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Bank satisfaction factors and loyalty: a survey of the Greek bank customers

Abstract

The banking system forms one of the most dynamic and rapidly developing sectors of the Greek economy. The scope of the paper is to examine the Greek bank customers satisfaction level based on their own banks experiences and perceptions, as well as their buying behavior and attitudes towards banking products and services offered. The research was carried out on a random sample of 182 bank customers with the use of structured questionnaires. Research showed that the majority of bank customers are satisfied with the bank they cooperate with. Banking institutions have managed to differentiate their investment and savings portfolios by converting it from investment banking to commercial and retail banking. Banks human resources still play a significant role in attracting and maintaining its customers. Banking branches and personal contact with employees play a very important role for prospective customers, despite alternative techniques offered by technology. Banking institutions need to re-examine their customer-approach methods and apply the marketing of relationships to ensure loyalty.

Keywords: services marketing, bank consumer behavior, retail banking, bank selection, consumer satisfaction & loyalty, banking products & services.

Introduction

Marketing has faced many difficulties in the banking sector and competitive breakthroughs have not been easy to achieve. Banking has been undergoing a revolution since the abolition of controls and apart from size there is little to differentiate banking institutions from one another (Richardson & Robinson, 2007). The adoption and implementation of the marketing concept by banking institutions have been slow but profitable in many countries while in many other ones they are still product-oriented. Nevertheless, the traditional product-oriented banks are becoming increasingly customer-oriented focusing more and more on customer loyalty.

In retail banking the quality of the banking products and the value of customer associated service (a package of experiences and expectations that get mixed together in the bank customer's mind) are at a premium and more and more banking institutions are recognizing the importance of value-added products and consumer relationships grounded on loyalty. In today's highly competitive, complex and dynamic environment the very slight differences which exist in financial services and products together with an increasingly demanding customer had led to a great transformation of the banking institutions (Beerli et al., 2002). Many innovations have modified the retail banking businesses, mainly due to new forms of commercialization and distribution of banking services (Verhoef et al., 2002; Sweeney & Morrison, 2004).

1. Past literature

Bank customer loyalty is critical to the conduct of business in today's competitive bank markets.

Banks continuously focus on improving customer perceptions by the use of internal marketing to motivate and improve interactions with the client base. The closer the degree of interaction between customer and banking institutions, the more important are service, personnel and equipment. As stated by Richardson & Robinson (2007), each year nearly 40% of bank accounts closed are closed because of poor service, 13% terminate their accounts because of a rude or unhelpful employee, 11% maintain that the financial institution was cool and impersonal and 16% close accounts of poor service in general. Thus, quality customer service and satisfaction are recognized as the most important factors for bank customer acquisition and retention (Jamal, 2004; Armstrong & Seng, 2000; Lassar et al., 2000; Bloemer et al., 1998; Levesque & McDougall, 1996). Jamal and Naser (2002) found out that customer satisfaction is based not only on the judgment of customers towards the reliability of the delivered service but also on customers' experiences with the service delivery process. If bank customers perceive (through purchase experience) that they are obtaining more benefits from their relationship (expectations) with their banks, their satisfaction level will increase. Each experience leads to a further evaluation and an accompanying emotional reaction by the customer (Molina et al., 2007). But in the current era of intense banking competition, bank customers perceive very little differences in the services offered by banking institutions and new offering is quickly matched by banks' competitors (Coskun & Frohlich, 1992; Devlin et al., 1995).

Although it is well recognized that the degree to which bank customers are satisfied with their previous banking experience plays a central role in their loyalty to the bank and its profitability (Nader et al., 1995), there is a lack of consensus in marketing

literature about the conceptual models of customer satisfaction (Johnson et al., 1996). The first holds that customer satisfaction is the difference between perceived performance and customer expectations (Anderson, 1973; Oliver, 1993). The second views perceived performance and expectations as having positive effects on satisfaction (Fornell, 1992; Westbrook & Reilly, 1983), and the third states that market expectations and perceived performance are one in the same (Johnson & Fornell, 1991). What is common in all above mentioned concepts is that all bank customers have well-formed expectations at the onset of their banking relationship (Johnson et al., 1996).

Despite the fact that a great deal of banking institutions across the globe have recognized the importance of customer satisfaction and of developing and maintaining enduring relationship with their customers as two crucial parameters leading to increased business profits, several banking institutions are experiencing increasing level of retail customer dissatisfaction. Research suggests that customer dissatisfaction is still the major reason of bank customers' switch to other banks (Manrai & Manrai, 2007) for a variety of reasons (access, services, products, prices, image, personnel skills, treatment, credibility, responsiveness, waiting time, location, technology, store appearance). On the other hand, bank loyalty consists of two components:

- ♦ loyalty based on inertia, where the bank customer does not bother and take the time and the trouble to look for other banks which may offer better products and services; and
- ♦ true bank loyalty, where the bank customer shows repeated purchasing behavior on a conscious decision to continue buying from the same bank.

Bank Marketing researchers (Day, 2000; Gilbert & Choi, 2003; Hennig-Thurau et al., 2002) have advocated Relationship Marketing as a better option of gaining customer loyalty proposing particular programs to foster loyalty (Schiffman & Kanuk). The benefits of corporate social responsibility and bank customer satisfaction are also examined, stating that the banking community may be deemed by the general public to be socially responsible. A considerable amount of research has been directed towards identifying the positive impact of corporate social responsibility initiatives on customers. However, results show a mismatch between customer satisfaction levels and massive spending on corporate social responsibility programs and that banks' increasing investment in these programs may not represent the best investment in terms of increasing satisfaction (Soderlund, 2006; McDonald & Thiele, 2008).

Are all these leading to the conclusion that banking institutions have been incompetent in understanding their customer needs and respond accordingly? Baker (1993) asked whether there is lack of commitment to the fundamental concepts of bank marketing or banks are rather indifferent to bank marketing. The absence of a formal marketing approach suggests that banking institutions are losing numerous opportunities of obtaining new business (Kauffman & Yucelt, 1989).

On the case of Hellenic Bank Market few studies were published which examined the behavior of bank customers and bank satisfaction criteria and loyalty (Mylonakis, 2004; Mylonakis et al., 1998) as well as the influence of banking institution status on bank customers (public versus private, Koutouvalas et al., 2005).

2. Research methodology

The scope of the paper is to examine the Greek bank customers satisfaction level based on their own banks experiences and perceptions, as well as, their buying behavior and attitudes towards banking products and services offered. More precisely the following research topics were investigated:

- Q1. Factors affecting prospective customers in choosing their bank.*
- Q2. Factors contributing to customer satisfaction for their banks.*
- Q3. The rate of familiarization with E-commerce.*
- Q4. Bank customers' reaction to advertising and its impact on establishing cooperation with a banking institution.*

3. Sample demographic characteristics

The research sample consists of bank customers having accounts with banks operating in the Hellenic Bank market (public and private). The demographic characteristics of the sample consist of 47% of men and 53% of women, of age 26-25 (46%), 35-50 (45%), 51 plus (6%), while the remaining 3% declared age of up to 25 years. Freelance professionals account for 24% of the sample, salaried employees and retired for 69%, unemployed for 4%, while 3% of the sample was not willing to disclose his/her present profession. The monthly family income of the sample can be classified in the following 4 categories:

- ♦ bank consumers with net income up to €20,000 represent 23% of the sample;
- ♦ those with net income between €20,001-30,001 represent 60%;
- ♦ those with net income between €30,001-40,000 represent 12%; and
- ♦ only 5% of the sample declares €40,001-50,000.

As to marital status 62% were married and 38% divorced or non-married and as to education 46% held a University degree, 35% had obtained a high school diploma and 19% held a post-graduate degree. All participants reside in various prefectures of Attica (Major Athens area).

4. Methodology

The research was carried out on a random sample of 182 bank customers with the use of structured questionnaires consisting of 22 questions divided in 4 parts. Each part of the questionnaire involved thematic questions related to the individual 4 objectives of the study and one to demographic characteristics. Closed-ended, multiple-choice and dichotomous questions were used. The scales that were thought as most appropriate, abiding by the principles of validity, reliability and consideration, were the Likert scale and the importance scale. At first, a pilot questionnaire was delivered to test whether it meets research needs. The distribution time of the questionnaire lasted a week and the results led to changes in its initial form, by ruling out some of the questions that were considered as irrelevant or found difficult to be understood by respondents. The field study was conducted the last three months of 2007 outside large banking institutions branches. Data processing was carried out using the SPSS software, version V.16.

5. Research results

Q1. Factors affecting prospective customers in choosing their bank.

Participants were asked whether certain factors affect their decision on the banking institution they wish to cooperate with. It should be mentioned that some factors (such as existing cooperation, payroll, etc.) have been intentionally ruled out because it was necessary to examine the role of certain factors in establishing a new cooperation and not a forced or existing cooperation.

The "bank branch near home or working area" has collected high rates of preference (32%), being the main factor of interest for a bank, while it is considered as quite important by 30% and not important for 17% of respondents. This type of preference is driven by practical reasons (faster transactions, easy access, etc.) and is not necessarily associated with the quality of services.

A large network of branches also appears to be an

important criterion in selecting a banking institution. 32% of respondents think it is very important, 30% quite important and 9% that it is irrelevant. A large network of branches, apart from having an apparent practical use (offering the ability to make transactions all over Greece, establishing a professional or other cooperation with individuals or companies from any place, etc.) is considered to add prestige to banking institutions and create a feeling of trust to customers.

13% of the respondents would start cooperation with a banking institution following a recommendation by friends or acquaintances, 25% disagrees with this statement and 32% would not rule out such a possibility. This result is very interesting for marketing research, as it is associated with the customer satisfaction theory. Satisfied customers form the most economic and powerful advertising weapon for a company. Positive experiences of bank customers act as a magnet to attract new customers. This should also be associated with trust evoked by recommendations made by friends or acquaintances.

The role of friends or relatives within a bank's environment also appears to be very important for 37% of respondents in deciding to establish cooperation with a bank. Apart from the issue of security and trust mentioned above, it is also believed that in this case the issue of expectations for improved services and even special treatment play an important role. This is a kind of mentality that Greek people tend to think high of when it comes to service providers. Yet, 18% regard this factor as irrelevant.

A low percentage of 5% stated that they think it is possible to cooperate with a banking institution as a result of a single advertisement, compared with the factors examined above. This is not an ambitious scenario given that banking advertisements refer to specific products and not a collective image of organizations. It is therefore difficult for someone to reject or choose a banking institution from a single-product advertisement unless its promotion coincides in terms of time with an existing consumer need.

Figures 1 and 2 show the average probabilities of the responses received. It has been noted that the probabilities for selecting a bank based on advertising are proportional to age and inversely proportional to the level of income.

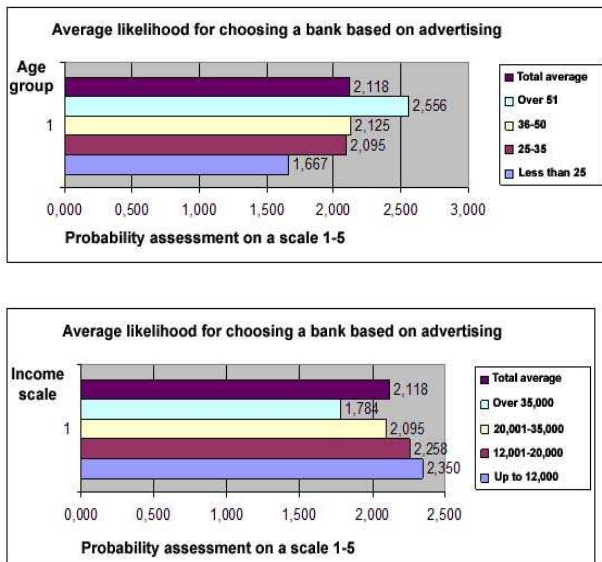


Fig. 1-2. Average likelihood for choosing a bank based on advertising

The results collected are quite logical for banking marketers. 3% of respondents would choose to visit a bank following a letter they received from the bank either by mail or through the Internet (and 6% probably could do so). Research has shown that only 1 out of 10 letters received by customers results in a purchase.

It is estimated that, on a daily basis, the average customer is exposed to approximately 1,500 advertising messages (Damoulianou, 2005). Moreover, one third of all advertising letters sent are thrown away without being opened, while 60% are not even read by recipients. US experts believe that unsolicited electronic messages – the so-called spam – have taken the form of an epidemic and slow down a country's productivity because of the time spent by employees to delete them from their mailbox.

Based on the above, the question that emerges is whether marketing communication, instead of being addressed effectively to reach its objectives, has in the end become a means of violating the privacy and personal space of consumers. On the other end, consumers resort to technology in order to protect themselves from such invasion, resulting in the launching of a new technological family of “weapons” against the invasion of marketing in the private life of consumers, while at the same time governments establish new laws to protect the private life of citizens, a scenario that is expected to continue in the long run. The effect of the above in traditional marketing, “which has always been tampering with legal boundaries” is serious and reveals the change that is taking place. The challenge for marketers currently lies in the fact that, through this flood of information, they need to pass their own message at the right time and to the right target.

In conclusion, research reveals that the most important factor in establishing cooperation with a banking institution lies in friends or relatives who work in a bank, followed by a large network of branches and friends' recommendations. All these factors, as mentioned, are associated with inspiring a feeling of trust and security for prospective customers. The “bank around the corner” factor follows, which usually helps to save time and eliminate distances. Obtaining information through the Internet appears to be of major importance, along with advertising and letters, possibly due to the fact that these tools help the bank to pass the image it wishes to create for perspective customers.

Q2. Factors contributing to customer satisfaction for their banks.

Results showed that the percentage of customers who are satisfied with their bank can be measured. 17% state that they are very satisfied and 41% that they are quite satisfied. This certainly does not mean that banks in Greece provide perfect customer service and that only 3% are not satisfied with their bank (Fig. 3). Competition levels and the variety of offers and alternative solutions provide a new tool in the hands of customers in case of their dissatisfaction: change their bank.

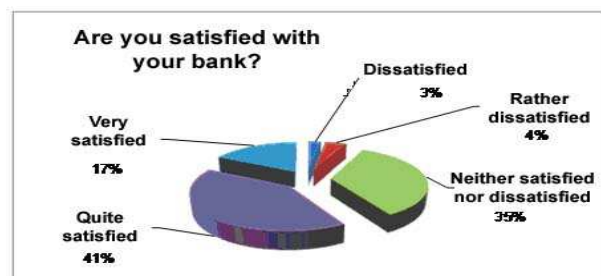


Fig. 3. Bank customer satisfaction

All banks pay a great deal of attention to their communication strategy, by targeting short-term and long-term benefits. One of the primary pursuits of this strategy is to establish loyal customers. Competition and changes in the banking environment often change customer preferences and expectations and should therefore be continuously taken into account by banking institutions. Banks should also take into consideration that the provision of services forms an interpersonal relationship and they ought to develop methods of assessing their level of services. Banks should also note that dissatisfied customers are more susceptible to competition. On the other hand, those customers who find response to their complaints can become the most powerful means of advertising for companies.

On a scale 1-5 respondents were asked to assess the level that each one of the following factors

has contributed to their satisfaction/dissatisfaction with their bank.

The fast and stressful lives of modern times, the incorporation of banking transactions in the everyday life of individuals and companies and the need for fast service are some of the reasons for which 55% of respondents (26% to the maximum degree) regard that their bank's location is one of the reasons for their being satisfied.

The next two sub-questions relate to the role of polite and well-educated personnel in their satisfaction or dissatisfaction. Personnel manners are a top priority for 37% of the sample and an irrelevant factor for only 1%, while scientific training qualifications is very important for 41% and of no importance for 4% of respondents. Recent studies in Greece (Gounaris, 2006) have revealed that, when it comes to services, customer service constitutes an essential comparative advantage. After all, it is not random that customer service is one of the main fields in which institutions such as banks, insurance and communication companies invest money to train their personnel.

Half of the respondents believe that having a friend who works in their bank has helped them a lot (29%) or has played an important role (21%) in their level of satisfaction from their bank. After all, this is a method that all Greek people use in most transactions, whether they involve consumer products or services; this is not a matter of obligation or trust, but a matter of expecting a better quality of services. This is something that all bank customers have realized, seeking to receive faster services, objective information, knowledge and trust through their "acquaintances". This attitude, adopted by customers, is well-known to managers, mainly those of private banking institutions. For this reason they try to incorporate in their main power active and sociable people with many acquaintances, while the number of sales achieved through recommendations plays an important role in setting and assessing individual employee targets.

Important factors for bank satisfaction are, also, punctuality and trust, not only for attracting but also for maintaining their clientele. 46% of respondents state that this is an important factor towards their satisfaction or dissatisfaction from their bank in case there is lack of trust.

The average responses collected are also important (Fig. 4). It has been ascertained that highly-trained personnel and bank punctuality are the factors that mainly affect customer satisfaction or dissatisfaction (these factors have had the highest scale rates). Polite manners by staff, technological modernization and location rates follow. Employee friends, as well

as other factors such as the pricing policy also affect the positive or negative image that respondents have for their banks.

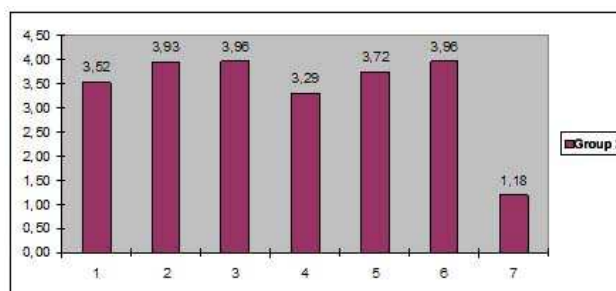


Fig. 4. Average responses of bank customers

Q3. The rate of familiarization with E-commerce.

Phone approach is a promotional activity that is widely used by banking institutions over the last two years, taking advantage of their existing records in order to achieve cross sales. However, as has emerged from our study, this type of approach is annoying for most customers. 75% of respondents think that phone updates are annoying, 11% are indifferent and 4% feel suspicious about them. Still, 10% think this kind of approach is interesting.

A common notion for most market executives is that call centers are a form of customer service and sales promotion platforms that should be used as a supplement, alternative and in synergy with other communication channels. Call centers constitute a set of procedures and actions placed under direct marketing, forming one of its aspects.

Likelihood of purchasing banking products over the phone or electronically:

Respondents were asked to estimate on a 5-scale the possibility to proceed with direct buying of each one of the following products. The vast majority of respondents think it is unlikely to accept a consumer loan over the phone or electronically. Only 3% believe that such a thing would be likely and 8% think it is not unlikely.

Despite being familiarized with a product, 9% think it is likely to accept a credit card through the phone or the Internet and 7% think it is quite likely, while 7% do not exclude such a possibility. This ought to be correlated with the general reluctance that exists against phone/electronic purchasing and not with the nature of the product itself.

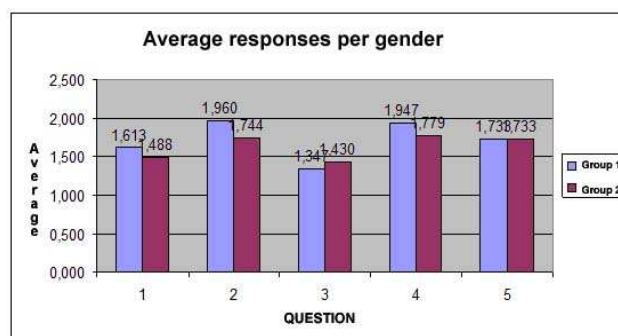
Housing loans constitute complex banking products for customers and only 3% state with certainty that they could agree on terms through the phone or the Internet.

The tempting terms offered through the phone or the Internet for savings programs could convince

9% of respondents, are likely to convince 5% and would be of no importance to 10%. The percentage of those who feel positively about electronic/phone agreements is increasing for this kind of products, possibly because they are considered as simple and having fewer restrictions. Savings products, in their simplest form, usually include interest rates, duration and possibly prepayment terms; these can be easily made clear to individual customers through the phone or through electronic presentations. Financial institutions nowadays provide access to the average investor to several means of investment that only private banking customers used to enjoy in the past, i.e. depositors with funds exceeding €250,000; this access is granted via new products now available in the Greek market. The need for banks to achieve the required liquidity in favorable terms, and following the latest increase in borrowing costs within the Eurozone, has turned them towards the inexhaustible resources of depositors. This way, banks use modern marketing methods in order to strive small investors towards complex investment products, the main characteristics of which are pre-determined minimum life-cycle, the distribution of starting capital between a safe deposit with high returns and a product with small, medium or high risk, depending on the investor's profile, as well as its geographical, sector or business dispersion.

During the latest years, a more systematic cooperation among banks and insurance companies has been growing rapidly, aiming at the promotion of insurance products through banking networks; this is more commonly known as bank assurance. Specialized and complex programs can be sold to bank customers if the necessary attention on Private Banking is paid, where special needs of customers are taken into consideration, depending on their income; new products are developed and addressed to customers with different income levels and risk profiles. Research showed that 7% of the sample could agree on an insurance program through the phone or the Internet, while 65% are completely negative towards this prospect and probably consider this product as too complex to agree without being physically present in the bank.

It has also been observed that the average responses collected regarding purely loan and savings programs are higher in men (men answered based on a scale of 1-5), indicating greater likelihood for purchasing insurance products, while women have presented a higher average percentage in the likelihood for purchasing a credit card (Fig. 5).



Note: Group 1: Men, Group 2: Women.

Fig. 5. Average responses per gender

Electronic/phone sales in the field of banking products:

Research showed that lack of trust is on top of the list with 38.51% of respondents being suspicious with electronic purchasing. 25.47% wish to be physically present in bank branches and do not "rush" into using the Internet, as the main reasons for preferring electronic purchases are speed and flexibility. 16.15% stated that they did not need the product that was being offered.

A large percentage of respondents (28%) "rush" into electronic purchases due to the fact that they do not have time to visit the bank and apparently needed the product; an equal percentage of respondents state that they have "faith" and carry out most of their transactions electronically. 24% state that they were pushed by the dealer, and therefore met some of the motives set by the market (either were in a hurry, needed the product or trust these services). The remaining 20% agreed that they have been offered something they needed and 12% of these people managed to negotiate very good terms. Out of those who responded positively in making phone or electronic purchases, 56% have been issued a credit card, 16% a consumer loan, 12% a housing loan, 4% an insurance program and 5% a savings product. 72% were happy with their electronic/phone purchase and, if needed, they would do it again. Even some of those who were not happy with this type of transaction stated that it is possible to repeat it, since 28% were not satisfied and only 12% of those claim that they are not likely to repeat it. Over half of the respondents (53%) have purchased consumer products through the phone or the Internet, a percentage that is considered as very high; it certainly does not represent the average Greek consumer but is the result of a combination of some of the sample's special characteristics.

Q4. Bank customers' reaction to advertising and its impact on establishing cooperation with a banking institution.

Figure 6 shows the possibility for consumers to visit a bank out of curiosity, as a result of its advertising campaign and without them needing to obtain a particular product (scale of 1-5):

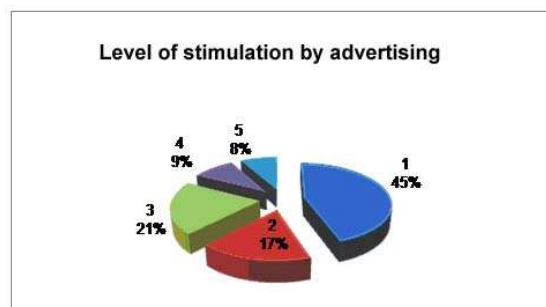


Fig. 6. Level of stimulation by advertising

The aim of advertising is to present and provide information on products, in order for them to meet the needs of consumers. A dynamic advertising campaign from a bank is extremely likely to result in 8% of the sample visiting a bank, even for products they do not need. The same is likely to happen to a further 9%, while it is unlikely for the remaining 21%. These percentages can seem very high but they follow a general consuming tendency of Greek bank customers. The new fact is that people, being bank customers, have begun to enrich their behavior with general tendencies involving consumption, such as excessive consumption and fictitious needs.

It should be mentioned that 45% believe it is unlikely to be stimulated by some advertisement in order to visit a bank and obtain information on a product they do not need. Yet, studies (Media Info Center, 2004) have revealed that strong advertising unconsciously affects consumer choices and they are reflected in their memory during purchasing (Bettman, 1979).

The views of consumers on new banking advertising:

Respondents were asked to state whether they agree (on a scale 1-5) with each one of the following statements regarding banking advertising. 24% totally disagree with the new advertising methods of banking institutions, 19% rather agree and believe that these methods make banks lose their seriousness. At this point, it would also be useful to consider the average numbers of respondents, in order to examine the spread of dissatisfaction from advertising per gender (Fig. 7), age (Fig. 8) and family income (Fig. 9).

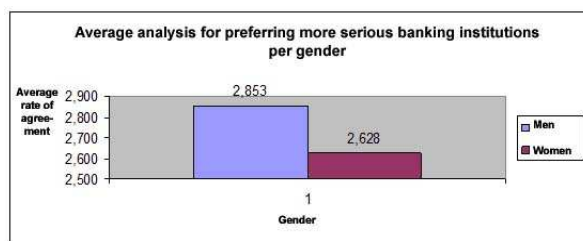


Fig. 7. Average analysis for preferring more serious banking institutions per gender

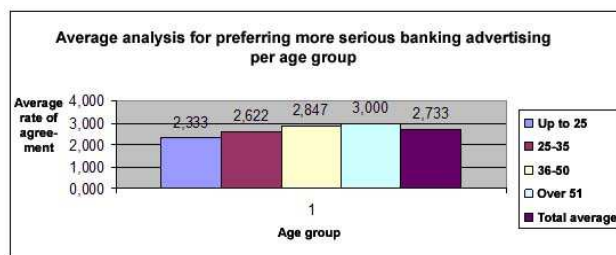


Fig. 8. Average analysis for preferring more serious banking institutions per age group

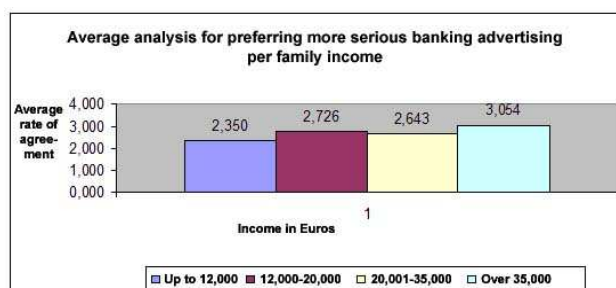


Fig. 9. Average analysis for preferring more serious banking institutions per family income

It is observed that the judge of clever lines and humorous advertising are mostly men, with increasing spread depending on age and family income. This is definitely not a surprise, as all three demographic groups – men, older people and people with high family income – usually, express conservative views on consumption-related market research. The answers are spread in this case, with a higher percentage appearing to understand and agree with the concept of new banking advertising. The most conservative part of respondents totally disagrees with our statement as they would expect a more serious behavior by banking institutions to comply with their older image.

Traditional private bank customers have found themselves since 2000 and until today before a new banking system that is willing to finance needs that could not be financed in the past, as well as create new ones. People now follow banking offers closely, increasing their participation in banking operations by consuming more and more banking products, such as credit cards, personal loans, car loans, consuming, housing, student, holiday, marriage and heating loans.

From the sample, 22% believe that banking advertising is deceiving, 21% rather agree with that and 28% cannot rule out such a scenario. Unfortunately, certain incidents that have been detected by authorities and have been dealt with have ruined consumer's faith in banking institutions. The media have also contributed to this by exaggerating while reporting cases of consumer deception. Certainly, marketing executives should be more cautious in the future, in order to ensure the interests and good

reputation of banking institutions and also to protect consumers. 25% of respondents have stated that they are unable to associate the advertising message with the advertised bank; this fact ought to preoccupy banks and advertising agencies regarding the effectiveness of such a method.

Humor is widely used and preferred by advertising executives and consumers, however its effectiveness is not always clear and it requires a very careful execution. Advertisements that use humor may be entertaining but they often fail to pass on the message. Humor often outshines the information and persuasion ability of a message. Moreover, advertising repetition makes them ineffective, as they fail to be equally funny the second or the third time. Finally, humor can create a feeling of lightness for certain companies and their products.

The results of the study show that 34% agree and that 27% rather agree that banking products do not really differ from bank to bank they are just "packaged" in different ways.

Indeed by observing housing loan programs, for example, that have been advertised by several banks within the past months, they hardly differ from one another in terms of pricing, while the innovative characteristics that are offered by some institutions (e.g., deferral of installments, foreign-currency programmes, loans with interest rate protection, etc.) are quickly copied by competition since people do not respond and end up being common.

A high percentage (25%) state that they are annoyed by banking advertising. It is interesting that 20% disagree with that notion and 21% quite disagree as they respect the creative aspect of such advertisements. The humor and imaginativeness of advertising executives and the new style of banking advertising reflect the renewed image of banking institutions.

The importance of personal contact in banking:

Respondents were then asked to evaluate, on a scale of 1-5, the importance of personal contact in buying banking products. The vast majority of respondents (70%) and even a large number of those who in the previous question said they have already purchased banking products through the phone or the Internet, think that personal contact is extremely important. Moreover, as was expected, the level of importance paid by respondents to personal contact was proportionate to their age, as shown in the figure above.

All age groups in our sample appear to think high of personal contact in receiving information and buying banking products with an increasing spread proportionate to age. The older the age, the higher the importance of personal contact for customers. This spread is associated with the fact that younger people

are more accustomed to new technologies and the possibilities offered by distance transactions. This familiarization is not so strong in older people or, when it is, it is faced with reluctance.

Conclusions

The financial system forms one of the most dynamic and rapidly developing sectors of the Greek economy. Economic, political and social developments have radically changed the Greek banking system. Competition among financial institutions has grown during the past five years in the field of retail banking, with the availability of quality services and facilities to consumers, within a market that is no longer subject to the limitations and banking system bureaucracies of the past.

This is mainly a change of policy rather than a change in ethics. Banking institutions have managed in a clever and orderly manner to differentiate their investment and savings portfolio by converting it from investment banking to commercial and retail banking. By using technological tools and with the help of the marketing science in its most developed form, banking institutions dynamically and even aggressively try to establish themselves in the retail market, renewing their image through innovative promotion techniques, acquiring and preserving a measurable and qualitative clientele and making their products and services innovative. Direct marketing and advertising have now gained an important place within modern banks' marketing plan; the various points of sale are being modernized and banking staff no longer acts as a simple mechanism for carrying out transactions.

Given the scope of this paper, the conclusions that have emerged from this research are deemed quite significant on the Greek bank customers' perceptions needing special attention and rather further and deeper research from banking institutions operating in the Hellenic Bank market. More precisely it was found that:

Greek consumers are not particularly accustomed to incorporating technological applications to their consuming habits and seem quite reluctant to use related tactics. In the field of banking services, they wish their bank to be technologically advanced, however this is something they need to use in order to carry out transactions and to benefit from fast customer service. When it comes to purchasing banking services, they prefer the traditional face-to-face method. Yet, those who have purchased banking products electronically are quite satisfied from their experience.

The main reason that Greek consumers avoid purchasing banking products through the

phone/Internet is associated with a general reservation against using this type of transactions as a consumption habit. Those who choose to purchase banking products through the phone or the Internet, mainly do so because of their limited time or due to being accustomed to using such means for similar kinds of transactions in other fields.

A bank's human resources play a significant role in attracting and maintaining its customers. Therefore, training modern bank employees is essential, from staff working in the front line to marketing managers, as well as to provide the proper working conditions and motivation in order for them to apply what they learn.

Banking branches and personal contact with employees play a very important role for prospective customers, in spite of the alternative techniques offered by technology. In order for a branch to be attractive to consumers and profitable for its managers, it should combine spatial diligence, the appropriate location and technological infrastructure, as well as efficient manpower, all being factors of the utmost importance in order to satisfy customers and create a loyal customer base.

The forms of direct marketing currently used by banking institutions, mainly providing information over the phone, annoy consumers and need to be reconsidered by marketers in order to establish a proper way and use for them.

Out of all retail banking products, the one that is easier for customers to obtain through distance selling methods is credit cards, and the second one is consumer loans.

Most of today's consumers are satisfied to a large extent with the bank they cooperate with. This is

due not only to the fact that financial institutions have greatly improved their services, but also to the fact that customers because of strong competition can now negotiate the quality they ask for.

The method of humorous advertising used by banks today, involving wordplay and sketches from our daily lives is generally accepted by people, despite that it is rejected by a conservative group of consumers. This acceptance relates to the creative aspect of these advertisements, while in terms of effectiveness only a few agree that their intention of purchase is unconsciously affected by them.

Banking institutions with their relatively light style of promotion have managed to become more accessible to a large number of consumers by eliminating their serious-looking image but not their actual seriousness and professionalism.

Despite the creativeness of banking advertising and their frequent renewal, in terms of the aggressive marketing imposed by strong competition, they have not yet managed to convince people that their products are different. On the other hand, some people regard them as being a method to disorient and deceive the public.

Marketers ought to be cautious when planning banking advertising, especially humorous spots, to ensure that their product is promoted in an artistic manner, and that the message is not lost behind clever wording but instead it emerges from it. Many consumers are unable to associate in their memory a scenario with a product, a fact that indicates how ineffective these advertisements can be.

Therefore, banking institutions need to re-examine their customer-approach methods and apply the marketing of relationships to ensure loyalty.

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