer satisfaction is only if they perceive that quality. Therefore an unwritten rule in banking is not to sell to the customer a "product" but "qualities" of that product. A good sales person will sell a loan, but the ability to purchase a house, a car, etc. with money from funding provided by the bank, but will not sell Internet Banking will allow you to shorten the time spent in line at the counter, quick and convenient access to personal accounts, reducing travel expenses to bank office, also will not sell a warehouse officer, but will give customers an alternative to their economies safety. Otherwise, it's very possible for a customer to purchase the product or service banking advisor, but if you find that it serves to cover its needs, the more likely that the sale process will stop. The seller ability consists in discover or, going forward, to anticipate consumer needs. Is no exaggeration when we say that some needs were created by economic agents centuries ago, no one felt the need to have bank cards to make payments at merchants - cashing cash wages and all transactions are made in cash.

Being considered as a prerequisite for establishing enduring relationships, profitable between a bank and its customers, relationships that are beneficial to both parties, service quality is a complex coordinated, though not necessarily complicated, if examined closely. Therefore a series of investigations are needed to better understand the meanings of 'quality' and how it differs in meaning to customers, unlike the other customers. Depending on the results, the management of institutions should try to adapt the offer so that it is accessible and to thank the group of clients are addressed. This is even more difficult as quality is a subjective dimension, which every man can appreciate different filters whereas the own value system through their own experience, for example, a customer who is always busy and has time to reach the bank within the appropriate time, we believe that the Internet Banking service is exactly what you need, while a person who does not have easy access to the Internet will not see in it a quality service that they bring great satisfaction.

3. Assessing the quality of bank services

Management has provided numerous methods to investigate where is positioned against the competition, researchers have outlined several methods for the analysis of quality services in various fields, in order to measure subsequent satisfaction of individuals in relation to the services provided by those institutions. These include

SERVQUAL method, patented by Zeithmal and Parasuraman (2004), based on identifying GAPS between customer expectations and their perceptions, ie what is expected to meet having contact with various services, compared with as they met. SERVQUAL is probably the most common model for measuring customer satisfaction felt (Bahia, K., & Nantel, J., 2000), model that analyzes five dimensions: safety, empathy, reliability, responsiveness, visual impression. Based on the discussions and analyzes the links between customer satisfaction and perceived quality of service expectations, SERVQUAL model trying for the first time operationalize the concept of satisfaction in a theoretical and academic background (Derek, A. & Rao, Tanniru, R., 2000).

Another model that has proved useful is quality technical / functional qualities developed by Gronroos, technical quality refers to the result itself, while functional quality describes how customer service is provided and is considered to be coordinated main, more important than technique. Gronroos model built based on 6 dimensions similar to those proposed by SERVQUAL model namely professionalism, attitude, flexibility, trust, reputation, credibility.

A third model pretty used is SERVPERF defined by Cronin and Taylor (1992), whose scale of measurement is quite similar to that provided by SERVQUAL model, the only difference being that this model analyzing customer opinions only in how they perceive the quality of services offered by different companies, which were not their expectations about those services. So SERVPERF does not realize a comparison between expectations and perceptions, as the authors model considers that the comparison is not necessarily conclusive for relationship satisfaction, quality, they believe that if customers overall impression of a certain institution is positive, then that the institution provides quality services.

4. Applying the SERVQUAL method. Case study: Volksbank Oradea

SERVQUAL method was applied to Volksbank –Oradea, among bank customers in order to delineate and confirm the extent to which services offer the bank meets quality standards or customer expectations and points where improvements can be made for a more favorable perception of services.

The sample was applied in 200 people, the results confirming its position in the market but the main guidelines that the bank has to its customers.

The questions from the questionnaires used by reviewers are grouped by service quality dimensions in total SERVQUAL contains 22 questions that are adjusted according to the type of service evaluated. When completing the questionnaire client should consider the extent to which the service should meet specified quality attributes, respectively, to appreciate what it means for that service quality based on its own experience as a user of the service. The answers reflect customer expectations and perceptions of Volksbank –Oradea service quality.

Customer responses consisted in of two marks each attribute grant, on a Likert scale with 7 degrees of intensity. If the respondent believes that the service meets attribute when given high note 7 ("total agreement"), or on the contrary minimum grade 1 ("strongly disagree").

At four questions related to tangibility dimension of banking services quality, the results of the perception indicate a slight increase in the level perceived by customers to their expectations. In all discussions, registered gaps are positive, the

highest level in terms of land bank in a recipient. Thus the values recorded visual impression given by bank customers around the level of agreement 6 of 7 (Table 1).

Table 1. Gap score for Tangibles Dimension

Statement	Expectation Score	Perception Score	GAP Score
Tangibles	Average for Dimension		0,19
1. Excellent banking companies will have modern looking equipment.			
2. The physical facilities at excellent banks will be visually appealing.			
3. Employees at excellent banks will be neat appearing.	5,72	5,88	0,16
4. Materials associated with the service (such as pamphlets or statements) will be visually appealing at an excellent bank.	5,64	5,88	0,24
	5,60	5,74	0,14
	5,52	5,74	0,22

Source: Made by author

Regarding the size of reliability, on keeping promises and characteristics of services offered, bank records analyzed results somewhat lower than tangibility dimension, the gaps he recorded was the lowest. But what is important is the bank register positive gaps again customer expectations are exceeded by their perception of service delivery by the bank. The lowest gap level is 0.06, in terms of readiness to perform the services required (Table 2).

Table 2. Gap score for Reliability Dimension

Reliability	Average for Dimension		0,14
5. When excellent banks promise to do something by a certain time, they do.	5,36	5,56	0,20
6. When a customer has a problem, excellent banks will show a sincere interest in solving it.	5,34	5,50	0,16
7. Excellent banks will perform the service right the first time.	5,30	5,36	0,06
8. Excellent banks will provide the service at the time they promise to do so.	5,30	5,42	0,12
9. Excellent banks will insist on error free records	5,40	5,58	0,18

Source: Made by author

Analyzing the third dimension, the bank's responsiveness to customer needs, we see the best improvements in the perception of respondents towards their expectations. This is the best record in terms of availability of bank employees to help customers and to meet their demands. Gaps Media is the best of all 5 sizes (Table 3).

Table 3. Gap score for Responsiveness Dimension

Responsiveness	Average for Dimension		0,26
10. Employees of excellent banks will tell customers exactly when services will be performed.	5,38	5,48	0,10
	5,38	5,58	0,20
	5,38	5,74	0,36
11. Employees of excellent banks will give prompt service to customers.	4,72	5,12	0,40
12. Employees of excellent banks will always be willing to help customers.			
13. Employees of excellent banks will never be too busy to respond to customers' requests.			

Source: Made by author

Questions related to service quality dimension security for banks recorded the highest levels of agreement, and a gap close to the maximum of the 5 dimensions. Thus the statement on confidence in the security of bank transactions, the answers of respondents recorded the highest level of agreement of 6.10, while the statement on confidence inspired by the behavior of employees, the level of agreement is high, even and the gap between perceptions tunes and one high, at 0.38 (Table 4).

Table 4. Gap score for Assurance Dimension

Assurance	Average for Dimension		0,24
14. The behavior of employees in excellent banks will instill confidence in customers.	5,60	5,98	0,38
	5,92	6,10	0,18
15. Customers of excellent banks will feel safe in transactions.	5,50	5,72	0,22
	5,42	5,60	0,18
16. Employees of excellent banks will be consistently courteous with customers.			
17. Employees of excellent banks will have the knowledge to answer customers' questions.			

Source: Made by authors

Regarding the empathy dimension we record low but positive size of gaps. We see that customer perception regarding the special attention provided to each client, there is one that exceeds all expectations. Also the statement "The bank's focus is the client's interests.", recorded the lowest level of perception of whole SERVQUAL model, but also among the lowest levels of expectations. In addition any banks ability to provide personalized support every customer is exceeding all expectations (Table 5).

Table 5. Gap score for Empathy Dimension

Empathy	Average for Dimension		0,14
18. Excellent banks will give customers individual attention.	5,24	5,30	0,06
	5,64	5,76	0,12
19. Excellent banks will have operating hours convenient to all their customers.	5,26	5,30	0,04
	4,78	5,04	0,26
20. Excellent banks will have employees who give customers personal attention.	5,34	5,58	0,24
21. Excellent banks will have their customer's best interests at heart.			
22. The employees of excellent banks will understand the specific needs of their customers.			

Source: Made by author

Gap that's recorded scores for each of the 5 dimensions are positive, it is gratifying reason for the bank as proof exceed customer expectations in terms of services. However, considering the relative importance of the five dimensions, it was preferable that the gap size for confidence, the most important being the higher one, but it is better than the second dimension as important, namely responsiveness register highest level (Table 6).

As regarding the results data bank features you appreciate most respondents, we observe a very high close rates recorded. However of the 5 features that stand out on the bank's ability to perform the promised service certainty and accuracy, while the appearance of utilities, equipment, staff and the bank's promotional materials do not reach a level of 18.20% than the prospect of surveyed. However test results confirm previously recorded in this model, which gave confidence dimension utmost importance, and the lowest tangibility dimension (Table 7).

Table 6. Calculations to obtain unweighted servqual score

1. Average Tangible SERVQUAL score	0,19
2. Average Reliability SERVQUAL score	0,14
3. Average Responsiveness SERVQUAL score	0,26
4. Average Assurance SERVQUAL score	0,24
5. Average Empathy SERVQUAL score	0,14
TOTAL	0,97
AVERAGE (= Total / 5) UNWEIGHTED SERVQUAL SCORE	0,194

Source: Made by authors

Table 7. The importance given to each dimension

Features	Percentage
1. The appearance of the banks physical facilities, equipment, personnel, and communication materials.	18,20%
2. The banks ability to perform the promised service dependably and accurately.	22,38%
3. The bank's willingness to help customers and provide prompt service.	19,16%
4. The knowledge and courtesy of the bank's employees and their ability to convey trust and confidence.	20,40%
5. The caring, individual attention the bank provides its customers	20,06%

Source: Made by authors

5. Conclusion

Although SERVQUAL model was criticized by many writers about either how to design and operationalize of the concepts of quality and satisfaction, or the predictability, reliability and validity of building size instrument, it remains a model for the analysis and measurement quality and customer satisfaction.

With regards to Volksbank – Oradea, the results indicate applying SERVQUAL method exceed customer expectations in all categories of claims and in all 5 sizes, the largest degree of agreement being registered in terms of the safety of the bank. Well as level gaps recorded receptivitatea and safety are two dimensions in which the respondents are exceeding expectations with a level above the average gap in sites with a level around 0.25.

We recommend to the bank to take action on correction negative gap made by a stronger emphasis on appearance of employees, improve timeliness of services and increasing the availability of employees to help customers in a short time and useful. Another improvement could be to extend opening hours, although there appear other variables such as increased staff costs due to extending working hours and their production of a certain discomfort. Bank should focus on training of its employees in understanding specific customer needs by providing individualized advice and banking products, attracting and maintaining customers in a permanent state of comfort.

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