

ASSESSING RELATIONSHIP BETWEEN PERSONAL VALUE AND CUSTOMER SATISFACTION: EVIDENCE FROM NIGERIAN BANKING INDUSTRY

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Abstract:

This study investigated personal value and its relationship with customer satisfaction in the Nigerian banking industry. Results implicated self-transcendence as having positive relationship with customer satisfaction while self-enhancement has negative relationship with customer satisfaction. It was also established that the overall personal value has significant effect on customer satisfaction. The research measures showed encouraging psychometric values. These findings were discussed and situated within the Nigerian banking industry. It was recommended that the banking industry should place more emphasis on target marketing practices thereby enhancing the quality delivery of services to customers. Areas of further studies were also suggested.

Key Words: Personal value, customer satisfaction, self-transcendence, self-enhancement, Nigerian Banking Industry

JEL Classification: M31

INTRODUCTION

Today's customer, in virtually every company, is demanding ever-higher levels of satisfaction from companies particularly in respect to delivery of service in line with their personal values. A customer is referred to as a current or potential buyer or user of the products of an organization. Customers are individuals who buy products for themselves or on behalf of their household. The customer is the person or unit receiving the output of a process on the system. In fact, it is worth emphasizing that a customer can be the immediate, intermediate, or ultimate customer. Also, a customer may be a person or persons, or a process or processes. The service sector has become a dominant force in the economy of many countries and has created a wealth of new jobs (McDonal & Harris 2001). Throughout the years, customer satisfaction has been a major topic of research in the service sector (Anderson & Roland, 1997; Odekerken-Schröder and Bloemer 2004; Taylor & Thomas 1994). However, up till now, little research has investigated the impact of personal values on customer satisfaction in such a service context.

Yet, better understanding of this relationship is important as customer service satisfaction is one of the fundamental antecedents of personal value (Anderson, 1973; Heskett & Leonart 1997; Jones and Sasser 1995). Once a value is internalized, it becomes either consciously or unconsciously, a standard for guiding actions and making choices. The value then determines behaviors or modes of conduct. Because values are at the basis of choice, the choices that people make reflect their perception of what is right, just, or what is cherished at a particular time (Pfaff 1972).

The impact of personal values on human behavior has been widely addressed. Rokeach (1973), for instance, has argued that 'values are ... significantly related to all kinds of behavior'. Values can be defined as broad goals that apply across contexts and time (Bardi and Schwartz 2003) – although they can change in the long run. Values form the psychological core of the "self" (Finegan 2000; Wade-Benzoni 2002) and are standards from which beliefs, attitudes and, consequently, behaviors are shaped (Kouzes and Posner 1987; Madrigal and Kahle 1994).

In this respect, the personal values held by a customer, the perceived organizational values of the service company and the congruence between the personal and perceived organizational values influence customer service satisfaction. According to Swan and Longman (1972), an early and influential writer, defined value as the constellation of likes, dislikes viewpoints, inner inclinations, rational and irrational judgments, prejudices, and association patterns that determine a person's view of the world. The importance of a value system is that once internalized it becomes, consciously or subconsciously, a standard or criterion for guiding one's action. The purpose of this study is to examine some of the systematic consequences of customer satisfaction and dissatisfaction among industrial buyers

At the same time that organizations act to attract and satisfy customers, the customers themselves exercise ultimate influence. Their satisfaction depends on both their expectations and their treatment. Through their personal values, customers decide which organizations survive and thrive, determine what goods and services are available, and shape how they are provided.

LITERATURE REVIEW

CONCEPT OF VALUE

The values concept is used widely in individual behavior, philosophy, psychology, sociology and related behavioral science, and different scholars have made different definition from different perspectives. According to the explanation of Anderson and Roland (1997), 'Values are an integral and daily part of our lives. They determine, regulate, and modify relations between individuals, organizations, institutions, and societies'. Generally, values can be divided into personal values and socio-cultural values, which are interrelated with each other. This project pays attention to personal values. The concept of values is not an easy one to define because values have different meanings and implications to different people. Because of the complex nature of value system orientation, there is considerable variation in the approach and in the amount of attention given to the subject of values in the several fields of learning. Thus, scholars trained in sociology or anthropology typically assign a different level of abstraction to, and define values differently from those trained in psychology, philosophy, or organizational behavior. However, there are certain commonalities in the definitions and some theoretical consensus seems to be developing as to the meaning of values. Several definitions from prominent scholars in different disciplines are noted below.

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Allport and Vernon, (1931) defined values as beliefs regarding preferable end-states of existence, which may serve to guide actions attitudes and judgements across specific situations and objects. He suggested that a value is a disposition of a person, much like an attitude but more basic. It has to do with our concern for standards and rules of conducts, honesty, cleanliness, truth, beauty, pleasure, and other ideas about what is desirable. Rokeach (1973) felt that values operate in hierarchical form, and that two people with the same value may rank them differently in terms of their importance. Values can range from common place, such as belief, hard work, self reliance and punctuality, to psychological areas such as concern for others, trust in them, etc. However, value

was defined as belief upon which a man acts by preference. Personal values play a very important role in consumers' attitudes and behaviors. (Allport and Vernon, 1931)

CUSTOMER SATISFACTION

The customer is the person or unit receiving the output of a process on the system. In fact, it is worth emphasizing that a customer can be the immediate, intermediate, or ultimate customer. Also, a customer may be a person or persons, or a process or processes. Customer satisfaction, however, is when the customer is satisfied with a product/service that meets the customer's needs, wants, and expectations. Satisfied customers represent "an indispensable means of creating a sustainable advantage in the competitive environment of the 1990s" (Olshavsky & Spreng 1997). Highly satisfied customers spread positive word-of-mouth, demonstrate readier acceptance of other products in the product line, and exhibit brand loyalty or increased intentions to repurchase (Jones & Sasser. (1995) Thus, the investigation of overall customer satisfaction is dependent on their values. Industrial customers' judgments of components of satisfaction are modeled as influencing overall satisfaction. Empirical results test the relationships that are proposed. Customer satisfaction refers to the extent to which customers are happy with the products and services provided by a business.

The definition of customer satisfaction has been widely debated as organizations increasingly attempt to measure it. Customer satisfaction can be experienced in a variety of situations and connected to both goods and services. It is a highly personal assessment that is greatly affected by customer expectations. Satisfaction also is based on the customer's experience of both contact with the organization (the "moment of truth" as it is called in business literature) and personal outcomes. Customer satisfaction differs depending on the situation and the product or service. A customer may be satisfied with a product or service, an experience, a purchase decision, a salesperson, store, service provider, or an attribute or any of these. Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to product/service. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviors such as return and recommend rate. The level of satisfaction can also vary depending on other options the customer may have and other products against which the customer can compare the organization's products.

Customer satisfaction is a highly personal assessment that is greatly influenced by individual expectations. Some definitions are based on the observation that customer satisfaction or dissatisfaction results from either the confirmation or disconfirmation of individual expectations regarding a service or product. Customer satisfaction is a measurement of customer attitudes about products, services and brands. To avoid difficulties stemming from customer expectations and differences, some experts urge companies to "concentrate on a goal that's more closely linked to customer equity." Instead of asking whether customers are satisfied, they encourage companies to determine how customers hold them accountable. In the public sector, the definition of customer satisfaction is often linked to both the personal interaction with the service provider and the outcomes experienced by service users.

Consumer satisfaction has been typically conceptualized as either an emotional (e.g., Oliver, 1999; Campbell, A. (1972) or cognitive response (e.g., Anderson, 1973). Furthermore, there are several conceptual and operational definitions indicating that the response may be comprised of both cognitive and affective dimensions. More recent satisfaction definitions concede an emotional response (Oliver 1999; and Olshavsky and Spreng 1997).

THEORETICAL FRAMEWORK

EXPECTATION CONFIRMATION THEORY

The originating author of the theory is Oliver (1999). Expectations-confirmation theory posits that expectations, coupled with perceived performance, lead to post-purchase satisfaction. This effect is mediated through positive or negative disconfirmation between expectations and performance. If a product outperforms expectations (positive disconfirmation) post-purchase satisfaction will result. If a product falls short of expectations (negative disconfirmation) the consumer is likely to be dissatisfied (Oliver, 1996; Olshavsky & Spreng, 1997). The four main constructs in the model are: expectations, performance, disconfirmation, and satisfaction.

Expectations reflect anticipated behavior (Swan and Longman, 1972). They are predictive, indicating expected product attributes at some point in the future (Olshavsky & Spreng, 1997). Expectations serve as the comparison standard in ECT – what consumers use to evaluate performance and form a disconfirmation judgment (Heskett & Leonart, 1997). Disconfirmation is hypothesized to affect satisfaction, with positive disconfirmation leading to satisfaction and negative disconfirmation leading to dissatisfaction. A major debate within the marketing literature concerns the nature of the effect of disconfirmation on satisfaction. The root of the problem lies in the definition of predictive expectations as the comparison standard for perceived performance. In such case, the confirmation of negative expectations is not likely to lead to satisfaction (Jones & Sasser, (1995).

SCHWARTZ'S VALUE THEORY

Schwartz (1992) defines values as desirable, trans-situational goals, varying in importance and serving as guiding principles in people's lives. The crucial aspect that distinguishes among values is the type of motivational goal they express. Schwartz derived 10 distinct motivational goals that are expressed as the following types of values: power, achievement, hedonism, stimulation, self direction, universalism, benevolence, tradition, conformity, and security

The theory also explicates the dynamic structure of relations among values (Schwartz, 1992). Some values are incompatible, in the sense that actions undertaken in order to fulfill a certain value may conflict with the pursuit of other values. For example, behaviors engaged in the pursuit of stimulation values, which emphasize experiencing excitement, novelty, and challenge, are likely to impede the attainment of security values, which emphasize safety and stability. The total pattern of relations of conflict and compatibility among values yields the structure represented in Figure 1. Competing values emanate in opposing directions from the center; complementary values are in close proximity going around the circle.

The circular structure can be summarized into two basic conflicts. The first conflict is self-enhancement versus self-transcendence: Power and achievement values are in conflict with benevolence and universalism values. Both of the former emphasize pursuit of self-interests, even at the expense of others, whereas both of the latter involve concern for the welfare and interests of others, close and distant. The second conflict is openness to change versus conservatism: Self direction and stimulation values are in conflict with security, conformity, and tradition values. Both of the former emphasize independent action, thought and feeling, and readiness for new experience, whereas all of the latter emphasize self restriction, order, and resistance to change. Hedonism values share elements of both openness and self-enhancement and are in conflict with both self-transcendence and conservatism values.

Values are defined as desirable, abstract goals that motivate actions. Schwartz's Value Theory identifies 10 basic values postulated to be universally important in societal functioning: power, achievement, hedonism, stimulations, self-direction, universalism, benevolence, tradition, conformity, and security. These 10 basic human values guide the selection and evaluation of behaviors. Bardi and Schwartz posited two explanations as to why people behave according to their value: (1) there is a need for consistency between one's beliefs (values) and action; and, (2) value-consistent action is rewarding as it helps people attain satisfaction from this action.

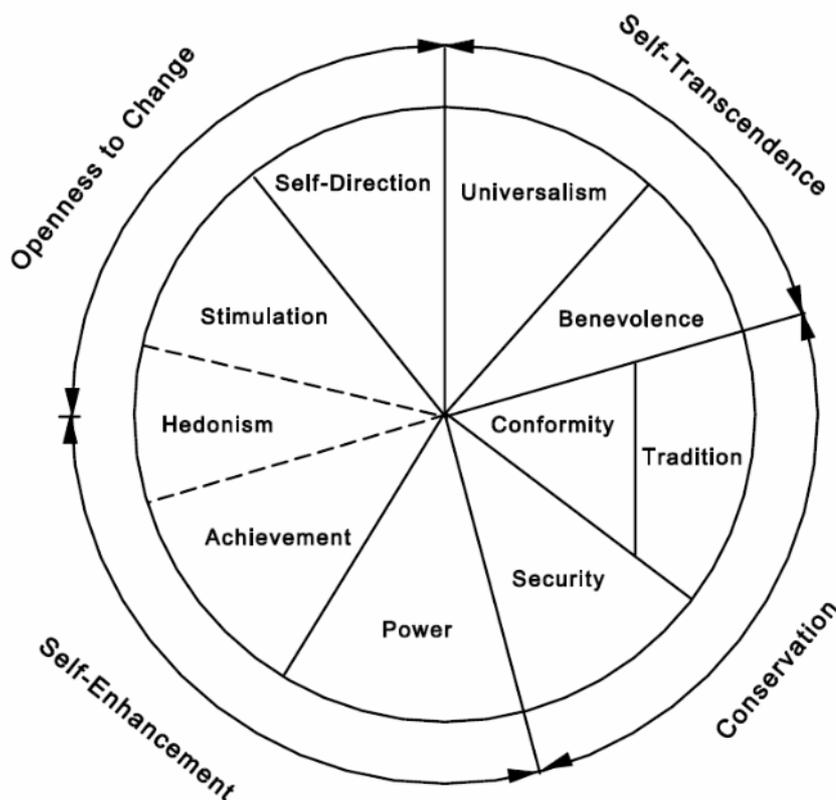


Figure 1: Theoretical model of relations among motivational value types and two basic bipolar value dimensions

Source: Schwartz, S. H. (1992). Universals in the content and structure of values

- Self-enhancement vs. self-transcendence: On this dimension, power and achievement values oppose universalism and benevolence values. Both of the former emphasize pursuit of self-interests, whereas both of the latter involve concern for the welfare and interests of others.
- Openness to change vs. conservation: On this dimension, self-direction and stimulation values oppose security, conformity and tradition values. Both of the former emphasize independent action, thought and feeling and readiness for new experience, whereas all of the latter emphasize self-restriction, order and resistance to change. Hedonism shares elements of both openness and self-enhancement, but in most cases hedonism is closer to openness.

The general objective of this study is to assess the significance of relationship between personal value and customer satisfaction. In order to achieve this, this study shall therefore address the following specific objectives;

- To examine if there is any significant relationship between self-transcendence and customer perception of service quality
- To determine the strength of the relationship between self-enhancement and customer satisfaction.
- To determine the effect of personal value on customer satisfaction.

RESEARCH METHOD

The major source of data for this research was a set of questionnaires distributed to members of a local community who are patrons of four different banks situated within that particular community, at Ota in Ogun state, Nigeria. The questionnaire has six sections. The first section of the questionnaire dealt with demographic information of the respondents, while the second section

of the questionnaire dealt with self transcendence value, third section dealt with self enhancement, fourth section dealt with openness to change, the fifth section dealt with conservativeness while the last section dealt with customer satisfaction.

Each question in sections B, C, D, E and F was designed so that respondents could react to the degree of agreement to the issue being discussed as follows:

Strongly Agree=5; Agree = 4; Undecided= 3; Disagree= 2; Strongly Disagree=1.

The population for the study consisted of all the patrons of those local branches of the four different banks situated within that particular community. 400 copies of the research instrument (questionnaire) were hand-delivered to a convenience sample of patrons that were found within the banking halls of those banks in a particular week. However only 315 copies of the completed questionnaire were found useable for the present study. Some copies of the questionnaire were returned directly by the respondents or were retrieved personally by the researcher after reasonable time period had elapsed. In all cases, the researcher allowed reasonable time for questionnaire completion.

The key variables used in this research included four different dimensions of personal value and customer satisfaction. These key research variables were developed from extant literature and supported by empirical and anecdotal evidence. All the data analysis procedure was done using the SPSS computer package. Data analysis was executed at 95% confidence level or better. The statistics, measurement scale, data analysis, reliability and validity tests used in this research followed the research suggestions in extant literature (Cronbach, 1951; Nunnally, 1978; Ryan and Mohsin, 2001; Svensson, 2002, among others). The Cronbach's Alpha of the measurement scale for the study was found to be 0.793

RESULTS AND DISCUSSION

This study centered on the following three hypotheses:

H₀: There is no significant relationship between self transcendence and customer perception of service quality

H₀: Self-enhancement has no significant relationship with customer satisfaction.

H₀: Personal value has no significant effect on customer satisfaction.

Results and their associated discussions along these three main issues will now be presented.

HYPOTHESIS ONE

H₀: There is no significant relationship between self transcendence and perception of service quality

H₁: There is a significant relationship between self transcendence and perception of service quality

Table 1. Showing relationship between Self-transcendence and Service Quality

		Self transcendence	Service quality
Self transcendence	Pearson Correlation	1	.463
	Sig. (2-tailed)		.012
	N	315	315
Service quality	Pearson Correlation	.463	1
	Sig. (2-tailed)	.012	
	N	315	315

Source: Field Survey 2011

DECISION: From the table above, the decision is to reject the null hypothesis and accept the alternative hypothesis. The above result implies that there is significant relationship between self transcendence and service quality.

HYPOTHESIS TWO

H₀: Self enhancement has no significant relationship with customer satisfaction.

H₁: Self enhancement has significant relationship with customer satisfaction

Table 2. Showing relationship between Self-enhancement and Customer Satisfaction

		Self-enhancement	Customer Satisfaction
Self-enhancement	Pearson Correlation	1	-.522
	Sig. (2-tailed)		.013
	N	315	315
	Customer Satisfaction		
Customer Satisfaction	Pearson Correlation	-.522	1
	Sig. (2-tailed)	.013	
	N	315	315

Source: Field Survey 2011

DECISION: From the table above, the decision is to accept the alternative hypothesis and reject the null hypothesis. The result above revealed that there is negative relationship between self-enhancement and customer satisfaction.

HYPOTHEIS THREE

H₀: Personal value has no significant effect on customer satisfaction.

H₁: Personal value has a significant effect on customer satisfaction.

Table 3. Regression Showing Effect of Personal Value on Customer Satisfaction

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.365	4	.341	.736	.002
	Residual	143.840	310	.464		
	Total	145.205	314			

Source: Field Survey 2011

DECISION: From the table above, the decision is to accept the alternative hypothesis and reject the null hypothesis. The result implicated that personal value has significant effect on customer satisfaction.

CONCLUSION AND POLICY RECOMMENDATIONS

The findings from this research present some policy and research challenges. On the policy side, it is recommended that sustained efforts be made by management of the banks to ensure that staff are properly trained to render qualitative services to its customers. The marketing concept calls for understanding customers and satisfying their needs better than the competitors. But different customers have different needs, and it is rarely possible to satisfy all customers by treating them

alike. This study has further corroborated the findings of earlier related studies by emphasizing the significance of target marketing practices in banking industry as against the mass marketing.

Mass marketing refers to treatment of the market as a homogenous group and offering the same Marketing mix to all customers. Mass marketing allows economies of scale to be realized through mass production, mass distribution, and mass communication. *Target marketing* on the other hand recognizes the diversity of customers and does not try to please all of them with the same offering. The first step in target marketing is to identify different market segments and their needs. For example, it was observed from the findings of the study that the managements of Nigerian banks need to serve customers with different personal values differently.

It was interesting to find out from the study that customers with self-enhancement values perceived service quality differently from those customers with self-transcendence values. The study revealed that self-enhancement value has negative relationship with perceived service quality while self-transcendence value has positive relationship with customer satisfaction. The findings corroborated extant literature stance on the fact that self enhancement and self transcendence are two opposing personal values.

On the research challenges associated with this research, it is suggested that future research efforts be directed towards covering all the different types of personal value. That is, relationship between other personal value dimensions like openness to change and conservation with customer satisfaction should also be ascertained. In addition, further research efforts should give closer attention to sub-dimension of personal value. For example, instead of considering self transcendence as a whole, effect of universalism and benevolence on customer satisfaction would have been considered differently. In addition, research efforts may have a broader scope thereby capturing at least some selected local governments in Nigeria.

This study is not without limitations. Although it is logical to suspect that some of the findings from this research might also hold for other communities both in Nigeria and outside the country, there is no way to ascertain this logical extension and relevance of the findings (Honig and Karlsson, 2004). It is suggested that replication of this study in other communities in Nigeria be undertaken to enhance generalizability.

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