Research Paper

SERVQUAL Model Application on Assessing Quality of Deposit Service: Case Study from Joint Stock Commercial Bank for Investment and Development of Vietnam - Hai Ba Trung Branch

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ABSTRACT

This paper is aimed at analyzing the customers' expectations and perceptions of deposit service quality at a specific bank branch in Vietnam, as service quality has been considered as an essential factor for success and acknowledgement in the banking field.

The data are combined between secondary data of the bank branch and desk review data, and primary data collected from 200 clients in 4 months in 2019, with 25 questions developed from SERVQUAL model, justified for banking sector. The SERVQUAL research model is applied.

The main findings are: all measurements of SERVQUAL including Reliability, Tangible, Assurance, Responsiveness, and Empathy have significant impacts on customer satisfaction. While Responsiveness is the factor that impact on customers' satisfaction the greatest, Assurance is acknowledged as the dimension which impact on customers' satisfaction the least. This study shows a support to the overall understanding about service quality in the banking field. Besides, it gives useful information to assist commercial banks in management, such as focusing on service quality and improving the customers' satisfaction.

INTRODUCTION

Having good services quality from customers' perspectives are essential for the survival and competition of commercial banks. Better quality of services provided by the bank has a positive influence on satisfaction of its customers and it directly contributes to profitability of banking industry (Ladhari et al., 2011). In modern banking system maintaining and developing long term customer relationships is essential for competitive business (Camarero, 2007).

SERVQUAL is a famous research instrument to assess the service quality in any service field. SERVQUAL completely covers aspects that customers take into account when evaluating the quality of service in a bank. For that reason, SERVQUAL model and its application becomes popular tool to measure the quality of banking services up to now.

There are variety of researches which have used SERVQUAL and inherited SERVQUAL model for assessing service quality in the banking zone worldwide

("Avkiran, 1994; Bahia and Nantel, 2000; Aldlaigan and Buttle, 2002; Vanparia and Tsouskato, 2013; Sulieman, 2013; Lau, Cheung, Lam and Chu, 2013). The application of SERVQUAL model in assessing clients' satisfactions have been carried out in some banks or in one specific bank of Vietnam. (Nguyen Hong Quan, 2018; Phan Chi Anh, N.T.Ha, N.H.Minh, 2013). These studies both revealed that customer fulfilments were rested on the quality of the service, and some factors such as responsiveness, assurance, tangibility had the strongest effects on the customers' satisfactions. These studies focused on banking services for the whole banking sector, or one bank. However, the bank services are various, and very different. Among them, deposit is one of the most essential but difficult to attract clients the most as clients have active roles in deciding which banks to go, which deposit values/durations/withdrawal time (Rose et al, 2012; Casu et al, 2015).

Therefore, it is meaningful that this current study investigates the customer satisfaction towards deposit services through the application of SERVQUAL model.

Bank for Investment and Development of Viet Nam JSC., (BIDV) is one of the leading banks in Vietnam, which has been rewarded "The Best Vietnamese Bank in Retail Activities" for 4 continuing years (from 2015 to 2018) by The Asian Banker (Annual Asian Banker Vietnam Awards formal website, 2015, 2016, 2017, 2018).

BIDV – Hai Ba Trung Branch (HBT Branch) was established on 19th September 2008 in Hanoi with retail segment orientation. In general, the situation of BIDV - HBT Branch's previous fund mobilization volume was pretty good, with growth rate of 15% per annum. However, the problem of the branch was the unbalance of the deposit's structure, with most of the deposit came from economic organizations and financial institutions. Individual deposit accounted for a small proportion of 23.79% in 2016, 22.93% in 2017 and 22.77% in 2018 respectively (BIDV-HBT Branch, 2016-2018). This situation of deposit service at BIDV - HBT Branch indicates that not only the quality but also the efficiency of deposit service is lower than the expectations from the managers and customers.

This study is carried out to (i) Identify, analyze and evaluate deposit services quality in BIDV HBT Branch via assessing its customer satisfaction by 5 components of SERVQUAL model, including Reliability, Assurance, Tangibles, Empathy, and Responsiveness; (ii) Propose some recommendations for improving the deposit service quality at BIDV – HBT Branch, especially in the oriented market segment: individual customers.

2. LITERATURE REVIEW
Deposit services of commercial banks
Commercial banking sector is one of the most crucial subjects of financial institutions system in every economy. Commercial banks primarily raise funds from other objects in the economy who has surplus money for short and medium term. Obviously, lately the commercial banks spend this source of fund for long-term investment or lending, which make higher profit than savings. In these activities, the banks pay interest for the depositors as a cost for raising fund. In contrast, they make profit by interest collected from borrowers or investment profit. The customers' deposit plays a role as the major financial resource, which is premise for lending activities.

"To maximize the profit, banks have to reduce the costs via raising cheap funds (Sylveter, 2010). So that the optimization of fund structures with cheap deposit, such as savings account and current account is crucial to the commercial banks.

Service quality
Over decades, both academicians and practitioners break out argument about definition of service quality. As confirmed by Gronroos (1984), service quality was the

outcome of the comparison between customers' expectations and their perceptions. According to Parasuraman, Zeithaml and Berry (1985), service quality is the difference between customers' expectations and perceptions of a certain service."

The quality of services has been regarded as the substantial concern in the banking field in the study of Stafford (1996). Recently, the quality of service concept has been reviewed with customer's perception about the services. The theories focus on the correlation between expectations of customers and their perceptions toward provided services.

To assess the quality of the service, customer expectations aid as a basis for estimating the quality of the service. Once the practices meet the expectations of the customers, that means the service quality is acceptable.

SERVQUAL model

There have been several models which have been settled to measure the determining factors of service quality. However, SERVQUAL model is the most well-known model to measure any service quality. It was first introduced by Parasuraman et al. in 1985 and developed after that. At first, the model comprised 10 service quality factors, which were then minimized to 5 factors that customers used to assess the quality of the services.

SERVQUAL includes 22 items with five above dimensions. Each item in SERVQUAL model is measured in two aspects. One aspect is assessing customers' expectations about a specified service and the other dealings with perceptions particularly of customers."

"The dependent variable "Quality gap" (Q) is defined hereinafter:"

$$Quality\ Gap\ (Q) = Perception\ (P) - Expectation\ (E)\ \ (1)$$

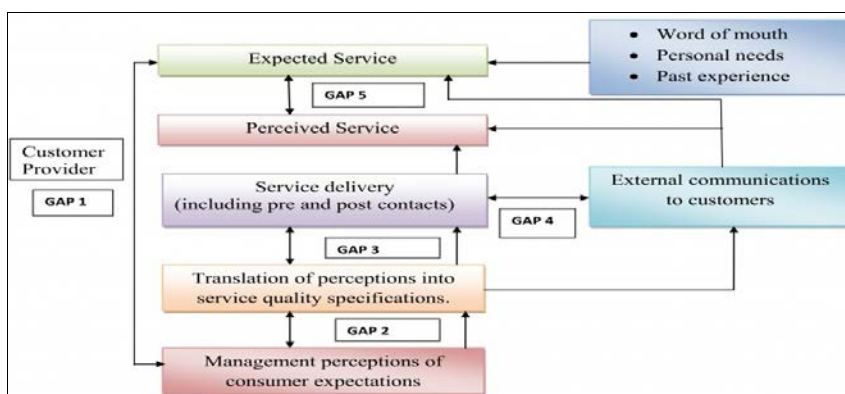"Parassuraman (1985) created the "Gap model in service quality" hereinafter:

Figure 1: Gap model of service quality
(Source: Parasuraman et al (1985))

"In the model, the measurement of service quality depends on the gaps between perception with customer's expectation. Parassuraman claims that "Gap 5", which measures quality of the service, bases on 4 preceding Gaps. In another way, SERQUAL model is constructed in the equation (2) below:"
Service quality = F(Gap 5) = F(Gap 1, Gap 2, Gap 3, Gap 4) (2)

"Parasuraman identifies that these Gaps depend on 5 factors, including: "Reliability", "Tangibles", "Empathy", "Responsiveness", "Assurance".

SERVPERF Model

Even though the SERVQUAL model is commonly applied, there is still much criticize on its practical reliability. That is because SERVQUAL model estimate the

service quality via judging gaps between customer's expectations and reality. Cronin and Taylors (1992) proposed SERVPERF model as a one-index-based model. SERVPERF model explains that service quality is expressed as the consumer outlook to the bank's performance. Their research was further developed and find out that little theoretical or empirical evidence supports the relevance of the E-P= Q as the basis for measuring service quality.

Criticizing against SERVQUAL model, Cronin and Taylors (1992) proposed practical evidences spread all over four sectors including: food and beverage, insects' control, laundry and banking to support their theories. In the bellow formula, SERVPERF indicators can be illustrated as:

$$SQ_i = \sum_{j=1}^{k} P_{ij} \quad (3)$$

Thereby:

SQ_i = perceived service quality of individual 'i'

K = Number of attributes/items

P = Perceptionof individual 'i' with respect toperformance of a service firm on attribute 'j'

Application of SERVQUAL Model

The Servqual model has been appplied in several studies. Avkiran (1994) implemented SERVQUAL and established the "BANKSERV model" to estimate service quality in private banking sectors via four dimensions: "staff conduct, credibility, communication, and access to teller service". Bahia and Nantel (2000) proposed an application of SERVQUAL model, which named "Banking service quality (BSQ)", comprised 31 items and six dimensions, including: "effectiveness and assurance, access, price, tangibles, services portfolio and reliability". Aldlaigan, A. H. and Buttle (2002) introduced a new 21-item scale model, named SYSTRASQ, with four factors: "service system quality, behavioral

service quality, service transactional accuracy, and machine service quality". "Lately, Vanparia and Tsouskato (2013) examined "SERVQUAL, SERVPERF, BSQ and BANKQUAL" for estimating the service quality in the Indian banks in both regions: public and private region. They found out that the "BANKQUAL scale" has the greatest trustworthiness compared to others in their work. A. Sulieman (2013) has carried out a research on the customer fulfilment at Jordan banks. In the same year, M. M. Lau, R. Cheung, Aris Y. C. Lam and Yuen T. Chu (2013) have examined the impact of banking service quality on customer satisfaction in Hong Kong.

3. ANALYSIS OF DEPOSIT SERVICE QUALITY AT BIDV – HBT BRANCH
Overview of Deposit services at BIDV – HBT Branch

BIDV – Hai Ba Trung Branch provides individual customers with a wide range of deposit services, including: Current Account, Fixed Deposit Account, Certificate of Deposit, Accumulating deposit account. Individual customers are enabled to easily handle transactions such as depositing, withdrawing, transferring and checking the balance via traditional over counter method, ATM or e-banking services.

Over the period of 2016-2018, the total deposit had increased moderately in the scale, with the volume of VND 4,657 billion in 2016, VND 5,722 billion in 2017 and VND 7,208 billion in 2018. It seems a brilliant sign for the Branch unless the research takes a look into the structure of the deposit at the Branch. The majority of the deposit comes from financial institutions (58.14% in 2016, 58.70% in 2017, and 57.2% in 2018). Meanwhile individuals' deposits, which are contributed by approximate 10.000 prevailing individual customers during period of research, only make up for a relatively small proportion (23.79% in 2016, 22.93% in 2017, and 22.77% in 2018). Excessive dependence on giants such as financial institutions bear the risk of liquidity for the Branch even when

only one financial institution withdraws and the Branch faces the seriously decline in the deposit scale as a sequence. For that reason, improve the individual segment in both quality and quantity is emerging requirement for the branch to diversify the risks.

Analysing deposit service quality at BIDV – HBT Branch
Data and methodology

"In this research, the secondary data is sourced from the academic literatures, articles, and the Internet about banking services, deposit services and BIDV HBT Branch's annual report. The primary data is collected from the 25-item-questionnaire-survey which were administered by the researchers to 200 customers of deposit services of BIDV HBT Branch. The sample size is accepted because the number of samples are more than 5 times compared to the number of items in Likert Scale, which is a condition required by quantitative analysis model. Period of conducting the survey is from April to August, 2019.

RESEARCH METHOD

The SERVQUAL five dimensions (Parasuraman, 1988) are inherited in this study. The variables are "Assurance, Empathy, Reliability, Responsiveness and Tangibility" (Parasuraman, 1994).

"A descriptive research design has been used in this study. This study has been undertaken using correlation, regression, reliability analysis and factor analysis. The reliability analysis is pre-requisite for conducting factor analysis. Correlation is used as a prerequisite for conducting regression analysis. Further, the factor analysis is performed to draw factor from the variables and on that factor the regression is done to calculate how much the quality of the services influences on customer satisfaction. The research method is described particularly hereinafter:
1) Step 1: Test the reliability of the evaluating instrument. 30 customers were chosen by accident to be surveyed.

The data analyse shows that Cronbach's Alpha index (for Total) is 0.93, which means that the reliability is highly acceptable.
2) Step 2: Testing the coefficient of measurement by Cronbach's Alpha. The Cronbach's Alpha is an indicator used for eliminating items which have a little influence on the scale. Items with Corrected item – Total Correlation less than 0.3 will be eliminated. The scale is chosen if Cronbach's Alpha is higher than 0.6."
3) "Step 3: Using the analysis EFA factor to shorten data and determine key factors impacting on service quality. Items with the Extraction less than 0.5 are deleted. The scale is accepted if its Total Variance more than 0.5."
4) "Step 4: From results of EFA factor analysis, using the multiple regression assess the factors have impact on service quality."

When the primary data is fully collected, it is handled and processed via using the software Stata, Ver. 14.

Research model

"From theoretic model of relationship between dimensions of the deposit service quality and Customer's satisfaction, after adjusting the Likert Scale, customer's satisfaction is effected by five factors as model below:"

$$CS\_Y = \beta_0 + \beta_1*REL\_X1 + \beta_2*TAN\_X2 + \beta_3*ASS\_X3 + \beta_4*RES\_X4 + \beta_5*EMP\_X5 \quad (3)$$

Thereby:
- "Regression coefficient: $\beta_0, \beta_1, \beta_2, \beta_3, \beta_4, \beta_5$"
- "Dependent variable: CS_Y is Customer's Satisfaction"
- "Independent variables: REL_X1; TAN_X2; ASS_X3; RES_X4; EMP_X5"

The questionnaire was developed depending on the questionnaire with 22 items inherited in the studies by Sulieman (2013), Ilyas et al. (2013), Lau et al. (2013), and Panda, and Kondasani (2014) which

used the model of SERVQUAL to measure the customer satisfaction towards bank services. Basing on practical, the writer attaches 3 more questions to measure the Overall satisfaction of the Customer as below.

Figure 2: 25 items used in the questionaires survey

Factors	Items
Tangibles	1. Bank's equipment is modern – Tan1
	2. Bank's physical facilities arranged attractively – Tan2
	3. Bank's staff with uniform looks courtesy and elegant – Tan3
	4. Documents (as leaflets) about service of bank make customers to have attention – Tan4
Reliability	5. Always do right commitments when providing service to customer in a specific time – Rel5
	6. Information is always provided exactly and completely – Rel6
	7. Supplying service is accurate in the first time – Rel7
	8. Providing service on time as commitment – Rel8
	9. If customer gets difficulty, bank always cares about and find out solution for them – Rel9
Responsiveness	10. Staff always answers accurately until customer's requirement is met – Res10
	11. Service is always provided quickly – Res11
	12. Staff is willing to help customer – Res12
	13. Service is various to meet customer's needs – Res13
Empathy	14. Bank provide customer with individualized attention – Emp14
	15. Bank's staff provide customer with individualized attention – Em15
	16. Transaction time is convenient for customer – Emp16
	17. Bank's staff understand customer's needs – Emp17
	18. Bank's staff have the best interests of the customer in mind – Emp18
Assurance	19. The manner of staff make customer credible – Ass19
	20. Customer feels safe when dealing with the bank – Ass20
	21. Staff is always polite and friendly with customer – Ass21
	22. Staff is educated well with knowledge to give out reasonable explanation to customers – Ass22
Customer satisfaction	23. Do you satisfy with the deposit service quality of BIDV? – CS23
	24. Do you want to choose deposit services of BIDV if you need the next time? – CS24
	25. Do you want to introduce BIDV's deposit services to other people? – CS25

Source: Authors' compilation from literature review and revision

The 25 above items are involved in a five – point Likert Scale, categorized from 1 to 5. Point 1 is "Strongly disagree" while point 5 is "Strongly agree". The Likert Scale is inserted into a questionnaire in the survey."

Hypothesis formulation

"Assume that factors: "Reliability – REL_X1", "Tangible – TAN_X2", "Assurance – ASS_X3", "Responsiveness – RES_X4", "Empathy – EMP_X5" have a positive impact on "Customer's satisfaction – CS_Y" for the deposit service quality in BIDV – HBT Branch. This study's mission is to test couples of assumptions as below:

"Assumption 1:"
"H_0: Reliability has no positive impact on customer's satisfaction"
"H_1: Reliability has a positive impact on customer's satisfaction"
"Assumption 2:"
"H_0: Tangible has no positive impact on customer's satisfaction"
"H_1: Tangible has a positive impact on customer's satisfaction"
"Assumption 3:"
"H_0: Assurance has no positive impact on customer's satisfaction"
"H_1: Assurance has a positive impact on customer's satisfaction"
"Assumption 4:"
"H_0: Responsiveness has no positive impact on customer's satisfaction"
"H_1: Responsiveness has a positive impact on customer's satisfaction"
"Assumption 5:"
"H_0: Empathy has no positive impact on customer's satisfaction"
"H_1: Empathy has a positive impact on customer's satisfaction"

RESULTS AND DISCUSSIONS

Descriptive statistics

Via using software Stata ver.14, the results of Cronbach's Alpha analysis for the first time and the second time are shown in the Figure 3 and Figure 4 below:

Figure 3: Cronbach's Alpha results for Tangibles, Reliability, Responsiveness, Empathy, Assurance

No	FACTORS		1st CRONBACH'S ALPHA		2nd CRONBACH'S ALPHA		DELETED FACTORS
			ITEM-REST CORRELATION	ALPHA TEST SCALE	ITEM-REST CORRELATION	ALPHA TEST SCALE	
1	TANGIBLES	tan1	0.5821	0.7166	0.5853	0.7973	
2		tan2	0.6454		0.7179		
3		tan3	0.5654		0.6251		
4		tan4	0.2769		-		DELETED
5	RELIABILITY	rel5	0.6691	0.7723	0.7425	0.8429	
6		rel6	0.7119		0.7913		
7		rel7	0.2274		-		DELETED
8		rel8	0.6471		0.7152		
9		rel9	0.5665		0.5039		
10	RESPONSIVENESS	res10	0.2624	0.6396	-	0.6811	DELETED
11		res11	0.4661		0.4419		
12		res12	0.4929		0.4992		
13		res13	0.4886		0.5626		
14	EMPATHY	emp14	0.5509	0.6107	0.5949	0.6681	
15		emp15	0.3096		0.3586		
16		emp16	0.4403		0.4250		
17		emp17	0.4387		0.4379		
18		emp18	0.1278		-		DELETED
19	ASSURANCE	ass19	0.1563	0.6441	-	0.7516	DELETED
20		ass20	0.5827		0.6340		
21		ass21	0.5093		0.5769		
22		ass22	0.5136		0.5535		

Source: Authors' compilation from the surveyed data

It is revealed in the Figure 3 that there are five variables which have Total Correlation less than 0.3 must be deleted from the scale after Cronbach's Alpha for the first time: **tan4, rel7, res10, emp18, ass19**. After Cronbach's Alpha for the second time, all 17 variables left is accepted with Total Correlation more than 0.3. Moreover, all the Alpha Test Scale is higher than 0.6, so the scale is accepted.

Figure 4: Cronbach's Alpha results for Customer satisfaction

No	FACTORS		CRONBACH'S ALPHA		DELETED FACTORS
			ITEM-REST CORRELATION	ALPHA TEST SCALE	
1	CUSTOMER SATISFACTION	cs23	0.6847	0.8046	
2		cs24	0.6566		
3		cs25	0.6149		

Source: Authors' compilation from the surveyed data

It is depicted in the Figure 4 that all three variables are accepted with Total Correlation more than 0.3. The Alpha Test Scale is higher than 0.6, so the scale is considered reliable to be analysed by EFA later.

Factor analysis

- **Analyzing EFA for the first time:**

The result shows that only item "emp15" has factor loading lower than 0.5, so the item emp15 is deleted out of the scale. The EFA analysis extracts to 16 items from initial 17 items.

After using factor test, Testing with KMO and Bartlett is used to test whether items are correlated. It assumes that:
+ H_0: items are not intercorrelated with each other.
+ H_1: items are intercorrelated with each other.

The result illustrates that p-value is 0.000 less than 0.05. So H0 is rejected and H1 is accepted. Besides, KMO is 0.759

more than 0.5, so data is reasonable for analyzing.

- **Analyzing EFA for the second time:**
"The result show that no item will be deleted from the scale because all the factor loadings are >0.5. The result illustrates that p-value is 0.000 less than 0.05. So H_0 is

rejected and H_1 is accepted. Besides, KMO is 0.753 >0.5, so data is reasonable for analyzing."

Regression analysis

The regression analysis is also applied in this current research to develop the research model:

```
. reg  CS_Y REL_X1 TAN_X2 ASS_X3 RES_X4 EMP_X5

      Source |       SS       df       MS              Number of obs =     200
-------------+------------------------------          F(  5,   194) =   43.02
       Model | 28.9006855        5  5.78013709          Prob > F      =  0.0000
    Residual | 26.0682034      194  .134372183          R-squared     =  0.5258
-------------+------------------------------          Adj R-squared =  0.5135
       Total | 54.9688889      199  .276225572          Root MSE      = .36657


        CS_Y |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
      REL_X1 |   .2280698   .0398586     5.72   0.000     .149458    .3066816
      TAN_X2 |   .2171548   .0394071     5.51   0.000    .1394335    .2948761
      ASS_X3 |   .1017409   .0383731     2.65   0.009    .0260588     .177423
      RES_X4 |   .1574378   .0351541     4.48   0.000    .0881045     .226771
      EMP_X5 |   .1824604   .0418452     4.36   0.000    .0999304    .2649904
       _cons |   .4558667   .2315081     1.97   0.050   -.0007292    .9124626
```

Figure 5: The regression analysis coefficients

STT	Variables	Coefficients
1	ASS_X3	0.1017409
2	RES_X4	0.1574378
3	EMP_X5	0.1824604
4	TAN_X2	0.2171548
5	REL_X1	0.2280698
6	CS_Y	0.4558667

Source: Authors' compilation from the surveyed data

"In Figure 5, it is demonstrated that Coefficients β_1, β_2, β_3, β_4, β_5 are positive and all the Probability of β_1, β_2, β_3, β_4, β_5 are less than 0.05. So, these coefficients have meaning of statistic. H_1 in all five assumptions are accepted. That means all five factors: Reliability – REL_X1, Tangible – TAN_X2, Assurance – ASS_X3, Responsiveness – RES_X4, Empathy – EMP_X5 have a positive impact on Customer's satisfaction."

"The coefficients show that Reliability – REL_X1 have greatest impact on Customer Satisfaction – CS_Y with coefficient of 0.228, while Assurance – ASS_X3 have least impact on Customer Satisfaction – CS_Y with coefficient of 0.102.

The regression shows that F(5,194) equal to 43.02 with Probability 0.0000 less than 0.05. Besides, R – square equal to 0.5258 is rather high. It means that five factors: Reliability – REL_X1, Tangible – TAN_X2, Assurance – ASS_X3, Responsiveness – RES_X4, Empathy – EMP_X5 explained up to 52.58% changes of factors to the deposit service quality in BIDV – HBT Branch."

"So, the regression model is completely accordant with research object."

Testing the defects of model

- **Matrix of correlation**: In order to ensure the accuracy and compatibility of model, the defects of model were also examined through the matrix of

correlation. The matrix of correlation shows that all the significant indicators between independent variables (Reliability – REL_X1, Tangible – TAN_X2, Assurance – ASS_X3, Responsiveness – RES_X4, Empathy – EMP_X5) and dependent variable CS_Y is less than 5%. That means all five independent variables are accepted in regression. It is also revealed that there are some correlations among independent variables because their significant indicators are less than 5%. So the study will test the multicollinearity of the model.

- **Multicollinearity test**: Multicollinearity test presents that Indicator VIF of all coefficients: Reliability – REL_X1, Tangible – TAN_X2, Assurance – ASS_X3, Responsiveness – RES_X4, Empathy – EMP_X5 are all less than 10. So the research model doesn't get multicollinearity.

In conclusion, the model proposed is accordant with economics theory and have no defects. Hence, the proposed model has a high confidence to measure customer's satisfaction.

RESULT

Figure 6: Hypothesis testing results

Hypothesis	Description	Result
H$_1$	Tangibility has a positive effect on customer satisfaction	Accepted
H$_2$	Assurance has a positive effect on customer satisfaction	Accepted
H$_3$	Responsiveness has a positive effect on customer satisfaction	Accepted
H$_4$	Reliability has a positive effect on customer satisfaction	Accepted
H$_5$	Empathy has a positive effect on customer satisfaction	Accepted

Source: Authors' compilation from the surveyed data

The study is done to determine the customer's satisfaction from the quality of deposit services of BIDV – Hai Ba Trung Branch on the basis of different constituent factors. The study is carried out using the reliability analysis, factor analysis, correlation analysis and regression analysis. The result of reliability analysis reveals data

to be "acceptable" for analysis. The factor analysis is carried out and revealed the customer satisfaction from the Service quality. The result of correlation analysis depicted the positive correlation among the customer satisfaction and each selected variable. The regression analysis has drawn a result showing positive and significant impact of service quality of customer satisfaction. Among all the factors, the customer satisfaction was highly depending on Reliability and least depends on the Assurance. Moreover, all the five aspects are accepted which reveals the significant impact of service quality on the customer satisfaction.

5. MAJOR FINDINGS AND RECOMMENDATIONS
Major findings

This study is done to evaluate the correlations among the five factors in the SERVQUAL model and the satisfaction of the customers on deposit services in BIDV – HBT Branch.

The following findings are drawn from the analysis of gathered data:
(i) Despite some problems in the service quality of deposit services at BIDV – HBT Branch, there is an increase in the value of deposit account during 2015-2017 (from VND 4,657 in 2015 to VND 5,722 billion and VND 7,208 billion in 2016 and 2017);
(ii) The majority of customers of deposit services at BIDV – HBT Branch are individual customers
(iii) The research model is developed as follows:
Y = 0.4558 + 0.2280*REL_X1 + 0.2171*TAN_X2 + 0.1017*ASS_X3 + 0.1574*RES_X4 + 0.1824*EMP_X5
(iv) There is a positive relationship between 5 components of SERVQUAL model which impact is ranked as following order: Reliability > Tangibles > Empathy > Responsiveness > Assurance

Reliability has the highest effects, telling that, to attract resources, banks absolutely depend on customers' trust. The

correctness of this trust relies on the excellence of obtained data for the bank. Tangibles categorized second illustrates that facilities and infrastructure as well affected to commercial banks' operations, which means that banks with out-of-date equipment are seemed to be less attractive to customers. Empathy categorized third, signifies that, to attract to clients, banks ought to develop the services quality as well as make better use of the relationship between bank staffs and customers. Responsiveness categorized fourth. The reason is that clients progressively pay attention associated to the variety of services and the suitability of finances. Assurance is the last factor in the ranking. It is the result of the State Bank of Vietnam (SBV)'s requirement for financial institutions to reinforce the strength and keep security on the information technology systems.

The findings also indicate that five factors of SERQUAL model "Reliability – REL_X1", "Tangible – TAN_X2", "Assurance – ASS_X3", "Responsiveness – RES_X4", "Empathy – EMP_X5" explained up to 52.58% changes of factors to the deposit service quality in BIDV – HBT Branch.

Recommendation

Depending on the analysis of the impacts of five different categories of service quality of deposit services at BIDV – HBT Branch, it is concluded that the Branch ought to focus on improving the Reliability and Tangibles aspects of quality to satisfy their customers because of their greatest impacts on customer satisfaction.

In terms of Tangibles, the research findings indicate that such elements as equipment modernity, attractive physical facilities, and courtesy and elegant looking of bank counters of BIDV – HBT Branch has the greatest impacts on depositors' satisfaction. Therefore, it is critical that BIDV – HBT develops the initiatives to strengthen their service quality.

To enhance the equipment modernity and attractive physical facilities, BIDV should invest in upgrading their facilities to improve the customers' satisfaction towards the quality. The checking system should be automated to eliminate the postpones caused by queuing. Besides, Information technology is also a measure to improve the responsiveness. The implementation of information technology in services also enhances the equipment modernity of the bank. BIDV need a stronger and synchronized core banking system. Good information technology basis assists over-the counter transactions to be more quickly and less operating errors. Moreover, high security of internet banking systems not only protects customers but also protects the banks from risks.

To improve staff performance, since the establishment, BIDV has not yet designed an adequate standardized and good-looking uniform for all staff. The inconsistency among branches makes the customers feel unprofessional about bank staffs' appearance. As mentioned before, the uniform is one of the factors that have a strongest impact on customer satisfaction. Hence, BIDV – HBT Branch need a new uniform design, which is elegant and compatible with the Brand's Point of Sales Material, to make an extraordinary impression for customers and fascinate the customers to enter the transaction department.

In terms of reliability, BIDV should focus on commitment to the highest service quality, accuracy at the first time, and customer cares towards problem solving. The branch should attempt to achieve synchronized and accurate routine of transaction, including: record, quote, billing, and commissions' calculation which seems to be a promise for the service quality to the customer. Customers' loyalty is the vital factor which have influence on the variety of services in deposit categories. So that the security of the deposit has been regarded as one of the chief aspects for BIDV – HBT Branch.

CONCLUDING REMARKS

The Vietnamese banking industry is one of the most competitive industries. In order to survive and grow in the competitive market, it is crucial for banks, particularly BIDV – HBT Branch, to deliver premium services to their clients.

The customer satisfaction means fulfilling the expectation of a customer. If the product or service able to meet with that expectation, it leads to customer satisfaction. Customer satisfaction is one of the key success factors for the banking industry.

SERVQUAL is regarded as a familiar model to assess the quality of the service on five different dimensions, including: reliability, assurance, tangible, empathy and responsiveness (Parasuraman et al., 1988). In the early 1990s, the economists studied about the correlation between service quality and customer fulfilment then revealed a positive relationship (Taylor, 1992). In 2000s, researchers have studied the bank service quality using the SERVQUAL model and found significant impact of all five factors on the customer satisfaction (Bahia & Nantel, 2000).

There have been many works of research on customer satisfaction nationwide, particularly in the service segment, but there are a few studies have conducted in developing countries as Vietnam. Therefore, this study has attempted to address the problem of which major elements in the SERVQUAL model impact on the satisfaction of the customers in the scale of deposit services in BIDV – HBT Branch. The research uses an application of SERVQUAL model to propose a questionnaire survey, which comprises 25 items. The existing and former depositors in BIDV – HBT Branch is the population of the research. The study findings indicate that there is a progressive and intensive relationship between depositors' satisfaction of services at BIDV – HBT Branch with five dimensions of SERVQUAL, including Tangibles, Reliability, Responsiveness, Assurance, and Empathy.

This research consolidated to the literature by applying a model to examine the quality of deposit services in the retail banking zone. The research indicates support for the hypotheses, which defined that the five factor SERQUAL model have the empirical reliability. In the context of Vietnam, almost customers have little or inadequate understanding about the complex matrix of financial products and services. That is an advantage for the enormous financial institution, whose brand names are as the guarantees for service quality. Customers choose a bank's services basing on the brand names of the bank, which is obviously, in turn, contributes to fame of bank.

The improvement of deposit service quality will enhance customer satisfaction, customer loyalty, and positive rumours of customers. Moreover, BIDV should reinforced and developed their service quality to boost the competing ability, which are urgent requirement in integration and globalization nowadays. By that way, BIDV is sustainable on development target in the long term. Additional, BIDV should conduct the bank's own particular market researches that is absolutely cross-transparent to give suitable strategies to improve the service quality in long term.

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