



Study of Effect of Electronic Banking Service Quality on Clients' Satisfaction in Branches of Saderat Bank of Zabol

Mohammad Azarianpour¹, Hamid Okati^{2*}, Alameh Keikha³

¹Department of Management, Zabol Branch, Islamic Azad University, Zabol, Iran

²Co-Author, Department of Management, Zabol Branch, Islamic Azad University, Zabol, Iran

³Faculty member, University of Zabol, Zabol, Iran

ABSTRACT

Nowadays, the competition for the improvement of service quality has been recognized as a key strategic issue for the organizations which act in service part. The organizations which attain a higher level of service quality would have higher level of clients' satisfaction as an introduction for achieving the sustainable competitive advantage. The purpose of present research is the study of effect of quality of electronic service of Saderat bank of Zabol on the clients' satisfaction. With regard to the categorization of scientific researches, the present study is an applied descriptive- survey research. The statistic population of this research includes all clients of Saderat Bank of Zabol that are more than 10000 members. For determining the sample volume, 383 members were selected by the use of Morgan Table and the questionnaires are distributed randomly, because every individual has the chance to be selected. The questionnaire, observing and library study are the most important tools for collecting data. The researcher uses the Servqual Questionnaire including 5 dimensions (Physical, Reliability, Responsiveness, Assurance and Empathy) and 31 standardized questions and the Client Satisfaction Questionnaire including 13 questions which have been constructed in 5- choices Likert Scale from strongly disagree to strongly agree scale that their validity has been confirmed by the professors and chartered persons and their reliability was obtained 0.85 for the service quality questionnaire and 0.795 for the satisfaction questionnaire by the use of Chronbakh Alpha Test. This research is used for analyzing the data from the descriptive and inferential statistics that the frequency, frequency percentage tests and charts and the Smirnov- Kolmogorov, Liner regression and Friedman Tests were used at the level of descriptive and inferential statistics, respectively. The SPSS software would be applied for analyzing the statistic tests. The research findings revealed that the service quality of electronic banking and its elements have positive and meaningful effect on the satisfaction of clients of Saderat bank of Zabol.

Key words: service quality, electronic banking, clients, Saderat bank, satisfaction

Corresponding author: Hamid Okati

INTRODUCTION

The client's satisfaction is a key for retaining the loyalty of client and the better financial performance of organization; on the other side, in today competitive world, the service quality is one of the aspects by which the organization can achieve the competitive advantage. The service quality has been defined as a worldwide attitude or judge about the preeminence of one service that is derived from the comparison of clients' expectations and their perception of the actual performance of services. Most of done studies have shown the importance of these two concepts (Atafar & Shafiee, 2011, 4) and that the service quality, client's satisfaction and value are three elements to which the managers of service organizations should pay attention in the presentation of services (Karoana et al., 2012, 1325).

According to the carried out researches, the client's satisfaction is effective in keeping the clients and ultimately in the profitability and success of organization in the competition area. According to Stoner and Edward in Management book, the

cost of attraction of one new client is fivefold the cost of keeping one old client; furthermore, if there pay no attention to the needs of clients from the beginning, the use of materials of quality improvement would be resulted in the production of products and services which nobody buy them (Farrikhi et al., 2012).

Nowadays, the competition for the improvement of service quality has been recognized as a key strategic issue for the organizations which act in services part. The organizations which attain a higher level of service quality would have higher level of clients' satisfaction as an introduction for achieving the sustainable competitive advantage (Geu et al., 2012: 324). The bank system which is one of the most elements of economic of every country in the economic based on the market and has most important responsibility, is not excluded from this rule. Nowadays, the banks should pay special attention to the quality of their services to be able to compete in today agitated environment. This affair would be resulted in further permanence of clients, attraction of new clients and improvement of financial performance and profitability. During the recent decades, the amplification of competition between the enterprises for the sake of attaining more share of market has lead their attention toward exact and deeper recognition of

the clients' needs and requirements (Kotler, 1997: 16). Certainly, creating satisfaction in the clients and even enthusing them from the quality of services by priority require recognizing their needs and then transferring these needs into a situation in which the products and services are produced. With regard to the increasing complexity of economic, social and cultural systems, this matter does not happen automatically and requires systematic methods and procedures which change these concepts to an organizational process. On the other side, the change of clients' needs and expectations is an irrefutable fact; so, at first the needs of client should be recognized and then the tools of providing them should be determined (Khanzadeh, 2014).

The banking and financial services constitute an important part of service industry (Mishkin, 2011:125). The prospect of financial services is rapidly changing in the world (Landa et al., 2009: 581). The many moderating, structural and technological changes have been happened in the banking industry of world in the regard of moving toward a more integrated environment of global banking (Anger et al., 1999: 116). The banks are developing outside the borders by presenting various benefits and competitive services and restatement of structure of their services toward the use of fast technology and in the path of providing the changing needs of clients. For the reason of these measures, the nature of banking services and communication with the clients has been changed. The very competitive and rapidly changing environment in which the banks are forced to work, lead them to the restatement of their attitude toward the client's satisfaction and improvement of service quality (Arasli et al., 2005: 14). Most of companies have found that the permanent presentation of services with better quality in competition to their rivals can provide a powerful competitive advantage (Horowitz et al., 2011). All the affairs which are regarded nowadays as the electronic banking have been done for the sake of achieving the better service quality; so, the service quality can be considered as the brainware of banking operation (Admin & Owner, 2014).

The client and his/ her satisfaction are of key matters which can provide the development of one collection in present competitive world. In this regard, the attention to this matter that what factors can be effective in increasing the satisfaction of clients in a complete and exact form, is of special importance (Fathian, 2009).

So, with regard to the mentioned information in this study, the present research aims to answer this question that whether or not the service quality of electronic banking affects the satisfaction of clients of branches of Saderat bank in Zabol city?

CONCEPTUAL MODEL:

The present research aims to study the clients' satisfaction with the services of Saderat bank. The elements of quality of banking services are applied based on Servqual model to survey the level of satisfaction of clients of Saderat bank in Zabol city. In Servqual model, the client's satisfaction depends to the service quality; in a way that if the clients study the services of bank and if the presented services and their perception of presentation of these services correspond with their expectations, this would be resulted in the clients' satisfaction. The research model has been presented in figure 1. The quality of banking services consists of 5 dimensions including physical (Tangibles), Reliability, Responsiveness, Assurance and proper communication with the individual (Empathy) that every one of

these dimensions is independent variable for the study of client's satisfaction.

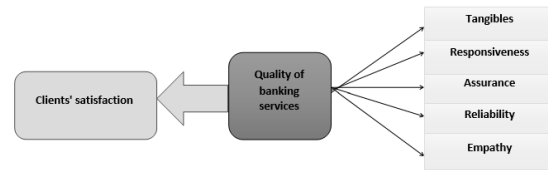


Figure 1: Total model of research

HYPOTHESES

The main hypothesis: quality of electronic service of Saderat bank of Zabol effect on the clients' satisfaction.

Sub- hypotheses:

- Tangibles of Saderat bank of Zabol effect on the clients' satisfaction.
- Responsiveness of Saderat bank of Zabol effect on the clients' satisfaction.
- Assurance of Saderat bank of Zabol effect on the clients' satisfaction.
- Reliability of Saderat bank of Zabol effect on the clients' satisfaction.
- Empathy of Saderat bank of Zabol effect on the clients' satisfaction.

METHODOLOGY OF RESEARCH:

The present study is an applied descriptive- survey research. That is descriptive, because the purpose of this research is the objective, actual and regular description of features of a subject or a situation. The statistic population of this research includes all clients of Saderat Bank of Zabol that are more than 10000 members. For determining the sample volume, 383 members were selected by the use of Morgan Table and the questionnaires are distributed randomly, because every individual has the chance to be selected. The questionnaire, observing and library study are the most important tools for collecting data. The researcher uses the Servqual Questionnaire including 5 dimensions (Physical, Reliability, Responsiveness, Assurance and Empathy) and 31 standardized questions and the Client Satisfaction Questionnaire including 13 questions which have been constructed in 5- choices Likert Scale from strongly disagree to strongly agree scale that their validity has been confirmed by the professors and chartered persons and their reliability was obtained 0.85 for the quality of services questionnaire and 0.795 for the satisfaction questionnaire by the use of Chronbakh Alpha Test. This research is used for analyzing the data from the descriptive and inferential statistics that the frequency, frequency percentage tests and charts and the Smirnov- Kolmogorov, Liner regression and Friedman Tests were used at the level of descriptive and inferential statistics, respectively. The SPSS software would be applied for analyzing the statistic tests.

RESEARCH FINDINGS

The main hypothesis: quality of electronic service of Saderat bank of Zabol effect on the clients' satisfaction.

To determine the effectiveness, goodness-of-fit in regression model was analyzed which was discussed below. To propose the model of the relationship between Quality of electronic service (Y) and Clients' satisfaction (X) after investigating its adequacy indicators in below table, the model is presented.

Table 1. Goodness of fit of regression model between Quality of electronic service and clients' satisfaction

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.478	0.229	0.227	0.691

The relationship between independent variables and the dependent variable equals to 0.478 R Square is .229 which shows that 22.9 percent of variation in quality of electronic service is predicted by clients' satisfaction. Because this measure do not consider the degree of freedom, adjusted R Square was used which equals to 22.7 in this study. According to the indices, the model was adequate.

Table 2. Regression equation of clients' satisfaction

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig
		B	Std. Error	Beta		
1	Constant	1.54	0.187	0.478	8.29	0.000
	Quality of electronic service	0.552	0.052		10.63	

Dependent Variable: clients' satisfaction

The inserted variable in regression equation is the core of regression analysis which can be seen in Table 2 the regression equation is provided by unstandardized coefficients.

Clients' satisfaction = 1.54 + (0.552) Quality of electronic service

It can be said that with increase of one unit of each independent variable depending on the written coefficient, the dependent variable is increased. In other words with increase of one unit in Quality of electronic service, the standard deviation 0.552 unit of clients' satisfaction is increased, so they have positive relationship. T-test relating to regression coefficients are displayed in the table for independent variable as well. The sig. value equals to .000, so quality of electronic service has a meaningful effect on clients' satisfaction.

Hypothesis1: Tangibles of Saderat bank of Zabol effect on the clients' satisfaction.

To determine the effectiveness, goodness-of-fit in regression model was analyzed which was discussed below. To propose the model of the relationship between Tangibles (Y) and Clients' satisfaction (X) after investigating its adequacy indicators in below table, the model is presented.

Table 3. Goodness of fit of regression model between Tangibles and clients' satisfaction

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.474	0.224	0.222	0.578

The relationship between independent variables and the dependent variable equals to 0.474 R Square is .224 which shows that 22.4 percent of variation in Tangibles is predicted by clients' satisfaction. Because this measure do not consider the degree of freedom, adjusted R Square was used which equals to 22.2 in this study. According to the indices, the model was adequate.

Table 4. Regression equation of clients' satisfaction

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig
		B	Std. Error	Beta		
1	Constant	2.01	0.156	0.474	12.91	0.000
	Tangibles	0.456	0.043		10.49	

Dependent Variable: clients' satisfaction

The inserted variable in regression equation is the core of regression analysis which can be seen in Table 4 the regression equation is provided by unstandardized coefficients.

Clients' satisfaction = 2.01 + (0.456) Tangibles

It can be said that with increase of one unit of each independent variable depending on the written coefficient, the dependent variable is increased. In other words with increase of one unit in Tangibles, the standard deviation 0.456 unit of clients' satisfaction is increased, so they have positive relationship. T-test relating to regression coefficients are displayed in the table for independent variable as well. The sig. value equals to .000, so Tangibles has a meaningful effect on clients' satisfaction.

Hypothesis2: Responsiveness of Saderat bank of Zabol effect on the clients' satisfaction.

To determine the effectiveness, goodness-of-fit in regression model was analyzed which was discussed below. To propose the model of the relationship between Responsiveness (Y) and Clients' satisfaction (X) after investigating its adequacy indicators in below table, the model is presented.

Table 5. Goodness of fit of regression model between Responsiveness and clients' satisfaction

R	R Square	Adjusted Square	R	Std. Error of the Estimate
0.566	0.320	0.318		0.616

The relationship between independent variables and the dependent variable equals to 0.566 R Square is .320 which shows that 32 percent of variation in Responsiveness is predicted by clients' satisfaction. Because this measure do not consider the degree of freedom, adjusted R Square was used which equals to 31.8 in this study. According to the indices, the model was adequate.

Table 6. Regression equation of clients' satisfaction

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig
		B	Std. Error	Beta		
1	Constant	1.57	0.144	0.566	10.98	0.000
	Responsiveness	0.537	0.040		13.39	
Dependent Variable: clients' satisfaction						

The inserted variable in regression equation is the core of regression analysis which can be seen in Table 6 the regression equation is provided by unstandardized coefficients.

Clients' satisfaction = 1.57 + (0.537) Responsiveness

It can be said that with increase of one unit of each independent variable depending on the written coefficient, the dependent variable is increased. In other words with increase of one unit in Responsiveness, the standard deviation 0.537 unit of clients' satisfaction is increased, so they have positive relationship. T-test relating to regression coefficients are displayed in the table for independent variable as well. The sig. value equals to .000, so Responsiveness has a meaningful effect on clients' satisfaction.

Hypothesis3: Assurance of Saderat bank of Zabol effect on the clients' satisfaction.

To determine the effectiveness, goodness-of-fit in regression model was analyzed which was discussed below. To propose the model of the relationship between Assurance (Y) and Clients' satisfaction (X) after investigating its adequacy indicators in below table, the model is presented.

Table 7. Goodness of fit of regression model between Assurance and clients' satisfaction

R	R Square	Adjusted Square	R	Std. Error of the Estimate
0.607	0.368	0.366		0.594

The relationship between independent variables and the dependent variable equals to 0.607 R Square is .368 which shows that 36.8 percent of variation in Assurance is predicted by clients' satisfaction. Because this measure do not consider the degree of freedom, adjusted R Square was used which equals to 36.6 in this study. According to the indices, the model was adequate.

Table 8. Regression equation of clients' satisfaction

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig
		B	Std. Error	Beta		
1	Constant	0.955	0.171	0.607	5.58	0.000
	Assurance	0.690	0.046		14.89	
Dependent Variable: clients' satisfaction						

The inserted variable in regression equation is the core of regression analysis which can be seen in Table 8 the regression equation is provided by unstandardized coefficients.

Clients' satisfaction = 0.955 + (0.690) Assurance

It can be said that with increase of one unit of each independent variable depending on the written coefficient, the dependent variable is increased. In other words with increase of one unit in Assurance, the standard deviation 0.690 unit of clients' satisfaction is increased, so they have positive relationship. T-test relating to regression coefficients are displayed in the table for independent variable as well. The sig. value equals to .000, so Assurance has a meaningful effect on clients' satisfaction.

Hypothesis4: Reliability of Saderat bank of Zabol effect on the clients' satisfaction.

To determine the effectiveness, goodness-of-fit in regression model was analyzed which was discussed below. To propose the model of the relationship between Reliability (Y) and Clients' satisfaction (X) after investigating its adequacy indicators in below table, the model is presented.

Table 9. Goodness of fit of regression model between Reliability and clients' satisfaction

R	R Square	Adjusted Square	R	Std. Error of the Estimate
0.508	0.258	0.256		0.357

The relationship between independent variables and the dependent variable equals to 0.508 R Square is .258 which shows that 25.8 percent of variation in Reliability is predicted by clients' satisfaction. Because this measure do not consider the degree of freedom, adjusted R Square was used which equals to 25.6 in this study. According to the indices, the model was adequate.

Table 10. Regression equation of clients' satisfaction

Model	Unstandardized Coefficients			Standardized Coefficients	T	Sig
	B	Std. Error	Beta			
1	Constant	1/18	0/238	0/508	4/97	0.000
	Reliability	0/644	0/056		11/40	
Dependent Variable: clients' satisfaction						

The inserted variable in regression equation is the core of regression analysis which can be seen in Table 10 the regression equation is provided by unstandardized coefficients.

Clients' satisfaction = 1.18 + (0.644) Reliability

It can be said that with increase of one unit of each independent variable depending on the written coefficient, the dependent variable is increased. In other words with increase of one unit in Reliability, the standard deviation 0.644 unit of clients' satisfaction is increased, so they have positive relationship. T-test relating to regression coefficients are displayed in the table for independent variable as well. The sig. value equals to .000, so Reliability has a meaningful effect on clients' satisfaction.

Hypothesis5: Empathy of Saderat bank of Zabol effect on the clients' satisfaction.

To determine the effectiveness, goodness-of-fit in regression model was analyzed which was discussed below. To propose the model of the relationship between Empathy (Y) and Clients' satisfaction (X) after investigating its adequacy indicators in below table, the model is presented.

Table 11. Goodness of fit of regression model between Empathy and clients' satisfaction

R	R Square	Adjusted Square	R	Std. Error of the Estimate
0/460	0/212	0/210		0/481

The relationship between independent variables and the dependent variable equals to 0.460 R Square is .212 which shows that 21.2 percent of variation in Empathy is predicted by clients' satisfaction. Because this measure do not consider the degree of freedom, adjusted R Square was used which equals to 21 in this study. According to the indices, the model was adequate.

Table 12. Regression equation of clients' satisfaction

Model	Unstandardized Coefficients			Standardized Coefficients	T	Sig
	B	Std. Error	Beta			
1	Constant	0/824	0/320	0/460	2/57	0.000
	Empathy	0/762	0/076		10/01	
Dependent Variable: clients' satisfaction						

The inserted variable in regression equation is the core of regression analysis which can be seen in Table 12 the regression equation is provided by unstandardized coefficients.

Clients' satisfaction = 0.824 + (0.762) Empathy

It can be said that with increase of one unit of each independent variable depending on the written coefficient, the dependent variable is increased. In other words with increase of one unit in Empathy, the standard deviation 0.762 unit of clients' satisfaction is increased, so they have positive relationship. T-test relating to regression coefficients are displayed in the table for independent variable as well. The sig. value equals to .000, so Empathy has a meaningful effect on clients' satisfaction.

CONCLUSION:

The statistic calculations show that there is a positive and meaningful relationship between the service quality and the clients' satisfaction. It can be concluded that by increasing the service quality, the clients' satisfaction increases and vice versa.

According to the done researches, the improvement of service quality, presentation of proper service to any client, presentation of suitable products to any client by the proper channel and presentation of proper product to any client at suitable time and the increase of level of clients' satisfaction and keeping the faithful clients are of the results of applying services (Swift, 2002).

The proper perception of clients' needs and presentation of rapid services with regard to the clients' needs would be resulted in more satisfaction of clients. The existence of exact programs and strategies for presenting services to the clients causes that the organization recognizes the actual needs of clients and with the existence of exact feedback system from the clients and their needs and acting them, take effective steps toward the further satisfaction of clients (Durkin & Howcraft, 2003).

The presentation different and proper services to any one of clients by the organizations with regard to the client's needs and exact recognition of clients' information for near communication with them can cause that the clients have more satisfaction with the received services and when the organization takes steps permanently for the sake of client's satisfaction, it would be resulted in the client's loyalty (Greenberg, 2010).

According to the done researches about the service quality, it can be said that applying the service system has many benefits for the organization including the possibility of recognition of consumption pattern of clients, more effective and rapid attraction of clients and better perception of their needs that result in the increase of clients' satisfaction (Agravel, 2004).

The common effort of all employees of organization to satisfy the clients causes that the clients have more satisfaction with the organization. Also, the careful behavior of employees with the client causes that the employees have good perception of what the clients expect and what the clients expect, is finally presented to them (Harker, 2000).

The reception of services corresponded with the individual's expectations results in his/ her satisfaction and because the client finds that the organization presents the services with acceptable quality and corresponded with his/ her expectation, s/he decides to use the services of organization again. So, the use of services causes the increase of level of clients' satisfaction (Harison, 2001).

REFERENCES

- 1) Arasli, H., Katircioglu, S., & Samadi, S. (2005). A Comparison of service quality in the banking industry, some evidence from Turkish- and Greek- speaking areas in Cyprus. *International Journal of Bank Marketing*, 23, 508-526.
- 2) Bennet, R., & Rundle-Thiele, S. (2004). Customer satisfaction should not be the only goal. *Journal of Service Marketing*, 18(7), 514-523
- 3) Bentler, P. M., & Bonett, D. G. (1980). Significance tests and goodness of fit in the analysis of covariance structures. *Psychological Bulletin*, 88(3), 588-606.
- 4) Davis, F. D. (1989). Perceived usefulness, perceived ease of use and user acceptance of information technology. *MIS Quarterly*, September, 319-340.
- 5) Eghbali, M; et al., 2013. Study of effect of electronic services quality on quality of electronic banking services in counter offices of electronic government, second international conference of management, entrepreneurship and economic development, Ghom, Payam- E Noor University.
- 6) Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservables and measurement error. *Journal of Marketing Research*, 18(1), 3950.
- 7) Ghazizadeh, M., Besheli, A. S., & Talebi, V. (2010). Assessing of bank customers retention and loyalty: A case study of stateowned Banks in Tehran. *European Journal of Social Science*, 17, 274-287.
- 8) Hafeznia, M; 2009. An introduction to research procedure in human sciences, Tehran: SAMT publications.
- 9) Ho, S.-H., & Ko, Y.-Y. (2008). Effects of self-service technology on customer value and customer readiness: The case of internet banking. *Internet Research*, 4, 427-446.
- 10) Kavosi, S; & Saghaee, A; 2005. Methods of measuring client's satisfaction, 1st edition, Sabzan publication.
- 11) Parasuraman A, Zeithaml V. A, Berry L. L. (1988), "SERVQUAL: A multi-item scale for measuring consumer perceptions of service quality", *Journal of Retailing*, Vol.64 No.1.
- 12) Parasuraman A, Zeithaml V. A., Berry L. L. (1994), "Reassessment of explanation as a comparison standard in measuring service quality: implication for future research", *Journal of Marketing*, Vol.58.
- 13) Parasuraman A., Zeithaml V. A, Berry L. L. (1991), "Refinement and reassessment of the SERVQUAL scale", *Journal of Retailing*, Vol.67.

- 14) Seiders, L. L. B., & Gresham, L. G. (2000) Attention, retailers! How convenient is your convenience strategy? Sloan Manage Review, 41, 79-89
- 15) Yavas. U, (2006). » How similar are frontline bank employees ' perceptions of service quality

to their customers? A study of female customers and employees in Turkey «,