

Survey the Effective Factors on Customers' Mind Image from Internet Banking Services (Case study: Mellat Bank)

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Abstract: With rapid advancement of technology and daily increased competition among companies, the customers would be the basic element of each company and is considered as their main assets. This research has been done to identify factors affecting customers' mind image of the Internet Banking Services of Mellat bank, Mashhad branch. The statistical population includes the bank's 145 customers (88 male & 57 female) in this study that the required information has been collected using the questionnaire. Research hypothesis is tested by using One-Sample T Test. Findings show that following factors affect the mental image of the Mellat bank costumers in Mashhad: reliability of services, speed of services, ease of use, variety of services and the quality of Internet banking services.

Key words: service quality, servqual, customers' mind image, internet banking.

INTRODUCTION

We are living in an era that could truly be regarded as a client-oriented one as it is the clients and customers of companies and organizations that determine the sort of goods and the quality of goods that are to be supplied to them. This is a global issue and thus the organizations, companies and institutes in our country, Iran, have no choice but to follow this fundamental principle if they are to establish and stabilize themselves (Deilami, 2009). Until a few years ago, the competition between firms was in line with acquiring a bigger share of the market, but nowadays organizations seek to increase their share of customers (Hosseini et al., 2010).

The main objective of marketing is to attract more customers and to adopt a client-oriented approach, in line with the motto of "the customer is always right", which has itself been designed and promoted as a client-oriented strategy. With regards to competition between banks, it could be said that a bank will be more successful if it provides new and modern services which are effective in the area of marketing (Mafi, 2010). Manufacturers and providers of service products more than trying to introduce their products focus on introducing themselves and promoting their logo and brands, while this is not really of great significance in the markets for service products. The fact stated with regard to the market for service products applies to bank clients as well. In other words, the name of the bank is of little importance, and what is significant is the bank services that are going to benefit the bank customers and the ways such services are provided (Ahmadi, 2009).

Banking industry has realized the significance of client-oriented approaches and has thus adopted quality management approaches in order to improve the management of this business (Rakesh, 2012).

All service organizations, including banks, should view the impact of their services on the images that customers hold as one of the fundamental factors that could contribute to their strong competitive advantage. It should be noted that providing top quality services is not a not an optional competitive strategy that a service organization could adopt in order to distinguish itself from other rivals, but services are nowadays considered vital factors in the survival and profit-making of service organizations (Kayaman & Arasli, 2007).

Marketing researchers have always tried to find the results and benefits of the perceived quality of banking services. One of the outcomes of perceived quality is its effect on the mental image that customers hold about the organization's brand, a fact that requires further research (Lindgreen, 2011).

Marketing in bank requires evaluation and estimation of the existing mental images that the customers hold about the organization as well as provision of marketing programs to improve such images. The first step in evaluating the mental image of customers is to study their existing mental image about the different branches of the bank. Different people might hold different perspectives of a single bank. Even one single branch of a bank might be satisfied with the mental image that the society holds about it or might come to the conclusion that it needs to improve the shortcomings (Babaei, 2010).

Provision of online services in today's business world has been absolutely recognised. One of the reasons for the increase in the significance of the quality of online services is that it has facilitated the provision of services when compared to traditional channels (Santos, 2003). Despite the increased awareness about online services, the issue is how to define the quality of online services, the factors affecting these services as well as the ways through which such services could be appraised (Kenova & Jonasson, 2006).

Today more than half of banks are providing Electronic Banking (e-banking). For instance, in Netherland's ING bank, only 6 percent of customers refer to bank branches and the rest enjoy e-banking services (Salehikia, 2009).

This study uses the assessment models designed for banking services, such as Servqual and Servperf models, to study the effect of quality of banking services on the mental image that customers hold in order to determine the role of each of these factors on customers' perspectives and mentality. On this basis, confidence, speed, ease of use, quality and diversity are identified as the most significant factors in e-banking that could impact customers' mental image. Many valuable theoretical and practical studies have been conducted so far with regards to identification of the factors and different dimensions of e-banking quality and their influence on customers and the summary of these studies and discussions are provided here.

Studies have revealed that top quality services play significant roles in profitability (Siadat, 2008). The quality of services has attracted the attention of many researchers in the past two decades (Ladhari, 2009). Service quality has been defined as the mental comparison of customers between the service quality they would like to receive and the actual quality they receive (Siadat, 2008; Irfan & Ijaz, 2011).

Servqual is a simple and applied model for assessment of service quality and the appraisal of customers' experience, which is widely used in service organizations (Wikipedia.com, 2012).

Servqual model is used in different areas such as service industries, and with some minor changes, in retail environments, banks, accounting firms, hotels, restaurants, hospitals, travel agencies, and libraries in the USA and other countries (Micuda & Cruceru, 2011).

Servqual is among the strongest and most applied models for assessment of service quality. This model assesses service quality through five criteria of confidence, responsiveness, guarantee and certainty, sympathy, and tangible facilities as well as 22 standardized criteria through the sum of the scores obtained for service quality (Parasuraman, Zeithaml & Berry, 1988).

Having accurate knowledge about the benefits and features of service quality at banks contributes to their success in the competitive world of international banking (Arasli et al., 2005). Banks pay attention to the quality of their services as this quality is considered to be the essence of strategic competition (Hossein & Leo, 2009).

Yang & Fang have stated that all dimensions of the quality of traditional services are not related to the quality of online services. They have introduced such factors as confidence, ease of access, responsiveness and guarantee as significant factors for both traditional and online service quality (Yang & Fang, 2004).

Siadat conducted a study into the effect of and ranking of service quality criteria on customers' expectation in online purchases from the viewpoint of Iranian customers. He demonstrated that all criteria of service quality are important but fast access was identified as the most significant factor (Siadat, 2008).

Study's Hypotheses:

Based on the study's objectives, the hypotheses have been defined as follows:

1. Quality of e-banking services at Mellat Bank impact customers' mind image.
2. Speed of e-banking services at Mellat Bank impact customers' mind image.
3. Ease of use of e-banking services at Mellat Bank impact customers' mind image.
4. Confidence in e-banking services at Mellat Bank impact customers' mind image.
5. Diversity of e-banking services at Mellat Bank impact customers' mind image.

Methodology:

The present study uses survey research data collection methodology and two types of resources were used to gather data. First, documents and internet resources, library studies in Persian and English were consulted to organize the theoretical principles of the study and then questionnaires were used to collect the data required for statistical analysis.

Since the main objective of this study is to identify the significant factors that influence bank customers' mind image about e-banking services, it could be said that the present study is an applied research.

Statistical Population (Time and Location), Sample and Sampling Methodology:

The statistical population of this study are the people who hold bank accounts in Mellat Bank and have activated their Internet banking. A sample of 145 people was selected using random sampling for the study. Data collection was done between January and February 2011.

Data Collection:

In order to collect data required for the study, field research was done using questionnaires. The questionnaire was in two parts of general questions and specialized question. General questions include three general and demographic questions about the respondents and specialized questions included 25 questions based on Likert five-point scale, which is one of the most popular measurement scales. The response levels are scored from 1 to 5 indicating strong agreement and strong disagreement.

From the 160 distributed questionnaires, 145 questionnaires could be used in the study.

Reliability and Validity of the Measurement Tool:

The internal consistency of this questionnaire was calculated using Cronbach Alpha and it was 0.85 for a sample of 30, which is an acceptable value. The reliability was also between 0.7 and 0.81 for the sub-scales (confidence, speed, ease of use, diversity and quality of services).

After assessing the reliability and validity of the existing questionnaire as the main data collection tool, the questionnaires were distributed among the statistical population and thus the raw data was collected to be processed and to analyse and measure the accuracy of the research hypotheses.

Findings:

The general features of the statistical population under study, using descriptive statistics, are as follows:

With regards to gender, 88, i.e. 60.7 percent, of the respondents are male and 57, i.e. 39.3 percent, are female. With regards to education, the highest frequency belongs to Bachelor degree, i.e. 88 people and 55.9 percent of respondents, and the lowest frequency belongs to Master's or PhD degrees, i.e. 20 people and 13.8 percent of the whole sample. Considering age, the highest frequency is seen to the age range between 30 and 50, i.e. 72 people or 49.6 percent of the respondents. The lowest frequency belongs to the age range of above 50, which included 19 people, i.e. 13.2 per cent of the informants.

Table 1: Frequency distribution of demographic features.

Categories	categories-Sub	frequency	% frequency
gender	female	57	%39.3
	male	88	%60.7
	Total	145	%100
Education	Below highschool diploma and highschool diploma	44	%30.3
	Bachelor's	81	%55.9
	Master's and above	20	%13.8
	Total	145	%100
Age	years old 30Below	54	%37.2
	50and 30Between	72	%49.6
	50Above	19	%13.2
	Total	145	%100

In order to test the hypotheses, the single sample t-test is used.

With regards to the first hypothesis, i.e. the effect of service quality on customers' mental image, 5 questions are found in the questionnaire. Based on the data observed in Table 2, it could be said that since $p<0.05$, the null hypothesis is rejected. It could be said with 95 percent confidence that the service quality of Internet banking at Mellat Bank impacts customers' mental image.

With regards to the second hypothesis, i.e. the effect of speed on customers' mind image, 5 questions are found in the questionnaire. Based on the data in Table 2, it could be said that since $p<0.05$, the null hypothesis is rejected. It could be concluded with 95 percent confidence that speed of Internet banking at Mellat Bank leaves a significant effect on customers' mind image.

With regards to the third hypothesis, i.e. the effect of ease of use on customers' mental image, 5 questions are included in the questionnaire. Based on the data in Table 2, it could be said that since $p<0.05$, the null hypothesis is rejected. It could be concluded with 95 percent confidence that ease of use of Internet banking at Mellat Bank leaves a significant effect on customers' mind image.

With regards to the fourth hypothesis, i.e. the effect of confidence on customers' mental image, 5 questions are included in the questionnaire. Based on the data in Table 2, it could be said that since $p<0.05$, the null hypothesis is rejected. It could be concluded with 95 percent confidence that confidence in the services provided in Internet banking at Mellat Bank leaves a significant effect on customers' mind image.

Eventually, with regards to the fifth hypothesis, i.e. the effect of diversity of Internet banking services on customers' mind image, 5 questions are included in the questionnaire. Based on the data in Table 2, it could be said that since $p<0.05$, the null hypothesis is rejected. It could be concluded with 95 percent confidence that diversity in the services provided in Internet banking at Mellat Bank leaves a significant effect on customers' mind image.

Table 2: Single sample t-test to determine the effect of different dimensions influencing customers' mind image.

First Dimension	Average	t	df	sig	Result
ityService qual	3.660	16.374	144	0.001	acceptable
Speed of service	4.263	48.368	144	0.000	acceptable
Ease of use	3.529	11.918	144	0.000	acceptable
Confidence in services	3.780	22.577	144	0.002	acceptable
Diversity of services	3.91	20.585	144	0.001	acceptable

Therefore, based on the above table, it could be said that all the five dimensions leave impacts on customers' mental image of Mellat Bank's Internet banking services.

Discussion and Conclusion:

This study, titled "the investigation of the factors affecting customers' mind image of Internet banking services" was conducted to measure the items of quality, speed, ease of use, confidence, and diversity of services from the perspective of customers. Therefore, a number of hypotheses were defined and were tested using the t-test. The results obtained from the present study are in accordance with the results of previous researchers conducted on countries other than Iran and confirm existing theoretical bases. The result demonstrate that confidence in services, speed of services, ease of use, diversity of services and quality of services provided in Internet Banking impact customers' mind image significantly. In today's world, which is the world of speed and the Internet, customers well welcome Internet services provided by banks. Use of Internet also provides the banks with the opportunity to be active in the global market and enjoy the advantage of being a pioneer in this area through the use of technology.

Such results will gain even more significance when alternative tests show there is no difference of perspective with regards to research hypotheses in terms of gender, age, and level of education. This conclusion facilitates the final interpretation of results in the frame of a number of recommendations to the bank.

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