

THE RELATIONSHIP BETWEEN SERVICE QUALITY, CUSTOMER SATISFACTION, TRUST, AND COMMITMENT: A CASE STUDY OF FUDIAN BANK'S CUSTOMERS IN KUNMING, YUNNAN, CHINA

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Abstract: *This research aims to investigate the relationships among four variables (service quality, customer satisfaction, trust and commitment) to enhance the understanding of the factors that affect the commitment of customers to a bank, in this case, the Fudian Bank in Kunming, China. The data was collected from 399 respondents by using the non-probability sampling procedure. The research outcomes reveal that technical quality (in term of employees' technical ability, employees' knowledge, technical solutions, computerized systems, and machine quality), functional quality (in terms of employees behavior, attitude, accessibility, appearance, customer conduct, internal relationship, and service-mindedness) have a statistically significant influence on customer satisfaction and trust. Moreover, both customer satisfaction and trust toward the bank is proven to be positively associated with commitment.*

Keywords: *Service Quality, Customer Satisfaction, Trust, Commitment.*

1. Introduction

In Kunming, China, as in many places across the country, organizations often depend on banks to conduct their activities in a sustainable manner. With business booming and the number of companies growing, more and more banks have been set up to respond to these needs. This, among other, has caused competition amongst them to increase and forced them to be more aggressive in their effort to attract and retain customers. Banks have also become increasingly more aware of and concerned about the need for better management in order to ensure customers' willingness to maintain a relationship with them. In short, banks are looking for customer commitment.

Commitment is considered to be the superlative indicator of the status of interdependence between partners, and one of the most significant and important factors for maintaining trust and relationship between trading partners (Scanzoni, 1979; Dwyer, Schurr, and Oh, 1987; Moorman, Zaltman, and Deshpande, 1992). Customer commitment to a bank is one of the most important factors of a bank's strategic development, and a reflection of the quality of the service a bank provides. Banks need the commitment of customers to create

competitiveness. Commitment is also one of the most important ways to generate profits. With competition intensifying, customers' requirements with regard to satisfaction and trust in a bank are increasing constantly.

Given the intense competition, both from domestic banks and local financial institutions, any given bank needs to try to lift up high the service quality innovation flag day by day, in order to improve its customer commitment and brand influence, and to achieve strategic goals steadily. The strategies on how to attract and retain customers should be differentiated as each bank has its own specific orientations. A bank's concentration on service quality, customer satisfaction, and trust, should be assessed in a way that is appropriate to that particular bank.

Based on all these considerations, this article primarily aims to explore the customer commitment in the context of banking services. Specifically, it looks at seven branches of the Fudian Bank located in Kunming city, China. Fudian Bank is a medium size, local bank that is representative of many such banks in Kunming. It is a commercial bank whose main focus is on SMEs and export-oriented companies. Measuring the factors that affect the commitment of customers to banks such as Fudian Bank will have both theoretical and practical meanings.

After considering the literature relevant to this study and the conceptual framework derived from it, this article explains the methodology

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