

Non-Verbal Communication and Satisfaction on the Banking Industry

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Abstract: The aim of the study is to investigate the relationship between non-verbal communication and customer satisfaction in the banking industry. Recent researches show that non-verbal communication plays a vital role in communication especially in the banking industry. Therefore, this study intends to explore the relationship between non-verbal communication cues and customer satisfaction. A total of 150 banking customers participated in this study. The study revealed that non-verbal communication such as facial expressions and head movement significantly influences customer satisfaction.

Key words: Non-verbal communication, facial expressions, customer satisfaction, banking industry, relationship

INTRODUCTION

In the service industry, specifically banking industry, communication is an essence to determine customer satisfaction. Recent researches show that non-verbal communication also plays a vital role in communication in the banking industry. Non-verbal communication includes the components of kinesics, paralanguage, proxemics as well as physical appearances. Compared to verbal communication, non-verbal communication plays a more affective and emotional role. According to theorist, non-verbal communication reflects true feelings of the communicator. Facial expression is an emotional expression acknowledged to be a direct reflection of people's affective states (Ekman, 2004).

Problem statement: Customer satisfaction has become a blazing topic discussed in the service industry especially in the banking sector. Communication has been proven to be one of the factors that indicate customer satisfaction. It is inevitable then to say that verbal communication together with non-verbal communication contribute to the effectiveness of communication that takes place in the service industry.

During day to day banking transactions, bank employees' non-verbal communication will be evaluated in defining how it plays a role in determining customer satisfaction in response to these employees' body language. This will be done through measuring the extent to which eye contact, facial expressions and head nodding movements have impacted customers' perceptions and experiences during their banking transactions. Consequently, if not delivered correctly, customers may misunderstand the non-verbal cues and

create some dissatisfaction. For example, staring or avoiding eye contact may be perceived as conveying unfriendliness and emotional distance. It is also through kinesics that customers evaluate the signals or meanings that have been shown by employees by studying eye contact, facial expressions and head nodding movements used. The verbal and non-verbal content of a message reflects peoples' true feelings such as emotions, attitudes, enthusiasms and personality. In addition, Weisbuch *et al.* (2010) confirmed that non-verbal communication is consistent in representing personality. Therefore, this study investigates the relationship between satisfaction and non-verbal communication.

Research questions:

- Does non-verbal communication have an impact on customer satisfaction in the banking industry?
- Which non-verbal communication cues is the most dominant to customer satisfaction?

The purpose of this research is to identify the relationships between non-verbal communication and customer satisfaction in the banking industry. The study contributes to the banking industry as the significance of non-verbal communication emphasises the importance of non-verbal communication with their customers.

Communication: Communication can be defined as the process of sending and receiving messages and at the same time serves as an important channel of transferring and sharing information between two different parties. Figure 1 shows the communication frame research. Non illustrators and emotional expression are encoded

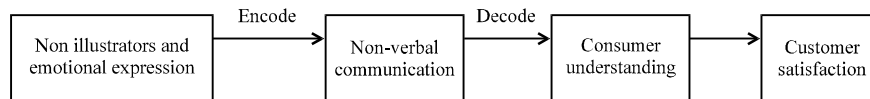


Fig. 1: Communication framework

to non-verbal expression and the decoded to customers understanding. In today's globalized world, communication plays an increasing vital role in promoting good customer relationships. Guld (2008) mentions that good communication plays a significant role in the business world as when customers feel special and appreciated an emotional bond is built. Communication in this sense embodies both verbal and non-verbal context.

Gabbott and Hogg (2001) state that since communication is central between the service purchaser and provider, the recognition of non-verbal communication is critical in understanding the nature of high contact encounters especially in service encounters such as banking.

Words can hide more that they reveal and thus we should not only rely on spoken words alone but on non-verbal behavior as well which projects the truth. He further asserts that body language is more reliable than verbal communication as it is stimulated by our subconscious need to express our feelings. Thus, our body language can actually communicate our sincerity and commitment.

As communication of ideas is such a vital need in the business world, we need an understanding of both verbal and non-verbal communication. Alessandra further adds that failure to understand body language can result in 50% of the real message being lost. So, it is important for organizations to ensure that employees are aware of the impact of body language on daily communication as an understanding of body language can lead to increased rapport among customers and indirectly improved trust and productivity.

Literature review: The strategies which convey non-verbal cues are posture, movement, gestures, facial expressions and appearance. In the service industry, communication is primarily important. If the organisation fails to understand the non-verbal body language, 50% of the message may not be conveyed effectively. Positive body language increases good vibes that results in good social networking in the future. It has also been shown that non-verbal communication through the form of emotions and expressions accounts for up to 70% of most service interactions (Sundaram and Webster, 2000). Therefore, it has become highly significant for banks to

access on as it brings different perceptions to customers, affecting the degree of satisfaction gained from the services.

Banking industry and non-verbal communication:

Communication is always the key to any successful relationship. In the service organisation context, i.e., specifically in the banking sector, communication plays a vital role in determining the relationship between customers and the organisation. Banks in Malaysia are surging to be the preferred choice among customers and thus strive to deliver higher standard of services of customer satisfaction, customers' delight, excellent service delivery and customer relationship, etc. Nevertheless, banks not only are required to provide the best of services to the customers but are also encouraged to ensure that long term commitment and trustworthy relationships are established with its customers.

Customers will be evaluated during banking transactions to determine how bank employees' non-verbal communication play a role in determining satisfaction in response to employees' body language. This will be done through measuring the extent to which eye contact, smiling and head nodding movements have impacted customers' perceptions and experiences during banking transactions.

Illustrators such as nodding head, headshakes and other gesture serve as illustrative to enhance people's speech or argument (Ekram 2004; Beattie and Shovelton, 1999; Gregersen *et al.*, 2009). People use illustrators to emphasise their message more effectively.

The eyes are usually the main source of non-verbal communication. Particularly, it is believed that if one maintains eye contact it indicates that they are listening (Poon, 1998). Alternatively, without frequent and appropriate eye contact, distrust takes place. Therefore, it is substantial in measuring customer satisfaction as it has great effects on perceptions and interpretation. Eye contact has also been linked to generate likeability, believability and satisfaction among customers (Sundaram and Webster, 2000). A study carried out in the banking services has found that the higher customers prioritise eye contact, the higher the customers' satisfaction (Sundaram and Webster, 2000).

The use of head nodding movements would indicate that bank employees understand and acknowledge

customers' needs. Without this, customers may feel disregarded and ignored during banking transactions, thus, leading to customer dissatisfaction. Thus, head nodding movements should be used in order to enhance customers' perception of trust and acceptance (Sundaram and Webster, 2000).

Emotional expressions are assumed to be the direct reflection of their states. Emotional expression such as facial expressions which include smiling and eyebrow flash convey messages about the expresser's feeling. Many theorists have focused on the supremacy of emotional expressions. Employees' smile may give adoptive and comfortable feelings to the customer (Neumann and Strack, 2000). Smiling has shown to emerge as the most effective indicator of interpersonal warmth (Sundaram and Webster, 2000). It is the act of showing interest and acceptance of others. The basis of this would lead to the development and satisfaction of relationships. However, the absence could indicate unfriendliness during services and cause dissatisfaction among customers.

Birdwhistell's theory of kinesics: Being one of the first anthropologists to apply modern methods of observation and scientific analysis to the study of body motion, facial expression and gestures, Ray Birdwhistell has defined his theory as "the study of body motion as related to the non-verbal aspects of interpersonal communication" (Jolly, 2000).

Birdwhistell theory of kinesics has been used to best conceptualize its function to study the bodily movements pertained during the interaction which also provide an indicator of a form of behavioural relatedness between individuals (Jolly, 2000). In addition, he believed that body gesture is systematic communication and a socially learned communicative behaviour (Jolly, 2000). Thus, quality of non-verbal communication provided in relation to the non-verbal cues should be aligned with the needs and expectations of customers (Hooi, 2004). Birdwhistell's six key assumptions are as follows:

- All body movements have meaning potential in communicative contexts
- Behavior can be analyzed because of patterns and repetitions
- Although, body action has biological limits, the use of body motion in interaction is part of the social system
- People's visual bodily activity can influence others
- Communicative functions of bodily activity can be studied

- A person's use of bodily activity will have unique, idiosyncratic aspects while also being part of a larger social system shared with others. <http://oregonstate.edu/instruct/comm321/gwalker/nonverbal.htm>

From the theoretical aspect, it can be seen that non-verbal communication is an important factor that should be taken into consideration when dealing with customers in the banking industry. Customer satisfaction will be enhanced through perceived quality and satisfaction which is dependent on the interpretation of the services provided (Gabbott and Hogg, 2001). Therefore, to explore further, this research will assess the extent to which customers are satisfied through the means of non-verbal communication that consists of illustrators and emotional expressions.

Customer satisfaction: Customer satisfaction is essential in a competitive business environment today. The significance of customers' satisfaction and customers' retention strategy should not be underestimated. Before proceeding further, one has to understand the term 'customer satisfaction'. In general, customer satisfaction can be best explained as the measurement used in determining if customers' expectations are met through the products or services used (Munusamy *et al.*, 2010). Likewise, it can also be conceived as an individual's feeling of happiness or disappointment obtained through their own expectations (Gupta and Dev, 2012).

Substantial body of empirical literature has established that satisfied customers are the key to a business' long term success (Munusamy *et al.*, 2010). Based on much learning and observation, it can also be seen that many of the striving organisations are very customer-oriented in their day to day business in order to retain their customers. It has also been highlighted that there are two general conceptualisations of satisfaction; transaction-specific satisfaction and cumulative satisfaction (Munusamy *et al.*, 2010).

As a result, satisfaction is very much dependent on the ability of banks to meet the customer's norms and expectations (Hooi, 2004). Further, evidence from research findings have also shown that non-verbal cues play a significant role in shaping customers' perception of employees' reliability, politeness and interpersonal warmth (Sundaram and Webster, 2000) which in turn brings about the level of satisfaction that they attain. Most researches have also found that service quality in banks plays a role as the antecedent of customer satisfaction (Gupta and Dev, 2012). With that it has been

widely recognised that customer service and satisfaction can be regarded as important factors for customer acquisition and retention in banks (Gupta and Dev, 2012). Therefore, in relation to customer satisfaction, the components of kinesics will be used to measure the effectiveness of non-verbal communication in the banking industry.

Non-verbal communication: According to Gabbott and Hogg (2001), researchers have found that non-verbal communication constitutes about 90% of any communication that takes place. Additionally, there are also several elements developed in constituting non-verbal communication. They are kinesics, paralanguage, proxemics and physical appearances. The key to these components is that they convey certain meanings and thus is directly affected by the receivers during the point of exchange (Gabbott and Hogg, 2001).

Kinesics is the study of body movement, facial expressions and gestures. It serves as one of the most significant vehicles for non-verbal communication (Sundaram and Webster, 2000). It is body language that substitutes for words and phrases. This is generally confined to facial expressions which include eyebrows, forehead, eyes, mouth, postures and gestures (Ahmad and Zani, 2012).

Researches on non-verbal communication helps to understand better how service customers process employees' non-verbal communication (Sundaram and Webster, 2000). During the communication process, customers use non-verbal cues to help them to understand the message that is being conveyed to them. Thus, learning to integrate non-verbal cues into conversations helps in conveying special social meanings such as intimacy, immediacy, involvement and dominance

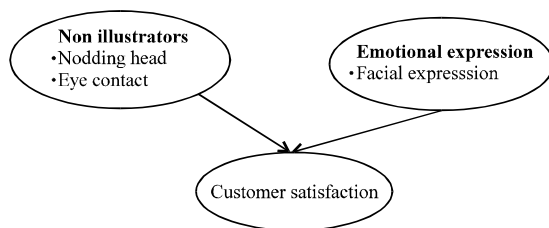


Fig. 2: Conceptual framework of the study

(Burgoon, 1991). Therefore, there is a need to investigate the relationship between non-verbal communication and customer satisfaction. This study uses non illustrators and emotional expression as construct to find out the customer satisfaction in the banking industry. Figure 2 shows the conceptual frame work of the study.

- Hypothesis (H_{1a}): bank employees' non-verbal cues of eye contact have a significant impact on customers satisfaction
- Hypothesis (H_{1b}): bank employees' non-verbal cues of head nodding have a significant impact on customers' satisfaction
- Hypothesis (H_2): bank employees' non-verbal cues of facial expressions have a significant impact on customers' satisfaction

MATERIALS AND METHODS

The 150 respondents from five leading banks in Malaysia participated in this study. The survey method was used to collect data. Questionnaires were set on independent variables and dependent variables and 5 point Likert scale was used in the questionnaire.

Table 1 shows the results of regression analysis that eye contact express all positive indicators which develop trust and lead directly to customer satisfaction. Looking at the table, it can be seen that the variable of eye gesture significantly influences customer satisfaction. The p-value of x_1 (0.0403) is <0.05 , therefore, indicating significance when analysing customer satisfaction. Seeing that the coefficient of x_1 is 0.0887, this would come to mean that whenever there is more use of eye gesture, customers' satisfaction will increase by an average of 0.0887 times.

The result also showed that the p-value of 0.9398 for head nodding movements showed that the relationship between head nodding and customers' satisfaction is insignificant. Evidently, looking at the value of R^2 of 3.87039E-05 this value is too small to propose that the model is the best fit for the data.

Another variable, smiling is also significant to customer's satisfaction as the p-value is 0.0224. In addition, the coefficient of x_2 is 0.2593 which states that

Table 1: Regression analysis

Analysis	Coefficients	SE	t-stat.	p-values	Lower 95%	Upper 95%	R^2
Intercept	2.783512720	0.350737870	7.96049	564E-14	2.087718030	3.479253638	0.028104381
Eye gesture	0.088674168	0.042863642	2.06875	0.040309	0.003970363	0.173377973	
Intercept	3.472565870	0.368113191	9.433187	7.8254E-17	2.745129124	4.200002616	3.8709E-05
Head nodding	0.007082822	0.935813790	0.07556862	0.93977094	-0.177845443	0.192011087	
Intercept smiling	2.528607711	0.425773811	5.93885215	1.96391E-08	1.687265200	3.369988902	0.034710797
	0.259268405	0.112386764	2.306930062	0.022445805	0.037183960	0.481358413	-

when there is a more frequent use of smile during banking services, there will be an average increase in customers' satisfaction by 0.2593 times.

RESULTS AND DISCUSSION

The research demonstrated that smiling is the most important facial expression for customer satisfaction followed by eye contact. This was consistent with studies which showed that a greater use of eye contact by bank tellers resulted in higher customer satisfaction with the service provider and with the service firm. Furthermore, the result confirmed that head nodding is not an important indicator for non-verbal communication and is in line with.

By always taking into consideration customers' expectation and feedback, banks have an opportunity to improve on the customer services rendered. In addition, it also helps employees to interact efficiently with the customers by creating long lasting trust and rapport through the use of non-verbal communication. This would help the bank to improve its service and at the same time have a competitive edge among other contenders.

CONCLUSION

This research is also helpful for customers to understand bank personnels' non-verbal cues during banking transactions and eventually avoid any misunderstandings. This research aims to benefit the respective retail banks. Facial expressions such as smiling strengthen the customers relationship with a bank. Therefore, the banking industry should strengthen non-verbal communication such smiling and eye gesture of their employees in order to gain customer satisfaction and to retain them.

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