Identifying and Prioritizing the Effective Factors on Customer Attraction Using MADM Techniques (Case study: Javanan-e-Khayer Loan Financial Institute Branches of West Azarbaijan)

Jalal Salahshour¹, Mehran Molavi²

¹. Department of Management, Mahabad Branch, Islamic Azad University, Mahabad, Iran.
². Department of Management, Mahabad Branch, Islamic Azad University, Mahabad, Iran.

*Corresponding author email: j.salahshour@hotmail.com

ABSTRACT: In recent decades due to intense competition and rapid changes in business world, customer attraction and satisfaction have been vital issue. So, in this research we try to identify and rank effective factor on customer attraction. First, we gather 43 factors from different source by a comprehensive review of literature. In next step we finalize factors by collecting data from Kosar financial institute staff using questionnaire 1. Then, we analysis the relation of 25 final factors by using DEMATEL technique based on expert views. As result, DEMATEL put final factors in two groups, cause and effect groups. Cause group consist bank notability, different services, advertising, and adaption of services with customer needs, low rates, profit of accounts, bank location and cost of services. Effect group consist new technologies, trust, professional staff, security of accounts, speed of services, staff look and bank look.

Keywords: Customer attraction, MADM techniques, Customer relation management.

INTRODUCTION

Today, banks and the financial institutes play the role of development engines. In fact, this industry includes the main stream of the industries i.e. fund and finance. On the hand, the competitive status of such market makes it difficult to be sustained (Burnett, 2001). Attracting and saving the customers is difficult nowadays. The organizations as well as the companies try to develop their strategies using diverse methods and styles. Today, the diversity of goods and productions have led to the decline in company’s monopoly. Meanwhile, the bank industry has got one of the most competitive markets which has coerced the banks to identify and redefine customer and its relationships with them (Kazemi and Mohajer, 2010).

Marketing

Marketing is defined as the human activities in order to respond to the needs through the transaction process. In other words, marketing is defined as the search for the most appropriate market and for those areas in which the organization is able to be shown more effectively and to respond more to people. Marketing means dividing the markets or determining the company products for the most appropriate markets.

The Strategies relevant to the customer attraction

Establishing the culture of customership: there is a direct and evident relationship between the customership values and the bank’s success. The culture should be in a way that draws its attention on the customer needs and the customer is the key to all activities and efforts of the bank. The bank should assess its performance based on the level of customer satisfaction.

Human resource development: human resource development has to do with increasing the operational capability of the employees. In addition, the implicate of development is that the operational employees have freedom throughout the service providing process.

The positioning of managers paradigm: the Branch Chief of the bank is the utmost executive position. He determines different strategies in his Branch. He would better make appropriate relations with his customers. The higher managers should spend at least 31 days annually in communicating with his customers so that they do not disintegrate from the organization.
Realize your customers: the customer realization is considered as an effective factor in achieving success regarding the service providing. The Branch managers should categorize their customers and make the main customers as the center of attention. In fact, this leads to the point that the managers’ strategies focus more on the main customers (Tseng, 2009).

Realize your rivals and use them as much as possible: the bank manager should collect the information having to do with its rival as much as possible, identify its strengths and weaknesses and make relationships with him. Also, he should obtain information about the kind of service providing and their employees.

Customer saving: the relationship between the financial institute and the customers include issues to be made for both parties and endanger the relationship continuity. If the relationship between the customers and banks are managed, the individuals will be supporters of productions and ides. What is taken into account as important in today’s marketing is customer saving and converting them to the permanent customer. Also, only the customership organizations are succeeded in 21st century (Alvandi and Karimi, 2010).

The definitions of customer relationship management

The customer relationship management (CRM) is the new concept of management. This approach integrates different elements of technology, human resources, information resources and business processes so that it creates business which has all-dimension view to its customers (Figure 1).

The customer relationship management includes the task in order to ascertain the customer satisfaction in relation to the transaction with the business unit or a definite organization (Roshandel et al., 2012).

![Figure 1. A 360 degree view of organization to customer](image)

The importance of research conducting

The banking industry is considered as one of the most important industries in the world and the expanded development of human knowledge has led to the point that this industry gets most benefit from this knowledge. Nowadays, in most developed countries, banks are considered as the problem-solving, expert consultants and expert at increasing financial resources of companies. This has led to the competitive context between them (Abbasgholipoor, 2011). All of the organizations follow the customer satisfaction and its development. This is a key issue in bans specially those having permanent relationship with customers. On the other hand, the competition among the banks and financial institutes and other kinds of financial absorption are increasing (Nazemi et al., 2006). This competition has led to the increase of customers’ importance and their role in organizational success so that the activities having to do with marketing and customer satisfaction have possessed main part of the managers’ time and energy allocation. Hence, it is clear that identifying the important factors and elements affecting the bank customer attraction is taken into account as an indispensable factor in organization growth, development and success.

Research goals

Main goal

This study aims at identifying the effective factors on customer attraction in JavananeKhayer Loan Institute Branches.

The secondary goal

Prioritizing the affective factors on customer attraction.
Review of literature
Kazemi and Moahjer (2010) have prioritized the affective factors on customer satisfaction in their research. In this research, 24 factors have been identified for customer satisfaction. They gave prioritized these factors according to the element importance and satisfaction indexes from customers perspective(Kazemi and Mohajer, 2010).

Nazari (2012) has surveyed the relationship of factors of mixed marketing with the customer attraction in his article “effect of mixed marketing on customer attraction. Based on the obtained data, the factors of customer income, quick service providing and service diversity affect the customer attraction(Nazari, 2012).

Abasgolipor (2011) has described the operational indexes of banks in one of his researches. In this article, four main factors are suggested to develop banks performances i.e. equipping the financial resources in novel banking, using the Global Bank indexes and risk management. Then, each of the secondary elements of those factors are described and the practical suggestions have been developed such as the sort of novel banking services, making customer culture, analyzing the organizational progression and financial policies(Abbasgholipoor, 2011).

The theoretical principles of research
Marketing is defined as human activity in order to respond to the needs through the transaction process. The customer relation management includes the tasks so as to ascertain the customer satisfaction in relation to the business unit or definite organization. Multi-index decision-making is applied in order to choose the most appropriate alternative from M choices with the determined indexes and criteria.

MATERIALS AND METHODS
First, all of the staff and managers of Kosar Financial and Credit Institute Branches of West Azarbaijan were chosen as the statistical sample who were 250 individuals, among the distributed questionnaires, 231 ones were returned. Second, seven individuals among the managers of different branches were chosen according to the kind of research and the need for expert individuals in order to binary comparison among the factors and based on a number of attributes such as level of education, organizational position and experience. Having identified the affective factors on bank customers’ attraction, the statistical society viewpoints are collected regarding the identified factors and are balanced according to the obtained information about the identified factors. In order to extract the final factors, each of the factors is determined according to the obtained information from questionnaire (1), these relationships are analyzed using the multi-index techniques and methods. In order to derive the extent of effect, the Dimatel method is used. In order to analyze the relationship of these factors using the Dimatel technique, one would need to analyze the relations through the questionnaire. Finally, MATLAB software has been used to analyze the data. The reason for choosing Dimatel in order to analyze the relationship between the factors is its capability to analyze the complex relations among different factors. Also, this advantage has led to the point that this technique is used extensively in different issues.

CONCLUSION
First, there were 15 factors among 42 ones to be identified regarding the customer attraction whose results are as follow.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Factor</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bank popularity</td>
<td>4.73</td>
</tr>
<tr>
<td>2</td>
<td>Deposit interest rate</td>
<td>4.57</td>
</tr>
<tr>
<td>3</td>
<td>Lower interest in loan</td>
<td>4.4</td>
</tr>
<tr>
<td>4</td>
<td>Cost (expenses) of services</td>
<td>3.87</td>
</tr>
<tr>
<td>5</td>
<td>Bank reliability and validity</td>
<td>3.86</td>
</tr>
<tr>
<td>6</td>
<td>Physical style of employees</td>
<td>3.84</td>
</tr>
<tr>
<td>7</td>
<td>Rate of services</td>
<td>3.74</td>
</tr>
<tr>
<td>8</td>
<td>Advertisement</td>
<td>3.67</td>
</tr>
<tr>
<td>9</td>
<td>Bank services correspondence with customer demands</td>
<td>3.51</td>
</tr>
<tr>
<td>10</td>
<td>Service diversity</td>
<td>3.37</td>
</tr>
<tr>
<td>11</td>
<td>Using advanced technology</td>
<td>3.35</td>
</tr>
<tr>
<td>12</td>
<td>Local position of bank</td>
<td>3.34</td>
</tr>
<tr>
<td>13</td>
<td>Expert status of bank personnel</td>
<td>3.08</td>
</tr>
<tr>
<td>14</td>
<td>Bank outer view</td>
<td>3.05</td>
</tr>
<tr>
<td>15</td>
<td>Cash security</td>
<td>3.04</td>
</tr>
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</table>
Then, the relationship between the final factors were analyzed using Dimatel technique which were divided into two groups of effect and affect based on the results of analysis in which the group with positive index (D-R) are included in effect division. Inclusion in this group shows the significance of these factors and their effects on customer attraction. The factors of bank popularity, different services, advertisements, accordance of bank services with customer demands, low rate on loan, amount of interest, local position and service payments are included in affect group according to the obtained data from data analysis. Amongst the factors being included in the affect group, bank popularity (X14) has the highest index (d-R) which shows that this factor has the most effect on customer attraction. This result is in accordance with the derived prioritization from questionnaire (1) in which bank popularity has the highest score and has been ranked as the first part. The excellence index (D+R) of this factor is 4/55 which is not so much excelled among the indexes which shows lower effect of this factor on the other affective factors on customer attraction. The factor having the highest index (D-R) is the service diversity (X3). The index of (D-R) in this aspect is 1/875. The excellence index (D+R) of this factor is 4/961 which is higher than the bank popularity factor which shows that this factor is more effective compared to the other factors in relation to the popularity factor. The other factor to be included in this group is the advertisement factor (X15). The index (D-R0 of this factor is 1/339. The excellence index of this factor 9D+R) is 4/453. Both the index of (D-R) and the index of (D+R) are two advertisement factor and service diversity close to each other which show that these two factor are in equal affecting status on customer attraction and other factors. The other factor which is ranked following the advertisement factor is the bank service correspondence with customer demands (X7). The index (D-R) of this factor is 0/963 and its excellence index is 4/821. Although the contribution of this index to the customer attraction is lower than that of advertisement, its contribution to other factors is more than that of advertisement. The other factor to be included in this group is the low interest rate on loan factor (X2). Although this factor is included in affective group because of its positive index (D+R) and is contributive to customer attraction, its excellence index (D+R) is the lowest one among the whole factors and this shows ignorable effect of this factor on the other ones. The rest of these factors are as follow: MIAZANE SOODE SEPORDEHA (X5), bank local position (X10) and service costs and wage (X6). The factors whose index (D-R) is negative are included in effect group. Including in this groups means that these factors are less contributive to customer attraction. Being included in this group should not raise this implicated that these factors should not be taken into account. The factor of using technology and advanced innovation (X1) is considerable. The excellence index (D+R) of this factor is the highest among the whole factors (6/116) which shows that this factor is the most contributive one compared to the other factors. Although it is not directly contributive, it is considerable indirectly. This index has got the highest excellence rate (D=R) although it has the lowest index (D-R). The other factors of this groups are as follow: bank employees’ expertness (X11), funds security (X4), service rate (X4), employee’s figures and styles (X9) and bank view (X12).

![Figure 2. The diagram of affect-effect](image)

**Research limitations**

Each study is limited in some aspects and the current research is not an exception. The research is faced with different cases which affect the study and its results. A number of these cases are not under the control of the researcher and the others can be handled by our researcher which fall into the limitation group: One of the limitations of this research was the questionnaire. In fact, the questionnaire is regarded as the internal limitation of any research in Human Science.

The other limitations to be made for the researcher was lack of researcher availability to the statistical society because of the geographical distribution.
Suggestions

Applied suggestions

It is suggested according to the obtained results from the analysis of customer attraction contributive factors that the managers draw their attention more on choosing the policies and marketing strategies in order to attract customers. As it was observed, age is the most contributive factor and this is mostly affected by the other factors. In fact, this maxim reveals that there are relationships among the identified factors and the managers should manage them delicately and deliberately.

The other factor to be taken into account is making the services and products as diverse as possible. As mentioned above, service diversity has the most contribution to customer attraction following the bank popularity factor. What is important in addition to service diversity is the advertising for service which is undoubtedly contributive to customer attraction. Two other points are to be described here: lowering of expenses (costs) and decline in human resources. Service providing with lower costs can play an important role in increasing customers in the market and can be so competitive. One should have in mind that all of the noted factors are included in the group of efficient human resources which can shed light on the policies and organization strategies.

Research suggestions

In the current research, the relationship between the final factors contributing to customer attraction were analyzed. It is claimed that the surveyed relationships to be identified would yield interesting results. Although this one might increase the error probability, identifying the relationship among them can reveal the realities in a better way. One would use the other techniques like ISM 3, Grey Theory and other decision-making techniques as discrete in order to make analysis. On the other hand, the identified factors contributing to customer attraction are not perfect and one would add more factors to them. In addition, he affective factors to customer attraction were extracted through the employees’ perspectives while it is required that customer attitudes are analyzed, too.

REFERENCES