

INVESTIGATING THE IMPACT OF THE LEVEL OF USING ELECTRONIC BANKING ON GAINING COMPETITIVE ADVANTAGE (Case Study: Melli Bank Branches in Mazandaran Province)

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Abstract: Increasing growth and development of communications technology has revolutionized the different aspects of human life and organization's performance. This technology has changed operating methods and attitudes of individuals, organizations and governments and has created new industries, new jobs and creativity in the affairs. The emergence of phenomena such as e-business, e-commerce and e-banking are among the major results of penetration and proliferation of information technology in the economic aspects. The aim of this study is to evaluate the impact of the level of using electronic banking on gaining competitive advantage in the branches of Melli Bank of Iran. The present study is applied in terms of purpose, is cross-sectional in terms of the time of performing the research, and is qualitative in terms of the method of running the research. The population consists of all the employees of Melli Bank of Iran in Mazandaran province. 425 people, after evaluating the returned questionnaires were selected and analyzed. The results of this research show that electronic banking impacts on competitive advantage and its dimensions. Therefore, as the level of use of electronic banking services and its tools in performing various operations of receive and pay, increases, the performance of its major components also increases.

Keywords: Competitive advantage, electronic banking, internet banking, Melli Bank of Iran.

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1. INTRODUCTION

Amazing development of information technology and its spread to the world's monetary and banking markets, in addition to facilitating banks' customers' affairs, has changed the current methods of banking. Today, the customer's judgment in banking affairs is based on the ability of bank to help solving problems and developing based business. Security, speed of transactions, friendship with consumer and convenience, ease of use, reliability and privacy issues, are among the most important factors in the choice of the bank by the customer (Serkan Akin C, et al., 2004 and Silvi Laffert et al., 2005). Thus, the adoption of online banking in most countries of the world has been increasing, such that the amount of electronic banking relations in developed countries has become more than 50 percent (Tropikarnin et al., 2004: 226). In the banking system, fast performance and no waste of time are considered as the most important element of success in the banks competition and clients, as the key element to determine this competition, give great value to technology and speed and then the technical expertise of the banks. In modern banking, explaining the bank services, especially electronic banking services, is necessary and so the banks in order to be efficient, need to acquire sufficient information from the customers, understand their interests and demands, and develop relations with them. The impact of development and growth of information and communication technologies and their entry into the field of organizational systems and influencing economic development strategies, creates change and rethinking in the traditional approach to trade and market. Meanwhile, the increasing development of e-banking has provided an appropriate and favorable ground for facilitating the commercial and economic relations, especially in the new business models (Talebzadeh, 2014) The purpose of creating electronic payment systems on the internet, is sending electronic payments for receiving electronic goods or taking commitment for the delivery of physical goods. That is why the main focus is now in the process of supply and delivery of goods, especially through internet portals, in designing of electronic payment systems for that. "E-banking can be defined as the use and display of different technologies and different services and expanding ATM machines and direct provision of automatic payment bill and electronic transfer of funds and home banking" (M. Golden Sky, 2004, 1). "In the electronic funds transfer, there is an important task and it is the possibility of fast and continuous access to the funds" (Mojtahed and Hasanzadeh, 2005, 212). "Many studies have been done to show the profitable sections and the profitability of continuous electronic banking" (Pikkarnen et al., 2004, 225). "Today, in terms of internal and international position of the Islamic Republic of Iran, the need for change in the system of state-owned banks of the country is more than ever tangible and

definitive. It is necessary that, due to the role of a competent and efficient banking system in the implementation of development programs, attention be paid to that, as one of the most basic development programs of the country" (Alwani and Riahi, 2005, 20). Banking industry and banking services as an economic lever, has a special role to play in economic growth and prosperity of the countries. The complexity of marketing system and competition among banks has created a situation that if attention not be paid to competition among banks and reasonable and sober strategies, banks will sometimes have a little frustration and gradually will be eliminated from the competition. In the current situation, banks with an understanding of the environment and with a view to the tortuous future of banking should be prepared to compete (Azari, 2010). Competitive advantage is a factor or combination of factors that in a competitive environment makes the organization much more successful than the other organizations and the competitors cannot easily imitate it (Fever and Chaharbaghi, 1995). In order to achieve competitive advantage, an organization must both pay attention to its external position (Porter, 1985) and also consider internal capabilities (Barney, 1992). One of the important characteristics of the services is the direct interaction of the employees with customers and the decisive role of their customer-oriented behaviors in dealing with customers. Employees in the banking industry, through effective interaction with customers, facilitate the implementation of organization strategies and its superior performance. Therefore, the solution to gain competitive advantage for the organization should be sought in the successful role playing of human resource management and in order to gain organizational goals, attention should be paid to employees who have interaction with the customers. In the competitive and constantly changing world of today, gaining competitive advantage for organizations, especially banks which are acting in a complex environment and a service and knowledge economy, is necessary and vital. In service organizations, the most important competitive advantage is the quality of services. Among the most important factors that affect the service quality, is the organizations employees. Employees who in the process of offering the service are in direct contact with the customer. Employees are the most important asset and property of an organization. Lack of good and appropriate staff to deliver the goods and services of organizations, will face the organizations in today's competitive environment, with several problems; thus, the relations of the employees is considered as the customers within the organization, and their businesses, as the internal product of the organization (Lee and Chen, 2005). Therefore, this study tries to answer the question that what is the effect of the level of use of electronic banking on gaining competitive advantage of the banks?

2. THEORETICAL FRAMEWORK AND RESEARCH BACKGROUND

2.1 Communications Technology and the Benefits of Electronic Commerce

Increasing growth and development of communications technology has revolutionized the different aspects of human life and organizational performance. These technologies have changed the performance methods and attitudes of individuals, organizations and governments and have created new industries, new jobs and creativity in the affairs. Emergence of phenomena such as e-business, e-commerce and e-banking, are from the major results of penetration and proliferation of information technology in the economic dimensions. Several advantages and features have been mentioned for e-commerce that as a general category, they can be divided as follows:

- Globalization of trade.
- Removing temporal and spatial restrictions.
- Easy access to needed information.
- Significant reduction of transaction costs.
- Reduce of temporal costs of transactions (Seyyed Javadein and Saqatchi, 2006).

2.2 Electronic Banking

With the increasing grow of the volume of e-commerce in the world and given the need of business to conduct easy, quick and precise banking operations for the transfer of financial resources, electronic banking plays a major role in e-commerce. It should be mentioned that in order to understand any phenomenon, firstly a clear definition of that phenomenon and the factors and variables related to that, should be presented. On this basis, electronic banking consists of providing the possibility of access of the customers to the banking services with the use of safe mediators and without physical presence (Daniela & Octavian, 2005) or the direct provision of banking services and operations to the customers through electronic reciprocal communication channels (Hein & Bauer, 2006). Electronic banking provides all of the banking services virtually, and eliminates the customers need to be physically present at the bank. Electronic banking offers services such as account information and inquiries, assignment or transfer of funds between accounts, depositing, currency conversion and payment of utility bills and so on, as listed and timed to the customers. Electronic banking has many advantages such as increase of customers and reduce of the cost of banking transactions, and also the banks can in this way, offer their services with more efficiency and less costs and place the focus on maintaining and increasing of unlimited market share in terms of space, and new distribution channels (Pence H & Arris, 2002).

2.3 Definitions of Electronic Banking

Different definitions have been offered for electronic banking among which we can mention the following definitions:

- Electronic banking consists of providing banking services with the help of internet network (Ahmadi and Virjinyari, 2006, 76).
- Electronic banking consists of providing the facilities for people with the help of which they can, without need to be physically present at the bank, at any hour of the day (24 hour) through communication channels and with confidence, do their desired banking operations (Shams, 2006, 54).
- Providing main information and services of the bank via the web. These services at least include seeing the bills, reports of previous transactions of the account and transfer of funds to other accounts in the same bank (Bagheri, 2008).

2.4 Levels of Electronic Banking

Electronic banking includes systems that enable customers of financial institutions to use banking services in three levels of information giving, communication and transaction.

A. Information giving: This is the most basic level of electronic banking. The bank introduces the information related to its services and banking operations through public or private networks.

B. Communications: This level of Internet banking allows transactions between the banking system and the customer. The risk of this level of electronic banking is more than traditional method and so for prevention and informing the bank management about any unauthorized attempt for access to bank internet networks and computer systems need appropriate controls.

C. Transaction: This system, in accordance with the type of its information and communications, has the highest risk level and should have a strong security system. In this level, customer in a reciprocal interaction is capable of performing operations such as payment, bills, issuance of check, transfer of funds, and opening of account (Seyyed Javadin and Saqatchi, 2006).

Among the most important e-banking services that today are offered around the world, information giving about the customers' accounts, transfer of funds between accounts, buying and selling of stocks, buying and selling of currency, performing credit and banking services in a safe route for the relationship between banks and customers, can be named (Gorilas et al., 2003; Ding, D, Hu, P.J.HOlivia R, 2011).

In electronic banking various services are used which include:

1. **ATM machine:** an ATM machine can act as a branch and perform many of the main tasks of banking during which a large part of transactions will be done with minimal human intervention. Statistics show that installing ATM machines in the decade has had a growth rate equivalent to 45% around the world, such that it can be said that the greatest investment of banks of the world in the era of computer services had been around ATM machines and distribution of money. The situation of establishment of ATM machines in the countries developed in the field of electronic banking shows that on average for every 750 people, there is one ATM terminal (Ibrahimi, 2006).
2. **Point of sale (POS) terminal:** POS terminal means electronic funds transfer at the point of sale, according to which the customer at any point of time and place that needs the goods or services, using various forms of secure identification and safe electronic connection ring, transfers funds from his/her account at the bank or financial institution to the seller.
3. **Internet bank:** using the internet as a communication channel for remote banking services is called internet banking. These include a series of old services such as opening accounts, transfer of money and a series of new services such as presenting electronic bills. Thanks to the internet, the banks are not limited to the boundaries of time and geography and also it has a lot of benefits for banks and customers; the first and most important factor in the use of internet banking includes better access to services, better prices, and maintaining higher privacy (Karjaluo, pento, & Mattila, 2002).
4. **Telephone bank:** Doing a small business transaction between banks and customers via phone is called telephone banking. The methods used in telephone banking include voice response, voice recognition, and customizable phones. Telephone banking facilities are cases such as checking balances and account turnover, paying bills, cash management, message services, and cash transfer to the other accounts (Hashemian, 2003).
5. **Mobile banking:** acceleration in the growth of remote banking began from 1980s with the use of mobile phones in the world. This growth, in fact, with the expansion of wireless networks and mobile phones and the ability of mobile phones to connect the internet, led that banks' customers in any point can have access to their accounts in the bank and be able to do their banking operations and a new idea named remote banking was created.

2.5 Competitive Advantage

Competitive advantage is a factor or combination of internal and external factors that in a competitive environment, makes the organization much more successful than other organizations and competitors cannot easily imitate it (Fever and Chaharbaghi,

1995). Saloner et al., (2001) argue that competitive advantage often means that the institute can produce services or products that the customers consider them more valuable than products or services provided by other competitors. Hill and Jones (1998) named the dimensions of quality, efficiency, innovation, and customer responsiveness for competitive advantage. Quality: product or service that can perform well the task for which it is designed (Hill and Jones, 1998). Efficiency: use of resources to achieve one unit of output (Alaghemand, 2011). Innovation: new approaches of the company for matching entry and expansion in the target market (North et al., 2000; quoted from Rezwani and Gerayeli Nejad, 2011). Responsiveness: delivering value to customers, satisfying his needs and taking steps to improve the efficiency of the production process and output quality of the organization which includes customization (suiting the goods and services to the unique needs of individual customers) and the time to response the customer (time taken to deliver the goods or perform the service); (Hill and Jones, 1998). Assets efficiency: effectiveness of an organization in the management of its property and assets in order to support responsiveness to demands; which includes all types of assets including fixed and working assets (Hill and Jones, 1998).

2.6 Research Literature

Shah Mohammadi et al (1391) in a study titled Profit in electronic banking examined the effect of expansion of electronic banking on profitability of banks of Iran (2005-2008). The results suggest that increasing the number of ATMs cards has positive and significant effect on the profitability of banks, and on this basis it can be concluded that the development of electronic banking has a significant and positive impact on the profitability of Iran banks. Goudarzi and Zobeydi (2007) conducted a study entitled "The effect of the spread of electronic banking on the profitability of commercial banks of Iran". In this study, returns of the total assets is defined as the dependent variable and the index of market concentration, the size of the bank, the number of ATMs of each bank and the virtual variable of joining the Shetab network, are defined as the explanatory variable. The results of this study which has been done using combined data of six commercial banks of the country (Tejarat, Refah Kargaran, Sepah, Saderat, Mellat and Melli), for the period 2000-2005, indicate that increasing the number of ATM machines of each bank leads to more profitability of that bank. Bichaly (2003) evaluated the profitability index in Europe during the years 1993-2000. The results of his study showed that different groups of information technology investment has heterogeneous effects on the performance of banks, such that investing in providing services has positive effect and investing in hardware and software has a negative effect on the profitability of banks. Takmara (2003) reviewing the efficiency index in the period of 1993 to 1999 in Japan concluded that investment in information systems in the study period, has increased the technical efficiency of many banks but the rate of increase of the efficiency is downside. Siam (2006) in his study entitled "The role of e-banking

services on the profit of banks in Jordan” showed that the electronic banking services in short-term has negative effect on the profitability of banks in Jordan. This negative effect had been due to investment of banks in the field of infrastructure and staff training, but in the long run, these services has had a positive impact on the profitability of banks. Daghighi Asl and Ghavidel (2009) in an article entitled “Investigating the effect of information and communication technology on labor productivity in the banking industry of the country” have estimated a model for the time period of 2002 to 2007. The results show that the positive effect of ICT on labor productivity in banking branches of the country is approved. Also the positive effect of human capital and physical capital is approved. Mahmood Zadeh (2007) in his doctoral thesis entitled “The role of information and communication technology (ICT) in the efficiency of total factors and economic growth (case study: selected developing countries with influence on Iran), came to the conclusion that non-ICT capital, ICT capital, human capital, openness of the economy and savings have positive impact and the inflation rate has negative impact on total efficiency in Iran. The final result of this thesis is that ICT impacts the total efficiency and economic growth of developing countries through three channels of infrastructure, functional and spillover effects; and conflict of efficiency is not observed in these countries. Bagheri Qadykalaee (2004) in his thesis entitled “investigating the effect of information technology on wages and labor productivity (industry case study in Tehran)” came to the conclusion that the proportion of computer users to the total workforce and the proportion of internet users to the total workforce at the level of 5%, have not effected labor productivity but the proportion of internet users to the total workforce shows a significant relation, and also there is significant relation between wage and information technology.

3. RESEARCH METHODOLOGY

The present study is an applied research in terms of purpose, because its results can be used by the banks’ managers and staff. This study is cross-sectional in terms of the time of performing the research and qualitative in terms of the method of running the research, and is descriptive survey in terms of data type.

3.1 Research Hypothesis

3.1.1 Main Hypothesis

The level of use of electronic banking has a significant impact on gaining competitive advantage.

Sub-Hypothesis

Hypothesis 1: the level of use of electronic banking has a significant impact on quality.

Hypothesis 2: the level of use of electronic banking has a significant impact on efficiency.

Hypothesis 3: the level of use of electronic banking has a significant impact on innovation.

Hypothesis 4: the level of use of electronic banking has a significant impact on responsiveness to the customers.

3.1.2 Conceptual model

By studying the theoretical literature in the field of electronic devices and with collecting the information of the latest technologies of electronic banking system used in Iran, it was found that the most widely used electronic banking tools include ATMs, POS terminals, mobile banking, telephone banking and internet banking. In this study, the model base used for competitive advantage is Hill and Jones (1998).

3.1.3 The population and sampling

In this study, a simple random sampling method is used. Then, using Cochran formula we calculated the sample size. In order to collect data and information for the analysis, questionnaires were used. And finally 441 questionnaires were completed that 425 people after evaluating the returned questionnaires were selected and analyzed. This questionnaire's aim was to assess the impact of the level of use of electronic banking on gaining competitive advantage which consists of 9 parts and 40 questions and is prepared as a Likert range of seven-choice questions in which "strongly agree" is the seventh value and "strongly disagree" is the first value in the statistical software coding. The first part consists of demographic questions (the first part of the questionnaire) and is related to the general characteristics of respondents such as gender, age, education, etc., and the second part consists of attitude questions.

3.1.4 Validity and reliability of the questionnaire

Research hypotheses were tested with structural equations modeling technique and with the help of LISREL software. Confirmatory factor analysis has been done for the questions of the questionnaire. Finally also the model related to the main hypothesis and sub-hypotheses of the research has been conducted. Factor analysis (CFA) of first and second order is suitable for determining the dimensions, reliability and validity of the studied structure; and LISREL software is a common software for determining reliability with one of the above methods (Cronbach's alpha). According to the above table, the amount of alpha for each of the indexes in the questionnaire is more than 0.7 which indicates reliability.

Table 1
Calculation of the reliability results of the research's variables through Cronbach's alpha method

<i>Hidden variables</i>	<i>Observable variables</i>	<i>Total</i>	<i>Cronbach's alpha</i>	<i>The number of questions</i>
The level of use of electronic banking	phone bank	24	0.88	5
	Internet bank	(0.865)	0.84	5
	Mobile Bank		0.80	5
	Point of sale (pos)		0.83	5
	ATM		0.88	4
Competitive advantage	quality	16	0.87	4
	efficiency	(0.861)	0.85	5
	innovation		0.82	4
	responsiveness to the customers		0.87	3

3.1.5 The questionnaire variables

The findings related to the analysis of the variables of the research (Table 2) show that the highest quality relates to the quality dimension and the most dispersion is related to the dimension of responding to customers. Analysis of independent variables of the research show that the highest mean is related to ATM and the most dispersion is related to mobile banking.

Table 2
Descriptive statistics of variables used in the research

<i>Descriptive statistics variable</i>	<i>Mean</i>	<i>Standard deviation</i>	<i>Variance</i>
Quality	3.89	0.55	0.32
Efficiency	3.32	0.7	0.35
Innovation	3.75	0.61	0.38
Accountability to customers	3.64	0.66	0.43
Telephone bank	3.59	0.59	0.33
Internet bank	3.11	0.7	0.4
Mobile bank	3.41	0.52	0.42
POS terminal	3.46	0.58	0.31
ATM	3.85	0.61	0.39

4. EMPIRICAL RESULTS

4.1 Descriptive Statistics

According to the results, as can be seen in Table 3, 62.2% of the sample was male and 37.8% was female. Regarding the age distribution of clients, 23.5% were between the ages of 31 to 40 years, 30.1% of subjects aged less than 30 years, and 43.4% had over 40 years. Also 42.3% of the sample customers had BA degree, 19.9% MA degree, 33.2% associate degree, and 4.6% diploma. As shown in Table 2, income distribution of the sample is shown. As you can see, the most income of the considered sample had been 43.4% which had been related to income range between 800 to 1,500 thousand Tomans.

Table 3
Demographic characteristics of the respondents

<i>Demographic variable name</i>	<i>Level</i>	<i>Frequency percent</i>
Gender	Female	62.2
	Male	37.8
Degree	Diploma	4.6
	Associate degree	33.2
	BA degree	42.3
	MA degree and more	19.9
Age	Less than 30 years	30.1
	Between 31 to 40 years	23.5
	Above 40 years	43.4
Income (Toman)	Less than 500 thousand Tomans	12.2
	Between 500 to 800 thousand Tomans	24
	Between 800 to 1,500 thousand Tomans	43.4
	More than 1,500 thousand Tomans	20.1
Work experience	Less than 10 years	56.1
	Between 10 to 20 years	32.4
	Above 20 years	11.5

4.2 Calculating the correlation between the research variables

To calculate the correlation between all research variables, due to the normal distribution of data, Pearson correlation test was used. According to Table 4, as can be seen, the significance level (sig) of test for all of the relationships between research variables is equivalent to (0.000) which is the less than (0.05). Thus, the null statistical hypothesis (H0) about lack of any correlation between any two variables together is rejected and the research hypothesis regarding this relationship between them is approved. In Table (4), mean, standard deviation and correlation for the studied variables is expressed. The results show that majority of the variables are significantly correlated with each other and have regression correlation in the range of 0.12 to 0.68. However, the correlation of all of them is less than 0.9 which shows that there is a nonlinear relationship between these variables.

Table 4
Correlation test results

Variables	MEAN	SD	1	2	3	4	5	6	7	8	9
1. Quality	4.54	0.65	0.84								
2. Efficiency	5.82	0.53	**0.50	0.78							
3. Innovation	5.22	0.61	**0.56	**0.51	0.76						
4. Responsiveness to the customers	5.63	0.65	**0.54	**0.54	**0.51	0.79					
5. Phone bank	5.25	0.74	**0.52	**0.52	**0.23	**0.37	0.86				
6. Internet bank	5.96	0.52	**0.59	**0.50	**0.56	**0.25	*0.13	0.81			
7. Mobile Bank	5.72	0.48	**0.68	0.09	**0.40	**0.35	**0.43	-0.10	0.84		
8. Point of sale (pos)	5.33	0.44	**0.65	0.19	**0.32	**0.34	**0.23	-0.10	0/83	0.70	
9. ATM	1.56	0.79	0.02	0.03	*0.12	*0.14	0/03	0/07	0/05	0/5	0.4

Notes: **Correlation is significant at $p < 0.01$, *Correlation is significant at $p < 0.05$, Diagonal value indicates the square root of AVE of individual latent construct.

4.3 Inferential Statistics (evaluating the influence of variables on each other)

In general, through structural equations modeling technique and with the help of LISREL software, the research hypotheses have been tested. To achieve this aim, firstly the test of data normality has been done. Then confirmatory factor analysis has been performed for each of the questionnaires. Finally also the model related to the main hypothesis and sub-hypotheses has been conducted.

5. TESTING HYPOTHESES

Two multiple regression analysis was conducted to test the hypothesis. The first time the hypothesis of the impact of electronic banking on gaining competitive advantage and the second time, the impact of electronic banking on the dimensions of gaining competitive advantage were considered. In both analyzes, the VIF value was less than cross-section of the value of 10.0, and this implies a lack of multi-collinearity in the fitted models. The results of multiple regression analysis are shown in Table 5. In analyzing the results, both the indexes of electronic banking and gaining competitive advantage were considered as the greater-order factor with the sum of index pair of first order. The results of the model in Table 5 show that, the coefficient of determination, 77.9 means that the independent variable in general, determines 77.9% of the changes of the dependent variable. Moreover, the results indicate that e-banking ($\beta 0.86, >p 0.001$), has had a significant positive impact on gaining competitive advantage. Thus the first hypothesis (total) is accepted.

Table 5
The results of hypotheses test (evaluating the effects of the level of use of electronic banking on gaining competitive advantage)

<i>Hypothesis</i>	<i>Proposed Hypothesis</i>	<i>Coefficient (β)</i>	<i>t-value</i>	<i>Proposed Hypothesis</i>
Evaluating the effects of the level of use of electronic banking on gaining competitive advantage				
1	the level of use of electronic banking → quality	0.86	***52.31	Accepted

$R^2 = 0.783$, Adjusted $R^2 = 0.779$, F-value = 2522.828***,
 Notes:*** $p < 0.001$; ** $p < 0.01$; ns = not significant.

The results of multiple regression analysis of the second indexes are presented in Table 5. In this analysis, gaining competitive advantage was considered a higher level dependent factor with a total of index pairs of the first order. The results of the model in Table 6 show that, the coefficient of determination, 78.6 means that the independent variable in general, determines 78.6% of the changes of the dependent variable. Among these dimensions, quality ($\beta 0.56, >p 0.001$), innovation ($\beta 0.41, >p 0.01$), accountability to customers ($\beta 0.33, >p 0.01$), and efficiency ($\beta 0.39, >p 0.001$) have had significant positive impacts on the brand value. Therefore the hypotheses were accepted.

Table 6
The results of hypotheses test (evaluating the variables of electronic banking on gaining competitive advantage)

<i>Hypothesis</i>	<i>Proposed Hypothesis</i>	<i>Coefficient (β)</i>	<i>t-value</i>	<i>Proposed Hypothesis</i>
Evaluating the variables of electronic banking on gaining competitive advantage				
1	the level of use of electronic banking → quality	0.56	***3.86	Accepted
2	the level of use of electronic banking → efficiency	0.39	**2.30	Accepted
3	the level of use of electronic banking → innovation	0.41	**2.71	Accepted
4	the level of use of electronic banking → responsiveness to the customers	0.33	**2.19	Accepted

$R^2 = 0.798$, Adjusted $R^2 = 0.786$, F-value = 2417.14***, Notes:*** $p < 0.001$; ** $p < 0.01$; ns = not significant.

5.1 The Indexes of Fitting the Model

In researches, various types of indexes are used to determine the fitness of the model. In the present research, LISREL 8.5 software was used for a good fit. The amount of the indexes of this study is higher than average. So the model is also acceptable in this respect. The above points are summarized in Table 7.

Table 7
The indexes of fitting the model

<i>Indexes</i>	<i>AGFI</i>	<i>GFI</i>	<i>IFI</i>	<i>CFI</i>	<i>NFI</i>	<i>RMSEA</i>	<i>X2/df</i>
Calculated values	0.76	0.78	0.83	0.86	0.71	0.082	4.69

6. CONCLUSION AND RECOMMENDATIONS

Given the main purpose of the level of use of services offered in electronic banking system and the virtual facilities that this system offers to its customers, in performing receive and payment operations in gaining competitive advantage at the reliability level of 99% has significant impact. Given the positivity of the standard path coefficient it can be said that the type of relationship between two variables is direct and in the same direction. So, as the level of use of electronic banking services and facilities and the use of these technologies in gaining competitive advantage increases, the performance of competitive advantage will also increase in a positive direction, and vice versa. The results of this research is consistent with the findings of some researchers in this field, such as Wever (2010), Tsenga et al (2011), Sadeghi and Hanzae (2010), Kima et al (2010).

- Use of internet banking is effective in improving bank performance, but is not a sufficient condition, meaning that customers may feel satisfied and safe about the use of Internet bank, but due to lack of adequate and enough telecommunications infrastructures that are compatible with developments in electronic banking and not being up-to-date of the internal procedures and processes in the banks according to electronic banking which is not re-engineered and the lack of culture and education of the banks' employees and customers to accept and adopt modern methods in order to reach the customer-oriented aims of the bank, the bank may not be successful in attracting customers. That's why it cannot be claimed that the use of internet banking in all cases, improves banks performance, but it can certainly be argued that not using of internet banking in the bank is problematic. To move towards electronic banking, inevitably attention must be paid to the following points: provision of telecommunications infrastructures including high-speed secure networks and communication lines; Procurement of legal rules and requirements for e-banking and e-commerce; and it is recommended that banks for reducing the amount of travel within the city, steps toward equipping telecommunications infrastructures and creation of high-speed lines.
- Increasing the speed of transfer of funds and access to cash at any time of the day are from the important features of electronic payment systems. Without electronic funds transfer, e-commerce will not be fully realized and hence, in order to increase the speed of operations, banks and financial institutions can in terms of technology and method, through equipping their offices, change the communication methods and interactions between themselves and clients and therefore attract more customers. Since communicating with existing customers is easier and more useful than looking to find new customers.
- Understanding the needs and expectations of the customers and the factors influencing them will help to improve banks' performance to reassess the method of communication with the customer and pay more attention to its performance and improvement. Customers show good reaction to banks that pay attention exactly to the needs and expectations of customers and any bank that can have more information about its customers and form its structure on that bases, will win the competition. Therefore it is recommended that the bank, while focusing on customer and evaluating the indicators of customer satisfaction and ways to improve and expand that, consider the use of electronic devices (such as bank cards) as an important principle in the organization in order to provide services to customers.

- The results of this study shows that reduce of the number of presences, increase of the variety of services, reduce of the volume of banking transactions, speed of operations, reduce of the number of bank branches and reduce of the banking costs has an effect on banks' efficiency and this impact is positive. In addition, the results showed that job satisfaction of the employees, customer satisfaction, banking interest, and reduce of the number of staff does not affect the efficiency of banks. Customers who are prepared to use new technologies, like internet banking, understand their benefits and are more interested to use it. Therefore banks must first familiarize customers with internet banking, explain its benefits clearly and teach how to use it, and then face their customers with internet banking. For the development of e-commerce in the country, and entry into global markets and membership in organizations such as the WTO, having efficient banking system is a basic requirement. Therefore, the use of ICT in order to create and develop electronic banking in banking system is important. However, creating and development of e-banking requires some appropriate social and economic infrastructures. The most important of these infrastructures include: appropriate telecommunications networks, secure information sharing, appropriate legal infrastructure, cultural readiness of the community and economic institutes to accept and use e-banking services. Therefore in order for appropriate development and expansion of e-banking and e-commerce in the country, it must be seriously tried to create appropriate telecommunication infrastructures, provide security in the exchange of information, create appropriate legal rules and regulations, create cultural context and teaching people and economic institutes about the benefits of e-commerce and electronic payment.

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