The Relationship between Interest and Providing Banking Facilities by Attracting Consumers to Deposit in Sepah Bank (A Case Study: Sepah Bank of Sabzevar)

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ABSTRACT

The main purpose of this study is to investigate effective behavioral factors for attracting consumers to deposit in banks and their satisfaction in Sepah Bank of Sabzevar which collect data related to 300 Sepah consumers in 10 branches of Sabzevar during one month by using simple random sampling. The method of research is descriptive – correlative with an applicable purpose. Collecting data is obtained by using Ezadyar’s questionnaires about behavioral factors, mixed factors of marketing (2011) and Khodayari Fard et al. questioner of consumer’s satisfaction. Analyzing data is conducted in SPSS software, v.21. Results of main hypothesis finding using regression analysis show that behavioral factors have significant impact on attracting consumers to deposit in Sepah Bank and their satisfaction (P < 0/05). Sub-hypothesis results show that there is a positive and significant relationship between banking interest with consumer attraction to deposit in Sepah Bank (P < 0/05). There is a negative and significant relationship between providing banking facilities with attracting consumers to deposit in Sepah Bank (P < 0/05).

KEY WORDS
Interest, Banking Facilities, Sepah Bank, Deposit

INTRODUCTION

Economic growth in any country is subject to invest in it. Resources required to invest in various economic sectors, mainly are achieved from the savings of people who are deposit in banks. Therefore, whatever equipping and collecting deposit increases through banks, more resources will be provided to invest [4]. In modern banking, consumers have different motivations to entrust their funds to banks. So it is suitable that in the current competitive market which is associated with the privatization of many state-owned banks, the banks make a remedy to attract resources on one hand and to keep their consumers as soon as possible [6]. In fact, in modern banking, there is various component that effect on the course of attracting bank monetary resources and financial institutions, identify and quantify value of impact and type of relationship between these components with succeeding banks is an important issue. Today, situation and circumstance of financial institutions and banks with each other is not the same and it is possible that effective components on supplying financial resources maybe different for each branch of banking group [8]. Normative and logic implementation and observance of each of these components for attracting financial resources by banking can be effective in enabling the bank and it can determine power of bank for attracting financial resources and its potency to pay debt. Some of effective factors on the amount of attracting consumer to deposit in banks are: skill and behavior of employees and managers or more generally, behavior factors, variety and quality of banking services, customer’s satisfaction from employee, utility indoor banks, seating branches, faster access and ...

RESEARCH BACKGROUND

Domestic background:

Rezaeepour and et.al (2012) in "investigation of long-term depositors' behavior towards banking interest rate change" during 1973 to 2008 found that long-term balance relationship between interest rate and the amount of funds banks is significant and impact of increasing interest rate on bulk of financial resources is positive, of course, long-term impact of interest rate on bulk of financial rate in short- term also is confirmed[5].

Fahimiduab (2010) investigated special behavior factors on decision of investors to buy ordinary shares in stock exchange of Tehran and Mashhad. They show that investors’

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decision to buy in two stock organization are influenced by special cultural factors and these factors have higher impact in Mashhad[2].

Amini and et.al (2010) investigate effective factors on attracting banking deposit, selected banks by confirming on saderat bank of Iran. Research findings show that real income per capita and the number of branches have more positive impact on bulk of long – term deposits in saderat bank the bulk of deposits of past periods is an effective factor on current and loan deposits, also inflation and population variable have lower impact on bulk of deposit in the Saderat bank[1].

**Foreign background:**

Wallace and et.al (2013) investigated the quality of effectiveness of leadership behavior on employees’ commitment on 438 employee in Ireland bank and they show that employees’ commitment is so important that has a great influence on brand selection and supporting it during providing service.

One responsible or effective leader can foster work commitments and spirit of supporting a commercial goods in its own staff[7].

Sultana (2010) investigated the behavior of small investors in Indian stock market. They have investigated some characteristics such as age and sexuality in association with behavioral bias and risk. Their results show that there is a powerful and negative correlation among age and risk of investment.

Fernandez and et.al (2009) investigated, in a research entitled "financial behavioral and estimation risk in the process of random portfolio optimization", four behavior variables: loss aversion, mental accounting, asymmetrical risk and probability weighting function and they concluded that each four phenomena are effective in portfolio selection process[3].

**RESEARCH HYPOTHESIS**

**Main hypothesis:**

Behavior factors have significant impact on attracting customers to deposit in sepah bank and their satisfaction.

**Sub – hypotheses:**

There is significant relationship between banking interest with attracting customers to deposit in sepah bank.

There is significant relationship between providing banking facilities with attracting customers to deposit in sepah bank.

**SPATIAL AND TEMPORAL TERRITORY OF RESEARCH**

A. Spatial territory:

Spatial territory of this research involves all branches of sepah bank in sabzevar that number of branches of this bank is as below:

1. Central branch
2. Asrar branch
3. beyhagh branch
4. Ata malek branch
5. Ebn –e- yam in branch
6. chamran branch

B. Temporal territory:

This is research is done in the second half of 2015 temporally.

**RESEARCH METHOD**

The current research is applicable research in terms of purpose and it is descriptive – correlutive in terms of collecting data. In descriptive study, we describe individual variables and independent variables of study using dispersion and central indices calculation and chart and frequency tables, and we investigate and determine the relationship among dependent and independent variables in correlation study and we use Pearson correlation tests, regression analysis and variance analysis to reject or confirm statistical hypotheses.

**SUB – HYPOTHESES TESTING**

**First sub – hypotheses:**

There is significant relationship between banking interest with attracting customers to deposit in sepah bank.

In order to measure the relationship between banking interest and attracting customers to deposit in sepah bank, Pearson correlation test is used in confidence level of 95%. Results of test is shown in table (1).

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<th>Tab .1. The results of correlation among banking interest and attracting customers to deposit in sepah bank</th>
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<td>Rejection/ confirmation</td>
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Correlation results between studied variables show that in significant level (p = 0/005) which is lower than standard error value (P < 0/05), there is significant relationship among banking interest with attracting customers to de deposit in sepah bank.

Correlation value between tow variables is (r = 0/160) that this figure shows correlation and positive relationship, direct and good relationship between two variables. Effectiveness severity also is depended on correlation coefficient value, i.e, if banking interest increases on unit, amount of consumer attraction to sepah bank increases 16%. Based on this, we can reject hull hypothesis and research hypothesis is accepted based on the relationship between banking interest with attracting customers to deposit in sepah bank.

**Second Sub – hypothesis:**

There is significant relationship between banking facilities with an attracting customers to deposit in sepah bank.

To measure the relationship between providing banking facilities and attracting customers to deposit in sepah bank, Pearson correlation test is used with confidence level of 95% the test results are shown in table (2).
Correlation results between studied variables show that in significant level (P = 0/000) which standard error value is lower (P < 0/05), there is a significant relationship between providing banking facilities and attracting customers to deposit in sepah bank. Correlation value between two variables is (r - 0/303) that this value shows correlation and negative, reverse and relatively good relationship among two variables. Effectiveness value also is depended on correlation coefficient value, i.e. if providing banking facilities increases one unit, so amount of attracting customers to sepah bank decreases 30/3%, in other words, providing banking facilities decreases attracting customers to this bank. Based on this case, we can reject hull hypothesis and research hypothesis is accepted based on the relationship between providing banking facilities with attracting customers to deposit in sepah bank.

**DISCUSSION AND CONCLUSION**

Research findings are obtained in relation to each of the effective behavioral factors on depositors in sepah bank and their satisfaction as follows.

**First factor: banking interest**

Analyzing the research findings shows that banking interest have significant and positive relationship with attracting customers to deposit and their satisfaction by comparing correlation value of these two case, we can say that banking interest have more powerful and better relationship with satisfaction of customers towards attracting customers to deposit and whatever banking interest increases, customers’ satisfaction from bank performance will be increased and also whatever interest of deposits become higher, more customers will be attracted to the bank.

One of the basic variables in banking activities is making decision for banking interest rates. Empirical and theoretical show that changing in rate of banking interest effects on bulk of deposits, mixing various deposits, investment and inflation rate. For this reason, any change for decreasing or increasing rates should be conducted by accurate expertal studies and assessing a position for each of macro – variables and amount of their sensitivity to banking interest rate changes.

**Second factor: providing banking facilities**

Analyzing research findings shows that there is a negative and significant relationship between provifing banking facilities and attracting customers to deposit and it has no any relation with customer's satisfaction.

By this finding, we can find that facilities with higher rates attract lower customers to the bank and customers won't satisfy but against, facilities with lower rate cause to attract more customers to the bank and customers will have more satisfaction. Bank sepah has provided a variety of facilities with their interest rate which are: interest – free (loan) facilities with rate of 4% exchange contracts as leasing, predecessor, reward, and hire with purchase condition with rate of 20%, participatory contracts as civilization participatory and moderate participatory with rate of 22%, warranty contrast as opening the domestic monetary credit and Rial guarantees with rate of 20% .the results show that whatever provided facilities become lower by sepah bank, so amount of attracting customers to deposit in this bank also increases. None of past conducted research have investigate this issue.

**REFERENCES**


