

Feeling Valued by Your Bank? An Antecedent of Satisfaction

J. Paul Leavell, pleavell@nusenda.org

Abstract

Customer satisfaction has been an object of marketing research due to its positive relationship with stock valuations and firm performance (Sorescu & Sorescu 2016). Within the banking industry, customer satisfaction has been studied in a wide variety of contexts (Batra & Shilpa 2017). This abstract outlays a proposal for further research into customer satisfaction based on a construct not yet studied, the affect of feeling valued as a customer. Customer value has been studied within the context of lifetime value and in the context of the customer's perception of a firm's value (Casas-Arce, Martínez-Jerez, & Narayanan 2017, Kumar & Reinartz 2016). However, the affective quality of customers' perception of their being valued by a firm has not been studied broadly. Although preliminary research has been conducted for this study, the purpose of this abstract is to lay the foundation for a future study of the shared variance between a construct of the customer's perception of feeling valued by a firm and customer satisfaction.

Preliminary data were gathered for this study in three specific credit-union contexts: new-customer surveys, new-product surveys, and branch-transaction surveys. New-customer surveys were delivered via email to customers joining the credit union within one week of their first encounter. New-product surveys were sent to non-new customers who opened a new product with the credit union. The new-product surveys were delivered within one week of the product's opening. Branch-transaction surveys were sent within 48 hours of a branch transaction. No customer received more than one survey.

The participants were sampled from the customer base of a \$2 billion credit union based in the southwest. Surveys were delivered electronically. Response rates ranged from 6.9% to 13.0%. Hierarchical multiple linear regression was used to investigate the relationship between several constructs such as feeling like a valued customer (FLVC), ease of service, engagement of employees, transaction time, employee knowledge, and customer satisfaction. Data were collected between March 5 and May 10, 2017.

New customer surveys were sent to consumers based on their first encounter with the firm. New customers are more susceptible to the anchoring and adjustment effects from a belief-adjustment model (Dagger & Danaher 2014). Their exposure to the firm is much more based on first impressions. Early data demonstrate a very strong shared variance between FLVC and satisfaction ($R^2 = .676$, $p = .001$, $n = 154$).

When customers open new products, loyalty is demonstrated by repeat purchases (Chiu et al. 2014). Customers have experience with the firm and are demonstrating loyalty by choosing the credit union for their next purchase. Early data demonstrate a very strong shared variance between FLVC and customer satisfaction ($R^2 = .584$, $p = .006$, $n = 151$).

When customers use the branch, they are displaying trust in the organization, as trust is the foundation of relationships (Hoq, Sulatana, & Amin 2010). In this trust context, FLVC ($p = .001$) and accurate transaction handling ($p = .002$) were found to have a strong relationship with customer satisfaction ($R^2 = .538$, $n = 297$).

Based on these early findings, continued investigation of the FLVC construct is warranted. Several paradigms have been identified for investigating FLVC which address the affective contexts discussed above: consumer based brand equity (CBBE), SERVQUAL, means-end chain theory, and sense of belonging.

The origins of CBBE address consumer awareness of a brand and responses to a brand's marketing (Keller 1993). The framework of CBBE may be appropriate for exploring the FLVC construct because CBBE addresses brand awareness, perceived quality, brand loyalty, and brand association. Such elements may be antecedents of FLVC. SERVQUAL offers potential avenues for investigation. Within the SERVQUAL framework, the dimensions of responsiveness, assurance, empathy, tangibles, and reliability are investigated (Güngör 2007). The FLVC

construct seems intuitively related to these dimensions.

Means-end theory emphasizes values that drive consumer behavior (Chiu et al. 2014). Consumers, informed by the values they hold, seek out the ends they desire (Chen, Lee, & Huang 2015, Perkins & Reynolds 1988). Feeling valued is potentially an end, or value, that a consumer may seek.

Sense of belonging is a construct utilized within the education literature to study the degree to which students feel a sense of belonging to their school (e.g., Kapoor & Tomar 2016). Goodenow (1993) developed the Psychological Sense of School Membership which is used in much of the literature on this subject. This framework may offer value in studying FLVC in the context of credit unions where membership in a cooperative is required to be a customer.

References

Batra, S. C. & Shilpa. (2017) A comparative study of customer satisfaction in SBI and ICICI bank. *Global Journal of Enterprise Information System*. 9 (1). p. 58-64.

Casas-Arce, P., Martínez-Jerez, F. A., & Narayanan, V. G. (2017) The impact of forward-looking metrics on employee decision-making: The case of customer lifetime value. *Accounting Review*. 92 (3). p. 31-56.

Chen, N., Lee, C., & Huang, C. (2015) Why buy organic rice? Genetic algorithm-based fuzzy association mining rules for means-end chain data. *International Journal of Consumer Studies*. 39 (6). p. 692-707.

Chiu, C., Wang, E. G., Fang, Y., & Huang, H. (2014) Understanding customers' repeat purchase intentions in B2C e-commerce: The roles of utilitarian value, hedonic value and perceived risk. *Information Systems Journal*. 24 (1). p. 85-114.

Dagger, T. S. & Danaher, P. J. (2014) Comparing the effect of store remodeling on new and existing customers. *Journal of Marketing*. 78 (3). p. 62-80.

Goodenow, C. (1993) The psychological sense of school membership among adolescents: Scale development and educational correlates. *Psychology in the Schools*. 30 (). p. 79-90.

Güngör, H. (2007) *Emotional satisfaction of customer contacts*. Amsterdam University Press.

Hoq, M. Z., Sulatana, N., & Amin, M. (2010) The effect of trust, customer satisfaction and image on customers' loyalty in Islamic banking sector. *South Asian Journal of Management*. 17 (1). p. 70-93.

Kapoor, B. & Tomar, A. (2016) Exploring connections between students' psychological sense of school membership and their resilience, self-efficacy, and leadership skills. *Indian Journal of Positive Psychology*. 7 (1). p. 55-59.

Keller, K. L. (1993) Conceptualizing, measuring, managing customer-based brand equity. *Journal of Marketing*. 57 (1). p. 1-22.

Kumar, V. & Reinartz, W. (2016) Creating enduring customer value. *Journal of Marketing*. 80 (6). p. 36-68.

Perkins, W. S. & Reynolds, T. J. (1988) The explanatory power of values in preference judgements: Validation of the means-end perspective. *Advances in Consumer Research*. 15 (1). p. 122-126.

Sorescu, A. & Sorescu, S. M. (2016) Customer satisfaction and long-term stock returns. *Journal of Marketing*. 80 (5). p. 110-115.

Thomas, S. (2013) Linking customer loyalty to customer satisfaction and store image: A structural model for retail stores. *Decision*. 40 (1/2). p. 15-25.

Keywords: *customer satisfaction, SERVQUAL, means-end chain, customer-based brand equity, sense of school belonging*

Relevance to Marketing Educators, Researchers and Practitioners: Understanding the relationship between the emotion of a customer feeling valued by a firm and customer satisfaction would improve the understanding of customer satisfaction. Understanding the antecedents of a customer's feeling valued would improve practitioners' messages to the market.

Author Information:

Leavell is the Chief Strategy and Marketing Officer for Nusenda Credit Union. He received his PhD in Business Management with a specialization in marketing from Capella University. He received his MBA from Queens University of Charlotte. His research focuses on segmentation theory based on consumer behavior.

Track: Services Marketing