Proposing and Exploring the Effective Factors of Customer Satisfaction in E-Banking in Islamic Countries (A Case Study of Iran)

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Abstract

Customer satisfaction is one of the key elements of the Bank's investment in e-commerce is creating competitive advantage and the profitability of the banks provide. The purpose of this paper is to introduce and investigate the variables that can create customer satisfaction in e-banking. These variables include: service quality, trust, assurance, empathy, tangibles, customer value, responsiveness. To test the hypotheses, a questionnaire of 32 questions designed that is valued 0 to 100 and distributed among the population (Melat bank), the total 351 patients of the main branches of clients who have had experience using the online system. The method used in this research is descriptive survey. The path analysis method was used to test the hypotheses, and the AMOS software is used for statistical analysis of data. The results of the study show the significant impact of variables on Customer satisfaction, however, the Customer Value and Trust has had the greatest impact on Satisfaction among them.

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Key words: Banking Islamic, Satisfaction Model, Melat Bank.

1.   Introduction

Although online retail sales are growing steadily, it is often reported that automated cyber sales frequently lead to increased cognitive effort, self-service frustration, and navigational confusion among customers (Willemijn et al., 2007). With rapid growth and extensive use of the Internet in the marketing practices of firms, service quality delivery through electronic platforms for electronic commerce becomes one of the most critical issues for marketers in the service sector (Mohsen, 2012). Customer interface not only provides a direct, low cost communication media between an e-store and customers, but also evaluates whether Web-based services are achieving their intended goals, namely personalizing their services and establishing a competitive advantage based on an understanding of customer access behavior. A survey conducted by Genex (2003), an Internet consulting and development firm, reveals that the purchasing intentions of online consumers are influenced by the customer interface, with 65% of B2C shoppers being deterred from using websites with poor customer interfaces. Similarly, another study also indicates that online retention is influenced indirectly by engaging website designs. Accordingly, customer interface quality is believed to not only attract customers to visit e-stores for the first time, but also to generate repeat visits in the future (Hsin & Su., 2008). Customer satisfaction is one of the important outcomes of marketing activity. In the competitive banking industry, customer satisfaction is considered as the essence of success. Most of the Asian cultures (like India, Pakistan) are collectivist [People in the collective cultures discriminate in-groups (relatives, institutions and organizations) and out-groups]. In this case, word of mouth (WOM) advertisements are important for the banks (Kazi Omar, 2011). Previous studies considered that overall satisfaction is primarily a function of perceived service quality is strongly related to online satisfaction. There is little research that validated the factors anteceding to online satisfaction. When only considering quality as the antecedent of online satisfaction, the findings indicate that the path coefficients from system quality and service quality to online satisfaction are significantly positive (Hao et al., 2009). The quality of enterprise web sites has become a key indicator of how well a company is likely to satisfy its customers. Another new challenge is the rapid increase in the expectations and level of sophistication of the e-customers. In recent years, research efforts have been directed at Understanding how e-customers perceive the quality of e-service as well as how these perceptions translate into customer satisfaction and behavioral intentions (Godwin et al., 2010). Customer satisfaction, the feeling of customers using a product or service, is one of most popular research topics in marketing and e-commerce studies, including its positive effects on customers' repurchase and 'word-of-mouth' behaviors. Recent online banking studies, including Casaló, Flavián, and Guinalíu(2008), have found that customer satisfaction with previous online banking interactions have had a positive effect on both customer loyalty and positive word-of-mouth(Cheolho, 2010). Stressing the importance of customer satisfaction towards the services mentioned above, this research seeks to design a model that can be created in customer satisfaction in e-banking in Iran. The question is whether the variables presented in this study can make customer satisfaction? This model can be applied in other countries? To answer these questions, this study in 2013 in Iran's Bank Mellat is one of the most successful banks in the country are examined.

2. Conceptual Framework

Service quality is one of the critical success factors that influence the competitiveness of an organization. A bank can differentiate itself from competitors by providing high quality service. There is no guarantee that what is excellent service today is also applicable for tomorrow. To survive in the competitive banking industry, banks have to develop new strategies which will satisfy their customers. That is why service marketing and bank marketing are important areas in the marketing literature. In the competitive banking industry, customer satisfaction is considered as the essence of success. According to Hofstede (2001), most of the Asian cultures (like India, Pakistan) are collectivist [People in the collective cultures discriminate in-groups (relatives, institutions and organizations) and out-groups]. In this case, word of mouth (WOM) advertisements are important for the banks. File and Prince (1992) argued that the customers who are satisfied tell others about their experiences and this increases WOM advertising. In this way, banks can increase customers (Kazi Omar,2011).Thus, researchers have tried to identify some factors or dimensions in order to evaluate service quality. Sasser et al. have approached service performance from three different dimensions: (i) levels of material, (ii) facilities, and (iii) personnel. On the other hand, Grönroos has claimed that service quality has two main factors: technical quality (Sibel & Cevat,2011).Thus, we have the following hypotheses: **H$_1$:** Service quality has a significant relationship with customer satisfaction in e-banking.

Trust has often been studied in the electronic commerce context. According to McKnight and Chervany(2002), trust can be viewed as trusting belief and trusting intention. Trusting belief refers to the users' perceptions of attributes of service providers, including the ability, integrity, and benevolence of the providers; trusting intention describes the truster's willingness or intention to depend on the trustee (Zhaohua et al.,2010). Thus, we have the following hypotheses: **H$_2$.** Trust has a significant relationship with customer service quality in e-banking.

Structural assurances refer to safety nets such as legal res ourse, guarantees, and regulations existed in a specific context. In the context of financial transaction, structural assurances are even more important. Calculative-based trust refers to "rational assessments of the costs and benefits in the relationship (Ja-Chul et al.,2009). Thus, we have the following hypotheses: **H$_3$.** Assurance has a significant relationship with customer service quality in e-banking.

In the competitive business market, many firms are focusing on their efforts on maintaining a loyal customer base. Most of the retail banks set their strategies towards increasing satisfaction and loyalty of customers through the quality of service. Find out that tangibility, reliability and empathy are important factor for customer satisfaction, whereas responsiveness and assurance are important factor(Zaim et al.,2010); and found that assurance, empathy and tangibles are the important factor, and on the other hand. Found that tangibles are not related to customer satisfaction (Kumar et al.,2010); and find out that empathy is negatively related to customer satisfaction. Researchers have identified various determinants of customer satisfaction in the retail banking sector (Ahmed et al.,2010). Thus, we have the following hypotheses:

H_4. Empathy has a significant relationship with customer service quality in e-banking.
H_5. Tangible has a significant relationship with customer service quality in e-banking.
Designing and delivering superior customer value is the key to successful business strategy in the 21st century. Value reigns supreme in today's marketplace and markets pace; customers will not pay more than a goods or service is worth. Customers are increasingly searching for and demanding value in products and services. Bhattacharya and Singh (2008) mentioned that managing organization from the perspective of customer value would increase the likelihood of success. Companies that provide superior value to their customers obtain a competitive advantage. Cohen et al. (2007) argued that customer value is more viable element than customer satisfaction because it includes not only the usual benefits that most banks focus on but also a consideration of the price that the customer pays(Kazi Omar, 2011).Thus, we have the following hypotheses:H_6. Customer value has a significant relationship with customer service quality in e-banking.

Perceived responsiveness is defined as the consumer's perception of an e-vendor's willingness to address a service failure and to provide a complaint handling mechanism. A positive relationship between customer satisfaction and further complaint intentions, in traditional shopping, has been proposed. That is, as consumers' perception of responsiveness increases, they become more likely to complain to vendors. For example, a large company or a well-known brand may regularly use a formal mechanism to handle consumer complaints, but a small firm may not always provide this mechanism for consumers (Ing-Long, 2012). Thus, we have the following hypotheses: H_7. Responsiveness has a significant relationship with customer service quality in e-banking.

3.   The proposed model:
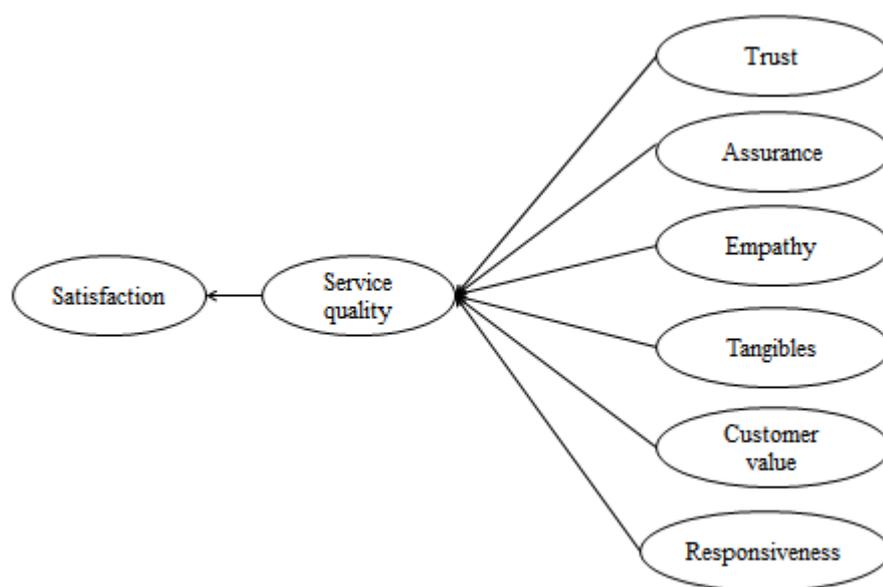
Garph1: The Conceptual model of examining the effective factors (trust, assurance, empathy, tangible, customer value, responsiveness) influencing satisfaction in E- banking (taken from: Ing-long wu.2012, Kazi omar.2011,

Mehdi fathollahzadeh et al.,2011, Ahmad et al.,2010, Zaim et al.,2010, Kumar et al.,2010).

4. Theoretical frame work for research
Research Method
Considering the subject of this research, the universe of this study is the clients of the main branches of Melat bank in kermanshah province-Iran. The sampling method and sample volume was determined by morgantable. The universe was 4000 people and sample volume was determined 351 persons. samples were collected by the simple accidental sampling method. A closed questionnaire was used for collecting data and the questions were categorized into 7 sections with a value of 0-100.For analyzing data, path analysis was used.

Kolmogorov- Smirnov
To use path analysis and regression method, errors must have a normal distribution. To examine this, Kolmogorov-Smirnov test is being used.

In the table above, since p-value= .081 and p >0.05, the hypothesis of being normalized is accepted.

A primary sample of 351 people were examined to do this research and as for getting sure of its reliability, cronbachs Alpha was used. As its shown in the table below, α = .781, which proves the reliability of the questionnaire.

Table 3:   Reliability Statistics

Cronbach's Alpha	N of Items
.781	32

In the table above, cronbach alpha = .781 and α> .70, then it can be said that this questionnaire is reliable. In this model, the impact of independent variables such as service quality, trust, assurance, empathy, tangibles, customer value and responsiveness on the dependent variable of satisfaction is examined. Therefore, the model is illustrated as following:
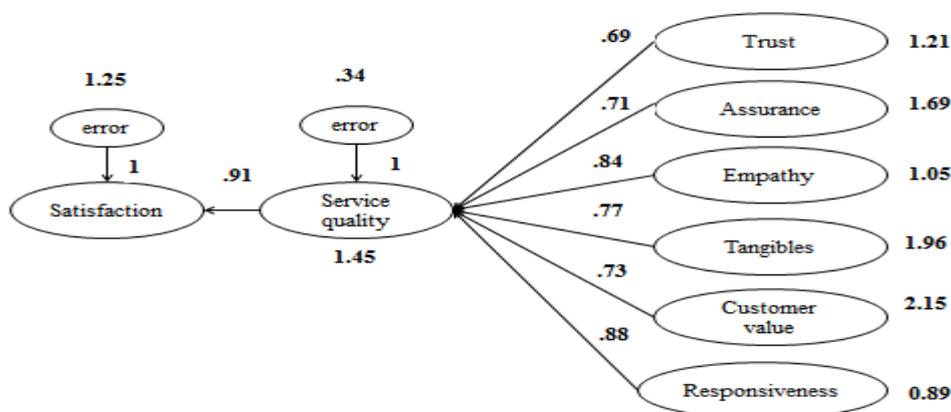
Graph 2: The regression coefficients of independent variables in melat bank.
In the figure above, .91 demonstrates regression coefficient between service quality and satisfaction variables, and 1.45demonstrates the variance of reliability variable.

Regression coefficients of variables in melat bank
The table above shows the calculated regression coefficients of independent variables on dependent ones. According to this table, the regression coefficient of the variable Trust is .69. Also, the calculated regression coefficient of assurance =.71, empathy =.84, tangibles =.77, customer value =.73 and Responsiveness =.88. Considering the last column of this table which shows p-value related to independent variables coefficients being significant hypothesis, trust .000, assurance .039, Empathy .028, Tangibles .001, customer value .000, responsiveness .005. Because all of these p–values < 0.05, as a result, it can be concluded that all of these coefficients are significant. In the second column,this table shows standard error and the third column shows the critical value, which is attained through dividing the coefficient astimation by the standard error.

Table4: Regression coefficient of independent variables in melat bank

			Estimate	S.E.	C.R.	P
Satisfaction	**<---**	**Service quality**	.910	1.204	.552	.011
Service quality	**<---**	**Trust**	.694	1.1	.450	.000
Service quality	**<---**	**Assurance**	.711	1.3	.752	.039
Service quality	**<---**	**Empathy**	.842	1.024	.716	.028
Service quality	**<---**	**Tangibles**	.777	1.4	.364	.001
Service quality	**<---**	**Customer Value**	.736	1.466	.256	.000
Service quality	**<---**	**Responsiveness**	.880	.094	.741	.005

Structural equation
In this article, independent variables like service quality is shown by X_1, trust X_2,assurance X_3,empathy X_4,tangible X_5,customer value X_6, responsiveness X_7 and the dependent variable of satisfaction is shown by Y. According to the regressional coefficients,the linear regressional model beging fitted to data, is as follows:

$$y = 0.11 + .91 x_1 + .69x_2 + .71 x_3 + .84x_4 + .77 x_5 + .73 x_6 + .88 x_7$$

Standardized Regression Weights
The standardized coefficients of independent variables have been shown in the graph below.

Table5: the standardized coefficients of variables

			Estimate
Satisfaction	**<---**	**Service quality**	.934
Service quality	**<---**	**Trust**	.722
Service quality	**<---**	**Assurance**	.743
Service quality	**<---**	**Empathy**	.820
Service quality	**<---**	**Tangibles**	.759
Service quality	**<---**	**Customer Value**	.701
Service quality	**<---**	**Responsiveness**	.911

As hʼs obvious from the table above, the variable of responsiveness has the most impact and customer value has the least impact on the variable of Satisfaction and the impact of service quality on satisfaction is .93 times

Comparing the independent model and the proposed model
In order to examine the suitability of the model, the following criteria are used. The nearer values of these criteria to 1, the more suitable the model will be. The independent model is a kind of model in which theres no relationship among variables, being called a basic model.

Table6: comparing the suggested and independent model in melat bank

RMSEA	AGFI	GFI	CFI	IFI	RFI	NFI	
0.025	0.847	0.935	0.964	0.812	0.792	0.856	**proposed model**
0.000	0.000	0.000	0.000	0.000	0.000	0.000	**independent model**

The values of the table above proves the suitability of the model.

K_2 of the suggested models
The following table shows the K_2 value for the suggested model.

Table 7:K2 of the suggested model in melat bank

CMIN	DF	CMIN/DF	P
28.329	21	1.349	0.015

For this model, $\chi^2 = 28.329$, degrees of freedom = 21 and sig = 0.015, and because sig <0.05,its concluded that the regressional model being fitted among dependent and independent variables is significant and suitable.

5. Conclusion

H_1.Service quality has a significant relationship with customer satisfaction in e-banking.
According to the achieved results; There is a significant and positive relationship between service quality and satisfaction with a sig of .011 and a regression coefficient of .91.Therefore,it can be stated that theres a strong relationship between satisfaction and service quality, and the regression coefficients between the two stated variables is direct (positive). As a result, it can be said that service quality influences satisfaction and in customers point of views; the more the service quality, the better the. Satisfaction, therefore, the hypothesis is accepted.

H_2.Trust has a significant relationship with customer service quality in e-banking.
According to the achieved results; there is a significant and positive relationship between trust and service quality with a sig of .000 and a regression coefficient of .69.Therefore, it can be stated that theres a strong relationship between trust and service quality, and the regression coefficients between the two stated variables is direct (positive).As a result, it can be said that trust influences service quality and in customers point of views; The more the trust, the better the. Service quality, therefore, the hypothesis is accepted.

H_3. Assurance has a significant relationship with customer service quality in e-banking.
According to the achieved results; there is a significant and positive relationship between assurance and service quality with a sig of .039 and a regression coefficient of .71.Therefore,it can be stated that there is a strong relationship between service quality and assurance, and the regression coefficients between the two stated variables is direct (positive).As a result, it can be said that assurance influences service quality and in customers point of views; The more the assurance, the better the. Service quality, therefore, the hypothesis is accepted.

4.Empathy has a significant relationship with customer service quality in e-banking. According to the achieved results; there is a significant and positive relationship between empathy and service quality with a sig of .028 and a regression coefficient of .84.Therefore, it can be stated that there is a strong relationship between service quality and empathy, and the regression coefficients between the two stated variables is direct (positive).As a result, it can be said that empathy influences service quality and in customers point of views; The more the empathy, the better the. Service quality, therefore, the hypothesis is accepted.

H₅.Tangibles has a significant relationship with customer service quality in e-banking. According to the achieved results; there is a significant and positive relationship between tangibles and service quality with a sig of .001 and a regression coefficient of .77.Therefore,it can be stated that there is a strong relationship between service quality and tangibles, and the regression coefficients between the two stated variables is direct (positive).As a result, it can be said that tangibles influences service quality and in customers point of views; The more the tangibles, the better the. Service quality, therefore, the hypothesis is accepted.

H₆.Customer value has a significant relationship with customer service quality in e-banking. According to the achieved results; there is a significant and positive relationship between customer value and service quality with a sig of .000 and a regression coefficient of .73.Therefore,it can be stated that there is a strong relationship between service quality and customer value, and the regression coefficients between the two stated variables is direct (positive).As a result, it can be said that customer value influences service quality and in customers point of views; The more the customer value, the better the. Service quality, therefore, the hypothesis is accepted.

H₇.Responsiveness has a significant relationship with customer service quality in e-banking. According to the achieved results; there is a significant and positive relationship between responsiveness and service quality with a sig of .005 and a regression coefficient of .88.Therefore, it can be stated that there is a strong relationship between service quality and responsiveness, and the regression coefficients between the two stated variables is direct (positive). As a result, it can be said that responsiveness influences service quality and in customers point of views; the more the responsiveness, the better the. Service quality, therefore, the hypothesis is accepted. The results showed a significant positive relationship between the variables, this study it can be concluded that the proposed model is a functional model and optimization and all through this model, banks can make customer satisfaction. For future research on customer satisfaction in e-banking is expressed few suggestions:
- *Examine the relationship between reputation and customer satisfaction in e-banking.*
- *Examine the relationship between switching costs and Habit the satisfaction in e-banking customers.*
- *Examine the relationship between risk perception and trust of customers with customer satisfaction in e-banking.*

6. Resources

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