

Examination of the Relationship between Relationship Marketing and Customer Satisfaction

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ABSTRACT

The main objective of this study is to investigate the relationship between the components of relationship marketing and customer satisfaction. In terms of implementation, this study has been a correlation and conducted as field. Statistical population of present study is all customers with an account in Tejarat Bank in the province of Guilan. Sampling method is non-probability available, method of data collection is field and data collection tool have been questionnaires. After the questionnaires distributed, 378 questionnaires were analyzed. Method of data analysis was the correlation coefficient and regression that performed by using spss software. Research findings indicate that there is a relation between relationship marketing components including trust, commitment, communication quality and competence on customer satisfaction but did not confirm the relationship between the components of conflict management and customer satisfaction and also to regression testing that all variables were examined simultaneously on customer satisfaction; results showed that all components have an impact on customer satisfaction.

Keywords: Satisfaction, Customer, Bank, Relationship Marketing.

1. INTRODUCTION

The transition from a traditional economy and intense competition in modern dimensions, customer as the person who organization is willing to create values that influence on their behavior, as main element and the center of all activities of organizations. So that in terms of competitiveness, viability and survival of organizations in identifying and attracting new customers and retaining existing customers is expressed. On the other hand improving communication, the evolution of the information age and the advent of new communication tools, organizations have made facing with a host of different customers, and many choices that as results additional providing customers and market instability (Rahbarinia, 2011). One of the primary purposes of marketing is to achieve customer satisfaction. Without customer satisfaction, is not possible her/his loyalty. The researchers stressed the importance of customer satisfaction in the banking industry and its role in the maintenance of the client is non-negligible (Farquar, et al, 2008; Zia Khosoosi et al, 2011). Customer satisfaction is a sign of the quality of marketing decisions. In explaining Satisfaction, three conditions are necessary: First, the expectations must form. Second condition is formation of assess and the third condition is that expectations and evaluations allow direct comparison (Bamdad, Rafie Mehrabadi, 2008). Full knowledge of the customer, his/her needs are requires close relationships with customers. Relationship marketing is the new approach in the banking industry that its principal goal is near and long-term relationships in order to fully understand of satisfaction client (Ndubisi and Wah, 2005:543).

For the first time relationship marketing concept was presented by Berry in the context of service organizations in 1983 and is defined as strategy to attract, retain and promote customer relations (Berry, 1983; Ranjbarian & Berari, 2009). The researchers emphasize on the importance customer satisfaction in the banking industry and its role in a different way to keep customer is indispensable (Farquhar, 2008). Relationship marketing is a business strategy that will enhance with technology development and through it; companies are paying to create beneficial relationships based on to optimize customer perceptions value (Taheri & Heidari, 2004:56).

2. LITERATURE REVIEW

With increasing competition in trade, rapid technological changes and increasing power and consumer choice, the success will depend on the ability of the companies which capable to understand customer expectations and values, and respond them favorably (Wang & et al, 2004; Mohammadi & et al, 2012). The banking sector is becoming increasingly competitive around the world (Taleghani, Gilaninia, Mousavian, 2011, rahemi, 2012). Customer satisfaction is a major factor in the success of many organizations. In several studies is mentioned to relationship customer satisfaction with word of mouth relationship, loyalty, repeat purchase and increase the profitability of organization (Fernandez-Gonzalez and Prado, 2007: 500). In the service industries that services delivery require communication and interaction with customer, overall customer satisfaction is based on how their meet and experience from the organization. So it's no surprise that companies spend

considerable resources to measuring and managing customer satisfaction. Economic enterprises to improve customer satisfaction and loyalty should investigate about the factors affecting on customer satisfaction and re-visit and by providing customer satisfaction achieve to their loyalty (Law, 2004:545).

Today's banking industry is changing rapidly. With the development of international economy and competitive markets, banks are also affected (Gilaninia & et al, 2011). Among banks at the global level, relationship marketing is taken into consideration as the ideal way to create and maintain long-term relationships with customers; because deliverable services in commercial banks is relatively same and for most banks, to differentiate services towards competition is difficult. So many of the world's banks are oriented the use of relationship marketing approach and implementation of its foundations (So and Spece, 2000:315). The concept of relationship marketing receives increasing attention from academics and practitioners and has played a lead role in the marketing subject (Ndubisi, 2007; Andersen, 2002; Gilaninia et al, 2011). Relationship marketing is the art of business today. To retain existing customers is necessary skills to communicate properly with customers. Primitive or classical marketing theory had mainly attention to trade and had not importance to customer retention but with the development of competition and saturated markets and the continuous change in the environment composition of the population of firms faced with this fact that today as in the past, organizations are not facing with a growing economy and emerging markets. Today, each customer has its own special value and now, companies must fight to get a larger share of constant or declining market. So the cost of attracting new customers has increased (Abbasi, 2005, P21). With fall initial marketing and rise of relationship marketing; organizations and corporate want that by using relationship marketing strategies create strong links with our customers. Recently, thanks to, new forms of commerce and the new conditions distribution of goods and services and also gradual evolution of consumer attitudes the twenty-first century, has moderated many innovations in the concept of banking (Jagdish and Atul, 2007).

Therefore, the main objective of this study is to investigate the relationship between the components of relationship marketing and customer satisfaction and the main question of research as follow: is there relation between the components of relationship marketing and customer satisfaction?

In the present study according to model of Ndubisi & Wah (2005) variables of trust, commitment, communication, conflict handling and competence as fundamental variables of relationship marketing have been studied.

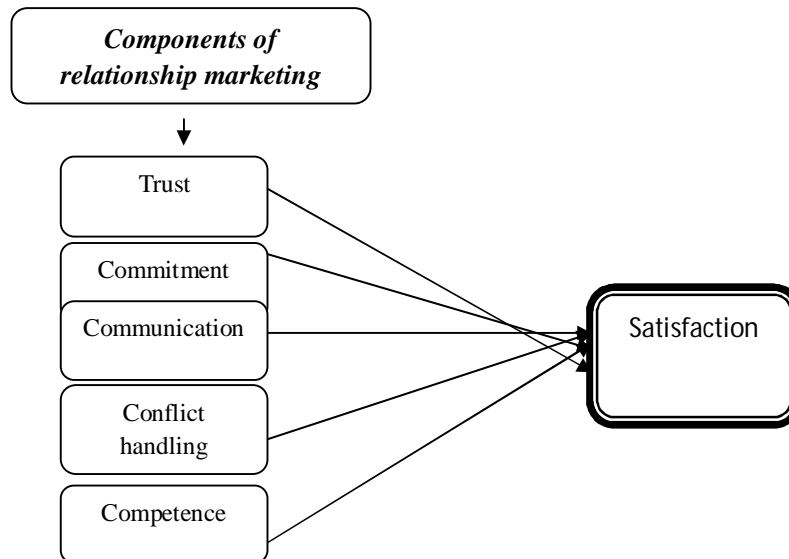


Figure (1) conceptual model (from model Ndubisi and Wah, 2005)

Trust

Trust indicates that each person of relationship, to what extent can considered other person promise and is defined as the willingness to trust and reliance to audience (Wong & Shoal, 2002, 34-50). In this study trust variable is measured by factors such as bank security in transactions, bank service quality, reliability promises of bank, staff behavior towards clients and the bank commitment to our customers. So the hypothesis of trust and customer satisfaction can be expressed as follows:

1. *There are relation between trust and customer satisfaction.*

Commitment

Commitment is intention to continue or maintain a relationship with the other party (Rashid, 2004:742-750). In this study commitment is measured to compatible and consistent of bank services with customer needs and

bank flexibility towards the customer and change services. So the hypothesis of commitment and customer satisfaction can be expressed as follows:

2. *There are relation between commitment and customer satisfaction.*

Communication

Communication is all formal and informal exchanges that make meaningful and timely information exchange between buyer and seller (ranjbarian & barari, 2009). In this study Communication is measured with factors such as timely and reliable information, providing information on new services and promises and accuracy in information. So the hypothesis of Communication and customer satisfaction can be expressed as follows:

3. *There are relation between Communication and customer Satisfaction.*

Conflict handling

Conflict handling is defined as cooperative supplier in minimizing negative results from significant potential involvement. In this study conflict handling is measured with factors such as to avoid conflict, trying to solve problems before they occur, the ability to solve problems in time problem. So the hypothesis of conflict handling and customer satisfaction can be expressed as follows:

4. *There are relation between conflict handling and customer satisfaction.*

Competence

Competence has defined by perceptions of each of the party relationship amount of skills, abilities and knowledge needed the opposite party to effective function (Smith and Barclay, 1996). In this study competence is measured with factors such as necessary knowledge about bank service, market trends, consulting and planning about the investment to customers and effective advertising. So the hypothesis of competence and customer satisfaction can be expressed as follows:

5. *There are relation between competence and customer satisfaction*

Customer Satisfaction:

Customer Satisfaction is means feeling or attitude of customer towards the goods or services that could affect consumer buying behavior (maleki & Darabi, 2008, P29). Customer satisfaction is measured with factors such as completely happy, customer pleasure bank providing the services, good customer experience and reelection bank.

3. RESEARCH METHOD

In terms of methodology and implementation, this study is descriptive - analytical research with emphasis on branch correlation. In terms of degree of supervision and control is field research. Statistical population of present study is all customers with an account in Tejarat Bank in the province of Guilan. Tejarat Bank in Guilan province has 64 branches. sampling method in this study is cluster and so Guilan is divided into three parts (center, east and west) that from the central part is selected customers of six branches and the east and west is selected each of them three branches and then is used non-probability available method for sampling. Data collection tool have been questionnaires. Survey questionnaire is designed based on previous research and also their validity has confirmed by professors of guide and consultant and cronbach test results show that the questionnaire has been reliable. After the questionnaires distributed, 378 questionnaires were analyzed. Method of data analysis was the correlation coefficient and regression that performed by using spss software.

4. Data Analysis

Table 1) result of demographic characteristics

Demographic characteristics	Frequency percent
gender	
male	49.3
Female	50.7
Marital Status	
Married	53.1
single	46.9
education	
Lower diploma and diploma	10.5
Associate	30.3
Bachelor	47.7
Master and higher	11.5
Age	
25>	14.5
26-35	36.5
36-45	22.5
46-55	15.00
55<	11.5

Table 2) result of Pearson correlation test

Hypotheses	Pearson correlation coefficient	Sig	Result
H1. There are relation between trust and customer Satisfaction.	0.400	0.000	Confirmed
H2. There are relation between Commitment and customer Satisfaction.	0.181	0.000	Confirmed
H3. There are relation between Communication and customer Satisfaction.	0.338	0.000	Confirmed
H4. There are relation between Conflict handling and customer Satisfaction.	0.094	0.069	Rejected
H5. There are relation between Competence and customer Satisfaction	0.226	0.000	Confirmed

First hypothesis: According to the results of the Pearson correlation test is observed that the sig = 0.000 < 0.05. Thus research hypothesis is confirmed and there are relation between trust and customer satisfaction. The result of the research is consistent with results of Ndubisi & Wah (2005) and Ranjbaran and Barari (2009).

Second hypothesis: According to the results of the Pearson correlation test is observed that the sig = 0.000 < 0.05. Thus research hypothesis is confirmed and there are relation between commitment and customer Satisfaction. The result of the research is consistent with results of ndubisi & wah (2005) and is inconsistent with research results of Ranjbaran and Barari (1388)

Third hypothesis: According to the results of the Pearson correlation test is observed that the sig = 0.000 < 0.05. Thus research hypothesis is confirmed and there are relation between communication and customer Satisfaction. The result of the research is consistent with results of Ndubisi & Wah (2005) And Ranjbaran and Barari (2009).

Fourth hypothesis: According to the results of the Pearson correlation test is observed that the sig = 0.069 < 0.05. Thus research hypothesis is rejected and there arent relation between conflict handling and customer Satisfaction.

Fifth hypothesis: According to the results of the Pearson correlation test is observed that the sig = 0.000 < 0.05. Thus research hypothesis is confirmed and there are relation between competence and customer satisfaction. The result of the research is consistent with results of Ndubisi & Wah (2005) and Ranjbaran and Barari (2009).

Also it can be seen in multiple regressions that in simultaneously examining independent variables (Variables of trust, commitment, communication, conflict handling and competence) on customer satisfaction are acceptable and significant at a confidence level of 95%. Meanwhile, determine coefficient is equivalent to 0.267 that it means almost 27 percent of the independent variables can predict the dependent variable changes. According to Beta coefficient can be said that trust have maximum impact and competence minimal impact on customer satisfaction variable. Then regression model can be written as follows in a significant 95%. In regression equation Trust variables X_1 , commitment variable X_2 , communication variable X_3 , conflict handling variables X_4 , competence X_5 and customer satisfaction variable as the Y is considered

$$Y = 5.702 + .278 X_1 + .091 X_2 + .160 X_3 + .113 X_4 + .084 X_5$$

5. Conclusions and Suggestions

According to result of testing Pearson correlation show that there are relation between components of relationship marketing (trust, commitment, communication, competence) and customer satisfaction but there arent relationship between conflict handling and customer satisfaction. also result of regression test show that all of components of relationship marketing in study have impact on customer satisfaction. thus according to result obtained, suggestions provide as follow:

1. Based on test results of the first hypothesis is suggest that not to be doing something wrong and staff have complete information about matters and have polite behavior and create trust. The integrity and empathy will impact in increased confidence and also by making promises to customers and eliminate the worry of security transactions, provide quality service to customers and respect to customers by the staff and the obligations undertaken of the bank can caused trust in customers.
- 2- based on test results of the second hypothesis is suggest that services will be provided according to customer requirements and banks can be done flexibly in providing services and changes.
- 3- Based on test results of the third hypothesis is suggest that information will give reliable and timely and completely to customers. Also be used by employees who have sufficient knowledge of banking operations in order to properly service provider.
- 4- Based on test results of the fifth hypothesis is suggest that Staff have aware of market conditions and customer and able to assist clients in matters relating to investments in bank and provide Also effective and efficient advertising for their banking experience.

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