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THE EFFECT OF RELATIONSHIP MARKETING ON CUSTOMER SATISFACTION OF MELLI BANK (CASE OF STUDY: BANDAR ANZALI TOWNSHIP)

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ABSTRACT

Today, with growing economic problems in various countries and more competition between domestic and foreign banks retention and satisfaction of customers more and more has become the key to survival of banks. The concept of relationship marketing has attracted considerable attention from marketing researcher over recent two decades. The main and fundamental advantage of this approach is claimed to build stronger relationship with customer which its performance results include increased sales, return on investment, profits, market share and customer retention. This research examines the impact of the dimensions of relationship marketing (trust, bonding, communication, shared values, empathy, and reciprocity) on customer satisfaction in order to first determine that if relationship marketing has any effect on customer satisfaction and second, if so, which aspect has greatest impact on customer satisfaction. The statistical population of this research is all customers of ten branches of Melli Bank in Bandar-anzali. The method used for sampling was convenience and non-probability sampling and questionnaires were used for collecting data which were distributed and collected randomly in various days, locations (different bank branches) and hours for more generalizability of the resulted findings and the results of data analysis obtained by using SPSS18 software show that the dimensions of relationship marketing have positive impact on the level of customer satisfaction. Dimension of "trust" has greatest effect and dimension of "shared value" has lowest effect on customer satisfaction.

Keywords: *Relationship Marketing, Customer Satisfaction, Trust, Bonding, Communication*

INTRODUCTION

Today, business world has been built on customer satisfaction so that expanding service and even its delivery is not only difficult but also is impossible without considering this principle (Davood, 1390). Customer satisfaction is intended as a law by which companies manage their relationship between their customers (Nguyen, 2011). Satisfaction is an emotional-affective state and customers after every service experience, considering to what extent their expectations has been satisfied or exceeded from them, experience different levels of satisfactions or dissatisfaction (Lovelock, 1391). Philip Kotler defines satisfaction as pleasant and unpleasant personal feeling which results from comparing goods performance compared with consumer expectations (Niya, 1387).

The research findings show that "communication" has positive effect on improving service and "customer satisfaction" has positive effect on customer loyalty and "improved service" has positive effect on customer satisfaction (Kamunda, 2012). The findings of other research show that "delivered services" to customers has positive effect on customer satisfaction and loyalty and also easy "technology" has positive effect on customer satisfaction (Ganguli, 2012).

The concept of "relationship marketing" has attracted considerable research attention by marketing scholars over last two decades. The main and fundamental advantage of relationship marketing approach is claimed to build stronger relationship with customers who increases the results of performances such as increased sales, market share, benefits, return on investment and customer retention (Nguyen, 2011).

Relationship marketing means a strategy to attract, maintain and enhance relationship with customer so that the objectives of both parties are achieved in this relationship (Zineldin and Philipson, 2007). Relationship marketing emphasizes the importance of creating and maintaining relationships between

Research Article

customers and buyers compared to the transactional orientation of classical paradigm of marketing (Iglesias *et al.*, 2011). The concept of marketing implies that industry is process of creating customer satisfaction and it is not process of production of goods (Moon, 1391).

According to the above mentioned material and importance of customer satisfaction and the role of relationship marketing components, the question raised in the mind of researcher is that "Does relationship marketing have influence the customer satisfaction of Melli Bank of Bandar-anzali Township?" Also, the purposes of the presented research is to assess the level of customer perception of relationship marketing and its dimensions in Melli Bank of Bandar-anzali Township, the level of customer satisfaction of Melli Bank of Bandar-anzali Township and the effect of relationship marketing and its dimensions (trust, bonding, communication, shared value, empathy and reciprocity) on customer satisfaction of in Melli Bank of Bandar-anzali Township.

Research Theoretical Principles and Statement of Hypotheses

Researchers believe that banks must achieve customer satisfaction in the long run in order to perform their duties in the economic cycle to have necessary resources for performing economic activities of the country. However, experience has shown that bank managers still are using traditional management practices to maximize customer satisfaction on the other hand, the findings of researchers such as Nguyen (2011); Ndubisi (2005); Shojaee (1386); Ranjbariyan (1388) were used as basis for the present study in examining the role of relationship marketing dimension on customer satisfaction. Surely, relationship marketing would have crucial role for profitability of banks in the present and in the future and attract the attention of bank managers more and more in the competition field.

On the other hand, given that the services in the commercial banks are relatively the same and for most banks it is difficult to distinguish these services compared to competitors, so many banks in the world have developed a relationship marketing orientation (Shoul and Wong, 2002). Relationship marketing refers to long term exchanges in which both parties benefit from forward relationship (Nathan *et al.*, 2013). Relationship marketing emphasizes close relationship between customer and service provider to increase bonding and trust between two parties (Laksamana *et al.*, 2013). Also, it underlines the importance of creating and maintaining relationship between customers and buyers (Iglesias *et al.*, 2011). Although there may be different and various interpretations of the concept of relationship marketing by different researchers, its benefits and its impacts on organizational performance cannot be ignored. For example, the results of Sin *et al.*' investigations show that the dimensions of relationship marketing including trust, social relations, communications, shared values, empathy and mutual effort have had positive and significant effect on increased sales and market share (Lyndon, 2002).

According to many studies conducted in the field of marketing, in each of these researches various key dimensions such as: trust, equality, compassion, bonding, empathy, competence, communication, internal relationship marketing, pledge of allegiance, good experiences, social tie, customer satisfaction, conflict management and urge to engage in relationship marketing are considered.

In this research we focus on the key dimensions which include six components: trust, bonding, communication, shared value, empathy and reciprocity.

Trust is the first dimension of the dimensions of relationship marketing. Trust believes that both parties in the commercial relationship always and freely say the truth (Kunz, 2010). Trust is the fundamental factor which enables people to build relationship in the uncertainty (Chen and Liu). Also it is vital factor for creating strong customer relations and obtaining market share and it must be achieved before customer satisfaction (Yu and Tung, 2013). We assume that the greater the level of trust between banks and their customers the more the customer satisfaction. Therefore, regarding the above mentioned material the first hypothesis is presented as follows:

H1: Building trust by bank influences the customer satisfaction of Melli Bank of Bandar-anzali Township.

Bonding is the second dimension of the dimensions of relationship marketing. Bonding is the objective and intention of one party of the relationship for continuing and maintaining the relationship with the other party. Rashid defines bonding as desire to maintain a valuable relationship (Rashid, 2003). Bonding

Research Article

has been described as continuous desire and maintaining an important relationship which might need short term devotion (Twang and Stringer, 2008). Bonding has been defined as the highest level of communication (Ramon and Moliner, 2013). Customers who have strong relationship with institution through this bonding are more satisfied than those without such a relationship (Hau, 2012). Therefore, the second hypothesis is presented as follows:

H2: Bank's bonding to provide services influences the customer satisfaction of Melli Bank of Bandar-anzali.

Communication is the third dimension of the dimensions of relationship marketing. Desire to communication refers to positive and open attitude of an institution and pairing communication with its customers honestly and timely. Different institutions often have different attitudes for exchanging information with their customers (Peng and Trinkness, 2014). Communication is an effective relationship which creates strategy, helps to resolve the differences of coordinated goals and reveals new value which generates opportunities. Effective communication accelerates positive interactions and increases customer satisfaction (Hau, 2012). Therefore, the third hypothesis is presented as follows:

H3: Bank communications influences customer satisfaction of Melli Bank of Bandar-anzali Township.

Shared value is the fourth dimension of the dimensions of relationship marketing. Porter and Karmar argue that when institutions want to focus on shared value that involves creating economic value, it leads to intrinsic goal of value creation for society with addressing its needs and challenges (Esposito *et al.*, 2012). Parties of transaction with shared value are more committed to their participation. Zineldin and Johnson also note that shared values are the most important factors which influence the relationships of parties. The more relationships through shared value, probably the more satisfied customers (Hau, 2012). Therefore, the fourth hypothesis is presented as follows:

H4: Shared value influence the customer satisfaction of Melli bank of Bandar-anzali Township.

Empathy is the fifth dimensions of the dimensions of relationship marketing. Empathy may facilitate communication between buyers and sellers and in turn, increase the buyer perception of how industry performs. Institutions which understand desires and demands of their customers better, they can satisfy their customers better (Hau, 2012). Therefore, the fifth hypothesis is presented as follows:

H5: Empathy influences the customer satisfaction of Melli Bank of Bandar-anzali Township.

And finally, reciprocity is the sixth dimension of the dimensions of relationship marketing. Without reciprocity, an institution may have dissatisfied customers, because their customers don't able to state their needs and problems to institution (Hau, 2012). Therefore, the sixth hypothesis is presented as follows:

H6: reciprocity influences customer satisfaction of Melli Bank of Bandar-anzali Township.

In this research the theoretical model of Nguyen Hau was used, as demonstrated in the figure 1, in which the dimensions of relationship marketing approach (trust, bonding, communication, shared value, empathy and reciprocity) are considered as independent variables and customer satisfaction is considered as dependent variables.

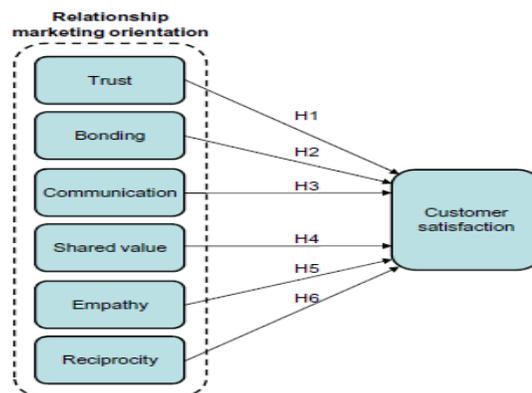


Figure1: Theoretical model of the research (Hau, 2011)

Research Article

Research Method

This research is descriptive- survey research in terms of method and how to obtain the required data and is applied -research in terms of purpose. In this research, statistical population is customers of ten branches of Melli Bank in Bandar-anzali Township with one first grade branch, five third grade branches, two fourth grade branches and two fifth grade branches. Also, in this research the statistical population is considered limited. Sample size was calculated by Cochran formula and variance 0.2823 was estimated with 95% confidence level and 5% error of at least n=433. In this method the sampling method is convenience non- probability. Standard questionnaire with seven item Likert spectrum was used in which for relationship marketing (its dimension) 22 questions were raised. These questions are from (Sin *et al.*, 2005) and for customer satisfaction 7 questions were raised which were from (Gaski and Novin, 1985). It should be noted that 630 questionnaires were distributed randomly in different days, locations (different bank branches) and different hours between customers of branches and 472 questionnaires were collected and were analyzed after encoding and rating using SPSS18 and regression method. At last, the hypotheses were tested using calculation of descriptive characteristics of variables, tables, diagrams and distributing of studied variable.

In this research the following tools were used for calculating validity of questionnaire:

First, using the opinions of experts and second, initial distribution of questionnaire between some customers and applying corrective comments

Cronbach alpha coefficient was used to calculate the reliability coefficient and 32 questionnaires were used to determine the Cronbach alpha coefficient and the results were obtained in this way that Cronbach alpha coefficient of the variable of relationship marketing was 96.3% and that of the variable of customer satisfaction was 95.3 which shows that alpha coefficients for the variables of questionnaire are allocated acceptable values (above 0.7) which shows the reliability and internal consistency of tools used for measuring different characteristics.

Data Analysis

Descriptive statistics

In this part first the collected data were examined by respondents in terms of gender, age, marital status, education and also the previous relationships of customers with bank, and then the results of each part were determined.

According to table 1, it is observed that the variable of relationship marketing has minimum 1.55, maximum 7, mean 5.466, standard deviation 1.06702 and variance 1.139. Also the variable of customer satisfaction has minimum 1, maximum 7, mean 5.4588, standard deviation 1.31401 and variance 1.727.

Table 1: Description of the variables of relationship marketing and customer satisfaction

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
relationship marketing	472	1.55	7.00	5.4660	1.06702	1.139
customer satisfaction	472	1.00	7.00	5.4588	1.31401	1.727

The main variables of the research are presented in table2:

Table2: Testing of the variables of the research, t-test and mean of variables

	Mean	t	Sig
Trust	6.0957	44/843	0.000
Bonding	5.6492	31.32	0.000

Research Article

Communication	5.6151	29.002	0.000
Shared Value	5.0321	15	0.000
Empathy	5.1341	18.202	0.000
Reciprocity	5.2239	18.412	0.000
relationship marketing	5.4660	29.848	0.000
customer satisfaction	5.4588	24.119	0.000

According to the summary of table 2 related to t-test and according to the significance level, it can be said that there is a significant difference between means of the variables and expected mean (in the present questionnaire mean is 4). On the other hand, the obtained mean for all variables is above 5.

The Results of Inferential Statistics

Kolmogorov- Smirnov Test (k-s)

In this research the Kolmogorov- Smirnov test was used to determine the normality and non-normality of the research variables. The collected data show that the research variable has normal distribution in the sample. So, the parametric methods can be used for selecting the sample size.

Testing Independence of Error in Regression

According to tale 3, In order to use regression in these research errors must be independent from each other. Durbin-Watson test was used to examine the independence of errors which their values were obtained in terms of variables of relationship marketing and customer satisfaction (1.811) which show that the hypothesis of independence between errors is accepted and regression can be used.

Table 3: Model Summary regression between relationship marketing and customer satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the	
				Estimate	Durbin-Watson
1	.857 ^a	.734	.733	.67876	1.811

To investigate hypothesis of this study is used to regression analysis that is summarized in the table(4).

Table4: The table of regression test between relationship marketing and customer satisfaction

	R	R Square	Beta	Sig.	result
Constant				0.061	
Effects of relationship marketing on customer satisfaction	0.857	0.734	0.857	0.000	Accepting the hypothesis
Constant				0.098	
Effect of trust on customer satisfaction	0.632	0.399	0.632	0.000	Accepting the hypothesis
Constant				0.000	
Effect of commitment on customer satisfaction	0.696	0.484	0.696	0.000	Accepting the hypothesis
Constant				0.000	
Effect of Communication on Customer Satisfaction	0.635	0.404	0.635	0.000	Accepting the hypothesis
Constant				0.000	
Effect on the share value customer satisfaction	0.728	0.531	0.728	0.000	Accepting the hypothesis

Research Article

Constant				0.000	
effect of empathy on customer satisfaction	0.782	0.612	0.782	0.000	Accepting the hypothesis
Constant				0.000	
Reciprocity effect on customer satisfaction	0.799	0.638	0.799	0.000	Accepting the hypothesis

1-According to table 4, the results of the first hypothesis which assesses the effect of building trust of the customer satisfaction, show the positive and significant effect of building trust on customer satisfaction and the level of effect is 63.2% where the sign of beta shows the direction of this effect is positive. Determination coefficient also is 0.399. This implies that the variable of building trust predicts about 40% of the variations of the variable of customer satisfaction.

2-According to table 4, the results of second hypothesis which assesses the effect of bonding and customer satisfaction show the positive and significant effect of bonding on customer satisfaction and the level of effect is 69.6% where the sign of beta shows that the direction of this effect is positive. Determination coefficient also is 0.484 which implies that the variable of bonding predicts about 48% of the variations of the variable of customer satisfaction.

3-According to table 4, the results of the third hypothesis which assesses the effect of communication and customer satisfaction show the positive and significant effect of communication on customer satisfaction and the level of effect is 63.5 % where the sign of beta shows that the direction of the effect is positive. Determination coefficient also is 0.404 which implies that the variable of communication predicts about 40% of the variations of the variable of customer satisfaction.

4-According to table 4, the results of the fourth hypothesis which assesses the effect of shared value and customer satisfaction show the positive and significant effect of the shared value on customer satisfaction and the level of effect is 72.8% where the sign of beta shows that the direction of the effect is positive. Determination coefficient is also 0.404 which implies that the variable of shared value predicts about 53% of the variations of the variable of customer satisfaction.

5-According to table 4, the results of the fifth hypothesis which assesses the effect of empathy and customer satisfaction show the positive and significant effect of empathy on customer satisfaction and the level of effect 78.2% where the sign of beta shows that the direction of the effect is positive. Determination coefficient also is 0.612 which implies that the variable of empathy predicts about 61% of the variations of the variable of customer satisfaction.

6-According to table 4, the results of the sixth hypothesis which assesses the effect of reciprocity and customer satisfaction show the positive and significant effect of reciprocity on customer satisfaction and the level of effect is 0.799 where the sign of beta shows that the direction of the effect is positive. Determination coefficient is 0.638 which implies that the variable of reciprocity predicts about 63% of the variable of customer satisfaction.

The results of the referential statistics considering the customer views show that the variable of shared value has achieved less optimal mean (5.0321) compared to other variables and so this can be important for banks. Also, the variable of trust has obtained highest optimal mean (6.0957) according to customer views.

Conclusion

Discussion and Conclusion

The result of the first hypothesis confirms the researches by Nguyen Haw (2011), Shojayi (1386); barian (1388); Dubici (2005). The result of the second hypothesis confirms the researches by Haw (2011), Shojayi (1386). The result of the third hypothesis confirms the researches by Haw (2011); Shojayi (1386); barian (1388); Dubici (2005).

The result of the forth hypothesis confirms the researches by Haw (2011), Shojayi (1386). The result of the fifth hypothesis rejects the research Haw (2011) and the result of the sixth hypothesis confirms the research by Nguyen Haw (2011).

Research Article

There are several limitations in this research. This research has studied the relations between the components of relationship marketing and customer satisfaction by cross sectional method. Therefore, it is recommended that the interested researchers emphasize the longitudinal studies in the future researches. On the other hand, using questionnaire is considered as a limitation, because it examines the attitude of people and does not consider the fact which can be a limitation in this research. It is recommended that in the future research, other tools (interview and open questionnaire) to be used for collecting data. Also, in this research only the effect of six dimensions of relationship marketing on customer satisfaction were addressed and the other dimensions of relationship marketing were not considered. In the future study, researchers can also consider the other dimensions of relationship marketing (cooperation, equality, benevolence, competence, notification and conflict management) affecting on customer satisfaction. Finally, in this research the effect of relationship marketing dimensions on customer satisfaction of Melli Bank as a public bank was examined and there aren't any available results about the effect of relationship marketing dimensions on customer satisfaction of private banks. In the future research, one can compare the influence of the relationship marketing dimensions on customer satisfaction of private banks with that of public banks.

The results of this research show that the managers of Melli Bank must consider that the components of trust, bonding, communication, reciprocity, empathy and shared value respectively, have more importance in the affecting of customer satisfaction of Melli Bank of Bandar-anzali Township. Also, in development and economic growth, managers should not focus on individual components and elements with relatively less importance when using relationship marketing approach. For example, managers should not pay attention to shared value and empathy very much and on the other hand, they must emphasize trust and bonding more in compared to communication and reciprocity.

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