

Identification and classification of factors affecting customer's frequent use of bank services (Case Study: Parsian Bank)

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Abstract: Customers are the most important factor of organizations growth and maintenance-whether manufacturing or service organizations. If an organization is successful in satisfying the customers and encouraging them to frequent use of bank services, and it is able to maintain (keep and continue) that, we can say that this organization will grow and survive in long-term. Today, banks play an important role in growth and development of the country's economy. Banks consist of a series of economic activities that create credibility and can facilitate the disbursement (payment) and transferring of the funds. The aim of this research is to identify and classify the factors affecting customer frequent use of bank services in Parsian bank branches. So this research is done by questioning and also by use of descriptive-survey method. The research population of this study consists of customers who have a bank account with a minimum amount of one million rial in one of the Parsian bank branches. 25-item questionnaires were distributed. Data analysis has been done in two levels of descriptive and inferential statistics and by use of SPSS software, T-student test and Freidman test to prioritize the effective factors. The results show that there is a positive and significant relationship between these factors (Quality of administrative, physical and welfare facilities – employee's behavior – easy information accessibility – service quality – variety of the services and customer frequent use of bank services) in Parsian bank, and it is shown that these factors can affect customer's frequent use of bank services. According to Freidman test, prioritizing and ranking of the multiple factors affecting customer's frequent use of bank services is not the same in Parsian bank. With respect to factors rating average (factors score average), it can be said that the employees behavior has the most utility and the highest priority, and the quality of administrative, physical and welfare facilities has the least utility and the lowest priority.

Key words: Factors affecting frequent use of bank services; Customer satisfaction; Parsian bank

1. Introduction

Today services play an important role in the world economy and most of the organizations – small or large, public or private – focus of it. Competitions in various areas (fields), threaten the organizations survival and make the organizations to acquire (achieve) special abilities and capabilities. Continuous and increasing presentation (offering) of new products and services is the result of these competitions and show the continuous efforts for organizational survival. Most of the institutions in various societies are aware of increasing importance of services and customer frequent use of services and its major role in productivity improvement and income growth (increase) in various economic aspects and also in national and international areas. Frequent use of one organization services is influenced by numerous (multiple) and various factors and conditions inside or outside the organizations, and with respect to the type of the organization, these factors effectiveness varies from one organization to the other. Identifying and understanding of these factors and also determining their effectiveness can help the managers to make

correct decisions. On the other hand, the organizational resources are limited and if the managers want to design the plans in order to keep their customers, they should allocate these limited resources in regard to abovementioned factors and their importance (Khorshidi and Javad Karegar, 2013)

2. Theoretical framework and research model

Nowadays, services are the basis of economy. Banks as a service organization can lead and support the economic activities of the society. Service offering (service presentation) in a desirable, acceptable, safe and adequate (appropriate) form will result in financial institutions survival in order to meet the needs and expectations of the customer and lead to customer's loyalty. This work is not done unless the economic institutions not only consider the service quality but also try to maintain (keep and continue) and improve (upgrade) that. Researches show that the hypothesis which says: "the dissatisfied customers will lose and only satisfied customers will be loyal to the organizations" is not true. Aside from satisfied or very satisfied customers, finally many of the customers will lost. They also show that many customers, who are

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satisfied with a particular brand, do not necessarily purchase that brand again and sometimes buy other brands. This is due to some variables such as choice (selection), comfort, price and income. The frequent use criteria and indicators which are based on satisfaction approach are not very strong for predicting the customer's behavior (Duff, 1998)

With respect to satisfaction limitations as a representative criterion for customer frequent use of bank services we can say that the criteria which are based on behavior approach such as novelty, repetition and monetary value are increasingly being used. These criteria can better (more realistically) indicate that to what extent a company act better than its competitors (rivals), these also can improve the ability of predicting the purchase possibility, and

can make it possible to measure and determine the customer lifetime value (Divett and Handerson, 2003)

Advances and developments of databases and information technologies make it possible to use these criteria more and more. Customer satisfaction is an important factor that results in customer frequent use of services. Although every successful marketer is willing to offer and supply the services which can satisfy the customers, but it is not their only purpose (goal). Companies and organizations cannot ignore the other main and essential purposes (goals) of their work such as achieving competitive advantage or gaining profit (Hosseini and Ghaderi, 2011)



Fig. 1: Advantages and benefits of customer satisfaction and service quality (Kazemi and Mohaje, 2008)

As the figure shows, the customer satisfaction provides (brings) many benefits and advantages for companies, and higher levels of customer satisfaction will result in customer frequent use. Keeping the good customers in long term is more beneficial than attracting new customers to replace the old ones. Customers, who are very satisfied with the organization, express their positive experiences to others and become an advertising tool for the organization and reduce the cost of attracting new customers. This is very important for suppliers (providers) of professional services, because speaking about the reputation of the organization and also expressing the benefits, advantages and positive properties of the services by current customers is a source of key information for new customers (Venus, 2002)

At first, this research has identified the effective factors of customer frequent use of Parsian bank services and then has determined the importance of each factor.

This helps Parsian bank to consider the effective factors with higher importance degree in order to

make its customers to use its services frequently and accordingly adopt the appropriate strategy to meet the customers' needs more effectively. In addition, by identifying the effective factors, this bank can attract the other parts of the market which are not loyal to it and finally makes them loyal. Also by identifying these factors and emphasizing on them, this bank can encourage its current customers to use the services more and more (Haqiqi et al., 2003)

3. Research goals

- Identification of factors affecting on customer frequent use of bank services.
- Ranking the factors affecting on customer frequent use of bank services.
- Provide the guidelines in order to improve the customer satisfaction of the bank services.

4. Research questions

This research answers these central and essential questions:

-What are the factors affecting the customer frequent use of bank services?
 -How we can prioritize the factors affecting the customer frequent use of bank services?

-What are the appropriate solutions and strategies in order to improve the customer satisfaction of bank services?

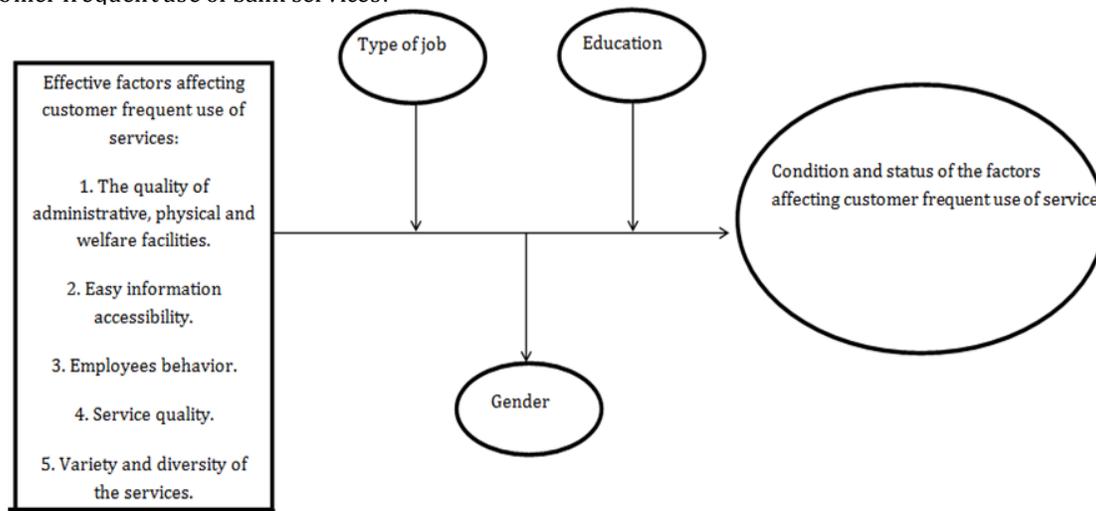


Fig. 2: Research conceptual model

In this regard, this research has been done in order to identifying and ranking the effective factors

of customer's frequent use of bank services in Parsian bank.

Table 1: Research analytical model

factor	description	indicators	Source of indicators
Quality of administrative, physical and welfare facilities	Refer to the appearance of physical facilities, tools, employees and welfare facilities for customers- the place (seat) of sitting down and writing	Physical items and equipment of the bank, location of the bank branches, physical security of branches	Khorshidi and Javad Karegar, 2013
Employees behavior	Employees attempts for solving customer problems	Employees appearance adornment, employees behavior, employees humility and modesty, employees honesty and reliability, bank employees guidance, employees accountability and responding	Dehghan, 2009
Easy information accessibility	Service offering and service delivery in minimum time and in maximum speed	Speed and ease of access, checking customers' requests, electronic services and	Dehghan, 2009
Service quality	Service quality is considered as degree and direction of difference between perceptions and expectations of the customers	Easy accessibility to ATMs and POS, bank working hours, employees accuracy, the design of printed forms of bank system (cash receipt, contract forms and...), recognize the customer needs of service and information, identify the customer requirements level and factors affect customer satisfaction	Kazemi and Mohajer, 2009
Service diversity	Variables that are relate to services and are diverse	Using professional systems, employee's information, facilities interest rate (profit of facilities) and	Dehghan, 2009

5. Research hypotheses

According to the research analytical model and in order to answer the abovementioned questions, the research hypotheses are:

- Quality of administrative, physical and welfare facilities in Parsian bank can affect the customer frequent use of bank services.
- Employees behavior in Parsian bank can affect the customer frequent use of bank services.
- Easy information accessibility in Parsian bank can affect the customer frequent use of bank services.
- Service quality in Parsian bank can affect the customer frequent use of bank services.
- Service diversity in Parsian bank can affect the customer frequent use of bank services.
- The effects of all these factors is the same in Parsian bank.

6. Research methodology

Table 2: First hypothesis: Quality of administrative, physical and welfare facilities in Parsian bank affects the customer frequent use of bank services

	t-statistic value	Degree of freedom	Significance level (sig)	Sample mean difference	Low extent	High extent
Quality of facilities	114/561	119	0/00	16/29167	16/0101	16/5733

The results show that the test statistic value is 114/561 and the degree of freedom is 119 and the mean difference is 16/29167 and the significance level is 0/01. Since the sig is lower than 5%, so it is 99% true that there is a meaningful and significant

The data are gathered using field method and also by questionnaire. The population of this research included Parsian bank customers. Gathering information tools of this research are experts interview and 25-question questionnaires with validity and reliability confirmation in order to identify and rank the effective factors. The reliability of this questionnaire is confirmed by Ahmad Amiri (2013) using Cronbach's alpha test and 86% SPSS software. This questionnaire is based on Likert scale and is scored (ranked) from 1 to 6. The sample size is determined based on simple random sampling of 120 persons. The resulted data in this study are analyzed using SPSS software. This research has used T average test and Freidman test to analyze the data which are obtained (resulted) from questionnaire and questions test

7. Results

relationship between the quality of administrative, physical and welfare facilities in Parsian bank and the customer frequent use of bank services.

Table 3: Second hypothesis: Employees behavior affects the customer frequent use of bank services.

	t-statistic value	Degree of freedom	Significance level (sig)	Sample mean difference	Low extent	High extent
Employees behavior	97/624	119	0/00	24/50833	24/0112	24/0054

The results show that the test statistic value is 97/624 and the degree of freedom is 119 and the mean difference is 24/50833 and the significance level is 0/01. Since the sig is lower than 5%, so it is 99% true that there is a meaningful and significant

relationship between the employee's behavior in Parsian bank and the customer frequent use of the bank services.

Table 4: Third hypothesis: Easy information accessibility in Parsian bank affects the customer frequent use of bank services

	t-statistic value	Degree of freedom	Significance level (sig)	Sample mean difference	Lew extent	High extent
Easy information accessibility	103/521	119	0/00	20/40833	20/0180	20/7984

The results show that the test statistic value is 103/521 and the degree of freedom is 119 and the mean difference is 20/40833 and the significance level is 0/01. Since sig is lower than 5%, so it is 99% true that there is a meaningful and significant relationship between easy information accessibility

in Parsian bank and the customer frequent use of bank services.

Table 5: Forth hypothesis: Service quality in Parsian bank affects the customer frequent use of bank services

	t-statistic value	Degree of freedom	Significance level(sig)	Sample mean difference	Low extent	High extent
Service quality	96/539	119	0/00	20/558	20/1367	20/98

The results show that the test statistic value is 96/539 and the degree of freedom is 119 and the mean difference is 20/558 and the significance level is 0/01. Since the sig is lower than 5%, so it is 99%

true that there is a meaningful and significant relationship between service quality in Parsian bank and customer frequent use of bank services.

Table 6: Fifth hypothesis: Service diversity in Parsian bank affects the customer's frequent use of bank services

	t-statistic value	Degree of freedom	Significance level(sig)	Sample mean difference	Low extent	High extent
Service diversity	108/393	119	0/00	20/43333	20/0601	20/8066

The results show that the test statistic value is 108/393 and the degree of freedom is 119 and the mean difference is 20/43333 and the significance level is 0/01. Since the sig is lower than 5% so it is 99% true that there is a meaningful and significant relationship between the service diversity in Parsian bank and the customer frequent use of bank services.

Sixth hypothesis: Effects of all above factors is the same in Parsian bank.

The Freidman test is used to examine the equality of some dependent variables ranking (prioritize).

Table 7: Factors ranking

Effective factors affecting the customer frequent use of bank services	The average(mean) of each factor rank (score)	The rank(score) of each factor
The quality of administrative, physical and welfare facilities	1/05	5
Employees behavior	4/88	1
Easy information accessibility	2/95	4
Service quality	3/08	2
Service diversity	3/04	3

Table 8: The results of Freidman test

numbers	120
Chi- squared value	368/837
Degree of freedom	4
Significance level	0/00

With respect to sig value (amount) and since the significance level is lower than 0/05, the hypothesis of H0 (H zero) is rejected (is failed) and the claim about the equality of prioritizing (ranking) cannot be accepted. The average of factors ranks show that the employee's behavior has the most utility and the highest priority, on the other hand, the quality of administrative, physical and welfare facilities has the least utility and the lowest priority.

8. Conclusions and suggestions

All over the world, the organizations are trying reach the best market position through supplying and providing unique services. On the other hand, the customers and consumers are always looking for the suppliers who provide better products and services. Understanding this distinction (difference) leads the process of selecting the required services and helps the customers in their decision makings. The customers look for the clues which can help them to identify the best supplier. Understanding the factors that affect the customer's frequent use of

bank services and being aware of each factor importance, can show the strengths and weaknesses of Parsian bank current performance.

According to statistical analysis of this research, we can say that there is a meaningful and significant relationship between the factors (quality of administrative, physical and welfare facilities- easy information accessibility- service quality- service diversity) and the customers frequent use of bank services, we can also say that all these factors affect the customers frequent use of bank services. Based on Freidman test, prioritizing and ranking of these factors is not the same (is not equal) in Parsian bank and with respect the average (mean) of factors score, we can say that employees behavior has the most utility and the highest rank and the quality and administrative, physical and welfare facilities has the least utility and the lowest rank.

9. Practical suggestion

1. Improving the things like suitable and appropriate environment (atmosphere) and

administrative facilities, employees good behaviors, offering immediate services to customers ,and employees enough knowledge can result in customers frequent use of bank services in Parsian bank and make the banks name valuable in customers minds.

2. Parsian bank should allocate more investment for bank credibility (validity), for offering and providing suitable services to meet customer's needs, for perceived quality in order to satisfy the customers.

3. Parsian bank can encourage the customers to repeat using of (the use of) services through design the plans for increasing customers satisfaction .It can also make its current customers to be loyal customers by improving the perceived quality.

4. With respect to high importance of employee's behavior, the Parsian bank can solve the customer's problems faster and better and can increase the customer's satisfaction of bank services by educating the employees and updating them.

10. Suggestions for further researches

1. Carry out a similar research about other banks and organizations.
2. Identify and classify the factors that affect the customer frequent use of bank services by use of other analysis methods like TPOSI method and....
3. Although in this research, the information gathering was based on data which resulted of (obtained from) questionnaires, but it is suggested to use other tools like structured (organized) interviews for future researches.

11. Research problems and limitations (restrictions)

Generally each researcher will face some limitations and barriers in his/her research. Some of these problems result from the nature of research topic and the others result from the general limitations(restrictions) that are exist in current research atmosphere(environment). Little knowledge of internal experts about topic concepts, related problems of information gathering using field method and lack of internet resources and library resources are considered as problems and limitations of the researches.

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