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**The Relationship between Customer Experience Improvement and Banking Service
Development**

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Introduction:

The importance of customer experience in the banking sector is pivotal for achieving success and sustainability in a highly competitive environment. Customer experience encompasses all interactions between the customer and the banking institution across various channels, such as physical branches, banking applications, and websites.

Reasons Why Customer Experience is Important in the Banking Sector:

1. **Improving Customer Satisfaction:**
Customer satisfaction is directly linked to their experience with the banking services provided. A smooth and comfortable experience can increase customer satisfaction, while a poor experience may lead to customer loss.
2. **Increasing Loyalty and Trust:**
A positive customer experience builds trust between the customer and the bank, enhancing loyalty and reducing the likelihood of the customer switching to a competitor.
3. **Driving Growth and Increasing Revenue:**
Customers who have a positive experience are more likely to purchase additional banking products or take advantage of extra services, thereby increasing revenue.
4. **Market Competitiveness:**
In a crowded banking services market, customer experience can be a distinguishing factor that determines which banks will succeed in attracting and retaining customers.
5. **The Role of Technology in Customer Experience:**
The use of technology to improve customer experience, such as online banking services and banking applications, increases service efficiency and reduces waiting times, thereby enhancing the overall experience.
6. **Personal and Human Interaction:**
While technology plays an important role, personal and human interaction with customers remains crucial. The ability to provide personalized service to each customer enhances their positive experience.
7. **Impact on Institutional Reputation:**
A positive customer experience enhances the bank's institutional reputation and attracts more new customers through word-of-mouth recommendations.
8. **Innovation and Process Improvement:**
Listening to customer feedback and analyzing their experiences helps banking institutions improve their processes and develop new products and services that better meet customer needs.

Improving customer experience in the banking sector is not only necessary for achieving customer satisfaction but is also a strategic tool for enhancing loyalty, increasing revenue, and outperforming competitors. In a world increasingly focused on digital innovation and convenience, focusing on customer experience becomes indispensable for banks striving for sustainability and growth.

The Concept of Customer Experience

Customer experience refers to all the interactions and experiences a customer goes through with a particular institution, whether those interactions are direct or indirect. These interactions can include dealing with staff, using products or services, interacting with websites or applications, and communicating with customer service. Customer experience goes beyond merely delivering a service or product; it includes the overall feeling and impression the customer is left with after each interaction with the institution.

Elements of Customer Experience:

1. **Convenience and Ease of Use:**
This includes the ease and smoothness of interacting with the provided products or services, such as the ease of opening a new bank account or using a banking app.
2. **Professionalism and Transparency:**
The way employees deal with customers and the clarity in explaining services or potential fees. Professionalism enhances trust between the customer and the institution.
3. **Responsiveness and Speed:**
The ability to provide quick and efficient service, whether in a branch, online, or through a customer service center. Prompt responses to customer needs positively impact their experience.
4. **Personalization and Customization:**
The degree to which services and products are tailored to meet the individual needs of the customer. This includes providing customized recommendations or services based on customer behavior and preferences.
5. **Support and Problem Resolution:**
How the institution handles customer complaints or issues. Effective and friendly problem resolution plays a significant role in customer satisfaction.
6. **Expectations and Fulfillment:**
The ability to meet or exceed customer expectations. This involves delivering products or services with quality consistent with what was promised.
7. **Emotions and Overall Impression:**
The emotional experiences and impressions the customer feels as a result of their interaction with the institution. These experiences may be associated with comfort, trust, happiness, or even frustration.

Importance of Customer Experience:

- **Building Loyalty:** Customers who have a positive experience with a particular institution are more likely to return to it repeatedly, enhancing institutional loyalty.
- **Increasing Revenue:** Improving customer experience can lead to increased sales and higher revenue, as satisfied customers are more willing to take advantage of additional services.
- **Enhancing Reputation:** A positive customer experience contributes to improving the institution's reputation, attracting new customers through recommendations.

Customer experience is a comprehensive concept that covers all interactions a customer goes through with the institution, and it is a crucial element in determining customer satisfaction and their willingness to stay with the institution or move to a competitor.

Improving customer experience requires a deep understanding of customer needs and expectations and working to meet those needs in a way that exceeds their expectations.

Definition of Customer Experience

Customer Experience (CX) is the overall impression formed by the customer as a result of all interactions they engage in with a company or institution throughout their relationship with it. These interactions include all touchpoints where the customer interacts with the company, whether online, via phone, or at physical branches.

A More Detailed Definition:

Customer experience is a blend of emotional, psychological, and physical interactions that a customer encounters while dealing with the company. This experience is influenced by the quality of products or services, the smoothness of procedures, the level of support provided, and the manner in which the company communicates with its customers.

Examples of Customer Experience:

- Interacting with customer service representatives.
- Engaging with the company's website or app.
- Using the products or services offered by the company.
- Receiving support or assistance when facing a problem.

Importance of Customer Experience:

Customer experience plays a pivotal role in building customer loyalty, improving the company's reputation, and increasing revenue by enhancing customer satisfaction and encouraging them to recommend the company to others. Customer experience is the fundamental element that can determine the success or failure of any company in retaining its customers and strengthening their loyalty over the long term.

The Importance of Customer Experience in the Banking Sector

The importance of customer experience in the banking sector has been growing significantly with technological and competitive advancements in this sector. Customer experience in banks includes every interaction the customer has with the bank, whether through traditional branches, banking apps, websites, or customer service centers. Below are the main reasons why customer experience is highly important in the banking sector:

1. Increasing Customer Satisfaction and Loyalty:

- **Improving Customer Satisfaction:** A positive customer experience enhances customer satisfaction with the bank, increasing the likelihood of them continuing to use the bank's services.

- **Building Loyalty:** Customers who receive excellent experiences are more loyal and less likely to switch to competing banks.
- 2. **Market Competitiveness:**
 - **Standing Out Among Competitors:** In a competitive banking environment, customer experience can be a competitive advantage that distinguishes one bank from another.
 - **Attracting New Customers:** A positive experience encourages customers to recommend the bank to others, attracting new customers.
- 3. **Increasing Revenue:**
 - **Encouraging Usage:** Customers who feel comfortable and confident in their interactions with the bank tend to use more banking products and services, thereby increasing revenue.
 - **Reducing Marketing and Retention Costs:** Retaining current customers through an excellent experience is often less costly than acquiring new customers.
- 4. **Enhancing Institutional Reputation:**
 - **Building a Strong Reputation:** Banks that focus on providing an excellent customer experience build a strong reputation in the market, enhancing trust in the bank.
 - **Managing Reputation Through Social Media:** A positive customer experience contributes to improving the reputation through social media, where customers can share their positive experiences.
- 5. **Improving Internal Operations:**
 - **Identifying Weaknesses:** By focusing on customer experience, banks can identify and develop processes that need improvement.
 - **Enhancing Operational Efficiency:** Improving customer experience can lead to streamlining banking processes, making them more efficient and effective.
- 6. **The Role of Technology in Enhancing Customer Experience:**
 - **Digital Banking Services:** Providing a seamless customer experience through banking apps and digital systems improves the speed and efficiency of service.
 - **Continuous Innovation:** Meeting customer expectations through innovation in digital products and services is essential to maintaining customer satisfaction.
- 7. **Risk Management:**
 - **Reducing Complaints and Issues:** Improving customer experience helps in reducing the number of complaints and issues, thereby minimizing risks related to reputation and legal liabilities.

Customer experience in the banking sector is not just an additional element but is an essential part of the strategy for success. Improving this experience can lead to building customer loyalty, increasing revenue, and enhancing the institutional reputation of the bank, making it competitive in a crowded and constantly changing market.

The Concept of Developing Banking Services

The concept of developing banking services refers to the process of improving and updating the services provided by financial and banking institutions to meet the changing needs of customers, enhance operational efficiency, and stay ahead in market competitiveness. The development of banking services involves a wide range of activities, including introducing new technologies, improving service quality, offering innovative products and services, and streamlining processes.

Elements of Banking Services Development:

1. Technological Innovation:

- **Digital Banking Services:** Such as banking apps, online banking services, and e-wallets.
- **Fintech (Financial Technology):** Integrating technology with financial services to offer more efficient and innovative solutions.
- **Artificial Intelligence and Big Data:** Using these technologies to analyze data and improve customer experience by offering personalized services.

2. Improving Service Quality:

- **Focusing on Customer Satisfaction:** Developing banking services to be more aligned with customer expectations, leading to an improved customer experience.
- **Speed and Efficiency:** Improving banking processes to be faster and more efficient, making it easier for customers to access services quickly and without complications.

3. Diversifying Products and Services:

- **Launching New Products:** Such as innovative loans, high-yield savings accounts, or personal investment services.
- **Customized Services:** Offering tailored financial solutions that meet the individual needs of each customer.

4. Updating Banking Infrastructure:

- **Automation and Technology:** Using automation to reduce the need for human intervention in routine processes, improving service efficiency and reducing errors.
- **Security and Protection:** Developing advanced security systems to protect customer data and banking transactions.

5. Improving Communication with Customers:

- **Multiple Channels:** Providing several channels for customer communication, including physical branches, phone, internet, and mobile apps.
- **Personal Interaction:** Enhancing the ability of employees to provide personal and consultative service to customers.

6. Compliance with Regulations and Laws:

- **Regulatory Compliance:** Updating and developing banking services to be in line with new financial regulations and laws.
- **Sustainability and Social Responsibility:** Developing services and products that consider environmental and social dimensions, enhancing the institution's responsibility towards society.

Importance of Developing Banking Services:

- **Increasing Competitiveness:** By offering innovative services and better meeting customer needs, banks and financial institutions can remain competitive in a crowded market.
- **Improving Customer Satisfaction:** Customers who receive advanced services that are suited to their needs are more satisfied and loyal to the institution.
- **Achieving Financial Growth:** By offering new services and improving existing operations, banks can achieve higher revenues and increase their market share.
- **Adapting to Market Changes:** Developing banking services helps institutions adapt to changes in the business environment, such as technological advancements or changes in customer expectations.

The development of banking services is an ongoing process aimed at improving and updating services provided to customers to achieve their satisfaction, increase operational efficiency, and remain competitive. Continuous development of banking services is vital for banks and financial institutions to ensure their success and sustainability in an ever-changing market.

Banking Services Development is a Comprehensive Process

Banking services development is a comprehensive process that encompasses various fields and technologies aimed at improving service quality, meeting increasing customer expectations, and enhancing operational efficiency in banks and financial institutions. Below is a detailed look at the key aspects related to banking services development:

1. Technological Innovation:

Information and communication technology plays a crucial role in developing banking services, and it includes the following areas:

○ Digital Banking Services:

- **Digital Banks:** Banks that provide their services online without the need for physical branches. They allow customers to manage their accounts and conduct financial transactions from anywhere and at any time.
- **Banking Apps:** Developing mobile applications that allow customers to conduct transactions, pay bills, and check balances easily and quickly.
- **E-Wallets:** Applications that allow customers to store money electronically and use it for purchases and payments without the need for cash.

○ Fintech (Financial Technology):

- **Artificial Intelligence (AI):** Used to analyze customer data, provide personalized recommendations, and manage risks.
- **Blockchain:** A technology that helps improve the security and transparency of financial transactions.
- **Robots and Automated Chatbots:** Using chatbots to provide customer support services around the clock.

2. Improving Service Quality:

Improving service quality is a key element in banking services development and includes:

- **Focusing on the Customer:**
 - **Quick Response:** Enhancing systems to respond to customer inquiries and resolve their problems faster.
 - **Multichannel Customer Service:** Providing support services through branches, phone, internet, and mobile apps.
- **Customized Services:**
 - **Developing Customized Products and Services:** Meeting individual customer needs based on their financial behavior and preferences.
- 3. **Diversifying Products and Services:**
Banks always strive to offer new products and services that meet the diverse needs of customers, such as:
 - **Flexible Loans:** Loans that allow customers to have customized repayment terms based on their income and financial situation.
 - **Innovative Savings and Investment Accounts:** Accounts that offer variable interest rates and flexible investment options.
 - **Insurance and Other Financial Services:** Offering various insurance services and financial advisory services to enhance the comprehensiveness of banking offerings.
- 4. **Updating Banking Infrastructure:**
Banking infrastructure needs regular updates to ensure the delivery of high-quality services, including:
 - **Automation:**
 - **Automating Routine Banking Operations:** Such as check processing, bank transfers, and deposits, reducing errors and increasing efficiency.
 - **Electronic Security:**
 - **Enhancing Security Systems:** To protect customer data and banking transactions from increasing cybersecurity threats.
- 5. **Improving Communication with Customers:**
Effective communication with customers is an important part of banking services development:
 - **Omni-Channel Customer Experience:**
 - **Ensuring a Seamless and Integrated Experience:** Across all channels used by customers, whether in branches, online, or through apps.
 - **Proactive Support:**
 - **Using Data and Technology:** To identify customer needs and provide the necessary support before the customer even asks.
- 6. **Compliance with Regulations and Laws:**
Developments in the banking sector must align with new financial regulations and laws, including:
 - **Compliance:**
 - **Updating Internal Policies and Procedures:** To comply with local and international regulations, such as anti-money laundering and counter-terrorism financing laws.
 - **Social and Environmental Responsibility:**
 - **Developing Banking Services and Products:** That align with environmental and social standards, such as sustainable financing and responsible investment.

7. Continuous Innovation and Product Development:

Innovation in the banking sector does not stop at certain limits:

- **Innovation Centers:**
 - **Establishing Research and Development Centers:** Within banks for innovation in banking products and services.
- **Partnerships with Technology Companies:**
 - **Collaborating with Fintech Companies:** To develop advanced banking solutions.

Developing banking services is a comprehensive and complex process that includes improving technology, improving service quality, diversifying products, updating infrastructure, and enhancing communication with customers, while complying with laws and regulations. This development is essential to remain competitive, improve customer experience, and increase efficiency and profitability in banking institutions.

Types of Advanced Banking Services

The development of banking services has become a necessity in light of rapid technological changes and increasing customer needs. Below are some types of advanced banking services that rely on innovation and modern technology:

1. Online Banking:

- **Definition:** Allows customers to manage their bank accounts online through bank websites.
- **Benefits:** Includes the ability to check balances, transfer funds, pay bills, and manage accounts without the need to visit a branch.

2. Mobile Banking:

- **Definition:** These services are available through mobile apps provided by banks.
- **Benefits:** Include managing accounts, transferring funds, paying bills, and receiving instant notifications about transactions.

3. E-Wallets:

- **Definition:** Applications that allow customers to store money electronically and use it for purchases and payments online or in stores.
- **Benefits:** Provides a fast and secure way to conduct transactions without the need to carry cash or bank cards.

4. Open Banking:

- **Definition:** Relies on providing customers with access to banking data through APIs that allow the integration of banking services with third-party applications.
- **Benefits:** Enhances transparency and allows customers to manage their money more efficiently through various financial applications.

5. Digital Banks (Neobanks):

- **Definition:** Banks that operate entirely online without physical branches.
- **Benefits:** Provide comprehensive banking services through digital platforms only, reducing costs and offering a smoother experience for customers.

6. Self-Service Banking:

- **Definition:** Services that allow customers to manage their transactions independently through ATMs or digital kiosks.
 - **Benefits:** Include services such as cash deposits, withdrawals, bill payments, and funds transfers independently without the need for staff intervention.
7. **AI-Powered Banking:**
- **Definition:** Using artificial intelligence to analyze customer data and provide personalized recommendations, in addition to automated customer support services such as chatbots.
 - **Benefits:** Improves customer experience by offering personalized services and responding to customer inquiries around the clock.
8. **Cloud-Based Banking:**
- **Definition:** Using cloud computing technologies to manage banking operations and store data.
 - **Benefits:** Greater flexibility in data management, reducing operational costs, and improving security.
9. **Blockchain Banking:**
- **Definition:** Applying blockchain technology to improve the security and transparency of financial transactions, especially in international transfers.
 - **Benefits:** Reducing transfer costs, improving transaction speed, and increasing transparency and security.
10. **Peer-to-Peer Banking:**
- **Definition:** Platforms that allow individuals to lend or borrow money directly from each other without the need for a traditional intermediary like a bank.
 - **Benefits:** Provides alternative financing options and flexible terms for individuals who may not have easy access to traditional banking services.

Advanced banking services enable banks to provide a modern and efficient banking experience that meets the changing needs of customers. These services rely heavily on technological and digital innovation to improve efficiency, security, and convenience, making them an essential part of growth and development strategies in the banking sector.

The Relationship Between Improving Customer Experience and Developing Banking Services

The relationship between improving customer experience and developing banking services is a symbiotic relationship where each influences the other reciprocally. Improving customer experience serves as a major driver for the development of banking services, and conversely, the development of banking services continuously enhances the customer experience.

1. Improving Customer Experience as a Driver for Developing Banking Services:

Improving customer experience depends on a deep understanding of customers' needs and their changing expectations. This understanding drives banks to develop their services in a way that ensures those needs are met. For example:

- **Data-Driven Analysis:** Using big data analysis to better understand customer behaviors and preferences, leading to the development of customized products and services that contribute to improving customer experience.
- **Technological Innovation:** When customers demand more ease and speed in services, banks turn to technological innovation such as banking apps and e-wallets to meet these expectations.
- **Developing Multiple Channels:** To provide a more comprehensive and seamless experience, banks work on developing multiple channels for customer interaction, such as traditional branches, online banking services, and mobile apps.

2. **Developing Banking Services as a Means to Improve Customer Experience:**

The development of banking services, in turn, directly impacts improving customer experience by:

- **Providing Customized Services:** Developing personalized services based on customer data analysis and preferences increases customer satisfaction and enhances their banking experience.
- **Increasing Efficiency and Ease of Use:** Improving the bank's internal processes and operational efficiency allows customers to benefit from faster and more effective services, enhancing their overall experience.
- **Security and Trust:** Developing advanced security systems enhances customers' trust in the bank, which positively reflects on their overall experience.

3. **The Reciprocal Influence Between Improving Customer Experience and Developing Banking Services:**

- **Feedback as an Improvement Factor:** Continuous feedback from customers about the banking services they receive forms the basis for developing those services in line with their expectations and needs.
- **Rapid Response to Changes:** Improving customer experience requires banks to be flexible in responding to market and technological changes, driving them to innovate and develop new services continuously.
- **Building Loyalty and Increasing Revenue:** An improved customer experience contributes to building customer loyalty and increasing the bank's revenue by offering additional services or attracting new customers. This financial success enhances the bank's ability to invest further in developing its services.

Improving customer experience and developing banking services are closely intertwined processes. Improving customer experience drives banks to develop their services to meet the growing expectations of customers, while developing banking services improves customer experience by providing more efficient and innovative services. This symbiotic relationship ensures that banks remain competitive and achieve sustainable customer satisfaction.

The Role of Technology and Innovation in Improving Customer Experience

Technology and innovation play a pivotal role in improving customer experience in the banking sector, where modern technologies and continuous innovations help provide more efficient and convenient services, leading to enhanced customer satisfaction and increased loyalty. Below are more details on the role of technology and innovation in improving customer experience:

1. **Digital Banking Services:**

- **Quick and Convenient Access:** Digital banking services such as banking apps and websites allow customers to access their accounts and manage their finances at any time and from anywhere. This easy access increases customer convenience and enhances their banking experience.
- **Self-Service Interactions:** Banks offer tools and services that allow customers to perform many transactions independently without needing to visit branches, such as financial transfers, bill payments, and account openings, saving time and effort.

2. **Artificial Intelligence and Big Data Analysis:**

- **Service Personalization:** AI is used to analyze customer data and identify behavior patterns, enabling banks to offer tailored offers and services that suit the needs of each customer individually. For example, data can be used to provide personalized financial or investment recommendations.
- **Chatbots:** Some banks rely on AI-powered chatbots to provide customer support around the clock. These bots can respond to inquiries immediately, improving service speed and effectiveness.

3. **Blockchain and Digital Security:**

- **Increased Transparency and Trust:** Blockchain technology contributes to enhancing security and transparency in financial transactions. Customers can track their money and financial transactions more accurately, increasing their trust in the bank.
- **Data Protection:** Using advanced techniques in data protection and privacy helps safeguard sensitive customer information from cyber threats, enhancing the customer experience by providing a secure banking environment.

4. **Innovation in Payment Methods:**

- **Contactless Payments:** Contactless payment technologies and digital wallets facilitate daily payment transactions, improving the speed and efficiency of the customer's shopping experience.
- **Mobile Payments:** Innovations like Apple Pay and Google Wallet provide an easy and secure way to make payments via mobile phones, meeting the needs of customers who prefer digital solutions.

5. **Augmented and Virtual Reality (AR/VR):**

- **Virtual Interaction:** Some banks use VR technology to offer interactive experiences to customers, such as virtual tours of branches or exploring products and services interactively.
- **Augmented Reality:** AR can be used to provide additional information to customers about banking products and services when they are in branches or using mobile apps.

6. **Open Banking:**

- **Service Integration:** Relies on open APIs that allow banks and other financial applications to exchange data securely, providing customers with

the ability to manage their money through a single platform that combines various banking and financial services.

- **Improved Transparency and Competition:** Open banking allows customers to get a comprehensive view of different banks' services, helping them make more informed banking decisions and encouraging banks to improve their services to increase competitiveness.

7. **AI-Driven Self-Service:**

- **Personal Financial Education:** Using AI to provide personalized financial advice and guide customers towards the best financial practices based on their behavior and spending.
- **Intelligent Crisis Response:** AI can predict potential issues and provide proactive solutions, reducing problems that customers may face and improving the user experience.

8. **Backend Automation:**

- **Accelerating Processes:** Automating backend banking processes such as processing applications and loans can reduce wait times and enhance service speed, positively reflecting customer experience.
- **Reducing Human Errors:** Automation technologies help reduce human errors in data processing, ensuring greater accuracy in operations and increasing customer satisfaction.

Technology and innovation are essential elements in improving customer experience in the banking sector. By applying technologies such as AI, blockchain, augmented reality, and open banking, banks can provide more efficient and convenient services to customers. This not only enhances customer satisfaction but also increases their loyalty and places the bank at the forefront of competition.

Literature Analysis on Customer Experience in the Banking Sector

Customer experience in the banking sector has received increasing attention from researchers and academics, especially with the growing competitiveness and technological innovation in this sector. Below is an analysis of key literature that has addressed this topic:

1. **The Concept of Customer Experience:**

Literature defines customer experience as the set of interactions that occur between the customer and the bank across various channels and services. Research indicates that customer experience is influenced by several factors, including service quality, operational efficiency, technological innovation, and human interaction. Customer experience is considered a central element in building customer loyalty, as studies have shown that a positive customer experience enhances customer satisfaction and increases their loyalty to the bank.

References:

- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*.

- Meyer, C., & Schwager, A. (2007). Understanding Customer Experience. *Harvard Business Review*.

2. The Importance of Customer Experience in the Banking Sector:

Studies indicate that customer experience plays a crucial role in achieving success and sustainability for banks. Customers who enjoy positive experiences tend to stay with the bank longer, increase their financial transactions, and recommend the bank to others. Research has shown that improving customer experience can lead to improved key performance indicators for banks, such as customer retention rates, revenue, and profitability.

References:

- Johnston, R., & Kong, X. (2011). The customer experience: A road-map for improvement. *Managing Service Quality: An International Journal*.
- Verhoef, P. C., Lemon, K. N., Parasuraman, A., Roggeveen, A., Tsiros, M., & Schlesinger, L. A. (2009). Customer Experience Creation: Determinants, Dynamics, and Management Strategies. *Journal of Retailing*.

3. The Role of Technology and Innovation in Improving Customer Experience:

Literature illustrates that technology is a key element in improving customer experience in banks. Digital banking services, such as banking apps and websites, provide convenient and quick access for customers to their banking services, enhancing customer satisfaction. Technological innovation, such as AI, data-driven analysis, and blockchain, can provide personalized solutions that increase the added value for the customer.

References:

- McKinsey & Company (2019). The future of banking: How banks can meet customer expectations through digital transformation.
- Lemon, K. N., & Verhoef, P. C. (2016). Understanding customer experience throughout the customer journey. *Journal of Marketing*.

4. Challenges of Customer Experience in the Banking Sector:

Literature points to several challenges banks face in improving customer experience, including the complexity of internal processes, the lack of channel integration, and the continuous need to adapt services to technological advancements. The literature also discusses regulatory and legal challenges that may affect the delivery of a consistent customer experience.

References:

- Stone, M., & Woodcock, N. (2014). Interactive, direct, and digital marketing: A future that depends on better use of business intelligence. *Journal of Research in Interactive Marketing*.
- Klaus, P., & Maklan, S. (2013). Towards a better measure of customer experience. *International Journal of Market Research*.

5. The Future of Customer Experience in the Banking Sector:

Future research indicates that banks need to adopt a more holistic and analytical approach to customer experience. Focusing on the entire customer journey, from the first contact to post-service, can help banks improve every touchpoint and increase the added value for customers. Innovations such as AI, big data, and predictive

analytics will be crucial in delivering more personalized and effective customer experiences in the future.

References:

- Edelman, D. C., & Singer, M. (2015). Competing on Customer Journeys. *Harvard Business Review*.
- Fornell, C., & Wernerfelt, B. (1987). Defensive marketing strategy by customer complaint management: A theoretical analysis. *Journal of Marketing Research*.

The literature suggests that customer experience in the banking sector is a critical factor in the competitive success of banks. Continuous improvement in customer experience requires investments in technology, innovation, and a deep understanding of customer needs. With ongoing challenges, sustainable development of customer experience remains central to ensuring customer loyalty and increasing profitability in the banking sector.

Previous Studies:

"The Role of Service Development in Enhancing Customer Satisfaction in the Banking Sector"

- **Study Focus:** This study focuses on how the development of banking services can lead to improved customer satisfaction.

Study Objective:

This study aims to explore the relationship between the development of banking services and customer satisfaction in the banking sector. It seeks to understand how the development of banking services can enhance customer satisfaction and contribute to building long-term loyalty.

Methodology:

A quantitative research methodology was used, based on data collected through surveys distributed to a sample of bank customers. The data was analyzed using statistical techniques to determine the relationship between service development and customer satisfaction.

Study Results:

- **Positive Impact of Service Development:** The results indicated a significant positive impact of banking service development on customer satisfaction. Customers who noticed improvements in services were more satisfied with the bank overall.
- **Importance of Technological Innovation:** The study showed that technological innovation plays a pivotal role in improving customer satisfaction. For example,

online banking services and banking apps were among the key factors leading to increased satisfaction.

- **Service Personalization:** The results showed that offering personalized services that meet individual customer needs enhances their satisfaction and contributes to increased loyalty.

Study Recommendations:

- **Investment in Technology:** The study recommends that banks increase investment in technology to develop their digital services and meet the growing expectations of customers.
- **Improving Service Quality:** Banks should focus on improving the quality of services provided to customers through continuous employee training and developing internal processes.
- **Monitoring Customer Satisfaction:** It is important for banks to regularly monitor customer satisfaction through surveys and performance reviews to ensure the provision of services that align with customer expectations.

Conclusion:

The study confirms that the development of banking services is a fundamental factor in enhancing customer satisfaction, and that banks that invest in improving their services ensure higher levels of satisfaction and loyalty. Innovation in services, especially through technology, plays a crucial role in this context.

Summary of the Main Findings on the Relationship Between Improving Customer Experience and Developing Banking Services:

1. **The Impact of Improving Customer Experience on Developing Banking Services:**
 - **Encouraging Innovation:** Improving customer experience serves as a motivation for banks to develop new and innovative services. When the customer experience is positive, banks tend to invest in developing services that meet the changing needs and expectations of customers.
 - **Service Personalization:** Banks that focus on customer experience work on developing services that are tailored to meet the needs of each customer individually. This personalization enhances customer satisfaction and increases loyalty.
 - **Technology as a Central Factor:** Technological innovation plays a crucial role in developing banking services. Offering improved digital banking services, such as banking apps and e-wallets, leads to improved customer experience and fosters service development.
2. **The Impact of Developing Banking Services on Customer Experience:**
 - **Increasing Customer Satisfaction:** Developing banking services, whether by improving service quality or offering new services, directly leads to increased customer satisfaction. Banking services that improve comfort and ease of use enhance the overall customer experience.

- **Improving Loyalty:** Customers who enjoy a positive experience due to improved banking services tend to stay with the bank longer, enhancing their loyalty. This loyalty, in turn, drives banks to further develop services to meet customer expectations.
 - **Competitiveness:** Developing banking services based on improving customer experience makes the bank more competitive in the market. Banks that respond quickly to customer needs through innovative service development maintain their market position and achieve customer satisfaction.
3. **Responding to Customer Feedback:**
- **Continuous Improvement Cycle:** Improving customer experience heavily relies on customer feedback. Banks that take customer feedback into account are able to develop services that better meet their needs, creating a cycle of continuous improvement in customer experience and service development.

Improving customer experience and developing banking services are closely interconnected processes. Improving customer experience leads to the development of new and innovative banking services, while the development of banking services enhances customer satisfaction and loyalty. This integration between improving customer experience and developing services ensures that banks remain competitive and achieve sustainable customer satisfaction.

Recommendations for Improving Customer Experience in the Context of the Relationship Between Improving Customer Experience and Developing Banking Services:

1. **Investment in Modern Technology:**
 - **Developing Digital Banking Services:** Offering improved and easy-to-use banking apps that allow customers to manage their accounts quickly and easily.
 - **Using Artificial Intelligence:** AI applications to analyze customer data and provide personalized recommendations based on their behavior and preferences.
 - **Transitioning to Blockchain:** Improving transaction security through blockchain technology to enhance customer trust in banking services.
2. **Personalizing Services for Customers:**
 - **Developing Customized Services:** Designing banking products and services tailored to meet the individual needs of each customer.
 - **Analyzing Customer Data:** Using big data analytics to gain a deeper understanding of customer preferences and offering personalized services that enhance their satisfaction.
3. **Enhancing Communication Channels:**
 - **Improving Multichannel Customer Service:** Offering customer support across various channels such as phone, email, live chat, and social media, ensuring a seamless and consistent experience.
 - **Providing Proactive Customer Service:** By monitoring customer accounts and interacting with them before they request help, banks can significantly improve their experience.

4. **Simplifying Processes and Procedures:**
 - **Reducing Complexity:** Reviewing and simplifying banking processes and procedures to make the customer experience smoother. This includes reducing paperwork requirements and offering online self-services.
 - **Investment in Automation:** Automating routine processes to improve efficiency and service speed, positively reflecting on the customer experience.
5. **Collecting and Following Up on Customer Feedback:**
 - **Customer Satisfaction Surveys:** Conducting periodic surveys to measure customer satisfaction and gather their feedback on the services provided.
 - **Continuous Feedback Analysis:** Using customer feedback to improve services and develop new products based on their needs.
6. **Improving Security and Privacy:**
 - **Enhancing Security Systems:** Protecting customer data and financial transactions using the latest security technologies to enhance trust and comfort.
 - **Providing Data Protection Guarantees:** Emphasizing the bank's commitment to protecting customer privacy through clear policies and transparent practices.
7. **Providing a Comprehensive and Integrated Experience:**
 - **Integrating Banking Channels:** Ensuring that the customer experience is consistent across all banking channels (digital and physical), enhancing comfort and loyalty.
 - **Offering an Integrated Customer Experience:** Providing a seamless experience across all touchpoints with the customer, from branches to banking apps, ensuring a positive experience.
8. **Focusing on Employee Training:**
 - **Continuous Training:** Offering regular training to employees on best practices in customer service and how to respond to customer expectations.
 - **Empowering Employees:** Empowering employees by providing them with the tools and resources necessary to help them deliver exceptional customer service.

Improving customer experience requires a comprehensive approach that integrates technology, service personalization, enhanced communication, process simplification, and increased security. These recommendations help in achieving customer satisfaction and enhance the development of banking services in line with the growing expectations of customers.

Future Suggestions to Strengthen the Relationship Between Improving Customer Experience and Developing Banking Services:

1. **Enhancing Continuous Innovation in Technology:**
 - **Relying on Advanced Artificial Intelligence:** Developing AI systems capable of providing deeper personalized service, such as predicting future customer needs and offering proactive recommendations.
 - **Exploring Augmented and Virtual Reality (AR/VR):** Using AR and VR technologies to improve interaction with customers, such as offering virtual

tours in branches or providing financial consultations through virtual environments.

2. **Expanding the Offering of Integrated Banking Services (Ecosystem Banking):**
 - **Partnerships with Other Service Providers:** Establishing partnerships with fintech companies and other service providers to create an integrated banking ecosystem that offers customers a comprehensive range of financial and non-financial services.
 - **Leveraging Open Data:** Using customer data more broadly through open platforms to offer more personalized and integrated banking services.
3. **Focusing on Sustainability and Social Responsibility:**
 - **Providing Sustainable Financial Services:** Developing banking products that focus on sustainability, such as financing green projects or offering socially responsible investment options.
 - **Enhancing Transparency:** Increasing transparency in banking operations through regular reports on the bank's social and environmental impact.
4. **Developing Customer Experience Through AI in Customer Service:**
 - **Relying on Advanced Chatbots:** Improving chatbots to offer more intelligent and complex financial consultations.
 - **Sentiment Analysis:** Using sentiment analysis techniques to understand customer moods and provide appropriate responses to their emotional state in interaction with the bank.
5. **Anticipating Integrated and Personalized Experiences Across All Channels:**
 - **Providing Omni-channel Experiences:** Integrating all communication channels (digital and traditional) to offer a seamless experience where customers can transition smoothly between channels without losing information or service quality.
 - **Leveraging Predictive Analytics:** Using predictive analytics to anticipate customers' future needs and offer services that align with their expectations even before they ask.
6. **Developing Loyalty Programs and Customer Appreciation:**
 - **Launching Digital Loyalty Programs:** Loyalty programs that rely on digital technology offer personalized rewards based on spending behaviors and customer interaction with the bank.
 - **Appreciating Customers Through Exclusive Experiences:** Offering unique and exclusive banking experiences to the most loyal customers, such as personal financial consultations or premium banking services.
7. **Investing in Smart Customer Experiences:**
 - **Internet of Things (IoT):** Using IoT to enhance customer experience, such as providing instant notifications through smart devices linked to their bank accounts.
 - **Predictive Services:** Developing interactive services based on customer behavior predictions to offer financial offers at the right time.
8. **Developing and Expanding Open Banking Services:**
 - **Encouraging the Use of APIs:** Opening communication channels with third-party applications to allow greater integration of services and expand the range of services provided to customers.
 - **Monitoring Privacy and Security:** Ensuring the highest standards of security and privacy while expanding the use of open banking services.

The future suggestions focus on continuous innovation, leveraging advanced technology, and offering more integrated and personalized customer experiences. Banks must be ready to adopt these innovations and future trends to enhance customer satisfaction and develop banking services in line with rapid changes in customer expectations and the financial labor market.