

## **Braşov customer satisfaction as regards the collaboration with leasing companies**

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**Abstract:** *Starting from the concept of customer satisfaction, intensely studied in the specialist literature, this paper tries to establish to what extent the customers - legal entities, of the leasing companies in Braşov county – are satisfied with the services provided by these companies. To this end, we conducted a quantitative marketing research, in the period October-December 2014, upon a sampling of 800 companies. The analysis of several aspects that influence the level of satisfaction experienced by the people with the quality of user, in the leasing contracts, has led to the conclusion that it ranks high; determining them to resort several times to the services of the same leasing company; a fact which invalidates one of the hypotheses stated in the beginning of the research.*

**Key-words:** *leasing company, customer satisfaction, financing, research.*

### **1. Introduction**

Customer satisfaction is a concept that defines the fulfillment degree or level of the consumers' needs and wishes.

Most experts agree that customer satisfaction can be defined as an evaluation of the different dimensions of the product or service quality (Spreng, MacKenzie, Olshavsky, 1996, 30).

Other authors attempt to define the concept of customer satisfaction, depending on other dimensions than those exclusively related to quality. In this respect, (Gordon McDougall and Terrence Levesque, 2000, 392) deem that customer satisfaction should be operationalized and built not only based on the dimensions entailed by quality (quality dimensions), but also based on the "value perceived" by customers. In this way, starting from the definition of the "value perceived" by customers as the result or the benefits received by customers, in relation to the cost or the price they paid, we can appreciate that both the perceived quality of the service and the "perceived value" influence customer satisfaction. Admittedly, in this early 21<sup>st</sup> century, customer satisfaction most clearly defines both the meaning and the real significance of the economic activities of our time.

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In a certain light, the main purpose of the companies is to manufacture and deliver those products and services that most highly fulfill the demands and the needs of the consumers or of the users. For a prestigious company to offer high quality services it is necessary to know and understand clients' demand before services delivery and their reaction after the delivery (Madar and Neacsu, 2013, 267).

As regards the financing services, depending on the specificity of the activity and on the type of the leasing consumer (natural person or legal entity), each of the characteristics of the three financing instruments – bank credit, operational leasing and financial leasing, can turn into clear advantages for the entity whom the asset is destined to.

In this way, the importance of customer satisfaction lies in acknowledging the manner and the way in which the organizations generate or create "pleasures" among the consumers of leasing services, after having identified these consumers' needs. Therefore, the identification of the leasing form that best suits the user's needs is a first step in obtaining customer satisfaction.

The most important aspects that must be considered in choosing the financing solution are: the advance payment, the manner of accounting entry, the tax on profit or the global costs. At the same time, service quality or user safety should not be overlooked.

Saving, cost reduction, predictability and the possibility of budgeting some fixed monthly costs, alongside the idea of mobility, the elimination of asset resale risk at contract termination, being taken by the leasing company, are the main reasons for the clients of the leasing companies, generally legal entities, to resort to operational leasing services, in order to acquire an asset. In general, big companies, including the multinational ones, prefer to externalize all operations that are not directly related to the basic activity. In this case, operational leasing with asset administration is privileged, as compared to the other two financing methods.

On the other hand, medium-sized enterprises prefer financial leasing; and very small-sized companies often choose solutions that are closer to the financial instruments destined to natural persons.

This can be related both to a low propensity to the risk; and to the practices of creating stand-alone companies, in the ownership of the parent company, which take over its debts, leaving for the latter, a favourable image, in terms of balance sheet (Drumea, 2008, 156).

## **2. Objectives**

The pursued objectives of the research aimed at analyzing aspects such as: usefulness of the information supplied by the leasing companies, their flexibility in the choice of the insurance company, the diversity of these companies' bids, in order

to determine which is the customer satisfaction level, in Braşov, as a result of the collaboration with the leasing companies.

Within the research, we formulated the following working hypotheses:

1. The value of the leasing contracts is influenced by the turnover of the economic agents that require financing from the leasing companies.
2. Over 30% of the economic agents in Braşov county faced difficulties, as a result of their collaboration with the leasing companies.

### **3. Research methodology**

In order to study this extremely important and versatile financing instrument and to test the hypotheses herein formulated, in October -December 2014, we undertook a piece of quantitative marketing research at the level of Braşov county on a sample consisting of 800 companies (this sample size was established based on the data published by the county statistics departments – the number of companies in Braşov county, assuming a limit error rate of 5%).

Since we wanted to obtain a sample size similar in structure to the researched population, we chose the proportionally stratified sampling (stratifying according to the activity field: agriculture, industry, construction, trade and services; and according to the firm size: micro-enterprises, small enterprises and medium-sized enterprises). In order to collect data, we used a questionnaire consisting of 42 questions (we used both open and closed questions). The questions aimed at identifying the information sources used, describing the behaviour and profile of lease services customers, identifying issues that appeared during the duration of financing contracts as well as the possibilities of improving such services. Questionnaires were applied by using two methods: applying questionnaires by e-mail and by an interview operator. We used a list with the trading companies of the county, grouped according to their field of activity and size. According to the proportion of every stratum, we randomly (we used a random number generator) selected from the list the companies to question.

Then, data were centralized by using the software SPSS version 19.0 for Windows. In order to test the hypotheses, we used non-parameter correlation tests (Spearman and Kendall) as well as tests for binominal variables.

### **4. Results and Discussions**

The research has highlighted the information sources used by clients, when they document themselves as regards the leasing services. No less than 39,4% of the economic agents who requested bids from the leasing companies, declared that they

had as main information source, the recommendations of the suppliers, respectively the dealers of the goods to be acquired; 23,8% resort to the Internet; and 27% follow the recommendations of their business partners, friends or acquaintance. In contrast, the least used information sources are street audio billboard (0,3%) and mass-media (9,5%); the results being, basically, perfectly consistent with reality, especially if we take into account that these information forms are less focused on promoting the leasing services.

According to the opinion of most economic agents in the county of Braşov (43,53%) the usefulness level of the information contained by the offers of the leasing societies has been catalogued as being high (level 4 on an evaluation grid from 1 to 5) by 43,53% of the economic agents in Braşov county; whereas almost 37% thereof deem that the usefulness of the information received as a result of the request for bids is neither too high, nor too low (level 3 on the evaluation grid). Given that the average score, for this question, is of 3,63, we can state that, per total, the economic agents of Braşov reckon that the information in the bids of the leasing companies have a high usefulness level.

The leasing companies affiliated to the banks or to the manufacturers/dealers manifest an average flexibility, with respect to the choice of the insurance company for the goods acquired through this financing method; 36,67% of the surveyed economic agents having catalogued, according to their own experiences, the flexibility level, as neither too high, nor too low. Likewise, only 9,44% of the enterprises having made the object of the study, perceive the flexibility of the affiliated leasing companies, as being very high.

A comparative analysis, based on the calculated average values, highlights that the leasing companies affiliated to the banks or to the producers, manifest a lower flexibility, with respect to the beneficiary's possibility of choosing the company to ensure the acquired good (average value – 2,96) than the independent leasing companies (average value – 3,25), whose flexibility level is ranked very high, by 14,66% of the economic agents in Braşov.

According to the conducted study, we note that the most requested leasing bids by the economic agents in Braşov, are those of the companies Tiriac Leasing (16,4%), BCR Leasing (16%) and Porsche Leasing (15%); companies which belong to financial groups with rich history and which spread far and wide on the Romanian market. In contrast, the bids of companies such as Rădăcini Leasing – part of the group Rădăcini, held by the Iranian businessman Madadi Ali, or Alpha Leasing – part of the Greek financial group Alpha Bank, are less requested by the economic agents in the county of Braşov; one possible explanation, in this respect, being the general drop of the economic agents' trust in financial companies that come from countries having faced, in the recent years, a series of difficulties of an economic, political and social nature.

In terms of the diversity degree afferent to the bids, Raiffeisen Leasing (average 3,91) – member of the Austrian financial group Raiffeisen, which has been

operational on the Romanian market, since 2002, Tiriac Leasing (3,89) as part of the group Tiriac Holdings, and Porsche Leasing (3,86) – part of the group Porsche Finance Group, are the companies which, in line with the economic agents' opinions, hold the most diversified offer of services specific to the financial and operational leasing. In contrast, the least diversified bid is held by the companies Rădăcini Leasing, BT Leasing, whose majority stake has been held, ever since 2002 by the Bank Transilvania and Alpha Leasing.

The interest rate practiced by the leasing company (average of 2,50) and the easiness in granting the financing (2,63) represented the factors that the decision to acquire the last good in leasing system, by the surveyed economic agents in Braşov, depended on. In their view, the reputation of the leasing company ranks third, in terms of importance (3,40), an almost equally decisive factor, as regards the decision to conclude a financing contract.

Following the results shown in the table below, we can see that the sales consultant's persuasion power or the advertising materials, promoting the leasing company, are not influential elements on the acquisition decision of the enterprises in Braşov (Fig.1).

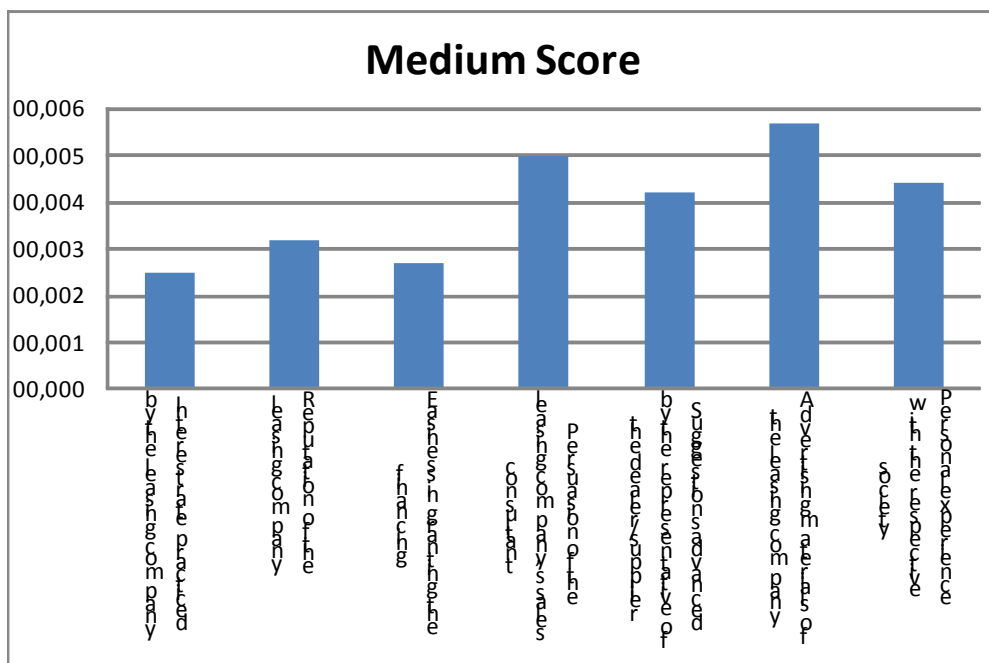


Fig. 1. Factors that influence the acquisition decision

In the case of 49,86% of the economic entities in Braşov county, the satisfaction degree, as a result of using the services provided by the leasing companies is very

high; a fact confirmed by its average value, situated at 3,59 points, out of 5 maximally possible. At the same time, 35,26% of the surveyed companies consider that, generally, their satisfaction degree, after the concluded leasing operations, is ranked at an average level, neither too high, nor too low. It is worth mentioning that only 3,86% of the economic agents that underwent analysis, declare themselves discontent with the results of the leasing contract; and 2,2% consider that the use of this financing method was a genuine fiasco, in their view.

A consequence of the high satisfaction level obtained after the use of the services provided by the leasing companies, is that 44,5% of the surveyed companies resorted several times to a certain leasing company; the main reasons that underlay the repeated collaborations being the rapidity in obtaining the financing (31%), the high attractiveness of the respective leasing company's bid, as compared to the bid of other companies active on the market (25,3%), as well as the easiness in obtaining the financing (23,8%).

Likewise, we have ascertained that the reasons of the economic agents in Braşov county, for choosing one leasing company, to the detriment of a banking institution, with a view to obtaining a credit, also underlay the continued collaboration with that leasing company, with a view to concluding other financing contracts, too. One of the reasons of an economic agent, for resorting, several times, to the services of a leasing company, can be the quality of those services and implicitly, the quality of the financing information and solutions offered by the latter.

Another interesting aspect, which is worth mentioning, is that the proximity of the bank whose client is the surveyed company (6,3%), or the counseling, during the equipment acquisition (6%), are not reasonable grounds for the economic agent in Braşov county, to resort, more than once, to the services of the same financing company.

At Braşov county level, the most solicited leasing companies are: Porsche Leasing (21,7%), BCR Leasing, as part of the group ERSTE (19,1%) and Ţiriac Leasing, a company generally resorted to by 15,3% of the economic agents of Braşoveni. On the opposite, the leasing companies whose services are the least solicited by the companies of Braşov are Atlassib Leasing, whose activity is mostly based on car financing; BT Leasing Caterpillar România IFN – part of the Polish financing group Caterpillar Financial Services Poland, which is less known on the Romanian market; ING Leasing; Marfin Leasing etc.

Most economic agents in Braşov county (50,58%) declare themselves content with the information supplied by the counselors of the leasing company; whereas 26,78% consider that their own satisfaction level, in relation to the received information, ranks at a neuter level, neither too low, not too high. Given the average of 3,75 points, we can state that, generally, the satisfaction level with respect to the information supplied by the counselors of the leasing companies, whom the economic agents in Braşov county have appealed so far, ranks high.

As a result of the conducted study, we have noticed that no less than 75,8% of all economic agents in Braşov county agree (63,4% - consent and 12,4% - in full consent) with the statement that the sales consultants of the leasing company whom they most frequently appealed to, correctly identify the clients' needs and provide adequate financing solutions. Only 3,5% of the economic agents in Braşov declared themselves discontent with the financing information and solutions provided by the consultants of the leasing company.

Most surveyed companies, in Braşov (87,4%) did not face difficulties, following their collaboration with the leasing companies. As regards the economic agents who claim the opposite (12,6%), most difficulties refer, more often than not, to higher interest rates, throughout the financing contract (37,7%) or the noncompliance with the delivery term of the acquired good (26,4%). Likewise, the economic agents claim problems related to the delivery of an inadequate good (9,4%) or to the fact that, when acquiring real estates from natural persons, the costs are higher, in the case of the financing by leasing, than in the case of other financing modalities (9,4%) (Table 1).

1	Noncompliance with the delivery term	26,4%
2	Delivery of an inadequate good	9,4%
3	Higher interest rates throughout the contract	37,7%
3	Higher costs, when acquiring real estates from natural persons, than in the case of other financing modalities	9,4%
4	Other variant	17%

Table 1. Difficulties faced within the unfolding of the leasing contracts

## 5. Conclusions

With respect to the first two enunciated statistical hypotheses, after the analysis of the collected data and the conducted statistical tests, we can formulate the following appreciations:

*1. The value of the leasing contracts is influenced by the turnover of the economic agents that require financing from the leasing companies.*

As a result of testing the correlation by means of non-parametrical correlation coefficients (we opted for this instrument, as one variable is measured on a report scale (value of the obtained financing) and the second variable is measured on an ordinal scale (company's turnover)), the connection between variables is confirmed. In terms of intensity, the connection is weaker; the value of the coefficients being, in most cases, lower than 0,35.

Under these circumstances, the hypothesis has been confirmed; the value of the obtained financing being influenced by the turnover of the enterprise.

2. *Over 30% of the economic agents in Braşov county faced difficulties, as a result of their collaboration with the leasing companies.*

The volume of the enterprises which faced difficulties, in the framework of the collaboration with leasing companies, is lower than 30%.

Following the application of a binomial test, we note that one can guarantee, with a probability of 95% that over 70% of the analyzed companies faced no difficulties; in this case, we cannot reject the null hypothesis (H<sub>0</sub>).

Under these circumstances, we can state that the hypothesis has been infirmed.

In terms of difficulties, at Braşov county level, approximately 10% of the enterprises, faced difficulties related to the delivery of inadequate goods.

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