

Factors Affecting the Customer Satisfaction and Bank Brand Loyalty of Depositing Savings Individual Customers in Vietnam

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Abstract

Identifying and evaluating factors that affect customer satisfaction and bank brand loyalty are seen as the basis for the bank's ability to develop a customer-focused marketing strategy. This research builds and validates the Structured Equation Model (SEM) to assess the causal effect of factors such as service quality, brand reputation and CSR on satisfaction and loyalty of the bank brand of deposit savings individual customers in Vietnam. The results of the survey with 620 individual clients by random interview in Hanoi showed that the quality of service, brand reputation and CSR of the bank positively impacted in decreasing order of customer satisfaction and it have a strong impact on the bank loyalty.

Keywords— satisfaction, loyalty, quality of service, brand reputation, CSR

I. INTRODUCTION

Individual customers (IC) who deposit savings are the group with the largest number of customers of commercial banks (CB) and their capital also predominates in mobilized sources of the bank. Thus, studying factors that affect the loyalty of this target group will help commercial banks in making customer retention programs and policies.

Saving deposits are the money deposited by residents into savings accounts at the commercial banks in order to accumulate profit and ensure property safety. Among capital-mobilizing service products of commercial banks, savings capital-mobilizing products from residents are considered as the most basic one because this is the capital source with high stability and an input factor for credit and investment activities. The ability to mobilize residential capital is one of the most basic criteria to assess the size capacity and reputation of commercial banks in the Vietnamese market.

Individual clients who deposit savings are directly influenced by the rational choice that is the profitability of saving deposit compared to other savings channels at many aspects such as risk level, service quality, and convenience (Zeyad & Kishada, 2013). Saving-depositing behavior is also a social behavior and influenced by a multitude of cultural, social, customs, economic, and other psychological factors. A savings-depositing individual customer's brand loyalty is an important factor in the savings-depositing individual customer behavior.

Brand loyalty has been studied by many authors in terms of customer behaviours in using products and services of banks (Prinsloo, 2000; Tanvi Singhal, 2015; Kasri and Kassim, 2009; Cengiz Erol, 1989; Gerrard and Cunningham, 1999). In the world, there is a lot of researches relating to factors that affect customer loyalty in the field of banking and finance. Commercial banks need to pay more attention to maintaining customer loyalty to the bank brand and this is an issue that needs to be integrated into the

strategic marketing planning process of the bank (Ahmad and Buttle, 2001). The importance of maintaining loyalty in the banking industry has also been emphasized and is a guide for commercial banks to act (Ennew and Binks, 1996). Some authors study the impact of groups of factors on customer loyalty, typically the studies of Zeyad and Norailis (2013) and Benjamin (2006). Some other studies go into the analysis of a factor that directly affects loyalty such as social responsibility or loyalty program (Uncles et al., 2013; Jain et al., 1987).

Some authors believe that the brand loyalty of individual customers' brand is affected by factors including both directly and indirectly through mediating variables, typically the research of some authors such as Beerli et al., (2004), Younes Megdadi et al., (2013), Belén Ruiz et al., (2016), Butt and Aftab (2013), Vinita Kaura et al., (2015). This group of authors argues that customer loyalty is complex factors according to behavioral psychology, leading to loyalty has to go through many complex steps such as experiencing satisfaction and then satisfaction, brand loyalty of customers. This group also gives many factors affecting the intermediate variables such as service quality, brand reputation, trust, perceived value and social responsibility.

Customer loyalty to the service industry with tangible products is of great significance. In which, in banking - financial services, customer loyalty depends more on the development of the relationship among individuals with loyalty to the bank's tangible products and services (Bloemer et al., 1998; Jones and Taylor, 2007). Due to the intangibility and interoperability of the service, the role of assessing the impact of factors on brand loyalty is very important. Levesque and McDougall (1996) argue that the benefits for commercial banks when creating a loyal customer base are especially large; by increasing loyalty, a commercial bank can reduce service costs, increase revenue, and gain knowledge about financial issues and needs of individual customers.

On the basis of identifying the researching object is individual clients who deposit savings at commercial banks in Hanoi, the authors aim to build a research model and measure the impact of some factors affecting bank brand loyalty of individual clients who deposit savings at commercial banks; thereby, the authors could propose solutions to maintain, consolidate and develop loyalty to the bank's brand.

II. LITERATURE REVIEW

Theoretical background

A number of scholars have given different definitions of brands; however, most definitions have followed two main perspectives: the first focuses on functions and owners of brands, and the second is based on the impacts of brands on consumers. As the banking industry possesses characteristics of services that do not allow for packaging, labeling, displaying, and the brand value must be inferred by the consumer (Cobb and Ruble, 1991). Banking products are intangible and customer loyalty to a bank brand is the customer loyalty to products provided by that bank. In other words, for banks, product loyalty and brand loyalty are homogenous.

Loyalty is a commitment to buy back or revisit a preferred service product in the future (Oliver, 1999). Loyalty is also a commitment that the customer would rebuy a service product that they are interested in (Chaudhuri, 1999). Customers will prioritize purchasing service products of a certain brand in the future (Yoo et al., 2000). The loyalty of individual clients who deposit savings has many complex characteristics because it is dominated by groups of influencing elements belonged to both internal and external environments and needs to be studied to analyze the influencing factors to help commercial banks maintain and develop the individual clients' loyalty. Currently, there are three main approaches to customer loyalty towards the brand: (1) Behavioural loyalty; (2) Attitudinal Loyalty; (3) Loyalty combining both behavior and attitude Behavioral loyalty is given by Cunningham (1956) and developed by Tucker (1964),

Ehrenberg (1998), Bennett et al., (2005), Andreassen and Lindestad (1998), and many others. Attitudinal loyalty is understood as customers showing a preference brand systematically by Getty and Thompson (1994). Other authors developing this view must be mentioned: Evanschitzky et al., (2006), Kumar and Reinartz (2006), Jones and Taylor (2007). Behaviors of individual savings depositors are classified into before the deposit, during deposit, after deposit and behaviours in the future. Repeated depositing behavior or loyalty is one of the most important behaviors in the behavior chain. This is a complicated development process in customers' behavioral psychology before they make a decision. Apart from factors of personal psychology, customer loyalty is also affected by many complicated factors that require further research in order to help commercial banks to improve the effectiveness of their capital mobilization.

Research hypothesis

Some other foreign authors study the factors that indirectly affect loyalty in the banking and finance sector through the typical "customer satisfaction" intermediary variable, including: Beerli et al., (2004) studied "A model of customer loyalty in the retail banking market" implemented in the European financial and banking market; research by Younes Megdadi et al., (2013) is about "Survey proposing factors affecting customer loyalty for financial services of Jordan commercial banks"; authors Belén Ruiz et al., (2016) have researched "The premise and consequences of brand reputation, comparison between England and Spain";

Kaura et al., (2015) have conducted research "Service quality, price, fairness, satisfaction, convenience and role for customer loyalty".

In Vietnam, some authors like Tran (2015) researching customer loyalty with electronic banking products; Nguyen (2016) with research on customer loyalty in the retail banking sector; Nguyen et al., (2020) with the impact of internal marketing on employee satisfaction and customer satisfaction with the mediating role of service quality, Nguyen et al., (2020) with the relationship between internal marketing, employee satisfaction, and customer satisfaction in the banking service.

The author has studied customer loyalty by synthesizing both attitudinal loyalty and behavioral loyalty with the influencing factors such as Service quality, Brand reputation, CSR, and customer satisfaction were studied as an intermediate variable.

The new theoretical point compared to previous studies is to determine that the satisfaction factor is the intermediate variable between the cause variables (service quality, brand reputation, CSR) and the result variables (attitudinal loyalty and behavioral loyalty) and determining the causal relationship between the variable CSR and customer satisfaction.

Based on the model of authors Younes et al., (2013), Zeyad and Norailis (2013), Tran (2015), and Nguyen (2016), the research proposes an analysis model of factors affecting brand loyalty (including attitudinal loyalty and behavioral loyalty) of an individual customer who deposits savings at commercial banks in Vietnam as shown in Figure 1 below.

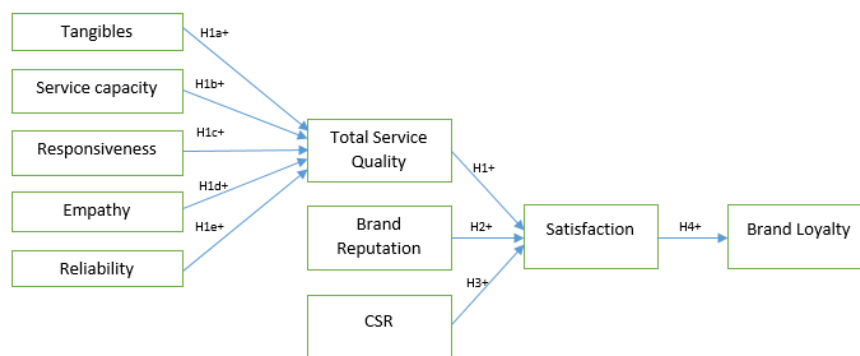


Figure 1: Proposed Theoretical framework

Hypothetical group affects the Total service quality

Parasuraman (1985) introduced a SERVQUAL scale model with a scale of 22 quality measurement with five components including: Reliability demonstrated through the ability to perform the service in accordance with the desired needs of the customer; Responsiveness: expressed through the desire and readiness of service staffs, providing timely and ensuring quality to customers; Service capacity (assurance): expressed through professional qualifications, service manner and service attitude towards customers; Empathy: showed understanding of needs as well as care and concern for each customer; Tangibles: expressed through the appearance, clothing of employees and infrastructure to serve customers.

The hypotheses based on the five elements of the SERVQUAL scale are:

- Hypothesis 01 (H1a): Tangibles and Total service quality have a positive relationship;
- Hypothesis 02 (H1b): Service capacity and Total service quality have a positive relationship;
- Hypothesis 03 (H1c): Responsiveness and Total service quality have a positive relationship;
- Hypothesis 04 (H1d): Empathy and Total service quality have a positive relationship;
- Hypothesis 05 (H1e): Reliability and Total service quality have a positive relationship;

Hypothetical group impact on customer's satisfaction and loyalty

Total service quality is a comparison between the quality of products and services after use and their expectations before use and indicates satisfaction/dissatisfaction with the purchased products and services (Swan and Comb, 1976). According to Parasuraman (1985), there are some differences between service quality and customer satisfaction, the main difference is the "cause and effect" issue. Customer satisfaction is affected by many factors such as Service quality, situational factors, price/cost and personal factors.

This study evaluates the impact of total service quality on the satisfaction of individual customers who deposit savings according to the following hypothesis: Hypothesis 06 (H1): Total service quality and customer satisfaction have a positive relationship.

Brand reputation has been viewed from many different angles, such as Applied Economics or Strategic Management. From a marketing perspective, the concept of reputation is often associated with the idea of brand value (Aaker, 1996) or a company's reputation for its customers (Herbig et al., 1994).

The interactions about the brand reputation of the business and the customer will be a source of information for customers to appreciate the quality of that business's products and services compared to available alternatives (Yoon et al., 1993). This means, brand reputation can affect the perception and satisfaction of customers about a business's products or services compared to competing businesses and so it can affect the purchase behavior of customers. Thus, brand reputation affects customer satisfaction and can influence both behavioral loyalty and attitudinal loyalty of customers.

Thus, brand reputation is one of the factors affecting the satisfaction of individual customers depositing savings at commercial banks. Hypothesis 07 (H2): Brand reputation and customer satisfaction have a positive relationship.

CSR has received the attention and research of many scholars around the world. The studies of Carroll (1999), Matten and Crane (2005) have emphasized that corporate CSR includes four main achievements: economy, legacy, ethic and charity. Studies on CSR issues related to the financial - banking industry in including Kuasirikun and Sherer (2004). Kraisornsuthasinee and Swierczek (2006) indicate that customers' perception of CSR commitment of banks in Thailand is still relatively low. In Vietnam, there are also a number of studies on CSR, the research of Nguyen (2016) in the field of retail banking also shows that CSR has a significant influence and favorably on customer loyalty. Positive

CSR can influence customers' attitudes towards a business and its products and services, reflecting the company's core competencies (Bhattacharya and Sen, 2003; Folks and Kamins, 1999).

CSR of commercial banks is one of the factors affecting the satisfaction of individual customers who deposit savings, the hypothesis is: Hypothesis 08 (H3): CSR and customer satisfaction have a positive relationship.

Satisfaction is the post-purchase evaluation of a service, following a consumption experience; customer satisfaction possesses both cognitive and affective factors (Bitner, 1990; Oliver, 1999). Rosby and Stevens (1987) identified three dimensions of satisfaction in a service industry: satisfaction with employees, satisfaction with core services, and satisfaction with the organization.

Customer loyalty is considered as a function of satisfaction and loyal customers contributing to the company's profits by spending more on the company's products and services, through repeat purchases, and by referring the organization

Customer loyalty is considered as a function of satisfaction and loyal customers contributing to the company's profits by spending more on the company's products and services through repeat purchases, and by referring the organization to other consumers (Fecikova, 2004). Therefore, satisfaction is a necessary prerequisite for building long-term relationships with customers and can increase loyalty. Hoq and Amin (2010) argue that satisfaction is one of the most important factors that increase customer loyalty. Therefore, customer satisfaction is chosen as one of the main factors determining loyalty in this study, the hypothesis is: Hypothesis 09 (H4): Customer satisfaction and brand loyalty have a positive relationship.

III.METHODOLOGY

Data collection methods

Research data is collected by quantitative research method through direct interviews with individual customers having savings deposits in Hanoi using a questionnaire in 2020 with a

sample size of 620 elements. The interview method is random at the bank's transaction locations.

This sample size was determined according to Hair et al., (1998); whereby the minimum observation size is 5 observations for an estimated parameter. Thus, with 48 observed variables, the minimum sample size is 240 elements. To improve the representativeness of the sample, the research team selected a sample size of 620 elements from 310 banking transaction points in Hanoi.

The area of Hanoi has a great representation for the commercial banks system in Vietnam. According to statistics of the State Bank of Hanoi, in Hanoi by the end of 2019, there were 2,090 transaction points of 428 credit institutions in operation. Since there is no sampling frame for the list of individual customers who deposit savings in Hanoi, the research team used a sampling frame of 2,090 banking transaction points and randomly selected 310 transaction points. At each transaction point, after interviewing the screening questions to select the right research object, the interviewer conducts a direct personal interview with 02 customers using a questionnaire.

Measurement and methodology

The final questionnaire includes 61 items divided into two parts. The first part of the questionnaire includes all factors having an impact on the brand loyalty of individual customers, while the second part is about customers' demographic information. In order to avoid questionnaire fatigue and comprehensive errors, all experience statements in part 1 are positively worded. All of the measures in the study employed a 5-point Likert scale. Valid data is analyzed through the following steps: (i) Descriptive statistics, (ii) Reliability and validity test, (iii) Exploratory factor analysis, (iv) Confirmatory factor analysis (CFA) and SEM (Structural Equation Modeling) linear analysis.

IV. RESEARCH RESULTS

Descriptive analysis

- Gender: 232 men (39%) and 370 women (61%).
- Age: Age group of 35 to 45 (34%) accounting for the largest proportion, followed by the age group of 22 to 35 (29%).
- Qualifications: Group with graduate and postgraduate qualifications accounting for the largest proportion (52%).
- Average income. Income group of 5 to < 9 million VND accounting for the largest proportion (34%), income group of over 25 million VND accounting for the smallest proportion (6%).
- Time of starting transaction with bank. Group of customers having deposited savings for 1-3 years accounting for the largest proportion (42%), group of customers having deposited savings for 5 years or more accounting for the smallest proportion (18%).
- Number of banks where they deposit savings: Number of customers depositing savings at 1 bank accounting for the majority 68%, at 2 banks 23% and at 3 banks or more 8%.
- Term of savings deposit, term of 4-6 months accounting for the largest proportion (33%), term of below 1 month accounting for the smallest proportion (6%).
- Use of additional bank services, 47% of respondents are not using other bank

services apart from account services and savings deposit, 53% of respondents are using additional bank services.

Factors affecting total service quality (Hypothesis H1a to H1e)

This study uses exploratory factor analysis (EFA) technique to extract the principal factors from which multiple linear regression analyzes to test the relationship of independent and dependent variables. Data used for exploratory factor analysis by principal component extraction, varimax rotation, with $KMO = 0.910 > 0.5$ and $sig. = 0.000 < 0.05$, total variance explained is $64.194\% > 50\%$, so we can confirm the data to perform factor analysis, it can be confirmed that there are 5 factors in the model, thus qualified to build the model and perform multiple linear regression.

The test model given is: to test the relationship between tangible means, responsiveness, empathy, reliability and service capacity with total service quality with the following hypothesis:

Ho:

Tangibles/responsiveness/empathy/reliability/service capacity does not affect total service quality;

H1:

Tangibles/responsiveness/empathy/reliability/service capacity has a positive effect on total service quality.

If P-Value < 0.05, reject Ho and accept H1; conversely, if P-value > 0.05, then accept Ho and reject H1, test results are as follows:

Table 1 Regression result for testing H1A, H1B, H1C, H1D, H1E

Model	Unnormalized coefficients		Normalized coefficients	t	Significance	Multicollinearity	
	B	Standard error	Beta			Acceptance	VIF
Constant	6.256	.054		116.7	.000*		
Reliability factor	.125	.054	.083	2.329	.020	1.000	1.000
Tangibles factor	.392	.054	.261	7.311	.000*	1.000	1.000
Responsiveness factor	.239	.054	.159	4.454	.000*	1.000	1.000
Service capacity factor	.410	.054	.273	7.650	.000*	1.000	1.000
Empathy factor	.395	.054	.263	7.370	.000*	1.000	1.000
R2	0.493						

0.000*: significance level < 1/1000

Table 1 shows that all aspects of tangibles, responsiveness, empathy, reliability and service capacity have an impact on the total service quality. In which, the aspect of service capacity has the strongest impact (Beta = 0.273), followed by empathy (Beta = 0.263), tangible means (Beta = 0.261), responsiveness (Beta = 0.159), and the weakest effect is the reliability aspect (B=0.083). This result allows accepting H1, rejecting Ho, or showing that hypotheses H1a, H1b, H1c, H1d, H1e are accepted.

General research model Testing

To test the reliability of the research model, the author first considers Cronbach's Alpha coefficient for official research data. The results show that the coefficients of Cronbach's Alpha of the research variables are all > 0.8, so the scale is good, ensuring consistency (Nunnally and Burnstein, 1994). Below is a summary of the reliability and total variance of the scales after conducting formal research:

Table 2 Summary of the reliability and total variance of scales

No	Scale	Number of observed variables	Cronbach's Alpha	Total variance extracted	Conclusion
1.	Loyalty (LOT)	10	0.902	69.651%	Scales are reliable
2.	Tangibles	5	0.833	60.216%	
3.	Service Capacity	3	0.772	69.027%	
4.	Responsiveness	4	0.782	61.227%	
5.	Empathy	4	0.816	64.957%	
6.	Reliability	4	0.882	73.917%	
7.	Total Service Quality (TSQ)	3	0.915	85.651%	
8.	Satisfaction (SAT)	5	0.809	57.351%	
9.	Brand Reputation (BR)	6	0.885	63.624%	
10.	CSR	8	0.884	56.143%	

The combined results in Table 2 show that Cronbach's alpha coefficients of the research variables are all > 0.7. Excluding service capacity and responsiveness. Cronbach's alpha coefficients of the remaining variables are all > 0.8. The total variance extracted of the research

variables is > 50%, so the scales are reliable. This result is synthesized from the execution of the command to run Reliability Analysis to measure the reliability coefficient of Cronbach Alpha and the command to run the factor analysis to measure the extracted variance.

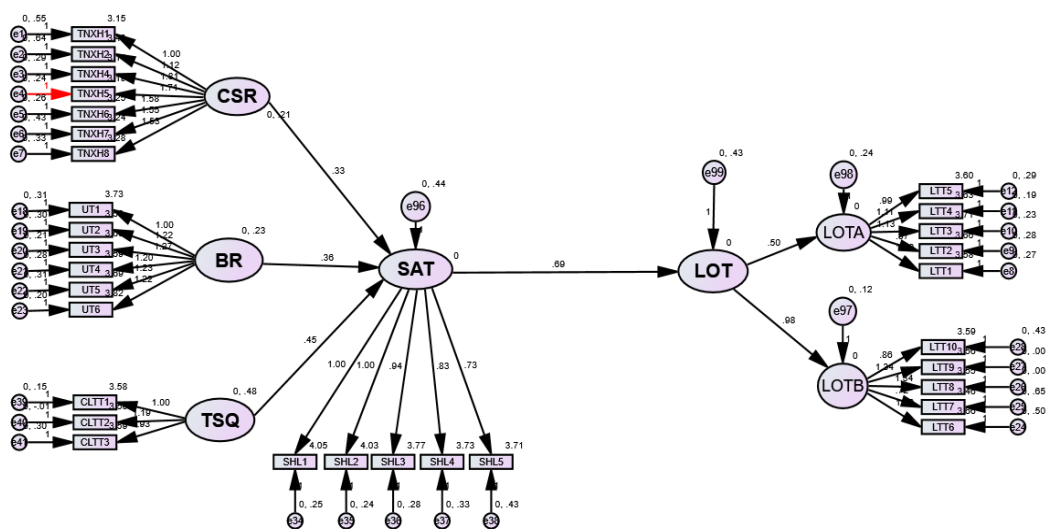


Figure 2 SEM result of the research model

To assess the overall fit of the model, the following criteria were used: Chi - square (Chi squared - CMIN); Chi – Square adjusted to degrees of freedom (CMIN/df); Goodness of Fit Index (GFI); TLI (Tucker & Lewis Index); Comparative Fit Index (CFI); RMSEA (Root Mean Square Error Approximation) index. The model is considered suitable when the Chi-Square test has a $P > 0.05$ value. However, Chi - Square has the disadvantage that it depends on the sample size. The larger the sample size, the larger the Chi-Square, thereby reducing the fit of the model. Therefore, besides P – Value, the criteria used are CMIN/df, in some practical studies people distinguish two cases: CMIN/df < 5 (With sample $N > 200$); or < 3 (When sample size $N < 200$), the model is considered

appropriate (Ketinger and Lee, 1995). In this study, because the research sample $N = 602 > 200$, it will use the criteria of Ketinger and Lee (1995) that accept CMIN/df < 5 ; GFI, TLI, CFI > 0.9 (Bentler and Bonett, 1990); RMSEA < 0.08 , case RMSEA < 0.5 is considered very good.

Results of testing the suitability of the research model by SEM analysis with the following results: Chi-Square/df = 2.982; GFI = 0.902; CFI = 0.916. TLI = 0.908, RMSEA=0.068. The results show that the model, if it is not affected by the moderator variable, is completely consistent with the data of the market, SEM analysis of the linear structural model obtained the test results in Table 3.

Table 3 Structure modeling coefficients

			Estimates	S.E	C.R	P
SAT	<---	CSR	0.330	0.028	9.168	***
SAT	<---	BR	0.361	0.088	5.168	***
SAT	<---	TSQ	0.453	0.116	4.487	***
LOT	<---	SAT	0.694	0.788	10.135	***
LOTA	<---	LOT	0.498	0.050	10.420	***
LOTB	<---	LOT	0.980	0.537	8.384	***

*P: significance level; *** = $p < 0.001$*

All effects in the research theoretical model without the influence of the moderator variable have the P-value < 0.05 significance level. Analyzing the impact on the satisfaction of three factors, namely corporate social responsibility (CSR), brand reputation (BR) and Total Service Quality (TSQ), the strongest impact belongs to Total Service Quality (B=0.45), followed by brand reputation brand (B=0.361) and finally CSR (B=0.330). Satisfaction has a positive effect on loyalty with a strong level (B=0.694).

Hypothesis affects customer satisfaction (Hypothesis H1. H2. H3)

The standard of testing P-value < 0.05 , the weights on the impact have statistical significance. The estimated results in Table 3 show that *** or $P < 0.001$ and the weights have a positive sign, which proves that the variables

of CSR, total service quality and brand reputation have positive impacts on the satisfaction of individual customers depositing savings.

The model test results according to Table 3 above, we have the following conclusions: Total service quality has a positive impact on the satisfaction of savings customers (0.453). Brand reputation has a positive impact on customer satisfaction with savings (0.361). CSR has a positive impact on customer satisfaction with savings accounts (0.330). Thus, all hypotheses from H2, H3, H4 are accepted.

In summary, total service quality, brand reputation and CSR all have a positive impact on customer satisfaction with savings. In which, total service quality is considered to be the most influential factor for satisfaction, followed by brand reputation. At the same time, the impact of CSR on customer satisfaction also shows its

complexity, because CSR includes many intrinsic factors: with shareholders, customers, social environment and staff. The proof for this is by the weak impact (0.330) on customer satisfaction, which is consistent with the research review.

The impact of customer satisfaction on customer loyalty (Hypothesis H4). The estimated results in Table 3 show that *** or $P < 0.001$ and the weights have a positive sign, which proves that customer satisfaction has an influence on customer loyalty to the brand. Customer satisfaction has a positive impact on the loyalty of customers who deposit savings (0.694). The influence of satisfaction on loyalty is stronger than the influence of the variables of CSR, brand reputation, and total service quality on satisfaction. In summary, customer satisfaction has a positive impact on the loyalty of customers who deposit savings and is considered to be a factor that has a strong impact.

V. DISCUSSION, IMPLICATIONS AND RECOMENDATIONS

Discussion

Firstly, in order to improve the total service quality, commercial banks need to pay attention to improving all factors: tangible means, service capacity, responsiveness, empathy and reliability. In which, service capacity is the most important factor to be able to enhance and improve service quality. According to the built-in scale, service capacity is expressed through bank employees, including employees' knowledge and understanding of products and services, staff's friendly and polite attitude, their understanding capture and meet the customer needs of a bank.

Second: In order to improve the satisfaction of individual customers who deposit savings, commercial banks need to pay attention to implementing and improving the factors of total service quality, brand reputation and CSR. In which, total service quality should be appreciated and improved first by commercial banks because this is the factor that has the strongest impact on satisfaction. For individual

customers depositing savings, if the price factor is the deposit interest rate due to the regulations of the State Bank, service quality is considered as the most important factor to make individual customers satisfied with the bank.

Third: Brand reputation has a positive impact on customer satisfaction individual customers depositing savings. Besides, the brand reputation is also reflected through the transaction experience of customers and relatives, in other words, if customers experience good service when depositing savings, the brand reputation of commercial banks will improve not only for customers but also for their relatives. Reputation is also enhanced in the community through marketing communication activities.

Fourth: The CSR activities of commercial banks contribute to improving the satisfaction of individual customers who deposit savings. This is consistent with the reality if commercial banks participate in many community activities: social charity, disaster assistance, education and crime prevention; it will help the bank receive positive sentiments from customers which make them more satisfied. Commercial banks carry out customer-oriented activities such as: transparency of information, cutting procedures, self-adjusting to suit customers, which will help customers easily be satisfied with the deposit service provided by the bank.

Fifth: The loyalty of individual customers who deposit savings is strongly influenced by satisfaction. Accordingly, to improve customer satisfaction, it is necessary to carry out activities to improve total service quality, brand reputation and CSR as analyzed above. The results also show that individual customers depositing savings will be satisfied when they are satisfied with factors such as savings deposit service products, savings deposit transaction channels (at the counter, over the phone, over the internet or ATM).

Implications

According to the major findings of the study, the determinants contributing to increase brand loyalty of deposit individual customers for commercial banks and Vietnamese State bank.

Commercial banks need to satisfy their customers' needs by enhancing overall service quality and social responsibility activities. Some activities that need to be done are drawn from the following results: Professional training and skills for tellers; simplify the system of forms and templates for depositors; investing in core banking and technology infrastructure to bring convenience and security to customers; implementing social responsibility to the community and locality where the bank transactions are located.

Besides, it is necessary for commercial banks to conduct loyalty programs and promotions to increase individual customers' benefits. In addition, the bank needs to focus on building long-term relationships with customers through internal communication activities that show cohesion, love, and pride for the bank such as team building, knowledge reward employees, reward employees for good performance. Building a data system of savings customers (KYC - know customers) to understand customer information, help bank staff to take care of customers on special occasions.

For the Vietnamese State Bank, it is vital to maintain policies related to the mobilization of personal savings of commercial banks to avoid the rapid increase of deposit interest rates as in the past. However, policies on the ceiling deposit interest rate should also be flexibly regulated to ensure the attractiveness of savings deposits compared to alternative investment products.

The State Bank needs to streamline the process, procedures, and review time for promotion programs. loyalty programs for deposit savings products of commercial banks. This creates advantage conditions for commercial banks to implement these programs in order to timely maintain the brand loyalty of individual customers to deposit savings.

Recommendation for further study

This research is conducted for individual savings depositors. However, according to modern and practical points of view, at commercial banks, households and micro-enterprises (having less than 10 people) are also

classified as individual customers due to many similarities in the decision-making process; therefore, this may be an extensive research direction for the topic.

Individual customers, in addition to using savings, also use many other products such as loan, money transfer, bank insurance, guarantee, internet banking, etc.; therefore, it is possible to study their loyalty to the bank. In particular, studying users of online savings deposit, to compare against the loyalty of depositors over the counter is also an interesting research direction, especially in the current context where internet banking services are developing and becoming so popular.

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Appendices

1. Questionnaire

Part 1: Customer opinions about bank X

Bank X that appears in the comments below is the bank with which you make the longest time savings.

Please give your opinion in the comments below with levels ranging from Strongly Disagree to Strongly Agree.

1. Please give your opinion about Bank X and Savings Deposit Products of Bank X

Brand loyalty (H0)		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Choosing to save money at bank X is the right decision	LOT1					
I like the money savings deposit products that bank X offers	LOT2					
Most of the people who are important to me use savings deposit products of bank X	LOT3					
My family members all like to savings deposit products of bank X	LOT4					
My friends think I should choose to save money at bank X	LOT5					
I will recommend bank X to others	LOT6					
I will continue to use savings deposit products of bank X in the future	LOT7					

I prefer transact with X bank more than other banks	LOT8					
I plan to use other products and services of bank X	LOT9					
Bank X is my first choice when I save money	LOT10					

2. What is your opinion on the Service Quality of Bank X?

Service Quality (H1a, H1b, H1c, H1d, H1e, H1)		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Bank X has facilities that attract my attention	TAN1					
The system of forms and documents of Bank X is neatly arranged and easy to understand	TAN2					
Bank X employees have professional appearance and manners	TAN3					
Automated devices (number machines, interest tables, etc.) and product information posters are updated and enough information	TAN4					
Bank X keeps the exterior image and interior clean and beautiful	TAN5					
The employee of bank X conduct customer transactions on time	REL1					
Bank X employees are active in solving customer problems	REL2					
Staffs of bank X always provide the correct service from the first transaction	REL3					
Commitments with customers are fully fulfilled by bank X	REL4					
Tellers of bank X told me the exact transaction time	RES1					
Tellers of bank X provides service quickly	RES2					

Staffs of bank X is always ready to help me	RES3					
Staffs of bank X is never too busy to respond to my requests	RES4					
Customers feel confident when making deposit transactions with bank X	SEC1					
Banker X always perseveres with customers	SEC2					
Staffs of bank X are knowledgeable enough to answer customer questions	SEC3					
Bank X cares about each customer	EMP1					
Bank X advises and provides the most profitable savings deposit products for customers	EMP2					
Employees of bank X understand the special needs of customers	EMP3					
Bank X has a suitable transaction time and location with customers	EMP4					
Overall. Bank X has excellent quality of savings deposit products	TSQ1					
Overall. the savings deposit products provided by Bank X are of high quality	TSQ2					
Bank X provides savings deposit products with good policies. facilities and people. and stable quality on a daily basis.	TSQ3					

3. What is your opinion on your satisfaction with Bank X?

Satisfaction (H4)		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Bank X always tries to anticipate and identify customer needs to satisfy customers	SAT1					

Savings deposit products of bank X bring a competitive advantage due to its long experience	SAT2					
Bank X regularly improves service quality	SAT3					
Bank X provides savings deposit products through many channels to bring convenience to customers (At the counter, ATM, internet, mobile phone)	SAT4					
Bank X provides high-quality services with competitive interest rates	SAT5					

4. What is your opinion on the brand reputation of bank X?

Brand Reputation (H2)		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
The reputation of bank X is based on my actual service usage	BR1					
The reputation of bank X is based on my comparison of its financial situation with other banks	BR2					
For me, bank X has a famous and good reputation in the bank industry	BR3					
Opinion of people who influence me, bank X has a good reputation	BR4					
I save money at bank X because it has a better reputation than the competition	BR5					
The reputation of bank X makes me feel safe about my deposit	BR6					

5. What is your opinion on the social responsibility of bank X?

Corporate social responsibility – CSR (H3)		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Bank X maximizes customer benefits	CSR1					
Bank X is transparent and honest in the information provided to customers	CSR2					

Bank X conducts customer satisfaction assessment and measurement	CSR3					
Bank X simplifies banking procedures for saving money to better serve customers	CSR4					
Bank X actively contributes to social charity activities	CSR5					
Bank X has made a positive contribution to education activities	CSR6					
Bank X has made positive contributions to against society vices	CSR7					
Bank X has actively contributed to disaster relief activities	CSR8					

Part 2: Demographic questions

<p>1. What is your gender?</p> <ul style="list-style-type: none"> • Female • Male • Prefer not to say 	<p>2. What is your age group?</p> <ul style="list-style-type: none"> • Under 22 • 22 - 35 • 36 - 45 • 46 – 60 • Over 60
<p>3. What is your education level?</p> <ul style="list-style-type: none"> • Bachelor • Master • Doctor • Other 	<p>4. What is your average monthly income?</p> <ul style="list-style-type: none"> • Under 5 mil VND • 5 mil to under 9 mil VND • 9 mil to under 15 mil VND • 15 mil to under 25 mil VND • Over 25 mil VND
<p>5. What is your marital status?</p> <ul style="list-style-type: none"> • Single • Married • Divorced 	<p>6. How long have you deposited your savings at commercial banks?</p> <ul style="list-style-type: none"> • Under 1 year • 1 year to under 3 years • 3 years to under 5 years • Over 5 years
<p>7. How many commercial banks have you deposited in savings in the last 24 months?</p> <ul style="list-style-type: none"> • 1 bank • 2 banks • 3 banks • More than 3 banks 	<p>8. Which savings term do you use?</p> <ul style="list-style-type: none"> • Demand deposit • Under 1- month deposit • 1 month – 3 months deposit • 4 months – 6 months deposit • 7 months – 12 months deposit • Over 12 months deposit
<p>9. How do you deposit your savings?</p> <ul style="list-style-type: none"> • At a banking transaction place • Online savings 	<p>10. Besides savings deposit products, do you use any other services of the bank?</p> <ul style="list-style-type: none"> • Yes • No

6. The result of reliability test

	Mean	Corrected Items – Total correlation	Cronbach’s Alpha
Brand loyalty (LOT)	3.6	0.902	
LOT1	3.58	0.720	0.909
LOT2	3.66	0.627	0.914
LOT3	3.77	0.744	0.907
LOT4	3.65	0.738	0.908
LOT5	3.60	0.735	0.908
LOT6	3.67	0.571	0.917
LOT7	3.42	0.647	0.913
LOT8	3.55	0.705	0.910
LOT9	3.58	0.705	0.910
LOT10	3.59	0.789	0.904
Tangibles	3.74	0.833	
TAN1	3.77	0.709	0.821
TAN2	3.80	0.753	0.809
TAN3	3.81	0.698	0.824
TAN4	3.72	0.645	0.838
TAN5	3.60	0.579	0.854
Service Capacity	3.78	0.772	
SEC1	3.81	0.589	0.750
SEC2	3.93	0.643	0.688
SEC3	3.61	0.613	0.733
Responsiveness	3.63	0.782	
RES1	3.77	0.576	0.750
RES2	3.77	0.663	0.706
RES3	3.61	0.639	0.718
RES4	3.35	0.547	0.778
Empathy	3.6	0.816	
EMP1	3.46	0.542	0.801
EMP2	3.61	0.589	0.721
EMP3	3.57	0.631	0.748
EMP4	3.76	0.633	0.748
Reliability	3.81	0.882	
REL1	3.68	0.748	0.862
REL2	3.78	0.734	0.867
REL3	3.81	0.781	0.849
REL4	3.97	0.766	0.855
Total Service Quality (TSQ)	3.58	0.915	
TSQ1	3.56	0.751	0.892
TSQ2	3.58	0.781	0.881
TSQ3	3.59	0.763	0.882
Satisfaction (SAT)	3.64	0.809	
SAT1	3.79	0.621	0.782
SAT2	3.57	0.651	0.773
SAT3	3.63	0.691	0.759
SAT4	3.55	0.589	0.791
SAT5	3.67	0.512	0.813
Brand Reputation (BR)	3.68	0.885	
BR1	3.73	0.679	0.871
BR2	3.59	0.713	0.866
BR3	3.66	0.744	0.861
BR4	3.59	0.669	0.873

	Mean	Corrected Items – Total correlation	Cronbach's Alpha
BR5	3.69	0.683	0.871
BR6	3.82	0.727	0.864
CSR	3.26	0.884	
CSR1	3.15	0.506	0.863
CSR2	3.43	0.465	0.866
CSR3	3.25	0.363	0.858
CSR4	3.15	0.787	0.832
CSR5	3.23	0.789	0.832
CSR6	3.28	0.731	0.840
CSR7	3.27	0.723	0.840
CSR8	3.31	0.613	0.853