



Measuring GPBank's Corporate Customer Satisfaction

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Abstract

This research focuses on identification of the factors influencing customer satisfaction in the banking field. Service quality theory identifies 8 factors influencing customer satisfaction, according to which the service quality could be analyzed. Basing on the analysis experts' opinions and corporate customer responses, 5 criteria were selected to measure customer satisfaction of GPBank.

Keywords: factor influencing customer satisfaction, measuring customer satisfaction, dependent customer satisfaction.



1. Introduction

In the era of international integration, the banking and finance sector operates under the fierce competitive pressures. In that context, customers play a crucial role for banks' survival. The customer-oriented business strategy received the greatest concern. Customer satisfaction is the necessary condition for maintaining banks' regular operation. Before its restructuring, GPBank - Badinh branch - operated inefficiently: The number of loyal customers decreased, bad debts increased, prestige decreased and performance descended. The research's objective is measuring the corporate customer satisfaction in order to provide useful information for GPBank - Badinh branch - to adjust its development strategy. The research developed the theoretical assumptions from customer satisfaction theory point of view, identified factors influencing the GPBank's customer satisfaction and estimated their impact.

2. Methodology

2.1 Theoretical background and assumptions

The model of determinants of customer satisfaction

The SERVQUAL model based on the quality perception point of view, it is comparison between expectations and perception. This model deals with two main aspects of the service quality: outcome and process, measured in 22 scales of 5 criteria -reliability, responsiveness, tangibles, assurance and empathy.

The SERVQUAL model is commonly used in marketing research for generalizing criteria for service quality measurement inspite of its limitations (Babakus & Boller, 1992; Brown et al, 1993; Buttle, 1996; Genestre & Herbig, 1996; Robinson, 1999; Hemmasi et al, 1994) and not totally suitable for measuring the bank's services quality because measurement criteria so general: they measure process rather than outcome, focus on "internal elements" and ignore external elements and marketing activities, it is difficult to compare the distance between expected and sensed quality.

As the SERVQUAL model, the SERVPERF model includes 5 mentioned above criteria, but it focused on service quality performed. The SERVPERF model was selected for this research.

The functional service quality and technical service quality model of Grönroos seems to be more appropriate for the research of the customer's satisfaction in the banking field (Volker Seiler, 1998) because (1). FTSQ model focuses on the functional service quality and technical service quality while SERVQUAL do not focus on what services and how they are provided by a bank. Banking is the field requires high-contact service so the process is extremely important in quality evaluation; (2) The bank's service quality is an assertion of the level of the service provider and makes differentiation from its rivals; (3) Some quality measurement criteria of the SERVQUAL model used in FTSQ model through scales make service quality analysis feasible and rational.



Figure 1. Model of determinants of customer satisfaction

The model uses the following assumptions: The more convenience, the higher the customer satisfaction; The better the tangibles, the higher the customer satisfaction; The better the service style, the better the customer satisfaction; The more full range of services, the higher the customer satisfaction; The more customer contact, the higher the customer satisfaction; The higher the price competitiveness, the higher the customer satisfaction; The higher the reliability, higher the customer satisfaction; The better the corporate image, the higher the customer satisfaction;

According to Bernd Stauss and Patricia Neuhaus (1997), the customer satisfaction influences service provider at three levels: (1) *Demanding customer satisfaction*. Customers have increasing demand. The customers with this level of satisfaction become a business' loyal easily. The good point is the fact that due to increasing demand, service provider forced to make more and more efforts in quality improvement. (2) *Stable customer satisfaction*. Customers with stable satisfaction feel comfortable and satisfied with things happen and have no need of change in how services are provided. Those customers are comfortable, reliable and are willing to continue to use services provided by the business. (3) *Resigned customer satisfaction*. These customers suppose less reliability from the business side and believe that it is difficult for the business to improve its service quality according to their requirements. They feel satisfied not because the business fully satisfies their needs but because they think it will be impossible to ask for better business improvement. Therefore, they will not actively provide suggestions for an improvement or be not interested in the efforts of the business.

Bernd Stauss and Patricia Neuhaus assert that level of satisfaction strongly influences customer behavior. Even if the customers have the same demanding satisfaction but the satisfaction level is just "satisfied", they can also look for other businesses and not continue to use the business' services. Only the most satisfied customers are "very satisfied", they will certainly be loyal and always support the business.

To measure customer satisfaction, authors like Hausknecht, (1990); Heskett et al,



(1994); Jones and Sasser, (1995); Terrence Levesque and Gordon H.G McDougall, (1996) developed various criteria. However, to make a more accurate conclusion about customer satisfaction of GPbank - Badinh Branch, the research used five criteria based on its own analysis. They are

1. Total quality of service
2. Ability to meet customer requirements
3. Customer satisfaction level
4. Introduce the bank's services to the third person
5. Continue to use the bank's services

2.2 Research method

To identify factors influencing level of corporate customers satisfaction of GPBank - Badinh branch, this research conducted an in-depth interview 10 experts of GPBank - a chief executive officer, a leader of business department, an employee of the transaction staff, an employee of the credit support staff, a product development officer and an interview 10 randomly selected customers to collect their opinions on the quality of services provided by the GPBank - Badinh branch and their desires about the Bank's services.

The survey was prepared from 3 parts: (1) **selection** of factor influencing a level of the customer satisfaction based on the analysis of the listed factors (*convenience, tangibles, service style, corporate image, price competitiveness, customer contact, full range of services, reliability*) and in this case respondents need to mark influence using Likert scale; (2) identification of the level of a factor **influence** on the level of customers' satisfaction; (3) estimation the **relationship** between the customer satisfaction and its determinants.

The questionnaire (annex 1) consists of 28 scales for measuring the factors influencing the customer satisfaction and 3 scales for measuring the GPBank's customer satisfaction. The questionnaire includes 5 sections and 8 questions:

Section 1: customer information

Q1: How long have you been using our services?

Q2: How many banks have you have accounts with?

Section 2: customer expectations

Section 3: factors influencing the customer satisfaction

Section 4: customer satisfaction

Q1: Overall service quality of the GPBank

Q2: the GPBank's ability to meet customer requirements

Q3: whether the customer continue to use the GPBank's services

Section 5: customer suggestions

The research results were analyzed using correlations coefficients between variables. 5 out of 8 factors influencing the customer satisfaction were selected to build a model for quantitative research.

3. Results and interpretation

Identification customer satisfaction

The GPBanks' customers rank factors influencing their satisfaction by the following order: (1) - Providing an accurate and timely services, (2) - competitive prices, (3) - full range of services. These factors are measured with the scale 1-3 scores, others are marked 4 score.

Table 1a. Descriptive Statistics of the customer expectations



	N	Mean
Providing accurate and timely service	142	2,11
Competitive prices	142	2,12
Providing full range of services	142	2,14
The bank has convenient branch locations	142	2,27
Competent employees	142	2,30
Simple procedures for doing business	142	2,66
Bank employees are willing to help customers	142	2,88
Reliability	142	3,01
The documents are clear and easy to understand	142	3,18
The bank has modern equipment and technology	142	3,20
Valid N (listwise)	142	

Table 1b. Descriptive Statistics of the scales measuring the GPBank's service quality

	N	Minimum	Maximum	Mean	Std. Deviation
STT01	142	2	5	3,59	,939
STT02	142	1	5	3,49	,973
STT03	142	1	5	3,43	1,034
SHH01	142	3	5	4,15	,743
SHH02	142	1	5	3,56	1,082
SHH03	142	1	5	3,87	,959
SHH04	142	2	5	3,99	,911
PCPV01	142	2	5	3,79	,937
PCPV02	142	1	5	3,63	,971
PCPV03	142	2	5	3,80	,869
PCPV04	142	2	5	3,81	,816
PCPV05	142	3	5	4,08	,744
DMDV01	142	1	5	3,42	,999
DMDV02	142	1	5	3,54	1,165
TXKH01	142	2	5	4,06	,815
TXKH02	142	2	5	3,87	,909
TXKH03	142	1	5	4,24	,891
TXKH04	142	2	5	4,60	,584
STN01	142	1	5	3,71	1,001
STN02	142	1	5	3,59	,924
STN03	142	1	5	3,61	1,103
Valid (listwise)	142				

Price competitiveness

The descriptive statistics results show that the GPBank's customers expressed the great concern of prices when deciding whether or not using the bank services.



Table 1c. Descriptive Statistics of the scales measuring the price competitiveness

	N	Minimum	Maximum	Mean	Std. Deviation
TCTG01	142	1	5	3,81	1,017
TCTG02	142	1	5	3,80	1,028
TCTG03	142	2	5	4,25	,846
Valid N (listwise)	142				

Corporate image

The customers appreciate the bank's marketing activities and reliability.

Table 1d. Descriptive Statistics of the scales measuring the corporate image

	N	Minimum	Maximum	Mean	Std. Deviation
HADN01	142	1	5	3,51	1,077
HADN02	142	2	5	3,87	,885
HADN03	142	1	5	3,70	,982
HADN04	142	3	5	4,66	,618
Valid N (listwise)	142				

Customer satisfaction measurement

The survey results (table 1e) revealed the high level of the customer satisfaction. Respondents assert that they continue to use the bank's services.

Table 1e Descriptive statistics of the customer satisfaction

	N	Minimum	Maximum	Mean	Std. Deviation
Overall service quality	142	3	5	4,73	,548
Ability to meet customers' needs	142	3	5	4,70	,502
Continue to use the bank services	142	3	5	4,71	,566
Valid N (listwise)	142				

The Cronbach's Alpha coefficients were used to test correlations among items in the scales. The Cronbach's Alpha coefficients in Table 1 show all 8 factors influencing the level of customer satisfaction are closely correlated and they are appropriate for measurement of the customer satisfaction.

Table 2. Values of Cronbach Alfa coefficient

Parts of factors research	Cronbach Alfa coefficient	Significant of Cronbach Alfa coefficient
<i>Convenience</i>	.7798	Significant
<i>Tangibles</i>	.7121	Significant
<i>Service style</i>	.8604	Significant
<i>Customer contact</i>	.6381	Significant
<i>Reliability</i>	.7274	Significant
<i>Price competitiveness</i>	.6533	Significant
<i>Corporate image</i>	.7119	Significant
<i>Customer satisfaction</i>	.7653	Significant

An exploratory factors analysis was made using factor loading coefficients (Table 3) and 6 variables influencing the customer satisfaction were selected. The results of the exploratory factor analysis through three steps are following



KMO: .765

Eigenvalue: 1.221

Total variance: 51.49%

Factors: 6 factors

1. *Service style*: includes 4 variables of *courtesy* and one variable of *customer contact*
2. *Convenience*: includes 3 variables of *courtesy* and 2 variables of *services portfolio*
3. *Reliability*: includes 3 variables of *reliability* and 2 variables of *customer contact*
4. *Tangibles*: includes 3 variables of *tangibles*
5. *Corporate image*: includes 3 variables of *corporate image*
6. *Price competitiveness*: includes 2 variables of *price competitiveness*

Table 3. Results of exploratory factors analysis

Variable	Factor loading coefficient
<i>Courtesy</i>	
Competence of employees	.908
The bank performs the service accurately in a timely manner	.787
Bank employees show great interests in problem-solving	.793
Willingness to help customers	.687
Keep contact with customers	.686
<i>Convenience</i>	
The bank has agents all over the world for business needs	.683
The bank has simple procedure for doing business	.777
The bank has convenient branch locations	.475
Providing full ranges of services	.686
The bank is always a pioneer in providing new services for customers	.561
<i>Reliability</i>	
The bank performs the service right the first time	.790
The bank ensures information confidentiality	.612
Bank statements are sent regularly	.673
The bank has hotline for answering all inquiries	.654
The bank considers your rights as their prime concern	.455
<i>Tangibility</i>	
The bank has well-displayed posters, brochures, handouts, leaflets...	.551
The documents are clear and easy to understand	.710
Bank employees are always available for our service	.805
The bank has great innovation and social contribution	.517
<i>Corporate image</i>	
The bank honors commitment to customers	.619
The bank has right strategy for sustainable development	.913
<i>Price competitiveness</i>	
The bank offers competitive interest rates	.796
The bank collects reasonable commission/charges	.515



Identification of customer demand

Basing on the descriptive statistics of the scales for measurement factors influencing the customer satisfaction, as the results of the three steps exploratory factors analysis, 3 criteria were selected, with 23 variables, to measure customer satisfaction namely: (1) Total quality of service; (2) Ability to meet customer requirements and (3) Continue to use the bank’s services. For customers, the factors they expect most from the bank are (1) The bank performs the service accurately in a timely manner; (2): Competitive price; (3): Providing full range of services. When processing data, the choices most expected were measured on a scale of 1-3, and the other opinions were given 4 scores were brought in calculation.

Regression analysis

Running regression to get the relationship between dependent *satisfaction* and independents *service style, convenience, reliability, corporate image* and *price competitiveness*. The method applied is Stepwise, variables accepted if PIN is 0.05 and rejected if POUT is 0.1. The results are shown in the Table 3.

Table 3. The results of the Pearson analysis of customer satisfaction
Corelations

		T o t a l q u a l i t y o f s e r v i c e	A b i l i t y t o m e e t c u s t o m e r r e q u i r e m e n t s	C o n t i n u e t o u s e t h e b a n k ' s s e r v i c e s	C u s t o m e r s a t i s f a c t i o n
Total quality of service	Pearson Correlation	1	,424(**)	,520(**)	,791(**)
Ability to meet customer requirements	Pearson Correlation	,424(**)	1	,621(**)	,814(**)
Continue to use the bank’s services	Pearson Correlation	,520(**)	,621(**)	1	,871(**)
C u s t o m e r s a t i s f a c t i o n	Pearson Correlation	,791(**)	,814(**)	,871(**)	1

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

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

Testing

The adjusted R-square of the model estimated is 0.988 showing that the model is fitted to the data. The F-test results point out all variables are accepted with the level of tolerance > 0,0001.

In addition, collinearity diagnostics by VIF (Variance Inflation Factor) of the independents in the model are less than 10 (1-1.182), showing insignificant collinearity so independent variables in the model were accepted.

Testing serial correlation by Durbin Watson coefficient d = 1,944, this indicates that there is no serial correlation. Therefore, the estimated model has a good fitness.



Interpretation

The results shown in the Table 3 can be expressed as the following equation
 $SHL = 0,309TCTG + 0,296HADN + 0,286STN + 0,275STT + 0,272PCPV + 0,245SHH$

Where, SHL: customer satisfaction

CTTG: price competitiveness

HADN: corporate image

STN: reliability

STT: convenience

PCPV: courtesy

SHH: tangibles

As the estimated regression equation showed, *customer satisfaction* is linearly correlated to *price competitiveness* (standardized Beta is 0,309), *corporate image* (standardized Beta is 0,296), *reliability* (standardized Beta is 0,286), *convenience* (standardized Beta is 0,275), *courtesy* (standardized Beta is 0,272), and *tangibles* (standardized Beta is 0,245)

The sign of the Beta coefficients shows that all dependent variables positively influence customer satisfaction. Those results assert that all assumptions used in the research model were accepted.

4. Conclusion

1. According to the analysis of factors influencing customer satisfaction, marketing literature represents 8 factors - convenience, tangibles, courtesy, full range of services, customer contact, price competitiveness, reliability, corporate image, when applied to the corporate customers of GPBank - Badinh branch, 5 of 8 factors were selected to measure the level of customer satisfaction - overall quality of service, ability to meet customer requirements, customer satisfaction level, introduce the bank's services to the third person, continue to use the bank's services.
2. According to the analysis of the contribution of variables and the correlation between variables, 23 variables were selected and normalized into new variables to estimate the relationship between the customer satisfaction and the factors influencing it.
3. The estimated and tested regression equation fitted to the data and should be valid for evaluating impact of the factors influencing customer satisfaction, by which GPBank, Badinh branch, can be consulted to adjust its policy to better meet its customer requirements.
4. This research focused just on corporate customers, so the results cannot be applied to individual customers, the used data relating to the Badinh branch of GPBank in Hanoi so it is difficult to generalize to customers in other localities, and customer satisfaction were not examined in the relation to customer's entrepreneurial activities, financial potentials and ethnicity according to customer's assessment.

5. References

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Annex

CLIENT SURVEY FORM

Dear our valued Clients,

Thank you very much for using our services during the past time. So as to provide you with highest satisfaction, please let us better understand of your requirements by completing this survey form at your earliest convenience. All of your precious comments are highly appreciated and useful for improving our services

1. How long have you been using our services?

- Less than 1 year 5-6 years
 1-2 years more than 6 years
 3 - 4 years

2. How many banks have you have accounts with?

- 1-2 banks 7-8 banks
 3-4 banks more than 8 banks
 5-6 banks

3. Please rank three criteria that you expect most from the bank in priority subject to the following rule

(1) Most expected, (2) quite expected, (3) expected

- Accurate and on-time delivery
 Ensuring commitment
 Price competitiveness
 Competence of employees
 Available business networks
 Providing full ranges of services
 Willingness to help customers
 Simple procedure
 Modem equipment and technology
 Clear and easily-understood documents

4. Please give your comments on determinants of satisfaction by ticking one box on each line given below

NNo	Items	Strongly Agree	Quite Agree	Agree	Quite disagree	Very disagree
1	The bank has agents all over the world for business needs	5	4	3	2	1
2	The bank has simple procedure for doing business	5	4	3	2	1
3	The bank has convenient branch locations	5	4	3	2	1
4	The bank has modem equipment and technology	5	4	3	2	1
5	The bank has well-displayed posters, brochures, handouts, leaflets	5	4	3	2	1
6	The documents are clear and easy to understand	5	4	3	2	1



7	Bank employees look professional and are well dressed	5	4	3	2	1
8	Bank employees are well- trained with high competence	5	4	3	2	1
9	The bank performs the service accurately in a timely manner	5	4	3	2	1
10	Bank employees show great interests in problem-solving	5	4	3	2	1
11	Bank employees are always available for our service	5	4	3	2	1
12	Bank employees are polite and consistently courteous with customers	5	4	3	2	1
13	The bank offers a complete range of services	5	4	3	2	1
14	The bank is always a pioneer in providing new services for customers	5	4	3	2	1
15	The bank has hotline for answering all inquiries	5	4	3	2	1
16	Bank employees usually contact and visit customers	5	4	3	2	1
17	The bank has annual meeting to show gratefulness/appreciation for customer's contribution	5	4	3	2	1
18	The bank considers your rights as their prime concern	5	4	3	2	1
19	The bank performs the service right the first time	5	4	3	2	1
20	The bank ensures information confidentiality	5	4	3	2	1
21	Bank statements are sent regularly	5	4	3	2	1
22	The bank offers competitive interest rates	5	4	3	2	1
23	The bank collects reasonable commission/charges	5	4	3	2	1
24	The bank has flexible pricing policies	5	4	3	2	
25	The bank honors commitment to customers	5	4	3	2	1
26	The bank has great innovation and social contribution	5	4	3	2	1
27	The bank has right strategy for sustainable development	5	4	3	2	1
28	The bank launches marketing activities effectively and efficiently	5	4	3	2	1

5. Overall, how satisfied are you with service quality of our bank?

- Very satisfied* *Quite dissatisfied*
 Quite satisfied *Very dissatisfied*
 Satisfied

6. How does the bank meet your expectations?

- Very good Poor
 Good

7. Will you continue using our services? (Anh (chị) có tiếp tục sử dụng dịch vụ ngân hàng không?)

- Definitely Probably
 Probably not *Definitely not*
 Neither probably nor probably not

8. In your opinion, what the bank should do to improve customer satisfaction?

Client :

Date :

THANK YOU FOR YOUR COOPERATION