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INVESTIGATING THE FACTORS AFFECTING THE BEHAVIOR CHANGE OF CUSTOMERS

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ABSTRACT

This study aims at investigating and determining the factors influencing the change and moderation in customer behavior in Bank Sepah of Iran. This research is applied in terms of objective and also descriptive-correlative according to the method. The statistical population consists of customers in Bank Sepah. The samples are randomly selected through stratified cluster method. Given that the number of bank customers is more than 10000 and the sample size is considered equal to 385 according to Morgan Table. The library and field methods through researcher-made questionnaire are utilized for data collection. The validity of tool is confirmed by three business administration professors and its reliability is measured equal to 0.70 through Cronbach's alpha. The descriptive and inferential statistics and also SPSS and LISREL software are applied for data analysis. The obtained results indicate that the inefficient service quality, unfair prices, anger-provoking events, passive customer, ignoring the customer complaints, and positive concerns affect the behavior change of customer.

Keywords: Change, behavior, customers

INTRODUCTION

The behavior change of customer means abandoning a service provider and choosing another provider, and this change behavior can be affected by intrinsic or extrinsic motivation [2]. Despite the fact that the new approaches of marketing have led the businesses towards maximizing the attention to customers, the changing

demographic structure, the economic systems with slow development rates and competing companies which are very complex have led numerous industries with excess capacity. Therefore, it is difficult to acquire the new customers. Since the businesses compete to get a greater share of a declining or stable market, most of the companies are faced with the behavior change of customer and reduced loyalty and are also concerned with the negative effects of this change on the market share and their profitability [6]. Given the importance of behavior change in banking industry, the reasons of change can be complex and enormous. Levesque & McDougall (1996) have studied the customer change and complaint behavior and have found that the price problems and unavailability of the location are the most important factors in the customers' behavior of change in banks. Colgate & Hedge (2001) have identified that the problems related to the self service and price are the most important factors of the behavior change of customer in banking industry for customers in New Zealand. Clemes et al [3], have considered the customer commitment, the reputation and service quality as the reasons of customers' change behavior. According to a research in market of Asian banks, three factors have been considered as the reasons of the behavior change of customer as follows: 1) The problem of self-service, 2) Price and 3) inappropriate location [3]. Nowadays, the companies look at the prospect of attracting and maintaining customer loyalty instead of focus on the business. Most of the companies have turned to politics for fulfilling the customer's full-life need and have suggested the customer for supplying his constant required products always with easy and cost-effective conditions than others. The companies can no longer be successful and leading relying on the traditional competitive advantages (such as the patents, intellectual property rights, the right and special place, access to special information, etc.). Nowadays, the companies know that the fast ability of learning and changing is the only point for their survival [5].Therefore, investigating the reasons of changing the customer behavior can be the step in line with achieving the modern or relationship marketing. Therefore, the identification of these factors leads to the achievement of main basis of relationship marketing or the customer retention. Based on the above-mentioned cases, the main research question is raised as follows:

What factors play the roles in customer behavior change and its moderation?

MATERIALS AND METHODS

The research method is applied in terms of objective and correlative-descriptive based on the method.

The statistical population consists of bank Sepah customers. The samples are selected based on the random cluster stratified sampling. Given that the number of bank customers is more than 10,000, 385 samples are considered as the sample size according to Morgan table. The library and field methods are utilized to collect data through the researcher-made questionnaire. The tool validity is confirmed by three professors in business administration degree and its reliability is obtained equal to 0.70 through Cronbach's alpha. The descriptive and inferential statistics and also SPSS and LISREL software are utilized for data analysis.

RESULTS

Table 1: The path coefficients for total effects of structures and significance of estimated parameters without considering the effect of moderator

Studied path in model	Path coefficient	t-value	Test result
Quality→ Changed customer behavior	0.88	10.09	Approved hypothesis
Price → Changed customer behavior	0.80	9.99	Approved hypothesis
Anger-provoking → Changed customer behavior	0.51	8.92	Approved hypothesis
Personal source of information → Changed customer behavior	0.41	4.13	Approved hypothesis
Passive customer → Changed customer behavior	0.99	6.16	Approved hypothesis
Inattention to customer complaints → Changed customer behavior	0.77	8.64	Approved hypothesis
Positive affiliations → Changed customer behavior	-0.73	-8.34	Approved hypothesis

**** Significant at the level of a percentage error or confidence level of 99%**

Table 2: The path coefficients for the total effects of structures and significant estimated parameters by considering the effect of moderator

Studied path in model	Path coefficient	t-value	Test result
Quality→ Changed customer behavior	0.73	7.03	Approved hypothesis
Price → Changed customer behavior	0.47	4.47	Approved hypothesis
Anger-provoking → Changed customer behavior	-0.08	-0.27	Rejected hypothesis
Personal source of information → Changed customer behavior	0.40	7.75	Approved hypothesis
Passive customer → Changed customer behavior	0.44	18.85	Approved hypothesis
Inattention to customer complaints → Changed customer behavior	0.95	18.00	Approved hypothesis
Positive affiliations → Changed customer behavior	-0.65	-5.05	Approved hypothesis

**** Significant at the level of a percentage error or confidence level of 99%**

In this section, the research hypotheses are investigated in the community, from which the sample is selected, through the descriptive and inferential statistical indices.

Hypothesis 1: Inefficient service quality for the impact on the behavior change of customers.

Statistical results of first hypothesis: Based on the results of model, the inefficient service quality on the behavior change of customers is obtained equal to 0.88 and the t-value is higher than 1.69 which rejects the null hypothesis at the level of 99%.

Interpretation:

The inefficient service quality has a statistical significant impact on the behavior change of customers; and the more the inefficient service quality is enhanced, the behavior change of customers is enhanced in the form of a linear function. These results indicate that any effect on creation of inefficient service quality will lead the customer behavior change towards leaving the banks. Therefore, this research hypothesis is accepted. The research results indicate that the inefficiency of service has a significant direct effect on the customer behavior; and the customer will be retained by controlling and improving the service quality.

Comparison with results of previous studies

According to the studies by Keaveney [6],as the first studies on the behavior change of customer, the inefficient quality variable was among the variables which made this the behavior change of customer.

According to the conducted studies in Greek Banks in 2008, the inefficient service quality of banks is one of the factors which change the customer behavior towards competing banks; furthermore, the increased quality can lower the speed of attracting to competitors [8].

Hypothesis 2: Unfair prices affect the customer behavior change.

Statistical results of second hypothesis: Based on the results of model, the model of unfair prices on the behavior change of customer is obtained equal to 0.80 and the t-value is higher than 1.69 which rejects the null hypothesis at the level of 99%. (t=9.99)

Interpretation:

The unfair prices have a statistical significant impact on the behavior change of customer; and the more the unfair prices are enhanced, the the behavior change of customer is enhanced in the form of a linear function. These results indicate that any effect on creation of unfair prices will lead the customer behavior change towards leaving the banks. Therefore, this research hypothesis is accepted. The research results indicate that the unfair prices have a significant direct effect on the customer behavior; and the customer will be retained by reducing the unfair prices.

Comparison with results of previous studies

According to the studies by Antón et al [1], the unfair price was among the variables which made this the behavior change of customer. Keaveney [7],has classified the unfair prices as the variables which lead to the behavior change of customer.

Furthermore, according to the studies on Chinese banks in 2010, the unfair price

variable has impact on the customers change behavior [4].

Hypothesis 3: The anger-provoking events have impact on the behavior change of customer.

Statistical results of third hypothesis: Based on the results of model, the anger-provoking events on the behavior change of customer is obtained equal to 0.51 and the t-value is higher than 1.69 which rejects the null hypothesis at the level of 99%. (t=8.92)

Interpretation:

The anger-provoking events have a statistical significant impact on the behavior change of customer; and the more the anger-provoking events are enhanced, the behavior change of customer is enhanced in the form of a linear function. These results indicate that any effect on the creation of anger-provoking events will lead the customer behavior change towards leaving the banks. Therefore, this research hypothesis is accepted. The research results indicate that the anger-provoking events have a significant direct and significant effect on the customer behavior; and the customer will be retained by reducing the anger-provoking events.

Comparison with results of previous studies

According to the studies on the anger-provoking events, the researchers found a same result about the anger-provoking events and its impact on the behavior change of customer [1].

Hypothesis 4: Passive customer has impact on the behavior change of customer.

Statistical results of fourth hypothesis: Based on the results of model, the passive customer on the behavior change of customer is obtained equal to 0.44 and the t-value is higher than 1.69 which rejects the null hypothesis at the level of 99%. (t=6.16)

Interpretation:

The passive customer has a statistical significant impact on the behavior change of customer; and the more the customer is passive, the more his change behavior is enhanced.

Comparison with results of previous studies

According to the studies on the passive and active customers, the researchers found a same result about the passive customer and its impact on the behavior change of customer[9].

Fifth hypothesis: The type of personal sources of information applied in decision making has impact on the behavior change of customer.

Statistical results of fifth hypothesis: Based on the results of model, the personal sources of information applied in decision making on the behavior change of customer

is obtained equal to 0.30 and the t-value is higher than 1.69 which rejects the null hypothesis at the level of 99%. (t=13.4)

Interpretation:

The personal source of information applied in decision making has a statistical significant impact on the behavior change of customer, thus this research hypothesis is accepted. The research results indicate that the personal source of information applied in decision making has a direct and significant impact on the behavior change of customer.

Comparison with results of previous studies

According to the studies on the type of information source and its impact on the behavior change of customer, there is a low possibility for customers, who gain the information from the external sources and personal information experience, to change their behavior compared to those who have gained their information from word of mouth advertising[7].

Sixth hypothesis: The inattention to customers' complaints has impact on the behavior change of customer.

Statistical results of sixth hypothesis: Based on the results of model, the inattention to customers' complaints on the behavior change of customer is obtained equal to 0.77 and the t-value is higher than 1.69 which rejects the null hypothesis at the level of 99%. (t=8.64)

Interpretation:

The inattention to customers' complaints has a statistical significant impact on the behavior change of customer, thus and the more the inattention to customers' complaints is enhanced, the behavior change of customer is enhanced in the form of a linear function. These results indicate that any effect on creation of inattention to customers' complaints will lead the customer behavior change towards leaving the banks. Therefore, this research hypothesis is accepted. The research results indicate that the inattention to customers' complaints has a significant direct effect on the behavior change of customer; and in other words, those with inattention to their complaints are more faced with the behavior of bank change and leaving.

Comparison with results of previous studies

These results are confirmed according to the studies by Keaveney, S.M[6].

Seventh hypothesis: The positive affiliations have impact on the behavior change of customer.

Statistical results of seventh hypothesis: Based on the results of model, the positive affiliations on the behavior change of customer is obtained equal to -0.73 and the t-value is higher than 1.69 which rejects the

null hypothesis at the level of 99%. (t=-8.34)

Interpretation:

The positive affiliations have a statistical significant impact on the behavior change of customer, thus according to the negative and significant coefficient of this correlation, the more the positive affiliations is enhanced, the behavior change of customer is reduced in the form of a linear function. These results indicate that the positive affiliations will less lead the customer behavior change towards leaving the banks. Therefore, this research hypothesis is accepted. The research results indicate that the positive affiliations have a significant inverse effect on the behavior change of customer.

Comparison with results of previous studies

According to the studies on the positive affiliations and its impact on the behavior change of customer, the researchers found a same result in the field of their impact and inverse correlation on the behavior change of customer. The positive affiliations include the homogeneity of values, communicational values, and reputation of organization which all have inverse correlation with the behavior change of customer[10].

CONCLUSION

In summary, it is found that the inefficient quality, unfair price, inattention to the customer's request, the use of personal information and inattention to customer complaints significantly change the customer behavior towards leaving the bank. However, the passive customer and positive affiliations will lead to leaving the bank and indicates the changed behavior in line with retention. Therefore, these determined variables are the important factors in line with changing the customer behavior. Based on the value of coefficient of determination, it is found that up to 65% of changed behavior in customer depends on these variables.

According to the first hypothesis, of inefficient service quality has an impact on the the behavior change of customer. In other words, the more the quality of service is reduced, the more the possibility of the behavior change of customer is enhanced. Therefore, we should pay attention to different aspects of quality including the physical space or service-providing staff behavior and take care of this issue in bank.

According to the second hypothesis, the unfair prices have impact on the behavior change of customer. In other words, the more the higher prices are offered for services, the more the possibility of the behavior change of customer is enhanced. Therefore, this issue should be seriously

taken into account in pricing and also the competitors' prices considered, so that the perceived price by customer will not seem unfair.

According to the third hypothesis, the anger-provoking events have impact on the behavior change of customer. In other words, the more the events will lead to the angered customers, the more the possibility of customer chance behavior is enhanced. Therefore, the bank customer should be retained by identifying the factors which cause angered customer and solving them.

According to the fourth hypothesis, the passive customer has an impact on the behavior change of customer. In other words, the more the customer is passive or the less he is seeking to collect data for decision-making, the possibility of the behavior change of customer will be enhanced. The customers can be convinced to give up changing the behavior by giving them the useful data and information.

According to the fifth hypothesis, the personal source of information applied in decision making has an impact on the behavior change of customer. In other words, the customers, who receive information from word of mouth advertising, will easier make decide to change their behavior, but those who utilize the external sources or their experiences to get the information, have less possibility to change their behavior. Therefore, the banks can provide useful information for customers through TV and radio advertising and brochures or create the opportunity for customers to try the bank service and select the bank based on their own experiences.

According to the sixth hypothesis, the inattention to the customers' complaints has an impact on the behavior change of customer. In other words, the customers, who are faced with inattention to their complaints, will more likely change their behavior. Creating the customer-communication units and system of considering the customer complaints, the banks can encounter the problems in the shortest possible time and prevent the customer dissatisfaction.

According to the seventh hypothesis, the positive affiliations have impact on the behavior change of customer. In other words, the customers, who have more positive affiliations such as homogeneity in values, reputation of organization, and more communicational values with organization, will show less possibility of changed behavior. The banks should clearly determine the moral and political values which are on the priority for them. They should also get credit for themselves and also create the valuable communications

with customers as it will be hard for customers to interrupt this communication.

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