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The Relationship between Satisfaction, Trust and Loyalty: E-Banking's Customers of an Iranian Bank (A Case Study: Melli Banks of Yazd Township)

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ABSTRACT

The main objective of this study is to evaluate the relationship of satisfaction and trust with loyalty of e-banking customers in branches of Melii Bank in Yazd Township. The research model has been formed using satisfaction and trust as independent variables, and loyalty of customers as dependent variable. In terms of objective, the research method is applied, and it is descriptive in terms of type of method. The population consists of all the customers of all branches of Melli Bank across Yazd Township, of which 368 acceptable samples were selected using random sampling method. Required data was collected using questionnaires and measurements, and data analysis was performed via models of structural equations. The results of the study confirm the existence of a significant positive relationship between satisfaction and trust, and loyalty of customers of Melli Bank branches in Yazd Township. Due to presenting useful information in fields of banking, the research and its results can be valuable for researchers and managers. Furthermore, some recommendations are presented for improvement of the efficiency of the obtained results.
KEYWORDS: customers' satisfaction, customers' trust, customers' loyalty, e-banking services

1. INTRODUCTION

Customers are among the environmental factors affecting the organizations. Management theorists consider satisfying the customers as one of the most important functions and priorities of organization management and regard the necessity of managers' permanent commitment to satisfaction of customers as the precondition of success. In fact, one of the preconditions of success for organizations and companies is to give great significance to the customer and the strife to satisfy him. Thorough understanding of the customer, giving priority to him, and providing him with quality services are among the factors of success within the present trading market. Present definition of customer is completely different from the one that was common in the past. Today, the customer is not only a buyer of goods or services; rather he is an active and effective participant in all trading activities. The great efforts presently made in order to improve the tools of performance management and to modify and optimize the image of the organization indicate that today, satisfaction of the customers is regarded as a key factor in determining the successfulness of the organizations. Within the competitive market of financial services, losing only one customer is accompanied with severe consequences and costs for the banks and financial institutes. What matters more than anything else is that the great investments of the organizations in order to provide variety of products and services and improve them are intended to satisfy the present customers and to prevent losing new customers. The terms "customer" and "customer satisfaction" are much more important in service-providing organizations, banks in particular, because they are dependent to the customers for survival. Providing various banking service in order to retain the existing customers and attract new customers, and ultimately, to gain a greater share of the competitive market of banking indicates this significance. However, satisfaction is no more sufficient, and the organizations, particularly banks, should not suffice to customers' satisfaction; rather they must assure that the satisfied customers are loyal to them (Athanassopoulos et al, 2001). Hence, determining the key records or factors that effect on loyalty of customers is very helpful. Previous studies show the difficulty to retain loyalty of the customers despite the quick growth of electronic banking. However, increasing satisfaction and trust in customers can logically improve the loyalty of customers.

Regarding the type of the services provided via banking industry, as well as the close relationship between the organization and its customers, the customer becomes more and more important. This is because customers are the only source of income for bank organizations and structures, without which there will be no organization. Hence, since the time of production until providing the customer with the services, his needs, wants and preferences should carefully be considered.

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As an effective economic institution and a determining component of national economy, banks try to adapt with the increasing changes. Development of banking services, the competition between state banks and private ones, and the wonderful merger of traditional and electronic banking have increased the tendency toward changes in executive trend of banks, acceleration in providing banking services and saving the data in a way other than using paper in senior managers due to being responsive to the diverse needs of customers and have made the managers conclude that survival in the unstable and complicated environment of the third millennium requires different performance, optimization in the quality of services, and greater customer satisfaction. With regard to the mentioned issues, studying the amount of satisfaction, trust and loyalty among customers of e-banking is of great importance to the senior managers of banks. Therefore, this study tries to evaluate the relationship of trust and satisfaction with loyalty of e-banking customers in branches of Melli Bank in Yazd Township.

2- Theoretical concepts and research background

2-1- Customer loyalty

Investing on customer loyalty is and effective and profitable investment for service providing organizations. Customer loyalty leads to an increase in profitability through increasing the income, lowering the costs of attracting new customers, reducing customer sensitivity to prices, and reducing the costs of familiarizing the customer with operational methods of the organization. During the past decade, financial services sector has undergone major changes resulting in a market with close competition and minor growth in initial demand. Occurrences related to binding and hereditary relationships between customers and banks are increasingly reduced, and banks are trying to design strategies to attract and retain customers (Bloemer et. al, 1998). On the other hand, high costs of finding new customers make the primary stages of dealing with customers unprofitable. This relationship will be profitable only in next stages through reducing the costs or applying loyal customers (Guang et. al, 2004). However, many banks have attempted to introduce innovative productions and services in order to increase customer loyalty. Although such innovations have frequently been applied by different institutions, it has been concluded that focusing on determining factors of loyalty provides a better lasting perspective for the banks (Bloemer et. al 1998).

Generally, loyalty has been defined as a frequency of sales, or the relative volume of purchases from the same branch. Oliver (1999) states that many of the definitions in the literature suffer from the reality that they report what the consumer does, but none of them considers the philosophy and meaning of loyalty. From his point of view, loyalty is regarded as a strong commitment for repurchase of a superior product or service despite the effects and marketing attempts of competitors for the same product or service (Beerli et. al, 2004). Larson and Sulanna (2004) believe that loyalty is creating commitment in customer for transacting with a specific organization and purchasing its products and services frequently (Larson and Sulanna, 2004). Wang (2004) defines loyalty as a treatment toward a commercial brand. Therefore this act results in permanent purchase of this brand (Guang et. al, 2004).

Schumacher and Luis (1999) have offered another definition for loyalty containing a concept of commitment on the part of the customer: "Loyalty is a deep commitment for repurchase of a superior product or service in future despite the existence of environmental effects and marketing efforts of the competitors to change the treatment" (Taylor et.al, 2004, 22).

Loyalty to a bank is a non-accidental behavioral response on the part of the decision maker for the benefit of a brand against other brands. This response is based on psychological process, assessment and decision making, and results in commitment to a brand. Therefore, through a process of assessing the alternatives and decision making, the customers are engaged in commitment to the banks, or according to the definitions presented here, become loyal to banks. When the customers do not pass the process of assessing the alternatives and decision making carefully, commitment to banks will not be established, and hence, they will not remain loyal to the banks. Customers who purchase services from a bank without being loyal to it will easily be attracted by competitors through their marketing activities (Bloomer et. al, 1998, 276).

There are two approaches for measuring customer loyalty; behavioral and attitude approaches. Behavioral perspective is based on a behavioral concept and evaluates the frequency of the customer's purchases. In this approach, three criteria are considered including the proportion of purchase, sequence of purchase and probability of purchase. To assess the aspects of loyalty, data related to customers' previous purchases should be analyzed. In respect with loyalty to commercial brand, behavioral approaches evaluate the real treatment of the customer's purchase about a specific product. The method of purchase proportion is the most commonly used criterion of loyalty to a commercial brand. In this method all the brands of a specific good purchased by any consumer are gathered, and then the ratio of purchase for each of them is determined. Then loyalty to each brand can be estimated.

The attitude approach connects the scientific, emotional and mental structures of the customers to each other, and then the preprogrammed and intended effects of the customer's behavior are measured as the medium variable between stimulus and response. These attitudes are measured by asking many people about their attitude toward the brand of an organization, the amount of commitment to it, suggesting it to others, and comparing it with brands of the competitors.

2-2- Loyalty to a service

It is concluded that loyalty is more common among customers of services than among customers of products. In terms of services, intangible features such as reliability and trust may play an important role in establishing or retaining the loyalty. Although there are some explanations for why the data related to loyalty to products cannot be generalized to loyalty to services, more research is required studying service providing sectors. Meidan (1996) argues that the degree of loyalty in banking can be examined by tracking the customer's accounts during a defined period and considering the level of continuing his commitments. Bloomer et.al (1998) define loyalty to a bank as a non-accidental behavioral response, together with bias, or an act of revisiting done by decision-making units relative to a bank outside the space of other banks that is a function of psychological processes, assessment and decision making, resulting in commitment to a commercial brand. This definition is according to that of Taukub and Chesnut (1978).

The vital part of the definition of loyalty to a bank is establishing commitment to the bank. Moreman et. al (1987) define commitment as a durable tendency toward maintaining a valuable relationship. Bloomer et. al (1998) regard commitment to a bank as a condition required for occurring loyalty to the bank. They define commitment to a bank as an obligation made by a person about selecting his bank resulted from comprehensive, explicit decision making such as assessment processes; a person admits commitment to a bank, and then, according to the definition, becomes loyal to that bank. When decision making and assessment processes are not explicit or are restricted, the customer will not be involved in commitment to the bank and cannot be loyal to it. According to Bloomer et. al (1998), the level of customer's commitment to the bank can significantly vary; hence, it is assumed that loyalty exists in its continuum. On one side of this continuum exists the act of revisiting based on the maximum commitment, and on the other side, commitment to the bank enables us to define the level of loyalty (Bloomer et. al, 1998, 27-276).

2-3- Customer satisfaction

Different definitions have been offered by different theorists regarding customer satisfaction. Kutler (2002) defines customer satisfaction as a degree to which the real performance of a company meets the customers' expectations. According to him, if the performance of a company meets the customer's expectations, he is satisfied; otherwise, he feels dissatisfied. Blanchard and Galloway (1994) believe that customer satisfaction results from the customer's understanding during a transaction or relationship such that the price is equal to the ratio of the quality of the provided services to price and customer costs. The definition accepted by most experts is as follows: customer satisfaction is result obtained from comparison of the customer's expectation of the performance of the company before the purchase with the perceived performance and expensed costs (Beerli et. al, 2004, 256).

2-3-1- Models of customer satisfaction formation

Different processes of formation of customer satisfaction can be categorized in different models representing the relationships between customer satisfaction and its stimuli. In respect with customer satisfaction and loyalty, Bloomer et. al (1998) have demonstrated that customer satisfaction is a significant factor effecting on loyalty in banking. Andreassen and Lindestad (1998), Havloel (1996), and Beerli et. al (2004) showed that customer satisfaction affects loyalty and customer's choice in banking industry. Figure 1 represents the model offered by these scholars.

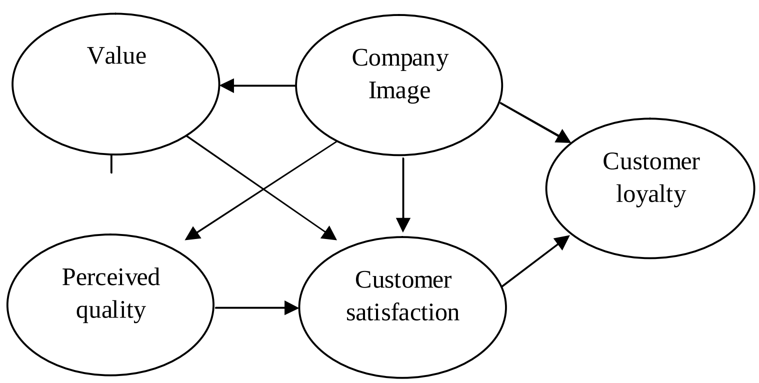


Figure1. Conceptual model (Andreassen & Lindestad,1998,9)

2-4- Quality of services

Improving the quality of services and products is a vital factor within the present competitive environment of banking. Guang et. al (2003) believe that preparing high-quality services and products increases the reputation of the trading center, facilitates retaining the customers, results in attracting new customers through mouth to mouth advertisement, and consequently, improves financial and profitable performance. Banks have not created any standard scale to measure the perceived quality of banking operations. However, despite the significant and strategic role of banking operations, developing countries still lack a scale for measuring quality of such services (Wang et. al, 2003, 72).

General properties of services have distinguished the debate on defining and measuring the quality of services from that of products. In terms of services, there is no explicit definition for quality, and researchers have defined it from different points of view. Parasuraman et. al (1988, 1991) and Gronroos (1984) have defined the quality of services as the difference between customer's expectations from the services and his perception of the services he has really received. These researchers assume that measuring the quality of services is valid as an inconsistency between expectations and perceptions (Guang et. al, 2003, 74). According to Juran (1998), quality has two main components:

1. How responsive are the services or products to the customers' needs?
2. How perfect are the services or products?

Given that the customer has the ability to evaluate the performance of a service, the result of this evaluation is compared with customer's pre-purchase expectations. Any disagreement between customer's evaluation and his expectations lead to a disconfirmation. Positive disconfirmation increases or retains satisfaction and negative one leads to customer dissatisfaction. Managers can identify negative disconfirmations in two ways; exit and complain. Whenever the customers leave the organization easily and turn to the competitors, exit has occurred. Customers' complaints of the quality of provided services indicate the quality of the experienced service has not been as expected by the customers (Andreassen & Lindestad, 1998, 99-100).

2-4-1- Consumers' perceptions of the services

How do the consumers perceive a service? How do they experience the quality of it? How do they become satisfied? And how do they receive the value of the services or products? Here, the objective is to understand the criterion used by customers to evaluate the services. Notice that perceptions are always considered in relation with expectations (Zeithaml and Bitner, 1996, 103). Since the expectations are dynamic, evaluations can vary from a person to another or from one culture to another. This can be observed in figure 2.

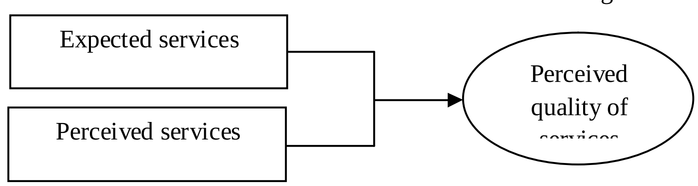


Figure2. Perception role in services (Zeithaml and Bitner, 1996, 103)

2-4-2- Quality of services and satisfaction

Numerous researchers have tried to explain and simulate the relationship between customer satisfaction and the quality of services. Most of these studies emphasize on the question whether customer satisfaction leads to an improvement in quality of the services, or it is the quality of services that results in customer satisfaction. Anderson et. al (1994) believe that satisfaction requires experiencing consumption and is depended to the price while quality can be obtained without the experience of consumption and is usually independent from the price. However, when little information exists or evaluation is difficult, price can be considered as a component of quality (Beerli et. al, 2004, 257).

Parasuraman et. al (1988, 1991) concluded that higher levels of perceived quality can improve customer satisfaction. According to them, if customer's expectations are greater than what he perceives, he will be dissatisfied, but if his perception of the provided services is greater than his expectations, satisfaction will occur. Therefore, they believe that quality of services leads to customer satisfaction.

Spreng and Mackoy (1996) showed that quality of services lead to customer satisfaction. As it can be seen in figure 3, they evaluated the relationship between the quality of perceived services and satisfaction, and presented a model under the title of "quality of perceived services and satisfaction". This model shows the effects of expectations, perceived performance demands, appropriateness of demands, and inconsistency of expectations on general quality of services and satisfaction.

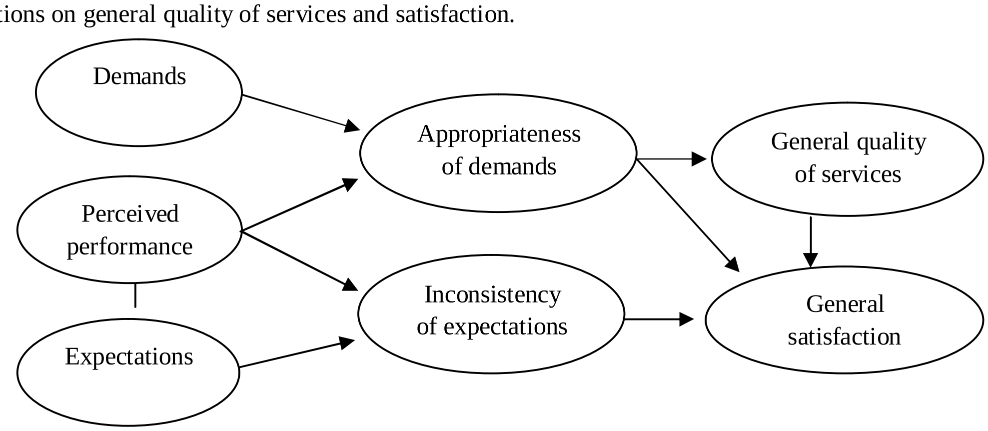


Figure3. Services & Satisfaction quality model (Spreng & Mackoy, 1996, 2001)

2-5- Relationship between variety of services and loyalty

Today, mass marketing has been replaced by market classification, concentration, and mass customer orientation. Despite being everything to everybody, many companies try to make decision on the issue that which class of customers they can offer good services to and make them loyal. Managers of innovative companies permanently discuss on modifications required to attract and retain customers that are expected to provide good opportunities for growth and profitability. A few companies can survive by providing services only for one class of customers; particularly, if they have significant capacity.

In banking system, customer loyalty has a positive relationship with variety of banking services. In America, for example, half of the customers having only a current account change their bank after one year; one third of the customers having only a saving account change their bank after one year; but only ten percent of customers with both current and saving accounts change their banks after one year.

2-6- Research background

In evaluating the effective factors on loyalty to banks, Bloomer et. al (1998)concluded that the mental image attained indirectly through the quality affects customer loyalty through satisfaction. They also stated that reliability, an aspect of quality, and position in market, an aspect of mental image, are relatively important factors in forming customer loyalty. Keaveney and Haunt (1992) also concluded in their study on "conceptualizing and functionalizing the image of retailer"' that the mental image of a small organization is formed within the processing theory-based class lines.

In evaluating the relationship between the perceived quality of services and satisfaction, Spreng and Mackoy (1996) showed that quality of services lead to customer satisfaction. In his study on relationship between customer satisfaction, loyalty and profitability, Halool (1996) stated that satisfaction depends on customer preferences which, in turn, lead to profitability. Also customer satisfaction results in customer loyalty that is followed by profitability. Caruana et. al (2000) evaluated the relationship between customer satisfaction and quality of services and value in their experimental study on auditing services to form a model. They concluded that the quality of services does not directly affect satisfaction; rather, the value functions as a medium between these two concepts. Lasser et. al (2000) evaluated the relationship between quality of services and customer satisfaction using SERVQUAL model and the model of technical-operational quality. According to their findings, quality of services directly affects customer satisfaction. They also stated that customer satisfaction must be regarded as a multi-dimensional concept. In a research to investigate the concepts of quality of services and quality of products and their effects on bank reputation, Guang et. al (2003) indicated that with regard to the fact that services and products are almost always together, managers can take advantage of distinguishing between services and products and emphasizing on their backgrounds.

According to Solmon and Movyer (2003), customer satisfaction is characterized by his trust and future treatment that makes him have no inclination to change the organization. Having investigated the pattern of customer loyalty in non-massive banking market using a mutual structural model, Beerli et. al (2004) showed that the overworking degree of he selected bank doesn't have any significant effect on the motives of the relationship between customer satisfaction and loyalty. According to the study conducted by Yavas et. al (2004), quality of services is the origin of customer satisfaction and is contributed with behavioral outcomes such as verbal communications, complains and so on. Through investigation of the relationship between quality of services and customer satisfaction in banking system of Malaysia, Ting (2004) showed that quality of services leads to customer satisfaction, and that unlike previous studies, the relationship between satisfaction and quality of services is linear and curved-like.

Using a structural model, Helgson et. al (2010) evaluated the effects of mental images of the store and chain stores on the process of quality-satisfaction-loyalty in fuel retailers. According to their results, mental image of a store has positive effects on satisfaction. It also affects loyalty both directly and indirectly through satisfaction. They also showed that the mental image of chain stores does not directly lead to loyalty; rather, it affects loyalty indirectly through the mental image of the store and satisfaction.

3- RESEARCH METHODOLOGY

The present study is an applied research in terms of objective, and a descriptive survey in terms of implementation. Ten hypotheses were discussed to achieve the main objective. These hypotheses are as follows:

H1: there is a positive relationship between the quality of consumer confrontation and customer satisfaction.

H2: there is a positive relationship between the quality of consumer confrontation and customer trust.

H3: There is a positive relationship between the quality of the information related to received services and customer satisfaction.

H4: There is a positive relationship between the quality of the information related to received services and customer trust.

H5: There is a negative relationship between the risk of insecurity and customer satisfaction.

H6: There is a negative relationship between the risk of insecurity and customer trust.

H7: There is a negative relationship between the risk of lack of privacy and customer satisfaction.

H8: There is a negative relationship between the risk of lack of privacy and customer trust.

H9: There is a positive relationship between customer satisfaction and loyalty.
H10: There is a positive relationship between customer trust and loyalty.
Therefore, the following conceptual model can be presented:
In this model (Fig.4), components such as quality of consumer confrontation, quality of information, risk of insecurity and risk of lack of privacy which effect on variables of satisfaction and trust of customers of electronic banking are analyzed first, and then, the effect of these two variables on loyalty of customers are evaluated.

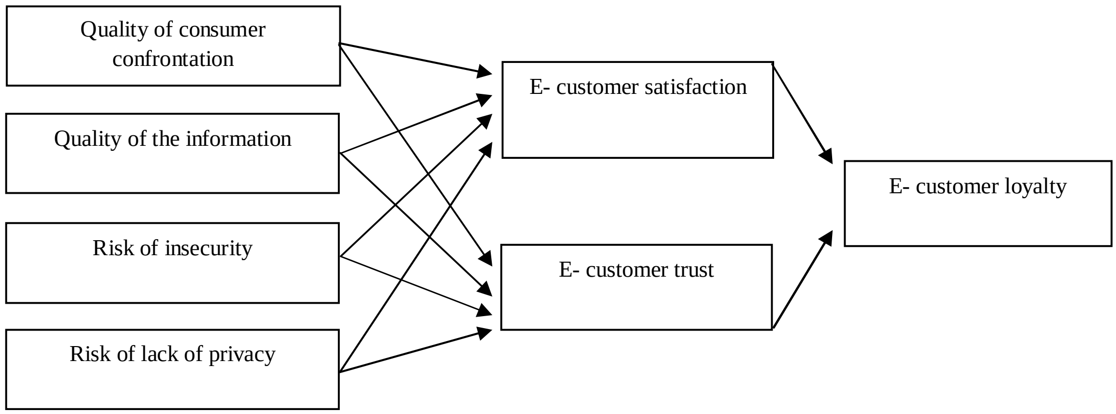


Figure4. Research Conceptual model (Mustafa I. Eid, 2001)

The research lasted from the beginning of Mordad, 1391to Bahman, 1391. The population includes all the customers of all branches of Melli Bank of Yazd Township who use e-banking services. Samples were calculated based on Cochran Formula using random sampling method. 400 questionnaires were distributed and ultimately, 368 questionnaires were recollected. The research questionnaire consists of two parts including general information of the subjects and questions related to research variables (31 questions) based on Lickert Spectrum. Face assessment was used to investigate the validity of the questionnaire. To do this, opinions of experts and related professors were collected and were the criteria for modification of the questionnaires. Also in order to investigate the reliability of the questionnaire, Cronbach's Alpha was used. This method assesses the internal coordination of the questionnaire. Following table presents Cronbach's Alpha and number of questions related to the whole questionnaire. Since the value of Cronbach's Alpha for the questionnaire, 0.857, is larger than 0.7, he test has acceptable reliability.

Table1. Calculated value of Cronbach Alpha for each of the considered variables

Row	Variable	Cronbach alpha
1	Quality of consumer confrontation	0.723
2	Quality of the information	0.823
3	Risk of insecurity	0.758
4	Risk of lack of privacy	0.741
5	E- customer satisfaction	0.705
6	E- customer trust	0.779
7	E- customer loyalty	0.734
	Total	*0.857*

4- Functionalizing Variables

In this section, the type of each of the research variables and the method of calculation for each of them are presented. Following table shows the type of the variables and the number of questions related to each of them.

Table2. Type of the variables of the research and the related measurements

Variable	Type of the variables	Number of Related questions	Cronbach alpha	References
Quality of consumer confrontation	Independent	4	0.723	Eid,2011
Quality of the information	Independent	5	0.823	Eid,2011
Risk of insecurity	Independent	4	0.758	Eid,2011
Risk of lack of privacy	Independent	5	0.741	Eid,2011
E- customer satisfaction	Independent-Dependent	4	0.705	Kutler,2001
E- customer trust	Independent-Dependent	5	0.779	Eid,2011
E- customer loyalty	Dependent	4	0.734	Eid,2011
Total		***31***	***0.857***	

Quality of information has been investigated in terms concepts such as presenting up-to-date products and presenting perceivable information. To investigate risk of insecurity, concepts such as the security of conveying user information and the confidence that no change can occur by hackers in transmitted data were used. Customer trust was investigated using concepts such as providing reliable electronic services/products.

5- DATA ANALYSIS

In this section, the outcome of LISREL software and related analyses are presented. In these models, the oval shapes separately show each of the factors, and the rectangular shapes show the variables related to each factor. Measuring equation is presented for the number of observed variables. Each equation consists of the coefficient of the path from the observed variable to the latent variable, measuring error of the observed variable, meaningfulness test based on *t* statistic, and R2 that is the coefficient of determinant or the proportion of the variance defined by the latent variable.

5.1 Main Model

For meaningfulness test of factors, the method of path analysis has been used on LISREL software. It is important to make sure of the correctness of the measuring model before testing the hypotheses. In this research, the confirmatory analysis of the factors is done through path analysis. This analysis is carried out via the model of structural equations using LISREL software. In investigation of each of the models, one should ensure of the fitness of the measuring model before confirming the structural relationships. To do this, the statistic X^2 and other criteria of fitness should be assessed. In order to determine the fitness of the model, the value of X^2 in degrees of freedom should be smaller than 3 as much as possible because it shows the difference between the model and the data. As the value of RMSEA is smaller than 0.08 and closer to 0.05, the fitness of the model is better. If the model does not show a good fitness it should be modified and retested. Then the modified model must be used to investigate the questions and hypotheses. Following tables show the statistic *t*, standard coefficients and errors for each of the variables of the research.

Table3. Coefficients and values of *t* for Quality of consumer confrontation

Items	Standard Coefficient	*t* Statistic	Determinant Coefficient	Error
Q1	0.68	12.49	0.46	0.040
Q2	0.74	13.84	0.55	0.036
Q3	0.60	11.00	0.36	0.037
Q4	-0.21	-3.57	0.44	0.043

Table4. Coefficients and values of *t* for Quality of the information

Items	Standard Coefficient	*t* Statistic	Determinant Coefficient	Error
Q5	0.49	8.08	0.24	0.040
Q6	-0.55	-9.51	0.31	0.052
Q7	0.61	10.82	0.37	0.043
Q8	0.32	5.31	0.11	0.048
Q9	0.44	7.61	0.19	0.045

Table5. Coefficients and values of *t* for Risk of insecurity

Items	Standard Coefficient	*t* Statistic	Determinant Coefficient	Error
Q10	0.45	7.26	0.20	0.046
Q11	0.69	12.09	0.48	0.046
Q12	0.59	10.31	0.34	0.046
Q13	0.47	8.03	0.22	0.043

Table6. Coefficients and values of *t* for Risk of lack of privacy

Items	Standard Coefficient	*t* Statistic	Determinant Coefficient	Error
Q14	0.48	8.40	0.23	0.043
Q15	0.50	8.91	0.25	0.041
Q16	0.53	9.38	0.28	0.047
Q17	0.59	10.75	0.35	0.043
Q18	0.46	8.11	0.21	0.043

Table7. Coefficients and values of *t* for E- customer satisfaction

Items	Standard Coefficient	*t* Statistic	Determinant Coefficient	Error
Q19	0.66	-	0.44	-
Q20	-0.25	-4.00	0.64	0.051
Q21	0.51	7.24	0.26	0.054
Q22	-0.19	-3.10	0.36	0.049

Table8. Coefficients and values of *t* for E- customer trust

Items	Standard Coefficient	*t* Statistic	Determinant Coefficient	Error
Q23	0.49	-	0.24	-
Q24	0.51	8.12	0.26	0.057
Q25	-0.17	-2.75	0.28	0.061
Q26	0.35	-5.17	0.12	0.067
Q27	0.44	6.02	0.20	0.068

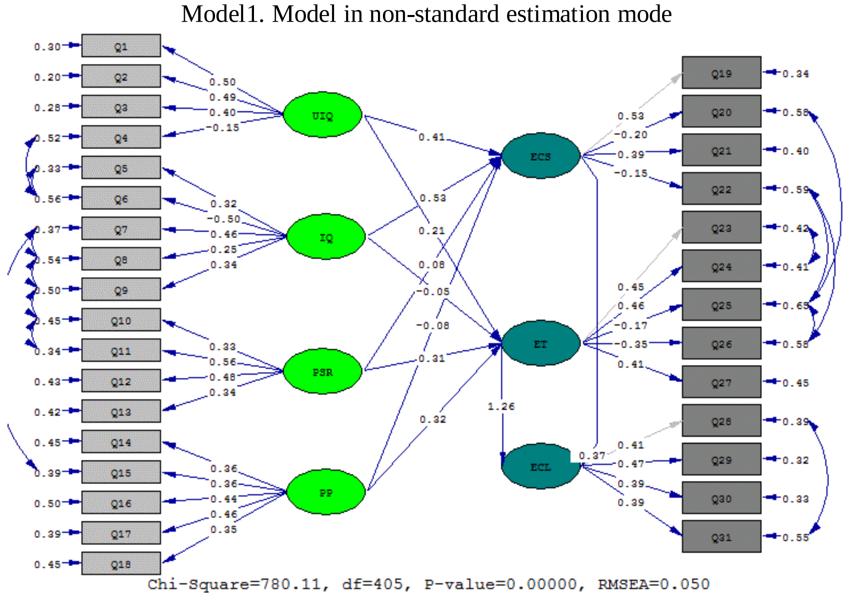
Table9. Coefficients and values of *t* for E- customer loyalty

Items	Standard Coefficient	*t* Statistic	Determinant Coefficient	Error
Q28	0.58	-	0.34	-
Q29	0.67	8.09	0.45	0.058
Q30	0.59	7.64	0.35	0.051
Q31	0.49	6.22	0.24	0.062

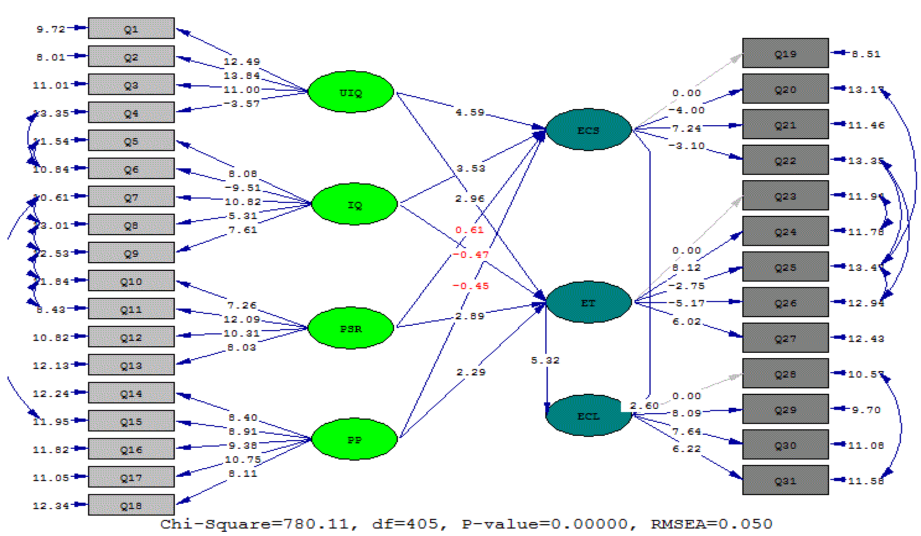
According to the above tables, all the variables (questions) have a *t* statistic larger than 1.96, and the values of determinant coefficient are acceptable. Hence, none of the questions is eliminated and the general model is investigated using all of them.

5.2 Confirmatory analysis and assessment of the general model

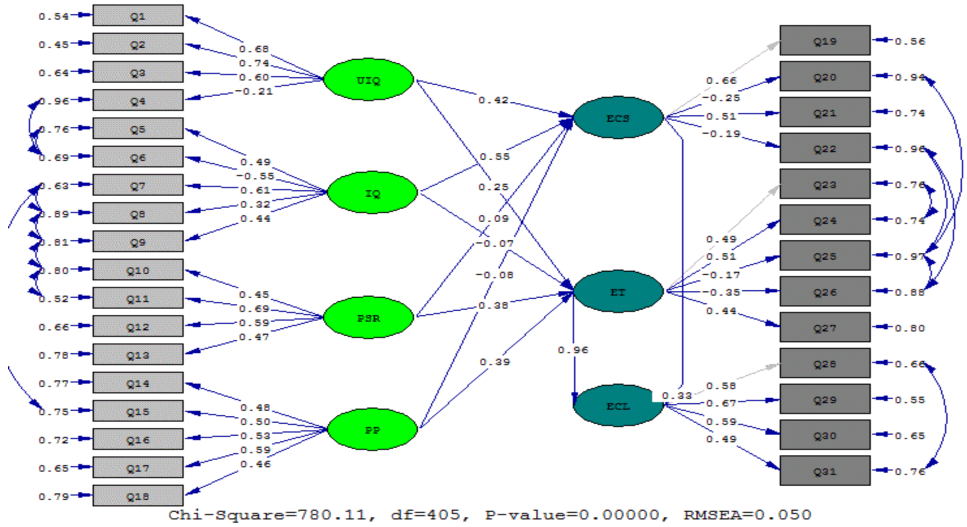
Model1. Model in non-standard estimation mode



Model2. Model with meaningful values (t-value)



Model3. Model in standard mode (standard coefficients)



The above picture shows the general model in standard estimation mode. The estimation results, the lower part of the figure, imply good fitness. Regarding the LISREL output, the value of X^2, in degrees of freedom, is 1.93, smaller than 3, that is a good value. Lowness of this value shows minor differences between the conceptual model of the research and the data observed within the study. Also outputs show RMSEA =0. 050 for the model, that is smaller than 0.08. In addition to X^2, as the value of RMSEA is smaller, the model has a better fitness.

5.3 Confirmation of the model

According to the values of the following table, the model has an appropriate fitness. The value of X^2, in degrees of freedom, is smaller than 3; also RMSEA is equal to 0.05 that is smaller than 0.08, and all the indexes CFI, IFI, NNFI, NFI, NGFI and GFI are close to 0.90. Hence the model has a good fitness and is confirmed. Now, using *t* statistic and the standard coefficient, and with regard to the model, the effect of each of independent variables on dependent variables can be investigated.

Table10. Indicators of investigating fitness

Indicators	Reported Value
X^2	780.11
Degrees of freedom	405
X^2 in Degrees of Freedom	1.93
RMSEA	0.05
GFI	0.88
AGFI	0.85
NFI	0.86
NNFI	0.92
IFI	0.93
CFI	0.93

5-4- Testing research Hypotheses

After assessment and confirmation of the model, the hypotheses of the research were investigated. In testing each of the hypotheses, null hypothesis indicates that there is no significant effect, and hypothesis 1 shows significant effect of independent variable on dependent variable. If the absolute value of *t* statistic is smaller than that of the table, 1.96, null hypothesis is concluded, and if the absolute value of *t* statistic is larger than 1.96, hypothesis 1 is concluded. The results of testing research hypotheses are summarized in the following table.

Table11. *t* statistic and results of testing the hypotheses

	t statistic	Table Value	Conclusion	Effect Intensity	Type of Effect
Hypothesis 1	4.59	1.96	Effective	0.42	Positive
Hypothesis 2	3.53	1.96	Effective	0.55	Positive
Hypothesis 3	0.61	1.96	Not Effective	0.09	No Effect
Hypothesis 4	0.45	1.96	Not Effective	-0.082	No Effect
Hypothesis 5	2.96	1.96	Effective	0.25	Positive
Hypothesis 6	-0.47	1.96	Not Effective	-0.07	No Effect
Hypothesis 7	2.89	1.96	Effective	0.38	Positive
Hypothesis 8	2.29	1.96	Effective	0.39	Positive
Hypothesis 9	2.60	1.96	Effective	0.33	Positive
Hypothesis 10	5.32	1.96	Effective	0.96	Positive

CONCLUSION

The world of trading has confronted with increasing competition of financial enterprises in late 20th and early 21st centuries. Furthermore, customers are constantly becoming more aware of different services and products and competitors and have more alternatives. With regard to this conditions, it can be claimed that today, except for exclusive organizations, no trading center can survive without having loyal customers. Considering the fact that customers' expectations are constantly increasing, organizations must go beyond the primary needs of customers, and must focus their attention on establishing loyalty and trust in customers through making long-term relationships that are profitable for both sides rather than simply focusing on satisfaction of the customers. In this respect, the present research has investigated the relationships between satisfaction, trust and loyalty of customers of e-banking in branches of Melli Bank in Yazd Province. Results of hypotheses analyses confirm the direct and positive effects of consumer confrontation on satisfaction and trust of customers of e-banking services. The quality of information related to the received services also has a positive direct effect on customer satisfaction, but its effect on customer trust is not meaningful. The quality of services is the origin of customer satisfaction. Results also confirm the significant effect of risk of insecurity on customer satisfaction, and its direct significant effect on customer trust. Risk of lack of privacy has not been effective on customer satisfaction, but has a direct positive effect on customer trust. Results obtained from testing the hypotheses indicates that a positive direct relationship exists between customer satisfaction and trust with customer loyalty. This relationship implies that having a new strategy, developing the relations with customers, and attempt to satisfy them in all stages improve the efficiency of the organization toward achieving the customer-centered goals, and creates loyalty in a long-term period. Companies that take larger proportions of loyal customers have significantly increased the profitability level of the organization through different factors such as high rate of re-purchase, reduction of advertisement costs, and reduction of the tendency to change the source of providing goods and services. In banking industry, considering the opinions and preferences of the customers results in loyalty to the organization. It also establishes satisfaction in customers and makes them regard themselves as a member of the organization. This satisfaction is the key factor for successfulness of the bank.

Applied recommendations

Since the quality of users' common interface and the quality of information have a direct relationship with customer satisfaction, web designers of Melli Bank can satisfy the present customers and attract new ones through presenting more attractive audio-visual information on the website of the bank and facilitating access to this information. According to the results of this study, customer satisfaction and trust have a significant relationship with customer loyalty. Hence, creating a sense of loyalty in customers should be a priority for Melli Bank. Among the factors than can make the customer remain loyal to the organization, more interactions with customers and participating them in programs of the bank are very significant. Engaging the customers and giving value to them are effective in creating a sense of loyalty. Also the factors that make the customer turn away from the bank should be identified. Noticing the opinions and complaints of the customers has great significance. Organization's disregard of these complaints creates a negative attitude in customers toward the goods and services, and also may have more intense consequences such as negative mouth to mouth advertisement and cease the purchase of goods and services. Each of these consequences can bring irreparable damages to the organization.

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