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NEW APPROACHES IN THE RETAIL BANKING SYSTEM FOR CREATING LONG TERM LOYALTY RELATIONSHIPS WITH CUSTOMERS: CASE STUDY ON THE ROMANIAN MARKET

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Abstract

With the rise of digital technologies, increasingly informed consumers expect banks to do more than connect with them, more than satisfy them and even more than delight them. They expect banks to listen and respond to them, with personalized offers, overdrawing their expectations. Consumers have access to online reviews, compare products and can move very quickly from one partner to another, being more demanding and more prepared than ever to appreciate the offer of financial services. However, only an attractive offer of banks is not the key to success today if is not supported by a superior service culture, that can make notable differentiation in the market as a competitive advantage. In order to highlight the new approach of superior service culture in the Retail Banking System I chose to make a qualitative research on the Romanian market since Romania is one of the most attractive destinations for the investors in the banking system considering the growth prospects of attracting European funds and financial intermediation. Through this analysis I present the customers' expectations nowadays and how successful Banks carefully cultivate customer satisfaction and loyalty.

Keywords: Customer Service, Net Promoter Score, Service Quality Index, Customer Satisfaction, Banking

1. Introduction

Nowadays, the changes in the banking system that is marked by the relaxation of the legislation, the emergence of new technologies and increased competition have led to significant changes in consumer behavior, giving them greater flexibility and allowing them to modify faster their buying behavior of services and banking products.

It can be seen that banks strategy increased in concerns about maintaining a connection with existing clients in order to gain their loyalty, and this could only be done after a serious research and understanding of their behavior.

Not to mention, that in past years, due to the drastic changes that have occurred in the international financial and banking market, banks are perceived by population as the cause of many negative events in the market, and yet without the banks, economy can't exist.

In a mature market, characterized by oversupply, the expansion cannot be achieved by attracting new customers, but by focusing on the actual consumers and by strengthen the business relations with them.

Therefore, the major concern of the banks today is to recover and maintain customer trust. Customers need to feel that banks are considering their interests. Customers are seeking for easy and personalized information. They want to better understand their financial situation and to control it. They want to know both the benefits, as well as the risks. Clients want to work with a bank that is concerned about them, about their family and about their personal goals.

2. Creating Long Term Loyalty Relationships with Customers

Marketing requires an approach to business that focuses on improving performance through customer satisfaction, so it is naturally oriented outside organization.

However, marketing can not only focus on consumers; marketing managers should also be aware and understand competitors' activities. Giving consumers what they want in a more efficient manner than the competition requires a good understanding of the strengths of the organization, of the resources and of the capabilities that they hold and how these all can be used to meet the needs of consumers (Catoiu and Teodorescu, 1997).

To implement a Customer Relationship Marketing, banks may adopt a number of strategies depending on the purpose they have and on the customers they address to, by careful segmentation studies.

The purpose of segmentation in the policy of relational marketing is vital and defines directly the very concept itself: the banks need to customize their efforts to components of the marketing mix depending on the type of client to whom they addressed to, in order to avoid extra costs or to avoid a misunderstanding of these efforts that can have negative consequences on the results (Peppard, J., 2000).

Although relationship marketing has emerged as an alternative to the classical approach of the "4Ps" of marketing mix, in practice traditional marketing mix was the starting point for implementation. Such notice is the attempt to apply the four elements of the realities relationship marketing by developing new techniques and specific instruments, by trying to individualize the products and services or the use of distribution arrangements and interactive communication, aimed at approaching the banking institution clients. (Lefter, C., Bratucu, G., Chitu, I., Rauta, C., Balasescu, M., 2000)

Depending on the stage and the objectives of the relationship marketing implementing, these tools and adaptations of the "4P" marketing mix of traditional general are part of three different strategies:

- The guidance on interacting with the client;
- The orientation towards customer satisfaction;
- The orientation towards avoiding customer migration to another bank.

Nowadays, banking marketing is clearly outlined both in marketing theory and in economic practice. The establishment has a distinct field is based on specific banking services.
Lately, there is a tendency for standardization the financial and banking services so the sustainable advantages can't underline on innovative services, but it is necessary in ensuring the high quality services through customer-oriented attitude and through loyalty.

Satisfying the need for financial services and banking is done through consumption, act preceded by a shares, where the consumer decides acquisition, according to its own requirements. In order to optimize customer relationships, banks should identify peculiarities of consumer behavior for banking and financial services in order to better meet its needs, enough to anticipate reactions and transform them into opportunities for expansion of cooperation.

Consumer-oriented needs require, first, a thorough knowledge of market requirements and even anticipating their systematic follow scientifically, designing and applying an appropriate investigative tools, creating and perfecting the theory and the practice specialty.

In order to understand the complex mechanisms of transformation of needs in demand for services, a special place in the theory and the practice of marketing returns on modeling study consumer behavior.

The multiplication and diversification of financial services offer alternative choices to the consumers who become more demanding and more intolerant with deficiencies. In this situation, keeping promises to customers and ensure consistency between the current service and promises is very important.

In analyzing consumer expectations, permanent communication should be considered so as to understand those expectations.

To maintain effective communication with consumers and to expand their zone of tolerance, there are required the following: increased accessibility; encouraging consumers to contact the bank for more information; initiating contacts with consumers and their maintenance; training employees in order to provide quality services; stimulating employees for developing relationships with top -consumers.

Starting from the idea that the quality of a service is defined by the gap between perceptions and expectations, Baker *et al.* (1988) have conducted a large number of studies and experiments that lead to defying a general model for quality of service.

The customers' expectations are defined by the previous experiences, through media, publicity and news from the company that offers the service. They choose a company or another, according to those criteria, and after the service is received they compare the service (perception) with their first expectactions.

The classical model of consumer decision making for banking services is based on rational decisions when he holds all the necessary information. In practice, however, these assumptions have been refuted by numerous studies suggesting that the banking services consumers rarely make rational choices or are fully educated in the field. Consumers rather use heuristic methods that simplify the decision process considerably distinguished two stages in choosing a banking service: pre-discriminatory evaluation and compensatory decision making (Estelami, 2007).

Services are different from physical goods by the very characteristics. Most authors believe that intangibility is the main characteristic that leads to inseparability, perishability and variability as results (heterogeneity). There are some other theoreticians who introduced three new characteristics for the banking services. According to Ennew and Waite (2007) they are the fiduciary responsibility, consumption and incidentally consumption, multiple factors with implications for marketing activities.

The Customer Relationship Marketing shows a bank's ability to identify, communicate and reward valuable customers, laying the foundation of quality services. There is only one way to achieve excellence in services and this it is to steadily moving forward.

Consumers are better educated and better informed than ever, and they have the tools to verify banks' claims and seek out superior alternatives.

How do customers ultimately make choices? They tend to be value maximizes, within the bounds of search costs and limited knowledge, mobility, and income. Customers choose—for whatever reason—the offer they believe will deliver the highest value and act on. Whether the offer lives up to expectation affects customer satisfaction and the probability that the customer will purchase the product again.

Defining Customer Perceived Value (CPV) is the difference between the prospective customer's evaluation of all the benefits and costs of an offering and the perceived alternatives. Total customer benefit is the perceived monetary value of the bundle of economic, functional, and psychological benefits customers expect from a given offering because of the service, people, and image. Total customer cost is the perceived bundle of costs customers expect to incur in evaluating, obtaining, using, and disposing of the given offering, including monetary, time, energy, and psychological costs.

Customer-perceived value is thus based on the difference between benefits the customer gets and costs of the choices. Successful banks are those who carefully cultivate customer satisfaction and loyalty. In these multinationals the customers are placed at top. Next in importance are frontline people who meet, serve, and satisfy them; under them are the middle managers, whose job is to support the frontline people so they can serve customers well; and at the base is top management, whose job is to hire and support good middle managers, unlike the traditional organizations with the president at the top, management in the middle, and frontline people and customers at the bottom.

Loyalty has been defined as “a deeply held commitment to rebuy or repatronize a preferred service in the future despite situational influences and marketing efforts having the potential to cause switching behavior.”

Image projection banking institution among its clients is extremely important in the process of evaluating the quality of their services.

The attributes deemed important by customers are the image of a strong and stable bank, safe and reliable. The less relevant banks related to the image of a friendly, modern and prestigious.

Given the psychological aspects that you determine the behavior of the individual, anything related to monetary values, as is the case of banking, are understood aspects that guide consumers in assessing the preferred bank's image. They put first the safety and confidence in the banking institution concerned and psychologically customer banks respond to these concerns by massive investments in tangible items or communications campaign designed to inspire these feelings among consumers.

Many banks all over the world are systematically measuring how well they treat customers, identifying the factors shaping satisfaction, and changing operations and marketing as a result. Wise banks measure customer satisfaction regularly because it is one key to customer retention. A highly satisfied customer generally stays loyal longer, buys more as the company introduces new and upgraded products and services, talks favorably to others about the bank, pays less attention to competing brands and is less sensitive to price and costs less to serve than new customers because transactions can become routine.

The most common way to measure customer satisfaction is through NPS survey which rates “How likely is it that you would recommend this product or service to a friend or colleague?” (Fred Reichheld, 2003)

In a typical Net Promoter survey customers are given a 0-to-10 scale on which to rate their likelihood of recommending the company. Marketers then subtract Detractors (those who gave a 0 to 6) from *Promoters* (those who gave a 9 or 10) to arrive at the Net Promoter Score (NPS) (Figure 1). Customers who rate the brand with a 7 or 8 are deemed *Passively Satisfied* and are not included.

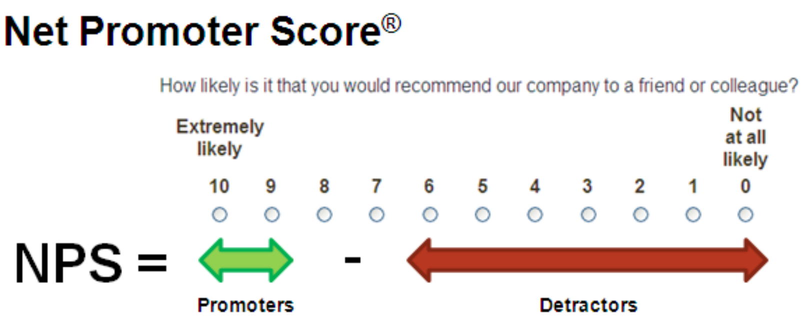

Figure 1. The structure of the Survey Respondents Expressed Depending on Their Option

Net Promoter Score (NPS) is the index that describes consumers' intention to recommend to friends or colleagues a company or product. Promoters are loyal and enthusiastic buyers who recommend the brand; passively are satisfied consumers, but the lack of enthusiasm for the brand and all vulnerable to competition; and detractors are dissatisfied consumers, who could damage the brand and affect business growth through negative publicity (Kotler and Keller, 2016).

With the development of social media and online environments, the experience of a client with a bank, a product or service can propagate much faster. It is recognized in this respect merit Net Promoter to measure these experiences and identify issues that formed the basis of certain views, creating ways to increase customer loyalty and performance of a company.

Basically, Net Promoter program, chosen by the bank's customers who sign a sample or already have a product or service are asked to assess the relationship with the bank immediately after concluding a deal.

The evaluation takes place either by telephone or via e-mail invitations sent to answer several questions, among them is the one on their willingness to recommend the bank to family, friends or colleagues. Concern banks to and listen more customers has intensified in recent years both by adapting products and services to the new economic context and (low taxes, product launches, offering new guarantees, etc.) and by increasing awareness and transparency in communication, the new program completing this series of shares Net Promoter long term.

According to Fred Reichheld (2006) NPS is regarded as an indicator of growth and profit for the company, considering that the percentage of consumers' promoters is directly proportional to profitability. Reichheld has picked up many believers through the years, not only the banks, but also American Express, Dell, and Microsoft, among others.GE has tied 20 percent of its managers' bonuses to its NPS scores. Reichheld says he developed NPS in response to overly complicated—and thus ineffective—customer surveys. So it's not surprising that client banks praise its simplicity and strong relationship to financial performance.

Net Promoter is not without critics. A common criticism is that many different patterns of responses may lead to the same NPS. For example, NPS equals 20 percent when Promoters equal 20 percent, Passives equal 80 percent, and Detractors equal 0 percent, as well as when Promoters equal 60 percent, Passives equal 0 percent, and Detractors equal 40 percent, but the managerial implications of the two patterns of responses are very different. Another common criticism is that it is not a useful predictor of future growth because it ignores important cost and revenue considerations.

The University of Michigan's Claes Fornell has developed the American Customer Satisfaction Index (ACSI) to measure consumers' perceived satisfaction with different firms, industries, economic sectors, and national economies.22 Research has shown a strong and consistent association between customer satisfaction, as measured by ACSI, and firm financial performance in terms of ROI, sales, long-term firm value. According to the 2014 survey the ACSI leading bank was JPMorgan.

Some have criticized both NPS and ACSI measures for not fully accounting for ex-customers or those who were never customers. Peoples' opinions about any of the single items or indices measuring customer satisfaction depend in part on how they value the trade-off between simplicity and complexity.

Periodic surveys can track customers' overall satisfaction directly and ask additional questions to measure repurchase intention, likelihood or willingness to recommend the company and brand to others, and specific attribute or benefit perceptions likely to be related to customer satisfaction.

The consumer is fully protected when he is given the choice to buy a product at a competitive price in a global market. It is not his concern how and where the product is to be made (Nisar Ahmad, 2013).

Banks need to monitor their competitors' performance too. They can monitor their *customer loss rate* and contact those who have stopped the relationship to find out why.

Banks also hire mystery shoppers to pose as potential buyers and report on strong and weak points experienced in the interaction with the bank or the competitors. Managers themselves can enter the bank and the competitors where they are unknown and experience firsthand the treatment they receive, or they can phone their own bank with questions and complaints to see how employees handle the calls.

For customer-centered banks, customer satisfaction is both a goal and a marketing tool. Banks need to be especially concerned with their customer satisfaction level today because the Internet allows consumers to quickly spread both good and bad word of mouth to the rest of the world.

3. Romania Financial Market Trend Report

The banking sector in Romania includes 40 banks (2015), and has proven resilience during the crisis, continuing to provide financing of the Romanian economy. Romania's banking industry is dominated by Austrian lenders, which control about 39 % of the market, followed by Greek banks with 15.5 % and French lenders with more than 10 % according to Central Bank data. Erste's BCR is the country's largest lender by assets, followed by BRD-Groupe Societe Generale SA.

3.1. Quantitative Study

The inflation rate was still dropping in the last three years, reaching the lowest level from 1990s. Gross Domestic Product (PIB) had a substantial growth and the unemployment rate was at the lowest level from European Union in 2012 and the ratio is still decreasing.
The salaries were still increasing, especially in IT and automotive, while the minimum gross wage increase in 2014 with 12.5%.

According to GFKT BMAX research, positive performance in the technical good market was brought by Telecommunications, IT and Consumer Electronics sector. A detailed image of the biggest changes in the market can be in Figure 2 as follows.

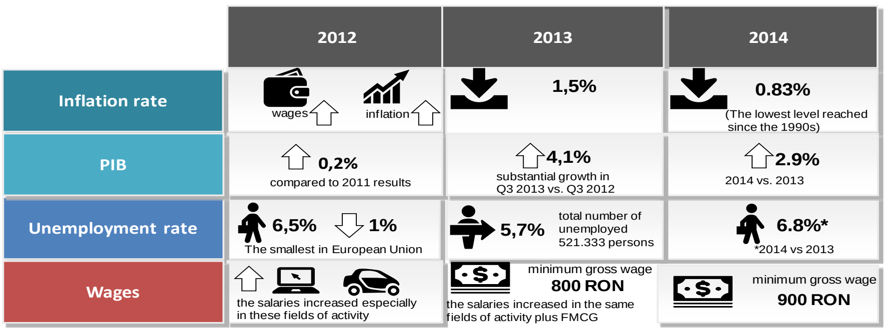

Figure 2. Biggest Changes in the Market from 2012 to 2014

The increase in banked population from 2013 remains almost stable by the end of 2014, with a loss in the first semester, but a solid recovery in the second half. Second semester of 2013 was a very good period for banks which managed to enlarge the banked population. The strategy was to reach new clients from uncovered areas (rural area, low education, retired) and offering debit/ salary cards and/ or promoting the digital solutions for self-managing the products (Figure 3).

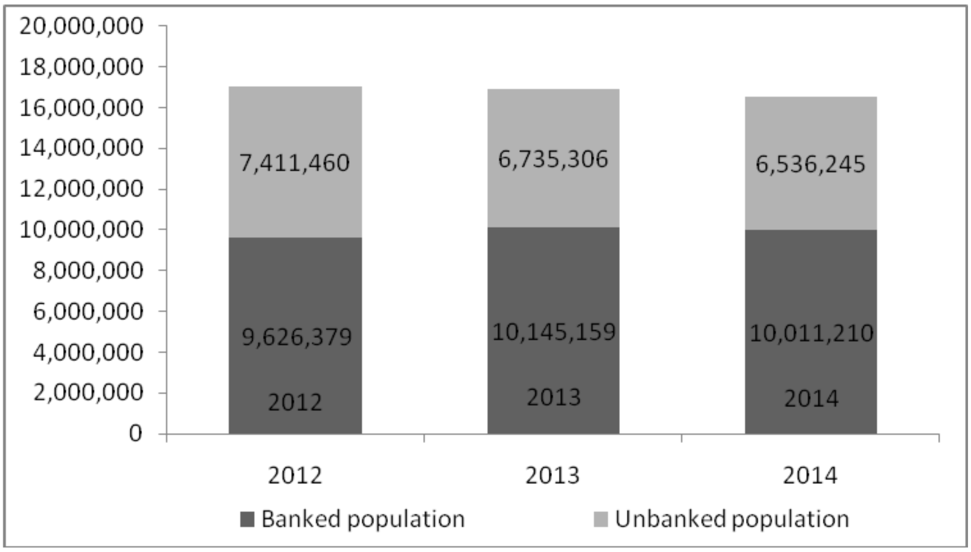

Figure 3. Banking Market Evolution from 2012 to 2014
Note: Population 15+

No. of bank relationships continues the downtrend started in the second half of 2013 (Figure 4) due to new banking customers starting with one bank relationship and increased commitment of bank client from Bucharest.

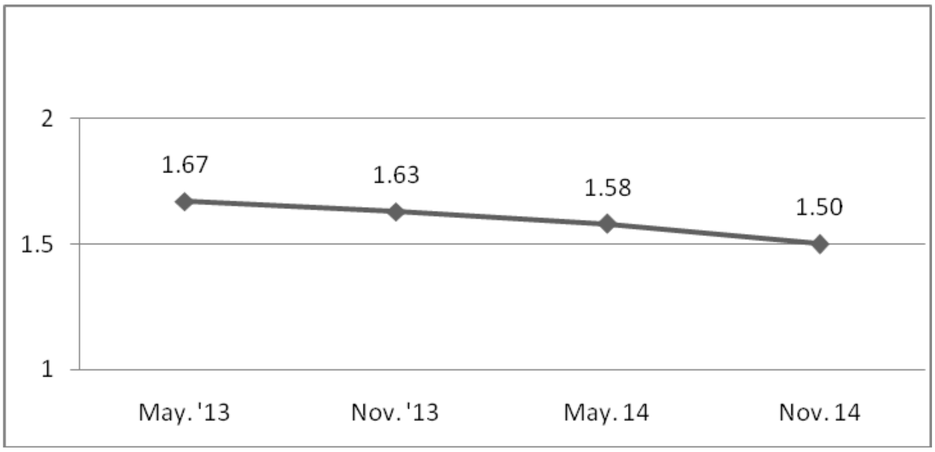

Figure 4. Average No. of Bank Relationship within the Banked Population

When considering the clients' share (see Figure 5), 38% of the population works with one bank, while 24% is works with more than one bank. There is still a significant percent of the population that has no bank account.

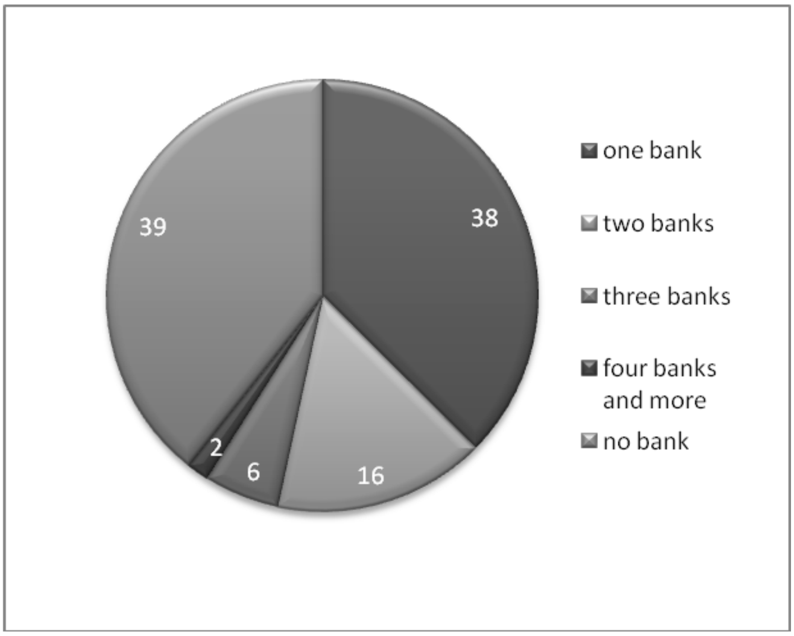

Figure 5. The Structure of Client Share
Notes: Total population 15+
November Wave 2014 Base: N=1000

During 2014 the banks promoted loans and credit cards, so the focus of banks moved back to active population. Regardless bank efforts in first semester of 2014, the usage of financial products came down to the level of S1 2013 or even below. Signs of recovery appeared in the second half of 2014 especially on account products, debit and credit cards, overdraft.

In first semester of 2014 many loans reached the maturity and the banks closed relationships (as compared to 2013 the usage of loans decreased) (see Figure 6). The share of Loans comes mainly from cash/ consumer loans (loans without mortgage).

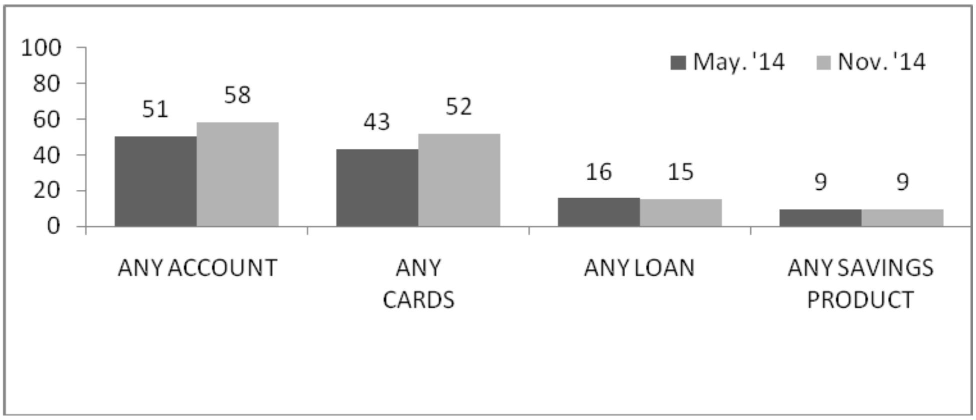

Figure 6. The Structure of the Banking Products and Services

3.2. Qualitative Study

Only 12.5% of the eight main banks in the Romanian market have managed to obtain the pass mark in terms of excellence in client relationship, shows a qualitative marketing research made by VBS Client Research & Consulting in 2012.

ING, Raiffeisen, Banca Transilvania and BRD Groupe Societe Generale are the banks with the best reputation in Romania, according to a study made by GfK research market (October 2013) and shows that over 60% of the banked urban population has the main bank one of these four credit institutions.In those respondents opinion the characteristics of a reputable banking institution are:

- is oriented to people and has a good approach serving both management and
- stakeholders interests as well as the employees and customers interest;
- is concerned for customer satisfaction;
- it builds trust, besides the trade;

The organizational culture is based on honesty, transparency, ethics and responsibility.

In respect of the "reputation score", according to GfK analysis, it is built on seven pillars following:

- familiarity
- quality management
- quality products and services
- financial performance
- good employer
- social responsibility
- emotional attachment.

Wanting to find out the current level of service quality offered to clients and what measures adopted the banks to demonstrate the importance of customer orientation, VBS Client Research & Consulting conducted in 2012 a study of Mystery Shopping focused on the main eight banks in Romania.

Customers mysterious tried to get information about loan products offered to individuals who wish to purchase a home through the "First House Program" vs. standard products for real estate acquisitions. The study shows that Romanian banking standards implies superficiality, "hand-made" cards, made on post-it notes and in some cases even serious mistakes due to ignorance of the products and behavior (Mesesan, 2014).

Since the entry in the banking units, significant inconsistencies were observed regarding the basic rules of relationship between people. If the welcoming has been made only in half the cases, not even one counseling officer has presented himself at initiating conversation. Moreover, only 37.5% of them offered customer cards.

The improvement of the quality of the services should start from how the client is welcomed, the attention and counseling that should benefit from aiming a long lasting partnership between the bank and the client. Without this long-term partnership the customer loyalty by banks would be a failure.

Even in terms of the bank personnel skills to identify the needs and counseling according to the needs, the situation is quite alarming. Only 37.5% of the analyzed bank units were interested to provide a personalized customer offer and almost a third of them have not considered worth the effort to list the repayment or tell the client that the offer may slightly change, depending on the amounts submitted on the appropriate documents.

In addition, in only half of the cases, the undercover customers were asked about their net income (wages and in some cases food vouchers, other earnings being skipped) or if they wish to bring a co-payment to get the loan. Only in half of the cases the undercover customers were asked whether they prefer a loan in Euros or in RON (local currency) giving those concrete explanations on the benefits and the risks related to different loan currencies type.

According to the NPS**,** in 2014 ING Bank was the most recommended bank and NPS score values were between 19 and 50, as seen on the chart below:

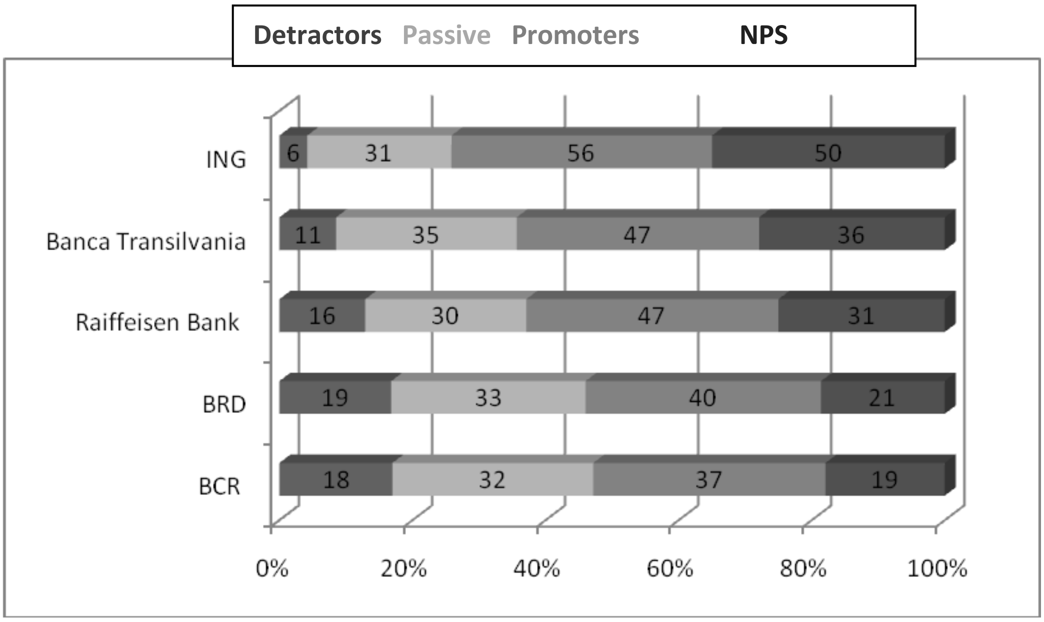

Figure 7. Comparison of the Top 5 Banks in Romania on NPS as of December 31, 2014

In 2015, in May, when it was conducted a new study by GFK Romania there have been changes in the rankings, as follows:

- BRD is dethroned by BCR who increases from NPS 19 to 37%, while BRD has a smaller jump from 21-31%.
- Raiffeisen falls on the last position, from a NPS 31-27
- ING retains title supermarket, with a significant increase in score from 50-69 (Figure 7 and 8).

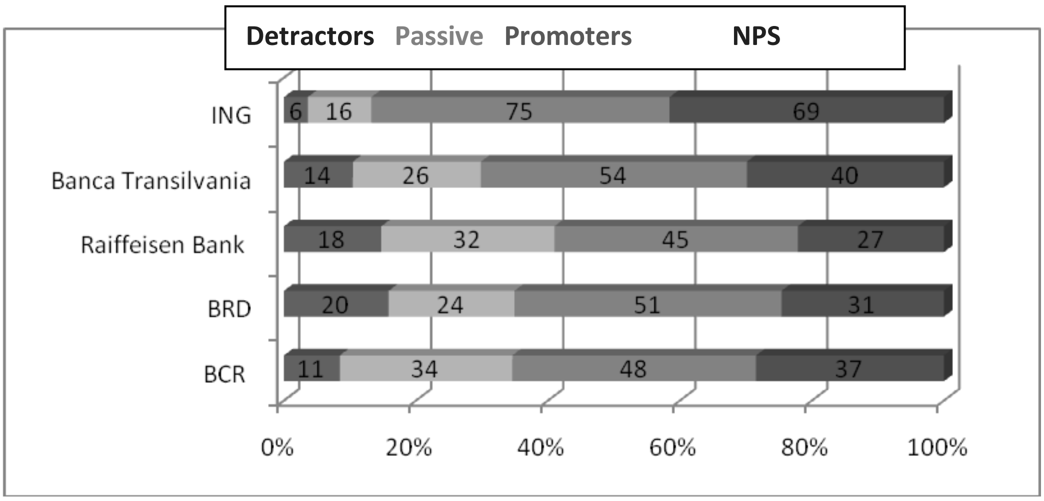

Figure 8. Comparison of the top 5 banks in Romania on NPS as of May 31, 2016

It can be said that since the crisis in the banking sector from 2008, during which many banks have closed branches and agencies trying to become more profitable, the customer experience has suffered in the Romanian banks.

Thus, it requires first a change of approach from the banks, and the profitable client-bank partnership can be won only through hard work from banks, more transparent, advising clients so they can better understand the products that you buy, presenting the risks as well as the benefits and the costs (no hidden charges).

Therefore the first direction of change should be focused on the customer care, involving an effective training of bank staff, so as to offer customers reliable information through a professional approach and manner.

Not least, the progress achieved must be measured consistently knowing that you cannot manage and improve what you do not measure (Hollensen Sven, 2015)

4. The Sustainability of Services Quality Program on the Romanian Banking Market

Using a descriptive multivariate analysis, I determined the factors that contribute to Romanian customer satisfaction regarding banking services, based on a market survey that the company Daedalus Millward Brown, conducted in 2010.

As resulted from the research, the most important factors that have added value for the customers are: the efficiency in serving them; a complete, viable and clear information on the Bank's products and services; transparency in communicating costs; simple language, easy to understand by the clients; the intention to help; the courtesy of the personnel and the level of knowledge of the products and services.

The client is the one who decides on the quality level of the services provided, may be considered the axiom of the quality banking services. “A man who does not have a smile on the face must not open the shop” says an ancient Chinese proverb. The literature talks about the golden rules of the service quality program in customer interaction. The customer is the most important visitor for the bank.

Summarizing and grouping these rules can identify four steps in each of interactions with customers, adding value and creating long-term customers loyalty, giving them a high level experience of quality as follows:

1) Make customers feel welcomed!
- Have an open attitude, smile and wear business clothes!
- Show the customer that you saw him/ her and make him feel welcomed!
- Say hello to the client and show your availability!
- Find out why the customer came to the bank and ask her/him to take place!

2) Ask questions to know your customer as good as possible!
- Introduce yourself and tell the customer that you will ask questions to identify the best solution!
- Communicate the estimated time and verify that the client can grant you this time
- Learn more about customer needs by using open, closed and alternative questions!
- Use eye contact and pay attention to what the customer communicates!
- Be polite and try using empathy to exceed customer expectations!

3) Convince the customer that you have the best solution for it!
- Emphasize the benefits of the solutions you offered!
- Strengthen the information by folding posts!
- Be the first to provide information on product costs!
- Make reference to the sources of information on costs!
- Ask for feedback on products and help the customer to choose one of the solutions you've offered!

4) Show the customer that what most interests you is to help him/ her not just to sell!

- Repeat the costs of the solutions agreed and do not forget about cross-sell!
- Communicate your customer the next steps and date of the next meeting!
- Ask the customer what she thought about the interacting with you and ask for recommendations!
- Keep your smile, thank the customer and uses her name!
- Stand up while leaving the customer and accompanies him/ her to the exit!

4.1. Direct Observations on the Customer Interactions

In the bans, all these rules in order to form a standardized way of working can be drawn into a tool for measuring and quantifying each interaction with the customers. Following the sustainability of the quality services program within the bank, competent persons in this respect, which can be direct management of the employees or those responsible for the quality of service will assist randomly to direct interaction with clients and will complete the return observations. Based on which the employee will provide, the manager will give feedback to the employee by highlighting the issues that were correctly performed at a high quality level and guide him/her to correct those which were not yet at the level of excellence.

4.2. Collecting Customers' Feedback through Second Week Call (SWC)

If on the intern, the bank acts through a direct observation program on the customers' interaction, in order to increase the quality of the services, in a greater measure it matters the customers' perception about the quality of the services that bank offered to them. Thus, an important role in the quality process is collecting the feed-back from the customers, shortly after making a bank transaction or purchasing a product / service.

The recommendation is that this feed-back to be collected in maximum z + 2 from the moment of interaction with the bank, and advanced current technologies allow the bank to do that on several channels:

- Directly in the units (feed-back corner) where the customer logs onto a workstation and checks on a questionnaire accordingly to the way he was served;
- Through a telephone interview;
- Through e-mail.

Starting from the most important issues that customers expect, as we saw in the previous chapter: attitude, professionalism, transparency in communication and efficiency, a detailed questionnaire can be drown according to the banks' objectives, of which the client evaluates the quality of services offered by the bank.

Usually the banks rate customer satisfaction on a scale from 1 to 5. At a very low level of satisfaction (level 1), customers are likely to abandon the bank and even bad-mouth it. At levels 2 to 4, customers are fairly satisfied but still find it easy to switch when a better offer comes along. At level 5, the customer is very likely to repurchase and even spread good word of mouth about the bank. High satisfaction or delight creates an emotional bond with the banks, not just a rational preference.

Specialized bank departments work towards determining a representative sample of clients according to the number of transactions made through the distribution channels, like the call- center or via email. Only the feed-back obtained directly in the units is not subject to sampling, but is collected directly from customers who show their availability.

Therefore, banks in their mission to deliver high quality services to their customers define qualitative indicators based on the key factors that create value for them. The structure of the banking quality index include: attitude, efficiency, transparency and professionalism (Figure 9).

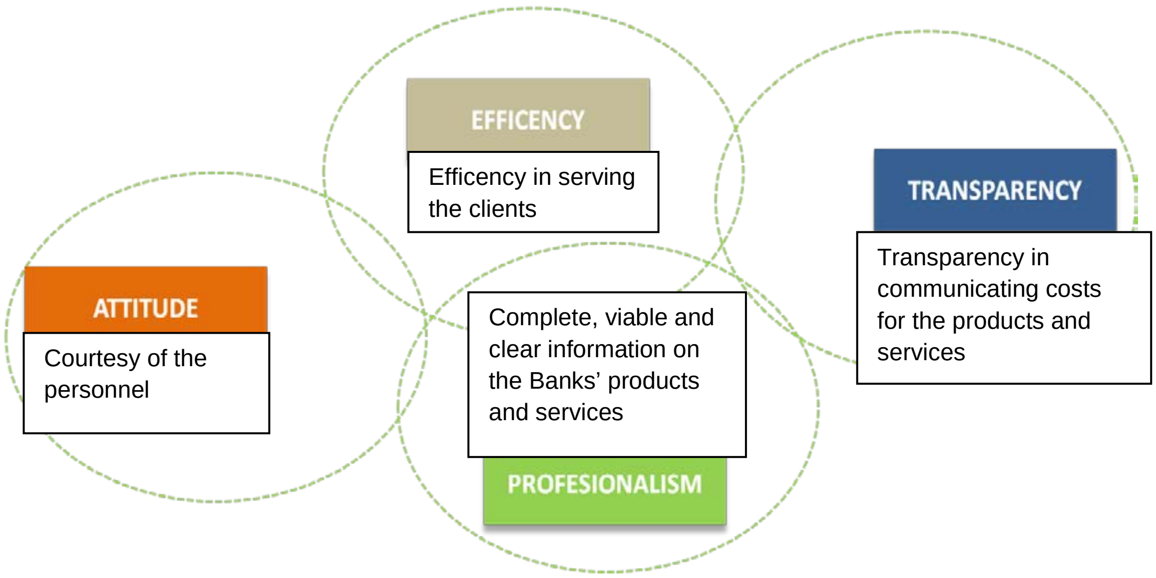

Figure 9. The Structure of the Service Quality Index

The aim of the banks becomes to show their customers that they are always concerned in exceeding the customers' expectations. Like this the clients remain faithful!

4.3. Mystery Shopping

Besides the two areas of actions, detailed above, direct observations and customer feedback, the bank uses a third method to determine the level of quality for services: Mystery Shopping. This concept, although widely developed in the United States since 1947, entered the Romanian market only a few years ago.

The term Mystery Shopping is a qualitative research marketing, which involves the objective assessment of an undercover client for: courtesy, fairness and knowledge of employees, the steps of sale, products offered, time of waiting, ambient, etc. Later the assessment is completed in a report accordingly to banks' expectations and the requirements of the excellence standards in "customer service".

The technique of "Mystery shopping" is relatively new in Romania and according to Nicholas George Dragulanescu "it can have enormous impact on the companies, leading to continuous quality improvement, especially in services" (Mesesan, 2014). The idea is centered on the fact that something will never improve unless is monitored or measured.

According to the studies conducted by MSPA, the organization that globally coordinates mystery shopping work, over 68% of customers are leaving to competition because of the poor quality of services offered and poor human interaction. Moreover, dissatisfied customers usually do not complain to banks (those who complain represent below 5%) but tell their negative experience to more than 10 people. Evaluation through Mystery Shopping research, can take many forms, of which the most used in the banking sector are:

- General or traditional rating: involves the actual visit in bank unit;
- Competition Assessment: involves visits to banking competition;
- Telephone evaluation: it is, as the name says, the assessment made by phone. It can be freestanding or preceding a general assessment, for example when making an appointment to the bank unit;
- Assessment via the Internet (email, online) is used when assessing communication via email, normally requested a quote.

Mystery Shopping Service is not a survey, thus undercover clients do not have to submit their views and opinions, but must report exactly what happened, as a camera that captures all aspects on what exactly produced during the visit.

Consolidated results obtained through the three methods: direct observation of customers' interaction, the customers' feed-back and Mystery Shopping research, constitute solid information the management to analyze, being extremely helpful in tracing lines of action for achieving objectives in terms of the quality of service.

Banks most important resource at this time is the human resource, reasons which justify significant investment in continuous training to support a high level of professionalism, but also an exceptional customer level of human-to-human business.

5. Conclusion

Smiling in general and repositioning each employee from a person who asks, lifelong "what have I won" in one who thinks "What can I do for you to get more value" is the basic principle of the organizational culture based on delivering excellent services (Kaufman, 2013).

As a conclusion of the project, the Romanian Retail Banks became concerned about offering high quality services as a factor of differentiation in the market and are in early stages in assuming a culture of superior service. Some of them offer good service and very good, but very few offer excellent service. Moving from Good to Excellent can't be done overnight and is based on an entire architecture. Management has become extremely aware of these issues and depending on the level of customers' expectations that they reach to satisfy, each bank builds its own action plan for improving service quality. The concern for superior service must be vertical, from top management to frontline people dealing with the customers. Continuous improving and sustaining excellent service are not so easy to do.

The main problem is that the world of services is too less charted. Those who study services in academic field, have created many meaningful terms, but in practice did not come to be widely understood by millions of service providers and by the banking institutions, in particular.

In Romania, only in the past years, banks came with a new approach that places the customer in the center of their concerns, this paid increased attention for collecting their feed-back, since is the one that establishes the level of service quality. Regarding the errors that Romanian Retail Banks make in the current market, dropping price as a strategy to meet the client is not wise. Even if such a measure would ensure access to a particular segment of customers should carefully consider whether those are the customers that it wants.

Another mistake is based on the famous phrase "no news is good news". Today, no news means bad news because you do not know what the client does. In other words, it requires constant communication with customers, to stay in contact with them to ensure of what they want in order to exceed their expectations, because superior services relate to exceeding expectations and not just to meet them.

A few other mistakes that banks make is to leave the entire responsibility of serving customers on the hands of customer service departments and people in the frontline; to make formal promises or that can't be honored and not least are more attached to rules and procedures than to clients.

Starting from the quality index of services that was obtained through the 3 main methods that have been illustrated in this project, and Net Promoter Score (NPS) as a significant indicator, banks in Romania are in the early stage of building an organizational culture focused on customer satisfaction and are developing specific tools to measure and improve the level of services provided.

In this respect, they act both inside and outside the organization by:

- Developing an organizational culture of excellent services,
- The establishment of a specialized structure that aims to improve the quality of the customer service,

- Adequate training of all personnel for providing excellent customer service, which include a kindly smile, professionalism, attitude, proper advice to customers, fast and transparent,
- Creating opportunities for career development, searching for talents inside and outside the bank,
- Effective communication,
- Making direct observation of customers' interactions for improving the experience offered to clients,
- Promoting advertising campaigns that support for customer care,
- Attention to communicate with customers by collecting feed-back (Second Day Call) , using Mystery Shopping, focus groups and rapid response to any complaint or congratulations,
- Position as a role model, as a reference in the field.

Numerous studies have shown that loyal customers are more profitable than customers and superior services are essential to keep the best clients. Some banks might say that customer satisfaction is the key to success, but customer satisfaction is just a matter of past or present moment. The banks concern should be to creating long term loyalty.

Customer satisfaction by delivering the right service to its request is not enough. Customer will be loyal only if the bank will exceed his expectations, trying to offer more than just a good quality product / service, but trying to figure out what he'll need in the future, as well.
"Superior services" mean for a bank, to create an unexpected level of value for the customers.

In conclusion, monitoring and continuous improvement of customer service become a strategic objective for the banking industry, including for Romania.

The main benefits of customer orientation and continuous monitoring are as follows:

- Maintain a high degree of customer retention, which automatically leads to increased profitability. Excellent service means happy customers and happy customers mean greater profit stated by Lorand Soarez Szasz.
- Significant cost reduction on classic advertising because customers become brand lawyers.
- Determine a pleasant working atmosphere, increasing employee motivation and reducing staff fluctuation (Shu *et al.* 2015).
- Subordinates who contribute more to an organization tend to be more willing to work hard and care about the organization's goals.
- Provide confidence to potential investors and increases the bank's market value.

Offering excellent services increases the prices and the profits and shareholder's value tends to grow according to the reputation in services. Moreover, when employees are associated with an organization that offers excellent services, their pride is high and they become more engaged, more productive and committed to organization. Organizations that offer superior service simply attract, develop and retain top talents (Kaufman, 2013).

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