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The Impact of E-service Quality on the Improvement of the Level of Communication with Customers of Bank Melli Branches in South Tehran Affairs Office

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Abstract

The purpose of this research is to study the impact of electronic service quality on the improvement of the level of communication with customers in Bank Melli branches in South Tehran affairs office. It is a descriptive cross-sectional study and library and field methods were used for data collection. The statistical population of this study includes all the customers of Bank Melli branches in South Tehran and their number is unlimited. Random sampling method was also used. Hence, according to Cochran's theorem, the sample size is 384 individuals. A questionnaire was used for data collection, it is the collection of Zeithaml et al and its face validity is verified and its reliability through Cronbach's alpha is 75%. Finally, the results of this study show that there is a significant and positive relationship between the aspects of e-service quality (efficiency, system availability, commitment to the implementation of the system, privacy policy, response, and contact) and the level of communication with customers of Bank Melli branches in South Tehran.

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Keywords: electronic service; e-service quality; Bank Melli; customer

1. Introduction

With the arrival of computers in human life and the development of the Internet network at the same time, many definitions and social services have changed or are moving towards a fundamental change, and every day, the effects

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of these changes will be more visible in our daily lives. (Fakhari, 2009) The development of information technology in different sectors of society, especially in the banking system, is the outcome of information technology capabilities. Given the importance of the role of the Internet in providing services and products, nowadays, banks mainly use the Internet to provide better services. (Niazi, 2013) The ease of use of e-banking systems and cost reduction of services can be mentioned as two major reasons for the development of information technology in the banking system.

The complex nature of services as well as the increase in the share of services in industries have increased the need to improve the quality of services in companies that are looking to improve their financial performance and attract customers in a highly competitive environment. (Wang and Hui, 2003) Private Banks have created a high competition in the banking industry and have changed the expectations and demands of customers regarding their changing lifestyles and the services they receive. (Fakhari, 2009) In traditional environments, quality improvement will have strategic consequences such as increased customer loyalty and productivity growth of economic exchanges. Therefore, it can be concluded that the efficiency of e-services will have a positive impact on customer satisfaction and loyalty. (Sheng and Liu, 2010) Information technology has caused structural changes in the banking system and provided an opportunity to start employing remote banking systems. Several routes have been opened to provide services to customers and the most widely used banking channels respectively are: ATMs, Internet banking, phone banking, and mobile banking. (Wan, Luk & Chow, 2003) Banks offer customers the same services with the same cost in everywhere, therefore, in order to distinguish their services from other banks, bank managers are looking to increase the efficiency of e-services. (Avkiran, 1994)

2. Problem statement and research objectives

In line with the objectives and policies of the government in the implementation of e-government, e-banking is considered a strategy for developing e-commerce and as a comprehensive service, it has developed a lot. Offering financial and banking services through electronic networks and the Internet has had an unprecedented leap in recent years; there is no doubt that in order to enter global markets, it is necessary to have an efficient and updated banking system that could compete with the world banking system accurately, precisely, and rapidly. In general, e-service quality has a close connection with customers and customer satisfaction in the banking industry. (Avkiran, 1994) If service quality improves, the level of communication with customers would likely improve as well and it would lead to behavioral results such as commitment, a desire to stay, satisfaction, loyalty, a bidirectional link between the service provider and the customer, increased customer tolerance of bugs in services, and positive publicity about the bank. (Sheng and Liu, 2010) Moreover, by knowing customers' perspectives of the organization and factors that influence them, the basis for the adoption of appropriate strategies and improvement of performance will be provided. On the other hand, since an increased service quality is probably the only difference between banks, it can be a way to achieve success in the modern banking industry. Bank Melli believes that being a pioneer in providing electronic banking services is one of the major requirements in connection with the development of its services, and customer satisfaction is the bank's top priority. Some problems in the e-services such as broken ATMs, which make the customer to visit several ATMs and the low speed and frequent disconnection of banks' websites during their e-services will cause customer dissatisfaction and distrust. As a result, customers are willing to do their banking affairs in person. Therefore, by improving e-service quality, measuring the quality of e-services, identifying its strengths and weaknesses, studying its success in satisfying the needs and demands of customers, and surveying the customers' expectations and perceptions of services, Bank Melli is trying to overcome these problems and gain the trust of its customers, especially those who are interested in using modern banking services and pay a special attention to such services. According to what was mentioned, the aim of the present research is to study the impact of e-service quality on the improvements of the level of communication with customers of Bank Melli branches in South Tehran affairs office.

3. Research background

Several studies have been done on this subject, the following ones can be cited: Changiz (2006) studied automated tools for evaluating the quality of websites with a focus on their usability. He examined automated tools that check

the quality of websites in terms of usability and accessibility of information and he studied the unique characteristics and tests of each of these tools. Zahedi (2008) had a research named “Study of e-service quality in Raja Passenger Train Company”. The results suggested a high satisfaction of users of many of the factors, and regarding some other factors such as service interaction, user satisfaction was evaluated at a low level. Moreover, Zayouni Zung et al (2005) had a research concerning consumers' views of e-service quality and they studied the relationship between website quality and customers' satisfaction of e-services. In this research, besides website quality, the ease of use of e-services and perceived risk were considered factors affecting customer satisfaction. The relationship between customer satisfaction and purchasing intention was also confirmed.

4. Definitions

According to Writhe, the concept of service quality means appropriating services for achieving organizational objectives, offering appropriate services in the appropriate place and time, or offering appropriate services at the first request. (Dehdashti and Mobarhan, 2012)

E-service: Skoupula says e-services are a subset of e-commerce services and the consequence of network technologies. Delvon and Maclin also explain e-service is the use of the Internet to facilitate, perform, and process each step of the services including awareness, transaction, interaction, and distribution. (Denis, 2011) In general, because e-services are available at any time and any place, providing a better service to organizations and individuals will be done through e-services. (Sevimandenton et al, 2006)

E-service quality: Zeithaml et al (2003) described e-service quality as a basis that facilitates effective and efficient purchase, sale and delivery of goods and services off a website. (Zitamel et al, 2003)

Customer: In Persian literature and culture, the word "Customer" is synonymous with the word "Buyer" and on issues related to marketing and sales, customer is called audience who have the ability and the talent to purchase goods or services. In this definition, "Ability" means the capability to pay and "Talent" is the sense of understanding and recognizing product and service that meets some part of the audience's needs. Therefore, audience will become a customer when ability and talent factors occur simultaneously in him to get "Purchase" done. (Esmaeilpour, 2005)

5. Variables affecting e-services quality

5.1. Efficiency

The ease and speed of access and use of website (Parsamounan, 2005)

5.2. System availability

Service availability has been proposed as a factor affecting technology adoption. (Saadat and Ashkannejad)

5.3. Implementation of commitments

It means that firms do not give customers' information to another person or firm without their consent. This aspect also refers to the confidentiality of sensitive information between the customer and the firm.

5.4. Privacy Policy

If privacy is violated, it will have a negative impact on citizens' trust and use of services. The risk perceived by users in the use of e-services or in other words, the amount of profit and loss that they will be noticed, is one of the factors influencing e-service adoption. (Ghasabi, 2013)

5.5. Response

Supporting mechanisms and support systems are another crucial factors in technology adoption that should be considered. In the absence of awareness of the technology or in case of unforeseen events, these mechanisms can be employed to help users. (Haghshenas, 2013)

5.6. Contact

It means availability, help, and assistance by phone or online representative for a live contact to a person in order to solve any issue or respond to any question.

6. Research model

Fig 1 illustrates the Conceptual model of the research.

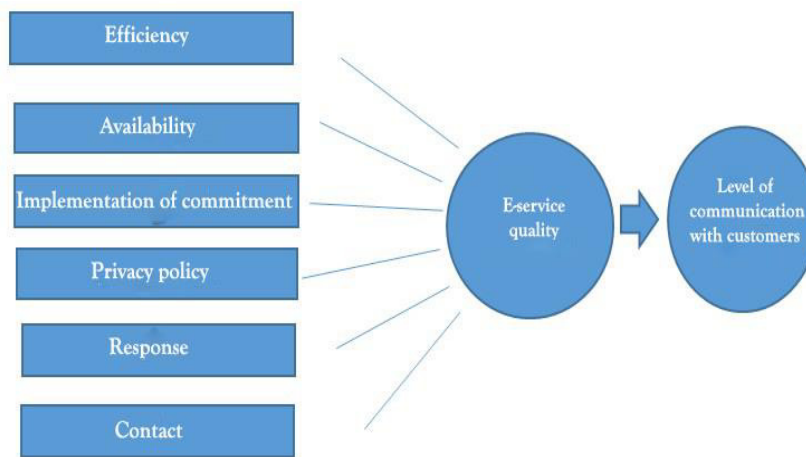


Fig. 1 - Conceptual model of the research

Source: Zeithaml et al (2003)

7. Research hypotheses

- The efficiency aspect of e-service quality has a significant impact on the improvement of the level of communication with customers in Bank Melli branches in South Tehran.
- The system availability aspect of e-service quality has a significant impact on the improvement of the level of communication with customers of Bank Melli branches in South Tehran.
- The implementation of commitment aspect of e-service quality has a significant impact on the improvement of the level of communication with customers of Bank Melli branches in South Tehran.
- The privacy policy aspect of e-service quality has a significant impact on the improvement of the level of communication with customers of Bank Melli branches in South Tehran.
- The response aspect of e-service quality has a significant impact of the improvement of the level of communication with customers of Bank Melli branches in South Tehran.

- The contact aspect of e-service quality has a significant impact on the improvement of the level of communication with customers of Bank Melli branches in South Tehran.

8. Methodology

It is a descriptive cross-sectional study. Library and field methods were used for data collection. The statistical population of this study includes all the customers of Bank Melli branches in South Tehran and their number is unlimited. Random sampling method was also used in this research. Therefore, according to Cochran's theorem, the sample size is 384 individuals. Validity of the research is verified and its reliability through Cronbach's alpha is 75%.

9. Research findings

Main hypothesis: there is a relationship between e-service quality and the level of communication with customers of Bank Melli branches in south Tehran.(Table 1)

Table 1 . path coefficients, t-statistic, and the coefficient of determination (dependent variable: the level of communication with customers)

Predictor variable	Path coefficient (β)	t-statistic
E-service quality	0,75	**9,76

** $p < 0.01$ * $p < 0.05$

The main hypothesis of this research examines the influence of e-service quality and the level of communication with customers in Bank Melli branches in South Tehran City. Since the path coefficient is 0.75 and t-statistic is 9.76, it can be concluded that at 99 percent confidence level, e-service quality has a significant and positive effect on the level of communication with customers of Bank Melli branches in South Tehran. Therefore, the main research hypothesis is significant and accepted.

Sub-hypothesis 1: there is a relationship between the efficiency aspect of e-service quality and the level of communication with customers of Bank Melli branches in South Tehran. To test this hypothesis, simple linear regression was used. The results of the simple linear regression are listed in table 2.

Table 2 – path coefficients, t-statistic, and the coefficient of determination (dependent variable: the level of communication with customers)

Predictor variable	Path coefficient (β)	t-statistic
The efficiency aspect	0,713	19,84

** $p < 0.01$ * $p < 0.05$

The first sub-hypothesis of this research examines the impact of the efficiency aspect of e-service quality and the level of communication with customers of Bank Melli branches in South Tehran. Since its path coefficient is 0.713 and its t-statistic is 19.84, it can be concluded that at 99 percent confidence level, the efficiency aspect of e-service quality has a positive and significant effect on the level of communication with customers of Bank Melli branches in South Tehran. As a result, the first sub-hypothesis is significant and accepted.

Sub-hypothesis 2: there is a relationship between the system availability aspect of e-service quality and the level of communication with customers of Bank Melli branches in South Tehran. To test this hypothesis, simple linear regression was used. The results of the simple linear regression are listed in table 3.

Table 3 - path coefficients, t-statistic, and the coefficient of determination (dependent variable: the level of communication with customers)

Predictor variable	Path coefficient (β)	t-statistic
The system availability aspect	0,558	13,13

** p < 0.01 * p < 0.05

The second sub-hypothesis of the present research examines the impact of the system availability aspect of e-service quality on the level of communication with customers of Bank Melli branches in South Tehran. Because its path coefficient is 0.558 and its t-statistic is 13.13, it can be concluded that at 99 percent confidence level, the system availability aspect of e-service quality has a significant and positive impact on the level of communication with customers of Bank Melli branches in South Tehran. Therefore, the second sub-hypothesis is significant and accepted.

Sub-hypothesis 3: there is a relationship between the implementation of commitment aspect of e-service quality and the level of communication with customers of Bank Melli branches in South Tehran. To test this hypothesis, simple linear regression was used. The results of the simple linear regression are listed in table 4.

Table 4 - path coefficients, t-statistic, and the coefficient of determination (dependent variable: the level of communication with customers)

Predictor variable	Path coefficient (β)	t-statistic
The implementation of commitment aspect	0,380	8,023

** p < 0.01 * p < 0.05

The third sub-hypothesis of this research examines the impact of the implementation of commitment aspect of e-service quality on the level of communication with customers of Bank Melli branches in South Tehran. Because the path coefficient is 0.380 and the t-statistic is 8.023, it can be concluded that at 99 percent confidence level, the implementation of commitment aspect of e-service quality has a positive and significant impact on the level of communication with customers of Bank Melli branches in South Tehran. Therefore, the third sub-hypothesis is accepted.

Sub-hypothesis 4: there is a relationship between the privacy policy aspect of e-service quality and the level of communication with customers of Bank Melli branches in South Tehran. To test this hypothesis, simple linear regression was used. The results of the simple linear regression are listed in table 5.

Table 5 - path coefficients, t-statistic, and the coefficient of determination (dependent variable: the level of communication with customers)

Predictor variable	Path coefficient (β)	t-statistic
The privacy policy aspect	0,507	11,486

** p < 0.01 * p < 0.05

The fourth sub-hypothesis of the present research studies the effect of the privacy policy aspect of e-service quality on the level of communication with customers of Bank Melli branches in South Tehran. Since its path coefficient is

0.507 and its t-statistic is 11.486, it can be concluded that at 99 percent confidence level, the privacy policy aspect of e-service quality has a significant and positive effect on the level of communication with customers of Bank Melli branches in South Tehran. As a result, the fourth hypothesis is significant and accepted.

Sub-hypothesis 5: there is a relationship between the response aspect of e-service quality and the level of communication with customers of Bank Melli branches in South Tehran. To test this hypothesis, simple linear regression was used. The results of the simple linear regression are listed in table 6.

Table 6 - path coefficients, t-statistic, and the coefficient of determination (dependent variable: the level of communication with customers)

Predictor variable	Path coefficient (β)	t-statistic
The response aspect	0,640	16,263

** p < 0.01 * p < 0.05

The fifth sub-hypothesis of this research studies the impact of the response aspect of e-service quality on the level of communication with customers of Bank Melli branches in South Tehran. Since its path coefficient is 0.640 and its t-statistic is 16.263, it can be concluded that at 99 percent confidence level, the response aspect of e-service quality has a positive and significant impact on the level of communication with customers of Bank Melli branches in South Tehran. As a result, the fifth sub-hypothesis is significant and accepted.

Sub-hypothesis 6: there is a relationship between the contact aspect of e-service quality and the level of communication with customers of Bank Melli branches in South Tehran. To test this hypothesis, simple linear regression was used. The results of the simple linear regression are listed in table 7.

Table 7 . path coefficients, t-statistic, and the coefficient of determination (dependent variable: the level of communication with customers)

Predictor variable	Path coefficient (β)	t-statistic
The contact aspect	0,589	14,254

** p < 0.01 * p < 0.05

The sixth sub-hypothesis of this research examines the impact of the contact aspect of e-service quality on the level of communication with customers of Bank Melli branches in South Tehran. Because its path coefficient is 0.589 and its t-statistic is 14.254, it can be concluded that at 99 percent confidence level, the contact aspect of e-service quality has a positive and significant impact on the level of communication with customers of Bank Melli branches in South Tehran. Therefore, the sixth sub-hypothesis is significant and accepted.

10. Conclusion

The findings indicate that there is a relationship between e-service quality and the level of communication with customers of Bank Melli branches in South Tehran. In other words, there is a significant relationship between e-service quality variable and its six aspects (efficiency, availability, implementation of commitment, privacy policy, response, and contact) and the variable of level of communication with customers. Therefore, financial institutions have come to believe that offering a high-quality service requires an improvement in the level of communication with customers.

Given the findings of this research, the following suggestions are offered:

- Improving efficiency: by expanding e-service system, installing more ATMs, and increasing the speed of e-services

- Availability: a quick access to the website of Bank Melli without any difficulty and system glitch, and an easy access to the e-services of Bank Melli
- Implementation of commitment: providing services that the customer is looking for, and if they promised to offer a service, they should offer that.
- Privacy policy: having enough trust and confidence in using the website of Bank Melli, keeping customer information, and a sense of security by users in the use of the website of Bank Melli
- Response: speeding up the provision of services, and responding on time, without ambiguity, and with sobriety
- Contact: through communication channels such as phone banking and text, and launching a feedback website

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