

Analytical Assessment of Parsian bank customers' satisfaction levels of service quality using Servqual model

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ABSTRACT: The purpose of this study is investigating the relation between levels of services quality and customers' satisfaction. Population of this study includes customers of Parsian Bank. In this study, it has been used Servqual model for evaluating the customers' satisfaction levels and for data analysis; there has been used Parametric T test. Results indicated that there is a significant difference between dimensions of study variables (i.e. tangible and physical dimensions, reliability, responsiveness, assurance and concordance) in the perceptual level and expectations. [Hassan Darvish, Parizad Tilekoo. **Analytical Assessment of Parsian bank customers' satisfaction levels of service quality using Servqual model.** *J Am Sci* 2023;19(11):11-18]. ISSN 1545-1003 (print); ISSN 2375-7264 (online). <http://www.jofamericanscience.org>. 02. doi: [10.7537/marsjas191123](https://doi.org/10.7537/marsjas191123).

Keywords: Validity, Assurance, Tangible, Empathy, Responsiveness

INTRODUCTION

For evaluating the customers' satisfaction, different models can be used. According to the type of categorizing agreed by Topfer and Sebastian Paffath et al (1990), the models for measuring the customer's satisfaction is divided into two parts objective and subjective. According to objective models, customer's satisfaction may be evaluated by indices correlating with the severity of customer's satisfaction such as market portion, number of complaints, annual profit,... it must be noted that because such indices don't include the personal believes of customers, therefore the validity of such models is in doubt; for example, the sales rate of a product may not be interpreted as customer's satisfaction. In comparison, subjective models are based on the satisfaction level of customers' requirements. On the other hand, these models perform based on the perception of customers from their satisfaction. These models directly use the beliefs of customers and provide an approach from the customer's satisfaction that is closer to their perception. Therefore, by exploiting different methods of information collection and applying the data sharing systems, organizational management may take action to determine and receive the tendencies and requirements of customers, by which measure its customers' satisfaction from bank affairs; this study aims to evaluate the satisfaction levels of customers of Parsian Bank from the quality provided by Servqual model.

Literature Review

- Reliability: the ability of conducting the promised services on reliable based and correctly.
- Assurance: knowledge and humility of employees as well as their ability for conducting the trust and insurance
 - Tangibles: presence and existence of physical facilities, employee's equipment and communication magazines
 - Empathy: emphasizing and special care to individual customers
 - Responsiveness: intention to helping the customers and providing them with instant assistance

Previous Research

Parasuraman, (2002) proposed a conceptual framework for understanding the inter-linkages among service quality and the various components of the company-customer perspective of productivity, and discusses the implications of the framework for service executives and researchers.

Hick Ki Karjaluo (2000) believes that beliefs may form the views of individual and views may also cause different behaviors among people.

Peri Timis (2006) believes that the individual views influenced by beliefs and evaluations of individual from related phenomenon.

Lee et al (2006) believe that beliefs include frameworks comprising the perceptual structure of customer and including the basis for information that finally form the view and behavior of individual.

There is no doubt in the literature of subject for Servqual model. There as struggles about this model;

some of them include its components and dimensions; weakness in the structural stability of factors, non-comprehensive usage of them in different industries through the world, and convergence of indices (Mital and Lasar, 1998). But because this model has been used as a most applied tool for evaluating the services quality and academic studies as well as scientific researches, and at least its apparent validity has been confirmed (Asobontig et al, 1996), this model is yet being applied in most studies for evaluating the services quality.

Hypotheses

H1: There is significant relationship between component validity in the perceptual level and expectations level.

H2: There is significant relationship between component assurance in the perceptual level and expectations level.

H3: There is significant relationship between component tangibility in the perceptual level and expectations level.

H4: There is significant relationship between component empathy in the perceptual level and expectations level.

H5: There is significant relationship between component responsiveness in the perceptual level and expectations level

Research Objectives

- Determining the effect of component validity on customers' satisfaction
- Determining the effect of component assurance on customers' satisfaction
- Determining the effect of component tangibility on customers' satisfaction
- Determining the effect of component empathy on customers' satisfaction
- Determining the effect of component responsiveness on customers' satisfaction

Servqual model

Servqual model is one of the most famous methods of measuring the services quality invented on 1985 by Parasarmon, Beri and Zitmel; they began their work on 1983 when the project for measuring the services quality approved by Institute of Marketing Science of America; until that time (1985), they could test their results in the level of service industries like banking, insurance, credit cards, distance telecommunication, maintenance and repair, safety brokers and road transportation companies; this wide range of service industries indicates the depth of their work and determines the validity of results proposed by them. In order for conducting such wide range of studies, they held many interviews with customers, employees,

manager and frontline forces of mentioned industries and this turned their studies to practical ones and their results now are being applied. Servqual must be considered as the milestone for measuring the services quality and is one of the most pioneering methods. This method initially recognized ten dimensions for services that reduced to 5 dimensions by later modifications and ten dimensions classified in 5 dimensions in a specific delicacy. Their method included measuring the gap between the willing of customers and services that they actually perceive. There are three states when studying this gap:

The customer's perceptions are higher than its expectation; in this case, the quality is high. The customer's perceptions are in the range of his/ her expectations, in such case, the quality is good.

Customer's perception is lower than the expectations, or his expectations may not be met; in this case, the quality is weak. The data collection tool in this method is by questionnaire including two questionnaires for expectations and perceptions and each one comprising 5 dimensions and 22 factors and such factors and dimensions may be mentioned later. It must be mentioned that Servqual factors have been designed on standard form and are used in most servicing units; so in order for using them in a specific servicing environment, it is necessary to initially review them based on the environmental conditions and naturalize and then use them.

Servqual come from service quality. Servqual is a multi-factor scale using for evaluation of customer's perception from service quality of a service organization or retailer (Parasoman, 1988). This model developed on 1988 by Parasorman et al for evaluating the service quality. Servqual model is a subset of subjective models considering the perception and beliefs of customers. This model developed in mid 80s by Parasorman et al for evaluating the service quality. This model tries to measure the service quality in environments where the service quality is considered as a necessity for customer's perception. Parasorman model has some properties used for wide range of service environments.

Initially, ten components recognized as service quality components including reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding/ knowing the customer, tangible.

Pursuant to studies conducted on 90s, they reduced to 5 components. While, studies conducted by Servqual model indicated that reliability is more effective than other factors on satisfaction (Mital and Lasar, 1998). Servqual model may be used in following cases considered as gap and indicated in the figure 1 as well:

Gap 1- Difference between management understanding from what expected by customers and actual expectations of customers;

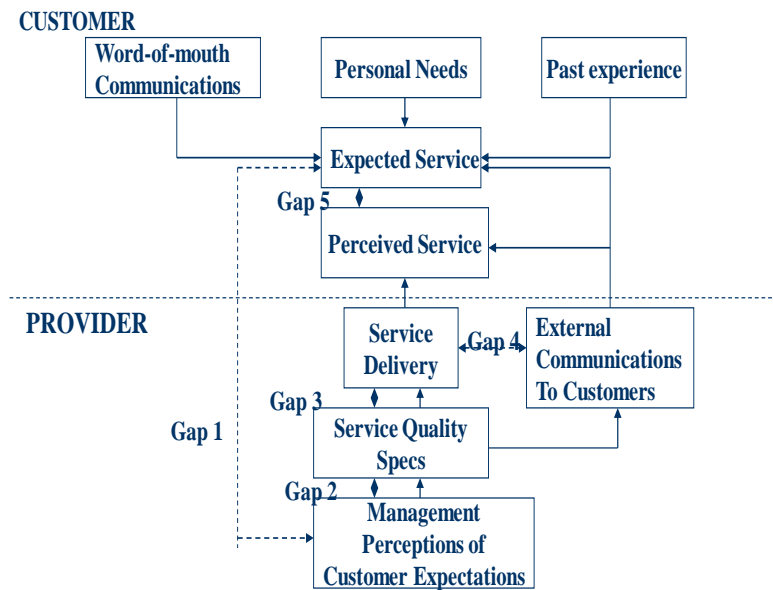
Gap 2- Difference between management understandings and properties of service quality (standards of service quality)

Gap 3- Difference between properties of service quality and providing the actual service; have standards continuously observed?

Gap 4- Difference between providing the services and what is considered out of the organization; have undertakings continuously conducted?

Gap 5- Difference between what customers expect from a service and what they understand practically.

Figure 1: Conceptual Model of Service Quality



Servqual is calculated based on ten basis of service quality including: responsiveness, competitive competence, access, dignity, communications, credibility, security, understanding and tangibles.

In next studies, Parasoman et al reduced those ten dimensions to five. These factors abbreviated with RATER include:

- Reliability: ability of conducting the promised service reliably and properly;
- Assurance: knowledge and humility of employees and their ability for conducting the trust and assurance;
- Tangibility: presence and representation of physical facilities, employees' equipment and communication magazines;
- Empathy: emphasizing and special caring to individual customers;

- Responsiveness: tendency to helping the customers and providing them with instant services.

According to studies, satisfied customers buy more from organization, but unsatisfied customers conduct their worries and dissatisfaction very fast to others (Kavosi and Sagaei, 2005).

However, views are emotional feelings of people about phenomena. Torston believes that view is the pro or con feeling than a motivation (Si Moon and S. Minor, 2003); in the hierarchy of high mental involvement, initially believes occur and then view (affection) and finally followed by behavior. There has been also married an affection load to any belief and total beliefs make the views (same, 264).

Materials and Methods

The methodology of this study is on surveying based, because there will be used of the views of different groups.

Population/ Sample Size

The population of this study includes all customers of Bank of Parsian, Tehran. Because the nature of this study is of qualitative type, the sample size estimated

about 277 by cluster sampling method. Studied sample comprised from 277 with 178 males and 99 females.

Data Collection Methods and Instruments

In order for fulfilling the objectives of study, there will be used standardized questionnaire of Servqual model invented by Parasomanz (1988).this questionnaire includes 28 questions with 5 optional answers.

Table1) questions with 5 optional answers

<i>Level of measurement</i>	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
<i>Rate</i>	1	2	3	4	5

The measuring scale used in this questionnaire include Likert scale; this scale made out of a regular set of items prepared in a specific order; these items provide a specific state of measuring phenomenon as items that have equal distances based on the value of measurement. Respondent indicates the rate of his success by any of expressions in a graded scale usually scored from 1 to 5 or 7. 1 indicates the least value and five indicates the highest value.

Goodness of Fit and Data Processing

In order for fulfilling the objectives of study, there has been used of standardized Servqual model invented by Parasomanz (1988). The reliability of Cronbach Alpha in this study in the understanding questionnaire obtained about 0.74 to 0.93 and in expectation questionnaire, 0.72 to 0.93; following table indicates the accurate value of any variable.

Table2) Choronbach 's alpha Test

Instrument	validity	assurance	tangible	empathy	responsiveness
Perceived reliability	0.74	0.81	0.87	0.70	0.80
Expected reliability	0.77	0.82	0.85	0.72	0.76

Results

Data Analysis Method

Considered alpha level has been selected by study literature review (a=0.05); parametric t test was used for inferential statistics. For this reason, it is initially studied the assumptions of parametric statistics (variable interval, homogenous variance, accidental independence).

Study Results

Second Question of Study

There is any difference between reliability component in the understanding level and expectation level?

This hypothesis comprised from 4 questions in questionnaire; for testing this hypothesis, there has been used related or coupled t test; data analysis results indicated in following table:

Table3) Test for hypothesis of first question of study

Difference between two related means					
Differences mean	SD of differences mean	Confidence Interval		F	Significance
		LOW	UP		
1.79	0.037	1.006	1.15	275	0.001

Data analysis results indicate that mean and standard deviation (SD) of differences include 1.79 and 0.037 respectively; related T was also obtained about 16.23; because the significance value is less than critical significance value ($\alpha=0.05$), inevitably, so H_0 rejected and H_1 confirmed; by confidence of 95%, one can conclude that understanding level of reliability has significance difference with expectations level; therefore, one can conclude that there is difference

between reliability component in the understanding level and expectations level.

Second Question of Study:

There is difference between component assurance in understanding level and expectations level?

For testing this hypothesis, there has been used of related or coupled T test; data analysis result indicated in following table:

Table4) Test for hypothesis of second question of study

Difference between two related means					
SD of differences mean	SD of differences	Confidence Interval		F	significant
		LOW	UP		
0.041	0.48	1.006	1.15	275	0.001

Data analysis results indicate that mean and standard deviation (SD) of differences include 1.84 and 0.041 respectively; related T was also obtained about 13.36; because the significance value is less than critical significance value ($\alpha=0.05$), inevitably, so H_0 rejected and H_1 confirmed; by confidence of 95%, one can conclude that understanding level of reliability has significance difference with understanding level; therefore, one can conclude that there is difference

between assurance component in the understanding level and expectations level.

Third Question of Study:

There is difference between component tangibility in understanding level and expectations level?

For testing this hypothesis, there has been used of related or coupled T test; data analysis result indicated in following table:

Table5) Test for hypothesis of third question of study

Difference between two related means					
SD of differences mean	SD of differences	Confidence Interval		F	Significant
		LOW	UP		
0.039	0.41	1.026	1.35	275	0.001

Data analysis results indicate that mean and standard deviation (SD) of differences include 1.59 and 0.039 respectively; related T was also obtained about 19.56; because the significance value is less than critical significance value ($\alpha=0.05$), inevitably, so H_0 rejected and H_1 confirmed; by confidence of 95%, one can conclude that understanding level of tangibility has significance difference with understanding level; therefore, one can conclude that there is difference

between tangibility component in the understanding level and expectations level.

Fourth Question of Study:

There is difference between component empathy in understanding level and expectations level?

For testing this hypothesis, there has been used of related or coupled T test; data analysis result indicated in following table:

Table6) Test for hypothesis of fourth question of study

Difference between two related means					
SD of differences mean	SD of differences	Confidence Interval		F	Significant
		LOW	UP		
0.051	0.68	1.106	1.35	275	0.001

Data analysis results indicate that mean and standard deviation (SD) of differences include 1.19 and 0.051 respectively; related T was also obtained about 17.78; because the significance value is less than critical significance value ($\alpha=0.05$), inevitably, so H_0 rejected and H_1 confirmed; by confidence of 95%, one can conclude that understanding level of empathy has significance difference with understanding level; therefore, one can conclude that there is difference

between empathy component in the understanding level and expectations level.

Fifth Question of Study:

There is difference between component responsiveness in understanding level and expectations level?

For testing this hypothesis, there has been used of related or coupled T test; data analysis result indicated in following table:

Table7) Test for hypothesis of fifth question of study

Difference between two related means					
SD of differences mean	SD of differences	Confidence Interval		F	Significant
		LOW	UP		
0.110	0.98	1.098	1.29	275	0.001

Data analysis results indicate that mean and standard deviation (SD) of differences include 0.99 and 0.110 respectively; related T was also obtained about 8.25; because the significance value is less than critical significance value ($\alpha=0.05$), inevitably, so H_0 rejected and H_1 confirmed; by confidence of 95%, one can conclude that understanding level of responsiveness has significance difference with understanding level; therefore, one can conclude that there is difference between responsiveness component in the understanding level and expectations level.

new technologies; customer’s confidence; feeling of calm and facilitation among customers; assuring a combination of following cases:

- Competence: possessing knowledge and skills necessary for providing the services;
- Courtesy: respecting to customers by employees of organization;
- Reliability: confidence, acceptability and custody of employees;
- Security: lower probability of doubt for receiving the services by customers.

Conclusion

Data analysis results of **first question** indicates that in confidence level of 95%, one can conclude that the understanding level of reliability is significantly different with expectations level of reliability; therefore, one can conclude that there is difference between component reliability in the understanding level and expectations level of reliability. Prioritization of reliability dimension also includes the presence of honest and trustee employees for taking assistance to customers for data sharing and solving their problems; accessing to related and proper data in the field of training courses; providing and conducting the bank affairs based on promise; showing the one’s interest for training the experts and employees.

Data analysis results of **third question** indicate that there is significant difference between component tangibility in understanding level and expectations level.

Data analysis results of **Fourth Question** indicates that H_0 is denied and H_1 is accepted and by confidence level of 95%, one can conclude that the understanding level of reliability is significantly different with expectations level of empathy; therefore, one can conclude that there is difference between component empathy in the understanding level and expectations level of empathy. The prioritization of empathy dimension also includes giving the same importance to all individuals referring to the organization; giving importance to the needs and individual willing; proper business hours of bank; considering best profits for customers, caring to customers by employees; empathy is a combination of followings:

- Customer’s understanding: attempt for recognizing the customers and their specific requirements;
- Communication: causing the customer to understand by accessible language and listening to their talks.
- Accessibility.

Data analysis results of **second question** indicates that in confidence level of 95%, one can conclude that the understanding level of assurance is significantly different with expectations level of assurance; therefore, one can conclude that there is difference between component assurance in the understanding level and expectations level of assurance. Prioritization of assurance dimension also includes possessing enough knowledge by employees for answering to the questions of customers; familiarity of unit employees with way of using the equipment and

Data analysis results of **fifth question** indicate that there is significant difference between understanding level of and expectations level; therefore there is also difference between component responsiveness in understanding level and expectations level. The prioritization of responsiveness dimension includes accessing to new and updated information; properly responding to customers as soon as possible; willingness of managers and employees for helping the customers; providing the customers with a feedback by training unit.

Recommendations

According to the results of this study, for increasing the service quality and reducing the gap between expectations and customers' understanding, followings are recommended:

- Assigning the authorities of banks and heads of branches based on their familiarity with service quality of bank system;
- Holding the in-service training courses for bank authorities who are directly in contact with customers;
- Making a network for customers' forum in the bank branch and continuously evaluating the views of people for the rate of their satisfaction from quality of provided services and trying to use the critics of clients and customers of bank;
- Because assurance dimension is the most important factor of customers' view, therefore it is recommended to bank managers. For providing the customers' satisfaction followed by their loyalty, maximum attention must be paid to this dimension particularly the component courtesy of employees. Along with, holding the training courses for employees may be effective.
- One of the alternatives recommended to bank managers for setting the discipline in the process of conducting the work and archiving the documents is implementing the standard systems for service quality like ISO standard.
- For reducing the gap between expectations and understanding of customers from the dimension of tangibility, it is recommended that managers have special attention to internal and external space of bank based on its beauty and cleanness and by applying facilities like proper heating and cooling, water cooler, chair and modern equipment like ATM systems, telephone and internet services and SMS system can increase the quality of services provided.
- According to the extension of services, defining proper business hours is another alternative that must be considered by managers.
- Holding the in-service courses for promoting the knowledge level of employees related to the services provided by them can be also effective for

reducing the gap between expectations and understanding of customers.

- Encouraging the employees to conducting the services based on their promise and employing the employees who can perceive the customers' needs in the frontline is another important point may be effective for reducing such gap.

Acknowledgement

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11/21/2023