

Research Article

IDENTIFYING THE FACTORS EFFECT ON FAILURES TO ATTRACT NEW CLIENTS IN KESHAVARZI BANK BRANCHES OF TEHRAN

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ABSTRACT

The purpose of this study was to identify factors effect on failures to attract new clients in Keshavarzi bank branches of Tehran. 258 individuals included personnel, assistants and managers of keshavarzi bank branches of Tehran were selected for this purpose and answered to a questionnaire that was prepared by researcher. It should be noted that individuals were selected by simple random sampling method and also, the validity of questionnaire supported by three experts of this field and its reliability value was gained at .82. Finally the results of questionnaire were analyzed by means of single sample T test. It showed that spatial distance, advertisement and type of services have significant effect ($p < 0/01$) on failures to attract new clients in Keshavarzi bank branches of Tehran.

Keywords: *Fame of Bank, Spatial Distance, Advertisement, Type of Services, Failures to Attract New Clients, Keshavarzi Bank Branches of Tehran*

INTRODUCTION

In recent years, banks of country never pay attention to client tribute and its principles, due to economic and social difficulties in one hand, and governmental system of banks in the other hand, and also because the rate of demand is very superior to offers. For these reasons, banks couldn't use from modern marketing sufficiently. Citizenships don't have any trend to confer to banks, because they don't attention to their needs and because different branches don't offer same services to them. Therefore clients confer to banks only, when they are to fulfill their early need. In other words, clients are ministrants of banks rather than banks minister to them. The banks should provide them, identify client's demands and expectations and should attention to market condition, as for environmental changes that we are face with them since every bank can identify and offer the needs faster than other competitors, will win in this competition. Today, understanding and response to client's behavior changes is one of the inevitable aspects of survival in a competitive and complex market. In 21th century, the rate of changes is so high, that it is difficult to realize its direction and managers of organizations are to adapt with these changes. The banks need to take advantages of competitive marketing strategies and if they want to compete in global markets, they should pay special attention to their client's behaviors (Shahraki *et al.*, 2011). For instance, internet enables clients for access to financial products without any geographical limits, and it become very difficult for banks to prevent from bank transfers (Mintze, 2006). The banks are facing with increased competition for two reasons:

*Entrancing of insurance and finance companies to traditional banking market.

*Wider range of products and services to clients.

The consequence of this subject is that, banks attempt to be successful by means of rapid changing needs of clients. Small size banks are pursuing this strategy due to the difficulty of sell services- based distinguishing. Clients realize very little difference between sell services offered by small size banks and any suggestion would be quickly imitated by competitors, for example (Devlin *et al.*, 1995). Like many servers, banks have discovered that increased client's retention rate has a significant impact on profits. Affective factors of failures to attract new clients can help organizations and specially banks about this case according to these matters.

So, It can be said that the main theorem of this study is: "identifying factors effect on failures to attract new clients in Keshavarzi bank branches of Tehran" and in order to discussion become more clear, it worked on some experimental studies in this field and then we make conclusion from findings and results.

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Research History

Gharavi (2012) in his study "client's fracture management by client's lifetime value" stated that organization realized they should centralize their business strategy on identifying client whom, trend to give up the organization, by saturating of markets. Although keeping current clients contain expensive charge, but attracting new clients is more expensive than keeping present clients. Moreover they are to identify valuable clients and who trend to give up, due to the existence of very high competition in their business and the necessity of proper communication with clients. Generally, this recognition is based on client's lifetime parameters. After identifying valuable shirk client, one can increase their lifetime by management strategies and sailing techniques, or with sale new production to current clients. By these actions, clients will remain in our organization. This research identified client's trend to give up organization by means of studying time lapse procedure. Descended slope of diagram shows client's trend to give up organization.

Mehdi (2012), in his study "client outflow management by advanced statistical instruments and data analyze" stated that in recent years, the number of companies offer same services to society have been increased, therefore clients have so many options to choose one of them according to their needs.

Client logout with current server named client outflow. If a company misses its profitable client, it means that he/she is attracted by other competitors and it is clear that attracting new client cost is more expensive than keeping current one.

Recognition the client that their outflow led to high risk is very important in economical and risk management point of view.

At this thesis, client outflow management analyzed by four theory implements, consist of ambiguous set, regression tree, synthetic enervation net and logistic regression.

Accuracy of these models evaluated by various measurement criterions and the results showed that various criterions suggest different model as a best one. Nazari (2011), in his study "effect of mixed marketing factors on attracting client of Saderat bank of Kermanshah province" concluded that, mixed marketing factors have significant positive influence on attracting client process in Saderat bank.

Kheftan (2002), in his study, "adapted assessment of client's thought and the thought of managers of Refah bank branches about relationship between mixed marketing factors and attracting client" concluded that there is a significant difference between client's thought and manageress's thoughts about local factors, personnel factors, asset or physical facilities factors, while there is no significant difference among client and manageress's thought about production or services factors. Therefore this assessment suggested that, acceleration of bank operating, proper contact of personnel and proper responsibility are more important in client's point of view, while managers consider experience and experiment of personnel, increased acceleration of bank operating and personnel's proper contact as most important factors effect on attracting clients.

Research Approach

The present research is an applicable research in goals point of view and is a descriptive one in approach point of view and is a survey research in procedures of performance point of view.

Statistical Population and Sample of Research

The statistical population of this research includes all of personnel, assistants and manager of Keshavarzi bank branches of Tehran that totally contain 1104 individuals, among them 285 individuals were selected by simple random sampling method.

Gathering Information and Data Analysis Instruments

Library sources, articles, related books and also global network of information were used for gathering information about theoretical basis and literature of research. In addition, a questionnaire prepared by researcher was used for gathering the opinions of personnel, assistants and managers of Keshavarzi bank branches of Tehran. The validity of this questionnaire supported by three experts of this field and its reliability was obtained at 0/82 by means of Cranbach's Alfa Test.

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RESULTS AND DISCUSSION

Findings of Research

The descriptive finding of research showed that 59/3% of sample population was male and 40/7% female. Moreover 20/4% of sample population was single and 79/6% were married. Among them, 20/4% of individuals graduated at diploma level, 57/9% at bachelor level, 12/3% at master bachelor level and 2/5% of them were graduated at PHD level.

The results of hypothesis are pointed in fallow:

Table 1: The results of factors effect on failures to attract new clients

T-criterion=3				
Variant	DE	Average	T	Sig.
Fame of bank	284	3/4133	7/398	0/000
Spatial distance	284	3/4749	7/795	0/000
Advertisement	284	3/4289	6/909	0/000
Type of services	284	3/5658	11/416	0/000

Since each question of questionnaire contain five options to answer therefore, assumption average of components are considered at figure “3”. With comparison of results among the opinions of personnel, assistants and managers of Keshavarzi bank branches, one can concluded that fame of bank, spatial distance , advertisement and type of services have significant effect($p < 0/01$) on failures to attract new clients in Keshavarzi bank branches of Tehran in their point of view.

Conclusion

Today, there is a severe competition and increased globalization in fiscal markets and in this occasion one of the characteristics of organization activity, is being more competitive and as result labile. Decision and policy- making to survive or succeed in the competition has become more complex, Along with the increased competition. In such a situation, Bank management to succeed in a competitive banking environment should develop Customer-oriented strategies. The bank can obtain a more customer, can earn more income and decrease its costs and expenses (Trosorras *et al.*, 2009).

Creating customer loyalty has become critical strategy for most financial institutions, intensifying competition and increasing globalization of financial markets. The banking industry should make stronger communications with client, in order to compete successfully in bank environment.

A large number of studies showed that there is very close relationship between profitability of bank and client preservation (Garland, 2002). Whatsoever a bank can protect and preserve client more, it can gain more income and economize more costs and expenses. Preserving a present client is five times cheaper than attracting new one by advertisement, sale and primary expenses. Client losing has negative influence in bank share of market and its profitability (Morgan, 2007).

Dynamic and turbulent environment of today’s business world has already narrowed the condition of activities for organizations that work in different fields and intense competition that is going on, more and more restricted peace circle of organizations in different fields. In such a situation to get rid of this condition, organizations wish to move in direction that led to survival and efficiency. It is obvious that maintaining market share, cover costs and move to profitability led to survival and efficiency in such a competitive market. At this sever competitive condition; we need take advantages of a basic cognitive approach to achieve these goals. In this field, basic cognitive approach can be strategically management. The selected strategy should able to supply the interests of organization according to certain sources and its limited facilities. Therefore future companies are to figure on three confirmed facts in their strategies and frameworks and they should always prepare proper schemes to face with them.

- a) Global impacts: these impacts in parallel with developing new sciences and technologies, will led to life and trade of individuals of society react direct or indirect and their needs/expectations will change.
- b) Continuum developing of technology: developing of new technologies is endless and it will continue to amaze all of us.

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c) Deregulation: simplification and utilize possibility of services is the undoubted rights for all of individuals of society. Therefore the impact of economic sectors liberalization is continuum and endless. One can concluded that three evolutions include globalization, technological development and deregulation will create a very attractive opportunity that led to competitive advantages for institutions. That's why toady's sustainability strategy is dangerous and we need to new ones. In current situation we are in the era of transition from state of chaos to a new age that a broad competition, abundant information recourses and increased complexity of business are its characteristics (Rundle-Thiele and Bennett, 2001). Banking systems play an important role in market based economy and it is one of the most important economic elements of a country. There is a close relation between economical growth and slump of countries and banking institutes workmanship because, banking systems offer services that the movement of economical system of countries blocked without them. Bank asset is the main source of production, services and credits purchasing for all of economic units. Hence, absorption more recourses plays basic role in achieving to banking goals. In recent years, increased development of information technology and development of communicational networks has created new ways markets and financial units. Development of new techniques of processing and transferring information along side, development of huge databases cause to improve of performance and efficiency of communication and decrease of operational costs in financial institutes in one hand, and led to considerable changes in competitive environment of banking system of country in the other hand (Miller and Hansen, 2006). These matters cause to client's trends to banks gradually changed. This research worked on identifying factors effect on failures to attract new clients in Keshavarzi bank branches of Tehran, according to above matters and results showed that fame of bank, spatial distance, advertisement, and type of services have significant effect ($p < 0/01$) on failures to attract new clients in Keshavarzi bank branches of Tehran and its finding is in accordance with the results of previous studies.

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