

A Study on the Role and Status of Customers' Trust and Economic Risk in E-Businesses with an Emphasis on Customers' Behaviors (Case Study: Tehran Province Ayandeh Bank E-Banking Customers)

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Summary

Until late twentieth century, customers' satisfaction and loyalty was more or less a motto. Today, a lot of effort is made to improve the quality management tools and developing a customer-oriented culture by the researchers, experts and organization managers. This shows that loyalty is the most significant index in determining the success of organizations and improving profitability. Hence, this research studies the role and status of customers' trust and economic risk in E-businesses with an emphasis on behavior of the customers of Ayandeh Bank E-banking services in Tehran Province. This research is descriptive-survey with an applied nature. The data collection in this research included two methods of library (studying the related documents and sources) and field study using standard questionnaire (surveying the visitors of Tehran Province Ayandeh Bank website). The statistical population size in this research included 40,000 individuals (account holders) of the customers of Tehran Province Ayandeh Bank website E-banking services and among them, 400 individuals (account holders) were selected. Since the size of the statistical population is unlimited, Morgan Table was used to determine the size of the sample and random sampling was used for sampling. The research results suggested that there is a positive and significant relationship between the quality of the E-services and the received value.

Keywords:

E-banking, customers' loyalty, websites, E-services quality, received value

1. Statement of the Problem

In today's world, with the fast pace of growth in science and technology, many changes have emerged in interactions and processes in the organizations. Hence, in current conditions, only organizations could survive that have welcomed these changes by adopting an effective strategy. In addition, considering the fact that the customers are the main reason for the existence of organization, the organizations see customers valuable. In the past, the customer had to use the goods or service, while now, the customer determines the

type and quality of the goods or services they use. In fact, the organizations have come to this conclusion that in order to survive, they have to adopt customer-oriented strategies and improve their service quality. Due to the same reason, customers' loyalty is considered as a key for the business success. By the increase in the customer's loyalty, the share of banks in attracting resources and economic profitability increases. As a result, banks can attract long-term resources for themselves through planning and adopting proper strategies in order to promote loyalty among the customers and increase their rate of loyalty. Subsequently, organizations and companies, which provide services, especially banks, must consider the requests, needs and expectations of the customers and provide proper and satisfactory services in order to survive and protect their status in the economically competitive world. (Venus and Safaiyan, 2014)

Innovation and technologies provided by the banks are considered one of the main categories in the configuration of modern service providing and production organizations, which not only retains a high security, but also has a dominant and determining role in relationship with other elements. (Delafruz and Karami, 2013)

The speed of the informatics industry has led to major changes in the form of money and resource transfer systems in banking and it has led to formation of a banking called E-banking. (Diandari et al., 2015)

E-banking is a new form of banking industry, which focuses on providing banking services using cyberspaces and using E-pay systems, transfer of monetary, and credit resources could be carried out electronically, without the need for physical monuments. (Mirveysi and Akbarpur, 2016)

From the E-banking point of view, in this part what is really important for the bankers and their shareholders is the

customers' loyalty in all levels and especially the customers' with a high credit in the banks, that is the main competition between the banks. In many banks, due to the lack of information and network system infrastructures, the success to gain the loyalty of the customers in the recent years and achieving their trust in the banks has been failed gradually. Loyalty is an important factor in organization success and has a positive impact on the organization profit. The term "customers' loyalty" refers to a state in which the customer has a higher satisfaction, buys services regularly, neglects the competitions, and admires and praises the organization while with others. ('Alizade, 2014)

Accordingly, the profitability of banks and E-banking services of Ayandeh Bank is in attracting more customers and especially their loyalty towards the bank. Hence, factors influencing electronic loyalty and the extent each of them is important in achieving profitability and more share of the market and surviving in the market are studied and it is tried to answer the following questions:

- What factors influence the customers' loyalty in Ayandeh Bank E-banking services in cyberspaces?
- To what extent each of the factors influence the electronic loyalty?

2. Research Hypotheses

- Is there any significant relationship between the quality of E-services on the websites and customers' loyalty?
- Is there any significant relation between the received value in the websites and customers' loyalty?

3. Research Conceptual

Credit

Habits

Trust

Service Quality

Received Value

Customers' Loyalty

Diagram 1. The Conceptual Model

(Beh Yin Yee and Faziharudean, 2010)

4. Theoretical Framework

4.1 E-Commerce

E-commerce includes carrying out a set of business, transfer and exchange of goods, services and information through a computer network such as the Internet. According to the approach of EU, E-commerce is to trade electronically in which the sides of the trade have an electronic interaction, instead of physical interaction or direct physical interaction. In addition, it could be said that E-commerce includes a trade without the use of paper in which the data electronic exchange is used as a tool along with E-mail, E-bulletin, web E-transfer and other technologies based on network. In other words, the electronic exchange of data functions as the backbone of E-commerce. (Blount, 2015)

4.2 E-Commerce Advantages

When the advantages of E-commerce is mentioned, in fact E-commerce is compared with the traditional way of trades. In the traditional trade, which is based on paper, repeated insertion of same data leads to creation of problems and these problems, is solved by E-commerce. These problems:

In traditional trade, a lot of time would be consumed to insert repeated data and send it.

In traditional trade, since the data was inserted in the system repeatedly, the risk of error would increase and accuracy would decrease.

In traditional trade, more workforce was needed to insert, track and send data. Increase in human resources would increase the costs and as a result, it would decrease the competition power. Manual operation based on paper would increase the uncertainty factor in traditional trade.

4.3 E-Commerce Disadvantages

If it is believed that E-commerce is a modern method of E-commerce to decrease the costs and increase the speed and accuracy in trade exchanges and communications, and considering the fact that the systems, methods and technologies created by humans could not be absolute, it has to be accepted that this method has its own failures and disadvantages. Another important issue is security in E-commerce. E-commerce system, while providing accuracy and speed in data process, should have security and this includes: accessibility, privacy, message integrity, credit, incontrovertibility, auditability and traceability. Security issues are explained in details later. (Chakib, 2014)

4.4 E-Banking Advantages

The advantages of E-banking could be considered from two viewpoints.

The advantages of E-banking from the viewpoint of customers include:

- Saving costs
- Saving time
- Accessing different channel for carrying out banking operations

4.5 E-Banking Advantages from Banks' Viewpoint

Generally, E-banking provides many advantages for the banks. According to the studies carried out by Data Monitor Institute, the advantage of E-banking are as the following:

- Focusing on new distribution channels
- Providing revised services for the customers
- Using E-commerce strategies

Table 1: Comparing Traditional Banking and E-Banking

Modern Banking (E-Banking)	Traditional Banking
<ul style="list-style-type: none"> - Unlimited banking based on location - Competition between brands - Providing wide range of services - Providing different services based on customers' orders and innovation - Multi-purpose banks equipped with electronic facilities - Focusing on the costs and growth in income - Gaining income from handling fees - Being 24/7 - The close inter-bank relationship - Due to the use of computers, the paper consumption and human resources decrease drastically. 	<ul style="list-style-type: none"> - Limited market - Competition between banks - Providing limited services - Providing service in a certain shape - Branch based services - Focusing on expenses - Gaining benefits from the profit margin - Providing services in the bank working hours - Lack of close and related inter-bank relationship - Due to having a structure based on paper, it requires human resources.

4.6 E-Banking Necessity

E-banking is necessary for the Iranian society due to the following reasons:

Depositing and withdrawing funds, checking personal budgets and through the Internet and paying bills and electronic purchase, paying bills faster, benefiting in economical transactions, paying bills with a lower cost, having enough knowledge, accessing financial services through the Internet, the volume of work in payments, etc. Hence, the banks and financial institutions develop their services in order to access wide range of trading resources. These resources include increasing the interest of the services, attracting new customers, improving the current customers' loyalty, creating a framework for the new

services in the future by creating new markets and increasing the fame and funds of the bank. The E-banking development approaches benefit from offensive and defensive strategies. The strategic argument for developing E-banking could be to preserve the status and fame of the bank, creating added value for the customers and bank, attracting more customers, meeting the needs of the current customers, competition, application, developing market and improving customers' loyalty. (Taheri, 2016)

4.7 E-Banking Levels

E-banking could be categorized into two levels based on the main domain and space of electronic transfer of the funds and information and communication technology.

[1] Consumer E-Banking (Customer's Level)

Consumer E-banking refers to that part of E-banking that is used by the real clients of the banks. In other words, it is that part of the bank that is used by the customers and ultimate consumers. This part of E-banking is based on tools such as ATMs and POSs and includes telephone bank, home-office banking and Internet bank.

[2] Inter-Bank E-Banking

Transferring funds between banks in various counties is carried out in different methods and one of these methods is using SWIFT. The banks that are a member of this network could electronically transfer funds between themselves regardless of the boundaries and in international level. SWIFT is usually used for international transfer of money between banks. In addition to SWIFT, advanced countries use their domestic systems to transfer funds between their banks. For instance, in the U.S., there is CHIPS, in the UK, there is CHAPS and in Malaysia there is RENTAS.

4.8 Customer's Role in Banking System

The customer in the banking system is different from the customer production and service providing companies and institutions. In production companies the customer is the purchaser of uses the product in their home or workplace or other places. In addition, in service providing companies, after providing services and receiving the fee, the relationship is over, while in banks, as a deposit-accepting and intermediate financial institution collect the surplus of the capital of the depositors and provide them to the consumers. However, what makes banks different from production and service providing companies is that the money that the banks provide the consumers with are in fact returned to the banks and the consumers are the suppliers of the banks in turns. (Qasemi, 2014)

4.9 Customer

In order to understand the importance of the customers and the necessity to keep them, the following should be considered:

1. The cost of attracting a new customer is 5 to 11 times more than an old customer.
2. Two percent in improving the customer requires 10 percent decrease in expenses; that is for a 2 percent increase in the number of customers, 10 percent should be added to the expenses.
3. The loss of losing a customer is equal to the loss of 100 other customers.
4. The customer satisfaction is the prerequisite of other successes for the company.

4.10 Customer Satisfaction

In any part of the industrialized world, which the competitive economy breaks the exclusive space, the customer-oriented attitude and gaining customer satisfaction, is considered as an important work rule and neglecting this rule leads to omission from the market. (Mas'udi, 2015)

Considering the literature related to the subject of the research, there are two approaches towards satisfaction:

The first concept believes that satisfaction is a state that is reached after consuming a product or using services by the customer.

The second concept is defined as the process in which the customer understands and assesses the consumption service use experience.

4.11 Loyalty Concept Explanation

The concept of loyalty in customers and creating loyal customers in the business framework is trying to create

commitment in the customer for carrying out trades with a certain company and purchasing products and services repeatedly. If loyalty is considered as one of control and management indices, defining and categorizing various types of interaction with the customers who are considered loyal, is vital and provides a basis for the meeting the needs of the customers. (Elahi and Heydari, 2013)

4.12 Advantages of Customers' Loyalty

Loyal customers have advantages which lead to profitability of the companies. Marketing experts have counted many advantages for the customers' loyalty and among them, the following are the most significant ones:

1. Decrease in new customers attraction
2. Paying higher expenses by the loyal customers for the product
3. Benefits from the value of customer longevity
4. Positive performance through increasing the predictability power

Psychological factors include an analytic factor in decision-making process that takes place in the mind. In this definition, the main emphasis is on the word "adaptation". In the relationships between the purchaser and the seller, adaptation includes the explicit and implicit commitments of the two sides of the deal for the exchange in order to reach a good loyalty of the bank customers. The approach is to reach an adaptation in the relationships between the customer and organization and create a good satisfaction in the customers through creating what is value for them. (Aqasipur, 2012)

5. Review of Literature

a. Domestic Studies

Row	Authors	Year	Title	Research Results
1	Dehdash ti and Kurarui	2009	Influential Factors in Accepting E-Banking among the Customers of Ayandeh Bank	All six factors have a positive impact on acceptance of E-banking among the customers of Ayandeh Bank E-banking services. These factors are prioritized based on the ranking mean. The security and privacy of the data in E-banking, interest and benefit of the services, ease of use, quality of Internet communication and ultimately the joy of using them.
2	Iranzade et al.	2009	Influential Factors on the Commitment of E-Banking Customers	It shows the positive relationship between variables of common value and trust, communications and trust, communications and customer attraction, opportunistic behavior and trust and commitment and also attraction and commitment.
3	Taeqani and Samui	2009	Assessing the Impacts of Implementing Customer Appreciation Plan on Bank Customers' Loyalty	The results suggest that there is a significant difference between at least two components of customer appreciation project from the customers' viewpoint. Also, there is no significant relationship between two moderator variables of account type and education level.

b. International Studies

Row	Authors	Year	Title	Research Results
1	Floh and Treiblmaier	2006	What Makes Customers Be Loyal to E-Banking?	The results show that the quality of the website can directly and indirectly impact the satisfaction and trust of the customers. Trust and satisfaction could be considered as the background in loyalty.
2	Padachi et al.	2007	Analysis of Influential Factors on Accepting E-Banking in Morris	
3	Seok Lee	2010	Factors Influencing Customers' Loyalty in R-Banking by Cellphone	The results suggest that in addition to the perceived value and customer satisfaction, which are important in customer satisfaction, the quality of banking services has a higher importance.

6. Research Findings

In order to test the variables to be normal, Kolmogorov-Smirnov test was used. The test results for each of the variables is as the following:

Table 2. Kolmogorov- Smirnov Test Results

Aspect	Significance Level*
Services Quality	0/067
Received Values	0/127
Customer's Loyalty	0/552

* Error Level 0.05

As it could be observed in Table 2, at the error level of 0.05, the variables of the research are higher than 0.05 which shows that they follow a normal distribution. (0.05 < significance level). Hence, parametric tests and Pearson correlation coefficient could be used for inferential statistics.

Testing Hypothesis 1

There is a significant relationship between the quality of E-services on the websites and customers' loyalty.

H0: There is no significant relationship between the quality of E-services on the websites and customers' loyalty.

H1: There is a significant relationship between the quality of E-services on the websites and customers' loyalty.

Table 3: Correlation Coefficient of E-Services Quality on the Websites and Customers' Loyalty

Variables	Test Type	Number of Sample	Significance Level	Correlation Coefficient	Test Result
Perceived Value on the Websites Customers' Loyalty	Pearson	400	0/000	0/204	Approved

In order to test this hypothesis, due to the variables being normal, Pearson correlation coefficient is used. As it could be observed, at 0.01, the significance level is lower than 0.01. Hence, H0 is rejected and H1 is approved. Hence, there is a significant relationship between the quality of the

E-services provided on the websites and customers' loyalty (sig. level < 0.01) and the intensity of this relationship is equal to 0.222 which shows that there is a direct relationship between the quality of E-services on the websites and customers' loyalty.

Testing Hypothesis 2

There is a significant relationship between the perceived value on the websites and customers' loyalty.

H0: There is no significant relationship between the perceived value on the websites and customers' loyalty.

H1: There is a significant relationship between the perceived value on the websites and customers' loyalty.

Table 4: Correlation Coefficient of Perceived Value on the Websites and Customers' Loyalty

Variables	Test Type	Number of Sample	Significance Level	Correlation Coefficient	Test Result
Perceived Value on the Websites Customers' Loyalty	Pearson	400	0/000	0/204	Approved

In order to test this hypothesis, due to the variables being normal, Pearson correlation coefficient is used. As it could be observed, at 0.01, the significance level is lower than 0.01. Hence, H0 is rejected and H1 is approved. Hence, there is a significant relationship between the perceived value provided on the websites and customers' loyalty (sig. level < 0.01) and the intensity of this relationship is equal to 0.222 which shows that there is a direct relationship between the perceived value on the websites and customers' loyalty.

7. Conclusion

The results from testing hypothesis 1 is in accordance with the results from Moqadam and Lahiji (2012), Hamidzade, and Qamkhari (2009).

The results from testing hypothesis 2 is in accordance with the results from Titko and Lace (2010), Seok Lee (2009).

8. Recommendations

The suggestions in this research, considering the considered results and objectives are as the following:

- The communication with the customers should be improved.
- The security in the software systems should be increased.
- The banking services should be provided so well that the customers are satisfied.
- The promises made to the customers should be met.
- The mistakes in providing banking services should be prevented.
- The new services provided by the banks should be promoted.
- New services should be provided to the customers.
- A long-term plan should be created to attract customers.

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