

# A Study of the Factors Affecting E-Customers Loyalty of Parsian Bank in Iran

Nina Naserieh, and Aaron Loh

**Abstract**—This study investigates the relationship between site design, information quality, perceived security, perceived privacy, serviceability, e-satisfaction and e-customers loyalty of Parsian bank in Iran. To do so a survey was conducted by distributing 400 questionnaires in 4 branches of Parsian bank namely pookak, tajrish, vanak and tehransar in Iran. The Pearson Correlation was applied for the data analysis. The results showed that all independent variables (site design, information quality, perceived security, perceived privacy and e-satisfaction) had a significant relationship with e-loyalty of Parsian Bank. There was a moderate positive relationship among site design, information quality and serviceability with e-satisfaction and also, there was a strong positive relationship among perceived security and perceived privacy with e-satisfaction. The findings indicated that e-satisfaction was the most important factor to influence the e-loyalty of Parsian Bank, because the respondents believed that to whole satisfaction of Parsian Bank's website and total effect of it on e-loyalty of this bank. The researcher also showed that perceived security was an important factor, which influences on Parsian Bank's e-satisfaction. Moreover, this insight will be able to help Parsian Bank's managers, marketers and planners to better understanding of the needs and wants of Parsian Bank e-customers and help them to make the better decisions to attract more customers for using the e-services of this bank.

**Keywords**— Site design, information quality, perceived security, perceived privacy, serviceability, e-satisfaction and e-loyalty.

## I. INTRODUCTION

IN banking industry, the information technology has considerably, affected the development of more efficient banking services. The cyber world provides an efficient distribution channel through which customer banking services can be distributed more conveniently and economically (Gkoutzinis, 2006) [4]. This has motivated banks all over the world to offer internet banking services to their customers. Internet banking utilizes the cyber world as a distribution channel to conduct banking activity, such as transferring funds, paying bills, viewing checking and savings account balances, paying mortgages, and purchasing financial instruments and certificates of deposit (Gkoutzinis, 2006) [4]. Electronic banking, which can be described as the preparation of

information or services by a bank to its clients over the internet, has been one of the major progresses in the financial service sector. Beerli, Martin and Quintana (2004) [2] expressed that today most banks offer the same type of goods and the core product is not the quality that makes the customer loyalty.

Customer loyalty is a concept that has been argued in numerous numbers of the articles. Not only do loyal customers increase sales and profits of the business, they with also enable to decrease costs associated with magnetizing incipient customers. In particular, since the competition is just a mouse click away, e-loyalty appears to be essential for electronic banks both in an economic as well as a competitive sense. These precedent findings point to the desideratum for understanding how e-loyalty is developed. Studies have shown that site design, information quality, perceived security, perceived privacy, serviceability and e-satisfaction are key factors for establishing e-loyalty. These factors have direct and indirect effects on e-loyalty. However; different studies designate only some components of relationships between these factors and their influence on e-loyalty. Because electronic payment has a special place in Iran's banking system, considering the evaluation of the features of banks' electronic payment from user's point of views has a consequential role in abstracting weaknesses and a perception of the strengths of electronic payments, some opportunities and threats will be realized for confronting rivals in this field.

## II. LITERATURE REVIEW

### A. SITE DESIGN

Manes (1997) [7] stated that a good web-site design is about good organization and easy search. This includes offering consumers uncluttered screens, simple search paths, and fast presentations.

### B. INFORMATION QUALITY

Park and Kim. (2003) [8] stated that product or service information quality is expressed as the customer perception of the information quality about the product or service that is prepared by a website.

### C. PERCEIVED SECURITY

Kolsaker and Payne (2002) [6] explained perceived security as consumer perception of security of e-commerce dealing.

Nina Naserieh is with the Graduate School of Business, Assumption University of Thailand (phone: 0879896072; e-mail: ninna.naserieh@gmail.com).

Aaron Loh is with the Graduate School of Business, Assumption University of Thailand (e-mail: draaronloh@gmail.com ).

#### D. PERCEIVED PRIVACY

Kelly and Erickson (2005) [5] explained perceived privacy as the perception of ability to direct the attendance of other people in the environment.

#### E. SERVICEABILITY

Akshay (2007) [1] defined serviceability as the factors such as complaints redress, customer support, packaging, time of delivery, post services.

#### F. E-SATISFACTION

Ziethaml (2002) [9] defined customer satisfaction of Internet Service or e-satisfaction refers to customer satisfaction in the online market-space and is defined as a long-term, developing construct influenced by customers' e-service expectations and quality perceptions changing over time, based on new consumer experience and knowledge.

#### G. E-LOYALTY

Cyr (2008) [3] defines e-loyalty as intention to revisit a website, or to consider purchasing from it in the future.

### III. RESEARCH FRAMEWORK AND METHODOLOGY

#### A. Research Framework

Base on previous empirical researches provided evidence. In the conceptual frame work, e-loyalty, the dependent variable, is affected by six independent variables; site design, information quality, perceived privacy, perceived security, serviceability and e-satisfaction. The framework is shown in Fig.1. There were 6 hypotheses formulated based on the framework and they are shown as follows:

H1: There is a significant relationship between the site design and e-satisfaction.

H2: There is a significant relationship between information quality and e-satisfaction.

H3: There is a significant relationship between perceived security and e-satisfaction.

H4: There is a significant relationship between perceived privacy and e-satisfaction.

H5: There is a significant relationship between serviceability and e-satisfaction.

H6: There is a significant relationship between e-satisfaction and e-loyalty.



Fig. 1 The factors affecting e-loyalty of Parsian bank in Iran

#### B. Research Methodology

The purpose of this research is to investigate the factors affecting e-loyalty of Parsian bank in Iran.

This paper describes six independent variables which are site design, perceived security, perceived privacy, serviceability and e-satisfaction and their effects toward the dependent variable, e-loyalty. All 400 research questionnaires which were distributed to target population in 4 different districts in Iran. The questionnaires consisted of nine sections that represent screening question, six independent variables, the dependent variable and demographic factors. The researcher applied judgment, cluster, quota and convenience non-probability sampling. The researcher selected the descriptive research methodology instrument to evaluate each variable. This means that the outcome of the research would be described by examining the relationship between different variables.

#### C. Sampling procedure

The researcher applied the non-probability sampling method to find the sampling unit in this study. The probability sample is the process of probability sampling which is randomly chosen and non-probability sampling is the probability of a specific member of the population which is unknown information for the researcher. The sampling unit is an individual component or group of components which point to the selection of the sample. The researcher in this study applied Judgment sampling, Quota sampling and Convenience sampling to be the second and third step respectively; all details are as follows:

##### Step 1: Judgment Sampling

Judgment sampling or purposive sampling is non-probability technique in which an experienced individual selected the sample based upon some appropriate characteristic of the sample members. The judgmental function expresses agreement (JA) or disagreement (JD) and it involves choosing objects/ samples that are believed will give accurate results. In this study, the researcher collected data of the banking customers of Parsian bank who were selected of the four branches of this bank in west of Tehran. This sampling technique is the most suitable in research in which broad population generalizations are not required.

##### Step 2: Cluster Sampling

Cluster sampling is an economically efficient sampling technique in which the primary sampling unit is not the individual element in the population but a large cluster of elements (Zikmund, 2003) [10]. The method of cluster sampling employed in this research is area sampling. Zikmund (2003) [10] defined area sampling as a cluster sample in which the primary sampling unit is a geographic area. In this research, primary sampling unit, the cluster is the districts of Tehran that have at least a branch of Parsian Bank. Therefore,

in based on 23 districts in Tehran, there are at least 23 branches of Parsian Bank.

### Step 3: Simple Random Sampling

Zikmund (2003) [10] defined simple random sampling as a sampling procedure that assures each element in the population an equal chance of being included in the sample. The simple random sampling method was employed to draw 4 districts from a ballot of the districts which had branches of Parsian bank. These 4 districts are Poonak, Tajrish, Vanak and Tehransar which make up secondary sampling unit. As these districts contain more than one branch, a second simple random sampling by ballot had to be conducted to draw one branch from each district for Parsian Bank, each being part of the tertiary sampling unit.

### Step 4: Quota Sampling

Quota sampling technique is a non-probability sampling procedure that ensures that certain characteristics of a population sample will be represented to the exact extend that the investigator desires (Zikmund, 2003) [10]. In this research the 400 questionnaires were equally divided among Parsian Bank customers thus obtaining 100 samples allocated to each branch in the 4 districts selected.

### Step 5: Convenience Sampling

Zikmund (2003) [10] stated that convenience sampling, also named haphazard or accidental sampling, is employed to gather the needed data or information by obtaining the units or people who are most convenience and available. Thus, it is regarded as a quick and economic way to collect a huge number of completed questionnaires. In this research convenience sampling was used to directly distribute the questionnaire to Parsian Bank customers willing to answer it in 4 districts in of Tehran. The researcher collected data throughout the day between 10.00 a.m. – 4.00 p.m. on selected days by the researcher on a random basis from March 29 to April 7, 2014 and in the targeted branches of Parsian bank in Tehran.

## IV. RESEARCH AND FINDINGS

The hypotheses testing, is supported by the conceptual framework. There are a total of six hypotheses which were tested in this research. Based on the research objectives, Pearson's Correlation analysis was used in this study. After analyzing the hypotheses, all the null hypotheses were rejected. The results are summarized as follows:

TABLE I  
SUMMARY OF HYPOTHESES TESTING

Hypothesis	Statistical Test	Significant Value	Correlation Coefficient	Result
H1 <sub>a</sub> : There was a significant relationship between the site design and e-satisfaction	Pearson's Correlation	0.000	0.512**	Reject H <sub>0</sub>
H2 <sub>a</sub> : There is a significant relationship between information quality and e-satisfaction	Pearson's Correlation	0.000	0.459**	Reject H <sub>0</sub>
H3 <sub>a</sub> : There is a significant relationship between perceived security and e-satisfaction	Pearson's Correlation	0.000	0.723**	Reject H <sub>0</sub>
H4 <sub>a</sub> : There is a significant relationship between perceived privacy and e-satisfaction	Pearson's Correlation	0.000	0.705**	Reject H <sub>0</sub>
H5 <sub>a</sub> : There is a significant relationship between serviceability and e-satisfaction	Pearson's Correlation	0.000	0.463**	Reject H <sub>0</sub>
H6 <sub>a</sub> : There is a significant relationship between e-satisfaction and e-loyalty	Pearson's Correlation	0.000	0.723**	Reject H <sub>0</sub>

## V. SUMMARY AND CONCLUSION

The researcher concentrated on the site design, serviceability, perceived privacy, perceived security, e-satisfaction to understand e-loyalty towards parsian bank in Iran for determining the e-loyalty based on the data analysis. Accordingly, the majorities of all respondents were female, single, aged between 20 to 29 years old, with a monthly income of less than 1000\$ and were master degree owned people who are business owners. For hypothesis testing, the data had been analyzed by using SPSS (statistical package of

social science) to test the hypotheses and find the results for this research.

The researcher investigated that within the (6) hypotheses, (3) hypotheses (H<sub>3</sub>, H<sub>4</sub> and H<sub>6</sub>) have high positive correlation between each variable and which means that there is a strong positive relationship between perceived security and e-satisfaction, perceived privacy and e-satisfaction, e-satisfaction and e-loyalty. The researcher also explored that the other (3) hypotheses (H<sub>1</sub>, H<sub>2</sub> and H<sub>5</sub>) have moderated positive relationship between each other and which means that there is a moderated positive relationship between site design and e-

satisfaction, information quality and e-satisfaction and serviceability and e-satisfaction.

## VI. RECOMMENDATIONS

Electronic payment has a special place in Iran's banking system, considering the evaluation of the features of Parsian Banks' electronic payment from user's point of views has a consequential role in abstracting weaknesses and a perception of the strengths of electronic payments, some opportunities and threats will be realized for confronting rivals in this field. For payment users the features of the electronic payment methods are very important and the providers of the electronic system can evaluate these features from user's point of views to provide more payment services to clients and develop these services. In order to attract Parsian Bank's e-customers for using further e-banking services of this bank the researcher would like to provide some suggestions based on hypothesis results.

From the results of hypothesis one, the researcher found that site design had a positive relationship with e-satisfaction. The lower mean score were "Very attractive" and "The exploring speed is fast". Parsian Bank's managers should increase attractiveness of their websites by designing the bank port in a way that entering to it become quickly and easily and designing the provided information's screen in the appropriate place and the most important information be shown wider to be used easily. And also quickness of the web page on bank's portal site loading is very important. This has to do with the speed of the online system, so management would need to increase the speed or bandwidth for effective browsing and opening of pages; especially pages with video and pictures require high bandwidth. If the customers wait too long until the websites or portals of electronic banking to appear or come up, so, leave it, the problem of coming up speed (download) of web site is critical.

From the results of hypothesis 2, the researcher found that information quality had a positive relationship with e-satisfaction. The higher mean score was from "Completing banking transaction easily". It showed that Parsian Bank e-customers have the good perception of the role of information quality in completing banking transaction on the Parsian Bank's website. Although, for simplifying further, completing and updating the content of Parsian Bank's website and also increasing speed of information are very effective. Also, by more surveys of customers about the quality of the website contents and their preferences about it, attempt to improve the quality of the website information.

According to result of hypothesis 3, the researcher found that perceived security had a positive relationship with e-satisfaction. The results indicated that if the fulfillment of perceived security by customers was high, it would lead to

high e-satisfaction. The highest mean score was this statement "Having all the mechanisms to be ensured about the safe transmission of its users' information". Parsian Bank's managers can increase the security of the website by the methods to provide the confidence and security in their e-banking systems and to be perceived well by their e-customers. Trying to inform users about the utilized security procedures and investing and allocating the budgets for security issues. To apply the most advanced security systems, the reinforcement of websites and portals through collaboration with suppliers of security. According to the result of hypothesis five, there is a moderate positive relationship between emotional value and purchase intention. It is pointed out that if the customers' emotional value towards the products is positive or high, the purchase intention of that product also high. Emotional value is the critical factor for Generation Y customers when making choices among products.

According to the hypothesis 4, the researcher found that perceived privacy had a positive relationship with e-satisfaction. Parsian Banks' e-customers have higher perception evaluation of the e-banking factors. The higher mean was "Abiding by personal data protection laws". It means that the customers consider the protection of their information by trusting to the confident bank. Parsian Bank's planners can make the promotion and optimum use of privacy to for supporting the growth of business-to-consumer e-commerce to increase the e-satisfaction of their customers. It will be achieved by using the advanced technologies and also employing better strategies to keep secure the storage of information are mixed. Furthermore, to develop global terms such as the safeguard assurances to represent privacy concerns.

According to the result of hypothesis 5, the researcher found that serviceability had a positive relationship with e-satisfaction. The lowest mean was "Leaving the message to the bank". Parsian Bank's planner can improve serviceability by reinforcing the contact information about e-banking sector through various methods, general information, details of services and policies related to customer and support them. As well as quickly respond to customers 'questions until they feel that banks employees follow customers 'problem. And also, different methods can be considered to identify the views of the complainant customers. One of these methods refers to the use of performance improvement standards and satisfaction of customer about the services providing.

According to the result of hypothesis 6, the researcher found that e-satisfaction had a positive relationship with e-loyalty. The lowest means from these factors were "Delivering the services I expect" and "My preference would not change". According to Iran economic difficulties in these days, the competition between banks is increased, and Parsian Bank's managers should know for increasing level of satisfaction and loyalty of their e-customers, they need to employ better strategies based on the factors applied in this study. Through

appropriate informing and training to various segments of society based on the education level and age groups with special attention to the elderly and low literacy individuals about the e-services of this bank. Customer loyalty programs can follow by some objectives. By attracting and increasing the services delivering on the website, creating a close relationship between the brand and the current customers that its results is to keep the current key customers. The reason of general popularity of these programs is that the profit increases in a significant amount through access to these programs. Considering that the cost of attracting a new customer is much more than the cost of maintaining a customer, banks must try to convert their complain and dissatisfied customers into satisfied customers. This would not happen unless by identification and investigation of ambiguities and resolve the ambiguities that have been raised for complainant customers.

#### FURTHER RESEARCH

This research investigated about the relationship between site design, information quality, perceived security, perceived privacy, serviceability, e-satisfaction and e-loyalty of Parsian Bank in Tehran, Iran. There might be additional factors influencing and interacting with Parsian Bank's e-customers loyalty. Future researchers are advised to investigate additional antecedents of e-banking customer loyalty. This may lead to the uncovering of omissions of the relationships tested in the current study and for future conceptual refinement and extension. Moreover, independent variables in this research affected e-loyalty indirectly. Future research related to e-loyalty, they may directly have the effects on it. In this study the researcher collected the data from Parsian Bank e-customers who were from the four distinguished districts and only one branch of each district in Tehran, Iran. For future studies, other researchers should collect the data from e-banking customer from other places or other banks from other destinations. Also, the future researchers may extend this research to compare with the competing destination countries with Tehran.

#### ACKNOWLEDGMENT

First of all, I would like to express my deepest gratitude to my thesis advisor, Dr. Aaron Loh, for his constant support, guidance, patience, encouragement and constructive criticisms. He assisted me throughout the process, patiently editing up to the completion of this research. I extend my very special thanks to all my friends who have given me constant encouragement and various assistances throughout my thesis without any hesitation. Ultimately, it is very important to acknowledge my family for their constant encouragement, support, love and understanding which have helped and energized me persist for the completion and made me realize my dream.

#### REFERENCES

- [1] Akshay, A. (2007). E-Satisfaction – A Comprehensive Framework. International Marketing Conference on Marketing and Society, IIMK
- [2] Beerli, A., Martin, J. D. and Quintana, A. (2004). A Model of Customer Loyalty in the Retail Banking Market. *European Journal of Marketing*, 38 (1/2), 253-275  
<http://dx.doi.org/10.1108/03090560410511221>
- [3] Cyr, D. (2008). Modeling Website Design across Cultures: Relationships to Trust, Satisfaction and E-loyalty. *Journal of Management Information Systems*, 24 (4), 47-72  
<http://dx.doi.org/10.2753/MIS0742-1222240402>
- [4] Gkoutzinis. (2006). Internet Banking and the Law in Europe: Regulation, Financial Integration-Cambridge University Press.
- [5] Kelly, E. and E. Erickson. (2005). RFID Tags: Commercial Applications v. Privacy Rights, *Industrial Management and Data Systems*, 105 (6), 703-713  
<http://dx.doi.org/10.1108/02635570510606950>
- [6] Kolsaker, A. and Payne.C. (2002). En gendering trust in E-commerce: a Study of Gender-Based Concerns. *Marketing Intelligence and Planning*, 20 (4), 206-214  
<http://dx.doi.org/10.1108/02634500210431595>
- [7] Manes (1997). Factors Influencing on Customers' E-Satisfaction. *Institute of Interdisciplinary Business Research*, 3 (9)
- [8] Park, C. and Y. Kim. (2003). Identifying Key Factors Affecting Consumer Purchase Behavior in an Online Shopping Context. *International Journal of Retail and Distribution Management*. 31 (1), 16–29  
<http://dx.doi.org/10.1108/09590550310457818>
- [9] Zeithaml, V.A., Parasuraman, A. And Malhotra, A. (2002). Service quality delivery through Websites: a critical review of extant knowledge. *Journal of the Academy of Marketing Science*, 30 (4)  
<http://dx.doi.org/10.1177/009207002236911>
- [10] Zikmund, G. William. (2003). *Business Research Methods*. 7th Edition, Thomson, South-western