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Investigating the Effect of Quality of Relationship with Customers on Satisfaction and Loyalty of Zahedan Tejarat Bank Customers

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Abstract: Today, due to an intense competition in service sectors, the role of customers' loyalty has been more prominent than before. In recent perspective, marketing includes growth and satisfaction and according to the customer's opinions quality is loyalty and effective communication with the customers. The purpose of this study was to investigate the quality of the relationship with the customer on customer's satisfaction and loyalty (a case study of customers of Tejarat bank in Zahedan City). According to what was said, the present study is a practical research and the method of study is descriptive. Besides, this is a field study because data collection was done by using questionnaire in order to obtain the customers' opinions. This is a cross-sectional study since it was done in a certain time interval. The statistical population included all customers who referred to Tejarat bank in Zahedan. A simple random sampling method was done and because of unlimited number of customers, 383 questionnaires were distributed randomly among Tejarat bank customers. In order to collect the data regarding the general issues and theoretical framework, library studies and field studies (questionnaire) were used while its validity was confirmed by some university professors and its reliability was measured by using Cronbach alpha (higher than 0.7). Data analysis was done through descriptive statistics such as frequency tables and diagrams and in order to describe the data and hypotheses inferential statistical methods including correlation coefficient, linear regression and modeling were used. The results showed that the quality of the relationship with the customers affects the customers' satisfaction and loyalty and satisfaction also has an effect on their loyalty. It is recommended that they increase marketing tactics based on raising the customers' awareness of the brand such as running programs of social responsibility.

Key words: Quality of the relationship with the customer, customers' satisfaction, customers' loyalty, Tejarat bank, analysis

INTRODUCTION

Competition between institutions and agencies to gain more market share and the customers' effort to achieve more satisfaction have caused that agencies try to seek privileged position in the market and the customerstry to find the clues to achieve the best suppliers. To gain these goals, two closely related concepts should be investigated including quality of the relationship and customer's satisfaction. Investigating these two concepts in the service markets is important and sensitive due to their special features and services and they are very important for the service providers as well. One of these companies and organizations that provides services and it plays an important role in the economy and development of the country is bank. Therefore, apparently finding the relations between these two concepts on the one hand can improve the level of services provided by the banks and business and on the other hand it affects the customer's satisfaction. Thus, to achieve this goal is one of the outstanding issues in service provider organizations particularly in banks. Measuring the quality of the relationship from the customers' perspective and the customer's satisfaction is an internal issue which shows the direction of the organizations toward the quality. Today, due to more intense competitions in service sections, customer's loyalty plays a more prominent role than before. In present perspective, marketing includes growth and paying attention to the customers' satisfaction and the quality from the customer's perspective and loyalty and effective communication with the customer. As a result, organizations are trying to have loyal customers (Aydin and Ozer, 2005; Bowen and Chen, 2001; Hu *et al*., 2010). Due to the extensive interpersonal relationship between the service provider and the customer services, the role of loyalty in this sector is very important which leads to increase in market share, return on investment and higher profitability for service organizations (Deng *et al*., 2010). Nowadays, it is not enough to make just relationship with customers in order to gain loyal customers but the quality of the relationship is very important. However, the quality of the relationshipis related to the customer's perception and

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his assessment of interactions with staff and their behavior in dealing with the customers. New studies have investigated the factors influence on the quality of the relationship with the customer and they have tried to find how each of these factors can lead to make opportunities for administrators to design and implement the relationship marketing strategies (Kim *et al*., 2008; Miguel, 2009; Calabrese *et al*., 2012). Quality of the relationship is a factor which leads to success in the relationship. Most of marketing studies in this regard focus on the importance of the quality of the relationship from three dimensions of trust, satisfaction and communication commitment (Bojei and Alwie, 2010). The communication with the customer is an appropriate way to develop and increase the value of service provider companies. In order to increase the customers' subjective perception of the quality and level of loyalty to the organization and to satisfy the needs of customers in the service sector, relationship marketing activities can be used to promote the interests of customers. The main problem of this study was to investigate the effect of quality of the relationship with customers and the customers' satisfaction and loyalty in Tejarat bank in Zahedan. Therefore, regarding the above mentioned reasons, this study is significant since it raised a new topic with benefits for the managers and decision makers. Therefore, in this study the following questions have been regarded:

- Does the quality of the relationship with the customer affect the customer's satisfaction?
- Does the quality of the relationship with the customer affect the customer's loyalty?
- Does the customer satisfaction affect the customer's loyalty?
- Does the quality of the relationship with the customer through the customer's satisfaction affect the customer's loyalty?

Research hypotheses:

- The quality of the relationship with the customer affects the customer's satisfaction in Zahedan Tejarat bank
- The quality of the relationship with the customer affects the customer's loyalty in Zahedan Tejarat bank
- The customer satisfaction affects the customer's loyalty in Zahedan Tejarat bank
- The quality of the relationship with the customer through the customer's satisfaction affects the customer's loyalty in Zahedan Tejarat bank

Conceptual model of the study: After studying the literature and background of the study, a conceptual model can be drawn which is in Fig. 1.

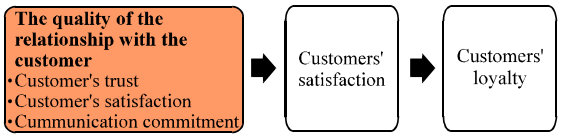

Fig. 1: Conceptual model (Rahimnia, 2012)

MATERIALS AND METHODS

This study is practical because it aimed to use the findings of the study to solve the problems in the organization. The method of this study is descriptive as it stated and explained the problem through data collection. The statistical population included all the customers referred to Tejarat bank in Zahedan that is an unlimited number. Sampling method was simple random and regarding the unlimited number of customers, 383 questionnaires were distributed randomly among Tejarat bank customers. In order to collect the data to state the general issues and theoretical framework of study, library studies such as books, articles and researches in Persian and Latin and also the available contents in internal and external scientific sites have been used. To collect the data about the variables of study, articles and studies related to the topic, interview with professors and academic experts, interviews with experts in the field of management? and interviews with the customers were used. Also for acquiring data for the final evaluation, a questionnaire was designed based on the variables while its validity was confirmed by the professors and its reliability was measured through Cronbach's alpha test. Besides, data analysis and hypothesis testing were done through inferential statistical methods including correlation coefficient, linear regression and modeling.

RESULTS AND DISCUSSION

Testing hypotheses

First hypothesis: The quality of the relationship with the customer affects the customer's satisfaction in Zahedan Tejarat bank.

To investigate the effect, the regression model was analyzed. Thus, in order to provide a model for the quality of the relationship with the customer (Y) and the customers' satisfaction (X), indices of model adequacy which were presented in Table 1 have been measured.

The correlation between independent variables and the dependent variable is equal to 0.478. The coefficient of determination was 0.229 indicated that 22.9% of quality variances in the relationship with the customer is related

Table 1: Regression model between the quality of the relationship with customer and the customers' satisfaction

Correlation coefficient	Coefficient of determination	Adjusted coefficient of determination	SD
0.691	0.227	0.229	0.478

Table 2: Calculation of the regression equation of customer's satisfaction

Model 1	Non-standard coefficient (B)	SE	Standard coefficient (β)	t-values	Sig.
Constant value	1.540	0.187	0.478	8.29	0.000
Quality of the relationship with customer	0.552	0.052		10.63	

Dependant variable: customers; satisfaction

Table 3: Regression model between the quality of the relationship with customer and the customers' loyalty

Correlation coefficient	Coefficient of determination	Adjusted coefficient of determination	SD
0.474	0.224	0.222	0.578

to the customer's satisfaction. Because it does not consider the degrees of freedom, so adjusted coefficient of determination was used for this purpose which in this case was 22.7%. According to the mentioned indices, this model is efficient.

Entered variable in the regression equation is the main core of regression analysis which has been presented in Table 2. The regression equation can be measured by using standard coefficients as follows:

Customers' satisfaction = 1.54+(0.552) the quality of the relationship with the customer

It can be said that with the promotion of one unit of each independent variable on the amount of written coefficient, the dependent variable will promote. Or in other words, by promoting one unit of quality of the relationship with the customer, 0.552 units of standard deviation of customers' satisfaction will promote, so it is a positive relationship. t-test related to the regression coefficients have been shown in this Table 3 for the independent variable. The value for this variable is equal to 0.000, thus, the quality of the relationship with customer's effects on customers' satisfaction.

Second hypothesis (the quality of the relationship with the customer affects the customer's loyalty in Zahedan Tejarat bank): To investigate the effect, the regression model was analyzed. Thus, in order to provide a model for the quality of the relationship with the customer (Y) and the customers' loyalty (X), indices of model adequacy which were presented in Table 3 have been measured.

The correlation between independent variables and the dependent variable is equal to 0.474. The coefficient of determination was 0.224 indicated that 22.4% of quality variances in the relationship with the customer is related to the customer's loyalty. Because it does not consider the degrees of freedom, so adjusted coefficient of determination was used for this purpose which in this case was 22.2%. According to the mentioned indices, this model is efficient.

Table 4: Calculation of the regression equation of customer's loyalty second hypothesis

Model 1	Non-standard coefficient (B)	SE	Standard coefficient (β)	t-values	Sig.
Constant value	2.010	0.156	0.474	12.91	0.000
quality of the relationship with customer	0.456	0.043		10.49	

Dependent variable: customers; loyalty

Table 5: Regression model between the customer satisfaction and the customers' loyalty

Correlation coefficient	Coefficient of determination	Adjusted coefficient of determination	SD
0.566	0.320	0.318	0.616

Entered variable in the regression equation is the main core of regression analysis which has been presented in Table 4. The regression equation can be measured by using standard coefficients as follows:

Customers' loyalty = 2.01+(0.456) the quality of the relationship with the customer

It can be said that with the promotion of one unit of each independent variable on the amount of written coefficient, the dependent variable will promote. Or in other words, by promoting one unit of quality of the relationship with the customer, 0.456 units of standard deviation of customers' loyalty will promote, so it is a positive relationship. t-test related to the regression coefficients have been shown in this Table 4 for the independent variable. The value for this variable is equal to 0.000, thus, the quality of the relationship with customer's effects on customers' loyalty.

Third hypothesis (the customer satisfaction affects the customer's loyalty in Zahedan Tejarat bank): To investigate the effect, the regression model was analyzed. Thus, in order to provide a model for the customer satisfaction (Y) and the customers' loyalty (X), indices of model adequacy which were presented in Table 5 have been measured.

The correlation between independent variables and the dependent variable is equal to 0.566. The coefficient of determination was 0.320 indicated that 32% of customer satisfaction is related to the customer's loyalty. Because it does not consider the degrees of freedom, so adjusted coefficient of determination was used for this purpose which in this case was 31.8%. According to the mentioned indices, this model is efficient.

Entered variable in the regression equation is the main core of regression analysis which has been presented in Table 6. The regression equation can be measured by using standard coefficients as follows:

Customers' loyalty = 1.57+(0.537) customer satisfaction

It can be said that with the promotion of one unit of each independent variable on the amount of written coefficient, the dependent variable will promote. Or in other words, by promoting one unit of customer satisfaction, 0.537 units of standard deviation of customers' loyalty will promote, so it is a positive relationship. t-test related to the regression coefficients have been shown in this Table 6 for the independent variable. The value for this variable is equal to 0.000, thus, the quality of the customer satisfaction effects on customers' loyalty.

Third hypothesis (the quality of the relationship with the customer through the customer's satisfaction affects the customer's loyalty in Zahedan Tejarat bank): To investigate the effect, the regression model was analyzed. Thus, in order to provide a model for the quality of the relationship with customer and customer satisfaction (Y) and the customers' loyalty (X), indices of model adequacy which were presented in Table 7 have been measured.

Table 8 shows that the variable of quality of the relationship with the customer, 22.2% explained variances of customer loyalty.

The path coefficient of quality of the relationship with the customer to the customers' loyalty was 0.474. However, this value is the same amount of pearson correlation between the two variables. The next step calculated the effect of customers' satisfaction on their loyalty (Table 9).

Table 10 shows that the customers' satisfaction explained 32% of loyalty variables variances. The calculated correlation coefficient between the two variables was 0.566. Thus, the indirect effect of the quality

Table 6: Calculation of the regression equation of customer's loyalty

Model 1	Non-standard coefficient (B)	SE	Standard coefficient (β)	t-values	Sig.
Constant value	1.570	0.144	0.566	10.98	0.000
customer satisfaction	0.537	0.040		13.39	

Dependent variable: customers; loyalty

Table 7: Entered variables in the regression model

Model	Entered variable	Removed variable	Method
1	Quality of the relationship with customer	-	Enter

Dependant variable: customers' loyalty

Table 8: Summary of the model

Model	R^2_{adj}	R^2	R
1	0.222	0.224	0.474

Table 9: Entered variables in the regression model

Model	Entered variable	Removed variable	Method
1	Customers' satisfaction	-	Enter

Dependent variable: customers' loyalty

Table 10: Summary of model

Model	R^2_{adj}	R^2	R
1	0.318	0.320	0.566

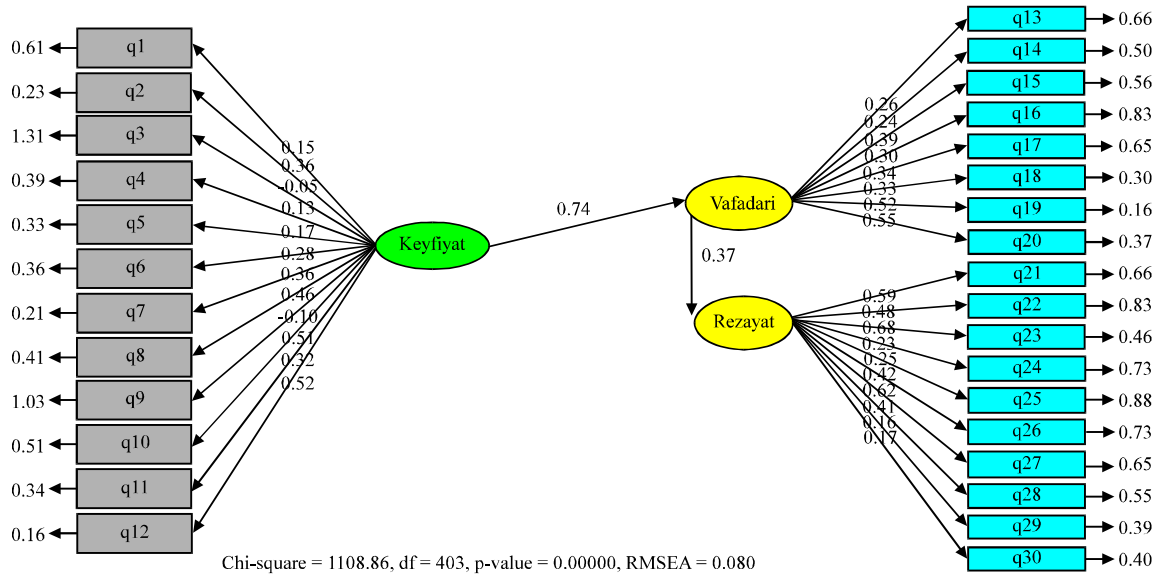

Fig. 2: A comprehensive research model in standard model

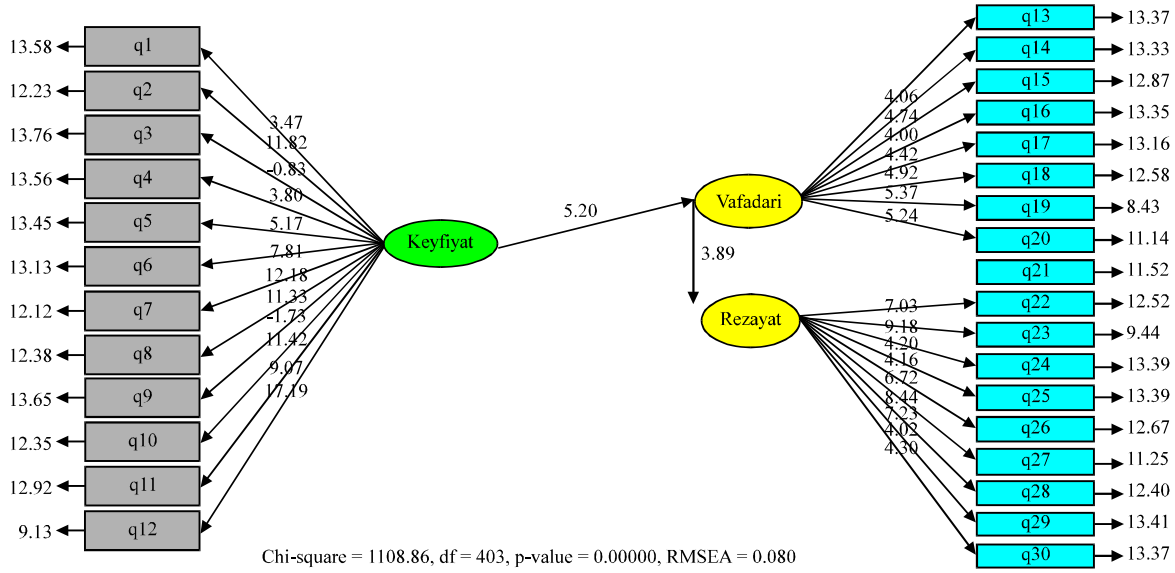

Fig. 3: A comprehensive research model in significance level (t-value)

Table 11: Fit indices of comprehensive research model

Statistics of preliminary model	Acceptance criteria 3	Fitness indices
$\chi^2 = 1304.07$, df = 428	$\chi^2 \leq 3$df	χ^2
3	$\chi^2/df \leq 3$	χ^2/df
0.074	RMSEA ≤ 0.08	RMSEA
0.97	0.90 ≤ NNFI	NNFI
0.91	0.90 ≤ CFI	CFI
0.93	0.80 ≤ GFI	GFI
0.79	0.85 ≤ AGFI	AGFI

of relationship with the customer on the customers' loyalty through satisfaction variable was the product of two 0.474, 0.566 equaled 0.268.

Structural modeling: In order to test the variables correlation, first, the overall fit of the model of the study should be investigated if it is approved, the structural modeling can be assessed. According to the results of Table 11, all indices have been placed within the standard fitting model. Thus, all the indices of the comprehensive model benefited from a good fitness and so this research model is the correlation coefficient (Fig. 2 and 3). In general, if t-value is more than |1.96| or |2.57|, the effect of the intended structure on the other, at 5% error level and at 1% error level is statistically significant.

CONCLUSION

The results of this study confirmed the effect of the quality of the relationship with the customers on customers' satisfaction and customers' loyalty. The emphasis of this study was on the quality of the relationship with the customers and its management in the service sector which is considerably important. A relationship with a good quality has many benefits for the service organizations. There are some issues such as customers' loyalty, increase in organizational capacity in the critical conditions, higher profit margins, customers' perceived quality and positive customers' reaction towards the purchase and introduction to the others can be mentioned. According to the analysis of hypotheses, the quality of the relationship with the customer through intermediate variable of customers' satisfaction affects customers' loyalty more strongly.

RECOMMENDATIONS

Regarding the confirmation of the effect of the quality of the relationship on the customers' satisfaction it is recommended that the company emphasize on making relationship with the customers to create a high level of trust, satisfaction and communication commitment through implementing relationship marketing activities to increase the satisfaction level of banking services. According to the high level of the quality of relationship with the customer and the trust of the customers to the service provider, satisfaction with the services and keeping the created communication with the customer slead to loyalty of satisfied customers. Thus, service sector with an emphasis on creating proper relationships moves toward making the customers loyal and more profitable. It is recommended that marketers of Tejarat bank increase marketing tactics in order to raise the customers' awareness of the brand such as implementing social responsibility programs.

Besides, it is recommended that marketers run some programs to gain the customers' trust. Using important customers in their advertisement and ask them to mention to the benefits of cooperation with the company and suggest them to the others as well. Trying to use initiatives in services and provide them to the awareness of potential customers:

- The company should create trust environment in the organization to easily communicate with customers
- The company should maintain relationships with customers indefinitely
- The physical facilities of the company should be attractive to attract customers
- In case that something went wrong with the customers, the company solves problem interestedly

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