

**MILORAD JOVOVIĆ<sup>1</sup>**

E-mail: miskojovovic@gmail.com

**BOJANA FEMIĆ-RADOSAVOVIĆ<sup>2</sup>**

E-mail: bojanaf@gmail.com

**NIKOLA MIŠNIĆ<sup>3</sup>**

E-mail: n.misnic@gmail.com

**IVANA JOVOVIĆ**

E-mail: ivanajovovic.ef@gmail.com

# EXPLORING CUSTOMER SATISFACTION MONITORING IN BANKING SERVICES IN MONTENEGRO

## ISTRAŽIVANJE ZADOVOLJSTVA KLIJENATA U BIZNIS PRAKSI BANAKA U CRNOJ GORI

---

JEL KLASIFIKACIJA: M31

---

### ABSTRAKT:

*Zadovoljstvo klijenata se tradicionalno posmatra kao ukupna pozitivna reakcija koja nastaje nakon korišćenja određenog proizvoda ili usluge. U praksi i teoriji modernog marketinga, težnja za stvaranjem zadovoljnog kupca je početna tačka, kao i krajnji cilj mar-*

---

1 Faculty of Economics Podgorica, University of Montenegro

2 Faculty of Economics Podgorica, University of Montenegro

3 Faculty of Economics Podgorica, University of Montenegro

*ketinga i opšte poslovne strategije preduzeća na konkurentnim tržištima. Ova studija ispituje ono što preduzeća treba da učine da bi ispitala da li ispunjavaju potrebe kupaca i postižu li proklamirani cilj.*

*Cilj ovog istraživanja je empirijski testirati u kojoj mjeri je koncept orijentacije ka stvaranju zadovoljnih kupaca zapravo prisutan u bankarskim uslugama u Crnoj Gori. Tačnije, postavljamo pitanje u kojoj mjeri su u bankama u Crnoj Gori stvoreni uslovi za praćenje zadovoljstva kupaca, i da li se zadovoljstvo kupaca uopšte mjeri. Naime, samo na taj način moguće je utvrditi da li se cilj stvaranja zadovoljnih kupaca ostvaruje. U cilju rješavanja ovog istraživačkog pitanja, sproveli smo istraživanja na temelju direktnog (licem u lice) polu-strukturiranog intervjua s menadžerima u bankama (izvršnim direktorima i marketing menadžerima / Customer Relationship menadžerima), a koristili smo i uvide iz već kreiranih procedura nadzora zadovoljstva kupaca i ranije realizovanih istraživanja u tom području.*

**KLJUČNE REČI:**

ISTRAŽIVANJE ZADOVOLJSTVA KLIJENATA, BANKARSKE USLUGE, MARKETING PRAKSA, MARKETING STRATEGIJE U BANKARSKIM USLUGAMA

**ABSTRACT:**

*Customer satisfaction is traditionally considered as the overall positive response generated after the use of a specific product or service. In modern marketing theory and practice, the aspiration to create a satisfied customer is the originating point, as well as the ultimate goal of marketing and general business strategies of companies in competitive markets. This study identifies what companies do to examine if they fulfill customers' needs and achieve the proclaimed goal.*

*The objective of this study is to empirically test to which extent is the concept of orientation towards creating satisfied customers actually present in banking services in Montenegro. More specifically, we raise the question to which extent have the banks in Montenegro created conditions for monitoring customer satisfaction, and if they are measuring it indeed. Namely, only in that way it is possible to determine whether the goal of creating satisfied customers is realized. In order to address this research question, we have conducted surveys based on direct (face to face) semi-structured interviews with managers in banks (chief executives and marketing managers/customer relationship managers), and used the insights from already created procedures of monitoring customer satisfaction and previously done research in that field.*

**KEY WORDS:**

MONITORING CUSTOMER SATISFACTION, BANKING SERVICES, MARKETING PRACTICES, MARKETING STRATEGIES IN BANKING SERVICES

# INTRODUCTION

The purpose of this study is to provide an in-depth analysis on the topic of customer satisfaction monitoring in banking services in Montenegro. Given the relevance and complexity of the subject, the issue is approached both from the theoretical and empirical side. In the following paragraphs, we will begin by laying out the theoretical framework explaining the importance of customer satisfaction, as well as the need for customer satisfaction monitoring in the context of contemporary business and marketing strategies. We will further attempt to support the theoretical claims by providing evidence from customer satisfaction monitoring practices in banking services in Montenegro. The findings presented in the empirical segment of this paper were collected by interviewing relevant banking services professionals in Montenegro on the importance of customer satisfaction in marketing and business strategies of the companies they represent, as well as on the topic whether customer satisfaction is monitored in their respective companies, and how. A significant part will be dedicated to customer complaints, more precisely, to bank's procedures for dealing with customer complaints. Final comments and findings will be presented in the conclusion.

## 1. CUSTOMER SATISFACTION IN BUSINESS AND MARKETING STRATEGIES AND THE NEED FOR RESEARCHING IT

Customer satisfaction is, saying it in a simple way, estimation if the product/service succeeded in fulfilling the expectations of the consumer. If the overall response (which follows from using the product or service) is positive, then we can say that customer satisfaction is achieved (Oliver 1981). Positive response, which can be understood as customer satisfaction, also reflects on the behavior customers express through the repeated purchase which led to satisfaction. Consumer satisfaction/dissatisfaction is a result of compared expectations before and after the purchase (Oliver 1980). If expectations overcome performances, there can be noted the existence of negative attitude or dissatisfaction. Vice versa, if it is perceived that performances are in accordance with the expectations, customers are satisfied. This claim is applicable if the perceived customer satisfaction level is estimated in the right manner.

Until today, numerous methods of measuring satisfaction were proposed, among which two are widely spread. Those two are related to satisfaction originating from specific transaction and overall satisfaction (Lam et al. 2004; Tian 1998; Yang 2004). The specific transaction approach explains satisfaction as a psychological benefit that a customer achieves through specific experience of using a product (ex. service encounter). In that way, measuring satisfaction in a specific transaction can provide specific information regarding the product offer (Lam et al. 2004). Comparing to satisfaction related to specific transaction, cumulative or overall satisfaction displays cumulative impressions and client's attitude toward a certain brand or performances of a service (Tian 1998; Yang et al. 2004). Overall satisfaction is considered to be a fundamental performance indicator of a product/service (Bitner and Hubbert 1994; Gustafsson et al. 2005; Lam et al. 2004).

Due to that fact, overall satisfaction, in comparison to specific transaction satisfaction, is a more relevant and significant indicator of consumers' loyalty (Gustafsson et al. 2005; Lam et al. 2004; Olsen and Johnson 2003; Yang et al. 2004).

Numerous marketing studies (Anderson and Srinivasan 2003; Beerli et al. 2004; Bloemer and Kasper 1995; Bloemer and Lemmink 1992; Chiou 2004; Homburg and Giering 2001; Lam et al. 2004; Olsen 2002; Ping 1993; Yu et al. 2005) showed the existence of a positive effect which satisfaction has on loyalty, moreover this can be treated as natural. Interlink between satisfaction and consumer loyalty was confirmed as well through the research of Bloemer and his colleagues (Bloemer and Kasper 1995; Bloemer and Lemmink 1992; Bloemer and de Ruyter 1998, 1999). They conducted a series of researches related to satisfaction and loyalty and showed that satisfaction is an important prerequisite of customer loyalty. Heskett and colleagues (Heskett 1997) presented a conclusion that customer loyalty should significantly rise when customer satisfaction exceeds a certain level. It is found that "delighted" ("extremely satisfied") customers have a much higher probability to remain loyal comparing to those which are only "satisfied" (Lam et al. 2004; Oliver 1997). Ziethaml and Bitner (Ziethaml and Bitner 2003), referring to the work of three authors (Heskett, Sausseri and Schlasinger), also indicate a direct positive correlation between the degree of satisfaction and loyalty of service consumers, emphasizing that just as the increase in satisfaction leads to repeated purchase and loyalty, increase in dissatisfaction makes consumers change the supplier, which means a lost client and decrease in loyalty for the company providing the service. As can be seen, there are plenty of examples found in relevant literature which point that customer satisfaction is a prerequisite of customer loyalty.

Owing to the influence which satisfaction has on loyalty, sales and consequently on company's profit, the concept of customer satisfaction takes one of the central places in theory and practice of marketing. Numerous theoreticians and practitioners of marketing and management perceive the creation of customers as the primary purpose, reason of existence and further business development. Customer satisfaction represents the starting point of business strategies for a large number of companies, and this can be identified through their mission and vision statements. Hence, mission and vision statements represent an essential business landmark for the management and employees in the company. They suggest a general, common goal which could enable successful business activities by directing employees' efforts towards achieving it. Precisely because of its importance in the process of creating customers as a precondition of business success, the need for creating customer satisfaction became an inseparable part of mission and vision statements of numerous companies as one of the main business goals they have to achieve. This rule stays valid also when it comes to business practice in Montenegro. In addition to that, it can be said that in almost every interview with Montenegrin managers it can be noticed that they emphasize customer satisfaction as a main business objective and omnipresent aspiration their companies have.

However, question which arises is how devoted are these companies to achieving the proclaimed goal. Thereby, the least that can be expected from companies which defined customer satisfaction as one of their core business principles is to establish mechanisms which will monitor if they are successful and to which extent in realization of that aim. For that exact reason, research was conducted with the idea to explore whether the banks

in Montenegro are focused towards creating customer satisfaction and if they monitor it and in which way.

## 2. RESEARCH OF CUSTOMER SATISFACTION OF THE BANKS IN MONTENEGRO

In order to define to which extent and in which way do banks in Montenegro monitor satisfaction of their clients, consent was obtained and interviews were conducted with managers in charge of marketing in thirteen banks in Montenegro. Interviews were carried out based on structured questionnaire mainly with open questions which enabled wider space for a good insight on current marketing practice in banking sector in Montenegro. Since the number of banks in Montenegro is rather small, processing the answers was not a major problem from the aspect of research results. The survey was held in August 2016. Analysis was started with gathering mission and vision statements relying on banks' web-sites in most cases and for those which did not have that kind of information online, we asked the question directly. The goal of collecting mission and vision statements is to determine to which extent is the customer orientation and the process of creating satisfied customers present in those statements. After that activity, we obtained access to the data related to research of customers through interviews. Fundamental conclusions of the research are presented in the following text.

### 2.1. Positioning consumers in vision and mission

In Montenegrin banking system, at the moment, there are fifteen functioning banks with a high level of competition. Eight banks out of fifteen have market participation that is higher than 5%, and we positioned them in the research as "bigger" banks, while market participation of the other seven banks is lower than 5%, therefore they are, for the needs of this research classified as "smaller" banks. Two banks (one out of each group) aren't included in the sample.

To get an insight in the essence of the applied business logic, as earlier mentioned, we have started this research with the analysis of vision and mission statements of the banks that do business in Montenegro, with a particular accent on the position of clients (the place that clients and their satisfaction have in the statement). Namely, the main role of vision and mission statements of a company (in this particular case, a bank), as previously told, is to inspire and direct the efforts of employees, and to represent a general goal that should be achieved with mutual efforts. Vision and mission statements are a way of differentiation in regards to competitors, as seen from the perspective of present and potential clients. As such, they offer us a good basis to begin realizing the business orientation of these companies. Based on the analysis of vision and mission statements of the banks in Montenegro, we point out, as expected, that a special place in them is reserved for consumers. Namely, reliability of the bank and the needs of clients as direct objectives are emphasized in missions and visions of nearly every bank in Montenegro. Along with that, in a certain number of mission statements, the need to create satisfied consumers

is particularly pointed out (“...satisfaction of the clients as the primary goal...”, “...we offer services that will ensure satisfaction...”). And at this point we would like to indicate that mission and vision statements of banks in Montenegro are often too voluminous, that brings as a result a lack in precision and lowers their very significant potential to direct business activities towards the accomplishment of mutual goals. Additionally, some of them are insufficiently operative, and sometimes give an impression that they serve more to external promotion purposes, rather than to demonstrate the basic purpose of doing business and give directions to managers and employees for the course of action.

In addition, a significant part in the empirical analysis are the evaluations of interviewed marketing managers, who used a scale from 1 (no significance at all) to 5 (highly significant) to rank the significance of client satisfaction in accomplishing vision, mission, goals and strategies of doing business in their bank, which resulted with a high average note of 4,5. This additionally confirms the thesis that the management is very much aware of the significance of satisfied clients. But, this high mark should be acknowledged with certain reserve. Namely, the results of the research have shown that representatives of “bigger banks”, were a bit “more strict” (and in our opinion also more objective) when giving the notes, therefore in their case, the average mark was 4,14. Unlike them, “smaller”, and as by the rule “younger” banks, each and every one, have shown that consumer satisfaction has great significance in achieving vision, mission, goals and strategies of doing business, by giving the maximum ranking, resulting with an average note of 5. However, we find the average mark is not objective because its value is too high. This is especially true because customer satisfaction is rarely (term exceptionally would be more convenient) identified and set as one of clearly defined goals in doing business in banks in Montenegro, in terms of goals that are tracked in order to determine the success of bank’s functioning from lower up to the highest levels of management.

This short review of visions, missions and essence of business orientation of banks in Montenegro, confirmed our expectations that clients and their needs take central place in them. In certain cases, satisfaction of clients is explicitly defined as primary goal of the bank. In continuation of the research project, we tracked the extent to which banks monitor the satisfaction of consumers and which tools they use in doing so. We did this especially because we believe that in order to create satisfied consumers, it is not enough for the management to decide it or proclaim it, nor to make it integral part of the company’s mission statement. For achieving this goal, it takes a lot more than that. Namely, creating satisfied consumers and demonstrating a high degree of understanding and anticipation of their needs and behaviors also requires focusing all of the employees and the entire company in the direction of accomplishing that goal. Especially because of that, it is necessary to collect the information about consumers and their satisfaction, in order to perceive to which extent it is possible to achieve consumer satisfaction along with other defined company goals, and also what needs to be done improve in that domain in regards to competition.

## 2.2. Research of customer satisfaction

### 2.2.1. Theoretical aspect

Before moving on to other results of our research, we will briefly reflect on the need and ways of researching consumer satisfaction in the service sector. Research in the service sector, which includes banks, can be done in different ways. Information about consumers can be reached on the basis of data that already exists somewhere (secondary data). If this method is not sufficient (and most often that is the case), consumers can be 1) observed, 2) examined, and 3) experiments are often organized for the purpose of studying consumers. Consumer research can be carried out by the company itself and its own forces, or by hiring special agencies that conduct consumer research on the basis of a defined project task. Some studies are independently organized and carried out by marketing agencies or public opinion research companies and the results are afterwards sold to multiple users. This kind of omnibus survey often includes the research of customer satisfaction. Besides, some countries (at the government level or the level of non-governmental institutions) measure customer satisfaction indices and these data which are gathered and presented per specific industry are free for use to all potential users.

When we talk about researching customer satisfaction, as a rule it is made on the basis of consumer tests. Tests are unavoidable if we want to measure customer satisfaction. Surveys of consumer satisfaction can be done through tests at selling points (retail outlets). In this case, they are used to assess the satisfaction of a specific transaction, but they can also serve to assess the total consumer satisfaction with the company. Surveyed customers are given questionnaires which they can fill in on the spot. Sometimes these surveys are very simple and they contain only a few questions, and electronic devices can often be used for these purposes (encountered in retail stores and banks in Montenegro). These e-supported surveys, in addition to helping customers while answering questions in the survey, also enable simple and fast processing and reaching results. Satisfaction of existing customers with the service provided (the specific transaction) can be monitored on the basis of phone calls to clients who have consumed the service in the past. In addition, for the same purpose, potentials of the Internet are used increasingly nowadays, especially social networks, which enable simple and easy approach to customers. These approaches to the research of satisfaction with the services provided are useful, because not only that they serve as an assessment of happiness of existing customers, but they can be used to assess the functioning of the entire system of providing services, which of course opens up possibilities for early identification of potential problems, their solving and correction. Moreover, they show that the companies take care of consumers and their satisfaction, as well as take into account the feedback on their satisfaction with the idea of improving the service provided. (Apte, 2004)

The above described surveys refer exclusively to the current customers of the bank. However, researches that allow monitoring of a wider population are sometimes necessary. Such tests comprise of surveys that are conducted on a representative sample, outside the premises of the company and which as such involve other companies and clients. Studies like those allow comparison with competitors in terms of quality of service and customer satisfaction and in addition, given the fact that a wider population is

selected in the sample, they provide insight into the attitudes and behaviors, not only of existing but also of potential consumers. Additionally, those surveys can be done through personal contact, face to face, by telephone, using the Internet...

As the process of creating satisfied customers includes the creation and delivery of control system of values that will lead to creation of satisfied customers, methods of mystery shopping and focus groups have been proved to be useful in assessing the extent to which the system of providing services leads to creation of customer satisfaction. Using focus groups can be especially useful if you include key clients of the company in them. In-depth and focused surveys of these clients can help not only to detect their degree of satisfaction, but also to understand the reasons behind their satisfaction or dissatisfaction, and to identify opportunities to improve customer satisfaction in general. This is especially important as an aspect of overcoming the gap between consumer expectations and what they received by consuming the services. (Apte, 2004)

To achieve the goal of creating satisfied customers, it is very important to monitor any possible appearance of discontent. Related to this aim, several models of researching the problem of failure in providing services were developed. They can be classified into following categories (Apte, 2004):

- Critical incident study
- Complaints Solicitation and Analysis
- Lost Customer Analysis

Critical incident study includes incident cases in which clients were dissatisfied or especially satisfied with the service. For those situations it is good to come to an accurate and clear description of the event both by the client and by the employee who was involved in the provision of services. It is very important to consider what led to this situation to be perceived as very satisfactory or dissatisfactory by the client. In case of bad experiences, it is necessary to establish what could be done to reach customer satisfaction. While studying critical incident cases, it is important to consider the employees' perception in addition to customers' perception. It is necessary to obtain a complete and clear picture of the incident, which may help understand respective situations better, and also be useful in avoiding similar problems in the future. These cases (which are often repeated) need to be further examined and special attention should be given to them in order to change and improve procedures aimed at creating satisfied customers. Thus, studies help to reveal causes of the problem or dissatisfaction and to define and promote desirable behavior of employees during the process of providing services to eliminate negative and encourage positive feedback. In this regard, employees' ability to show understanding was proved to be an especially important skill. This is vital in cases when a service is not (or could not be) provided or if the provided service was poor. On the other hand, it is equally important to identify and promote good examples.

Complaints Solicitation and Analysis. Although the creation of value chain should lead to customer satisfaction, it happens that companies have to deal with dissatisfied customers. When a client addresses his dissatisfaction to a company, as a general rule he expects the company to respond, which makes room for reaction, problem-solving, correcting the situation, and in this way a dissatisfied customer who may be close to reaching a decision to change the supplier, can turn into a satisfied customer. These

customers may later become the best promoters of the company. In any case, it is important to understand that consumer complaints represent an additional opportunity which dissatisfied consumers give to the company to prove that their satisfaction is in the first place for the company (if that is the case indeed). As a consequence of a well-known fact that a relatively small percentage out of the total number of dissatisfied customers complain publicly, successful companies encourage and facilitate the feedback process for consumers, because in this way they increase their own chances to improve services and regain lost confidence. But, in order to make this happen, it is important that the company really takes care of every complaint, solve it to the best of company's possibilities and inform the customer who complained about the company's reaction. Therefore, it is essential that organizations create feedback systems which are not reduced only to the existence of a book of complaints or a publicly advertised e-mail who no one really checks. The system of reacting to complaints must be based on simple and consumer friendly ways of expressing discontent. In addition, it implies that complaints have to be objectively considered, responded and the consumer should be informed about the outcome. It is very important that consumers are aware of the existence of such a relationship and know that their appeal will not be left unread. Such a system brings a huge benefit, with minimal costs. This benefit is reflected not only in retaining and increasing the loyalty of customers who filed complaints, but also in terms of creating a reputation of a reliable company where consumers are really put in the first place. In that sense, a special role is devoted to call-centers. They are, as a rule, the first point of contact with the company that consumers can reach in the case of dissatisfaction. This is why the staff working in them has to be specially trained to show understanding for consumers who complain, and try to obtain as much information as possible about how and why did the dissatisfaction occur. Complaints need not only be recorded, but also taken care of until the problem (if possible) is resolved. It is more than desirable that the company informs consumers regarding the reaction, especially if it was not possible to fully meet their requirements. The staff in call-centers must also have the authority or the possibility to solve certain problems or to ensure that the problems are dealt with in a timely fashion, if they deem it to be necessary and feasible.

Lost Customer Analysis. Nobody likes to lose consumers, especially when their lifetime value to the company is taken into account. Therefore, each lost customer that can be identified by the company must be approached with special care. First, because there might be a way for the customer to begin using the services of the company again, and another thing, this analysis helps identify the reason why customers are not buying products/ services of the company. Although in some cases it may be difficult or impossible to reach them after they have ceased to use the services of the company, companies often have information that can help them connect with lost customers.

### **2.2.2. Research of customer satisfaction in the business practices of banks in montenegro**

The attention paid to customers in vision and mission statements, as the starting points of business and marketing strategies of banks in Montenegro, is in organizational terms largely transferred and operationalized in their business. This particularly applies to all

surveyed “major” banks (whose market share exceeds 5%). There is a developed marketing function in all of these banks, which as a rule includes a research component.

When we talk about customer satisfaction surveys, and customers' relation to banks, banks in Montenegro largely rely on results of the omnibus survey, which are organized and conducted by public opinion research companies, and which are available to the banks that are interested. Through research that is conducted at regular intervals, along with brand awareness, promotional activities, and the level of service usage, special attention is paid to customer satisfaction, and to reputation and image of the bank which derives dominantly from it. Customer satisfaction is monitored through the index which allows ranking of banks on the basis of satisfaction degree of their clients. Since these surveys are conducted at regular time intervals it is possible to monitor changes occurring in this area. Also, these surveys monitor the main reasons for satisfaction and dissatisfaction of customers, which gives opportunity to identify factors that matter to customers, whether as reasons for their dissatisfaction or satisfaction. These information can be very useful in developing strategy, creating deals and directing activities to improve the position that a bank has in the eye of the customers. Along with the degree of satisfaction, customers' loyalty to the bank is monitored and measured as well as the level of trust that clients place in banks. We can conclude that it is a comprehensive research that is very useful to the banks, which monitors the overall customer satisfaction in the context of bank services. It is a very useful tool not only to control the situation, and diagnose the problem, but also as a means to encourage and direct the activities of banks towards the improvement of the current situation. As such, this study represents a stimulus to healthy competition among banks in Montenegro. In addition, users of this research should keep in mind that customer satisfaction, as well as their behavior is a dynamic process, and therefore subject to change. Continuous monitoring is very important. Banks in Montenegro use the results of the research in more or less regular intervals.

Although omnibus survey may represent a useful source of information about customers and their satisfaction, it is clear that this is not the only form of tracking consumer satisfaction in general which applies to banks in Montenegro. The omnibus survey are quantitative studies that include more topics, or issues that are integrated within a single questionnaire, and they are as a rule intended for multiple users. Therefore, as a rule, they do not comprise of the consideration and resolution of specific problems and issues which the company might be interested in. There is, however a possibility for companies themselves to add one or two questions whose answers will be available only to the company that commissioned them, but this is usually insufficient to respond to specific needs of the company.

For this reason, it is not surprising that some banks carry out independently what is known as in-house research. Interviewing is usually carried out in the premises of the bank. For this purpose, the banks use interviews with customers, as well as surveys on tablet computers, which are predominantly aimed at monitoring satisfaction of a specific transaction, even though they may relate to the monitoring of overall satisfaction. „Major“ banks in Montenegro are performing field data collection which (in comparison to the survey carried out in the premises of the bank) allows to include customers of other banks in the samples, thus giving an opportunity to look at the attitudes and models of behavior of the general population, and in this terms allowing comparison with the competitors.

In this case, collection of field data is left to specialized agencies, while the research plan and questionnaire is developed in the bank. Some of the banks, which are part of a larger, international group, rely on the group's help or are guided by the group defined rules in this process. Lately, internet is being used for the collection of information from the customers, in accordance with the growing trend of computer use in everyday life.

We believe that at this point it is important to note that marketing sector of one of the banks created its own index for customer satisfaction, and a research to monitor customer satisfaction at regular time intervals. As it can be expected, it is one of the major banks, which (regardless of the good results that the omnibus research showed, and their own research results) considered that issue of customer satisfaction needs to be given additional attention to the extent of developing its own model for its monitoring. This approach illustrates the bank's commitment to customer satisfaction in the best way. In our banks we can rarely encounter the practice of telephone survey, although this can be very effective and useful when, for example, you try to determine the degree of customer's satisfaction by calling after a recent service or contact that the customer had with the bank. In this case it is monitoring customer's satisfaction with a specific transaction. In addition to the information about customer satisfaction, it is important to recognize the possible dissatisfaction rating. The main source of information about customer dissatisfaction are their complaints. This is why we were interested in this research about how much attention are banks in Montenegro dedicating to the issue of discontent or to situations when consumers are considering, or have already decided to place a complaint due to their dissatisfaction. As mentioned earlier, the complaint should not be seen only as a problem, but also as an opportunity to recognize the problem, solve and avoid it in the future. Customers who complain (and they are just a part of dissatisfied customers) usually do so hoping to get their problem solved. If this does not happen, the position of the company in the eyes of the customers will be shaken, and in certain situations it is possible for customers to turn to competitors. If, however, the company reacts and responds to the problem in time, it is possible that the customer would become even more attached to the company. This way, not only will the dissatisfaction be likely eliminated, but such a client can become a "promoter" of the company by sharing his good experience with others. Thus, by doing this, the company shows how much they really take care of their customers. For this reason it is important to allow customers the possibility to express their dissatisfaction easily and at a time that suits them. Therefore, we did a research whether the banks in Montenegro have simple systems for consumers to express their dissatisfaction and whether there is a clearly defined procedure of reacting to complaints, which is respected in the business. We were particularly interested in the extent to which is the information about dissatisfaction transmitted from those who receives it, to higher (the highest) level of decision-making in the company. In addition, we were interested to find out how do banks use the obtained information about customer dissatisfaction.

When talking about the attitude of banks in Montenegro towards consumer dissatisfaction, we can see the difference in approach between „major” and „minor” banks. Judging by the clearly defined procedures of receiving, reacting and reporting related to consumer complaints, as well as the resources that are dominantly defined for that purpose, it can be concluded that, in comparison to smaller banks (among which we must single out one positive exception), larger banks pay much more attention to this issue. The

„major” banks as a rule, have open and easily accessible channels for consumer complaints: starting from the possibility to express it in person at the bank, then by written communication (including e-mail), social networks and call centers. Given that the significant number of complaints is addressed through call centers, the practice of banks that have call centers open 24 hours every day of the week is especially commendable. Unfortunately, in „larger” banks, this is an exception rather than a rule, while in smaller banks, functional call centers are very rare. The situation with procedures of responding to complaints is pretty much similar. In „larger” banks, these procedures are clearly defined and, as a rule, they include precise deadlines for complaints to be answered. Also, these procedures include reporting of customer complaints to the top management, so that copies of complaints or reports of complaints, as a rule, reach the level of Executive Directors (including the CEO). There is an interesting example of one bank in which those procedures define that internal audit of the company deals with customer complaints.

Due to the importance of social networks nowadays, they also represent a channel that consumers use. Consequently, banks in Montenegro, (particularly larger ones) dedicate special attention to them, which is particularly useful when it comes to customer complaints.

Banks that have enabled an easy way for customers to place complaints have developed procedures for responding to complaints placed in this channel, and thus show that they care about their clients. The continuation of this approach, especially in the era of electronic banking that knows no working hours, in our opinion, should imply the extension of working hours of call centers in banks that now, in most banks that have them, work only on weekdays with limited working hours.

In order to assess the functioning of the system of banking services, banks in Montenegro often use methods of mystery shopping. This method allows you to test how does the system function and whether it, in any way, contributes to planned and desired creation of satisfied customers. The bank uses results of these investigations as a control mechanism focused primarily on improving business practices and the quality of service offered, and therefore customer satisfaction. Mystery shopping methods are put in place in almost all of the „larger” banks in Montenegro. In majority of the banks, these activities are carried out through specialized agencies, while one of the banks carries out these activities on its own.

Banks in Montenegro rarely use customer calls after the service with the aim of obtaining information on customer satisfaction. In addition, we were not presented with cases of application of the critical incident analysis, which does not mean that these problems aren't addressed through complaints procedure, but shows that there isn't a systematic approach to dealing with this issue. In addition, we were not presented with examples of systematized approach to the analysis of lost clients, although we believe that this issue, especially when it comes to important clients, requires special attention.

### 3. CONCLUSION

Based on the analysis of business practices of banks in Montenegro, in terms of their orientation towards customers and their satisfaction, we can conclude that as the starting point of their strategy there's a special place dedicated to them in vision and mission statements of the banks. The reliability of the bank and the customer needs are highlighted as the main objectives in the missions and visions in almost every bank in Montenegro.

In addition to this, the high average score of importance that bank attaches to customer satisfaction while assessing to which extent are the business strategy and goals achieved (4,5 on the scale of 1- of no importance; to 5- very important) implies that the management is highly aware of the importance of satisfied customers. However, while evaluating such high mark we must keep in mind that the research has shown also that banks in Montenegro rarely named customer satisfaction as a clearly defined business objective which is controlled and monitored in order to determine the success of the banks and individuals from the lowest up to the highest management level.

The research of customer satisfaction in business practices of banks in Montenegro is much more represented in the "major" (almost without exception) in comparison to "minor" banks (only one bank from this category has information about customer satisfaction, and as such is an exception). Banks in Montenegro, when it comes to accessing information on customer satisfaction, rely to a large extent on the results of omnibus survey. Customer satisfaction is monitored through the index which allows the ranking of banks based upon the satisfaction of their clients. Since these surveys are repeated at regular intervals, it is possible to monitor the changes that are occurring in the plan. Besides that, this survey is monitoring the main reasons for satisfaction and dissatisfaction. The fact of important significance is that not all "major" banks in Montenegro use this survey in continuity (at regular time intervals in which it is carried out).

Some "major" banks, aside from using the results of the above mentioned omnibus surveys, are performing in-house research to monitor customer satisfaction. They are usually carried out in the premises of the bank. For this purpose, the banks use interviews with customers, as well as surveys on tablet computers, which are predominantly aimed at monitoring satisfaction of a specific transaction, even though they may relate to the monitoring of overall satisfaction. Some of the "major" banks in Montenegro are performing field data collection which (in comparison to the survey carried out in the premises of the bank) allows to include customers of other banks in the samples, thus giving an opportunity to look at the attitudes and models of behavior of the general population, and in this terms allowing comparison with the competitors. Lately, in accordance with the increase of the degree of growing trend to use computers in everyday life, internet (social networks) is also used in the collection of data and information from costumers.

In our banks we can rarely encounter the practice of telephone surveys, although this can be very effective and useful when, for example, you try to determine a degree of customer's satisfaction by calling after a recent service, or contact that the customer had with the bank. In addition to the information about customer satisfaction, it is important to recognize the possible dissatisfaction rating. As customer complaints represent the main source of information about customer dissatisfaction, we did a research whether the

banks in Montenegro have a simple system for customers to express their dissatisfaction and whether there is a clearly defined procedure of reacting to complaints, which is respected in the business. We were particularly interested in the extent to which information about dissatisfaction is transmitted from those who receive them, to higher (highest) level of decision-making in the company. From this aspect, we can see the difference in approach between „major” and „minor” banks because this issue is given much more attention in „bigger” in comparison to „smaller” banks (among which we should single out one positive exception). The “major” banks have open and easily accessible channels for consumer complaints. Because of the importance that call centers have in this process, we state that they are working in “major” banks (noting that it is an exception rather than a rule that these call centers are working at full capacity 24 hours every working day), while fully functional call centers are almost nonexistent in “minor” banks. The situation is quite similar when it comes to procedures of responding to complaints. In „major” banks the procedures are clearly defined and generally include precise deadlines for complaints to be answered. These procedures also include procedures for reporting customer complaints to the top management, so that copies of complaints or reports of complaints, as a rule, go to the level of executive directors (including the CEO).

In order to assess the functioning of the banking service system, banks in Montenegro often use the method of mystery shopping. The results of these surveys are used as a controlling mechanism focused primarily on improving the business practice and the quality of service offered, and therefore customer satisfaction. Mystery shopping methods are applied in almost every “major” bank in Montenegro.

In the end, we can conclude that even though “major” banks have a practice of research of customer satisfaction, there are plenty of significant areas that have room for improvement. A large contribution to this process would be to set the degree of customer satisfaction as one of the most significant and clearly defined business objectives, so that its achievement is a measure of success of bank’s operations at all levels. In addition, it is important that banks fully accept the logic that customer satisfaction rating is a dynamic category, which indicates the need for its continuous monitoring. It seems that there is a way to improve the practice of creating satisfied customers by encouraging and facilitating consumers to express their dissatisfaction. In this regard, and especially at the time of electronic banking which works 24/7, the introduction of call centers that are constantly available to clients could contribute to customer satisfaction. They, of course, must be accompanied by the appropriate response in terms of solving real problems, meaning to have an adequate response to complaints. In addition, in the process of reducing dissatisfied and increasing satisfied clients, we believe that good results can be obtained by the practice of systematized analysis of critical incidents and analysis of lost customers.

## LITERATURE:

---

1. Anderson R. and Srinivasan S: E-satisfaction and e-loyalty, a contingency framework, *Psychology & Marketing*, (2003) Vol 20 issue 2;

- 
2. Apte G.: Services marketing, Oxford University press, (2004)
- 
3. Beerli et al. (2004);
- 
4. Bitner, M. J. and A.Hubbert: "Encounter Satisfaction versus Overall ... and Its Marketing Implications," *European Journal of Marketing* , (1994)18 (4)
- 
5. Bloemer J., de Ruyter K., On the relationship between perceived service quality, service loyalty and switching costs" *International Journal of Service Industry Management* (1998) 5/6,
- 
6. Bloemer, J.M.A, en J.C. de, Ruyter, Customer Loyalty in High and Low Involvement Service Settings: The moderating impact of positive emotions, *Journal of Marketing Management*, (1999) 15
- 
7. Bloemer, J.M.M. and H.D.P. Kasper. The complex relationship between consumer satisfaction and brand loyalty. *Journal of Economic Psychology*(1995) 16,;
- 
8. Bloemer J.M.M& Lemmink G.A.M.:The importance of customer satisfaction in explaining brand and dealer loyalty, *Journal of marketing management*, Vol 8, issue 4, (1992)
- 
9. Chiou, J. (2004). The Antecedents of Consumers' Loyalty toward Internet Service Providers. *Information & Management*;
- 
10. Gustafsson, A., M. Johnson, and I. Roos (2005). The Effects of Customer Satisfaction, Relationship Commitment Dimensions, and Triggers on Customer Retention. *Journal of Marketing*, 69 (4)
- 
11. Heskett, J. L., E. W. Sasser, and L. A. Schlesinger (1997). *The Service Profit Chain*. New York: Free Press.
- 
12. Homburg C., Giering A.: Personal characteristics as moderators of the relationship between customer satisfaction and loyalty—an empirical analysis *Psychology & Marketing*, Vol 18 issue 1, (2001);
- 
13. Lam, S.Y., V. Shankar, M. K. Erramilli, and B. Murthy (2004). Customer Value, Satisfaction, Loyalty, and Switching Costs: An Illustration from Business-to-Business Service Context. *Journal of the Academy of Marketing Science*, 32 (3): 293-311
- 
14. Oliver, R. L. (1980). A Cognitive Model of the Antecedents and Consequences of Satisfaction Decisions. *Journal of Marketing Research*, 17 (4): 460-69.
- 
15. Oliver, R. (1981). Measurement and Evaluation of Satisfaction Process in Retail Setting. *Journal of Retailing*, 57 (Fall): 25-48.
- 
16. Oliver, R. (1997). *Satisfaction: A Behavioral Perspective on the Consumer*. New York: Irwin/McGraw-Hill.

- 
17. Olsen, S.O. (2002). Comparative Evaluation and the Relationship between Quality, Satisfaction, and Repurchasing Loyalty. *Journal of the Academy of Marketing Science*, 30 (3): 240-49.
- 
18. Olsen L., Johnson M.: "Service Equity, Satisfaction, and Loyalty: From Transaction-Specific to Cumulative Evaluations"(2003);
- 
19. Ping, R. (1993). The Effects of Satisfaction and Structural Constraints on Retailer Exiting, Voice, Loyalty, Opportunism, and Neglect. *Journal of Retailing*, 69: 320-52.
- 
20. Tian, S. (1998). Testing the Efficacy of an Attitudinal Process Model of the Relationship between Service Quality and Visitor Satisfaction in a Tourism Context, Texas A&M University.
- 
21. Yang Z., JunM., Peterson,R.T. (2004) „Measuring customer perceived online service quality: Scale development and managerial implications”, *International Journal of Operations & Production Management*, Vol. 24 Iss: 11
- 
22. Yang, Z., and R. T. Peterson (2004). Customer Perceived Value, Satisfaction, and Loyalty: The Role of Switching Costs. *Psychology & Marketing*, 21 (10): 799-822.
- 
23. Yu, C.-M.J., L.-Y. Wu, Y.-C. Chiao, and H.-S. Tai (2005). Perceived Quality, Customer Satisfaction, and Customer Loyalty: The Case of Lexus in Taiwan. *Total Quality Management & Business Excellence*, 16 (6): 707-19.
- 
24. Ziethaml & Bitner : *Services marketing*, McGraw - Hill, (2003)
-