

## The Study of Clients' Buying And Consumption Behavior Of Financial-Banking Products And Services

Mitran Paula Cornelia<sup>1</sup>, Bebeșelea Mihaela<sup>2</sup>

<sup>1</sup>*Spiru Haret University of Constanta, Department of Economics, mitran\_paula\_cornelia@yahoo.com*

<sup>2</sup>*Spiru Haret University of Constanta, Department of Economics, mihaelabebeselea@yahoo.com*

**Abstract.** The purpose of every economic activity in general and the financial one in particular is the satisfaction of clients' necessities. The specificity of clients' consumption behavior in the financial – banking realm, impose the understanding of the necessities and their occasional process to the banking system. The client's behavior analysis, as an obvious barometer of a bank evolution is the most important component of a marketing research. The relationship between the client, as a natural person or a juridical person and bank, is very important and requires to be supported in order to assure clients' loyalty and to develop long term relations with them. Therefore, banks should give advice to their clients concerning their finance organization or concerning the preparation of their business plans, fact which is able to reinforce the professional image of the bank. This aspect must be completed by the presence of some communication specialists who will assure the information transfer, creating a feed-back between the employees and the clients.

**Keywords:** relationship marketing, client focus, customer loyalty, customer satisfaction, social responsibility

The purpose of every economic activity in general and the financial one in particular is the satisfaction of clients' necessities.

The specificity of clients' consumption behavior in the financial-banking field imposes the banking system the understanding of the necessities and their occasional process.

For the contemporary society, where the technical-scientific progress tends, in many fields, to replace the producer – human being with the producer – machine, the study of buying and consumption behavior is very important, the more the rare resources with alternative functions the human society disposes of impose only the production of those goods and services that serve the needs in necessary quantities.

In the conditions of the actual economic-financial crisis it is strongly recommended to reanalyze this scientific and practical intercession, called marketing, that has to give new dimensions to the study of clients' buying and consumption behavior.

The current consumer living in full millennium of knowledge breaks up complex, discrete, permanent problems, aspects that need to be constantly observed by marketing specialists in order to find modern solutions of orientating the entire economical and social activity to the client.

Due to the necessity of identifying the quantitative and qualitative that featureize the consumer's behavior a range of models have been elaborated, explaining the devices of buying and consumption behavior. Among these, we can distinguish the pattern of attitude and preferences, of learning, of effect's hierarchy, motivational patterns, patterns based on personality study, patterns representing the buying decision, patterns that lay on the study of the buying intentions (Balaure, 2002).

Other patterns intend to explain the procedures of adopting the buying or not buying decisions. Some patterns formalize the process in which the consumer gives his income in order to buy the products and services that satisfy his consumption needs.

We can identify static or dynamic behavior patterns. The static patterns are used to explain the behavior in different moments.

From these coordinates, we can say that the study of clients buying and consumption behavior of products and financial-banking services is very complex, which firstly dues to the object of these relations' transactions, meaning the money that turn into an untouchable merchandise.

Accordingly, the decisional process is often long and much better underlain than other merchandises. At the same time, the products and acquisition of financial-banking services decisional process is different according to the type of the buyer/consumer, in respect the physical or conventional person, market segments that strongly need to be researched.

All the acts, actions and decisions of the buyer concerning the use of a part of his income in order to buy services define the services buyer's behavior. He is a part of the consumption behavior and is interdependent of the goods buying and saving behavior.

So far as the savings are laid in financial operations, the saving behavior is part of the services behavior (Mitran, 2005), (Olteanu, 2003).

The necessity of taking into account, in the marketing research, of such bounds is much more obvious. The particularities of the financial-banking services of the consumer's behavior determined by its content can be found both in the elementary processes and in the dimensions that define it.

*The elementary processes* differ by the way the perception takes place, by the development of informational/learning processes, of making and manifesting attitudes as well as of expressing the obvious behavior (Zeithaml, 1981).

*The perception* in services is based on a series of specific elements such as: intangibility, the difficulty of the standardization, lack of guaranties and information (or their smallness). They generate an adequate behavior expressed through the perception of a higher and more intense risk and as a consequent of a more difficult acceptance of the innovations.

*The informational/learning process* defined by the elements through which people get to know the services means to search information and to identify as credible as possible sources, the buyers having to choose between the personal ones (acquaintances, friends etc) and the impersonal ones (mass-media). The intangibility of services and the impossibility of their sincere and exact prediction gives the information obtained from impersonal sources an incomplete and incredible feature.

Therefore, in services, the consumers give more importance and trust to the information coming from personal sources. Once found, the information is much stronger kept in mind and for longer, which makes the experience play a much more important role in the learning process.

*Attitudes' forming and expression process*, featureized by affective, cognitive and native dimensions, and reuniting influences exercised by practices, habits and motives, is mainly based on the experience obtained after the consumption. He finds himself in a bigger fidelity to the brand and, therefore, in a higher resistance to its change. The motivation for such attitude dues, in a great part, to the higher risk perceived in the idea of changing the brand, as well as to the credibility of the information concerning this change.

*The effective behavior process* representing the result of the elementary processes mentioned above is found in the decision taken by the buyer concerning the buying of the service, in respect: buying, not buying, delaying the buying or replacing the service.

*The dimensions of the consumer's behavior* represented by the buying (not buying) reasons, by buyers' preferences, by his buying intentions, by buying practices, consumption habits, his attitudes and his image are particular by the specific way they form and by the different role each of it play in manifesting a certain behavior. From this point of view, the buying practices, the consumption habits and the image enjoy of a particular attention.

*The buying practices and the consumption habits* are formed and act together. They are forms of behavior's manifesting that became repeated actions. The result of a former experience, acquired

during a learning process, the formation of some buying practices and consumption habits for a certain service represent ways to make its client loyal.

*The image*, as representation of service meaning in consumer's mind occupies the more important place among the other dimensions, particularization element of service consumer's behavior. Making a clear and positive image represents an important objective of the promotional politics (Mitran, 2005), (Olteanu, 2003).

The explanation of the consumer's behavior is based on the sequence of acts through which it becomes the owner of the service, sequence that defines the buying decisional process. The process is described in the specialized literature, either synthetic, by including the acts in three groups (pre buying, buying and post buying), either analytical, by discomposing, in the following phases: the appearance of an unsatisfied need, the search for information and the identification of the variants, the mental evaluation of the variants, the resultant of the evaluation and the post buying evaluation.

In the financial-banking field, the particularities of the buying decisional process are found in the content of its phases and in the factors acting way that influence the consumer's behavior.

*The appearance of unsatisfied need* is the expression of the multiple situations that appear in everyday life concerning the efficient use of certain incomes and it's strongly bounded by the investment need. The need for financial-banking investmentss is correspondent to other needs: savings or loans, for current or future goods and services acquisitions, needs concerning the personal or goods' safety (assurances).

*The search for information and the identification of the variants* is particularized by the quantity and nature of the information taken into account. The intangibility of services imposes to appeal a larger and a higher quality amount of information. Such a feature can be found in the different content of the promotional activities and of their more elaborated feature. In the inner research process, as well as in the information stored actively and passively, reminding plays an important role. It can be helped by company's brand politics.

The high professional feature of the banking-financial information reported to a lower training level of demanders determines a more laborious searching process, longer, with many and repeated mental reflections. It continues also after the acquisition of the financial-banking products and services, sometimes generating doubts over the choise that had been taken.

*The mental evaluation of the variants considered is of a greater impact in the bank field* due to the different way to perceive the information that are on its basis. At the same time, the "set of the evoked possibilities" is more restraint. As we all know, the evoked possibility is expressed by the brand taken into account from the evaluation phase. The restraint feature of the possibilities is the consequence of the inseparable services and especially of offer's rigidity. Indeed, in services, when the consumer finds himself in a banking institution, he only has in front of his eyes the respective brand, including another possibility in the evaluation implying a walk to another similar institution. Even so, the evocation is more restraint, because the separation in space creates difficulties in making an exact comparison.

*The decision rules* are applied, differently, conforming to the category of services the consumer appeals to: the decision taken on the long experience, the straight compensatory pattern, the uncompensatory straight pattern and the vocabulary - graphic rule (Catoiu & Teodorescu, 2004).

The last, the most used in the financial-banking field, means to take a decision by taking into account the best attribute, in some price conditions. We speak of: risk, estimated profit, price (interest, commission, bonus, price list).

*The financial-banking service acquisition and consumption* represents a resultant of the evaluation and expresses the consumer's attitude towards it. Most of the authors assimilate the delivery process (acquisition) and consumption with a theatrical representation where the service labour and the consumer appear like actors and spectators. Within such an acception, the delivered service strongly depends on the performance of the participants and of the script's quality. The conformity with the screenplay offers satisfaction to the clients, and the deviation from this, confusion and lack of satisfaction.

*The evaluation post buying* has as resultant a certain cognitive dissonance expressed by the restlessness of the consumers generated by the lack of satisfaction reasons. In services, the cognitive dissonance bases on the differences between the expected level of the service and the perceived one after the labour conscription. It is bigger than in case of the goods and it's generated by the difficulty of service's tangibility and by the different rate of perceiving the offered service. The cognitive dissonance (the tolerance area) is determined by the report between the accepted level and the one wished by the buyer.

As for the understanding of financial-banking services consumer, natural person, we must take into account a few more important aspects, that can reduce a part of the difficulties its evaluation implies in all complexity (Jelev, 2008):

- Financial-banking services mean a series of selling-buying relations developed at different time distances, do not refer to a single selling transaction as in goods' case;
- The interaction that takes place between the client and the banking clerk has an ultimate influence over buyer;
- Noticeable differences appear between the information used before buying decision, during buying and post buying;
- The information obtained by clients form inner sources or during experimenting the banking service have a major importance;
- The estimation of banking service after the acquisition is ultimate because it allows the buyer to decide whether he continues or interrupts his relation with the respective banking institution.

Thus we can conclude that the study of the financial-banking products and services of the consumer's behavior, respectively the understanding of its influence elements have a significant contribution to the efficient development of banking activity because it helps the banking institution in the planning process of the offered products and services to define the offer's structure and to anticipate the probable clients' reactions.

Behavior's study in general and of the financial-banking services in particular can't be achieved without taking into account the factors that influence this behavior.

Many authors have studied the way this behavior is made, the results being synthesized in a series of patterns, some with general feature, some specific to the services, also applicable in the financial-banking field.

Since it's impossible to identify each client's needs and wishes, the patterns try to catch the causal bounds between the factors that influence a person's behavior; in order to understand his behavior, the banks need to determine those aspects of the human behavior that are consequent and regularly take place and also to determine the noticeable influences (demographic factors, economical, specific to the marketing mix, situational) with major influence over the behavior, over the influences inferable of endogenous type (perception, motivation, personality, learning, attitude) and of exogenous type (family, reference group, affiliation group, social class, culture and subculture) (Stremtan & Bolog, 2006).

The demographic factors, associates of the influences of each person represent features that influence the banking services buying decisional behavior at individual level (age, sex, training level, race, ethnicity, matrimonial state, occupation, working level, habitat, the size/the category of the living area, geographic/historical living area etc), of family/household (occupation and working level of the "head of the family", the size and the structure of the house by sex and age criteria, life cycle of the family, living conditions, the size/category of the living city, geographic/historical living area).

The economical factors that influence the banking services consumer's behavior refers to the personal income and at the total income achieved by all the members of the house/family as a monthly average, refers at the prices of the banking products and services (interests, taxes, commissions, rate of exchange), at the minimum and medium wages at the national economy level, at the population incomes and at their structure on provenience sources, at the population expenses and their structure

on destinations, the GNP/net medium on each inhabitant, the equipping rate of the population with different long term use goods, the inflation rate, the price index, the official national currency circulation etc.

The demographic and economic factors, considered independent variants, by which the dependent variants that describe the particular processes of the consumer's behavior are interpreted act interconnected and divers the segment area and the types of consumers.

The factors particular to the marketing mix that influence the consumer's behavior for banking services refers to the product (service), price, distribution and their promotion.

The banking services purveyors are permanently preoccupied to anticipate consumers' needs and often, the offer excels their expectations, according to the use of the advanced technologies in the field, financed by banks. We are witness to a shaping of the behavior by the financial players and to a financial culture promotion, without precedent among all consumers' categories, no matter of their age, earning possibilities or training level. Financial innovations are fast adopted by the emergent markets.

The elements of the marketing mix with significant influences are the product/the service (the available banking services and products, the offered counseling services, the behavior of bank's clerk, the function schedule of the bank, the atmosphere and the ambiance in the bank, the touchable elements), the price (the interest level, the taxes and commission level, the offered stimulants), distribution (the net of branches and agencies, the ATM net, the distribution of banking services over the internet, the distribution of banking services over the telephone) and promotion (communication about the offer service, the used promotional techniques, the oral advertising).

The situational factors refer to "all those particular factors to a well defined situation in time and space, factors that do not result by knowing the personal attributes (intra individual) and of those that characterize the stimulus (chosen variant), but that have a demonstrative and systematic effect over the actual behavior (Catoiu & Teodorescu, 2004).

The authors remark the existence of five dimensions concerning the situational influences: physical or social ambient, time, purpose and former state.

The physical ambient includes the geographical space, the scenery, the sounds, the smells, the luminosity, the weather and the presentation way associated to the product. The physical scenery affects the individual's heart state and his attitude towards the product.

The social ambient refers to the presence of other persons in the respective situation that creates a micro-social environment during which mutual influences take place.

The time is the same with the moment of behaviors' manifestation: time of the day, day in week, season or relative period from the last acquisition. The studies over the affluence of clients indicate the fact that the greatest demands for banking products and services take part mainly at the beginning of the day, when people allocate time for bank relations, in the first and fourth day of the week. The busiest period is to the end of the year, especially in December.

The purpose refers to the personal objectives of the consumer at a certain point. A person who cares about social prestige will tend to use luxurious products (gold card) towards an ordinary person for whom a credit card is satisfactory.

The former state is a temporary state of mind or a condition of the consumer during decision (fatigue, agitation, lack of money, good will etc). The former state differs from the actual one of response to the buying stimulus, because it has already existed before the moment of buying. Taking into account the consumers' expectations and the factors that determine them, Valarie A. Zeithaml, Leonard L. Berry, A. Parasuraman achieved a very valuable pattern under the aspect of understanding the mechanism that leads to the received (perceived) banking-financial service (Mitran, 2005), (Olteanu, 2003), (Zeithaml, 1981).

The pattern, made for services in general proves its value also in the banking-financial field.

The pattern draws attention over different sources of people's expectations in general, of a certain segment and even of a single client. He allows to establish the share of each factor, and also over the way they act (permanently, occasionally).

On this basis the marketing specialists can act to reduce the tolerance area. The perceived service is determined, at its turn, by a series of factors such as: direct contact with the labour carrier (moment of truth), contact elements (personnel, ambiance and processes), image and price.

They can practically be found in the quality of service, clients' satisfaction and perceived value. Concerning the conventional persons, the most frequent need that determines the organizations to ask for the services of a banking-financial institution is the need for loans, in time and without obstacles.

Also, the organizations can appeal to the services of a financial-banking institution in order to obtain an income by way of interest, money transfers, the administration of their own businesses' risk, getting the information and financial counseling.

During the analyze of the behavior of the consumer conventional person it is important to take into account of the important share in the economic field of the micros and of the different act of the buying and consumption behavior according to the organization size (Jelev, 2008).

The decisional process, as a rational combination between risks and gains is influenced by a multitude of factors (medium, organizational, interpersonal, individual) that can determine a certain behavior of commercial consumers regarding the banking products and services.

Among these there are: the level of primary demand, the economic conjuncture, the buying possibility of the national currency, legislation, the rhythm of economic changes, objectives, politics, procedures, organization's dimensions, organizational structure, field in which they work, geographical position of the company, the management style (authority, persuasiveness), commercial and financial position within the competitive area (the statute), the organization's necessities and wishes, personal features (age, education, income, attitude towards risk etc)

The buying process of the company represents "the process to take decisions in order to buy goods and services necessary to an organization, as well as their evaluation and choice from the multitude of purveyors and trades" (Webster & Wind, 1972)

In this process, the company is every time, in one of the following situations: new acquisition (the company buys for the first time a new product), repeated acquisition (the buying process repeats) and modified repeated acquisition (the modification of the way the former process has developed – quantity, price).

The most important components of the buying decision of the company must take into account the availability of the financial-banking product or service, its quality, that has to be concordant to the specifications, as well as with the best paid price for product's quality and availability, and with the services that join the product and not at last, long term relations (Anghel, 2004).

The main phases of the acquisition process are the following:

- The appearance and the identification of a certain need;
- Establishing the quality, quantity and delivery term, of graphics to spread out the payments;
- The definition of the features of the financial-banking products and services that are to be bought in order to satisfy the need and the identified ones;
- The identification of the banking institutions susceptible to answer the company's demands;
- The launch of offer demand;
- The reception and the analyze of different offers and the preliminary negotiation;
- The choose of the financial-banking institution with whom there will be discussions to enclose contracts;
- The evaluation of the relationships' efficiency with the financial-banking institutions;

The decisions concerning the acquisition process of financial-banking products and services are taken within each organization by a certain number of persons that make out the decisional centre, called in the specialized works, “acquisition center”.

The relations between the client and the bank are very important for the two parts involved in the acquisition process. A detailed analysis allowed to identify some company’s buying behavior patterns, among these being the patterns: Sheth, Webster and Wind.

As for the Sheth pattern concerning the buying decision we take into account the participation of at least two persons. This pattern makes the difference between the decisions taken in the basis of a delegation by a single person (self-governing decisions) and the collective ones of the participants to the decisional process (common decisions). The self-governing decisions are lower risk decisions, while the common decisions take into account decisions with a high risk level.

The decision process regarding the acquisitions of the organization is, in this case of organizational behavior, influenced by six types of factors, grouped, at their turn, in two categories: production factors and particular factors to the organizations. The first category includes time pressure, perceived risk and the type of acquisition, and the second includes the size, the orientation and the centralization rate of the organization.

The Webster and Wind pattern takes into account how the company’s acquisition behavior is influenced by four categories of factors: environmental, organizational, interpersonal (acquisition centers) and individual.

These categories have influence both on individual decisions (by delegation to a component of the acquisition center concerning the lower risk decisions), and on common ones (where the risk is high and more members have to participate at).

Though both presented levels are among the more complex ones, we must not forget that in reality, other variables can appear and influence the decisional process. In the study of clients’ behavior we need to think also of those financial products and services consumers (the investors) (Olteanu & Vlad, 2007).

The main category of clients from the capital market in Romania are the qualified professional investors –(credit institutions, investments societies, other authorized entities to operate on the financial markets, assurance societies, collective disposal organism and societies to administrate them, retirement funds and societies to administrate them, national governments, banks, international and over national institutions etc) and individual investors on personal estate markets.

The consumer’s behavior is structured, in the specialized literature, in two components: buying and consumption behavior.

Within the capital market, from the financial investments view, the buying behavior or, other said, the investment decision is more important (Gayle, 2005).

In case the other advantages are equal, the investor will tend to choose the investment that offers him the greatest gain. Anyway, when calculating the potential income, we must not forget the eventual losses as well. Also, when calculating the expected incomes and when taking the investment decision, the investment’s decision, intrinsic value of the investment plays an important role.

The consumer’s investment behavior does not consist only of the maximization of the profits obtained as a result of the investment.

The fear for regret is another factor that affects consumer’s behavior. This factor prevails when the investor doesn’t trust the information he has or does not believe he can process them.

The main feature of the investments consists in the fact that they don’t produce immediate effects and neither certain. From capital market point of view, investor’s consumption behavior appears later and it is generally conditioned by the reinvestment decision.

From European integration perspective, it is highly important to study financial service European consumer behavior. The main factor that influences the consumer's behavior is, in this case, close to the demographic and economic factors, culture. (Kotler,1998)

The consumers in the European economic space presents major cultural differences that permanently influence consumption behavior.

From this point of view, marketing ensures the adjustment of organizational activity to the cultural values specific to each investor's category. The major tendency is that of cultural homogenization.

Their behavior analysis, as an obvious barometer of a bank's evolution is a main key to a marketing research.

The relation between client, either natural person or conventional one is very important and needs to be sustained in order to ensure clients' loyalty and to develop long term relationships with them. Therefore, the banks have to give consultations to their clients regarding the organizing of their own finances or the grounding of business plans that should reinforce bank's professionalism image. This aspect needs to be completed by some communication experts presence that should provide for the information transfer, thus realizing a transfer between employees and clients. Through this brief analysis and partially completed of the way the financial-banking products and services clients' buying and consumption behavior's expression, people tried to achieve an introduction itinerary that will be the basis of further researches to give the possibility of finding some methods and instruments adequate to the Internet and Cognition era.

The scientific revolution is necessary not only in the marketing, but in all economic sciences as well that will pave the way to multidisciplinary beginning of buyers' buying and consumption behavior at all levels and in all the fields.

## References

- Anghel, L.D. (2004). *Business to business Marketing*. Bucharest: ASE Publishing House.
- Balaur, V. (2002). *Marketing*. Bucharest: Uranus Publishing House.
- Catoiu, I., Teodorescu, N. (2004). *Consumer's behavior*, III rd edition. Bucharest: Uranus Publishing House.
- Gayle, S. (2005). *Towards understanding consumers' needs*. London: Henley Center Ltd Publishing House.
- Jelev, V. (2008). *Services' marketing*. Class notes, II nd volume. Bucharest: "Romania de Maine" Foundation Publishing House.
- Kotler, P. (1998). *Marketing's management*" (translation). Bucharest : Teora Publishing House.
- Mitran P.C (2005). *Financial-Banking Marketing*. Constantza : HIG Muntenia Publishing House.
- Olteanu, V. (2003). *Financial –banking marketing*. Bucharest: Ecomar Publishing House.
- Olteanu, V, Vlad, B. (2007). Consumers' financial products and services behavior (investors). *Online Marketing Magazine*, I st volume, no. 4, pages 3-6.
- Stremtan, F., Bolog, A. (2006), Direct noticeable influences over the banking services consumer's behavior, *Scientific Communication Session of Marketing Management Department*, Univeristy 1918 December 1, Alba Iulia.
- Webster, F. Jr., Wind, Y. (1972). *Organizational Buying Behavior*, Englewood Cliffs. NJ: Prentice – Hall.
- Zeithaml, V.A. (1981). *How consumer evaluation processes differ between good and services*. Chicago: Jameees H.Donnely and William & George AMA Publishing House.