Abstract

According to the Importance of customer in competitive environment, especially in banking industry, regarding that the cost of catching (attracting) new customers is several times higher than the cost of keep customer loyal to organization, cause that examining ways of becoming loyal customer to product (goods/services) has high preference in market research. The purpose of this study is to determine the Effects of trust and Perceived value on customer loyalty by mediating role of customer satisfaction and mediating role of customer habit. This research is in descriptive category. For measurement of information, questionnaires with five-option Likert Spectrum have been used. In the present study, descriptive and inferential statistics were used to analyze the data using both SPSS and LISREL. Analysis of ANOVA was also used for adjustment test. In the descriptive level, using statistical parameters such as frequency and cumulative frequency, the charts were plotted and data were analyzed, and at inferential level, Cronbach's alpha was used to test reliability of questionnaire, structural equation modeling (SEM) to confirm or reject hypotheses and confirmatory factor analysis was used to assess the ability of each variable to be explained by the questions in the questionnaire. Research findings revealed a significant positive relationship trust and customer loyalty. The findings of this research shows that satisfaction variable is mediator in trust and has a positive and significant influence on establishment of loyalty.

Keywords: customer satisfaction, customer loyalty, Perceived value, trust.

Introduction

In today’s competitive world, customers are at the main focus of organizations and the customer loyalty is the main reason of acquiring competitive advantage of organizations. With the advent of e-commerce, organizations are changing their business. Most researchers believe that electronic trading can be successful when the public will trust in virtual environments. High degree of confidence not only can meet customer expectations of a satisfactory transaction, but can also eliminate certainty and perceived risk of online transactions. E-loyalty refers to stable support of e-tail customers and trying to address the issue of loyalty in the electronic environment. This term, e-loyalty combines two areas of information technology in the Internet and the concept of loyalty in behavioral issues and addressing this expression requires attention simultaneously to both of those areas. Today, the objective of marketing is demand management through the development and maturation of the customer in loyalty to the organizations. Loyal customers are valuable resources for organizations because it is easier to sell to an old customer than a new one. Increasing the customer loyalty, market share and profitability of the firm and basically possibility to survive and compete with other banks are also increased. Loyalty has been a primary concern in marketing planning for different reasons including global competition, market saturation, technological development, and customer awareness. In fact, a longterm success is not just a function of fair price but it is a function of quality of products and services and many corporations prefer to build a long-term relationship with their customers using customeroriented preferences. Thus, it is important to increase and retain loyal customers, which may serve as a main factor in long-term success of corporations. Corporations attempt to absorb and satisfy customers and develop a long-term relationship through creating loyalty among them (Akhter et al., 2011). Beerle et al. (2004) stated that most banks nowadays provide similar services, and products do not have particular characteristics to keep their customers loyal (Ghane et al., 2011). Thus, customer preservation is a very useful instrument where banks may use to obtain a strategic advantage.
and stay in today’s banking environment, which is increasingly becoming competitive (Cohn et al., 2006). Cognition of loyalty concepts is very crucial because customer loyalty plays essential role in organizational growth. Studies show that e-loyalty is directly influenced by e-service quality, perceived value, reputation, and habit. Therefore, this research intends to study the factors influencing customer loyalty in e-banking.

Literature review and hypothesis development

Considering the challenges, which are prevalent in the business atmosphere, organizations do not merely intend to “absorb new customers” but they have adopted the strategy of “preserving the existing customers and promoting their loyalty to the organization”. Therefore, customer satisfaction is no longer sufficient, and marketing people have to pave the way for improvement and promotion of customers’ loyalty in the arena of customer-centeredness. Loyalty originates from belief in service quality, psychological decision (i.e., behavioral intention), as well as desired positive attitude, and is perceived as purchase behavior repetition and stability in purchase behavior (Castro et al., 2004). Today, preservation and reinforcement of customers’ loyalty is described as a strategic challenge for the corporations concerned about maintenance and development of their competitive status in the market. Consequently, they spend significant amount of expenditures for understanding and recognizing this concept, and obtaining applied strategies to reinforce it. Prior to defining customer loyalty, we have to know whether loyalty is a behavior standard or an attitude standard. Behavioral loyalty tries to describe brand loyalty based on real observed purchases in a specified time, whereas attitude loyalty standards are based on certain priorities, commitment, or intention for purchase. Attitude commitment includes a desired fixed set of specific beliefs about the purchased brand. The intensity of these attitudes is an important factor in purchasing and supporting a brand (Larsson et al., 2004). Oliver defined customer loyalty as “deep commitment in re-purchasing and supporting a selected product or service in future despite situational effects and marketing attempts to change customer behavior” (Methlie, & Nysveen, 1999). Beerlie et al. (2004) believed that there was another dimension of loyalty known as compulsory dimension, stating that loyalty was habitual and staying with a specific trademark is better for a customer than consuming energy to change it. In addition, many researchers have differentiated between effective and interactive loyalties. Interactive loyalty means that customer prefers to use the bank in future as well, while effective loyalty states how much a customer likes the bank and what his attitude towards the bank is. Bloemer et al. (1988) stated that the results from research on product loyalty could not be applicable to service loyalty, because service loyalty implements to customer-clerk relationship (Jansson et al., 2009).

Internet banking

Internet banking is a special type of banking service, which was first implemented in the United States in 1995, developed quickly among other business units. E-banking is a wave to bring convenience and economy for customers and such new challenges for officials as security, inaccessibility to enetworks due to faults, maintenance cost, updating databases, as well as planning and executing modern economic policies. Internet banking is an application of electronic instruments, which includes internet, wireless networks, ATMs, telephones, and cell phones to provide banking services and products (Abasinejad, 2006). Internet banking includes the systems, which enables customers of financial institutions to implement banking services at three levels including notification, communication, and transaction (Ghane et al., 2010).

Customer loyalty

Customer loyalty has two meanings: long-term and short-term loyalty. Customers with long-term loyalty do not easily switch to other service providers, while customers with short-term loyalty defect more easily when offered a perceived better alternative. Oliver (1999) defined the loyalty as “a deeply made commitment to re-buy or re-retain a preferred service or product consistently in the future despite the situational effects and marketing attempts with the potential to make switching behavior” (Eggert & Ulaga, 2002). The loyalty is a most important research topic in the information system area (Au et al., 2008). Chang and Chen (2008) defined the e-loyalty as follows: “The concept of e-loyalty develops the traditional concept of loyalty to online
consumer behavior, customer's desirable attitude toward the e-retailer who leads to repeat purchasing behavior”. Finally, they defined it as the customer attitude towards the e-store, which predisposes the customer to repeat purchasing behavior. Thus, the e-loyalty is considered as a cognitive construction. Nowadays, the customer loyalty is considered as the key to business success and it is in fact one of the marketing strategies, which raise the business profitability in the long term and it leads to the firm profitability due to the customer repurchase (Yoon et al., 2013). The relationship between the loyalty and stock return, presented by Fornell et al. (2006), can be also mentioned in this regard. Understanding the market by planning and adopting appropriate strategies for making the customers loyal and enhancing their loyalty rates facilitates the achievement of longterm benefits for enterprises (Liu, 2007). Keeping the customers loyal and retaining them for not choosing the rivals are among the important bases for obtaining the profit in today's competitive world. The experience gained from cyberspace about the customers' perceptions, attitudes, and behavior in online environments is very important and also states the point that to what extent the websites can influence the initial customer choices, satisfaction and purchase intention. E- loyalty is defined as customers’ willingness to revisit an electronic business based on their past experiences and future expectations (adopted from Čezepie et al., 1987). Ivanov et al. (2007) defined electronic loyalty as “intending to visit and use a website again or interact through it in future”. Strauss and Frost (2001) recommended that the main emphasis of e-loyalty can be described based on changing behavioral motive to immediate purchasing behavior. Cohen & Gan (2006) defined e-loyalty as “customers’ desired attitude toward an e-trade website encouraging the customer to repeat his purchasing behavior”. This definition considers customer loyalty as a kind of attitude establishment, and it is very close to real situations (Ghane et al., 2011). In marketing researches and related literature, customer satisfaction is described as an active factor in acquiring customer loyalty (Vahdat & Mowlaei Najafabadi, 2002). In marketing literature and associated studies on information systems, disconfirmation theory is considered as basis for satisfaction models According to this theory, satisfaction is described through disconfirmation between the perceived performance and customer’s cognitive standards.

Trust

One of essential instruments for realization and development of electronic commerce is existence of electronic banking system, which operates along with monetary and financial world system and facilitates activities associated with electronic commerce. In fact, performing electronic commerce requires realization of electronic banking. Because of this purpose, using electronic systems in financial and credit organizations is becoming more popular (Pour Zarandi & Najafi, 2012). Electronic banking is modern method of banking where information, transmission technologies are applied and paying and transferring mechanism is accomplished electronically (Liao & Tow Chung, 2001). Trust is a level of some one’s confidence in another party’s competence and his/her performance based on predictable ethical principles (Joseph et al., 2005). Therefore, electronic trust is the rate of customers’ trust in online transactions (Reichheld et al., 2000). Stewart claims that internet failure in electronic banking may be due to the fact that customers would not have trust in electronic channels (adopted from Stewart, 1999). Therefore, customers’ trust plays an important role in presupposition for loyalty. Some other people stated that both habit and reputation could influence purchase repetition by a customer and consistency of his relationship with the organization. They believed that acquisition of the required skills in using a website by a customer in e-banking could lead to habit formation (Yee et al., 2010). Habit includes all kinds of phenomena and representation in terms of spiritual activities, as well as material and physical demonstrations. However, they all have something in common because all demonstrations first appeared to be incidental, voluntary or involuntary, become habits due to repetitions and various comparative fluctuations. Then, they have an active involuntary condition and are unconsciously the origin of influence, physically or spiritually, and will become a part of nature after changing into habit (Ordubari, 1991). A corporation’s reputation, according to Herbig (1994), is defined as the stability of its activities in the course of time. Therefore, reputation originates from a corporation’s products and services in which trust has the highest importance for evaluating the quality of products and services from customer’s perspectives. Thus, we formed the hypothesis

H₁. Trust has a positive effect on customer loyalty.
H₂. Trust has a positive effect on customer satisfaction.
Perceived value

Customer perceived value is commonly defined as the consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given (Zeithaml, 1988). The literature has taken two distinct approaches to conceptualise customer perceived value, either as a unidimensional or a multidimensional construct (Ruiz et al., 2010). The unidimensional approach is based on the price perception or the trade-off between perceived quality and sacrifice (Chi & Kilduff, 2011). Due to its simplicity, this approach has been criticised for not being able to discern the complex and multifaceted nature of perceived value (Chen & Hu, 2010). This drove researchers to put forward multidimensional models of customer perceived value in order to provide a holistic view of this complex concept. Among these, Sweeney and Soutar (2001) developed the so-called ‘PERVAL’ scale, in which four distinct value dimensions (i.e. performance/quality, price/value for money, emotional value, and social value) can be used to assess consumer perceptions of the value of durable goods, in the pre- and post-purchase stages. In that PERVAL has been widely recognised as a useful, parsimonious, and practical scale that can be applied in a variety of purchase situations (Sweeney & Soutar, 2001), this study employs three dimensions of perceived value (e.g. functional value (performance/quality), monetary value (price/value for money), and emotional value) in the PERVAL scale. Due to the saturation of markets, the lack of product differentiation, and cut-throat competition eroding customer loyalty, a number of researchers have addressed the need to enhance customization value and relational value in order achieve higher levels of customer loyalty (Chang & Chen, 2007; Coelho & Henseler, 2012). Thus, the next hypothesis was:

H₃. Perceived value has a positive effect on customer loyalty.

Perceived value is a strategic instrument to absorb and retain customers based on important factors for the success of industrial corporations and service providers (Gallarza & Sorau, 2006). Perceived value is a kind of gain where a customer obtains in return for the paid cost. Perceived value refers to the perceived level of product and service quality relative to the price paid (Ciavolino & Dahlgaard 2007). Perceived value is often assumed to involve a consumer’s assessment of the ratio of perceived benefits to perceived costs (Wang et al., 2012). Customer satisfaction is directly associated with perceived value; when perceived value increases, customer satisfaction also increases. Thus, the next hypothesis was:

H₄. Perceived value has a positive effect on customer satisfaction.

Customer satisfaction

Satisfaction and loyalty are related but they are clearly distinct (Ball et al., 2004). Satisfaction is one of the most important antecedents of loyalty stated in various researches (Forouzandeh & Ahmadi, 2010). The more satisfied customers are the greater retention rate they have (Fornell, 1992). The relationship between satisfaction and loyalty is almost a proved relation and exists in many famous models such as ECSI (e.g., Deng, Lu, Wei, & Zhang, 2009; Espejel, Fandos, & Flavia’n, 2008; Ball et al., 2004). Customer satisfaction has been one of the most common measurement metric of customer perceived concepts used by businesses (Gupta & Zeithaml, 2007) because it is considered as a generic metric and can be used for different industries. Although there is not a precise definition for this construct, it is easily understood by managers and customers. According to Kotler (1997) customer satisfaction is defined as the difference between the level of perceived performance and customer’s expectations. Thus, customer satisfaction is not only the outcome of the perceived performance of the product, but also it reflects customer’s expectations and a comparison between these two elements will determine customer satisfaction. In other words, when the customer expectations do not match with his/her perceptions, customer dissatisfaction appears. Fornell (1992) performed an empirical study on Swedish customers and revealed that although customer satisfaction and quality play important roles for most organizations but there are industries such as banks, insurance, mail order and automobiles where customer satisfaction is more important since it creates more loyalty. Ioanna (2002) reported that product differentiation
in a competitive environment like the banking industry is almost impossible since banks often offer similar services. For instance, there is usually little difference in the prices charged for similar financial products. Thus, banks try to differentiate themselves from their competitors mostly by improving the quality of delivered services. In them banking sector service quality is one of most fundamental factors impacting satisfaction level. However, Reidenbach (1995) stated that customer value is a more viable factor than customer satisfaction since it considers the cost of products in addition to other important factors. Customer value is a dynamic construct and must be controlled whereas customer satisfaction is customer’s response to the values obtained from purchased products. Therefore, banks or insurance companies must understand how customers define the value so that they could create value added services. There are some evidences that indicate there is a positive relationship between the customer value and satisfaction (Anderson & Mittal, 2000, Yang & Peterson, 2004) Thus, our third hypothesis was:

H₃. Customer satisfaction has a positive effect on customer loyalty

Habit

It is a fact of life that force of habit still dictates many behavioral intentions, once people have gained experience. Prior research has indicated that habitual behavior leads to the continuation of the same type of behavior [H. Aarts, B. Verplanken, A,1998]. As Ouellette and Wood [J.A. Ouellette, W. Wood,1998] noted, once a behavior has become a habit, or well-practiced behavior, it becomes automatic and is carried out without conscious decision. According to Beatty and Smith [S.E. Beatty, S.M. Smith,1987], about 40–60% of the customers purchase from the same store through force of habit. They visit the websites out of habit rather than through a conscious evaluation of the perceived benefits and costs offered. Indeed, when habit is well-entrenched, people tend to ignore external information or rational strategy. Such an effect is a central element in Triandis [H.C. Triandis,1971] theory of attitude and attitude change: that behavioral intentions are the product of attitude, social norms, and affect caused by habit. Prior studies comparing the Theory of Reasoned Action and related theories using habit as an antecedent of behavioral intentions have found that habit can directly affect behavioral intentions more than do attitude and social norms [B. Verplanken, H. Aarts,1998]. Gefen found that habit alone can explain a large proportion of the variance in the continued use of a website. Applying these findings to customer loyalty suggests that customers’ intentions of repeat purchases on a specific website, (one they have habitually used in the past), will increase, due directly to the habit of visiting that specific website. Thus, we formed the hypothesis

H₆. habits moderator relationship between satisfaction and loyalty.

Conceptual model and research question

Using Wang model in the presented study The model variables include Trust, Customer satisfaction, customer loyalty and habit.

Fig. 1. The research model
The research hypotheses were formed based on this model.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁</td>
<td>Trust has a positive effect on customer loyalty.</td>
</tr>
<tr>
<td>H₂</td>
<td>Trust has a positive effect on customer satisfaction</td>
</tr>
<tr>
<td>H₃</td>
<td>Perceived value has a positive effect on customer loyalty</td>
</tr>
<tr>
<td>H₄</td>
<td>Perceived value has a positive effect on customer satisfaction</td>
</tr>
<tr>
<td>H₅</td>
<td>Customer satisfaction has a positive effect on customer loyalty</td>
</tr>
<tr>
<td>H₆</td>
<td>Habits moderator relationship between satisfaction and loyalty</td>
</tr>
</tbody>
</table>

The population includes people who live in Tehran city with at least one year experience of internet banking. Since the population is unlimited, the Cochran formula for sample size determination is used to determine the sample size. At the 5% error level, the sample size was obtained as 384. In order to obtain more accurate results, a total of 450 questionnaires were distributed among which 384 usable questionnaires were collected. According to the standard questionnaire (Wang et al., 2006) and approval of academics and experts in Internet Banking, the reliability of the questionnaire was assured. Cronbach's alpha coefficient was used to assess the test reliability. Cronbach's alpha was obtained for Customer loyalty (0.84), Trust (0.76), Customer satisfaction (0.89) and Habit (0.92). According to Cronbach's alpha values for variables (all above 0.7), the reliability of the study is approved. Fig. 2 demonstrates personal characteristics of the participants.
Inferential statistics

The model coefficients is significant

![Diagram 1]

The model is estimated coefficients, standard

![Diagram 2]

Table 2. Fitting Indexes

<table>
<thead>
<tr>
<th>AMOUNT</th>
<th>ACCEPTABLE AREA</th>
<th>INDEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 / 57</td>
<td>$X^2/df \leq 3$</td>
<td>$^1X^2/df$</td>
</tr>
<tr>
<td>0 / 003</td>
<td>RMSEA $&lt; 0.09$</td>
<td>$^2$RMSEA</td>
</tr>
<tr>
<td>0 / 93</td>
<td>GFI $&gt; 0.9$</td>
<td>$^3$ GFI</td>
</tr>
<tr>
<td>0 / 88</td>
<td>AGFI $&gt; 0.85$</td>
<td>$^4$ AGFI</td>
</tr>
<tr>
<td>0 / 94</td>
<td>CFI $&gt; 0.90$</td>
<td>$^5$ CFI</td>
</tr>
<tr>
<td>0 / 93</td>
<td>IFI $&gt; 0.90$</td>
<td>$^6$ IFI</td>
</tr>
</tbody>
</table>

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1. Chi Square Divided to Degree of Freedom
2. Root Mean Square Error of Approximation
3. Goodness of Fit Index
4. Adjusted Goodness of Fit Index
5. Comperation Fit Index
6. Inceremental Fit Index
The results of testing various factors

Table 3. Results of hypothesis

<table>
<thead>
<tr>
<th>Path/hypothesis Path</th>
<th>Coefficient of correlation</th>
<th>t-value</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust → customer loyalty.</td>
<td>0.18</td>
<td>2.25</td>
<td>supported</td>
</tr>
<tr>
<td>Trust → customer satisfaction.</td>
<td>0.21</td>
<td>3.52</td>
<td>Supported</td>
</tr>
<tr>
<td>Perceived value → customer loyalty</td>
<td>0.0009</td>
<td>-0.25</td>
<td>Not supported</td>
</tr>
<tr>
<td>Perceived value → customer satisfaction</td>
<td>0.532</td>
<td>10.83</td>
<td>supported</td>
</tr>
<tr>
<td>Customer satisfaction → customer loyalty</td>
<td>0.72</td>
<td>5.35</td>
<td>supported</td>
</tr>
<tr>
<td>habits moderator relationship between satisfaction → loyalty</td>
<td>*</td>
<td>0.4397</td>
<td>Not supported</td>
</tr>
</tbody>
</table>

Methodology

In the present study, descriptive and inferential statistics were used to analyze the data using both SPSS and LISREL. Analysis of ANOVA was also used for adjustment test. In the descriptive level, using statistical parameters such as frequency and cumulative frequency, the charts were plotted and data were analysed, and at inferential level, Cronbach's alpha was used to test reliability of questionnaire, structural equation modeling (SEM) to confirm or reject hypotheses and confirmatory factor analysis was used to assess the ability of each variable to be explained by the questions in the questionnaire.

Results, discussion and conclusion

According to the first hypothesis test results, it appears that the trust with coefficient of determination 0.0324 had a significant positive effect on customer loyalty in internet banking of Agricultural Bank. Studies by Rousseau et al. (1998) prove this result. According to the findings, the following strategies are presented to the directors and officers of the bank: 1. Establish a reliable and secure payment systems 2. Allows quick and easy connection of customers with bank via telephone, email, and SMS 3. Through one of the several methods Online, Email, sent a confirmation letter to the customer to ensure that the payment has been done correctly.

Given the second hypothesis test results, it appears that the trust with a coefficient of determination of 0.441 has a significant positive impact on the consent of customers of Agricultural Internet banking. Thus, we can conclude that the more Internet bank customers are confident in the internet banking system, they will use it more. Studies by (Fang et al., 2011). has demonstrated this result and emphasized the need to provide online customer trust to use Internet banking services. Based on these findings, the following recommendations are offered to bank managers: 1. Website should inform well about the security, security policies, contacts information in emergency conditions, technical descriptions and the functions of the electronic payment system 2. Customer concerns about security issues should be easily found in frequently asked questions section or Help, the customer must ensure the absence of hacker attacks on electronic payment systems. 3. Customer personal information must not be provided to the third parties by providers of internet banking system services for other purposes. 4. Creation of accountable reference for solving customer problems on holidays and non-business hours.

According to the third hypothesis test results, it seems that the perceived value had no impact on loyalty among online customers of the Agricultural Bank. In this context, the following recommendations are provided to the managers of the Bank: 1 - Due to the new nature of electronic services in developing countries and lack of familiarity for customers to use all features of Internet bank, managers and authorities should address it through free training 2 - Simple design of Internet bank page so that the customer with any level of education can use it. According to a fourth hypothesis test results, it seems that the perceived value with the coefficient of
determination of 0.532 had a significant positive impact on consent among customers of the Agricultural Bank internet banking. Therefore, it can be concluded that the greater the perception of bank customers about the value of using internet banking systems they use it more. Anthropological studies in different fields show that the easier processes and mechanisms the new system used by public follow, the public tend to use it more (Chang & Chen, 2007). Studies by Zeithaml (1988) are only part of studies which emphasized the need to provide appropriate conditions for further understanding of the value of Internet banking systems to encourage all customers to use the service. In this context, the following recommendations are provided to the directors of Bank: Due to the lower cost of electronic services, the authorities should establish virtual offices to perform alloperations required by customers and reduce costs of using Internet bank services to attract new customers and keep their customers.

Given the fifth hypothesis test results, it seems that satisfaction with the coefficient of determination of 0.518 has a significant positive impact on the loyalty among customers of Agricultural online banking. Therefore it can be concluded that the more the internet banking customers are satisfied with the internet banking system including the bank internet service the more they use it. Accordingly, banks should emphasize the importance of consent in Internet customers more than before. Such results are also obtained in studies by Gupta & Zeithaml, (2007) who examined the consent in internet banking. Given these findings, the following recommendations are offered to Bank officials: 1. Promote the approach of market-orientation to precisely identify the customer needs, and planning to meet the needs and their consent. 2. Analyse the weaknesses in the provision of internet banking services and its continuous improvement in terms of security, ease of use, speed and...

According to the sixth hypothesis test results, it appears that the habit has no impact on adjusting the relationship between consent and loyalty among customers of Agricultural Bank Internet banking. Therefore, it is recommended that banks officials identify the other factors affecting loyalty of Internet banking customers.

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