

Study of Factors Influencing the Choice of Marketing Strategies to Increase Loyalty and Attract Banking Customers Case Study: Bank Mellat of Khorramshahr, Southern of Iran

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Abstract: In the recent years, serious competition among bank and financial institutions can be seen about larger share of market. The purpose of the study is investigation factors affecting marketing strategies of bank services in order to respect customer loyalty and attract in bank Mellat. This study is a descriptive survey and survey instrument was a questionnaire survey. The mentioned questionnaire contains six elements as variables, physical, facilities, responsibility, confidence, sympathy, loyalty and attracting customers and 34 questions. Statistical society was all of the Bank Mellat personnel in Khorramshahr city and their customers. The sample size was determined based on Kerjesy and Morgan, so 103 persons from employees and 384 persons from customers were selected. After data collection for choosing type of correlation test, we used to examine contribution of data using Kolmogorov-Esmirov test whether they are contributed or not. According to the mentioned test the result of Kolmogorov-Simnrov test is not meaningful for any mentioned variables, so the variables are contributed normally. Thus, in order to examine the relation among variables we used person correlation parametic test. Data analysis was performed using SPSS Version 18. The results show that customers satisfaction, credit factors, physical features, response factors, reassuring factors and sympathy factors had significant effect on customer loyalty and attraction.

Key words: Marketing strategies, banking services, customer loyalty and attract, Bank Mellat, data analysis

INTRODUCTION

Organization used to pay attention only about finding customers and increasing the number of customers and keeping them was meaningless for them. Finding a new customer was considered a victory for organization and they didn't care about keeping customers. Now a days, customers are basic and major factors for organizations determining all of goals, solutions organizational resources and attracting customers depend on profitable customers.

In the modern service organization, "creating perennial relation with customers, keeping them for a long time and creating similar experiences "is what organizations pay attention to and the ones are successful which can find "constant customers". The situations of banks are the same and occurred changes in customers' needs and expectations caused bank keepers to follow modern marketing methods for attracting and keeping customers and increasing their shares.

Creating loyalty in customers specially who are related to bank and its services is a concept that is more remarkable at the present time, since now a days this loyalty is considered as the main factors of success for organizations in the interactions. No profession can last without loyal customers, except the ones which are organized by the government exclusively.

Since, the customers' expectation change all the time, the organizations should perform more than satisfying them by creating loyalty and focusing on having a long term, bilateral and profitable relation with them.

In competitive world of today, banks should pay most of their attention to needs, opinions and complaints related to bank services in order to keep their customers and they should know that in bank management, the policies should be formed according to customer's priorities including respecting customers, appropriate relation with customers, survey among customers, having bilateral relation with customers, on time examining customers' problems and complaints, having a full

knowledge about satisfaction of customers, improving quality and process rapidity of presenting services, adopting policies of the bank with the customer's needs, checking accuracy of delivering productions to the customers and so on.

Considering mentioned cases helps banks to keep their customers but it's not possible to obtain it unless the banks admit that paying attention to customers is their success secret.

In this thesis, we examine the effective factors on selecting marketing strategies of bank services so as to obtain customer's loyalty and attract them to invest in Bank Mellat.

It is why this research starts with a short descriptive abstract about the issue in the first chapter named "major points". Besides, basic concepts, purposes and hypotheses are mentioned in this chapter.

In the second chapter, visionary basis and the previous references are examined as the main issues. In the third chapter of this research, researching methodology and process of performance are revised in details. In the fourth chapter, the results of research are analyzed and in the fifth chapter discussion, deduction and the final summary are presented in addition to some suggestions.

Literature review: Styles and Ambler (2003) researched about marketing, the appropriate behavior (seller's selection) and the relations between seller and buyer. The literature and results of this research implicate that managing customer's choosing behavior can cause benefits for the organization including keeping customers better. Morgan and Haunt claim that satisfaction is the first step of commitment and it causes customers to buy again. So, the effects of satisfaction on customers' decision is absolutely obvious. Bruner and Kumar (2000) observed that satisfaction guarantee commercial relations. In addition, they found in some cases the customer won't follow another manufacturer even if he's not satisfied with a particular relation. It usually happens when changing costs are expensive for the customer. Thus, if the organization is able to manage choosing costs of its customers it can keep them even if they're not satisfied with presented services completely.

(Sherma and Arun) expresses that commitment shows the comprehension of buyer about relation with a special manufacturer and contains the value of effort and investment to keep an unlimited relation. Sharma (2006) consider satisfaction as the evaluation of customer about experienced services after buying. In literature of communication, satisfaction means positive effective situation about evaluating aspects organization performance versus other organizations.

Another research has been done by Neeru Sharma and Paul G. Patterson (2000). Its purpose is to realize

related factors in increasing customer's purchase from manufacturer in different stages of buyer-seller relation.

The obtained results indicate that the variables which influence increasing customer's purchase change during the buyer-seller relation. Besides, this results show that these variables are different from the variables related to increasing the customer's commitment during the time.

The research of Hideh and John (1990) examines the relations among primal customer's and electronic manufacturers. Manufacturers of main equipment found a positive relation among customer's usual expectations, possessions devoted to transactions and similar actions of buyer and seller. In addition, they discriminated a negative relation between similar actions and unexpected situation of technology.

Katler (2001) done a research named "relation-oriented marketing strategies, when buyer and seller follow different strategies for improving function". The results of this research formed a suitable chart for realizing long term success in communications better.

As most of successful manufacturers affected to choose difficult strategies for investment in special transactions and contributions, successful suppliers affected to choose mellow social methods emphasizing on confidence and flexibility in communications.

Pillai and Sharma (2003) in an article titled "Why Communicational Willingness Are Changed to Transactional Willingness in Complete Relations?" specified that one of basic relation-oriented marketing hypothesis is to increase this relation in accordance to relations with partners.

MATERIALS AND METHODS

Social society of this research contains all of personnel of Khorramshahr Bank Mellat and customers of this bank. Due to large amount of the statistic society, sampling has been done in accordance to needful numbers. The number of personnel is 140 but the number of customers is unlimited.

Amount of sample has been determined according to Korjesi Morgan's table and the method used for choosing samples is simple random sampling. Based on the amount of statistic society and the tables, number of personnel is 103. But the formula of unlimited society is used for customers and number 384 is obtained for them:

$$X = \frac{\left[Z \alpha \frac{-}{2} \right]}{\epsilon^2} = 384$$

For gathering needful information a questionnaire has been used and valid standards are utilized for preparing it. Hypotheses and purposes are related to questions and options of the research. This questionnaire is analyzed in

accordance to social society of research after confirming reliability and fluency. The mentioned questionnaire contains six elements as variables include customers' satisfaction, reliability, physical facilities, responsibility, confidence, sympathy, loyalty and attracting customers and 34 questions.

RESULTS AND DISCUSSION

Hypothesis testing: For choosing type of correlation test, we need to examine contribution of data using Kolmogorov-Simmrov test whether they are contributed or not.

According to Table 1, the result of Kolmogorov-Simmrov test is not meaningful for any mentioned variables, so the variables are contributed normally. Thus, in order to examine the relation among variables we use Peresson correlation parametric test. For examining Peresson correlation, the hypotheses of testing are utilized as following:

- $H_0: \rho = 0$
- $H_1: \rho \neq 0$

“ ρ ” is considered the correlation coefficient among perused variables and loyalty and attracting customers. To examine the relation, Peresson correlation coefficient is used and as you can see in following table the amounts which are <0.05 are meaningful.

According to results of correlation coefficients which are obtained from the Table 2 of Pierson test, there is a meaningful level among dependent and independent variables at the level of 0.05.

Therefore, hypotheses of the research can be measured. After examining hypotheses of research and achieving correlation, we should examine the linear correlation between dependent and independent variables using simple regression (Table 3).

The first hypothesis: Satisfaction of Bank Mellat customers influence attracting and loyalty of new customers positively. For testing this hypothesis simple

regression and description coefficient determination are used. Satisfaction is considered as the independent variable and loyalty and attraction is considered as the dependent variable.

As you can see in the analysis and variance tables, F chart confirms the meaningfulness of regression model (meaningfulness level is <0.05). Besides, amount of coefficient is 0.191 and it indicates a percent of dependent variable changes that is determined by supposed independent variable. Since the line gradient is positive, Satisfaction of Bank Mellat customers influence loyalty and attraction customers (Table 4).

The second hypotheses: There is a relation between effective factors related to reliability of presented services by Bank Mellat and loyalty and attracting new customers.

For testing this hypothesis simple regression and description coefficient determination are used. Reliability is considered as the independent variable and loyalty and attraction is considered as the dependent variable.

Table 1: Kolmogorov-Simmrov test for examining normally contributed data

Variables	Statistics of test	Meaningfulness level
Customers' satisfaction	1.039	0.231
Reliability	1.224	0.100
Physical facilities	1.179	0.124
Responsibility	0.087	0.435
Confidence	1.013	0.256
Sympathy	0.734	0.655
Loyalty and attracting customers	1.198	0.113

Table 2: Correlation

Loyalty and attracting customers	Level	Values
Customers' satisfaction	Correlation coefficient	0.2180
	Meaningfulness level	0.0001
Reliability	Correlation coefficient	0.3280
	Meaningfulness level	0.0001
Physical facilities	Correlation coefficient	0.5220
	Meaningfulness level	0.0001
Responsibility	Correlation coefficient	0.6260
	Meaningfulness level	0.0001
Confidence	Correlation coefficient	0.2420
	Meaningfulness level	0.0001
Sympathy	Correlation coefficient	0.1920
	Meaningfulness level	0.0001

Table 3: Processing regression model in accordance to data

Independent variables	Determination coefficient	"F" chart		Latitude		Line gradient	
		Amount	Meaningfulness level	Amount	Meaningfulness level	Amount	Meaningfulness level
Satisfaction	0.191	18.37	0.001	3.036	0.001	0.148	0.001

Table 4: Processing regression model in accordance to data

Independent variables	Determination coefficient	"F" chart		Latitude		Line gradient	
		Amount	Meaningfulness level	Amount	Meaningfulness level	Amount	Meaningfulness level
Satisfaction	0.328	58.51	0.001	2.51	0.001	0.3089	0.001

Table 5: Processing regression model in accordance to data

Independent variables	Determination coefficient	"F" chart		Latitude		Line gradient	
		Amount	Meaningfulness level	Amount	Meaningfulness level	Amount	Meaningfulness level
Satisfaction	0.522	182.12	0.001	1.77	0.001	0.514	0.001

Table 6: Processing regression model in accordance to data

Independent variables	Determination coefficient	"F" chart		Latitude		Line gradient	
		Amount	Meaningfulness level	Amount	Meaningfulness level	Amount	Meaningfulness level
Satisfaction	0.626	312.07	0.001	1.14	0.001	0.664	0.001

Table 7: Processing regression model in accordance to data

Independent variables	Determination coefficient	"F" chart		Latitude		Line gradient	
		Amount	Meaningfulness level	Amount	Meaningfulness level	Amount	Meaningfulness level
Satisfaction	0.218	24.18	0.001	3.059	0.001	0.172	0.001

As you can see in the analysis and variance tables, chart F confirms the meaningfulness of regression model (meaningfulness level is <0.05). Besides, amount of coefficient is 0.522 and it indicates a percent of dependent variable changes that is determined by supposed independent variable. Since, the line gradient is positive, effective factors related to reliability of presented services by Bank Mellat influence loyalty and attraction customers (Table 5).

The third hypothesis: There is a relation between physical facilities of presented services by Bank Mellat and loyalty and attracting new customers.

For testing this hypothesis simple regression and description coefficient determination are used. Physical facilities are considered as the independent variable and loyalty and attraction is considered as the dependent variable.

As you can see in the analysis and variance tables, F chart confirms the meaningfulness of regression model (meaningfulness level is <0.05). Besides, amount of coefficient is 0.522 and it indicates a percent of dependent variable changes that is determined by supposed independent variable. Since, the line gradient is positive, physical facilities of presented services by Bank Mellat influence loyalty and attraction customers.

The fourth hypothesis: There is a relation between responsibility factors related to presented services by Bank Mellat and loyalty and attracting new customers.

For testing this hypothesis simple regression and description coefficient determination are used. Responsibility is considered as the independent variable and loyalty and attraction is considered as the dependent variable.

As you can see in the analysis and variance tables, t F chart confirms the meaningfulness of regression model (meaningfulness level is <0.05). Besides, amount of coefficient is 0.626 and it indicates a percent of dependent variable changes that is determined by supposed independent variable. Since, the line gradient is positive, responsibility factors of presented services by Bank Mellat influence loyalty and attraction customers (Table 6).

The fifth hypothesis: There is a relation between confidence factors related to presented services by Bank Mellat and loyalty and attracting new customers. For testing this hypothesis simple regression and description coefficient determination are used. Confidence is considered as the independent variable and loyalty and attraction is considered as the dependent variable (Table 7).

As you can see in the analysis and variance tables, F chart confirms the meaningfulness of regression model (meaningfulness level is <0.05). Besides, amount of coefficient is 0.242 and it indicates a percent of dependent variable changes that is determined by supposed independent variable. Since, the line gradient is positive, confidence factors of presented services by Bank Mellat influence loyalty and attraction customers.

The sixth hypothesis: There is a relation between sympathy factors related to presented services by Bank Mellat and loyalty and attracting new customers.

For testing this hypothesis simple regression and description coefficient determination are used. Sympathy is considered as the independent variable and loyalty and attraction is considered as the dependent variable.

Table 8: Processing regression model in accordance to data

Independent variables	Determination coefficient	“F” chart		Latitude		Line gradient	
		Meaningfulness		Meaningfulness		Meaningfulness	
		Amount	level	Amount	level	Amount	level
Satisfaction	0.242	30.17	0.001	2.64	0.001	0.241	0.001

Table 9: Prediction equation outcome

Determination coefficient	“F” chart		
	Amount	Meaningfulness level	Dorbin-Watson
0.677	67.71	0.001	1.088

Table 10: Coefficients of regression equation

Models	Unregulated coefficients		Regulated coefficients		Meaningfulness level	Corresponding	
	B	Regulation error	Beta	t-values		Allowable error	VIF
Constant coefficient	1.286	0.153		8.382	0.001		
Customer’s satisfaction	0.118	0.035	0.152	-3.325	0.664	0.621	1.611
Reliability	0.331.000	0.055	0.330	6.020	0.001	0.353	1.831
Physical facilities	0.254	0.052	0.259	4.859	0.001	0.305	1.278
Responsibility	0.640	0.051	0.603	12.534	0.001	0.511	1.958
Confidence	0.187	0.046	0.188	-4.054	0.001	0.394	1.538
Sympathy	0.034	0.035	0.044	0.988	0.324	0.618	1.618

As you can see in the analysis and variance tables, F Chart confirms the meaningfulness of regression model (meaningfulness level is <0.05). Besides, amount of coefficient is 0.218 and it indicates a percent of dependent variable changes that is determined by supposed independent variable. Since, the line gradient is positive, sympathy factors of presented services by Bank Mellat influence loyalty and attraction customers (Table 8).

Multiple regression: Multiple regression is used in order to rate variables. According to results of above table, the relation among loyalty, attracting customers and variables of research is meaningful with 95% certainty. Square of correlation coefficient is 0.677 and it indicates that dispersal of loyalty and attracting customer variables is predicted by variables of research. Besides, the result of Dorbin-Watson test is 1.88 which is approximately 2 and it confirms that dependence of predictive variables (about independence of errors) (Table 9).

In addition, pre-hypothesis of being in the corresponding for independent variable and constancy for variance is confirmed, because VIF of all of coefficients is <10 and allowed error isn’t <0.2.

The sequence of rating variables: The sequence of rating variables according to importance level of the statistic society (based of the table of previous page) is as following:

- Responsibility
- Reliability
- Physical facilities
- Confidence
- Customer’s satisfaction
- Sympathy

Finding: As it was indicated, satisfaction of Bank Mellat customers influences loyalty and attracting them positively. As we analyzed the results, reliability factor influences loyalty and attraction of customers positively. As it was indicated, physical facilities related to presented services by bank influence loyalty and attraction of customers positively. As we analyzed the results, responsibility factors influence loyalty and attraction of customers positively. As it was indicated, confidence factors influence loyalty and attraction of customers positively.

In competitions f today, banks should pay most of their attention to customers’ necessities, comments and complaints about bank services. As we analyzed the results, sympathy factors related to presented services by bank influence loyalty and attraction of customers positively.

In competitive world of today, even the smallest differ in presenting services may cause large transfers in industry. Thus, traditional banks should change their strategies to become like customer-oriented banks.

Professional managers, personnel and the ones who are in charge of serving customers often agree that solving customers’ problems is an important factor for keeping customers’ loyalty. So, they try to obtain their satisfaction.

Now a days, the final goal of human resources policies is based on association of bank personnel and its customers. Therefore, bank managers always try to increase their capability in innovation and bank services while keeping their fame.

Loyalty is obtained through increasing income, decreasing cost of acquiring new customers, decreasing

customer's sensitivity to price and reducing cost of familiarizing customers about dealing methods in order to increase profiting.

Personnel who present services are the most important factors of marketing services because they are the first level of organization and they perform a major role in loyalty and attraction of customers.

CONCLUSION

According to the above table: The constant prediction coefficient of equitation is 1.28 and it's meaningful with 99% certainty (Sig. <0.01) (Table 10). The customer's satisfaction variable is 0.118 and it's not meaningful (Sig. <0.01). The reliability variable is 0.331 and it's meaningful with 99% certainty (Sig. <0.01). The physical facilities variable is 0.254 and it's meaningful with 99% certainty (Sig. <0.01). The responsibility variable is 0.640 and it's meaningful with 99% certainty (Sig. <0.01). The confidence variable is 0.187 and it's meaningful with 99% certainty (Sig. <0.01). The sympathy variable is -0.034 and it's not meaningful (Sig. >0.01).

IMPLICATIONS

We suggest banks to:

- Attempt to obtain satisfaction, composure and acquiescence of customers in order to attract them and obtain their loyalty more
- Increase their reliability by available methods as well as they can and avoid activities which ruin the reliability of an organization
- Prepare all of substructures and facilities needed for banking at the present time so as to achieve customer's convenience more
- Set up special courses for their managers and personnel in order to accomplish responsibility factors better

- Accomplish factors which cause customers' confidence more
- Prepare customers' necessities with enough patience and sympathy
- Utilize strategies related to personnel (choosing, education, provocation, training and assay)

Finally, the banks should be directed using systems that are needed for attracting customers. The strategy of bank for being customer-oriented begins with a main basis: "everything begins from customer and ends to customer". It should become a thought and culture for banks.

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