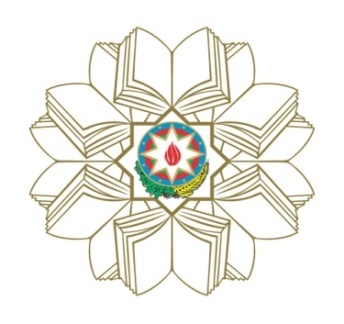
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**The Ministry of Education of Azerbaijan Republic**

**UNEC SABAH**

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Service Quality and Customer Satisfaction in Service Marketing

**𝐒𝐭𝐮𝐝𝐞𝐧𝐭: 𝒢𝓊𝓁𝓃𝒶𝓇 𝑀𝒶𝓂𝓂𝒶𝒹𝑜𝓋𝒶**

**𝐒𝐮𝐩𝐞𝐫𝐯𝐢𝐬𝐨𝐫: 𝑅𝒶𝓂𝒾𝓁 𝒥𝒶𝒷𝒷𝒶𝓇𝑜𝓋**

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# 𝓐𝓒𝓚𝓝𝓞𝓦𝓛𝓔𝓓𝓖𝓜𝓔𝓝𝓣𝓢

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And finally, I would like to thank my family for their great help and support.

# **ABSTRACT**

Companies that offer services or products can survive as long as they are happy with their customers. It is important to establish long-term relationships with customers in an increasingly competitive environment. These long-term relationships should result in loyal customers. There are several factors that affect customer dependence, such as customer satisfaction and quality of service, as well as the value that is accepted by customers.  
 Customer satisfaction occurs when customer expectations are met at a high level. As soon as customers benefit from the service product, customer satisfaction occurs. A satisfied customer will become a long-term loyal customer.  
 The quality of the service indicates the benefits’ agreement obtained from the product or service. The higher the quality of the service, the more value the customer perceives.  
 The main purpose of this research is to determine the relationship between customer satisfaction, quality of service, ie perceived value and customer dependence. For this purpose, a questionnaire was conducted with bank customers to determine the relationship between customer satisfaction, perceived value, and customer dependence. As a result of this study, it was determined that there was a positive and significant relationship between customer satisfaction, perceived value, and customer dependence.

**Keywords:** Service, Service Marketing, Customer Satisfaction, Service Quality, Banking

# **Xülasə**

Xidmət eləcə də, məhsul istehsal edən şirkətlər müştərilər məmnun qaldığı müddətdə fəaliyyət göstərə bilirlər. Rəqabətin getdikcə daha da genişləndiyi bir şəraitdə müştərilərlə uzunmüddətli əlaqələrin qurulması vacibdir. Bu uzunmüddətli əlaqələr daimi müştərilərlə nəticələnməlidir. Müştəri asılılığına təsir göstərən bir neçə amil vardır ki, bunlardan müştəri məmnuniyyəti və xidmətin keyfiyyəti, eləcə də müştərilər tərəfindən qəbul edilən dəyər əhəmiyyətli rola malikdir.

Müştəri məmnuniyyəti, müştərilərin gözləntilərinin yüksək səviyyədə qarşılanması şəraitində yaranır. Müştərilərin xidmət məhsulundan gözlədikləri fayda təmin olunduğu anda, müştəri məmnuniyyəti yaranır. Məmnun bir müştəri isə uzunmüddətli sadiq müştəriyə çevriləcəkdir.

Xidmətin keyfiyyəti, məhsul və ya xidmətdən əldə olunan fayda anlaşını ifadə edir. Xidmətin keyfiyyəti nə qədər yüksək olarsa, müştərinin qəbul etdiyi dəyər bir o qədər artacaqdır.

Bu tədqiqatın əsas məqsədi müştəri məmnuniyyəti, xidmətin keyfiyyəti, yəni qəbul edilən dəyər və müştəri asılılığı əlaqəsini müəyyənləşdirməkdən ibarətdir. Bu məqsədlə, müştəri məmnuniyyəti, qəbul edilən dəyər və müştəri asılılığı arasındakı əlaqəni müəyyən etmək üçün bank müştəriləri ilə anket sorğusu aparılmışdır. Bu tədqiqatın nəticəsində, müştəri məmnuniyyəti, qəbul edilən dəyər və müştəri asılılığı arasında müsbət və əhəmiyyətli əlaqələrin olduğu müəyyənləşdirilmişdir.

**Açar sözlər:** Xidmət, Xidmət Marketinqi, Müştəri məmnuniyyəti, Xidmət Keyfiyyəti, Bank

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# **Introduction**

Depending on the level of economic development of the state, the service, which has a wider coverage area, is an abstract concept that meets the needs and demands of individuals. Services are abstract products produced in order to meet the needs of people and consumed in the same time period.

As a country's economy develops, the share of services in that country and the demand for them continue to increase more rapidly. The expanding scope of service areas has brought the demand for service marketing. In today's competitive market, service businesses have to implement successful marketing strategies to stay on the market and to be successful.

Service marketing aims to achieve the highest level of customer satisfaction. This is achieved by the quality of the service and such factors. Consumers' perceived value is the work of the quality of service reflected on consumers. The wide coverage area of the service areas, therefore, the evolving service marketing and its basic tools, customer satisfaction, as well as learning the quality of the service are very up to date.

There are many service areas not only in the world but also in our country. One of them and the most common is the banking sector. The main factor that distinguishes banks is the service quality and the variety of services that banks offer to customers.

In the present circumstance, both banks and other service enterprises should be able to meet the needs of today. Banks should be able to benefit from the service marketing tools properly and increase customer satisfaction in order to avoid losing their existing customers and gain new customers.

In order to maintain competitive advantage, banks must act customer-oriented, pay particular attention to customer satisfaction, service quality, customer loyalty, and value perceived by customers. In order to ensure customer satisfaction, they should improve the service quality to a certain level. To increase customer loyalty, it is necessary to provide better quality services than other banks.

Bank services related to the development of technology have gained special importance. Therefore, it is the main objective of the study to measure the impact of customer satisfaction and perceived value concepts on customer dependency, which are of great importance for bank competition. In the first part of the study, service, service marketing, in the second part, theoretical research about customer satisfaction and service quality was made. In the third chapter, brief information about the banking field was given and the investigation of the field was carried out deeply and fundamentally on the basis of the leading cumulative selective mass.

As a result of the research, questions such as measuring customer satisfaction, perceived value and relationship between customer dependency, measuring customer satisfaction on the basis of demographic indicators, customer satisfaction and questioning the effect of the sub-dimensions of the accepted value on customer insecurity were organized. Survey request. Based on the results obtained from 8 bank customers in Baku, a positive relationship was detected between customer satisfaction, perceived value and customer dependency.

The object of the study is the banks of the Republic of Azerbaijan in Baku.

# **Chapter 1. THEORETICAL ANALYSIS.**

## 1.1.Service concept and description of the service

The service is considered to be different from the products that have a specific feature due to their abstract concepts. Therefore, the analysis of services is more difficult than certain products. One of the main reasons for this difficulty is that goods / goods are intended to meet the personal needs of individuals, ie consumers, while services tend to address their problems. Despite this challenge, we can see the service as an abstract concept that addresses the needs and wishes of individuals.

Service was first defined by the European philosophers in the first half of the 18th century and was defined as all activities outside the scope of agricultural activities. Adam Smith was the first to comment on the service. Adam Smith's service was described as "a materially profitable business." Alfred Marshall's service described JeanBaptiste Say as "a productive activity during production" as "a non-productive activity that provides a certain benefit to the goods."

Since the 1960s, there are many different definitions of service diversity. Today, however, there is a service area in almost every aspect of direct or indirect human.

Service literally means; actions, processes, and performances.[[1]](#footnote-1)

The service is the offered activities, sales and satisfaction for sale.[[2]](#footnote-2)

The American Marketing Association (AMA) announced the following: "Activities offered or sold with the sale of goods."

While describing Goetsch and Davis (1998) as "working for someone else", Collier (1998) defined this service as a business or activity, a performance, a social event, or an enterprise at the production site.

From these definitions, we can say that the service is a series of activities that meet the needs of customers, abstract, hand in hand and generally consumed.

### 1.1.1.The main features of the service.

The service has a number of properties different from the goods. These features play a fundamental role in the formation of the service and cause them to be different from the material activities, ie goods and commodities. Main features that distinguish services from goods are:

* With some exceptions, services cannot be measured. Services include physical objects such as weight, height and so on. cannot be measured in categories. This means that the services are dynamic, not statistical.
* Quality cannot be assessed without service provision. The customer cannot say anything about the quality of the product unless it benefits from the service.
* The service has a period. That is, the start and end time of the service. It starts at a specific time and ends within a certain period of time.
* Services are based on demand. We can talk about two types of demands. Regular conditions (telephone service, electricity service, etc.) and temporary conditions (banking service, medical examination, etc.)
* Service can not be stocked. They are consumed while being produced. At the same time, the service can be reproduced, but the same service cannot be resent. That is, administrations are created and devoured all the while. This property is not specific to physical goods. Goods are produced, stocked, distributed to many wholesalers or retailers and eventually consumed. From the moment any individual wishes to receive a particular service, the service is part of human service. Any service cannot be installed without a consumer. It is a very important factor that makes the service here and fulfills. The relationship between the customer and the service provider plays a central role in service marketing. At the same time the consumer in the service area also becomes a part of the service production process. The reason for this is the inseparability of services - at the same time production and consumption. For example, when the consumer uses hospital services, the doctor will examine him.
* Services are not heard. Services are not material. It is a collection of activities for human behavior. The human element is above the service shown and requires the professionalliq rates of the individuals performing this service. This shows that, to show them, to see, to examine, is not possible. Consumers cannot see, smell, hear or taste the service.
* Services do not have ownership rights. Indeed, consumers who purchase any product, even though the owner of this product may be, but he is satisfied with the service sector to benefit from the service. Consumers can not have services. The consumer, who receives a service, cannot sell it again in another market. A car owner can remove it resold, but this does not apply to health services.

Taking into consideration all the features mentioned above, we can show the four main features of the service:

**Figure 1.** **Key features of the services[[3]](#footnote-3)**

### 1.1.2.Classification of services.

The classification of services in marketing is one of the controversial issues for many years. According to some authors, the classification is not appropriate and is unnecessary. They think the classification leads to false results. According to some scientists (Lovelock 1983; Cowell, 1984; Kotler 1982), classification, determining the market share and is one of the first and indispensable steps in determining market access. Of course, the classification in the service area is absolute. For example, it is inconvenient to examine health services within the same class with an international chain of banks. The main reason for this is that the service area is quite diverse and wide. This diversity does not deny that classification is a difficult process.

The classification of services has been examined differently by different researchers in different literature. One of the different classifications in the classification of the services, Kotler put forward. According to Philip Kotler, the services are classified as: "Human-based or hardware-based services, services according to the degree of participation of the consumer at the place where the service is provided, services that meet personal or business needs, public and private services, commercial or non-commercial services".

Christopher Lovelock (1983) by the proposed classification, providing the most responsive to the needs of the modern era and today is the most common classification.

Lovelock has taken into account all the classifications that have been written so far and has brought about a classification method that covers them in general. According to this method, the classification of the service is as follows. In this method, services are divided into 5 classes[[4]](#footnote-4):

1. According to the structure of the services;
2. According to the type of relationship of service enterprises with customers;
3. According to the structure of demand for services;
4. According to the individuality of the service and the initiative of the service operator;
5. According to the service of distribution methods.

The classification proposed by Lovelock has been divided into 4 groups according to the individual or the existence of the services. According to the structure of these services is based on the classification. These include:

1. *Services for the body of the person.*The main factor here is the direct connection of the manufacturer with the service. In order to benefit from this service, the customer must contact and give a certain amount of time. For example, customer service in the restaurant, haircuts in the hairdresser etc.
2. *Services for the physical object.* Consumers buy services for their physical objects. This class of services begins with the expression of consumers' demands, demands and demands. As we know, physical objects may portable and unmovable. For example, the cleaning service, repair service foreseen for a building.
3. *Services for the human mind.* These services require a mental connection with their customers. The most important point, the customer's mind when purchasing service is open and ready for it. Examples of these services include education, entertainment and religious services. Such services are usually delivered to customers face to face. However, these services can also be provided with telecommunication service.
4. *Services for abstract objects.* Although technology is widely developed in the modern world, technology cannot perform all the work at the desired level. For this, professional human intervention is absolute. Such services may be included in lawyer services, accounting services, financial services, insurance services, etc.

*The type of communication with the customer* service provider is classified based on the customer's membership status and the duration of the service. The main purpose of this classification is to enable businesses to understand their customers better. Because the membership relationship helps the business to easily access and research all information related to this member customer. In addition, we can say that this classification makes the job easier when preparing a price strategy.

|  |  |  |
| --- | --- | --- |
| Features of service promotion | Have membership | Have not membership |
| Always the services offered | -Insurance services  -Bank services | - Radio broadcast service  - Road transport service |
| Throw the services offered | -Phone services  -Sezon Movie tickets  -Metro cards | -Rent a car  -Post services  -Restaurant services |

Table 1. Classification of service facilities by type of customer relations

Table 1 above shows the service groups according to the type of relationship of service facilities with customers. For example, in the bank services, the relationship with the customer is constantly different, and it is completely different from a student with a subway card. Membership is also important for the implementation of marketing strategies. In fact, all service facilities are actively using marketing strategies to be applied again.

As we have noted, the service can not be stored, unlike the goods. For example, every customer who does not apply to the hairdresser during the day is an expense for the business. Another day due to the high number of applicants to the hairdresser too, businesses are forced to accept new workers, or workers less if there is another expense to the customer service business. From here, it seems, in the service area requests and the balance is not available. This is based on the classification of the demand for service.

Serving as a whole in the service area, its production and submission knows to be performed in one of the different places. For example, a customer who wants to use restaurant services, of course, does not eat in the restaurant's kitchen. Meals are cooked in the kitchen and are served to the customer by the restaurant staff in the restaurant. Thus, the customer uses the restaurant service. However, the production and presentation were not in the same place. Therefore, the place where the service is provided in the service area as well as the person who is in direct communication with the customer is an important factor. It is important to classify these services according to the method of sharing.

*The individuality of the service* is directly related to the service itself and the staff providing the service. Due to the consumption of the service during its production and the participation of the consumer in the production process, the services are more likely to be presented to the consumers individually to meet the needs of individual customers.

## 1.2.Service Marketing

Along with the changes in the economic, political, social, and technology spheres of the past, the service marketing approaches of the enterprises have changed and there have been changes and developments in the positive trend. Considering the rapid growth in the service sector all over the world, it has been observed that the interest in service marketing has increased in recent years, especially in many developed countries. In general, as a country's economy develops, the share of services in the country and the demand for them are increasing rapidly. In the modern times when competition is getting sharper, service providers should use successful marketing strategies to stay in the market and succeed.

Service was a concept that did not exist in marketing until 1975. However, this approach, written by a banker in New York in 1977 and "Journal of Marketing" published in the "Breaking Free From Product" has been amended by article. This article by Lynn Shostack was the beginning of service marketing[[5]](#footnote-5).

The recommended cooperation, benefit and quality service with or without regard to the goods to be sold is called service marketing. In short, service marketing is a whole of all marketing activities carried out in service businesses. According to the production process is included in the customer service area, manufacturers have them in the center of attention. Businesses / companies offering services marketing, especially for the promotion of the service, have a positive inclination on the customer and they act for a longer period of customer satisfaction. To keep up with the present competition, to make better marketing services and service providers must implement successfully.

The main purpose of service marketing is to maximize operating profit, to minimize costs, to increase market share and to reach the business objectives in order to achieve these targets. The three main objectives of service marketing are identified:

1. Economic targets (service revenues, usefulness, increase and improve sales and etc.)
2. Business objectives (increase market share, maximize revenue and etc.)
3. Social targets (increased employment, improved quality of life, protection of the environment and etc.)

Now, let's review the features of service marketing. These include:

* All the needs and expectations of the customers are determined, and the service is taken into consideration;
* Marketing consists of activities that require chaining in a way that requires dependence or one after another and these activities require continuity;
* Quality is important to ensure long-term customer satisfaction in consumers due to the fact that the service is consumed at the moment it is produced;
* Not only one contact between all departments of the service organization, but also the cooperation in marketing;
* The service provider must be in constant contact with other service providers.

In general, it is difficult to check or measure the effectiveness of activities carried out in service marketing. At the same time, gathering information about the marketing strategies of competitors, which are the key to marketing, requires serious persistence. From here we can discover the differences between service marketing and product marketing. Although these differences are similar to the differences between goods and services, they are essential for marketing to explore these differences. The differences are:

1. The goods / commodities are mainly produced in factories. Service products are consumed where it is produced substantially. For example, the production and consumption of health services are carried out within the same site and at the same time interval. Therefore, implementation of marketing activities are distinguished in the areas of goods and services.
2. Goods / commodities can be stored for a long time depending on their physical properties. This is impossible in service products. For example, if flight tickets are not sold on the day of flight, they are not waited for resale.
3. Unlike goods, service products cannot be moved from one location to another. In service products, consumers must go to the production site.
4. In general, services are used in a short time.
5. Unlike goods, service products give consumers less confidence. They do not have the option to see their services in advance, or if they do not like it. What we say is the most effective way to gain people's trust during the purchase of goods.
6. Copying services is easy and cannot be avoided. While there may be measures such as licenses, patents etc. in goods / commodities, there are no adequate measures in the service area.

But if we apply marketing to the service area, what benefits will it have and what will it result? The results can be colleted as follows:

* Customer satisfaction will increase and more satisfied customers will come;
* All departments, management personnel and all personnel in the enterprise will be targeted for the same purpose;
* Customer satisfaction will increase as customers' wishes and expectations are predetermined;
* Changes in consumers' demands, expectations and needs can be easily determined;
* Since the above-mentioned changes are pre-determined, all emergency measures are readily visible at the time of the crisis;
* All propaganda activities related to the services are carried out taking into consideration the perception capabilities of people;
* As a result of increased cooperation, better service and happier consumers are emerging;
* All costs are mobilized more efficiently;
* The weaknesses and strengths of the service facility can be determined. As a result of marketing activities, weaknesses are developed and strengths are evaluated. In addition, the factors that may pose a threat to the enterprise and the capabilities of the enterprise can be defined as a result of marketing activities.

### 1.2.1.Service Marketing Mix.

Marketing is the most important factor that enables businesses to work successfully. In any sector, it is important to evaluate the successful marketing mix to gain an advantage in the competitive environment and to be the market leader. Marketing is an activity that provides the production of goods and services based on the buyer behavior of the target audience. One of the basic concepts in marketing is the marketing mix. Marketing mixes are defined as factors that enable customers to communicate and communicate with customers under the control of a business[[6]](#footnote-6). The marketing mix is a group of tools that the marketing manager uses to make the service available to customers[[7]](#footnote-7).

Because the production and consumption of the services are within the same time frame, customers are often in the place where the service is provided. Therefore, customers are associated with both the employees of the enterprise and the place where the service is offered. Customer service environment in which the service is provided and for businesses that have a relationship with the staff play an important role in the evaluation by the customer. Customer satisfaction at this stage is essential. As a result, traditional marketing mix elements are not enough, so new ones are added and the marketing mix is extended. Traditional marketing mixes are accepted as product (product), area, price and promotion and are specified as 4P according to their initial letter from the English. As we said, the developing modern marketing approach was not enough for 4P, and in addition to it, it was essential to include the people, process and physical environment elements in the marketing mix. As a result of this approach, 4P was substituted with 7P. Let's look at the elements of 7P.

*Product (P).* If the products are taken into consideration in the traditional marketing, the product products will be considered in the service area. Service consumers do not have any physical object, unlike goods consumers. Service-producing enterprises need to examine what consumers want and what problems they face in order to produce the best service. The abstraction of products in service marketing leads to two main problems: first, the difficulty in understanding the proposed service, and secondly, the customer does not know exactly what and how to obtain it.

As in goods, services also include core services and supportive services that enrich it. The main service is the service that provides basic benefits. Supporting service supports the core service

**Core Product:**

Health care

**Tangible Product:** treatment services, pharmacy services,medical services

**Extended product:** Cleaning, registration service

**Table 2. Service Product**

For example, the treatment service of the hospital, the hair cutting service of the hairdresser, and the service of the service that the airport proposes are placed as basic services. All additional services shown for the realization of the main service are supportive services. For example, when a restaurant offers to solve the problem of healthy eating as a basic service, it is imperative that services such as welcoming, cleaning the table and maintenance should also be performed. In addition to increasing the competitiveness of the service provider, the services play an important role in increasing the quality of the service and ensuring customer satisfaction. This is the most obvious example of a meal in the cafeteria.

Price (P). What's the price? Price is the value that customers have to pay to obtain a product. The more important the price is, the more important it is in terms of marketing. As service providers consider the target audience and pricing, it is important to adjust the price factor to the target audience. Because the price can make the service product more attractive in terms of marketing. Pricing time should be taken into account in the price strategies of competitors, customer responses, company objectives, current economic situation and alternative prices. It is also possible to use the price to be the leader in the competitive market.

The products are quite simple compared to the services that determine the price for them because they are concrete. Services are abstract, making pricing difficult. Pricing in service marketing requires creativity and is a very important consideration. There are some types of services that determine the price at the moment of sale. For example, doctor service, lawyer service and so on. In service marketing, the price is important for the determination of the value for the customer and for the establishment of the image for the enterprise.

Sometimes the price can give information about the quality of the service product. From the psychological point of view, the first impression of cheap service in man is that the quality of the product is lower than the expensive service. However, the low price should not mean that the service is of poor quality. In fact, price competition and similar factors can be assigned as low.

Within the elements of marketing mix, price is the only element that brings income. In fact, the importance of the price element can vary from the current economic situation to the other elements. In such a situation where the economic situation is good and the people's life level is high, the price factor importance level is the same as the other elements. However, in the case of stagnancy of the economic situation, the price factor for the enterprise in case of inflation is the first key to being successful. Here are some reasons why price decisions are not always based on rational principles:

* There is some service that the price must be learned before they are received;
* Some services are preferred because they are expensive and others are cheap;
* Being the cheapest is always useful;
* Price is considered different by different consumers depending on the level and quality of the service;
* The price is assessed differently depending on the quality and value of the service;
* The determination of the price according to the service gaps in the market is considered different;
* Payment terms can cause price to be perceived differently.

*Promotion (P)* . Promotional activities enable the consumer to obtain the benefits before the purchase of the service. These activities are carried out through advertising, individual sales, fairs and other similar means. Promotional activities should be provided through effective communication. In other words, the purpose of the promotional activities is to inform current and potential markets about the businesses themselves and the services they produce, to remind them and to convince consumers that they will receive these services. Messages designed to encourage consumers should be designed to give confidence. When preparing these messages, consumers' behavior should be taken into account and used to protect existing customers and increase their market share.

The activities of promotional entrepreneurs in the service marketing mix are to reach the following conditions:

* To inform potential customers about the benefits of the Services;
* Trying to bring service and customer together;
* Reminding service to customers who have previously used the service;
* Create and develop demand;
* Separating service and organization.

Because the service is abstract, they try to increase the promotional effort by using a set of physical symbols in the ads. Special attention is given to images and logos in advertisements. However, advertising is prohibited in some areas, for example in various professional service areas.

*Place (P).* The spatial element of the marketing mix is considered to be the place where products are delivered from the producer to the consumer. Unlike goods, services are more difficult to deliver. The service requires direct delivery due to its features. Direct sales are the most important sales channel due to lack of services. Some exceptions are available. For example, insurance is the sales channels with intermediaries in service areas such as entertainment. These agents may be provided in the form of, for example, ATMs, as well as on the Internet and via technology. Unlike goods producers, healthcare organizations, restaurants, hotels, and many other businesses, such as businesses, not by going to their location, but by providing them to benefit from the service by incorporating them into their existing businesses.

*People (P)* . Another element of the marketing mix for service providers is the people, ie participants. The human factor is an important factor for the operation of the enterprise. The concept of participants cover all people, including the employees of the enterprise and other customers alike. All people involved in the delivery of the service, and thus have an impact on the customer's understanding of the service, form the "people" element of the expanded marketing mix. These people's behaviors, movements, even clothing styles can affect customers. Therefore, staff who offer the service or who are directly involved with the customer have an important role. In some service areas, for example, training is the service itself. Other customers may also affect the supply decisions of the customers during the service delivery (eg other customers in the restaurant, other customers waiting in the bank, customers visiting the hotel, etc.).

*Process (P).* The processes cover all the tasks, jobs, activities, procedures and methods of the services to the customers. In order to improve the quality of the service, it is important that the process is planned in advance and the service is delivered to the consumer in such a way as to realize these plans. Solving the problems of the services such as being abstract, being untouchable and inaudible is related with the control of the processes.

*Physical environment (P).* The physical environment includes objects representing the location of the service. As mentioned earlier, services are available only after purchase. In short, we have no chance to check services in advance. As consumers are satisfied with the service and demanded the same service again, the physical environment based role awakens and the enterprises are trying to make the service environment as better as possible. Physical environment is important for consumers to give the first impression of the business before making a purchase decision. For example, hotel decoration, the number of rooms in the hotel, modern design and other features are important to attract consumers. Employees and consumers of the company come together in the physical environment of the service facilities. In general, the main importance of the physical environment for service businesses is due to the role of consumers in accepting the purchase decision, being satisfied with the service they purchased and wanting to buy the service again.

### 1.2.2.Service oriented marketing strategies.

Nowadays, the need for marketing strategies of service institutions has increased in terms of increasing competition and production. Many small service businesses have positive marketing strategies. The first reason for this is the realization of marketing strategies. Consider several strategies that are implemented in the service area:

1. Service quality management strategy. Quality measurement, management and expression is a very difficult concept. However, in service marketing, the quality of the service is measured by the success and qualifications of the enterprise. In the concept of service quality, the service is determined by the consumer, not by the service vendor or manufacturer. The key point here is to offer consumers a product of the quality they want. Consumers often compare their expectations with the service provided to them[[8]](#footnote-8).

One of the most important differences that distinguishes a service business from its competitors is to offer a better quality service than its competitors. Some companies have found that the high quality factor brings them more benefits and benefits. This is because the expectations of customers about their service quality are confirmed or exceeded their expectations[[9]](#footnote-9).

1. *Efficiency management and differentiation strategy in services*. In modern times, marketers who are resentful due to tense price competition have difficulty in differentiating their products from their competitors. The solution of intense price competition is to put forward different ideas. For example, marketers should be looking for features that make a business different from competitors' views. Service businesses can differentiate service delivery with more secure and skilled personnel, exceptional physical environment and better planned service process. Service businesses can also realize the differentiation strategy by using branding.

There are a number of ways in which efficiency increases in service businesses, which are known as a strategy for improving efficiency or efficiency. They achieve this through the way in which the service department creates the environment for the personal development of the personnel and the teaching. As a result, employees are more productive without paying more.

# **Chapter 2. METHODOLOGICAL ASPECTS OF SERVICE QUALITY AND CUSTOMER SATISFACTION**

## 2.1.Service quality in service marketing.

The fact that services are mixed and abstract when compared to goods creates difficulties in determining their quality. Goods or services respond to the needs of a consumer, the other knows the unhappy sala. In other words, the quality concept is not the same for all consumers. For this reason, production is carried out by considering the different expectations of people in the production process. It is the subjective side of the quality we mentioned. Also, quality has an objective side. The measurable quality of the product is determined by the quality standards and is called objective quality. The more goods / commodities the services are, the easier it will be to evaluate them. A number of factors should be considered when determining the quality of a service product: consumer acceptance level, market competition, marketing policy, used raw materials, etc. play less role in determining quality[[10]](#footnote-10).

In order to determine the quality more clearly, you need to know some specific features of the product. These features are functional and quality characteristics. This is considered to be a functional feature if it knows that the service can fulfill any predetermined purpose. If the purpose of the service is always able to fulfill this purpose in the same way, this is called the quality feature. According to the American Society for Quality program, according to the technical use "quality" has 2 different meaning. A service is a failure to determine whether a service meets specific or potential needs[[11]](#footnote-11).

Estimating the nature of administration is a respectable starting point of its improvement and improving its administration quality. In the event that a business gets the correct data about the nature of the administration, it can settle on the correct choice about what to do. The distinction between shoppers' impressions and assumptions regarding the administration offered is considered as the administration quality estimation file. Many models are used to measure service quality, these: Parasuraman, Zeithaml and Berry (1985) GAP SERVQUAL model, Cronin and Taylor (1992) SERVPERF model, Christian Grönroos (1984) Technical and Functional model, Mattsson (1992) Service Quality Model Ideal Value, Spreng The exemplary Service Quality and Satisfaction Model of Mackoy (1996) is based on Zhu et al. (2002), based on the E-Quality Model (2003) of Santos. It is available. Let's take a quick look at several of the models we've taken for granted.

**2.1.1.**Santos' s (2003) E-service quality model.The increasing coverage area of the Internet shows itself in the service field. As businesses operate over the Internet, such businesses that provide services over the internet should increase their effectiveness and effectiveness to ensure customer satisfaction and keep customers in their hands. Special attention should be paid to the quality of the e-service. In 2003, Santos established the e-service quality model and set the standards for virtual service quality. In the model, 2 stages of e-service quality: incubation and active phase are shown. Each section is divided into five or six subgroups. According to the model created by Santos, incubation step of the fifth sub-step of: ease of use, appearance, linkage, structure and layout and content, the active phase of the sixth step of reliability, efficiency, support, communication, security, and incentive.

2.1.1.Zhu, Wymer and Chen's (2002) Model of Informatics Texnology (IT). The basic understanding of this model is to emphasize the importance of information technologies in the field of service. Service businesses are widely using information technologies to deliver better quality products and reduce costs to their customers. Through this model, it is possible to analyze the relationship between the service accepted the services based on information technologies.

2.1.2.Broputicz, Delene and Lyth (1990) Synthesized Service Quality Model. According to this model, the concept of quality occurs at that time, information about it is taken in advance by mouth-to-mouth communication, advertising and other means. Consumers have a quality understanding of the service product, and because they believe in quality when they consume the service, they will be less or less than expectations with the accepted service. If you experience real customers in the means of communication otherwise, this will be more effective if combined with the first accepted degree of quality of service. Planning, projecting and control measures should be systematically taken into consideration by the management according to the synthesized service quality model. The result is that changes in service quality are minimized. This model is based on 3 factors.

These factors,

- Company image

- External Effects

- Traditional marketing activities.

2.1.3.Mattsson's (1992) Ideal Quality of Service Quality Model.This model recommends the comparison of ideal standards and applications. Mattson compared the value of quality and the experience of consumers based on customer satisfaction results. We can show the application of this model through a hospital. When asked about what is the ideal healthcare service for new entrants, they noted that such factors as trained doctors, smiling staff, augmented atmosphere, pleasant atmosphere, etc. are ideal for them. Then, from the patients who leave the hospital, the degree of satisfaction from the ideal hospital values is learned during the treatment period in the hospital.

2.1.4.Properties of the Service Quality Model of Haywood-Farmer (1988). As indicated by Haywood Farmer, the items created by this organization are viewed as of high caliber if the administration office meets the shopper's desires and inclinations. As indicated by the model, the detachment of value attributes into different gatherings is the initial phase in the correct foundation of the quality model. Depending on the model, the services consist of 3 main features[[12]](#footnote-12):

- Physical facilities and procedures

- Professional decision making

- Behavioral trends

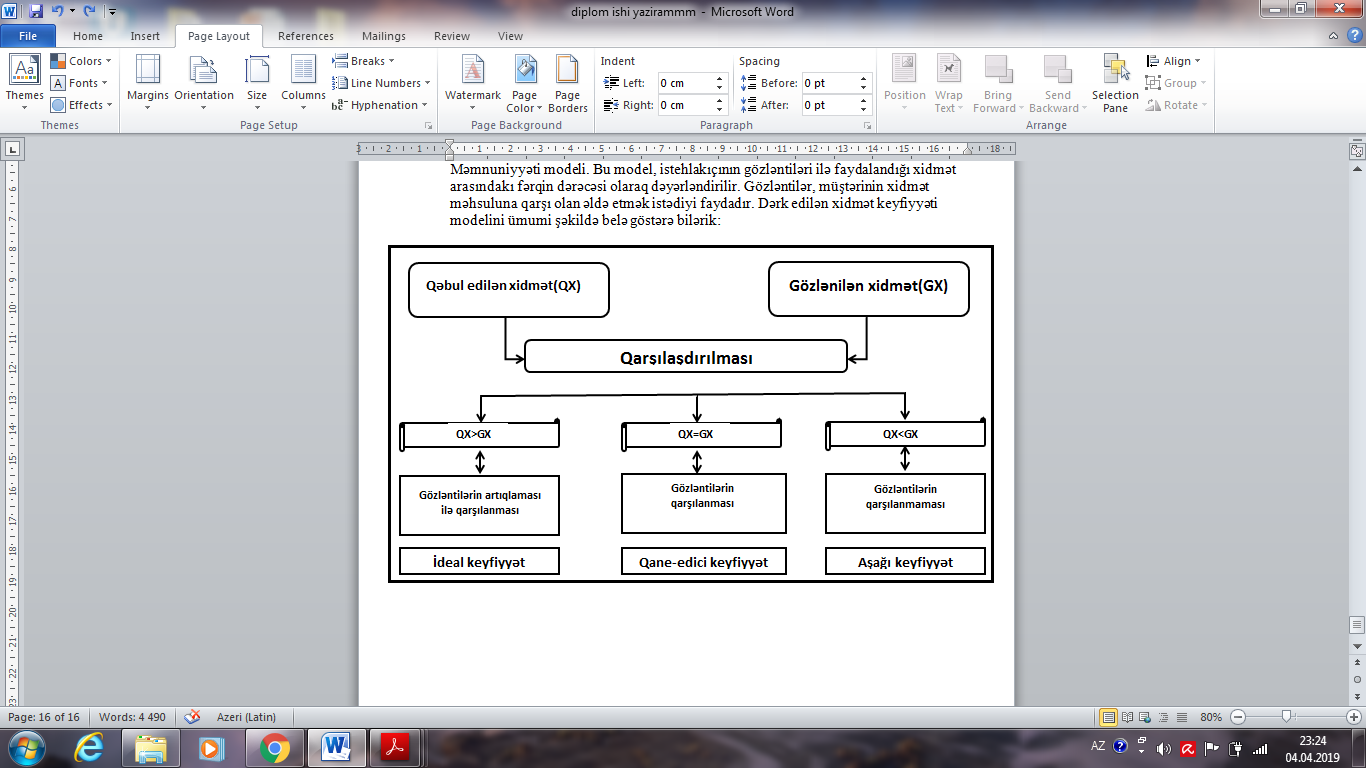
There are sub-features of each feature we specify. Depending on the model, all features need to be routed at the same level. Because only giving an extreme direction to a property can take the business to bankruptcy.

2.1.5.Sweeney, Soutar and Johnson (1997) Retail Service Quality and Perceived Value Model. The quality of the service is in contact with 2 alternative models. The value is the difference between what the customer obtains and pays to the producer at the same time, and according to this model, it shows that the value expresses a comparison between what has been achieved and those that have been abandoned. Let's take a look at the 2 allternativi models.

Model 1: In model 1, it was shown that the price was directly affected by the product quality.

Model 2: 2 model with the functional service quality as a direct impact on the customers' requests emphasizes the sale.

Spreng and Mackoy's (1996) Realized Service Quality and Satisfaction model. This model is considered to be the degree of difference between consumer expectations and the service it uses. Expectations are the benefit that the customer wants to obtain against the service product. The generally understood service quality model is as follows:

 **Table 3. Perceived\_Service Quality Model**

## 2.2.Customer satisfaction in service marketing.

Customers are a vital mass for businesses. It is therefore considered to be the primary objective of businesses to be satisfied by customers. It is not possible to copy customer satisfaction in the market where all strategies are easily copied in a tense competition environment. Therefore, marketers pay special attention to ensuring customer satisfaction. Five theories are used to determine customer satisfaction in marketing, namely "Assimilation-Contrast Theory", "Contrast Theory", "Dissonance Theory", "Negative Theory", and "Hypothesis Testing Theory".

Internal customer and external customer. Clients are sought in two gatherings, both interior and outside. As to fulfillment, we will look at progressively remote clients. When all is said in done, clients profiting by the administrations given by the administration association are incorporated into the outside clients, and the representatives working in the venture are incorporated into the inner clients' class.

Internal customer satisfaction. So as to fulfill outside clients, we should initially fulfill inside clients. What do internal customers want from an organization?[[13]](#footnote-13)

1. Competitive fee
2. Appropriate business environment
3. Understanding the specific needs of the company
4. Social status
5. Consideration of ideas, etc.

It should pay more attention to all employees of the enterprise, especially its employees who are directly in contact with the customer, and must satisfy them. Because an unsatisfied worker cannot fully satisfy the external customer.

One of the biggest problems encountered in the service area is to find experienced and trained employees. The number of higher education institutions in these areas is quite small. If there are not enough trained and experienced employees, the operation tries to comply with other employees with compulsory labor, but in parallel, the efficiency of the work falls.

In the business, jobs are divided on the basis of the principle of division of labor. The work divided by business discretion requires the original. So much so that each worker carries out his share of work and directs him to the other responsible worker. If the other worker is satisfied with the work of the previous worker, and the chain is satisfied by all employees throughout the process, the process will be successful. As can be seen here, a job is transmitted to the other worker during the process. In other words, each worker who accepts the information during the activity period plays the role of customer and is defined as internal customer.

***Pattern workers***

***Loyal workers***

Supported workers

Regular workers

**Workers**

***Candidate***

**Figure 2 . Internal customer hierarchy[[14]](#footnote-14)**

Figure 2 above shows the internal customer hierarchy. Take a short look at the picture,

*Candidate* - means the potential employee of the enterprise. In other words, the candidate can operate in the future.

*Worker* - means a new employee. It is new in business and does not dominate the business.

*Regular worker* - who is in a constant connection with the workers in the enterprise and the enterprise, has a neutral attitude towards the enterprise.

*Supported workers* - workers and employees who are satisfied with their jobs belong to this category. They constantly support the effectiveness of the business.

*Loyal worker* - who is satisfied with the company, but who recommend him around the employees.

*Partner workers* - Employees who consider the interests of a co-worker as much as their own interests.

What should the board of directors of the enterprise do to achieve internal customer satisfaction?

* Supporting, directing and assisting staff instead of sovereignty
* To motivate, reward and respond instead of punishing
* Instead of forcing workers to work properly,
* Give priority to team work, not personal
* To create a working environment consisting of workers who believe and trust each other in the institution and etc.

Research shows that greater importance is given to internal customer satisfaction in large companies.

External customer. Customers who purchase the service offered by service businesses and profit from the business are called external customers. The reasons for the existence of the business are directly related to external customers. In other words, satisfaction of foreign customers is one of the main objectives of the business. The customer-based approach, which forms the basis of modern marketing, has driven businesses to be more responsive to their complaints and demands, taking into account customer needs and expectations.

***Pattern customer***

***Loyal customer***

Supported customers

***Regular customers***

Customers

***Candidate***

**Figure 3 . External customer hierarchy[[15]](#footnote-15)**

An external customer hierarchy as an internal customer hierarchy is shown in Figure 3. Take a short look at the picture,

*Candidate* - In the future, potential customers who will benefit from the services of the enterprise and become customers of the enterprise are classified in this category.

*Customers* - individuals who receive at least one product from the company are customers.

*Regular customer* - Customers are regular customers, but their business relations are neutral.

*Supported customer* - Customers who receive product from the business regularly and are satisfied. They support the operation of the business.

*Loyal customer* - loyal customers who praise the business to other customers, who have a positive impact on the business.

*Partner customer* - Partner customers are those who consider the business interests as their own interests.

To explain the concept of customer satisfaction more broadly, let us consider 4 principles. These,

1. Customer satisfaction plays a strategic role in achieving the objectives of the business, increasing the market share and increasing the profit of the enterprise. Customer satisfaction is considered as efforts directed at increasing the qualifications of the services offered.
2. To ensure customer satisfaction, the board of the enterprise takes the ropes into its own hands. As mentioned earlier, ensuring customer satisfaction is effective in tense competition conditions. This begins with the approval of the board of directors. Therefore, the head of the business requires customer satisfaction. In order to ensure customer satisfaction, the management team must be based on a certain strategy and meet the operational staff. The second task of the management team to ensure customer satisfaction is to create a business that is sensitive to customer requests. In order to increase customer satisfaction, it is the responsibility of the enterprise to develop the skills of the operating personnel who are in direct relation with the customers and to pass them on. Within the successful strategies to be implemented by the Board of Directors, rewarding the employee personnel, increasing their motivation and rewarding them may be rewarded. Because, satisfaction of the employees is the basic condition for ensuring customer satisfaction. Increasing salaries, additional bonuses or nominias of the month, etc., such as such are very effective for the motivation of the employee personnel.
3. Customer satisfaction does not occur with the efforts of only a few business employees. Customer satisfaction requires the participation of all staff. In order to ensure satisfaction, the enterprise shall act and act upon its customers, their needs and expectations, and their opinions about the company. However, these activities are the responsibility of all employees.
4. Customer satisfaction should be measured, monitored and defined. These expressions are interdependent. In fact, if the customer satisfaction is determined, we can measure it, if it is we can do an analysis, if we know it, we can control it, if we know the management, we can improve it and increase customer satisfaction.

In general, the quality of service and customer satisfaction at the core of the factor-result dependency. But there is a difference that perceived quality is a rational concept, and customer satisfaction is the reaction of the individual with his / her emotions[[16]](#footnote-16). For example, we can say that the satisfaction of paying off the loan on the internet at home without going to the bank covers the joy of the big discount from the store.

If a business pleases its customers on the basis of their purposes, they will have the chance to sell them again. While a satisfied customer can bring many new customers together, the importance of customer satisfaction is better understood when considering that the customer who is not satisfied will remove a few customers from the company. Therefore, we can say that the main purpose of the business is to ensure customer satisfaction with the marketing tool. The customer and the satisfaction are so important that they encounter very interesting events. For example, Stev Leonard, a store owner selling farm products from Connecticut, reminded retailers in the United States of America about the importance of customer satisfaction with two rules:

1. Customer is always right.
2. Rule 1 applies if the customer is unfair.

Getting new customers for the business requires significant costs. Instead, businesses are trying to transform existing customers into loyal customers. Since 1990, some businesses have realized that this strategy is more profitable and it is aimed to increase "loyalty schemes". The best loyalty scheme is, of course, customer satisfaction. The following example illustrates how the benefits are increased by turning customers into loyal customers:

Suppose that if the supermarket customer costs 100AZN a week, or 5000AZN per year and remains loyal for the same supermarket for 10 years, the general value that this customer gives to the enterprise is 5000x10 = 50000AZN.

Creating customer loyalty for the 21st century requires a long process. The customer wants to find the service he is looking for whenever and wherever he wants. The development of technology offers special opportunities to meet these demands. As a result of information technologies, it is possible to learn the needs of millions of customers. Any service business that wants to pay the client's demand in full should look at the world from a different perspective. It is important to prioritize technology to know each customer's individual wishes and produce in this direction. Special attention should be paid to the relationship between the manufacturer and the customer. If such a system is established, the manufacturer gains a competitive advantage thanks to the learning of the customer's demands and expectations. A company that learns to meet customer expectations will not allow its customers to be stolen by competitors.

The company that learns from its customers can achieve a permanent advantage in the market as a result of offering the service at a more affordable price in accordance with customer expectations[[17]](#footnote-17). The business that decides to implement a system based on learning from the customer should also create tools to achieve this. There are 4 components based on learning from the customer:

1. To be more in touch with customers and to implement the strategy to learn their needs;
2. Establish a production / delivery strategy to apply the information learned from the customer;
3. Establish a management strategy to adapt the customer needs and procedure;
4. To create a valuation strategy that can measure performance.

Customer satisfaction arises at the point where customer expectations come up with the benefits of purchased goods or services. It is known that there is no difference between the expectations of the customer from a service before the purchase and the performance after the purchase and use. If the performance value expected by the customer from the product or service is high, the expectations are positive (high satisfaction), lower than expectations (dissatisfaction) or full expectations (moderate satisfaction).

Expected < Realized = High Satisfaction

Expected > Realized = Dissatisfaction

Expected = Realized = Moderate satisfaction or discrepancy.

What are the expectations we mentioned? By definition, client desires are any arrangement of practices or activities that people foresee while associating with an organization. Truly, clients have expected nuts and bolts like quality administration and reasonable evaluating — yet current clients have a lot higher desires, for example, proactive administration, customized associations, and associated encounters crosswise over channels. Customer satisfaction is directly related to expectations. This is also important in meeting expectations and ensuring satisfaction. Expectations vary depending on individuals. As shown in Figure 2, the hierarchy of expectations is organized on the basis of levels. For example, when traveling by bus, reaching the destination safely is the expectation that the driver should be careful. However, there is wifi service on the bus, listening to music with headphones, having unlimited food service, taking passengers to their homes, phoning them to the customers, asking their opinions about the service along the way, etc. These are ideal expectations.

**İdeal expectation**

**Required expectation**

**Medium expectation**

**High expectation**

**Low expectation**

**Minimum expectation**

**Figure 4. Hierarchy of expectations [[18]](#footnote-18)**

Expectations that have an impact on customer satisfaction may be affected by past consumer experiences. Thus, consumers who have had bad experiences against any service product in the past will have lower expectations. Advertising activities, word of mouth marketing and recruitment may affect expectations.

# **Chapter 3. RESULT OF THE EFFECT OF CUSTOMER SATISFACTION AND ACCEPTED VALUE ON CUSTOMER DEPENDENCY ON SERVICE MARKETING: THE IMPLEMENTATION OF THE BANK IN THE FIELD.**

## 3.1.Brief analysis of the banking sector

Whether in Azerbaijan or in the world, banking is a common area of the service sector. Due to factors such as the level of economic development of the country, the income level of the population, etc., the need for bank services increases day by day. It is well-known that banking services are so important that the quality of the bank service and customer satisfaction play an indispensable role for both the producer and the consumer.

What is the Bank? Banks are businesses that sell money. Bank - is a legal entity that provides deposits or other returnable materials from real and legal persons, gives loans in their own name and on their own account, and also collects and transfers transactions with customers' orders[[19]](#footnote-19). The basis of the income of the banks is the services related to money. When giving brief information about banks, we cannot pass without classification according to their fields of activity. Banks such as trading banks, investment banks, the central bank, etc. are classified according to their fields of activity.

Banks are offering various services to customers, such as credit facilities, interest-bearing deposit facilities, money transfers, card facilities, etc. we mentioned there are tools used to fulfill the said activities of the company with these services, these are the ATM, post terminals, call center, internet and Mobile banking (Wireless Application Protocol)etc. The quality of all the services we provide and the customer satisfaction obtained as a result of the quality have the most important position in the long-term operation of an enterprise (the bank). In other words, the way to ensure customer satisfaction is to provide quality service. Customer satisfaction in this sector is based on several factors. When it comes to different factors, employee personnel should be friendly, efficient and flexible service of customer service, modern appearance of an enterprise. We can show the factors. Customer satisfaction is so important to banks that the more loyal a customer is, the more profit the business gets. In an increasingly competitive environment, banks place special emphasis on increasing service quality and banking products and being different from their competitors in order to provide better customer satisfaction. For example, in some banks, the call center works 24 hours, some increase the possibilities of e-banking and p.

## 3.2.Research Problem.

All the services offered by the company in the service businesses and their easy, quick, expected level of service are calculated in terms of customer satisfaction in service marketing and the value of the customers. The main problem of the research is to investigate the effect of customer satisfaction and accepted value on customer satisfaction and whether this is different for different banks, and if there is a difference, whether this variation varies according to the demographic characteristics of the customers. The main objective of the study is to analyze whether customer satisfaction and accepted value have an impact on customer dependence.

## 3.3.Data collection techniques.

The research was carried out on the basis of information collected from the citizens living in the territory of the Republic of Azerbaijan through a questionnaire. The questions in the questionnaire were prepared in a way that all citizens could understand. The survey was prepared through Google's GoogleForm site. The survey link is sent directly to the e-mail addresses and social network addresses of many participants (especially facebook, whatsApp, linkedin, twitter) and the result is that the demographic diversity of the assay is respected. Through this method, participants' responses were collected on the site where the questionnaire was prepared for analysis. 391 people attended the online interview. The questionnaire was shared with the participants in the time interval between 15 March and 23 April. The assays were carried out based on the answers obtained from this query.There are 13 questions in survey. The questions are based on a variety of literary works, research areas, and personal analysis. Questions were presented to the participants about the satisfaction levels of banks and their prioritization. Service quality models (Parasuman, Zeithaml, Berry's (1988) Quality of Service, Sweeney, and Souter (2001), Lewis and Soureli (2006), Sanchez (2006)) were taken into account in order to arrange the survey. The survey starts with questions about demographic issues related to gender, age, marital status, education level, income, and commercial activities. The next questions are the banks they prefer, the quality of their services, the attitude of the staff, trust and so on. questions about features. In order to measure customer satisfaction, 8 banks (Kapital Bank, Bank of Baku, International Bank, Express Bank, Unibank, Access Bank, Bank Respublika, Azer Turk Bank) were taken as basis and questions were presented to their customers.

## 3.4.Data analyzing.

All the answers and explanations collected at the end of the query will be analyzed and compared. The responses of the participants were reflected by interest rates, comparative tables and diaqram.

**1.** **Select your gender (Cinsinizi qeyd edin):**

This question is designed to learn about the gender of the respondents. Similarly, we can say that men or women are more active in banking services when they are in use. In other words, we evaluate members according to their genres. Taking into consideration the concept of satisfaction of men and women, this question plays a key role in using them in banks more than the satisfaction tools we use.

According to the survey results, women are more active compared to men. 54.3% of the participants were women and 45.7% were men.

**Diagram 1. Gender**

Forms response graph. Question title: Select your gender. Number of Respondents: 373 answers.

**2.** **Select your age:**

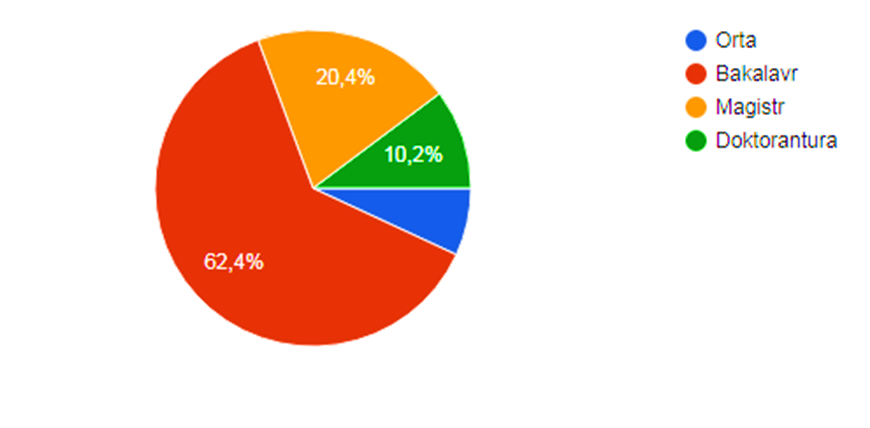
This question is to easily determine the age range of the main audience covered by the participants. According to the diagram below, the population between the ages of 18-25 is more active in the use of banking services. 67.4% of the participants were aged 18-25 years, 17.4% were 26-35 years, 6.5% were 36-45 years, 5.2% were 46-55 years and 3.5% were older than 56 years.

**Diagram 2. Age**

Forms response graph. Question title: 2. Select your age. Number of Respondents: 368 answers.

**3.** **Select your level of education:**

The next demographic question we have identified plays a major role in dividing the participants into clearer seqments and in better understanding the characteristics of the target audience. With regard to the following diagram, we can say that bidders have a more active role in the use of bank services. According to the diagram, 62.4% of the participants were looking at, 20.4% were master, 10.2% were Phd and very few part, 6.9% were high school graduates. According to the results, we can easily see what kind of audience you should focus on.

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##### Diagram 3. Level of education

Forms response graph. Question title: 3. Select your level of education. Number of Respondents: 362 answers.

**4. Select your marital status:**

One of the demographic questions is the question designed to determine the marital status of the participants. According to the results, 73.8% of the respondents were single, 24% were married and 1.4% were widows.

**Diagram 4. Marital status**

Forms response graph. Question title: 4.Select your marital status. Number of Respondents: 363 answers

**5. Select your business activities:**

Since the Bank's services are included in the list of services used by the population with and without all employment levels, the areas in which the participants are active have a key role in determining the target market. 33.2% of respondents are divided into students, 24.9% private sector employees, 22.4% public sector employees, 7.2% unemployed, 5.5% businessman, 4.4% freelancer and others.

**Diagram 5. Business activities**

Forms response graph. Question Title: 5. Select the business activities. Number of replies: 361

**6.** **Select your income level (monthly):**

To determine the economic status of the people should be learned of their income level.

**28,9%**

**43,3%**

**Diagram 6. Monthly average income range of the respondents**

Forms response graph. Question title: 6. Select your income level (monthly). Number of Replies: 356 Answers

**7.** **Level of satisfaction from the use and performance of the Bank:**

In the analysis based on the measurement of customer satisfaction, the usage and satisfaction levels of the participants were determined. Such that,

**Diagram 7. Level of satisfaction from the use and performance of the Bank**

Forms response graph. Question Title: 7. Level of satisfaction from the use and performance of the Bank: Number of Respondents: 362 response

59.7% of customers use the bank services and are satisfied, use 18.5%, but not satisfied, while the remaining 21.8% do not use banking services. We see that the number of satisfied customers is more than that.

**8.** **Select your most used bank:**

As the aim of the study was to measure customer satisfaction directly in the banks, 8 banks operating in Azerbaijan were selected. These are: Kapital Bank, Bank of Baku, International Bank, Express Bank, Unibank, Access Bank, Bank Respublika and Azer Turk Bank. Let's see which banks have more preferences:

**27,3%**

**40,3%**

**64,9%**

**Diagram 8. Used bank**

Forms response graph. Question title: 8. Select your most used bank.

**9.** **Answer the following questions about the service you are using for your bank:**

Under the heading of this question, arranged according to the measurement of customer satisfaction, the perceived value is: emotional value ratio (1,2,3,4), quality level (5), social value ratio (6); customer satisfaction value: personnel (7,8), reliability (9, 10), accessibility (11) were measured.

The answers consist of 5 basic options: "Absolutely disagree ”, "Disagree", "Neither agree nor disagree", "Agree", "Absolutely agree". The questions we mentioned are as follows:

*1. Bank employees treat to customers intimately*

*2. Bank officials help in decision-making when buying services*

*3. Bank employees show strong pressure on sales-marketing*

*4. I believe the bank will help me when I need it*

*5. All branches of the bank have the same standards in terms of service quality*

*6. The Bank's involvement in social projects affects my bank choices*

*7. Images of bank officials are neat and clean*

*8. Bank staff is influencing my preference for this bank*

*9. The Bank's margin of error in general bank transactions is low*

*10. The Bank's ATM and Mobile Banking services are safe.*

*11. Branch prevalence and ATMs are sufficient*

Consider the analysis of the emotional value ratio (1,2,3,4), quality level (5), social value ratio (6), which are arranged to measure the perceived value level. According to the respondents,

Emotional value level:

*Question 1. Bank employees treat to customers intimately*

*Question 2. Bank officials help in decision-making when buying services*

*Question 3. Bank employees show strong pressure on sales-marketing*

*Question 4. I believe the bank will help me when I need it*

**Diagram 9.**

The majority of customers think that workers are sincere to them for the bank they use (41,55%), and that employees in decision-making are helping them (44,15%). The workers are hesitant to show their sales-marketing pressures to customers and the views of the bank on the emotional value they create.

Quality level:

**Diagram 10.**

*Question 5. All branches of the bank have the same standards in terms of service quality*

Most customers think that all branches of the bank have the same service quality standards, many of them are hesitating about this. (Question 5).

Social value level

In addition to the service enterprises, let us examine the measurement of the social value created by the banks on social projects (support to athletes, assistance to street animals, etc.) on the clients.

*Question 6. The Bank's involvement in social projects affects my bank choices*

**Diagram 11.**

As can be seen from the results, participation of banks in social projects plays a role in creating customer satisfaction and realizing value in people.

Customer satisfaction: Staff

*Question 7. Images of bank officials are neat and clean*

*Question 8. Bank staff is influencing my preference for this bank*

**Diagram 12.**

According to the results, customers are satisfied with the neat and clean images of bank employees, and the impact of employees on customers may not always be successful.

Reliability:

*Question 9. The Bank's margin of error in general bank transactions is low.*

*Question 10. The Bank's ATM and Mobile Banking services are safe.*

There is a special role of trust in ensuring customer satisfaction. Because no customer is satisfied with the activity that he does not trust. Let's look at the level of trust in businesses (banks):

**Diagram 13.**

According to the results, although customers remain suspicious in the bank's margin of error, ATM and Mobile-Banking accept their telephone programs as safe. The overall result is considered positive.

Accessibility:

*Question 11. Branch prevalence and ATMs are sufficient*

If the customers cannot contact directly with the company in the short term they want and need, they can be displeased. The result is that banks should consider increasing their own fleet, as well as mobile banking products (eg ATMs, terminals, etc.). But how satisfied are they?

**Diagram 14.**

**10.** **Indicate your reason for choosing a bank (preference):**

**Diagram 15. Indicate your reason for choosing a bank**

Forms response graph. Question title: 10. Indicate your reason for choosing a bank (preference). Number of Respondents: 359 answers.

According to the results, we can say that the main factors affecting customers' bank preferences are accessible and that the credit / deposit card advantages are suitable for competition between banks.

**11.** **A tool that connects you with banks:**

Customers apply to banks for various service products. The instruments and interest rates that connect customers to banks are as follows:

**Diagram 16. A tool that connects you with banks**

Forms response graph. Question title: 11. A tool that connects you with banks. Number of Respondents: 359 answers.

**12.** **Monthly number of operations:**

Since the frequencies of customers' usage from banks play a major role in terms of customer satisfaction, the number of monthly transactions of the participants is given below.

According to the diagram, the number of monthly transactions of the participants is not more than the number of 2 transactions (43%). Monthly 2-4 transactions are 30%, 5-9 are 14%, 10-15 are 7%, and 16% are more than 6%.

**Diagram 17. Monthly number of operations**

Forms response graph. Question title: 12. Monthly number of operations**.** Number of Respondents: 358 answers.

**13. Use format:**

Since we use both physical and legal persons from banks, we can allocate users to special usage and commercial (corporate, business, etc.) usage categories according to the way they use them. The vast majority of participants, 87.9% special use, the other 12.1% use for commercial use.

**Diagram 18. Use format**

Forms response graph. Question title: 13. Use Format. Number of Respondents: 363 answers.

# **Conclusions and recommendations**

This research was conducted to determine how customer satisfaction affects customer satisfaction and the value that consumers accept. A statistically significant relationship was found between customer satisfaction, perceived value and customer dependency. As a result of the study, there was no difference between the banks in terms of customer satisfaction and customer dependency. However, as customer satisfaction and perceived value increase, customers are becoming more and more genuine and become loyal customers.  Customer satisfaction and perceived value positively affect customer confidence.

All banks operating today should not compromise their competitive advantage by providing better service to their customers and increase customer satisfaction and perceived value.

The results of the surveys conducted with the Bank's customers were analyzed based on the principles of individual analysis and referenced to the graphs of the  survey results obtained from the Google Form site.

When the query made on the basis of demographic indicators is analyzed, the respondents are 45.7% male and 54.3% female. Women have more activity compared to men.

Customers constitute 67.4% of people aged 18-25 years. For this reason, we can say that people who are considered younger than banking services use it and benefit most from them.

62.4% of the participants see that the education level is a bachelor. This means that the high level of education in the use of banks is an impressive factor.

43.3% of the participants' income level is lower than 300 AZN.

Bank customers use banks for 87.9% special activities and 12.1% for commercial activities.

As a result of the analyzes, there are statistically significant differences in the reliability factor which is the lower level of customer satisfaction according to the gender of the bank customers. We can say that the average of women is higher than the average of men. Therefore, unlike men, women accept banks as more secure. Banks can further increase customer loyalty by examining the low average of men.

According to the marital status of the Bank's customers, the lower level of customer satisfaction and the lower level of value realized and the value of quality and social value are the contrast. According to the results, we can see that the average of the marriages is higher than the average of singles. Therefore, we can say that the married people give more importance to these lower levels than singles. Banks may be advised to respond to their expectations at the highest level of accessibility, emotional value, price and customer loyalty levels.

It was determined that there were statistically significant differences in the value of the occupations of the bank customers and the perceived value and price.  According to the results, it was determined that selfemployed people perceived the  quality of banks more than other professionals. In other words, self-employed workers are the business activity group that accepts the quality of the services offered by banks.

As a result of the study, it was determined that there was a statistically positive relationship between the ages of the bank customers and the accessibility. In other words, as the age of the bank customers increase, the satisfaction levels of the technological services offered by the banks increase. According to this result, younger bank customers are not fully satisfied with their eyes on technology. Taking into account this situation, it is important for young customers to keep their eye on technology and to keep both new customers and potential customers.

It was determined that there was a statistically negative correlation between the education level of the bank customers and social value. Thus, as the level of education of the customers' increases, the satisfaction levels of the banks' social activities continue to decrease.  
 On the other hand, it was determined that there was a statistically negative relationship between the monthly income levels of the bank customers and the social value. In other words, as customers' incomes increase, the satisfaction levels of the banks towards the social value activity are reduced.

According to the results of the analyzes, the effect of the sub-levels of customer satisfaction and perceived value on customer loyalty was described. Subsequently, sublevels of availability and reliability have a significant impact on customer loyalty. However, it was observed that the other sublevels: personnel, emotional value, social value, quality dimension did not have a significant effect on customer loyalty.

According to the results of another analysis, the effect of customer satisfaction on customer dependency is 25% and the accepted value is 19%. According to the results, reliability and accessibility which is the lower level of customer satisfaction and quality and social value dimension of the accepted value have a significant effect on customer dependence.

As a result, banks can pay special attention to relationship, reliability, emotional value and price agents, and create differences and gain new customers. Given the high cost of acquiring new customers, they can work continuously in the current competitive environment if existing potential customers remain loyal.

This research was conducted on the basis of the results obtained from customers using private banks in Baku, Azerbaijan. Researches to be conducted in more  and different cities are important in terms of achieving clearer results. It is important that the banks operating today are customer-oriented in order

to continue their activities better.

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# **Appendix 1.**

##### Summary

**Author of final thesis:** ***Gulnar Mammadova***

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**Final work supervisor:** ***Ramil Jabbarov***

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# **Appendix 2.**

*This survey was prepared by Memmedova Gülnar, an IV class student in the Department of Marketing of SABAH Groups of the State University of Azerbaijan, to assist in the writing of the "Service Quality and Customer Satisfaction in the Service Marketing". The inquiry is aimed at measuring service quality and customer satisfaction in banks. Thanks for your time and attention.*

**1. Cinsinizi qeyd edin:**

* Qadın
* Kişi
* Dul

**2. Yaşınızı qeyd edin:**

* 18-25
* 26-35
* 36-45
* 46-55
* 56 və üzəri

**3. Təhsil səviyyənizi qeyd edin:**

* Orta
* Bakalavr
* Magistr
* Doktorantura (PHD)

**4. Ailə vəziyyətinizi qeyd edin:**

* Evli
* Subay

**5. İşgüzar fəaliyyətinizi qeyd edin:**

* Sərbəst məslək
* Sahibkarlıq fəaliyyəti (biznesmen)
* Dövlət sektoru
* Özəl sektor
* Tələbə
* Təqaüdçü
* İşsiz
* Digər:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**6. Gəlir səviyyənizi (aylıq) qeyd edin:**

* 300 AZN-dən az
* 301-600 AZN
* 601-900 AZN
* 901-1000 AZN
* 1000 AZN-dən çox

**7. Bankdan istifadə və fəaliyyətdən məmnunluq səviyyəniz:**

* İstifadə edirəm və məmnunam
* İstifadə edirəm və məmnun deyiləm
* İstifadə etmirəm

**8. Ən çox istifadə etdiyiniz bankı seçin:**

* Kapital Bank
* Bank of Baku
* Beynəlxalq Bank
* Express Bank
* UniBank
* Access Bank
* Bank Respublika
* Azər Türk Bank

**9. Ən çox istifadə etdiyiniz bank üçün qarşılaşdığınız xidmətlə əlaqədar aşağıdakı sualları cavablandırın: (Qəti razı deyiləm, Razı deyiləm, Nə razıyam nə narazı, Razıyam, Tam Razıyam)**

* Bank işçiləri müştərilərə səmimi davranır
* Xidmət satın alan zaman bank işçiləri qərar vermədə kömək olur
* Bankın bütün filiallarında xidmət keyfiyyəti baxımından eyni standartlar mövcuddur
* Bank işçiləri satış-marketinq mövzusunda güclü təzyiq göstərirlər
* Bankın ehtiyacım olduğu andaca mənə kömək edəcəyinə inanıram
* Bank işçilərinin görünüşləri düzgün və təmizdir
* Bank personalı bu banka üstünlük verməyimə təsir edirlər
* Bankın ümumi bank əməliyyatlarındakı xəta payı azdır
* Bankın ATM və Mobile-Banking xidmətləri güvənlidir
* Bankın sosial layihələrdə yer alması bank seçimlərimə təsir edir
* Filial yayqınlığı və ATM-lər yetəri qədərdir

**10. Bankı seçim(tərcih) səbəbinizi qeyd edin:**

* Filial yayqınlığı
* Gülərüz personal
* Maaş məcburiyyəti
* Məhsul xidmət çeşitliliyi
* Aşağı komissiya
* Kredit/Depozit kartı avantajları
* Aşağı faizli kredit
* Yüksək faizli depozit
* Digər:\_\_\_\_\_\_\_\_\_\_\_\_\_

**11. Banklarla sizi əlaqələndirən vasitə:**

* Kredit
* Depozit
* Kartlar (kredit/depozit)
* Pul transferləri
* Ödənişlər
* Maaş(gəlir) əməliyyatları
* Bank xidmətləri
* Digər:

**12. Aylıq əməliyyat sayı:**

* 2-dən az
* 2-4
* 5-9
* 10-15
* 16 və üzəri

**13. İstifadə forması:**

* Şəxsi
* Ticari(şirkət,biznes və s.)

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