Impact of Service Quality on Customers Loyalty with Emphasis on Customer Satisfaction Index Model (CSI), (Case Study: Parsian Bank of Guilan Province)

*Fatemeh Mirzapour¹, Esmaeil Malek Akhlagh², & Mohammad Taleghani³
¹Master of Business Management, Kooshyar Higher Education Institute, Rasht, Iran, ²Department of Business Management, Guilan University, Guilan, Iran, ³Department of Industrial Management, Islamic Azad University, Rasht Branch, Rasht, Iran

*Corresponding Author

Abstract
The purpose of this study was to evaluate the impact of service quality on customer loyalty in banking services with an emphasis on customer satisfaction index model and to consider the variables of satisfaction, trust and complaint handling in the relationship between service quality and loyalty is. To this purpose, seven hypotheses were developed. To gather the necessary data to test the hypothesis, a standard questionnaire containing 23 questions was used in five dimensions and between 409 Parsiyan bank customers across the Guilan province, as a research population to answer the questionnaire various departments was distributed. Data analysis and hypothesis testing of structural equation modeling was used. Results of the test of path analysis, all hypotheses were confirmed. At the end, appropriate of each of these factors, suggestions for the development and improvement of customer loyalty and satisfaction were proposed.

Keywords: Service Quality, Loyalty, Satisfaction, Trust, Complaint Handling

Introduction
With increasing the share of services sector in developed countries and then developing countries, in today's world quality of customer service is located in the center of the marketing terms for service organizations. Quality of service is proposed as a critical success factor in service organizations. This concept is more close to concept of customer satisfaction. In fact, it can say that these two concepts intertwined hardly (SobhaniFar & Akhavan Kharazian 2011).

In today's competitive era any organization can not achieve success without regard to the customers' needs and demands and their satisfy. Superior service quality enables companies to distinct from themselves competitors, obtained sustainable competitive advantage, and improve their functionality (Davoudian 2010).

Superior quality and effects provided by organizations provide customer satisfaction and without customers satisfaction isn’t possible earn their loyalty. Customer satisfaction is marker quality of marketing decisions (Chit Taei 2013).

Problem Statement
Over the past few decades Quality of service has attracted according to specialists, managers and researchers because of its dramatic impact on the business performance, lower costs, customer satisfaction, customer loyalty and profitability (Sorayaei Et al. 2013). Service based commitments will be realized in future and therefore the trust and loyalty has involved in this process dramatically. Also
there isn’t any exact quality standards to provide services (the size of production), so service organizations more have relied on the appropriate measure customer satisfaction (Saki Pour 2010). Nowadays, there is no doubt that key to survival and development organizations and service industries has been providing top quality service and banking system as a service industry is not exception from this rule (Wang 2003). Entry of private banks created high competition in the banking industry and it has changed the customers’ expectations and demands due to changing lifestyles and serve for them (Sheng, T., etal, 2010). Banks everywhere are supplied similar services and with cost of uniform to customers, therefore, bank managers in order to differentiate their services from other banks are looking to increase quality of services. Quality of service has close relationship with customer satisfaction in the banking industry and improve of service quality increases likelihood of customer satisfaction that be leads to Behavioral results such as commitment, desire to stay, double links between service offer and customer, increased customer’s tolerance than bugs in the provide services and positive publicity about the bank (Arasli, H., etal, 2005).

Quality of service, customers’ satisfaction and loyalty and understand the relationship between them are the basic principle for survive and maintaining customer and therefore the profitability of companies and organizations (Sedghi Et al. 2011). However, most banks haven’t emphasis on assess the level of trust and amount of loyalty for customers. So, given that Parsian Bank is one of the leading banks and innovative in the provision of banking services and with respect to that with the entry of new private banks and credit institutions increased level of competition among the banks, so keeping customers for this bank has double value like the its competitors. Hence, the purpose of this study is assess the impact of service quality on customer loyalty in the different branches of this bank in the the Gilan province. Considering the above cases the main question can be expressed such as “Is the effective quality of service on the customer loyalty of Parsian Bank with an emphasis on customer satisfaction index model?”

Theoretical Framework

Service Quality: In the banking sector, perceived service quality be result the difference between customer perceptions from services provided by banks (perceived service) and thrie expectations from banks that have offer such services (Taleghani & MirMousavi 2011).

Loyalty: It be refers loyalty to a strong commitment for repurchasing a product or superior service in the future, such that same product or service be purchased despite the influences and efforts of competing potentially marketing (Fakouri 2010).

Satisfaction: It is degree of acceptance that customer rewards due different features of product and it is source of profit and also a reason for continuing to operate organization (Chen 2009).

Trust: It defined the sensitivity of a hand than behavior of other hand that that accordingly expected the trustee does specific activities that for confiding is important, without it has been the ability to monitor and control the other hand (Johnson Et al 2001).

Complaint Handling: It defined that handling of complaints as ability of suppliers for avoid potential conflicts, resolve the apparent conflict before they become to problem and discussion about solutions loosely when that problems have occurred (Ghazizade Et al. 2010).
Previous Research
A Research is done by Haghighi and Moghimi (2003) as titled Service loyalty: the effects of service quality on mediatory role of customer satisfaction. The results of this study show that in the all aspects, customer expectations is beyond their perceptions from bank’s performance and in fact, quality of service provided is weak. The findings show customer satisfaction plays mediatory role in the effect of service quality on service loyalty. In research that has done by Safiq and Haryono (2010) as The Impact of Service Quality, Trust and Customer Satisfaction on Telkomspeedy Customer Loyalty with the Method of Structural Equation Modelling was found that quality of service hasn’t significant direct effect on the customer loyalty, but it has significantly effect through customer satisfaction and trust on the customer loyalty indirectly. A research carried out by Yap (2012) entitled Satisfaction and trust on customer loyalty: a PLS approach. The results of this theoretical study show that the quality of service has positive impact on customer satisfaction. The empirical evidence show that satisfaction has a positive effect on trust and trust has positive impact on loyalty to bank eventually.

Models of Research

![Conceptual Model of Research](image)

The Research Hypotheses
The Main Hypothesis: Quality of service has impact on the customer loyalty with emphasis on Model of customer satisfaction index (CSI).

The Sub-Hypothesis
H1: Service quality has impact on the customer satisfaction.
H2: Customer satisfaction has impact on the trust.
H3: Customer satisfaction has impact on the loyalty.
H4: Customer trust has impact on the loyalty.
H5: Complaint Handling has impact on the customer satisfaction.
H6: Complaint Handling has impact on the trust.
H7: Complaint Handling has impact on the loyalty.

Research Methodology
The present study in terms of purpose is applied and in terms of method is descriptive. This research in terms of methodology is type of causal research. The statistic population in this research is include all customer of Parsian bank. The sample size is 409 individuals in 8 branches. For analysis has been use SPSS19 and LISREL 8.54 software. Data collection method is type of field. Data collection tools is questionnaire that fo its reliability has been used Cronbach’s alpha coefficient that its results was calculated as follows:

Table 1: Cronbach's Alpha Coefficient

<table>
<thead>
<tr>
<th>No.</th>
<th>Variables</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Trust</td>
<td>0.819</td>
</tr>
<tr>
<td>2</td>
<td>Loyalty</td>
<td>0.935</td>
</tr>
<tr>
<td>3</td>
<td>Satisfaction</td>
<td>0.895</td>
</tr>
<tr>
<td>4</td>
<td>Complaint Management</td>
<td>0.913</td>
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<tr>
<td>5</td>
<td>Service Quality</td>
<td>0.816</td>
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</tbody>
</table>

Methods of data analysis
Data analysis and test of research hypotheses as regards model has The variables independent, dependent and mediated, so were used structural equation modeling techniques. Structural equation modeling is a multivariate techniques and strong from family of multivariate regression and more exactly extension of the general linear model.
The Survey of Research Model

1. Conceptual Mode

![Conceptual Model Diagram](image1)

**Figure 1:** Test of Research Model (Conceptual Mode)

2. Standard Numbers Mode

![Standard Numbers Mode Diagram](image2)

**Figure 2:** Test of Research Model (Standard Numbers Mode)

Chi-Square=370.76, df=222, P-value=0.00000, RMSEA=0.073
3. Significant Numbers Mode

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q5</th>
<th>Q6</th>
<th>Q7</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.06</td>
<td>6.02</td>
<td>6.44</td>
<td>6.12</td>
<td>6.58</td>
<td>7.11</td>
<td>7.34</td>
</tr>
<tr>
<td>4.41</td>
<td>4.72</td>
<td>4.71</td>
<td>4.97</td>
<td>5.56</td>
<td>6.14</td>
<td>7.41</td>
</tr>
<tr>
<td>5.48</td>
<td>5.34</td>
<td>4.98</td>
<td>5.56</td>
<td>6.14</td>
<td>7.41</td>
<td>5.72</td>
</tr>
<tr>
<td>5.17</td>
<td>5.48</td>
<td>4.98</td>
<td>5.56</td>
<td>6.14</td>
<td>7.41</td>
<td>5.72</td>
</tr>
<tr>
<td>5.17</td>
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<td>4.98</td>
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<td>6.14</td>
<td>7.41</td>
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<td>5.17</td>
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<td>7.41</td>
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<tr>
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<td>4.98</td>
<td>5.56</td>
<td>6.14</td>
<td>7.41</td>
<td>5.72</td>
</tr>
</tbody>
</table>

Figure 3: Test of Research Model (Significant Numbers Mode)

Using this mode can be understand relationships significant between variables. In the this case, the numbers are significant that located outside the interval (1.96 & -1.96). This means that if In the test a number located between 1.96 & -1.96 so it number is meaningless.

The Hypothesis Test Results

H1: Service quality has impact on the customer satisfaction.
According to the research model in the case mode of significant numbers, it can be seen the amount of t-statistics between variables of service quality and customer satisfaction is equal to 2.75. Since it this amount is outside the interval [1.96 & -1.96] so this hypothesis be confirmed. According to the standardized coefficients, it can be said that amount impact of service quality on the customer satisfaction is equal to 0.32.

H2: Customer satisfaction has impact on the trust.
According to the research model in the case mode of significant numbers, it can be seen the amount of t-statistics between variables of customer satisfaction and trust is equal to 2.60. Since it this amount is outside the interval [1.96 & -1.96] so this hypothesis be confirmed. According to the standardized coefficients, it can be said that amount impact of customer satisfaction on the trust is equal to 0.19.

H3: Customer satisfaction has impact on the loyalty.
According to the research model in the case mode of significant numbers, it can be seen the amount of t-statistics between variables of customer satisfaction and loyalty is equal to 2.69. Since it this amount is outside the interval [1.96 & -1.96] so this hypothesis be confirmed. According to the standardized coefficients, it can be said that amount impact of customer satisfaction on the loyalty is equal to 0.19.
H$_4$: Customer trust has impact on the tr loyalty.
According to the research model in the case mode of significant numbers, it can be seen the amount of t-statistics between variables of trust and loyalty is equal to 2.27. Since it this amount is outside the interval [1.96 & -1.96] so this hypothesis be confirmed. According to the standardized coefficients, it can be said that amount impact of customer trust on the loyalty is equal to 0.36.

H$_5$: Complaint Handling has impact on the customer satisfaction.
According to the research model in the case mode of significant numbers, it can be seen the amount of t-statistics between variables of complaint handling and customer satisfaction is equal to 4.38. Since it this amount is outside the interval [1.96 & -1.96] so this hypothesis be confirmed. According to the standardized coefficients, it can be said that amount impact of complaint handling on the customer satisfaction is equal to 0.53.

H$_6$: Complaint Handling has impact on the trust.
According to the research model in the case mode of significant numbers, it can be seen the amount of t-statistics between variables of complaint handling and trust is equal to 8.52. Since it this amount is outside the interval [1.96 & -1.96] so this hypothesis be confirmed. According to the standardized coefficients, it can be said that amount impact of complaint handling on the trust is equal to 0.78.

H$_7$: Complaint Handling has impact on the loyalty.
According to the research model in the case mode of significant numbers, it can be seen the amount of t-statistics between variables of complaint handling and loyalty is equal to 2.58. Since it this amount is outside the interval [1.96 & -1.96] so this hypothesis be confirmed. According to the standardized coefficients, it can be said that amount impact of complaint handling on the loyalty is equal to 0.42.

Conclusions
A total of in the this study, seven hypotheses using descriptive and inferential statistics was analyzed.
. Inferential results obtained from data analysis and variables in this study, in summary and the maximum and minimum impact is shown the following table:

<table>
<thead>
<tr>
<th>NO.</th>
<th>Hypotheses</th>
<th>Standard Estimates</th>
<th>t Quantity</th>
<th>Test Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Complaint Handling has impact on the trust.</td>
<td>0.78</td>
<td>8.52</td>
<td>Approval</td>
</tr>
<tr>
<td>2</td>
<td>Complaint Handling has impact on the customer satisfaction.</td>
<td>0.53</td>
<td>4.38</td>
<td>Approval</td>
</tr>
<tr>
<td>3</td>
<td>Complaint Handling has impact on the loyalty.</td>
<td>0.42</td>
<td>2.58</td>
<td>Approval</td>
</tr>
<tr>
<td>4</td>
<td>Customer trust has impact on the tr loyalty.</td>
<td>0.36</td>
<td>2.27</td>
<td>Approval</td>
</tr>
<tr>
<td>5</td>
<td>Service quality has impact on the customer satisfaction.</td>
<td>0.32</td>
<td>2.75</td>
<td>Approval</td>
</tr>
<tr>
<td>6</td>
<td>Customer satisfaction has impact on the loyalty.</td>
<td>0.21</td>
<td>2.69</td>
<td>Approval</td>
</tr>
<tr>
<td>7</td>
<td>Customer satisfaction has impact on the trust.</td>
<td>0.19</td>
<td>2.60</td>
<td>Approval</td>
</tr>
</tbody>
</table>
Suggestions for Future Research

4. The effect of service quality on the attitudinal and behavior loyalty of customers with emphasis on the customer satisfaction index (CSI).

5. The effect of service quality on the customers’ loyalty the based on sexual orientation with emphasis on the customer satisfaction index (CSI).

6. The effect of service quality on the customers’ loyalty with emphasis on the customer satisfaction index (CSI) in the Hotel industry.

7. The effect of service quality on the customers’ loyalty with emphasis on the customer satisfaction index (CSI) in the Insurance industry.

Limitations of Research

1. Unwillingness to cooperate to some customers for answering to the questionnaire.

2. The lack of homogeneity the study population in term of Demographic.

3. In the present study loyalty was measured as a whole, but since because loyalty has both attitudinal and behavioral dimensions, so it can influence research results.

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