

Chapter 14

Evaluation of Customer Expectations–Based New Product and Service Development Process: An Analysis for the Turkish Banking Sector

Serhat Yüksel

Istanbul Medipol University, Turkey

Gülcan Ergül

Istanbul Medipol University, Turkey

ABSTRACT

This chapter analyzed customer expectations-based new product and service development process in banking sector for the Turkish banking sector. In-depth interview technique was used. Four dimensions (finance, technology, customer and personnel, and physical conditions) were determined for measuring the efficiency of this process, and 12 criteria were determined for these dimensions. Questions were prepared by considering the literature and these dimensions and criteria. The 26 questions were asked to 12 different personnel working in Turkish banks. Those employees in the private and foreign banks did not indicate any negativity regarding the new product and service development process, but did report deficiencies in terms of personnel and physical conditions in relation to the new product and service development process.

INTRODUCTION

Globalization has affected countries socially, culturally and economically. The most important economic impact of globalization is the disappearance of financial borders between countries. This issue has provided many economic benefits to countries. In this way, companies have the opportunity to reach new

DOI: 10.4018/978-1-7998-2559-3.ch014

markets. This situation has a positive effect on the profitability of the countries (Parente et al., 2018). Despite these positive aspects mentioned above, globalization has led to an increase in competition in the markets. This is considered to be a positive aspect as it will lead to a decrease in the prices of the products. On the other hand, this increasing competition may affect some firms negatively. There are risks of bankruptcy, especially since they cannot compete with local companies and other large international firms (Coulibaly et al., 2018).

The banking sector is also highly affected by the competition caused by globalization. The financial limits that globalization abolished benefited the banking sector the most. As a result, large banks have had the chance to operate easily in other countries (Kleymenova et al., 2016). This situation caused the financial difficulties of local banks. In order to survive in this competitive environment, it has become necessary for banks to take certain actions. Developing new products and services is one of the strategies that banks can implement in a competitive environment. Thanks to the new products and services they will develop, banks will gain a competitive advantage over their competitors. In this way, the bank can be preferred by customers. This situation will have a positive effect on the profitability of banks (Ghosh, 2016). Another important point in this process is to measure the competence of developing new products and services. In this way, it will be possible to identify a possible problem in advance and take the necessary measures.

The aim of this study is to analyze the new product and service development process focused on customer expectations in the banking sector. Within this framework, the Turkish banking sector was included in the scope of the review. In the analysis process of the study, in-depth interview technique was used. In this framework, four different dimensions were determined, namely, finance, technology, customer and personnel and physical conditions for the measurement of new product and service development effectiveness. On the other hand, 12 different criteria have been determined for these dimensions. 26 different questions were prepared by considering these dimensions and criteria. Related questions were asked to 12 different personnel working in Turkish banks.

The study consists of 3 different sections. In the first part, basic issues related to the banking sector are discussed. In the second part of the study, the concepts of innovation management in banking and customer relationship management and development in banking are emphasized. In the last part of the study, an in - depth interview with the Turkish banking sector is given.

GENERAL INFORMATION ABOUT BANKING

The Definition of Banking

There are a large number of individuals or companies in a country with certain background. Some of them do not prefer to start their own business. Instead, lending their money and thus earning interest income may be the reason for preference. Therefore, it is important that there is an institution that can provide this service for the persons concerned. There are also people in need of money in the country in question. With the money they want to get, the people in question will be able to get married, remodeled and so on. requirements. Therefore, it is very important that these people obtain this money on time (Noth and Busch, 2016; Fuertes et al., 2016). As can be understood from this, there is a need for an institution that can meet this need quickly and effectively.

28 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/evaluation-of-customer-expectations-based-new-product-and-service-development-process/241704

Related Content

CSR's Capability as a Conflict's Resolution to Enhance a Firm's Value in Indonesia

Nila Trisriarini (2015). *International Journal of Corporate Finance and Accounting* (pp. 50-66).

www.irma-international.org/article/csrs-capability-as-a-conflicts-resolution-to-enhance-a-firms-value-in-indonesia/134863

The Rise of Digital Currency: A Bibliometric Evaluation and Future Research Prospect

Priyanshu Sharma, Jyoti Kumar Chandel, Diksha Sinha, Ramji Nagariya and Abhineet Saxena (2024).

Integrating RegTech Solutions for Industry 4.0 (pp. 96-135).

www.irma-international.org/chapter/the-rise-of-digital-currency/351464

Do Bankers Use Managerial Discretion with Regard to CSR and Earnings Management to Rebuild Their Reputation in the Aftermath of the Financial Crisis?

Ada Sneekes, Georgios Georgakopoulos, Alexandros Sikalidis and Maria Rodosthenous (2016).

International Journal of Corporate Finance and Accounting (pp. 14-41).

www.irma-international.org/article/do-bankers-use-managerial-discretion-with-regard-to-csr-and-earnings-management-to-rebuild-their-reputation-in-the-aftermath-of-the-financial-crisis/174419

The Concentration From the Competition Perspective in the Turkish Banking Sector: An Examination for the Period of 1999-2018

Mustafa Tevfik Kartal (2020). *Handbook of Research on Decision-Making Techniques in Financial Marketing* (pp. 471-492).

www.irma-international.org/chapter/the-concentration-from-the-competition-perspective-in-the-turkish-banking-sector/241714

The Existence of an Anomaly in the City Indices in Borsa Istanbul

Hakan Altin (2021). *International Journal of Corporate Finance and Accounting* (pp. 12-27).

www.irma-international.org/article/the-existence-of-an-anomaly-in-the-city-indices-in-borsa-istanbul/285969