

THE RELATIONSHIP BETWEEN SATISFACTION AND LOYALTY IN THE ON-LINE FINANCIAL CONTEXT

Исследуется актуальная проблема, связанная с эффективным использованием онлайн-финансовой среды. Предложен механизм выбора стратегии поведения в условиях данной среды, основанный на принципах «доверия к торговой марке и удовлетворения потребности».

The purpose of this research is to analyse and quantify the existence of an unidirectional relationship between two marketing relational terms and on-line financial context: satisfaction and loyalty. We carried out a compressive review of the literature about loyalty and we justified on an individual basis regarding their conceptualization and implications. Following that, we conducted empirical research on a representative sample of customers of Internet banking services. We determined the relevance of the satisfaction and loyalty. And finally, we establish different strategies in this context.

1. Introduction

Traditionally, the main relational aim for an organization was formed around obtaining customer satisfaction^{*}. However, the current interest in customer satisfaction is linked to the development of loyalty that it is considered an important source of competitive advantage (Bharadwaj et al., 1993; Andreassen, 1999; García et al., 2006). So, the success key of an online business is to gain the customer loyalty.

In order to know how long term relationship between business and customer are built, we have found in literature that the online satisfaction of customer acts is a determinant factor of loyalty, and therefore, as an outstanding care goal. Accordingly, we intend to test whether satisfaction will enable the development of a long-term relationship with customers based on loyalty and, consequently, whether it will enable to gain a competitive advantage for the company (Dick & Basu, 1994; Oliver, 1999).

This research is organized in four sections. The first section presents a review of how the analyzed variables have been discussed, making proposals about their dimensionality, measurement scales and the causal relationship that our model defends. The next sections, the used measurement and a summary of the obtained results are presented and finally, we present the main conclusions and recommendations to theoretical and management level, limitations and future areas of research.

2. THEORETICAL FRAMEWORK

2.1. Conceptualization and measurement of the construct of satisfaction

In the past four years, the term customer satisfaction has received great attention in the academic literature of marketing and the professional field, including on Internet. The justification for the emphasis on this traditional and recent concept is due to its impact on corporate profits, such as the survival of the company and customers' loyalty.

Despite not having reached an agreement on the variables which determine satisfaction (Szymanski & Hise, 2000; De Rojas & Camarero, 2005), a review of the literature suggests that proposed factors are summarized in two approaches: the cognitive approach and the emotional or affective one^{**}. The first approach suggests that satisfaction is formed as a result of the confrontation of two concepts: the customer's expectations which act as a previous reference point, and an experience or result. The second approach, the emotional one, defends satisfaction is an emotional response that has been produced as a result of an evaluation of a situation (Zeelenberg & Pieters, 2004), for instance, an episode of use or consumption of a good or a service (Bagozzi et al., 1999). Homburg et al. (2006) recognizes that both approaches jointly predict satisfaction in a significant way and we have assumed it to this research, i.e., customer satisfaction is formed from the analysis of cognitive and emotional factors^{***}. The items, which are been included in the scale of satisfaction in online banking, correspond to those reported by other authors with the adjustment to the application context, therefore, the cognitive component has been collected through the items sat1 (*I am satisfied with service that they offer to me*), sat2 (*if I had to make the decision again, I would chose the online banking from my financial institution*) and sat3 (*My choice to use the online banking of my financial institution was right*); and the emotional approach has been collected through item sat4 (*I feel good for my decision to use online banking of my financial institution*).

Regarding to the theoretical conceptualization of online satisfaction, many definitions have been proposed, different from each other and none of them widely accepted (Molina et al., 2006). According to the literature, and particularly Oliver's studies (1999), we define satisfaction such as an emotional and cognitive response which it is the result of the evaluation process that customer makes from its experiences of buying and/or consumption (i.e., from the relationship that customer has with his electronic bank), with a standard of comparison that operates through his expectations.

* Some companies still persist in achieving customer satisfaction as the final goal.

** These two approaches are explained through the Theory of the confirmation of expectations and the Theory of emotions, respectively.

*** In electronic banking, the consideration of emotions has an special relevance because of the active participation of customer (Grönroos, 2000; Szymanski & Henard, 2001; Bigné & Andreu, 2004; De Rojas et al., 2005).

2.2. Conceptualization and measurement of the construct of loyalty

The main concern of the organizations for more than two decades focuses on locating customers who really are loyal to their products. The reasons which justify this, are based on the idea that customer is a limited resource, and on the relationship between loyalty and business profits in terms on performance and benefits, and with the generation of potential sources of competitive advantage.

On one hand, Zeithaml et al. (1996) indicated that loyal customers behave differently to those who are not loyal. But, it is necessary to establish where the difference is. A sign of the behaviour of a loyalty has taken numerous representations in literature as advantages for the company. We highlight the advantages: an increase in the level of customer spending, a purchase of a great diversity of products, a repetition of the purchase, a greater willingness to pay more, cross selling, or positive communication.

On the other, the loyalty construct has been widely discussed in marketing literature; however, there is not unanimity about its structure and conceptual delimitation. The review of the literature allows us to identify the explanatory model of loyalty that Oliver (1999) has proposed, and we adopt it in our research. In this model, the term loyalty is conceptualized in three dimensions: the first one is associated with preference (cognition or pleasure), the second one has an intentional character (conative) and the third one is related to a component of the behavioural perspective (loyalty). Our proposal to include the aspects from the behavioural nature is reflected in items lea1 (*I say positive things about it to others*), lea2 (*I recommend use it to whom asks me for advice*) and lea3 (*I encourage friends and family to use it*). The attitudinal perspective has been measured by the item lea5 (*I will continue using the services of online banking of my financial institution in the future*) and, finally, to cognitive perspective we use the indicators lea4 (*I consider the online banking of my financial institution as my first option to acquire financial services*) and lea6 (*I will continue using online banking of my financial institution even though I had to pay for this service*).

Lastly, in order to qualify the peculiarities of the concept, we propose the next definition which was assumed by Gremler & Brown (1996). They define loyalty as "the degree to which a customer exhibits repeat purchasing behaviour from a service provider, possesses a positive attitudinal disposition toward the provider, and considers using only this provider when a need for this service arises".

2.3. Loyalty as a result of satisfaction

Satisfaction and loyalty have been used interchangeably in the academic and business research (O'Malley, 1998), but Oliver's research (1999) is a reference for analysis of this situation. He proposes six theoretical models to understand the conceptual framework that link both constructs. The reached conclusion points to satisfaction and loyalty are heterogeneous concepts and the first one precedes the second one. Thus, when a customer is satisfied with the performance of a company, he tends to develop preferences, attitudes and behaviours of loyalty due to satisfaction acts as a psychological barrier that prevents customers to leave the company and so, company can benefit from customer's retention. In the electronic context, it has been unequivocally assumed that a satisfied customer is the prelude to a loyal customer (Schultz & Bailey, 2000; Cuthbertson, 2001) and the operation of this dual relationship has a greater intensity in online context than in the physical context as suggested by the research of comparative nature of Shankar et al. (2002, 2003) and Ranaweera et al. (2005). Based on this theoretical model and on the evidence in the literature in the on-line context we propose the following hypothesis:

Hypothesis (H1): *User's satisfaction through online financial service influence positively on the online banking user's loyalty.*

3. Empirical research

In order to test the main hypothesis, information has been collected (from November, 2008 to February, 2009) through a structured questionnaire that should be completed electronically, from a sample of 518 interviews, resulting 404 valid. Accordingly, we allow a sampling error for the total sample of 4,97 %, for a confidence level of 95 % ($p=q=0,50$). Our sample unit is defined from a series of socio-demographic and economic characteristics: 55 % are men and 45 % women, in terms of age, 81 % data are not more than 44 years. Just over 84 % have university or higher studies; 50,25 % are employees and 55,11 % earn more than 1500 Euros per month.

The analysis of the results was performed in two steps. Firstly, we evaluated the psychometric properties (reliability, convergent and discriminant validity) of the measurement scales following the methodological suggestions of Anderson & Gerbing (1988). Following that we tested the hypothesis concerning the relationship between satisfaction and loyalty. We validated the scales following the same process: we developed an exploratory factor analysis, we estimated a confirmatory factor analysis, and removed non-significant items. We used statistical programs SPSS 15.00 and AMOS 7.9.

Once we verify the adequate construction of the structural model for effective testing. We identify that: the satisfaction construct has two dimensions, cognitive (sat1, sat2, sat3) and emotional dimension (sat4); the loyalty construct has two dimensions, behavioural or action dimension (lea1, lea2, lea3) and attitudinal or intentional dimension (lea5).

* That an existing customer made a purchase in the firm requires lower costs than attract a new one.

In this way, the goodness of fit indicators researched the recommended values (figure 1). The translation of SMC ratio reflects values that show a high explanation of the variables and indicators in the global model (sat1:0,70; sat2:0,71; sat3:0,85; sat4:0,83; lea:0,74; lea_comp:0,46; lea1:0,75; lea2:0,91; lea3:0,65; lea5:0,52). Reflected values of index of goodness indicate high levels of acceptance (χ^2 :29,18 (df:19; p:0,06), Gfi:0,95; Ncp:10,18; Rmse:0,04; Agfi:0,91; Nfi:0,90; Rfi:0,86; Ifi:0,96; Tli:0,94; Cfi:0,96; Pnfi:0,61; Pgfi:0,50).

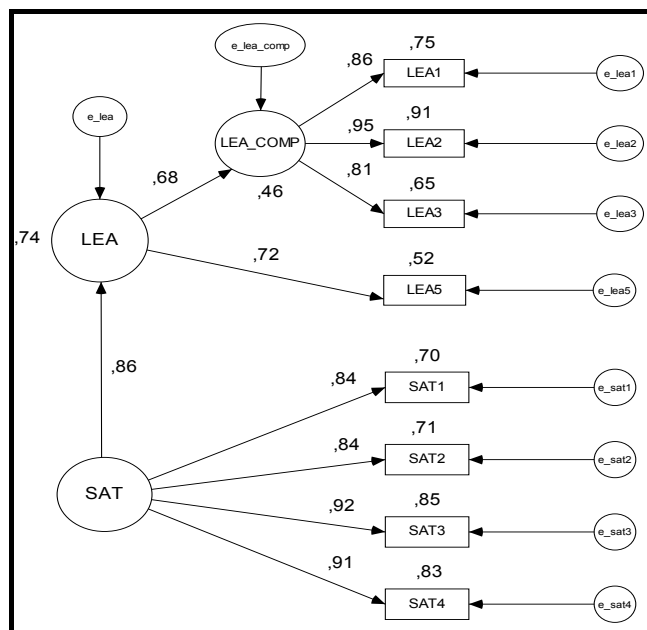


Figure 1. Standardized Loading of Structural Model

In order to provide increased assurance to the model, indicators of composted reliability (FC) and extracted variance (VE) of the latent variables have been calculated, the results have a very appropriate values(FC/VE): sat(98,59/94,59); lea_comp(96,24/89,56); lea(97,01/89,11).

Table 1

Estimation measures and confirmed hypothesis

Structural Relation	Standardized Coefficient	T - value	R ²	Contrast of hypothesis
Satisfaction→ Loyalty	0,859	13,402	0,738	Positive

Based on the previous discussion, we review the signification of the magnitude of the estimated coefficient (table 1). We conclude that the proposed casual relationship presents the expected sign (positive) and it is significant to a signification level of 0,001. Accordingly, we have found that the satisfaction of a consumer, who uses Internet to satisfy its financial needs, is significantly linked to its loyalty to the institution. This relationship has been confirmed in several researches (Schultz & Bailey, 2000; Cuthbertson, 2001; Shankar et al., 2002, 2003; Ranaweera et al., 2005).

4. Conclusion, limitations and future research

Attracting new customers is not the principal objective of an institution which governs its actions and strategies under the relational paradigm. The high costs to acquire new customer have justified that a strategic solution had developed. This strategy consists of achieve customer's loyalty through the establishment of long-term relationships that are mutually beneficial. The context of study determines a reality that contributes to the above goal is even more complex.

Based on previous discussion and based on the obtained results, we listed the main theoretical and empirical conclusions, we establish some recommendations to managers of financial institution that provide services through Internet, limitations of the study and proposals to future research.

From a theoretical perspective, conclusions refer to nature, antecedents and consequences of the constructs that have been included in the structural model: (1) latent variables have received considerable attention in marketing literature, however, (2) regarding to their definition and measurement, proposals differ depending on the context of application; (3) in an electronic context, founded research are basically exploratory, in spite of (4) difficulties to achieve satisfaction and loyalty in this context, are bigger than in an offline context; (5) regarding measurement of the satisfaction variable, two areas have been found: cognitive and emotional, (6) and to measure the loyalty variable, —established as the goal of the “new millennium”—, (7) the dimensions have been synthesized from: behavioural, attitudinal and cognitive perspectives.

In regard to empirical conclusions: (1) the customer's satisfaction variable is composed of two different elements (cognitive and emotional side) that converge in a single factor; (2) loyalty has been tested as a conative and two-dimensional construct composed of behaviours and attitudes of the user; (3) the structural results have found satisfaction construct is an antecedent to loyalty, and (4) the direct influence of satisfaction on loyalty is very relevant.

This research lead to two recommendations to managers who are responsible for the online channel in financial institution: (1) the many important advantages that customer's loyalty create, cause loyalty might be considered as a major concern for managers, and (2) managers might achieve customer is satisfied with the website, in order to cause that the behaviours and attitudes of the customer are of loyalty.

To conclude, we point out the limitations of this study and future research. First, we must point to the limitations caused by: (1) the use of a sample procedure that is not probabilistic and for convenience; (2) the omission of relevant variables in the measurement an causal model is possible; (3) the implement context is national and (4) the research has a transverse character.

Secondly, some of these limitations can be solved through new avenues for further research: (1) particularize the model by building relationships at the indicator level, (2) carry out the analysis by segmenting by user type (cluster analysis), (3) expand the range of variables, items and relationship that might be included in the model, and (4) modify the context and geographic ambit of the model.

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* Despite not being a method with a good statistical properties, it seems to be appropriated in the electronic context due to the impossibility to access to a suitable framework (AIMC, 2008).