

ARTICLE

THE IMPACT OF COMMITMENT ON CUSTOMERS' SATISFACTION WITH REGARD TO THE MEDIATING ROLE OF EMPLOYEES AND CUSTOMERS' FRIENDLY RELATIONSHIP (CUSTOMERS OF BANK MELLI IN GILAN PROVINCE)

Mohammad Norouzi¹ and Bijan Nahavandi^{2*}

¹Department of Management, Rasht Branch, Islamic Azad University, Rasht, IRAN

²PhD in Operations Management, Islamic Azad University, Rasht, IRAN

ABSTRACT

The most useful and the most appropriate strategy for the banks is customer orientation. Customer's satisfaction is regarded as one of the most important factors in determining organizations' success. The goal of this research is to investigate the impact of commitment dimensions on customers' satisfaction. It also investigates the impact of friendly relationship as a mediating variable between each of the commitment dimensions and customers' satisfaction. This research is applied in respect of goal, and it is descriptive type in respect of data analysis method, and exploits questionnaire tool. In this research the questionnaire was distributed among the customers of Bank Melli in Gilan province and its results were analyzed. The research results showed that the relationship between commitment dimensions (affective commitment, continuous commitment, normative commitment) and friendly relationship has positive impact on the customers' satisfaction, and the research results also indicated that the friendly relationship mediates the relationship between customers' commitment dimensions and their satisfaction of bank.

INTRODUCTION

KEY WORDS

Customers' Satisfaction,
Friendly Relationship,
Affective Commitment,
Continuous
Commitment, Normative
Commitment

A customer's feeling or attitude towards a product or service after using it, in terms of whether the product or service fulfills his/ her requirements and expectations [1]. Banking in Iran during recent decade has faced with change and developments in deregulation arena and new technologies in services, and determining the goals of growth by the banks that are often public leads this system towards competitiveness. By enhancing the competition area in the banking system of Iran, the banks should continuously monitor their performance and type of services. In this regard, the banks can ensure their success in competing with other competitors to a great extent with regard to their competitive advantages and strengthening them. A lot of endeavor and effort that nowadays is done to promote performance management tools and the expansion of customer orientation attitude by the researchers, experts, and managers of business organizations indicate that currently customer's satisfaction is one of the most important factors in determining organizations' success [2].

This point can never be ignored that the main stimulus for business and service organizations such as banks that are seeking major improvements in their progress path is actually the customers of that organization. In other word, no business is able to continue survival and obtain success without customer. Thus, it is very vital for every business institute to have a framework for understanding, analysis, and evaluation of the status of its customers' satisfaction. There is no doubt that in the mass production and endless competition arena, those organizations achieve success that increases their customers' satisfaction ratio up to the level of complete loyalty [3].

Customer's satisfaction refers to the ratio that customer is satisfied with and happy of his/her online purchase experience [4]. The companies are eagerly seeking value in direct evaluation and tracking customers' satisfaction as an important strategic success indicator [5]. Customer's satisfaction is considered as an important factor in the success of every organization and its continuation at the market position. Generally, it is argued that if the customers are satisfied with the specific products and services they are using, hence it is likely that they repeat repurchasing and they might tend to develop the path [6]. Satisfaction means continuous improvement. Continuous improvement is the only way that keeps the customer satisfied and loyal [7].

The most useful and the most appropriate strategy for the banks is customer orientation. Actually this sentence can be expressed much stronger, and that is to say the basis and foundation of banking system is customer. In today's marketing the cost of losing customer is equal to losing the benefits related to the services which that customer need in his/her lifetime. A research done by Strategic Planning Institute in

Published on: 1st-Oct-2016

*Corresponding Author

Email:
Nahavandi.Bijan@gmail.com
Tel.: +989126755320Fax:

Washington DC showed that the investment return of 20 percent of banks that emphasize on their customers' requirement have almost been twice of those banks that have not considered this point. Customer's satisfaction provides countless advantages for the company; in fact higher levels of customer's satisfaction lead to more loyalty. The satisfied customers will more likely talk about their experiences to others as well. This point has had special importance particularly in eastern cultures that the social life has been formed in a way that social communication with other community members is more. Customer's satisfaction is regarded as a key factor in forming customers' immediate purchasing tendency. The importance of this point is to the extent that customer's satisfaction is the most important factor in the models of quality such as European Foundation for Quality Management (EFQM) [8].

One of the most important structures related to the customer's satisfaction is commitment (Ouyang, 2010); a structure that can be used by various methods [9]. For instance Wu in 2011 has emphasized on the role of customer's commitment in the relationship of customer's satisfaction and loyalty [10]. Moreover, Aurier and N'Goala in 2010 have performed research about the role of commitment in the relationship between customers' satisfaction and customers' behavioral intention [10]. The researchers have offered various definitions about commitment; among them a definition has stated the commitment as continuous relationship and maintaining relationship [11]. On the other hand Meyer and Allen in 1997 have divided commitment into three types of affective commitment, continuous commitment, and normative commitment [11]. Continuous commitment is described as rationale and economic motivations (such as: lack of selection, costs change, personal interest, product interest, and etc.) [12]. Affective commitment is an emotional or mental mode in relationship with an organization or company [13]. Normative commitments are based on ethical obligations and duty [13].

Another concept discussed in customers' satisfaction is the concept of friendly relationship. According to the previous studies[14,15], the employees' and customers friendly relationship has positive impact on the customers' general satisfaction. The friendly relationship or rapport has been stated as an important structure in many aspects of life [10]. In some studies such as Delcourt et al. [16] the friendly relationship has been mentioned as a mediator between satisfaction and loyalty. The friendly relationship in service interactions impacts on the customers' understanding and attitude [16].

The importance and necessity of research is that the organization of Bank Melli has continuously been seeking its customers' satisfaction as much as possible, and hence believes that creating a friendly relationship to increase customers' commitment is essential. Currently it seems that the interaction and rapport with customers is among the basic and essential issues of banking industry, and in today's competitive space considering it seems to be essential. With regard to the stated literature, we are seeking the answer to the question that how much is the ratio of commitment impact on the satisfaction of Bank Melli customers with regard to the mediating role of employees and customers' friendly relationship?

MATERIALS AND METHODS

Model and Hypotheses

Regarding the stated literature and research variables, the research conceptual model driven from the conceptual model of Fatima et al. [2015] has been presented in [Fig. 1]

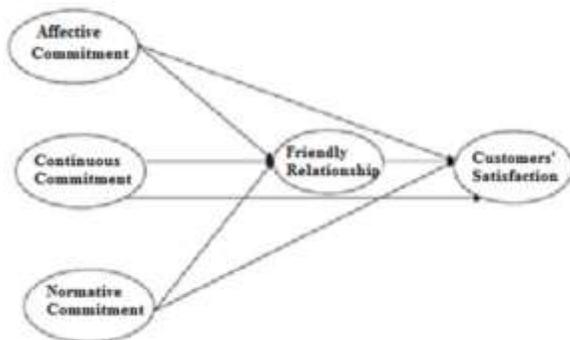


Fig. 1: Research Conceptual Model Driven from Conceptual Model of Fatima et al. [2015]

Research Hypotheses

The hypotheses of present research are:

1. Customers' affective commitment has positive impact on the friendly relationship.
2. Customers' affective commitment has positive impact on the customers' satisfaction.
3. Customers' continuous commitment has positive impact on the friendly relationship.
4. Customers' continuous commitment has positive impact on the customers' satisfaction.
5. Customers' normative commitment has positive impact on the friendly relationship.
6. Customers' normative commitment has positive impact on the customers' satisfaction.
7. Friendly relationship has positive impact on the customers' satisfaction.
8. Friendly relationship mediates the relationship between the customers' affective commitment and their satisfaction of bank.
9. Friendly relationship mediates the relationship between the customers' continuous commitment and their satisfaction of bank.
10. Friendly relationship mediates the relationship between the customers' normative commitment and their satisfaction of bank.

Sample Size and Data Collection

The statistical population of this research is composed of the customers of Bank Melli in Gilan province, the number of which is 2 million people. The sample size was determined by using Cochran formula and 419 customers were selected as minimum sample size. The sampling method was also simple random. For more confidence, 450 questionnaires were distributed, that 428 returned questionnaires were analyzed. In this research in order to collect the required data the field method has been used. Data collection tool was questionnaire including a questionnaire that contained 14 items in the (affective, continuous, and normative) commitments format including 7 items, customers' satisfaction including 5 items, and friendly relationship including 2 items driven from the article of Fatima (2015) that the respondents will answer about the impact ratio of commitment on satisfaction. The basis of responding is Likert's five options scale.

Validity and Reliability

To assess the questionnaire validity, the content analysis method and also confirmatory factor analysis have been used. In this respect, for validity of research measurement tool, the initial questionnaire was provided for the experts of the field, and by using the mean of their viewpoints and performing modifications, the final questionnaire was designed. In the confirmatory factor analysis section, the validity of all items was also confirmed. In this research in order to determine the reliability of questionnaire with emphasis on internal contingency of questions, the Cronbach's alpha coefficient method has been used (Table 1), that the value higher than 0.8 is regarded completely appropriate, although many researches know the alpha higher than 0.7 acceptable and reliable.

Table 1: Reliability of Research Variables

Variable	Questions	Initial Alpha Coefficient
Affective Commitment	1-3	0.88
Continuous Commitment	4-5	0.78
Normative Commitment	6-7	0.89
Friendly Relationship	13-14	0.99
Customers' Satisfaction	8-12	0.80
All Items	1-14	0.84

RESULTS AND FINDINGS

In the group under investigation, 55.1percent of participants (236 people) were male, and 44.9 percent of participants (199 people) were female. In the group under investigation, 27.3 percent of participants had

Diploma, 34.8 percent of participants had Associate Degree, 33.4 percent of participants had Bachelor, and 4.4 percent of participants had Master degree.

Since one of the assumptions of using causal relationships is the lack of multiple linear relationships between variables, the correlation coefficients between variables used in the research, before doing casual analysis, was calculated to investigate the lack of multiple common linear relationships between variables [Table 2]. All correlation values had value less than 0.8.; thus, the existence of multiple common linear relationships between variables was rejected.

Table 2: Correlation Matrix of Main Variables Under Study

Variable	Affective Commitment	Continuous Commitment	Normative Commitment	Friendly Relationship	Customers' Satisfaction
Affective Commitment	1				
Continuous Commitment	0.230**	1			
Normative Commitment	0.487**	0.103**	1		
Friendly Relationship	0.370**	0.237**	0.366**	1	
Customers' Satisfaction	0.766**	0.642**	0.420**	0.740**	1

All correlations are significant at 0.05 level

The structural equations modeling has been used for testing hypotheses. For testing the significance of hypotheses two indicators of partial critical value and significance level have been used. The critical value is the value obtained from dividing the estimate of regression weight to standard error. Based on the significance level 0.01, the critical value should be more than 1.96, and the related parameter in the model with less than this value is not regarded as important. The values smaller than 0.01 for significance level value also indicate significant difference calculated for regression weights with zero value at 0.95 confidence level [Table 3].

Table 3: Regression Coefficients of Research Hypotheses

Hypothesis Number	Hypothesis			Regression Coefficients			Critical Value	P	Result
				Direct	Indirect	Total Impact			
1	Affective Commitment	→	Friendly Relationship	0.79	-	0.79	-	0.000	Confirmed
2	Affective Commitment	→	Customers' Satisfaction	0.68	-	0.68	-	0.000	Confirmed
3	Continuous Commitment	→	Friendly Relationship	0.55	-	0.55	-	0.000	Confirmed
4	Continuous Commitment	→	Customers' Satisfaction	0.75	-	0.75	-	0.000	Confirmed
5	Normative Commitment	→	Friendly Relationship	0.88	-	0.88	-	0.000	Confirmed
6	Normative Commitment	→	Customers' Satisfaction	0.60	-	0.60	-	0.000	Confirmed
7	Friendly Relationship	→	Customers' Satisfaction	0.65	-	0.65	-	0.000	Confirmed
8	Affective Commitment	Friendly Relationship	Customers' Satisfaction	0.88	-	0.88	-	0.000	Confirmed
9	Continuous Commitment	Friendly Relationship	Customers' Satisfaction	0.60	-	0.60	-	0.000	Confirmed

10	Normative Commitment	Friendly Relationship	Customers' Satisfaction	0.65	-	0.65	-	0.000	Confirmed
----	----------------------	-----------------------	-------------------------	------	---	------	---	-------	-----------

The final structural equations modeling of research has also been shown in [Fig. 3].

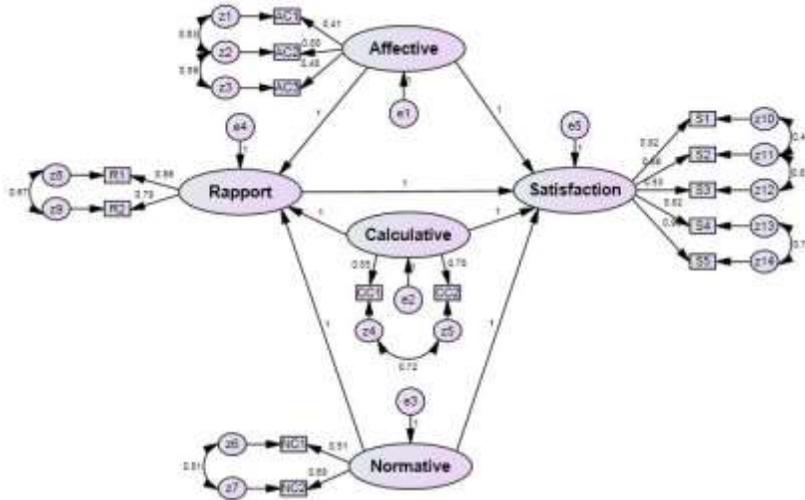


Fig. 2: Final Structural Equations

CONCLUSION

In today's competitive world attracting customers and maintaining customer has high importance for the companies and organizations. For this reason, various models have been designed for assessing customers' satisfaction in the world, but since every industry has its specific requirements, the models of assessing customers' satisfaction needs to be localized according to the need of every country and each industry. According to the customer orientation principle an organization that wants to be excellent, should have created stable value for the customer, acts beyond his/her expectations, and know that the customers are final judges of the quality of products and services of the organization. The excellent organizations by focusing on the customers' expectations and maintaining them, maximize indicators such as the market share, trust and loyalty of customers. These organizations respond customers' expectations and for this purpose investigate the ratio of their customers' satisfaction and try to improve it. The customer orientation organizations plan their activities according to the customers' expectations and seek satisfying the customers' requirements and wishes. These organizations design and offer their products and services with the aim of satisfying the customers' requirements and demands.

Future researchers are suggested to investigate other important and vital indicators of customers' satisfaction and design a more complete research framework for every organization. The future researchers are also suggested to investigate the demographic variables such as gender, age, work experience, and educations ratio and see to what extent these variables adjust this relationship in the target society.

CONFLICT OF INTEREST
There is no conflict of interest

ACKNOWLEDGEMENTS
None

FINANCIAL DISCLOSURE
None

REFERENCE

- [1] Salehi SM, NikokarGh, Mohammadi A, TaghiNatajGh. [2011] Designing Performance Evaluation Model of the Branches of Banks and Financial and Credit Institutions. *Business Management*. 3(7): 127-142.
- [2] Navaratnaseelan JJ, Elangkumaran P. [2014]. Impact of Service Quality on Customer Satisfaction: A Study on Customers of Commercial Bank of Ceylon PLC Trincomalee District. *Proceedings of the 3rd International Conference on Management and Economics*. 26-27.
- [3] KunduKundu S, Datta SK [2015] Impact of trust on the relationship of e-service quality and customer satisfaction. *EuroMedJournal of Business*. 10(1): 21 – 46.
- [4] Santhiyavalli G. [2011]. Customer's Perception of Service Quality of State Bank of India, A Factor Analysis. *International Journal of Management & Business Studies*. 1(3): 78-84.
- [5] Abdullah A, Kassim N. [2009] Measuring Perceived Service Quality in Qatari Islamic Banks. *Journal of International Business and Entrepreneurship Development*. 1(2): 90-106.
- [6] Goetsch D, Davis S. [2013] Customer Satisfaction. *Quality Management for Organizational Excellence*. Seventh Edition. Pearson Education, Inc., Upper Saddle River, New Jersey.
- [7] Sedghi A, Ghazizadeh M, Maghbolli MM. [2012] Identifying the Relationship of Service Quality and Company Image with Customers' Satisfaction and Loyalty, Iran Marketing Bank Articles. 1-46.
- [8] Fullerton G. [2005] How commitment both enables and undermines marketing relationships. *European Journal of Marketing*. 39(11/12): 1372-1388.
- [9] Fatima JK, AbdurRazaque M, MascioDiR. [2015] Modelling roles of commitment on rapport and satisfaction. *International Journal of Bank Marketing*. 33(3): 261 – 275.
- [10] Morgan RM, Hunt SD. [1994] The commitment – trust theory of relationship marketing. *Journal of Marketing*. 58(3): 20-38.
- [11] Gustafsson A, Johnson MD, Roos I. [2005] The effects of customer satisfaction, relationship commitment dimensions, and triggers on customer retention. *Journal of Marketing*. 69(4): 210-218.
- [12] Johnson MS, Sivadas E, Garbarino E. [2008] Customer satisfaction, perceived risk and affective commitment: an investigation of directions of influence. *Journal of Services Marketing*. 22(5): 353-362.
- [13] Gremler DD, Gwinner KP. [2008] Rapport-building behaviors used by retail employees. *Journal of Retailing*. 84(3): 308-324.
- [14] Meyer JP, Allen NJ. [1997] *Commitment in the Workplace: Theory, Research, and Application*, Sage, Thousand Oaks, CA.
- [15] Delcourt C, Gremler DD, Riel ACRV, Birgelen MV. [2013] Effects of perceived employee emotional competence on customer satisfaction and loyalty, the mediating role of rapport. *Journal of Service*
- [16] Lee FH & Wu WY. [2011] Moderating effects of technology acceptance perspectives on e-Service quality formation: Evidence from airline websites in Taiwan. *Expert Systems with Applications*. 38: 7766-7773.
- [17] Macintosh G. [2009] The role of rapport in professional services: antecedents and outcomes. *Journal of Services Marketing*. 23(1): 71-79.
- [18] Ouyang Y. [2010] A relationship between the financial consultants' service quality and customer trust after financial tsunami. *International Research Journal of Finance and Economics*. 36(2): 75-86.