



Evaluation of Commercial Bank Image: Expert Analysis

Wang Cheng

Independent Researcher, Tashkent State University of Economics, Uzbekistan

<http://dx.doi.org/10.18415/ijmmu.v9i12.4249>

Abstract

The bank's image is becoming one of the main competitive factors today. This factor is of particular importance in the field of banking services, because the success of the partnership “bank-client” depends, first of all, on the degree of trust of the client. For banks, the concept of a prosperous image that reflects the essence and external aspects of banking activity is the goal of a long and focused work. The article discusses the concept of “bank image”, on the basis of an expert and client survey, the image of a branch (department) of a commercial bank of the Republic of Uzbekistan is analyzed.

Keywords: *Etalon; Bank Services; Expert Review; Customer Review; Etalon Assessment; Internal Image; Service Image*

Introduction

The main goal of the management of any bank is to expand the range of services provided, capture the market and increase profits by attracting more customers. To achieve these goals, bank marketing methods are used. The main goal of banking marketing is to ensure the high speed of providing banking services in every process from the bank to the client.

As in any bank in Uzbekistan, Uzpromstroybank has done a lot of work to strengthen the bank's leadership position in the market, expand the range of services provided, as well as to attract new customers to the bank's services and deposits.

When analyzing marketing activities in Uzpromstroybank, it is necessary first of all to touch on the stages of development of banking marketing. In our opinion, there is practically no benefit from considering the stages of development of banking marketing in past periods, since, until 2015, banks were mainly engaged in covering banking activities. At present, due to the rapid development of the Internet, the activity of the bank's marketing service has completely changed, and now bank marketing refers to attracting customers to banking activities.

In general, in recent years, the level and quality of customer service in the bank have reached a high level. Now, in the context of transformation, the bank uses a service mechanism based on the principle of “one employee - one product”. At the same time, each employee of the bank working with clients will henceforth serve the client of the bank in any direction of banking services at his request.

Until that time, a mechanism was used to refer a client to a bank employee, depending on the request he came to the bank with. This mechanism is now supported in other banks in Uzbekistan.

Despite today's variety of services, attractive deposit offers, loans at low-interest rates, and other conveniences offered by banks, customers are primarily guided by the image of the bank. That is, the idea is circulating among customers that the better the bank's image, the more reliable and stronger it will be.

Literature Review

The market of banking products and services is developing at a stable pace in the context of economic modernization. The theory and evolution of banking services have gone through a number of stages of development. At the initial stage of the development of the theory of banking services, the scientific works of H. Douglas and J. Bryan were devoted to the study of the banking services market and its segment of banking services. The second stage is reflected in the scientific works of F. Derek, O. Donnell, and E. Ballarin, devoted to the study of the specific features of the credit and financial systems of different countries and the possible consequences of globalization and the concentration of banking capital for the banking market. In the third stage, the concept of a “financial supermarket” was developed.

Services of the loan capital market and electronic services have become more widespread, and cases of mergers and acquisitions of banks have become more frequent. In this regard, the scientific work of D. Gentle, and J. Sinky can be specially noted.

In the economic literature, there are two main ways to quantify the image of a bank:

- assessment of information signals (positive, negative, neutral) about the bank's activities. Such signals include various messages in the media, interviews, and analytical articles, taking into account the volume of published information, circulation, and credibility of publications. Based on the totality of information, a rating index is calculated, which allows for formalizing the image of the bank, taking into account each structural component;
- “reputation analysis” of the bank in various areas (reliability, respectability, profitability, quality of service, competence, etc.) based on sociological surveys of legal entities and individuals.

These approaches, in our opinion, have a number of significant shortcomings, primarily because they are based either on the use as objects of analysis of messages in the media or public opinion that has developed under the influence of these messages.

Research Methodology

The methodology of this article uses methods of analysis and synthesis, scientific abstraction, deduction, classification, generalization, comparative, and theoretical interpretation. In addition, the scientific basis of the article is formed by international standards and regulatory documents, and information from the research of scientists in domestic and foreign scientific publications.

Analysis and Results

The image of the bank is a holistic perception (understanding and evaluation) of the bank by social groups, which is formed on the basis of information about various aspects of banking activity, stored in the memory of these various social groups. The bank's image is a relatively stable image, a perception of it among the bank's staff, its clientele, in financial circles, various contact audiences, and the general public.

The image of the bank has a hierarchical structure. Each level of the hierarchy has the power to influence the elements of the upper neighboring level. The structure of the bank's image consists of human imagination in relation to the organization, which can be conditionally divided into several groups (components):

1. Service image. This image consists of the imagination of customers regarding the unique characteristics that the bank has to provide services. The functional value of the service is the main income that the service provides, or the service itself; additional services (functions) - provide a service with a function that distinguishes it from others.
2. Image of the client. A wide range of services includes an idea of the lifestyle, social status, and character of the clients. Lifestyle - individual socio-psychological characteristics of the behavior and communication of people. The social status of the client indicates the position of the consumer of the goods in society and is based on an assessment of the presence of such social situations as gender, age, profession, family life cycle, and the importance of the above situations, expressed in such concepts as "prestige", "reputation". The nature (character) of clients is a set of stable psychological characteristics that influence the behavior of the individual.
3. The internal image of the bank is the perception of the employees of their organization.

The study of competitors, the clientele of a banking institution, the identification of target markets, the development of a communication strategy, and precise marketing planning is impossible without taking into account the image, which continuously and dynamically affects various aspects of the bank's relationship with customers, competitors, government agencies and the media.

To study the quality of services provided by banks and the marketing activities of banks in the market of services that certainly demonstrate the banking image, it is necessary first of all to conduct a survey on banking services among experts and bank customers. Based on the results of the survey, it will be possible to determine the quality of service in the bank and the state of marketing of banking services.

When conducting marketing research, surveys are conducted with experts who are specialists in this field, as well as with bank customers.

This process includes the following steps:

1. Organizational (preparation). At this stage, the essence of the issue is revealed, it is decided how it will be raised; a group of experts will be selected; a group of clients is identified; a survey questionnaire is developed and the order of its conduct is determined; most importantly, qualified bank employees will be selected to carry it out.
2. The process of organizing the survey. At this stage, a survey process is carried out.
3. The stage of processing the obtained results.
4. Development of activities based on the results and the formation of a marketing strategy and its implementation in practice.

A study of the research done in this area shows that there are the following key success factors:

- The close and convenient location of the bank branch;
- Consulting and assistance;
- Courtesy of the staff;
- Quality and speed of service;
- Work of acquaintances or relatives in the bank;
- Availability of service conditions;
- Efficiency and accuracy;
- List of offered types of services;
- Highly qualified and trained personnel;

- Affordable prices;
- Favorable service environment (merchandising);
- Presence of complex marketing communication.

Findings

It is necessary to assess the image of the bank and the quality of service in order to form a marketing strategy for retaining potential strategic customers and develop appropriate measures.

During the study, the image of a bank branch and the quality of service are evaluated from the point of view of customers and based on expert assessments. The bank's clients and leading specialists in the sphere participated as experts in the assessment. The survey was conducted face-to-face. At the same time, first of all, the experts were asked to assess the level of importance of the selected factors according to questionnaire No. 1 (Appendix 1a).

Respondents (experts and clients) were asked to determine the degree of importance of the selected factors according to questionnaire No. 1, and according to questionnaire No. 2 (Appendix 1b), each factor was given marks on a significant scale using a 5-point system. After that, the results obtained for each indicator (factor) are processed on the basis of the “standard-bank” and “bank-client” systems. The data can be placed in tabular form as follows (Table 1).

Table 1. Assessment of the bank's image and quality of services

Factors	Expert review				Customer review		
	Degree	Etalon (point)	Point	Importance	Degree	Point	Importance
1.							
2.							
...							
Total							

After that, both experts and clients evaluated each factor on a 5-point scale. The number of experts was 24, clients - 138 people. The processing of the results was carried out for each indicator (factor) according to the “etalon bank” and “bank-client” systems. The results of data processing are presented in Table 2.

The ideal banking institution was taken as a benchmark. The fulfillment of factors in this bank was estimated at “5” points.

The level of importance of factors was calculated using the following formula:

$$V_i = (R_i \cdot B_i) / \sum_{i=1}^n (R_i \cdot B_i). \quad (3.1)$$

Here: R_i - expert review of i – factors, point;

B_i - i – coefficients expressing the weight of i - factors.

The integral indicator of expert and client assessments was calculated using the following formula:

$$I_{\delta} = \sum_{i=1}^n (R_i \cdot B_i) / \sum_{i^y=1}^n (R_{i^y} \cdot B_i), \quad (3.2)$$

Here, R_{i^y} - etalon assessment of i – factors

B_i - i – coefficients expressing the weight of i - factors.

Table 2. The results of the assessment of the image and quality of service of the Operational Department of the TSRF “Uzpromstroybank”

№	Factors	Expert review				Customer review		
		rank	Etalon (point)	assessment point	importance degree	rank	assessment point	importance degree
1	Bank location	10	5	4,4	0,16	10	4,6	0,17
2	Appearance (seeming)	6	5	5,0	0,08	5	4,7	0,05
3	Creation of a favorable service environment in the bank (merchandising)	9	5	4,0	0,14	9	3,9	0,16
4	The modernity of the applied technology	5	5	4,1	0,06	6	4,2	0,06
5	Quality of service	11	5	3,7	0,20	11	3,4	0,22
6	Availability of highly qualified and polite staff	7	5	4,2	0,12	8	3,5	0,13
7	Consulting Policy	4	5	4,4	0,04	1	4,6	0,01
8	Price policy	2	5	4,0	0,02	2	3,7	0,02
9	Range of services	8	5	4,5	0,14	7	4,0	0,11
10	Availability of bonus cards	1	5	0,0	0,01	3	0,0	0,03
11	Availability of complex marketing communication	3	5	2,2	0,03	4	2,4	0,04
Total		-	-	-	1,0	-	-	1,0

Etalon assessment:

$$I_{\delta_{\delta\delta}} = ((5 \cdot 0,16) + (5 \cdot 0,08) + (5 \cdot 0,14) + (5 \cdot 0,06) + (5 \cdot 0,02) + (5 \cdot 0,12) + (5 \cdot 0,04) + (5 \cdot 0,02) + (5 \cdot 0,14) + (5 \cdot 0,01) + (5 \cdot 0,03)) / 5,0 = 1$$

Expert review:

$$I_{\delta\gamma} = ((4,4 \cdot 0,16) + (5 \cdot 0,08) + (4 \cdot 0,14) + (4,1 \cdot 0,06) + (3,7 \cdot 0,02) + (4,2 \cdot 0,12) + (4,4 \cdot 0,04) + (4 \cdot 0,02) + (4,5 \cdot 0,14) + (0 \cdot 0,01) + (2,2 \cdot 0,03)) / 5,0 = 0,8212$$

Customer review:

$$I_{\delta i} = ((4,6 \cdot 0,11) + (4,7 \cdot 0,05) + (3,9 \cdot 0,16) + (4,2 \cdot 0,06) + (3,4 \cdot 0,22) + (3,5 \cdot 0,13) + (4,6 \cdot 0,01) + (3,7 \cdot 0,02) + (4 \cdot 0,11) + (0 \cdot 0,03) + (2,4 \cdot 0,04)) / 5,0 = 0,7504$$

The reference integral indicator is equal to 1. There is the following relationship between the integral indicators of expert evaluation and client evaluation:

$$I_{\delta i} < I_{\delta\gamma} < I_{\delta\gamma\delta}$$

In conclusion, it should be noted that the integral indicators of expert evaluation and client evaluation are significantly lower than the benchmark. These indicators are also lower than the coefficient of 0.93. And this indicates that in this branch of the bank the factors affecting the improvement of the quality of service and its image were not effectively managed.

References

1. Cox D. Success in elements of banking. - London: J. Murray, 1979.- 271 p.
2. Modigliani F., Fabozzi F.J., Ferri M.G. Foundations of financial markets and institutions. - New Jersey 61, 1997.- 497 p.
3. Palfreman D. Elements of banking. Philip Ford. - 2nd ed. - London: Pitman, 1988.- 660 p.
4. Rose P.S. Banking management. 1997. 743 p.
5. Sinky J. Financial management in a commercial bank and in the financial services industry. 2007. 1018 p.
6. Mustafaev Z.B. Bank marketing is the basis for the formation of financial markets. 1998. - 142 p.
7. Mirzamaidinov B.K. Marketing efficiency in banking: (on the example of the National Bank for Foreign Economic Activity of Uzbekistan). 2008. 152 p.
8. Allayorova D.N. The effectiveness of the marketing of banks in the Republic of Uzbekistan. - T., 2009. 166 p.

Appendix 1a

Dear expert!

You are invited to evaluate the significance of the following factors, selected to assess the image of the bank branch and the quality of service, in descending order on a 10-point scale:

№	Factors	Point
1	Bank location	
2	Appearance (seeming)	
3	Creation of a favorable service environment in the bank (merchandising)	
4	The modernity of the applied technology	
5	Quality of service	
6	Availability of highly qualified and polite staff	
7	Consulting Policy	
8	Price policy	
9	Range of services	
10	Availability of bonus cards	
11	Bank location	

Thank you for participating in the study!

Appendix 1b

Dear expert!

You are invited to evaluate the significance of the following factors, selected to assess the image of the bank branch and the quality of service, in descending order on a 5-point scale:

№	Factors	Point
1	Bank location	
2	Appearance (seeming)	
3	Creation of a favorable service environment in the bank (merchandising)	
4	The modernity of the applied technology	

5	Quality of service	
6	Availability of highly qualified and polite staff	
7	Consulting Policy	
8	Price policy	
9	Range of services	
10	Availability of bonus cards	
11	Bank location	

Thank you for participating in the study!

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>).