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Multi-Channel Banking and Stakeholders’ Perceptions in Emirati and Italian Banks

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Abstract

The main objective of the research is “to give voice” to bank customers in the UAE and Italy, by analyzing the ways and the extent to which their needs and requests across a wide range of multi-channel banking services are being (mis)communicated, (mis)understood and (un)resolved by bank employees.

While previous studies have examined several aspects of customer satisfaction and dissatisfaction with regard to the communication process between customers and bank employees (e.g., customer—front desk officials, customer—call-center agents), very little research has been done so far on motivational factors underlying bank customer satisfaction and dissatisfaction with regard to communication in multi-channel banking, which involves different types of interaction: face-to-face, telephone, ATM, online, mobile, apart from branch banking.

The empirical data collection method used for this study is the semi-structured interview and the questionnaire. In order to compare the different perspectives, three different sets of interview questions were designed within the research: (i) a set of interview questions aimed at bank customers; (ii) a set of interview questions aimed at bank employees; (iii) a set of interview questions aimed at bank executives.

The results show that banks need to pay close attention to the synergies and relationships among different channels, developing an integrated communication process. The proliferation of both offline and online contact points adds further complexity. In this context, banks need to integrate and reconcile the different sources of information for a holistic overview of the customer, in order to be able to provide a consistent experience across channels.

Keywords: Banks, Communication, Customer satisfaction, Multi-channel banking

1. Introduction

For a firm, as for a person, communication is everything. A bank develops a communication process with the primary objective of creating and maintaining stakeholder relationships and while this is not the result of precise awareness by the bank, it enables interaction with one or more stakeholders. Communication plays a key role within organizations and is a major component of the model of overall service provided to customers.

This is particularly true in the banking system, where relationships are based mainly on trust and on interactions with employees. Banking services have the characteristic of being produced at the same moment in which the customer consumes them. The interaction between the customer and the bank employee is thus one of the factors that could determine the perceived quality of the services provided. The bank's identity is formed through its customers' interactions with its employees who, in turn, should ensure coherence with the institutional messages transmitted by their bank.

Recent studies on customer satisfaction in banks suggest that the entire consumption experience, including the communication experiences between the bank employee and the bank customer, needs to be considered as one of the main causes of satisfaction/dissatisfaction and, consequently, the antecedents of customer loyalty. This study determines the specific characteristics of the communication processes that bank customers deem most relevant in terms of improving their satisfaction and loyalty, particularly with reference to the Italian banking system. In other words, the aim of this study is to identify and examine the main factors that affect customer perceptions of and attitudes towards the communication involved in bank services, across the various banking channels.

The study focuses on both institutional and commercial communication. Institutional communication is aimed at promoting both the company's image and stakeholders' awareness of the company's mission, history, projects, and ultimately, its identity. The goal is not so much to activate a behavioral response in the short term, but to create a brand image and attractiveness, linked to the bank's values and its strategies. On the other hand, commercial communication aims at influencing specific customer purchase behavior and highlighting the values of the banking product, service, or the bank's brand. Commercial communication, therefore, has the objective of defining the identity of the product, the conditions and procedures for purchasing it, and the benefits and all the features that may be perceived as discriminating elements of the banking offer.

Both institutional and commercial communication has evolved very rapidly in recent years, in terms of the tools employed by firms and the modes of interaction with the customer. This evolution is determined and supported both by technological innovations and by the social trends that characterize customers. Increasingly, today, the customer is a "prosumer" (i.e., he/she produces content and is an opinion leader), is aware (i.e., he/she looks for information before choosing), and is engaged (i.e., the firm needs to involve and not merely convince him/her). The customer is increasingly aware of their role not only as a buyer, but also as an influencer. Depending on their level of satisfaction, customers not only adapt their behavior, but also convey positive or negative messages about the products or services offered by the bank or about the bank itself.

Moreover, communication processes are now made much more complex by the customers' ability to contact the bank through different channels. The significant growth in the use of Automated Teller Machines (ATMs), the Internet, smartphones, tablets, and contact centers for the purchase of banking products and services is now an established reality. It is driven by the customers' need to both reduce commission charges and improve the ease, comfort, and usability of distribution channels, and appears to benefit banks themselves by lowering contact costs and increasing customer satisfaction and acquisition (Easingwood & Storey, 1996; Kumar & Venkatesan, 2005).

Finally, banking customers are increasingly active on social media, creating and exchanging "user generated content". Users of social media, such as blogs, microblogs, and social networks, report content found on the Internet, generate, publish, and share content with others. In the financial sector, as in others, customers look for information, and interact with friends, influencers, and competitors using these channels to express their needs, interests, and experiences, both positive and negative, before completing a purchase process. It is thus critical for banks to track the online customer opinion exchange and actively participate in the communication on new media, especially social networks. They can no longer limit themselves to traditional forms of communication.

It is thus essential for the bank to understand effectively the impact of different forms of communication on customer satisfaction, manage appropriate communication processes, and organize appropriate communication skills training for their employees. Given this premise, the main research questions that this study aims to answer are:

- What are the communication challenges experienced by customers, both in bricks-and-mortar branches and on digital channels?
- What is the relationship between the content and form of the communication process and customer satisfaction/dissatisfaction?

The rest of this paper is organized as follows. Section 2 highlights the current state of multi-channel communication in banks in order to identify the key opportunities and challenges they face. A review of the literature concerning the relationships between communication processes and customer perceptions is presented in Section 3. Section 4 describes the survey sample and the methodology adopted in this study, with a discussion of the main results of the empirical tests outlined in Sections 5 and 6. Lastly, Section 7 summarizes the main conclusions, highlighting opportunities to improve the management of bank-customer relationships and the service model for retail customers.

2. Multi-channel Communication in Banks

In the context of Italian banks, as in the UAE, the branch still represents the key channel of contact with customers, both at the acquisition phase and during the management of bank-customer relationships. However, this role has undergone strong evolution partly due to the growing share of banking customers with exclusive or predominant operations on channels other than the branch, as shown in Figure 1.

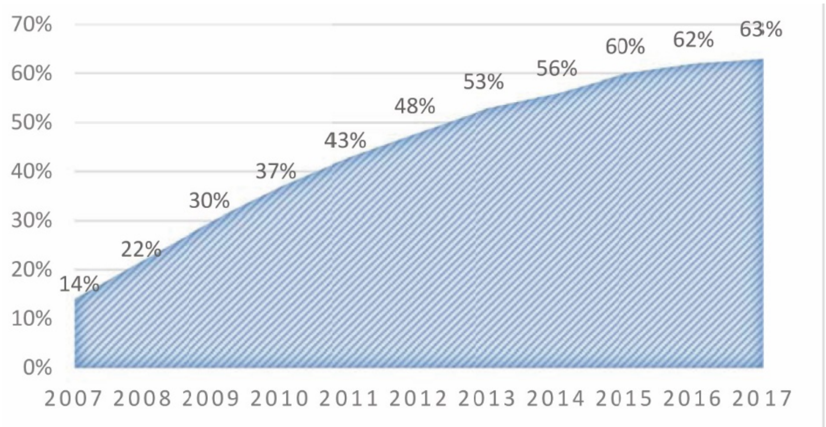

Figure 1. Share of bank customers with predominant or exclusive operations on direct/digital channels

Source: ISTAT and the Ministry of Economic Development, 2015.

Currently, about 60% of all Italian bank customers have a prevailing or an exclusive operability on direct channels such as Internet banking or mobile banking tools. In addition, about 52% of the Italian population is active on at least one social medium with an average time spent of approximately 2 hours per day on these platforms. Nearly half of the users who have a mobile phone with an internet connection use social media applications while the share of those using such services based on satellite tracking remains relatively low at 17%.

A Social Minds survey, conducted in 2014, on the use of social media by Italian banks revealed that about half of the respondents had asked a question or made a request to their bank via social media and under a third of the sample had used customer services via the bank. This research also showed that 62% of Italian banks have presence over at least one social channel; this share rises to 89% for both national and international banks and 100% if for online banks. Furthermore, according to the survey, 59% of the respondents have used at least one social channel to contact their bank over the last year. Facebook remains the most widespread platform used by banks. It is the most popular social media network in Italy, not only among young people; about 27 million Italians use this platform every month, of which about 80% are aged between 19-55 years. In other words, out of a population of about 61 million, 45% have an active Facebook account, with a penetration of approximately 70% of the total internet population.

However, a joint study by Nielsen, Connexia, and the School of Management of Milan Politecnico shows that there remains a high number of banking customers, aged between 18 and 74 years, who do not surf the net; these account for over 20% of the total bank customers. Consequently, the share of Italian internet users has the potential to grow from its current 54%

of the population aged between 16 and 74 years, as compared to the average European Union (EU comprising 27 countries) share of 72%.

In this context, it becomes crucial for banks to plan different forms of communication and to align new tools of communication with more traditional ones. Consequently, the media communication mix consists of striking the right balance between traditional media (newspaper, radio, television, local events, and branch personnel) and web/digital communication tools, depending on the specific product or service, the communication objectives, and the expected goals.

In managing the set of available communication tools, the bank must find the solution that corresponds to specific audience preferences. For instance, a particular segment may be sensitive to telephone communications through the contact center, while another segment might dislike these intrusions into their private life, preferring communications only at the branch. Yet another segment may be satisfied with online assistance.

The potential to provide customer care (or social caring) will be among the most important functions of the direct channels, in particular social networks, in the near future. Social platforms can be used to support and complement traditional channels, branches and call centers, which traditionally provide this, thereby creating potential cost savings in the management of requests for assistance and intervention that is more effective. In the most virtuous cases, banks may handle up to 40 requests per day, with up to 2 interactions on average to solve the problem posed by the client. For customer care and the management of complaints, the use of online channels could also increase the level of customer satisfaction and participation. Moreover, solving one problem may also provide information useful to other customers or, conversely, other customers could contribute in some manner to the solution of the request made by a user.

Nonetheless, it is important not to ignore the more traditional means of communication, with particular reference to the contact personnel operating in the banking branches. One of the major challenges banks face today is thus the integration of their communication policy across different channels and from different sources. Customers need to receive messages from the different channels as a harmonic set of sounds in a single symphony. Institutional messages should also be coherent with their subsequent implementation at branch level. To build customer confidence, the content of communication needs to be not only be pleasant but also “credible.” The promise of customer benefits, for example, should be delivered at the time of service.

Achieving this integrated and coherent communication requires a comprehensive understanding of the entire relationship with the customer, often initiated on parallel channels. This requires the development of customer relationship management systems (CRM) that are integrated multi-channel (Ryals, 2005). The following systems should be made available for banks (Peppard, 2000):

- A single collection of data on individual customers, integrated across channels, business units, and products;

- An overview of each customer obtained by tracking their behavior across all channels; and

- A marketing and communication system that is consistent across different channels, as well as an integrated pricing system.

Coherence and integration of communicated messages is the basis for the creation and consolidation of customer trust, among both current and potential clientele. The next section analyses the relationships between the communication processes and customer perceptions.

3. Literature Review: Communication and Customer Perceptions

The evolution of banking service models and the manner in which the bank relates to its customers is the subject of a large amount of literature and several empirical studies, especially in the field of retail banking (Boot, 2000; Bongini et al., 2009). Innovation in terms of the tools and forms of management of bank-customer relationships represents one of the main competitive levers of retail banks. Such banks increasingly aim at growing revenues by improving customer satisfaction and loyalty rather than increasing sales from a short-term perspective.

An important field of research on customer satisfaction in the banking sector aims to investigate its drivers as well as the consequences of the achievement of different levels of customer satisfaction. In particular, these drivers may be distinguished as first-level drivers (dimensions) and second-level drivers (attributes).

First-level drivers represent the different dimensions of the bank's offer, while second-level drivers represent the attributes characterizing each of these dimensions (Arbore & Busacca, 2009). For example, overall satisfaction is affected by first-level drivers such as the functional quality of the core services proposed by the bank (Blanchard & Galloway, 1994; Levesque & McDougall, 1996; Winstanley, 1997; Jamal & Naser, 2002, 2003; Ndubisi, 2006; Jones, 2008), the quality of the relationship with the client (Levesque & McDougall, 1996; Johnston, 1997; Winstanley, 1997; Lassar et al., 2000; Oppewal & Vriens, 2000; Jamal & Naser, 2002, 2003; Jones, 2004; Ndubisi, 2006; Manrai & Manrai, 2007), the ability to predict and solve problems and conflict (Levesque & McDougall, 1996; Ndubisi, 2006; Manrai & Manrai, 2007), the proposed and perceived pricing (Levesque & McDougall, 1996; Winstanley, 1997; Varki & Colgate, 2001; Matzler et al., 2006), the ease and comfort of access to distribution channels (Oppewal & Vriens, 2000; Manrai & Manrai, 2007), the layout and equipment of the branches (Johnston, 1997; Oppewal & Vriens, 2000; Jones, 2004; Manrai & Manrai, 2007), and, finally, the bank's reputation (Jacoby & Kyner, 1973; Oliver & Winer, 1987; Arbore & Busacca, 2009). Figure 2 presents some of the attributes for each dimension studied in the literature.

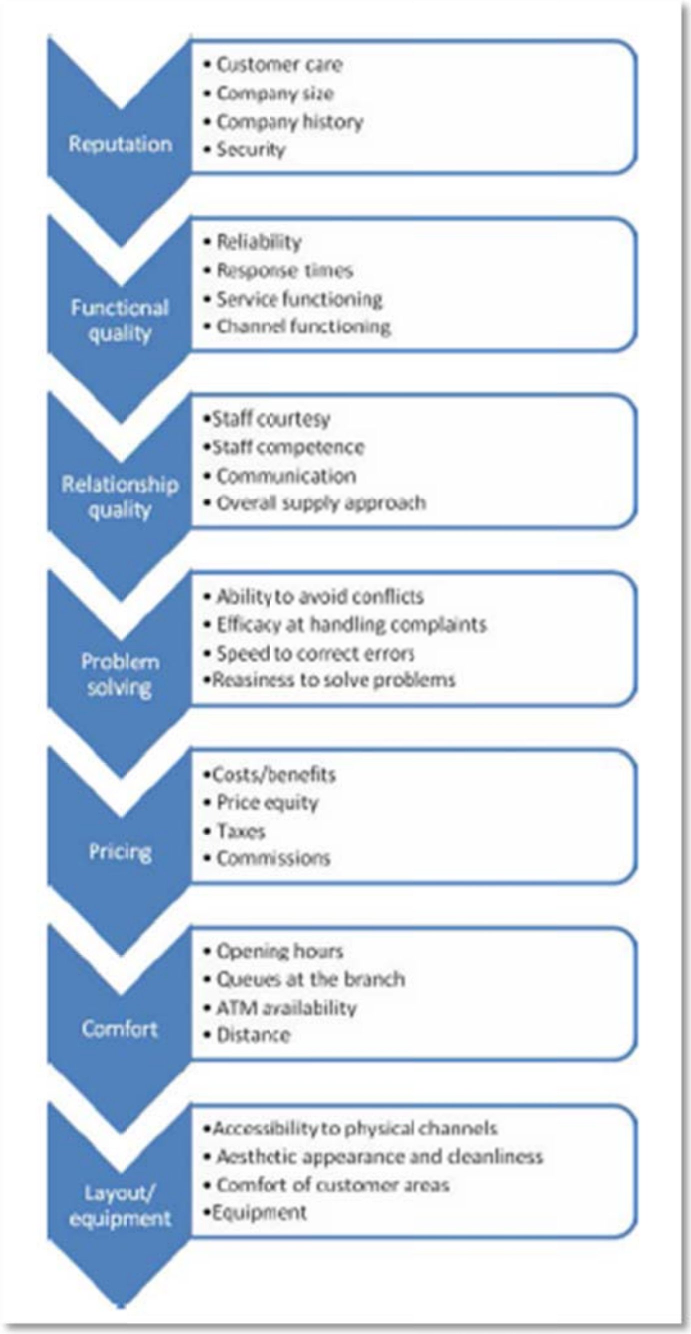

Figure 2. Drivers of customer satisfaction in banks

Certain studies investigate some of these drivers in more detail. For instance, the attribute of communication between bank and client, ascribable to the dimension of relational quality, may be further analyzed by verifying the impact of clarity of communication, transparency, extent to which clients are kept updated, message brevity, and pleasantness of the communication on customer satisfaction.

The drivers identified above have also been studied in literature that covered in-depth analyses of the methodologies for measuring customer satisfaction (Parasuraman et al., 1988; Cronin & Taylor, 1992; Brown et al., 1993; ABI, 1994; Pikkarainen et al., 2006; Liao & Cheung, 2008). In fact, since they represent the determinants of overall satisfaction, these dimensions and attributes can also constitute the different areas that comprise a customer satisfaction survey. This type of survey can be used to assess the overall performance of the bank with regard to customer expectations where it is necessary to test each of the factors or measure the degree of satisfaction relative to specific areas of the bank-customer relationship.

With reference to causal phenomena, existing literature has particularly investigated the following areas:

- What type of relationship exists between the specific dimensions/attributes and customer satisfaction?

- Are there any characteristics of the product offered or the customer served that may influence this relationship?

The results show that customer assessment of the bank’s offer tends to be based on a limited set of dimensions/attributes, which have a significant positive relationship with customer satisfaction. The relationship that links these factors with the level of customer satisfaction is often non-linear and asymmetric. This enables us to separate dimensions and attributes into three different categories (Kano, 1984; Brandt, 1988; Gale, 1994; Johnston, 1995; Oliver, 1997; Anderson & Mittal, 2000; Matzler & Sauerwein, 2002; Arbore & Busacca, 2009):

- Basic factors (or Kano’s dissatisfiers): Elements that do not produce satisfaction if offered even beyond customer expectations, but can generate strong dissatisfaction in case of an offer lower than expected;

- Excitement factors (or Kano’s satisfiers): Elements that do not result in dissatisfaction when absent, but can generate high satisfaction if offered at levels higher than expected; and

- Performance factors (or Kano’s one-dimensional factors): Elements that have a symmetrical impact on satisfaction and dissatisfaction, depending on the level of the offer in relation to the expectation of the customer.

The positioning of a dimension or attribute in one of these three categories typically depends on the sector that the company belongs to and potentially also on the particular product that is subject to the survey (Berry et al., 1985). For instance, the impact on customer satisfaction of some attributes of the offer differs if the service is distributed through physical or remote channels. The customer-computer interaction process generates different needs, in terms of content, design, safety, ease, and speed of use, in comparison to the physical interaction of individuals (Jun & Cai, 2001; Joseph & Stone, 2003; Durkin et al., 2008; Rod et al., 2009; Yoon, 2010). Similarly, the impact of certain attributes on customer satisfaction probably depends on the complexity, diversity, and frequency of purchase of certain financial products. Some authors for example have demonstrated how performance expectations do not affect customer satisfaction with bank loans, unlike other simpler and more frequently purchased products (Johnson et al., 1996).

Empirical tests show that the type of relationship identified between a dimension/attribute and customer satisfaction depends on specific characteristics of the customer, such as age, gender, income, experience, and financial education (Oliver & Winer, 1987; Maenpaa et al., 2008; Yoon, 2010). With regard to online banking, several studies have shown how experience represents an element that can reduce the effects of some offer attributes on the overall satisfaction of the customer, such as ease of use. A further illustration is provided by studies that highlight the different relationships between specific attributes of the offer and the level of customer satisfaction for private and retail markets (Lassar et al., 2000; Mihelis et al., 2001).

Finally, even within the same sector, product, and customer, empirical tests have not always produced analogous results on the relationship between specific dimensions/attributes and clientele level of satisfaction/dissatisfaction. For instance, regarding retail banking, some authors claim the existence of a positive relationship between customer satisfaction and tangible factors, such as the layout of the branch, the size and furnishing of customer areas, and staff clothing (Levesque & McDougall, 1996; Jamal & Naser, 2002, 2003). However, other studies show this relationship to be insignificant (Wakefield & Blodgett, 1999; Oppewal & Vriens, 2000; Jones, 2004).

This research aims at empirically verifying the nature of the relationship between the banking communication processes across the various distribution channels and the degree of customer satisfaction / dissatisfaction.

4. Method

This study forms a part of a project financed by Zayed University, in Abu Dhabi, UAE, which comprises a comparative, communication-focused study involving banks in two countries. These countries are representative of their respective, geo-political regions and have a growing, bilateral collaboration in the banking sector. The UAE is a country with a relatively new, but strong, banking sector in the Middle East (Al-Marri, Ahmed, & Zairi, 2007; Al-Hawari, 2011), and Italy is a Western European country with one of the oldest banking systems in the world.

The empirical data collection method used for this study consists of semi-structured, face-to-face interviews. For a realistic and many-sided mapping of the current communication challenges experienced by customers in their banking service interactions, three different sets of interview questions were designed within this study:

1) A set of interview questions aimed at bank customers;

2) A set of interview questions aimed at bank employees; and

3) A set of interview questions aimed at bank executives.

In order to ensure comparable and valid feedback from the interviewees, the questions designed for each of the three sets were carefully correlated with each other, resulting in identical or partly similar and carefully correlated questions. This triggered relevant, comparable, and systematically analyzable responses. In this study, we present the results derived from the interviews conducted on bank customers, containing concrete opinions and reflections about the current communication challenges experienced in encounters between customers and bank employees.

The customers interviewed belong to 36 Italian banks, covering both local and national banks across institutional categories (cooperative banks, popular banks, and commercial banks). After collecting profile information about the respondents, the first part of the questionnaire focusses on customer history, the second on communication during customer care processes, and the third on the communication practices for building trust and loyalty. The final section focusses on communication in marketing and public relations.

The sample is composed of 112 questionnaires for Italian customers and 136 questionnaires for customers in the UAE.

The next section presents the main results of the analysis of all the different sections of the questionnaire aimed at bank customers. The focus of the analysis is on bank service-related communication patterns, i.e., how customers report, describe, and evaluate their various types of banking experiences, in order to analyze the ways and the extent to which their needs and requests across a wide range of multi-channel banking services are being (mis)communicated, (mis)understood, and (un)resolved.

5. Results for Italian Banks

Figures 3 and 4 report for the Italian customers the respondent profile by age and by education level respectively. Only two respondents came from countries of origin outside Italy.

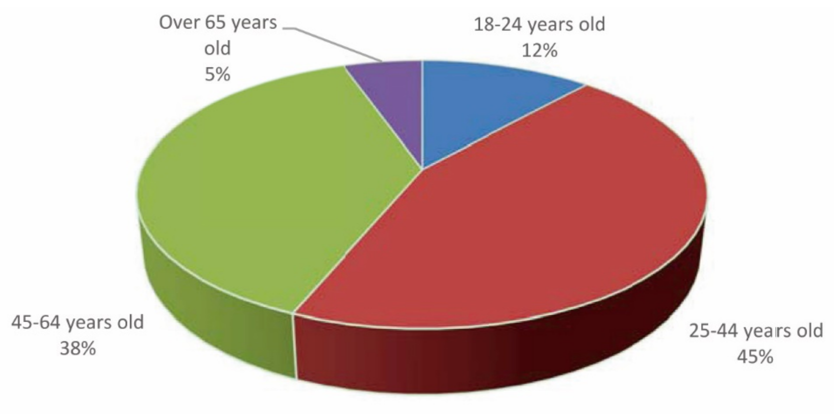

Figure 3. Respondent profile by age

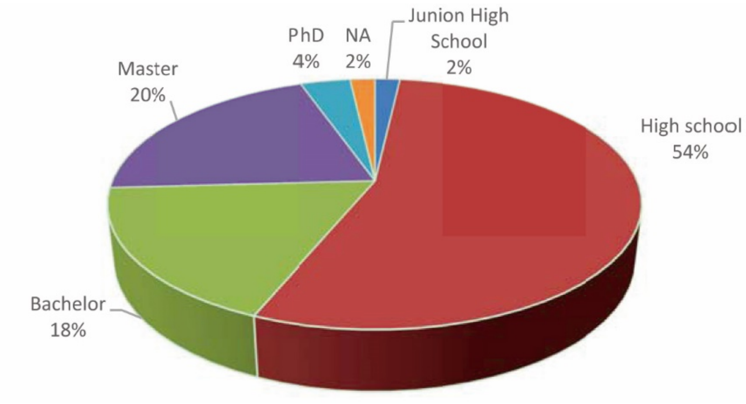

Figure 4. Respondent profile by education level

Figure 5 illustrates the respondents' selection of the primary and secondary banking channel used for their transactions. According to their answers, a high percentage of customers (62%) prefer branch banking while a third of the sample prefer online channels as their principal communication channels. Nearly 40% of the sample did not indicate a preference for a second banking channel; this may mean that they use only one channel.

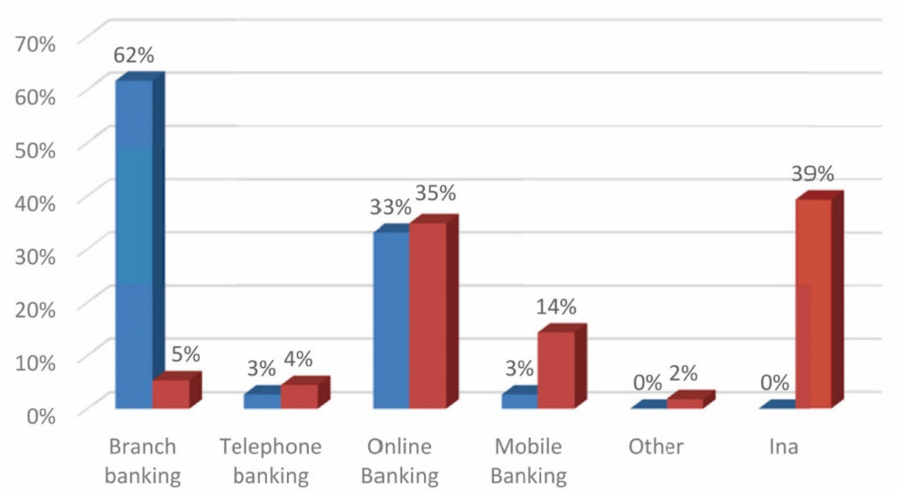

Figure 5. Primary and secondary choice of banking channels

When the customer needs to ask for specific banking information or advice, he/she prefers face to face communication in more than 65% of the cases, followed by telephone communication (22%), and e-mail (11%). In general, the use of the different channels for distribution and communication is still fairly traditional. Nevertheless, for the question "When shopping, do you prefer to pay cash or by card?" more than 58% of the sample answered "By card" (39% by debit card, 37% by credit card, and 23% by prepaid card).

The first section of the questionnaire concerns bank customer history, specifically in relation to the problems most frequently experienced when dealing with the bank. The various problems considered are:

- Bank employee behavior/attitude;
- Communication issues with bank employees (linguistic misunderstandings and lack of bilingual staff);
- Information content (missing, inaccurate, or incomplete information);
- Technical problems (non-functioning ATMs and problems with online services); and
- Time-related problems (delays in handling banking operations)

Figure 6 depicts the most and least frequently occurring problems. Technical problems are the most common for over 40% of all customers.

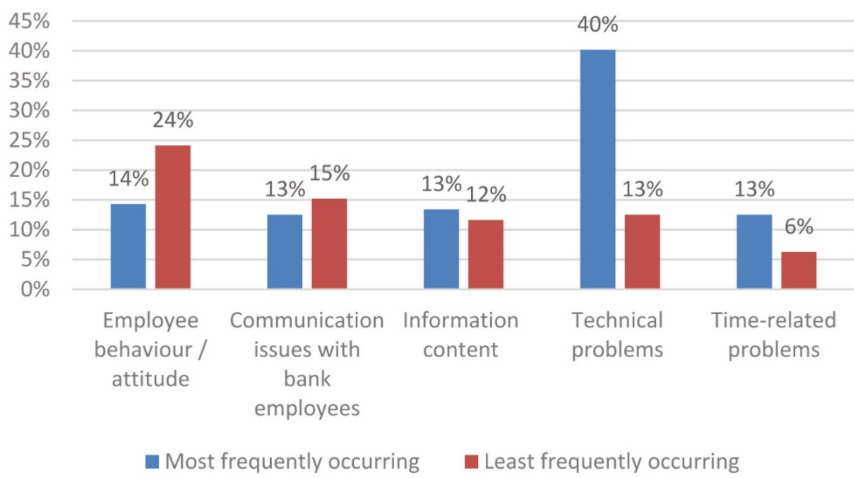

Figure 6. "What are the problems that you have most (or least) frequently experienced when dealing with your bank"?

In this study, an in-depth analysis was made of communication problems, which was the top problem for 13% of the respondents. Communication problems may be related to:

- Terminology-based misunderstandings (e.g., specialized technical terms);
- Unfamiliar accents/pronunciations;
- Unclear/inadequate explanations;
- Insufficient/inaccurate information; and
- Either party's inadequate proficiency in the communication language.

Figure 7 shows the most and the least frequently occurring communication problems. For slightly under a third of the sample, the top problem is related to "unclear/inadequate explanations," closely followed by "insufficient/inaccurate information."

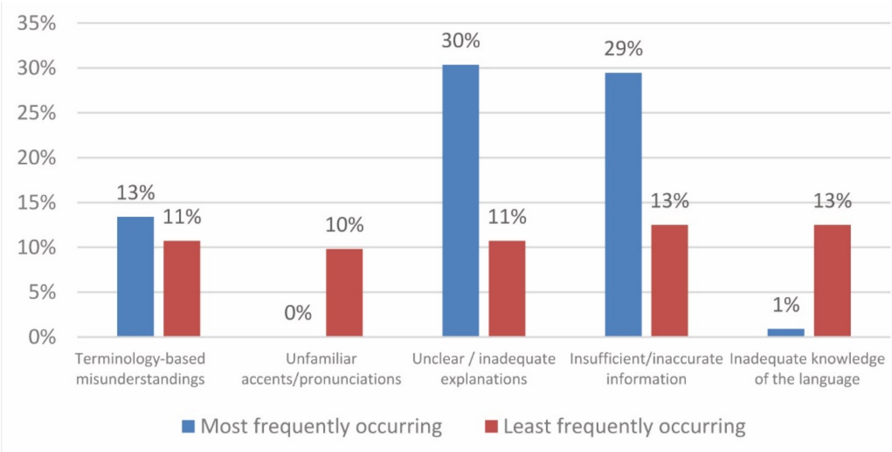

Figure 7. "In the case of communication-related issues, which of the following problems occur most (least) frequently"?

The second section of the survey was concerned with communication during customer care processes. Specifically, two important survey questions aimed at understanding the customer experience at an instance when he/she received adequate help with a difficult banking issue and another instance when he/she did not receive adequate assistance. Figures 8 and 9 illustrate the communication problems in these two different situations, respectively.

Customers often received adequate help in cases of dissatisfaction with a particular bank service (29%). Conversely, 41% of the customers did not receive adequate assistance when dissatisfied with a particular bank service.

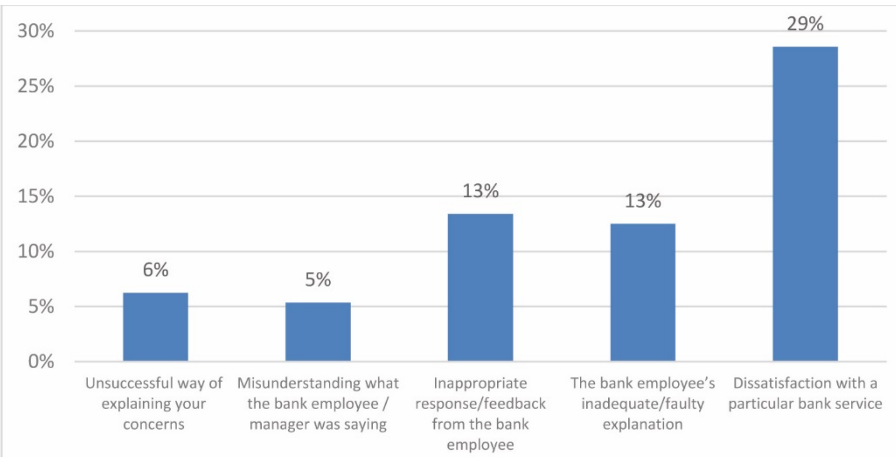

Figure 8. "Tell me about an instance when you received adequate help with a difficult banking issue. What was the communication problem"?

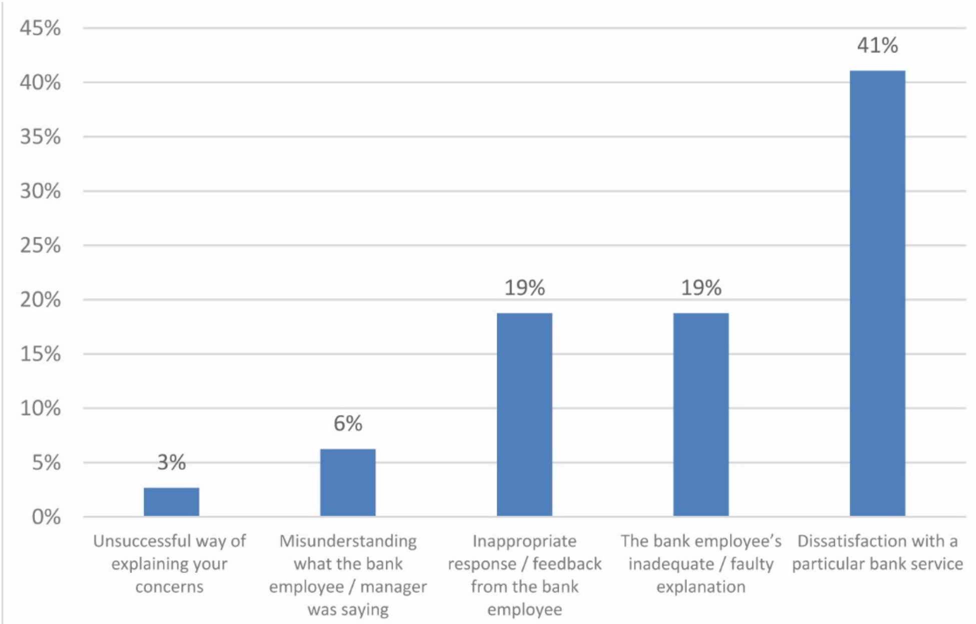

Figure 9. "Tell me about an instance when you did **not** receive adequate help with a difficult banking issue (or when the result was unsatisfactory). What was the communication problem"?

Based on the third section of the questionnaire, the level of satisfaction/dissatisfaction differs among the various bank services, as shown in Table 1. Above all, it appears that bank employees need to develop efficient communication skills concerning products and services with which customers are not satisfied in order to build trust and loyalty.

Table 1. Levels of satisfaction/dissatisfaction related to different bank services

	Very Satisfied	Quite Satisfied	Not Satisfied
Open/close an account	42,06%	47,66%	10,28%
Inquire about a fee or service charge	27,10%	48,60%	24,30%
Apply for & obtain a credit card	40,40%	51,52%	8,08%
Make deposits	64,49%	34,58%	0,93%
Withdraw money	56,36%	39,09%	4,55%
Transfer funds	40,54%	54,05%	5,41%
Receive statements	59,62%	34,62%	5,77%
Pay bills	51,72%	45,98%	2,30%
Apply for a loan	10,53%	49,12%	40,35%
Make investments	21,05%	50,00%	28,95%
Use online services	60,42%	33,33%	6,25%
Use cards & other services abroad	45,98%	43,68%	10,34%

On the basis of the responses we obtained, customer dissatisfaction is generally not attributable to differences in approach or information obtained from different bank employees.

In fact, 83% of the respondents stated that they usually received similar/identical information and recommendations when approaching or discussing their queries with different bank employees.

On a related point, regarding customer perceptions of the bank's declarations and proclamations, the majority (68%) of respondents believed that their bank behaves in an honest and fair manner, without any hidden agenda towards customers.

The final section of the questionnaire deals with the bank's multi-channel approaches and the related customer perceptions. Figure 10 shows the channels that customers perceived to be most useful for informational campaigns about new products and services.

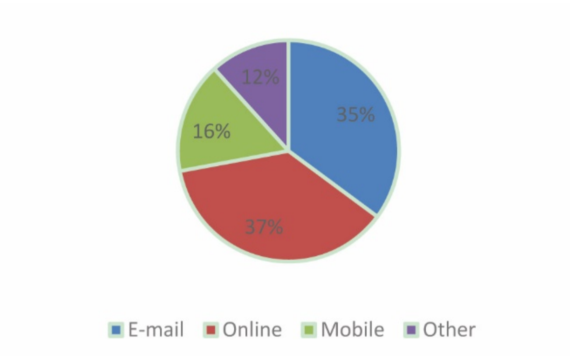

Figure 10. "According to you, which is/are the most useful channel/s for informational campaigns about new products and services"?

Over half (53%) of the respondents replied that they do not often receive promotional information from their bank about new products and services. However, for those who did receive such communication, the information was considered quite useful in general, as reported in Figure 11.

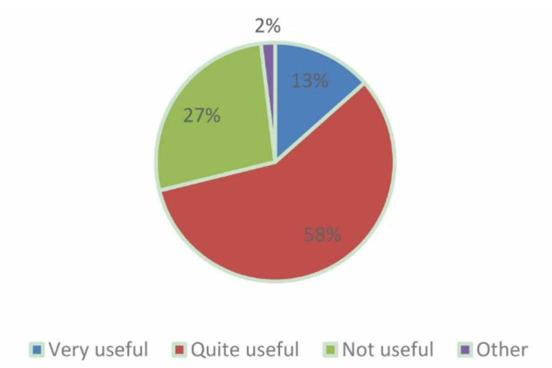

Figure 11. "How useful is the shared information in the context of your banking and special needs"?

When receiving information about new banking products or services, customers are generally (61%) not invited or given the opportunity to provide feedback or to ask follow-up questions. When the customer decides to feedback or express an opinion to his/her bank, the branch is the most frequent channel, through face-to-face communication, as shown in Figure 12.

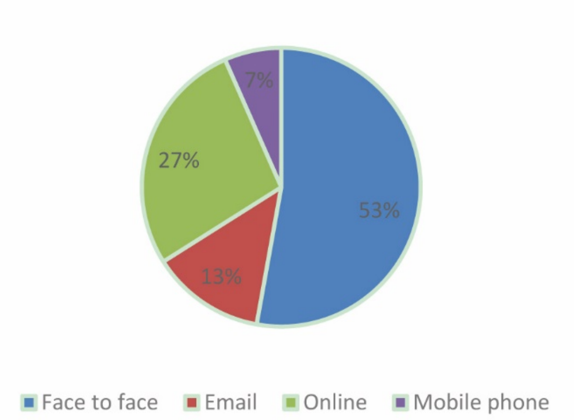

Figure 12. “By what channels are you expected to react and express your opinion most frequently”?

6. Results for UAE Banks

Preliminary findings are based on the examination and analysis of the first set of 136 interviews with bank customers in the UAE conducted within the framework of the pilot study. They are based on the following parameters:

1) Bank customer history (information about respondent demographics (age, gender, education, occupation, country)

2) Customer service communication

3) Trust-building communication practices

4) Marketing and PR communication

It is worth noting that, in spite of the widespread use of multi-channel banking, physical bank branches with human tellers and service providers are still indispensable for certain categories of customers (e.g., elderly, housewives). In addition, physical banks are essential for:

- first-time bank customers who need to open accounts
- complex services (e.g., mortgages or making remittances)
- face-to-face service encounters where personal identification is essential

Moreover, branch banking involves relationship building for both retail and small-business customers. Apart from the above, there are several categories of customers who primarily adopt other banking channels, such as ATM or internet banking, but occasionally need to go to a bank branch in person for particular transactions. One of the Emirati respondents (65) explained his preference for branch banking by pointing to two main factors: first, face-to-face communication is more convincing; and second, visiting the branch makes it possible to ask to speak to the manager in difficult situations. A younger female respondent (28) stated she prefers branch banking because the communication is often much clearer, and when it is not she can simply ask for further clarifications. Another young female respondent (27) stated that face-to-face communication when visiting the branch is very efficient because she can easily ask follow-up questions, as well as get a better understanding of the employee’s explanations from body language.

ATMs are currently used by many bank customers for basic banking operations (e.g., cash deposits, withdrawals, fund transfers, bill payments) and appear to be positively associated with efficiency and time-saving aspects.

The adoption of online banking is particularly widespread among younger and middle-aged customers who like its interactive and time-saving aspects. It is often used in combination with telephone banking, which is intended to provide support with specific information and troubleshooting. Several respondents put forward the following points in favour of telephone banking: you do not need to make an appointment; it is easier to handle; and it saves time.

Analysing the data collected from the interviews with Emirati respondents, it is important to take into consideration the socio-historical and cultural particularities of banking practices in the UAE. The proportion of Generation Y, or the Millennial Generation born between the 1980s and the mid-2000s, is very high in UAE academic and professional communities. Both men and women in this age-group are digital natives who grew up with technology. Equipped with the latest technology and gadgets, including iPhones, laptops and tablets, they are online and connected 24/7, 365 days a year.

Since increasing numbers of women are becoming professionally and financially independent, UAE banks are increasingly tailoring their products and services to include working women’s banking options beyond the basic banking services. Rather than continuing with the traditional concept of separation in queues or even sections in order to respect women’s privacy, banks are now offering special credit-card rates, car finance and discounts on lifestyle options for women. At the same time, paradoxically, women are not permitted to open or manage bank accounts for their children under 18 years of age, even if they are the children’s sponsors or custodians.

This background information makes it easier to understand and interpret certain responses or comments made by Emirati respondents. In answer to the prompt “Tell me about your experience the first time you visited the bank”, one respondent stated: “The first time was when I went with my father to open an account. They [bank employees] were very cooperative and helpful. I was very satisfied.” In the interview conducted with the father, the father gave the following feedback: “I was very satisfied. They [bank employees] helped me in opening a bank account for my sons.” Clearly the presence of a father accompanying his son or daughter in order to open a bank account represents a good prospect of a reliable new customer, which explains the employee's readiness to provide quick and efficient service. Nevertheless, some of the reported problems arose after the first encounter, due to the fact that new customers do not always receive complete information, and are not always updated about regulations applying in certain situations.

As service channels move towards telephone and online banking, customers still demand personal relationships with their banks. Several of the reported Critical Incidents refer to events or circumstances that took place after the positive experience of the first visit to the bank, when prospective customers are made to feel welcome and are treated with care and consideration. However, judging by the interviewees' feedback, there is often an absence of follow-up or insufficient follow-up by the bank, which prevents the building up of a trust-based relationship. The Critical Incidents reported involve matters on the one hand related to customer needs, knowledge and expectations, and on the other hand to employee competence, communication skills and personal behavior. The interviewees' responses show that the new banking channels (telephone, online, mobile), which initially started as complementary channels, have gradually acquired the status of first options for many Emiratis. Branch banking, on the other hand, can now be regarded as a complementary channel, used among other things for more complex banking operations, initial contacts with the bank, and for solving difficult problems.

According to the interviews conducted so far, the most frequent problems in using banking services are: long lines at the branch; limited time for customer servicing; transaction errors made by bank personnel; and excessive bureaucracy. These findings confirm the results of earlier studies (e.g., Mukherjee et al., 2003). They imply that bank services need to develop a more customer-centric approach and to be more individual-focused in their interaction and communication strategies. Many respondents emphasized the importance for customers of asking more and specific questions of the bank. It is equally important for bank employees to develop appropriate questioning skills so as to understand each customer's particular situation and anticipate possible customer issues or questions.

7. Conclusions

The analysis reveals that the main issue concerning bank staff is the lack of one of the key elements of an effective communication process, i.e. listening. Poor listening skills can lead to misunderstanding customer profiles and needs, and an inability to adapt to the feedback and the signals received from them.

These listening difficulties may also be related to the increase in the number of bank channels and customer contacts. As multi-channeling is a requirement for both banks and customers, it should be promoted. But to avoid the dangerous risks of miscommunication and misunderstanding, it is essential for the bank to manage properly their communication processes by distinguishing the "central channel," which primarily "owns" the customer, from the "peripheral channels," which are able to meet specific and episodic customer requirements.

Services with the highest value for both the bank and the customer need to be supplied via the central channel. In the central channel, usually the branch, the factors related to the communication processes seem to represent "performance factors,". In other words, as discussed in Section 3, they are factors which have a symmetrical impact on both satisfaction and dissatisfaction, and depend on customer satisfaction level in relation to customer expectation. This implies that the challenge for banks is not to relegate digital channels as purely informational and transactional tools, but to use them to develop customer expertise.

Although the branch is now just one of the contact points within the bank's wider multi-channel strategy, it has typically maintained its role as the central channel. It is thus the branch which has the role of providing a distinctive and personalized service, with specific attention to the content and the form of communication.

On the other hand, peripheral channels are mostly used for lower value services. In general, customers expect to receive less advice and fewer services on these than at the branch. But even here, effective communication processes make significant impact on the level of customer satisfaction. It would therefore be advisable for banks to activate "excitement factors," i.e., elements which do not result in dissatisfaction when absent but which generate high satisfaction if offered at levels higher than expected.

In-branch communication consists of messages transmitted by the physical structures of banks, such as location, interior and exterior architecture, as well as the advertising and promotion carried out in-store, and especially by the staff, who are protagonists of institutional bank communication. The effectiveness of an external communication campaign is closely linked to the internal communication policy. The goals of the publicity and information aimed at customers cannot be reached without sufficient involvement of the bank employees.

Moreover, banks need to pay close attention to the synergies and relationships between different channels, and develop an integrated communications process. "Integrated communication" implies that all communication activities should be decided and developed in accordance with a unified and comprehensive flow of communication. The customer is often considered by the bank in the context of a single transaction rather than as an individual who builds a relationship with the bank over time, and the proliferation of both offline and online contact points is adding further complexity. In this context, banks are required to integrate and reconcile the different sources of information to gain a holistic overview of the customer, in order to be able to provide a consistent experience across channels.

In other words, integrating information from different channels, including social media, to build a unified view of the customer is a necessary condition in order to move from a transactional model to a customer-centered model, which focuses on customer expectations and needs.

The integration, however, should not be only informational. Instead, it must create a truly integrated environment, where digital, social, and mobile channels are integrated with physical channels, in order to promote new forms of multi-channel customer experience.

Through the adequate management of communication processes, customers should have the opportunity to transform a single transaction with their bank into a true experience of a relationship, thereby increasing their level of satisfaction.

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