

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of management



Diploma Thesis

Marketing and customer care in the Czech banking
industry

Bc. Zuzana Finková

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Department of Management

Faculty of Economics and Management

DIPLOMA THESIS ASSIGNMENT

Finková Zuzana

Economics and Management

Thesis title

Marketing and Customer Care in the Czech Banking Industry

Objectives of thesis

The aim of the thesis is to provide a general view of marketing of banks in the Czech Republic from the point of view of a customer and compare the attitude to customer care of the clients. One of the examples will be Raiffeisen Bank and especially the department of quality and mystery shopping. The practical part will show scope to improve.

Methodology

The thesis will be divided into two parts: theoretical and practical. The theoretical part will be based on a literature review including the marketing mix, key words, theoretical basis for the second part. The practical part will include information about different banks. Method of questionnaire will be used to compare satisfaction of customers of different banks. The research will concentrate on the 24-35 age group. Personal visit of few banks will be needed.

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Recommended information sources

Kotler, P., Armstrong, G.; Principles of Marketing; Pearson Education 2009; ISBN 0-13-700669-1

Berkowitz, N. E.; Kerin, A. R.; Hartley, W. S.; Udelius, W.; Marketing; Irwin 1992; ISBN 0-256-09182-X

Kunert, J., Novotný, J.; Central Banking In The Czech Lands; Czech National Bank 2008, ISBN 978-80-87225-07-3

Smec, K. J.; Banking; Czech University of Life Science 2009; ISBN 978-80-213-1928-8

Kotler, P., Kartajaya, H., Setiawan, I.; Marketing 3.0 From Products to Customers to the Human Spirit; John Wiley & Sons 2010, ISBN 0470598824

The Diploma Thesis Supervisor

Selby Richard, Ph.D.

Last date for the submission

March 2013

Jan Hron
prof. Ing. Jan Hron, DrSc., dr.h.c.
Head of the Department



Jan Hron
prof. Ing. Jan Hron, DrSc., dr.h.c.
Dean

Prague March 4. 2013

Declaration

I declare that I have worked on my diploma thesis titled “Marketing and customer care in the Czech banking industry” by myself and I have used only the sources mentioned at the end of the thesis.

In Prague 27 March, 2013

Zuzana Finková

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I would like to thank my supervisor Richard Selby, Ph.D. for his guiding, advice and time spent on this Diploma Thesis as well as all questionnaire survey participants for their inputs. Last, but not least I want to thank my family for their active support during the last months of my studies.

Marketing a péče o zákazníky v bankovním průmyslu v České republice

Marketing and customer care in the Czech banking industry

Anotace

Diplomová práce se zabývá problematikou marketingu a péče o zákazníky. Zabývá se definicí marketingu, marketingového mixu a jeho složek. Teoretické poznatky jsou využity v praktické části, aplikovány v tvorbě dotazníku, vyhodnocení a dále jsou rozebrány příklady bankovních strategií v oblasti marketingu jedné konkrétní banky. Na závěr je uvedeno vyhodnocení zmíněného dotazníku na základě teoretické části.

Klíčová slova

Marketing, Zákazník, Banka, Péče o zákazníky, Bankovní průmysl, Služby zákazníkům, Česká Republika

Annotation

The thesis deals with marketing and customer care. It deals with the definition of marketing, the marketing mix and its components. Theoretical knowledge is applied in the practical part, in the creation of the questionnaire, the evaluation and further examples of banking strategies in the marketing of one particular bank are analysed. The paper concludes with an evaluation of the afore-mentioned questionnaire based on theory.

Key words

Marketing, Customer, Bank, Customer Care, Banking Industry, Customer Service,

The Czech Republic

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1. Introduction

Marketing is a very important part of any business, and banks are not an exception. Each bank has its own specific characteristics, which are derived from the nature of the product offered which is the service. At present there are 44 banks operating in the Czech Republic and supervision is provided by the Czech National Bank.

The number of banks is high, therefore banks focus a lot on marketing to attract a client. The marketing of a bank has several important points. The first is choosing the manner of addressing and obtaining clients for the bank. An important point is the choice of a product for the monetary and capital market, which is currently in demand on the market. Furthermore, there is the necessary diversification and structuring of banking services. It is also essential to choose the right marketing communication, to create the bank's image. Last but not least, training and education are also important factors. All of these points and many more influence the client.

The diploma thesis is divided into two main parts. The first one brings the theoretical background about marketing, basic definitions and information about the marketing mix. The second, practical part, uses the information for research among the clients of banks and how they perceive the marketing of their banks. The results and recommendations for banks are provided in the conclusion.

2. Objectives

The aim of the thesis is to provide a general view of the marketing of banks in the Czech Republic from the point of view of a customer, and to compare attitudes to customer care. One example chosen for this diploma thesis is Raiffeisen Bank and especially the department of quality and “mystery shopping” (see below). The research is done on two levels. The first one is among clients and their satisfaction with banks in general, their overview of marketing especially their opinion about banks’ commercials and the second one is based on the example of Raiffeisen Bank and its attitude to customer care. The main hypotheses are that more than 50 % of the respondents from the selected group are dissatisfied with bank charges, more than 60 % of respondents do not notice banks commercials and less than 40% of the respondents are satisfied with the attitude of banks to their requests. The result from the questionnaire of the clients will be compared with the hypotheses. The aim is to find the weak points in banks’ marketing and customer care and the extent to which it can be improved.

2.1. Methodology

Several methods were chosen to obtain all of the necessary data and information. Whilst working on the diploma, methods such as data analysis, induction and deduction were used and terms such as marketing mix and key words were included. This formed the theoretical basis for the practical part. The practical part includes a questionnaire which was distributed among the clients of banks. The research concentrates on the 24 - 35 age group. Evaluation of the questionnaire includes the numerical and percentage values, an analysis of dependencies of responses, averages, the coefficient of variation, median, modus and the variation range. In addition personal visits and observation in a few banks was necessary. An interview with a representative from the department of quality of Raiffeisen Bank was organized and an introduction to the work of the department is included in the practical part.

2.1.1. Questionnaire

Inquiries can be made by interview, questionnaire or poll. These methods belong to what are called exploratory methods. The mission of these methodological approaches is to collect the relevant data using questions submitted to people.¹

For the purposes of this thesis the questionnaire method was used. A questionnaire, unlike an interview, saves time. It will be a purpose-built questionnaire created solely for the purpose of this thesis. The questionnaire will include open and closed questions. Closed questions will offer respondents several possible answers.

In the case of open questions, the respondent has a space to answer in their own words. Both types have their advantages and disadvantages.

In the case of closed questions the advantage is the ease of scoring, however it may not provide accurate information about the interviewee's opinion because the respondent has to choose from pre-defined options. Open questions provide accurate information about the respondent's opinion. However, he/she is not always willing to answer open questions and also further evaluation may be a problem. Frequently specific categories, into which the responses are sorted, are used.

The questionnaire will contain the actual research questions and four questions identifying the respondent's age, sex, education and employment. These questions will subsequently be used to divide the results into subcategories.

¹ PAUKNEROVÁ, D., *Psychologie pro ekonomy a manažery*. 2. vyd. Praha: Grada Publishing a.s.,

Example of a closed question:

1. Are you satisfied with the quality of your bank's webpages?
 - a. Yes
 - b. Quite
 - c. No
 - d. Not really
 - e. Don't know

Example of open question:

2. What is your main bank?

3. Literature Review

3.1. Terms and Definitions

3.1.1. Marketing

Marketing is a well-known word but there exist many definitions of this term. In the past marketing was sometimes substituted for sales. The present point of view shows that it is a more complex and wider term. Some of the definitions are provided below.

Philip Kotler has become a “father” of marketing. One of his definitions is:

“The science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services.”²

The next definition was approved by the American Marketing Association Board of Directors:

“Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. (*Approved October 2007*)”³

The next definition is by Heidi Cohen who is President of Riverside Marketing Strategies.

“In line with the firm’s business goals, marketing attracts consumers’ scarce resources, attention and disposable income, to drive profitable revenues. Marketing is the process of getting a product or service from a company to its end customers from product development through to the final sale and post purchase support. To this end, marketing strategy consists of business goals, target customers, marketing strategies, marketing

² Kotler Marketing Group http://www.kotlermarketing.com/phil_questions.shtml

³ American Marketing Association
<http://www.marketingpower.com/AboutAMA/Pages/DefinitionofMarketing.aspx>

tactics and related metrics. As a function, marketing extends across the customer's entire purchase process including research, engagement, purchase, post-purchase (including supplemental support and returns) and advocacy.”⁴

Marketing is widely used in all of the branches of industry including services. Services have several of their own specifications.

3.1.2. Bank Marketing⁵

Bank marketing is responsible for a few important points. The first is choosing the the manner of addressing and obtaining clients for the bank. An important point is the choice of a product for the money and capital market, which is currently in demand on the market. Furthermore, there is the necessary diversification and structuring of banking services. It is also essential to choose the right marketing communication, creating the bank's image. Last but not least, there is substantial education and training of workers.

Due to the shift from an industrial society to service companies, several important factors affecting banking can be seen. The most important of them is the growth of competition and the resulting pressure on the competitiveness of individual financial institutions. For this reason banks seek to expand their range of products to non-banking services such as insurance or real estate advice.

Due to the large number of banks in the Czech Republic, allowing clients to choose among products, customers are very challenging in their demands. Some extra services are taken for granted. Another current trend is low customer loyalty, as they often have accounts at several banks competing simultaneously.

The offer of banking products is very wide; it can sometimes seem crowded. The client is therefore easily lost in interest and other “hidden” fees. For this reason, the banks have pushed for more transparency in the services offered.

⁴ Riverside Marketing Strategies <http://riversidemarketingstrategies.com/>

⁵ Collective of authors. 2004. *Marketingové aplikace*

3.1.3. Marketing mix

For the company it is very important to choose the segment of clients upon whom they will focus. After that the manner of obtaining customers is usually prepared by the marketing department . It is always a combination of at least four factors known as the four Ps. The four Ps were first published by Professor E. Jerome McCarthy. These four Ps are Product, Place, Price and Promotion.

The four Ps were complemented with 3 more to have a more complex view on Marketing. Those are Physical evidence, People and Process.

3.1.3.1. Product

“**Product** is a good, service, or idea to satisfy consumer’s needs. A product is seen as an item that satisfies what a consumer needs or wants. It is a tangible good or an intangible service. Intangible products are service based like the tourism industry, the hotel industry and the financial industry. Tangible products are those that have an independent physical existence. Typical examples of mass-produced, tangible objects are the motor car and the disposable razor. A less obvious but ubiquitous mass produced service is a computer operating system. Every product is subject to a life-cycle including a growth phase followed by a maturity phase and finally an eventual period of decline as sales falls. Marketers must do careful research on how long the life cycle of the product they are marketing is likely to be and focus their attention on different challenges that arise as the product moves through each stage. The marketer must also consider the product mix. Marketers can expand the current product mix by increasing a certain product line's depth or by increasing the number of product lines. Marketers should consider how to position the product, how to exploit the brand, how to exploit the company's resources and how to configure the product mix so that each product complements the other. The marketer must also consider product development strategies.”⁶

⁶ Berkowitz, N. E., Kerin, A. R., Hartley, W. S., Rudelius, W. 1992. *Marketing*.

As was mentioned above, the product can be tangible or intangible. Banking products are services provided to clients. It is necessary to mention the specification of services. Those specifications are called the four I's of services.

The four I's of services

Services have four unique elements: intangibility, inconsistency, inseparability, and inventory.

1. **Intangibility**

“Services are intangible, that is, they can't be held, touched, or seen before the purchase decision. In contrast, before purchasing a traditional product, a consumer can touch a box of laundry detergent, kick the tire of an automobile, or sample a new breakfast cereal. A major marketing need for services is to make them tangible or show the benefits of using the service. A Norwegian Cruise Line advertisement shows happy vacationers enjoying themselves on an island beach, American Express emphasizes the year-end summary of charges they send you, and a leading insurance company says. "You're in Good Hands with Allstate."

2. **Inconsistency**

Marketing services is challenging because the quality of a service is often inconsistent. Since services depend on the people who provide them, their quality varies with each person's capabilities and day-to-day job performance. Inconsistency is more of a problem in services than it is with tangible goods. Tangible products can be good or bad in terms of quality, but with modern production lines the quality will at least be consistent. On the other hand, one day the Philadelphia Phillies baseball team may have great hitting and pitching and look like a pennant winner, and the next day lose by 10 runs. Or a soprano at New York's Metropolitan Opera may have a bad cold and give a less-than-perfect

performance. Whether the service involves tax assistance at Arthur Anderson or guest relations at the Hyatt Regency, organizations attempt to reduce inconsistency through standardization and training.

3. Inseparability

A third difference between services and goods, relating to problems of consistency, is inseparability. In most cases the consumer cannot (and does not) separate the service from the deliverer of the service or the setting in which the service occurs. For example, to receive an education, a person may attend a university. The quality of the education may be high, but if the student has difficulty parking, finds the counselling service poor, or sees little opportunity for extracurricular activity, he or she may not be satisfied with the educational experience.

4. Inventory

The inventory of services is different from that of goods. Inventory problems exist with goods because many items are perishable and there are costs associated with handling the inventory. With services, inventory carrying costs are more subjective and related to idle production capacity, which is when the service provider is available but there is no demand. The inventory cost of a service is the cost of reimbursing the person used to provide the service along with any equipment needed. If a physician is paid to see patients but no one schedules an appointment, the fixed cost of the idle physician's salary is a high inventory carrying cost. In some service businesses, however, the provider of the service is on commission (the Merrill Lynch stockbroker) or is a part-time employee (a counterperson at McDonald's). Inventory carrying costs can be significantly lower or non-existent because the idle production capacity can be cut back by reducing hours or not

having a salary to pay because of the commission compensation system. The inventory carrying costs of airlines is high because of high-salaried pilots and very expensive equipment. In contrast, real estate agents and hair stylists work on commission and need little expensive equipment to conduct business.”⁷

3.1.3.1.1. Banking products

A banking product is by nature a service, and therefore its implementation is more difficult than the tangible product. The quality of a financial institution’s service may be demonstrated by place, the institution’s access to the client, the level of the service, the attractiveness of advertising, its price and symbols. The biggest problem for a banking product is its ease of imitation and its short life cycle.

Banks are trying to stand out from the competition, one trend currently in fashion is to provide various advantageous packages.

The bank is trying to solve its marketing strategy by deciding which products to focus on based on the market situation and the needs of the bank. This includes advantageous interest rates on term deposits when the bank needs capital or conversely reducing interest rates on loans in the case of efforts to attract clients interested in a loan.

Basic banking services

The Bank offers a wide range of services, the main are:

- Acceptance of deposits
- Providing loans
- Bank accounts
- Payment transactions

⁷ Berkowitz, N. E., Kerin, A. R., Hartley, W. S., Rudelius, W. 1992. *Marketing*.

3.1.3.2. *Place*

“**Place:** a means of getting the product into the consumer’s hands. It refers to providing the product at a place which is convenient for consumers to access. Place is synonymous with distribution. Various strategies such as intensive distribution, selective distribution, exclusive distribution and franchising can be used by the marketer to complement the other aspects of the marketing mix.”⁸

Individual banks choose different distribution channels for its clients. These are various options that the client uses as a point of contact with the bank and the means of implementing individual transactions. Distribution channels:

- Affiliates
- Mobile sales network
- Cellular phone
- Internet
- ATM machines

3.1.3.3. *Price*

“**Price:** what is exchanged for the product. The price is the amount a customer pays for the product. The price is very important as it determines the company's profit and hence, survival. Adjusting the price has a profound impact on the marketing strategy, and depending on the price elasticity of the product, often it will affect the demand and sales as well. The marketer should set a price that complements the other elements of the marketing mix.”⁹

⁸ Berkowitz, N. E., Kerin, A. R., Hartley, W. S., Rudelius, W. 1992. *Marketing*.

⁹ Berkowitz, N. E., Kerin, A. R., Hartley, W. S., Rudelius, W. 1992. *Marketing*.

The price of banking products is an important criterion when choosing a financial institution, even if one cannot say that it is always decisive. It allows situations where a client uses one bank as the basic institution for their main operations but also the client monitors the market and other operations carried out in a bank which offers better conditions for a particular case. To avoid this, banks are promoting the client approach, where they create favourable conditions for their regular customers.

Price is the easiest component of the marketing mix to be copied, so banks prefer short-term price advantage over long term set fixed prices for their services. In some cases the prices of banking products are so similar that it is worth considering whether this is due to competition or secret agreements between banks, which are illegal.

3.1.3.4. Promotion

“Promotion: a means of communication between the seller and buyer. It represents all of the methods of communication that a marketer may use to provide information to different parties about the product. Promotion comprises of elements such as: advertising, public relations, personal selling and sales promotion. Advertising covers any communication that is paid for, from cinema commercials, radio and Internet advertisements through print media and billboards. Public relations is where the communication is not directly paid for and includes press releases, sponsorship deals, exhibitions, conferences, seminars or trade fairs and events. Word-of-mouth is any apparently informal communication about the product by ordinary individuals, satisfied customers or people specifically engaged to create word of mouth momentum. Sales staff often play an important role in word of mouth and public relations.”¹⁰

3.1.3.4.1. Advertising

In the case of advertising, the bank uses all available media: television, radio, billboards and more. It is a means of reaching the widest array of potential and existing clients. A bank uses an advertisement to offer and draw attention to specific products, but

¹⁰ Berkowitz, N. E., Kerin, A. R., Hartley, W. S., Rudelius, W. 1992. *Marketing*.

also to promote its own image. It is a product and institutional advertising. Institutional advertising is typically used by organizations for which it may be difficult to distinguish between competing products. Creating a favourable image of the financial institution and its products should be a priority objective, as this contributes to finding a sustainable position on the market in terms of the constantly growing and increasingly aggressive competition. A bank's image primarily creates its credibility, reliability and quality of service, flexibility and tradition. Advertising should comply with the basic attributes, but also some specific requirements just for the banking sector. These include¹¹:

- Unobtrusiveness and non-aggressiveness
- Sobriety and quietness
- The ability to inspire confidence among potential clients, the feeling of reliability, security and quality
- The ability to evoke an atmosphere of peace and quiet

The development of technologies brought new possibilities such as the Internet and using social networks such as Facebook, Twitter and other. Viral marketing can reach a huge number of potential clients. The problem is that people start to be resistant to many types of messages.

¹¹ PLESSIS, E., 2007 *Jak zákazník vnímá reklamu*,

3.1.3.4.2. Sales promotion

The purpose of sales promotion is to increase the demand for banking products, for example through:

- Prize Draws
- Gifts
- Temporary improvements in the interest rate
- The temporary cancellation of fees

In case of gifts it is necessary to choose the appropriate item to be given.

3.1.3.4.3. Public relations

The main objective of public relations is to maintain relations with the environment and the public. It is a long-term effort to promote the bank as a whole, it is not to promote individual products. Typically, the bank chooses sponsorship and charitable activities such as donations.

3.1.3.4.4. Direct marketing

In the case of direct marketing a bank uses all possible channels, such as direct mail, letters and attachments to statements from bank accounts.

Direct marketing has several rules on how to attract a customer. For example when composing an email these points should be kept in mind:¹²

¹² Owton, A. 2007. *Delighting your customers: Delivering excellent customer service...without breaking the bank.*

- Create an attention-grabbing subject line
 - The reader is able to recognize easily who the email is from and what is included
- Keep it brief
 - Short paragraphs as people tend to scan emails quickly
- Make it easy to read
 - Highlighting important words
- Do not send big attachments
 - It is better to use a link to click through
- Give people an incentive
 - Instil urgency, for example a special offer with a closing date

3.1.3.4.5. Personal sales

Banks are trying to inspire confidence with clients, so it is obvious there is a lot of pressure on employees and their communication with clients. These include internal banking directives regarding employee dress. Currently there is a trend to expand the permanent relationship. An example might be the choice of individual bankers for each client.

3.1.3.5. *Physical evidence*

As a result of the intangibility and complexity of financial services it is necessary to include the physical environment among the elements of the marketing mix. In this environment we understand the space where there is an interaction between the client and the service provider. Environment is becoming an increasingly important part of the

perceived value and utility of client services, so it is important that the client feels comfortable in this environment.

However, there are no well-defined rules about how to organize such a space. These spaces usually occur in the formation and distribution area based on taste, fashion, invention or creative architects and designers. The specification aspects of the setting give clients diverse impressions and therefore are often the subject of marketing research.

3.1.3.6. People

The next important factor of a marketing mix is the human factor. The success of marketing is dependent on human resource management. As every client entering a shop or, in the case of bank, a branch meets with the institution's employees directly. It is essential to have educated, trained employees. Human resource management should take care of the selection, training and motivation of employees.

A bank's staff is one of the distinguishing factors that distinguishes a financial institution. People form an essential part in all other activities of the marketing mix, including product, price, distribution and not least promotion. A good worker can help the bank to achieve higher customer satisfaction.

Clients often evaluate not only the products provided by a bank, but the bank itself, according to its staff. Among the characteristics which customers consider most are expertise, the level of professionalism, the level of communication skills, the willingness to help or explain, the grace and sophistication of speech, civility to the client.

3.1.3.7. Process

Process is a method, by which a service is implemented and manifests itself in providing a product or service by the personnel in direct contact with the client. Client dissatisfaction can easily arise from permanently unsatisfactory processes. Correction might be very challenging and might not bring the expected result.

Depending on the requirements of the bank to improve the quality of its services, it is therefore desirable that the control of processes be defined as a separate element of the marketing mix.¹³

If a process is not working properly, then the customer will not be satisfied. Customization of services is one of the options, leading to better satisfying clients' requirements.

Processes include regulations and procedures, tasks, schedules, mechanisms, rules or various sales and operations. Bank staff must be familiar with them, respect them and adhere to them.

3.1.4. The Four Cs

“The issue is not whether there should be four, six or ten Ps so much as the framework that is most helpful in designing marketing strategy. Just as economists use two principal concepts for their framework of analysis, namely demand and supply, the marketer sees the four Ps as a filing cabinet of tools that could guide their marketing planning.

Now there is another criticism, this one quite valid, holding that the four-P concept takes a seller's view of the market, not a buyer's view. A buyer, considering an offering, may not see it in the seller's way. Each of the four Ps might be better described as the four Cs from the buyer's point of view.

Thus while marketers see themselves as a selling product, customers see themselves as buying value or a solution to a problem. And customers are interested in more than the price; they are interested in their total costs of obtaining, using and disposing of a product. Customers want the product and service to be as conveniently available as possible. Finally, customers don't want promotion, they want two-way communication. Marketers

¹³ Payne, A.,. *Marketing služeb*. 1996

would do well to first think through the customer's four Cs and then build the four Ps on that platform.”¹⁴

As mentioned above, for each of the four Ps there exists one of four Cs from the customer's point of view.

- **Customer solution**

- Stands for Product. The customer wants to solve his or her problem or satisfy a need. Every customer is looking for a different value with the same product. The aim is to be able to satisfy those different needs.

- **Customer cost**

- Customer cost stands for Price and the total costs for the customer. It is not just a simple price of the product but also the cost of services and repairs.

- **Convenience**

- Convenience stands for Place from the original four Ps. In this case it means the availability of the solution. This is very important for clients at the moment. The development of technologies brought new opportunities and ways of marketing.

- **Communication**

- Communication is becoming more important than Promotion. As mentioned with convenience, the development of technologies in this area is very important. There are many different ways to communicate with clients.

¹⁴ Kotler, P. 2001. *Kotler on marketing How to create, win and dominate markets*.

3.2. Building the brand

„The art of marketing is largely the art of brand building.“ By Philip Kotler.¹⁵

Currently a brand has great power. Some products are bought only because of the brand. The brand strongly influences the price of the product. Examples can be seen in nearly every industry. A brand must be easily recognizable and easy to remember. There are several tools that can be used to reach this goal.

Some brands are very tightly connected with certain words that give a direct idea what the product is like or invokes a nice feeling. For example Volvo and “Safety” or Kodak and “Film” Banks are trying to come up with a catchy slogan that will also bring a message to the client about the aim of the bank.

Here are some examples of slogan used by banks operating in the Czech market:

- Air Bank - You may even like your bank
- Equa Bank – Simply better banking
- Raiffeisen Bank – A bank inspired by clients
- CitiBank – The citi never sleeps
- Česká spořitelna – We are closer to you
- ČSOB – For a wealthier life

The next thing to be used for building a brand are colours and logos. It is necessary to use the same colours and logos to gain recognition.

¹⁵ Kotler, P. 2001. *Kotler on marketing How to create, win and dominate marketst.*

3.3. The basic business concepts¹⁶

The development of business concepts is connected to point of view on marketing.

1. Manufacturing a business concept

- The main assumption of this concept is that a customer prefers products that are cheap and easily accessible.
- It is desirable to achieve a high-volume of production, to reduce costs per unit of production. There is an effort to achieve extensive distribution.
- The company increases profits in the area of production, in particular through better use of technology and work organization.
- The company's success depends on increasing labour productivity
- Typical in economies where demand exceeds supply. Typical representatives: Bata, Ford
- The characteristic of crawler production and centralized management. A driving force behind the development is technological progress

2. Product sales concept

- This concept assumes a customer prefers the highest quality products
- For the producer that means that a good product sells itself
- An entrepreneur will focus on producing high quality products and continually improves the product. The problem is that often the manufacturer is so focused on the product; he/she does not follow market preference. The product cannot be sold, for example the automotive industry

¹⁶ Collective of authors. 2004. *Marketingové aplikace*

3. Selling the business concept - the ability to obtain and convince the customer

- The assumption is that the producer should help the customer with the decision to buy the product
- This concept resulted from mass production, which supported mass distribution and sales
- The distribution network grows along with the volume of production
- The aim is to sell what the manufacturer has produced not produce what would sell
- The task of the business section is to sell the production units manufactured in the best possible way.
- Sales techniques and tricks to measure the customer (television advertising, promotion, flyers, ...)
- Typical for engineering companies

4. Marketing – the business concept of market orientation

- This concept assumes that marketing is more than selling. There is an important link between the market and the manufacturer
- Manufacturer must produce a product that the customer wants, which is pre-sold
- The producer is trying to meet and satisfy the needs of the customer.

- The product is bought by two types of customers. The first group are new customers and the second group are old customers who are buying the product again.
- It is more costly to acquire new customers, so it is important to keep customers satisfied so they keep coming back.
- The goal is to have a customer who will come back to buy a product and also buys other products from the company and does not pay much attention to the competitors. Finally the customer talks positively about the company.

5. Social marketing concept

- In this concept companies take into account three factors:
 - The profit of the company
 - Customer satisfaction
 - Public interest (ecology)
- It is the latest marketing concept trying to reconcile the needs and interests of customers with the long-term social and ethical interests of the company. It is the result of criticism of consumer behaviour.
- The concept requires intelligent consumption, which would not result in an ecological threat to humanity.

3.4. The banking industry in the Czech Republic

3.4.1. The Czech National Bank¹⁷

In the Czech Republic there is a two level banking system. The first level is a Central bank – The Czech National Bank. The main objectives are supervision of the banking sector. The Czech National Bank takes care of price stability.

The Czech National Bank endeavours to supervise the financial market and its institutions in accordance with international standards. It actively monitors developments in this area and prudently implements new requirements or initiates steps to implement them.

The key strategic framework for the supervisory work of the Czech National Bank is the Core Principles for Effective Banking Supervision published by the Basel Committee for Banking Supervision in 2012.

The Czech National Bank develops a system of financial market supervision that has clear responsibilities and objectives. In its supervisory activities, it effectively applies its legal powers, all the while pursuing its main objective, namely to safeguard the stability of the financial system of the Czech Republic.

The Czech National Bank applies its legally defined independence in the area of supervision. This independence gives it full discretion to take actions against supervised institutions.

To ensure that supervision is transparent to the public, the Czech National Bank issues reports on supervisory activities and communicates major supervisory actions and selected findings and approaches in a prompt and flexible manner.

The Czech National Bank cooperates in the area of supervision with European institutions (the European Banking Authority, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority) on unifying

¹⁷ Kunert, J., Novotný, J. 2008. *Central Banking in the Czech Lands*.

supervisory procedures and creating conditions for close cooperation between home and host supervisors.¹⁸

3.4.2. Commercial Banks

The second level of the banking system in the Czech Republic is formed by commercial banks. Commercial banks are specific businesses that are based on a banking license issued by the CNB. The provision requires the creation of capital and the presentation of the draft statutes.

Depending on the degree of competence according to the banking license, there is a distinction between universal banks and specialized banks (with a limited banking license). Like other businesses, the banks trade in order to maximize profit. The basic functions of commercial banks include:

- Emission of non-cash money: representing the deposits and lending operations of banks. Based on commercial bank deposits it creates the mandatory minimum reserves with the CNB to provide loans to other economic actors
- Financial intermediation - ensuring the transfer of funds from the economic surplus entities to deficit entities
- Cashless payment transactions - making payments through bank transfers, without the physical presence of cash

¹⁸ The Supervisory Strategy of the Czech National Bank available from:
http://www.cnb.cz/en/supervision_financial_market/supervisory_strategy

4. Practical part

The practical part of the diploma thesis is divided into four sections. The first part includes a short introduction to the five biggest banks in the Czech Republic based on the number of clients. The following part is focused on the bank charges and a survey that has been conducted in the Czech Republic since 2005. The main part is a questionnaire and an analysis of respondents' answers. The last section is focused on Raiffeisen Bank. The final part includes a description of activities of the bank's Department of Quality, a project focused on improving services for clients and also a different way of reaching clients through an organized seminar.

4.1. Banks chosen

As was mentioned this part includes a very brief introduction and history of five biggest banks in the Czech Republic.

4.1.1. Česká Spořitelna

The biggest bank on the Czech market, according to the number of clients, is Česká Spořitelna. As the bank claims on its webpages it has more than 5 million clients.

The history of the bank goes back to 1825, when Spořitelna česká, the oldest predecessor of Česká spořitelna, began operating. This tradition of a Czech savings institution was continued in 1992 by Česká spořitelna as a joint-stock company.

Since 2000 Česká Spořitelna has been a member of the Erste Group. The Erste Group is one of the leading financial providers in Central and Eastern Europe which have about 17 million clients in eight predominantly EU Member States.

The portfolio of products includes products and services for companies and institutions as well as personal finances and insurance.

4.1.2. ČSOB

The second biggest bank is CSOB with more than 3 million customers. The bank was established by the state in 1964 as a bank to provide financing for foreign trade and convertible currency operations.

The privatization of the bank took place in 1999 when KBC Bank, a member of Belgium's KBC group, became the majority owner. The development of the bank continued the following year when CSOB took over Investicni a Postovni banka, a.s.. After the purchase of CSOB shares from minority shareholders in June 2007, KBC Bank became the sole shareholder of CSOB. CSOB was operating on both the Czech and Slovak markets until the end of 2007. At the beginning of the next year the bank was separated into Czech and Slovak branches.

The services include savings, loans, all types of insurance, funds, developer's projects and many more.

4.1.3. Komerční Banka

In comparison with Česká Spořitelna, Komerční banka is much younger. The bank – KB - was established in 1990 as a state institution. Two years later it was transformed into a joint-stock company. Since its inception KB's shares have been listed on the Prague Stock Exchange, as well as in the RM-System. Five years after establishing the bank Global depository receipts (GDRs) representing KB shares were traded on the London Stock Exchange.

In 2001 privatization of the bank began. The state's 60% holding in Komerční banka was purchased by Société Générale. The privatization led to the development of its activities for individual customers and entrepreneurs, in addition to building on its traditionally strong position in the enterprises and municipalities market. The position of the bank and its wealth increased when Komerční banka purchased the remaining 60% of shares in Modrá pyramida. Thereby, Komerční banka attained full control over the Czech Republic's third largest building society and could expand its retail activities.

The end of 2010 brought a cross-border merger with Komerční banka Bratislava

At the end of 2011 the bank claimed 1.6 million of customers. The bank, as its webpages state, offers services for people, companies and public administration.

4.1.4. Raiffeisen Bank

The history of Raiffeisen Bank goes back more than 140 years. It has been on the Czech market since 1993. The bank made a big in 2006 when it merged with eBank. Both banks completed the integration process in the summer of 2008. The bank supports a number of non-profit activities in the field.

Raiffeisenbank serves clients in more than 100 branches and client centres, it also provides specialized mortgage centres, personal and corporate advisors.

The bank has about 500 thousand clients in the Czech Republic.

4.1.5. UniCredit Bank

The last bank to be mentioned is UniCredit Bank which has about 250 thousand customers in the Czech Republic.

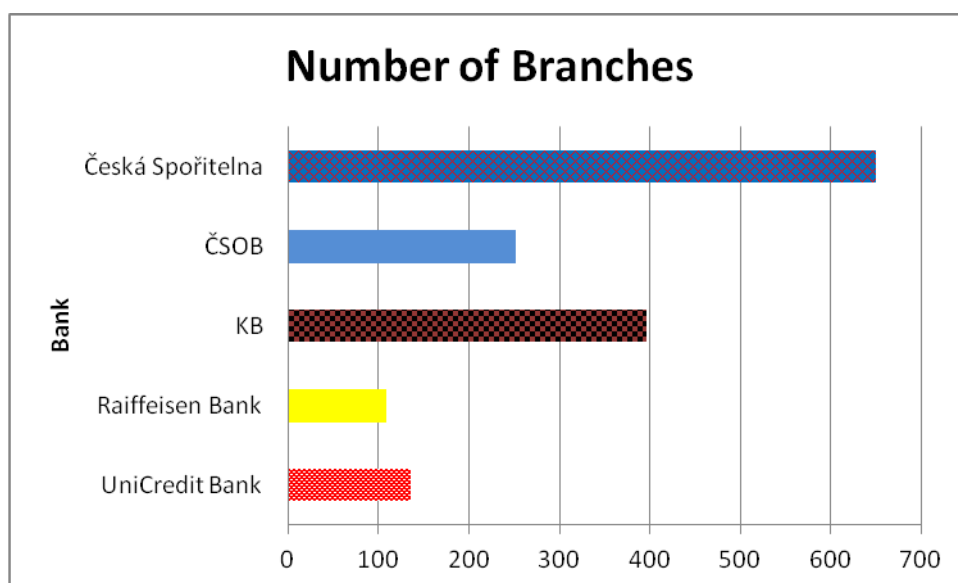
It is one of the younger banks in the Czech market. The bank launched its activities in the Czech market at the beginning of November 2007. It came into being through the integration of two independently operating and successful banking institutions – Živnostenská banka and HVB Bank.

As with all four previous banks, UniCredit Bank provides services such as accounts, payment cards, loans, mortgages, deposits and investments, direct banking and insurance.

To gain a better idea about the size of these banks a graph with the number of branches of each bank is provided below. As can be seen from the graph, the number of clients does not refer to the number of branches. For example UniCredit Bank, with a

lower number of clients than Raiffeisen Bank, has more branches. The same comparison is made with ČSOB and KB. The bank with the highest number of clients and the highest number of branches on the market is Česká Spořitelna.

Graph 1 Number of branches of selected banks



Own graph, source: official web sites of banks

4.2. The most ridiculous bank charge

Since year 2005 the server www.bankovnipoplatky.cz has been making an annual survey of banking charges. The inquiry lasts for about two months and has two levels – the initial level and a final one. The survey is carried out through the website and recently also via mobile messages.

The first year 7600 people from the Czech Republic joined this survey and the result was that in the final level 81% of them felt that the winner was the charge for incoming payments.

The second year of this survey the first level was joined by about 13 thousand people. The final level had a lower number of people - only 6500 choose from the banking

charges selected from the previous level. The results were nearly equal. First place was a fee for cash withdrawal from one's own bank. Second place, with only 15 votes less, belonged to a charge on the current account.

In 2007 there was little increase in the number of people who took part in this survey. About 9800 people voted in the final round. More than 44% of people in the final round choose the charge on a current account as the most ridiculous one. The winning fees of the previous two years were not included in the survey for this year.

The following year only about 5780 people joined the survey in the second round and the result was 33% of voters thought a fee for an excessive deposit should win. In 2008 the survey also started in the Slovak Republic.

In 2009 a record number of voters responded to the survey – more than 25 500 in the final round. The most ridiculous charge of this year, according to the voting, was a fee for making an over the counter deposit at one's own account. The Slovak Republic had the same result, though only a few people voted there.

The next year of the survey was joined by about 18 thousand of people from the Czech Republic in the final round. The winner of the survey for that year was a charge for an over the counter withdrawal of money from one's account. More than 5 thousand people chose this charge as the winner.

The survey in 2011 came with a new way to vote. People could join the survey by sms which was not available until that year. There were about 25 thousand voters in the Czech Republic. The results from online voting and voting by messages were the same. The most ridiculous charge of that year was a fee for early repayment of a loan.

The results of last year's survey are shown in the table below. The total number of people choosing the most ridiculous fee was 22 728.

Table 1 The most ridiculous bank charges

Charge	No. of people	Percentage
A fee for inquiring about one's balance through an ATM	8227	36
Account management fee for a mortgage or consumer loan	4927	22
A fee for account statements sent electronically	3756	17
A fee for an order or a change to a standing order via internet banking	3571	16
A fee for making an over-the-counter deposit to the account of a third person	2247	10

Source: <http://www.bankovnipoplatky.com/1kolo12nejabsurdnejasi.html>

4.3. Questionnaire

As was mentioned in the theoretical part, a questionnaire was chosen for the practical part of the diploma thesis. The questionnaire was distributed in Prague from September to November 2012 and the Internet was also used as a distribution channel. The results are shown below. The target age group for the survey was 24 to 35 years.

According to the Czech Statistical Office there are 252 095 people in the selected age group living in Prague. This number was taken as the size of the population to calculate the necessary sample size. For this purpose the online sample size calculator by Raosoft was used. The margin of error that can be accepted was set at the level of 5 percent. The confidence level was 95 percent. The recommended size of the sample was 139 people.¹⁹

¹⁹ *Sample size calculator* <http://www.raosoft.com/samplesize.html>

The questionnaires were distributed based on the sample calculation. The total number of filled in questionnaires which were received was 156. The table below shows the exact number and percentage of respondents who filled in the online version and the paper version in both languages – Czech and English.

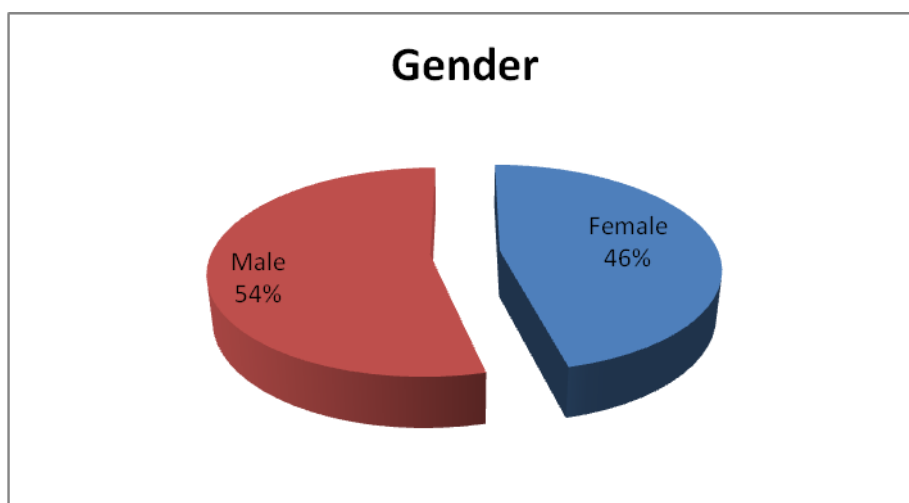
Table 2 Distributed questionnaires

	Language	No. Of questionnaires	Percentages
Online	Czech	72	46 %
	English	22	14%
Paper form	Czech	45	29%
	English	17	11%

Own table, source: data from the questionnaire

The first three questions were to identify the respondents. The questionnaire begins with a question about gender. There were 84 men who answered the questionnaire that means 54 % of respondents. The number of women was 72 and that is 46 % of the total number.

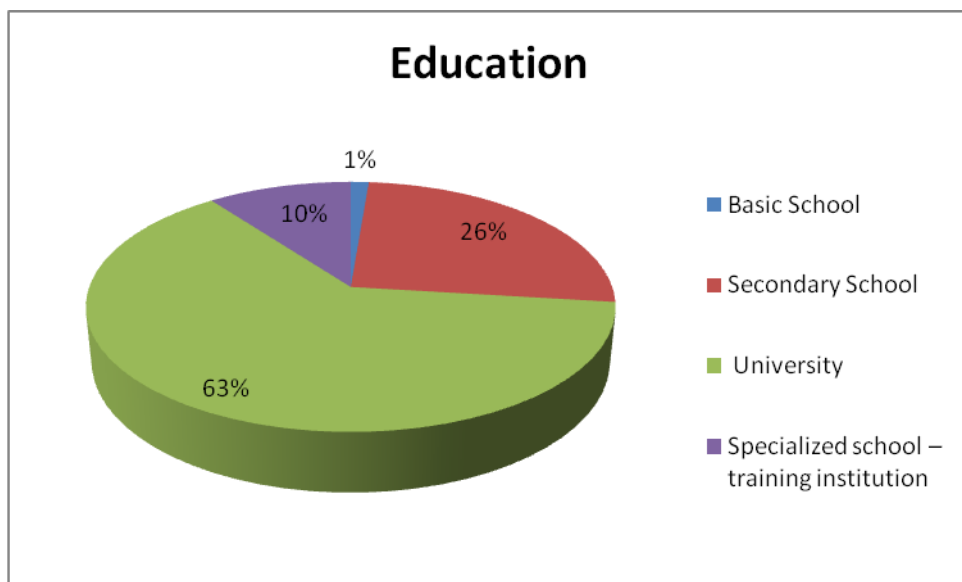
Graph 2 Gender of respondents



Own graph, source: data from the questionnaire

The next identification question was about the respondents' education. In the sample there were 2 people who had only finished basic school. The second group by size were people who had finished their education at a specialized school – training institutions. The number of those people was 16. The third group were people who had finished secondary school. This also includes people who are currently studying at a university, but have not received a degree yet. This influenced the size of this group with a total number of 40 people. The biggest group are people who already have a degree from university. There were 98 people out of 156 with university education.

Graph 3 Education of respondents



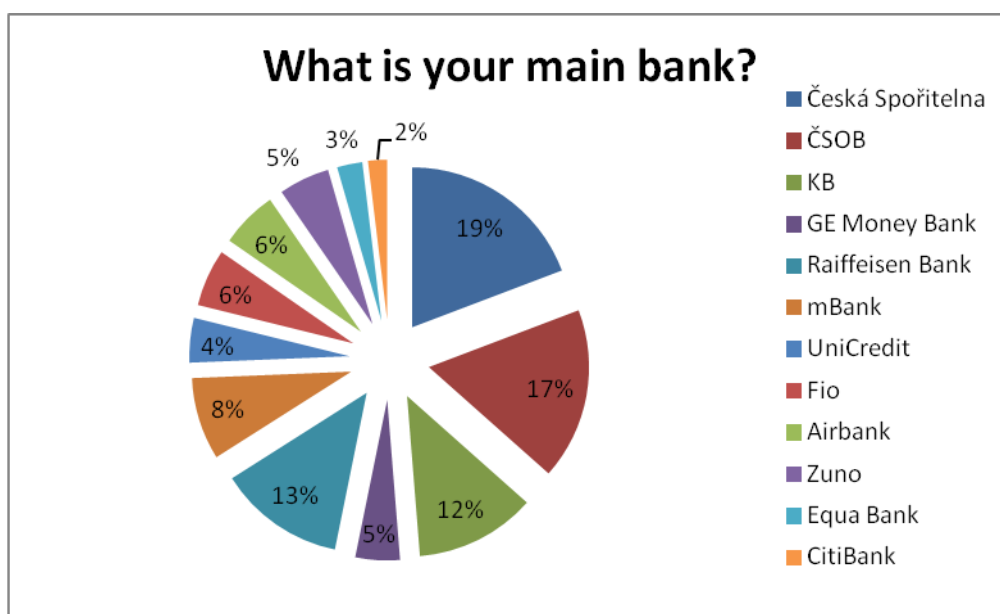
Own graph, source: data from the questionnaire

The first question of the actual questionnaire was finding out what is the respondents' main bank. Many people are using the services of more than just one bank as they are trying to find the best offer and also an important part is to diversify the risk. People want to spread their financial resources among more financial institutions.

The biggest group of respondents said that their main bank is Česká Spořitelna. It was 30 people out of the total number. The second biggest group in the sample are clients of ČSOB with 17%. Third place belonged to Raiffeisen Bank. This bank had 20 clients in

this survey. Nearly the same number less one person banked at KB which represented 12% of the respondents. The next biggest group belonged to one of the smaller banks namely mBank with 13 people in the sample. It is one of smaller banks on the Czech market. In the appendix can be see an example of mKiosk. This bank started on the market with special Kiosks instead of a traditional branch. All of the other banks had less than ten representatives in the sample which was less than 6 percent. Airbank and Fio had the same result, 9 respondents in the survey. The newest bank on the Czech banking market, Zuno, which is a strictly internet bank, has also cut a slice of the market. In the survey it was 5 % of respondents. One of the big banks - GE Money Bank - had the same number of people who stated it was their main bank as UniCredit bank. It was 7 people for each bank which is 5 %. The last two banks were represented in the sample by only 2% and 3%. Those banks are Equa Bank and Citi Bank. The graph below shows the percentage distribution of all banks that were represented in the sample.

Graph 4 Question 3 - Main bank



Own graph, source: data from the questionnaire

The following question was to find out whether the customers are using the services of another bank (except cash machines) or all operations are done at their main bank. In general 118 of respondents said that they are not using services from another bank. The rest of the people in the survey – 38 respondents - answered the question positively that they are also using services and products from other banks.

Dividing clients based on their main bank shows how loyal the clients are to their bank. The problem might be with small banks where people are not sure whether to trust all of their money in one bank. The highest ratio between the total number of clients of one bank and the number of clients who are also using the services of another bank is seen at Zuno. In the survey 50% of people from this bank were also using another bank's products. From this point of view the second place is UniCredit Bank, where 3 clients out of 7, i.e. 43 percent, are not loyal to their main bank. ČSOB and Airbank have the same share of clients using the services of another bank. In the case of ČSOB it is 9 people and in Airbank 3 people which represents for 33 percent of the total number in both cases. The next four banks have between twenty and thirty percent of clients who answered positively to the question. Those four banks are KB, GE Money Bank, Fio Bank and Equa Bank. Česká Spořitelna and Raiffeisen Bank had similar results to one another with 17% and 15% respectively. The most loyal clients, according to the survey, are in mBank. There was only one respondent out of 13 clients of this bank who said that he/she used the products of other banks. A table showing all of the numbers and percentages is provided below.

Table 3 Question 5 - Using the services of a bank other than the main one

Bank	Total number of clients	Using more than one bank	Percentage
Česká Spořitelna	30	5	17%
ČSOB	27	9	33%
KB	19	4	21%
GE Money Bank	7	2	29%
Raiffeisen Bank	20	3	15%
mBank	13	1	8%
UniCredit	7	3	43%
Fio	9	2	22%
Airbank	9	3	33%
Zuno	8	4	50%
Equa Bank	4	1	25%
CitiBank	3	1	33%

Own table, source: data from the questionnaire

The next question was connected to the previous one. Only respondents who answered that they are using the products and services of a bank other than their main one were asked. The question was what products are you using and from which banks. Respondents' answers included 10 banks of which one was not mentioned before as the main bank.

That means that each out of those 10 banks has on average nearly 4 clients out of the 38 people who are using their services and products, though not as their main bank. The highest number of clients in this case belongs to Zuno Bank. This bank was identified by 8 clients as their main bank and in this question 6 people chose this bank as the one whose services they use in addition to their main bank. Only two banks – ČSOB and KB – had more than the average of 4 people; both had 5 clients. In the next group of banks indicated as the clients' second bank there are three banks – mBank, GE Money Bank and J&T which was not chosen as a main bank by anyone due to the products offered by this bank.

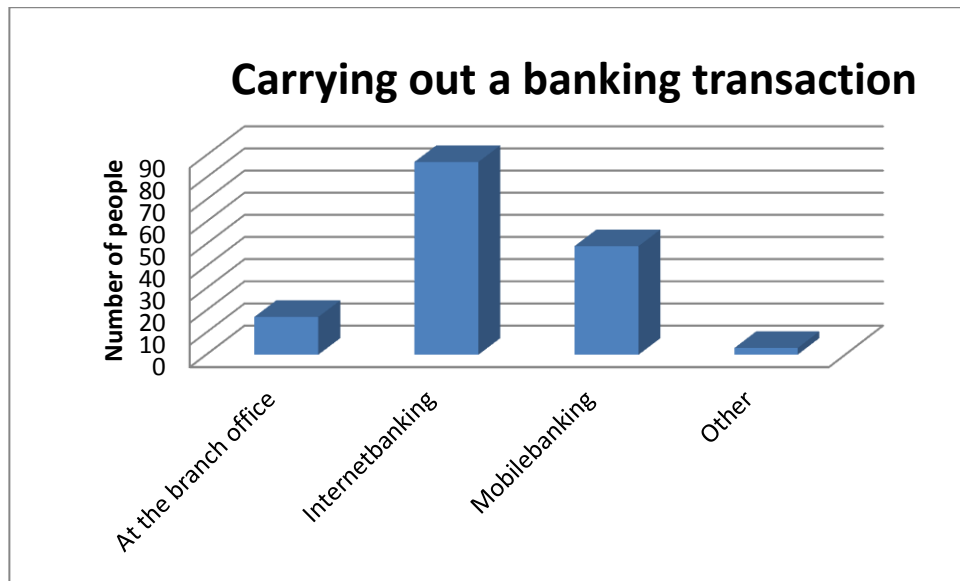
The following question was also connected to the previous two questions. Again only respondents who answered that they are also using products from another bank than their main one answered this question. The question focused on the specification of what kind of products respondents use in a bank other than their main one.

Unfortunately not all of the 38 respondents answered this question, five people skipped this question. The most common answer was an investment as a service used in a bank other than the main one. It was not specified whether it was a disposable or a regular investment. There were 13 people out of 33 (39 %) who gave their answer to be an investment. There were 8 people who wrote that they had a term deposit in a bank other than their main one. Only one person less – seven people - wrote that they are using a savings account at a different bank than the one they use for their normal operations. The last two options that were mentioned by respondents made up less than 10 percent of answers. Only 3 people out of 33 respondents said that they have a credit card at a different bank. The least common answer was a loan in this case. At present the interest rates for loans are low, but in general banks are interested in the client's history. It is more usual that the client has a loan at his/her main bank where the bank can see all the transactions and can easily assess the client's solvency.

The next question focused on the manner of making a transaction. Banks are trying to make it as easy for their customers as possible. The development of technology has brought new ways and opportunities to make transactions.

The most common way for the people who joined the survey is to use internet banking. More than half of the respondents chose this option. There were 56 % of people in this group. And the ratio between men and women was nearly the same, 52% of men and 48% of women. The second most common way of carrying out a banking operation was via a mobile phone and mobile banking. This option was chosen by 31 % of respondents, i.e. 49 people from the survey. The third option was to use a branch of the bank and 17 people (11%) said that they go to a branch to make an operation. Only 3 people (2 %) of respondents chose another way, which was not specified.

Graph 5 Question 7 - Banking transactions

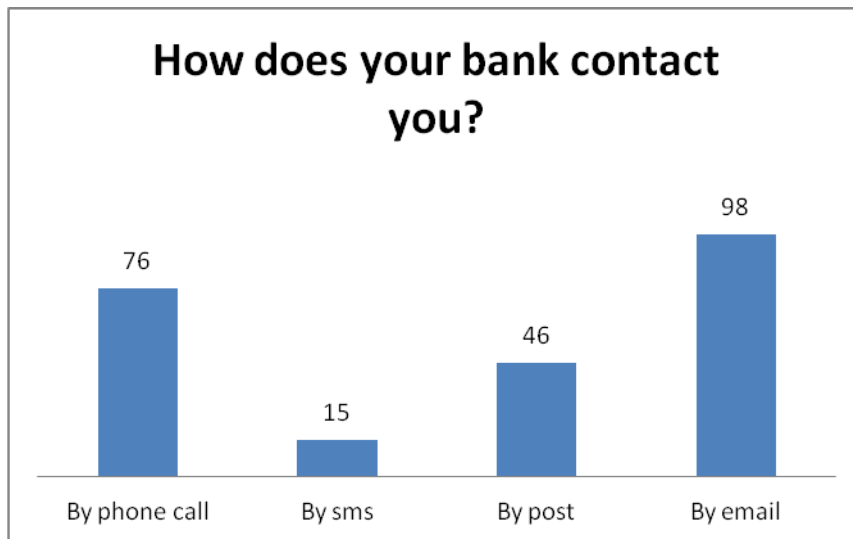


Own graph, source: data from the questionnaire

The next question in the survey focused on the contact from the bank. The question was how the bank contacted you. It was possible to choose more than one answer. That is the reason why the total number of answers exceeds the number of respondents.

Nearly two thirds of respondents indicated email as the means through which the bank contacts them. 98 people chose this answer. The second most common communication channel, according to the survey, is a phone call. This was given in 46 answers as the means of bank contact. The least common channel is a short message to a mobile phone. Although this option was indicated in all the cases in combination with other possibilities of communication, it is becoming a more common means of communication. The graph below shows the total number of people who chose each answer.

Graph 6 Question 8 - Contact from bank

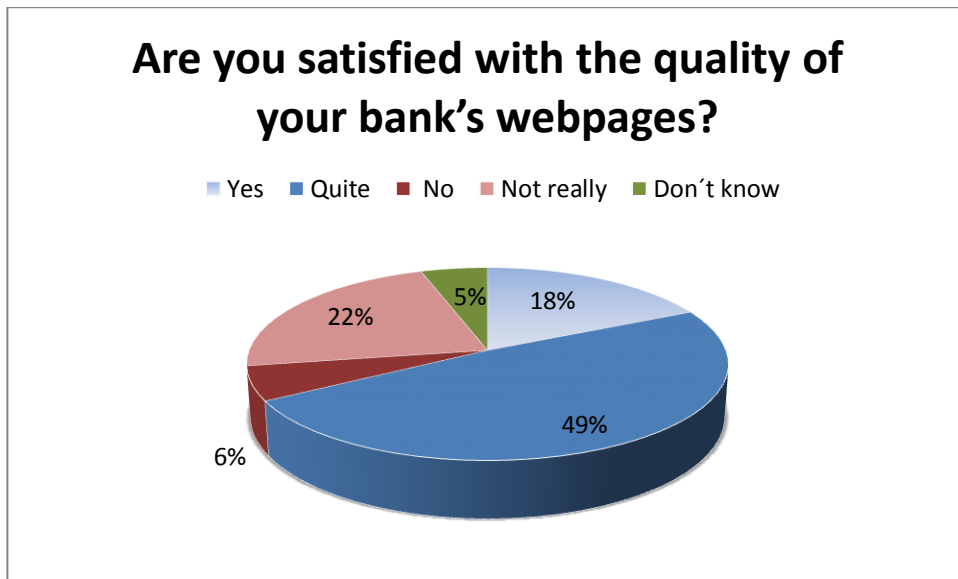


Own graph, source: data from the questionnaire

The following question asked about satisfaction with the quality of the banks' webpages. There were 8 clients who chose a neutral answer. In general more than 60 percent of respondents gave a positive answer. In all there were 104 people who indicated the possibility either "Yes", or "Quite". Then there were 35 people who said that they quite dissatisfied with the quality of their bank's webpages. 9 people gave a strictly negative answer showing dissatisfaction with the webpages.

Those 9 people represent only 6 % of the total number of respondents. A detailed examination showed that from the number of dissatisfied clients, 3 gave UniCredit as their main bank. Based on a division by bank, 2 were clients of Raiffeisen Bank and 2 of Fio Bank. Of the last two dissatisfied clients one was from ČSOB and one from KB. The dissatisfaction can be caused by unclear webpages and the bank's endeavour to include everything. The graph below shows the percentage distribution of each answer.

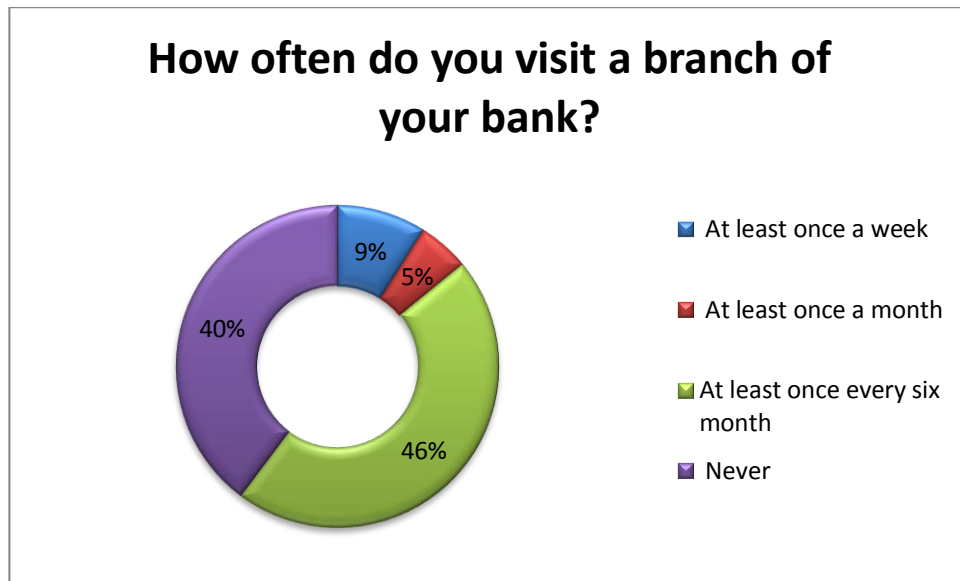
Graph 7 Question 9 - Satisfaction with bank's webpages



Own graph, source: data from the questionnaire

The next question was finding out how often clients visit their bank. As was mentioned above, thanks to new technologies such as internet banking and mobile banking, clients do not need to visit the branch that often. The most common answer was a visit at least once in six months. This answer was chosen by 72 respondents. There were 62 people in the survey who claimed that they never visit the branch of their bank. This may also be due to new technologies and the fact that small banks prefer online communication and the ability to resolve everything online without the need for a branch. The third option was a visit to the branch at least once a month, which was selected by 8 people i.e. 5 % of respondents. The last option, at least once a week, was chosen by 14 people who represent 9 % of the sample. These visits are partly caused by the type of occupation. There is a small group of entrepreneurs' who are running their own shop for example and they are taking the revenues from their business to the bank so the money is not on their premises. The graph below shows the percentage of individual responses.

Graph 8 Question 10 - Frequency of visits to a branch



Own graph, source: data from the questionnaire

The next question is connected to the previous one. As the respondents were asked about how often they visit the branch of their bank, the following question focused on the environment of the branch. Despite the fact that 62 people claimed that they never visit the branch of the bank some of them evaluated their satisfaction with the environment at the branch. After excluding the respondents who chose the neutral answer a clear result can be seen. The majority of clients (99 out of 119) are satisfied the environment of the branch. The rest, i.e. 17 out of 119, are not satisfied. The exact number and its percentage distribution from the total can be found in the table below.

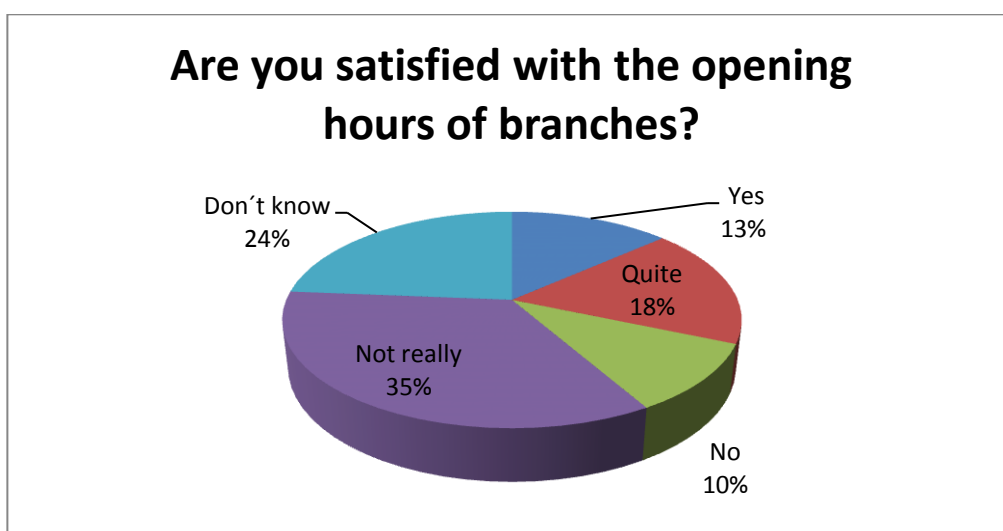
Table 4 Question 11 - Satisfaction with the environment of the branch

Answer	No. Of People	Percentage
Yes	30	19%
Quite	69	44%
No	6	4%
Not really	14	9%
Don't know	37	24%

Own table, source: data from the questionnaire

The next question is also connected to the branches of a bank and specifically to the opening hours. Nearly one quarter of respondents gave the neutral answer “Don’t know”. In general, cumulating together positive answers on one side and negative on the other side, the majority of people are not satisfied with the opening hours of branches. There were 70 people in all who chose one of the negative answers and on the other hand 49 respondents gave one of the positive answers. Detailed analysis of the results showed that more than half of the clients of ČSOB, Raiffeisen Bank and UniCredit Bank are not satisfied with the opening hours of their main bank’s branches. An example of the opening hours of one branch of Raiffeisen Bank and ČSOB is given in the appendix. Those most satisfied with the opening hours of branches, based on this survey, are customers of Airbank and Equa Bank. The percentage distribution of each answer is shown below.

Graph 9 Question 12 - Satisfaction with opening hours



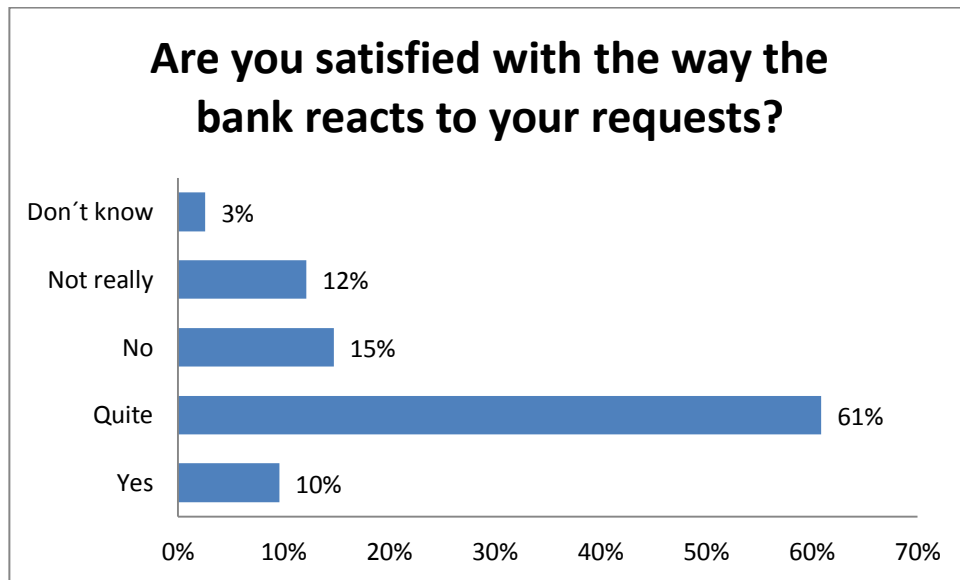
Own graph, source: data from the questionnaire

The survey also focused on the customers’ satisfaction with the way their bank reacts to requests, for example the speed of processing them.

In the sample were together 110 people who are satisfied or quite satisfied with the way their bank reacted to a request. On the other hand there were 42 respondents who showed their dissatisfaction. From this group of people 23 chose the clear answer „No“. In the group of dissatisfied customers there was no clear grouping of clients from a particular

bank. All of the banks had nearly the same proportion of clients who were dissatisfied. In general clients would probably leave their bank if there was a major problem. The graph shows that the majority of clients are satisfied.

Graph 10 Question 13 - Satisfaction with reaction to requests

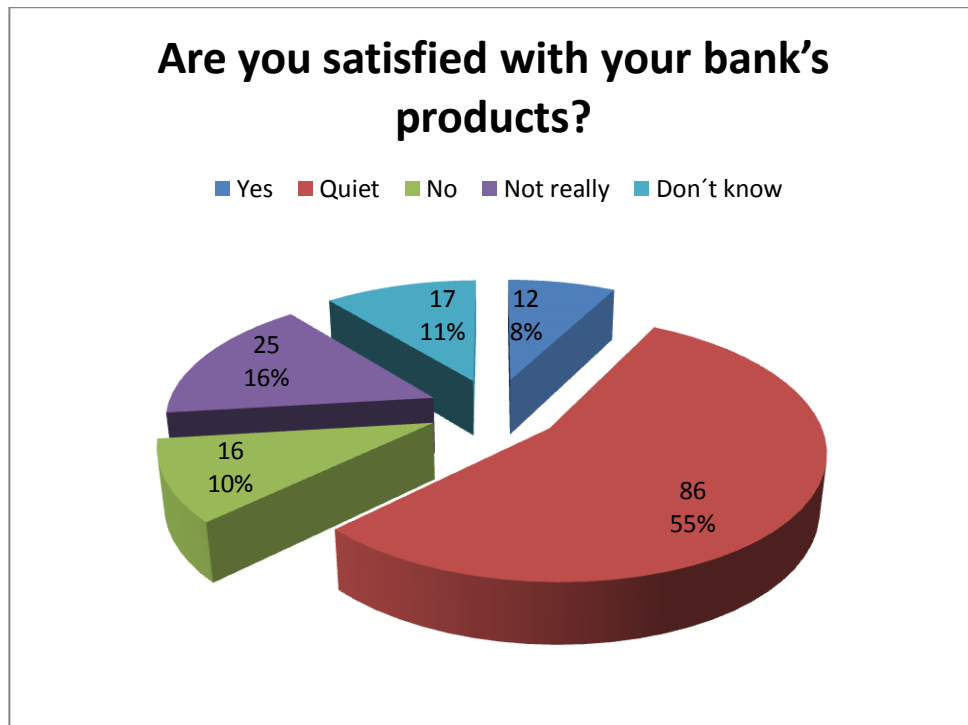


Own graph, source: data from the questionnaire

Respondents of the questionnaire were also asked whether they are satisfied with their bank's products. The graph shows the results and the percentage distribution of answers.

From a total number of 156 respondents 98 chose one of the positive answers "Yes" or "Quite". These were clients from all of the banks but the ratio between the total number of clients and the number of clients who marked one of those answers was different among the banks. For example only 25 % of clients from Zuno Bank gave a positive answer. CitiBank had a similar result with only 33% of clients who are satisfied with their bank's products. On the other hand more than 70 percent of clients are satisfied with the products at ČSOB, Česká Spořitelna and Raiffeisen Bank. The rest of the banks are between 50 percent and 65 percent of clients satisfied with their main bank's products.

Graph 11 Question 14 - Satisfaction with products



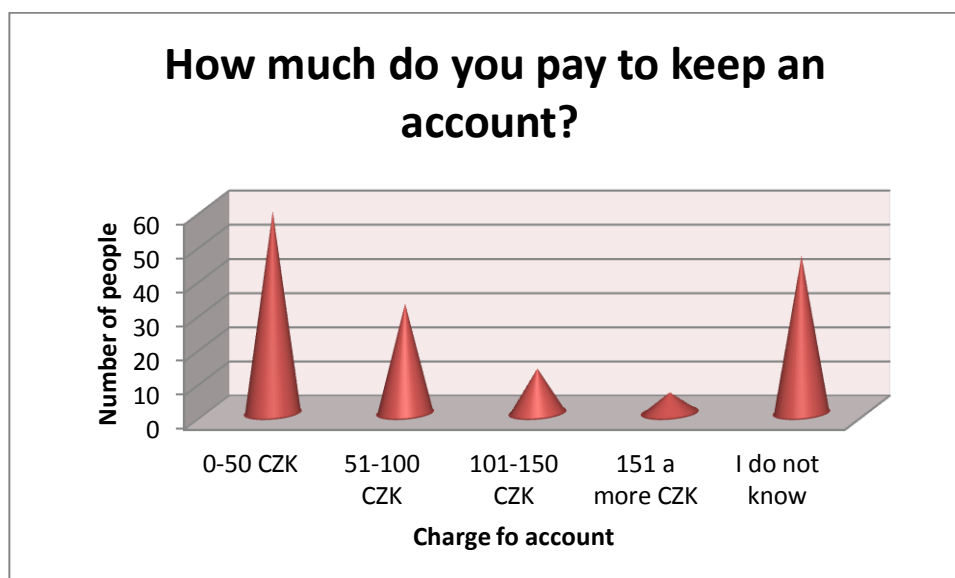
Own graph, source: data from the questionnaire

The next question was if clients had observed changes in the banking products. There were three possible answers. In the survey only twelve people said that they had regularly observed changes in the banking products, which was specified as at least once a month. The biggest group of clients chose the answer “Sometimes”. Among the respondents there were 17 percent of people who said that they had not observed changes in the banking products.

The following three questions were focused on the price of banking products. The first one was whether clients knew the charges for banking products. 43 percent of respondents, which was 67 people, admitted that they did not know the charges for banking products. The rest of the respondents (89 people) said that they knew the prices. From those 89 people 36 claimed that they knew the exact prices. The majority of those respondents, 53 people, said that they knew the approximate prices.

As was mentioned above, the next question was also about the price of banking products. In this question respondents were asked how much do they pay to keep an account. The biggest group were people who stated that they pay between zero and fifty Czech Crowns. This may be caused by the fact that some banks are offering accounts for free for students or of some other conditions are met, such as a certain turnover at the account. This group was represented by 59 people i.e. 38 percent. Surprisingly the second biggest group was made up of people who said that they do not know how much they pay for keeping an account at the bank. There were 46 people in this group. As can be seen on the graph the number of people decreases with the increasing price for keeping an account.

Graph 12 Question 17 - price for maintaining an account

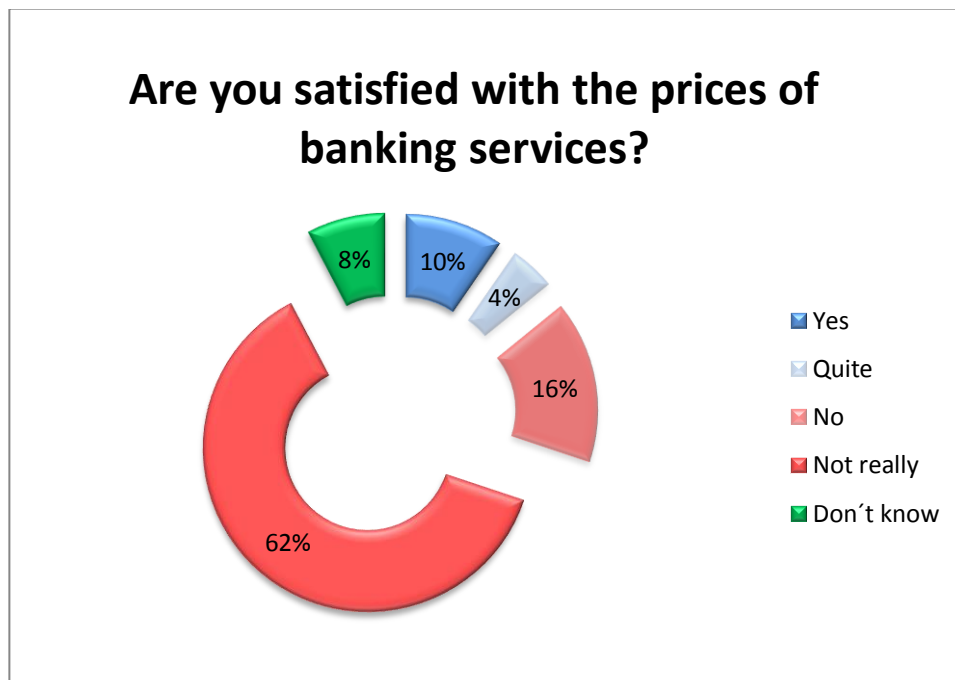


Own graph, source: data from the questionnaire

The last question in the section of price was finding out the clients' satisfaction with the prices of banking products. The graph easily shows that most of the clients are not satisfied with the prices. There were twelve people who did not give their opinion and who chose the answer "Don't know". There was a very big group of people who are not satisfied with the prices of banking products. The question was in general about all banking products but the answers to the previous question might lead to a different

opinion. There were 122 respondents in the survey who are not satisfied. The graph shows those two categories in differing shades of red. From the total sample there were only 22 people who were satisfied with the prices of banking products. Those are in the graph in differing shades of blue.

Graph 13 Question 18 - Satisfaction with prices



Own graph, source: data from the questionnaire

The next question asked the respondents whether they would recommend their bank to a friend, colleague or someone from the family. Considering the satisfaction of most of the clients with their bank's products the results are not surprising. Although the clients are mainly dissatisfied with the prices of banking products most of them, according to the survey, would recommend their bank to someone they knew. The dissatisfaction with prices might be general and clients may be aware of the fact that a lot of banks have similar prices for their products. The table below shows the exact results for the question about recommending a bank. In general, after excluding the people who gave "Don't know", more than three quarters of respondents would recommend their bank.

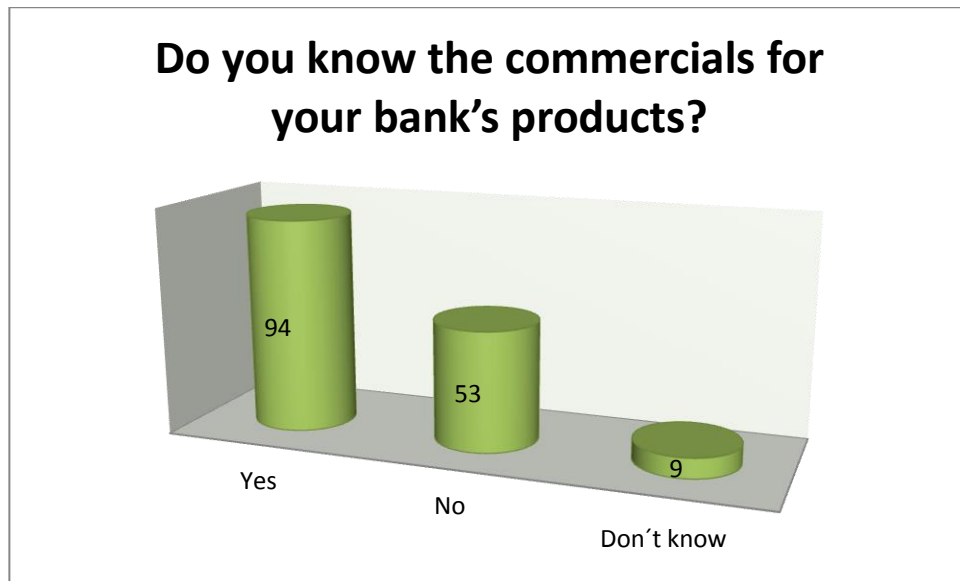
Table 5 Question 19 - Recommendation

Would you recommend your bank to your colleagues, friends or family?		
Answer	Number	Percentages
Yes	25	16%
Quite	87	56%
No	14	9%
Not really	20	13%
Don't know	10	6%

Own table, source: data from the questionnaire

The last two questions of the questionnaire focused on banks' commercials. The first one was just general to see if respondents knew the commercials of their bank. During the survey it was found that 60 % of respondents stated they knew the commercials of their main bank. The survey shows that all the clients of Airbank know the commercials of their bank. Airbank has a series of commercials based on the same principle. It is always a kind of comparison between Airbank and a traditional bank. Both banks are represented by their banker and they discuss interest rates, gifts for customers and many other things. These commercial are mostly a bit humorous and easy to remember. A picture from one of these commercials can be found in the appendixes. There were also very good results for ČSOB, Česká Spořitelna, Raiffeisen Bank and KB. More than 85 percent of clients of all these banks said that they knew their banks' commercials. Then there were 34 % of people from the survey who stated that they did not know their bank's commercials. There was also a small group of people, 6 %, who were not sure and chose the answer "Don't know". The number of respondents can be seen in the graph below.

Graph 14 Question 20 - knowledge of commercials



Own graph, source: data from the questionnaire

The last question asked the respondents whether they have ever used a banking product because of a commercial they had seen or heard. The results of this question might be very disappointing for most of the banks. Although most clients admitted in the previous question that they knew the commercials of their bank they stated that they were not influenced by those commercials.

Only 15 % of respondents said that they used a product thanks to a commercial for it. On the other hand the overwhelming majority of people claimed that they have never decided to use a product of a bank because of a commercial. There were 125 people, 80% of those questioned. There was again a small group of people who decided to choose a neutral answer. In this case it was 5% of respondents (8 people).

4.4. Department of quality at Raiffeisen Bank

This part will introduce the department of quality at Raiffeisen Bank. The bank has a quality department and managers who are focused on branches and evaluating the employees. The department prepares an index of quality for each brand, which has an impact on the employees' bonuses at the branch. Two basic things are organized at this department. One of them is the quality manager's visits to branches and the second is called "mystery shopping".

The quality manager visits each branch regularly and after each visit a report is written up. In the report five spheres are evaluated. Emoticons are used for evaluation (see below). The table below shows the evaluation method.

😊😊	Exceeds the expectations of the standard
😊	Meets the expectations - established standard
😐	Expectations and standards are only partially/ marginally met and there is scope for improvement
😞	Standards are not implemented

The five evaluated spheres are:

1. First impression

- Exterior

- In this part the quality manager evaluates the cleanness of the exterior of the branch for example the front door, the ATM and the shop windows. The location of the branch should be taken into consideration.

- Interior
 - In this section of the evaluation the manager focuses on the reception, the employees' desks and also if the materials for clients are in order and there are enough of them. There are, for example, strict rules for what bankers can have on their desks. There should not be personal stuff and not even a cup of coffee. Only a clear glass of water is allowed.

- Dress Code
 - Nearly every company has a dress code. Institutions like banks have certain rules on how to dress which is also evaluated. Working with clients at the bank requires a professional appearance which also helps to build the client's trust. The manager checks whether the employees have their name-tag on their clothes or at least at their tables.

2. Managing the hall

- First contact
 - This part assesses the employee's speed and reaction after entering the branch. It concerns both professional help and the smile on the face.

- Organization of reception
 - It is necessary to have someone who takes care of reception or, mainly, the clients who enter the branch. The manager assesses whether the employees are helping each other to cover the operations at the branch all the time.

- Utilization of calendars
 - Everyone working at a branch has an individual calendar where all of the meetings should be recorded so they can be easily checked. The quality manager discusses with the branch manager whether the employees are using the calendars actively.

- Substitutability
 - This topic focuses on the fact that a client should be able to reach the branch by phone during opening hours. If a banker has a meeting, then the reception should be able to handle the phone calls. In case of absence, emails should be forwarded to another banker.

3. Suggestions, objections and complaints by clients

- Objections and complaints
 - Unfortunately objections and complaints are also part of the work. Therefore it is necessary to handle them as soon as possible. The bank has a complaints department for solving complicated problems. The aim is to solve as much as possible at the branch, which is not always possible in all cases. The quality manager evaluates the efforts to resolve the problems.

- Client suggestions
 - Every client has an opportunity to suggest any change that might be welcomed. The task of the bankers is to evaluate whether the suggestion is relevant and plausible. Then it should be entered into the system. The manager should check if the suggestions entered are relevant or not.

4. Moment of truth

- Discussion with the branch manager about important processes at the branch. An evaluation and suggestions about what can be improved.

5. Quality management

- Familiarisation with the strengths and weaknesses of the quality index
 - This is the branch manager's general view about the whole assessment of quality and the branch. The branch manager should be familiar with the results of his or her branch. The results should be presented to the employees of the branch at regular meetings and in individual interviews. The attitude of the entire branch towards clients and efforts to have satisfied clients are also evaluated.

Each of these five spheres is separately evaluated in the report by the emoticons and also an accompanying comment is provided to explain more details of the visit. The last part of the report is the quality manager's recommendations for the branch – what can or should be improved. The branch manager is given an opportunity to present his suggestions, which are also recorded.

The second important thing organized by the department of quality is what is called “mystery shopping”. It is a way of evaluating and checking up on the branch and its employees without them knowing it. The goal is to have perfect employees who are doing their work properly without them knowing someone is checking up on them. Therefore these controls should be hidden. The bank hires an agency which sends people to go to the branches as normal customers. These people should behave as normal customers but in fact they are evaluating nearly the same things as the quality manager during his or her visit.

During mystery shopping it is necessary to inform as few people as possible. The head of the region is usually informed about the upcoming “mystery shopping” but the

problem is when the employees of the branch also know about it also then the purpose of these visits is lost.

Mystery shopping can be focused on the whole operation of the branch or it can be specially ordered for specific products. The second type of visit can, for example, evaluate if the banker is offering the right product or if he or she is able to choose the correct alternative. The aim is also to check if bankers are able to clearly explain everything to the client.

4.5. The “best bank/ best banker” project

This part is focused on a project by Raiffeisen Bank called “The best bank/The best banker”. The project was proposed by one of the current bankers of Raiffeisen Bank. The project has two main goals. The first goal is to increase the number of visits of clients and increase the activities of personal consultants. The second goal is to increase sales and clients’ communications with their personal consultants. The aim is to build clients’ trust in the bank.

There is a prepared script of a phone call to the client and also how the meeting should look like. At present a lot of clients are very often contacted by many institutions interested in the banking industry. These contacts might be from consulting companies, a financial specialist, investment specialists and others. Taken from the client’s point of view, he or she can be bored and can be overwhelmed by all of these calls. Therefore clients have an aversion to any call from a bank which includes any kind of offer of a product or the introduction of a banker.

Raiffeisen Bank has an aim to be a “Premium Bank”. Therefore the bank is coming up with something a bit different. This project brings a different way of contacting clients and introducing them to bankers. An important question should be asked: “Does everyone need a personal banker?” The answer is of course positive but there are different types of bankers. The banker should be seen as a connection between the bank and the client. The most important thing about the banker is building trust in him or her and also in the bank.

The client needs someone who is willing to help him or her with service issues and sometimes even beyond the scope of standard services.

Bankers are often refused during normal phone calls to clients inviting them for a meeting and an introduction to the banker and introduction to premium banking. This project brings an alternative to normal procedure. The aim is to show the client that the bank takes care of him or her and that the bank is interested in the client's opinion.

The usual scenario is that a client gets a personal consultant and it does not matter if the client really wanted a consultant. The client does not know if he or she wanted a consultant or how to imagine possible cooperation. The expectation is to make offers of investments, insurance and other products.

The project "The best Bank/The best banker" is trying to change this custom. The aim is to ask the client whether he or she wants a private consultant and after that choose the right one with the important skills and knowledge for the services of the specific client. The goal is to introduce both the options and consultants who are experts in a certain sphere based on the interest of the client. There is a possibility for a client to listen to an offer and participate in the choice of the personal consultant.

There is also a chance to engage the client's colleagues or friends because a product is not offered per se, rather participation in a project, which reveals the needs and interests of the client. If the client is satisfied he or she may be asked if there is anyone they know who would be suitable for the project.

The bank would like to have clients who are individuals and legal entities. Both of these groups might be interested in both spheres of finance: private finance and also business consultancy. The client might use both of those services at one bank.

The first contact with the client is by phone where it should be explained that it is a project focused on increasing the quality of services and that the bank is interested in the client's opinion and ask the client for a brief meeting. During the meeting there should be two people present. One of them is the consultant who invited the client. The second one is a supervisor who takes notes and makes sure that everything is done according to standards and is able to give advice to the consultant.

The meeting should have these parts:

- Introduction of the consultant and supervisor and an explanation of the supervisor's presence
- Small talk
- Introduction of the project – increasing the quality of services
- Client's goals and expectations of the meeting
- Presentation of the meeting's content
 - Questionnaire
 - Interview based questions for the client
 - Introducing the principle of specialists and the client's opinion
- Questionnaire
- Discussion about the client's answers
- The principle of specialists
- The client's opinion about the principle
- Asking the client if he/she wants to use the services of specialists
- Agreement on the next steps
- Asking about the client's opinion about the project
- Valediction

The questionnaire for clients in this project is very short. It includes only eight questions and a discussion about the answers follows. The questionnaire is constructed as follows.

1. Are you satisfied with the services that you use in the bank?
2. Is our bank the only one you use? If not, which is your main bank?
3. If you are a client of more than one bank why have you decided to diversify your money into more banks?
4. What do you think are the advantages and disadvantages of using the services of just one bank?
5. Are you using the services of personal bankers and financial consultants?
6. If yes, why have you decided to use their services and what services do you use?
7. Did you have a contact with a personal banker at Raiffeisen Bank?
8. What should your personal banker look like so you are interested in using the services of the banker? What would persuade you to change your personal banker?

After the meeting with a client a report should be filled in. If the client is interested in cooperating with the bank, then a personal banker is chosen and later introduced to the client. The following work with the client will be based on the bank's norms. .

The project should give the client an opportunity to decide whether or not to have a personal banker and use the services of different specialists. It is up to the client whether he or she needs those services. The meeting can bring the client's opinion and feedback, which is very important for the bank.

4.6.Seminar for Entrepreneurs Starting Up

According to the number of banks on the market, banks are trying to come up with new ways to reach and attract clients. An example of these new strategies can be Raiffeisenbank and their Seminar for Entrepreneurs Starting Up. This seminar is organized in cooperation with the Prague Economic Chamber and also the London International Graduate School.

The seminar is for about 30 people and lasts more than 3 hours. People for this seminar are found through a database of entrepreneurs and those chosen are people who started their business in the last 6 months. These people are invited by a letter where they are given a link to a website where they can register if they are interested in the seminar. The invitation can be found in the appendix.

The programme of the seminar is following:

- § Legislation related to business
- § Business plan (strategy, competition, business plan)
- § Taxes and Accounting
- § Employees and everything around them
- § Marketing in the company (e-commerce, promotion)

There is a lecture on each topic given by an expert. These experts stay throughout the seminar and are able to give concise advice during breaks. Each part is concluded by a discussion and there is time for questions. During the seminar a representative of Raiffeisenbank is present who is willing to answer queries or give help. This representative gives a short speech about the bank. It depends on each speaker but there is general information about accounts, credit cards and other things that might be helpful for entrepreneurs.

The aim of this seminar is to support entrepreneurs, for example to inform them about legislative changes and everything that may be new for them, but, of course, its main aim is to gain new clients. Everyone attending the seminar leaves with a CD containing the

lectures, materials from the bank – brochures about accounts for entrepreneurs and a the business consultant's business card.

4.7. Results and Recommendations

This part is focused on the evaluation of the results from the practical part, mainly the questionnaire. There were 156 people who joined the survey on the internet or by filling in the paper version in Czech or English. In the survey 12 banks are represented as the main banks for clients. From these 12 banks there is not a single one that did not have at least some clients using the services of another bank. About a quarter of people from the survey use more than one bank for transactions. Most of the banks are used for a wide range of products.

The questionnaire also focused on the manner of carrying out transactions. Most clients chose the option of carrying out the transaction by internet or mobile phone. This result is influenced by the age group of the respondents, which is 24 to 35. The development of technologies has enabled a wide range of possibilities for banks and other industries. Banks are also using the technologies for communication with clients. Most banks are using more than one channel to contact customers. A few years ago it would be unimaginable to get an sms from the bank. Nowadays the banks are also using messages for advertising by sending offers to clients.

The development of technologies is also connected to the Internet and a bank's webpages. The survey showed that more than half of the respondents are satisfied or quite satisfied with the webpages. On the other hand there are some clients who are not satisfied. These are mainly clients of UniCredit Bank, Raiffeisen Bank and Fio Bank. Unsatisfied clients only make up a small percentage of total clients but they should not be overlooked. The recommendation is to examine the webpages and, in the case of UniCredit bank, make them simpler. The client can easily get lost.

As was mentioned above, clients at the selected target group mainly use the Internet and mobile phones to carry out transactions, therefore there is not a need to visit the branch. Some banks, for example Zuno, do not even have branches. The survey showed

that the majority of people visit the branch once every six months. Those visits may include simply picking up a credit card. The second biggest group are people who claimed that they do not ever go to a branch (included are clients of Zuno bank which does not have branches). If clients do go to the branch, they are generally satisfied with the environment of the branch.

The problem is branches' opening hours. Nearly half of the respondents are not satisfied with the opening hours. There are two problems concerning the opening hours. The first one is that within one bank the opening hours of branches differ. The second problem is that, in general, the opening hours are short. The recommendation is for a bank to have the same opening hours for all branches and to prolong them.

Customer care includes the way the bank reacts to a client's request. More than 70 percent of clients are satisfied. Nearly the same result was ascertained when asking about recommending the bank. More than 70 percent of clients would recommend their bank to a colleague, family or friends.

The fact that most of the respondents would recommend their bank can be due to satisfaction with a product, which more than half of the respondents stated. The problem may be the price of banking products. The charges are sometimes complicated and the client does not know how much he/she will pay. Most of clients are not satisfied with the prices of a bank's products. Banks should consider whether to charge the fees that are mentioned in the annual survey about the most ridiculous charge.

The survey included two questions about commercials. According to the results banks should concentrate more on commercials that remind the clients that the bank is there and just briefly inform them about new products. The problem is that the majority of clients claim that they would not use a product thanks to a commercial.

The example of Raiffeisen Bank shows an effort to have satisfied clients. The department of quality is very important. An unannounced visit can be made more often. The project "Best Bank/Best banker" can bring ideas from clients but only in one area that being focused on the services of a personal banker. Banks should be more focussed on customers and their needs and wants. It is very important to know the client's opinion.

5. Conclusion

This diploma thesis is focused on marketing and customer care in the Czech banking industry. Firstly the theoretical background for the practical part was included. The practical part is divided into two main sections.

The first one is a questionnaire focused on marketing and clients' satisfaction with prices, the environment at branches, commercials and other things. At the beginning of the theses three hypotheses were put forward. The main hypotheses are that

- more than 50 % of the respondents from the selected group are not satisfied with bank charges,
- more than 60 % of respondents do not notice the banks' commercials and
- less than 40% of the respondents are satisfied with the attitude of banks to their requests.

From the survey it was found that up to 78% of respondents are dissatisfied with charges for banking products. The fact that nearly one third of respondents did not know the price they pay for keeping an account should be taken into consideration. It may be caused by the complicated structure of charges and the many conditions influencing the price.

The second hypothesis about the commercials is incorrect. The results from the questionnaire showed that 60% of respondents claim knowledge about the commercials of their main bank. On the other hand this knowledge does not make clients use the services. Only 15 % of clients said that the commercial led to actual usage of the product.

Although clients are mostly dissatisfied with the prices of products, the majority of them would recommend their bank to a friend or colleague. The last hypothesis was also not confirmed because, according to the survey, most of the customers (71% of respondents) are satisfied with the way their bank reacts to their requests.

In general clients are mostly satisfied with the environment at branches. On the other hand the opening hours of branches are not satisfactory for most customers.

The recommendation is to prolong opening hours, think of the clarity of bank charges and of course cancel the fee for using an ATM to check on one's balance, which is charged by some of the banks.

Concerning the work of the department of quality of Raiffeisen Bank, the aim and attitude is presented very well at the bank. A problem might be seen in employees being aware of when the mystery shopping check is coming. The index of quality and the quality manager's personal visits are structured and prepared with the goal of improving services.

The project "Best Bank/Best banker" has come up with an idea about how clients can participate in improving the bank. However the main goal is to obtain a client.

In general there are no huge differences among banks operating in the Czech market. One weak point is seen in the similar products and prices of banks, however this is a result of developments in the market.

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8. Appendices

Appendix I General summary of the number of entities as of 12.2.2013

Category	Number of entities in category
Institutions' entities for regulation and supervision incl. all related entities	
Banks and branches of foreign banks	44
Credit unions	13
Investment firms incl. branches of foreign investment firms	62
Investments firms executing orders as a systematic internaliser (EC Directive 2004/39)	0
Authorized entities for collection and maintenance of investment tools lists	457
Management companies	22
Management companies authorised for portfolio management	7
Investment funds	77
Unit trusts	169
Insurance companies and branches of foreign insurance companies	52
Reinsurers	1
Regulated market operators	3
Central securities depository	1
Settlement systems	3
Payment institutions and branches of foreign payment institutions	21

Electronic money institutions and branches of foreign electronic money institutions	3
Processors of domestic banknotes and coins	3
Registered entities	
Issuers of listed securities	66
Investment intermediaries	8018
Insurance actuaries	64
Currency exchange offices (previously non-bank foreign exchange entities)	937
Institutions / Individuals registered at own request as qualified investors	0
Insolvency administrators for investment firms, managing companies, investment funds, regulated market operators and settlement systems	80
Insolvency administrators for domestic insurance companies and domestic reinsurers	9
Administration and liquidation experts for managing companies and investment funds	80
Administration and liquidation experts for domestic insurance companies and domestic reinsurers	10
Tied agents	25885
Representative office of a foreign bank	17
Agents of payment services providers	312
Small e-money issuers	6
Small payment institutions	61
Insurance intermediaries	134140
Independent loss adjusters	197
Accredited persons authorized to organize professional	7

examinations	
Cross-border services	
Foreign financial and credit institutions and branches of foreign financial and credit institutions providing cross-border services in the Czech Republic	329
Foreign insurance companies and branches of foreign insurance companies providing cross-border services in the Czech Republic	726
Foreign management companies providing cross-border services in the Czech Republic	46
Foreign investment firms providing cross-border services in the Czech Republic	1553
Foreign standard funds publicly offering securities in the Czech Republic	1177
Foreign special funds publicly offering securities in the Czech Republic	30
Insurance intermediaries whose home Member State is not the Czech Republic	4950
Foreign payment institutions providing cross-border services in the Czech Republic	147
Foreign electronic money institutions providing cross-border services in the Czech Republic	18
Agents of foreign payment services providers!!! THE RELEVANT REGISTER IS HELD BY THE HOME MEMBER STATE AUTHORITY !!!	134

Source: https://apl.cnb.cz/apljerrsdad/JERRS.WEB24.SUBJECTS_COUNTS_2

Appendix II Number of banks by ownership

		31.12. 2009	31 Dec 2010	31 Dec 2011	30 Sep 2012	
Banks, total, as of		39	41	44	44	
of which under conservatorship		0	0	0	0	
Number of entities ¹⁾ established in given period		3	2	3	0	
Number of entities ²⁾ that ceased to exist in given period		1	0	0	0	
o/w	Czech-controlled banks	total	7	8	8	8
		state-owned banks	2	2	2	2
		Czech-controlled banks	5	6	6	6
	foreign-controlled banks	total	32	33	36	36
		foreign-controlled banks	14	14	15	15
		foreign bank branches	18	19	21	21
	banks under conservatorship		0	0	0	0

Source:http://www.cnb.cz/en/supervision_financial_market/aggregate_information_financial_sector/basic_indicators_financial_market/banks/bs_ukazatele_tab01.html

¹⁾ The number of “established” entities includes those banks that were authorised to carry out activities in the given period regardless of whether they actually started to provide services. Depending on the type of entity, the authorization means a licence or permit,

entry in the Companies Register or notification with the organizational units of foreign entities.

²⁾ The number of entities that “ceased to exist” includes those banks that lost the authorization in the given period for any reason.²⁰

Appendix III The list of institutions on the Czech market

Name of the institution
Air Bank a.s.
AXA Bank Europe, organizační složka
Bank Gutmann Aktiengesellschaft, pobočka Česká republika
Bank of Tokyo-Mitsubishi UFJ (Holland) N.V. Prague Branch, organizační složka
BRE Bank S.A., organizační složka podniku
Citibank Europe plc, organizační složka
COMMERZBANK Aktiengesellschaft, pobočka Praha
Česká exportní banka, a.s.
Česká spořitelna, a.s.
Českomoravská stavební spořitelna, a.s.
Českomoravská záruční a rozvojová banka, a.s.
Československá obchodní banka, a. s.
Deutsche Bank Aktiengesellschaft Filiale Prag, organizační složka
Equa bank a.s.
Evropsko-ruská banka, a.s.
Fio banka, a.s.
Fortis Bank SA/NV, pobočka Česká republika
GE Money Bank, a.s.
HSBC Bank plc - pobočka Praha
Hypoteční banka, a.s.
ING Bank N.V.

²⁰http://www.cnb.cz/en/supervision_financial_market/aggregate_information_financial_sector/basic_indicators_financial_market/banks/bs_ukazatele_tab01.html

J & T BANKA, a.s.
Komerční banka, a.s.
LBBW Bank CZ a.s.
MEINL BANK Aktiengesellschaft, pobočka Praha
Modrá pyramida stavební spořitelna, a.s.
Oberbank AG pobočka Česká republika
Poštová banka, a.s., pobočka Česká republika
PPF banka a.s.
PRIVAT BANK AG der Raiffeisenlandesbank Oberösterreich, pobočka Česká republika
Raiffeisen stavební spořitelna a.s.
Raiffeisenbank a.s.
Raiffeisenbank im Stiftland eG pobočka Cheb, odštěpný závod
Saxo Bank A/S, organizační složka
Stavební spořitelna České spořitelny, a.s.
The Royal Bank of Scotland plc, organizační složka
UniCredit Bank Czech Republic, a.s.
Volksbank CZ, a.s.
Volksbank Löbau-Zittau eG, pobočka
Všeobecná úverová banka a.s., pobočka Praha; zkráceně: VUB, a.s., pobočka Praha
Waldviertler Sparkasse Bank AG
Wüstenrot - stavební spořitelna a.s.
Wüstenrot hypoteční banka a.s.
ZUNO BANK AG, organizační složka

Source:https://apl.cnb.cz/apljerrsdad/JERRS.WEB33.SUBJECTS_COUNTS_DET

AIL?p_lang=en&p_DATUM=27.02.2013&p_ses_idx=1

Appendix IV The questionnaire in English

I would like to ask you to fill in this short questionnaire regarding marketing and customer care in banking. The results of the questionnaire will only be used for the purpose of the diploma thesis Marketing and customer care in the Czech banking industry. The questionnaire is anonymous and results will not be published elsewhere.

Thank you

Zuzana Finková

1. Gender
 - a. Female
 - b. Male
2. Education
 - a. Basic School
 - b. Secondary School
 - c. University
 - d. Specialized school – training institution
3. What is your main bank?
4. Do you use the services of another bank?
5. Which bank?
6. What services do you use?
7. How do you make banking transactions?
 - a. At the branch office
 - b. Internet banking
 - c. Mobile banking
 - d. Other

8. How does your bank contact you?
 - a. By phone
 - b. By post
 - c. By email
 - d. By sms

9. Are you satisfied with the quality of your bank's webpages?
 - a. Yes
 - b. Quite
 - c. No
 - d. Not really
 - e. Don't know

10. How often do you visit the branch of your bank?
 - a. At least once a week
 - b. At least once a month
 - c. At least once every six months
 - d. Never

11. Are you satisfied with the environment of a branch?
 - a. Yes
 - b. Quite
 - c. No
 - d. Not really
 - e. Don't know

12. Are you satisfied with the opening hours of branches?
 - a. Yes
 - b. Quite
 - c. No

- d. Not really
- e. Don't know

13. Are you satisfied with the way your main bank reacts to your requests?

- a. Yes
- b. Quite
- c. No
- d. Not really
- e. Don't know

14. Are you satisfied with your bank's products?

- a. Yes
- b. Quite
- c. No
- d. Not really
- e. Don't know

15. Have you observed changes in the banking products?

- a. Yes – regularly (at least once a month)
- b. Yes - sometimes
- c. No never

16. Do you know the charges for different products?

- a. Yes, exactly
- b. Yes, approximately
- c. No, I don't know

17. How much do you pay to keep your account?

- a. 0-50 CZK
- b. 51-100 CZK
- c. 101-150 CZK

- d. 151 and more
- e. Don't know

18. Are you satisfied with the prices of banking services?

- a. Yes
- b. Quite
- c. No
- d. Not really
- e. Don't know

19. Would you recommend your bank to your colleagues, friends or family?

- a. Yes
- b. Quite
- c. No
- d. Not really
- e. Don't know

20. Do you know the commercials for your bank's products?

- a. Yes
- b. No
- c. Don't know

21. Have you ever used a banking product because of a commercial?

- a. Yes
- b. No
- c. Don't know

Appendix V The questionnaire in Czech

1. Pohlaví
 - a. Žena
 - b. Muž
2. Vzdělání
 - a. Základní škola
 - b. Střední škola
 - c. Vysoká škola
 - d. Výuční list
3. Jaká je Vaše hlavní banka?
4. Využíváte služby i jiných bank (kromě bankomatů)?
5. Jakých bank?
6. Jaké služby u jiných bank využíváte?
7. Jakým způsobem děláte bankovní transakce?
 - a. Na pobočce
 - b. Internetové bankovníctví
 - c. Mobilní bankovníctví
 - d. Jinak
8. Jakým způsobem Vás Vaše banka kontaktuje?
 - a. Telefonicky
 - b. Poštou
 - c. Emailem
 - d. Sms
9. Jste spokojen/a s internetovými stránkami Vaší banky?
 - a. Ano
 - b. Spíše ano

- c. Ne
- d. Spíše ne
- e. Nevím

10. Jak často chodíte na pobočku banky?

- a. Alespoň jednou za týden
- b. Alespoň jednou za měsíc
- c. Alespoň jednou za půl roku
- d. Nikdy

11. Jste spokojen/a s prostředím pobočky?

- a. Ano
- b. Spíše ano
- c. Ne
- d. Spíše ne
- e. Nevím

12. Jste spokojen/a s otevírací dobou poboček?

- a. Ano
- b. Spíše ano
- c. Ne
- d. Spíše ne
- e. Nevím

13. Jste spokojen/a s tím jak banka reaguje na Vaše požadavky?

- a. Ano
- b. Spíše ano
- c. Ne
- d. Spíše ne
- e. Nevím

14. Jste spokojen/a s produkty Vaší banky?

- a. Ano
- b. Spíše ano
- c. Ne
- d. Spíše ne
- e. Nevím

15. Sledujete změny bankovních produktů?

- a. Ano, pravidelně (alespoň jednou měsíčně)
- b. Ano, občas
- c. Ne, nikdy

16. Znáte ceny bankovních produktů?

- a. Ano, přesně
- b. Ano, zhruba
- c. Ne, nevím

17. Kolik platíte za vedení účtu?

- a. 0-50 CZK
- b. 51-100 CZK
- c. 101-150 CZK
- d. 151 a více
- e. Nevím

18. Jste spokojen/a s cenami bankovních produktů?

- a. Ano
- b. Spíše ano
- c. Ne
- d. Spíše ne
- e. Nevím

19. Doporučil/a byste svou banku kolegům, rodině, přátelům?

- a. Ano
- b. Spíše ano
- c. Ne
- d. Spíše ne
- e. Nevím

20. Znáte reklamy na produkty Vaší banky?

- a. Ano
- b. Ne
- c. Nevím

21. Využil/a jste někdy bankovních služeb na základě reklamy?

- a. Ano
- b. Ne
- c. Nevím

Appendix VI Example of Kiosk mBank



Appendix VII Example of opening hours Raiffeisen Bank

Opening hours Raiffeisen Bank Prague 6		
Monday, Wednesday	9:00 - 12:30	13:00 - 17:30
Tuesday, Thursday	9:00 - 12:30	13:00 - 17:00
Friday	9:00 - 16:00	

Source: Official webpage of RB

Appendix VIII Example of opening hours ČSOB

Opening hours ČSOB Prague 10	
Monday	9.00–12.30 13.30–18.00
Tuesday	9.00–12.30 13.30–17.00
Wednesday	9.00–12.30 13.30–17.00
Thursday	9.00–12.30 13.30–17.00
Friday	9.00–12.30 13.30–16.00

Source: Official webpage of ČSOB

Appendix IX Example of Airbank Commercial



Source: <https://www.youtube.com/watch?v=h1EUPIH9iFs>