



RESEARCH ARTICLE

THE RELATION BETWEEN THE CLIENT'S SATISFACTION AND THE FUNCTION OF BANKS

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ABSTRACT

Considering the fact that banks are the main economic resource in all countries around the world, one of the most significant objectives of the bank is to provide various, expanded, and perfect services for their clients to satisfy them. So, it seems essential to analyze the relationship between the satisfaction of the clients and the functions of the banks. This case study deals with the study of the branches of Bank Saderat in the province of Qazvin. This study aims to investigate the effective factors in satisfying the clients, and finally the level effectiveness of these factors is determined, and the possible solutions for the increase in the level of satisfaction of the clients are investigated.

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INTRODUCTION

Only those institutes and companies are successful that better satisfy their clients, because the organizations are dependent on their clients (Nazari, 2004). So, these organizations have to understand the needs of their clients and try to satisfy their demands and also to go further than their expectations. This results in the utmost level of satisfaction for the clients and the clients turn from a temporary buyer, who utilizes the services or goods just for one time, to a sincere and permanent client. It should be noted that, based on the investigations carried out, the charges required for attracting a client is five times higher than the charges of maintaining a client, and yet the charges needed to be spent for satisfying a dissatisfied client is 10 times higher (Jagrish, 2001). The client-oriented strategy is a strategic orientation that can act as a savior of the life of the bank system. However, according to the experts, implementation of this strategy is not so simple due to the presence of structural problems, etc. Considering these facts, this study aims not only to analyze the level of satisfaction of the clients, but also to investigate the active factors in the increase of the satisfaction and to improve this satisfaction through the utilization of the appropriate strategies (Iranmanesh, 2004).

Purposes of the study

Briefly speaking, this study aims to investigate the factors which affect the satisfaction of the clients, so that through signifying their level of effectiveness we would be able to

present probable solutions for increasing the level of satisfaction of the clients. Following an increase in the level of satisfaction of the clients, the following objectives would be achieved:

- Creating faithfulness in the present clients and so retaining them;
- Avoiding the increase in the level of dissatisfaction of the clients;
- Lowering the charges and expenses;
- Increasing the financial resources and the profits made;
- Attracting new clients through the recommendation and persuasion of the present clients;
- Defining the gaps and incompatibilities present among the factors affecting the implementation of the client-oriented strategies in banking system.

Five basic concepts are used in the bank

- Satisfaction of the clients should be the main objective in the organization;
- The strategy of satisfying the clients should essentially be carried out through close and intimate relations with the clients;
- The level of satisfaction of the client should be regularly measured and evaluated;
- Gaining the satisfaction of the clients is guaranteed by regular and constant endeavor;
- Gaining the satisfaction of the client should be pursued by the manager.

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Rating the level of satisfaction of the clients and the way of their behavior

In order to be informed about the opinion of the clients about the goods and services they receive from a company or organization and in order to estimate the level of their satisfaction, the following scale can be used. This scale classifies the opinion of the clients and the level of their satisfaction and dissatisfaction into five levels or grades. The range of this scale extends from -2 to +2 as follows:

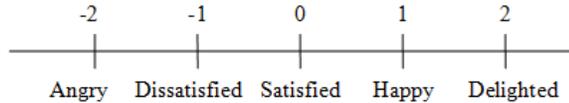


Diagram 1

Through classification of the opinions of the clients based on the above-mentioned scale, we actually have classified them into 5 groups including:

- Angry clients;
- Dissatisfied clients;
- Satisfied clients;
- Happy clients;
- Delighted clients.

The important issue to be noticed here is that this scaling is based on the needs and demands of the clients. The more an organization would be able to satisfy a higher amount of the needs of the clients in a desirable manner, the higher the level of satisfaction of the clients goes. In other words, an organization would be successful in this regard if it:

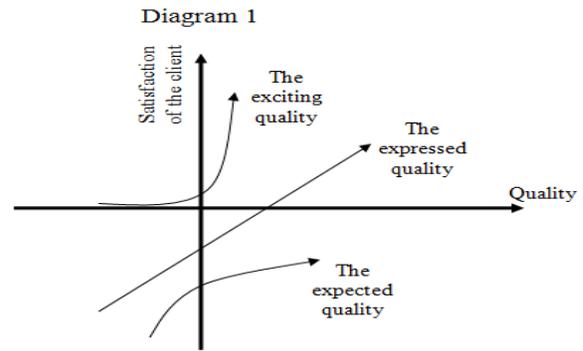
- Appropriately explore the demands and needs of clients;
- Introduce appropriate ways to fulfill those needs;
- Present the means of obviating the needs (product or service) to the client.

The relation between the qualities (service) with the satisfaction of the client

As was mentioned, the level of satisfaction of the client is measured based on the portion of his/her needs that are satisfied. The degree of satisfying the needs of the client is also related to the quality of our products and services. In other words, the quality is the properties and specifications that the services should have to be able to satisfy the needs of the clients. Now that this issue has been clarified, the investigation of the relation between the quality (services) and the satisfaction of the client follows. Neriaki Kano has presented a model which perfectly explains the relation between the quality and the satisfaction of the client. In this model, the quality or the properties and specifications are totally classified under three categories as follows and the relation between each one and the satisfaction of the client as well as the effect of each on the satisfaction of the client has been stated. This model is drafted in diagram (1).

Satisfaction of the clients according to the Japanese

According to the records presented by Mr. Zu Jo Chi, the head of the board of directors of SDI, Tokyo, the presumption of the



Japanese about the satisfaction of the clients is based on 5 basic concepts including:

- Satisfaction of the clients should be the first objective of the directors;
- The strategy of satisfying the clients should essentially be more important than close and intimate relations with the clients;
- The level of satisfaction of the client should be regularly measured and evaluated;
- Gaining the satisfaction of the clients is guaranteed by regular and constant endeavor;
- Gaining the satisfaction of the client should be pursued by the manager.

Satisfaction of clients according to the Americans

One of the instruments for measuring the level of satisfaction of bank clients is the Financial Client's Satisfaction Index (FCSI) which is presented by the American Bankers Association (ABA). This index is designed so that it enables the banks to measure the level of satisfaction of their clients monthly or quarterly and to consider the changes happened for the clients. The instrument of this index is a questionnaire called "write to us how to work". It includes 27 questions and the respondents give two grades to each based on a six-grade scale:

- A) Services-places and the related cases;
- B) Products and services;
- C) General satisfaction;
- D) The data and information related to the clients.

The experiences of other countries

According to the studies carried out about the managers in one of the European countries, the key factors in the decision-making for the buyers of the services include:

Quality, conformity of the client, reliability, responding to the promises made, quick reaction, the ability to react to the needs of the clients as soon as possible, respecting the client as an individual¹. Leonardo de Berry, one of the researchers in the field of services, defines, in one of his studies, the main significance of the services that should be considered by the service-providing organization as follows:

¹ Rousta, A. *The Most Important Differences of Service and Product in Marketing Management*, The Specialized Marketing Monthly, No. 5, Jan. and Feb. 1999.)

- A) Reliability, the ability to provide services as promised and in an appropriate and reliable manner;
- B) Noticeable factors, physical appearance, facilities and equipments, communicative instruments, and the staff;
- C) The attitudes of the staff, their knowledge and politeness and their ability to convey reliability and confidence;
- D) Individual sympathy, care and attention towards the client².

Case study of qazvin province, Iran

This case study deals with the study of the branches of Bank Saderat in the province of Qazvin

Research Questions

Preliminary question: Is there any direct relation between the satisfaction of the client and the function of banks?

Secondary questions

1. Is there any direct relation between the quality of services and the satisfaction of the client?
2. Is there any direct relation between the physical situation of the branch and the satisfaction of the client?
3. Is there any direct relation between the behaviors and attitudes of the personnel and the satisfaction of the client?
4. Is there any direct relation between the attitude and view of the clients and the satisfaction of the client?

Conclusion

Quality of services

In order to measure the quality of services, the results of analysis of the questionnaires received show that 50% of the clients lose less time to receive bank services. With regard to the speed of remittance, issuing checks, faxes, delivery checks, the speed of preparing a file, and opening an account, and the speed in providing bank services, respectively 31, 34, and 35 percent of the clients estimated the conditions in a perfect level, and more than 46% of the clients have stated that the working hours of the branches has been at a middle level and higher.

The physical situation of the branch:

44% of the clients believe that the dimensions and size of the branches of Bank Saderat in the province is at a desirable level, and about 26% believe that the internal space of the banks does not match the number of clients and they should be more spacious. One third of the clients of the branches believe that the welfare facilities of the branches are at a poor condition. It is essential to carry out supplementary analyses about the expectation of the clients about the welfare facilities, and the required measures be taken to obviate these shortcomings. Moreover, the results indicate that 80% of the clients have expressed their satisfaction about the distance of the branch to their place of residence. This indicates that,

according to the clients, the places and the number of the branches of Bank Saderat is at a desirable condition in Qazvin Province. More than 63% of the clients have described the appearance of the branch as good and perfect.

The behavior of the staff of the branches of bank Saderat

About 50% of the clients have evaluated the behavior and attitude of the employees at a perfect level. 85% of the clients believe that it is important for the staff to satisfy the clients. More than 85% of the clients described the attributes of the staff at a good and perfect degree and 84% of them trust the information presented by the staff.

The Attitudes of the clients

This index yield weaker results compared to the other indices. Only 52% of the clients had their expectations from the bank services satisfied at a high level. On the degree of granting prizes to the account holders, the level of satisfaction with depositing in that branch, and the amount of interests received for the bank loans, the percentage of high levels of satisfaction (much, and too much) has been 20, 27, and 54 respectively. Consequently, the position of the branches on fulfilling the expectations of the clients has been nearly the same and a reform at macro level of bank management is needed to be implemented in this regard in the province. Considering the fact that 83% of the clients have expressed the order and discipline of the works in the branches to be at a good or perfect level, this variety has a better position compared to other indices in this continuum.

Recommendations:

- Regarding the fact that the physical situation of the branches directly influences the performance of the bank branches, it is necessary to take more considerations for the location of the banks.
- With regard to the fact that it has become known that the physical situation of the branches (the size and dimensions, welfare facilities, utilization of technologies, distance from the place of residence, the internal and external appearance of the banks) affects the performance of the bank, and on the other hand, there is no significant relation between the satisfaction of the clients and the performance of the branches, it is necessary to carry out a study on the measurement of the effects of the satisfaction of the client and the performance of the branches and the closeness of their physical situation.
- The investigation of the existence of a direct relation between the satisfaction of the client and the performance of the branches in different banks can better explain the relation between these two variables.

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