

**CUSTOMER SATISFACTION LEVEL OF SELECTED COMMERCIAL BANKS IN VIETNAM: BASIS TOWARDS EFFICIENT SERVICE DELIVERY**

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**ABSTRACT**

The study sought to find out the customers/clients satisfaction on the services of selected commercial banks in Vietnam. Specifically, the study will answer the following questions: (1) What is the perception of the bank clients bank managers and representatives of regulatory body on the degree of services rendered by selected commercial banks in Vietnam in terms of: Accessibility; Reliability; Responsiveness, and Facilities? (2) Is there significant difference among the assessment of respondents on abovementioned variables? (3) What is the level of satisfaction of the respondents in terms of: Promotion and Development; and Income? (4) Is there significant relationship between the assessment of the respondents on degree of services and level of satisfaction?. The research is done by using quantitative methods questionnaire survey of about 320 interviewees, Interview about 10 experts of bank sector and 15 managers.the findings of the study: Respondents viewed the services rendered by selected commercial banks in Vietnam as satisfying. There was no significant difference among the perception of the three groups of respondents on the services rendered by the selected commercial banks in Vietnam. In terms of promotion and development as well as income, the respondents were moderately satisfied with the services of selected commercial banks in Vietnam. There was no significant correlation between the degree of services rendered by selected commercial banks and the level of satisfaction of bank clients.

**Keyword:** Customers Satisfaction, Commercial Banks, Degree of Services, Satisfaction.

**1. INTRODUCTION**

In Vietnam, more than 60 banks have been operating across the country, including policy banks, commercial banks, banks with 100 percent foreign capital and joint venture banks. The banking system plays an important role in promoting economic growth, a monetary system controlling, inflation controlling, job creating, unemployment reducing and lives of people stabilizing.

Vietnam has joined the Economic Partnership Agreement TransPacific called TPP, the time when enterprises need a huge capital to innovative means of production, production methods to compete directly with the developed countries in the area, such as Australia, New Zealand, Canada, Singapore, US, Japan, etc. This is also a good opportunity for commercial banks, as well

as a big challenge for them.

Therefore, lives of the people is more and more improved and stable income so that their physical needs increase as well such as housing needs, transport needs, business needs, the needs of family amenities, etc. With those needs, the credit institutions have not expanded and modernized its network of banking technology, management capacity and human resource development in order to maximize the availability of key funds to survive and thrive in fierce competitive environments, especially with the emergence of commercial abroad banks invested. Moreover, studying the level of customers' satisfaction in the commercial banks to find out the causes affecting customers' satisfaction, thereby suggest measures to overcome weaknesses and promote the factors that have achieved. Therefore, studying customers' satisfaction in the commercial banks is a very important that needs performing regularly, continuously in order to meet customers' demands timely. That means the banks will attract more customers, generate resources to respond the needs of production, sales, customer spending, contributing to the development of the country.

## **2. THEORETICAL FRAMEWORK**

This study is anchored on the theory Total Quality Management (TQM) popularized by Peters and Waterman (1982). TQM Model incorporates quality control and quality assurance. TQM is about creating quality culture where the aim of every member of staff is to delight their customers, and the customer as sovereign – i.e, primordial concern.

As an approach, TQM provides the customer with what they want, when they want it and how they want it. It involves moving with changing customer expectations and fashions to design products and services that meet and exceed their expectations. Only by delighting customers will they return and tell their friends about it (this is sometimes called the sell0on definition of quality). The perceptions and expectations as being short term and fickle, and so organizations have to find ways of keeping close to their customers to be able to respond to their changing tastes, needs and wants.

## **3. CONCEPTUAL FRAMEWORK**

This research inquiry utilizes the Input-ProcessOutput (IPO) Model as research paradigm in the conduct of the study.

Input Box is consisted if the four factors that influence the satisfaction of customers of selected commercial banks in Vietnam, namely: 1) accessibility, 2) reliability, 3) responsiveness, and 4) facilities.

Process Box reflects the steps in the undertaking of research namely: 1) distribution of survey questionnaire to the respondents, 2) documentary analysis, 3) retrieval of survey questionnaire, 4) statistical treatment of data and information gathered, and 5) analysis and interpretation of findings of the study.

Output Box shows the recommendation of the researchers after learning the findings of the study, that is a proposed intervention scheme services efficient and effective to the satisfaction and delight of the bankclients.

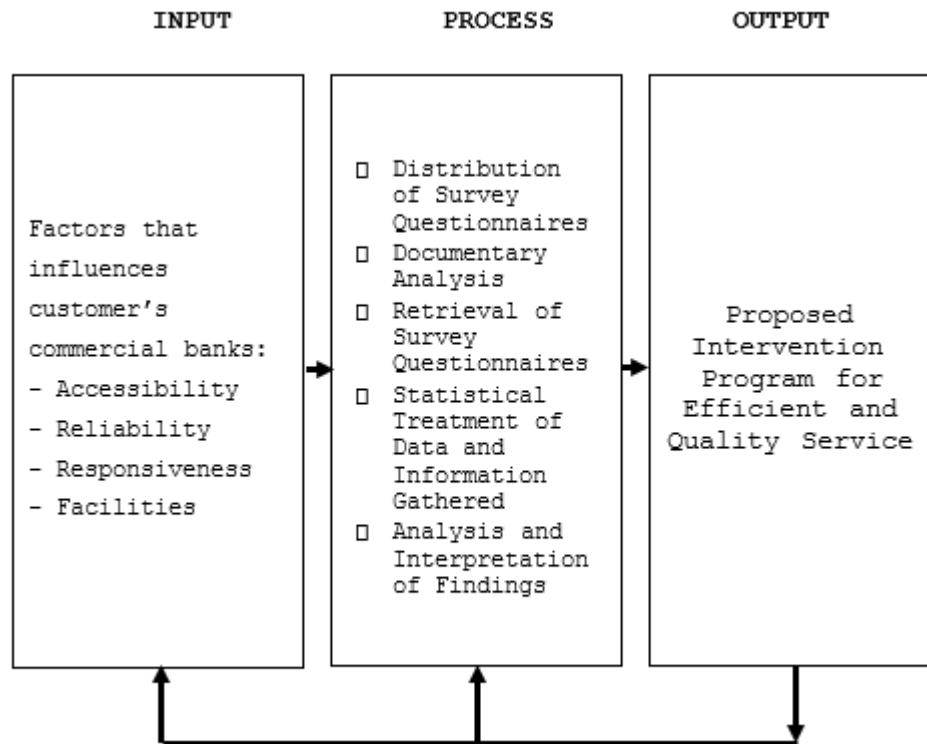


Figure 1 shows the Research Paradigm

#### 4. METHODOLOGY

This research utilizes survey methods by semi structured interviews or focus group (qualitative) and sending questionnaires to experts, individuals or organizations (quantitative). Beside, the study uses secondary data (available) to analyse the problems

Population and Sampling:

After completing the preliminary investigations, formal research is done by using quantitative methods questionnaire survey of about 320 interviewees: the reason tested measurement models, and model and test research hypotheses. Interview about 10 experts of bank sector and 15 managers.

#### 5. RESULTS AND DISCUSSION

##### 5.1 Subproblem No.1. What is the perception of the bank clients bank managers and representatives of regulatory body on the degree of services rendered by selected commercial banks in Vietnam in terms of: Accessibility

Table 1 presents the degree of service of selected commercial banks in Vietnam as to type of accessibility.

As presented in the data, three (3) items in the criteria were interpreted by the respondents as satisfied: Customers are served enthusiastically (WM=3.61), rank 1; Staff having knowledge

create trust to customers (WM=3.59), rank 2; and Staffs’ resolve customer requirements knowledgeable, professionally (WM=3.44), rank 3. However, the remaining criteria were assessed as moderately satisfied: Staff’s attitude is always ready to serve (WM=3.37), rank 5; Customers’ inquiries and complaints are received and resolved ultimately (WM=3.37), rank 5; Staff’s Working styles satisfy customers (WM=3.37), rank 5; and Staff meets customers’ requirements quickly (WM=3.19), rank 7.

**Table 1: Degree of Service of Selected Commercial Banks in Vietnam as to Accessibility**

Criteria	Weighted Mean	Verbal Interpretation	Rank
1.Staffs’ resolve customer requirements knowledgeable, professionally.	3.44	S	3
2.Customers are served enthusiastically.	3.61	S	1
3.Staff having knowledge create trust to customers	3.59	S	2
4.Staff’s attitude is always ready to serve.	3.37	MS	5
5.Staff meets customers’ requirements quickly.	3.19	MS	7
6. Customers’ inquiries and complaints are received and resolved ultimately	3.37	MS	5
7. Staff’s Working styles satisfy customers	3.37	MS	5
Composite Weighted Mean	3.42	S	

The computed composite mean value of 3.42 were interpreted by the respondents as satisfied onthe degree of service of selected commercial banks in Vietnam as to type of accessibility.

**Reliability**

Table 2 shows the degree of service rendered by of selected commercial banks in Vietnam as to reliability.

As shown in the data, only one (1) item were rated as satisfied: Customers trust the business activities of the bank (WM=3.40), rank 1. On the other hand, items in the remaining criteria were assessed as moderately agree: Safety in transaction (WM=2.80), rank 2; Transaction time is operated punctually (WM=2.69), rank 3.5; Accurate transaction level of staff (WM=2.69), rank 3.5; Tellers are reliable (WM=2.61), rank 5; Product knowledge of staff makes customers satisfied (WM=2.60), rank 6; and Customers trust the communication information (WM=2.53), rank 7.

**Table 2: Degree of Service of Selected Commercial Banks in Vietnam as to Reliability**

Criteria	Weighted Mean	Verbal Interpretation	Rank
1. Customers trust the business activities of the bank	3.44	S	1
2. Tellers are reliable	3.61	MS	5

3. Customers trust the communication information	3.59	MS	7
4. Transaction time is operated punctually	3.37	MS	3.5
5. Safety in transaction	3.19	MS	2
6. Accurate transaction level of staff	3.37	MS	3.5
7. Product knowledge of staff makes customers satisfied	3.37	MS	6
Composite Weighted Mean	2.76	MS	

The computed composite mean value of 2.76 were interpreted by the respondents as satisfied degree of service rendered by selected commercial banks in Vietnam as to reliability.

**Responsiveness**

Table 3 reveals the degree of service rendered by selected commercial banks in Vietnam as to responsiveness.

As revealed in the data, three (3) items in the criteria were assessed as satisfied: Facilitating disbursement to customers is timely when needed (WM=3.64), rank 1; Transaction processing time is fast (WM=3.48), rank 2; and Staff guides full and understandable procedure (WM=3.43), rank 3. While, the remaining item were rated as moderately satisfied: Service attitude is enthusiastic and friendliness (WM=3.22), rank 4.

**Table 3: Degree of Service of Selected Commercial Banks in Vietnam as to Responsiveness**

1.Facilitating disbursement to customers is timely when needed	Weighted Mean	Verbal Interpretation	Rank
2.Staff guides full and understandable procedure	3.64	S	1
3.Service attitude is enthusiastic and friendliness	3.43	S	3
4.Transaction processing time is fast	3.22	MS	4
1.Facilitating disbursement to customers is timely when needed	3.48	S	2
Composite Weighted Mean	3.44	S	

Generally, the computed composite mean value of 3.44 were interpreted by the respondents as satisfied on the degree of service rendered by selected commercial banks in Vietnam as to responsiveness.

**Facilities**

Table 4 reflects the degree of service of selected commercial banks in Vietnam as to facilities.

As reflected in the data, three (3) items in the criteria were rated as satisfied: Headquarter, offices, equipment of banking are modern, beautiful, attractive (WM=3.97), rank 1; Wide-network transactions (WM=3.95), rank 2; and Transaction time is Convenient (WM=3.43), rank 3.

Meanwhile, the remaining four (4) items in the criteria were assessed as moderately satisfied:

Accessible information, journalism, banking website is beautifully designed, easily accessed to find out when needed (WM=3.35), rank 4; Facilities (equipment, toilets, parking lots, newspapers racks, drinks, etc) are good for customers (WM=3.11), rank 5; The reasonable layout of counters help customers recognize easily (WM=3.02), rank 6; and Staff uniforms are neat, reasonable and elegant (WM=2.99), rank 7.

**Table 4: Degree of Service of Selected Commercial Banks in Vietnam as to Facilities**

Criteria	Weighted Mean	Verbal Interpretation	Rank
1. Headquarter, offices, equipment of banking are modern, beautiful, attractive	3.97	S	1
2. Wide-network transactions	3.95	S	2
3. The reasonable layout of counters help customers recognize easily	3.02	MS	6
4. Facilities (equipment, toilets, parking lots, newspapers racks, drinks, etc) are good for customers	3.11	MS	5
5. Accessible information, journalism, banking website is beautifully designed, easily accessed to find out when needed	3.35	MS	4
6. Staff uniforms are neat, reasonable and elegant	2.99	MS	7
7. Transaction time is Convenient	3.43	S	3
Composite Weighted Mean	3.40	S	

The computed composite mean value of 3.40 were interpreted by the respondents as satisfied on the degree of service of selected commercial banks in Vietnam as to facilities.

### Summary

Table 5 depicts the summary assessment of the respondents on the degree of service of selected commercial banks in Vietnam.

It can be depicted in the data that three (3) variables were assessed as satisfied: responsiveness (WM=3.44), rank 1; accessibility (WM=3.42), rank 2; and facilities (WM=3.40), rank 3. On the other hand, the remaining variable was assessed as moderately satisfied: 2.76 for reliability, rank 4

**Table 5: Summary on Respondents Assessment on the Degree of Service of Selected Commercial Banks in Vietnam**

Criteria	Weighted Mean	Verbal Interpretation	Rank
1.Accessibility	3.42	S	2
2. Reliability	2.76	MS	4
3.Responsiveness	3.44	S	1
4.Facilities	3.40	S	3
Overall Mean	3.26	MS	

The computed overall mean value of 3.26 were assessed by the respondents as moderately satisfied on the degree of service of selected commercial banks in Vietnam.

### **5.2 Subproblem No.2. Is there significant difference among the assessment of respondents on abovementioned variables?**

As presented in the data, as to accessibility the obtained F-computed value of 2.91 is lower than the Fcritical value of 3.52 at 5% level of significance.

Therefore, there is no significant difference in respondent's assessment and this leads to accept the null hypothesis.

In terms of reliability,the obtained F-computed value of 1.55 is lower than the F-critical value of 3.52 at 5% level of significance. Therefore, there is no significant difference in the reliability and this leads to accept the null hypothesis.

As to responsiveness, the obtained F-computed value of 1.36 is lower than the F-critical value of 4.74 at 5% level of significance. Therefore, there is no significant difference in the responsiveness and this leads to accept the null hypothesis.

Lastly, with regards to facilities, the F-computed value obtained was 1.47 is also smaller than the F-critical value of 3.52 at 5% level of significance. Hence, there is no significant difference in respondents' assessment hence, the null hypothesis is accepted.

### **5.3 Subproblem No.3. What is the level of satisfaction of the respondents in termsPromotion and Development**

All items were assessed as satisfied: The company make sure that all employees have the opportunity to study and promote fairly (WM=3.48), rank 1; Gives you the opportunity to develop personal ability (WM=3.46), rank 2.5; The company always creates advancement opportunities for qualified persons (WM=3.46), rank 2.5; Has a policy of training and professional development for staffs (WM=3.43), rank 4.5; and The company superiors share and help you about the difficulties in work and life (WM=3.43), rank 4.5.

The computed composite mean value of 3.45 were assessed by the respondents as satisfied on the level of satisfaction of the respondents in terms of promotion and development.

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## **Income**

As shown in the data, all items in the criteria were rated as moderately satisfied: Your current salary is in line with their abilities (WM=2.79), rank 1; The income that was rewarded with you is the results of working in the company (WM=2.78), rank 2; Your current salary ensure your life and the family (WM=2.74), rank 3; and Your salary commensurate with your salary the same position in another company (WM=2.73), rank 4.

### **5.4 Subproblem No.4. Is there significant relationship between the assessment of the respondents on degree of services and level of satisfaction?**

The significant relationship between degree of services and level of satisfaction for acceptability: promotion and development (r-value=.677), income (r-value=.802); reliability: promotion and development (r-value=.833), income (r-value=.764); responsiveness: promotion and development (r-value=.712), income (r-value=.932); and facilities: promotion and development (r-value=.833), income (r-value=.702) were all lower than the critical value of 1.00 interpreted as not significant. Therefore, it can be noted that there were very high positive correlation between the degree of services and level of satisfaction hence, the hypothesis is accepted.

### **5.5 Subproblem No.5. Based on the findings, what does the researcher recommend?**

The researcher personally believes that organization such as bank exist to meet the needs of customers. It's the customer or client who absorbs the organizations output. Customer obviously represents potential uncertainty to an organization. Their tastes can change or they can become dissatisfied with the organizations' product or services. Of course, some organizations force considerably more uncertainty as a result of their customers than the others.

Hence, the researcher recommends the following suggestions to the commercial banks in Vietnam to

improve/enhance further bank services which will renowned to customer satisfaction:

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Hence, the researcher recommends the following suggestions to the commercial banks in Vietnam to improve/enhance further bank services which will renowned to customer satisfaction:

### **5.6 Create a Customer – Responsive Culture.**

There are six (6) characteristics routinely present in a customer – responsible culture, namely:

- a. The type of bank employees must be friendly.
- b. As a general rule of organization, bank service employees need to have the freedom to meet changing customer service requirements.



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- c. Empowered bank employees have the decision discretion to do what's necessary to please the customers.
  - d. Bank employees in customer – responsive cultures have the ability to listen and understand messages sent by the customer.
  - e. Bank service employees act as links between the organization and to customers, which can create considerable ambiguity and conflict. So, bank employees should not forget the role of clarity.
  - f. Successful customer-responsive cultures reduce employees uncertainty about their roles and the best way to perform their jobs.

### **5.7 The Role of Communication in Customer Service**

What is communication take place and how it takes place can have significant impact on a customer's satisfaction with the service and the likelihood of being a repeat customer. Managers in service organization like banks need to make sure that employees who interact with customers are communicating appropriately and effectively with these customers. How? By first recognizing the three 93) components in any service delivery process: the customer, the service organizations, and the individual service provider. Each plays a role in whether or not communication is working. Obviously, the bank managers don't have a lot of control over what or how the customers communicates, but they can influence the other two.

Communication is important to the individual service provider or contact employee. The quality of the interpersonal interaction between the customer and that contact employee does influence customer satisfaction.

The ability of frontline employees should have the ability to listen actively and communicate appropriately with the customer goes a long way in whether or not the situation is resolved to the customers satisfaction or spirals out of control.

Another important communication concern for the individual service provider is making sure that he or she has the information needed to deal with customers efficiently and effectively. If the service provider doesn't personally have the information, there should be some way to get the information easily and promptly.

## **6. CONCLUSION AND RECOMMENDATIONS**

### **6.1 Conclusions**

Based on the findings of the study, the following conclusions were drawn:

1. Respondents viewed the services rendered by selected commercial banks in Vietnam as satisfying.
2. There was no significant difference among the perception of the three groups of respondents on the services rendered by the selected commercial banks in Vietnam.
3. In terms of promotion and development as well as income, the respondents were moderately satisfied with the services of selected commercial banks in Vietnam.
4. There was no significant correlation between the degree of services rendered by selected commercial banks and the level of satisfaction of bank clients.

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5. Researcher recommended two interventions schemes to improve and enrich further the services of the selected commercial banks in Vietnam, namely: Create a Customer – Responsive Culture and Give Importance on the Role of Communication to Customer Service.

## **6.2 Recommendations**

Based on the findings and conclusion presented, the following recommendations are suggested:

1. It is suggested the two interventions schemes to improve and enrich further the services of the selected commercial banks in Vietnam, namely: Create a Customer –Responsive Culture and Give Importance on the Role of Communication to Customer Service.
2. A parallel study should be conducted in the future to validate and confirm the findings of this study.

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