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College of Informatics
Graduate School of Information Management

Master

Improving the Customers' Loyalty through the Application
of Loyalty Management System - A Case Study of Agribank
Nam Ha Noi

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Management System - A Case Study of Agribank Nam Ha Noi

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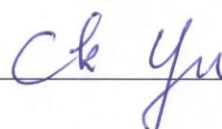
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Improving the Customers' Loyalty through the Application of
Loyalty Management System - A Case Study of Agribank Nam Ha
Noi

Student: Duong Song Ha

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Abstract

Banking in general has traditionally operated in relatively stable environment for decades. However, today, the banking industry is facing aggressive competition and they have to make efforts to survive in a competitive and uncertain market place. The banking industry realized that managing customer relationships is of great importance for their success and increased profitability. It can be said that most of the banks have implemented loyalty programs and systems to attract more customers and keep their existing customers stay with them. This research presents the result of an empirical study that investigates all the factors affecting customer loyalty through the application of LMS system in order to improve them to ensure customer loyalty in the context of AGRIBANK Nam Ha Noi. From the theoretical review, the research model and hypotheses with 7 factors affecting the customer loyalty including information quality, Service quality, system quality, security, customer satisfaction, customer value and customer trust are developed. After analyzing data by SPSS software, we found that the achieved results are positive and can be trusted for the purpose of the thesis. Therefore, it can be concluded that the customer loyalty is

vital factor and development goal of banking industry in general and of AGRIBANK Nam Ha Noi in particular.

Keywords: Information quality, Service quality, system quality, security, customer satisfaction, customer value, customer trust and customer loyalty

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Chapter 1 Introduction

1.1 Research Background

During the past thirty years, the economic conditions have been changing due to economic stagnation, high inflation and increased unemployment. Many markets have settled into maturity. It could be agreed that the subject who nowadays nominates the market is customer because focus has moved from the seller to the customer. Customer is a factor affecting directly to design service products, company size and profit. Gronroos (1997) stated that establishing relationship with a customer is to attract the customer and to build the relationship with the customer, so that the economic goals of the relationships are maintained. Market research has proven that gaining new customers is a far more costly activity than maintaining current customers and keeping long-lasting relationship with customer or customer loyalty. Kotler et al (1996) said that the cost of gaining a new customer is five times as much effort, time and money than it does keeping an existing one. Long-term relationships with customers are more profitable because the cost of acquiring new customers can be substantial. A higher customer retention rate implies that fewer customers need to be acquired and these can be acquired more cheaply.

Kotler (2000) pointed out that the critical factor to attaining customer loyalty is customer satisfaction because a customer who is highly satisfied will exhibit the following characteristics:

- (1) Established customers tend to buy more
- (2) Cost less to serve than new customers because regular customers place frequent, consistent orders.
- (3) Satisfied customers often refer new customers to the supplier at virtually no cost

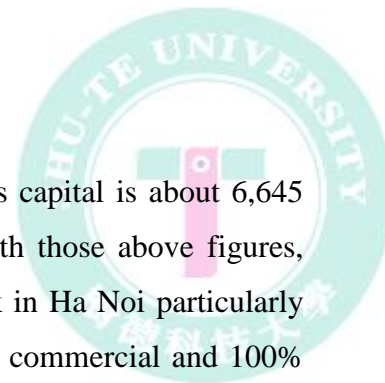


- (4) Stays loyal longer
- (5) Pay less attention to completing supplier and is less sensitive to price

1.2 Research Motives

Banking in general has traditionally operated in relatively stable environment for decades. However, today, the banking industry is facing aggressive competition and they have to make efforts to survive in a competitive and uncertain market place. The banking industry realized that managing customer relationships is of great importance for their success and increased profitability. It can be said that most of the banks have implemented loyalty programs to attract more customers and keep their existing customers stay with them. The loyal customers are of more importance because they not only make up majority of total transactions of the bank, but also help bank build effective strategy in order to promote customer's satisfaction, customer retention, customer loyalty, and increase market share and profitability. There are also many researches on loyalty customers in banking industry. Ball et al (2004) stressed that banking market is specific because long-term relationships with customers in that sector are value added and encouraged to be loyal by offering a wide range of values and discounts to them. Beerli et al (2004) stated that customer retention is one of the key components that lead to increase the profitability of the bank. According to Baumann, Burton, Elliot & Kehr (2007), service quality in banking industry is of importance when building customer loyalty, but overall customer satisfaction leads to more loyal customers. And according to Hefferman, O'Neil, Travaglione & Droulers (2008), although products still are not different among banks, the customers cannot make objective assessments of service quality, that is why the concept of trust is very important here.

For AGRIBANK Nam Ha Noi, which was established in 2001, the branch of AGRIBANK Viet Nam - the biggest state-owned bank in Viet Nam with the branch network stretching away to all provinces in Viet Nam. Up to now, AGRIBANK Nam Ha



Noi has 11 small branches and automatic transaction places. Its capital is about 6,645 billion VND and its staff is 170 people. It can be said that with those above figures, AGRIBANK Nam Ha Noi is considered to be a successful bank in Ha Noi particularly and in Viet Nam generally. However, the number of joint-stock commercial and 100% foreign-owned banks is growing days by days and they are implementing many interesting to attract customers from those state-owned banks. Therefore, AGRIBANK Nam Ha Noi has carried out the Customer Loyalty Management System with the purpose of increasing profitability and enhancing its competitiveness in the market. Since the implementation of LMS, AGRIBANK Nam Ha Noi has achieved the increase in its income and also in the number of customers but still needed to do more. Therefore, from the discussion above, I decided to choose the topic for my thesis is **“Improving the customer’s loyalty through the application of Loyalty Management System – A case study of AGRIBANK Nam Ha Noi”**.

1.3 Research Purpose

The purpose of this thesis is to study all the factors affecting customer loyalty through the application of LMS system in order to improve them to ensure customer loyalty in the context of AGRIBANK Nam Ha Noi.

1.4 Structure of the Thesis

The first chapter gives an overall context on which the research problem is identified and research purpose is developed. Chapter two provides the theoretical frame for the research, based on which, it can clearly identify the research objectives and research methodology to achieve these objectives. Chapter three presents the methods used to do technical side for research. This indicates the research philosophy, research design, research approach and research methods used in this study, including the methods used to collect secondary data and primary data. By the way, this chapter presents the reasons why

these methods were applied. The analysis of data obtained from surveys and results are presented in the chapter four. Chapter five provides the way, based on which the answer for the research questions can be obtained. Research findings, discussion, managerial implication, and limitation are provided in the last chapter. It also indicates the opportunities for future study in order to extent the practical scope of the researcher.





Chapter 2 Literature Review

2.1 Service Quality

In theory, when measuring quality, technical measures of service are counted, however, in reality, customers see other aspects of service or product are important than the technical.

Gronroos (2002) also stated that service quality comprises two parts: expected and perceived service. Perceived quality includes technical and functional dimension. Technical dimension refers to what the customer gets and functional dimension refers to how the customer gets the service mediated or handled.

Gronroos (2002) claimed about the relationship between company image and customer's perceived quality. According to him, if the customers like the company from the beginning, they will not much affected by the bad treatment of the company. However, if the company treats their customers badly several times, their image will be stained and any new mistake will be perceived harder.

In the banking industry, Bloemer et al (1998) argued that the relationship between image, service quality and satisfaction is complicated when it comes to bank loyalty among corporate customers. When it comes to service quality, efficiency and reliability are important factors of loyalty. Reliability has strong connection to satisfaction so that the reliability is of great importance to get corporate customers.

2.2 Customer Value

Customer value can be defined as the difference between the values the customers gain from owning and using a product or service and the cost to obtaining the product or service. (Kotler et al, 1996). According to Chi et al (2004) studying on key dimensions of customer value and their impacts is very important because the delivery of superior value



can involve significant costs for any company. And although company can aware that superior value can lead to higher profits, they may be a bit skeptical since it can lead to profit reduction.

Kotler (1997) pointed out that customer value can be understood in terms of four dimensions, which are product value, service value, employee value and image value. While Chi et al (2004) stated that customer value has 4 types: Functional value, social value, emotional value and perceived sacrifices. Functional value refers to the utility derived from the perceived quality and expected performance of the product or service. Social value refers to the social utility derived from the product or service. Perceived sacrifices refer to the loss derived from the product or service due to the increment of its perceiving short-term and long-term costs. Emotional value refers to the utility derived from the effective states that a product or service generates.

Researchers also studied on the relationship between customer value and customer loyalty. It is said that the product and service are of importance to customer however, they are not the main factors for customer when they choose the provider. The relation is the most important factor for customer's total experienced value. It is also proved that the value is depending on how well the relation is working. If the relation is going well, the customers receive a high value, they will become loyal customers.

2.3 Customer Satisfaction

Customer satisfaction is said to be one of the most important factors for creating customer loyalty, especially in banking industry because most banks offer the same type of product and the core product is not the characteristic which make customer loyal. Kotler (2000) defined customer satisfaction as a person's feelings of pleasure or disappointment which result from comparing a products' perceived outcome in relation to his or her expectations. Customer satisfaction can also be defined as "an emotional response to the use of a product or a service: and it is also a complex human process,



which involves cognitive and affective process, as well as psychological and physiological influences (Chu, 2002).

According to Bateson & Hoffman (2002), if the existing customer or newly one is satisfied with the product or service, they tend to recommend them to new customers. They also tend to buy more and less affect by other competitors or the price. Johnsson and Gustafsson (2000) stressed that “customer satisfaction is overall evaluation of the purchase and consumption experience with a product, service or provider”. Therefore, it can be said that achieving customer satisfaction is of great importance for any company, bank or businesses.

Zhang et al (2003) stated that there are many factors affecting customer satisfaction including quality, delivery speed, delivery dependability, costs, flexibility, competitive capabilities, product mix and customer service, so company or businesses should take these factors into consideration if they want to attract customer satisfaction.

Brige (2006) emphasized that many dissatisfied customers never say about their dissatisfaction, they just leave the company, bank or businesses. The previous studies also proved that it costs much more when attracting new customers than keeping the satisfied ones.

There are many studies on the model of customer satisfaction and the relationship between customer satisfaction and customer loyalty; I choose the ACSI model to represent what I studied from previous papers and researches (Sourcing from <http://blog.vovici.com/blog/bid/18165/ACSI-American-Customer-Satisfaction-Index-Model-Strengths-and-Weaknesses>)

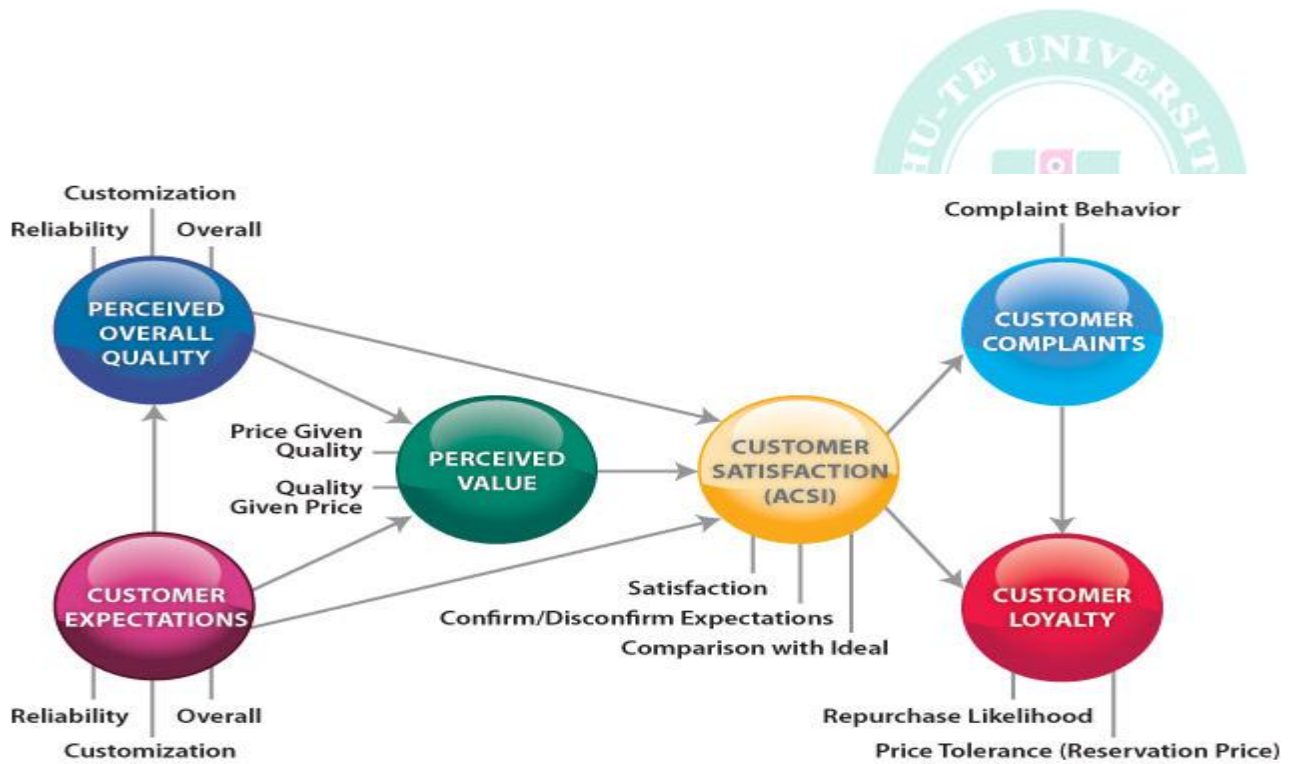


Figure 1. ACSI model

2.4 Customer Trust

Trust is one of the precedents of customer loyalty. It can be defined as “a feeling of security, based on primarily on the belief that one party’s behavior is guided by favorable intentions towards the best interest of the other, and secondly on the competence of a business to keep its promises”, Lewis and Soureli (2006).

Berry (1996) said that trust is perhaps the most powerful relationship marketing tool available to a company. While Spekman (1998) stressed that trust is the cornerstone of long-term relationships. More directly, Reichheld and Shefter (2000) emphasized that in order to gain customer loyalty, the company should gain customer trust first.

According to Deepak et al (2002) there are many researchers studying on the relationship between customer trust and customer loyal, and most studies proved that the consequence of perceived trust is loyalty and cooperation. Deepak et al (2002) also gave the model for the interrelationship between trustworthiness, trust, value and loyalty.

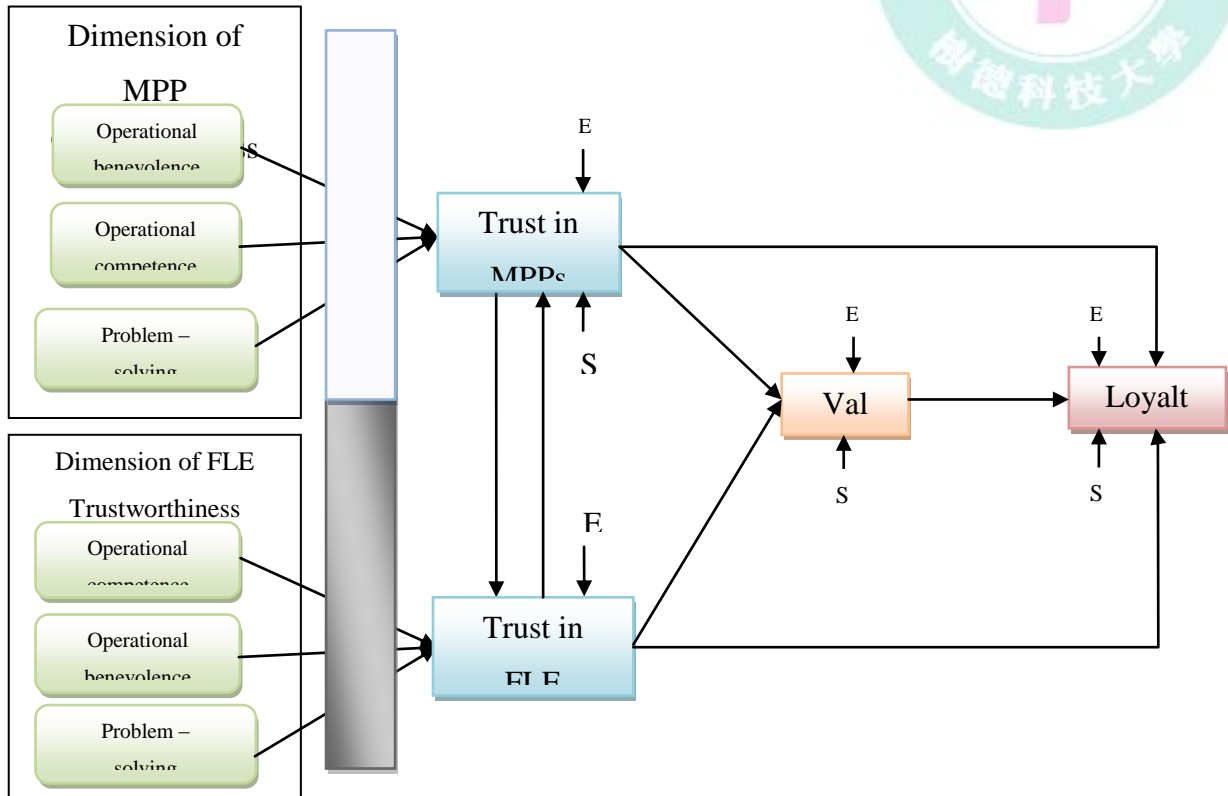
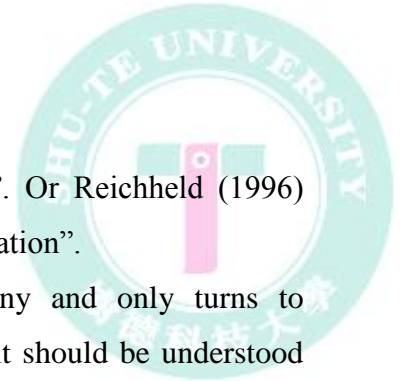


Figure 2. The empirical model

2.5 Customer Loyalty

Most researchers and practitioners agreed that customer loyalty is of great importance to all companies. There are many definitions about customer loyalty. Blomqvist et al (2000) defined customer loyalty as “a customer which over time engage one company to satisfy entirely, or a significant part, of her needs by using the company’s products and services”. Oliver (1997) defined loyalty as “a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future, thereby causing repetitive same branch-set purchasing, despite situational influences, and



marketing efforts having potential to cause switching behavior”. Or Reichheld (1996) defined loyalty as “a feeling of responsibility, agreement and obligation”.

Customer loyalty means customer is loyal to a company and only turns to competitors in exceptional cases (Daniel et al, 2004). However, it should be understood that customer loyalty is not permanent. Customer can turn to competitors if they feel unsatisfied with the current provider or the level of loyalty decreases, therefore any company should take customer loyalty programs into serious consideration because they are very important to the development of the company, the increase in the profitability and the strength in competitive advantage.(Daniel et al, 2004).

Researchers also proved that customer becoming customer loyalty is a process because the company cannot force or buy loyal from customer, and customer cannot become loyal in the first time to use service or product of the company. Good service or product can lead to customer satisfaction, which result in interaction and relationship between customer and the company. A continuous contact and good feedback from customers might lead to sustained and strengthened relation. The deeper and stickier the relations becomes, the more willing the parties will be to trust each other and in time, this might lead to commitment.

Bloomqvist (2000) described the relationship between customer value, quality and customer loyalty as the below figure;

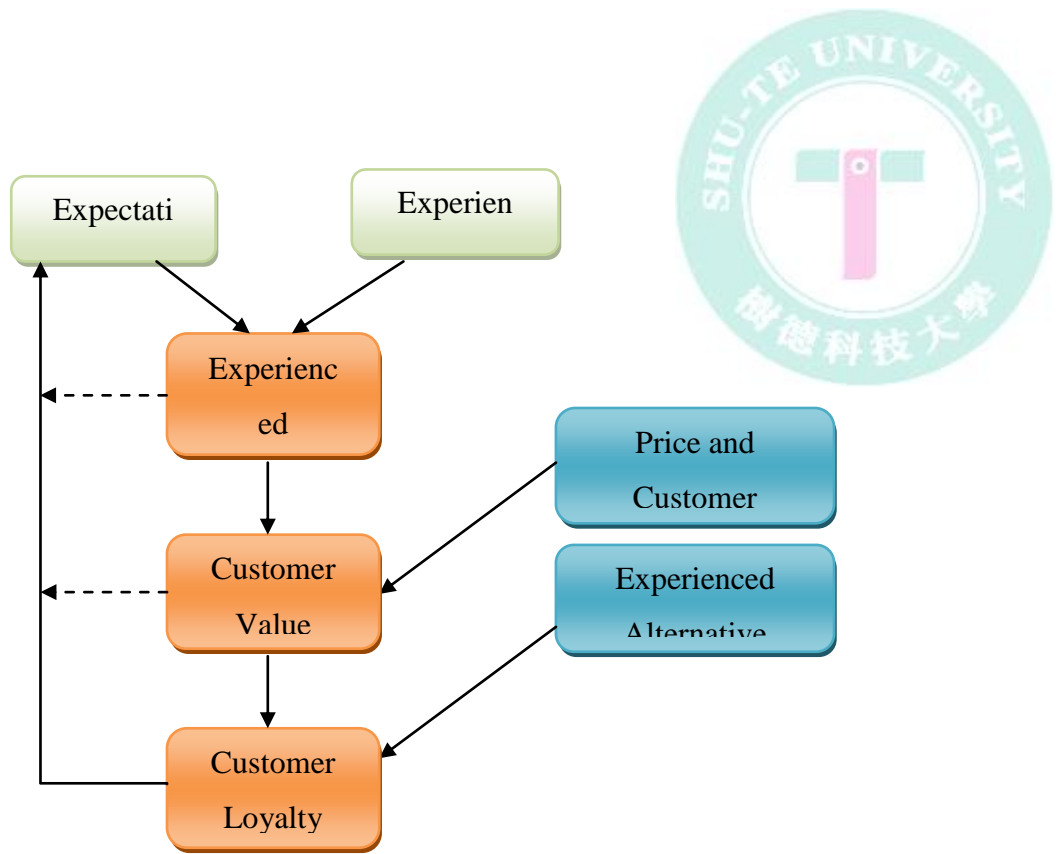


Figure 3. The link between quality, customer value and customer loyalty



Chapter 3 Research Methodology

3.1 Research Approach

There are two approaches which can be applied by researchers: qualitative approach and quantitative approach (Denzin and Lincoln, 1994a). According to Yin (1994), the best method to use for a study depends on the purpose of the study and the relating research questions. For the purpose of this research, I choose quantitative approach. According to Eldabi et al (2003), quantitative research approach can be described as a logical and linear structure, in which hypothesis take the form of expectations about likely casual links between the constituent variables stated in hypotheses, thus leading to the rejection or acceptance of the theoretical proposition. Creswell (2003) said that basically, quantitative studies are about measuring and the measurement can be used to describe or explain. There are two things to remember when collecting quantitative data: (1).What precision is needed from the measurement. However, it should be remembered that what precision is possible to achieve and what precision can be afforded economically. (2).The validity and the reliability of the data are taken into consideration.

3.2 Research Framework

3.2.1 Research Hypotheses

* The relationship between LMS quality and Customer Value, Customer Satisfaction and Customer Trust

In the banking industry, Bloemer et al (1998) argued that the relationship between image, service quality and satisfaction is complicated when it comes to bank loyalty among corporate customers. When it comes to service quality, efficiency and



reliability are important factors of loyalty. Pitt et al (1995) adapted the DeLone and McLean model to customer service by adding service quality and consider that service quality, information quality and system quality had an effect on user satisfaction, trust and value. Therefore, I hypothesized that;

H1.1 – H1.3: LMS Quality (System Quality, Information Quality and Service Quality) will have a positive effect on Customer Value

H2.1 – H2.3: LMS Quality (System Quality, Information Quality and Service Quality) will have a positive effect on Customer Satisfaction

H3.1 – H3.4: LMS Quality (System Quality, Information Quality, Service Quality and Security) will have a positive effect on Customer Trust

*** The relationship between Customer Value and Customer Satisfaction**

According to Woodruff (1997) customers evaluate products or services through perception response resulting from multiple consumption experiences. A positive response corresponds to a high level of satisfaction, which infers a greater likelihood of retaining the customer. Kotler (2002) also found that a customer will establish an expectation of value as a shopping reference when they estimate the maximal value of a product and service. Therefore, I hypothesized that;

H4: Customer value will have a positive effect on customer satisfaction

*** The relationship between Customer trust and Customer Satisfaction**

Chiou et al (2002) argued that trust have a positive and direct effect on overall satisfaction and customer loyalty. The finding of this relationship between these variables can be applied in banking service so I hypothesized that

H5. Customer trust has a positive effect on Customer Satisfaction



*** The relationship between Customer Value and Customer loyalty**

According to Oliver (1999) customer value will result from customer perceptions and experience will create customer value in the course of consumption. An optimal customer perception and experience is conducive to continued consumption. Butz and Goodstein (1998) consider that there is a strong connection between an unexpected higher level of customer value and greater customer loyalty. Hence, I hypothesized that

H6: Customer value will have a positive effect on customer loyalty

*** The relationship between Customer Satisfaction and Customer loyalty**

Reichheld and Sasser (1990) argued that if customer is satisfied with product and service, they will repeat purchase in the future, which create long-term relationship or customer loyalty. In the study of customer satisfaction Anderson and Sullivan (1993) found that, with antecedent and consequence variables, customer satisfaction has a positive effect on customer-repeat purchase behavior, an expression of customer loyalty. Hence, I hypothesized that

H7: Customer satisfaction will have a positive effect on customer loyalty

*** The relationship between Customer Trust and Customer loyalty**

According to Lacey & Sneath (2006) consumers loyalty is an important factor for a company in developing external relationships, while trust is a trust from customers that the company is trustworthy. The fulfillment of the company's obligations to company's customers in accordance with what has been promised will create customers' desire to stay.

H8: Customer Trust will have a positive effect on Customer Loyalty



3.2.2 Research Framework

Based on the literature review and developed research hypotheses, the research framework is proposed as follows:

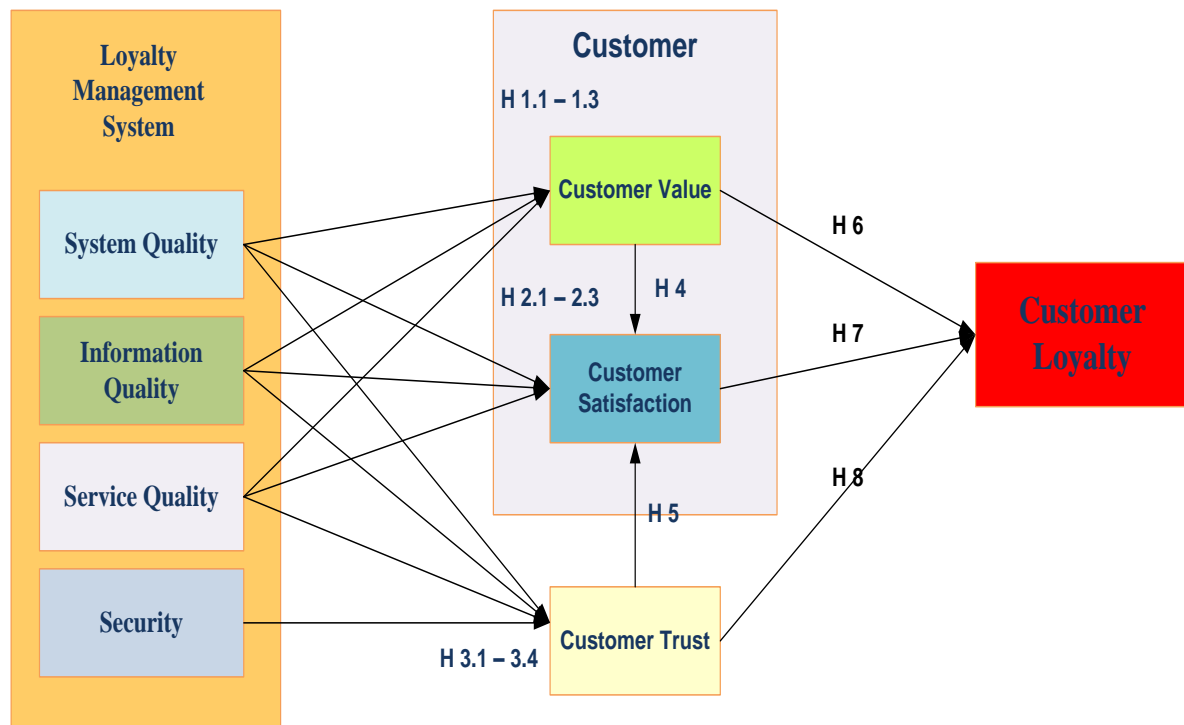


Figure 4. The research framework

3.2.3 Measurement of Variables

As LMS is designed by AGRIBANK Nam Ha Noi, all the variables of LMS will be defined based on the characteristics of LMS

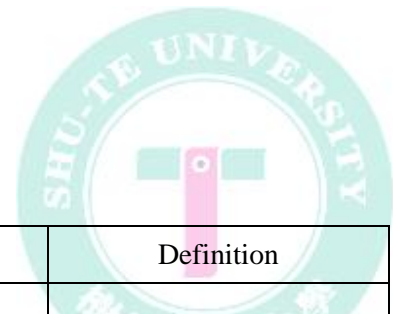
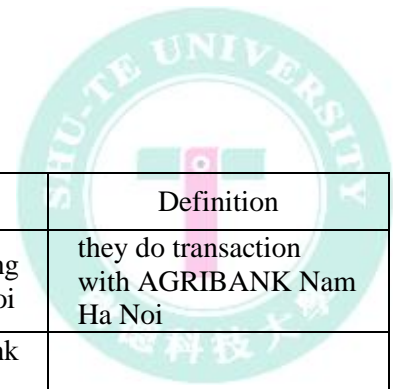


Table 1. The measurement of variables

Variables	Measures	Items	Definition
System Quality of LMS	SYQ1	LMS system has full and easy user guide	<i>System quality</i> refers to interface, evaluation system, the documentation and the flexibility of the system.
	SYQ2	LMS's interface is friendly with customer	
	SYQ3	LMS evaluate fairly to all customers of AGRIBANK Nam Ha Noi	
	SYQ4	LMS System brings satisfaction to customer	
Information Quality of LMS	IFQ1	LMS's information is provided to customer fully and exactly	<i>Information quality</i> refers to convenient access and information updated
	IFQ2	LMS's information is easy to access (Website, advertisement....)	
	IFQ3	LMS's information is updated in time to customer	
Service Quality of LMS	SIQ1	LMS always brings special promotion to customers	<i>Service quality</i> refers to promotion programs and customer care
	SIQ2	LMS provides attractive customers care	
	SIQ3	LMS has diversified service to meet customer's requirement.	
Security of LMS	SER1	LMS is designed with high security function	<i>Security</i> refers to the confidential of customer's information
	SER2	Security function of LMS meets customer's requirement	
	SER3	LMS run all security function fast and exactly to ensure customer's information	
Customer Value of LMS	CUV1	Transaction network are extensive	<i>Customer value</i> refers to transaction network, the arrangement of transaction desks, banking facility, banking services including ATM, SMS banking and Internet banking
	CUV2	The arrangement of transaction desks are convenient for customer	
	CUV3	Facility of bank is good (rest room, newspaper, drinking water.....)	
	CUV4	Parking place are convenient	
	CUV5	All functions of ATM, SMS banking and Internet Banking are designed easily to use	
Customer Satisfaction of LMS	CSA1	In general, you are satisfied with service quality of AGRIBANK Nam Ha Noi	<i>Customer satisfaction</i> refers to customer's feelings of pleasure or disappointment when
	CSA2	In general, you are satisfied with price of services of AGRIBANK Nam Ha Noi	



Variables	Measures	Items	Definition
	CSA3	In general, you are satisfied when doing transaction with AGRIBANK Nam Ha Noi	they do transaction with AGRIBANK Nam Ha Noi
Customer Trust	TRU1	AGRIBANK Nam Ha Noi is the bank which many customer trust	Customer trust refers to customer's feeling of security, keeping customer's information confidential, and keeping promises of providing perfect products and services
	TRU2	AGRIBANK Nam Ha Noi keep customer information confidential	
	TRU3	ATM system always operate well	
	TRU4	Document, forms are designed to easily and clearly understand	
	TRU5	Transaction procedure at AGRIBANK are simply and convenient	
	TRU6	Transaction time at AGRIBANK Nam Ha Noi is fast	
	TRU7	Time of customer waiting for transaction is short	
Customer Loyalty	CL1	In general, you are completely loyal to products and services of AGRIBANK Nam Ha Noi	Customer loyalty refers to engagement, long-term commitment and satisfaction of customer for the good and services of bank
	CL2	In general, you are completely loyal to all advantages which AGRIBANK Nam Ha Noi brings to you?	
	CL3	In general, you are completely loyal to policy of AGRIBANK Nam Ha Noi	

3.3 Research Method

It can be said that the main content of quantitative research is the variables and relationships. Morse & Field (1996) pointed out that the quantitative research findings are based on the research's interpretations of events and the relationship between variables. This study adopts a quantitative approach, which hypotheses are set up from existing theory, often to explain causal relationships, and empirical data are gathered to test these hypotheses. And quantitative research is usually concerned with collecting quantitative data, to later be able to generalize the results (Saunders et al, 2003). From this approach, the quantitative survey will be used in this thesis with questionnaires to be delivered to the



corporate customer of AGRIBANK Nam Ha Noi. In order to do the quantitative survey, I study the population and sampling first, then design questionnaires. After delivering to and collecting questionnaires from respondents, the valid questions are chosen to analyze by SPSS software.

3.3.1 Population and Sampling

The first thing that needs to be considered before any sampling can be done is to determine the population, which is defined as the total of all unit that has one or more common features that are relevant to be able to generalize the study results. If the research problem is defined imprecise finding the population might be the hardest thing in the sampling process (Smith & Albaum, 2005).

In this study, I decided to choose 200 respondents, it is said to be enough to survey to have a good results (Parasuraman et al, 1988). These respondents are corporate customers of AGRIBANK Nam Ha Noi. They will evaluate customer loyalty through the applicatiotn of Loyalty Management System.

3.3.2 Instrument Design

3.3.2.1 Questionnaires design

* Step 1: Build raw questionnaires (Appendix 1), which based on information needed from research model and related literature review

* Step 2: Choose and revise questionnaires based on experts' ideas. Choose any 10 customers to check about the clarity of questionnaires and get their ideas about service products of AGRIBANK Nam Ha Noi and also their expectations to AGRIBANK Nam Ha Noi

* Step 3: Revise and complete the finally official questionnaires (Appendix 2)



3.3.2.2 The content of questionnaires

The questionnaires is designed and divided into two parts:

Part 1 includes 6 questions. The purpose of this part is to collect general information of corporate customer. They are multiple choice questions.

Part 2 includes 31 questions. These questions are designed based on the literature review under the forms of affirmative statements which respondents marks their stand towards; they are called attitudinal variables and are usually measured through a Likert scale. These statements measure what the respondents attitude to different statements are, and are recorded on a Likert scale ranged from 1 (strongly agree) to 5 (strongly disagree). The choice of the scale range is based on higher possibility of good validity and lower measurement error. The respondents are also given a better opportunity to give a more qualified answer of what they feel about each statement. High scale answers of the statements indicate high accordance about the area, and low scale answer indicates low accordance (Saunders et al., 2007).

For this thesis, respondents will be asked to evaluate these following factors; System quality, Information quality, Service quality, Security, customer value, customer satisfaction and customer trust.

Based on these factors, 31 questions were designed for respondents to evaluate the application of LMS system. A total of 200 questions were delivered at the transaction desk or sent through the post office. 167 questions were returned and 142 questions are valid. These 142 questions will be used to be analyzed.

3.4 Reliability and Validity

3.4.1 Reliability

When a research is done, two concepts of validity and reliability must be taken into consideration. A research must have high validity, which means that the research



must measure what it is supposed to measure. The reliability must also high, which means that the research has to be done in a reliable way. There is a relation between these two concepts so the researchers should take both of them into consideration, they cannot choose one only (Saunders et al, 2003).

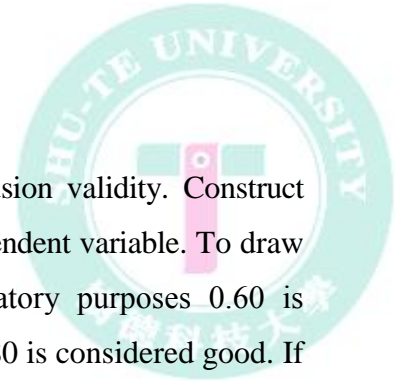
Saunders et al (2007) also stated that a questionnaire with a high reliability would receive similar answers if it is done again or by other researchers. To test the reliability, a Cronbach alpha coefficient test will be conducted. The result of this will show the reliability and will have influence on the way the analysis will be done.

Usually, the Cronbach alpha should be greater than 0.7, which means the reliability is high and can be trusted. If the Cronbach alpha is below 0.7, which means the reliability is low and it should be deleted.

3.4.2 Validity

Saunders et al (2007) said that validity is “the extent to which data collection method [...] accurately measure what they were intended to measure (p.164). When applying this to data collected through a questionnaire it means that the data collected is the data that actually should be collected. Saunders et al (2007) also emphasized that the questions must be designed to match with the purpose of the researcher, they must be answered in the way that was the thought from the research and the answer must be interpreted by the researcher in the way intended by the respondent.

There are four types of validity; internal validity, external validity, statistical conclusion validity and construct validity. Internal validity refers to the causal relationship between variables. It is also the relationship between dependent and independent variables. External validity refers to causal relationship between the cause and effect which can be transferred to variables and different measurement variables which differ from the other. Statistical conclusion validity refers to the conclusion which reached about the extent of the relationship between the two variables. If the



conclusion is correct, it can be said to be statistical conclusion validity. Construct validity refers to the prediction of the relationship for the dependent variable. To draw construct validity, Cronbach's alpha is used. For exploratory purposes 0.60 is accepted, for confirmatory purposes 0.70 is accepted, and 0.80 is considered good. If the construct satisfies the above presumption and expectation, then the construct would be helpful in predicting the relationship for dependent variables. Convergent validity and factor analysis are also used to test construct validity. (Sourced from <http://www.statisticssolutions.com/resources/directory-of-statistical-analyses/validity>)



Chapter 4 Analysis and Results

In this chapter, the data collected in the empirical research is presented and discussed. As mentioned in chapter III, I designed and prepared 200 questions. They were delivered both at the transaction desk and through post office, 167 questions were returned. 142 questions are valid and using for measurement analysis

4.1 Descriptive analysis of Sample Demographics

There are six demographics of descriptive analysis and are presented as follows;

4.1.1 How Long Do You Use Service of AGRIBANK Nam Ha Noi

Table 2. Percentage of time of using service of AGRIBANK Nam Ha Noi

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< 1 Year	7	4.9	4.9	4.9
	1 -2 Year	15	10.6	10.6	85.9
	2 - 3 Year	20	14.1	14.1	100.0
	> 3 Year	100	70.4	70.4	75.4
	Total	142	100.0	100.0	

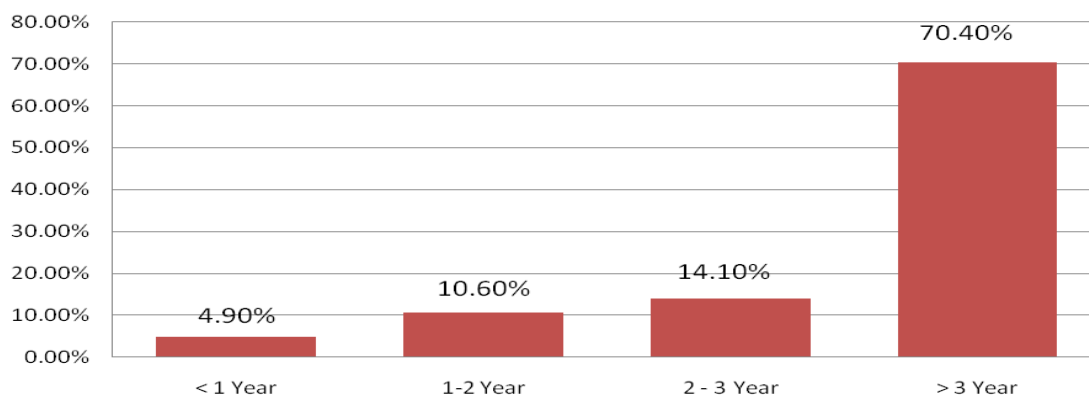


Figure 5. Chart of percentage of time of using service



From the above table, we can see that among 142 corporate who involved in the questionnaires survey, most of them have long relationship with AGRIBANK Nam Ha Noi (70.42% corporate has more than 3 years relationship with AGRIBANK Nam Ha Noi and only 4.93 % corporate is fairly new to AGRIBANK Nam Ha Noi

4.1.2 What Services is Corporate Using at the Moment?

Table 3. Descriptive statistics of numbers of service products are being used

	N	Minimum	Maximum	Mean	Std. Deviation
MOM	142	0	4	1.51	.921
CRE	142	0	4	1.42	1.262
INP	142	0	3	.99	.964
MOT	142	0	2	.64	.667
MOB	142	0	4	.85	.967
Valid N (listwise)	142				

From the descriptive statistics, it can be seen that among all service products provided to customer, monetary management is most used by the corporate (the average value is 1.51), followed by credit product (the average value is 1.42), and in the third place is international payment with the average value is .99 and in the fourth place is modern banking service with the average value is .85. Money trading service is the new service so not many corporate used it with the average value is .64. Although AGRIBANK Nam Ha Noi provides four different services, however, corporate just choose which one is the most useful for them.

4.1.3 Besides AGRIBANK Nam Ha Noi, Do You Use Service of Other Banks? And How Many Banks Does Your Company Have Transaction with?

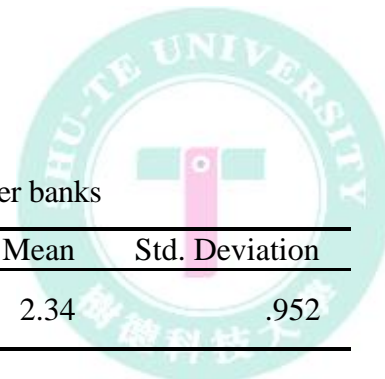


Table 4. Descriptive statics of relationship with other banks

	N	Minimum	Maximum	Mean	Std. Deviation
Slgd	142	1	4	2.34	.952
Valid N (listwise)	142				

The result in this above table shows that besides AGRIBANK Nam Hanoi, all corporate have transaction with others banks. The average value is 2.34 which mean that most of corporate have relationship with more than 3 banks at the time I delivered the questionnaires survey.

4.1.4 Do You Consider AGRIBANK Nam Ha Noi as Your Official Bank When You Have Any Transaction of Your Corporate? And Are You Willing to Come to AGRIBANK Nam Ha Noi if You Have Any Transaction in the Future?

Table 5. Frequency of considering AGRIBANK Nam Ha Noi as the official bank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	130	91.5	91.5	.952
	No	12	8.5	8.5	100.0
	Total	142	100.0	100.0	

Table 6. Frequency of coming back AGRIBANK Nam Ha Noi

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	130	91.5	91.5	95.2
	No	12	8.5	8.5	100.0
	Total	142	100.0	100.0	

From these two above tables, it can be proved that more that 90% corporate consider AGRIBANK Nam Ha Noi as the official bank when having transaction.



Only 9 corporate are not willing to come to AGIRBANK Nam Ha Noi if they have transaction in the future

4.2 Reliability and Validity Analysis

4.2.1 Reliability Analysis

To test the reliability, a Cronbach alpha coefficient test will be conducted. The result of this will show the reliability and will have influence on the way the analysis will be done. Usually, the Cronbach alpha should be greater than 0.7, which means the reliability is high and can be trusted. If the Cronbach alpha is below 0.7, which means the reliability is low and it should be deleted.

This study evaluates the measurement reliability of 8 factors including System quality, information quality, service quality, security, customer value, customer satisfaction, and customer trust and customer loyalty. The result of reliability analysis is shown in the following table:

Table 7. Reliability measurement

No	Constructs	Factors	Items	Cronbach's α
1	System quality	SYQ1 SYQ2 SYQ3 SYQ4	4	0.908
2	Information quality	IFQ1 IFQ2 IFQ3	3	0.871
3	Service quality	SEQ1 SEQ2 SEQ3	3	0.819
4	Security	SER1 SER2 SER3	3	0.700
5	Customer value	CUV1 CUV2	5	0.737



		CUV3 CUV4 CUV5		
6	Customer satisfaction	CSA1 CSA2 CSA3	3	0.717
7	Customer trust	TRU1 TRU2 TRU3 TRU4 TRU5 TRU6 TRU7	7	0.851
8	Customer loyalty	CL1 CL2 CL3	3	0.768

From the table, it can be seen that the Cronbach alpha of all factors is greater than 0.7, which means that the reliability is high and this result will be accepted.

4.2.2 Validity Analysis

There are four types of validity; internal validity, external validity, statistical conclusion validity and construct validity.

In this thesis, I use construct validity to measure the validity of all factors of the research model. To draw construct validity, Cronbach's alpha is used. For exploratory purposes 0.60 is accepted, for confirmatory purposes 0.70 is accepted, and 0.80 is considered good. If the construct satisfies the above presumption and expectation, then the construct would be helpful in predicting the relationship for dependent variables. Convergent validity and factor analysis are also used to test construct validity.



4.2.2.1 Convergent Validity

Convergent validity refers to the degree to which the various approaches to construct measurement are similar to (converge on) other approaches that they theoretically should be similar to. When a measure correlates well with other measures that are believed to measure the same construct, evidence for convergent validity is obtained (Kaplan and Sacuzzo, 1993).

Table 8. Convergent validity

	SYQ	IFQ	SIQ	SER	CUV	TRU	CSA	CL
Correlation	1.000	.975	.953	.847	.798	.887	.861	.796
	.975	1.000	.956	.859	.807	.887	.858	.787
	.953	.956	1.000	.831	.766	.871	.846	.766
	.847	.859	.831	1.000	.812	.891	.971	.767
	.798	.807	.766	.812	1.000	.853	.801	.738
	.887	.887	.871	.891	.853	1.000	.903	.918
	.861	.858	.846	.971	.801	.903	1.000	.793
	.796	.787	.766	.767	.738	.918	.793	1.000

4.2.2.2 Factor analysis

Factor analysis attempts to identify underlying variables, or factors, that explain the pattern of correlations within a set of observed variables. Factor analysis is often used in data reduction to identify a small number of factors that explain most of variance observed in a much larger number of manifest variables. Factor analysis can be also used to generate hypotheses regarding causal mechanisms or to screen variables for subsequent analysis (for example, to identify collinearity prior to performing a linear regression analysis).

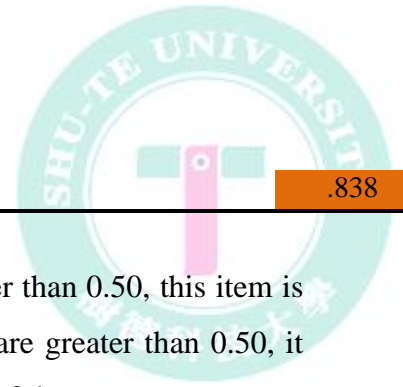
To assess construct validity and identify the unique dimensions of each construct, factor analysis with VARIMAX rotation was employed. Construct validity examines the extent to which a construct measures the variable of interest.



The result of the VARIMAX rotation on the original 31 items constrained to 8 factors is presented in following table:

Table 9. VARIMAX Rotated component analysis (Factor-Loading Matrix)

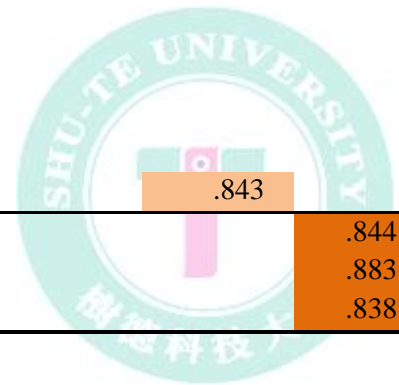
	System Quality	Information Quality	Service Quality	Security	Customer Value	Customer Satisfaction	Customer trust	Customer Loyalty
SYQ1	.850							
SYQ2	.960							
SYQ3	.939							
SYQ4	.906							
IFQ1		.939						
IFQ2		.915						
IFQ3		.877						
SIQ1			.942					
SIQ2			.855					
SIQ3			.814					
SER1				.837				
SER2				.952				
SER3				.933				
CUV1					.961			
CUV2					.664			
CUV3					.828			
CUV4					.861			
CUV5					.736			
CSA1						.829		
CSA2						.978		
CSA3						.955		
TRU1							.714	
TRU2							.924	
TRU3							.971	
TRU4							.679	
TRU5							.858	
TRU6							.885	
TRU7							.843	
CL1								.844
CL2								.883



Hair said that if the loading factor of the item is greater than 0.50, this item is significant. From Table 9, it can be seen that all the items are greater than 0.50, it means that the result shows high correlations between items of the same construct.

Table 10. Reliability test after eliminating

	System Quality	Information Quality	Service Quality	Security	Customer Value	Customer Satisfaction	Customer trust	Customer Loyalty
SYQ1	.850							
SYQ2	.960							
SYQ3	.939							
SYQ4	.906							
IFQ1		.939						
IFQ2		.915						
IFQ3		.877						
SIQ1			.942					
SIQ2			.855					
SIQ3			.814					
SER1				.837				
SER2				.952				
SER3				.933				
CUV1					.961			
CUV2					.664			
CUV3					.828			
CUV4					.861			
CUV5					.736			
CSA1						.829		
CSA2						.978		
CSA3						.955		
TRU1							.714	
TRU2							.924	
TRU3							.971	
TRU4							.679	
TRU5							.858	
TRU6							.885	

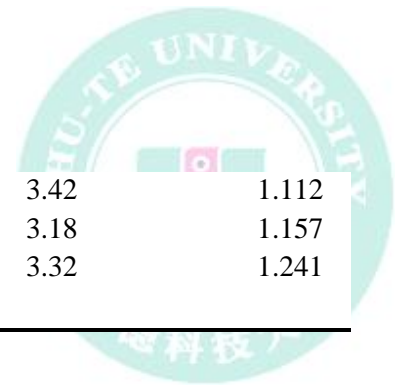


TRU7	.843
CL1	.844
CL2	.883
CL3	.838

4.3 Measurement Results for Relevant Research Variables

Table 11. Means and standard deviations of research variables

	N	Minimum	Maximum	Mean	Std. Deviation
SYQ1	142	1	5	3.10	1.126
SYQ2	142	1	4	3.40	1.011
SYQ3	142	1	4	3.39	1.003
SYQ4	142	1	1	3.02	1.139
IFQ1	142	1	5	3.41	1.026
IFQ2	142	1	4	3.39	1.017
IFQ3	142	1	5	3.05	1.144
SIQ1	142	1	4	3.43	1.041
SIQ2	142	1	4	3.46	.965
SIQ3	142	1	1	3.09	1.142
SER1	142	1	4	3.13	1.204
SER2	142	1	4	3.38	1.147
SER3	142	1	4	3.31	1.156
CUV1	142	1	4	3.37	1.127
CUV2	142	1	2	3.19	1.091
CUV3	142	1	4	3.13	1.204
CUV4	142	1	4	3.36	1.034
CUV5	142	1	4	3.05	1.175
CSA1	142	1	4	3.16	1.201
CSA2	142	1	5	3.42	1.144
CSA3	142	1	4	3.37	1.139
TRU1	142	1	5	3.36	1.138
TRU2	142	1	4	3.38	1.109
TRU3	142	1	4	3.35	1.144
TRU4	142	1	4	3.36	1.100
TRU5	142	1	5	3.41	1.099
TRU6	142	1	1	3.14	1.146
TRU7	142	1	4	3.31	1.261



CL1	142	1	5	3.42	1.112
CL2	142	1	5	3.18	1.157
CL3	142	1	4	3.32	1.241
Valid N (listwise)	142				

4.4 Regression Analysis

Regression analysis is a statistical tool for the investigation of relationships between variables. Usually, the investigator seeks to ascertain the causal effect of one variable upon another. To explore such issues, the investigator assembles data on the underlying variables of interest and employs regression to estimate the quantitative effect of the causal variables upon the variable they influence. The investigator also typically assesses the “statistical significance” of the estimated relationships, that is, the degree of confidence that the true relationship is close to the estimated relationship.

In this thesis, I use regression analysis to evaluate the relationship between independent variables and dependent variables, which define the hypothesis of the research. To test these hypothesis, the 5% significance level is adopted, which means that if P-value is less than 0.05, the independent variables has positive effect on the dependent variable, if not, they do not have a significant relationship.

4.4.1 Linear Regression Analysis to Test Hypotheses H1.1 – H1.3

Table 12. Linear regression analysis to test hypotheses H1.1 – H1.3

Constructs	Factors	St. coefficients β	t value	R ²	Adj-R ²	F value
Customer Value	System Quality	.287**	1.206			
	Information Quality	.643*	2.613	.654	.647	87.076***
	Service Quality	-.122	-.678			



Dependent Variable: Customer Value

***p<0.001. **p<0.01, *p<0.05, 0.05<+p<0.1

The final model shown in the Table 12 had a good fit $F=87.076$, $p=0.000$). At significant level 0.05, hypothesis H1-3 is proven that LMS's quality (SYQ, IFQ and SIQ) has a significant relationship with customer value. The coefficient of SYQ and IFQ are positive: .287 and .643, which means that system quality and information quality have a positive effect on customer value, however, the coefficient of SIQ is negative: -.122, which means that service quality has not have a positive effect on customer value.

The table also shows that the adjusted R² value for the construct of customer value is .647 (64.7%), which means that the explanation ability is good for the dependent variable: customer value. In summary, hypothesis H1.1 and H1.2 are supported and H1.3 should be eliminated.

4.4.2 Linear regression analysis to test hypotheses H2.1 - H2.3, H4 and H5

Table 13. Linear regression analysis to test hypotheses H2.1 - H2.3, H4 and H5

Constructs	Factors	St. coefficients β	t value	R ²	Adj-R ²	F value
Customer Satisfaction	Customer Value	.306***	4.523	.835	.829	137.566***
	System Quality	.173	1.030			
	Information Quality	.008	.048			
	Service Quality	.101	.792			
	Customer	.589***	6.514			



Trust

Dependent Variable: Customer Satisfaction

***p<0.001. **p<0.01, *p<0.05, 0.05<+p<0.1

The final model shown in the Table 13 had a good fit $F=137.566, p=0.000$). At significant level 0.05, hypothesis H2.1 – H2.3, H4 and H5 are proven that LMS’s quality (SYQ, IFQ and SIQ), customer value and customer trust have a relationship with customer satisfaction. The coefficient of CUV and TRU are positive; .306 and .589, which means customer value and customer trust has a positive effect on customer satisfaction. However, the coefficient of SYQ, IFQ and SIQ are not significant: .173, .008 and .101 which means they are not highly reliable so that system quality, information quality and service quality have not have a positive effect on customer satisfaction.

The table also shows that the adjusted R2 value for the construct of customer satisfaction is .829 (82.9%), which means that the explanation ability is good for the dependent variable: customer satisfaction. In summary, hypothesis 4 and 5 are supported and hypothesis H2.1, H2.2 and H2.3 should be eliminated.

4.4.3 Linear Regression Analysis to Test Hypotheses H3.1 – H3.4

Table 14. Linear regression analysis to test hypotheses H3.1 – H3.4

Constructs	Factors	St. coefficients β	t value	R ²	Adj-R ²	F value
	System Quality	.309**	2.017			
Customer Trust	Information Quality	.036	.223	.858	.854	207.472***
	Service Quality	.145	1.253			
	Security	.477***	7.574			



Dependent Variable: Customer Trust

*** $p < 0.001$. ** $p < 0.01$, * $p < 0.05$, $0.05 < p < 0.1$

The final model shown in the Table 14 had a good fit $F=207,472$, $p=0.000$). At significant level 0.05, hypothesis H3.1 – H3.4 is proven that LMS’s quality (SYQ, IFQ, SIQ and SER) has a significant relationship with customer trust. The coefficient of SYQ and SER are positive: .309, and .477, which means that system quality and security have a positive effect on customer trust, however, the coefficient of IFQ and SIQ are .036 and .145, which means they are not highly reliable so that information quality and service quality have not have a positive effect on customer trust.

The table also shows that the adjusted R2 value for the construct of customer trust is .854 (85.4%), which means that the explanation ability is good for the dependent variable: customer trust. In summary, hypothesis H3.1 and H3.4 are supported and H3.2 and H3.3 should be eliminated.

4.4.4 Linear Regression Analysis to Test Hypotheses H6

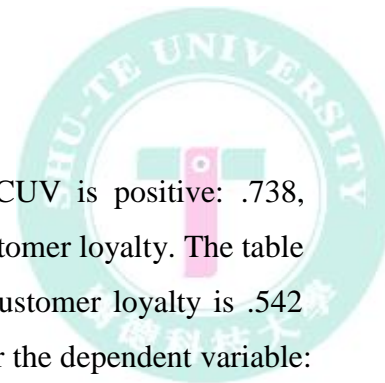
Table 15. Linear regression analysis to test hypotheses H6

Constructs	Factors	St. coefficients β	t value	R ²	Adj-R ²	F value	Sig
Customer Loyalty	Customer Value	.738***	12.956	.545	.542	167.847***	.000

Dependent Variable: Customer Loyalty

*** $p < 0.001$. ** $p < 0.01$, * $p < 0.05$, $0.05 < p < 0.1$

The final model shown in the Table 15 had a good fit $F=167.847$, $p=0.000$). At significant level 0.05, hypothesis H6 is proven that customer value and customer



loyalty has a significant relationship. The coefficient of CUV is positive: .738, which means that customer value has a positive effect on customer loyalty. The table also shows that the adjusted R value for the construct of customer loyalty is .542 (54.2%), which means that the explanation ability is good for the dependent variable: customer loyalty. In summary, hypothesis H6 is supported.

4.4.5 Linear Regression Analysis to Test Hypotheses H7

The final model shown in the Table 16 had a good fit $F=237.332$, $p=0.000$). At significant level 0.05, hypothesis H7 is proven that customer satisfaction and customer loyalty has a significant relationship. The coefficient of CSA is positive: .793, which means that customer value has a positive effect on customer loyalty. The table also shows that the adjusted R value for the construct of customer loyalty is .626 (62.6%), which means that the explanation ability is good for the dependent variable: customer loyalty. In summary, hypothesis H7 is supported.

Table 16. Linear regression analysis to test hypotheses H7

Constructs	Factors	St. coefficients β	t value	R^2	Adj- R^2	F value	Sig
Customer Loyalty	Customer Satisfaction	.793***	15.406	.629	.626	237.332***	.000

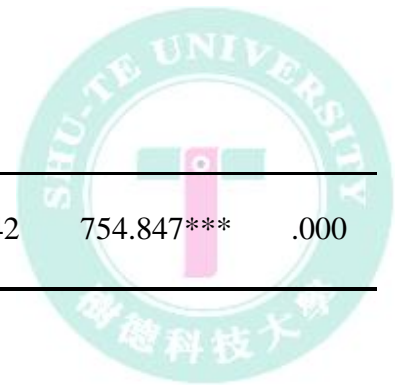
Dependent Variable: Customer Loyalty

*** $p < 0.001$. ** $p < 0.01$, * $p < 0.05$, $0.05 < p < 0.1$

4.4.6 Linear Regression Analysis to Test Hypotheses H8

Table 17. Linear regression analysis to test hypotheses H8

Constructs	Factors	St. coefficients β	t value	R^2	Adj- R^2	F value	Sig
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Customer Loyalty	Customer Trust	.918***	27.740	.844	.842	754.847***	.000
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Dependent Variable: Customer Loyalty

***p<0.001. **p<0.01, *p<0.05, 0.05<+p<0.1

The final model shown in the Table 17 had a good fit $F=754.847$, $p=0.000$). At significant level 0.05, hypothesis H8 is proven that customer trust and customer loyalty has a significant relationship. The coefficient of TRU is positive: .918, which means that customer trust has a positive effect on customer loyalty. The table also shows that the adjusted R value for the construct of customer loyalty is .842 (84.2%), which means that the explanation ability is good for the dependent variable: customer loyalty. In summary, hypothesis H8 is supported.

4.4.7 Path Coefficients for Research Model

From those above results of Hypothesis testing, the model with correspondent value Standardized coefficients will be presented in the following figure:

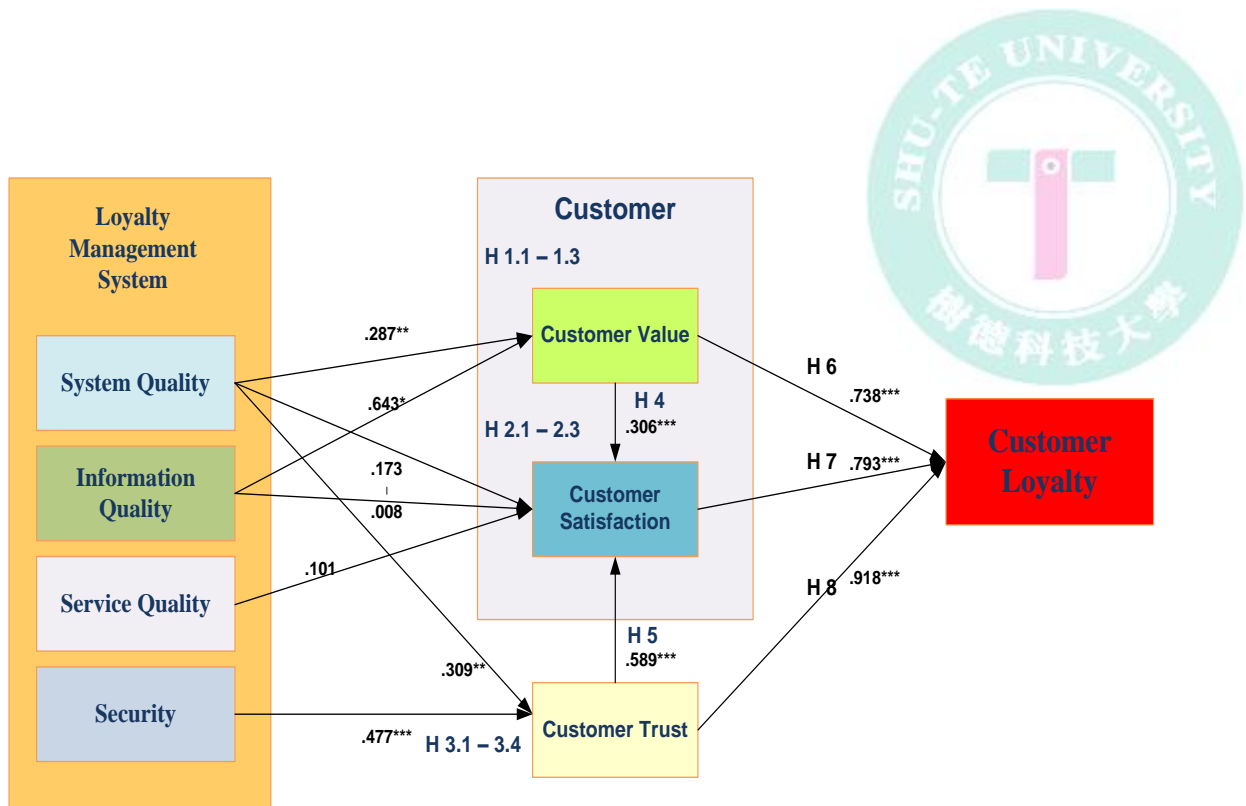


Figure 6. Path standardized coefficients

4.5 Hypotheses Results and Modified Research Model

4.5.1 Hypotheses Results

The purpose of this thesis is to study all the factors affecting customer loyalty in order to improve them to ensure customer loyalty in the context of AGRIBANK Nam Ha Noi. To complete this research, I have studied many related articles and from the theoretical, I developed a research model with eight factors: LMS quality including (1) system quality, (2) information quality, (3) service quality, (4) security, and (5) customer value, (6) customer satisfaction, (7) customer trust and (8) customer loyalty.



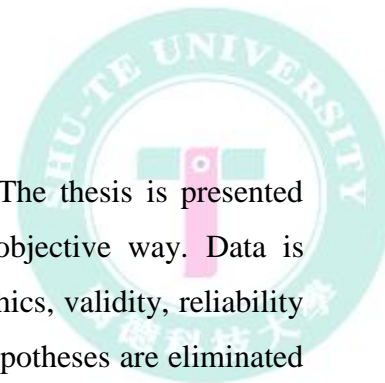
After designing the research model and hypothesis, I developed 31 questions and conducted the survey to 200 corporate customers. After collecting and checking all the returned questions, I chose 142 valid questions to be analyzed. The entire hypotheses are tested by using SPSS software version 15. The result of all research hypotheses are presented in the following table:

Table 18. Research hypotheses and results

Research Hypotheses	Results
H1-1: LMS quality (System quality ¹) will have a positive effect on Customer value	Supported
H1-2: LMS quality (Information quality ²) will have a positive effect on Customer value	Supported
H1-3: LMS quality (Service quality ³) will have a positive effect on Customer value	Not
H2-1: LMS quality (System quality ¹) will have a positive effect on Customer Satisfaction	Not
H2-2: LMS quality (Information quality ²) will have a positive effect on Customer Satisfaction	Not
H2-3: LMS quality (Service quality ³) will have a positive effect on Customer satisfaction	Not
H3-1: LMS quality (System quality ¹) will have a positive effect on Customer Trust	Supported
H3-2: LMS quality (Information quality ²) will have a positive effect on Customer Trust	Not
H3-3: LMS quality (Service quality ³) will have a positive effect on Customer Trust	Not
H3-4: LMS quality (Security ⁴) will have a positive effect on Customer Trust	Supported
H4: Customer value will have a positive effect on Customer Satisfaction	Supported
H5: Customer Trust will have a positive effect on Customer Satisfaction	Supported
H6: Customer value will have a positive effect on Customer Loyalty	Supported
H7: Customer Satisfaction will have a positive effect on Customer Loyalty	Supported
H8: Customer Trust will have a positive effect on Customer Loyalty	Supported

4.5.2 Modified Research Model

The purpose of this thesis is improving customer loyalty through the application of Loyalty Management System – a case study of AGRIBANK Nam Ha Noi, I concentrates on researching the customer loyalty through studying all factors



of LMS system and factors influencing customer loyalty. The thesis is presented through questionnaires survey, which was conducted in objective way. Data is processed from a analyzing descriptive of sample demographics, validity, reliability and linear regression. All hypotheses are tested and some hypotheses are eliminated because they are not highly reliable and not have a positive effect on customer loyalty. After eliminating some unsupported hypothesis, it is necessary to modify the model presented in chapter three as follows:

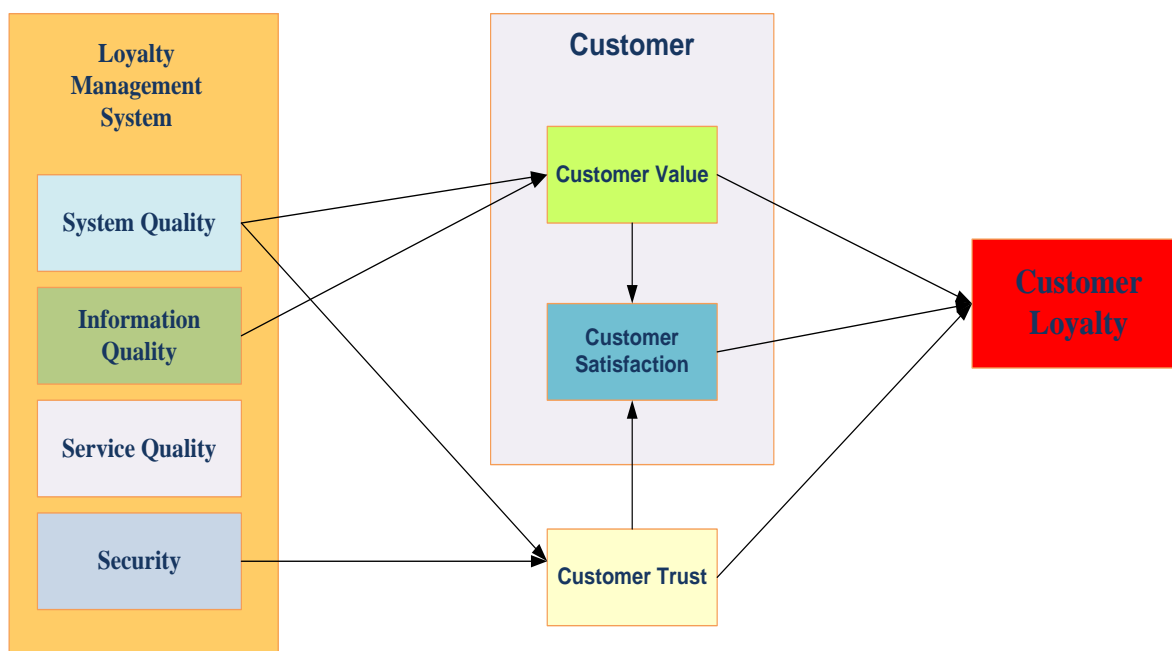


Figure 7. Modified research model

After all hypotheses are tested by actual survey data and analysis can be fully content in chapter IV, our conclusions are presented. Firstly, the conclusion of findings is discussed, followed by the research limitations. Finally, suggestions for

future research and some solutions for improving customer loyalty at AGRIBANK Nam Ha Noi are presented.





Chapter 5 Conclusions

5.1 Conclusions

From the result of the research, it can be concluded that the customer loyalty is vital factor and development goal of banking industry. Because of stronger competitiveness in the today business context, the studying of customer's needs and all factors influencing customer loyalty are becoming more and more important, therefore, this thesis is useful for making policy and development strategy of bank.

In service industry, especially in banking industry, the customer satisfaction is of more and more importance, which derives from the active interaction between bank and customer. More specific, if bank brings high loyalty to customer, customer will continue using their service, support new product, introduce bank to other customer and become loyal customer, which result in increasing revenue, profitability and market share and improve bank's position in the market. This is the purpose of which any bank purchases to achieve it.

5.2 Research Limitations

Although the thesis has valuable contributions to AGRIBANK Nam Ha Noi in studying customer and improving customer loyalty, the thesis has some limitations.

* The first, The research has also not taken into consideration the effect of other demographic variables (company size, company capital , etc.)

* The second, as introduced in chapter I, AGRIBANK Nam Ha Noi is one of the main branches of AGRIBANK Viet Nam, which has branches in all 64 provinces of Viet Nam. However, the thesis has only been conducted in Ha Noi; therefore, the result of this thesis has not reflected completely the fact of customer loyalty in the banking industry.



* And finally, the subjects who involved in questionnaires survey are corporate customer, therefore the data collected is not diversified and not really suitable for comparison and comprehensive analysis about the entire customer who are having transaction with AGRIBANK Nam Ha Noi

5.3 Further Research

From the all the research limitations which are mentioned in part 5.2, it can be concluded that further research should take these limitations into consideration. They are listed as follows;

* The research subject should be all kinds of AGRIBANK Nam Ha Noi customer including individual customers, customer from stated-own companies and departments, and economic organizations

* The research scope should be wider; it should study in all branches of AGRIBANK Vietnam

* The research factors should be more, such as others factors which contribute to the explanation of customer loyalty such as entertainment factors (hedonic aspects)

* The questionnaires should be more comprehensive

5.4 Solution for Improving Customer Loyalty in AGRIBANK Nam Ha Noi

5.4.1 Improve Service Quality

- Improve service quality especially internet banking, e-banking so that bank can provide information to customers in the fastest way. Customer can do the transaction right in their work place or at home if they have a computer.

- Develop value added of service like cross selling and package service

- Simplify transaction procedure and automate transaction operation in order to minimize transaction time while ensure the accuracy of the transaction



- Increase marketing promotion about new products and services

5.4.2 Ensure the Competitiveness of Price

In the competitiveness environment, there are many new internal and external banks, customers have many choices when they want to do any transaction; therefore, they are more sensitive to price than before

- Study price and interest of others banks in the same region in order to revise the price and interest policy of AGRIBANK Nam Ha Noi
- Update information of market fluctuation to consolidate customer trust on the competitiveness of price of AGRIBANK Nam Ha Noi
- Apply flexible and preferential interest policy to customer who has big transaction with bank or decrease transaction fee for customer who has big account balance and customer who are traditional one

5.4.3 Develop Human Resource

It can be said that in human resource management, the whole staff of the bank is considered to be the internal customer. Therefore, the quality of external customer service is good or not depending on the quality of internal customer service.

5.4.4 Build Professional Working Environment

The working environment affects directly to staff' psychology and attitude, therefore AGRIBANK Nam Ha Noi should build more professional working environment in order to create comfortable psychology for staff.

5.4.5 Improve the Good Bank's Image

AGRIBANK Nam Ha Noi is known as one of the best banks in Ha Noi with the well-experienced staff and good service products. In order to improve



customer's trust and loyalty, AGRIBANK Nam Ha Noi should build a good image and respect all agreements with customer

5.4.6 Improve Information Quality

- Ensure data quality and security of information system
- Ensure customer's information is confidential
- Put attention to problems like line errors or embolism because of overloading transaction

5.4.7 Expand Transaction Network

- Expand the transaction network to others regions not only in Ha Noi but also to others provinces of Vietnam.
- Expand and develop new distribution channel such as ATM, POS, home-banking and internet-banking in order to help customer easy to approach to services of AGRIBANK Nam Ha Noi.



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Appendix: Customer Questionnaires

In order to meet customer's need, AGRIBANK Nam Ha Noi conducts the questionnaires survey about customer loyalty program. We highly appreciate if you help us to fill in all information and answer all questions in this questionnaire. We would like to thank you for your cooperation and promise that all your information will be kept confidential.

I. General information

1. How long you use the service of AGRIBANK Nam Ha Noi

- | | |
|---|--|
| <input type="checkbox"/> < 1 year | <input type="checkbox"/> 2 years - < 3 years |
| <input type="checkbox"/> 1 year - < 2 years | <input type="checkbox"/> 3 years |

2. What services of AGRIBANK Nam Ha Noi is your corporate using at the moment. (Can choose many different options)

a. Monetary management:

- | | |
|---|--|
| <input type="checkbox"/> In-country money transaction | <input type="checkbox"/> Bill payment |
| <input type="checkbox"/> Automatic salary payment | <input type="checkbox"/> Cash payment collection |
| <input type="checkbox"/> Others..... | |

b. Credit:

- | | |
|--|---|
| <input type="checkbox"/> Discount the bill of export goods | <input type="checkbox"/> Guarantee service |
| <input type="checkbox"/> Sponsor Import and Export | <input type="checkbox"/> Mortgage lending of import goods |
| <input type="checkbox"/> Others..... | |

c. International payment

- | | |
|--|---|
| <input type="checkbox"/> Transfer money overseas | <input type="checkbox"/> Letter of credit |
| <input type="checkbox"/> Bill collection | <input type="checkbox"/> Others |

d. Money trading:

- | | |
|--|-----------------------------------|
| <input type="checkbox"/> (Spot) | <input type="checkbox"/> (Option) |
| <input type="checkbox"/> (Forward) | <input type="checkbox"/> (Swap) |
| <input type="checkbox"/> Future contract trading (tea, coffee) | <input type="checkbox"/> Others |

e. Modern banking:

- | | |
|---|---|
| <input type="checkbox"/> Phone-banking | <input type="checkbox"/> Home-banking |
| <input type="checkbox"/> Mobile-banking | <input type="checkbox"/> Internet-banking |



3. Besides AGRIBANK Nam Ha Noi, do you use service of other banks?

Yes

No

If yes, can you give the name of service?

And of which bank?

4. How many banks does your company have transaction with?

1-2 Banks

5-6 Banks

3-4 Banks

> 6 Banks

II. Evaluate customer loyalty when having transaction with AGRIBANK Nam Ha Noi.

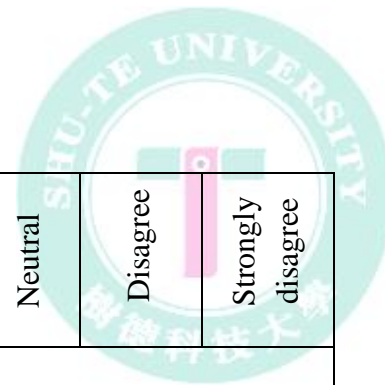
He / she please tell us three important elements to satisfy the most Enterprise Agribank Nam Ha Noi in the 10 factors listed below:

Please indicate level of importance from 1 to 3 of 3 factors that He / she is the most important assessment (in which one is the most important, 2 is the second important ...)

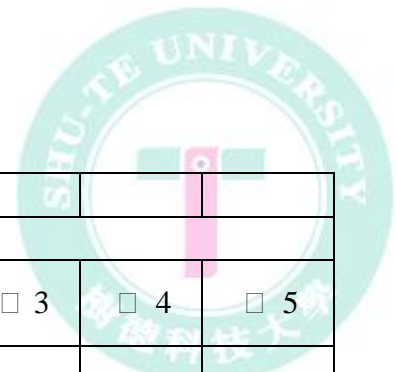
Factor	Important Levels	Factor	Important Levels
The bank's reputation		Provide complete information	
Price (interest rate, fees)		Timely and Skills, professional qualifications of the employee	
Diversified services to meet customer needs		The employee's attitude to customer	
Simple procedures		Transactions across networks	
Duration transactions		Facilities, facilities to serve customers	

1. Assessing the quality of business services at Agribank Nam Ha Noi

He / she please tell us the level of the enterprise agreement with the statements in the following table: (Mark X in the appropriate box, please do not leave blank)



No	Factor	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
A	SYSTEM QUALITY (SYQ)					
1	LMS system has full and easy user guide	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
2	LMS's interface is friendly with customer	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
3	LMS evaluate fairly to all customers of AGRIBANK Nam Ha Noi	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
4	LMS System brings satisfaction to customer	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
B	INFORMATION QUALITY (IFQ)					
5	LMS's information is provided to customer fully and exactly	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
6	LMS's information is easy to access (Website, advertisement....)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
7	LMS's information is updated in time to customer	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
C	SERVICE QUALITY (SIQ)					
8	LMS always brings special promotion to customers	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
9	LMS provides attractive customers care	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
10	LMS has diversified service to meet customer's requirement.	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
D	SECURITY (SER)					
11	LMS is designed with high security function	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
12	Security function of LMS meets customer's requirement	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
13	LMS run all security function fast and exactly to ensure customer's	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5



	information					
E	CUSTOMER VALUE (CUV)					
1 4	Transaction network are extensive	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
1 5	The arrangement of transaction desks are convenient for customer	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
1 6	Facility of bank is good (rest room, newspaper, drinking water.....	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
1 7	Parking place are convenient	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
1 8	All functions of ATM, SMS banking and Internet Banking are designed easily to use ...	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
F	CUSTOMER SATISFACTION (CSA)					
1 9	In general, you are satisfied with service quality of AGRIBANK Nam Ha Noi	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
2 0	In general, you are satisfied with price of services of AGRIBANK Nam Ha Noi	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
2 1	In general, you are satisfied when doing transaction with AGRIBANK Nam Ha Noi	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
G	TRUST (TRU)					
2 2	AGRIBANK Nam Ha Noi is the bank which many customer trust	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
2 3	AGRIBANK Nam Ha Noi keep customer information confidential	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
2 4	ATM system always operate well	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
2 5	Document, forms are designed to easily and clearly understand	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
2 6	Transaction procedure at AGRIBANK are simply and convenient	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5



III/ Other ideas: Do you have another idea to improve customer loyalty apart from above questions?

.....
.....
.....
.....
.....
.....
.....

...

Name of company:

Date:

Thank you for your cooperation



Appendix 1: The Official Questionnaire

Customer questionnaire (Corporate customer)

Customer name:

Corporate name:

I. General information

1. How long do you use service of AGRIBANK Nam Ha Noi?

- | | |
|---|--|
| <input type="checkbox"/> < 1 year | <input type="checkbox"/> 2 years - < 3 years |
| <input type="checkbox"/> 1 year - < 2 years | <input type="checkbox"/> > 3 years |

2. What services of AGRIBANK Nam Ha Noi is your corporate using at the moment (Can choose many different options)

a. Monetary management:

- | | |
|---|--|
| <input type="checkbox"/> In-country money transaction | <input type="checkbox"/> Bill payment |
| <input type="checkbox"/> Automatic salary payment | <input type="checkbox"/> Cash payment collection |
| <input type="checkbox"/> Others | |

b. Credit:

- | | |
|--|---|
| <input type="checkbox"/> Discount the bill of export goods | <input type="checkbox"/> Guarantee service |
| <input type="checkbox"/> Sponsor Import and Export | <input type="checkbox"/> Mortgage lending of import goods |
| <input type="checkbox"/> Others | |

c. International payment

- | | |
|--|---|
| <input type="checkbox"/> Transfer money overseas | <input type="checkbox"/> Letter of credit |
| <input type="checkbox"/> Bill collection | <input type="checkbox"/> Others |

d. Money trading:

- | | |
|---------------------------------|-----------------------------------|
| <input type="checkbox"/> (Spot) | <input type="checkbox"/> (Option) |
|---------------------------------|-----------------------------------|



- (Forward)
- (Swap)
- Future contract trading (tea, coffee)
- Others

e. Modern banking:

- Phone-banking
- Home-banking
- Mobile banking
- Internet-banking

3. Besides AGRIBANK Nam Ha Noi, do you use service of other banks?

- Yes
- No

If yes, can you give the name of service?

And of which bank?

4. How many banks does your company have transaction with?

- 1-2 Banks
- 5-6 Banks
- 3-4 Banks
- > 6 Banks

5. Do you consider AGRIBANK Nam Ha Noi as your official bank when you have any transaction of your Corporate?

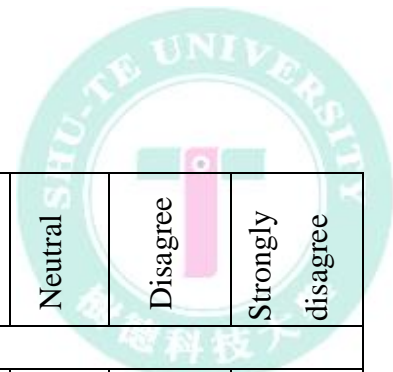
- Yes
- No

6. Are you willing to come to AGRIBANK Nam Ha Noi if you have any transaction in the future?

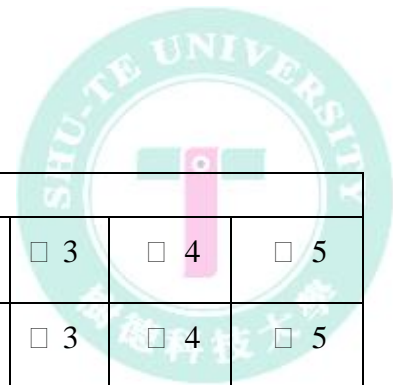
- Yes
- No

II. Evaluate customer loyalty when having transaction with AGRIBANK Nam Ha Noi

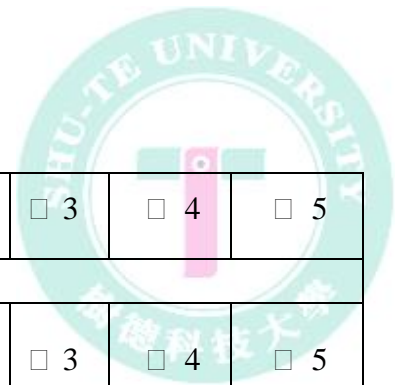
Can you please give your idea for following questions (Tick X in appropriate box, please answer all questions?)



No	Factor	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
A	SYSTEM QUALITY (SYQ)					
1	LMS system has full and easy user guide	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
2	LMS's interface is friendly with customer	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
3	LMS evaluate fairly to all customers of AGRIBANK Nam Ha Noi	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
4	LMS System brings satisfaction to customer	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
B	INFORMATION QUALITY (IFQ)					
5	LMS's information is provided to customer fully and exactly	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
6	LMS's information is easy to access (Website, advertisement...)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
7	LMS's information is updated in time to customer	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
C	SERVICE QUALITY (SIQ)					
8	LMS always brings special promotion to customers	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
9	LMS provides attractive customers care	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
10	LMS has diversified service to meet customer's requirement.	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
D	SECURITY (SER)					
11	LMS is designed with high security function	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
12	Security function of LMS meets customer's requirement	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
13	LMS run all security function fast and exactly to ensure customer's information	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5



E	CUSTOMER VALUE (CUV)					
1 4	Transaction network are extensive	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
1 5	The arrangement of transaction desks are convenient for customer	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
1 6	Facility of bank is good (rest room, newspaper, drinking water.....)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
1 7	Parking place are convenient	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
1 8	All functions of ATM, SMS banking and Internet Banking are designed easily to use ...	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
F	CUSTOMER SATISFACTION (CSA)					
1 9	In general, you are satisfied with service quality of AGRIBANK Nam Ha Noi	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
2 0	In general, you are satisfied with price of services of AGRIBANK Nam Ha Noi	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
2 1	In general, you are satisfied when doing transaction with AGRIBANK Nam Ha Noi	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
G	TRUST (TRU)					
2 2	AGRIBANK Nam Ha Noi is the bank which many customer trust	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
2 3	AGRIBANK Nam Ha Noi keep customer information confidential	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
2 4	ATM system always operate well	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
2 5	Document, forms are designed to easily and clearly understand	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
2 6	Transaction procedure at AGRIBANK are simply and convenient	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
2 7	Transaction time at AGRIBANK Nam Ha Noi is fast	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5



28	Time of customer waiting for transaction is short	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
H	CUSTOMER LOYALTY (CL)					
29	In general, you are completely loyal to products and services of AGRIBANK Nam Ha Noi	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
30	In general, you are completely loyal to all advantages which AGRIBANK Nam Ha Noi brings to you?	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
31	In general, you are completely loyal to policy of AGRIBANK Nam Ha Noi	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Other ideas: If you have another idea, please write under here in order to improve customer loyalty in AGRIBANK Nam Ha Noi.

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AUTOBIOGRAPHY



My name is Duong Song Ha, student of MIS 4. I graduated from Ha Noi University of Technology in 2000 and Saint Petersburg Electrotechnical University in 2004. I worked for several foreign companies before becoming official staff of AGRIBANK Nam Ha Noi. I am now Head of Marketing and Service Department of AGRIBANK Nam Ha Noi. My major works are doing market research about new service products especially service products which applied information technology and analyzing customer need, interest and characteristics in order to create new products to meet customer satisfaction and enhance competitive capability of AGRIBANK Nam Ha Noi among banking industry in particular and service industry in general in Vietnam. Besides, I also design and apply several softwares (soft-ware) into customer management system. With the purpose of contributing my small capability into the development of AGRIBANK Nam Ha Noi, I enrolled the Master of Information System course, which is conducted by Shute University, Taiwan in coordination with University of Education, Viet Nam National University. I found that this course brought me valuable knowledge and I had chance to exchange working experience as well as build new relationships, which are of importance to my job in the future.