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## RESEARCH FACTORS AFFECTING THE DECISION ON SAVINGS DEPOSIT OF INDIVIDUAL CUSTOMERS AT TAN BINH SACOMBANK, HO CHI MINH CITY

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**ABSTRACT:** *The study of factors affecting the decision of individual customers to choose a savings at Tan Binh Sacombank was conducted by surveying 295 individual customers who have been depositing savings at Tan Binh Sacombank through prepared questionnaires. The main objective of the study is to find out the factors that affect the decision of individual customers to choose savings at Tan Binh Sacombank. The results of testing hypotheses of the research model have shown that there are only 06 independent variables that have a linear correlation with the dependent variable - Savings deposit decision of individual customers at Tan Binh Sacombank is sorted by descending order includes Interest rate of the bank ( $\beta = 0.567$ ); Convenience of the bank ( $\beta = 0.315$ ); Bank staff ( $\beta = 0.275$ ); Bank brand ( $\beta = 0.268$ ); Promotion ( $\beta = 0.261$ ) and Influence acquaintances ( $\beta = 0.169$ ). Based on the research achieved results, the author will propose some governance implications to continuously improve the quality of effective savings deposit service, contributing to attracting individual customers to save money at Tan Binh Sacombank in the future.*

**KEYWORDS:** Tan Binh Sacombank, savings deposit service, factor analysis.

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### INTRODUCTION

Currently, Vietnamese joint stock commercial banks are doing business in a very fierce and fierce competition environment. The scramble for customers to save money between banks has become more and more fierce. In order to attract customers to themselves, banks have constantly built up attractive interest rate policies at terms to attract customers. Given the above situation, in order to attract customers to save money, Tan Binh Sacombank has to constantly build an attractive deposit interest rate strategy. For this to be effective, the bank needs to study the factors that influence as well as how they influence the deposit decisions on individual customers. Determining and assessing the influence of each factor on the decision of individual customers to save money will help the bank improve its competitive advantage in mobilizing deposits as well as improve service quality. better. Recognizing the importance of researching factors influencing the decision to choose a bank to send savings of individual customers, the authors chose the topic "Research the factors affecting the decision to send. savings of individual customers at Tan Binh Sacombank". In this research topic, the authors group will determine and evaluate the impact of each factor on the decision of individual customers to save money at Tan Binh Sacombank . On the basis of the research results achieved, the author will propose some administrative implications to continuously improve the quality of effective savings deposit service, contributing to attracting individual customers to save money. at Tan Binh Sacombank in the future.

## **LITERATURE REVIEW**

### **Interest rate of savings deposit**

Research by Ha Nam Khanh & Ha Minh Dat (2014); Bien Thanh Truc (2013); Lam Thi Thu Ngan (2015); Vo Thi Hue (2013) said that the interest rate system is an important tool in mobilizing and changing the size of the bank's capital, especially the size of deposits. Interest rate of deposit is one of the factors that customers are most concerned about when they decide to deposit money at any bank. For that reason, banks need to provide detailed, clear and public information on interest rates and interest calculation methods. From the above arguments, hypothesis H1 is built as follows:

Hypothesis H<sub>1</sub>: Interest rate of savings deposit has a positive impact on the individual customers' decisions to save money at Tan Binh Sacombank.

### **Bank convenience**

Research results of Safiek Mokhlis et al (2009); Apena Hedayatnia & CTG (2011); Okan Veli Safakli (2007); Pham Thi Tam and Pham Ngoc Thuy (2010); Vo Le Phuong Guest (2013) showed that the convenience factor of the bank positively affects decisions of individual customers to save money. The convenience of location, transaction offices, ATM systems arranged in suitable locations, easy to find bank locations, especially in the residential area will easily attract individual customers near the bank. The bank's transaction space must be large enough, the facilities and facilities will create a feeling for customers. In addition, the bank's network operating widely will create conditions anytime, anywhere for customers who want to transact. From the above arguments, hypothesis H2 is built as follows:

Hypothesis H<sub>2</sub>: Bank convenience has a positive impact on the individual customers' decisions to save money at Tan Binh Sacombank.

### **Bank Staff**

Research results of Mohammed Almosawi (2001); Nguyen Kim Nam and Tran Thi Tuyet Van (2015); Hoang Thi Anh Thu (2017) showed that the professional skills of employees have a great influence on customer loyalty. Currently, with the appearance of many domestic and foreign banks, the level of product technology is no different, banks can only improve their competitiveness with the service quality of their staff. The higher the quality of staff, the greater the competitive advantage of the bank.

Hypothesis H<sub>3</sub>: Bank staff have a positive impact on individual customers' decisions to save money at Tan Binh Sacombank.

### **Transaction Procedures**

Nguyen Ngoc Duy Phuong (2018) said that transaction procedures are also one of the factors that positively influenced individual customers' decisions to save money at banks. A bank that has simple procedures, fast time to settle deposit records, resolves complaints and complaints of customers quickly and satisfactorily and has a suitable deposit period for each subject will attract the Great customers come to send money.

Hypothesis H4: Transaction procedure has a positive impact on the choice of savings deposit at Tan Binh Sacombank.

### **Brand of the bank**

According to research by Bien Thanh Truc (2013), Pham Ngoc Tam and Pham Ngoc Thuy (2014), Taran & CTG (2014) have shown that brands have a positive influence on customers' decisions to choose banks. Brand is one of the factors that customers are very interested in when deciding to deposit money at the bank. With reputable banks, a long-standing brand name known to many customers is considered an advantage. The more reputable the bank's brand name, the more trust it will be created to customers, especially savings depositors, thereby promoting the establishment of transaction relationships between customers and the bank.

Hypothesis H5: Brand of the bank has a positive impact on the individual customers' decisions to save money at Tan Binh Sacombank.

### **Promotion**

Research results of Pham Thi Tam & Pham Ngoc Thuy (2010); Hoang Thi Anh Thu (2017); Vo Thi Hue (2013); Huynh Thi Ha (2013); Nguyen Ngoc Duy Phuong - Vu Thi Huong (2018) pointed out that marketing has a positive influence on customers' decisions to choose banks. A bank with an attractive deposit promotion policy will attract a large number of customers to deposit money at the bank.

Hypothesis H6: Promotion has a positive impact on the individual customers' decisions to save money at Tan Binh Sacombank.

### **Influence of relatives**

Research results of Pham Thi Tam & Pham Ngoc Thuy (2011); Vo Thi Hue (2013); Hoang Thi Anh Thu (2017); Nguyen Kim Nam and Tran Thi Tuyet Van (2015) pointed out that the influence of acquaintances has a positive influence on the decision to choose a bank to save money. In the banking sector, the influences of acquaintances have an impact during the pre-customer decision-making period in which bank to choose to save.

Hypothesis H7: Influence of relatives has a positive impact on individual customers' decisions to save money at Tan Binh Sacombank.

Based on the theoretical background and previous research results, and on the characteristics of individual customers at Tan Binh Sacombank, the authors propose the following research model:

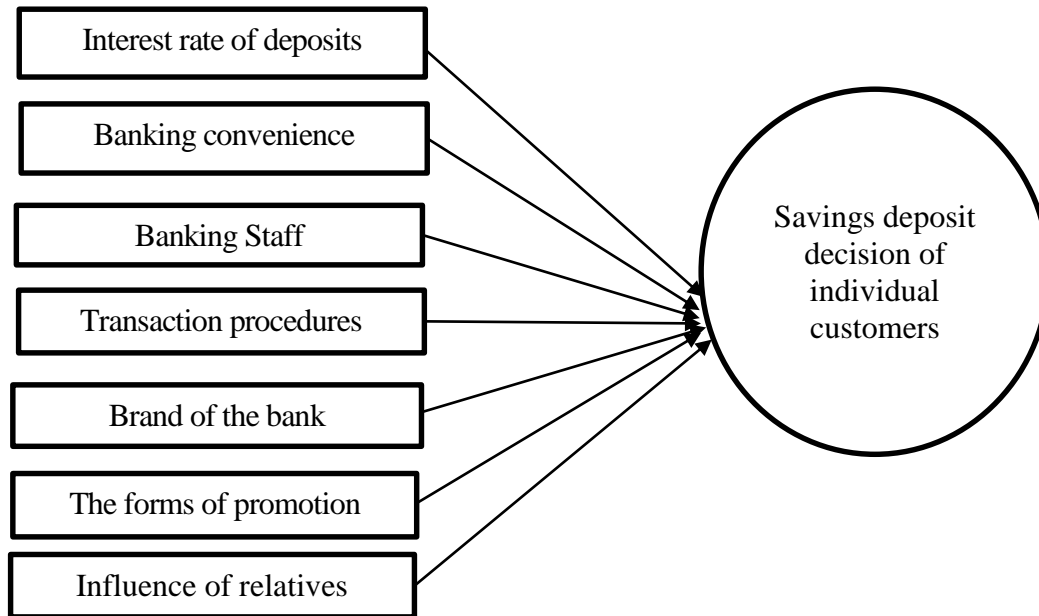


Figure 1. Research model of factors influencing individual customers' savings deposit decisions at Tan Binh Sacombank.

Source: The authors synthesize and propose from relevant studies, 2020

## RESEARCH METHODS

Research is conducted through two main steps: qualitative research and quantitative research. Qualitative research was conducted by group discussion, in-depth interviews with officials in charge of the savings deposit department and customers who have been and are saving savings at Sacombank Tan Binh. The purpose of discussion and in-depth interviews with experts is to help eliminate indicators of ambiguity, duplication of content, and add appropriate words to accurately reflect the content of the research problem. Results of qualitative research, fully defined scales include 07 independent variables with 31 observed variables and 01 dependent variable is considered influencing the decision of individual customers to save money at Sacombank Tan Binh. The author uses a 5-level Likert scale to measure respondents' consent on statements.

## RESEARCH RESULTS

### Describe the overall sample

In order to identify and measure the factors affecting the decision of individual customers to choose a savings bank at Tan Binh Sacombank, the authors surveyed 300 customers of the topic. The data obtained after the survey obtained, encoded, entered and cleaned the number of valid questionnaires to meet the requirements of 295 questionnaires and 05 invalid survey questionnaires. Collected data were processed on statistical software SPSS 20.0.

**Evaluate the scale with Cronbach ’s Alpha confidence coefficient****Table 1. Cronbach ’s Alpha reliability coefficient Observed variables**

Observed variables	Number of Observed variables	Cronbach's Alpha coefficient	Cronbach's Alpha coefficient component variable - lowest total variable	Cronbach's Alpha coefficient if variable is eliminated
Savings decision of individual customers	4	0,780	0,560	0,708 – 0,739
Interest rate of deposits	4	0,771	0,564	0,708 – 0,722
Banking convenience	6	0,906	0,692	0,884 - -0,894
Banking staff	5	0,839	0,602	0,798 – 0,817
Transaction procedures	4	0,799	0,589	0,738 – 0,759
Banking brand	4	0,883	0,720	0,845 – 0, 860
The forms of promotion	4	0,695	0,444	0,592 – 0,652
Influence of relatives	4	0,861	0,690	0,815 – 0,829

Source: Results of processing survey data, 2020

**Exploratory Factor Analysis (EFA)**

Analysis results of discovering factors for independent variables in Table 2 showed that the value of KMO coefficient was  $0.808 > 0.5$ ; Bartlett's test with Sig significance level. =  $0,000 < 0.05$ . This shows that the factor analysis ensures reliability and statistical significance. The variance extracted at the value of over 50% and equal to 64.953% shows that the factors given by the exploratory factor analysis in the independent variables explained 64.953% of the variation of the original survey data. The coefficient Eigenvalues represents the convergence of the analysis, and this value for the last factor is  $2.019 > 1$ , which shows the high convergence of the factors given by the exploratory factor analysis in the Independent variables. The results were divided into 07 groups. Group 1 includes 06 observed variables belonging to the group of factors "Convenience" which are STT3, STT2, STT1, STT6, STT4, STT5 are named STT. Group 2 includes 5 observed variables belonging to the factor group "Employee", namely NV3, NV2, NV1, NV5, NV4 and named NV. Group 3 includes 4 observed variables belonging to the group of factors 'Brand name' namely TH1, TH3, TH4, TH2 and named TH. Group 4 consists of 4 observed variables belonging to the group of factors "Effects of relatives", namely AHNT2, AHNT4, AHNT1, AHNT3 and named AHNT. Group 5 consists of 4 observed variables belonging to the group of factors "transaction procedures" as TT4, TT2, TT1, TT3 are named TT. Group 6 includes 4 observed variables belonging to the factor group "Deposit interest rate" as LS2, LS3, LS1, LS4 are named LS. Group 7 includes 4 observed variables belonging to the group of factors "Chieu Thi" which are CT3, CT4, CT2, CT1 and named CT.

**Table 2. Results of factor analysis to discover independent variables**

**Rotated Component Matrix<sup>a</sup>**

	Component							
	1	2	3	4	5	6	7	
STT3	.851							
STT2	.845							
STT1	.835							
STT6	.829							
STT4	.800							
STT5	.781							
NV3		.807						
NV2		.791						
NV1		.782						
NV5		.760						
NV4		.746						
TH1			.859					
TH3			.859					
TH4			.858					
TH2			.842					
AHNT2				.849				
AHNT4				.839				
AHNT1				.827				
AHNT3				.823				
TT4					.802			
TT2					.792			
TT1					.784			
TT3					.767			
LS2						.773		
LS3						.766		
LS1						.764		
LS4						.760		
CT3							.776	
CT4							.720	
CT2							.701	
CT1							.678	
Eigenvalues							2,019	
Extracted variance							64,953	
Bartlett test significance level							0,000	
KMO coefficient							0,808	

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

Source: Results of processing survey data, 2020

The results of the discovery factor analysis (EFA), the dependent variable has KMO coefficient value of  $0.748 > 0.5$  with significance level  $\text{Sig.} = 0,000 < 0.05$ . This shows that the factor analysis of the dependent variable EFA ensures reliability and statistically significant. With standard Eigenvalue greater than 1 dependent variable is extracted into one factor as follows:

Bảng 3. Kết quả phân tích yếu tố EFA biến phụ thuộc

**Component Matrix<sup>a</sup>**

	Component
	1
QD3	.802
QD4	.786
QD2	.759
QD1	.759
Eigen value	2,413
Extracted variance (%)	60,314

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Source: Results of processing survey data, 2020

The variance extracted is over 50%, and equal to 60,314, showing that the factors given by the exploratory factor analysis in the dependent variable explained 60,314% of the variation of the original survey data. Eigenvalues coefficients represent convergence of the analysis, and this value is  $2,413 > 1$ , which shows the high convergence of factors given by exploratory factor analysis in the dependent variable. The results show that the dependent variable - Decision on choosing a savings bank has 4 observed variables named QD.

The analytical results in Table 4 show that the independent variables included in the analysis are strongly correlated with the dependent variable, with Pearson coefficient from 0.169 to 0.567. This result is suitable for conducting multivariate regression analysis. The results of Pearson correlation analysis in Table 4 showed that there are 06 independent variables namely LS, STT, NV, TH, CT, AHNT with  $\text{sig} = 0.00 < 0.05$ , thus meeting the conditions. It can be said that these 5 independent variables have a linear correlation with the dependent variable while the independent variable TT with  $\text{sig} = 0.827 > 0.05$  does not meet the condition, which means that there is no correlation. linear with the dependent variable. One of the necessary conditions for regression analysis is that the independent variable must be correlated with the dependent variable. This out of regression analysis. Therefore, in this study, the author will continue to include 06 eligible independent variables in linear regression analysis.

**Pearson correlation coefficient analysis****Table 4 Pearson coefficient of correlation among variables**

		QD	LS	STT	NV	TT	TH	CT	AHNT
QD	Pearson Correlation	1	.567**	.315**	.275**	.013	.261**	.268**	.169**
	Sig. (2-tailed)		.000	.000	.000	.827	.000	.000	.004
	N	295	295	295	295	295	295	295	295
LS	Pearson Correlation	.567**	1	.000	.000	.000	.000	.000	.000
	Sig. (2-tailed)	.000		1.000	1.000	1.000	1.000	1.000	1.000
	N	295	295	295	295	295	295	295	295
STT	Pearson Correlation	.315**	.000	1	.000	.000	.000	.000	.000
	Sig. (2-tailed)	.000	1.000		1.000	1.000	1.000	1.000	1.000
	N	295	295	295	295	295	295	295	295
NV	Pearson Correlation	.275**	.000	.000	1	.000	.000	.000	.000
	Sig. (2-tailed)	.000	1.000	1.000		1.000	1.000	1.000	1.000
	N	295	295	295	295	295	295	295	295
TT	Pearson Correlation	.013	.000	.000	.000	1	.000	.000	.000
	Sig. (2-tailed)	.827	1.000	1.000	1.000		1.000	1.000	1.000
	N	295	295	295	295	295	295	295	295
TH	Pearson Correlation	.261**	.000	.000	.000	.000	1	.000	.000
	Sig. (2-tailed)	.000	1.000	1.000	1.000	1.000		1.000	1.000
	N	295	295	295	295	295	295	295	295
CT	Pearson Correlation	.268**	.000	.000	.000	.000	.000	1	.000
	Sig. (2-tailed)	.000	1.000	1.000	1.000	1.000	1.000		1.000
	N	295	295	295	295	295	295	295	295
AHNT	Pearson Correlation	.169**	.000	.000	.000	.000	.000	.000	1
	Sig. (2-tailed)	.004	1.000	1.000	1.000	1.000	1.000	1.000	
	N	295	295	295	295	295	295	295	295

\*\* . Correlation is significant at the 0.01 level (2-tailed)

Correlation is significant at the 0.05 level (2-tailed).

Source: Results of processing survey data, 2020



**Verifying the suitability of the model****Table 5. Model Summary**

<b>Model Summary<sup>b</sup></b>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.815 <sup>a</sup>	.664	.657	.58535018	1.978

a. Predictors: (Constant), REGR factor score 7 for analysis 2, REGR factor score 6 for analysis 2, REGR factor score 5 for analysis 2, REGR factor score 3 for analysis 2, REGR factor score 2 for analysis 2, REGR factor score 1 for analysis 2

b. Dependent Variable: REGR factor score 1 for analysis 1

**Table 6. ANOVA analytical results**

<b>ANOVA<sup>a</sup></b>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	195.321	6	32.554	95.009	.000 <sup>b</sup>
	Residual	98.679	288	.343		
	Total	294.000	294			

a. Dependent Variable: REGR factor score 1 for analysis 1

b. Predictors: (Constant), REGR factor score 7 for analysis 2, REGR factor score 6 for analysis 2, REGR factor score 5 for analysis 2, REGR factor score 3 for analysis 2, REGR factor score 2 for analysis 2, REGR factor score 1 for analysis 2

Source: Results of processing survey data, 2020

Determination coefficient R<sup>2</sup> (Adjusted R Square) = 0.657, which means that 65.7% of the change in choice of savings at Tan Binh Sacombank is explained by independent variables included in the regression model in the study. In this study, the remaining percentage is due to other factors not included in the research model and random error. The Durbin-Watson coefficient of the model is 1.978, which is almost equal to 2 this shows that there is no correlation phenomenon between the independent variables in the regression model. In ANOVA analysis in Table 6, the value of Sig. = 0,000 < 0.05. So the ANOVA analysis results ensure statistical significance, from which the results of regression analysis ensure reliability. The VIF magnification coefficients of the variables in the model are all less than 2. Therefore, there is no multicollinearity phenomenon in the model.

**Regression analysis results****Table 7. Summary of regression coefficients**

Model	Coefficients <sup>a</sup>							
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
(Constant)	-9.697E-017	.034		.000	1.000			
1	LS	.567	.034	.567	16.599	.000	1.000	1.000
	STT	.315	.034	.315	9.229	.000	1.000	1.000
	NV	.275	.034	.275	8.041	.000	1.000	1.000
	TH	.261	.034	.261	7.642	.000	1.000	1.000
	CT	.268	.034	.268	7.863	.000	1.000	1.000
	AHNT	.169	.034	.169	4.947	.000	1.000	1.000

a. Dependent Variable: REGR factor score 1 for analysis 1

Source: Results of processing survey data, 2020

The results of multiple regression analysis in Table 7 showed that 06 variables (LS, STT, NV, TH, CT, AHNT) had Sig. = 0.00 < 0.05, so these 06 variables are statistically significant and these 6 variables all have a positive impact with the decision to choose a savings account at Tan Binh Sacombank. The results of testing hypotheses of the research model have shown that there are 06 independent variables including LS, STT, NV, TH, CT, AHNT with a linear correlation with the dependent variable (QD). So the standardized linear regression equation looks like this:

$$QD = 0,567*LS + 0,315*STT + 0,275*NV + 0,261*TH + 0,268*CT + 0,169*AHNT$$

**CONCLUSIONS AND MANAGERIAL IMPLICATIONS****Conclusions**

Formal research was collected using a convenient non-probability sampling method. With 300 prepared questionnaires were distributed and collected 295 valid questionnaires and 05 invalid questionnaires. Collected data were analyzed and processed on statistical software SPSS 20.0. Through the test of the reliability of the scale by Cronbach's Alpha coefficients, all 07 variables have achieved differentiated values with statistical significance. The scale of "choosing a savings bank" is also confirmed, achieving distinctive values. The results of exploratory factors analysis from 31 observed variables extracted into 07 independent variables and 1 dependent variable factor to continue to perform the next analysis. The results of multiple linear regression analysis and the testing of the hypotheses of the research model show that there are 06 independent variables including LS, STT, NV, TH, CT, AHNT with a linear correlation with the secondary variable. belonging to (QD) is sorted in descending order namely Interest rate of deposit ( $\beta = 0.576$ ); Bank convenience ( $\beta = 0.315$ ); Bank staff ( $\beta = 0.275$ ); Promotion ( $\beta = 0.268$ ); Bank brand ( $\beta = 0.261$ ); The influence of a relatives ( $\beta = 0.169$ ).

### **Managerial implications**

Based on the findings and conclusions, the following recommendation are suggested:

1. Tan Binh Sacombank should focus on important factors especially as Interest rate of deposit; Bank convenience; Bank staff; Promotion; Bank brand; The influence of relatives.
2. Tan Binh Sacombank should build very attractive interest rate of deposit policy to attract the individual customers.
3. Tan Binh Sacombank should concern about the construction and development of the brand because Sacombank has strong brand, Sacombank's reputation will be enhanced, bank services will be known much more by consumers, profits of the bank will increase significantly.
4. Tan Binh Sacombank should pay attention to bank staffs, convenience, the forms of promotion and influence of relatives.

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