

The quality of banking services from Romania

Case study: Raiffeisen Bank

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Abstract: Today's consumers benefit from a wide offer of products and banking services. Within the global crisis and the crisis from the banking system, the quality of banking services and the increase of customers' satisfaction and trust in banking systems should represent the priority of any banking institution. The present paper refers to the quality of services in the banking field and the way in which this is perceived by the customers of the Raiffeisen Bank institution.

Key-Words: quality, bank, deposits, interest, banking services, banking system

1. Introduction

The consumers from nowadays benefit from a wide offer of products and services, increasing considerably with the Romania's integration in the European Union. The EU accession meant the integration in the common market, where goods and services move freely. Because of the internet and e-commerce development, problems have arisen facing the consumers of products and banking services regarding the correct use of the account, card and the benefits included in the package, consumers not being familiar with the perceived costs for each advantage.

The quality in the field of banking services is more and more important in the present economic situation. In order to resist on the market, the banking institutions are forced to offer quality financial services increasing the customers' trust.

2. Conceptual issues regarding the banking field

The bank is a financial enterprise performing payment and credit operations (organizing the financial flow). Also, the bank is a financial institution with the main activity to attract deposits and to grant loans. The banks are organized as stock commercial companies and develop their activity under the supervision of the central bank.

The banking system is structured on two levels:

The first level includes a single entity- The Central Bank (or National) with duties regarding the monetary, currency, credit and payments policies and duties regarding licensing and banking supervision. The Central Bank is, usually, the only authorized institution to issue money. This is responsible to the Government or direct, to the Parliament and it is a non-commercial institution.

The second level includes the specialized banks, institutions authorized to perform activities of attracting deposits and granting credits in its own name. The most important segment of specialized banks consists of the commercial banks. They have a numerous network of agencies

offering banking services to population and companies. The investment banks, unlike the commercial banks act mainly on the financial market and do not interact directly with population. Among specialized banks are included the mortgage banks or the saving banks for the housing field, offering mortgages for houses to individuals or companies.

The banking system is represented by the coherent whole of different categories of financial-banking institutions, functioning in a country and answering to the requirements of a stage of social-economic development.

The banking system is continuously interacting with the economic environment, taking „inputs” under different forms (human resources, financial resources, information) and processing them in order to obtain the „outputs” (products and banking services, financial-banking information). The banking system is an open system. What is specific to open systems (and also for the banking system) is the fact that it regulates its activity by reverse connection (feedback), so they are capable of self-regulation.

3. Presentation of Raiffeisen Bank

In 1862, Friedrich Wilhelm Raiffeisen, mayor of several german towns, have founded a credit union in Anhäusern, Germany, and in 1886 appears the first credit union in Mühldorf, Austria.

The Raiffeisen Group becomes the biggest private banking group from Austria and has a structure on three levels:

- The first level consists of 550 independent banks with a total number of 1700 subsidiaries. The total number of Raiffeisen units approaches 2250.

- The second level consists of regional banks (Landesbanks), being also the main shareholders of Raiffeisen Zentralbank Österreich AG (RZB-Austria), having together more than 88% of the social capital.

- RZB Austria, the main shareholder of the banks network from Central and Eastern Europe, is the third level and represents the central institution of the banking group.

Raiffeisen Bank is one of the most powerful banks from Romania, Raiffeisen is the third player from the system, having assests of

more than 3 billion euro in the middle of 2012, corresponding to a market share of 7,9%.

Raiffeisen Bank is a universal top bank on the romanian market, offering a complete range of products and services of superior quality to individuals, small and medium sized enterprises and big corporations, through multiple distribution channels: banking units, ATM and EPOS networks, phone-banking (Raiffeisen Direct), mobile banking (Raiffeisen Smart Mobile) and internet banking (Raiffeisen Online). Raiffeisen Bank has a network of more than 540 agencies all over the country serving approximately 2 million customers, of which 100.000 SME and 6.800 big and medium corporations. Raiffeisen Bank Romania has resulted from the merger, ended in June 2002, of the two entities held by Raiffeisen Group in Romania: Raiffeisen Bank (Romania) set up in 1998 as a subsidiary of the RZB group, and The Agricultural Bank Raiffeisen, set up in 2001, after the takeover of the state bank The Bank of Agriculture by the austrian group.

4. Research regarding the quality of services offered by Raiffeisen Bank

The quality of a service is the result of the comparison between what the customer desired from that company and what he has received, or the degree in which the service offered is according to customers expectations. The quality of services represent the ability of the company to fulfil or exceed the customers expectations, „expectations” meaning all what customers desire from a service.

SERVQUAL was the first method created and applied for the assessment of the services quality and has been the subject of a big number of experiments reported in specialized publications. This method has been experimented in a variety of frameworks: professional services, health, tourism, transport, telecommunications, trade, etc.

For each dimension (tangibility, reliability, receptivity, trust and empathy) is established a number of 4-5 questions mentioning the customers expectations from the service required and the perceptions (achievements or results) after obtaining the service.

The target of the present research is the assessment of customers expectations and

perceptions regarding the services offered by the banking units Raiffeisen Bank from Brasov town.

In table 1 are presented the values from the research regarding the general quality of services Raiffeisen Bank.

Table 1 General quality of the service

Nr. crt.	Dimension	Average value of service's quality
1.	Tangibility	-1.28
2.	Reliability	-0.82
3.	Receptivity	-0.325
4.	Trust	-0.35
5.	Empathy	0.28
	General quality of banking services	-0.499

The value -1.28 of tangibility, shows the lowest level among all dimensions. In order to improve, the bank should offer consultation materials easy to understand for customers, equipments more modern and the staff should be better trained, in a continuous development through training programs and courses. The variety of products and services offered might increase, in order to cover the whole market, with all its needs, from people with low incomes to those with high incomes and to satisfy everyone. Investments should be made in being close to the customer, by using tangible methods, with modern equipments, innovations, and through these, to try to gain customers trust.

The reliability had the value -0.82, even here improvements can be made, by using a higher trust for the customer, by fulfilling obligations in time, by using correct information provided to the customer. The promises made by the bank are obeyed, according to customers requirements, the services are offered 24hours a day, offering the customer safety and satisfaction, even according to values close to 0 obtained in the assessments, but it is still room for increase. The bank services are correct, but not always from the beginning, having also unsatisfied customers and the trend to believe that the bank might take advantage from the customer, in the case when he is ignorant.

The value of -0.325 of receptivity indicates a low level to satisfactory, as improvements would be the promptness of services delivery and the

remedy of delays. Analysing each statement, it can be said that there is a satisfactory satisfaction degree regarding the receptivity of the bank staff at the customers desires and demands.

The trust in banking services has a value of -0.35, showing a level close to satisfactory, which could increase by using correct information provided to customers, by offering security to customers data and by guaranteeing the services offered. The employees of the bank inspire trust and create a good reputation for the bank. A good positive value was obtained for the statement linked to data and documents security, and other personal information of the customer. This is a great advantage, taking into account the present dangers. Also, the customers are satisfied with the fact that the bank guarantees the services provided, being another reason of trust.

The last dimension studied, empathy, has a positive value of 0.28, corresponding to a better level than the local people requirements, leading to the improvement of other dimensions, especially by using a harmonious relationship bank-customer. The bank offers individual assistance for each customer and can explain different options for problems and questions so that the customer can leave satisfied, knowing that he has taken the best decision. The customer can contact the bank always, regardless the hour or the problem, being the bank's interest to satisfy its customers. Another good result, was linked to quality and cost of services, which are required by customer, without misleading with fees and additional taxes.

The general quality of banking services is negative of -0,499 due to internal factors that might be changed in time through learning, understanding and correctness. It is a value that can be easily improved through persistence, but should also be maintained in time.

The customers must always be satisfied, and in the same time, the bank should be capable to attract new customers by using its qualities and attributes.

5. Conclusions

The banks are financial institutions having as main activities attracting deposits and granting of loans. In the present economic situation, in order to stay on the market, the financial institutions have

to give importance to the quality of services offered.

In order to maintain the top 3 position of best banks in Romania and the increase of the market share by attracting customers interested in quality services at reasonable prices Raiffeisen Bank has to invest further in material and human resources, these being the key in any business success.

As a conclusion, for Raiffeisen Bank the physical facilities are complex because the agencies are large, comfortable and endowed with armchairs, so that customers can wait in a pleasant environment and the waiting time is compensated by the quality and comfort of waiting. Regarding the individual behavior, the bank has the trend to be close to the customer by using the ability of the employees to perform an efficient activity and to keep the customer because of the good conditions offered by the bank to the staff. The time spent with the employees is reasonable and make the customer feel well because of the attitude of the employees who make sure that the service provided was of good quality and that the customer has understood the details. The services offered by Raiffeisen inspire trust and quality but the rates are perceived as being high.

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