Impact of Digital Transformations on Customer Satisfaction in the Financial Services of the Real Estate Industry

Maria Rosario F. Briones
https://orcid.org/0009-0008-9728-8309
maroseqf@yahoo.com
University of Perpetual Help System Dalta
Las Pinas City, Manila, Philippines

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Abstract

This study explores the impact of digital transformation on customer satisfaction in financial services within the Philippines' real estate sector. It evaluates how digital tools influence satisfaction using the SERVQUAL dimensions: tangibles, reliability, responsiveness, assurance, and empathy. Challenges such as data security concerns, digital literacy gaps, and resistance to change are addressed. Further, it aims to assess the customer satisfaction across SERVQUAL dimensions, to evaluate the perceived usefulness and ease of use of digital tools, and to examine the correlation between digital transformation and customer satisfaction. A quantitative descriptive correlation design using a quantitative approach was used, involving 150 customers with diverse demographics who engaged with digital real estate financial services. Data collection employed validated SERVQUAL and Technology Acceptance Model (TAM)-based instruments, and was done through survey questionnaires, executed face-to-face and online. Pearson's correlation and SPSS were utilized for analysis. The respondents, predominantly young professionals, reported high satisfaction across SERVQUAL dimensions, particularly tangibles and assurance. Perceived usefulness ($r = 0.34$) demonstrated a stronger correlation with satisfaction than ease of use ($r = 0.25$). Practical advantages of digital platforms were highly valued, while intuitive designs require refinement. Digital transformation significantly enhances customer satisfaction by improving service quality, trust, and efficiency. Strategic recommendations include simplifying the user interface, enhancing support systems, and prioritizing robust security. A roadmap emphasizes continuous improvement through user feedback, training, and tailored digital solutions.

Keywords: Business and Technology, Digital transformation, customer satisfaction, Quantitative survey, correlational analysis, Philippines

Introduction

The real estate sector in the Philippines plays a pivotal role in the national economy, driving job creation and urban development. Moreover, it is undergoing a significant transformation driven by economic growth and technological advancements. This advancement has amplified the need for digital transformation to enhance operational efficiency and customer satisfaction in financial services, which are integral to real estate transactions. The adoption of technologies such as blockchain, online property platforms, and virtual reality tours has redefined service delivery.

The transition to digital financial services, however, faces hurdles such as data security concerns (customers are wary of sharing sensitive financial information online), digital literacy gaps (not all customers are proficient in navigating new technologies), and resistance to change (traditional service users may resist adapting to digital platforms)

Previous studies emphasize the interplay between digital transformation and customer satisfaction, particularly in service-oriented industries such as real estate.

Customer satisfaction was defined as the alignment of customer expectations with service delivery (Qureshi et al., 2020). Satisfaction directly influences loyalty and business performance (Phong & Chi, 2019). In the real estate sector, factors such as service quality, communication, and trust significantly impact customer experiences (Li, 2023). Tangibility, reliability, and empathy are key determinants of satisfaction (Famiyeh et. al., 2018)

Digital transformation refers to integrating technologies like AI, IoT, and blockchain into operations to enhance efficiency and innovation (Çetindamar & Abedin, 2020; Fahmy et al., 2022).

In real estate, digital tools such as online platforms and automated valuation models streamline transactions and improve service delivery (Moro et al., 2022). Technologies like PropTech enable data-driven decision-making, enhancing customer satisfaction (Backlund et al., 2022).

This study addresses these challenges by investigating the effects of digital transformation on customer satisfaction, focusing on financial services in the real estate sector. By analyzing customer interactions and experiences, the study aims to provide actionable insights for optimizing digital strategies to improve satisfaction and competitiveness.

Objectives of the Study

This study aimed to determine the customers' perception of adopting digital technology and how it impacts their satisfaction with the services offered by the real estate organization. Specifically, it sought to:

1. Evaluate customer satisfaction using the SERVQUAL dimensions (tangibles, reliability, responsiveness, assurance, and empathy);
2. Assess the extent of digital transformation in terms of perceived usefulness and ease of use;
3. Determine the correlation between digital transformation and overall customer satisfaction; and,
4. Propose a strategic roadmap for enhancing digital services in real estate financial services.

Methodology

A quantitative descriptive correlational approach was employed, utilizing purposive sampling to gather data from customers of real estate companies who had interacted with its digital platforms within the past two years, selected through purposive sampling based on demographic diversity and engagement with digital tools. Survey instruments measured demographics, customer satisfaction (through SERVQUAL dimensions), and digital transformation factors (perceived ease of use and usefulness).

Survey tools were pilot-tested, reviewed by subject-matter experts, and validated through Cronbach's Alpha to ensure reliability and content accuracy. Surveys were administered through online and in-person methods. Statistical analysis, including descriptive statistics and Pearson's correlation, was performed using SPSS to evaluate trends and relationships.

Data analysis involved statistical techniques, including Pearson's correlation, to evaluate relationships between digital transformation and satisfaction.

Results and Discussion

1. Respondent profile

Age. Predominantly young professionals (26–39 years, 58%), aligning with higher digital adoption rates.
Gender. Female majority (67%), suggesting possible gendered preferences in digital platform interaction.
Education. High educational attainment (77% college graduates) correlates with higher digital literacy.
Income. Most respondents were middle-income earners (PHP 60,000–100,000 monthly).
Occupation. Roles such as real estate salespersons and agents dominated, emphasizing the direct relevance of digital tools for client interactions.

2. Customer satisfaction

High satisfaction was observed across SERVQUAL dimensions:

Tangibles. Professionalism and accessibility were rated highly; parking facilities were noted as an area for improvement.
Reliability. Customers appreciated accurate information and timely service delivery.
Responsiveness. Promptness and availability of customer support were strong contributors to satisfaction.
Assurance. Trust in financial transactions was bolstered by digital transparency and reliability.
Empathy. Personalized service enhanced customer trust and loyalty.

3. Digital transformation

Perceived Usefulness. Digital tools improved task efficiency, reduced transaction time, and facilitated better financial management.

Ease of Use. While generally user-friendly, some respondents noted difficulties navigating complex features or learning new systems.

4. **Correlation between Digital Transformation and Satisfaction**

Perceived Usefulness (r = 0.34). Moderate positive correlation with customer satisfaction, highlighting the significance of practical benefits from digital tools.
of Use (r = 0.25). Weak but significant positive correlation, indicating that intuitive design contributes to satisfaction, albeit less than perceived utility.

The study investigates the relationship between digital transformation and customer satisfaction in the financial services of the real estate sector in the Philippines. By evaluating satisfaction levels across SERVQUAL dimensions and assessing perceptions of digital tools, the study provides a comprehensive understanding of how digital transformation impacts customer experiences. The following is a detailed analysis of the study's findings:

1. Demographic Insights

The respondent profile provided valuable insights into the adoption of digital tools:
Age. Younger professionals (26–39 years) adapted more readily to digital platforms, while older demographics (54+ years) required additional support.
Education. Higher educational attainment correlated with greater digital literacy and satisfaction.
Income. Middle-income respondents valued cost-effective digital solutions, while higher-income groups sought advanced features and personalized services.

Digital literacy and expectations vary across demographics, necessitating tailored strategies to address diverse needs. Educational initiatives and simplified designs can bridge gaps for older or less tech-savvy users, while premium features can cater to high-income customers.

2. Customer Satisfaction across SERVQUAL Dimensions

The study revealed high satisfaction levels across all five SERQUAL dimensions, with some variations:

Tangibles. Customers appreciated the professionalism and appearance of staff and the cleanliness of facilities. However, minor dissatisfaction with parking facilities suggests areas for improvement in physical amenities.
Consistency and accuracy of service delivery were well-received, reinforcing the importance of dependable operations. Slight variability in meeting expectations highlights the need for standardization in service processes.
Responsiveness. Timely responses to inquiries and accessibility of customer support channels contributed significantly to satisfaction. Improvements in staff readiness to assist could enhance perceptions further.

Assurance. Customers expressed confidence in the reliability of digital tools, which bolstered trust. Strengthening staff expertise and availability could deepen this confidence.

Empathy. Personalized service and attentiveness from staff were key contributors to satisfaction. Ensuring consistent empathy across all interactions remains an area for growth.

The high SERVQUAL scores indicate that the real estate sector effectively integrates customer-centric practices with digital tools. However, addressing minor service inconsistencies can further elevate satisfaction.

3. Extent of Digital Transformation

The study assessed digital transformation through two primary factors: perceived usefulness and ease of use.

Perceived Usefulness. Respondents valued the practical benefits of digital tools, including enhanced task efficiency and streamlined processes. This highlights the importance of functionality and relevance in digital solutions.

Ease of Use. While respondents found digital platforms generally user-friendly, some noted difficulties in navigating complex features or learning new systems.

Perceived usefulness had a stronger correlation with satisfaction ($r = 0.34$) than ease of use ($r = 0.25$). This suggests that customers prioritize the practical advantages of digital tools over their simplicity. Ensuring that platforms are both functional and intuitive can maximize user satisfaction and engagement.

4. Correlation Between Digital Transformation and Customer Satisfaction

The study found a significant positive relationship between digital transformation and customer satisfaction:

Perceived Usefulness. Customers who found digital tools relevant and beneficial reported higher satisfaction levels.

Ease of Use. Simplified interfaces and intuitive navigation also contributed to satisfaction, albeit to a lesser extent.

The findings align with the Technology Acceptance Model (TAM), which posits that perceived usefulness and ease of use are critical factors in user adoption of technology. In the context of real estate financial services, functionality is a primary driver of satisfaction, emphasizing the need for digital platforms to align with customer needs.

5. Challenges Identified

The study identified several challenges in the digital transformation process:

Service Consistency. Variability in service delivery can undermine reliability perceptions.

Literacy Gaps. Some users, particularly older demographics, struggled with complex features.

to Change. Customers accustomed to traditional services were hesitant to fully embrace digital tools.

Overcoming these challenges requires a combination of educational support, iterative improvements based on feedback, and targeted engagement strategies to build trust and confidence in digital systems.

6. Implications for Practice

The findings highlight critical implications for the real estate sector:

Customer-Centric Design. Platforms must prioritize user needs, balancing functionality with ease of use.

Continuous Improvement. Regular updates based on user feedback are essential to maintaining relevance and satisfaction.

Strategic Support. Expanding customer support channels and providing onboarding sessions can facilitate smoother adoption of digital tools.

Focus on Trust. Robust data security measures are crucial to building customer confidence in digital services.

By addressing these areas, real estate companies can enhance customer satisfaction, improve loyalty, and maintain a competitive edge in the digital landscape.

The findings highlight that digital transformation is a key driver of customer satisfaction in real estate financial services. By addressing operational inefficiencies, enhancing transparency, and personalizing customer experiences, digital tools meet evolving consumer expectations.

Key Insights:

1. Younger, educated customers adapt readily to digital platforms, while older users require additional support to overcome barriers.
2. High satisfaction across SERVQUAL dimensions indicates the effectiveness of digital solutions in improving customer experiences.
3. Customers prioritize functionality and usability, underscoring the importance of developing intuitive, relevant digital platforms.

Challenges:

1. Variability in service delivery consistency.
2. Limited digital literacy among certain demographic groups.
3. Resistance to adopting new tools among older or less tech-savvy users.

Implications:

1. Companies must bridge gaps in digital literacy through targeted training and support.
2. Continuous feedback mechanisms can ensure platforms evolve to meet user needs.
3. Investments in security and reliability will bolster trust in digital financial services.

Conclusions

Digital transformation positively impacts customer satisfaction in the real estate financial services sector by enhancing service quality, transparency, and efficiency. Based on the findings, the following conclusions were drawn:

1. Customers in digital financial services for real estate have varied demographics, requiring tailored solutions for accessibility and relevance.
2. High satisfaction levels in key service areas suggest a solid foundation, but consistency and proactive support can further enhance trust.
3. Customers find digital tools useful and easy to use, but ongoing refinements are necessary for better convenience and efficiency.
4. User-friendly and beneficial digital services are crucial for customer satisfaction and loyalty.
5. A structured approach to digital enhancements will strengthen competitiveness, improve customer relationships, and drive growth.

Recommendations

This study makes the following recommendations based on the findings and conclusions:

1. Develop tailored features for different customer demographics to enhance accessibility and user experience.
2. Implement regular training and proactive initiatives like automated follow-ups to improve service quality and trust.
3. Conduct usability testing and user feedback analysis to enhance convenience, navigation, and efficiency.
4. Integrate tools like goal tracking and financial planning to simplify processes and add customer value.
5. Follow the roadmap while monitoring key metrics and adapting to evolving customer needs. By implementing this roadmap, real estate companies can achieve sustained growth, customer loyalty, and leadership in digital innovation.

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