

THE CUSTOMER - ORIENTED STRATEGY – A TOOL FOR INCREASING CUSTOMER SATISFACTION ON THE ROMANIAN BANKING MARKET

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Abstract: *The competitive environment in which banks operate makes the competitive elements that some of them still rely on become ineffective in the absence of a long-term customer retention strategy. In this context, it becomes essential for banks to consider implementing quality strategies to positively influence customers' decision to continue the relationship. The article aims to identify the way in which the customer-oriented quality strategy is implemented by Romanian banking institutions, and to know their impact among clients. Thus, a quantitative marketing research study was conducted among the clients of Romanian banking institutions.*

Key words: *banking market, marketing research, quality strategies.*

1. Introduction

Banking institutions have major powers in the development of the economy. An entire economy cannot exist without a strong banking system. Banks are the vital centres of an economic - social system. It is important for this system to be well-built, because this increases the chance of a strong economy.

The success of a bank lies in the marketing of its products and services. This success will only happen when potential customers know, buy and trust their products and services.

Companies are developing multiple strategies and methods for maintaining and improving the quality of the products / services they offer, as well as strategies for improving the quality of organizational processes (Madar, 2019). Gathering relevant information, identifying needs, developing, responding in a timely manner, maintaining diverse information in the environment, learning from one's own experience and adapting are indispensable elements for adopting and implementing quality strategies.

The concept of "strategy" (etymologically, it comes from the Greek "strategos" = the art of combining) or "piloting in sight" represents the combination of the major objectives that the company aims to achieve and the necessary means (Militaru, Dragut, Zanfir, 2014). It implies the ability of the company to ensure the convergence of actions

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and means to achieve major objectives in the context of a programmatic and pragmatic approach (Barabás, 2018).

The Strategic Focus is also to be defined for each company, as its range goes from a focus on reactive, immediate, operational management issues to an edge in the long term, strategic issues (Drumea, 2012). For any firm to succeed and resist on the market, it is essential to anticipate the future and the design packaging that will match the changes in consumers' behaviour, needs and tastes, as well as the permanent compliance with the competitive environment (Bălăşescu, 2017).

The strategies in the field of quality have the mission to deal with the competition, and therefore are competitive strategies. They can be (Drăgan, 2015):

- Offensive - market penetration, with the achievement of quality products at least at the level of competition;
- Defensive - maintaining the market position, focusing on quality assurance and keeping technological processes under control.

Within companies, distinct quality strategies must be defined, regarding the products:

- Adapting the quality to the requirements of each market segment;
- Qualitative differentiation from competitors' offers;
- Improving quality, when the organization has a strong position in the market.

2. The Banking System in Romania

In Romania, the first banking institution appeared at the beginning of the 19th century, in Bucharest. The first bank of Moldova was established in 1857 in Iaşi, and in 1866 the National Bank of Bucharest (IFN Credit, 2019) was born.

The banking system has always been a system without which companies can hardly function, and nowadays, it is almost impossible for a country to operate without a banking system. The banking system is well structured and built and brings many benefits to both the state and the people who call on banks to be able to borrow money.

The credit institution network consists of several types of establishments: the central office, subsidiaries, branches and agencies. Branches, subsidiaries and agencies are parts of a bank that comes into direct contact with its customers, whether they are natural or legal persons. The activity of branches, subsidiaries and agencies is supervised and coordinated by the central office of the credit institution. It is also intended to ensure the implementation of banking regulations and laws.

Personal loans, investment loans, corporate loans and fast loans are just a few of the types of loans that help the banking system, but also the state and society, function properly (IFN Credit, 2019).

The banking system in Romania is the result of a rapid evolution after 1990. The most important banking institutions in Romania are: the Romanian Commercial Bank (BCR), Banca Transilvania, BRD-SocGen, Raiffeisen Bank, ING Bank and UniCredit Bank. From the assets' perspective, Banca Transilvania ranks first in the list of banks, followed by BCR. BRD comes third, followed by UniCredit Bank, Raiffeisen Bank and ING Romania, which in 2018, managed to be in the top of the largest banks in Romania, surpassing CEC

Bank. In 2018, BCR reported assets worth 70.9 billion lei, 3.4 billion lei more than the previous year (Table 1).

Table 1

Position of banks by assets, on the Romanian market, in 2017-2018

Position 2018	Bank	Total assets 2018 (mil.lei)	Net income 2018 (mil.lei)
1.	Banca Transilvania	74.119	1.219
2.	BCR	67.909	970,4
3.	BRD – SocGen	54.089	1.546
4.	UniCredit Bank	41.546	550,8
5.	Raiffeisen	40.050	881,1
6.	ING Bank	35.698	685
7.	CEC Bank	33.439	N/A
8.	Alpha Bank	16.500	97
9.	OTP Bank	11.186	55,3
10.	Garanti Bank	10.255	111,9

Source: *Ziarul Financiar*, 2019

Banca Transilvania ranks first one in the ranking of the largest local banks. In 2017, its assets increased by over 7 billion lei, against a credit advance of over 10%. During the previous years, Banca Transilvania had acquired Volksbank Romania. In 2017, it bought the creditor with Greek capital Bancpost and Victoriabank, a credit institution from the Republic of Moldova. Considering the opinion of the NBR and that of the Competition Council, it acquired Bancpost - a decision that brought it the leading position in the banking system market.

The Romanian Commercial Bank (BCR), a member of Erste Group, is the most important financial group in Romania, including universal banking operations (retail, corporate & investment banking, treasury and capital markets), as well as the leasing market profile companies, private pensions and housing banks. BCR is the most valuable financial brand in Romania, according to the degree of customer confidence and the number of those for whom BCR is the main institution with which they do banking.

ING Bank Romania is part of ING Group, an international financial institution of Dutch origin that offers banking and asset management services for individual clients, companies and institutions from over 40 countries in Europe, North America, Latin America, Asia and Australia. ING Bank is the first international financial institution to open a branch in Romania after 1989, currently holding a solid position in the local market. It was launched in 1994, as a niche bank, by Corporate and Investment Banking, but it has developed at a sustained pace, through organic growth. Today it is a universal bank that offers a complete range of products and services to all categories of customers. ING Bank Romania operates as a universal bank, serving all categories of customers through the three specialized divisions: Wholesale Banking, Mid Corporate and Retail Banking.

3. Customer Orientation on the Romanian Banking Market

In the current market context, banking products are quite similar. The very clear direction that is being highlighted now is towards increasing the transparency of the products. So the difference, the real innovation, does not come from the product itself, but from the way the banks offer their services. This is an aspect that needs to be constantly improved, but which is already at a relatively higher level compared to previous years in all the banks that have a significant market share in Romania.

Banks want to draw attention to the fact that the customer is at the heart of their activity and they have developed the concept of Customer Care. The idea behind this new quality strategy in the banking field is customer orientation. Thus, bank officials try to understand each client individually, with his/her particularities, and then he also cares about his/her financial needs. In this way, when the client is in financial difficulty, the legal actions for solving the cases are avoided. Also, banks avoid the recording of additional expenses by requesting the services of accounting expertise - means of evidence admitted by the court to confirm the client's debts (Anton, 2016).

Therefore, bank officials strive to create a different and quality experience, both through their behaviour and through the personalized products and services they offer.

A few years ago, the demand was higher than the supply, but the change occurred quickly, and now the supply is greater than the demand. In these conditions, the criteria for choosing a bank were changed. Today, customers are not just looking for "stability and reputation", but they want more, a strengthened relationship, personalized products, differentiating elements etc. Nowadays, the products are very difficult to differentiate, they are easy to imitate, and the customers are much more educated and sophisticated; in addition, they know exactly what options they have. The sale of products is no longer enough, it must be supplemented by the experience that banks offer to their customers, by the customization of services.

Customer Care refers to the attention paid to the needs of the client, and this should be directed to all the critical aspects, i.e. the perception of the clients towards the quality of the bank, the attitude of the employees who get in touch with the clients, the quality of the work processes, but also the quality of the services.

4. Research Methodology

The research carried out and presented in this article was quantitative in nature and aimed at identifying and analysing consumers' opinions regarding the quality of services on the Romanian banking market.

The main objective of the paper is to create a clear picture of the implementation of the customer-oriented strategy on the banking market and how consumers perceive the quality of the financial services offered by the Romanian banks.

The sampling method used was non-random sampling and resulted in a sample of 204 persons, structured by age as shown in Table 2.

Descriptive information of survey participants

Table 2

Age	18-29 years	30-44 years	45-56 years	57-70 years
Number	54	61	51	38
(%)	26,47	29,90	25,00	18,63

Source: Author own research

The data collection technique called CAWI - Computer Assisted Web Interviewing was used, a method by which the questionnaire is displayed on a web page, the respondent completing the answers directly in the browser. The period in which this study was conducted is September 2019 - December 2019. The data collection was done on the basis of a questionnaire containing 22 questions, out of which six are demographic and 16 regard the opinions and attitudes of the population surveyed with respect to the quality of services on the banking market.

In terms of gender distribution, 58.8% of the respondents were female and 41.2% male. The information regarding the age distribution of the respondents is found in Table 2.

5. The Research Results

The most relevant results of the research, which focused on consumers' perception of the quality of services on the Romanian banking market, will be presented below.

Firstly, the research aimed to find out which are the most used banking products and services by the subjects, so they were asked to select from the list the most used banking products and services. As it can be seen from Figure 1, these are the debit card (84.30%), followed by the credit card (50.98%), the bank loans (48%) and the electronic banking service (39.22%).

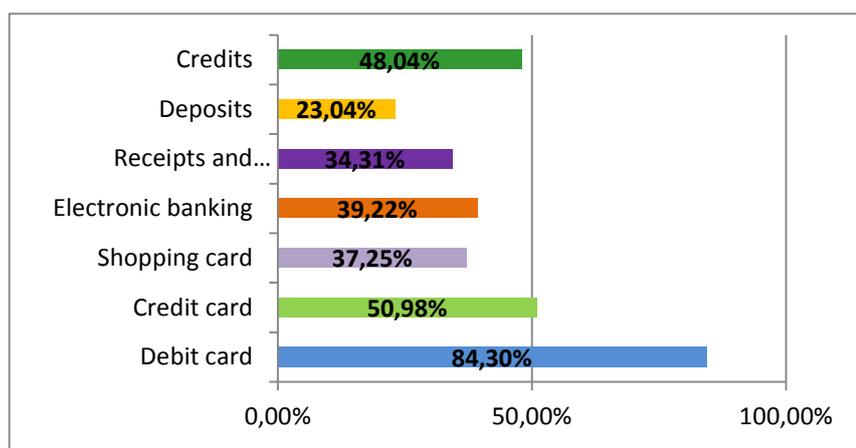


Fig. 1. *The most commonly used banking products and services by the respondents*

Source: Author own research

The research aimed to identify the degree of satisfaction of the respondents regarding different aspects related to the activity and the quality of the services of the bank which they already collaborate with. Thus, the main aspects the subjects are satisfied with in their relationship with the bank and with the employees are: the consultancy provided (33.3%) and the professionalism of the personnel (18.2%), the easiness of obtaining the loans (33.3%), a percentage of 15.2% corresponding to the speed of solving the problems that appeared. It can be noted that the new approach of banks, using the customer-oriented strategy, has positive effects.

Figure 2 shows the opinion of the subjects on the main quality that a bank should have for them to collaborate with it. Most of the respondents, 23.5% chose "safety", followed by "efficiency" (19.1%). The answers "professionalism" and "flexibility" have close percentages, of 17.2%, and 17.6%, respectively. The last places are held by the answers "competitiveness" (8.8%) and "promptness" (13.8%).

It is obvious that the most important characteristics that a banking institution must have, in the respondents' opinion, are safety and efficiency.

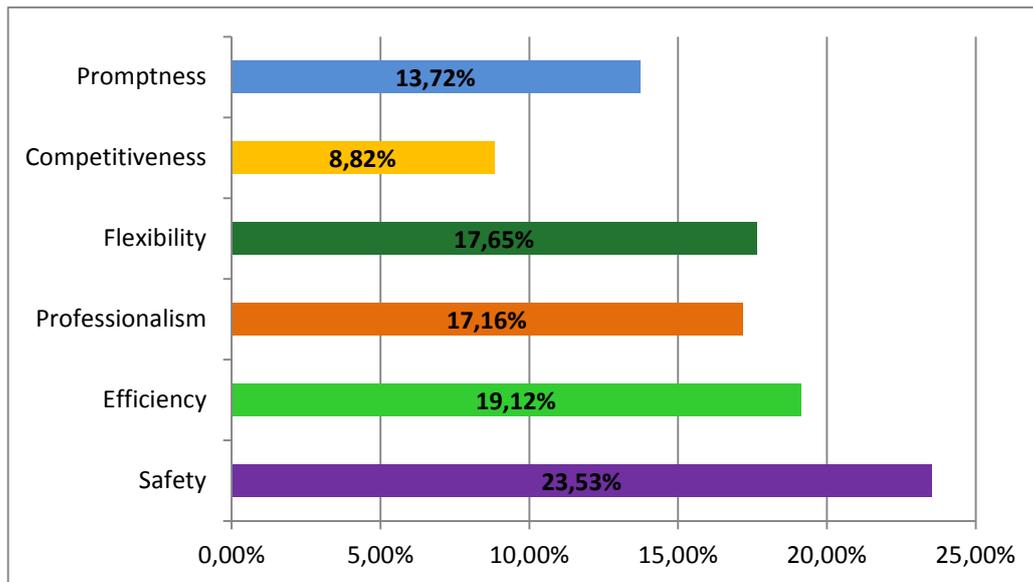


Fig. 2. *The main quality that characterizes the bank*

Source: Author own research

The subjects were asked to identify which are, in their opinion, the weaknesses of the financial institutions on the Romanian market. Thus, 39.22% of the respondents consider that the problem solving mode represents the biggest disadvantage of a bank, followed by the poor training of the employees (25.49%), by the inappropriate products and services that the banks offer (13, 24%) and the poor advice provided to clients (12.25%) (Figure 3).

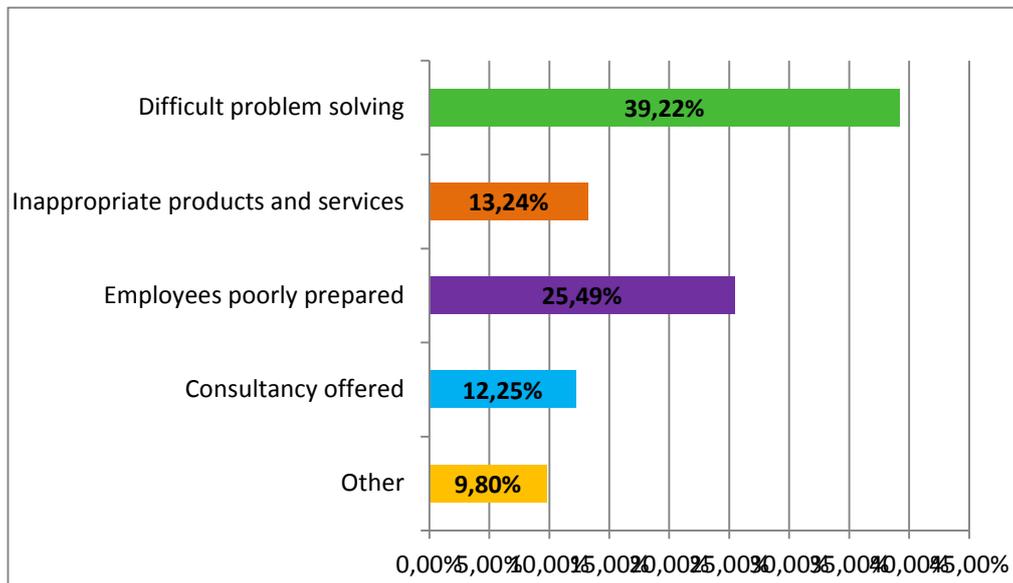


Fig. 3. *The opinions of the respondents regarding the weaknesses of the bank*

Source: *Author own research*

The research aimed to determine the dissatisfaction and problems that the respondents encountered with the banking institution they collaborate with and how they were solved. In the last 6 months, 88.3% of the subjects had no dissatisfaction. Only 11.7% had problems, these being mainly the following: "they did not help me with changing the account in the bank application", "blocked applications", "I could not consult or withdraw the debit", "increasing interest", "ATM card lock". Out of the subjects who had problems in the last 6 months, 44.12% appreciated the banks' quick way of solving them.

The suggestions for improvement coming from the respondents for the services offered by the banking institutions mainly concern the following aspects: lower interest rates, the reduction of the waiting time to solve a problem, the faster transfers through internet banking and the increase of the number of ATMs.

6. Conclusions

Banks aim not only to sell banking products and services, but also to manage the relationship with their customers in a broader way and through financial consultancy tailored to specific needs, through empathy, flexibility and promptness.

Consumers are increasingly "sophisticated". Therefore, it becomes necessary for banks to strive towards their best knowledge in order to ensure their long-term success (Neacsu, 2018). The deepening of the relationship with the client is vital, this being largely the responsibility of the bank branches (agencies). The activity in the headquarters must provide all the support for the development of the relationship, but its materialization is primarily due to the efforts of the employees in the branches (agencies) of banks.

The quality of services is one of the main criteria for attracting customers to the banking market. What can differentiate financial institutions on the banking market is the quality of the services offered and the quality strategies implemented.

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