

# Factors Influencing Customer Satisfaction with Credit Card Service: A Case at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Thuan Branch

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## ABSTRACT

The study's goal is to identify factors affecting customer satisfaction with the credit card service quality of the Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Thuan Branch (VCB Binh Thuan). Research data were collected from 250 customers using VCB Binh Thuan's credit card services using convenient sampling. The authors applied the exploratory factor analysis and multivariate linear regression to analyze the data. The impacting factors to customer satisfaction are customer trust, responsiveness, assurance, sympathy, and tangibility. In particular, trust puts the most influence on customer satisfaction with the credit card service quality of VCB Binh Thuan.

**Keywords:** satisfaction, customer, credit card service, VCB Binh Thuan

## 1. PROBLEM STATEMENT

As society grows and the quality of life improves, consumer demands for products/services they use are higher. They require high quality, convenience, and speed when using products, especially financial services. During the industrial revolution 4.0, the technological competition among commercial banks is more and more intense. Therefore, commercial banks have been implementing strategies and providing the best services to improve customer satisfaction. In recent years, VCB Binh Thuan has continuously upgraded credit services, especially credit card services.

VCB Binh Thuan always considers customer relationship management and customer care to be essential issues, maintaining them throughout the business process. Moreover, to meet the increasing customer demands, VCB Binh Thuan has offered many solutions to develop the payment via card acceptance devices. They can be mentioned as Issuing domestic chip card base standards and the roadmap for converting magnetic cards into chip cards in order to increase the safety level for card payment; Accelerating card payment through card acceptance devices at point-of-sale (POS) systems; Promoting modern technologies and smart payment methods in card payment. Therefore, VCB Binh Thuan improved satisfaction and attracted customers to use credit cards of the bank. From the above arguments, this study was carried to determine factors affecting customer satisfaction with credit card services of VCB Binh Thuan.

## 2. LITERATURE REVIEW AND RESEARCH HYPOTHESES

Referring to satisfaction, Bachelet (1995) argues that customer satisfaction is customers' emotional response to their experiences with a product or a service. Customer satisfaction is the expectation before and after purchasing a product or a service (Oliver, 1997). According to Zeithaml and Bitner (2000), customer satisfaction is the evaluation of a product or a

service that has met their needs and expectations. Kotler and Keller (2006) defined customer satisfaction as the level of a person's sensory state derived from comparing the results obtained from the consumption of a product or a service with their expectations. The satisfaction level depends on the difference between the result received and expected. If the received result is lower than expected, the customer is not satisfied. Meanwhile, if the actual result meets the expectation, the customer is satisfied. Furthermore, if the actual result is higher than expected, the customer is well satisfied. Zeithalm and Bitner (2000) said that customer satisfaction is affected by many factors such as product quality, service quality, price, situation, and personal factors. In the service aspect, service quality is a significant factor that strongly impacts customer satisfaction.

Based on the literature review, the study applied the group discussion method (qualitative research) to determine suitable scales and research hypotheses. Therefore, five research hypotheses are suggested. H1: Customer trust positively affects customer satisfaction with the credit card service quality of VCB Binh Thuan. H2: Responsiveness positively impacts customer satisfaction with the credit card service quality of VCB Binh Thuan. H3: The assurance has a positive influence on customer satisfaction with the credit card service quality of VCB Binh Thuan. H4: Sympathy has a positive relationship with customer satisfaction towards the credit card service quality of VCB Binh Thuan. H5: Tangibility positively impacts customer satisfaction with the credit card service quality of VCB Binh Thuan. Hence, the research model is set up as follow:

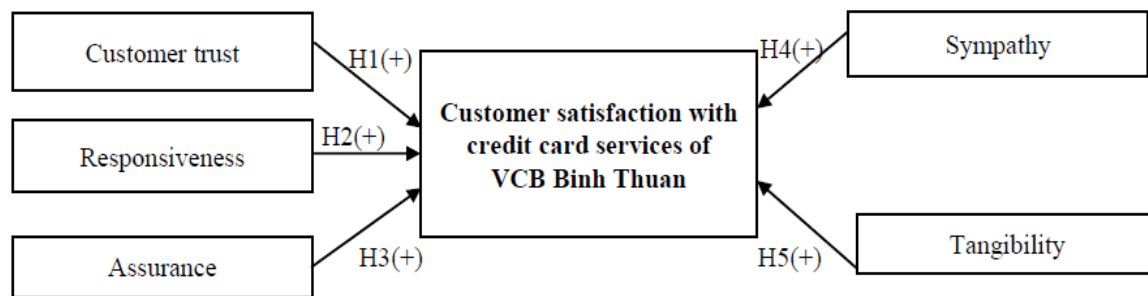


Figure 1: Proposed research model

Table 1: Interpretation of observed variables in the research model

Factor	Observed variables	Sign	Scale
Customer trust	VCB issues credit cards on time as committed to customers.	CT1	Likert 1-5
	Transactions (withdrawal, payment, etc.) have high accuracy.	CT2	Likert 1-5
	Debit balance notifications are accurate and confidential.	CT3	Likert 1-5
	VCB is a trusted brand.	CT4	Likert 1-5
	VCB sends statements regularly and timely.	CT5	Likert 1-5
	VCB actively resolves customers' problems.	CT6	Likert 1-5
	VCB does not let mistakes happen.	CT7	Likert 1-5
Responsiveness	VCB credit cards can be processed by most other banks' POS machines quickly, conveniently, accurately, and safely.	RES1	Likert 1-5
	Procedures for making credit cards at VCB are quick, simple, and convenient.	RES2	Likert 1-5
	Easy payment for goods and services by VCB credit cards.	RES3	Likert 1-5
	VCB credit card facilities are diverse (withdrawal, payment, etc.)	RES4	Likert 1-5
	Transaction execution time is short and convenient.	RES5	Likert 1-5
	The ATM system always works well.	RES6	Likert 1-5
	VCB always innovates credit card services to meet customer demands.	RES7	Likert 1-5
	Easily contact the hotline for customers' queries.	RES8	Likert 1-5
Assurance	Customers feel safe using VCB credit cards.	ASS1	Likert 1-5
	VCB staff is professional.	ASS2	Likert 1-5
	VCB staff answers questions and handle complaints satisfactorily.	ASS3	Likert 1-5
	VCB staff performs quickly and accurately.	ASS4	Likert 1-5
	VCB staff shows thoughtful and attentive guidance.	ASS5	Likert 1-5
	Preferential programs for customers.	ASS6	Likert 1-5

**Table 1: Continued**

<b>Sympathy</b>	VCB staff cares and understands customer needs.	SYM1	Likert 1-5
	VCB attaches great importance to customer benefits.	SYM2	Likert 1-5
	Fees applied to VCB credit cards are appropriate.	SYM3	Likert 1-5
	VCB credit card limit is suitable for customer needs.	SYM4	Likert 1-5
	The interest rate applied to VCB credit card is reasonable.	SYM5	Likert 1-5
<b>Tangibility</b>	VCB has a good and modern POS, ATM system.	TAN1	Likert 1-5
	A wide network of ATMs and POS machines.	TAN2	Likert 1-5
	ATMs and POS machines' locations are convenient.	TAN3	Likert 1-5
	VCB staff is well-dressed, polite, and professional.	TAN4	Likert 1-5
	VCB credit card model is attractive.	TAN5	Likert 1-5
<b>Customer satisfaction</b>	Overall, I am satisfied with the credit card service quality of VCB Binh Thuan.	CS1	Likert 1-5
	Regulations and procedures at the credit card department are public and open.	CS2	Likert 1-5
	I will continue to use VCB Binh Thuan's credit cards in the future.	CS3	Likert 1-5
	I will recommend my relatives and friends use the credit card services of VCB Binh Thuan.	CS4	Likert 1-5

*Source: The authors' proposal, 2020*

### 3. RESEARCH METHODOLOGY

#### 3.1. Analytical method

The quantification of factors affecting customer satisfaction with the credit card service quality of VCB Binh Thuan is conducted in 3 steps. Step 1: Using Cronbach's alpha to test the correlation among observed variables. Step 2: Using exploratory factor analysis (EFA) to test the convergent and discriminant validity of variables. Step 3: Using multivariate linear regression to test research hypotheses.

#### 3.2. Data collection method

The study uses convenient sampling to investigate 250 customers using the credit card services of VCB Binh Thuan. Hair et al. (1998) suggested that the EFA requires the observations/measurement variable ratio is 5:1, meaning that one measurement variable needs five observations in minimum. According to Tabachnick and Fidell (2007), the suitable sample size for

regression analysis is defined as  $N \geq 50 + 5 * m$ , where m is the number of independent variables. Hence, the sample size of the study reaching 250 observations meets the reliability requirement for testing research hypotheses.

### 4. RESEARCH RESULTS AND DISCUSSIONS

#### 4.1. Reliability test of scales

Cronbach's alpha is used to remove "garbage" variables and variables with item-total correlation values less than 0.3 (Nunnally, 1978; Peterson, 1994; Slater, 1995). The scale is selected when the Cronbach's alpha coefficient is greater than 0.6 (Nunnally & Bernstein, 1994). The analytical result in table 2 proves that the scales have high reliability (the minimum is 0.808) and the item-total correlation of each observed variable is satisfactory (the lowest is 0.565). Therefore, all variables are used in the next exploratory factor analysis (EFA).

**Table 2: Scale reliability test result**

Factor	Number of observed variables	Min item-total correlation	Cronbach's alpha
Customer trust	6	0.655	0.898
Responsiveness	7	0.667	0.920
Assurance	6	0.663	0.895
Sympathy	4	0.631	0.841
Tangibility	4	0.565	0.808
Customer satisfaction	4	0.650	0.850

*Source: Survey data, 2020*

#### 4.2. Exploratory factor analysis (EFA)

Based on the EFA result for independent variables, the criteria are guaranteed. The significance level of the model (Sig.) is less than 0.05, KMO = 0.824

(from 0 to 1), factor loading values of variables are all greater than 0.5. Total variance explained is 70.031% > 50%. These numbers show that the research data is consistent. Therefore, the result creates five

factors, namely CT, RES, ASS, SYM, TAN. The observed variables and factors are the same as in the proposed model, so there is no change in factor names. Therefore, five factors include customer trust, responsiveness, assurance, sympathy, and tangibility. Similarly, the EFA for the dependent variable gives a satisfactory result.

The Sig. value is less than 0.05; KMO = 0.812 (from 0 to 1), observed variables' factor loading values are higher than 0.5; total variance extracted is 69,194% > 50%. The research data is reasonable. As a result, the "customer satisfaction" factor forms. All factors are displayed in the table below.

**Table 3: Factors received from EFA**

Sign	Observed variables	Factors
CT	6 variables: CT1, CT2, CT3, CT4, CT5, CT6	Customer trust
RES	7 variables: RES1, RES2, RES3, RES4, RES5, RES6, RES7	Responsiveness
ASS	6 variables: ASS1, ASS2, ASS3, ASS4, ASS5, ASS6	Assurance
SYM	4 variables: SYM1, SYM2, SYM3, SYM4	Sympathy
TAN	4 variables: TAN1, TAN2, TAN3, TAN4	Tangibility
CS	4 variables: CS1, CS2, CS3, CS4	Customer satisfaction

Source: Survey data, 2020

### 4.3. Multivariate linear regression

After EFA, multivariate linear regression is used to determine factors

influencing customer satisfaction on credit card service quality at VCB Binh Thuan. The result is shown in table 4.

**Table 4: Multivariate linear regression result**

Factor	Standardized coefficient	Sig.	Variance inflation factor (VIF)	Hypothesis
Customer trust	0.290	0.000	1.161	H1: accepted
Responsiveness	0.219	0.000	1.206	H2: accepted
Assurance	0.230	0.000	1.094	H3: accepted
Sympathy	0.214	0.000	1.236	H4: accepted
Tangibility	0.161	0.001	1.146	H5: accepted
Adjusted R <sup>2</sup>				0.480
Durbin-Watson stat				1.962
Sig.F				0.000

Source: Survey data, 2020

In Table 4, the adjusted R<sup>2</sup> of the model achieves 48% meaning that customer satisfaction with the credit card service quality is explained well by the factors in the model. The Sig.F value is much smaller than the significance level  $\alpha = 5\%$ , so the regression model is significant. Durbin-Watson = 1.962 and VIF < 4 show that the model does not have autocorrelation and multicollinearity. All independent variables (customer trust, responsiveness, assurance, sympathy, and tangibility) are statistically significant and positively correlated with customer satisfaction with VCB Binh Thuan credit card services. In other words, the more customers highly appreciate the trust, responsiveness, assurance, sympathy, and tangibility, the higher their satisfaction with the credit card services. Among them, customer trust has the most powerful impact

on customer satisfaction with the credit card services of VCB Binh Thuan.

## 5. CONCLUSION AND IMPLICATIONS

The study pointed out factors that positively affect customer satisfaction with the credit card service quality of VCB Binh Thuan. They consist of trust, responsiveness, assurance, sympathy, and tangibility. In which, the trust factor has the strongest influence on the satisfaction of customers. Based on the research results, some managerial implications are proposed as follows: Firstly, continuously improve the quality of customer care. Secondly, enhance the quality of credit card staff. Thirdly, increase the quantity and quality of ATM and POS systems. Fourthly, issue reasonable policies for interest rates and credit card service fees. Fifthly, constantly reinforce the

brand identity of VCB Binh Thuan in the minds of customers.

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