Chapter 8
Applications in Business Organizations

8.1 Satisfaction Analysis for a Commercial Bank

8.1.1 Research Background and Survey Details

Service quality can be seen as one of the main determinants of customer satisfaction, which in turn influences purchase intentions (Spreng and Mckoy, 1996; DeRuyter et al., 1997; Bloemer et al., 1998). This is of main interest, particularly in the banking sector, where the highly competitive market has caused the banking system to undergone drastic changes. Institutional changes, creation of extensive product/service portfolios, major changes in the ownership status, heavy use of modern technology and globalization of the banks activities are only some examples of these changes identified in the banking sector (Gortsos, 1998). Due to this heightened competition, bank service quality rises as an important factor that will affect the relevant market shares and profitability in the banking sector (Anderson et al., 1994; Hallowell, 1996; Caruana and Pitt, 1997).

Furthermore, to keep and advance their competitive edge, modern business organizations should better understand and profile their customers. This is more imperative in the banking sector, where the variety of the products and services offered (loans, deposits, credit cards, leasing, factoring, etc.) concern particular groups of customers. Banks need to individualize products and to approach every customer in an individual way. This is usually referred to as “mass customization” (Davids, 1986). Customization requires, however, a profound knowledge of customers and their needs and habits. Such knowledge would help companies to find answers to questions such as:

- Which customers would be interested in certain types of products and services?
- How would a product or service be designed so as to satisfy the needs of an individual, or a group of customers?
• How effective is the marketing on specific customers?
• Which attributes suggest that a certain customer cluster should be (or should not be) targeted with a new product or service?

The presented satisfaction survey concerns one of the leading banking organizations in Greece. The survey took place in two different bank branches in the city of Chania. The survey was conducted within the period July-September 1998 (for more details see Grigoroudis et al., 1999a; Mihelis et al., 2001; Siskos et al., 2001a).

Final input data consist of 303 questionnaires: 122 from store A and 181 from store B. Moreover, 160 private customers and 95 companies have been participated in the survey (the primary relation with the bank has not been identified for the rest of the sample). A more detailed presentation of the general profile of the sample is presented in Figures 8.1 and 8.2: Figure 8.11 presents the profession of the private customers, while Figure 8.2 shows the activity sector for the business segment. The observed distributions show a well-balanced sample.

Fig. 8.1 Profession of private customers segment

Fig. 8.2 Activity sector for the business segment