Designing Optimal Banking Model Based on Customer Service

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Abstract. Today, businesses need to manage their customer experience to succeed. Therefore, they must first have a clear understanding of the meaning of the customer experience. Customer experience management is a process-focused strategy around the needs of each customer that seeks to find a win-win strategy for both parties. The banking industry that provides

financial services to customers requires special attention to the customer. Banking experiences for managers in this area are challenging because they are influenced by some elements that are within the control of managers and employees, as well as some elements that are beyond the control of managers. The purpose of this study was to design a desirable model of banking services based on customer experience. The data were collected from the bank branches by applying the data-based theory and performing in-depth interviews using the protocol based on multiple targeted sampling (Snowball Sampling). Moreover, using the open coding, axial coding and selective coding using ATLAS.ti software, the categories and themes are identified. The results show that bank interior design, brand equity, verbal advertising and bank staff skills have an effect on the loyalty, return and customer satisfaction.

Keywords: Customer Satisfaction; Reclaim; Loyalty; Brand; Staff Skills; Grounded Theory

1. Introduction

Customer Experience Management can provide customers with a new look at the organization from a level beyond customer relationship management, using this system data. In this structure, with the help of integrated information systems, better and greater intelligence can be achieved. Taking advantage of customer experience management will lead to long-term competitive advantage or, in other words, increase satisfied and loyal customers with positive verbal advertising and customer retention and reduce complaints. Thus, since the twentieth century, companies have shifted their focus from service-based economics to customer experience-based economics (Kim et al., 2011). Therefore, the customer experience is an important tool for the emotional connection between the customer and the organization. The customer experience includes all the interactions that the customer experiences from the personal service he or she receives, and can vary depending on the levels of logic, emotions, desires and moods of different people. Therefore, to be successful, different businesses, including banks need to examine their customer experience in relation to the organization in

order to identify the factors affecting the customer experience and its importance for different customer groups.

2. Literature review

The gradual change in the consumption of products is created due to the importance of the experience of the goods/services. Payne and Gilmour have described the fourth wave of economics as 'experiences' and as 'empirical economics' (Jain, Aagia, & Bagdare, 2017). Customers are looking for higher expectations and with better awareness of unique products / services. There is a change of paradigm. Customers no longer have to worry about meeting their basic needs; they want to increase their purchasing and consumption levels. Customers are looking for experience and emotion. The goal of any organization is to earn income and the customer experience is a strategy that should maximize the benefits of these relationships for the company and organization. The importance of the customer experience because of its role in creating a great "moment of truth" and enhancing company performance is well beyond the customer's expectations. In this section, the various perspectives of these concepts are reviewed in the research background. Sales engineering, layout and segmentation of space and color, lighting furniture, and other internal factors affecting the customer experience can have a significant impact on the set of neurological norms, efficiency, and customer effectiveness. According to the meaning listed in the Oxford Dictionary, the design and layout is "Synchronization designed to display colors, furniture and other objects in a room or place of business artistically and effectively for the purpose of ultimate profitability". The interior layout should be strong, astonishing and attractive. Choosing the most appropriate appliances and the best lighting technique to best display their items will help the seller to make the most possible profit from each square meter (Khoye, 2015: 19). Layout is defined as the division of sales, used space, and the arrangement of products and services. Product display has a huge effect on consumer buying goals and perception of the product. Consumer movement in the organization is largely influenced by product display (Hussain and Ali, 2015). Nowadays it is very important to have a salesman or sales force in every place, because in any business, it is the skill of the personnel who interact

directly with the customer. Employee behavior and performance during service delivery will be a powerful guide to influence customer perceptions and enhance quality and customer experience. It is best to keep these people informed of the development of a partnership plan and service policies. Customer-employee relationships increase the level of responsibility and customer satisfaction (Menon and Dub, 2000). Positive customer sentiment emanates from the personnel's knowledge; the emergency services and personal attention by the staff contributed to create a positive experience and customer satisfaction (Terblanche, 2018). Unique value to achieve customer experience while interacting with service staff is achieved at critical moments (Teixeira et al, 2012). Brand is one of the most important elements of a marketing plan in product / service centers (Haji Babaei & Esmaeilpour, 2018). Branding in stores is for purposes such as being prominent in the competition; having a positive mental image; arousing emotion; providing excellent customer service and communication (Heydarzadeh & Taghavi, 2017: 19). One of the most essential concepts in marketing management is the issue of brand equity. Farquhare (1989) was the first person to identify brand equity, who stated that brand equity is the value added that adds value to a product (Gilboa & Vilnai-Yavetz, 2013). Brand equity is often created by products / services that create it directly or indirectly for the brand. Brand equity is studied by academic researchers from two perspectives: the financial perspective and the customer-based perspective (Keller, 1993). Customer-based brand equity is itself divided into two categories: customer behavior and customer perceptions (Aker,1991). Aker (1991) has articulated the concept of brand equity by combining the attitudinal and behavioral aspects that have probably provided the most comprehensive framework for examining brand equity. From Aker's perspective, brand equity is comprised of: brand loyalty, brand awareness, perceptual quality, and brand attributes (Aker, 1991). Bilgihan et al., (2015) have found that there is a positive relationship between brand equity and customer repurchase intention (Jamshidi et al., 2017).Verbal advertising refers to information sharing among customers and is the process by which customers who use a particular product or service pass on their experiences through oral advertising to other customers for purchase. Verbal advertising has a significant change

in customer attitude and behavior (Saeednia & Ghorbanzadeh, 2017). Katz and Lazarsfeld (1995) found that verbal communication was seven times more effective than personal sales and twice as effective as radio advertising to influence service customers. Verbal advertising is informal communication with other consumers directly about the ownership, use, or specific characteristics of the goods and their sellers (Ryans, & Ratz, 1987). Verbal advertising can be positive, negative, neutral or negative (Elizabeth et al., 2014). Satisfaction is the person's pleasant or unpleasant feelings, which come from comparing their mental performance with their expectations. Customer satisfaction can be the result of behavioral intentions such as repurchasing and verbal advertising in communications (Jalil, Fikry, & Zainuddin, 2016). Using the empirical typology Newman (2007), Pine, and Gilmor (1999) investigated whether experiences can create empirical pleasures and thereby enhance the intention to repurchase. They found that entertainment and non-participation are ineffective in political activities but educational and aesthetic experiences were effective in creating empirical pleasures that would influence purchase satisfaction, intent to support and recommend service to others. The performance of any business depends on the success of customer retention. The length of the customer's survival period refers to the length of time and the purchase cycles that the customer has turned to only one organization to meet his needs before referring to other suppliers (Wu et al., 2017). Generally, the longer the customer's survival period, the more valuable the customer is. Every business and enterprise should calculate the capital needed to attract a new customer and compare it with the cost needed to improve the satisfaction of an existing customer. the primary goal in business is to retain customers for the organization (Yanowa, Schwartz-Shea, & Pergrine, 2006). The customer experience involves a set of interactions (such as emotions, sentiments and logic) between the customer, product, and organization, and the value created by these interactions that ultimately results in customer redemption behavior (Mbama and Ezepue, 2018). Customer loyalty is a vital part of service marketing. There is collective agreement that customer loyalty is created when the individual is confident that he or she will receive the best service from service providers (Park, Cho and Rao, 2012). Loyalty customers also have more

benefits, such as more visits and positive verbal communication. Some scholars have also divided four stages of customer satisfaction into two dimensions: attitude and behavioral loyalty (Puccinelli et al., 2009). While the behavioral dimension considers coherent movement or the frequency of purchases, the attitude dimension considers the psychology debate (Rapport and Wainwright, 2006). Newman's (2007) study of brand loyalty backgrounds showed that there is a positive relationship between attitudinal and behavioral loyalty (Park et al., 2012).

3. Method

In this study, the Grounded Theory with the qualitative approach has been applied. According to Strauss, A., & Corbin (1998), the term grounded theory has an inductive origin and comes from the study of everyday life. The grounded theory uses a systematic set of methods to develop a theory of a phenomenon and, based on research results, provides a theoretical formulation of reality (Patton, 1990: 24). In this method, theory emerges from the interaction between data and their analysis. In summary, the present study is interpretive, qualitative, Strauss grounded theory, inductive, in-depth protocol, explorative to explore the relationship between the variables and cross-sectional in terms of paradigm, approach, methodology, response strategy, purpose and time horizon of the research respectively. In this research, the sampling method is targeted sampling with multiple strategies (Snowball Sampling). In-depth interviews were used to collect the data. In qualitative research, attention is paid to the validity of the interpretations. The criterion of reliability is the extent to which the research method or data collection tool extracts accurate and reliable data, or the extent to which the data collection tool is accurate and stable and yields consistent results. To evaluate the validity and reliability of this study, Lincoln and Guba (1985) evaluation method was used. Analysis in the game theory examines and encodes factors to determine their features and functions and then applies the knowledge gained to provide inferences throughout the study. Atlas.ti software is used for analyzing data from qualitative research methods such as in-depth interviewing, focus group interviews, participatory observation, qualitative content analysis, and semiotics and media discourse analysis.

4. Findings

The results indicate the extraction of 312 categories (abundance) as a result of open coding in both independent and dependent customer experience. The results show the consistency of the extracted categories and themes in the later stages in the two independent and dependent categories; thus, the relationship between the concepts at the axial coding level has been identified by two categories. A total of 10 themes were identified in the selective coding phase for both classes. These results are presented in table 1.

Table 1. Categories and themes of banking service experiences

	Concepts	Categories (frequency)		Concepts	Categories (frequency)
independent	Design and layout	Bank layout (16) Banking services compatibility (29) Bank Space (41) Bank attraction (29) Branch cleanness (21)	dependent	Customer satisfaction	Customer Satisfaction (28) Bank Subsidiary Services (18 Sense of Service (32) Trust in services (19) Customer knowledge of services (19)
	Verbal Advertising	Verbal advertisement (3) Billboard Advertising (12) Promotional messages (29) Virtual advertising (13) Free Sample (4)		Intent to repurchase	Customer loyalty (41) Customer retention (14) The program to use services (19) Bank attraction (29) Customer Confidence (22) Suggesting other branches (29)
	Staff skills	Staff knowledge (29) Customer respect (29) Employee Responsibility (18) Staff training (18) Intimacy (personal attention) (29) Proper appearance (14)		Customer service loyalty	Return (45) Recommendation to friends (70) Trusting the bank (56) Intimacy (personal attention) (29)

	Concepts	Categories (frequency)		Concepts	Categories (frequency)
	Brand equity	New Brands (29) Brand awareness (31) Brand diversity (55) Loyalty to the brand (12) Brand quality (29) Brand value (39)			

After analyzing the data obtained from the table 1, the final extracted model is presented in the figure 1.
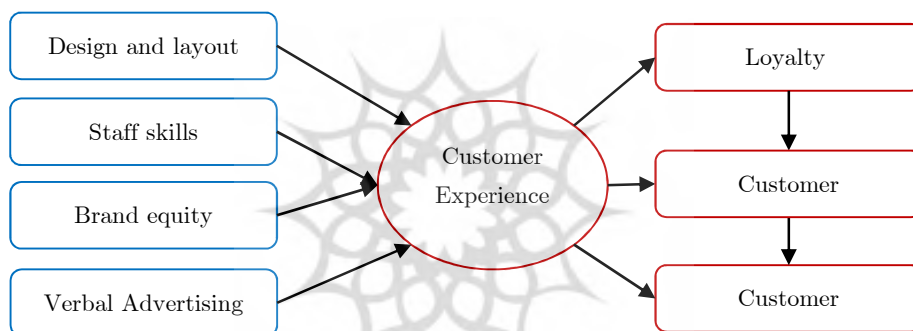

Figure 1. Extracted model

5. Conclusions

The results of this study show that customer experience inputs in the banking industry are a combination of the four factors examined factors and the outputs of the banking experience are the three main factors. Most of previous studies have only focused on conceptual modeling, and less attention is paid to the input and output elements in the context in which the experience has occurred. Therefore, it can be said that so far no research has comprehensively focused on the output and input elements of the banking service experience in the predominant model. Theoretically, by applying the latest marketing theories and comparing existing literature on customer experience, this paper presents and defines its antecedents and consequences. In this context, this research

adds to the growing body of marketing science and literature on customer service experiences.

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