

Investigated the Effective Factors in the Process of Market Share Increase among the Branches of Bank Saderat

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Abstract

The present study investigated the effective factors on the process of market share increase among the branches of Bank Saderat given to the importance of market share in performance and profitability of banks. One-hundred twenty one employees were selected as the research sample among one-thousand one-hundred employees of the branches of Bank Saderat.

The effect of eight factors on market share increase of Bank Saderat in Isfahan province was investigated. Results of statistical tests demonstrated the effect of these factors more than the average level. According to Duncan test, these factors were classified into four major classes based on the highest to the lowest effect. These four classes include bank services-human factors, marketing-bank facilities-bank services, bank accessibility-technology-marketing and general factors-documentations and physical equipments- bank accessibility.

Keywords: Mobilization of Resources, Market Share, Banking Industry, Services

Introduction

Nowadays, profitability is regarded as the major condition of survival for many profit organizations and banking industry as one of the key sectors of services is not an exception. Many bank managers intend to increase the profitability of their bank using various techniques and tools. Researches reveal that attraction of bank deposits that is referred to as the process of mobilization of resources can be regarded as a key factor in banks' profitability, while market share increase can be effective on banks' profitability both directly and indirectly.

The effective factors on increasing of bank resources are divided into two major classes of external and internal factors. Volume of liquidity, inflation rate, political stability of the states and economic recession and prosperity are among the external factors. The common aspect of effective external factors on increasing or decreasing of banks' financial resources is their similar effect on all commercial and specialized banks. Internal factors are numerous and are not as universal as the external factors. Therefore, Bank Saderat in the current highly competitive market should find a way to adopt a distinct strategy than other banks for service offering to customers, since competitive advantages is the necessity of obtaining more market share.

There are methods through which distinct competitive positions than the competitors can be created and developed. A key method to establish a competitive position is diversification of services from other competitors which creates a good popularity of the bank and its services in customers' mind and it is possible to maintain strong competitive positions by creating some obstacles against actions of competitors (Regan, 2002).

It was tried in the current survey to identify the most important effective factors on attracting of bank deposits as well as market share increase of Bank Saderat through studying the conducted researches regarding identification of effective factors on the process of data collection from bank experts. Therefore, influential practical and scientific strategies can be presented for attraction and growth of deposits and ever-increasing development of bank resources.

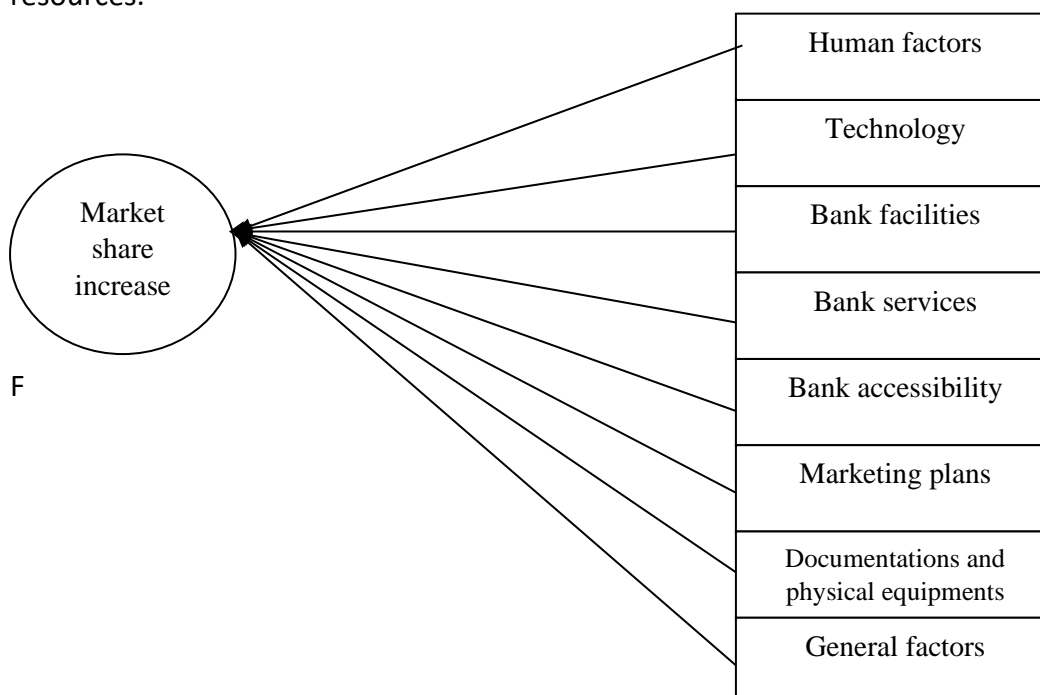


Figure 1- Conceptual model

Hypotheses

Given to the conceptual model proposed based on eight independent variables and one dependent variable, the primary and secondary hypotheses are devised as below.

Primary hypothesis: There are effective factors on market share increase of Bank Saderat.

Secondary hypotheses

- 1- There is a significant relationship between human factors and market share increase

- of Bank Saderat.
- 2- There is a significant relationship between technology and market share increase of Bank Saderat.
 - 3- There is a significant relationship between bank facilities and market share increase of Bank Saderat.
 - 4- There is a significant relationship between bank services and market share increase of Bank Saderat.
 - 5- There is a significant relationship between bank accessibility and market share increase of Bank Saderat.
 - 6- There is a significant relationship between marketing plans and market share increase of Bank Saderat.
 - 7- There is a significant relationship between documentations and physical equipments and market share increase of Bank Saderat.
 - 8- There is a significant relationship between general factors such as bank size, popularity, bank credit, etc and market share increase of Bank Saderat.
 - 9- There is not a significant relationship among all effective factors on market share increase of Bank Saderat.

Methodology

Statistical population, sample size and sampling method

The statistical population included all personnel (managers and employees) of 115 branches of Bank Saderat in Isfahan province. Members of the sample group were selected among the statistical population. In other words, it included a number of the statistical population (not all of them) who constituted the sample group (Sekaran, 2007). Identifying the effective factors on mobilization of resources and market share increase in Bank Saderat is the variable under study in the current research. The sample size was estimated through a formula. It is as below:

$$n = \frac{\left(\frac{zS}{r\bar{X}_N}\right)^2}{\left[1 + \frac{1}{N}\left(\frac{zS}{r\bar{X}_N}\right)^2\right]}$$

where r is relative error of estimation, z is collective normal distribution in $\frac{\alpha}{2}$ with error ($\alpha = 0.05$), S^2 is variance of the primary sample, \bar{X}_N is mean of the primary sample and N is the whole size of the statistical population. The sample size was obtained equal to 121 persons by replacing the below values in the above formula:

$$Z = 1.96, \quad S = 0.206, \quad \bar{X}_n = 0.66, \quad N = 1100, \quad r = 0.05$$

Considering $\alpha = 0.05$ or $1-\alpha = 0.95$, it can be claimed that the difference between the real ratio, i.e. the effect of different factors on mobilization of resources and market share increase and the maximum estimated ratio is equal to error band $r = 0.05$.

Data collection methods

Questionnaire was used in order to collect the required data. Two questionnaires were applied in the current study. In order to calculate the reliability of the questionnaires, 30 questionnaires (totally 60 questionnaires) were distributed among the statistical sample as the primary sample. Factorial analysis and content validity were used to measure validity of the measurement tools. Factor loadings higher than 0.5 are favorable factor loadings. Thus, one question in each questionnaire was deleted because its factor loading was less than 0.5.

The final questionnaires containing 31 questions were distributed among the statistical sample.

Data analysis method

Data analysis as conducted using SPSS software and the results were arranged in two sections. Inferential statistics methods were used to test the hypotheses. One-sample t-test, one way analysis of variance and Dunkan test can be applied in this regard.

Inferential statistics

The hypotheses are examined in this section given to the conceptual model. Effectiveness of various factors on mobilization of resources and market share increase of Bank Saderat were used to test the hypotheses. In order to obtain this index, mean of individuals' response to each component was first calculated that was a number between 1 and 5. Then one unit was subtracted from the obtained number through change of scale and it was divided by four, so responses would be in 0-1 distance. This index can be used as the effectiveness degree of each factor on market share increase of Bank Saderat.

Hypothesis 1- There is a significant relationship between human factors and market share increase of Bank Saderat.

One-sample t-test was applied to test this hypothesis. The assumptions under study are as below:

$$\begin{cases} H_0 : \mu = 0.5 \\ H_1 : \mu \neq 0.5 \end{cases}$$

Table 1

One-Sample T-Test To Examine The Effect of Human Factors on Market Share Increase of Bank Saderat

Sample size	Effectiveness	Standard deviation	t-statistic	P-value
121	0.8413	0.1388	17.063	<0.001

It can be concluded that the hypothesis is rejected at significance level 0.05 given to values of p and t statistics. It means that the effect of human factors on market share increase of Bank Saderat is more than the average at significance level 0.05 and is equal to 84% considering the above table.

Hypothesis 2- There is a significant relationship between technology and market share increase of Bank Saderat.

One-sample t-test was applied to test this hypothesis. The assumptions under study are as below:

$$\begin{cases} H_0 : \mu = 0.5 \\ H_1 : \mu \neq 0.5 \end{cases}$$

Table 2

One-Sample T-Test To Examine The Effect of Technology on Market Share Increase of Bank Saderat

Sample size	Effectiveness	Standard deviation	t-statistic	P-value
121	0.7518	0.1803	10.01	<0.001

It can be concluded that the hypothesis is rejected at significance level 0.05 given to values of p and t statistics. It means that the effect of technology on market share increase of Bank Saderat is not equal to 50% at significance level 0.05. Since this value was equal to 75% it is concluded that the effect of technology on market share increase of Bank Saderat is more than the average.

Hypothesis 3- There is a significant relationship between bank facilities and market share increase of Bank Saderat.

One-sample t-test was applied to test this hypothesis. The assumptions under study are as below:

$$\begin{cases} H_0 : \mu = 0.5 \\ H_1 : \mu \neq 0.5 \end{cases}$$

Table 3

One-sample t-test to examine the effect of bank facilities on market share increase of Bank Saderat

Sample size	Effectiveness	Standard deviation	t-statistic	P-value
121	0.7618	0.1719	11.002	<0.001

It can be concluded that the hypothesis is rejected at significance level 0.05 given to values of p and t statistics. It means that the effect of bank facilities on market share increase of Bank Saderat is more than the average at significance level 0.05 and is equal to 76% considering the above table.

Hypothesis 4- There is a significant relationship between bank services and market share increase of Bank Saderat.

One-sample t-test was applied to test this hypothesis. The assumptions under study are as below:

$$\begin{cases} H_0 : \mu = 0.5 \\ H_1 : \mu \neq 0.5 \end{cases}$$

Table 4

One-sample t-test to examine the effect of bank services on market share increase of Bank Saderat

Sample size	Effectiveness	Standard deviation	t-statistic	P-value
121	0.7818	0.1588	12.332	<0.001

It can be concluded that the hypothesis is rejected at significance level 0.05 given to values of p and t statistics. It means that the effect of bank services on market share increase of Bank Saderat is not equal to 50% at significance level 0.05. Since this value was equal to 78% it is concluded that the effect of technology on market share increase of Bank Saderat is more than the average.

Hypothesis 5- There is a significant relationship between bank accessibility and market share increase of Bank Saderat.

One-sample t-test was applied to test this hypothesis. The assumptions under study are as below:

$$\begin{cases} H_0 : \mu = 0.5 \\ H_1 : \mu \neq 0.5 \end{cases}$$

Table 5

One-sample t-test to examine the effect of bank accessibility on market share increase of Bank Saderat

Sample size	Effectiveness	Standard deviation	t-statistic	P-value
121	0.7011	0.2036	7.188	<0.001

It can be concluded that the hypothesis is rejected at significance level 0.05 given to values of p and t statistics. It means that the effect of bank accessibility on market share increase of Bank Saderat is more than the average at significance level 0.05 and is equal to 70% considering the above table.

Hypothesis 6- There is a significant relationship between marketing plans and market share increase of Bank Saderat.

One-sample t-test was applied to test this hypothesis. The assumptions under study are as below:

$$\begin{cases} H_0 : \mu = 0.5 \\ H_1 : \mu \neq 0.5 \end{cases}$$

Table 6

One-sample t-test to examine the effect of marketing plans on market share increase of Bank Saderat

Sample size	Effectiveness	Standard deviation	t-statistic	P-value
121	0.6539	0.1918	5.121	<0.001

It can be concluded that the hypothesis is rejected at significance level 0.05 given to values of p and t statistics. It means that the effect of marketing plans on market share increase of Bank Saderat is more than the average at significance level 0.05 and is equal to 76% considering the above table.

Hypothesis 7- There is a significant relationship between documentations and physical equipments and market share increase of Bank Saderat.

One-sample t-test was applied to test this hypothesis. The assumptions under study are as below:

$$\begin{cases} H_0 : \mu = 0.5 \\ H_1 : \mu \neq 0.5 \end{cases}$$

Table 7

One-sample t-test to examine the effect of documentations and physical equipments on market share increase of Bank Saderat

Sample size	Effectiveness	Standard deviation	t-statistic	P-value
121	0.6517	0.1489	6.918	<0.001

It can be concluded that the hypothesis is rejected at significance level 0.05 given to values of p and t statistics. It means that the effect of documentations and physical equipments on market share increase of Bank Saderat is not equal to 50% at significance level 0.05. Since this value was equal to 65% it is concluded that the effect of documentations and physical equipments on market share increase of Bank Saderat is more than the average.

Hypothesis 8- There is a significant relationship between general factors such as bank size, popularity, bank credit, etc and market share increase of Bank Saderat.

One-sample t-test was applied to test this hypothesis. The assumptions under study are as below:

$$\begin{cases} H_0 : \mu = 0.5 \\ H_1 : \mu \neq 0.5 \end{cases}$$

Table 8

One-sample t-test to examine the effect of general factors such as bank size, popularity, bank credit, etc on market share increase of Bank Saderat

Sample size	Effectiveness	Standard deviation	t-statistic	P-value
121	0.7629	0.1517	10.802	<0.001

It can be concluded that the hypothesis is rejected at significance level 0.05 given to values of p and t statistics. It means that the effect of general factors such as bank size, popularity, bank credit, etc on market share increase of Bank Saderat is more than the average at significance level 0.05 and is equal to 65% considering the above table.

Hypothesis 9- There is not a significant relationship among all effective factors on market share increase of Bank Saderat.

The assumptions are as follows:

$$\begin{cases} H_0 : \mu_1 = \mu_2 = \mu_3 = \mu_4 = \mu_5 = \mu_6 = \mu_7 = \mu_8 \\ H_1 : \mu_i \neq \mu_j \quad i \neq j = 1, \dots, 8 \end{cases}$$

where μ_i ($i = 1, 2, \dots, 8$) is the effectiveness degree of various factors on market share increase of Bank Saderat and hypothesis H1 is defined as the alternative hypothesis for H0, that is at least two factors have a different effect on market share increase of Bank Saderat.

One way analysis of variance was used to test this hypothesis. Considering the value of F-statistic and p-value, it can be concluded that H0 is rejected at significance level 0.05. It means that effectiveness degree of various factors on market share increase of Bank Saderat is not similar. Duncan test was applied to identify the significant differences. The results are displayed in Table 4-20. Therefore, effectiveness degrees of various factors on market share increase of Bank Saderat are classified into four groups. Factors in one class have similar effectiveness on market share increase of Bank Saderat with significance level 0.05.

Table 10

One Way Analysis Of Variance To Compare Effectiveness Of Various Factors On Market Share Increase Of Bank Saderat

Components	Sample size	Effectiveness	Test-statistic	p-value	Classification using Dunkan test			
					Class 1	Class 2	Class 3	Class 4
General factors	121	0.6517	8.134	<0.001	?			
Documentations and physical equipments	121	0.6539			?			
bank accessibility	121	0.7011			?	?		
Technology	121	0.7518				?	?	
Marketing plans	121	0.7629				?	?	
Bank facilities	121	0.7618					?	
Bank services	121	0.7818					?	?
Human factors	121	0.8413						?

Conclusion

Market share is one of the effective factors on success of corporations for their durability and progress in the competitive market. Corporations use their resources to improve their relative position with regard to their competitors in order to achieve competitive advantage. Enhancement of the corporation's position will be led to better opportunities in the future. In studies, market share and its growth have been recognized as important performance indexes of the corporation and the positive relationship between market share and economic profit has also been confirmed. It is noteworthy that the banking industry and fanatical services are not exception.

On the other hand, perhaps globalization is the most obvious banking phenomenon in the current period. Previously banks and financial institutions attracted financial resources through performing bank operations. Now they are dealing worldwide like other organizations. Considerable changes have been occurred in attracting of financial resources along with the increasing development of technology and industrialization of countries. Hence, banking automation networks and on-line banking are one of the most important ways of mobilization of financial resources for the banks. Due to the competition among the banks and financial institutions to attract more resources in the present time, dominating the effective factors on mobilization of financial resources is especially important.

There are various factors in modern banking that are effective on the process of mobilization of financial resources and market share increase of banks. Identification of these factors and their type of relationship with banks' success in mobilization of monetary resources and market share increase is an important topic. It must be considered that nowadays conditions and position of banks are not similar to each other and the effective factors on mobilization of financial resources and market share might even be different for each branch of a bank group. The following results were obtained in the current survey that was conducted to identify the effective factors on market share increase of Bank Saderat branches. Given to the conceptual model, eight effective factors on market share increase of Bank Saderat were considered.

Considering that the above-mentioned eight factors in the hypotheses have a remarkable effect on market share increase of Bank Saderat, this question is proposed that which factors have the highest effect and how it is possible to direct the bank management to improve market share increase of Bank Saderat. Accordingly, the effect of all these factors on market share increase of Bank Saderat was examined in hypothesis ten. Given to the value of F-statistic (8.134) and p-value (<0.001) it can be concluded that effectiveness of various factors on market share increase of Bank Saderat is not similar. On the basis of the results of Duncan test, all these factors were classified into four classes. The factors in one class have a similar effect on market share increase of the bank with significance level 0.05. According to the findings these four classes are as below in terms of the lowest to the highest effect:

- 1- class one: general factors- documentations and physical equipments- bank accessibility
- 2- class two: bank accessibility - technology- marketing
- 3- class three: marketing- bank facilities- bank services
- 4- class four: bank services- human factors

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