

Research Article

The relationship between qualities of services provided to customers with purchase intention at Saderat Bank of Bandar Anzali city

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ABSTRACT

Reviewing customer purchase intention (whether services or goods) for business firms, including banks that their survival depends on appropriate interaction with customers, is considered important. Customer purchase intention plays an important role in anticipation of the actual purchase behavior. So customer purchase intention is considered a valid sign for the actual purchase behavior. In this regard, this study sought to examine the relationship between qualities of services provided to customers willing to buy at Saderat Bank of Bandar Anzali city. Based on methodology this study is descriptive and based on purpose it is an applied research. The population of the study is the customers of Saderat Bank in Bandar Anzali and using the available sampling 385 customers were taken as the sample. Data collection methods and data collection tools in the survey are questionnaires. To determine the validity of questionnaires the content analysis was used and Cronbach's alpha was used for reliability. Data analysis was performed using SPSS statistical software. The results indicate there is a positive relationship between qualities of services provided to customers purchase intention at Saderat Bank of Bandar Anzali city.

Keywords: purchase intention, qualities of services, Saderat Bank

INTRODUCTION

Purchase intention is a decision-making process of purchase which studies consumer behavior in order to purchase or use certain goods or services (Hussain Shah et al, 2012). The decision by the behavior of consumers is a good indicator to measure their natural and moral behavior towards company or organization with which they interact. The scale intend to purchase is often used to identify the possibility of buying goods or services in a certain period (Nakhee and Khairi 1391). Several factors can affect customer purchase intention of a product or a service. The quality of services provided by the organization or institution is one of the

important factors (Choudhury, 2013). Because of the competitiveness of the banking industry and the lack of product differentiation, quality of service is known as a competitive advantage and has a direct impact on customer satisfaction. The entry of private banks, created high competition in the banking industry and the expectation and demands of customers due to the change of life and service to them has changed (Ghafari and et al, 1390). In competitive environment, improving quality of services has strategic implications such as increasing customer loyalty and productivity growth of economic exchanges (Sheng and Liu, 2010). Banks offer the same services and the

same cost to customers everywhere. Therefore, bank managers in order to distinguish their services from other banks want to increase the quality of their services (Ghazizadeh et al, 2010). The increase in the quality of service is perhaps the only difference between banks and also a way to achieve success in the modern banking industry (Uma et al, 2010).a

The banking system in a market economy is an important component of the economy of any country and is a very heavy responsibility. Banks to compete in today's turbulent environment have to pay special attention to the quality of their services. This retention of customers, attract new customers and improve financial performance and profitability (Hosseini and Qaderi, 1389).

Given the above and the fact that the city of Bandar Anzali has great potential in the banking industry and this city is one of the largest ports of import and export goods in Iran, different banks are operating in this city and also the number of the banks will be added every day. Thus, this study attempted to answer this question if there is a relationship between the quality of services provided to attract and encourage customers with customer purchase intention at Saderat Bank in the city of Bandar Anzali. The theoretical frame work of the study was designed based on the model provided by Choudhury (2013).

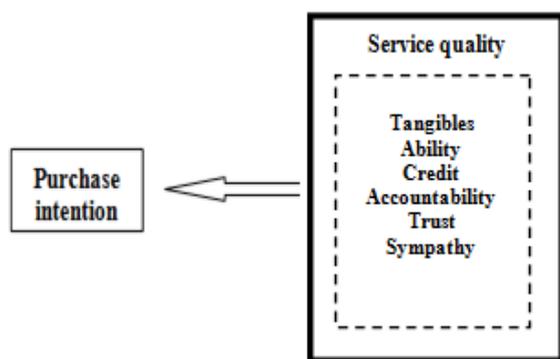


Figure (1) Choudhury theoretical frame work

Review of the literature

This section reviews the researches carried out in the country or abroad which are related to the present investigation. Hosseini and Qaderi (1389) in a study entitled " the factors affecting

the quality of banking services" showed that nine factors are the most important factors affecting the quality of banking services. The nine factors in order of importance are: 1) Staff behavior 2) Competence and skills of employees 3) Innovation in Banking 4) Profit and facilities 5) How to respond and providing banking services 6) Physical facilities of Bank 7) Reliability 8) Diversify services 9) Ease in service.

Nayebzade and et al, (1389) in a study entitled " Service quality assessment of Meli Bank using Servqual for customers using e-banking services (case study: Meli Bank of Yazd city)" the results showed that there are gaps in all five dimensions between the expected services to the customers and the services provided by Meli Bank; more over the biggest gap is between expectations and perceptions about empathy and the smallest gap in this field is trust.

Sanayee and et al, (1391) in a study entitled " The effect of electronic service quality on customer satisfaction and repurchase intention " investigated the impact of electronic service quality dimensions on customer satisfaction and customer satisfaction impact on repurchase among the customers of electronic payment company at Mellat Bank.

Choudhury (2013) in a study entitled" Quality of service and plan to buy in the Indian banking sector" showed that quality of service is a very strong predictor of purchase intention of services from customers. The results also showed that reliability is more effective than other dimensions.

"Customer satisfaction and public banks: a case study", is a research by Singh and Cover in India 2011. The purpose of this study was to determine the factors affecting customer satisfaction at India's public banks and state-owned banks. The findings reveal that seven criteria affect customer satisfactions that include: accountability, tangibles, social responsibility, innovation in services, and use of positive words by staff, competence and reliability. The results of multiple regressions showed that social responsibility, use of

positive words by staff, and reliability in general, have a greater impact on customer satisfaction.

Hypotheses of the study

According to the model presented in the framework of the study hypothesis is as follows:

1. There is a relationship between service quality and customer purchase intention of bank services
2. There is a relationship between tangibles and customer purchase intention of bank services
3. There is a relationship between reliability and customer purchase intention of bank services
4. There is a relationship between accountability and customer purchase intention of bank services
5. There is a relationship between trust and customer purchase intention of bank services
6. There is a relationship between sympathy and customer purchase intention of bank services

Methodology

In general, the method of the study is descriptive- analytic and it is an applied research. In applied researches the purpose is development of practical knowledge in a particular field. The implementation of descriptive study can be used to identify more terms and conditions and help the decision – making process. Descriptive research involves collecting data to test hypotheses or responding to questions about the current state of the subject. A descriptive study determines and reports current situation and how it is.

Population and Sample

The population of the present study is the customers of Saderat Bank in Bandar Anzali city. Given that there is no exact number of bank clients and customers, unlimited population will be used to determine the sample size. Sampling is also available in a convenient way due to considerations of time and costs.

$$n = \frac{z_{\alpha/2}^2 S_x^2}{\epsilon^2} = \frac{(1.96)^2 \times (0.501)^2}{(0.05)^2} = 385$$

Where in: n is sample size, level error , the estimated error rate , S_x^2 is sample variance, and $Z_{\alpha/2} = 1.96$.

Data collection

In this study, in order to use customer attitude questionnaire was used. Likert scale of five options has been used in the questionnaire. The responses ranges were from very low to very high. The questionnaire contains 25 questions. The questions are divided in 6 sections such as tangibles, credit, accountability, accountability, trust, sympathy and purchase intention.

Validity and reliability of measurement instruments in research

To assess the validity of questionnaire the content method is used. This means that, the initial questionnaire placed at disposal of teachers and professionals of management science. After making several comments and revisions, the content validity of the questionnaire was confirmed by experts. In this study, to determine the internal consistency reliability with an emphasis on questions, Cronbach's alpha was used by SPSS software and Cronbach's alpha was calculated for complex questions associated with each variable. First a prototype consisting of 30 pre-test questionnaires was used and then by using the data, Cronbach's alpha coefficient was calculated. Since the alpha is higher than 0.7, so reliability is confirmed.

Table 1) Cronbach's alpha coefficient of reliability of questionnaire

| Row | Variable | Alpha |
|-----|--------------------|-------|
| 1 | Tangibles | 0/803 |
| 2 | Credit | 0/891 |
| 3 | Accountability | 0/823 |
| 4 | Trust(assurance) | 0/892 |
| 5 | Sympathy | 0/879 |
| 6 | Purchase intention | 0/801 |
| 7 | Service quality | 0/907 |

Statistical methods and data analysis

In this study, both descriptive and inferential methods were used to analyze the data obtained. The descriptive level uses statistical characteristics such as Frequency, Mean, Standard Deviation and Variance to analyze and describe the characteristics of population. The inferential level uses Kolmogorov-Smirnov test, Pearson correlation, regression analysis of Variance, Durbin-Watson test and Regression testing. In this study, SPSS20 software was used to analyze data.

The characteristics of population

The data describing the response to the questionnaire showed that of 385 selected samples:

30.9% of respondents were female and 65/2% of respondents were male 3.9% of population did not answer the gender question. 19.2% of respondents have got diploma degree and have got undergraduate diploma degree. 14.8% have got associate degree, 42.9% have got bachelor degree, and 18.2% have got master degree or more than that. 4.9% of respondents did not answer educational status question. The age of 28.8% of respondents is below 30, 30.6% of respondents are between ages of 31-39 and

28.8% of respondents are between ages of 40-49, 8.1% of respondents are 50 years old and over 50. 4.2% of respondents did not answer the age question. 14% of respondents were customers of Saderat Bank for less than 3 years, 44.9% of respondents were customers for 3-5 years, 31.7% of respondents were customers for 5-10 years 9.4% of respondents were customers for over 10 years. 9.4% of respondents did not answer. 108 of customers have got loan savings account, 295 of customers have got current account, 283 of customers have got short-term deposit account, 262 of customers have got long-term deposit account and 166 of customers have got other accounts at Saderat Bank.

Description of variables

Before analyzing research data it is essential that all the variables will be described:

Description of the quality of service variables: the lowest amount is 1.47 and the highest amount is 5, the Mean is 3.6197, Standard Deviation is 0.65915, and Variance is 0.434.

Description of the dimensions of service quality:

Table 2) Description of the dimensions of service quality

| | sample | The lowest amount | The highest amount | Mean | Standard Deviation | Variance |
|--------------------------|------------|-------------------|--------------------|---------------|--------------------|--------------|
| tangibles | 385 | 1/5 | 5 | 3/5805 | 0/68987 | 0/476 |
| credit | 385 | 1 | 5 | 3/6603 | 0/78945 | 0/623 |
| accountability | 385 | 1/25 | 5 | 3/5065 | 0/80604 | 0/65 |
| Trust (assurance) | 385 | 1 | 5 | 3/7526 | 0/74148 | 0/55 |
| sympathy | 385 | 1 | 5 | 3/5984 | 0/80149 | 0/642 |

According to table 2, the mean of the dimensions of service quality is more than 3. The highest mean among the dimensions of service quality belongs to trust (assurance) variable.

Description of purchase intention variable: the lowest amount is 1, and the highest amount is 5, the Mean is 3.7766, Standard Deviation is 0.77786, and Variance is 0.605.

Normality of Variables

In order to determine the normal variables in the research sample, Kolmogorov-Smirnov (K-S) test was done.

Table3) Kolmogorov-Smirnov (K-S) test for research variables

| Level of significance | Test statistic | |
|-----------------------|----------------|---------------------------|
| 0/82 | 0/631 | Service quality |
| 0/053 | 1/349 | Purchase intention |

According to table 3, the level of significance in Kolmogorov-Smirnov (K-S) test is more than 0.05. As a result variables of service quality and purchase intention are from a normal distribution in the sample.

Testing Hypotheses

Table 4) Pearson's test between independent variable and the dependent variable (purchase intention)

| Level of significance | The coefficient of determination | Correlation coefficient | |
|-----------------------|----------------------------------|-------------------------|-------------------|
| 0/000 | 0/535 | 0/731 | Service quality |
| 0/000 | 0/183 | 0/428 | Constant amount |
| 0/000 | | | tangibles |
| 0/000 | 0/475 | 0/689 | credit |
| 0/000 | 0/40 | 0/632 | Accountability |
| 0/000 | 0/495 | 0/704 | Trust (assurance) |
| 0/000 | 0/453 | 0/673 | Sympathy |

The first hypothesis

According to Table 4, the level of significance of Pearson test is less than 0.05. So the relationship is significant and the first hypothesis is confirmed. The relationship between service quality and purchase intention is +73/1% according to the pluses we can say that the direction is positive. The coefficient of determination between the two variables is 0.535. This shows that the quality of service can predict purchase intention at a rate of 53.5%. We can say there is a relationship between service quality and purchase intention of banking services by customers.

The second hypothesis

The results (table 4) show that the correlation between tangibles and purchase intention is 0.000 which is less than 0.05. So the relationship is significant and the second hypothesis is confirmed. The association of tangibles and purchase intention is +42.8% according to the pluses we can say the direction is positive. The coefficient of determination between the two variables is 0.183. This shows that tangibles can predict purchase intention at a rate of 18.3%. We can say there is a relationship between tangibles and purchase intention of banking services by customers.

The third hypothesis

The results (table 4) show that the correlation between credit and purchase intention is 0.000 which is less than 0.05. So the relationship is significant and the third hypothesis is confirmed. The association of credit and purchase intention is +68.9% according to the pluses we can say the direction is positive. The

coefficient of determination between the two variables is 0.475. This shows that credit can predict purchase intention at a rate of 47.5%. We can say there is a relationship between credit and purchase intention of banking services by customers.

The fourth hypothesis

The results (table 4) show that the correlation between accountability and purchase intention is 0.000 which is less than 0.05. So the relationship is significant and the fourth hypothesis is confirmed. The association of accountability and purchase intention is +63.2% according to the pluses we can say the direction is positive. The coefficient of determination between the two variables is 0.4. This shows that accountability can predict purchase intention at a rate of 40%. We can say there is a relationship between accountability and purchase intention of banking services by customers.

The fifth hypothesis

The results (table 4) show that the correlation between trust and purchase intention is 0.000 which is less than 0.05. So the relationship is significant and the fifth hypothesis is confirmed. The association of trust and purchase intention is +70.4% according to the pluses we can say the direction is positive. The coefficient of determination between the two variables is 0.495. This shows that trust can predict purchase intention at a rate of 49.5%. We can say there is a relationship between trust and purchase intention of banking services by customers.

The sixth hypothesis

The results (table 4) show that the correlation between sympathy and purchase intention is 0.000 which is less than 0.05. So the relationship is significant and the sixth hypothesis is confirmed. The association of sympathy and purchase intention is +67.3% according to the pluses we can say the direction is positive. The coefficient of determination between the two variables is 0.453. This shows that trust can predict purchase intention at a rate of 45.3%. We can say there is a relationship

between sympathy and purchase intention of banking services by customers.

The dimensions of service quality effect on purchase intention

The testing requirements of regression analysis are checked first. Given that measurement of all the variables was ratings and the dependent

variable distribution was normal. There is a linear relationship to be monitored between the independent variables and the dependent variable. Do the independent variables and the dependent variable have linear relationship? Can the linear regression be used?

Table 5) Regression analysis of variance between independent variables and the dependent variable

| Level of significance | F statistic | Mean of squares | Degree of freedom | Sum of squares | model |
|-----------------------|-------------|-----------------|-------------------|----------------|------------|
| 0/000 | 102/098 | 26/669 | 5 | 133/346 | regression |
| | | 0/261 | 379 | 98/999 | The rest |
| | | | 384 | 232/345 | total |

The results show that the level of significance is less than 0.05% and the linear assumption of the model is confirmed. In order to check that observations are independent of each other, Durbin-Watson test was used.

Table6) Durbin-Watson statistic

| Durbin-Watson statistic | Regression Model |
|-------------------------|--|
| 2/005 | The dimensions of service quality and purchase intention |

Durbin-Watson test between two variables has shown that observations are independent of each other, because this test statistic is between 1.5-2.5. Tolerance value and Variance inflation factor indexes are used to check the linearity of the independent variables.

Table7) Coefficients and statistics of Tolerance value and Variance inflation

| variable | Tolerance value | Variance inflation factor |
|----------------|-----------------|---------------------------|
| tangibles | 0/59 | 1/70 |
| credit | /317 | 2/69 |
| accountability | 0/352 | 2/84 |
| trust | 0/326 | 2/06 |
| sympathy | 0/321 | 2/11 |

In this way, regression is conceivable. In the following, coefficients obtained by regression analysis of factors affecting customer loyalty are put in table 8.

Table8) Regression testing the dimensions of service quality and purchase intention

| Durbin-Watson statistic | Significant level of model | Significant levels of beta coefficient | Beta coefficient | The coefficient of determination | association | |
|-------------------------|----------------------------|--|------------------|----------------------------------|-------------|----------------|
| 2/005 | 0/000 | 0/000 | | 0/574 | 0/758 | constant |
| | | 0/108 | 0/071 | | | tangibles |
| | | 0/000 | 0/258 | | | credit |
| | | 0/047 | 0/104 | | | accountability |
| | | 0/000 | 0/31 | | | trust |
| | | 0/000 | 0/212 | | | sympathy |

According to table 8 the level of significance for regression model is less than 0.05. Therefore the dimensions of service quality

have got significant effect on purchase intention. It can be said with regard to the amount of beta coefficient, among the dimensions of service quality credit variable

effects on purchase intention more than other variables.

SUGGESTIONS

According to confirmation of the relationship between service quality and purchase intention of banking services, the followings are offered:

1. Modern facilities and equipment, communication facilities and interior fit, locations providing the perfect visual appeal can make the clients understand the bank's operations as a filter. A very beautiful and positive image can be a hedge against poor bank services. In other words, if customers have positive mental image associated with their bank, they can cover the weak points of the bank a little. In addition, it is suggested, amenities like water cooler, restrooms, photocopier, telephone and also providing free Internet access inside the branch for clients.
2. Careful planning and comprehensive staff training in order to perform the promised service, responsibility and work ethic, knowledge and skills, motivating staff by material and spiritual dimensions, equip more delivery systems and staff training in order to acquire knowledge and skills in the use of equipment and meet the needs of clients, having these properties in the staff and motivating the staff can be appropriate to help clients.
3. Training staff to prevent possible damage caused to clients, employing professional, trained and right people to improve the customer, use of mechanized equipment and systems in order to provide accurate customer service, using experienced and trained staff to make customers feel relaxed, using affable and polite staff, training behavioral highlights while dealing with clients are proposals that could be considered.
4. Using responsible staff, proper planning which is done accurately and on time, replacing absent staff with experienced personnel, staff training in order to acquire knowledge and skills needed, using accurate

and up to date systems and equipment, regular retraining staff is a notable case.

5. Bank particular attention to each customer (key customers mostly), appropriate working hours, employees who pay special attention to customers, defining the mission of the bank based on the expected benefits to customers, understanding specific needs of the customers can be considered.

Other suggestions can be raised below in order to increase customer satisfaction:

Using appropriate incentive mechanisms for employees who serve customers well and differentiating between diligent staff with the rest.

Banks try to increase job satisfaction in employees because without satisfied employees customer satisfaction is not the case.

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