

Study of the Effect of Perceived Service Quality on Customers' Satisfaction, Trust and Loyalty Using Servqual Model (Case Study of Saderat Bank Website Users)

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ABSTRACT

Appearance of communication revolution and emergence of such phenomena as electronic data exchange, electronic commerce and electronic money exchange resulting from exploiting tools of communication revolution in inter-organizational transactions in supply chain, prepare new grounds for economic activities of commercial and non-commercial entities. Also in service market, increasing competition led to necessity of employing new channels for providing services. Present research tried to address the effect of perceived service quality on customers' satisfaction, trust and loyalty using SERVQUAL model. To this end, after an introduction to general framework of the study, initially data were collected through library and field methods using descriptive-field methodology. Field data were gathered using a questionnaire with 28 items distributed to statistical population. Statistical population comprised all customers of Saderat Bank of Arak city. Completed questionnaires were analyzed using t-student statistic and LISREL software. Data analysis showed that website ease of use, website design and also customization of website had direct positive effect on satisfaction of bank customers.

Keywords: Electronic Banking (E-Banking), Satisfaction, Trust, Loyalty, Word Of Mouth (WOM).

Introduction

After extensive globalization, banking industry has encountered with a more competitive and dynamic environment. Banks have highly focused on quality of their services to exceed their rivals. Given the fact that most products of banks are identical and there is no significant distinction between them, thus providing

services with higher quality compared to other banks has emerged as a competitive tool for banks (Kumar et al., 2010, 352). Service quality has attracted attentions of researchers during recent 25 years. Service quality can be defined as meeting customer expectations by providing services at a level consistent with his\her

expectations. Parasuraman et al. provided a famous framework for measurement of service quality. This framework is SERVQUAL scale currently being used in various fields. Service quality dimensions in SERVQUAL model consists of tangibility, responsiveness, assurance and customization (Munhurrin et al., 2010, 336). On the other hand one of the major factors influencing success of banks is perception of customers of their service quality. Because of this, today a great number of firms including banks seek to evaluate quality of their services. Spreng and Olshavsky (1993) stated that customer satisfaction or dissatisfaction stems from comparing expectations with actual results after service consumption (Kumar et al., 2012). On the other hand banks also deal with e-commerce phenomenon and should provide their services in virtual environment too. E-commerce forces firms to develop electronic marketing and electronic purchasing solutions. A key factor in this field is development of attractive and convenient websites so that visitors are encouraged to come back (Kassim and Abdullah, 2010, 352). According to the above, present research studies the effect of perceived service quality of Saderat Bank website on customers' satisfaction and loyalty using SERVQUAL.

Literature Review

E-banking

Electronic banking makes it possible to provide retail financial services through electronic channels including ATMs, credit cards, telephones, televisions, etc. (Hamidi Zadeh, et al., 2008, 83). E-banking is one of the manifestations of ICT revolution in economic field. E-banking has revolutionized previous commercial procedures and realized saving conception

in the best way. E-banking is of various levels and a different definition may be provided with respect to each level. What are common among all these levels include exploitation of computer software and using banking data which can be processed digitally? As we move closer to full e-banking, less manual operations, more concentrated computer systems, more extensive and accessible network, less temporal and spatial restrictions and finally more banking security are observed. Thus a general definition for electronic banking may be provided as follows: providing banking services through a general computer network (internet) with high security; in other words, e-banking is to use sophisticated telecommunication networks to transfer funds in banking system (Goudarzi and Zobeidi, 2008, 115).

Word of Mouth

Term "word of mouth" was used by William White about 40 years ago for the first time in a classic marketing study published in Fortune. Though social networks have extensively been studied in sociology, but in recent years they have drawn attentions of marketing researchers because their prominent effects on customers' behavior. WOM may also be described based on three aspects including "direction", "capacity" and "volume". Direction refers to introduction of WOM to decision making process or purchasing results. Capacity maybe positive or negative and finally volume refers to number of individuals who receive the intended message. Introduction of WOM to decision making process is more likely when product has technical characteristics compared to the case in which product can be evaluated easily and in the former case consumers seek WOM to reduce their risks (Panahi and Anani, 2012, 45). WOM has

been defined as an informal message between related parties to evaluate goods or services (Mazzarole et al., 2007, 147). WOM has two negative and positive dimensions.

WOM in Service Sector

A great volume of studies exist on WOM in service sector. Positive WOM is considered as a valuable tool for improvement of products and services of firms. Indeed because WOM is of non-commercial nature, there is less doubt associated with it compared to advertising activities being conducted under supervision of firms. Though WOM may have a strong effect on purchasing decision, studies show that this effect is particularly of importance in service sector. Service firms usually try to implement effective marketing programs to induce positive WOM. Importance of WOM for service sector has been established. Scholars believe that WOM especially plays major roles in success of service firms. According to Mitchel and Garitorex, recommendations and suggestions of family and friends are of high importance with respect to most services. Also evidence provided by Moray confirms that service receivers pay attention to opinions of knowledgeable individuals in their purchasing decisions. Also Bharadwaj et al. (1993) argued that when service receivers are not able to evaluate value and quality of services or capability of service providers, then they infer creditability and reputation of service providers through positive WOM as the most important indicator of service quality. WOM is usually considered more important for services than goods. Services are of empirical nature and evaluation of them is difficult before purchase. Service characteristics including intangibility, heterogeneity and inseparability of production and consumption force

customers to pay attention to others' opinions in pre-purchasing evaluations. Consequently perceived risks are higher in relation to services than goods. Thus service customers are more likely to pay attention to WOM than customers of goods (Panahi and Anani, 2012, 47).

What Is Trust?

Trust is a facilitating factor for human interactions. It makes people able to do commercial transactions and helps in smoother economic operations. On the other hand pessimism is a useful mentality which makes us able to avoid untrustworthy and unhealthy people and organizations (Geyskens et al., 1999, 305). Trust is a strategy used by individuals to cope with complex social environment and in turn exploit increasing opportunities. Specifically trust relates to lack of information and uncertainty and is associated with unpredictability of others' actions. Trust is positive expectations about actions of others and assumes that when individuals are in a position to control and monitor others' actions, then they show responsible behaviors in their actions. When expectation of trust interfere with rational decision making, trust may be a counterproductive factor (Panahi, 2010, 151).

Willingness to trust is defined as general disposition of an individual to trust others and is consisted of two concepts: belief in humanity and trust condition. Belief in humanity assumes that others are kind and trustworthy. Trust condition also assumes that if people are trustworthy, then better results are obtained from interaction with them. Thus trust is a result of psychological predispositions which are out of immediate control of any governmental authority. This permanent predisposition is associated with long-term social willingness to believe in social

organizations and the assumption that if individuals trust each other, then better results are obtained (ibid, 152). Berry argues that trust is the most powerful tool of relationship marketing. According to Fui-Hoon, users decide to engage in online purchase only based on their trust. There are many definitions for trust. Some researchers consider these definitions as confusing and contradictory ones. Some believe that this concept is difficult to define and some others prefer not to define it. These problems have also raised with respect to internet banking. Both researchers who define trust as willingness to believe and those who define it as believing in various qualities in others including fairness, goodness, ability, benevolence, honesty and predictability encounter these problems. Some internet researchers have not provided a clear definition for trust for some reason. A single definition of trust would help researchers to convey a common meaning to other researchers. Why has trust been defined wrongly or why have many researchers not been willing to provide a definition for this concept? One reason is that every discipline has defined trust from its own specific viewpoint; psychologists define it as a personal trait, sociologists have considered it as a social structure and economists have seen it as an economic choice mechanism. Researchers from one discipline may not understand viewpoints of those from another one and consequently reject it. Thus there are many different definitions for trust scattered along various disciplines. Mayer defines trust as tendency of an individual to be vulnerable to actions of other party with assumption that the latter will perform the expected job without direct control or monitoring. In another definition trust is described as believing or expecting that statements and

promises of a salesperson are reliable and the latter would not misuse vulnerability of the purchaser (Bashiri and Joneidi, 2007, 3-4).

Trust in Internet Banking

Today security and Trust are among the most important concerns internet and electronic banking users are preoccupied with. For users of internet banking who connect to internet to use services of this type of banking, trust is of significant importance. Trust is built when an individual believes that the other party has proper qualities in addition to be helpful for him\her. Customers need to understand activities of those who provide services or goods because they cannot continue their interaction with them without reducing risks to a reasonable level and trust is a tool for this risk reduction. Trust is more important in internet banking than in offline one because building and enhancing is critical when uncertainty and risk exist at high levels. Using internet, individuals from all parts of the world are able to access vital files and exchange information. Though internet banking is a new type of ICT, but from marketing viewpoint it can be seen as another channel connecting banks with their customers (Mcknight et al., 2002, 42). Many hypotheses address the relationship between perceived usefulness, perceived ease of use and trust in online environment. Specifically a good model has been provided for the relationship between trust and technology acceptance model in the context of online purchasing. This model explicitly shows that trust is a prerequisite for perceived usefulness and perceived ease of use is a prerequisite for trust. Also trust has a direct effect on behavioral intentions. Trust is one of the determining factors of perceived usefulness because the assurance felt by

customers is to some extent a result of expected benefits of website set up by the provider of goods or services. Also results show that trust has a positive effect on usefulness. With respect to the above-said, trust makes customer vulnerable to internet businesses. Consequently customers should be persuaded that they can expect beneficial results from their interaction with online businesses. If customers build primary trust towards online providers of services or goods and believe that online services are useful for improvement of their job performance, they would believe in usefulness of online services (Bashiri and Joneidi, 2007, 7).

Trust Building Mechanisms

Various classifications have been provided for trust building strategies and mechanisms. In general classification provided by McKula assumes that trust is a concept consists of social trust, trust based on trade mark, trust based on technology and trust based on legal infrastructure. After a review on results from studies in trust field, Grabber divided online trust building mechanisms into three fields including informational policies, reputation building policies and assurance policies. In this classification, informational policies mostly emphasize on reduction of information asymmetry between seller and buyer parties by applying relationship requirements. In e-commerce context this requirements mostly covers information obtained through website or gathered during transaction process. Reputation is a result of showing trustworthy behavior and plays a major role in determining the extent to which individuals are willing to interact with the seller (Bashiri and Joneidi, 2007, 7).

Customer Satisfaction

Satisfaction\dissatisfaction is an emotional reaction to evaluation of a consumed product or service. It refers to customer evaluation of goods or services based on the degree to which his\her expectations are met with respect to those services or goods. Failure of goods or services to meet customer needs leads to dissatisfaction. According to this definition it can be concluded that satisfaction results from subjective evaluation. It is a function of discrepancy between customer expectations and perceptions and the result is a positive or negative feeling (Hoseini, Hashem Zadeh, 2009, 65). Today manufacturing or service organizations increasingly consider customer satisfaction as one major factor in assessing quality of their offerings. Importance of customer satisfaction is associated with global competition. Customer satisfaction is an aggregated experience of customer in relation to purchasing and consuming products. This satisfaction is influenced by expectation about and actual performance of service or product. As a result of comparing expectations with actual results, customer may feel happy or unhappy with product or service. According to results of studies on service organizations, service quality is among the most important factors influencing customer satisfaction and in turn loyalty. Thus the next section describes service quality issues (Allameh and Nokteh Dan, 2009, 111). Customer satisfaction is customer perception about the extent to which his needs are met. To demonstrate necessity for measurement of customer satisfaction it is sufficient to note that though final goal of measures taken in this field is to improve customer satisfaction level, but lack of an appropriate method for measuring satisfaction as a manifestation of effectiveness of organizational operations

still is a major challenge for most organizations. On the other hand with respect to the fact that customer satisfaction stems from interaction between customer expectations and actual experience of consumption, thus measurement of this concept is a complicated and difficult task. With respect to measurement of such concepts as satisfaction, a valuable quotation from Lord Kelvin may be mentioned: "I often say that when you can measure what you are speaking about, and express it in numbers, you know something about it; but when you cannot measure it, when you cannot express it in numbers, your knowledge is of a meagre and unsatisfactory kind; it may be the beginning of knowledge, but you have scarcely in your thoughts advanced to the state of *Science*, whatever the matter may be." (Saqqaei et al., 2006, 1).

Service Quality

It is difficult to define service quality. It may be said that a high quality service is one that is able to meet customers' needs and demands and consistent with customer's expectation. Customers' expectations are associated with those things which are favored by customers and they are interested in and believe that service provided should offer to them. Thus quality is judged and determined by customers. If a service meets customer's expectation or exceeds them, then it is a high quality service. Of course if a service has a quality lower than customer's expectation it does not mean that it is of poor quality but it leads to customer dissatisfaction. Thus service quality is defined based on what customer expects in relation to it (Hosseini Hashem Zadeh, 2009, 66). Evaluation of service quality for firms providing online services is different with traditional ones. In providing

electronic services, time, accessibility and system performance are among major determining factors; thus immediate and reliable after-sales services are among key factors in providing these kinds of services. Since every customer has its own viewpoints and expectations about services, in order to identify major characteristics of service evaluation from customers' viewpoints their expectations and requirements should be taken into account. With identifying these characteristics and determining their importance to customers, it becomes possible to solve problems in the case of customer dissatisfaction and improve service quality. In addition these characteristics help firms to spend their resources to achieve maximal quality improvement and this in turn leads to success in retaining customers and making high profits (Divan Darri and Torkashvand, 2010, 84).

Service Quality and Customer Satisfaction

In service sector, evaluation of services is done during the process of receiving them. Customers' satisfaction with services may be defined as resulting from their expectations about services and their perceptions about what they have actually received. If provided services exceed expectations of customer, then they are perceived as extraordinary. When expectations and perceptions of customer are the same with respect to a service, then provided service is satisfying and of acceptable quality and finally if perception about service quality is lower than that is expected, then quality is at an unacceptable level. On the other hand in today fast changing market using e-commerce techniques is considered as a necessity. On one hand using e-commerce tools leads to business simplicity and cost

reduction and on the other hand it results in increased number of customers and their increased satisfaction. But this process becomes a perfect one when firms providing electronic services are able to meet customers' expectations on quality of electronic services and ensure providing services with high quality. Also providing high quality electronic services in a continuous manner is considered as the major source of competitive advantage in today global market and is the most important determining factor of long-term success of firms providing electronic services. Various studies have been done on service quality and some models have been provided for service quality assessment based on them. For example Parasuraman et al. provided a model called SERVQUAL which assess service quality in five dimensions: tangibility, reliability, responsiveness, assurance and empathy. Also Johnston (1996) developed a model in which attentiveness, responsiveness, care and friendliness were considered as customer satisfaction dimensions. Also Aldlaigan and Butle (2000) conducted a series of studies on bank services quality and provided a new instrument known as SYSTRA-SQ assessing bank service quality based on four dimensions including: service system quality, behavioral service quality, mechanic service quality and service transactional accuracy. Dimensions identified in traditional service sector may serve as a useful basis to identify relevant dimensions in electronic environment. For example in the field of electronic service quality assessment, Yoo and Donthu (2001) provided a model known as SITEQUAL with four dimensions including ease of use, design, processing speed, and security. Parasuraman, Zeithaml and Malhatra (2002) conducted some systematic integrated studies based on previous literature and provided five set of

criteria with respect to customer perceptions on service quality including: informational content and accessibility, ease of use and convenience, security, aesthetic design and reliability\delivery. In 2005, according to previous research on service quality in traditional distribution channels, Zeithaml and Parasuraman provided a service quality assessment instrument known as E-S-QUAL based on seven dimension instrument previously developed by Zeithaml. This model focused on service quality of websites engaging in selling goods and services through internet. This scale had 22 items and four dimensions. Their dimensions included efficiency, fulfillment, system availability, and privacy. Also they provided another scale, E-RECS-QUAL to evaluate service recovery quality from viewpoints of customers who encounter problems in receiving favorite online services from the intended websites. This scale has three dimensions (responsiveness, compensation and contact) and 11 items. For evaluation of a website services usually both E-S-QUAL and E-RECS-QUAL scales are used in combination. Alhawari, Nicol and Tony (2005) provided a model for evaluation of service quality of bank automated services. It had five dimensions including ATM services, telephone banking services, internet banking services, basic services and customer perception about price and these dimensions were evaluated using 26 items. In another model provided by Collier and Bienstock (2006) three dimensions of process quality including interaction quality, output quality and recovery quality were assessed. In the same vein various scholars studied relationship between quality service dimensions and customer satisfaction. Brady et al., (2001) showed that there was a significant relationship between service

quality and customer satisfaction. Also in one study by Sureshch et al., (2002), strong relationship between service quality and customer satisfaction was confirmed. According to Pitt et al, study of the relationship between service quality and customer satisfaction is a main factor in assessing customer satisfaction. In addition in one study by Smail et al (2009), significant relationships between responsiveness, reliability and empathy and customer satisfaction were confirmed (Divan Darri and Torkashvand (2010, 27-85).

Customer Loyalty

Emergence of loyalty concept dates back to early 1940s. This construct represents two separate concepts i.e. brand preference later known as attitudinal loyalty and market share later known as behavioral loyalty. Loyalty is defined as making customer committed to transact with a certain organization and purchase services and goods in regular manner. Also there is a comprehensive definition for loyalty stating that loyalty is strong commitment to repurchase a superior service or product in the future in such a way that the same brand or product will be purchased in addition to efforts of competitors to attract attention of customer (Allameh and Nokteh Dan, 2009, 111).

Theoretical Framework

Quality of provided service is a significant factor influencing customer satisfaction. The higher the perceived quality of service, the more satisfied the customers will be. Service quality dimensions in SERVQUAL model consists of tangibility, reliability, responsiveness, assurance and customization. Thus it is expected that dimensions of service quality have positive significant effects on customers'

satisfaction (HI-H5) (Kassim and Abdullah, 2010, 355; Munhurrun et al, 2010, 339; Kumar, 2010, 357; Kumar, 2009, 214). Trust is an important factor with respect to studies on online services in such a way that without trust customers would not be willing to engage in electronic transactions. Generally the more customers are satisfied with a certain firm, the higher the probability of trusting in that firm is (H6) (Kassim and Abdullah, 2010, 355; Kassim and Ismail, 2009, 63). Previous studies suggest that WOM has a significant influence on purchasing behavior of consumers of services and goods. WOM is one of the most important sources of information for customers is not the single most important one. Thus influence of WOM has been extensively studied in marketing literature (Abdolvand and Qaffari Ashtiani, 2009, 37). More satisfied customers are more likely to engage in loyal behaviors including WOM or show attitudinal loyalty. Thus WOM and attitudinal loyalty are likely influenced by customer satisfaction in a direct manner (H7 and H8). Customers only engage in positive WOM when they trust the intended business. Pessimism towards a business leads to disloyalty of customers. Thus it is assumed that trust has a positive and direct effect on WOM and attitudinal behavior (H9 and H10) (Kassim and Abdullah, 2010, 355; Kassim and Ismail, 2009, 63). Finally when customers engage in positive WOM for the business, it is more likely to become loyal in the future (H11) (Kassim and Abdullah, 2010, 355; Kassim and Ismail, 2009, 63).

Research Model

According to the above-mentioned issues, conceptual model of study is provided in Figure 1.

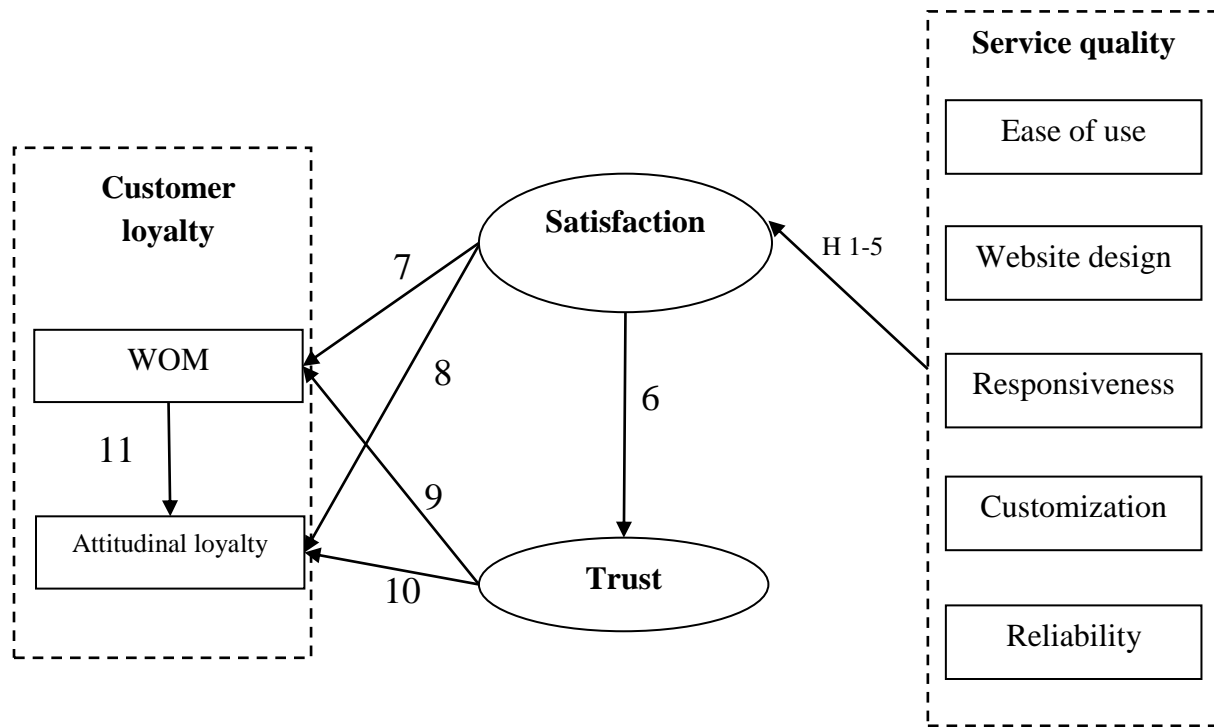


Figure 1. Conceptual Model of Research

Research Hypotheses

- H₁. website ease of use has a direct positive effect on customer satisfaction.
 H₂. website design has a direct positive effect on customer satisfaction.
 H₃. Website responsiveness has a direct positive effect on customer satisfaction.
 H₄. website customization has a direct positive effect on customer satisfaction.
 H₅. website reliability has a direct positive effect on customer satisfaction.
 H₆. satisfaction has a direct positive effect on trust.
 H₇. Satisfaction has a direct positive effect on WOM.
 H₈. Satisfaction has a direct positive effect on attitudinal behavior.
 H₉. Trust has a direct positive effect on WOM.
 H₁₀. Trust has a direct positive effect on attitudinal loyalty.
 H₁₁. WOM has a direct positive effect on attitudinal loyalty.

Research Methodology

Present research was an applied-causal study.

Statistical Population and Sample Size

Statistical population of present study comprised users of website of Saderat bank in Arak city. Generally for study of models with structural equation modeling technique a sample with more than 200 subjects is sufficient (Barrett, 2007, 820; Joreskog, 2004, 22). On the other hand in structural equation modeling sample size can be in the range of 5-15 observations per measured variable i.e. $15q \leq n \leq 5q$, where q =number of observed variables and n = sample size. Research questionnaire consisted of 28 questions. Thus with assumption of five observations per item the required sample size is 140 and with assumption of fifteen observations per item, it would be 420.

Thus in present research 350 questionnaires were distributed at Supervisory branch of Saderat Bank of Arak city and 330 questionnaires were collected.

Method and Data Collection Instrument

In present research data were collected using field method by distributing questionnaires to customers of a branch of Saderat Bank at Arak city. In present research data were collected using questionnaires. It consisted of 28 5-point Likert-type items. In order to verify questionnaire reliability, Cronbach's Alpha was calculated. To this end, 25

questionnaires were distributed and after collection, Cronbach's Alpha was calculated for them using SPSS software. Calculated alpha was 0.89 and this demonstrated reliability of questionnaire. Confirmatory factor analysis was used to confirm questionnaire validity. In this analysis, factor loadings with t-statistics higher than 1.96 are considered as significant with assumption of 95 percent confidence interval and associated items remain in the questionnaire (Casalo et al, 2008, 409). As can be seen in results of table 1, all questionnaire items had significant t-statistics and all items remained in the questionnaire.

Table 1. Significant t-statistics and factor loadings

Questions	Factor Loadings	t-statistics
Q ₁	0.79	16.36
Q ₂	0.87	18.85
Q ₃	0.62	11.96
Q ₄	0.79	16.26
Q ₅	0.74	14.78
Q ₆	0.88	18.45
Q ₇	0.80	16.15
Q ₈	0.59	10.93
Q ₉	0.78	15.38
Q ₁₀	0.79	15.64
Q ₁₁	0.77	15.13
Q ₁₂	0.76	15.04
Q ₁₃	0.83	16.90
Q ₁₄	0.80	16.07
Q ₁₅	0.75	14.77
Q ₁₆	0.81	16.30
Q ₁₇	0.78	15.52
Q ₁₈	0.71	*
Q ₁₉	0.79	12.89
Q ₂₀	0.87	13.45
Q ₂₁	0.74	*
Q ₂₂	0.84	13.94
Q ₂₃	0.75	12.69
Q ₂₄	0.73	12.35
Q ₂₅	0.90	*
Q ₂₆	0.85	8.64
Q ₂₇	0.90	*
Q ₂₈	0.84	9.35

Goodness of Fit test

Fitness is suitability and compatibility of data with respect to the model. If fitness indices demonstrate model fitness, then it may be concluded that data are suitable and sufficient for analysis of and draw conclusions on model relationships. On the other hand model fitness determines the extent to which variance-covariance of sample data supports structural equation model (Schumacher and Lomax, 2009, 123). Table 2 shows research goodness of fit and suggests favorable fitness of model.

Table 2. Results of goodness of fit test

χ^2	38.851
χ^2/df	2.58
RMSEA	0.067
NFI	0.91
NNFI	0.94
CFI	0.95
GFI	0.85
AGFI	0.81
P < 0.05	df=329

Data Analysis and Results

In present research, data were analyzed using inferential statistics and structural equation modeling and (confirmatory path analysis) and confirmatory factor analysis were conducted using LISREL software. After confirmatory factor analysis and ensuring significant relationships between latent variables (factor loadings) and measured variables (questionnaire items) and ensuring model fitness, research hypotheses were tested. To this end, student t-statistic was used to verify significance of path coefficients between latent variables. With respect to the fact that in present study a 95 percent confidence interval and 0.05 percent error level were chosen, thus positive path coefficients with t-values higher than 1.96 are considered statistically significant and associated hypotheses are supported. Results of hypothesis tests are shown in Table 3 and Figures 2 and 3.

Table 3. Results of hypothesis tests

Hypothesis	Related Variables	coefficients	t-values	Results
H ₁	website ease of use - customer satisfaction	0.39	5.46	Reject
H ₂	website design - customer satisfaction	0.13	2.16	Reject
H ₃	Website responsiveness - customer satisfaction	0.02	0.31	Not Reject
H ₄	website customization - customer satisfaction	0.19	2.47	Reject
H ₅	website reliability - customer satisfaction	0.08	1.01	Not Reject
H ₆	customer satisfaction - trust	0.35	5.24	Reject
H ₇	customer satisfaction - WOM	0.05	0.79	Not Reject
H ₈	customer satisfaction - attitudinal behavior	0.03	0.49	Not Reject
H ₉	trust - WOM	0.28	4.08	Reject
H ₁₀	trust - attitudinal behavior	0.27	3.95	Reject
H ₁₁	WOM - attitudinal behavior	0.26	3.90	Reject

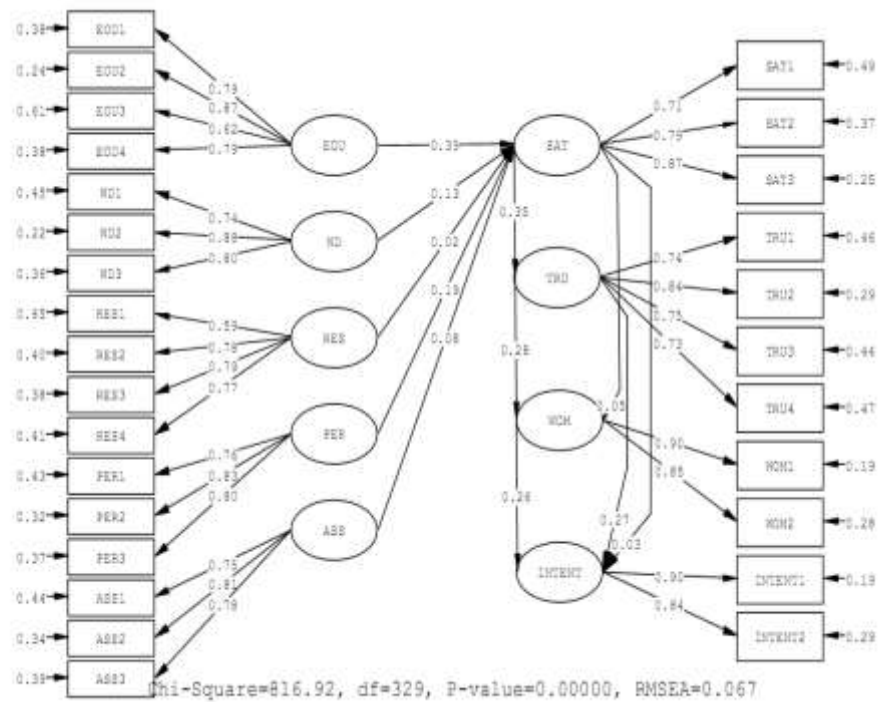


Figure 2. Factor loadings

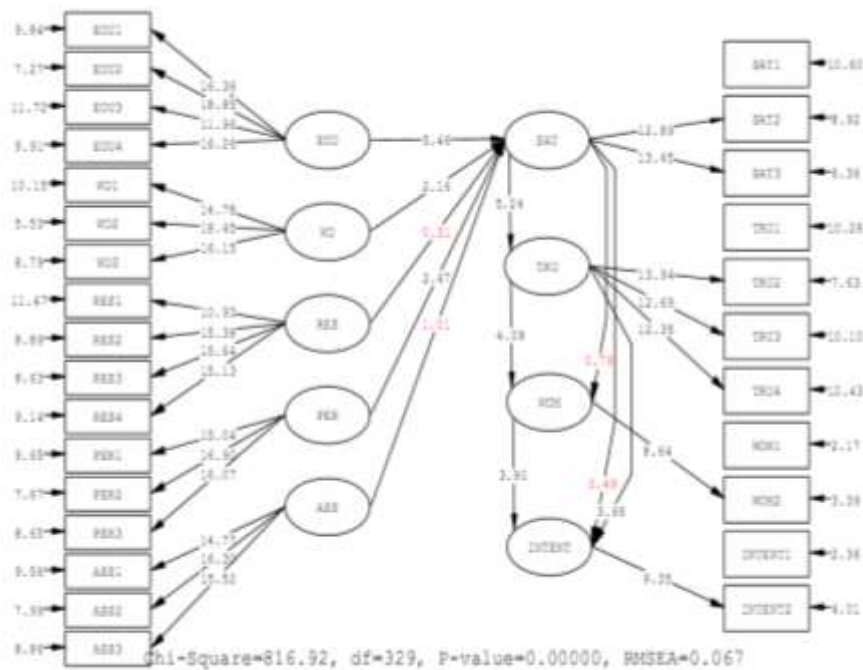


Figure 3. T-values

Conclusion

Present research tried to study effect of service quality of Saderat Bank website on customers' satisfaction and loyalty using SERVQUAL model. Research methodology was structural equation modeling and statistical population comprised all users of Saderat Bank website at Arak city. Research instrument was a 28 item questionnaire. Chronbach's Alpha was used to demonstrate reliability of questionnaire and confirmatory factor analysis was used to verify questionnaire validity. Also fitness indices were calculated to ensure model fitness. LISREL software was used for data analysis. Data analysis showed that ease of use, design and customization had direct positive effects on satisfaction of bank customers. Degree of complexity or confusion associated with website navigation may lead to reduced satisfaction or dissatisfaction of website users. Simple and user-friendly designs would have a significant effect on user satisfaction. User-friendly designs may encourage users to exploit website services and finally may lead to their satisfaction. Attractive design may encourage users to exploit website services. Website customization and providing users with opportunity to have a user profile and create a personal page leads to user satisfaction. Also results showed that satisfaction had a direct positive effect on trust and trust in turn had positive direct effect on customer loyalty. Now organizations consider trust as a powerful lever to manage inter-organizational relationships in an effective way. Thus it is vital to have a valid measure to assess trust in inter-organizational relationships. In most studies, trust is always a determining factor in long-term seller-buyer relationship. Trust is a vital issue in business and managers should pay special

attention to this concept. Results showed that trust had a direct positive effect on WOM. This hypothesis was also supported in Sahadev and Purani (2008). With respect to the results, the following recommendations are provided.

Setting up a website so that customers can do their activities. Today with respect to increasing spread of internet and electronic commerce and also because of benefits provided by internet to both customers and businesses, increasing number of businesses set up their specific websites to do some of their operations using them. Some major advantages include cost reduction and ability to do transactions with higher speed. Thus managers are recommended to set up business websites.

Simplifying website navigation and providing navigation tutorials so that users can download them easily and in this way make familiar with website and its operation.

Website design should be user friendly and colors and graphics should be chosen to be consistent with website contents and enhances achieving business goals. In addition they should be attractive for users.

Website design should not be confuse users and information required by users should be easily accessible

Website should be comprehensive and inclusive with respect to services and information and information required by users should be easily accessible to them

Online response system makes users able to enjoy 24 hour access, express their recommendations and critiques and achieve their favorite results

Websites should provide user profiles so that users are able to access their personal page and do their personal interactions. Obviously providing user profiles by

websites makes them more satisfied with services.

Setting up a 24 hour operator service so that all technical failures of website can be removed immediately at any time during the day or night and in this way users feel more confident

Correcting errors should be possible on website. For example when a user finds that an activity has done in a wrong way, then he\she should be able to correct it. This option is specifically is important with respect to financial businesses (including banks) which are associated with higher risks for users. Providing this option may enhance users' feeling of security.

Attractive features may be provided on websites to draw attention of users. For examples a page of latest political and economic news or latest changes in executive board of the business organization may be provided. This encourages users to spend more time visiting the website.

Android version of website also may be provided so that users can access the website using their cellphones.

Establishment of customer satisfaction evaluation system. Customers satisfaction should be assessed periodically

Conducting research on customer satisfaction

Receiving customers' opinions and taking them into account in business operations

Providing survey forms on website so that more users can participate in surveys

Recommendations for Future Researchers

1. Future researchers are recommended to try structural model of present study in other businesses to evaluate its strengths and weaknesses and in this way they may take a step towards improvement or

modification of model so that a model compatible with local contexts is obtained

2. Future researchers can add additional variables to model so that effects of theses added variables are also examined. One of these variables is knowledge of computer and internet

3. Conducting similar studies with larger samples in different cities of Iran in order to enhance generalizability and validity of findings

4. Researchers may use other data collection instruments including interviews

5. Moderating effects of gender and education may also examined in the model

Research limitations

Lack of immediate and easy access to customers with experience of using Saderat Bank website services; this problem was resolved by allocation of extra time and frequent visits to the studied branch

Research results may be different in other statistical populations

With respect to the fact that trust is an abstract concept, it is difficult to assess it using questionnaire

Because of lack of sufficient time, researcher was not able to consider a broader population. Thus different results may be obtained using a broader statistical population.

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