THE STUDY OF CUSTOMER SATISFACTION AND CONFLICT MANAGEMENT RELATIONSHIP WITH CUSTOMER LOYALTY CASE STUDY: BANK TOSE’E SADERAT (EDBI (EXPORT DEVELOPMENT BANK OF IRAN)) OF TEHRAN

*Nasrin Fereydouni Valashejerdi1, Morteza Ghasemi2 and Reza Najjari3
1Department of Management, Khomein Branch, Islamic Azad University, Khomein, Iran
2Department of Management, Arak Branch, Islamic Azad University, Arak, Iran
3Department of Public Administration, Payame Noor University, Tehran, Iran
*Author for Correspondence

ABSTRACT
The goal of this research is to study the relationship of customer satisfaction and conflict management with customer loyalty on the basis of the structural equations in Bank Tose’e Saderat of Tehran. According to the objective, the research method is applied and according to data collection is descriptive and co relational analysis and particularly it is based on the structural equations by using Amos software. The statistical population consisted of 640 customers of Bank Tose’e Saderat of Tehran, sampling was done using simple random sampling method, and the sample consisted of 246 individuals. A standard questionnaire was used for collecting data that it's graphic validity and it's contents were verified by five university professors. The overall validity of the questionnaire was 0.872. The findings of this research represent the correlation coefficient between customer satisfaction and customer loyalty (0.71), and finally the regression coefficient of conflict management with customer loyalty was 0.49. In the studied model, the suitable indicator is RMSEA=0.040, NFI=0.911 and CFI= 0.978 amount of indicators show the value of the model.

Keywords: Customer Satisfaction, Customer Loyalty, Conflict Management, Trust, Cooperation

INTRODUCTION
With the rapid increasing of trade competition and the powerful trend of globalization, the role of a consumer has transformed from a mere customer to a multidimensional role including consumer, co-producer, co-creator of value, and co-developer of knowledge and competences which demonstrates the important position of the consumer (Ndubisi, 2007). Customer service is the most ancient and the latest issue for institutions. Since the emergence of the competition, the most successful early merchants had to explore new ways for offering the markets something that is distinctive and special. Today, no institution can survive without attracting and keeping wise and sharp-eyed customers. In the world of competition, those institutes are successful that have recognized the customers are the greatest capital of institutions. The customer pays all our wages and salaries and in any business your main concern must be the customer, because the customer goes where that most attention is paid to her/his needs (Hopson et al., 1381). Also, on its evolutionary path, marketing is at a stage in which the marketing experts do not think just about finding new consumers; today the goal of marketing is demand management through leading the consumer towards maturity on the ladder of loyalty to the institution. Today, satisfying the consumer is no longer sufficient and companies and banks must not be satisfied with the customer satisfaction, they should be sure their satisfied customers are also loyal customers. In this paradigm, the goal is establishing long-term and mutual relationships with beneficiary groups and most importantly to keep the customers in a way that more customers remain and fewer lost. Thus, in long-term, the benefits as the result of the establishment’s share of the market increases and the company’s profitability is enhanced (Salary, 1382). Those satisfied customers who are still faithful continue buying and encourage other people to buy from the company (Taleqani, and Samouee, 1388).

Iranian banks should gradually recognize the necessity of paying attention to customers and move towards understanding and servicing their needs and demands as well and to keep customers loyal. Also,
with the increase of customer choice due to the existence of numerous banks that are active in this industry including state and private, the identification of the factors affecting on consumer's loyalty in these banks are necessary, important, and unavoidable. Therefore, the main question of this study is whether there is a relationship between customer satisfaction and conflict management with customer loyalty.

History and Literature
In a research entitled "Understanding the customer satisfaction and loyalty" (experimental study on the mobile phone instant massages in China), Zhaohua et al., (2012) examined the factors effecting customer satisfaction and loyalty. Their findings confirm that trust, understanding the quality of services, perceived value by the client (including functional and emotional values), and replacement cost directly increases the loyalty of the consumers. Shaw-ching (2012) in a research entitled "the relationship between customer satisfaction and loyalty in a collection of electronic services activities" concluded that satisfaction has a significant and positive relation with loyalty if there is a mediator variable. In 2001, a research was conducted in Germany by Homburg & Giering, titled “study of the personal characteristics as mediator variants in the relationship between customer satisfaction and loyalty.” This research is based on the hypothesis that satisfaction with the product, process of sale, and the after sale services positively affects customer loyalty, also variants such as level commitment to the product and gender have mediatory role in this relationship; and finally, they concluded that all the considered variants have positive effects on customer loyalty and the gender and level commitment variants have mediatory role.

Customer Satisfaction
Today, organizations that provide goods or services consider the level of customer satisfaction as an important standard for measuring the quality of their business, a trend which is increasing. The importance of the customer and to satisfy the customer is issues which can be traced back to competition on global scale. The customer satisfaction is an accumulated experience of purchase and consumption by commercial customer.
Customer satisfaction which is influenced by factors of expectations and the performance of the services was experienced (Yi, 1989). It is the feeling experienced by customer as the result of meeting his needs or adding to his expectations.
Customer dissatisfaction is a condition in which one of the factors causing dissatisfaction sufficiently influences his or her understanding of the quality of the purchased goods or services (Biggs & Swailes, 2006).

Customer Loyalty
Loyalty is referred to a strong commitment to repurchase a specific top product or service in the future, in a manner that despite the influences and the potential marketing attempts of the competitors, the same brand or product is repurchased (Carolyn and Karen, 2002).
Richradm and Oliviera define loyalty as “maintaining a deep commitment to consistent repurchasing of a product or service in the future in spite of the situational influences and the marketing attempts which can potentially result in an alteration in the behavior of the customer (Richradm and Oliviera, 1999).
To provide a definition for customer royalty, it can be said that customer loyalty is accompanied by the following three elements:
1) The behavioral element of the customer which is the repetition of act of purchasing;
2) The attitude element which is the customer’s commitment and trust;
3) The element of availability which is followed by the multitude of options and carrying out the purchase (Kahrizi, 1390).

Reliability
The ability of the establishment in providing the services in a proper and timely fashion (Hosseini et al., 1389). Also, Mormon et al. define reliability as “the tendency to rely on the trustworthy trade partner (Moorman et al., 1993).
Cooperation
Cooperation is defined as a motivational state of the individual’s mind regarding an object or the behavioral influences resulted from the resources in achieving the relevant goal (Olsen, 2006). A highly cooperative and optimistic customer is expected to satisfy easily (Priester, 2004). Highly cooperative customers are less prone to change their views and therefore are more likely to maintain their satisfaction (Priester, 2004).

Conflict Management
Appreciation and management of conflicts in a sensible, just, and practical way. Conflict can be resolved by employing skills such as effective communication, problem solving, negotiation, and management. Our ability in negotiating and managing a conflict can affect its results. Before opening a negotiation about a conflict, we should identify, analyze, and investigate the causes of the conflict. After identifying the conflict and its roots, the key point in conflict management is to choose the right approach (Robins, 1997 1989). Conflict management is the process of planning to avoid conflict where possible, and organizing a solution where it occurs (Davis et al., 1989).

The Theoretical Framework
Much research on customer satisfaction and loyalty is carried out that shows the relationship between these two variants (Shu-Ching, 2012) and also, there are some research on the effect of conflict management on loyalty (Zhaohua et al., 2010) as mentioned in the literature and history section. Yet, based on the findings, in none of these researches the simultaneous effect of these two variants on loyalty has been studied.

The Hypothesis of the Research
Primary Hypothesis
There is a positive and meaningful relationship between customer satisfaction and conflict management with customer loyalty in Bank Tose’e Saderat of Tehran.

Secondary Hypothesis
1. There is a positive and meaningful relationship between customer satisfaction and cooperation in Bank Tose’e Saderat of Tehran.
2. There is a positive and meaningful relationship between customer satisfaction and trust in Bank Tose’e Saderat of Tehran.
3. There is a positive and meaningful relationship between cooperation and loyalty in Bank Tose’e Saderat of Tehran.
4. There is a positive and meaningful relationship between trust and loyalty in Bank Tose’e Saderat of Tehran.
5. There is a positive and meaningful relationship between conflict management and loyalty in Bank Tose’e Saderat of Tehran.

MATERIALS AND METHODS

Methodology and Means of Data Collection

Based on the goal, this is an applied research and regarding the means of data collection it can be classified as descriptive survey. The statistical population of this research was 640 customers of the Bank Tose’e Saderat of Tehran. In order to define the volume of the sample, based on simple sampling, the Cochran’s equation was used as follows:

\[ n = \frac{Nz^2pq}{Nd^2 + z^2pq} \]

\[ \Rightarrow n = \frac{0 \times 3/84 \times 0/5 \times 0/5}{640 \times 0.0025 + 3/84 \times 0/5 \times 0/5} = 240 \]

Table 4-5: The Kolmogorov-Smirnov test results to examine the normal distribution of data

<table>
<thead>
<tr>
<th>Variant</th>
<th>Quantity</th>
<th>Average</th>
<th>Deviation from standard</th>
<th>Value of the Z statistic</th>
<th>Level of significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction</td>
<td>246</td>
<td>3.17</td>
<td>0.600</td>
<td>0.696</td>
<td>0.718</td>
</tr>
<tr>
<td>Cooperation</td>
<td>246</td>
<td>2.77</td>
<td>0.765</td>
<td>1.184</td>
<td>0.121</td>
</tr>
<tr>
<td>Trust</td>
<td>246</td>
<td>3.53</td>
<td>0.564</td>
<td>1.138</td>
<td>0.150</td>
</tr>
<tr>
<td>Conflict management</td>
<td>246</td>
<td>3.02</td>
<td>0.708</td>
<td>0.825</td>
<td>0.503</td>
</tr>
<tr>
<td>Loyalty</td>
<td>246</td>
<td>3.35</td>
<td>0.671</td>
<td>1.016</td>
<td>0.253</td>
</tr>
</tbody>
</table>

The results from analyzing the data suggest that all of the research variants are distributed in a normal fashion; therefore, to examine the hypothesis of the research we used the Pearson correlation coefficient.

Correlation between Independent and Dependent Variants

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Text of the research hypothesis</th>
<th>Sig</th>
<th>Correlation coefficient</th>
<th>Test result</th>
</tr>
</thead>
<tbody>
<tr>
<td>First secondary</td>
<td>There is a positive and meaningful relationship between satisfaction and trust in Bank Tose’e</td>
<td>0.009</td>
<td>0.253</td>
<td>Verified</td>
</tr>
<tr>
<td></td>
<td>Saderat of Tehran District</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Second secondary</td>
<td>There is a positive and meaningful relationship between satisfaction and cooperation in Bank</td>
<td>0.001</td>
<td>0.410</td>
<td>Verified</td>
</tr>
<tr>
<td></td>
<td>Tose’e Saderat of Tehran District</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third secondary</td>
<td>There is a positive and meaningful relationship between cooperation and loyalty in Bank Tose’e</td>
<td>0.001</td>
<td>0.339</td>
<td>Verified</td>
</tr>
<tr>
<td></td>
<td>Saderat of Tehran District</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fourth secondary</td>
<td>There is a positive and meaningful relationship between trust and loyalty in Bank Tose’e</td>
<td>0.001</td>
<td>0.497</td>
<td>Verified</td>
</tr>
<tr>
<td></td>
<td>Saderat of Tehran District</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fifth secondary</td>
<td>There is a positive and meaningful relationship between Conflict management and loyalty in Bank</td>
<td>0.001</td>
<td>0.509</td>
<td>Verified</td>
</tr>
<tr>
<td></td>
<td>Tose’e Saderat of Tehran District</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sixth secondary</td>
<td>There is a positive and meaningful relationship between satisfaction and loyalty in Bank Tose’e</td>
<td>0.000</td>
<td>0.728</td>
<td>Verified</td>
</tr>
<tr>
<td></td>
<td>Saderat of Tehran District</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In order to collect data, the validity of the questionnaire has been verified by five professors, and in order to measure the consistency, the Cronbach’s Alpha was used. The overall consistency of the questionnaire was 0.872.

**Data Analysis**

**Normality**

In order to examine the normality of the distribution of the variants the Kolmogorov-Smirnov test was used. The assumption of zero in this test is the normality of the distribution of the variants. If the level significance in the test is less than 0.05, then the assumption of zero is invalidate and we will conclude that the distribution of the variant is not normal.

**Structural Model of the Research (Study of the Main Research Model)**

In the following sections the model of structural equations in the standard estimation mode will be discussed. In order to compare different models with similar data and also in order to select the most suitable of those autonomy can be used. As a method based on resampling and replacement of study sample (a sample which is assumed to represent a population), autonomization can assist to have more accurate estimation of the related parameters and standard errors.

**Indexes of the Value of the Structural Equations Model**

<table>
<thead>
<tr>
<th>Index title</th>
<th>Result</th>
<th>Amount</th>
<th>Index title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kai quadrate</td>
<td>Model verification</td>
<td>1.290</td>
<td></td>
</tr>
<tr>
<td>Root mean square error of approximation</td>
<td>Acceptable</td>
<td>RMSEA 0.05</td>
<td>RMSEA</td>
</tr>
<tr>
<td>Root mean square residual</td>
<td>Model verification</td>
<td>1.258</td>
<td>RMR</td>
</tr>
<tr>
<td>Fairness of the value</td>
<td>Model verification</td>
<td>GFI &gt; 0.9</td>
<td>GFI</td>
</tr>
<tr>
<td>Fairness index on amended value</td>
<td>Model verification</td>
<td>AGFI &gt; 0.85</td>
<td>AGFI</td>
</tr>
<tr>
<td>Index on the normed value (Bentler and Bonett’s )</td>
<td>Model verification</td>
<td>NFI &gt; 0.90</td>
<td>NFI</td>
</tr>
<tr>
<td>Comparative value index</td>
<td>Model verification</td>
<td>CFI &gt; 0.90</td>
<td>CFI</td>
</tr>
<tr>
<td>Incremental value index</td>
<td>Model verification</td>
<td>IFI &gt; 0.90</td>
<td>IFI</td>
</tr>
</tbody>
</table>

**RESULTS AND DISCUSSION**

In this research, in order to achieve the research model, the structural equations model finding method was used which is based on the causal relationship between variants. Therefore, in order to apply the
Research Article

structural equations model finding method, first it was necessary to determine the variants that shape the model, so we began to identify the structures related to the variants. The results showed that all the variants with active capacity were convergent. In order to evaluate the designed research model, the Amos software was used. In order to examine how well a model performs, especially in comparison with other possible models and in terms of collective explanation of the observed data, the values of suitability program, suitability index increased adaptive suitability index, the square root of the estimated variance of the approximation error, suitability indicators, adjusted fairness of value index, chi-square, root mean square residual were used. The standard values of these indexes showed more adequate value of the designed model in comparison with other possible models. Values of IFI, CFI, NFI, and GFI are close to 1 or in other words, the research data comply with the conceptual model and this is due to the fact that the final model is a complete model and all the existing relations were considered in it. All the indexes of the value of the final model show that the model is completely acceptable. In the output model, the Amos software in explaining the structural models resulted from satisfaction on customer loyalty had an effect with active capacity of 0.71, in standard approximation mode and from the statistical point of view, conflict management on customer loyalty had significant effect of 0.49. Finally, it can be said that the model of the present research claims that the customer satisfaction and conflict management affect the loyalty of the bank customers through trust and cooperation variants.

- Based on the findings and theoretical titles, the Bank Tose's Saderat should accept the general process of conflict control which leads to the loyalty of the bank customers. It is suggested that managers of the Bank Tose’s Saderat should pay more attention to the findings and take them into account:
- Considering the examination of the primary hypothesis, the effect of conflict management and customer satisfaction on bank customers’ loyalty was confirmed on the basis of the active analysis to increase customer loyalty. It is suggested that the account opening procedure should be facilitated and the customer should be acquainted with the banking laws and procedures through brochures, banks website, information booths, and other means.
- With regard to the importance of the role of loyalty in financial organizations and institutions and banks, such establishments should pay more attention to this subject.
- With regard to the results of this research and the role of customer satisfaction in creating customer loyalty, managers and marketing experts must put their effort in customer satisfaction, so that they can maintain customer loyalty.

REFERENCES


