

The Effect of Social Responsibility, Quality of Service and Common Identity on the Organization-Customer Satisfaction and Customer Loyalty in the Branches of the Melli Bank in Tehran

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Abstract: Corporate Social Responsibility (CSR) study is the issues that have been studied in recent decades and of high strategic importance. The main motivation of corporate social responsibility is significant potential benefits that companies can achieve because corporate social responsibility programs have a significant impact on related issues such as customer satisfaction and loyalty, this study aimed to investigate the influence of social responsibility, quality of service and common identity on the organization-customer satisfaction and customer loyalty. This study is applied and the method of data collection is descriptive and correlational. Sample of this study are clients of Tehran Branch of the Melli Bank which each randomly selected sample of 384 questionnaires collected data and hypotheses were examined using structural equation model and LISREL software. Findings showed that the corporate social responsibility of the customer organization on shared identity and quality of service and customer satisfaction a significant positive effect on the organization of joint identity of the customer, customer satisfaction and loyalty significant positive effect on customer loyalty and common identity of the customer organization has a positive effect and has a significant positive effect on customer loyalty and satisfaction. Well as the impact CSR and impact on customer loyalty and customer satisfaction is significant not shared identity of the customer organization.

Key words: Social responsibility, quality of service and the common identity of the organization-customer, loyalty, organization, identity

INTRODUCTION

Institutions and organizations today have found that customer satisfaction is not enough to keep them in the company and cannot be satisfied to customer satisfaction, they should ensure that their customers are satisfied, they will be loyal. In fact, they need to maintain a competitive advantage to more than customer satisfaction, something that even if competitors' services at the same level or slightly higher than they provide to the organization, the customer can ask the company to maintain.

So now a days, service companies such as banks, do utmost to apply to convert satisfied customers into loyal customers. Usually, like traditional business organizations and state-owned banks, the new method does not take into account clients lose over time. A study on the subject showed that 62% of organizations fail, effective customer loyalty have not seen the quality of service that reflects the performance of the business center, often directly or through other structures as well as they are a major determinant of loyalty.

As a point of strategic importance for many companies is the study of CSR is one of the issues that have been studied in recent decades. In a broader sense, corporate social responsibility could be

attributed to the company's activities in relation to the requirements for defined stakeholders and society (Sen and Bhattacharya, 2001).

CSR programs have a significant impact on related issues with customers. As a result, the importance of CSR, in practice, many researchers has examined the potential effects of CSR on consumer behavior and their reactions such as customer satisfaction or customer loyalty.

Despite the importance of CSR as one of the most important structures in the academic world and the pressures on companies to establish guidelines in this area exists, conflicting results of some studies show that CSR is an important criterion in purchasing behavior that requires more study in the future (Marin *et al.*, 2009; Marin and Ruiz, 2007).

Researches that support of this view suggest that traditional criteria such as price, quality and brand familiarity are still the most important selection criteria. Recognizing the important role that quality plays in the area of services, the study combined two distinct views and work together CSR and customer service quality on related issues such as the common identity organization-customer, customer satisfaction and loyalty with its review.

In addition, the role of mediator common identity organization-customer by pointing to the fact, the customer psychological attachment to a company can increase its impact as a strategic tool for CSR and service quality on customer satisfaction and customer loyalty are assessed. Since, the service sector including banks in the country, so far this survey has not been done; the need for this research was formed.

With regard to the above, our study seeks to answer this question that how much is the relationship between social responsibility, quality of service and customer satisfaction, customer loyalty Subscriber Identity organizations in branches of the Melli Bank in Tehran?

Theoretical background

Corporate social responsibility: CSR is one of the oldest areas in any business and the subject attractive and useful for academics and researchers are gone. However, despite its importance and thousands of studies in this area, there is no accepted definition of CSR structure. Theoretical perspectives and definitions are used to describe the phenomenon of CSR.

Among these views, most defined is by Carroll which defines CSR as structural economic expectations, legal, ethical and precautions which a society at a given time of one organization. Carroll claims in the definition of the responsibilities that are expected of an organization, not only for the company itself but on a larger scale for the community (Green and Peloza, 2011).

A review of the literature shows that there are variable dimensions of CSR. The traditional classification by size Carroll is provided so that the four main species responsible for outlines which includes economic, ethical, legal and human friends. In other words, a company is socially responsible, must try to be profitable, to comply with laws, moral and good corporate citizenship. Even if there are other dimensions that are provided by other researchers, these dimensions are associated with some aspects of the proposed Carroll.

For example, Lantos (2002) two asserts that CSR has three dimensions and include ethical, strategic and friendly. Both moral and altruistic moral and humanitarian dimensions Carroll overlap. Only after that the company's strategic social responsibility related to the recent research literature. Strategic social responsibility suggests that activities related to CSR to improve the image of the company and the potential increase motivation and loyalty among different groups of stakeholders including shareholders, employees and consumers.

So, now a days more companies seek to embrace their social responsibility as an important strategic objective (Lantos, 2002; Vaaland *et al.*, 2008).

Probably an issue that is widely used in the field of social responsibility strategic examined the relationship between CSR activities and financial performance of the company. This relationship has been a lot of study; however, empirical evidence has been mixed. While the impact of CSR on the financial performance was positive in many studies, in some studies, this effect is negative (Orlitzky *et al.*, 2003).

Most recently with regard to CSR as a business strategy and a source of competitive advantage, corporate CSR impacts on the other interest groups, employees and customers (in particular).

In this context, some researchers have been studying the issue of whether the activities of CSR, organizational effectiveness through improved job satisfaction or organizational trust increases while other studies have examined the effect of CSR related outcomes such as customer satisfaction and customer loyalty (Salmones *et al.*, 2005; Stanaland *et al.*, 2011).

In the literature on the relationship between CSR and customer satisfaction based on a variety of current research is explained. Referring to the notion of stakeholder theory, some researchers believe that the potential beneficiaries of the company's customers are not only taking care of their economic value but issues such as corporate social performance as well.

In addition, given that the perceived value and customer knowledge are considered as determinants of customer satisfaction, it is not surprising that CSR activities through the creation of added value for the company and improve customer knowledge, improve customer satisfaction. Customers are likely to receive services and products are provided by companies that have accepted its social responsibility, the more satisfied. These researchers examined the fortune 500 companies. These researchers found not only a direct relationship between CSR and customer satisfaction shows but customer satisfaction is also quite the relationship between CSR and the company's market value is adjusted (Fornell *et al.*, 1996; Jayachandran *et al.*, 2005).

Quality of service: During the past two decades, theory and experience quality service attracted a lot of attention from academics and researchers.

As a means to achieve competitive advantage among service providers, quality of service reflects the difference between customers' expectations and their perceptions of how a service is service. Evaluation quality of service based on SERVQUAL Model proposed

by Parasuraman *et al.* (1988). Based on the model expectations of disapproval, this model consists of 22 questions with 5 obvious factors, reliability, responsiveness, reliability and empathy is widely used in various industries and with the changes.

One of the key research areas of quality of services is the relationship between quality of service and customer satisfaction. Even though, some scholars argue that the consent of one of the determining factors is the perceived quality of service, others had violated the claim and believe that quality of service is one of the determinants of satisfaction (Daholbkar *et al.*, 1996).

Subscriber identity organization-customer: According to social identity theory predicts that customer interactions are stronger, more susceptible to engaging in related activities are not surprisingly, positive impact on customer satisfaction and customer loyalty is customer interactions (He and Li, 2011). Many studies on the situation supported a positive impact on customer loyalty interactions.

For example, Lichtenstein *et al.* (2004), when a company is socially responsible, this makes for a more engaging customer interactions and support customers with their identification with the company and this identification is usually in the form of sustainable and long-term to be the preferred. This finding by Bhattacharya and Sen was confirmed and stated that one of the main outcomes of interactions between customer loyalties (Marin and Ruiz, 2007).

Customer satisfaction, customer loyalty: Many studies have been conducted in the marketing literature in the field of satisfaction that there is a positive relationship between customer satisfaction and customer loyalty. So, as He and Li (2011) suggest, it may be expected that the effect of CSR, quality of service and customer interactions based on customer loyalty, may indirectly through customer satisfaction (Russell-Bennett *et al.*, 2007; Suh and Yi, 2006) (Fig. 1). According to the above theoretical arguments can be presented hypotheses, models and conceptual framework as follows:

- H₁: There is significant relationship between corporate social responsibility and organization-client and shared identity
- H₂: There is a significant relationship between corporate social responsibility and customer satisfaction
- H₃: There is a significant relationship between corporate social responsibility and customer loyalty

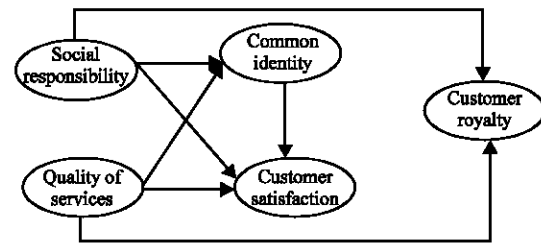


Fig. 1: Research conceptual model

- H₄: There is a significant relationship between the quality of services and a common identity organization-customer
- H₅: There is a significant relationship between service quality and customer satisfaction
- H₆: There is a significant relationship between the common identity of the client and customer satisfaction
- H₇: There is a significant relationship between the common identity of the client and customer loyalty
- H₈: There is a significant relationship between customer satisfaction and customer loyalty
- H₉: There is a significant relationship between service quality and customer loyalty

MATERIALS AND METHODS

This research is descriptive research and applied research is considered to correlation. In terms of time is cross-sectional, in terms of the spatial limited to Tehran and in terms of quantitative data. The research instrument was a questionnaire that was distributed in person and to determine its validity, the experts have been used. To determine the reliability of the questionnaire, the Cronbach's Alpha was used. Statistical society of this study were all customers of national banks in Tehran, according to this description, the time of the research, >10,000 people were estimated population.

According to population-based tables of Krejcie Morgan, 384 were selected. Statistical sample, randomly selected from among those mentioned above is used. Data collected by questionnaire and the collected of the students in person. In order to evaluate the reliability of the questionnaire, the Cronbach Alpha coefficient was used that results showed that the questionnaire has high reliability, so that the reliability of the questionnaire was 0.91. Table 1 shows reliability study a breakdown of variables and dimensions.

Face and content validity of the questionnaire, using experts and validity of the measurement model using confirmatory factor analysis was used. In confirmatory factor analysis, researchers are looking to apply whether the research questions, the variables are measured. Factor analysis was conducted, provided in Table 1.

Table 1: The reliability coefficients of the variables, standardized coefficients and a significant number of research questions

Variables	Questions	Standard coefficient	Significant numbers	Resources	Cronbach Alpha
Common identity (customer-organization)	1	0.33	3.22	Arikan and Guner (2013)	0.78
	2	0.89	7.87		
	3	0.47	4.53		
Social responsibility	4	0.42	3.92	Arikan and Guner (2013)	0.84
	5	0.26	2.39		
	6	0.78	7.55		
Quality of services	7	0.75	8.62	Arikan and Guner (2013)	0.75
	8	0.98	12.22		
	9	0.64	7.09		
Customer satisfaction	10	0.46	4.41	Arikan and Guner (2013)	0.81
	11	0.42	4.11		
	12	0.68	7.60		
Customer royalty	13	0.79	9.17	Arikan and Guner (2013)	0.73
	14	0.93	11.20		
	15	0.75	8.71		
	16	0.75	8.63		
	17	0.79	5.15		
	18	0.72	8.27		
	19	0.71	8.12		

Table 2: Demographic characteristics the sample population

Name of demographic variable	Level	Abundance (%)
Gender	Man	57.1
	Woman	42.9
Education	Lower diploma	2.8
	Diploma	13.2
	Associate degree	4.8
	BA	35.0
	MA	40.6
Age	Lower 20 years old	31.0
	20-29 years old	47.5
	30-39 years old	15.5
	>40 years old	6.0

Table 3: Indicators and measures of a structural equation model

χ^2/df	GFI	IFI	NFI	CFI	RMSEA
2.99	0.87	0.94	0.92	0.92	0.073

Table 4: Path coefficients model structures dependent on structures

From structure	To structure	Standard parameter	t value	Result of test
Social responsibility	Common identity of organization-customer	0.61	8.98	Approved
Social responsibility	Customer satisfaction	0.58	6.45	Approved
Social responsibility	Customer royalty	0.09	0.65	Rejected
Quality of services	Common identity of organization-customer	0.22	2.96	Approved
Quality of services	Customer satisfaction	0.32	4.93	Approved
Common identity of organization-customer	Customer satisfaction	-0.11	-1.28	Rejected
Common identity of organization-customer	Customer royalty	0.21	2.27	Approved
Customer satisfaction	Customer royalty	0.92	6.15	Approved
Quality of services	Customer royalty	0.23	2.50	Approved

RESULTS AND DISCUSSION

To analyze data and test hypotheses, descriptive statistics for the analysis of public examination (demographics) and inferential statistics, structural equation modeling was used in the software used, SPSS and LISREL. The results of analysis will be expressed later in two parts. In the first part, information about the characteristics of statistical sample is provided (Table 2).

In the second part, hypotheses will be answered. Analysis and structural equation modeling to test the

hypotheses used a comprehensive approach in the field of latent variables and observed. In this way, one of the most important steps is to evaluate the fit of the model. The model is designed given how good and true. The results are shown in Table 3 structural model. Also in Fig. 2. Structural model study are significant in number.

As is clear from Table 3, expected in the range of other indicators are favorable. Therefore, in total structural model fit is appropriate. With confidence in the model, by using path analysis to test hypotheses based on the results in Table 4. To assess this hypothesis, the t-statistic is used coefficient and path. If the t-statistic

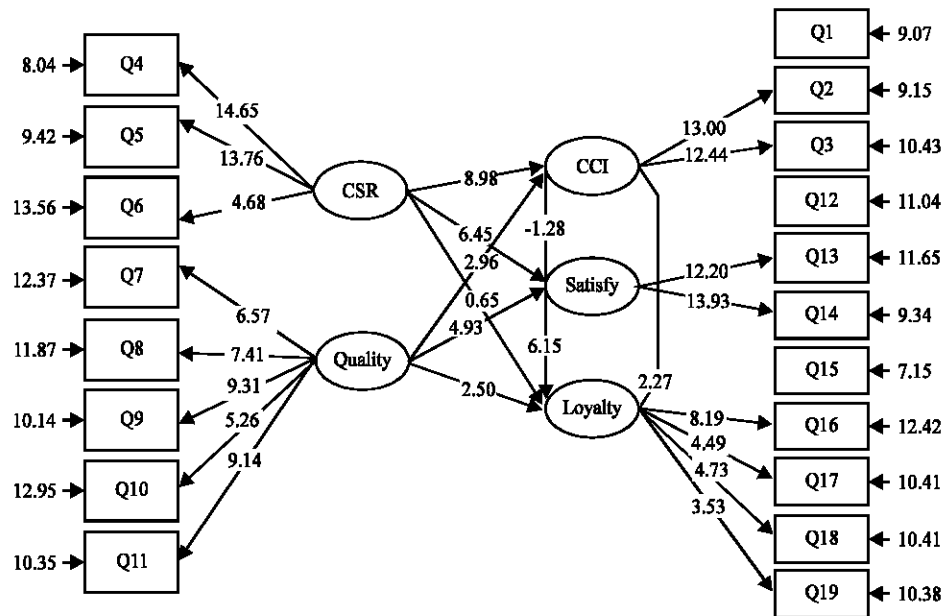


Fig. 2: Structural model in significant coefficients: $\chi^2 = 424.86$; $df = 142$; $p = 0.00000$; $RMSEA = 0.073$

outside the range of 1.96 to -1.96, i.e., the hypothesis is confirmed at 95% and if outside the range of 1.96 to -1.96, i.e., at the level of 99% is approved.

CONCLUSION

The results show that CSR to the common identity of the customer organization and customer satisfaction has a significant positive effect with studies Arikan and Gunar (2013) is consistent. Hence, it can be suggested that banks consider the issue of social responsibility and community issues are bound to observe, in terms of customers, banks with higher quality of service perception and make the client feel satisfied and have more loyalty because customers feel that the bank in question, does not respect women and to public finance and social welfare is also important.

Voluntary participation of banks in solving the problems of society, for example in the event of natural disasters such as flood, earthquake, etc. can have a more positive image of the organization in the minds of customers and have a positive effect on customer satisfaction and loyalty. The results show that service quality and customer satisfaction and customer loyalty to the common identity of the customer organization has a significant positive effect, not only in impact of service quality on customer loyalty with Arikan and Gunar (2013) is consistent.

SUGGESTIONS

To enhance customer perceived quality of the banking services it is recommended that the following measures be taken.

Responsiveness to customers from the time that women have to wait for a response, defined. It is recommended that the bank manager on the accuracy and prompt in responding to requests, questions, complaints and customer issues given more emphasis.

Bank officials to the importance of accuracy and attention to individual customers and individual consumers to spend. Customers want to feel that they are important in the view of this, the bank offers a service tailored to their personality.

Banks when providing services to their customers, they promise to do it correctly and accurately, the fulfillment of this promise by banks to customers in an atmosphere based on trust and confidence between the Bank and the customer.

RECOMMENDATIONS

The results show that customer satisfaction has a significant positive effect on customer loyalty by Arikan and Gunar (2013) studies are consistent. Therefore, following strategies are recommended: continuous measurement of needs and expectations of customers in order to develop quality standards based on the needs and expectations of our customers and to strengthen

diagnosis and decision-making, directors and managers of banks should try to gather information through formal and non-formal, aware of the needs and expectations of customers. Demands more attention to the views of customers, by creating and strengthening channels for collecting, classifying and analyzing these comments and finally apply the results in order of importance and power of the organization in its application to the banks are priorities.

Promoting the knowledge, skills and abilities of employees in order to reduce customer dissatisfaction: bank employees play an important role in providing quality services, in accordance with the required standard with customers and their satisfaction. Hence, in order to improve their knowledge of their role and their skills need to be developed educational and motivational.

According to the company to increase customer satisfaction, employee satisfaction, according to the external customer satisfaction (clients) to a large extent depends on internal customer satisfaction (bank staff). It is recommended that special attention to the livelihood of employees and increase their satisfaction, as a result of living in freer obsessed with employees and pave the way for better performance and to deal effectively with customers.

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