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CUSTOMER SATISFACTION ANALYSIS OF BANK PRODUCTS IN THE LIGHT OF SURVEY RESEARCH

Introduction

There is a growing competition between banks on the market of bank services. The main objective of banks is to strengthen their position on the market and to meet customers' needs. Due to an increasing number of new services and products that appear on the market, the operations of some banks may be endangered. Thus, it is important to recognize correctly customers' needs, to react promptly and to launch new offers that are in line with customers' demand. Under the pressure of the increasing competition and due to the growing customers' requirements and financial needs, banks have to look for the ways of disseminating profitable innovative products, to increase the volume of bank loans, which binds the clients with the bank for a longer period of time, and to increase the number of deposit holders. Banks of the 21st century must remain competitive not only locally but also nationally and globally.

In order to achieve these targets, the operations of banks have to be market-oriented and numerous marketing instruments have to be applied after an investigation of the bank's resources and its environment so that customer needs and expectations are easily recognized. A present day client is increasingly demanding and, consequently, there is no space for chaotic or coincidental moves that may hinder the maintenance of social trust and the achievement of the assumed goal, which is to maintain a high position on the market of bank services.

The aim of the article is to analyze customer satisfaction from the products and the quality of services offered by Bank X.

1. Bank product – definition, classifications and functions

According to the assumption of marketing, any objects that can be sold or purchased, i.e. not only material goods but also services are referred to as *products*. In the case of banks, such understanding of the word refers to financial products and services. Consumer credits or term deposits are examples of bank products, while the provision of information on the credit account

balance or interest rates are bank services. However, both terms are frequently used alternately¹.

Thus, one can speak of:

- core services, which refer to the object of the service and its objective, i.e. credit or deposit services (products),
- accompanying (additional) services, which are related to the procedure that is related to the core service (i.e. a bank product)

The first approach is most commonly applied, i.e. the terms *product* and *service* are used alternately, although it has not been decided whether either of the two approaches is definitely correct².

Bank products can be divided into several groups by various criteria.

When considering the contents, the products offered by banks are as follows:

- credit products,
- deposit products,
- products related to transactions on money or capital markets,
- additional products (including consultancy, factoring, leasing).

Bank products can also be divided by the level of complexity. Then the following products can be distinguished:

- simple products (that do not pose difficulties to clients who buy or apply them),
- complex products (that can be applied or sold only with the assistance of bank workers).

One more classification of bank products:

- classical,
- new.

Classical products concern most frequently the services in the area of credit, deposits and current operations of clients. New products include other products such as factoring, forfeiting, leasing, merger banking, money, capital and international operations servicing. The boundary line between a classical and new product is not clear. Some products that are new in Poland have been known and used in other European countries for years. That, for example refers to factoring³.

¹ M. Kolasa, *Marketing Bankowy*, Wydawca CeDeWu, Warszawa 2008, p. 23.

² W. Grzegorzczak, *Marketing Bankowy*, Oficyna Wydawnicza Branta, Bydgoszcz-Łódź 2004, pp. 77-78.

³ Ibidem, p. 78.

Bank offers include financial services. The typical features of bank products are⁴:

- they are immaterial, i.e. they have no physical substance,
- they are diversified as there is no standard method of rendering them and they do not have standard contents. They are adjusted to the requirements of customers.
- the servicing process and its consumption overlap in time (e.g. the acquisition of information on the account balance) or the consumption is extended in time (e.g. an investment credit),
- their contents can be copied as there is no patent protection,
- they are complicated (this refers to the majority of bank services). Due to their complexity, a personal contact of a client with the bank employee is necessary to ensure the presentation of all benefits that result from purchasing a particular service. In such situations bank procedures are strictly defined by adequate provisions,
- there is not transfer of ownership rights between the bank and customer with regard to the service rendered,
- the needs, trust and knowledge of clients are used in the course of developing products and, consequently, they are the co-creators of bank services,
- bank services are currently very popular and one can say that the operations of any enterprise with a cooperation with a bank would be impossible and extremely hindered in the case of private households,
- the spread in time of payments made by clients for the bank products purchased affects negatively the financial condition of banks in later time.

Bank products play basic and additional functions. Their basic function is to explain the reasons why a product was developed and what its objectives are. The additional function is to explain how a particular product can be used and what are the terms and methods of its sales. It should be pointed out that recently the additional functions are fundamental as regards the sales of a product (a bank product including). They are subject to continuous change and improvement as a contemporary customer is increasingly demanding and the competition is becoming fiercer. However, the basic functions practically do not change⁵.

Basic functions of credit products include the possibility to make economic decisions by individuals or companies and to simplify the process. A credit can partly or completely help

⁴ Ibidem, pp. 78-79.

⁵ Ibidem, p. 79.

make decision on investments, purchasing consumption goods or meeting cultural or housing needs. Thus, the main aim of these functions is to provide financial means to bank customers, while additional functions are related with the terms on which the desired products are offered and they concern the contents of the products. They include credit counseling, the quality of the service, credit collaterals, etc.

As regards the deposits, basic functions include the prospects of satisfying the need to save and of sensible management of the clients' money. Additional functions concern the ways of depositing the money, the interest rates, the speed and quality of service, the availability of customer service points and the truthfulness of the bank.

As far as the current operations service is concerned, the basic functions include the assistance, facilitation and acceleration of business decision making by customers, bank transfers, accounting cash inflows, handling cheques and bills of exchange. Additional functions are limited to prompt and timely customer service and the simplification of the existing procedures⁶.

In the case of another group of products, i.e. the servicing of transactions on the money and capital market, basic functions concern only the provision of the necessary money resources to customers (by means of the issue or sales of securities) or on meeting the needs to save and manage logically the customers' free financial means (by purchasing securities). Additional functions are similar to the ones in the current operations service, i.e. prompt and timely customer service and the simplification of the existing procedures.

The final group of products includes new products such as factoring, leasing, etc. Here, the basic functions are concerned with enabling business decision making by ensuring financial resources and the assistance in the decision-making process. Additional functions regard mainly the financial terms of the above services, professional consultancy and information quality⁷.

With reference to bank products and the marketing concept of product structure, it can be concluded that basic functions refer to the core product, while additional functions refer to the actual and augmented product.

2. Methodology of the research

⁶ Ibidem, pp. 79-80.

⁷ Ibidem, p. 80.

In order to assess customer satisfaction from bank products that were offered by Bank X a survey was conducted in December 2015 among 50 + selected randomly clients aged 18. The research tool was a questionnaire consisting of 19 closed questions. Most of the questionnaires were completed by the respondents in the vicinity of Bank X offices. It should also be pointed out that most of the survey was conducted near branch offices located in small places. The survey was not disturbed by anything and was carried out in a positive atmosphere. The respondents were eager to answer the questions and all of the questionnaires were completed correctly. Women respondents dominated – they accounted for 66% of the respondents. The structure of the respondents as regards their age was significantly diversified but respondents at the age range of 46-55 years were the most numerous (28%). As regards the numbers, the next group was in the age range of 36-45 years, followed by the age range of 26-35 years (20%). People living in villages dominated in the respondent group (86%) since – as it was mentioned before – the survey was conducted in the vicinity of banks located in small towns. Almost 45% respondents had secondary, while 38% - higher education. Respondents with vocational education accounted for the least numerous group (8%). According to the figures given by the respondents, the most common average monthly income per head in their households was between 1000 – 1500 PLN (42%) and none of the respondents declared income above 2500 PLN.

Due to a limited volume, the article presents only the answers to the questions that are crucial as regards customer satisfaction from the products of Bank X.

3. Customer satisfaction assessment of Bank X

The majority of respondents were regular clients of Bank X who had used its products for over 4 years (80%), which makes it reasonable to say that they were the right people to express their opinion on the Bank's products. The percentage of respondents who had had an account in the Bank for 1 – 4 years is significantly lower (16%), and it is even lower as regards clients of the Bank who had used its products for less than 1 year (4% – table 1).

Table 1. Period of using the products and services of Bank X

No.	period	No. of respondents	Percentage of the total number of respondents
1.	4 – 8 years	16	32%

2.	8 – 12 years	15	30%
3.	over 12 years	9	18%
4.	1 – 4 years	8	16%
5.	below 1 year	2	4%
6.	Total	50	100%

Source: Author's data based on her survey research

Most of the participants of the survey had a savings and current account (80%), and half of them used credits and loan and payment cards – table 2. Almost half of them (48%) used e-banking and over 1/5 declared having deposit accounts. None of the respondents invested in investment funds or had leasing arrangements.

Table 2. Bank services used by the clients of Bank X

No.	Specification	No. of respondents	Percentage of the total number of respondents
1.	Savings and current accounts	40	80%
2.	Credits and loans	25	50%
3.	Payment cards	25	50%
4.	E-banking	24	48%
5.	Deposits	11	22%
6.	Foreign currency services	2	4%
7.	Insurance	1	2%
8.	Western-Union transfers	1	2%
9.	International operations	1	2%
10.	Investment funds	0	0%



11.	Leasing	0	0%
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Source: Author's data based on her survey research

As regards the priorities when choosing a bank, the respondents valued most: the proximity of the bank (58%), positive reputation among the acquaintances and family members (52%), the price of products and services offered (42%) and a variable and innovative offer (42%). On the other hand, high interest rates on deposits was the least important factor to the respondents (12%). Although the questions concerned generally the choice of a bank, it can be concluded that the responses reflected the respondents' opinion on factors that affected their choice of bank X. It should be assumed that their decision to choose this bank was made mainly because of its proximity to their place of living.

Table 3. The most significant factors influencing the choice of a bank

No.	Specification	No. of respondents	Percentage of the total number of respondents
1.	Proximity	29	58%
2.	Positive reputation of the bank among acquaintances and family members	26	52%
3.	Prices of bank products and services	21	42%
4.	Variety and innovativeness of the offer	21	42%
5.	Reputation of the bank	19	38%
6.	Efficient customer service	19	38%
7.	Availability of ATMs	11	22%
8.	High interests on deposits	6	12%

Source: Author's data based on her survey research

Banks apply different kinds of promotional activities to attract their current and potential clients. 88% of respondents considered the promotions of Bank X's services as sufficient, while 12% were not satisfied with such activities – table 4.

Table 4. Assessment of the promotional activities of Bank X

No.	Specification	No. of respondents	Percentage of the total number of respondents
1.	Sufficient	44	88%
2.	Insufficient	6	12%
3.	Total	50	100%

Source: Author's data based on her survey research

In the assessment of the customer satisfaction level of Bank X it is crucial to find out what elements should be changed in the view of the clients. According to the majority of the respondents, the Bank should increase the number of branches (66%) and ATMs (62%) – table 5. Moreover, almost half of the respondents (48%) think that the Bank should offer new forms of service. They also suggested (30%) that the Bank should introduce “more friendly” procedures. It can be assumed that the latter opinion is justified by the fact that 40% of the respondents were over 46 and perhaps the procedures seemed to complicated and incomprehensible to them especially in the case of e-banking. The least percentage of the respondents (8%) felt that the interiors of the Bank should be more esthetic and functional.

Table 5. Elements that should be changed by Bank X

No.	Specification	No. of respondents	Percentage of the total number of respondents
1.	Increase the number of branches	33	66%
2.	Increase the number of ATMs	31	62%
3.	Offer new forms of service	24	48%
4.	Introduce „more friendly” procedures	15	30%
5.	Improve the advertising of the services	12	24%
6.	Increase the range of service	11	22%
7.	Improve the quality of client consultancy	11	22%
8.	Provide more precise and complete information	9	18%
9.	Improve the esthetics and functionality of the Bank’s interiors	4	8%

Source: Author’s data based on her survey research

A vast majority of the respondents (96%) declared that they were satisfied or very much satisfied from the products and services of Bank X, while only a small fraction (4%) were dissatisfied – table 6. None of the respondents replied that they were very much dissatisfied or had no opinion in this matter.

Table 6. Satisfaction level from products and services offered by Bank X

No.	Specification	No. of respondents	Percentage of the total number of respondents
1.	Satisfied	31	62%
2.	Very much satisfied	17	34%
3.	Dissatisfied	2	4%
4.	Very much dissatisfied	0	0%
5.	No opinion	0	0%
6.	Total	50	100%

Source: Author's data based on her survey research

The fact that almost all respondents (96%) declared their will to recommend Bank X to their acquaintances reflects their high satisfaction from the Bank – table 7.

Table 7. Declaration to recommend the products and services offered by Bank X

No.	Specification	No. of respondents	Percentage of the total number of respondents
1.	Yes	48	96%
2.	No	2	4%
3.	Total	50	100%

Source: Author's data based on her survey research

Generally, the customers' opinion on Bank X is positive. Moreover, over 60% of the respondents stated that the staff of the Bank were kind and polite and the assistants always offered professional help and provided complete and comprehensible information. What is more over a half (52%) of them considered the bank to be customer-friendly – table 8. 1/3 of the respondents think that Bank X is competitive on the market, and ¼ of them trust the Bank.

Table 8. Opinion on Bank X

No.	Specification	No. of respondents	Percentage of the total number of respondents
1.	The staff of the Bank are kind and polite and the assistants always offer professional help and provide complete and comprehensible information	31	62%
2.	The Bank is customer - friendly	26	52%
3.	The services offered by Bank X are competitive against other banks	16	32%
4.	It is the bank that I trust	12	24%
5.	Bank X has a wide product range	11	22%
6.	Forms in Bank X are clear and comprehensible	11	22%
7.	Bank X offers services without unnecessary formalities	6	12%

Source: Author's data based on her survey research

Conclusion

Banks used to be treated as privileged institutions that were placed somehow above other organizations. Bankers did not have to care about their clients and their needs as much as they do now. Due to the development of technologies, the increasing competition and growing customer needs, banks have to fight for their clients. Marketing is a helpful area because a rich and varied offer with a wide range of innovative products that are in line with customer needs gives real opportunities for reaching a high position on the bank market. To achieve this



objective, it is crucial to apply marketing measures that aim at managing the institution in a way that makes customers satisfied and consequently brings long-term profits.

According to the results of the survey research, the customers of Bank X are positive about it. Almost all respondents stated that the products and services that they were offered met their expectations and they could recommend them to their acquaintances. Over half of the respondents expressed the opinion that the staff of the Bank was polite, the assistants always offered professional help and gave complete and comprehensible information and the Bank is customer-friendly. Most of the respondents believed that the Bank sufficiently promoted its services and is competitive on the market of bank services. The respondents decided to chose the offer of Bank X mainly because of its proximity and also thanks to a positive opinion of their acquaintances. The dissatisfaction of over half of the respondents was caused by a low number of the Bank's branch offices and ATMs. However, this inconvenience can be relatively easily removed. In conclusion, Bank X that was analyzed here enjoys significant appreciation and has a positive reputation among its clients.

Bibliography

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Abstract

Currently, the bank sector is one of the most developing sectors of Polish economy and the competition on the bank market is fierce and is still increasing. It is difficult for the banks to maintain their position in such environment especially when they offer similar products for similar prices and the quality of services depends only on internal procedures and staff qualifications and commitment. Thus, high quality products and services have to be introduced in order to acquire and to keep the client. Consequently, it is crucial that the satisfaction level



of a bank client should be assessed and adequate corrections of bank's operations be made to satisfy the client.