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Comparative Analysis of Results of Online and Offline Customer Satisfaction & Loyalty Surveys in Banking Services in Montenegro

Abstract: The logic that customer satisfaction is the starting point of marketing and business activities is based on the assumption that customer satisfaction leads to customer loyalty, keeping in mind all of the positive effects that customer loyalty has on business success of an organization. Because of this, marketing and management theory and practice dedicate particular attention to the concepts of customer satisfaction and loyalty. In this paper we will use the surveys of customers of banking services not only to show the levels of their satisfaction and loyalty, but also to make a comparative analysis of data obtained through online and offline research. This approach was made possible because the research was carried out on a sample which was divided in two groups. All of the participants answered the questions from a unique questionnaire, however, one group took the survey via the Internet (online) while data from the other group of participants was collected in the field by using printed questionnaires (offline). The findings of the comparative analysis of online and offline survey results are presented in the final part of the paper.

Keywords: Customer satisfaction, loyalty, services, banking, online vs offline research

JEL Classification: M39, G20

Introduction

Customer satisfaction is traditionally perceived as the overall positive response generated after the use of a certain product or service (Oliver 1981). Numerous marketing studies (Anderson and Srinivasan 2003; Beerli et al. 2004; Bloemer & Kasper 1995; Bloemer & Lemmink 1992; Chiou 2004; Homburg & Giering 2001; Lam et al. 2004; Olsen 2002; Ping 1993; Yu et al. 2005) have shown that customer satisfaction can impact certain indicators of customer loyalty. To be more precise, it is considered as natural for customer satisfaction to have a positive effect on customer loyalty. Bloemer and his colleagues have conducted a series of researches related to customer satisfaction and loyalty (Bloemer & Kasper 1995; Bloemer & Lemmink 1992; Bloemer & de Ruyter 1998, 1999) and they have shown that customer satisfaction is an important prerequisite for customer loyalty.¹

Ziethaml and Bitner (Ziethaml & Bitner 2003), with reference to the work of three authors (Heskett, Sausser and Schlasinger) also indicate the existence of a direct positive correlation between the level of satisfaction and loyalty of service consumers, pointing out that just as likely as the increase in satisfaction leads to repeated consumption and increase in loyalty, the increase in dissatisfaction makes the customer change the supplier, which represents a lost client and a decrease in loyalty for the company providing the service. Other researches on this topic have shown that 'delighted' (that is, 'extremely satisfied') customers have a much higher probability of remaining loyal to the company in comparison to customers that are only 'satisfied' (Lam et al. 2004; Oliver 1997).

Until today, numerous methods of measuring customer satisfaction were proposed, among which two are widespread: measuring transaction-specific satisfaction and measuring the overall satisfaction (Lam et al. 2004; Tian 1998; Yang 2004). The transaction-specific approach explains satisfaction as the psychological benefit for the customer after a specific use of a product or service. In this way, measuring transaction-specific satisfaction can provide specific diagnostic information on the product supply (Lam et al. 2004). In comparison with transaction-specific satisfaction, cumulative or overall satisfaction shows the customer's cumulative impressions and attitude towards a certain brand or service performance (Tian 1998; Yang & Peterson 2004). Overall satisfaction is considered to be a more fundamental indicator of a product or service performance (Bitner & Hubbert 1994; Gustafsson et al. 2005; Lam et al. 2004). This is why it is implied that overall satisfaction is a more relevant and more significant indicator of cus-

¹ Jovović, Femić, Mišnić, Jovović: EXPLORING CUSTOMER SATISFACTION MONITORING IN BANKING SERVICES IN MONTENEGRO

customer loyalty in comparison to transaction-specific satisfaction (Gustafsson et al. 2005; Lam et al. 2004; Olsen and Johnson 2003; Yang & Peterson 2004).

Following the presented theoretical framework, we decided to use the cumulative or overall satisfaction approach in measuring customer satisfaction for the purpose of research we conducted. As the concept of customer satisfaction is inseparably linked to customer loyalty, we found that along with estimating the level of customer satisfaction, it is also necessary to estimate the level of customer loyalty among the users of banking services in Montenegro.

Customer satisfaction and loyalty research in banking services in Montenegro was based on surveys of users of banking services in Montenegro, on a sample which was divided into two parts. One group of participants was surveyed using online questionnaires, while data from the second group of participants was collected using identical questionnaires in print, through an on-terrain survey. This approach allowed us to assess whether there are significant differences in results obtained from the two sub-samples by applying statistical analysis. We were encouraged to take this step by the fact that many studies treat the issue of differences between results of online and offline research.

Thus, for example, the research conducted by Deutskens and his colleagues (Deutskens et al. 2006) provided answers to the question whether online surveys and surveys sent by mail give the same results. Their study, which referred to the assessment of quality in B2B services, showed that in spite of minor differences, both surveys have the same results. All in all, the conclusion was that although online surveys may have certain flaws in the sample, they are considered as a valid and effective research method, especially when the representativeness of the public opinion is not the primary concern of research.

On the other hand, a study (e.g. Duffy et al. 2005) on the comparison of data obtained through online and face-to-face surveys has shown the existence of some differences that were more evident in responses to certain questions in comparison to other. In further analysis of the reasons behind these differences, the authors hypothesized that this may be a result of the fact that: a) online surveys tend to attract participants with more knowledge and broader horizons and b) subjects that reply face-to-face are susceptible to giving answers that are more socially acceptable.

This brief overview shows that offline and online surveys can have the same, but also different results, and that this depends on the subject and primary purpose of the research. Following the logic of Deutskens's study, and taking into considera-

tion the fact that the main purpose of the primary research is defined as research on customer satisfaction and loyalty in banking services in Montenegro, as well as the fact that online survey is a notably more efficient way of collecting data, we have opted to survey two 'parallel' sub-samples, expecting that we will get the same results. This approach enabled the analysis of existence of differences in the answers of participants, depending on whether the survey was conducted online or offline, and allowed us to set the basic hypothesis: **In the replies of users of banking services related to the assessment of overall customer satisfaction and the level of customer loyalty, there were no statistically significant differences between data obtained from the participants who were given a survey in print, and those who took the survey via the Internet (online).** The confirmation of this hypothesis could help further research to be carried out in a more effective manner, without the risk that the data collection method would affect the results.

2. Researching satisfaction and loyalty of banking services customers

As it was implied before, the satisfaction of customers of banking services in Montenegro was measured as the cumulative or overall satisfaction of customers with the bank of their choice. The satisfaction was measured by using a seven-point scale. The participants answered the question 'How would you rate your overall experience with the bank of your choice?' by choosing one of the seven proposed options, which were: 'Very dissatisfied', 'Dissatisfied', 'More likely dissatisfied than satisfied', 'Neither dissatisfied nor satisfied', 'More likely satisfied than dissatisfied', 'Satisfied', 'Very satisfied'. The results are presented in percentage in the table below:

Table 1: The satisfaction level of customers of banking services in Montenegro

The satisfaction level:	Percentage of customers:
Very dissatisfied	1,58
Dissatisfied	2,06
More likely dissatisfied than satisfied	9,51
Neither dissatisfied nor satisfied	18,07
More likely satisfied than dissatisfied	24,88
Satisfied	29,32
Very satisfied	14,58

In order to gain a better insight into the satisfaction level of customers, we find that in the continuing part of the analysis it is useful to group the replies into

three categories. Starting from that point, we grouped the customers that opted for: 'Very dissatisfied', 'Dissatisfied' and 'More likely dissatisfied than satisfied' into the category of dissatisfied customers. We categorized the participants that replied: 'More likely satisfied than dissatisfied', 'Satisfied' and 'Very satisfied' as satisfied customers, and we treated those who chose the option 'Neither dissatisfied nor satisfied' as neutral customers. The structure of replies categorized in the way that is described above is shown in Table 2.

Table 2: Satisfied vs. dissatisfied customers of banking services in Montenegro

Customer satisfaction:	Percentage of customers:
Dissatisfied	13.15
Neutral	18.07
Satisfied	68.78

Based on the presented table it can be concluded that the number of satisfied customers of banking services in Montenegro is larger than the number of dissatisfied customers. Data shows that for every five customers that are satisfied, there is less than one dissatisfied customer. Although the number of satisfied customers exceeds 50% (53.15%) in all banks (and this includes the lowest rated bank), we should not forget that these are average figures, and that the percentage of dissatisfied customers is larger than 15% in four banks, whereby in one of them every fourth customer (25%) expressed dissatisfaction with the overall service received from this bank. In this bank, one dissatisfied customer comes on every two satisfied customers, which should definitely be a concern for the bank's management.

The respondents' responses were additionally analyzed by associating positions in the seven-point scale with numerical values from 1 to 7, where the score of 1 is linked to the response 'Very dissatisfied', 2 is associated to the response 'Dissatisfied' and so on through 4 that is attributed to neutral customers, until the score of 7 that is associated to those 'Very satisfied'. In this way, it was made possible to show the overall customer satisfaction level with the bank's services numerically, based on the average score on a scale from 1 to 7. The presented data on a much larger number of satisfied in comparison with dissatisfied customers is clearly visible also through the numerical value of average satisfaction level. In fact, at the level of the entire sample, we obtained an average score of 5.09, which indicates that 'the average customer' fits into the category of satisfied customers (we recall that the value of 4 corresponds to the neutral position on the seven-point scale, and that values above 4 are linked to satisfied consumers or, more precisely, those who replied 'More likely satisfied than dissatisfied', 'Satisfied' or 'Very satisfied'). In the best rated banks, satisfaction rating stands at 5.92, while the lowest rated bank has received an average score of 4.64, which is also above average.

As noted above, theoretical studies have pointed to the importance of having very satisfied customers. More and more, the theory and practice of marketing accept the logic that it is not enough for companies to fulfill the customers' expectations, but that companies should overcome expectations in order to delight their customers. In fact, studies have shown that the probability of becoming a loyal customer is significantly higher among very satisfied customers, in comparison to satisfied consumers. Therefore, we consider that this category of customers should be given special attention, and in the following table we will show information on the total percentage of satisfied customers, the percentage of very satisfied customers, as well as the average score of overall satisfaction with the service that the bank provides for three banks with the largest number of satisfied consumers. For comparison purposes, the last column shows the data on the level of the entire sample.

Table 3: Customer satisfaction in three banks with the highest rating

Top rated banks	Percentage of satisfied customers	Percentage of very satisfied customers	Average score of customer satisfaction
I	88.16	39.47	5.92
II	80.36	8.93	5.11
III	80.17	12.07	5.33
The entire sample	68.87	14.58	5.09

The data presented in the table shows that there are significant differences in the percentage of very satisfied customers among the banks with the largest number of satisfied customers. A little less than half of satisfied customers of the best rated bank fit into the category of very satisfied customers, hence the high average rating of customer satisfaction in that bank.

In addition to researching customer satisfaction in banking services in Montenegro, we also explored customer loyalty to a particular bank. We estimated it in terms of the extent to which the customer agrees with the statement: 'I believe that I am a loyal customer of this bank'. The subjects answered by choosing one of seven possible answers: 'I absolutely disagree', 'I do not agree', 'I more likely disagree than agree', 'I neither agree nor disagree', 'I more likely agree than I disagree', 'I agree' and 'I absolutely agree'. Applying the same method we used in the analysis of replies to questions about customer satisfaction, we divided the replies of all participants into three categories, as 'Not loyal', 'Neutral' and 'Loyal':

Table 4: Level of customer loyalty

Level of loyalty:	Percentage of customers:
Not loyal	24.60
Neutral	16.19
Loyal	59.21

The data presented in the tables above provides the basis for the conclusion that the number of loyal customers is smaller than the number of satisfied consumers. This data confirms the theoretical framework we presented, showing that loyalty develops gradually and that satisfied customers are not necessarily loyal customers as well. This is manifested by the fact that the ratio of customers that are loyal to those that are not loyal is less favourable in comparison with the ratio of satisfied to dissatisfied customers.

We monitored the level of customer loyalty also on the basis of average rating, which we reached analogously to the case of the average score of customer satisfaction, by assigning numerical values from 1 to 7 to appropriate positions of the seven-point scale. At the level of the entire sample, we obtained an average rating of 4.71. In this case the results per bank varied as well and they are presented in the following table:

Table 5: Level of customer loyalty in three banks with the highest rating

Best rated banks:	Percentage of loyal customers	Average rating
I	80.00	5.35
II	73.68	5.28
III	63.79	4.94
Average of the entire sample	59.21	4.71

Also in this case, there are several banks that stand out when it comes to percentage of loyal clients. On the other hand, we find that it is necessary to point out that the percentage of loyal customers in the lowest rated bank was below 50% (44.8%).

3. Comparative analysis of results of offline and online surveys

In order to test the hypothesis that there are no significant differences between the results of offline and online surveys of customer satisfaction and loyalty in

banking services in Montenegro, we used the ordinary statistical tools, focusing on the t-test for testing the significance of differences in mean values.

Before carrying out the statistical tests, we performed a preliminary descriptive analysis in order to gain a clearer insight into the basic statistical properties of observations. In this case, the observations are the level of customer satisfaction and the level of customer loyalty.

Table 6: Group statistics

		N	Mean	Std. Deviation	Std. Error Mean
Level of customer satisfaction	offline	265	5.04	1.328	.082
	online	366	5.13	1.397	.073
Level of customer loyalty	offline	264	4.73	1.924	.118
	online	366	4.69	1.683	.088

Based on data in Table 6 we can conclude the following: the average rating of customer satisfaction with the selected bank reached through offline research (5.04) is slightly lower than the score reached through online research (5.13), on a scale from 1 to 7 (1 - very dissatisfied, ..., 7 - very satisfied). When it comes to the sense of loyalty that a client has to the bank of his choice, the results show that the average level of loyalty is higher in subjects that took surveys offline (4.76), on a scale from 1 to 7 (1 - I absolutely disagree, ..., 7 - I absolutely agree), compared to an average score of 4.69 obtained through online surveys. To answer the question whether these differences are statistically significant, we used the t-test for two independent samples. Standard procedure is to first test the hypothesis of equality of variances (Levene's test for equality of variances) because further statistical tests depend on it.

Table 7: Results of tests on the existence of significant differences between the average level of customer satisfaction and average level of customer loyalty

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	t	Df	Sig. (2-tailed)
Level of customer satisfaction	Equal variances assumed	4.075	.044	-.797	629	.426
	Equal variances not assumed			-.803	584.895	.422
Level of customer loyalty	Equal variances assumed	5.048	.025	.302	628	.763
	Equal variances not assumed			.296	519.488	.768

Table 7 analyses the issue of existence of significant differences between the answers reached through online and offline surveys on the level of customer satisfaction and customer loyalty.

The table first shows the results of Levene's test for homogeneity of variance of observed features in two samples. In this case, it means that we tested the hypothesis of equality of variances regarding the replies of subjects that took online and offline surveys. Based on the realized level of significance (Sig. 0.044 and 0.025) for both variables, we cannot accept the claim that variances are the same in both groups (online and offline). Taking into account this result, the test of equality of average scores between the two samples gave the following results. As the realized levels of t-test significance of 0.422 and 0.768 are higher than the risk of error of 0.05 for both variables (levels of satisfaction and loyalty), we accept the hypothesis of equality of average responses of subjects that took online and offline surveys on the level of customer satisfaction and customer loyalty. In other words, we can say that there are no significant differences between the data on customer satisfaction and customer loyalty of users of banking services in Montenegro.

4. Conclusion

The issue that has been relevant and present for a very long time in the marketing theory and research is that of motivating customers to become and/or remain loyal to certain brands. Brand loyalty can be perceived as the strongest connection and level of identification with the brand for the customer. In recent years, much attention has been devoted to developing customer loyalty with regard to the benefits that are related to the retention of existing customers. The assumption is that customer satisfaction leads to customer loyalty. Keeping this in mind, we conducted a study on users of banking services in Montenegro and here we show not only the levels of their satisfaction and loyalty but also a comparative analysis of data obtained through online and offline research.

Data presented in this paper provide the basis for reaching the conclusion that the number of loyal customers is smaller in comparison to the number of satisfied consumers. This information confirms the theoretical framework stating that customer loyalty develops gradually and that satisfied customers are not necessarily loyal customers as well.

We set the hypothesis that in the replies of users of banking services related to the assessment of overall customer satisfaction and the level of customer loyalty,

there were no statistically significant differences between the data obtained from the participants who were given a survey in print and those who took the survey via the Internet (online). Since the statistical tools helped us to come to the result that realized levels of significance of t-tests of 0.422 and 0.768 were higher than the risk of error of 0.05 for both variables (satisfaction and loyalty), we accept the hypothesis of equality of the average responses of subjects that took online and offline surveys on the level of customer satisfaction and customer loyalty.

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