The role of Relationship Marketing for Customer satisfaction in the banking sector

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More and more companies are faced with fierce competition; ergo, companies are consistently trying to build a long term relationships with their customer. In addition, a decade ago, relationship marketing gained more and more credibility among the companies and is still a topic of discussion today. Therefore, this study is aimed to describe how service firms can use relationship marketing as a strategy to develop customer satisfaction.

A theoretical framework has been developed derived from a review of the existing literature in order to describe how service firms can use relationship marketing as a strategy to develop customer satisfaction. Five different tactics have been empirically investigated, namely the service quality, brand image, price perception, value offers and communication. A qualitative method has been chosen for this study. Three different companies have been studied within the banking sector and have been led by an inductive and deductive approach which will aim to investigate the aforementioned theoretical framework.

The analysis of the empirical findings exposed and discovered some relevant findings. Indeed, empirical evidence suggests that four main customer relationship tactics have a role on customer satisfaction and trust; namely the service quality, the brand image, the price perception and the human capital. These tactics have been identified as having a crucial role on gaining customer satisfaction.

Keywords: relationship marketing, customer satisfaction, customer trust
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1. Introduction

This chapter provides the background of the topic. Next, the problem discussion follows with the purpose which leads to the research question. Eventually, this chapter gives the delimitation and also the thesis disposition.

1.1. Background

Following the outset of the industrial revolution, economic status has balanced itself between two periods: the first containing important innovations, and the second, economically weaker period (Schumpeter, 1939). According to Schumpeter’s “supercycles” theory, it is possible to establish a correlation between innovation and economic growth (Schumpeter, 1939). The notion of mass-marketing first appeared as a result of demand outweighing supplies. Therefore, companies started to use an overall strategy without distinction between targets, based on notions of “low price and high sales” (Goleman, 2002).

Nowadays, significant innovations are no longer emerging and as a result, most companies are able to produce similar products therefore mass marketing is not the most appropriate technique to stay competitive anymore (Greenberg, 2010).

Companies have to find other means of differentiation in order to stay competitive (ibid). This is why companies have moved their focus from production to customer satisfaction (ibid). Modern customers have a wider range of choice and as a result are much more demanding (Bernie Neenan et al, 2002). There are two different approaches: attempt to keep the customer with a customer retention strategy (Dwyer, 1997, Jain and Singh 2002) or to acquire customer from rivals companies with a customer acquisition strategy (Hansotia, Wang, 1997). For either strategy, the understanding of the customer’s needs is necessary to fulfill their expectations as accurately as possible which will lead to increasing the customer satisfaction and indirectly their loyalty towards the company (Murdy and Pike, 2012; Bruhn, 2003). “No business can survive without understanding its customers and having a positive relationship with them” (Motiwalla and Thompson 2009, p. 309). In other words, customer relationship marketing is being adopted more and more by companies who want to build new relationships and maintain the already existing ones with the aim of strengthening the business relationship. (Garbarino and Johnson 1999; Murdy and Pike, 2012).

Previously, customer relationships were not considered, as aforementioned, as being related with increasing profit for the company (Nguyen et al. 2007). Nowadays, companies are fully aware that a good relationship with their customer is essential to survive (Nguyen et al. 2007). Industries such as insurance, banks, airlines, consumables, computer program software, etc. are still currently adapting their marketing in a more relationship focused way by databases and relationship marketing (Sheth et al. 2011 Gummesson, 2010).
Consequently, the research on this topic has generated a lot of interest. Companies eager to gain customer loyalty are focusing on how to adapt their relationship marketing in order to create a win-win situation for all parties (Nguyen et al. 2007).

**1.2. Problem discussion**

To stand out from other companies in the competitive climate, many firms have considered using relationship marketing as a tool to conserve the loyalty of customers and their profitability, (Dick and Basu, 1994).

“Relationships are two-sided. It takes two for a relationship to exist, and this has to be true for a relationship-based approach to marketing as well” (Grönroos and Helle 2012, p. 344). Even though the two sides may have different ambitions and expectation about the relationship the fundamental aim is to jointly gain business advantages (Ibid).

A personal relationship with the customer is therefore fundamental. Having the right information about their customers is of a great importance for companies in order to best interact with them (Sheth and Parvatiyar 2000). In addition, Garbarino and Johnson (1999) argue that a strong relationship between the company and the customer is built upon trust and satisfaction. If a customer is left unsatisfied or has lost their trust towards the company, it can become very difficult for the company to preserve a positive relationship (Ibid). Morgan and Hunt (1994) also add that a relationship has a mutual trust basis and it is subsequently essential that the two parties feel they are gaining value from each other so they can be satisfied. If this fails to be realised, the customer may feel the need to stop their relationship with the company (Ibid).

Customer relationship and customer satisfaction is considered as a major element and seen as a key concept by companies in order to reach their goals and be successful (Watson 2006). Indeed, customer satisfaction has been considerate in many ways. Some scholars came up with the idea to try to measure the customer satisfaction (Parasuraman et al., 1988) while other scholars tried to bring the evidence of determinants of customer satisfaction (Valarie et al. 2008). A method of satisfaction measurement is the SERVQUAL approach which has been applied a large percent of time (Parasuraman et al., 1988).

As a result, several scholars argue that it is important to be aware of the customer relationship and customer satisfaction within the company strategy (Sheth and Parvatiyar 2000; Watson 2006; Morgan and Hunt 1994). Apart from taking this into account, it also seems to be very important to understand what influences customer satisfaction (Watson, 2006; Hanif et al., 2010). Customer satisfaction is a great subject of interest as it could lead and enable the companies to benefit from a long term relationship with their customers. (Garbarino and Johnson 1999; Hanif et al.,2010; Murdy and Pike, 2012). Indeed, once a company loses a loyal customer, the cost of regaining a new customer are very expensive (Grönroos, 1993).
In this context, various researchers have emphasised the consumer point of view (Vargo, 2009; Bradford et al., 2010; Hanif et al., 2010; Le Nguyen Hau, Liem Viet Ngo, 2012) so that little is known about the company perspective. In this context, the thesis addresses this gap in the literature and investigates the role of relationship marketing on customer satisfaction from a service company perspective.

1.3. Research purpose
Stemming from the aforementioned problem discussion, the purpose of this thesis is to describe how service firms can use relationship marketing as a strategy to develop customer satisfaction.

1.4. Research question
In order to execute the purpose of this thesis, the subsequent research question has been defined as followed:

-What role do relationship marketing tactics play on customer satisfaction?

1.5. Delimitation
Customer satisfaction is a very large subject; this is the reason why the authors of this thesis will elaborate on the relationship marketing tactics that influence customer satisfaction. Moreover, the researchers will not give a complete view of the topic but will only focus on the influence of the relationship marketing tactics on customer satisfaction from a company point of view. These are some limitations to take into consideration.

1.6. Thesis disposition
This thesis is made up of six chapters. The first chapter contains the introduction in which the background of the subject is covered and also includes the problem discussion which provides the research question as well as the purpose of this study. The second chapter is a review of the existing theories regarding the subject studied which will be useful to fully understand the theoretical framework in order to help to the elaboration of the fourth chapter, the data collection. Chapter three will provide all the information the reader would have about the methodology used to collect the data detailed in the Chapter four. Chapter five will analyse the data collected in the previous chapter by a within case analysis and a cross case analysis. Finally, the conclusion will underline the main findings of this study as well as the answer to the research question.
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Figure 1 Outline of the Thesis – Own illustration
2. Literature Review

In this chapter, relevant literature will be revised. Despite the fact that there exists a considerable amount of research about relationship marketing and customer satisfaction, which is still a subject of great interest among scholars (Vargo, 2009; Bradford et al., 2010; Hanif et al., 2010; Le Nguyen Hau, Liem Viet Ngo, 2012), no real concept of relationship marketing tactics has been agreed among scholars which leave here a gap on the theory which is taken up and addressed in this thesis. Ergo, a theoretical framework will be crafted and presented at the end of this chapter summarizing the review of the literature.

2.1. Relationship marketing

The concept of relationship marketing has received sizeable research attention from marketing scholars over the last two decades (Vargo, 2009; Morgan and Hunt, 1994; Gronroos, 1993; Sheth and Parvantiyar 1995; Berry, 2002).

During this long-term relationship firms try to attain new customers whilst strengthening the relationship with already existing customers (Berry, 2002). The main benefit companies can get from pursuing relationship marketing is the gain of stronger customer relationships that intensify the performance as sales growth, profit, customer retention and return on investment (Morgan and Hunt, 1994).

By integrating a better relationship with the customer and make them loyal is an influential aspect of Marketing (Berry, 1983). Berry (1983) defines marketing as “attracting, maintaining, and – in multi-service organizations – enhancing customer relationships” (Berry, 1983,p.25). His notion of the relationship Marketing has been carried out by other scholars such as Gummesson (1987), Gronroos (1990). Gronroos stated that “Marketing is to establish, maintain, and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfillment of promises” (Gronroos, 1990, p.138). This perspective is very broad, and indirectly means that customer relationship is basis of a firm and its marketing. According to Jagdish N. Sheth et al. (2012) there is a general acceptance that relationship Marketing focuses on a collaborative relationship between the company and its customers and define it as “Relationship Marketing is the ongoing process of engaging in collaborative activities and programs with immediate and end-user customers to create or enhance mutual economic, social and psychological value, profitably” (Jagdish N. Sheth et al. 2012, p.7). Indirectly, it is believed that relationship marketing favours the customer satisfaction and trust (Jagdish N. Sheth et al. 2012 ; Morgan and Hunt, 1994). Ergo, the next section will elaborate the literature concerning the customer trust and satisfaction.
2.1.1. Customer trust and customer satisfaction

The literature concerning trust has many context-specific contributions (Nguyen & Mutum, 2012; Morgan & Hunt, 1994). However, there is an agreed notion that trust is a security perception built on the belief that people are animated with positive and favourable motive and not animated by the thought of taking advantage of vulnerable people (Morgan & Hunt, 1994; Moorman et al., 1992). Customer trust is the main focal point of many theories of relationship marketing (Morgan and Hunt, 1994). The quality of the customer-salesman relationship depends on customer trust (Ibid). It is argued that the duration of the relationship is also impacted by a trust relationship. Indeed, trust motivates long-term investment rather than quick and fast relationship. As a result of a trust relationship, emerge a better quality, In other words, scholars believe that in a trust relationship, disputes can be easily solve in a amicable way while, in the other hand, if no trust exist in the relationship between the two parties, this can be perceived as future complication (Morgan & Hunt, 1994).

Dependently, studies show that customer satisfaction and customer loyalty are strongly related (Zins, 2001; Verhoef, 2003). Satisfied customer are more willing to stay and keep the relationship that satisfy them where un-satisfied customer are more inclined to look for other relationship with other companies. It is argued that the satisfaction is related to the evaluation of the service quality (Zeithaml et al. 1996). Oliver’s (1980) researches about the antecedents of satisfaction concentrate on the expectancy-disconfirmation paradigm. This attempt to describe how satisfaction judgments are generated (Oliver, 1980). The overall satisfaction construct can be seen as an association of all the transaction-specific satisfactions (Ibid). In addition, according to Sivadass and Prewitt (2000), customer loyalty is the fundamental purpose of customer satisfaction. Ergo, it is through relationship marketing that an optimum customer satisfaction level can be reached (Morgan and Hunt, 1994).

2.2. Relationship marketing tactics

Grönroos (1996) stated that there are three tactical elements that must be taken into consideration when developing relationship marketing: seeking direct contact with customers, building a database, and providing a customer-orientated service. In contrast to this, Berry (2002) notes five different strategies which must be taken into consideration: Core Service Strategy, Relationship Customisation, Service Augmentation, Relationship Pricing and Internal Marketing. In short, Core Service Strategy is about what the product brings to the customer (Berry, 2002). Grönroos (2000) also notes that this strategy represents the main reason why a company enters into a market as it constitutes elements of the basic service package; such as supporting and facilitating services. Berry (2002) also reinforces this statement by affirming that “a key strategy in relationship marketing is the design and marketing of a ‘core service’ around which a customer relationship can be established.”

With regards to relationship, Berry (2002) defines this strategy as being, the services which allow firms to adapt and change their strategies to better suit customer
relationships. By learning about particular characteristics and requirements of individual customers, and then recording these specificities to be used when needed, service firms can more precisely tailor their services to match the needs of different situations. In doing so, they provide their customers with the incentive to remain with the company rather than ‘starting over’ with other suppliers”. To add to this, Lee and Feick (2001) contribute that switching costs also has an importance (Kim, Kliger & Vale, 2003). Whereas Relationship customisation aims to differentiate each customer, companies use Service augmentation as a strategy to differentiate themselves from other companies, usually by offering ‘extras’ in their services to remain competitive (Berry, 2002). According to Berry (2002), when a customer is offered ‘extras’ by a firm, they continue to exchange business with the firm. Just like Service augmentation, the pricing is an effective strategy executed to attract and maintain customers (Yadev, 1996). Studies by Berry (2002) also support the notion that relationship pricing services are used by firms to encourage relationships. As it is well known, the longer the relationship between a company and a customer is, the more business and deals are generated and as a result price negotiations are introduced (Yadev, 1996).

Internal Marketing is based on both customer satisfaction and trust (Berry, 2002). Berry (2002) describes it as, “a pivotal relationship marketing strategy which requires a company to maintain and motivate its quality personnel in order to improve their ability to offer a high standard of service. Bell et al. (2003) tried to develop a framework showing the factors which influence customer satisfaction. This framework is an extensive version of the European Customer Satisfaction Index (ECSI). The ECSI is a model which used to estimate the customer satisfaction and its antecedents (Gronholdt et al, 2000) (Bell et al, 2003). In Bell’s (2003) extensive model of the ECSI, he highlighted five different factors: Perceived Value, Perceived Quality, Expectation, Image and Communication. Moreover, based over Bell’s extensive model, the study by Leong Yow Peng and Qing Wang (2006) shows five similar yet different relationship marketing tactics: Service Quality, Value Offers, brand image, Price Perception and Marketing Communication.

There is not many studies addressing the relationship marketing tactics influencing the customer satisfaction, and as aforementioned, the few existing ones show some differences between each other. In order to further elaborate this study, this thesis will address the most recent identified tactics mentioned by Leong Yow Peng and Qing Wang (2006) in order to develop a theoretical framework. Ergo, we will further elaborate on the following tactics: Service Quality, Price Perception, Value Offer, Brand Image and Communication.

2.2.1. Service quality

Service differs from products and according to Kolter (1994) is, “an action or an activity which can be offered by a party or to another party, is intangible and cannot affect any ownership. However service can be related to tangible or intangible products.” The literature that focuses on service marketing consistently describes and distinguishes the strategy by using the following characteristics: intangibility, heterogeneity, inseparability of consumption from production and the impossibility of
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keeping services in stock (Grönroos, 1993). Ergo, services signify a stronger interaction and relation with the customer. As a result, the service quality perception is a crucial part of the service process (Grönroos, 1993). The work of Parasuraman, Berry and Zeithaml (1988) also supports and contributes towards the development of service quality.

This SERVQUAL scale was developed to measure the quality of service (Parasuraman, et al., 1988). In order to measure this, the scale takes into consideration the existing gap between the expectation of the customer regarding the quality of the service provided and the actual performance of this service. The model is composed of ten different aspects of quality service: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the customer and tangibles. Later on, Zeithaml and Alii, (1990) then developed a SERVQUAL model with five different dimension regarding service quality. These five dimension namely the reliability, the assurance, tangibles, empathy and responsiveness (Ibid.)

However some scholars slightly questioned the SERVQUAL model and questioned its five dimensions which is believed to not be generically applicable for all the service situation (Cronin and Taylor, 1992 ; Buttle, 1996, Dayarathna 2009 ). As a result more recent theories have been elaborated. Grönroos (2000) amassed previous studies and concepts and from them he developed seven different criteria determining the strategy which are widely accepted among scholars (Dayarathna, 2009; Grubor, 2008; Ennew & Woo, 2005): Professionalism and skills, employees’ attitude and behaviour, accessibility and flexibility, reliability and trustworthiness, serviscape, service recovery and reputation and credibility. These criteria is not meant to be a model measuring service quality but is more of a basis to develop further service in a quality point of view.

The Professionalism and skills criterion is related to the service provider having the competence and the skill to resolve any customer problem in a professional manner. In order to achieve this, Grönroos (2001) recognises that the following competences are also appropriate when discussing professionalism: commitment, integrity, morality. In addition, the employees’ attitude and behaviour makes the customers feel appreciated and therefore feel that the service is well suited to solving any of their problems both quickly and effectively (Dayarathna, 2009; Gronroos, 2001). Customers expect to be served in the best and suitable way by the employees. Employees must have the right attitude towards their customers in order to resolve their problems (Ibid). Regarding the accessibility and flexibility, it is believed that if the service is easily accessible and flexible to the customer wants and needs, this will result in satisfying customers. Moreover, the service tries to get the best results for its customers whilst solving their problem in a flexible way (Ibid). The Reliability and trustworthiness is a criterion where the system upholds its promise to provide the best interest in order to satisfy the needs of the customer. Subsequently, the customer trusts and relies on the service provider as a whole (Dayarathna. 2009; Gronroos, 2001). Conjointly, the Service recovery is essential for a company as it regains the trust of the customer when he/she is dissatisfied. The customer has to believe that if an unexpected event goes wrong, the service provider will do its best to find the most appropriate solution to the problem (Ibid). According to Berry and Parasumaran (1991), the service recovery has a huge influence on the satisfaction
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and behavioural intentions, so much so that it is argued to be more important than the original service. Indeed, a service company providing an excellent service recovery can take away the negative opinion customers may have regarding previous lacks and defects of the service provided (Ibid.). Concerning the Serviscape criteria, Bitner's study (1990) identified it as the ambience of an office which needs to be at an optimum level. This includes noise levels, temperature and the general atmosphere of the office. The layout and functionality of a company's offices also need to be open and welcoming for a customer. Finally the interior design needs to be appropriate in order to convey a positive image of the company. Grönroos' studies (2000) also support the research of Bitner (1990), "in order to contribute to a positive experience for the customer, it is essential for the service provider to build on an appropriated physical surrounding and on other aspects of the environment" (Grönroos, 2000). In other words, serviscape represents the environment which affects the quality perception. Finally, the reputation and credibility is the criteria where some values can be shared by customers and the service provider. Moreover customers can trust the service provider and for the same occasion reach a good performance (Ibid). However, this criterion has raised a lot of interest among scholars (Keller, 1993; Hsiong-ming et al. 2011; Wu, 2011; Funjon Lai et al, 2008) and as aforementioned, we distinguish it as a separate tactic called "brand image".

2.2.2. Price perception

Zeithaml, (1998), defines the price as what is given up or sacrificed by the customer to obtain a product or service. It is argued that price is an important part of the customer purchase and subsequently plays an important role on the satisfaction resulting from the price policy of the provider (Zeithaml, 1998). However, it is argued that not only the price plays an important role on the customer satisfaction but the perception between the price and the value received by the customer (Mattila and O'Neill, 2003). Simultaneously, customers are inclined to use the price as a factor when evaluating their experience with the service bought and also in building their own opinion toward a provider (Varki and Colgate, 2001, Cheng et al, 2008). Indeed, according to Zeithaml, (1983) customers do not remember the actual price that they paid for a product or service instead they generate their own price mentally; what they would have personally paid for the service. In addition, Monroe (1991) defines the price perception as a ration between the customer's perceived benefits and the customer’s perceived sacrifice:

\[
\text{Perceived benefits} = \frac{\text{Perceived value}}{\text{Perceived sacrifice}}
\]

From this point of view, Monroe (1991) discern the perceived benefits as a combination of service aspects, the purchase price and technical support in use for a given product or service. Monroe (1991) also determine the perceived sacrifice as including the entire cost involved in the acquirement of the product or service which are for example the transportation, installation, maintenance, repairing cost as well as the risk of a malfunction. The perceived value is a little bit more complex. Zeithaml (1998) defines the perceived value as the customer judgment on its perception of what is gained and what is given. Zeithaml (1998) definition is close to
the definition given by Monroe (1991) but with one difference. Zeithaml (1998) also highlighted that the perceived value can be different from every individual. Moreover, a situational perspective is also given as a factor influencing the perceived value (Zeithaml, 1998). The perceived value is also related to situational aspects as well (Zeithaml, 1998). In other words the main factor that plays a role on the price perception is the price fairness. The reasonableness of the price (also known as price fairness) is evaluated and perceived through a comparison with other competitors’ price of a product or service (Cheng et. al, 2008).

2.2.3. Brand image

A brand is a symbol or a sign, design which help the customer to identify a product or a company (Park et al., 1986) and to distinguish the differences between other different competitors (Aaker, 1994). It is argued that a company that the consumers perceive as a positive brand image get a better position in the market in comparison to its competitor having a less favourable brand image (Ibid.). Studies were carried and identified that a positive brand image would lead customer trust and create loyalty (Nguyen & LeBlanc, 1998; Kandampully & Suhartanto, 2000). Some researchers have also highlighted that a relationship exists between a positive brand image and customer satisfaction (Wu, 2011). Their findings show that a positive rapport between these two variables has to exist in order to generate loyalty from the customer. This concept of brand is a real antecedent of the satisfaction. However it can be subjective as brand image can change from one person to another (Ibid). Nonetheless, Dobni and Zikhan (1990), maintain that brand image is a major component in the development of consumer behaviour research.

Grönroos (2000) also elaborates about the utility of a brand. Sometimes the customer has no experience with a certain brand, however this experience can be built by the word of mouth from other customers. Grönroos’ research also favours Wu’s (2011) findings that a positive brand image has a favourable impact on customer’s perceptions. Brand image is also used to convey the prospects of a company, meaning that the image acts as an efficient method of communication to the customer (Wu’s, 2011). By doing this, the company can not only advertise their own service and products, but also gain a positive reputation through the word of mouth of customers (Ibid). In contrast, a negative brand image can cause much damage to a company.

2.2.4. Communication

Regarding the definition of Ball et al (2008), communication is, “personalised letters, direct mail, web site interactions, other machine-mediated interactions, and e-mails, as well as in-person” (Ball et al, 2008). Communication is also used to generate customer collaboration and commitment. As argued by Anderson et al, (2001) “we are committed to two-way communication and intend to get some response from those persons to whom the integrated marketing communications programme has been directed.” What is more. Grönroos, (2008) further develop this idea by
proposing that relationship marketing is at its peak when you can trust the person with whom you communicate.

Communication not only has an impact on customer trust but also plays an essential role on customer satisfaction and is therefore referred to as the role of persuasion (Anderson, 2001). Leong Yow Peng and Qing Wang (2010) support the notion that effective and positive communication is crucial in a relationship. Communication has direct effects, all significant, on satisfaction (Ball et al, 2008). Leong Yow Peng and Qing Wang (2010) also explain that the marketing communication is especially composed by mass marketing strategy and it is a key process in the relationship marketing. As a result, maintaining a communication is essential in the beginning of a relationship with the customer (Theron et al. 2008). In order to have a conclusive impact on customer loyalty and indirectly on customer satisfaction, it is important to have a good communication with the customers (Peelen et al. 2009). The use of different mean of communication channels as E-mails, internet, etc. enable the company to improve the understanding of the customer needs (Ibid). This communication has to be continuous between the two parties in order to have a good effect (Ibid.) as the main purpose of the communication is to decrease the uncertainty as well as the misunderstandings (Ibid). Therefore it is believed that this way, the company is more disposed to provide relevant information to each customer (Ibid).

2.2.5. Value offers

Value offer is said to play a major role in relationship marketing. Ravald and Grönroos (1996) imply that giving customers a competitive price is a valuable marketing strategy. Specifically, a value is created during the interaction process between the customer and the supplier. As an effect, companies attempt to provide an excellent value by the mean of complement offers that can therefore improve the customer satisfaction through the increasing of the customer's perceived benefits (Ravald & Gronroos, 1996). Ravald and Gronroos (1996) argue that a value adding strategy has effects on the long term relationship. Accordingly, companies should be concern and show interest about the value of a product or service from the customer perspective as well as understand and depict the customer's value chain in order to operate a change and reduce the perceived sacrifice (Wilson and Jantrania, 1995). However, Mela et al., (1997), out of their studies, stated that these value offers are acting like advertising for existing loyal customer (making them less price sensitive). However, they make the non loyal customer to concentrate even more on the price itself. Therefore as a result, these value offers reduce the price sensitivity of loyal consumers but significantly increase the price sensitivity of not loyal consumers. (Mela et al., 1997).

Increasing the customer benefits suggest to add something to the core product which is perceived as important by the customer as well as beneficial and of unique value (Wilson and Jantrania, 1995). Therefore, firms propose value offers through relationship marketing instruments such as loyalty programmes, discount etc. to maximise customer relationship and satisfaction (Verhoef, 2003).
2.3. Theoretical framework

The theoretical framework is a summary of the main component of the different theories introduced and submitted in the literature review. As aforementioned, the existing theory did not fully expand on the different relationship marketing tactics that exist. Subsequently, this theoretical framework reveals a combination of tactics derived from various scholars suitting the examined subject.

In order to work towards the purpose of this thesis, which is to describe how service firms can use relationship marketing as a strategy to develop customer satisfaction, it is not sufficient to only concentrate on the relationship marketing tactics individually. The implied effects of customer satisfaction have to be taken into account. Consequently, both tactics and effect of relationship marketing need to be edited and developed in order to get integrated view of the topic.

The figure 2 illustrates the theoretical framework with various parts composing relationship marketing tactics which will be used as a guide for the formulation of the interview questions.

![Figure 2 Theoretical framework - Own illustration](image-url)
The model above consists in five different tactics which are adopted and developed through various literature sources. In addition, the service quality tactic has been recognised with five different constructs considered as important through the literature review as those constructs impact the latter tactic.

As previously mentioned, relationship marketing and its effects need to be edited in order to have an integrated view of the topic. Therefore, with regards to the relationship marketing, literature affirms that the main benefit companies can get from pursuing relationship marketing is the gain of stronger customer relationships that intensify the performance as sales growth, profit, customer retention and return on investment (Morgan and Hunt, 1994). Also, this collaborative relationship between the company and its customers is believed to favour the customer satisfaction and trust (Jagdish N. Sheth et al. 2012, Morgan and Hunt, 1994). It is believed that the customer trust needs to be developed by the company in order to gain loyal customers. The literature sees it as a key component for customer loyalty and customer satisfaction (Morgan & Hunt, 1994; Ballester and Aleman, 2001). In the same way, previous literature also classified the customer satisfaction as an important driver for customer loyalty (Sivadas and Prewitt 2000). It is also supported that it is through relationship marketing that an optimum customer satisfaction level can be reached (Morgan and Hunt, 1994). As a result, the literature has been investigated over relationship marketing tactics affecting the customer satisfaction and trust. Many studies have been considered and five different tactics stood out from it, namely the service quality, the brand image, the price perception, the value offers and the communication. These tactics are investigated in the interview guide as well as in the analysis.

*The service quality:* It has been argued in the literature that the service quality perception is a crucial part of the service process (Grönroos, 1993; Parasuraman, Berry and Zeithaml, 1988). Different measurement tools are proposed by scholars in an attempt to measure the real outcomes of a quality service (Parasuraman, et al., 1988; Grönroos 2000; Cronin and Taylor, 1992; Buttle, 1996, Dayarathna 2009). The chosen literature for this section has been divided into different sub-sections regarding the concept of Gronroos (2000) which has been widely accepted among scholars (Dayarathna, 2009; Grubor, 2008; Ennew & Woo, 2005). Those dimensions namely are Professionalism and skills, employees’ attitude and behaviour, accessibility and flexibility, reliability and trustworthiness, serviscape and service recovery. Also, It is argue that consumers first notice the quality of a given service by evaluating the different aforementioned dimensions and then comes the satisfaction or un-satisfaction of the service delivered (Gronroos, 2001). Firstly, the professionalism and skills is based on the effect of the company’s competence and skill to resolve any customer problem in a professional manner, Grönroos (2001). Secondly, the employee’s attitude and behaviour is found to be important regarding the service quality (Dayarathna, 2009; Gronroos, 2001). Indeed, if a service is easily accessible and flexible to the customer, especially for problem solving, that will greatly affect the service quality (Ibid.). Thirdly, the reliability and trustworthiness is considered as essential. Holding its promises towards the customer is imperative to uphold a positive relationship and maintain trust (Ibid). Following, the service recovery is recognised to have a huge influence on the satisfaction and behavioural intentions, so much so that it is argued to be more important than the original service itself (Berry and Parasumaran 1991). Finally, the serviscape criteria, which represents the environment affecting the quality perception, is composed of three
different dimensions (Bitner, 1990) namely the ambiance of an office, the functionality of the office and the interior design which need to convey an appropriate image of the company (Ibid.).

**The brand image:** It is argued that a company with a brand image positively perceived by consumers would get a better position in the market in comparison to its competitor having a less favourable brand image (Aaker, 1994). This is the reason of the focus the companies have toward that tactic. However it can involve a subjective dimension as brand image can change from one person to another (Dobni and Zikhan 1990). Brand image is also used to convey the prospects of a company, meaning that the image acts as an efficient method of communication to the customer. By doing this, the company can not only advertise their own service and products, but also gain a positive reputation through the word of mouth of customers (Ibid). Studies were carried and identified that a positive brand image would lead customer satisfaction and create loyalty (Nguyen & LeBlanc, 1998; Kandampully & Suhartanto, 2000).

**The price perception:** It is argued that not only the price plays an important role on the customer satisfaction, the perception between the price and the value received by the customer (Mattila and O’Neill, 2003). Customers do not remember the actual price that they paid for a product or service instead they generate their own price mentally; what they would have personally paid for the service Zeithaml, (1983). In addition, Monroe (1991) defines the price perception as a ration between the customer’s perceived benefits and the customer’s perceived sacrifice. Also, it is argued that two different factors are playing a role on the price perception. Firstly, the reasonableness of the price is evaluated and perceived through a comparison with other competitors’ price of a product or service (Cheng et. al, 2008). Then, the second factor concerns itself with the value for money dimension (Varki and Colgate 2001). The literature also highlight that the perceived value can be different from every individual Zeithaml (1998) and can change from different situational perspective (Zeithaml, 1998).

**The value offers:** This tactic is based on the price perception literature which reports that customers will appreciate the value of the product or service bought in comparison with the perceived sacrifice (Monroe, 1991; Zeithaml, 1988). As an effect, companies will attempt to provide an excellent value by the mean of complement offers that can lower the perceived sacrifice and therefore improve the customer satisfaction through the increasing of the customer’s perceived benefits (Ravald & Gronroos, 1996). Moreover, it is argued that a value adding strategy has effects on the long term relationship Ravald and Gronroos (1996). As a result, companies would use this tactic by proposing value offers through relationship marketing instruments such as loyalty programmes, discount etc. to maximise customer relationship management (Verhoef, 2003).

**The communication:** To demonstrate this section, various literatures were edited. It is argued that in order to achieve a positive customer-seller relationship, it is necessary to have a successful marking communication as the message the company want to deliver may not always be well understood by consumers and therefore will not be spread by word of mouth (Gronroos, 1996). Therefore it is argued that maintaining a communication is essential in the beginning of a relationship with the customer (Theron et al. 2008). In order to have a conclusive impact on customer loyalty and
indirectly on customer satisfaction, it is important to have a good communication with the customers (Peelen et al. 2009). The use of different means of communication channels as personalised letters, direct mail, website interactions, other machine-mediated interactions, and e-mails, as well as in-person communication (Ball et al., 2008; Peelen et al. 2009) enable the company to improve the understanding of the customer needs (Ibid). Moreover, it is debated that this communication has to be continuous between the two parties in order to have a good effect (Peelen et al. 2009.)

This theoretical framework with the aforementioned tactics raised will be empirically investigated in order to fill the identified research gap.
3. Methodology

In this chapter, the methodology is presented and explained. Justifications and arguments are provided to clarify the methodological choices used to carry out this study.

3.1. Research Purpose

There are three different study perspectives regarding the research purpose that can be distinguished; exploratory, descriptive and explanatory (Saunders, et. al 2009). This thesis will be built around a descriptive model in order to portray an authentic profile of given situations, persons or events (Ibid).

This thesis is not based on an explanatory purpose. This method would only be relevant when studying situations in order to establish a relationship between the different variables which are deemed as important (Saunders et al., 2009).

Neither does this thesis use an exploratory approach as it is not trying to discover the inception of a problem (Ibid.). However, exploratory research can be advantageous due to its flexibility and faculty to adapt to change (Ibid).

Nevertheless, this thesis is primarily descriptive. Also, the purpose best corresponds to this thesis as it attempts to describe how service firms can use relationship marketing as a strategy to develop customer satisfaction.

3.2. Research approach

An appropriate research approach should be considered before carrying out an analysis on a particular topic. There are two approaches which are frequently used; the qualitative and the quantitative approach (Saunders et al., 2009).

The differences between these two approaches are quite distinct. Qualitative research data is based on the opinions and assumptions of the interviewee. As a result the stress is put on the quality of the data and is not quantified. Whereas quantitative research is wholly based on numbers and statistics, thus putting stress on the quantified data (Saunders et al., 2009; Bryman and Bell, 2007).

Furthermore, qualitative data requires codification into different categories in order for it to be analysed through conceptualisation, whereas quantitative data needs to be standardised, requiring the use of statistics and diagrams (Ibid).

Since this thesis aim to describe how service firms can use relationship marketing as a strategy to develop customer satisfaction, the qualitative approach seems to be the most apt and therefore most appropriate method to use.
The importance of Relationship Marketing on the Customer Satisfaction

In addition to the decision to use a qualitative approach, it is important to note that the research approach can also be inductive or deductive (Saunders, et. al 2009; Bryman and Bell, 2007).

A thesis operates with an inductive approach when the data collected tends to build a new theory regarding the subject while the deductive approach rather tests the theory previously mentioned (Ibid). These two approaches each have their own advantages. The inductive approach allows the scholar to better understand the significance of events which have taken place while the latter allows a generalisation of the results as well as controlling the accuracy of previous hypotheses (Ibid). It has been suggested that it is impossible to divide these two approaches so that one may make them inflexible. Besides, there are advantages of combining these two approaches in the development of the thesis (Ibid).

For the purpose of this thesis a combination of these two approaches (inductive and deductive) is most appropriate and is therefore used. The theory used for the empirical finding analysis is structured by different customer relationship tactics identified in the literature framework. These tactics will facilitate and clarify the structure of the data analysis in order to more easily find a connection between these tactics and the customer satisfaction. However these tactics are not taken from an existing model, they are based on previous researches. This will help us to create our interview guidelines and therefore help us during the data collection. Moreover this thesis also operates in a deductive way by creating a new theory based on previous case studies.

3.3. Research strategy

There are five different strategies that are effective in exploratory, explanatory and descriptive analysis (Saunders et. al 2009). However not all of these five strategies are suitable for the combined inductive and deductive approaches. It is worth noting that none of these strategies are considered more effective than another, however to demonstrate the relationship marketing tactics that play on customer satisfaction, it is necessary to choose one strategy that will provide data relevant to answer the research question of this study. Furthermore, a timeframe and existing knowledge of the field of research also have to be considered when choosing an appropriate strategy (Ibid).

Experiment, survey, archival analysis, history and case study are the five different research strategies which are possible to adopt. In order to collect data that will potentially establish the customer relationship tactics that play a role on customer satisfaction, we have decided that a case study strategy will be best suited for this thesis.

The definition given to case studies is “a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence” (Saunders, et al. 2009, p145).

Before carrying out a case study, one must consider which of the four methods would be most appropriate. A case study can be single, multiple, holistic or embedded (Saunders, et al. 2009). For the purpose of this thesis, a multiple case
The importance of Relationship Marketing on the Customer Satisfaction

study has been chosen as it is the most appropriate approach to investigate the research question. Indeed, multiple case analysis presents many qualities. Firstly, it allows the researcher to have an observer’s position when examining a given event. Secondly, multiple cases are being studied which allow the researcher to make comparisons between the different cases studied, therefore increasing the quality of the results. Finally, this kind of case study can easily be subject to theoretical generalisation of the findings (Ibid).

A case study’s objective is to answer the questions “how”, “what” and “why” (Ibid), making it relevant in answering our research question. Indeed the goal of our research questions is to find out what customer relationship tactics are playing a role on customer satisfaction. The answers to the “what” question is then investigated to answer the research question. This will be done by comparing three different companies from the same industry.

Finally, the information in our literature which is also used in the interview guide has been obtained through reviewing secondary sources in journals and books. The theories and concepts in the literature studied were of a great help to better understand the different possible tactics that have a repercussion on customer satisfaction.

3.4. Case selection

Before taking the decision to select the cases, we had to choose the sector in which we wanted to investigate. Many sectors have a focus on customer relationship and customer satisfaction but this sector selection was based on our own judgment and has been chosen due to certain factors that distinguish this particular sector from another.

This thesis is going to focus on the banking sector. Indeed, the current economic climate that we are going through is a relevant subject (Wälti, 2012) and has caused many worldwide crises; especially in the banking sector (Chavaa & Purnanandam, 2011). Many customers have lost faith and trust toward their bank and to a larger extent, toward the banking system (Wälti, 2012). Several banks have recorded massive losses never seen before. They even needed assistance from their respective governments.

For the banking sector, the loss of trust and to a larger extent satisfaction of their customers has to be regained (Chavaa & Purnanandam, 2011). This task is not as easy as one would imagine. Certainly, restoring their margin will not be the only bid to gain back the customer’s trust and satisfaction and reestablish its credibility.

Despite the fact that the crisis did not affect every bank, the loss of satisfaction and trust amongst the customers was felt by banks worldwide meaning that they had a lot to do to rebuild their tainted image caused by the economic collapse. We are persuaded by the banking sector that they are focusing their efforts to rebuild customer trust and satisfaction because the customer does not just go to his bank to only buy a service but also to entrust a part of their life, financial safety and the future of their heritage.
Therefore, the decision to choose the service sector was natural to us as the banking sector is at the forefront of regaining the trust and satisfaction of its customers.

In total three different banks have been selected. You can subsequently find below the main differences between the banks which have highlighted and will be further developed in the data collection chapter.

<table>
<thead>
<tr>
<th>Company C</th>
<th>Company B</th>
<th>Company A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affected by the crisis</td>
<td>Highly affected by the crisis</td>
<td>Slightly affected by the crisis</td>
</tr>
<tr>
<td>Second bigger bank in the world</td>
<td>Middle-size bank</td>
<td>Middle-size bank</td>
</tr>
<tr>
<td>International bank</td>
<td>National bank</td>
<td>International bank</td>
</tr>
<tr>
<td>Sector of activity: Insurances and bank</td>
<td>Sector of activity: Insurances and bank</td>
<td>Sector of activity: Insurances and bank</td>
</tr>
<tr>
<td>Missions: help the customers to manage their financial future with exemplary service, convenience and at competitive prices.</td>
<td>Missions: Personal relationship stressed, Society added value generator, transparency</td>
<td>Missions: Proximity &amp; trust relationship</td>
</tr>
<tr>
<td>Competitive standard bank</td>
<td>Competitive standard bank</td>
<td>Slightly less competitive high-end bank focus</td>
</tr>
</tbody>
</table>

These banks have been selected because all of them are principal actors of the bank sector in Belgium and also because of the access the authors had to the information.

In order to obtain a better flexibility on the analysis, all three banks have a similar environment and only minor differences exist between them. These three companies are all situated in the Belgian banking sector and all of them are major players in this part of the world. The size of these banks are similar nationwide and the services proposed to the customer are practically identical. All three banks have weathered the crisis and are currently striving to regain customer satisfaction. The Belgian banking sector has been preferred for the simple reason that the authors had an easier accessibility to the information.

We acknowledge that the interviewees are appropriate and relevant to the thesis’ investigation. These bank employees, constantly in contact with the customers are well informed about the different policies concerning customer satisfaction and trust.

### 3.5. Data collection
There exist several ways to collect data. Data can be collected by the means of a survey, observation or interviews (Saunders, et al., 2009). As previously mentioned, this thesis will conduct a multiple case analysis. This approach is seen as the best way to provide enough evidence to answer the research question. Saunders et al. (2009) argue that interviews are the most effective way to realize case studies.

As aforementioned, this thesis is explanatory and descriptive; therefore it reinforces the choice made to lead interviews. However an interview can be organized in different ways. An interview can be structured, semi-structured or can be an in-depth interview (Ibid). An in-depth interview will bring more freedom to the interviewees and therefore lead to a very open conversation while a structured interview is led by the interviewer and leaves less room for an open conversation (Ibid). The semi-interview is the interview collection technique that is going to be adopted in this thesis as it will suit the research purpose at its best. An interview guide has been developed in order to help the interviewer to keep it organized and consistent during the interview.

This kind of interviews can happen with a focus group or also individually (Ibid). For this study, we opted for individual interviews by the means of Skype and phone. Indeed many problems can occur during the elaboration of a thesis and the first two are time and financially related. This is the last issue that persuaded us to lead Skype and phone interviews instead of face to face interviews.

The first contact with the bank has been done by e-mail and by phone to the three different banks. After explaining and discussing our research project and how we wanted them to help us, a day and time for a Skype and phone interview was agreed on with two different bank employees from the same bank.

The interview guide (see appendix 1) was asked in advance by all the bank employees interviewed in order to be better prepared to answer the questions. Therefore the interview guide was distributed via e-mail.

All the interviews were recorded with the previous agreement of the interviewees; moreover the interviewees were proposed to be sent the transcription of their interviews by mail in order to proceed to confirmation of the content by approving it. Furthermore, the interviewees were asked if we were allowed to cite their names or if they preferred to appear as anonymous. The global process of the data collection can be found in the following table:

<table>
<thead>
<tr>
<th></th>
<th>Company C</th>
<th>company A</th>
<th>Company B</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First interview</strong></td>
<td>Skype</td>
<td>Skype</td>
<td>Skype</td>
</tr>
<tr>
<td><strong>Person A</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>First interview date</strong></td>
<td>22-04-12</td>
<td>23-04-13</td>
<td>29-04-13</td>
</tr>
<tr>
<td><strong>Position of the employee</strong></td>
<td>Front office bank employee</td>
<td>Front office bank employee</td>
<td>Front office bank employee</td>
</tr>
<tr>
<td><strong>Confirmation</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Second interview</strong></td>
<td>Skype</td>
<td>Skype</td>
<td>Skype</td>
</tr>
<tr>
<td><strong>Person B</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Second interview date</strong></td>
<td>23-04-13</td>
<td>25-04-13</td>
<td>04-05-13</td>
</tr>
<tr>
<td><strong>Confirmation</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
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3.6. Data analysis

Three different steps have been involved to structure the collected data. First of all the data is reduced, displayed and finally catagorised in order to establish conclusions (Saunders et. al, 2009; Bryman and Bell, 2007). As previously mentioned the empirical data collected concerns three different Belgian banks and has been recorded for a more efficient transcription. This transcription can be found in chapter four and is therefore non-numerical. In order to analyse the transcript, selection, concepts and coding (Saunders et. al, 2009; Bryman and Bell, 2007) have been made.

Furthermore, the empirical data is initially analysed separately by means of a “within-case analysis” (Yin, 2003) and then examined collectively by means of a “cross-case analysis” (Yin, 2003). Having a cross-case analysis is effective in order to see the divergences between the firms and not only within the theory. The outcome of the within-case analysis will be summarised by a table which will positively impact the cross-case analysis by making it clearer to see the results. Such cross-case analysis is very important to strengthen the findings and highlight relevant findings that will most accurately answer our research question.

3.7. Reliability

The reliability of a study is composed of two parts: the external reliability and the internal reliability (Bryman & Bell, 2007). The external reliability consists of the ability that the results of the study have to be replicated in similar conditions (Saunders et al. 2009). On the other hand, the internal reliability has to do with the agreement of the observers during the qualitative interview concerning what is heard, seen and interpreted (Bryman & Bell, 2007).

In this study, the two authors have participated in the interviews, as well as transcribing the data collected and the analysis of these data. The decisions taken and the elaboration of the study were fully agreed upon by the two authors.

Concerning the external reliability, the interviews were conducted in such a way as to avoid leading questions. These kinds of questions could indirectly influence the interviewees to answer what we want them to answer. Moreover, the interviews
happened very naturally after the working hours, i.e. in the evening, which means that there was no stress pressure related to the working environment.

3.8. Validity

Validity is in the matter of whether the data collected and analysed represents the reality or not (Saunders et al. 2009). It is important to mention it in order to confirm the findings of this study (Ibid).

In order to obtain a high quality study, each qualitative research has to answer various criteria. Internal and external validity as well as internal and external reliability impersonate those criteria (Bryman & Bell, 2007). Internal validity refers to the correspondence between what the researcher has observed and the concept and theories developed in the literature (Ibid). The external validity embodies the extent to which the findings can be generalised to other cases (Ibid).

The findings of this study are based on six interviews from three banks based in Belgium. Therefore, it might be dangerous to generalise the results to a greater scale which would not fulfil the same conditions present in this study. However, the conclusion of this study is based on capable interviewees working in the banks’ front office. Therefore, they are in the best position to guide our exploration to answer our research question. In addition, the data collected from the three different banks have been triangulated by means of two different interviewees from the same bank, which brings pertinence to the findings.
4. Data Collection

This chapter provides the empirical data from the six qualitative interviews conducted with three different banks. The interviews are written in continuous text and are divided into different parts; starting with the background of each bank followed by the different relationship marketing tactics likely to influence customer satisfaction.

4.1. Case study one: company A

Service Quality

Professionalism & skills
This satisfaction of the customer is not gained without effort and the first point that is seen as important is of course the quality of the information given and indirectly the capability of the employees. “A competent employee will gain the trust of the customer more easily thanks to their efficient knowledge and advice, therefore being able to provide satisfaction by catering to the needs of the customer”. It goes without saying that this dimension of capability concerning the employee is important. It is very common to see a customer asking to have an appointment with the director of the agency because of an employee’s competences and/or status. Moreover, if the employee does not seem to be sure of himself and it appears that he does not know what answer to give, then the customer and especially the senior customer is likely to wonder whether the employee knows his job. This will undoubtedly affect the customer’s trust and consequently his satisfaction. In order to avoid such scenarios, intern training programs are organised each year and are compulsory for the employees. Also, the general advice is to at least to look sure of oneself. Besides that, the employees are expected to be able to complete every task (credit, investment, front desk, etc.) in order to manage any customer’s inquiries. If the question is very technical there is a call center where the employee can call to get more details.

Employees’ attitude and behaviour
Most of the customer satisfaction techniques are learned on the field. There are also some intern training programs, where fresh employees have to learn the rudiments of the front office behaviour “we were told many times how important the customer satisfaction and trust was”. However, there is a very meticulous selection of the employees during the job interview that focuses on the sales technique approaches.

The dimension of trust and satisfaction are then closely related. The first thing a new employee does in the bank is to take care of the front office for a given period. The reason of this policy is first of all to get accustomed to a high variety of different tasks and secondly to have a direct contact with the customers and show them that this employee is competent, trustworthy and knows what he is doing. “So everything is related, a customer whose trust we have gained, will be more easily satisfied”. 
Accessibility and flexibility

The reason why the bank will make sure the customer is satisfied is due to the certain profitability which can be made through using this tactic. “The customer is king” the interviewee reminds us, therefore the employees sometimes have to accommodate to the requirements of the customers. “It is not rare that we need to cancel an appointment at the last minute because of the contretemps of the customer, it can also happen that the customer asks us to travel to their house in order to carry out the interview”. Moreover, in order to manage any customer’s inquiries. It can happen that the question is very technical. This is why there is a call center where the employee can call to get more details. The interviewee stresses that, “we will never leave a customer without answering his questions properly, etc.” and also adds, “there are also some privileged customers regarding our division and we must be able to answer their questions and fulfill their needs 24/7”. The top customers have the personal phone number of their advisor so that they can more easily and directly call the bank employee who is involved in their business in order to get a satisfying answer as fast as possible at any moment of the day and night. If it so happens that no one in the bank can take a call, after nine rings, the call is then redirected to a call center where the people there are trained and able to answer any type of questions the customer may have. In addition, the interviewee added: “As the customer entrusts their assets to us and asks us to make their project a reality, so we need to know them better in order to answer their needs as best as possible. To do so, we also need to show our personality and be honest, so that it is a fair situation; we need to satisfy them the very first time and always stay as professional as possible, we never consider our customers as our friends”. Despite all these measures, other aspects of the bank also have their importance. Nowadays, “our agency is experiencing an inconvenience issue as we are located in a highly frequented city where it is difficult and expensive to park. As we have no private car park available for our customers we are aware that this causes a lot of trouble for our customers, an issue which, in a larger extent, could bring dissatisfaction”. Sometimes there are angry customers who threaten the bank’s employees and change banks because of the aforementioned issue. However, in general, most of the agencies have a private parking area available for their customers. Concerning the agency our interviewee is from it must be noted that to overcome this car park problem the agency is open longer hours (until 7pm) every Thursday in order to allow 9 to 5 workers to have an appointment with the bank after their workday. “So there is always this idea of aiming at satisfying the customer”.

Reliability and trustworthiness

Trust is of a great importance when it comes to dealing with the customers. Indeed, such a relationship involving money has to be taken seriously and “the more a customer trust the employee, the more he is disposed to deal with us and not change for one of our competitor”. As aforementioned the first thing a new employee does in the bank is to take care of the front office for a given period. The reason of this policy is first of all to get accustomed to a high variety of different tasks and secondly to have a direct contact with the customers and show them that this employee is competent, trustworthy and knows what he is doing. “This dimension of reliability of the employees has a great influence on customer trust and is therefore taken into account”.
Service recovery

“In Company A we lay emphasis on customer satisfaction”. For instance, an example was given that if a customer calls due to a problem with his credit card while he is on the other side of the world, a particular attention will automatically be given to this customer in order to solve his problem as quickly as possible. “A satisfied customer is a customer who will come back and will bring us profitability, so behind this there is a win-win relationship”. Also, a customer who is not satisfied due to a misunderstanding or because the bank failed to answer their questions adequately will not be forgotten about. “We will implement everything to regain the satisfaction of this customer by the means of a commercial concession.” However if the customer is not satisfied because their card broke in their wallet and begins to complain, the employees will kindly state that this behavior is not appropriate given what happened. “The situation is evaluated on a case-by-case basis”. It is not always easy to grant a commercial concession as the bank needs to request this concession from the bank’s headquarters which can be a very time-consuming process. “It can take 3 days to obtain a commercial concession [but] when a customer is worth it we will try to match the competitors’ price”.

Serviscape

In other agencies there is also a little waiting room where customers can wait for their appointment with a coffee and tea at their disposal. Little attentions like this can highly improve the customer satisfaction “as we show them that they are thought about”. “This factor of welcoming a customer is very important, especially for new customers as first impressions are crucial. So finding a clean and tidy environment to invite them in along with a welcoming smile is significant”. Moreover, this is part of the rules of the charter that the employees receive from the agency (e.g. always welcome the customer in a clear and clean office, way of dressing, good education basis, etc.).

Brand image

This image of quality that the bank offers is therefore important. Nowadays, we can see the importance that the bank’s image has due to the fact that more and more customers are asking questions about the financial crisis, etc. The bad image conveyed by the crisis of 2008 had an enormous impact. The trust people have in a bank is one factor but the trust people have in their bank employee is also a factor that counts. Company A is very active concerning the promotion of its image, “There are a considerable amount of partnerships that company A are involved in to show its presence, company A also organises conferences for people wishing to learn more about special subjects concerning banks. Company A is currently running a huge communication program on the radio.” These image campaigns are undertaken in order to try to restore the trust of the customer towards Company A.

The interviewee also felt the need to stress that it is “a win-win collaboration”. For example, a customer who is highly satisfied by the bank’s service etc. will spread the word to his family and friends, thus creating a very important snowball effect. “If you give something to the customer, you know you will get something positive in return”. Another aspect has been highlighted: “The ability to get into the customer’s mind to understand what they really want whilst not trying to sell them the most profitable
product for us is also a must for every employee as well as always being ready to help the customer out”.

**Price Perception**
As an example, to grant credit to a customer, the bank often asks for a rate exemption in order to offer a privileged credit rate to the customer. This technique can therefore bring a certain satisfaction. Now the bank does not do that for every single customer. There is a segmentation process on the customers of the bank in which they are divided into different categories; such as the silver customer, the gold customer and the private customer. Of course, the importance of bringing satisfaction is given to all the customers but sometimes an extra effort is made on the private customer.

Price concessions make sense as Company A is not the cheapest bank in Belgium. “We have a different policy from our adversary’s; we are not looking to obtain every single customer of the market, we are just focusing on one target clientele” which is the reason why the products and services proposed by company A are a slightly more expensive. However, this price difference is justified by the quality of the service provided. The interviewee gave an example: “When a senior customer comes to our competitor’s bank and asks to complete a bank transfer, the customer will be told he has to use the ATM machine while in company A we will carry out this bank transfer”. Thus, the service quality dimension is stressed and used as a sales argument among the customers in order to alter their perception of the investment rate they obtained. “In general, in people’s minds, company A is a synonym for service quality”.

Despite this quality service, we can see more and more customers who are only concerned with the price and only the price for an investment, insurance, etc. This might be a direct impact from the economic crisis but it has to be taken into consideration. The customer can perceive the price as fair which can bring satisfaction but other customers will be satisfied only because the price they obtained is the cheapest they could find. “More and more, the pure price of a financial service comes first in the selection process as well as the satisfaction brought by this”.

**Communication**
Company A also has campaigns communicating directly on the products they propose. The most important one today is the “activate your savings” campaign. This campaign was launched through a personalised mailing strategy which asked people to come to their bank and talk about their savings because company A has some good products that might interest them. A personalised mailing strategy means that every single letter contains the first name, family name, etc. of the addressed customer. The elaboration of such communication is frequent and not only in mail form. Nowadays, internet is an important tool which every bank should be aware of and this tool is often used to let the customer know about things such as changes in his tax return filling. “To be present in these means of communication is a must for every bank and if we are not, it can bring a huge dissatisfaction amongst our customers”.

The interviewee also adds, “most of the time, the customer is happy to be contacted and told that there is an interesting offer that could suit his profile. Other customers
just say they do not wish to be contacted in the future for such things and respecting this wish of theirs is also very important. A particular importance is stressed about the communication between bank employees. Indeed, if a customer who does not wish to be contacted anymore for an offer and is contacted twice or three times by different employees due to a poor internal communication, this situation will bring dissatisfaction and even indignation from the customer. “A programme with what has been done with the customer, who we contacted with offers, etc. is held and shared amongst staff in order to get the other employees ready if, for instance, a colleague has called in sick and needs to be replaced for a case with a customer he or she is busy with”.

In a larger extent many other things are done in order to make the customer’s life as easy and manageable as possible. For example, the “Home Banking program” (which is a program that allows the customers to access their account from their computer) is organised is such a way that the customer can customise it to have his most used tools directly on the screen. The customer is also asked by which means of communication he or she prefers to be contacted by. It could be by text messages, e-mails, mail, etc. “we adapt ourselves to the lifestyle of the customer”.

Value offers
While approaching the value offer subject, the interviewee stated that “no gift has been distributed for 3-4 years. However, some gifts were given to long-standing customers (especially our private customers) at the end of the year. It is obvious that the intention is not to satisfy the customers but to thank them for their loyalty and we concentrate on having the best relationship as possible with them. As for silver and gold customers, if there is a gift it is more in the form of a rate reduction for an insurance, etc.”. The process of offering gifts to customer is seen as a mean to maintain a positive relationship with the customer and show them they matter for the bank. “The customer will be really satisfied if its investment turns with profit and not because he received a bottle of wine at the end of the year”. It can happen that the bank offers some discount. However, this occur when the bank try to appease a misunderstanding and try to resolve a problem with a customer.

When the interview was concluded, the interviewee was asked regarding the entire interview, what were, according to the interviewee, the most important elements for the customer satisfaction and trust. To which he answered: “give an appropriate and professional answer to the customer. The relationship between the employee and the customer is also vital. In addition to this, the price is an element not to forget as it can also be a key element for satisfaction depending on the customer of course”. He also added: “all these three elements are to be put on the same level of importance”.

4.2. Case study two: Company B

Service Quality

Professionalism and skills
In addition, the employee must have an expert knowledge about what he is talking about and selling to the customer. “We can’t talk about what we don’t know and it would be unacceptable to see an employee incorrectly advising customers without
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taking care of the customer’s expectations”. The knowledge and the expertise of the employee are at the heart of the trust relation with the customer, thus making it an essential element to consider. “In the central administration, a support system is established. This implies a team that is ready to answer calls from bank employees and ready to make contact with agencies in order to relay any type of up to date information, according to the evolution of the markets. By doing this, up to date information is provided to the customer”. So there is tight monitoring of up to date information and market evolution. “This also affects the credibility of our employees which is a very important point and we are very meticulous about it”.

Employees’ attitude and behaviour

Transparency is one of the main aspects related to the customer satisfaction. In practice it means that the employee has to be able to understand and integrate what the customer really wants, thus responding correctly to his or her needs. The bank employee is the first relational contact that the customer has with the bank. This employee will also have to deal with the money earned by the customer, so the relationship is quite an important factor. The contact the customer has with his bank employee is very important too when it comes to customer satisfaction and trust

Accessibility and flexibility

“Every customer from Company B is a customer that the bank gives importance to”. The bank aims to gain the trust and satisfaction of every single customer. This can be achieved through being accessible to the customers when they need to, which is due to the efficient organisation within the agency. It is not uncommon for an employee to sacrifice their lunch in order to attend an appointment with a customer who was unable to come before or after 12:00.

Reliability and trustworthiness

The banking sector is based on trust therefore a bank has to fulfill its promises toward its customers in order to show that they can be trusted. “It is something the bank works really hard on here in a daily routine”. This is inevitably linked to the expertise of the bank employee. This is the reason why these aspects are emphasised in the Company B bank.

Serviscape

According to the interview, it goes without saying that the employee of the bank has to do everything they can in order to ensure that the customer feels welcome and comfortable. This means that the room should be clean, etc. “It is important to welcome the customer and, needless to say, the environment in which we welcome them should be perfect. Failing to do so can have a harmful impact, but it is a must and not something special we have just this second decided to do”.

Service recovery

Moreover, if there is a situation where the bank fails to satisfy a customer, the bank employee has to analyse the circumstance and discuss it with the customer. This is essential regarding the relationship, “it is important to explain why there is such a situation to the customer and if needs be, looking together into what solutions could be found to resolve the problem”. However, not all situations are the same and so it is up to the bank’s employee to analyse the situation and adopt the most appropriate answer to the issue of the unsatisfied customer. “Our objective is to benefit from a long-term relationship with the customer. Indeed, in every single stage of life, the
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bank is present for each individual, so it is normal to have this long term perspective. Such problem solving skills are very important to implement which will allow the bank to carry on the relationship with the customer on a good and solid basis”. However, depending on the nature of the problem, the strategies to deal with it can sometimes be different.

**Brand image**
There are other elements that Company B is working on. Company B emphasises the societal role of a bank. In other words, a bank is a place where people put their savings. This invested money (like bank bonds, investment products, etc.) along with the money the bank has amassed is then used as credit for people; therefore the banks are participating to the growth of a country.

“We have developed a particular product called Bank Bond Local Project which shows the customer where his money was actually invested in”. An example was given of a customer who had invested 50,000 Euros into local project bonds and this money was then used as credit for local schools, for the local baker who needed money to extend his shop and for local small or medium-sized companies. The reason for this development of the Local Project Bank Bond was to make the customer see what their money was being used for and in what way this money was useful for society. It also shows the direct link of the investment because usually the money is spread out into the financial system and the customer does not really know where it’s being invested. “In that way, the customer can see with their own eyes the results of this investment which can contain some risks and to another extent the customer can see the positive effects that the investment can have on local societies; such as the development of the local baker or a small local company, etc. It is tangible, concrete and creates a financial flow”. In that extent, the feeling of being part of a bank that proposes a product which has a direct and important impact on society can have huge consequences on customer satisfaction and trust.

Secondly, Company B launched the “Company B Financial Academy Conference”. Twice or three times a year, in different cities in Belgium, conferences are organised to promote different subjects. For instance, the last conference was about inheritance. Company B coordinates such conferences in order to explain certain products and let the people know how these things work. It is part of the education of the customers as well as of their prospects. “It is a role that Company B wants to take regarding its role in the society of educating the customers to what they are actually buying.” “This communication allows us to interact with our customers and gives an image of proximity; an image of a bank that cares about its customers”. These conferences have had a massive success amongst the customers and it is obvious that this brings a feeling of satisfaction as well as trust and favours the word of mouth which is considered as a very powerful tool.

Even though these “Company B Financial Academy Conferences” create a very positive image of the bank, Company B principally started this kind of formation to be more present in the relational aspect with the customer.

**Price perception**
“Our price position is not that simple. Sometimes, we have the best offers in the market, sometimes we are in the middle and sometimes we are more expensive”. However, Company B tries to adapt the market price depending on the competition,
for instance. The reason why Company B does this is because some customers are very sensitive to the price and price only, whereas other customers might be more interested in the relationship dimension that they develop with the bank’s employees. So it varies quite a lot depending on the customers. “There are shoppers customers, which are the kind of customers who will ask for the same product in every bank, compare the prices and then choose which one can provide the best value for money. Others give advantage to the way the bank follows the case, the quality of the service, etc. so it is quite dependent on the customer’s interest”.

Company B gives a lot more than just a product to the customer, “We take time to listen to the customer and accompany them throughout the whole process. We also care about special demands, etc.” However, as aforementioned, some customers do not give much thought about this kind of service and instead look for the best price in the market. Nevertheless, the interviewee added that when customers of Company B are looking for a financial product which is the cheapest in the market and realise Company B is slightly more expensive, they will still use Company B as a bank to effectuate the transaction. This happens because of all the problems, issues and time consumption that occur whenever a customer wants to change banks. But it all depends on the customer, every customer is different, that’s why the relationship the bank employee has with them is so important, it is crucial to understand each person’s needs and be able to answer them in the most adapt manner.

Communication
Tools such as an online website where the customer can access his bank account and also easily communicate with his bank employee also play a part in the customer’s satisfaction. However, it depends on what the bank wants to communicate; every communication is different, ergo the bank will adopt a different means of communication that is adequate to each message they want to deliver”. Sometimes it is better to do something directly with the bank employee than via the website of the bank. However, occasionally the customer will prefer to go online for simple procedures, like the creation of a bank transfer, which is possible to do with the platform “Company B Direct Net”. It is a necessity to have such tools available to the customer nowadays and Company B didn’t hesitate to install such applications onto their website; positively impacting customer satisfaction. “Now we try to offer an easy access to the website with an easy interface where the tools are easy to use. The option for customers to personalise the website is available for their satisfaction, but if the website is not easily accessible for the customers many of them will not be happy as the internet is a means of communication that has become essential nowadays”. On another hand, it is said that any bank employee would prefer to see the customer face to face to deal with some matters and communicate as it install a trust environment which is way more beneficial for both parts.

Value offers
Let us take an example, “when a customer opens a bank account or deals with us for the first time, we usually offer a welcoming present like a backpack, cinema ticket, etc.” However, if a new customer comes to proceed with an investment, “we won’t try to satisfy them by giving them a backpack as a reward for making a 50.000 euro investment is nonsensical.” The reward will not affect the customer’s satisfaction much; the bank will instead put more effort on the quality of the products they offer in order to gain the customer’s satisfaction. However, it is still advantageous to the relationship if the bank, for instance, offers a bottle of wine after such an investment,
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as well as to reassure the customer and convince them that they made a good decision regarding the risk-taking and situation of their finance. On the other hand, the customer will be happy once they are able to see the impact of the investment.

At the end of this interview, the transparency of the bank has been mentioned again as a very important point to fulfil as well as the trust of the customer that has to be gained in order to satisfy him in a relational aspect. “The customers must be listened to, understood and then be offered the right product whilst taking their considerations into account; this is the key […] thus, other things have less impact on their satisfaction but some points still have to exist in order to bring satisfaction from the customers. The trust of a customer is something the bank needs to gain and this can be achieved through availability, understanding and giving an appropriate answer to their needs. These are the main components we have to keep in mind”.

4.1. Case study three: Company C

Service Quality

Professionalism and skills

The bank is not interested in doing a “one shot sale”, which means only selling one product to the customer. This tactic will almost certainly lead to dissatisfaction, thus making the customer reluctant to return. Employees are constantly reminded of the techniques that they acquired during their induction through completing a questionnaire. “These questionnaires are presented as challenges for the employees and a kind of raffle is created to reward the employees that achieved a maximum of right answers”. There also exist compulsory training programmes for employees. In addition to these questionnaires, there is training days which are mainly sales-oriented but they also indirectly assist in the learning of some customer-focused techniques. To give an example, in these training programs the employee has to face an interview simulation with an external former giving advice about the attitudes to adopt in certain given situations. “The attitudes to adopt are, for instance, not lie to the customer. If the employee does not know the answer to a question, instead of lying, he or she should inform the customer that they will get back to them as soon as they have the appropriate information that could answer their question”.

Employees’ attitude and behaviour

As aforementioned, there exist compulsory training programmes for employees. These training days are mainly sales-oriented but they also indirectly assist in the learning of some customer-focused techniques. To give an example, in these training programs the employee has to face an interview simulation with an external former giving advice about the attitudes to adopt in certain given situations. “The attitudes to adopt are, for instance, to not let the phone ring more than three times before answering in order to deal with the customer as fast as possible. Moreover, meetings between colleagues from the same local bank take place to discuss and exchange information about customer’s cases in order to avoid the customer having to explain their case again when faced with a different employee. “If an employee goes on holiday, they should let at least two other employees know about their current cases”. Now, every single employee has to have up to date notes about their customer’s investments for the next meeting in order to provide quality advice based
on their prior deals. It is also important to mention that important customers for the bank can benefit from the presence of a personal banker. This is someone who is allocated to a few good customers in order to develop a certain relationship with the customer and therefore reach an optimum level of satisfaction.

It is believed that listening to the customer and depicting what they really want is a main factor for customer satisfaction. “Failure to fully understand what the customer wants won’t generate satisfaction but dissatisfaction”. “The bank has to attend to the needs and wants of the customer and not what the bank wants them to buy”. “Indirectly, if we are able to deliver a satisfying answer, it will no doubt lead to a trust relationship and this human capital is considered as a determining factor”. In order to do so, the bank needs, as aforementioned, capable employees who know what they are talking about, but it is not enough. The bank also needs employees who can listen to the customer and interpret what they really need. To find such employees, the selection process is done during the job interviews.

**Accessibility and flexibility**
Customer satisfaction is therefore a major element for a bank and many dispositions are taken in order to reach the best customer satisfaction rate. As an example, the employees have a flexible timetable that allows them to attend an appointment immediately if a customer suddenly arrives and asks for one. This procedure is not the best in a commercial point of view as the employees have no time to prepare the appointment and therefore have a lower performance record, but the satisfaction is such a key element that the bank will concede this in order to get valuable customer satisfaction. Another example concerns people with reduced mobility. “Amongst my customers, I have a person in a wheelchair however we have no facilities for wheelchairs in the bank agency so it is impossible for him to come for an appointment. To solve this problem I do not hesitate to travel and make the appointment in the customer’s house”. In addition, it is said that the employees have to be flexible themselves regarding the customer they are dealing with: “Sometimes, we have to adapt our dialogue depending on the customer, not everyone understands the specific terms and language of the banking sector, so the adaptation and the ability to explain our product is quite important”. It is logical as if the customers do not understand what the product is, not only will they not buy it but they will also feel un-satisfied at the same time.

**Reliability and trustworthiness**
It is believed that the person the customer interacts with is very important. “This importance is more related to the relationship established between the customer and the bank employee, therefore staff rotation amongst the bank could be an issue”. The customer could be lost through not having a person of reference to deal with their accounts and as a result could get the feeling that other employees don’t know anything about their case. “So, having permanent employees is quite important”. A customer who regularly deals with the same employee creates a certain relationship and therefore the employee becomes an active part in customer’s life through, for instance, “taking care of their mortgage, insurance, their children’s bank account, etc.”. “However it is not possible to do that for everybody everywhere. It is, understandably, much easier to carry out this type of service for families in smaller villages rather than huge cities”.
There are also situations when the bank employee, who regularly handles the queries of a certain customer, will introduce another bank employee to them. This is done to allow the customer to familiarise himself with a new bank employee who would be responsible for the customer’s case should the usual employee be unavailable.

It is also worth mentioning that such a trust-based relationship is impossible to have without first satisfying the customer. “A customer cannot trust an employee if they are not satisfied by them, but an employee can satisfy a customer without benefiting from their trust first”.

**Serviscape**

In a bank, the employees are reminded that they are a representation of the bank. “At any moment we are representing the bank during our shift as well as in our private life”. It is possible that for an employee to meet a customer whilst going for food shopping. Also, on social network sites employees need to be professional as well and adopt an attitude adapted to the image of the bank. For example, an employee can’t write on their Facebook profile how difficult it was to deal with a certain customer’s enquiries. In a larger extent, the bank is also represented by everything the customer can see. For example, all the agencies have to follow a particular decor in order for the customer to easily be able to identify the brand. Moreover, there is a “clean desk” policy within the bank which means that every employee has to tidy up their desk before meeting a customer. “This policy exists for two reasons; for information protection and also to give the impression to the customer that the employee is dealing with their case and their case only”. An example was given that sometimes squatters come in the entrance of the bank and stay there for the night until the following day, creating a negative environment for the bank. This is not very reassuring for customers who come in the morning.

**Service recovery**

“The client has to be satisfied, if they aren’t satisfied they won’t come back to us and if they don’t come back to us that means we have failed”. The importance of customer satisfaction for the bank is such that there is a bank policy which is to never let a customer leave that we failed to help. The employees can’t let the customer go if they failed to deliver an answer that met the desired expectations. “Usually, the customer is not happy due to small details such as the time it took to answer their call”. So, the employees have to talk personally with the customer to try and find out the real reason why they are not satisfied in order to try and resolve the issue. For instance, if the customer is not happy because the bank didn’t treat their credit demand sooner, then the bank will cordially apologise and try to deal with the situation quicker and more thoroughly next time. If it is a reproach about the cost, the bank has a certain freedom to take action towards this and tells the customer that the cost will be paid for by the bank so they don’t have to pay it by themself. However, “this practice is linked to the client the bank is dealing with”. Indeed, this client has to be valuable enough from the bank’s perspective to deserve this action.

**Brand image**

During the interview the following fact was highlighted: “brand image and reputation has an extremely huge importance for customer trust and satisfaction”. It can be
argued that local public events could be harmful for the bank as customers would tend to ask questions about it during an appointment with their banker. It is rarely positive for the bank when this happens. However, even though harmful public events can have an impact on customer trust, the bank doesn’t lose all the trust instilled in them. They maintain a certain level of trust in their regular banker. “It is not uncommon to see a bank employee leave their job with one bank to go to another; taking his clients with him even if the new branch is far away from the customer’s house”. “Trust is a very important factor in the banking sector as we are dealing with life savings from a family who has worked hard”. So it is very a serious situation and as a result the customer will want to deal with someone they trust. In addition, the interviewees specified the importance of word of mouth amongst customers. Brand image is also as a result of how the bank performs and they highlight the role of the quality of the service provided, the attention given to the customers as well as the information provided by the media. The image of a bank is not only built on what people see on television but also in everyday life and in the discussions people share. This is one of the reasons why company C is very cautious about that dimension.

In the case of company C, they benefit from a good image. Of course, Company C did have some assistance in surviving the crisis but in a smaller extent than other competitors. Currently company C is promoting transparency. For example, whereas other banks do not want to communicate with the press about a special subject, company C agree to send his spokesman to answer the questions of the journalists. “The customer identifies themselves as being part of company C when they read the news about the banking sector and this identification towards the brand is indirectly spread to our customer themselves”.

If the employees respect this brand image, it is believed that they will be more trustable through the customer’s eyes. “If the brand image is good it means that a big step has been done towards the customer trust which will give a better atmosphere to work with customers and therefore gain their satisfaction more easily”.

**Price perception**

The bank has a specific ranking for their customers. It is based on their assets and on their profitability to the bank. “The more profitable a customer is, the more it is beneficial for the bank to satisfy the customer. This means that the bank would be more willing to refund some of the customer’s costs or to reduce the price of a product if he or she is a profitable customer.” Profitable customers are the main source of profit of a bank which makes those customers capital for the bank. This is the reason why the bank might think twice about granting a commercial gesture to a normal customer compared to a well-ranked customer. However, company C is a quite competitive bank financially-wise; for example, company C was the first bank in Belgium to propose a free bank account. Moreover, if a customer of the bank does a price comparison with its competitors and finds out that they could benefit from a better rate for a loan from another bank, the bank will act in order to avoid seeing the customer leave unsatisfied with the feeling of not being taken seriously. Therefore, company C will propose the same rate as the competition; if it is possible; or justify the rate difference through their quality or special extra services. To illustrate this, company C is currently facing a precarious situation where new customers can benefit from a better rate for insurance than customers already with the bank. It is very difficult for the staff to explain such a difference and this should be changed.
“But as long as it is possible to justify the given price, the customer will be more disposed to accept such a difference and then not see this alter his or her satisfaction”.

**Communication**

Company C is very careful when they communicate to the customers by letters, e-mails etc. because of the number fraudulent letters that are sent by people acting with bad intentions. The interviewee specified that it is a point which is highly controlled in order to assure the security of their customer’s bank account. “It often happens that some mystery shoppers come and ask to do a bank transfer by phone, which is completely prohibited as we have no means of knowing if the person calling is the actual customer”.

Company C only communicate through these means to let the customer know about promotions, etc. the real effort is made more through the internet website of the bank: “A fortnight ago, company C launched a new tool within the company C website; it now works by the means of cookies which allows the customer to have access to their favourite pages more easily. It also allows the customer to have their password, credit and insurance simulation saved in order to gain faster access of the company C banking interface and get straight to the point. Moreover, such a handy website is believed to bring a certain degree of satisfaction amongst the customers”. However, human capital remains one of the most important aspects. It often happens that people do some credit and insurance simulation by internet and then come to the bank agency to buy the product they checked.

**Value offers**

When a customer opens a new bank account we give a little present which symbolises a good start with the customer. We know young people are happy to receive such presents while the majority of people prefer to receive a commercial gesture regarding the insurance etc. However “we do not do that specifically to gain customer satisfaction, we do it more to start up a good relationship with them and it is always nice to have a welcoming present”.

"The importance of Relationship Marketing on the Customer Satisfaction"
5. Analysis of empirical data

This chapter demonstrates the analysis of the data collected and confronts them with the different relationship marketing tactics presented in the theoretical framework. However, in order to appropriately deal with all the aspects of the data collected, new tactics are crafted. This analysis will be first led by a within case analysis. Ultimately a cross-case analysis will be provided.

5.1. Within case analysis

In the first part of the analysis chapter, a within case analysis will be elaborated upon. Each bank will be analysed separately and tested with the aforementioned theories in the literature review which have helped to develop the frame of reference. In this within case analysis, all the relationship marketing tactics will be investigated based on the data collected. Therefore, the analysis will be structured following these different tactics: service quality, brand image, price perception, value offers and communication.

5.1.1. Service quality

Case study 1: company A

When talking about the service quality, Company A directly emphasised two important factors which they consider to be the essence of the quality service. The first factor is the professionalism of the staff which they see as very important. Indeed, many examples were given to show its importance. You cannot sell what you do not know and if an employee does not master and cannot answer the questions of the customer, this will negatively alter the quality of the service as the employee failed to answer the question of a customer, thus leaving them unsatisfied with the bank. Some operations are done specially in order to increase the professionalism of an agency for instance the staff has many training about products, etc. This confirms what Grönroos (2001) argued.

The second element which is directly emphasised is the accessibility and flexibility. In concordance with what the literature says (Dayarathna, 2009; Gronroos, 2001), this element is seen as important for the service quality: the accessibility to the bank and the flexibility of the employees. The Company A stated that for a particular customer base “We must be able to answer their questions and fulfill their needs 24/7”. Moreover, it is not unusual for the employee to skip their lunch break in order to have an unexpected appointment with a customer. The accessibility of the agency itself plays a role as well. company A experienced problems regarding a lack of car parking spaces and mentioned it as an element which has to be taken into account.

The employee's attitude and behaviour is also seen as important in order to make the customers feel that they matter. Company A put a lot of effort in training their new staff and advising them how they should react on particular occasions.
Moreover, the job application process is quite selective; therefore we can say that a concern exists toward that service quality dimension as stated on the theory of Dayarathna, (2009) and Gronroos, (2001). The employee’s behaviour is also important when it comes to dealing with a misunderstanding between customers. Company A will try to do everything to find an agreement with the customer and resolve their complaint. However, every situation is different and therefore evaluated based on the case. It is believed that the quality of the bank is also evaluated by the way the bank reacts to precarious situations. Service recovery is therefore an asset that is seen as important for company A but is evaluated on a case-by-case basis. Berry and Parasumaran (1991) and Grönroos, (2000) are justified here.

Company A also mentioned the importance of the Reliability and trustworthiness of the employees. Indeed, it is not rare to see a customer asking for an appointment with a particular employee because of his skills and professionalism states the employee of Company A. Moreover, when an employee is trained, he is told to never mislead the customer as a trust relationship with a customer is priceless. Therefore, the Reliability and trustworthiness of the employees is considered as important by Company A and agree with the literature of Dayarathna, (2009) and Gronroos, (2001). When it comes to serviscape, this concept is important in its own way. The emphasis of the bank is not placed on this dimension for improving the quality of their service; it is seen more as a question of etiquette. This confirms the theory of Bitner (1990) and Grönroos, (2000). In addition, Company A emphasised the fact that serviscape is something obvious to adopt by banks.

Case study 2: Company B
Company B is a bank that has a lot of concerns about their transparency. To a larger extent, one can say that the reliability and trustworthiness of the employee is the main concern and seen as important. Indeed, Company B praises its transparency in order to appear reliable to the customer. This is a very important point to them, making it their main objective that they want to achieve. They repeat many times that they are meticulous about that dimension as they believe it affects the quality dimension on the bank as well as the satisfaction of the customer. The theory of Grönroos (2001) aforementioned is therefore verified. Secondly, the professionalism and skills of the staff is mentioned as a main factor affecting the customer and is therefore seen as important. Indeed, the bank states that it would be unacceptable for an employee to incorrectly advise a customer as the expertise of the bank lies in the heart of the trust relationship with the client. Moreover, the bank maintains a high importance in the tracking of the market evolution in order to provide the most up to date information to the customer. This totally concerns the literature led by Grönroos (2001) which claims that the professionalism of the staff has to take commitment, integrity and morality into account. The following point concerns itself with the employee attitude and behaviour which is considered as an added value of the service and seen as important by Company B bank. Indeed, Company B takes time to listen to the customer and explain to the customer clearly and coherently what the product is, etc. This is a part of the product which enhances its quality. The accessibility and flexibility is also seen as important as the employee has to occasionally sacrifice their lunch time to attend an appointment with a customer and developing an intern organisation allowing the staff to be the most accessible as possible. This is believed to be a driver for the quality of their service as well as the satisfaction. This confirms the theory of Grönroos (2001).
As the objective of Company B is to benefit from a long relationship with the customer, the service recovery is seen as an important part in their providing service. However, the solution depends on the nature of the problem and sometimes the strategies to deal with them can be different. When it comes to serviscape, Company B agreed with Bitner (1990) and Grönroos, (2000) by stating that it was needless to say that the environment should be appropriate to welcome the customer. It is obvious that there is a need to have a clean and nice environment to welcome the customers.

Case study 3: company C
For the case of company C, the points of professionalism and reliability of the staff are seen as important and are primarily stressed. This is due to the fact that if the employee is able to respond to the customer’s queries quickly and professionally, it will consequently lead to a stronger sense of trust in the bank. It is this aspect of the bank’s service that will lead the most to customer satisfaction. This verifies the literature and the viewpoint of Grönroos (2001). Moreover, the bank needs employees who can listen to the customer and interpret what they really want. These skills are linked to the appropriate employees who are found through a strict selection during the initial job interviews. The dimension of employee’s attitude and behaviour is therefore seen as important and the related literature of Dayarathna, (2009) and Gronroos, (2001) is therefore accepted.

Accessibility and flexibility of the staff is then cited and considered as important. Indeed, the bank established staff meetings in order to discuss customer cases. This process allows the staff to be kept up to date about any customers and therefore expected to conduct unexpected appointments whilst being familiar with their cases. This is an example of what the bank does to be accessible to the customer. Furthermore, they emphasised the fact that being flexible with the customer is also very fruitful for the perceived quality. Company C also does not hesitate to travel to the customer’s houses when they physically can’t come. Ergo, company C embraces the theory developed by Dayarathna, (2009) and Gronroos, (2001). Following these two dimensions, the service recovery is mentioned as another key part of the bank’s policy as the bank does not want to lose an unsatisfied customer. However, solutions are found on an individual basis. Such a policy means that Berry and Parasumaran (1991), as well as Grönroos (2001) were right. The effect of such a policy is seen as important by company C bank.

The last tactic mentioned and seen as obvious to increment is the serviscape. There exists a clean desk policy in company C which is used primarily for information protection reasons and also for presentational reasons which act as a form of respect toward the customer and shows them that the employee is solely focusing on them. To a larger extent, squatters brought a lot of dissatisfaction among the customers. The environmental influence has to be taken into account and has to be perfect in order to receive the customers. This corresponds to the thoughts of Grönroos (2000) and Bitner (1990) who both state that the service provider has to be built on appropriate physical surroundings.
5.1.2. Brand image

Case study 1: company A
Accordingly to the theory, a company that the consumers perceive as a positive brand image get a better position in the market in comparison to its competitor having a less favourable brand image (Aaker, 1994). Scholars also identified that a positive brand image would lead customer trust and create loyalty (Nguyen & LeBlanc, 1998; Kandampully & Suhartanto, 2000). Company A is fully aware of the importance of the brand image. The interviewee daily sees customers who need to be reassured about the economic situation problems portrayed via the Media. Moreover, company A is very concerned about its brand image and consequently drives several operations in order to show the bank culture such as partnership with CAP48, marathons, etc. This is in accordance with the idea of Nguyen & LeBlanc (1998) and Kandampully & Suhartanto, (2000) as Company A hold brand image as important for gaining customer trust.

In addition, Company A recognises the power of word of mouth on the brand image as mentioned in the literature by Grönroos (2000). Company A calls the bank relationship with customers a “win-win” relationship where a customer who is satisfied with the quality of the service provided will spread the word to other people, which will positively alter the bank image. Company A is fully aware of the power of such a tool and considers the importance of the word of mouth in their brand image strategy.

Case study 2: Company B
The case of Company B provides two examples that confirm the importance of brand image toward customer trust which agree with what the literature says Nguyen & LeBlanc (1998) and Kandampully & Suhartanto, (2000). The implementation of the “Bank bond local project” perfectly shows how Company B try to satisfy and enhance the trust of their customers through their image. In addition, they have launched the “Company B Financial Academy Conference” which is believed to positively influence the image of the bank by being close to their customers, etc. which obviously brings satisfaction among the customers.

Company B also admitted that the brand image was also led by the word of mouth and is considered as an important powerful tool that has to be taken into account. Therefore, Medias are not considered as the only thing that could possibly improve or degrade the brand image, the quality of the relationship between the customer and the employee for instance is considered as important for the bank image. This validate the theory of Grönroos (2000) stating that a customer can built his brand image experience only by the word of mouth from other customers.

Case study 3: company C
Company C gives a large importance to the image the Bank offers. Nowadays company C takes advantage of a good public image. If it is good, it means a big step has been accomplished towards the customer trust and therefore they can gain the customers’ satisfaction more easily. Company C sees brand image as important for gaining customer trust and therefore corroborates the study of Nguyen & LeBlanc
(1998) and Kandampully & Suhartanto, (2000). Moreover, company C has a policy of transparency and most of the time company C will agree to send his spokesman comment on actuality for news television in order to deliver this image of availability.

In addition, company C also highlighted the importance of word of mouth concerning the brand image tactic and confirming the theory of Grönroos (2000). Indeed, they specified how service quality, the quality of the relationship as well as the information provided by the media were important for the image of the bank. This can have a good or a bad effect on the brand image depending on how those points perform. Indeed, the image of company C is not only led by the media, but also through the everyday life of the employees themselves.

5.1.3. Price perception

Case study 1: company A

It is believed that customers do not remember the actual price that they paid for a product or service but integrates a fairness of the price by generating their own price mentally taking the service and the price into account Varki and Colgate, (2001), Cheng et al, (2008). Company A seems to have well integrated that as company A is seen as a high-end bank which provides their clients with certain perks. Therefore, they justify the cost of their product through their add-ons. It is believed that this aspect plays a role on the customer satisfaction which is why the bank continues to use it. This confirms the view of Varki and Colgate (2001) who consider the value for money as influencing the customer satisfaction. The price fairness is seen as important and the bank gives a particular interest to that dimension and admits it affects the customer satisfaction and trust. This aspect reaches the thoughts of Cheng et al. (2008).

According to the existing literature, customers are inclined to use the price as a factor when evaluating their experience with the service bought and also in building their own opinion toward a provider (Varki and Colgate, 2001, Cheng et al, 2008). Therefore, the price perception can be different from every individual Zeithaml (1998). It seems that Company As have well integrated this idea that the price perception differs between customers as they proceed to a selection of their customer to see if they can grant them special prices. The bank does this in order to make sure the most profitable customers will be satisfied with the perception of the price they paid.

However, Company A witnesses that customers are becoming more concerned solely with the price itself and have fewer expectations of the product. Company A supposes this might be a direct consequence of the financial crisis of today.

Case study 2: Company B

Company B rigorously applies the theory described by Varki and Colgate, (2001) and Cheng et al, (2008) as the price fairness is seen as important. Indeed, Company B sells far more than a product, they add extra value onto taking care of the customer, etc. and this point is seen as a reason why the price of a product may be slightly higher than the market.
Company B says that it can depend on the customer they are dealing with. Indeed, some customers will accept to pay a little bit more and take advantage of the perks provided by the bank while other customers will be satisfied with the cheapest price. This supports what Varki & Colgate (2001) mentioned in the literature. Moreover, different examples were given regarding different kinds of customers as it is known that the price perception differs between customers. This aspect fits with the thoughts of Cheng et al. (2008). Moreover they also admitted that they have to deal more and more often with shopper customers who are looking for the cheapest price and nothing else. Indeed, Company B observes that customers are becoming more concerned solely with the price itself.

**Case study 3: company C**

Company C is a competitive bank and many customers are very satisfied with the rate they are offered. However, they can experience some troubles. Indeed, some products can be more expensive to customers who are loyal to the bank than to a new customer. This generates a huge feeling of dissatisfaction amongst long-standing customers. Price fairness is seen important to have. It brings satisfaction of course but can also bring a huge discontent and a loss of trust. This totally corresponds to the statement of Cheng et. al (2008) and Varki & Colgate, (2001). Moreover company C stated that if they could explain the reason why they are more expensive, they believe the satisfaction of the customer would not be affected. It now depends on the quality provided whether it brings satisfaction or not. Varki and Colgate (2001) are here justified.

It appears that company C have also well integrated the theory of Zeithaml (1998). By stating that the more profitable a customer is, the more it is beneficial for the bank to satisfy the customer and therefore the bank would be more willing to refund some of the customer’s costs or to reduce the price of a product if he or she is a profitable customer. This cost reduction for good customer exists to maximise the chance to get positive perception of their prices. Indeed the price perception differs between customers and if one normal customer out of many feels not satisfied the bank would be less willing to grant him a price reduction.

### 5.1.4. Value offers

**Case study 1: company A**

The literature review chapter showed that value offer can play a major role in customer relationship and satisfaction, (Grönroos 1996; Verhoef, 2003). It is believed that value offers affect the increasing of the customer’s perceived benefits (Ravald & Gronroos, 1996). In Company A, value offers rarely exist; it has been more or less three to four years where no gifts have been offered at all to the customers. Only gifts for exceptional customers are given but its role is not to increase the customer satisfaction and reduce the sacrifice as stated by (Ravald & Gronroos, 1996). Gifts are offered in a human capital perspective. Indeed, when Company A proposes value offers such as gifts, they are doing it to show their customer that they matter. Contrary to the theory of Wilson and Jantrania (1995), the value offer added to the core product is not seen as important by the customer. The satisfaction will come through the product quality and its price perception. It is then specified that if the bank offers a reduction for a particular customer, it may be more to show that they matter to the bank or to appease a misunderstanding.
Case study 2: Company B

In Company B bank, value offers exist and they offer it to the customer when they open a bank account in order to start the relationship in a positive way. However this is one of the only scenarios where gifts are offered. It has been said that a customer does not invest 50,000 euro into the bank because of the complimentary backpack he'll receive. The customer will only be satisfied once they see the impact of their investment and not because of the gift he received from the bank. The gift exists for a human capital perspective and reassures the customer he has done a good investment. To a larger extent it can lead to customer satisfation but it is surely not the main focus of the bank by doing so. The role of value offers here is not to increase customer satisfaction and reduce sacrifice in contrary of the theory of Wilson and Jantrania (1995), Grönroos (1996) and Verhoef (2003).

Case study 3: company C

In company C, value offers exist as well but are not playing a major role in customer relationship and satisfaction at all, unlike the theory of Grönroos (1996) and Verhoef (2003). company C also has welcome presents for new customer and admits it has more chance to satisfy the younger customer base more. However, they “don’t specifically do that to gain customer satisfaction”. The role of value offers is not to increase customer satisfaction and reduce sacrifice but value offers exist here for “starting up a good relationship with them”. It is obvious that company C use value offers in a human capital perspective.

In addition, company C add that most people prefer to have a financial commercial gesture as a present. However, those kinds of commercial gestures are more granted for being at the same price of our competitors or because of the customer status in order him to feel he paid a fair price. This does not agree with the theory of Raval and Grönroos (1996) and Wilson and Jantrania (1995).

5.1.5. Communication

Case study 1: company A

Accordingly to the theory of Anderson et al, (2001), Communication is used to generate customer collaboration and commitment. Moreover, Leong Yow Peng and Qing Wang (2010) support the notion that effective and positive communication is crucial in a relationship. Communication, such as personalised letters, direct mail, web site interactions, other machine-mediated interactions, and e-mails, has direct effects, all significant, on satisfaction (Ball et al, 2008) and enable the company to improve the understanding of the customer needs (Peelen et al. 2009).

In the case of Company A, they give importance to the direct marketing communication tools as they are running campaigns to communicate on products directly with the customer through personalised mail. Moreover, they use the internet which is a tool that has become a compulsory necessity nowadays. The bank is particularly interested in making this tool as simple as possible to use so that it can be accessible to everyone. Therefore, Company A corroborates with what Ball et al. (2008) and Andersen et al. (2001) have stated.
company A puts the emphasis directly on dealing with the customer. One can see that a huge importance has been given to the relationship between the customer and the employee. "In order to answer the customer’s needs as accurately as possible, we need to show a part of our personality and be honest", they explained. Therefore, this communication can be considered as human capital oriented. They also added that a person is more easily subject to be satisfied if he / she trust the employee. This supports the theory of Grönroos (2008) that proposed the idea that that relationship marketing is at its peak when you can trust the person with whom you communicate. In addition, when asked what the most important drivers of satisfaction were, the interviewee felt the need to repeat the importance of the inter-relationship with the customer.

Case study 2: Company B
Concerning the case of Company B, they adapt to the customers since each of them have different preferences concerning the means of the type of communication they prefer. Some customers would rather use the Internet to communicate with the bank whilst others would be more comfortable in contacting them physically or by phone emphasising the practical and convenient way to use these tools. Usually, Company B does not like to communicate by any other means other than physically due to falsification issues. This does not fit with the idea of Ball et al. (2008), Andersen et al. (2001) and Leong Yow Peng & Qing Wang (2010). No importance is given on the direct marketing communication tools as Company B makes them available with a view to improving their accessibility and be up to date and not in order to literally use it as a mean of communication.

Moreover, Company B specified that another aspect of communication was important for the customer. The aspect they mentioned is the contact the customer has with his bank employee which is named as vital for the bank. This human capital aspect is repeated as well at the end of the interview as a major driver of customer satisfaction. Indeed, it is believed that seeing the customer face to face and build a trust relationship with the customer will be way more beneficial than mail or e-mail. Therefore, it can be affirmed that Company B is more human capital oriented.

Case study 3: company C
With regards to company C, they are very vigilant with everything that concerns e-mails, letters etc. because of the possible falsification of it. Therefore, company C only use these means to publicise their promotions and not to gain customer satisfaction. Checkups with mystery shoppers are even carried out on a regular basis to make sure that the bank does not use these means of communication to effectuate operations. This is, in fact, the opposite of the theory expressed by Ball et al. (2008) and Andersen et al. (2001). In addition, company C is very cautious with its website and tries to make it as simple and user-friendly as possible. In a nutshell, no importance is given at all on the direct marketing communication tools.

On the other hand, company C considers that a human capital oriented communication is essential to bring customer satisfaction. They also insist several times on the importance of the relationship established with the customer. Indeed it is said that it often happens that that people do some credit and insurance simulation by internet and then come to the bank agency to buy the product they checked.
5.2. Cross case analysis

The second part of this chapter is the cross case analysis. This part will compare the different cases between each other, based on the within analysis of each one. The following tables summarises the within case analysis for each bank. By doing this, some conclusions and findings can be drawn upon.

5.2.1. Service quality

Understanding the theory presented in the literature review, service quality is influenced by different criteria (Dayarathna, 2009; Grubor, 2008; Ennew & Woo, 2005). Indeed, all the three bank have considered the criterion Professionalism and skills, employees' attitude and behaviour, accessibility and flexibility, reliability and trustworthiness and service recovery as important for gaining a good service quality which will subsequently bring satisfaction to the customer. The serviscape criterion is considered by the three banks as obvious to increment in the bank. This means that the banks do not implement a serviscape strategy in order to gain customer satisfaction but implement it naturally. Indeed, if a customer finds an uncomfortable environment it can bring dissatisfaction. Due to this, one can see a connection with the theory of service quality (Dayarathna, 2009; Grubor, 2008; Ennew & Woo, 2005) and the customer satisfaction.

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<th>company A</th>
<th>Company B</th>
<th>Company C</th>
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<tr>
<td><strong>Service Quality</strong></td>
<td>-Professionalism and skills is seen as important</td>
<td>-Professionalism and skills is seen as important</td>
<td>-Professionalism and skills is seen as important</td>
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<td></td>
<td>-Employee’s attitude and behaviour is seen as important</td>
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<td>-Accessibility and flexibility is seen as important</td>
<td>-Accessibility and flexibility is seen as important</td>
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<td>-Reliability and trustworthiness is seen as important</td>
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<td>-Service recovery is seen as important</td>
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<td>-Service recovery is seen as important</td>
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<td></td>
<td>-Serviscape is seen as obvious</td>
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Figure 3 - Summary of the service quality - Own illustration
5.2.2. Brand image

In all the banks investigated in this thesis, it appeared that they all implement some kind of action aiming at improving and embellishing their brand image. In all the banks, these actions are led in the media by the mean of partnership, radio diffusion. Company C, contrarily to the two other banks that may not want to communicate with the press about a special subject will automatically send his spokesman to answer the questions of the journalists in order to show that company C is open to discussion. Concerning Company B, they try to make the customer participate through their media intervention by the mean informative seminars. The literature engaged here by & LeBlanc (1998) and Kandampully & Suhartanto, (2000) is therefore validated.

Finally, following the theory of Grönnroos (2000), the word of mouth dimension seems to be considered as quite important by the three banks studied. Indeed, it is believed that the word of mouth is a mean that can improve or damage the brand image of any brand. In all the three cases it has been explained that the quality of the relationship between the customer and the employee or even the service quality is very important as it can be spread by the word of mouth and degrade or improve the brand image.

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<tr>
<th>Brand image</th>
<th>company A</th>
<th>Company B</th>
<th>Company C</th>
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<td>-Brand image seen as</td>
<td>-Brand image seen as</td>
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<td>important for gaining</td>
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<td>customer trust.</td>
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<td>-Importance of the</td>
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<td>word of mouth</td>
<td>word of mouth</td>
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Figure 4 - Summary of the brand image - Own illustration

5.2.3. Price perception

Understanding the theory presented in the literature review by Varki and Colgate, (2001), Cheng et al, (2008), the three banks understand that the price fairness is important and that this aspect plays a role on the customer satisfaction. This is why the three banks attempt to justify as much as possible the cost of their product through their add-ons.

Moreover, all the banks agree with the literature that says the price perception differs between customers (Varki and Colgate, 2001; Cheng et al, 2008 ; Zeithaml (1998). Indeed, all the banks have implemented a ranking between their customers by how profitable they are. The more profitable a customer is, the more he is inclined to be granted better prices. This is a strategy banks use in order to maximise the chances to get positive perception of their prices. However, if one normal customer out of many feels not satisfied banks would think twice before granting him a price reduction. In other words, the banks try to control the price perception of their customers but they cannot have one hundred percent of satisfied customer. Indeed, Company B and Company A observed that customers are becoming more
The importance of Relationship Marketing on the Customer Satisfaction

concerned solely with the price itself. It can be suggested that the economic climate is the main reason of this trend. The recent economic crisis has affected many people and as a result, people are more and more looking for saving money where they can. However company C did not notice such a thing. As aforementioned, company C is a highly competitive bank when it comes to prices; they were the first to implement a completely free bank account in Belgium. Following this reasoning, we can suppose that starting from a few years ago; many new customers came, attracted by the low prices of company C.

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<tr>
<th>company A</th>
<th>Company B</th>
<th>Company C</th>
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<tr>
<td><strong>Price perception</strong></td>
<td>- The price perception differs between customers</td>
<td>- The price perception differs between customers</td>
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<tr>
<td>- Price is seen as important.</td>
<td>- Price is seen as important.</td>
<td>- Price is seen as important.</td>
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<tr>
<td>- Customers are becoming more concerned solely with the price itself</td>
<td>- Customers are becoming more concerned solely with the price itself</td>
<td>- Not applicable</td>
</tr>
</tbody>
</table>

Figure 5 - Summary of the price perception - Own illustration

5.2.4. Value offers

In all the banks viewed in this thesis, it appeared that in all of them value offers exist or rarely exist. However, it appears that the three banks had a different reason to adopt value offers than what the literature had suggested. Its role is not to increase customer satisfaction and reduce sacrifice which is going against the theory of Ravald & Gronroos, (1996). The three banks propose value offers with another intention than add something to the core product which will be perceived as important by the customer (Wilson and Jantrania, 1995). It appears that value offers have not the same effect on customer in the bank sector. As Company B mentioned, the kind of product sold in banks involves a lot of money and value offers are therefore not appropriate. Indeed, the core value of the product sold to the customer engage so much money that including a value offer such as a backpack, pen, etc. will be perceived as insignificant and pointless to the customer’s mind.

Despite that, value offers still exist in the banking sector for another reason. The three banks studied in this thesis mentioned the human capital perspective. Indeed, the value offer included in a product from the banking sector is offered as a tribute of friendship and successful collaboration.

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<th>company A</th>
<th>Company B</th>
<th>Company C</th>
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<td><strong>Value offers</strong></td>
<td>- Value offers rarely exist</td>
<td>- Value offers exist</td>
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<td>- Its role is not to increase customer satisfaction</td>
<td>- Its role is not to increase customer satisfaction</td>
<td>- Its role is not to increase customer satisfaction</td>
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5.2.5. Communication

In the cases of Company B and company C, one can see that no importance at all is given on the direct marketing communication tools to gain customer satisfaction. These communication tools are present in order to follow the trend (for instance internet banking) and position themselves as an accessible bank. Moreover, it is argued that the sector studied is not favourable to this mean of communication due to the risk of fraud and financial abuse. The theory of what Ball et al. (2008) and Andersen et al. (2001) is therefore not verified by those cases. Concerning Company A it is slightly different and states that those communication tools are used in order to enable the company to improve the understanding of the customer needs and in a larger extent bring more customer satisfaction. The theory of what Ball et al. (2008) and Andersen et al. (2001) is therefore verified by this case. As aforementioned, company A is more of a high end bank and it can be suggested that this element might be the reason why company A is more disposed to use direct marketing communication tools than the two other banks company C and Company B. Indeed, a high end bank deals more easily with richer persons and as aforementioned, a profitable customer is very well treated and is more subject to a personal following of its finances which develops a trust relationship between the bank employee and the customer. Therefore, when the customer is reached by a direct marketing communication tools it makes it easier to detect a fraudulent person. This can be more difficult to normal low end banks which have to deal with more customers.

In a general point of view, all the cases viewed in this study expressed an interest to the human capital. Indeed, they believe that a human capital oriented communication is essential to bring customer satisfaction. It seems that the customer needs more than an automatic transaction, something he can find through a direct communication with an employee, the human capital. It appears that human capital is a tactic regularly used by the three banks. Indeed, as aforementioned in the cross analysis of value offers, this tactic has been mentioned once more as essential to bring customer satisfaction.

<table>
<thead>
<tr>
<th>Communication</th>
<th>company A</th>
<th>Company B</th>
<th>Company C</th>
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<td></td>
<td>-give importance to the direct marketing communication tools.</td>
<td>-give no importance at all on the direct marketing communication tools.</td>
<td>-give no importance at all on the direct marketing communication tools.</td>
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<td></td>
<td>-Human capital oriented</td>
<td>- Human capital oriented</td>
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Figure 6 - Summary of the value offers - Own illustration

Figure 7 - Summary of the communication - Own illustration
6. Conclusion

In this final chapter a conclusion will be drawn from the data collected in this study. The purpose of this work was to describe how service firms can use relationship marketing as a strategy to develop customer satisfaction. Ergo, the research question will be answered and further implications will be proposed.

6.1. Conclusion

The purpose of this study was to describe how service firms can use relationship marketing as a strategy to develop customer satisfaction. In order to pursue this purpose, the authors have not only studied the relationship marketing tactics in an isolated way but in a holistic point of view. Throughout this thesis, it has been possible to distinguish and describe the relationship marketing tactics that allowed the studied banks to manage a positive customer satisfaction.

As characterised in the problem discussion, a company’s main priority is to make their customers satisfied. Naturally, when a company loses a loyal customer, the cost of regaining a new customer is very dear. No real concept of relationship marketing tactics has been agreed among scholars who leave here a gap on the theory which is taken up and addressed in this thesis.

Reminder of the research question: “What role do relationship marketing tactics play on customer satisfaction?”

Through the review of literature, this thesis has recognised five different relationship marketing tactics argued amongst scholars to influence the customer satisfaction and trust. These were; service quality; brand image, communication, price perception and value offers. Based on a qualitative case study of three different companies, the results showed the main approaches undertaken by companies in order to attain customer satisfaction and trust as well as the roles they play.

The analysis presented in the chapter 5 suggests a new outlook on what relationship marketing tactics influence customer satisfaction. The findings of the analysis can be summarized as below:

The data collected from the case studies demonstrated that ‘value offers’ was present in the sector studied but was not incremented to increase the customer satisfaction. It appears that banks implement this tactic in order to develop the human capital between the customer and the employee. In addition, the communication tactic is not found to be important at all either. It can be suggested that direct marketing communication tools are not used within the banking sector as fraud is a common phenomenon in this field. It appears all the banks prefer to deal directly with the customer with a human capital perspective. Human capital is therefore a tactic currently used by banks as an attempt to gain their trust and satisfaction. The service quality has gained unanimous support from the three different banks as being a tactic for customer satisfaction and trust. Different criteria
can play a role on the quality of a service; the professionalism of the employee, the employee’s attitude, the accessibility and flexibility, the reliability, the service recovery and in a smaller extent, the serviscape. The price perception is also perceived as a main attribute for customer satisfaction. Indeed, based on this tactic, banks offer a reduced price for their most profitable customers in order to satisfy them as much as possible. In addition, it appears that more and more customers focus on the price itself regardless of the perks obtained. Finally, the brand image is directly demonstrated in all banks as important to gain customer trust. Moreover, the three banks emphasised the fact that word of mouth was a major element that has to be taken into account. It would be wise not to forget that none of these tactics are considered as more important than another, but are an integral part of the strategy. In other words, these four main customer relationship tactics appeared to have a role on customer satisfaction and trust; the service quality, the brand image, the price perception and the human capital. These tactics have been identified as having a crucial role on gaining customer satisfaction.

6.2. Contribution and implications

This thesis aims to describe how service firms can use relationship marketing as a strategy to develop customer satisfaction.

Previous research has already been carried out on customer satisfaction. However, this study directly focused on the idea that relationship marketing tactics played a part on the customer satisfaction. This allowed us to be able to treat the matter in more detail. The findings could be a great help for service companies. Certainly, knowing what tactics are important to banks that specialise in relationship marketing can be of great use to the decision of developing such approaches. These results were used to substitute for the lack of knowledge by providing insights to firms regarding which marketing tactics are effective in order to gain customer satisfaction.

Furthermore, this study can be useful to any scholar or student studying the matter of customer satisfaction and relationship marketing tactics. Ultimately, as it will be mentioned in the further research suggestions part of this work, the data collected by this study can contribute to the development of the database for this subject and therefore allow a better understanding of this matter.

6.3. Further research suggestions

This thesis studied the relationship marketing tactics influencing the customer satisfaction. Based on a qualitative study, this work found out different tactics that are used. Collected information from employee directly in touch with customers in three different banks enhances the validity of the findings. However, we believe that gathering data from more countries could strengthen the findings. In addition, a quantitative study that would test the different tactics would be appropriate in order to increase the reliability of our findings and generalise them in sectors other than the banking sector.

Ultimately, this thesis had a focus on the relationship marketing tactics and did not focus on other tactics not concerned with relationship marketing. This perspective is worth being examined in further studies and can be the subject of other research.
7. References


Dayarathna, S. (2009). Is the SERVQUAL questionnaire a capable and reliable instrument for measuring service quality in a retail supermarket context?.


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8. Appendix

8.1. Interview guide

Introduction

- Presentation of the interviewers.
- Presentation of the thesis.
- Explanation of the interviews.
- Asking the interviewee if it is ok to record the interview.

The Bank

1. Could you please introduce yourself? (Information about your background and your position in this company)

2. Are you familiar with the notion of Customer satisfaction/trust?

3. (Did the bank train you somehow regarding this subject?) Getting to know how big the interest of the bank is concerning customer satisfaction and trust and getting to know if there is a general policy of the company regarding this customer satisfaction and trust aspect.

4. According to you, what are the key aspects to acquire customer satisfaction and trust? What are the key aspects you consider as being the most significant of all? (Then, moving on to the detailed interview guide to get more specific answers)

5. Are there any special treatments for particular customers?

6. If so, who are they and what are the changes/ adaptations in the employees’ attitude / behaviour / advice toward them?

Service quality

7. To what extent do you think professionalism and skills of the staff play a role in customer satisfaction? Can you give some examples? (Recruitment of best people, training them, increasing their knowledge, reward system to recognize achievement?)

8. What is the bank policy about employees’ attitude and behaviour?

9. And for what purpose did the bank install this policy? Can you give some examples?
10. To what extent do you consider the flexibility of the staff as a significant advantage?

11. If seen as important: How do you manage to gain such flexibility among your staff?

12. To what extent do you acknowledge accessibility as influencing customer satisfaction or trust?

13. If seen as an influential tactic: How do you manage to get a good staff accessibility?

14. Regarding the actual economic conjuncture, to what extent do you find it important to deliver reliable information and trustworthy response of the inquiries of people?

15. When a customer is left unsatisfied, what is the bank reaction (about the policy of restoring a dissatisfied customer to a state of satisfaction)?

16. What importance is given to the external environment of the bank?

17. And to what extent do you believe the external environment influences the quality perception? (serviscape)

**Price perception**

18. Do you match the prices of your products? If it is the case, do you do so with the prospect of satisfying your customers? Can you develop?

19. Do you propose a good price-quality ratio of your products? If it the case, do you do so with the prospect of satisfying your customers? Can you develop?

20. How important do you consider your pricing policy for customer satisfaction or trust?

21. Do you consider flexible pricing as a main tactic of customer satisfaction (If so, why?)

**Value offers**

22. To what extent do you consider reward schemes as having an effect on customer satisfaction or trust? (Loyalty programs? Gift for opening a bank account, discounts... what else?)

23. Could you elaborate more on this by giving an example?

**Brand image**

24. To what extent do you believe your reputation and credibility impact customer satisfaction or trust?
25. If so, what does your bank implement to benefit from a good reputation and reach an optimum level of credibility among customers? (To see if it is linked or not to the service quality?)

**Communication**

*By the term “communication”, we mean here “written communication such as: personalized letters, interaction on the website, e-mails and also some communications with the staff before, during and after the service transaction”.*

26. What is the bank policy when it comes to communicate with your customers? (Relating it to Customer relationship management techniques... Like direct-mail, personal communication)

27. To what extent do you think communication impacts customer satisfaction or trust?

**End questions**

28. Are there any other effects you would think useful to consider?

29. Considering the answers you gave during this interview, what do you think are the most important tactics influencing customer satisfaction and trust?

*Thank you for sharing some of your time with us; we really appreciated you accepted our interview.*