
IMPACTING DEPOSIT SERVICE QUALITY ON CUSTOMERS' SATISFACTION: A CASE OF BIDV IN CAN THO

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ABSTRACT: *Saving deposits have a very important meaning to the bank because it is the basis for the bank to bring profits through investments, loans, reserves... Therefore, it is important for commercial banks to ensure maximum customer satisfaction with the services that the bank provides. The study objective is to find out the determinants affecting the deposit service quality of Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) in Can Tho City. The researchers surveyed 350 customers using deposit services of BIDV answered 28 questions but 331 customers processed. The primary sources of data collected from July 2018 to April 2019 in Can Tho City. Simple random sampling technique. The Data analyzed Cronbach's Alpha and the exploratory factor analysis (EFA), which used for multiple linear regression and using partial least squares method. Customers' responses measured through an adapted questionnaire on a 5-point Likert scale. In addition, the findings of the study have six factors affecting the deposit service quality of BIDV in Can Tho city with significance level 0.05.*

KEYWORDS: Deposit, service, quality, customer, satisfaction and TDU.

INTRODUCTION

Nowadays, Vietnam joins into the current trend of integration and development of the banking industry, customers play a very important role, the banking system or any business organization that wants to succeed must rely on customers. In fact, the desire is to get customers that is a very difficult thing, but how to keep customers is even more difficult. Because customers only cooperate with banks when they feel satisfied, so how to bring satisfaction to customers. It is it the biggest challenge and the concern of the banking system as well as economic organizations. A bank operates efficiently and sustainably depends heavily on the capital. The Bank's capital source is highly dependent on customers' deposits. The deposits have a very important meaning to the Bank because it is the basis for assessing whether the Bank is strong or weak, whether the Bank is interested by customers and this is also the basis for the bank to proceed. Activities such as investment, lending, reserves... help bring profits to banks. This has led to a fierce competition among banks offering special services, such as savings deposits, to attract customers. Bank managers must develop customer-oriented strategies to successfully compete in retail banking environments that are highly competitive. This helps BIDV apply the research results for improving policy on the management of the deposit service quality better in the future. Stemming from this fact, the researchers is to explore factors affecting the customer satisfaction based on

deposit service quality. This paper is studying the relationship between the deposit services quality and customer satisfaction. It is a very meaningful job. Finally, this is the distance that bank managers need to explore so as to determine what this difference is what recommendations should be taken to shorten this gap.

LITERATURE REVIEW

Service quality

Quality of service is a noticeable and controversial concept in many concepts. It depending on the subject and the different research environment, each researcher brings the following different concepts of service quality. (Parasuraman, A., Zeithaml, V.A., & Berry, L., 1985) suggested SERVQUAL as a determinants and measuring instrument of service quality. It considered as a good starting point for providing more detail to a description of service quality. They defined “determinants of service quality as a measure of how well the service level delivered matches customer expectations”. They designed SERVQUAL based on studies in America. They described ten determinants of service quality as reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the customers and tangibles. (1) Reliability: It is the ability to perform the promised service dependably and accurately. (2) Responsiveness: It is the willingness and/ or readiness of employees to help customers and to provide prompt service, timeliness of service. (3) Competence: It is the possession of the required skills and knowledge to perform service. (4) Access: It is the ease of approachability and contact. (5) Courtesy: It refers to the politeness, respect, consideration, and friendliness shown to the customers by the contact personnel. (6) Communication: It is listening to the customers and informing them with language they understand. (7) Credibility: It includes trustworthiness, believability and honesty. (8) Security: It refers to the freedom from danger, risk, and doubt, which involves physical safety, financial security and confidentiality. (9) Understanding/knowing the customer: This includes trying to understand the customers’ s needs and specific requirements, providing individualized attention and recognizing regular customer. (10) Tangibles: It is the state of facilitating good, physical condition of the buildings and the environment, appearance of physical facilities, tools and equipment used to provide the service. Later, (Parasuraman, A., Berry, L. L., & Zeithaml, V. A., 1988) reduced the ten attributes to five attributes. The model of changed SERVQUAL was reliability, responsiveness, assurance, empathy and tangibles.

Reliability (REL)

Reliability is the ability to perform the service as committed to the customer, good security of information as well as property safety for its customers. It depending on the research, the reliability in the service quality component corresponds to each different important position. It is the ability to perform the promised service dependably and accurately. Reliability speaks of the ability to deliver/perform services that are appropriate, accurate, punctual, and reputable, consistent with what is committed, promising (Aayasha Nawaz, 2017). This requires consistency in service implementation and respect for commitments and promises to customers. This criterion is measured by scales.

Hypothesis H1: Reliability has a positive impact on the quality of deposit services of BIDV in Can Tho City.

Responsiveness (RES)

The level of response is the desire and willingness of staff to provide timely services to customers. It is the willingness and/or readiness of employees to help customers and to provide prompt service, timeliness of service. This is the criterion to measure the level of desire and ability to solve problems quickly, to serve customers in a timely manner, effectively handle complaints, ready to help customers and meet the requirements customer (Anis Ali and Babita Ratwani, 2015). In other words, responsiveness is the response from service provider fees to what customers want, namely:

Hypothesis H2: Responsiveness has a positive impact on the quality of deposit services of BIDV in Can Tho City.

Competence (COM)

Service capacity expressed through professional qualifications to perform services. Service capability manifests when employees interact with customers, employees directly perform services, research capabilities to capture relevant information necessary for customer service. The knowledge and courtesy of employees and their ability to convey and confidence (Bellini, C., Lunardi, G., & Henrique, J, 2015). This is the factor that creates trust and trust for customers through their knowledge, expertise, professional service, good communication ability and polite style of service personnel, ability make customers trust. As a result, customers feel secure when using the service (Osarenkhoe, A. & Komunda, M. B, 2013).

Hypothesis H3: Competence has a positive impact on the quality of deposit services of BIDV in Can Tho City.

Empathy (EMP)

Sympathy is the care and care for customers of employees, bank employees friendly, enthusiastic and fair treatment of all customers. The provision of caring, individualized attention to customers. Besides, empathy is the care and care of considerate customers, giving customers the best possible treatment, helping each customer feel always warmly welcomed anytime, anywhere (Kombo, F, 2015). The human factor is the core of this success and the more service providers care about the customers, the more empathy is gained.

Hypothesis H4: Empathy has a positive impact on the quality of deposit services of BIDV in Can Tho City.

Tangibles (TAN)

Tangible vehicles are shown through appearance, attire of service staff and facilities, equipment for service. It is the state of facilitating good, physical condition of the buildings and the environment, appearance of physical facilities, tools and equipment used to provide the service (Narteh, B. & Kuada, J, 2015). The tangibility is the expression of the external image of facilities, tools, equipment and materials, machinery, staff style, documents, manuals and information systems. These are environmental factors. Generally, all that customers can see directly with their eyes and senses can affect this factor (Tesfom, G. & Birch, N. J, 2011).

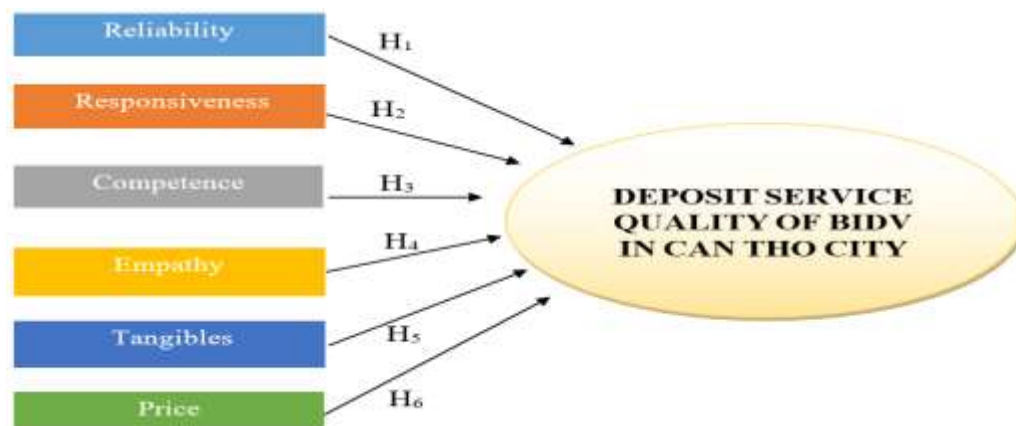
Hypothesis H5: Tangibles have a positive impact on the quality of deposit services of BIDV in Can Tho City.

Price (PRI)

Reasonable transaction fees and diverse services will greatly impact the quality of service. When good service quality means bringing benefits to customers, making customers find more banks. The above results confirm that price is an important factor in service quality. Price of services is the total cost that customers spend when using services (Sulieman, 2011). Service fees will be very competitive among suppliers. Customers will weigh the cost and benefits received when using the service. If the customer is aware that the cost is negligible or worthy of the benefits received, they will be ready to use the service and vice versa (Zeithaml, Valarie A. , 1987). This is new item in this research.

Hypothesis H6: Service price has a positive impact on the quality of deposit services of BIDV in Can Tho City.

Research model for factors affecting the quality of deposit services of BIDV in Can Tho City.



(Source: Researchers proposed)

Figure 1: Research model for factors affecting the deposit services quality of BIDV in Can Tho City

METHODS OF RESEARCH

The paper aims to introduce research methods with statistical analysis tools to evaluate scales, concepts in research and test hypotheses outlined in the model. This section includes: (1) qualitative research, (2) quantitative research. Through the article, the authors have the research process for factors affecting the deposit service quality that having two phases following. Phase 1: We applied the expert methodology and based on 15 experts' consultation and based 15 customers as group discussions are to improve the scale and design of the questionnaire. The results of surveying 15 experts and 15 customers agreed that all of factors affecting the deposit service quality. We created a list of possible factors gathered from the literature reviews as mentioned in the above studies. Phase 2: We tested a reliability scale with Cronbach's Alpha coefficient and exploratory factor analysis. Completed questionnaires were directly collected from the surveyed customers because it took them less than 20 minutes to finish the survey. There are 350 customers

surveyed in Can Tho City among more than 10.000 customers of BIDV. All data collected from the questionnaire are coded, processed by SPSS 20.0. Any observational variables with a total correlation coefficient greater than 0.3 and Cronbach's Alpha coefficient greater than 0.7 would ensure reliability of the scale. This method is based on the Eigenvalue, the appropriate factorial analysis and the observed variables in the whole which are correlated when Average Variance Extracted is > 50%, the KMO coefficient is within 0.5 to 1, Sig coefficient $\leq 5\%$, the loading factors of all observed variables are > 0.5. In addition, the researchers testing scale reliability with Cronbach's alpha coefficient and exploratory factor analyses (EFA) were performed. Finally, the least squares method and multiple linear regression used (Hair, Anderson, Tatham, & Black, 1998). The least squares method is a form of mathematical regression analysis that finds the line of best fit for a set of data, providing a visual demonstration of the relationship between the data points. Each point of data is representative of the relationship between a known independent variable and an unknown dependent variable (Hair, B. B., & Anderson, 2010).

RESEARCH RESULTS

The scale reliability tests for factors affecting the deposit services quality of BIDV

Table 1: The scale reliability tests for factors of the deposit services quality of BIDV

Items	Cronbach's Alpha if Item Deleted
REL1: The BIDV has diversified portfolio of deposit services and security	.967
REL2: The BIDV is proactive to provide new services to meet the growing needs of customers	.963
REL3: The BIDV hotline supplies for customer service 24/24	.959
REL4: The BIDV staffs are regular contact with customers	.969
REL5: The BIDV staffs are helpful contact with customers	.968
Cronbach's Alpha for Reliability (REL)	0.972
RES1: The BIDV staffs are very courteous and considerate with customers	.891
RES2: The BIDV has a wide network of agents	.926
RES3: The BIDV of procedures is easily, useful, comfortable and quickly	.911
RES4: The BIDV has traded places convenient for customers	.897
Cronbach's Alpha for Responsiveness (RES)	0.928
COM1: The BIDV kept its reputation for customer	.760
COM2: The BIDV has many effective deposit activities and impressive	.872
COM3: The BIDV is always at the forefront of innovation in deposit services	.852
Cronbach's Alpha for Competence (COM)	0.880
EMP1: The BIDV staffs have good qualifications	.898
EMP2: The BIDV staffs are to provide accurate and timely service	.888
EMP3: The BIDV staffs are to satisfactorily resolve customer complaints	.852
EMP4: The BIDV staffs are always ready to serve customers	.876
Cronbach's Alpha for Empathy (EMP)	0.906
TAN1: The BIDV of the document, photo books that introducing service very attractive.	.908

TAN2: The BIDV of the facilities that introducing service very modern	.898
TAN3: The BIDV has modern machinery	.891
TAN4: The BIDV has modern Information technology	.893
TAN5: The BIDV has updated deposit system	.904
Cronbach's Alpha for Tangibles (TAN)	0.917
PRI1: The service cost is reasonable	.891
PRI2: The service cost is competitive	.915
PRI3: The BIDV has flexible pricing policy	.885
PRI4: The BIDV has discount policy	.891
Cronbach's Alpha for Price (PRI)	0.920
DSQ1: The customer has satisfied with the quality of deposit service	.622
DSQ2: The BIDV is to meet the needs of the customer	.571
DSQ3: The customer continues to use deposit services in the future	.533
Cronbach's Alpha for Deposit service quality (DSQ)	0.672

(Source: The researchers' collecting data and SPSS 20.0)

Table 1 showed that all of 28 variables surveyed Corrected Item-Total Correlation greater than 0.3 and Cronbach's Alpha if Item deleted greater than 0.7. Cronbach's Alpha for Deposit service quality (DSQ) is 0.672, This can be acceptable, new item in BIDV, this is dependent variable and Cronbach's Alpha is very reliability. Such observations make it eligible for the survey variables after testing scale. This showed that data was suitable and reliability for researching.

Table 2: Factors affecting the deposit services quality of BIDV in Can Tho City

Model Summary ^b								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson			
1	.767 ^a	.588	.580	.64784074	1.865			
ANOVA ^a								
Model		Sum of Squares	df	Mean Square	F	Sig.		
1	Regression	194.018	6	32.336	77.047	.000 ^b		
	Residual	135.982	324	.420				
	Total	330.000	330					
Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
	(Constant)	0.00	.036		.000	1.000		
	REL	.113	.038	.113	3.003	.003	.904	1.106
	TAN	.340	.040	.340	8.432	.000	.783	1.278
	RES	.319	.038	.319	8.387	.000	.877	1.140
	PRI	.382	.038	.382	10.158	.000	.898	1.113
	EMP	.191	.039	.191	4.871	.000	.827	1.209
	COM	.170	.041	.170	4.162	.000	.765	1.307

a. Dependent Variable: Deposit service quality (DSQ)

(Source: The researcher's collecting data and SPSS)

Table 2 showed that column "Sig" < 0.01 with significance level 0.01. This means conclusion: H1: supported; H2: supported; H3: supported; H4: supported; H5: supported and H6: supported. Standardized coefficients of six factors affecting the deposit services quality of BIDV in Can Tho City with significance level 0.05. Six factors following: Reliability ($\beta = 0.113$), Tangibles ($\beta = 0.340$), Price ($\beta = 0.382$), Responsiveness ($\beta = 0.319$), Empathy ($\beta = 0.191$) and Competence ($\beta = 0.170$).

CONCLUSIONS & MANAGERIAL IMPLICATIONS

Conclusions

Customer satisfaction with deposit service is the foundation, a necessary condition in a customer retention strategy and build a loyal customer system. And satisfied customer is simply to create positive points in the mind and perceives customers. Besides, customer satisfaction is one of the factors that BIDV needs to monitor to shape the development of their customer service in the future. In addition, BIDV needs to invest in advertising strategies, marketing, developing customer care that is a great way to retain customers in the future, increasing the number of loyal customers. The contribution of this paper is to found that six factors affecting the quality of deposit services with significance level 0.01. Reliability ($\beta = 0.113$), Tangibles ($\beta = 0.340$), Price ($\beta = 0.382$), Responsiveness ($\beta = 0.319$), Empathy ($\beta = 0.191$) and Competence ($\beta = 0.170$).

Moreover, this study is to find out the Price ($\beta = 0.332$) affected strongest in six factors with significance level 0.01. The researchers surveyed 350 customers using deposit services of BIDV answered 28 questions but 331 customers processed. The primary sources of data collected from July 2018 to April 2019 in Can Tho City. The Cronbach's Alpha had been analyzed, KMO test and the result of KMO analysis which used for multiple linear regression. Customers' responses measured through an adapted questionnaire on a 5-point Likert scale (Conventions: 1: Completely disagree, 2: Disagree, 3: Normal; 4: Agree; 5: completely agree). The researchers had managerial implications policymaker of BIDV continued to improve the quality of deposit services.

Managerial implications

Researching customer satisfaction is very important, but proposing managerial implications to improve customer satisfaction is even more meaningful. Therefore, some Managerial implications that BIDV need to implement to improve customer satisfaction such as:(1). Price ($\beta = 0.382$) has the strongest impact on the quality of deposit services: The price has a standardized regression coefficient of 0.382. Price factor is the most important factor affecting deposit service quality. BIDV branch in Can Tho needs to develop various forms of savings deposits to bring more benefits and advantages to customers, helping customers have more options to suit the diverse needs of customers in the period. In addition, price factor is a significant factor affecting customer satisfaction when customers send savings, they want the highest profitability, therefore, BIDV needs the main flexible and suitable savings deposit book for long-term customers. (2) Tangibles ($\beta = 0.340$) have the second impact on the quality of deposit services. BIDV strengthens the investment in offices more spacious and more convenient for customers. The brand is associated

with the identity, prestige and image of the bank (NH) to mark the customers, making a difference compared to other banks. BIDV should continue standardizing the design of transaction offices in Can Tho City area needs to be done continuously, contributing significantly to improving the quality of service and brand value of BIDV. (3) Responsiveness ($\beta = 0.319$) has the third impact on the quality of deposit services. BIDV should always satisfactorily solve all difficulties, questions and complaints for customers. In addition, BIDV has convenient use, ensuring elements of deposit transactions, treasury transactions such as functional division of essential equipment positions for deposit, classification of current forms to Minimize the operation time for users. Especially, the new counter must create a friendly feeling for customers. Equally important is the time the customer waits for the transaction no more than 5 minutes. (4) Empathy ($\beta = 0.191$) has the fourth impact on the quality of deposit services. BIDV staffs should try to build good relationships and pay attention to the needs of each customer. BIDV staffs should be more enthusiastic and friendly with customers. For the retail sector in particular, a transition path should be designed to focus on improving customer satisfaction in order to achieve rapid and sustainable customer growth. Moreover, BIDV should optimize and promote the efficiency and productivity of retail banking operations at branches; improve operational procedures to minimize costs and optimize human resources. BIDV continues focusing on improving credit processes towards digitalization, modernization, automation and centralization. Finally, BIDV continues to improve productivity and efficiency of distribution channels; focus on developing electronic banking distribution channels. (5) Competence ($\beta = 0.170$) has the fifth impact on the quality of deposit services. BIDV should handle the business properly, quickly and effectively. In addition, BIDV staffs continue to be trained in both hard and soft skills to have sufficient knowledge and professional ability to advise and answer questions to customers. Moreover, BIDV should develop training program for new staffs, the training must build a specific strategy. The training program must be associated with business orientation; training forms must be rich in both aspects to keep abreast of practical needs of each unit. The quality of staffs sent for training must be successful and correct; BIDV must periodically organize skills examination to select and improve the quality of staffs; training must be attached to the evaluation, appointment and planning of staff. (6) Reliability ($\beta = 0.113$) has the least impact on the quality of deposit services. BIDV should provide peace of mind when using deposit service more, employees perform transactions accurately and without errors. BIDV staffs further protects customer information. BIDV provides the right service at the time they committed. Data is security to avoid outside attacks is not enough but BIDV should pay attention to the security of data from inside. This means that BIDV should monitor the activities of employees in the impact on the database and build an appropriate security system based on data and applications needed for operation.

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