

## A study on the effect of organization's reputation on service quality and customer's satisfaction and loyalty (The organization under study: Tose'e Taavon Bank of Tehran Province)

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### Abstract

A strong and positive reputation of the company offers a sign and a symbol of the company and reduces transaction costs and creates many benefits for the organization. Researchers believe that customers of good reputation organizations, show supportive behaviors (for the organization). Therefore, a good reputation causes the organization's benefit, because the customers attribute the high levels of qualifications to the company and as a result it supports the company.

In this study, we have tried to evaluate the effect of organization's reputation on service quality, customer's satisfaction and loyalty (the organization under study: Cooperative Development Bank of Tehran Province). The study population consists of all customers of Cooperative Development Bank in Tehran Province. Statistical sample size was calculated using the formula sample of 384 participants. This research project is practical in terms of its objectives and descriptive-survey in terms of its nature. To test the research hypotheses and to get the results, LISREL software and path analysis test was employed.

The results obtained from the hypotheses test used in the project showed that the reputation of the organization has a significant relationship with perceived service quality and customer's satisfaction and loyalty. Furthermore, the customer's satisfaction has a significant relationship with the customer's loyalty in the Cooperative Development Bank.

**Keywords:** the organization's reputation with the perceived services quality, customer's satisfaction, customer's loyalty.

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### Introduction:

In today's competitive environment, it is essential that managers of institutions, develop their abilities to identify important factors of selecting products for segments of the market that have the tendency to attract and serve on. Corporate managers have to understand what is important to their customers in their target market and how the strengths of the Institute will be compared with the strengths of their rivals. The main purpose of a marketer is beyond the sale and usually the ultimate goal of creating a sustainable commitment of a particular brand and a particular consumer group, as

a result, the commitment making comprising the steps of introduction, the preferred brand and finally building loyalty (Sanayei et al , 43: 2005).

Creating and maintaining customer's loyalty is the key element in achieving sustainable competitive advantage for organizations. Companies could be successful and leading that create a high loyalty among their customers through maintaining prices at a low level, high bargaining power in dealing with suppliers, reducing costs of sales, creating strong barriers ahead of new competitors entrance and expanding the company's activity domain for entering into goods' market and similar services by means of present goods and services (Haghighi et al, 16: 2007).

Companies achieve sustainable competitive advantages by growing non-tangible and non copiable assets. Companies compete together over clients, customers, investors, partners, employees, suppliers, and supporting public forums. Good reputation creates an intangible barrier against competitors in that the competitors can not earn it accidentally. Using reputation, one could reduce marketing costs, enhance profit margins and create barriers for new competitors' entrance. This long-term competitive advantage will guarantee greater return on investment and having more famous firm for the organization.

A strong positive reputation is an indicative of a sign and symbol of the company and reduces transaction costs and creates many benefits for the organization. Song and Yang (2008) believe that customers of a good reputation organizations, show supportive behaviors (for the organization). Therefore, a good reputation leads to the interest of the organization because customers attribute high levels of competence and quality to the company and as a result sponsoring the company (Bartikowski and Walsh, 2011: 39).

In this study, we try to investigate the effect of organization's reputation on service quality, customer satisfaction and loyalty of Cooperative Development Bank's customers.

## 1) Literature Review

### 1-1) what is corporate (organization's) reputation

Literature is full of definitions of company's reputation. Reputation is synonymous to fame and stature and refers to what is generally stated or beliefs about the ability of someone or something (Bromley, 1993: 1).

Wartick holds that reputation is the conceived images of key beneficiaries of past work and future activities of the company as well as the general request of the beneficiaries from the company relative to competitor companies (Wartick, 2002: 374).

Corporate reputation is the intersection of beneficiaries' perception of how much it meets the organizational responses of demands and expectations by the multiple corporate beneficiaries (Fombrun, 1996: 72).

Reputation is the evaluation of the corporate by beneficiaries according to their feelings, credibility and knowledge. Vaduk believes that reputation is basically an external evaluation of the firm or any other organization that is done by external beneficiaries. Reputation involves several dimensions, including cognitive capacity to meet the expectations of the beneficiaries, a rational dependence that a stakeholder has regarding the organization and generally the main image which the beneficiaries have of the organization (Waddock, 2000: 329).

Corporate reputation is the total perceptions about how a firm will behave in a certain condition, based on what people know about the company. But the company's reputation is not about what you like, but it estimates the behavior of the company and possibility of what is expected from the company.

Corporate reputation could be defined as a set of reputations or as the overlap of these reputations. While the definers of reputation are totally related to a certain stake holder (e.g. customers, employees, society, investors) seek for reputation for (products and services, workplace environment, social responsibility, financial performance). But these beneficiaries rarely limit their judgments of reputation to a certain area, and they mostly hold a position outside the scope of the area which is related to them (Bromley, 1993: 5).

The company's reputation has had an outstanding improvement in the recent years and the academic disciplines, including sociology, marketing, organization theory, strategic management, accounting and economics discuss on it.

#### 1-1-1) Measuring organizational reputation (dimensions)

Confusion due to multiple definitions leads to more confusion in confusion methods in the literature measuring. Some existing methods of measuring are the reflection of some strategies toward measuring the organizational reputation. The answers can show the reputation rank of a company from good to bad. Therefore, the one dimensional measurement does not show why a company has a better or worse reputation than other companies. Researchers can use qualitative methods or special tools in experimental conditions. However, there are two problems here; first, comparing the reputation of a company with the reputation of other companies, second comparing companies one beneficiary with another one.

Regarding measurement criteria used to compare corporate reputation, there could be criticism on many of them in that much focus is on financial performance of the company. Or one-dimensional parameters are employed regarding a single beneficiary view point (i.e. image or identity) or simplification in a beneficiary viewpoint. Many of these methods have adopted their measurement criteria from brand value, corporate image, and corporate identity measurement criteria without having a proper identification of the concept. Researchers' style depends on their

background (such as marketing, strategy, organization theory or counseling) or their doctrine or their phenomenological bases. However; in the literature, different measurement methods or criteria have been rarely compared with each other (Chun, 2005: 99).

Much criticism was made on previous studies (e.g. ranking the media) because they were focused on financial issues. They realized that the company's name should be considered as the brand's name. Academics try to use the concept of brand value for measuring the reputation. The criteria of brand value were used in popular manner by Aaker and Keller. For example, Aaker and Keller use three dimensions "corporate credibility, corporate technicians, reliability and likeability" to connect with the expansion and success of the brand (Aaker and Keller, 1990: 29).

Corporate brand reliability is known as one of the aspects of corporate image that can affect brand value and associated with reputation. Keller implicitly associated reliability of the company's reputation as one of the aspects of the corporate Image. Therefore, since they do not have the same infrastructures, the relationship between brand value, corporate reliability and reputation seems ambiguous (Aaker and Keller, 1990: 32).

Caruana and Chircop claimed that the company's reputation is closely related to brand value. After content analysis of the focus group discussions, during the preliminary investigations, 12 items were found to measure Company's reputation based on 5 brand value indicators to measure the reputation of drinking firm in Malta. 12 items tested in more than 120 consumers include:

1. Quality Products
2. The level of ads
3. Supporting activities
4. Holding circulation in the plant
5. Long-term maintenance of traditions
6. Paying high attention to corporate employees
7. Trained employees
8. Well known products
9. Strong leadership
- 10 cost of advertising
11. Corporate safety

12. Profitability (Caruana and Chircop, 2000: 43).

One of the most important established criteria is the measurement of reputation by the media. An annual survey of richest American companies from top managers and the analysis of their view point of 500 rich companies from 1984 and 1,000 wealthy companies from 1995. The answers show the competitors' reputation rank based on eight key attributes:

1. Financial health
2. Long-term investment value
3. Use of company capital (assets)
4. Innovations
5. Quality of products and services
6. The quality of the company management
7. The ability to attract, develop and retain intelligent people.
8. Paying attention to social responsibility

Financial Times ranks the highly prestigious companies in the world based on the perception of top management based on eight criteria:

1. Strong and well-designed strategy
2. Maximizing customer's satisfaction.
3. Business Leadership
4. Quality of products and services
5. Strength and stability in financial profit making
6. Strong human corporate culture
7. Successful change management
8. The globalization of business

A sample of 4,000 senior executives was made from seventy countries that are interviewed mostly by telephone. The answers should be weighed according to the value of respondent country's GDP value. The other similar media ranking includes "UK reputable companies" from *Nowadays' Management Magazine* or Asian reputable companies by Asian business magazine which are criticized based on the target frameworks or indicators that are used, the same pieces of criticism that were made on *Fortune Studies*, such as using a beneficiary's view or focusing on financial measures.

Universities use *Fortune* information to test the relationship between corporate reputation and other financial and strategic variables (e.g. social responsibility). While using this information, there are special advantages regarding the comparative information in more than one period of time and the specified sample, however, it has some disadvantages, some of which could be pointed out as follows:

*Fortune's* evaluation criteria are slightly higher than performance evaluation but in thin view, reputation should not be concluded merely based on financial criteria, though the selected financial criteria could be an appropriate section of the variability. But there are certain changes that are not explained by financial criteria. These changes lead us to thinking about other factors that may be important in evaluating the characteristics of the company. Frixel and Wang criticized using one-dimensional criteria for measuring non-financial characteristics such as their reputation. In short, it could be said that there are limitations on the methodology used for asking founders' board members about competitors' reputation. At the same time there is a conceptual limitation associated with the using one financial firm behavior for a definition of reputation as the perfect evaluation of firm's behavior in the past. (Sobol and Farrelly, 2000: 57).

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In their study, Bartikowski and Walsh (2011) examined the dimensions of organization reputation including:

- Customer centeredness; Including attention to the needs and interests of customers, polite behaving regarding the customers , being attentive and taking care of customers, and fair dealing with customers.
- Overall company performance; including organizational performance relative to competitors, corporate financial performance, and identifying opportunities and exploiting them by the company.
- Quality of services, including quality of services provided to customers, service innovation and customer satisfaction with the services provided by the Company (Bartikowski and Walsh, 2011: 43).

#### 1-2) service quality

The quality of everything is a part of its nature and is naturally a part of it which is difficult and ambiguous. Then any product which has the characteristics of supplying customer needs is a quality product. Defining and assessing quality of goods that are physical in nature, is not difficult and can be quantified and evaluated by setting quantity standards for them. However, bring up the quality in the services sector is difficult and this difficulty is due to the special features of services.

When receiving a service, the customer is expects receiving value services as well. In this concept, value is defined as a link between what a customer gains against what he loses. Therefore, in terms of quality of services, it could be said that quality services are those that enable customers to feel that h/se has obtained a value. Therefore, in new management theories, quality is defined in accordance with customer needs and the customer a pivotal role in guiding the activities of the organization. Therefore, the base for defining service quality is the customer's expectations and perceptions of service. An expected service is the favorable and ideal service, which reflects a level of service that customer expects to receive and customer perceptions is indicative of customer's interpretation of the received service quality (Mirghafoori and Maki, 65: 2007).

#### 1-3) customer satisfaction

Customer satisfaction is the customer's favorable feelings that arise from his/ her perception of the proportional performance of the product or service fits with his/ her expectations (Liang and Zhang, 2012: 155).

Satisfaction is a positive emotion that is created in each person after using the product or services. If the goods and services received by the customer, to meet his expectations, he created a feeling of satisfaction. If the product of service received by customer meets his/her expectations, a feeling of satisfaction is created in him/her (Abdolahian and Foroozandeh, 60: 2011).

Customer satisfaction will have a dramatic impact on an organization's present and future life.

Feeling of satisfaction increases tolerance threshold to pay higher prices for the needed product in which, the benefits and wages paid to employees could be increased in this way. This reduces withdrawal and replacement of work force. In addition to providing job satisfaction and improved employee morale, the possibility of customer's satisfaction also increases.

Satisfied customers are expected to:

- Remain the organization's customers for longer periods of time.
- By disseminating positive verbal messages about the organization to others (potential customers), increase their interest in using the organization's products.
- For having products that optimally meets the customers' sense of satisfaction, increase their purchase share from the organization.

. Creating a process of monitoring customer satisfaction, helps the organizations to identify potential and actual problems before serious problems encounters the organization's brand positioning. Customer is the key to survival and success in business firms. Accordingly, the following are emphasized:

- Understanding and identifying the needs and requirements of customers
- Measuring the level of customer's satisfaction and trying to improve it.

Customer satisfaction model consists of three main parts: inputs, approval and disapproval processes and outputs. However, customer loyalty is beyond obtaining an emotional bond, while customer satisfaction is achieved as a result of positive performance of the organization with favorable functioning of the provided products and services.

#### 1-4) Customer's loyalty

Loyalty is the strong and deep commitment to repurchase a stable and durable product or a preferred service in future, while the situational impacts and marketing efforts of competitors aimed at changing the use of customer towards another product or service (Al-Havari, 2011: 350).

Fidelity can be achieved from a more favorable attitude compared to a company or a brand in comparison with other companies and trademarks and repeating purchase behavior (Palmer, 2001: 125). Maintain a deep commitment of customer to re-purchase or re-selection or services from a brand or a company and doing it consistently is their loyalty in the future. However, by accepting this situation and the situational effects of marketing, efforts can potentially cause changes in customer behavior (Oliver, 1997: 22). Brand loyalty is basically related to repurchases of customers. However, the repurchase may be the only indicator of immediate satisfaction of the customers with the brand. So the concept of loyalty is developed into both attitude and behavioral loyalty. Behavioral loyalty means that customers will buy again from the same brand; It seems that attitudinal loyalty is more sustainable than behavioral loyalty and in indicative of prioritization commitment of the customers and is at the time when unique values are observed from a brand.

The loyalty of customer is the final purpose of a firm that owns a brand with a special trademark. Prioritization or preference of a particular mark in a product shelf by a customer is the loyalty to the brand name. Customers have found that their favorite trademark provides them with a design and a mixture of a healthy product with different levels of quality with reasonable price. The customer's perception turns into a basis for repeating repurchase. In the beginning, customers buy a product tentatively with a special trademark and get interested in the trademark following their satisfaction with it and continue to buy the same brand, because they familiar and confident with the brand. Those who are committed to the brand think in this way: they are committed to the brand and are more inclined in giving more money to a brand than other brands and tend to recommend the brand to the others (Javanmard and Soltanzadeh, 238: 2009).

Two main approaches can be seen in the definition of loyalty:

- \* Behavioral approach
- \* Attitude approach

##### 1-4-1) the nature of behavioral approach

In the standard behavioral approach, the loyalty is the behavior of the customers and the focus is on repeating purchase behavior of customers as a loyalty indicator and the focus of attention is on repeating purchase as a behavior and as a loyalty indicator. Behavioral approach emphasizes that brand loyalty is not an all or nothing phenomenon. Instead, loyalty must be considered as a continuum which includes complete loyalty to complete indifference to the mark (Pantouvakis and Lymperopoulos, 2008: 625).

Behavioral standards have defined loyalty to the sequence of purchases (purchase be done several times in a row order), a portion of the purchases (a few percent of purchases have been from trademark A).

In this approach, loyalty is considered as a continuum in which the complete loyalty to complete indifference has been extended.

In some cases, consumers are mainly loyal to a particular brand, and sometimes still occasionally refer to other brands as well. In some cases, consumers do not distinguish any difference between different trademarks. Here are different shopping patterns, along with the order in their purchase sequence (A, B, C and D represent different trademarks):

- 1) Undivided loyalty (completely loyal): A A A A
- 2) Occasional switch to another brand (relative and temporary loyalty): A A A A B B B B
- 3) Switch loyalty (unstable loyalty): A A A A B B B B
- 4) Divided loyalty (unstable loyalty): A A A B A B A B
- 5) Brand indifference (unfaithful): a b c d

Weaknesses of behavioral approach: In utilizing behavioral approach, in the recognizing the consumer's loyalty to a particular brand, some restrictions must be considered.

A) Loyalty size based on past behavior may be somewhat misleading. For example, consider a consumer who buys special brand rice for his own consumption and provides another brand (perhaps at higher prices) for its guests.

The sequence of buying does not show the loyalty, though the consumer is very loyal to the preferred brand.

B) The purchase of consumers can not represent relays.

Order the behavior of consumers can not represent relays. After the consumer has resorted to a specific brand, Mr. Lawrence examined purchase sequences. He identified four purchase patterns as follows:

C) The brand loyalty is not only dependent on past behavior. Loyalty is a multidimensional concept which should include users' commitment to the brand as well (Assael, 1998: 27).

Reversion: Turning to a previous brand

Conversions: staying loyal to the new brand.

Uncertainty: sudden turning from a brand to other one.

Experimentation: regular test purchases from other brands

As it can be noticed, there is a purchase only in two patterns of reversion and conversion of a special sequence. There are no special sequences in two other patterns therefore making predicting behaviors based on previous purchases difficult.

C) The brand loyalty is not only dependant on the past behavior. Loyalty is a multidimensional concept which should include the consumers' loyalty to the brands. (Assael, 1998: 27).

1-4-2) the nature of attitudinal approach

Attitudinal loyalty of emotional and cognitive elements is the loyalty to the brand name.

Such loyalty shows the long-term commitment of the consumer to the organization and his desire to show ads and recommendations by word of mouth. However, for any organization, the consumer's commitment to the organization is of high importance in emotional and cognitive levels, when they convert into actual purchases respectively. Therefore, the organization should consider both its behavioral and attitudinal loyalty (Anisimova, 2007: 396).

According to this view, the actual behavior of consumers is not enough alone, but also performing an analysis and providing a clear explanation of this concept, needs to consider the attitude / practice structure of the consumer. Some attitude approach indices include: preference, purchase intention, priority of supplier (Toyin, 2008: 37).

According to what was said in the behavioral approach, behavior scales such as repeated purchase due to lacking a conceptual basis from what is actually a dynamic process and through which a limited vision (focus on the result) has been transferred. For example, the low number of purchase repeat of a particular brand can be the result of various situational factors such as unavailability and so on. Therefore, based on this attitude, the loyal behavior can not provide comprehensive insight of the basic reasons for loyalty. In

addition, the repeat may be due to various behavioral reasons raised from the market. As a result, such customer's loyalty is different from customers who strongly support a product and are psychologically dependent on a product and a company. So the customer loyalty was paid much attention as an attitudinal approach. . For example, this subject is indicated in tendency to advertising and putting forward recommendations reflected to other customers.

Of course Oliver divides attitude approach into three distinct parts:

- \* Cognitive loyalty: leads to customer behavior and is related to customer belief.
- \* Emotional Loyalty: Leads to the commitment and confidence of customers, and is related to his feelings.
- \* Interactional Loyalty: Is related to customer's willing for the purchase in the future.

However, Dick and Basu (1994) raised another approach called dependency approach. In this view, the question arises: Why is it that makes the customer rejects a product?

Dick and Basu (1994) believe that it is necessary to concentrate on the dependency insights rather than abstract and absolute dependency insights, the discussion focused loyalty because the evaluation of a product or a service may depend strongly on absolute understanding and recognition. They developed a model for the faithfulness in which the two approaches have been partly paralleled. Therefore, based on this matrix, four loyalty positions are defined;

- Loyalty

The position in which a consumer is highly dependent on one supplier and his repurchase rate is also high in terms of time unit.

- Hidden loyalty

A situation in which there may be a deep dependence on a brand but it is not associated to a high rate of purchases or no purchase is made.

- Lack of loyalty

There is not a favorable view on a provider and the rate is down.

- Spurious loyalty

In this case there is not a positive attitude towards the supplier, but for different reasons people have to buy the commodity (Dick and Basu, 1994: 107).

State (2) shows that customer satisfaction is the core and center of gravity of customer loyalty. Customer's loyalty is maintained by improving customer satisfaction.

In the state (3) it is said that customer's satisfaction should not be considered as the core and center of loyalty gravity of the customer, but should only be considered as a part of it.

State (4) shows that customer loyalty, exactly the same as customer satisfaction is a part of a broader concept of loyalty as comprehensive loyalty.

In the state (5), it is mentioned that a part of the concept of customer's loyalty exists in customer's satisfaction, but customer satisfaction is not considered as a key factor in achieving all aspects of loyalty.

In the state (6) it has been mentioned that a customer satisfaction form the basis of a process that will ultimately lead to loyalty (Oliver, 1999,36).

## 2) Model and hypotheses

Model and conceptual framework which is based on the Model of Abd-El-Salam et al (2013) which is shown in Figure 7. This model examines the impact of organization reputation on service quality, customer's satisfaction and loyalty.

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The research hypotheses which are based on research model include:

1. Organization's reputation has significant relationship with the perceived service quality.
2. The reputation of the organization has a significant relationship with customer satisfaction.
3. Organization's reputation has a significant relationship with customer's loyalty.
4. The perceived service quality has a significant relationship with customer's satisfaction.
5. The perceived service quality has a significant relationship with customer's satisfaction.
6. Customer satisfaction has a significant relationship with the customer's loyalty.

### 3) Methodology

Regarding the fact that, there has been an attempt in this research to study the impact of organization on service quality, customers' satisfaction and loyalty of Cooperative Development Bank of Tehran, therefore in term of purpose, this project is applicable and in terms of methodology it is a descriptive-survey. The population of this research includes all customers of Cooperative Development Bank in Tehran Province. Statistical sample size was 384. To collect the data, the questionnaire was based on foreign questionnaires. Reliability of research tool was tested using Cronbach's alpha. The alpha coefficient for all variables in the experimental stage and high-end was 0.70, reflecting a convenient and high-reliability research. To evaluate the hypothesis of the research a path analysis model was used.

### 4) Test hypotheses

In this section will examine and test hypotheses through path analysis model. After describing the model and data collection, model estimation is started with a set of known relationships between measured variables. The path models are a logical extension of multiple regression models. In analyzing the path, there is a possibility of any number of dependent and independent variables and any number of equations. In the output of graph, all coefficients and parameters of the model significance are tested. For the significance of a factor, significant numbers should be larger than 1.96 or smaller than -1.96. The results of the path analysis and path coefficient are shown in Figure 1 and 2.

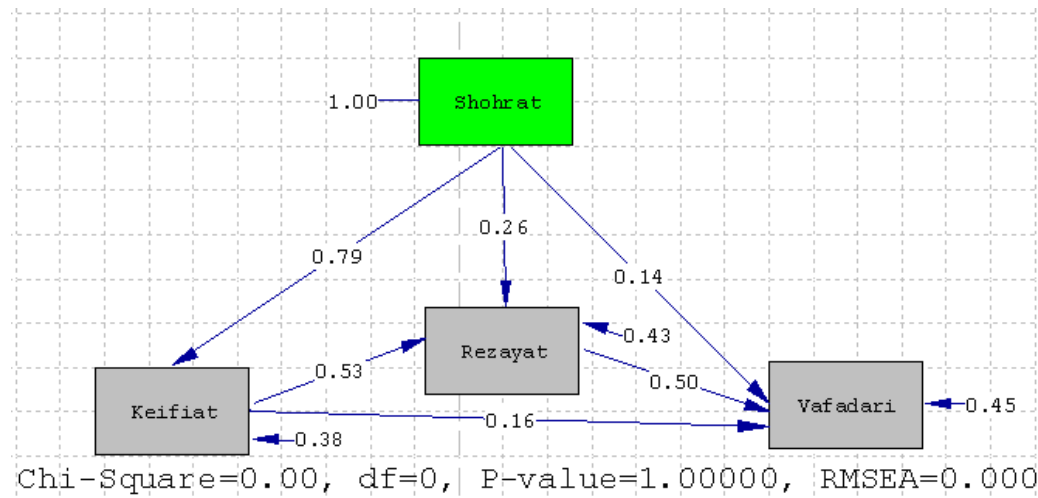


Figure 1: structural equation modeling (standardized coefficients)

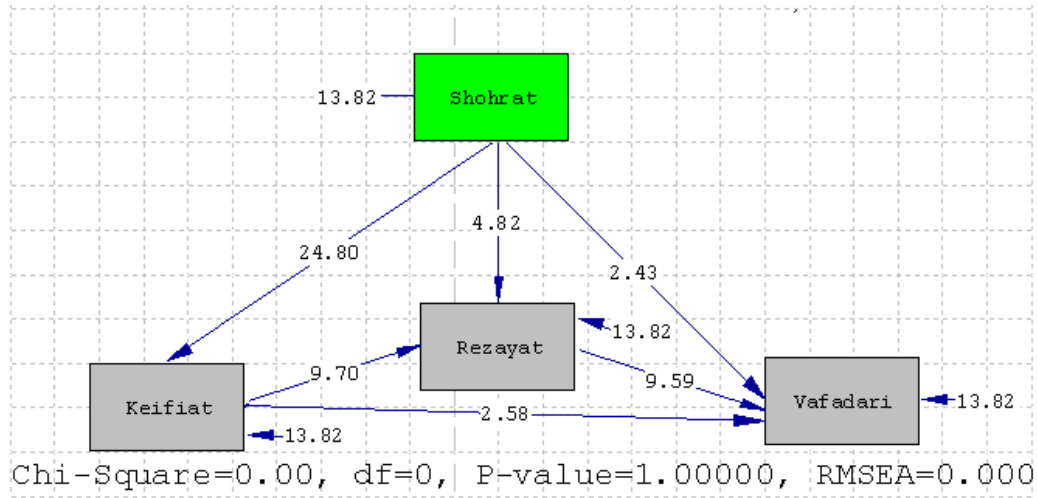


Figure 2: Path analysis (a significant number)

To more efficiently demonstrate the model parameters coefficients, some tables are presented in the following way.

Table 1: Calculation the direct and indirect effects and overall impacts of dependent and independent variables

| Total impact | Indirect impact | Direct impact | Dependent variable      | Independent variable      |
|--------------|-----------------|---------------|-------------------------|---------------------------|
| 0.79         | -----           | 0.79          | Service quality         | Organization's reputation |
| 0.67         | 0.41            | 0.26          | Customer's satisfaction |                           |
| 0.61         | 0.47            | 0.14          | Customer's loyalty      |                           |
| 0.53         | -----           | 0.53          | Customer's satisfaction | Service quality           |
| 0.43         | 0.27            | 0.16          | Customer's loyalty      |                           |
| 0.50         | -----           | 0.50          | Customer's loyalty      | Customer satisfaction     |

According to Table 1, among the variables, organization's reputation has the highest total effect (0.79) on the quality of services variable. On the other hand, the highest indirect effect is related to reputation variable on customer loyalty variable with effect coefficient of 0.47.

Table 2: Results of the standard rate and significant numbers (Confirming or rejecting the hypotheses)

| Confirmed/<br>Rejected | (t values) | Standardized<br>coefficient | to                      | from                      |
|------------------------|------------|-----------------------------|-------------------------|---------------------------|
| Confirmed              | 24.80      | 0.79                        | Service quality         | Organization's reputation |
| Confirmed              | 4.82       | 0.26                        | Customer's satisfaction | Organization's reputation |
| Confirmed              | 2.43       | 0.14                        | Customer's loyalty      | Organization's reputation |
| Confirmed              | 9.70       | 0.53                        | Customer's satisfaction | Service quality           |
| Confirmed              | 2.58       | 0.16                        | Customer's loyalty      | Service quality           |
| Confirmed              | 9.59       | 0.50                        | Customer's loyalty      | Customer's satisfaction   |

As can be seen in table 2, standard coefficients for all 6 hypotheses, have significant numbers (greater than 1.96), and thus all hypotheses of this research will be confirmed.

#### Conclusion and suggestions

As results and test hypotheses indicated the relationship between reputation and perceived service quality, customer satisfaction and customer loyalty is significant. The relationship between perceived service quality and customer satisfaction and customer loyalty is significant. In addition, customers' loyalty and customer satisfaction with the Cooperative Development Bank have a significant relationship.

Given the positive relationship between organizational reputation and service quality, customer satisfaction and loyalty of Cooperative Development Bank, the bank is recommended to improve the reputation of its organization and to try to improve its positive outcomes (quality of service, customer satisfaction and loyalty). In this context, the following proposals will be presented to the Cooperative Development Bank:

\* Generally staff training in relation to identifying and solving problems is making the necessary changes in the process and methods of doing so. Investment in education will bring tangible results which will improve customer centeredness staff attitudes, thus promoting the organization's reputation.

\* In an effort to improve the reputation and brand image using a variety of measures such as positive social activities in parallel with the public interest and so on.

Advertising and public relations to enhance the reputation of the organization is a major tool that Cooperative Development Bank could utilize for its marketing and enhancing its reputation in Iranian society.

Given the positive relationship between service quality and customer satisfaction and loyalty with the Cooperative Development Bank, the bank is recommended to improve the quality of its service and try to

improve customer satisfaction and loyalty. In this context, the following proposals will be presented to the Cooperative Development Bank:

- \* Identify the importance of service quality dimensions from the customers' perspective as well as studying the performance and quality of banking services, and identifying the points of weakness that bank suffers, helped to highly improve the quality of services provided by the bank.

- \* Training and development of staff skills and abilities through educational investments to make sense of the availability of opportunities for growth and success that lead to improved quality of service provided by the staff as well.

Given the positive relationship between customer satisfaction and customer loyalty of Cooperative Development Bank, the following recommendations are presented in increasing and improving customer satisfaction:

The bank is recommended to identify the factors affecting its customer satisfaction by different studies in this field and improve customer satisfaction and increase the loyalty of them by improving these factors.

Customers want to help organizations solve their problems and a customer-orientated organization is the one which regards meeting customer's needs as its own responsibility and regards the customer satisfaction as its own capital and a guarantee for return on investment. Therefore, Cooperative Development Bank should embark on serious measures and practical easy policies. This method will play an important role in creating and improving more and more satisfaction for Cooperative Development Bank customers.

Identifying loyal customers who have significant financial transactions with large numbers and are offering a reward to them and advertizing this activity in the media to encourage customers' more loyalty to the bank is the last recommendation.

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