

Importance of customer service in the banking industry marketing essay

[Finance](#), [Banks](#)



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INTRODUCTION

How excellent service to bank's customers affect their satisfaction and their choice of banking. For banks to thrive, both product and service delivery must be adequately aligned with customer expectations: achieving customer satisfaction and loyalty is essential for long-term survival (Reichheld, 2003). It's critical to form a close working relationship with client that is why customer service is of vital importance. Clients should feel valued, wanted and loved. This is not just about how you handled a transaction. It's also about a relationship with people who are an essential part of everything you do (Woods, 1999). In addition, culture is also likely to be a key variable affecting perceptions and expectations of service quality (Malhotra et al., 2005).

The study will present the immediate experience of the clients with the bank and at the same time provide all the different strategies/techniques formulated by banks to improve their service, make them more outstanding

or competitive with the others and how they will show to their clients the best service being offered by them.

Horovitz (1990), says ' Services exist in human experience. For service industries service consists of two dimensions: basic features sought by the customer and the service experience at the time of consumption' (Horovits, 1990: 6).

Sisk (2010), said that customers expect to read other consumers' reviews of products and services, and it can be great from a viral marketing perspective.

STATEMENT OF THE PROBLEM

Nowadays many banks realize that all advantages, which they want to establish through their core products are quickly, wore away as others banks has the same products being offered. However, since it's a well known fact that no business can exist without customers, the important strategy is focused on providing the high-quality service for the customer, 1. How to create customer experience to improve customer satisfaction? 2. How to improve customer service to provide customer satisfaction?

PURPOSE OF THE STUDY

Customer service, like any aspect of business, is a practiced art that takes time and effort to master. All you need to do to achieve this is to stop and switch roles with the customer. What would do you want from your business if you were the client? How would you want to be treated? What are the services you expect to receive from the customer service representatives,

supervisors and management of the branch as well as the other officer and employees of other departments? Were you satisfied with the bank facilities? Only bank clients can tell if the customer service they receive at the branch is up to their standards, which is why regularly asking the customers for their opinions is very important. Treat your customers like your friends and they'll come back. It will attract more client which means success for the institution. The institution will improve its name to integrity in the society.

LITERATURE REVIEW

Customer Service is the commitment to providing value added services to external and internal customers, including attitude knowledge, technical support and quality of service in a timely manner. According to Mitchell (2003), you can have the best service philosophy in the world, but if you don't have great players to execute it, you've lost the game. Also Mathieu (2001), service is becoming a smart strategy, because it provides a strong competitive advantage through differentiation opportunities even within the commodities market.

Traditionally customer service has been defined as the ability of an organization to constantly and consistently give the customer what they want and need. Researchers consistently find that it costs five times more to attract a new customer than it does to keep one you already have, Anderson et al (1991).

Increasing competition is forcing businesses to pay much more attention to satisfying customers, including by providing strong customer service. In

order to deliver results to customers these employees not only need the ability to relate to customers, they also need the latitude to use their judgement in doing so (as well as receiving the appropriate reward and recognition, Heskett, Sasser and Schelesinger, 1997: 8-11. It may help the reader to notice the role of customer service in the overall context of product or service development and management. Bovée & Thill (1992), said that quality and customer services present strong barrier against the competition, ensure customer loyalty, differentiate product, decrease marketing costs and increase company profit.

RESEARCH METHODOLOGY

This study follows a qualitative and quantitative research methodology. Bank customers in United Kingdom will be requested to give their opinion about their service expectations in a bank industry. The measurement instrument will be use is questionnaire. First, this will include demographic information such as name, address, contact number and other personal information. Then it will provide all the responses from the bank customers that will help to evaluate how they are satisfied with the customer service of the bank, what service still needs improvement and if customers give importance to good service of the bank in choosing their banking needs. All attributes were positively worded. Expectations and perception statements will be put within the survey form. This meant that as soon as respondents had rate their expectation of each attribute, they immediately rate their perception of the same attribute. Respondents will also ask to rate their overall satisfaction with the bank on the measurement scale.

To measure out the perceptions of all customers, I will employ the scale developed by Moore and Benbasat (1991), anchored on a seven-point Likert scale ranging from strongly disagree (1) to strongly disagree (7). In educational research one of the popular format of questionnaire is these Likert Scale, especially in the field of special education. The Likert scale can be four-point, five-point, six-point, and so on. The even-numbered scale usually forces a respondent to choose while the odd-numbered scale provides an option for indecision or neutrality. The questionnaires will be for 40 customers to comment on the relevance and wording of the questionnaire's items, length of survey and time taken to complete questions.

DATA COLLECTION

A structure questionnaire will be use to collect necessary data, which serve as primary data to answer the research questions and objective regarding to the customer service and their role in banking industry in United Kingdom. The survey question will consist of some specific sections and each of this questions pertaining different part of the study. The survey will be conducted mainly via face to face interview.

CONCLUSIONS

In many banking institutions excellence in customer service is emerging as the valuable way to differentiate themselves from their competitors. For achieving excellence in customer service, banks need to clearly know detailed understanding of customer needs, expectations and values and

based on these they need to develop unified organizational mindset, processes and systems to deliver the service excellence. Organizations that invest the time, energy, and resources required to achieve excellence in customer service will be the ones that will thrive and grow.