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IDENTIFICATION AND PRIORITIZATION OF EFFECTIVE FACTORS ON DEVELOPMENT OF RURAL BUSINESSES WITH AHP ATTITUDE (CASE STUDY: DEHKAHAN VILLAGE, CITY OF KAHNUJ)

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ABSTRACT

With the entry of private banks into banking system and the conversion of some state-owned banks into private banks as well as the transition from traditional banking atmosphere to competitive environment, customers have more choice to use bank services and products. Due to environmental changes and the need for flexibility and responsiveness in banks, this study aimed to assess the impact of privatization of Mellat Bank on the customer's perception of service quality in Sistan-Baluchistan province. This cross-sectional and descriptive study was carried out among 380 customers of Mellat bank branches based on random sampling in Sistan-Baluchistan province in 2016. For data collection, service quality scale (SERVQUAL) by Parasuraman et al., [8,9] was employed. Data were analyzed using descriptive, inferential statistics and chi-square test, Wilcoxon pairwise comparisons, respectively. Based on the results of the questionnaires, the overall average expectations of respondents exceeded the overall average of their understanding and the mentioned gap is seen more or less in all five dimensions of SERVQUAL model. In other words, customers' expectations about the quality of banking services are not met in any of the dimensions. Increasing the quality of services in competing banks, developing e-banking services and increasing public knowledge about banking services increased customer expectations regarding service quality bank.

INTRODUCTION

Experience has shown that direct government intervention in the economy in the form of economic tenure not only failed to solve the economic problems but also created a barrier to growth, development and social welfare. As a result, during the past four decades, tendency towards privatization has been the main agenda of economic policies in many countries in the world. Privatization is considered as an important issue and the current needs of all communities. In a general and extensive sense, privatization has been defined as "The state of declined economic or eliminated all economic activities ". In certain limited sense, privatization means "transfer of ownership of state-owned industries to the private sector ". Generally two reasons or goals are presented for the assignment of state-owned industries to private sector:

- 1) Reduced responsibilities of the state and privatization of industries in areas controlled by the government.
- 2) Reduced financial problems from state-owned industries (by authors, 1993).

Therefore the government and many organizations and companies, including banks call for privatization in the country. Banks are also required for privatization in order to develop and gain more profitability. There are different reasons for privatization. The most prominent reason is the poor performance of state-owned companies compared with the private sector. As can be seen, due to low productivity, state-owned enterprises impose heavy costs on the state budget and increase financial load. Although this may result from a state of weakness and disability, or lack of monitoring by governments, one of the ways to reduce the budget deficit is reducing these costs by privatizing of state-owned companies. It can increase possible and optimal application of those state assets to the public sector (Prokopenko, 2002). In Iran, the privatization of the banks is considered in accordance with Article 44; so that the privatization of banks was began by selling shares of three banks of Saderat, Mellat and Refah in the Stock Exchange and Social Security. In recent years, the tendency to emphasize the increasing role of the private sector in Iranian's banking for development of the banking system is justifiable by increasing competition and efficiency [10]. Increased activities of private banks created stronger and more efficient competitors to the state banks and show that how the entry of private banks in the Iranian's banking market leads to positive change in the entire banking system. In light of the competitive market caused by private banks, interest rates in informal money market were declined in Iran so that interest rates in 2001 were reached from 30% percent to 17% in 2009. It is predicted that by joining two banks of Tejarat and Mellat among private banks and the continuity of it in an open and competitive market, the performance of Iran's banking system to be improved (Omidinejad, 2009). Also in recent years, advertisements have been attracted attention as an essential element of the national economy among banks, financial and credit institutions and loan institutions. The main reason is increased competition in the new space and the presence of private banks on the one hand and privatization of some state-run banks on the other hand. By the year 2012, three state-owned commercial banks, 5 state-owned specialized banks, 18 private banks, 2 bank loans and a credit institution (total of 27 banks and one credit institution) are operating. In terms of marketing expenses, increased volume of advertising marketing is the most important indicator in Iranian banks (Aziz et al., 2012). The main objective of slogans was facilitation of storing information in the minds of customers. Bank Mellat' slogan is "Feeling change ". Given the importance of customer satisfaction

KEY WORDS

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from banking services, the focus of this study is on the role of privatization in customer perception of the service and satisfaction and customer loyalty. Therefore, this study was conducted to investigate whether customers of Mellat Bank have felt changes that were made after the bank's privatization and also its impact on the relationship between the customer and the bank investigated. In other words, this study was sought to answer this question: to what extent, privatization of Mellat Bank led to the customer satisfaction and efficiency of the banks and how many bank customers have felt these changes? With regard to this, this study investigated the impact of privatization of Mellat bank on the customer's perception of changing service and customer satisfaction and loyalty.

Research hypothesis

Main hypothesis

There is a difference between perception and expectations of quality services after privatization.

Sub hypothesis

1. There is a difference between perception and expectations of Physical tangibles after privatization.
2. There is a difference between perception and expectations of Reliability after privatization.
3. There is a difference between perception and expectations of Customer Responsiveness after privatization.
4. There is a difference between perception and expectations of Assurance after privatization.
5. There is a difference between perception and expectations of Sympathy after privatization.

Conceptual model

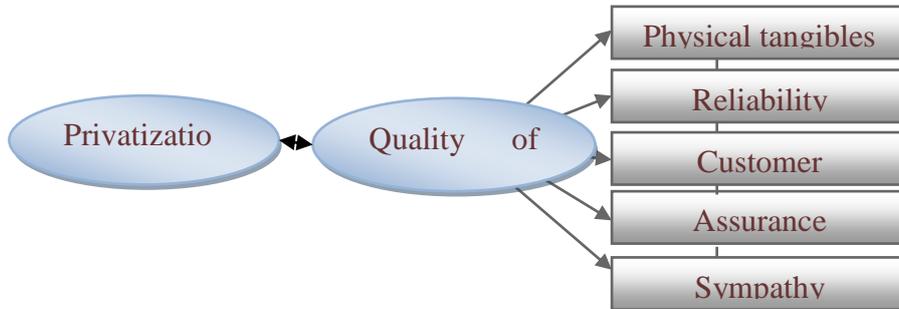


Fig. 1: The conceptual model (Source: Chang Li et al., 2012).

METHODS

The present study is an applied research and the method of data collection is descriptive. The research method was a survey because it describes the state of relations between variables. The study population consisted of those customers in branches of Mellat bank with 5-year history of receiving the bank's services. The study sample consisted of 380 bank customers who were selected as sample using Cochran formula. A questionnaire was used to collect data. In this study, the validity was approved with the consultation of several professors and reliability was assessed by Cronbach's alpha coefficient which was computed 0.87 for 44 items. The questionnaire showed high reliability. In this study, the dependent variable is the service quality of the bank and its relationship with the independent variables is investigated. In this study, descriptive method was used to obtain demographic information and the quality of service and t-test and ANOVA were used to examine the hypotheses. And SPSS statistical software was employed for statistical analysis.

RESULT

Hypothesis 1: There is a difference between perception and expectations of Physical tangibles after privatization

Table 1: Wilcoxon test for paired comparison in the field of physical tangibles

Variable		Std. Deviation	Mean	N
Physical tangibles	Perceptions	1.25478	3.2579	380
	Expectations	0.95621	4.1737	380

Variable	Wilcoxon test	Sum of Ranks	Mean Rank	N	Sig. (2-tailed)	Z
Physical tangibles	Negative Ranks	6128.5	122.57	50 ^a	0.000	-10.851 ^b
	Positive Ranks	36942.5	152.03	243 ^b		
	Ties			87 ^c		

Measuring the difference between expectations and perceptions of customers in physical tangibility dimension with paired comparison test and using the Wilcoxon test showed that since the obtained value of z is 1% at a significance level, thus it shows the difference between expectations and perceptions of customers in physical tangibility dimension. Here the first sub-hypothesis proved that: there is a difference between perception and customer expectations after privatization.

Hypothesis 2: There is a difference between perception and expectations of Reliability after privatization

Table 2: Wilcoxon test for paired comparison in the field of Reliability

Variable		Std. Deviation	Mean	N
Reliability	Perceptions	1.19231	3.3947	380
	Expectations	0.80873	4.3632	380

Variable	Wilcoxon test	Sum of Ranks	Mean Rank	N	Sig. (2-tailed)	Z
Reliability	Negative Ranks	4814	114.62	42 ^d	0.000	-11.553 ^b
	Positive Ranks	36802	149.6	246 ^e		
	Ties			92 ^f		

Measuring the difference between expectations and perceptions of customers in Reliability dimension with paired comparison test and using the Wilcoxon test showed that since the obtained value of z is 1% at a significance level, thus it shows the difference between expectations and perceptions of customers in Reliability dimension. Here the Second sub-hypothesis proved that: there is a difference between perception and customer expectations after privatization.

Hypothesis 3: There is a difference between perception and expectations of Customer Responsiveness after privatization

Table 3: Wilcoxon test for paired comparison in the field of Responsiveness

Variable		Std. Deviation	Mean	N
Responsiveness	Perceptions	0.97914	3.9342	380
	Expectations	0.85773	4.3211	380

Variable	Wilcoxon test	Sum of Ranks	Mean Rank	N	Sig. (2-tailed)	Z
Responsiveness	Negative Ranks	12318	107.11	115 ^g	0.000	-5.467 ^b
	Positive Ranks	26463	162.35	163 ^h		
	Ties			102 ⁱ		

Measuring the difference between expectations and perceptions of customers in physical tangibility dimension with paired comparison test and using the Wilcoxon test showed that since the obtained value of z is 1% at a significance level, thus it shows the difference between expectations and perceptions of customers in Responsiveness dimension. Here the Third sub-hypothesis proved that: there is a difference between perception and customer expectations after privatization.

Hypothesis 4: There is a difference between perception and expectations of Assurance after privatization

Table 4: Wilcoxon test for paired comparison in the field of Assurance

Variable		Std. Deviation	Mean	N
Assurance	Perceptions	1.26777	3.1526	380
	Expectations	0.97986	4.1632	380

Variable	Wilcoxon test	Sum of Ranks	Mean Rank	N	Sig. (2-tailed)	Z
Assurance	Negative Ranks	5626.5	119.71	47 ^j	0.000	-11.598 ^b
	Positive Ranks	40126.5	157.36	255 ^k		
	Ties			78 ^l		

Measuring the difference between expectations and perceptions of customers in physical tangibility dimension with paired comparison test and using the Wilcoxon test showed that since the obtained value of z is 1% at a significance level, thus it shows the difference between expectations and perceptions of customers in Assurance dimension. Here the fourth sub-hypothesis proved that: there is a difference between perception and customer expectations after privatization.

Hypothesis 5: There is a difference between perception and expectations of Sympathy after privatization

Table 5: Wilcoxon test for paired comparison in the field of Sympathy

Variable		Std. Deviation	Mean	N
Sympathy	Perceptions	1.25478	3.2579	380
	Expectations	0.95621	4.1737	380

Variable	Wilcoxon test	Sum of Ranks	Mean Rank	N	Sig. (2-tailed)	Z
Sympathy	Negative Ranks	2980	82.78	36 ^m	0.000	-13.347 ^b
	Positive Ranks	43380	161.87	268 ⁿ		
	Ties			76 ^o		

Measuring the difference between expectations and perceptions of customers in physical tangibility dimension with paired comparison test and using the Wilcoxon test showed that since the obtained value of z is 1% at a significance level, thus it shows the difference between expectations and perceptions of customers in Sympathy dimension. Here the fifth sub-hypothesis proved that: there is a difference between perception and customer expectations after privatization.

CONCLUSION

Based on the results of the questionnaires, the overall average expectations of respondents are beyond the overall average of their understanding and there is a gap between the customers' expectations with their perception of the quality of services after the privatization of Mellat Bank. The gap is seen more or less in all five dimensions of SERVQUAL model. In other words, customers' expectations about the quality of banking services are not met in any of the mentioned aspects. At the same time, based on the results of the analysis of the questionnaires, the smallest gap belonged to the responsiveness and the largest gap is devoted to empathy. Perhaps the external and internal factors influencing the gap between the expectations of the customers' perception of quality of services after the privatization of Mellat Bank can be found in the following:

The entry of private banks to the banking network as competitors: for various reasons, including agility in processes and services, customer satisfaction, increased attention to the development of electronic banking services, recruiting specialist in public banks, private banks were attracted by public and an appropriate share of the market was accounted for the bank customers, particularly retail customers. Increasing the quality of services in competing banks: rival banks (including public, private and private) need to constantly improve the quality of their services and, for this reason, the expectations of society with respect to banking services were increased.

Increasingly development of electronic banking services: Although the bank focused to move towards the centralized banking and development of channels providing electronic banking services (including internet banking, telephone banking, mobile banking, commercial terminals, ATM, etc.) as well as wide efforts in order to provide high quality services to customers have started, it seems that customers' expectations in this regard are beyond their perception.

Increasing public knowledge of international banking services: With increasing knowledge of society towards to the modern banking services, it seems that their expectations of internal banking services have also increased, therefore, it may be claimed that customer expectations of banking network are beyond functioning of the country's bank and Mellat Bank is not exceptional.

It seems that organizational factors leading to consolidation of these factors can be outlined as follows: No change in the prevailing mentality of employees and branches to the private sector and permanent domination of a state bank perspective.

Lack of proper advertising and information about the Bank services: It seems as agents of a firm particularly in the front-line services for customer (employees of bank branches) don't access to sufficient knowledge about the quality of their services so they cannot use it correctly and efficiently deliver services to their recipients. The main causes of this problem may be summarized as follows:

Lack of proper communication between public relations departments and service provider units in the bank.

Lack of staff training in accordance with the change and quality of banking services.

Lack of optimal use of propaganda services (including brochures, TV spots, etc.)

Advertise beyond existing realities: advertisement should be done based on the capacity in the provision of services, so it not only result in positive business income for the service provider, but also decreases expectations of service recipients and the mismatch of expectations with their perceptions.

CONFLICT OF INTEREST

There is no conflict of interest.

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