

Factors Affecting Customer Loyalty on Banking Service: A Case of Hong Kong
Shanghai Bank Commercial in Ho Chi Minh City, Vietnam

Mr. Thanh Phong Bui

A Thesis Submitted in Partial Fulfillment of the Requirements
for the Degree of Master of Business Administration in Marketing
Graduate School of Business

Assumption University

Academic Year 2011

Copyright of Assumption University

Factors Affecting Customer Loyalty on Banking Service: A Case of Hong Kong
Shanghai Bank Commercial in Ho Chi Minh City, Vietnam

Mr. Thanh Phong Bui



A Thesis Submitted in Partial Fulfillment of the Requirements
for the Degree of Master of Business Administration in Marketing
Graduate School of Business
Assumption University
Academic Year 2011
Copyright of Assumption University

Thesis Title	Factors Affecting Customer Loyalty on Banking Service: A Case of Hong Kong Shanghai Bank Commercial in Ho Chi Minh City, Vietnam
By	Mr. Thanh Phong Bui
Major	Marketing
Thesis Advisor	Assistant Professor Sirion Chaipoopirutana, Ph.D.
Academic Year	2011

The Graduate School of Business, Assumption University, has approved this thesis as a partial fulfillment of the requirements for the Degree of Master of Business Administration in Marketing.

K. Phothikitti Dean of the Graduate
School of Business
(Kitti Phothikitti, Ph.D.)

THESIS EXAMINATION COMMITTEE

Witsaroot Pariyaprasert Chairman
(Witsaroot Pariyaprasert, Ph.D.)

Sirion Chaipoopirutana Thesis Advisor
(Assistant Professor Sirion Chaipoopirutana, Ph.D.)

T. Yomjinda External Member
(Associate Professor Thanachai Yomjinda)

Ismail Ali Siad Member
(Ismail Ali Siad, DBA)

Aaron Loh Member
(Aaron Loh, Ph.D.)

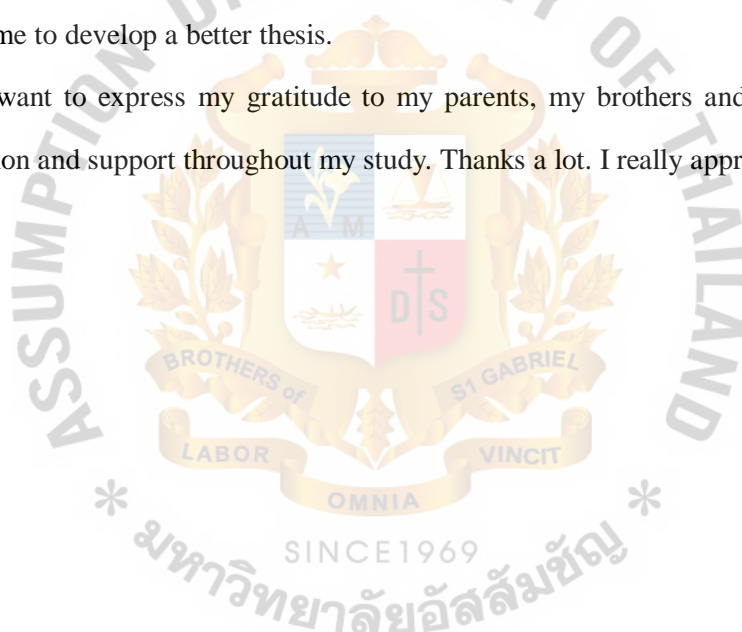
ACKNOWLEDGEMENTS

This thesis is dedicated to a number of extraordinary individual who have given me their help, supports, suggestion and understanding.

First and foremost, I would like to express my deep gratitude to my dearest advisor, Assistant Professor Doctor Sirion Chaipoopirutana for being my thesis advisor and for all her valuable advises while I was pursuing my thesis. Thanks for giving me a lot of ideas, kind suggestions, deeply knowledge and kindly recommendations to me any great texts.

Secondly, I would like to express my gratitude to all respected committee members in Graduate School of Business for their valuable helps, in order to give me the recommendations, suggestion, guide me to develop a better thesis.

Finally, I want to express my gratitude to my parents, my brothers and my friends for their love, inspiration and support throughout my study. Thanks a lot. I really appreciate for that.



Bùi Thanh Phong
December, 2011
Graduate School of Business
Assumption University, Bangkok, Thailand.

ABSTRACT

Nowadays, banking service business has become fiercely competitive. The purpose of this study was to examine the relationship between selected factors (brand image, friendship, perceived service satisfaction, perceived core service quality, social regard and social comfort) and customer loyalty of HSBC Ho Chi Minh customer in Vietnam.. The questionnaire designed based on factors: brand image, friendship, perceived service satisfaction, perceived core service quality, social regard and social comfort (independent variable) which effected on customer loyalty (dependent variable) in conceptual framework. Statistical analysis included descriptive analysis of demographic profiles, Pearson correlation of the positive relationship between the potential factors (independent variables) and core factor (dependent variable).

The researcher surveyed on 400 respondents who had experience to use HSBC banking service in Ho Chi Minh, Vietnam. The researcher used the Pearson Correlation analysis tool on this research. Result indicated that brand image, friendship and perceived service satisfaction does play a mediating role in the effect of customer loyalty in banking service. The effects of a number of demographic indicators on customer loyalty are also reported. There still have some limitations to be discussed. Firstly, this study examined some specific factors and there are possibly other factors that may effect on customer loyalty in banking service. Secondly, the population in this research is Ho Chi Minh City; it mayn't reflect the whole customer image in Vietnam.

The result of this study found the significant relationship between customer loyalty and friendship, brand image, service encounter satisfaction, received core service quality, social comfort and social regard in HSBC in Ho Chi Minh City, Vietnam. The researcher also found the majority of HSBC customers are based on demographic factors such as: age, gender, education level, monthly income... The findings provided important implications for HSBC to understand the relationship between customer loyalty of banking service which can serve as a guide for the bank to appropriately develop its marketing strategy to attract potential customers. Furthermore, significant recommendation service such as: improving brand image, building the friendship in working place to HSBC banking service included in this research. In addition, the results would help HSBC service, other local banking services and the marketers to set up a suitable marketing strategy to improve the customer loyalty in the future.

TABLE OF CONTENTS

	Page
Table of Contents	i
List of Tables.....	iv
List of Figures.....	vi
Chapter 1: Generalities of the Study	
1.1 Introduction.....	1
1.2 Statement of the Problems	11
1.3 Research Objectives.....	12
1.4 Scope of the Research.....	13
1.5 Limitations of the Research.....	14
1.6 Significance of the Study.....	14
1.7 Definition of Terms.....	15
Chapter 2: Review of Related Literature and Studies	
2.1 Theory.....	17
2.1.1 Customer Loyalty.....	17
2.1.2 Service Encounter Satisfaction.....	20
2.1.3 Perceive Core Service Quality.....	21
2.1.4 Social Regard.....	22
2.1.5 Social Comfort.....	23
2.1.6 Friendship.....	24
2.2.7 Brand Image.....	26
2.2 Related Literature Reviewed.....	28
2.3 Previous Studies.....	32
Chapter 3: Research Framework	
3.1 Theoretical Framework.....	37
3.2 Conceptual Framework.....	41
3.3 Research Hypotheses.....	42

3.4 Operationalization of Variables.....	44
Chapter 4: Research Methodology	
4.1 Method of research used.....	46
4.2 Respondent and Sampling Procedures.....	47
4.2.1 Target Population.....	47
4.2.2 Sampling Unit.....	48
4.2.3 Sample Size.....	51
4.2.4 Sampling Procedure.....	52
4.3 Research Instrument / Questionnaire.....	54
4.4 Pretest	56
4.5 Collection of data/Gathering Procedure.....	58
4.6 Statistic Treatment of Data.....	59
4.7 Summary & Statistical Tool used in Testing Hypotheses.....	61
Chapter 5: Presentation of Data and Critical Discussion of Results	
5.1 Discriptive Analysis.....	63
5.1.1 Frequency of Demographic Characteristic.	63
5.2 Inferential Analysis.....	71
5.2.1 Hypotheses Testing Result.....	71
5.2.2: Summary of Hypotheses Testing.....	76
Chapter 6: Summary of Findings, Conclusion and Recommendation	
6.1 Summary of Findings.....	78
6.1.1 Summary of Demographic	78
6.1.2 Summary of Hypothesis Testing.....	79
6.2 Implications and Discussion.....	80
6.3 Conclusions.....	83
6.4 Recommendations.....	83
6.5 Further Researches.....	86
Bibliography.....	88
Website.....	97

Questionnaire English Version.....98

Questionnaire Vietnamese Version.....102



LIST OF TABLES

Tables	Page
Table 1.1: Number of HSBC branches in the word.....	7
Table 1.2: Number of banks in Vietnam in 2011.....	8
Table 1.3: Location of 8 branches of HSBC in Ho Chi Minh City	11
Table 4.1: The Summary of the districts where HSBC is located	49
Table 4.2: The Summary Addresss of 8 branches HSBC locations.....	50
Table 4.3: The Reliability of the Questionnaire in the study	58
Table 4.4: Schedule of collection Data.....	59
Table 4.6: The r-value and Corresponding Strength of Association.....	61
Table 4.7: Summary of Statistical Tools used in Testing Hypotheses.....	62
Table 5.1: The Gender of HSBC customers in Ho Chi Minh City.....	64
Table 5.2: The age of HSBC customers in Ho Chi Minh City.....	64
Table 5.3: The income level of HSBC customers in Ho Chi Minh City.....	65
Table 5.4: The education level of HSBC customers in Ho Chi Minh City.....	65
Table 5.5: The nationality of HSBC customers in Ho Chi Minh City.....	66
Table 5.6: Mean, Standard deviation and Interpretation of Customer Loyalty.....	67
Table 5.7: Mean, Standard deviation and Interpretation of Service encounter satisfaction.....	67
Table 5.8: Mean, Standard deviation and Interpretation of friendship.....	68
Table 5.9: Mean, Standard deviation and Interpretation of perceived core service quality.....	69
Table 5.10: Mean, Standard deviation and Interpretation of Social regard.....	69
Table 5.11: Mean, Standard deviation and Interpretation of Social comfort.....	70
Table 5.12: Mean, Standard deviation and Interpretation of Brand image.....	70
Table 5.2.1: Correlation between the friendship and customer loyalty.....	71
Table 5.2.2: Correlation between the brand image and customer loyalty.....	72
Table 5.2.3: Correlation between the service encounter satisfaction and customer loyalty.....	73
Table 5.2.4: Correlation between the perceived core service quality and service encounter satisfaction.....	74
Table 5.2.5: Correlation between the social regard and perceived core service quality.....	75

Table 5.2.6: Correlation between the social comfort and perceived core service quality.....76

Table 6.1: Summary of Demographic represented by highest percentage.....79



LIST OF FIGURES

Figures	Page
Figure 1.1: The Map of Vietnam.....	6
Figure 3.1: The research model of the effect of service convenience on post-purchasing behavior.	38
Figure 3.2: The relationship between Brand Image and Customer Loyalty.	39
Figure 3.3: The model of evaluative and relational influences on service loyalty.....	40
Figure 3.4: Conceptual Framework.....	42
Figure 4.1 : Map of HSBC branches location in Ho Chi Minh City	49
Figure 4.2: The map of 8 branches of HSBC Ho Chi Minh City	50
Figure 4.3: The Respondents collected in each HSBC Branch.....	53



CHAPTER 1

GENERALITIES OF STUDY

1.1 INTRODUCTION

Loyalty factor is considered as key value of marketing strategy in the banking service and others. It is also to help bank to gain the profit and reduce marketing cost. In previous times, many banking services aware and understand of brand image, service quality and customer satisfaction which are generally accepted as a key determinant of customer loyalty. The customers are hard to attract and difficult to retain because it is not relatively easy for customers to switch their traditional service providers. Loyalty factors are an organization's most reliable success indicator defined by Zeithaml and Bitner (1996). Also, Aaker (1997) stated that this increased customer loyalty can help lower marketing cost, solicit more customers, and effectively operate trading leverage. Additionally, Payne (1993) stated that the loyalty customers become an advocate concept for the service can be defined: providing positive word-of-mouth, recommendation the service to other, encouraging others to use service and defending the service provider and generate higher corporate profits (Reichheld et al. 2000). As markets become more competitive, many companies recognize the importance of retaining current customers and some have initiated variety of activities to improve customer loyalty (Rosalind and Audrey, 2007). Faced with this situation, some service providers have considered whether adoption of quality standards, such as ISO 9001. Actually, the companies can get the big profit from those standard and loyalty customers. Reichheld and Sasser (1990) studied that, when company retains just 5 percent more of its customer, profits increase by 25 percent to 125 percent. That is why for many years customer satisfaction has been a major goal of business organization, since it has been deemed to affect customer retention and companies' market share (Anderson, 1990). Loyal customers can help company to promote the product or service. In the service industries such as: banking, restaurant, hotel, beauty treatment, etc, the service encounter satisfaction is really considered as core value to affect customer. And others are brand image and friendship. Friendship can

attract and introduce customers, based on friendship, customers believe on new service and products. After using many times, brand image will be imprinted in a customer's mind.

As an increasing quality of social, service business performance needs more demand of customer loyalty. To maximize revenue and profit, service businesses are increasing the utility in service and controlling their management. One of the most important challenges today, banking services is facing with the stiff competition with each other. They have to change their services to become nearly perfect than before, competition was to provide customer satisfaction, service convenience and improved quality. There has a link with prior experience with organization, affective commitment to satisfaction of customer. Perceived Service Value was built from the service convenience in the beginning but it was directed to motivate customer trust and loyalty.

In the business activities, the goals that most sellers and marketers want to achieve are profit and customer loyalty. In particular, Reichheld and Sasser (1990) stated that a loyal customer base will generate more predictable sales, steady cash flow and an improved profit stream. With the innovation of information and technology stage, the banking service has also changed by the market demand. Now a day, the customer can do transaction in home by internet banking. But the traditional transaction is most important in banking service activities. Aaker (1991) implied it as pleasure purchase and using your service, meaning that, they have satisfaction with product which you supplied. Sometimes, they develop a special relationship with the employee such as friendship. That friendly relationship can also keep customers on a long term basis. Introduction quality is vital in business as it can assure satisfaction service in responding to a customers, reflex by the way on customer behavior. Social regard and social comfort will also have an on customer loyalty. For retailers of service, the interpersonal contact between customer and service employee may be critical service outcomes such as loyalty. This interaction would be especially important for retailer of high interpersonal contact service (Bove and Johnson, 2000). According to this view, loyalty involves attitudes, psychological involvement, notions of favouritism and a sense of goodwill towards a particular product or service (Kim et al., 2006). Eventually, that would seem to the loyalty is best understood by considering both behavioural loyalty and attitudinal

loyalty. Moreover the higher levels of customer satisfaction to be strongly resulted in customer loyalty. Those supporting, researcher sees the importance of customer loyalty.

Zahorik and Rust (1992) stated that the modeling perceiver service satisfaction has been modeled to impact directly influencing customer loyalty. Pieters and Bottschen (1999) investigated that three specific factors drive customer loyalty: friendship, social comfort and social regard. Bove and Johnson (2000) stated that the personal friendship between customer and individual service employee has influenced customer loyalty. Goodwin and Frame (1989) stated that the regard for customers has been found to affect perceived service quality, social comfort, relationship strength and loyalty. Brand image is found to have a potential moderation role between PR-public relation and customer loyalty. Keller (1999) found that the customer loyalty is often viewed as resulting from brand image. Actually from previous researches, the researcher can find the relationship between customer loyalty, brand image, friendship, perceived service satisfaction and perceived service quality, social regard and social comfort.

Ho Chi Minh City, Vietnam is the target place for study. And Hong Kong Shanghai Bank Commercial in Ho Chi Minh City, Vietnam is the aim of this researcher to study. The customers of HSBC who have experience of using banking service are respondents in this study. According to the previous study, at least customer used more than 3 times, eventually they can establish the loyalty of this service and product (uses HSBC service in this case).

The first, HSBC is considered as world largest Bank in the world. HSBC's international network comprises around 7,500 offices in 87 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. The second, HSBC Vietnam is located in Asia-Pacific. In Vietnam, HSBC is considered as the biggest bank currently. HSBC has experience of quality and brand image in banking service in the world. The last, the customers of HSBC are mostly from middle to high income class in Vietnam. HSBC-Vietnam service facilities, environmental services, meet quality standard of HSBC global standard.

Vietnam, South East Asia Country

Socialist Republic of Vietnam is a country in South East Asia, it share its border with China in the North, Laos and Cambodia in the West, West Sea in the East and South. The capital is Hanoi in the North where it's the main political & administrative center of quarter are the three main cities are Ho Chi Minh City, Da Nang City and Can Tho City. Population Vietnam is about 90 million (ranking 13th in the world). In 2009, Hanoi has population of 6.472 millions: Ho Chi Minh City population 7.163 million, Da Nang City population 890,500 and Can Tho City population 1.189 million. Now a days, based on geographical features and human culture, Vietnam is divided into 3 main part: Capital-Hanoi (North), Da Nang City (Central) and Ho Chi Minh City (South). Each region has its own culture, foreign investment policy, economic policy, attitude and behavior of people and administrative structure... For this research will focus on Ho Chi Minh City, South Vietnam targeting its population.

In 1986 the Vietnam government decided to reform its economic policy. They made the decision to open the nation economic to the world. This is the great decision to help not only the nation but also the Vietnamese. There was period of wartime in the past in Vietnam but now it is changing its economy and social every year. Vietnam was ranked the most developed economy of the world according to Global Growth Generators Index in 2010. According to City Group, Vietnam economic growth is to continue in the future. However, the social activities of health care, gender equality and social stability need changes and they are being gradually and actually undergoing remarkable changes (<http://www.saigon-gpdaily.com.vn/>, 27/09/2011).

Đổi Mới ("Renovation") Stage

Vietnam renovation can be divided into 2 stages: Renovation I (1986 – 2006) and renovation II (2006- till present). With Vietnamese and Vietnam country, there are important stages. The government is trying to improve the national Gross Domestic Products, and also to change the history of Vietnam. Based on the changing, the new Vietnam was established from new economic policies for its. After Renovation I, Vietnam needs Renovation II to

innovate political, economic as Renovation II. The impasses on the current economic required to reform in the legal, financial, banking, taxation and generally administration. Renovation I&II made the normal relationship with China, the ASEAN country, United State and other countries in the region. World Trade Organization was the final step to help Vietnam to become a member of international community. Vietnam is presently undergoing remarkable political and economic reforms. Its progress can be seen domestically and internationally. In accordance with the government's new policies trade and industry are gaining strong growth. Financial institutions like commercial banks began to operate locally in the beginning, but with the expertise and experience from these banks, Vietnam gained a foothold in the international market. Its economy has growth so well that Vietnam was the only country that remained strong and stable during the 1997. Economic crisis in Asia when other countries were badly effected and struggled to survive. New Enterprise Law (2000) removed bureaucratic barriers to public-sector businesses, more than two thousand new enterprises register to establish every year. Vietnam has increased its productivity and has gone beyond small domestic market. The result of reforms helped Vietnam overcome the Asian financial crisis in 1997 (<http://www.viet-studies.info>, 25/09/2011).

Figure 1.1: The map of Vietnam



Source: <http://redravine.worldpress.com/>, 27/09/2011

HSBC Global

Hong Kong and Shanghai bank opened in 1865. Today, it still maintains the largest bank in Hong Kong and Shanghai and continues to expand into China, where HSBC is largest international bank. HSBC is considered as one of the world largest’s banking and financial service today. The headquarter is in London, England. According to Forbes magazine in 2011, HSBC was voted as the second largest bank in the world. HSBC listed on the London, Hong Kong, New York, Paris and Bermuda stock exchanges, shares in HSBC Holdings plc hold

over 221,000 shareholders in over 127 countries and territories. The shares are traded on the New York Stock Exchange in the form of American Depositary Receipts. HSBC provides a comprehensive range of financial services to around 95 million customers through four customer groups and global businesses: Personal Financial Services (including consumer finance); Commercial Banking; Global Banking and Markets; and Global Private Banking.

Table 1.1: Number of HSBC branches in the world.

Region	Number of Offices
America	3,821
Asia-Pacific	1,830
Europe	2,315
Middle East - Africa	302

In the world financial service market, HSBC is considered a respectable group. It is not only developing in England but also overcome the territories worldwide. HSBC has around 8,000 offices in 87 countries & territories in the world, 210,000 shareholders, 300,000 staff and 128 million customers worldwide. There are branches in America (3821 branches), Asia-Pacific (1830 branches), Europe (2315 branches) and Middle Ease-Africa (302 branches). And today, HSBC is still expanding its business. (<http://www.hsbc.com/1/2/about>, 25/09/11).

Banking System in Vietnam in 2011

Currently, banking system is very complex in Vietnam. Every industry has their own bank. For example: Import Export Bank (EximBank), Vietnam Commercial Bank (VietcomBank), Maritime Bank, Agricultural Bank (AgriBank), Housing Develop Bank (HdBank), Military Bank (MBank) ... The opportunity of that bank helps that industry developed to enter world market for economic growth worldwide. And banking penetrated in any social activities. Over time, expanding of its capital excessed to controlling their industry

and became to compete with others. Additionally the state banks gave permissions to open many small banks for that reason to make baking market more competitive. According to official statistic record, there are altogether 64 banks, including 16 foreign banks, operating in Vietnam presently.

Table 1.2: Number of banks in Vietnam in 2011

No	Banking system	Number of banks
1	Policy Bank-Development (State)	5 Banks
2	The system of people's credit fund Vietnam	1 Bank
3	Commercial bank	39 Banks
4	Bank 100% foreign capital and foreign banks	13 Banks
5	Joint venture banks in Vietnam	6 Banks

Source: <http://diendannganhang.com/forums/t/76.aspx>, 24/09/2011.

HSBC Vietnam – Ho Chi Minh City

Today, Vietnam economic is growing up, the households and middle-class consumers are improving their living standards. They have to choose the using of social service and consumption products. Vietnamese reached to the stage of advertising and developed branding product. There is not only the international brand to be ingrained but also the Vietnam company brand in the purchasing decision. Thus, marketers and manufacturers need to understand the emotional of consumers and the new consumer trend in Vietnam to recognized and diverse society the product. Branding is considered as important factor lead the customer buying behavior. Therefore, the banking marketer should understand and adopt this trend for marketing strategy. It is the reason why the researcher will choose brand image factor to survey. The Vietnamese traditional buying behavior is likely to buy the products or service which they had knowledge of that product or service and they will be hardly to change their buying habit or behavior. Actually, the loyalty had established in Vietnamese in

the past time. Although the society has changed to follow the economic growing but the loyalty is also important major in buying behavior of Vietnamese customers. (<http://vneconomy.vn/20090129095857756P0C19>, 29/10/2011)

With a longstanding presence in the Vietnam market, from 1870, HSBC is the bank recorded many milestones in the development of Vietnam. With contribution of Vietnam financial market based on those activities such as: The first foreign bank to introduce ATM machines and card ATMs in Vietnam (ATM - 1996), The first foreign bank to introduce credit products consumption (2001), The first foreign bank to establish a bank with 100% foreign capital in Vietnam (2009). In August 1995, HSBC registered to open the first branch in in Ho Chi Minh and supply enough every banking service. In 2005, HSBC continued to open 2 more branches in Ha Noi Capital and Can Tho City.

On December 2005, HSBC bought 10% share of Techcombank-Technology Commercial Bank Vietnam (one of the largest local banks in Vietnam). On September 2008, HSBC completed to buy 20% share of Techcombank to become the first foreign Bank to own 20% share of the national bank (<http://www.hsbc.com.vn/1/2/about-hsbc/>, 18/09/2011).

On September 2007, HSBC signed a contract to buy 10% share of BaoViet group - Vietnam insurance group, the largest Vietnam insurance and financial corporation. On 01 May 2009, HSBC subsidiary banks its officially began operation, becoming the first foreign bank to operate in Vietnam after receiving approval from the State Bank to the Bank 100% foreign capital in Vietnam in May 09 2008. The new bank is called the Limited HSBC Bank (Vietnam) headquartered in the Metropolitan building, 235 Dong Khoi Street, District 1, Ho Chi Minh City. With a capital of 3,000 billion VND, the Limited HSBC Bank (Vietnam) 100% owned by Bank of Hong Kong and Shanghai, the founder and official member of the HSBC Group (<http://www.vnbrand.net>, 24/09/2011).

Currently, HSBC is the largest foreign bank in Vietnam in terms of investment capital, network, product categories, the number of employees and customers. From 2007, HSBC has made great developing progress. From the beginning, HSBC Vietnam's system represent one office and 400 employees but right now, they growth up to 16 offices and deals with over

1,700 employees. The scope of activities of HSBC not only encapsulates the two largest cities of Hanoi and Ho Chi Minh City but also extended to many other economic centers such as Da Nang and Binh Duong, Can Tho and Dong Nai. HSBC's products are also much more diversified financial services to both individuals and businesses. According to the president of HSBC, Vietnam is considered to the important market for HSBC's future strategy in Asia market. The goals of HSBC will promote and support the development of Vietnam to become the major market in corporate strategy. This strategy is reflected by the current expansion as well as the introduction of new banking products, increase service quality, attracted more customers, support monetary policy, distant inflation... In addition, HSBC will continue to grow in this market and develop relationships with BaoViet Insurance Cooperation and Technology Commercial Bank Vietnam.

In 2011, the situation of Vietnam's financial market is not favorable for foreign investor, monetary policy tightening to contain inflation of Vietnam dong (vnd) ... The inflation is not only effected on HSBC's Vietnam but also has impacted to all banks which are operating in Vietnam. Therefore, HSBC is making the foundation for long-term development and prosperity of the economy of Vietnam. To thrive in the current context, HSBC will have to further improve the services quality (get the loyalty from customer) and various products to this market. Their products and services will make the best of financial strength. And the bank can connect to their clients with business opportunities, investment and development investments worldwide. The proportions of the current HSBC puts more pressure on management and development department to maintain the position of the leading foreign banks in Vietnam. However, the expansion of HSBC also offers many advantages to the customers because HSBC can come closer and supply banking products, financial services with high quality to the customers. The HSBC's goals are to achieve the satisfaction and loyalty from the customers in the present and future. (<http://www.thesaigontimes.vn/Home/taichinh/nganhang>, 29/11/2011)

With HSBC's history as well as an understanding of the Vietnam market, the bank affirmed their commitment to bring the best service and absolute satisfaction to customers. In Vietnam, HSBC provides clients with a full range of banking services including:

- Commercial Banking.
- Global Banking.
- Global Markets.
- Global Payments and Cash Management.
- Trade and Supply Chain.
- Securities Services.
- Personal Financial Services.

Table 1.3: Location of 8 branches of HSBC in Ho Chi Minh City

No	Address	District
1	Metropolitan Tower (Head Office)	District 1
2	Etown3 Buiding Cộng Hòa	Tân Bình District
3	49I-49H Phan Đăng Lưu	Phú Nhuận District
4	182 Lê Đại Hành	District 11
5	9 Đinh Tiên Hoàng	District 1
6	235 Nguyễn Văn Cừ	District 1
7	235 Đồng Khởi	District 1
8	1401-1403 Nguyễn Văn Linh	Phú Mỹ Hưng Area, District 7

Source: <http://www.hsbc.com.vn/1/2/about-hsbc/about> HSBC, 20/10/2011.

1.2 Statement of the Problem.

In Vietnam, HSBC is considered the largest bank and they are developing their market every year. Today almost big cities in Vietnam have presented by HSBC branches. With the strongly development, HSBC is attracted more individual and enterprise clients to use their service. And service quality is considered to important major of the bank at the present. Their employees can’t serves fulfill as customer expectation. Today, there is any problem in HSBC in Ho Chi Minh City such as: service quality is lower than customer expectation. The customers complained about their service, and the staff treated with customer not to be

friendly. The bank staff treats with their customers as not well as customers expected.
(<http://hienstc.wordpress.com/2011/09/30/>, 28/10/2011)

The research aims to examine how to achieve customer loyalty when they use HSBC bank service. Some of the factors such as: friendship, perceived core service quality, friendship, service encounter satisfaction, social regard, perceived core service quality influence customer loyalty. With the rise of interest and concern in customer relationship, customer loyalty is used to identify the relationship within each reasonable factor. HSBC is a leading bank not only in Vietnam but also in worldwide. It could also help to find out how to satisfy customers in HSBC and help gain customer with loyalty. This study will try to find out if the factors such as friendship, brand image, perceive core service quality affect customer loyalty of HSBC in Ho Chi Minh City. The result of this study can support the marketing manager to have the different view of customer and it can be the guide to help them to improve the loyalty in currently customers. The researcher would study to find the answer to this study as show below.

Research Questions:

1. Is there a significant relationship between friendship and customer loyalty?
2. Is there a significant relationship between brand image and customer loyalty?
3. Is there a significant relationship between service encounter satisfaction and customer loyalty?
4. Is there a significant relationship between perceived core service quality and service encounter satisfaction?
5. Is there a significant relationship between social regard and perceived core service quality?
6. Is there a significant relationship between social comfort and perceived core service quality?

1.3 Research Objectives

The searcher would like to determine dependent/ independent variables whether or there are relationship between the factors below. The researcher would try to explain why

customers have loyalty with HSBC bank. This is 6 objectives the researcher would try to study the relationship between the factors effect to customer loyalty with the following 6 objectives:

1. To study of the relationship between friendship and customer loyalty of HSBC in Ho Chi Minh City, Vietnam.
2. To test the relationship between brand image and customer of HSBC in Ho Chi Minh City, Vietnam.
3. To find out the relationship between service encounter satisfaction and customer loyalty of HSBC in Ho Chi Minh City, Vietnam.
4. To establish an understanding of the relationship between perceived core service quality and service counter satisfaction of HSBC in Ho Chi Minh City, Vietnam.
5. To analyze the relationship between social regard and perceived core service quality of HSBC in Ho Chi Minh City, Vietnam.
6. To determine the relationship between social comfort and perceived core service quality of HSBC in Ho Chi Minh City, Vietnam.

1.4 Scope of the Research

This research focuses on eight branches of HSBC that are located in five districts in Ho Chi Minh City, Vietnam and conduct a survey in order to find out information for analysis. The respondents will answer questions which will be related on friendship, friend image, service encounter satisfaction, perceived core service quality, social regard, social comfort and customer loyalty in the questionnaire.

In this context, the customer loyalty is dependent variable. Independent variables are friendship, brand image, service encounter satisfaction, perceived core service quality, social comfort and social regard. Target respondents of this research are customers of HSBC bank in Ho Chi Minh City who have experience using different kinds of service offered by the bank.

The population of this study is Ho Chi Minh City which is fastest growth economic and population in Vietnam. Following the population statistical office, the city population

increased by 7,382,287 people on July 2010. But if residents do not register the actual population of the city in excess of 8 million people. It keeps most important role in the economy of Vietnam (<http://www.gso.gov.vn/>, 27/09/2011).

The purpose of this study is to find out the correlation between each factors such as: Customer loyalty, friendship, brand image, service encounter satisfaction, perceived core service quality, social comfort and social regard. The researcher distributed 400 questionnaires to HSBC customers. The researcher would apply the previous studies which consider secondary data to support this study. Additionally secondary data would also help the researcher to create questionnaire and conceptual framework.

1.5 Limit of the Research

The Banking industry in Vietnam is very complicated. In this study, the respondents are customers of HSBC Vietnam in Ho Chi Minh City. There are some limitations to this study that should be disclosed:

The researcher will survey the research in Ho Chi Minh City, Vietnam. Therefore, the finding will be applicable to HSBC in Ho Chi Minh City only, it may not cover all banking industries in Ho Chi Minh City. And the customers of HSBC are considered to have high income in Vietnam. The finding of this research may not be generalized for every user of banking industry in real (<http://vneconomy.vn>, 25/09/2011).

The researcher in this study conducted in specific timeframe under certain situation. Therefore the finding and end result may not be true at all periods of time. The factors selected may not cover all the factors that could influence the adoption of customer loyalty. All information and data are collected at 8 branches of HSBC in Ho Chi Minh City, so the results may not be generalized to other location.

1.6 Significance of the Study

This study will benefit to marketers who are dealing with HSBC service to understand the relationship between customer loyalty and other related factors (friendship, brand image, perceived service satisfaction...) and how to develop the loyalty of HSBC customers in Ho

Chi Minh City. The researcher is able to draw valid conclusion and make recommendation for banking service in Vietnam, because many government banks in Vietnam still do banking service in traditional way. They need improve and apply modern methods and level of innovation in their service for better efficient performance. It can also guide marketers to determine what kinds of marketing strategies may help the company gain more loyal customers. Moreover, it would help the marketers about which factors should be focused on better decision. It could also help the managers to improve sales and achieve company sale volume goals through customer loyalty. Finally, it can be useful for other banking retail sellers who intend to expand their business to Ho Chi Minh market in the future.

1.7 Definition of the Terms

Brand image: Ekinci and Riley (2003) defined that a higher congruence between self-image and product image would influence consumer's attitude or behavior regarding brand preference, brand attitude, product purchase decision, customer satisfaction and repurchasing intention.

Customer Loyalty: The degree to which a customer has exhibited, over recent years, repeat purchase behavior of a particulate company service, and the significance of that expenditure in terms of customer's total outlay on that particular type of service (Philip, 2002).

Friendship is defined in this research as the customer's perceptions of social closeness to a service employee, as evidenced by the degree of familiarity, self- disclosure and rapport. The modern conceptualization of friendship – as essentially personal, private, voluntary, unspecialized, informal, and non-contractual – echoes our culture's "great emphasis on relationships in the intimate sphere, especially love relationships" (Taylor, 1994).

Perceived Core Service Quality has been defined as "the consumer's judgement about a product's overall excellence or superiority" (Zeithaml, 1998). Philip. (2002) stated that the customer's overall appraisal of the net worth of the service, based on the customer's assessment of what is received (benefit provided by the service), and what is given (costs or sacrifice in acquiring and utilizing the service).

Service Encounter Satisfaction is defined as service performance that takes place in

what has been termed the service encounter; the time frame during which consumers directly interact with service providers (Czepiel, 1990). The service encounter is a crucial component of service quality; this metaphorical “moment of truth” is the period of time when the customer interacts with the service provider (Chandon et al., 1997).

Social Comfort is defined as the customer’s feeling of anxiety or relaxation arising from the social interaction with an individual service employee. (Argyle, 1992).

Social Regard is defined as making the customer feel important (McGarry, 1995; Dotson and Patton, 1992); taking an interest in the customer (Bitran and Hoech, 1990); and respecting the customer (Barnes, 1997).



CHAPTER 2

REVIEW OF RELATED LITERATURE AND STUDIES

This chapter presents the theories and related literatures review. There are 3 sections on this study. The section one is theory (theories necessary for the researcher who develop the study based on it), section 2 is literature review (it shows the relationship between dependent and independent factors in the conceptual framework) and last section is previous studies discussed some past studies of other researchers.

2.1 THEORY

Customer Loyalty is a customer who repurchases from the same service provider whenever possible, and who continues to recommend or maintains a positive attitude towards the service provider. Reichheld and Sasser (1990) have concluded that loyal customers are less likely to switch because of price and they make more purchases than similar non-loyal customers. Loyalty customers will also help promote your hotel. They will provide strong word-of-mouth, create business referrals, provide references, and serve on advisory boards. Raman (1999) stated the loyal customers serve as a “fantastic marketing force” by providing recommendations and spreading positive word-of-mouth; those partnership-like activities are the best available advertising a company can get. Loyal customers increase sales by purchasing a wider variety of the hotel’s products and by making more frequent purchases. Bowen and Shoemaker (1998) found loyal hotel customers had higher food and beverage purchases than non-loyal customers. And other researchers have theorized that customer satisfaction, customer loyalty and profitability are related researched by Zeithaml et al. (1996).

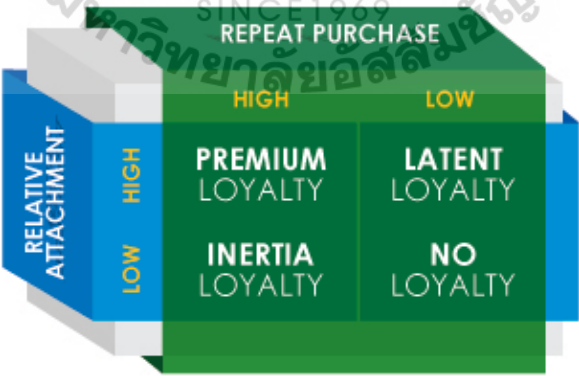
According to Reichheld (1996) studied that customer loyalty describes the tendency of a customer to choose one business or product over another for a particular need. Customer Loyalty has become a big key valuable for the end result of many marketing strategy where customer data is used. The purpose of well-managed customer retention programs is also to get the customer loyalty; customers are targeted marketing of program demonstrate higher

loyalty in the every business. Oliver (1997) defined the customer loyalty is a deeply help commitment to rebuy or repatronize a preferred product or service consistently in the future, despite situational influences and marketing effort having the potential to cause switching behavior.

Keller (1993) suggested that loyalty is present when favorable attitudes for the brand are manifested in repeat buying behavior. Gremler (1995) suggested that both attitudinal and behavioral dimensions needed to incorporate in measuring loyalty. Smith and Bolton (1998) researched that complete this sequence by showing that satisfaction after a service recovery affects retention and word-of-mouth behaviors. And according to Novo (2004), customer loyalty is key component in maintaining a profitable business. The goal of customer retention is to convert first-time or occasional buyer into loyal, long term customer.

Four types of loyalty:

Different customers have different buyer habit. Businesses are playing the role of retailer or the role of consumer who should understand this foundation of this principle. In many ways, the basis for our desire to understand our clients, the loyalty can divides into 4 types of loyalty as general: Premium loyalty, latent loyalty, inertia loyalty and no loyalty as table below:



Source: Griffin, J., & Bass, J. (2002). How to Earn It, How to Keep It. *Revised & Updated*, (<http://www.drivingretention.com>, 26/ Sept/2011).

- No Loyalty

For varying reasons, some customers don't have loyalty to certain products or services. They want a change in using service. Generally, businesses should avoid targeting no-loyalty buyers because this customer will never be loyal customer. They always consider the benefit for themselves. It helps develop to long-term business, the challenge avoid targeting as the group of no loyalty customer. Marketer should move their target customer from no loyalty into loyalty customer.

- Inertia Loyalty

A low level of attachment is inertia loyalty with high repeat use service. This customer buys out of habit. This customer feels some degree of satisfaction with the services, or they feel at least no real dissatisfaction. This loyalty is most typical for frequently bought products. It is possible to turn inertia loyalty into a higher form of loyalty by actively courting the customer and increasing the positive differentiation he or she perceives about product or service compared to others available.

- Latent Loyalty

Inertia Loyalty is typical loyalty that customer usually buys the product, the customer feels satisfy but not real satisfaction. This level is higher than no loyalty but less than latent loyalty. In this case, customers buy the products but they will compare with others available products to choose the best one.

- Premium Loyalty

Premium loyalty is the highest level of the four type loyalty. This is highest level of customer loyalty for all businesses. The customers accept to use product and share their product knowledge with other peoples.

Therefore, some recent research purpose gets the result that loyalty is defined as repeat purchase behavior, the customers have the favorable attitude of product and service. With this study, researcher presented the valuable information that is benefit for any customer loyalty research. By using this data, many companies can understand the customer behavior. They can segment customers tend to use different kinds of service.

Service Encounter Satisfaction traditionally described as the interaction that occurs between customer-contact employees and customers, have been frequently discussed in the marketing literature (Bitner et al., 1990). Surprenant and Solomon (1987) define the service encounter as “the dyadic interaction between a customer and service provider” It has also been modeled to impact long-term customer relationships, as well as overall satisfaction. Service Encounter Satisfaction is distinguished from overall satisfaction and it has been defined as dis/satisfaction with a discrete service encounter Bitner and Hbbert (1994). Stern et al., (1998) stated that customer relationships are built and destroyed one encounter at a time any encounter can be critical to the service outcome. Philip (2002) conducted an exhaustive that it is the degree of overall pleasure or contentment felt by the customer, resulting from the ability of the service to fulfill the customer’s desires, expectations and needs in relation to the service. Service performance takes place in what has been termed the service encounter; the time frame during which consumers directly interact with service providers (Czepiel et al., 1985). All elements of an encounter activities such as: the facility, waiting times, and of course service personnel are considered service encounter. According to Rust and Oliver (1994), service quality, “is by nature a subjective concept, which means that understanding how the customer thinks about service quality is essential to effective management” Getty and Thompson (1994) studied a relationship between quality of lodging and satisfaction. The result of this study, the researcher found that effect on customers’ intentions to recommend the lodging to prospective customers. From findings, the researcher suggested that customers’ intentions to recommend are a function of their perception of both their service encounter satisfaction and service quality with the lodging experience. . In a follow-up study, Gremler and Bitner (1992) found that the classification scheme worked well when applied to 16 different service industries. The classification scheme proposed by them suggests that there are three primary groups of events and behaviors that underlie encounter satisfaction or dissatisfaction for external customers: (1) recovery – employee responses to service delivery system failures; (2) adaptability – employee responses to special needs and requests; (3) spontaneity – unprompted and unsolicited employee behaviors. The intent of this study is to understand better the sources of

satisfaction and dissatisfaction in internal service encounters by using the framework proposed by Bitner et al. (1990).

Shostack (1985) notes that “customers have a difficult time trying to objectively determine service quality, particularly prior to purchase...they look to the physical evidence at hand for verification. Satisfaction, conceptually, may be considered as an outcome of purchase and use which is the outcome of the customer’s comparison of the benefits and costs involved in acquiring any product or service experience in relation to the expected outcomes, whilst, in operational terms, satisfaction is similar to the attitude whereas it can be evaluated as the accumulated satisfaction experiences with the different attributes of the product (Churchill and Carol, 1982). The importance of studying the internal service encounter is that the quality of the service to the external customer is highly dependent on the quality of the internal service encounter (Bouranta et al., 2009).

Perceived Core Service Quality is product and service that are provided by a company that offers to exceed the customer expectations. In recent study, service quality is considered from the view point of the customer who is estimated of the service “external customer”, and the efforts have focused on identifying of this “external service encounter”, the factors the customer considers in evaluating the quality of a service. Customer satisfaction is major factors in marketing strategies. Zeithaml (1998) defined that the perceived service quality is measure by customer awareness and the consumers assess of the overall excellence of products or services. Zahorik and Rust (1992) found that the modeling perceived quality as directly influencing customer loyalty will provide more diagnostic ability. Further, Hennig, and Klee (1997) studied that the perceived service quality is model to impact customer retention and behavior intentions. The subject of service quality has been studied and debated over the past two decades. Asubonteng et al. (1996) stated that the importance of management’s ability to understand what constitutes service quality and how to appropriately measure it in order for subsequent actions to be taken so as to make improvements and increase value to customers. Looking through a financial perspective, the success of activities carried out by sports organizations is closely associated with the quality

of services offered to customers and making sure customers get highest level of satisfaction from such services (Kotler, 2004). In terms of effective management it is the great importance to understand what the customer thinks about service quality offered by the organization (Rust and Oliver, 2000). Hill (2002) stated that technical performance is the “what” a customer receives, the core service, while functional performance is the way in which a consumer receives the technical service, the “how”, “why”, “where” and “when” of the service.

Although there is a relative amount of consensus about the fact that service quality is an attitude or overall judgement on the superiority of the service there is no agreement on the nature or composition of this attitude. Whilst some researchers advocate that service quality materialises from a comparison between performance perceptions and expectations (Parasuraman et al., 1998), others endorse the idea that service quality emerges from perceptions based on comparing performance with ideal standards, or entirely on performance. These concepts are subjective and hence take shape in the consumers mind (Rust and Oliver, 2000). These characteristics mean that consumer perception plays an important role in assessing service quality. Parasuraman et al.’s (1998) also defined that the important elements of service quality is quality measurement and measurement stool, it have a lot of controversy relating to this field and this measurement.

Social Regard is defined as making the customer feel important and took an interest in the customer and respecting the customer (Barnes, 1997). Barnes (1997) also defined that some empirical evidence indicating that actions closely related to social regard increase the relationship strength. When the customers perceive that the employees care about them, or respect them the relationship strength increases. Roberts et al. (2003) stated that the social constructivist therapeutic orientations focus on ways in which persons and societies create (rather than discover) constructions of reality. Previous researcher have been especially focused on analyzing the effects of customer-oriented behaviors (Kelley and Hoffman, 1997), the social aspects of the interaction between the service provider and the customers have

been somewhat neglected. Social regard has been defined as the “genuine respect, deference, and interest shown to the customer by the service provider, such that the customer feels valued or important in the social interaction” (Butcher et al., 2001). Social regard is considered to special elements for services and industry because they have high level of customer contact, this concept will remains relatively untapped by researcher.

According to previous researchers, Mohr and Bitner (1995) found that: there are 5 components of the social regard to imply service providers: (1) make the customer feel important (2) take an interest in the customer (3) respect the customer, (4) show deference –referred to the courtesy, politeness and thoughtfulness displayed by employees and (5) implement genuine behaviors. Mohr & Bitner (1995) also defined that the social regard as employees’ behaviors characteristic by deference, genuine respect and interest such that the customer feels valued or important in the social interaction. The social regard may affect to customer satisfaction and customer loyalty. On the other hand, Butcher et al. (2001) suggested a positive relationship between social regard and service satisfaction. Van Dolen et al. (2002) studied that a service context employees’ actions are an important driver of customer satisfaction. There is some empirical evidence indicating that actions closely related to social regard increase the relationship strength (Barnes, 1997). Example of word of mouth (WOM) is particularly important in the service industries, because customers often perceive high levels of risk and have difficulty in evaluating a service encounter found by Gremler (1995).

Social Comfort is defined as the customer’s feeling of anxiety or relaxation arising from the social interaction with an individual service employee. Argyle (1992) stated that the customer feel comfortable to be one example of a satisfactory service experience. If the salesperson clicked with the customer at the initial contact, then this was the prompt to consider establishing a relationship (Beatty et al, 1996). Customer rapport was found to be associated with overall satisfaction, repurchase intentions and word-of-mouth by Gwinner (1998). It is thus expected that the conceptualization of social comfort may have either a direct or indirect path to loyalty.

Comfort has been conceptualized in different but related ways, although some parallels can be drawn from its various definitions. Butcher et al. (2001) described the comfort as a feeling of anxiety or relaxation arising from the social interaction with the service employee. The social regard it as the level of comfort during interpersonal social interaction. Bagozzi et al. (1999) stated that based on these definitions, comfort appears to be an emotion characterized by feeling at ease due to lack of anxiety in a service interaction and emotion is normally referred to as a mental state of readiness that arises from cognitive appraisals of events or thoughts. Schneider and Bowen (1999) found that a high level of comfort with a frontline service employee not only reduces the customer's anxiety with employee interaction but also makes the customer feel that he/she is highly respected.

The consumer comfort "as a psychological state where in a customer's anxiety concerning a service has been eased, and he or she enjoys peace of mind and is calm and worry free concerning service encounters with the provider" (Spake et al., 2003). Comfort is intimately tied to consumers' perceptions of perceived risk; unfortunately, research on perceived risk has suffered from inconsistent definitions and models (Conchar et al., 2004). Comfort has been linked to increased trust, commitment, satisfaction, and willingness to complain (Spake et al., 2003). Also the researcher found that the satisfaction and the trust lead to increase loyalty to online retailers loyalty (Ribbink et al., 2004). Therefore, comfort with providing personal information online should increase the likelihood that customers will shop online.

Friendship Gremler (1995) is defined in this research as the customer's perceptions of social closeness to a service employee, as evidenced by the degree of familiarity, self-disclosure and rapport. Loyalty can be increased through personal friendship developed by Kokko and Moilanen (1997). Two relational outcome that are considered to be associated with friendship are comfort and respect Argyle (1992). Friends are the currency of SNS and can include offline friends, old high school friends, workmates, organizations or brands, family and people met at parties. Boyd (2006) believed that there is a clear difference between online and offline friends, with offline friendships involving more emotional and

practical support and trust whereas online relationships only require, at minimum, a public performance of the relationship. The modern conceptualization of friendship – as essentially personal, private, voluntary, unspecialised, informal, and non-contractual – echoes our culture’s “great emphasis on relationships in the intimate sphere, especially love relationships” (Taylor, 1991). There is the relationship between friendship and organization. The most important for this foundation, acknowledged utility as the basis for one type of friendship, fundamental in some respects, but traditionally seen as the most limited or underdeveloped.

Patterson and Smith (2001) stated that such familiarity and perceived social benefits resulting from friendship increase customers’ willingness to comply with service employees’ suggestions. As the strategy in business service, sometime service provider always behaves like friendship to their customers. Hausman (2004) studied that such social elements are crucial components of the customer-provider relationship, constituting a personal bond. Because high-contact service encounters exhibit characteristics of social gatherings, rather than simple economic exchanges customers often treat such service providers as personal acquaintances or friends in the service relationship (Price and Arnould, 1999).

By the over time, service provider can derive benefits from the long-term relationships with the customers, developing a service friendship is main goal of marketing department in modern life. Friendship can also help reducing marketing cost and build the loyalty in customer minds. Price and Arnould (1999) stated that over time, these emotions and social benefits contribute to the formation of service friendships. Customers are suggested to increases rabbit when the service provider treats more friendly and concerned about the customer attitude. All investigations show the important of friendship of service provider. Vale et al. (2002) found that service personnel providing interpersonal elements, such as friendliness and personal connections, increase the customer’s positive emotional responses, leading to a desire to reward the service provider by appearing compliant. Mavondo and Rodrigo (2001) pointed out that, in business markets, the degree of reciprocal friendship and personal linkage between the buyer and salesperson is the main antecedent of relational outcomes for the selling company. The retailing services always want to achieve

the friendship to their customer, not only in the modern life but also happened in the past.

The friendships are sometime related to customer satisfaction and customer loyalty. Bove et al. (2000) and Butcher et al. (2001) found that the personal relationship between a customer and an individual service employee were influenced customer loyalty. Butcher et al. (2001) studied that the influence of personal friendship is expected to be greater in high-contact services with higher level of personal interactions.

Brand Image, various definitions of a brand appeared in the literature. Kotler (2004) defined that the brand as “a name, term, sign, symbol or design or combination of them, which is intended to identify the goods of one seller or group of sellers and to differentiate them from those of competitors”. The new business start, the owner must a business card, company website, name, logo... they want to send a clear message to their stakeholders and customers that is a merger and equal. According to Lafley (2009) stated that “ We continue to invest in our core strengths. Firstly, we don’t skimp on understanding the customer. Second is innovation, Thirdly is Brand Image... We’re delivering more messages to our customers”. Broadbent and Cooper (1987) stated that “In order to be successful, images and symbols must relate to, and indeed, exploit, the needs, values and life-styles of consumers in such a way that the meanings involved give added values, and differentiate the brand from other brands.” From this statement, the researcher can recognize the important of brand image to affect with businesses and individuals. Keller (1999) stated that the customer loyalty is often viewed as resulting from brand knowledge, it follow that PR can raise consumer loyalty trough the above strategies. In addition, the self-congruence theory states that the ways consumers evaluate products match their self-image (Belk, 1988 and Sirgy, 1982). Higher congruence between self-image and product image would influence consumer attitudes or behavior regarding brand preference, brand attitude, product purchase decisions, customer satisfaction, and repurchase intention (Graeff, 1996 and Sirgy, 1985). Keller (1993) defined that the brand image as a set of perception about brand as reflect by the brand associations help in customer memory. Keller (1999) suggested that can accomplish this through brand reinforcement or revitalization strategies. Aaker (1991) defined brand equity as, a set of

brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers. Fournier (1998) defined the brand is name, symbol, design, or mark that enhances the value of a product beyond its functional purpose. The good brand has to combine those function as the researcher mentioned and have impressive in customer mind. Shocker et al. (1994) stated that the strength of a brand's image is partly attributable to the image of the brand's origin.

The business wisdom holds that consumers' brand image is a function of their perception of brand performance. However, recent studies in Salford Business School, University of Salford, UK have shown that customer loyalty is affected by some factors such as: brand image, brand market, and loyalty proneness researched by Senge (1990). This study stated that the effects of three nonperformance factors on brand loyalty in a tourism directly effects on customer loyalty.

The Types of Brands:

- Product brands: Products will become branded in customer mind when it has awareness in the marketplace. At that time product has compelling characteristics that it will have differentiation and more quality than others in same industry. Brand is powerful stool can help product to promote and live in customer mind for long time. Awareness of customer when they have demand to use product to be brand of product.
- Service brands: Services is also product in customer mind. People use services based on service trust and quality service that person bought from deliver as promised. And process happen day by day it will contribute the service brand.
- Business brands: We can build brand into the business. It helps customer has trust in business and repurchase to develop business in the future.
- Personal brands: is the way an individual builds their reputation it is very important and popular in some entertainment industry such as: model, movie, television... If people know personal brand or recognize name and celebrity face, they hold their brand image in their minds. The individual brands are so powerful that they not only deliver wide-reaching personal celebrity but also create significant value.

In the research of Hoeffler and Keller (2002) found that public relation usually strives to create two kinds of brand association.

- User profiles, where customer (users) are portrayed as kind and generous, and as doing good thing; and
- Brand personality, where the sincerity dimension of brand personality is stimulated as studied by Aaker (1997).

2.2 RELATED LITURATURE REVIEWED

Customer Satisfaction and Customer Loyalty and Brand Image

The importance of customers has been highlighted by many researchers and academicians. However, the good products have the strong brand image, the customer satisfaction is the only way to have a competitive edge and to keep customers coming back all the time. According to Fornell (1992), when service are difficult to evaluate, corporate image is believed to be important factor influencing the perception of quality, and customer loyalty. The corporation image has been related to core aspect of organization success such as: customer satisfaction, customer loyalty... Fornell (1992) also stated that corporate image has strong effect on loyalty and customer satisfaction. Therefore, customer satisfaction has significant relationship to customer loyalty. The customers are aware of what constitute satisfaction and therefore organizations cannot take them for granted. Patterson and Spreng (1997) indicated that the creation of value and more specifically customer value, is increasingly seen as the next source of competitive advantage. Drucker (1998) added his voice to the importance of customers by making mention that the aim of marketing is to identify and understand customers so well that the product on offer fits them well and sells itself. Drucker believed that even though businesses are to make profit; profit making is a necessity and not a purpose. It is in fact, the end result, a desirable outcome, of creating a satisfied customer (Kotler, Armstrong, Suanders, and Wong, 2002).

Customer Satisfaction and Perceived Core Service Quality

Today, there are many studies on service quality, service value, and customer satisfaction such as Zeithaml's Meansend Model, which was used to analyze the relationship among price, quality and value in drink industry. Cronin and Brady (2000) stated that previous research has been especially focused on analyzing the effects of customer-oriented behaviors, yet the social aspects of the interaction between the service provider and the customers have been somewhat neglected. In Means-end Model, Zeithaml found that, the process of consumer's perception can be divided into three levels (low-level attribute, perception of lower-level attribute and high-level attribute), which was the pioneer study on the process of consumer's perception and laid the foundation for follow-up research. Cronin and Brady (2000) also proposed their research on how customer orientation influences customer's perceived service quality and behavior intention, which indicates that, customer orientation influences customer's perceived service quality directly and service quality influences customer value positively. According to above discussion, researchers knows that, service quality of enterprise is directly or indirectly influenced by customer orientation, which is to say, service quality is the best way to evaluate customer orientation. Consumers evaluate and created value by service delivery and customer created value by service delivery is the basis to evaluate customer satisfaction.

Social Regard and Service Quality and Service Satisfaction

The relevance of the interaction between the customer and the frontline employee to customer assessments of the global service quality and service satisfaction is well established in the services marketing literature (Bitner et al., 1990). Moreover, employees' behaviors are likewise a main reason for customers to service switching developed by Keaveney (1995). Social regard is considered particularly relevant for services that have high levels of customer-employee contact, yet this concept remains relatively untapped by service researchers. Butcher et al.'s (2001) studied that the findings and extends it by analyzing the effect of this behavior on customer satisfaction with the company, trust in the company and positive word of mouth. The need to be customer-focused to the highly changing marketing environment has never been more important for service institutions. Service companies need

to focus on noncore service variables, such as employees' social regard toward the customers, as a means to differentiate from competitors.

Customer Satisfaction and Service Quality

There are few studies which initiated the idea that the customer satisfaction can result from any dimension (whether or not it is quality related) and its judgments may arise from non-quality issues (e.g. needs, equity, perceptions of “fairness”) and require experience with the service or provider (Brunner et al. 2008). Given this pervasive nature of customer satisfaction phenomena and generally recognized orientation of customer satisfaction mainly as a “behavioral response” by the literature, research directions point us to the popular concept of “service quality” through which customer satisfaction can be better analyzed. However, it is still under debate whether customer satisfaction is an antecedent of service quality judgments (Parasuraman et al., 1985) or service quality is an antecedent of customer satisfaction (Cronin and Taylor, 1992). The concept of service quality began to receive significant attention in the early 1980s with the writings of Lehtinen and Lehtinen (1982). Parasuraman et al. (1985) identified ten dimensions of service quality, including; reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding/knowing the customer, and tangibles. However, these dimensions are reduced to five dimensions that are: reliability, assurance, tangibles, empathy (Parasuraman, 1998). Dimensions of service quality measured using a 22-item scale named “SERVQUAL”. SERVQUAL used for measuring the quality of service in different service contexts that include appliance repair and maintenance firms, several retail banks, a long distance telephone provider, a security broker and credit card companies; such multi-perspective validation of service quality dimensions helped in developing and designing a relatively standardized scale which could be applied for the measurement of service quality of different types of services organizations. SERVQUAL has been used by different research studies conducted in various settings such as the quality of service offered by a hospital, banking, a business school ,placement center, retailing store, dental school patient clinic and acute care hospital, discount and departmental and others. Though the scale has seen only a limited

application in the financial services context, it nonetheless remains one of the many areas where SERVQUAL has been applied for measuring service quality.

Customer Loyalty and Brand Image and Customer Satisfaction.

Formell (1992) also stated that corporate image has a strong effect on customer loyalty and customer satisfaction. Brand image has high significant effect on loyalty. Many researchers and many studies have researched the influence brand image with customer loyalty and customer satisfaction. In any business, brand image is considered as important factor of company. It is core value to compete with their competitor and help customer can remember products or service in long time. Back (2005) observed that there are many factors that have an influence on customer purchasing of any products and services such as image congruence. These all researcher are to examine the result the relationship among brand image, brand loyalty and customer loyalty. According to Back (2005):

1. Social image congruence has a positive effect on customer satisfaction.
2. Customer satisfaction has a positive effect on cognitive brand loyalty.
3. Cognitive brand loyalty has a positive effect on affective brand loyalty.
4. Affective brand loyalty has a positive effect on cognitive brand loyalty.

Perceived Core Service Quality and Customer Loyalty.

Loyalty is defined here as “a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future” (Oliver, 1999). Loyalty in this study refers to the continuing patronage of a particular bank by a client over time. Loyalty should be the prime objective of company strategy. It has been shown that the increase in profit resulting from a 5 percent increase in retention varies between 25 and 85 percent. The theoretical relationship between perceived service quality and loyalty has been confirmed empirically in several studies (Bloemer et al., 1998; Boulding, 1993; Cronin et al., 2000; Fornell, 1992). Cronin et al. (2000) report that perceived service quality has a significant positive effect on behavioral intentions (loyalty and recommendation) in four service

industries (fast food, spectator sports, participation sports, and entertainment). However, the positive effect was not significant in health care and long distance carriers. In the retail banking sector, Bloemer et al. (1998) and Karapte et al. (2005) both find that quality has both a direct influence and an indirect influence (through satisfaction) on loyalty. Baumann et al. (2007) find that overall satisfaction, affective attitude, and empathy predict loyalty. Ehigie (2006) finds that perceived service quality and satisfaction are important predictors of loyalty among bank customers in Nigeria.

2.3 PREVIOUS STUDIES

Albert (2002) studied of the effects of service quality and customer loyalty of retail banking customer. This study starts the concept of service loyalty and proceeds to distinguish between service quality and customer satisfaction. Objective of study, the researcher found that the relationship of customer satisfaction, service quality and service loyalty, and 3 factors can effect to customer loyalty in retail banking service. This survey used a five-points of Likert-scale from strongly disagree to strongly agree. Survey stool was mailing which was sent to 1000 households generated at random and waited the replied from households. Majority of the respondents are male and married. The results of this study, showed that the service quality have strongly relationship with service loyalty via customer loyalty. Service quality is important factor to drive customer satisfaction. The result indicated that customer satisfaction effected service loyalty.

Riadh and Ines (2010) has study about the perceptions of bank service quality among Tunisian and Canadian customers, and to determine which dimensions of service quality make the greatest contribution to overall customer satisfaction and loyalty. The researcher collected data by using questionnaires from samples of bank customers (250 customers in Canada and 222 customers in Tunisia). The first objective of this study was to examine any differences between Canadians and Tunisians on perceptions of bank service quality. The second objective of the study was to identify which dimensions of service quality have the greatest influence on customer satisfaction and loyalty. Service quality was measured using the five dimensions of tangibles, reliability, responsiveness, assurance, and empathy. The

data were analyzed using confirmatory factor analysis, ANOVA and linear regression. Respondents in both countries reported high levels of perceived service quality in banks. However, Canadians reported higher perceived service quality than Tunisians for all five dimensions, and for 21 of the 22 individual items. In the Canadian sample, empathy and reliability were found to be the most important predictors of satisfaction and loyalty, while in the Tunisian sample, reliability and responsiveness were the most important predictors of satisfaction and loyalty. The results of this study supports that perceptions of service quality vary by nationality due to differences in economic, social, and cultural environments. Researchers are encouraged to replicate this study in different countries. The global consumer in internet banking services may be a promising avenue of research.

Hatice and Mosad (2010) have a study about the strategic positioning and quality determinants in banking service in Turkey. The Objective of this study is to investigate and define the competitive positioning of banks including state-owned, domestic and foreign banks operating in Istanbul, Turkey. The research checked the competitive marketplace and to identify the major quality attributes, which bankers themselves and their customers used in determining the overall perception of a given bank and services offered in Istanbul, Turkey. In total, 30 banks were collected data in this research, which includes state-owned, local and foreign-owned banks. A total of 1,530 questionnaires were distributed and analyzed of 30 banks in Turkey. Reliability test and frequency analysis were used as the stool to analyze the data. The result of this study showed that the bank customers' perspective, quality of services, security, friendliness and helpfulness of personnel are most clearly the emerging important determinants. From the results, the researcher indicated that: reputation, interesting advertisements and recommendation of Turkey banking service have significant relationship to customers. This result was benefit to design a high service quality and effective delivery system. Therefore, the researcher suggested that has the short-and-long-term strategy to impact on banks competitive position.

Robert and Owusu-Frimpong (2011) have studied that “Brands and service-quality perception” in banking service in Ghana, Africa. Objective of this study want to find out the

relationship of perceive the service knowledge dimension of brand, service quality and performance service for banks operating in Ghana. The researcher designed the questionnaire containing 12 service-quality statements to survey in this research. The respondents are 519 customers who have experience of using banking service in Ghana, Africa. This study assessed the perception of service quality with bank brands in Ghana. The results show that consistency in brand quality and brand perceptions is important for building brand loyalty. In the financial services sector, the brands have the loyalty customers and gain the loyalty as profitable banking, but these brands are exceptions. The marketing departments have to capture the result of this study to build the brand image. Bank employees in Ghana should learn and train the brand knowledge. This learning orientation should be focused on developing brand knowledge in bank products and services. It helps to understand of direct competitor advantage and future customer needs. In this study, the researcher also recognized the customers who see the bank in the “eyes” of the employees.

Sumit (2005) has studied of “Service Quality Improvement: A study on bank of Ayudhya Assumption University branch”. Objective of this study, the researcher want to know the expectation held by Assumption University students in terms of service quality provided by the Bank of Ayudhya. And the perception of Assumption student deals with the service delivered by the bank. The researcher collected the data by distribution the questionnaire. Totally the sample size is 381 students of Assumption University of Thailand in this study. The students were required to open the bank card as valuable as student card of school and have to pay the tuition free by transfer money by bank account. Therefore, every student in Assumption University must to use this abnk service. Ayudhya bank has 2 branches in Assumption University: Huamak campus and Bangna campus. Questionnaire was designed to relate with customer satisfaction factor. The result of this study, the researcher found that there is positive relationship of service perception and customer satisfaction, relationship between customer expectation and customer satisfaction of the Bank of Ayudhya in Assumption University. And the conclusion and recommendation are value for marketing department in Ayudhya bank.

Johye and Li Wen (2009) tried to find that customer who has experience of overbooking significantly reduced the number of their transactions with the airline, in contrast, upgraded customers exhibited weak positive response. Researcher has built the relationship of demographic factor such as: gender, income... to have connection with overbooking, perceive service quality and customer loyalty. Firstly, objective of this study test the relationship between perceive service quality and customer loyalty. Secondly, researcher try to demonstrate the relationship of demographic factor can affect customer loyalty. The testing had 291 people who have completed the survey (male: 41.2% and female: 58.8%). The researcher entered into the travel agency in Midwestern city in United State. Researcher choses randomly the volunteer and give each of them 3\$ gift card to survey and fill the questionnaire. The customer used the service of booking hotel and air ticket online though out those agencies. The result of this study, perceived service quality toward hotel over booking has strongly relationship with customer loyalty. Customer has experience to use service of travel agency, they have believable service. This research introduced the value information for hotel industry that is also the intangible cost. The finding of this study also says that the women are more likely than men to feel booking is unfair. Hotel should consider designing compensation to help influence customer's perceived service quality to get customer loyalty on booking service.

Dina and Allard (2004) researched of "Comfort your online customer: quality, trust and loyalty on internet". This study has research the e-loyalty of shopping online. Objective of this study test the relationship between service quality and customer loyalty. And customer loyalty is considered important factor because it effects on long-term profitability. In this study, researcher has also demonstrated the relationship between E-trust and E-Satisfaction to E-loyalty. Sampling design collected data of customer online, store and email to student of 350 universities in Europe. The questionnaire was designed and estimated by 7 scales from strongly disagree (1) to strongly agree (7). A researcher received a total of 184 respondents. This result can apply into e-commerce industry. The study investigated the role of customer evaluations of electric service and e-trust to explain customer loyalty in online service. And E-trust is also affected on online loyalty but it is much less than customer satisfaction. So the

most important thing that affect directly to customer loyalty is customer e-satisfaction. Furthermore e-satisfaction is found that can drive and effect on e-trust. Interface is easy to use and increase the satisfaction of customer on online service.

Chin-Yuan and Wei-Ming (2011) studied that “The Relationships among customer loyalty programs, service quality, relationship quality and loyalty” in many retailers, such as: department stores and grocery stores. The customers have adopted customer loyalty programs as a useful strategic tool that most consumers actively enjoy. Therefore, this study aims to investigate that the customer loyalty programs effectively increase loyalty. The purpose of this study includes: perceived service quality has a positive impact on customer loyalty in retail market. To test the hypotheses presented in this study, the following statistical methods were used: reliability analysis, factor analysis, and path analysis. This targets population is major department store customers in Taiwan City. Surveys to collect data from consumers as they were leaving department stores in Taiwan were conducted. Potential respondents were approached and asked to participate in a short interview. A total of 600 surveys were conducted, 528 were collected for a recovery rate of 88 percent. In this survey, a total of 141 were male (29.4 percent) and 338 female (70.4 percent) of ages was between 18 and 35 years, representing 136 people (65.9 percent). This study also uses ANOVA analysis to find the differences of perceived service quality with the customer loyalty. The result of this study, researcher was successful to demonstrate the positive relationship between perceive service quality with customer loyalty.

CHAPTER 3:

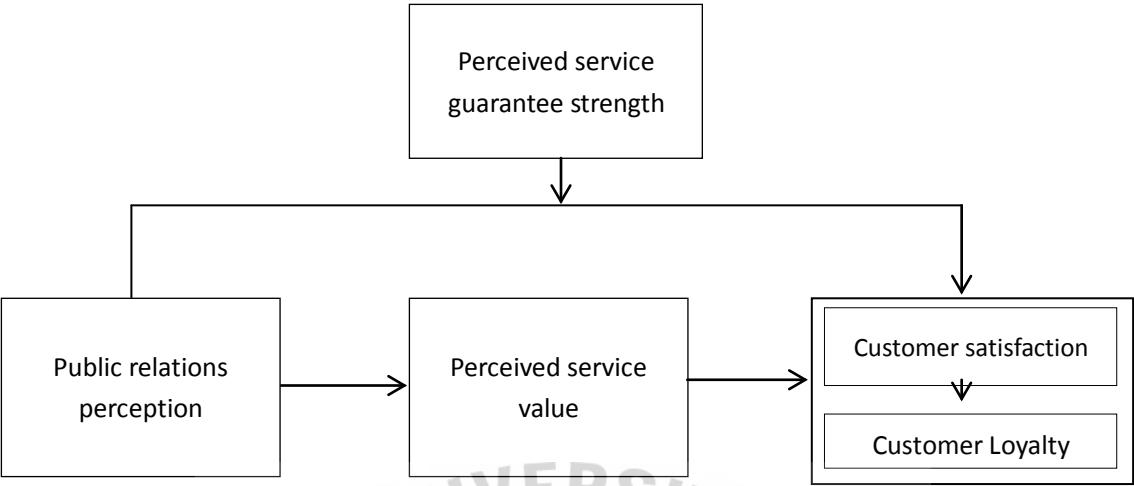
RESEARCH FRAMEWORK

In this chapter, the researcher will discuss and present the conceptual framework of customer loyalty. The conceptual framework will be developed by some theories in previous studies. There are four parts in this chapter. The first part is theoretical framework on the research is framed. The second part is conceptual framework which discusses related factors that effects customer loyalty. The third part is research hypothesis, which is built from relationship with dependent variable and independent variable on conceptual framework. And the last part is operationalization of the variables. It explains the meaning of all factors which appeared in the conceptual framework. The survey method by questionnaire is used by the researcher in this study.

3.1 THEORETICAL FRAMEWORK

Based on the relationship of each variable in literature review in the last chapter, the researcher developed the conceptual framework. Conceptual framework includes the dependent variable and independent variable. Zikmund (2003) stated that dependent variable is the variable being predicted or explained. And Zikmund (2003) also made a statement that independent variable is the variable that form the basis of the prediction. In this research, the researchers apply totally three theoretical frameworks which were researched in recent studies to develop the final conceptual framework. All of three recent studies researched about customer loyalty in a different area of business other than banking business.

Figure 3.1: The research model of the effect of service convenience on post-purchasing behavior.

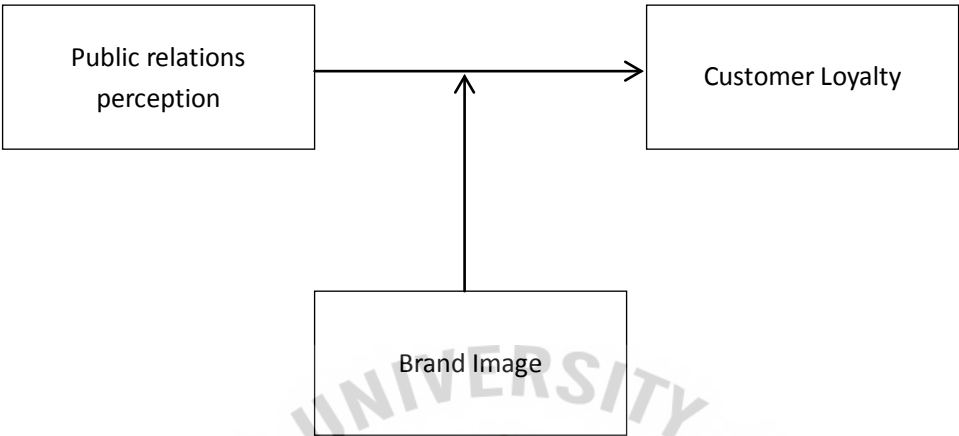


Source: Kuo-Chien, C., & Chia-Lin, H. (2010). The effect of service convenience on post-purchasing behavior. *Journal of Industrial Management & data systems*, 110(9), 1420-1443.

Kuo-Chien et al. (2010) investigated the relationships among independents variable (service convenience, perceive service value, perceived service guarantee strength) and dependent variable (customer satisfaction and loyalty). The result of their research is that there is strongly positive relationship between customer satisfaction and service convenience in post purchase behavior. Moreover, services convenience is directly affected by customer satisfaction through the perceived value. Finally the results of the study found that there is positive relationship between convenience and customer satisfaction which is stronger satisfaction for the customer to feel the assurance of quality services than other peoples who felt the lower service.

The key will use to contribute on this research to be relationship between perceive service value and customer loyalty on researcher’s conceptual framework.

Figure 3.2: The relationship between Brand Image and Customer Loyalty.

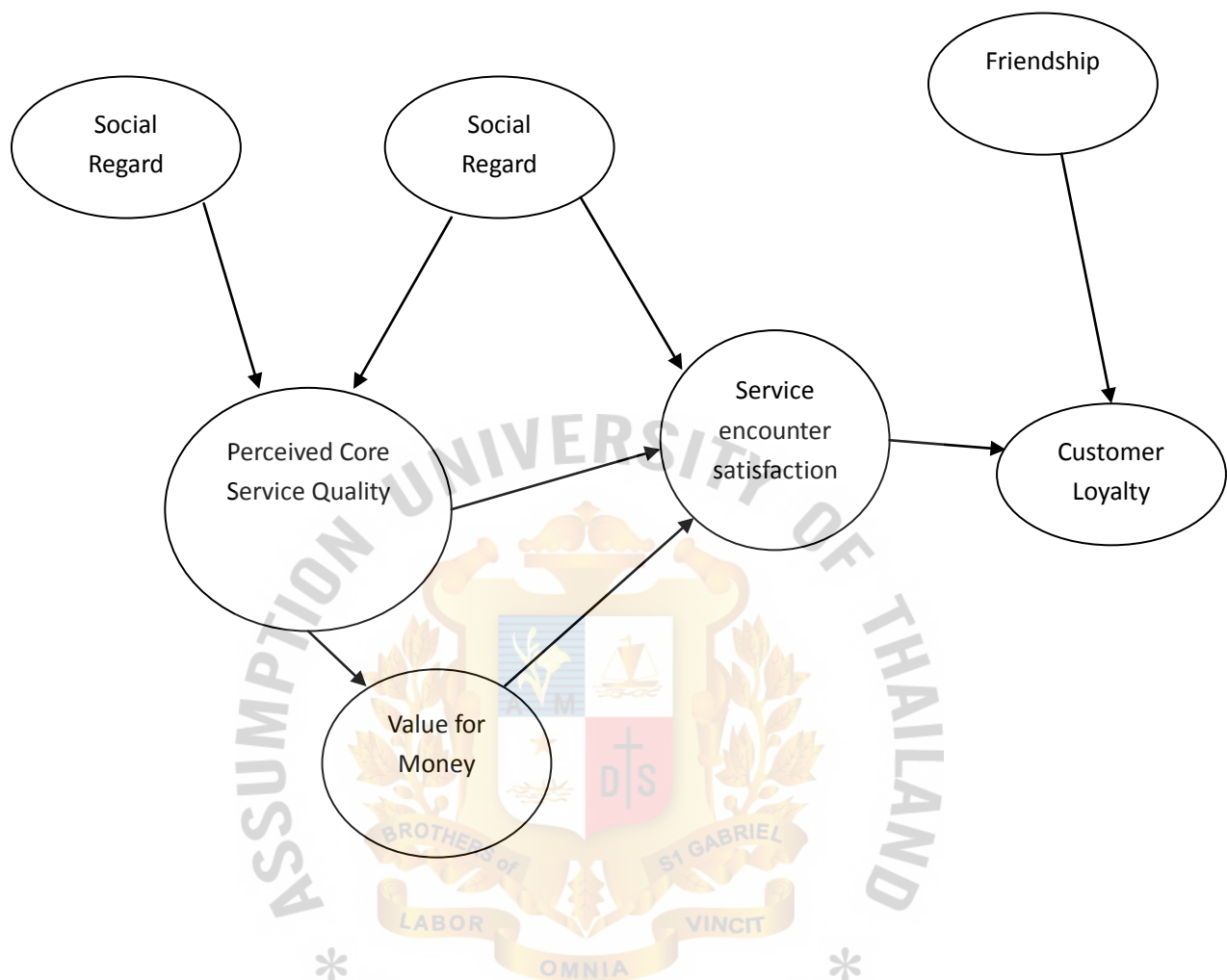


Source: An-Tien, H., & Chung-Kai, L. (2007). The moderating effect of brand image on public on public relations perception and customer loyalty. *Marketing intelligence & planning*, 26(1), 26-42.

An-Tien et al. (2007) studied the influences between brand image, public relations perception and customer loyalty. And they demonstrated that between those factors have the relationships actually exist. Therefore, the researcher used the relationship of brand image and customer loyalty in this study to support his research. And this is considered as the key factor in this study. The result of this study, the researcher found that the relationship between brand image and customer loyalty. Researcher used this link to contribute the coherence of two factors into conceptual framework of study. Brand image of industry can effects customer to make repurchase intention. Brand image can reflect the quality of services and products. Loyalty is stronger and more significant when brand image is favourable.

Last conceptual framework, researcher focused on evaluative and relational influences on service loyalty developed by Butcher et al (2001).

Figure 3.3: The model of evaluative and relational influences on service loyalty



Source: Butcher, K., Sparks, B., & O’Callaghan, F. (2001). Evaluative and relational influences on service loyalty. *International journal of service industry management*, 12(4), 310-327.

Butcher et al. (2001) studied that the influences of two evaluative judgement measures (service encounter satisfaction, perceived core service quality) and three relational measures (social comfort, social regard and friendship) on customer loyalty.

The result found that the friendship between customers and service employee is significantly related to loyalty, service satisfaction is the major predictor. Also, the social comfort and social regard played indirect roles through their influence on customer’s

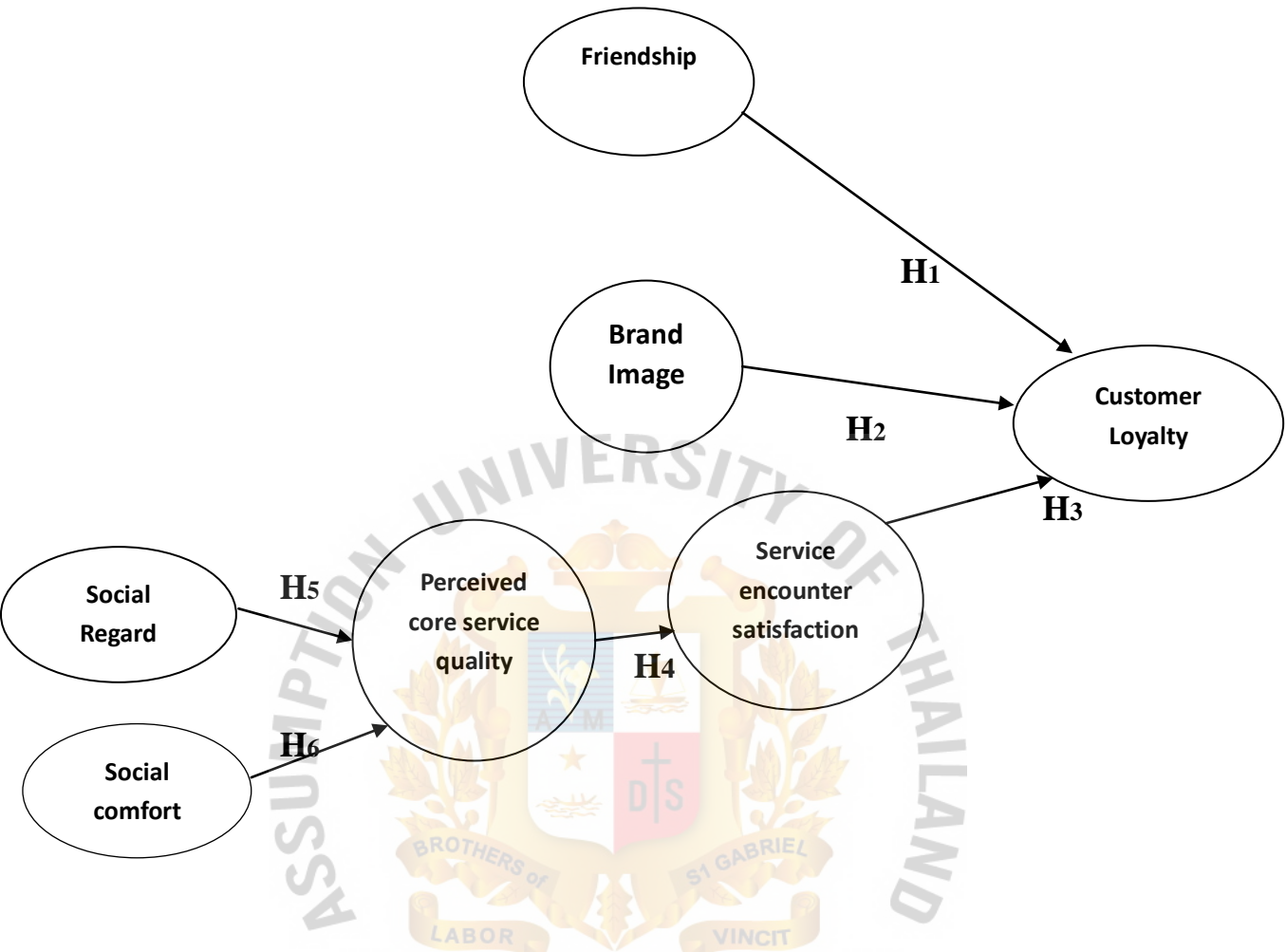
evaluation of satisfaction and quality. But, the friendship is not related to the mediating variables of service encounter satisfaction and perceived core service quality. By applying three theoretical frameworks mentioned above. The researcher developed his own conceptual frameworks for HSBC in Ho Chi Minh City. In this study, the researcher uses service convenience, perceived service value, friendship, social regard, social comfort, and perceived core service quality to build this study.

3.2 COMCEPTUAL FRAMEWORK

In this study, the researcher combined 3 conceptual frameworks of 3 recent researches. As mentioned before, customer loyalty will be loyal from friendship, brand image and service encounter satisfaction. Therefore, if the corporation provides very good image, it can gain the loyalty of customer. And the service encounter satisfaction is also important. Furthermore, this study aims to provide the best way to improve the quality of banking service in Vietnam. It helps to keep in touch with customer so that the firm can win customer loyalty.

From this conceptual framework, there are 6 independent variables, which are friendship, brand image, service encounter satisfaction, perceived core service quality, social regard and social comfort. The dependent variable is customer loyalty. The researcher finds out that 6 independent variables effect on dependent variable (customer loyalty). Overall, the relationship between dependent and 6 independent variables are developed to adapt a model from 3 theoretical models of previous studies. The conceptual framework of this research is illustrated below.

Figure 3.4: Conceptual Framework



3.3 RESEARCH HYPOTHESIS

From conceptual framework, the hypotheses were made from the relationship between dependent variable (customer loyalty) and independent variables (brand image, friendship, service encounter satisfaction, perceived core service quality, social comfort and social regard). In the framework, the null hypotheses (Ho) states that two variables are independent of each other and alternative hypotheses (Ha) states that two variables have relationship with others. The researcher developed 6 hypotheses in total. They can divide hypotheses into 3 groups. Group A includes hypotheses H1, H2 and H3 to determine the relationship between customer loyalty and 3 other factors (friendship, brand image and service encounter satisfaction). Group B is H4 to determine relationship between perceived

core service quality and service encounter satisfaction. In the last group C hypotheses H5 and H6 would determine the relationship between perceived core service quality and 2 variables (social comfort and social regard).

Hypothesis 1: Friendship and Customer Loyalty.

- H1o: There is no significant relationship between Friendship and Customer Loyalty.
- H1a: There is significant relationship between Friendship and Customer Loyalty.

Hypothesis 2: Brand Image and Customer Loyalty.

- H2o There is no significant relationship between Brand Image and Customer Loyalty.
- H2a There is significant relationship between Brand Image and Customer Loyalty.

Hypothesis 3: Service Encounter Satisfaction and Customer Loyalty.

- H3o: There is no significant relationship between Service Encounter Satisfaction and Customer Loyalty.
- H3a: There is significant relationship between Service Encounter Satisfaction and Customer Loyalty.

Hypothesis 4: Perceived Core Service Quality and Service Encounter Satisfaction.

- H4o: There is no significant relationship between Perceived Core Service Quality and Service Encounter Satisfaction.
- H4a: There is significant relationship between Perceived Core Service Quality and Service Encounter Satisfaction.

Hypothesis 5: Social Regard and Perceived Core Service Quality.

- H5o: There is no significant relationship between Social Regard and Perceived Core Service Quality.
- H5a: There is significant relationship between Social Regard and Perceived Core Service Quality.

Hypothesis 6: Social Comfort and Perceived Core Service Quality.

- H6o: There is no significant relationship between Social Comfort and Perceived Core Service Quality.
- H6a: There is significant relationship between Social Comfort and Perceived Core Service Quality.

3.4 OPERATIONALIZATION OF DEPENDENT AND INDEPENDENT VARIABLE

Variable	Operational Definition	Operation Component	Measurement Scale
Customer Loyalty	Oliver (1997) defined loyalty as “A deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behaviour”.	<ul style="list-style-type: none">• It would bother me, when I change this bank service tomorrow.• I think HSBC as my Bank.• I would strongly recommend HSBC to my friend.• This is my favorite bank for long time.	Interval
Friendship	Gremler (1995) defined the friendship as the customer’s perceptions of social closeness to a service employee, as evidenced by the degree of familiarity, self-disclosure and	<ul style="list-style-type: none">• We seem to find plenty to talk with them.• This person knows a lot about me.• We have developed a good rapport.• There is a friendship between us.	Interval
Perceived core service Quality	Zeithaml (1988, p.3) defined perceived core service as “the consumer’s judgment about a product’s overall excellence or superiority”	<ul style="list-style-type: none">• I think the bank offers quality service.• The service I receive was of first class quality.• I rated the quality of service “excellent”.	Interval
	Argyle (1992) defined	<ul style="list-style-type: none">• I feel relax easily with this	

Social comfort	that the social comfort as the customer's feeling of anxiety or relaxation arising from the social interaction with an individual service employee.	<p>HSBC.</p> <ul style="list-style-type: none"> • I feel very comfortable with the staff presently. • I feel completely at ease with the staff. • I feel as though I am very highly regarded by this staff. 	Interval
Social regard	McGarry (1995) defined that the social regard as making the customer feel important, taking an interest in the customer and respecting the customer.	<ul style="list-style-type: none"> • This person treats me with respect. • He/she shows interest in me, as a person. • He/she makes me feel important. • I feel as though I am very highly regarded by this person. 	Interval
Brand Image	Ekinci and Riley (2003) defined that a higher congruence between self-image and product image would influence consumer's attitude or behavior regarding brand preference, brand attitude, product purchase decision, customer satisfaction and repurchasing intention.	<ul style="list-style-type: none"> • I feel that HSBC branding product possesses its practices function • I feel that HSBC branding product possesses a positive symbolic meaning. • I feel that HSBC branding product can relate to pleasant experience. 	Interval
Service encounter satisfaction	Brown (1996) defined that Service encounter satisfaction has also been modeled to impact long-term customer relationship, as well as overall satisfaction.	<ul style="list-style-type: none"> • I was delighted with this visit to HSBC. • I was happy that I visited approach this bank for service. • I am satisfied with my decision to use HSBC bank. • I really enjoyed my visit to HSBC. • Overall, my visit to the bank was very satisfying. 	Interval

CHAPTER 4

RESEARCH METHODOLOGY

The main purpose of this chapter is to provide the overall research methodology of this study. The first section is the research method. The second section is the respondents and sampling procedures. It includes target population, sampling unit, sample size and sampling procedure to determine the number of respondents in this survey. The third section is the research instrument and questionnaire. The fourth section is the pretest which will check the reliability of questionnaire. The fifth section is the collection of the data and gathering procedure. And the last section is the Statistics Treatment of the data.

4.1 METHOD OF RESEARCH USED

The research can be developed as a descriptive research, Zikmund (2003) defined the descriptive research as the research that help to identify the characteristic of consumers a population or a phenomenon and this kind of research seeks to determine the answer to who, what, when, where and how questions. Moreover, it can help segment and target markets and to understand the nature of the problem of the research. According to Zikmund (2003) in order to gather information toward respondents toward on-line shopping experiences. Burns and Bush (2005) defined that questionnaire are used to present questions and record answer in quantitative field research survey. Furthermore, the researcher selected basic research method of survey, using paper questionnaires to collect all information by distributing these questionnaires, which required the respondents to fill up all questions provided in this paper. Additionally, this study focuses on HSBC customers in Ho Chi Minh City by distributing the questionnaires randomly when they come and use transaction on this bank. One more time, Zikmund (2003) stated that survey technique is a research technique in which information is gathered from sample by the use of questionnaire. This technique is not expensive and accurate means of information about population.

4.2 RESPONDENT AND SAMPLING PROCEDURE

In this section, the first is target population to determine the population that the researcher will survey. Secondly, researcher determines the sampling unit process to find the target population. Sample size is third step. It helps to compute the exactly number of respondents for this research. The last step is sampling procedure that is introduced and estimated the way how to research.

The primary data has been collected from 400 respondents who live in Ho Chi Minh City. This research focused on customers of HSBC to survey. The secondary data has been collected from the thesis, previous studies, HSBC Vietnam website, journals, books as well as the information gathered on the Internet. All of secondary data were used to support the theoretical and conceptual framework of this research.

4.2.1 Target Population

Zikmund (2003) stated that the target population refers to the complete group of specific population which it relevant to the research project could be group of person or objects that have a specific characteristic. Zikmund (2003) stated that target population is understood as a specific group of a targeted population and the complete group could be relevant. The target group of this study is both female and male customers who lived and had an experienced service of the HSBC in Ho Chi Minh City. Because of the loyalty is established in customer's mind when customers use service or product more than 3 times. According to Keller (1993) suggested that loyalty is presented when favorable attitudes for the brand of services or products are manifested in repeated purchasing behavior. Therefore, the researcher will choose and collect the data from HSBC customers who used their banking service at least 3 times.

Vietnam is a Southeast Asian country that has borders with China, Cambodia and Laos. The population is around 86 million people ranking 13th in the world. There are 2 main cities of Vietnam which are located in the North and the South of Vietnam: Ha Noi Capital (in the North) and Ho Chi Minh City (in the South). The main population of this study is Ho Chi Minh City which has 7.1 million people (not including those who didn't

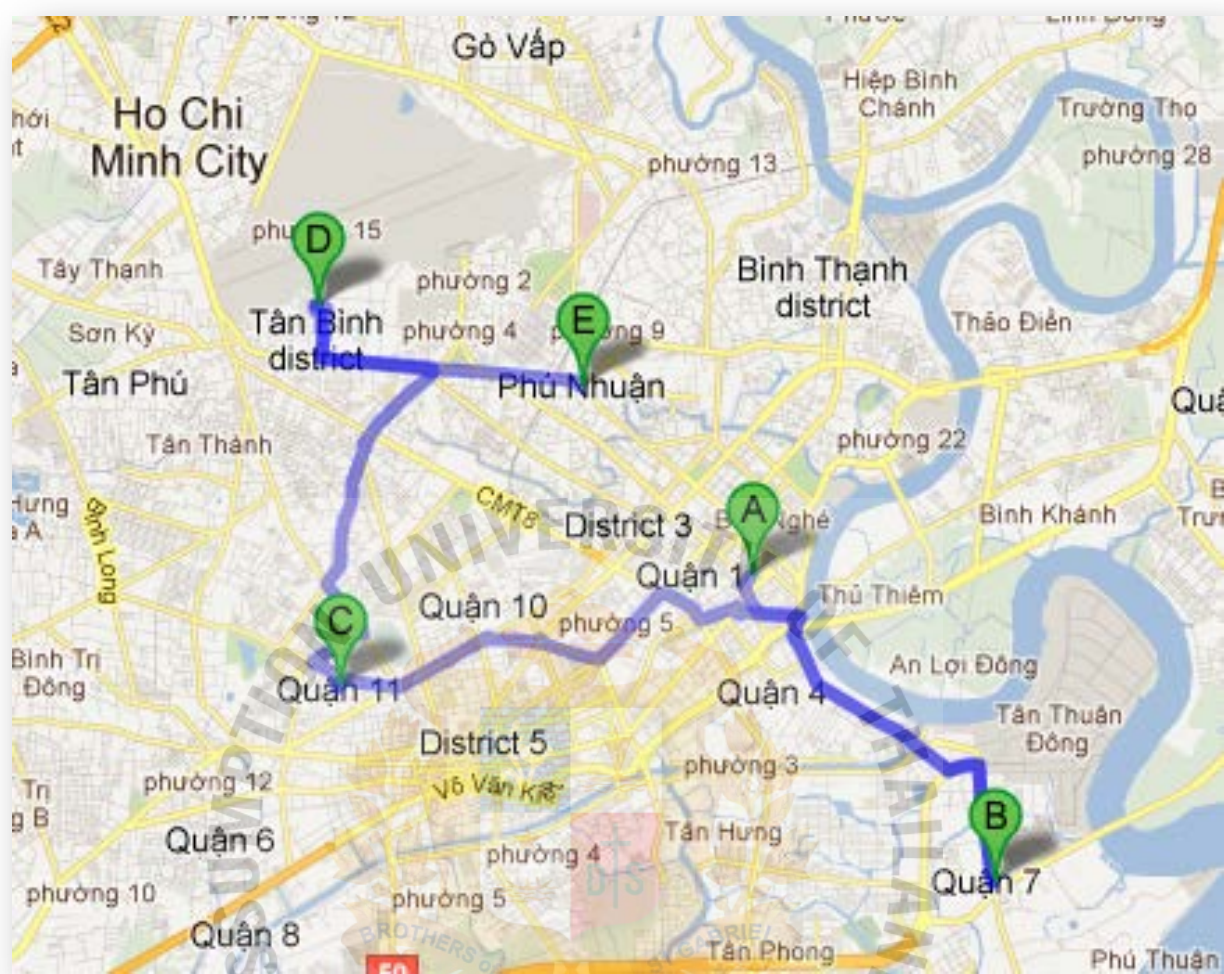
register officially).

The researcher will collect the data from all eight branches of HSBC on five districts: District 1, District 7, District 11, Phu Nhuan District and Tan Binh District in Ho Chi Minh City, Vietnam. The customers of HSBC who will be chosen for the study are willing to cooperate by responding to the questionnaire for this study.

4.2.2 Sampling Units

In this research, sample size is examined by estimate the proportion, Zikmund (2003) stated that the sampling unit is the place where the researcher can find the sampling element. In statistical method, sampling unit is the small group that was presented to all population. Webster (1985) has studied that a sample presents the information of a population. Gilbert (1999) mentioned that a sample is the group of people participating in the research or the group participating in a research that represents the entire population of potential respondents. In this study, the sampling unit is HSBC customers who are working and living in Ho Chi Minh City. Especially, peoples who are staying in 5 districts the researcher mentioned in map in figure 4.1:

Figure 4.1 : Map of HSBC branches location in Ho Chi Minh City

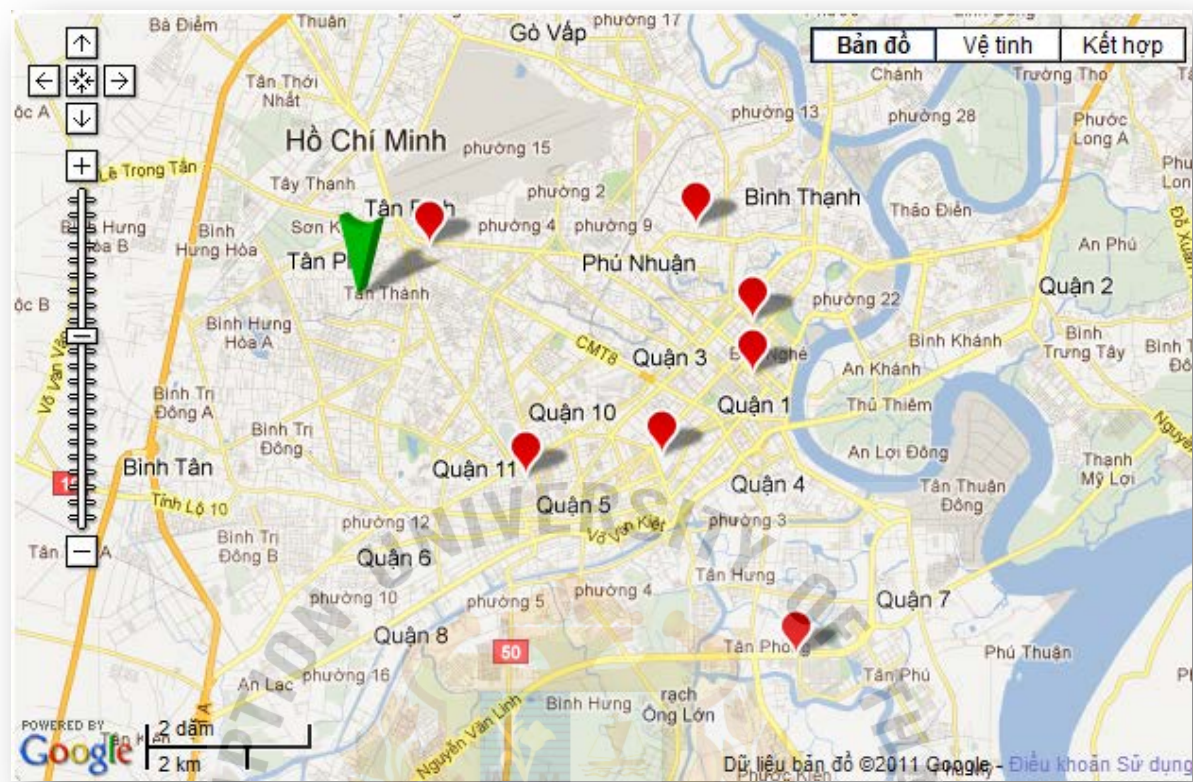


Source: (<http://www.maps.google.com>), 10/10/2011

Table 4.1: The Summary of the districts where HSBC is located

No	Symbol	Address
1	A	District 1.
2	B	Phú Mỹ Hưng Area, District 7.
3	C	District 11.
4	D	Tân Bình District.
5	E	Phú Nhuận District.

Figure 4.2: The map of 8 branches of HSBC Ho Chi Minh City



Source: (<http://www.apps.asiapacific.hsbc.com>), 10/10/2010

Table 4.2: The Summary Addresss of 8 branches HSBC locations

No	Address	District
1	Metropolitan Tower (Head Office)	District 1
2	Etown3 Buiding Cộng Hòa	Tân Bình District
3	49I-49H Phan Đăng Lưu	Phú Nhuận District
4	182 Lê Đại Hành	District 11
5	9 Đinh Tiên Hoà ng	District 1
6	235 Nguyễn Văn Cừ	District 1
7	235 Đồng Khởi	District 1
8	1401-1403 Nguyễn Văn Linh	Phú Mỹ Hưng Area, District 7

Source: <http://www.hsbc.com.vn>, 10/10/2010

4.2.3 Sample Size

In this study, the researcher has taken the sample size by determining the population. McClave et al. (2006) stated that the use of the population proportion was presented to determine the amount of sample size to present the whole group of population which can be used for the unknown population. In this study, the researcher was not able to get the exact number of proportion. That is the reason why the researcher used the formula for the calculation of the sample size (see below). Following Zikmund (2003) the sample size will be determined with 95% confidence level and $\pm 5\%$ tolerable error. The level of risk is called by sampling error to be the level of precision. In this case, the confident level is 95%. It means that 95 out of 100 samples will have true population value. With the population of HSBC customer unknown the population is not accurate. The result of this calculation is 385 sample units. It means that the researcher can surveys 385 customers in this research. But actually the researcher used a total of 400 respondents to get higher confidence and exact valuable information in this study.

Formula:

$$n = \frac{pqz^2}{E^2}$$

Where:

n = number items of sample.

Z^2 = the square of the confidence interval in standard error units.

P = estimated the proportion of success. For a conservative approach, let $p = 0.5$ (Levine, Berenson and Stephan, 1999)

E^2 = the square of the maximum allowance for error between the true proportion and sample proportion. Normally, allowance error is 0.05 or 5% (Hanley and LippmanHand, 1983)

Finally, the total sample is estimated in this study as below:

$$n = \frac{pqz^2}{E^2}$$

$$\begin{aligned}
&= \frac{(0.5)(1-0.5)(1.96)^2}{(0.05)^2} \\
&= \frac{(3.8416)(0.5)(0.5)}{0.025} \\
&= 384.16 \\
&\sim 385 \text{ samples}
\end{aligned}$$

Approximately, the sample size in this study is 385 respondents. Following to Zikmund (2003) defined that the more number of questionnaire distributed, the result will be more accurate. Hence, the researcher decided to round up the sample size to 400 samples in order to get the result more reliable and to decrease the deviation.

4.2.4 Sampling procedure

Zikmund (2003) stated that sampling is process of using a small number of items or parts of the population to make conclusion regarding the whole population. The sampling process of this research is Vietnamese who live in Ho Chi Minh City and had experiences to use HSBC banking services in 8 branches. Additional, the questionnaire will be distributed to HSBC customers in Ho Chi Minh City only. Therefore, the customers would spend their time to answer the questions to provide information for this study. The whole sampling procedure will be done as below:

The first step: Judgment sampling is used and it also call purposing sampling to be effective in studying populations with specific characteristics, such as drug addicts, trial lawyers, or shamans (Zikmund, 2003). The researcher applied judgment sampling technique and select the sample based upon some specific characteristic of the sample member. This method enables researcher to pinpoint particular individuals who have knowledge and insight about topics being studied. The sample has been selected to satisfy a specific objective. There are 8 branches in Ho Chi Minh City which are shown on Figure 4.3 in below. Researcher chose randomly HSBC customers who finished of using banking service on the HSBC. This method

assures that each element in the population has an equal chance of being included in sample.

The second step: Quota Sampling is used and it is also called non-probability to estimate the respondent. Zikmund (2003) stated that non-probability sampling the probability of any particular member of the population being selected is unknown. Totally, researcher has distributed and collected 400 questionnaires into 8 HSBC branches in 5 districts in Ho Chi Minh City. Therefore, 400 questionnaires will be divided with the same amount into 8 branches: Metropolitan Tower District 1, Etown3 Building Tân Bình District, 49I-49H Phan Đăng Lưu Phú Nhuận District, 182 Lê Đại Hành District 11, 9 Đinh Tiên Hoàng District 1, 235 Nguyễn Văn Cừ District 1, 235 Đồng Khởi District 1 and 1401-1403 Nguyễn Văn Linh District 7 and each branch has 50 questionnaires. This method ensured that the various subgroups in a population are represented on pertinent sample characteristics to the exact extent desired. It also helps speed the data collection and keeps a lower cost. The amount of questionnaires on each branch was shown on Figure 4.3.

Figure 4.3: The Respondents collected in each HSBC Branch.

1	Metropolitan Tower (Head Office)	District 1	50 respondents
2	Etown3 Building Cộng Hòa	Tân Bình District	50 respondents
3	49I-49H Phan Đăng Lưu	Phú Nhuận District	50 respondents
4	182 Lê Đại Hành	District 11	50 respondents
5	9 Đinh Tiên Hoàng	District 1	50 respondents
6	235 Nguyễn Văn Cừ	District 1	50 respondents
7	235 Đồng Khởi	District 1	50 respondents
8	1401-1403 Nguyễn Văn Linh	Phú Mỹ Hưng Area, District 7	50 respondents
Total			400 respondents

For the last step: The convenience sampling is used which the researcher distributed questionnaire to HSBC customers who have willing checked for responding to questionnaire. According to Zikmund (2003) stated that convenience sampling is non-probability sampling technique. It is used and based on the convenience and readiness to answer the questions of

respondents. Questionnaire will deliver to customer after they have finished their transaction with permission of HSBC operation department office and wait for a customer to follow the instruction in the questionnaire. When the customer was finished, the questionnaire will be collected and input data into the computer. Researcher will analyze this information using SPSS software. The merit of this method is that it is quick and economical.

4.3- Research Instrument / Questionnaire

To understand the customer loyalty and many other factors that affect customers, the questionnaire of this study has been developed from previous studies and followed the potential of conceptual framework. Fornier (1998) studied that the 5 points scale was chosen as it was suitable for multi-variable analysis. HSBC Ho Chi Minh City is located in high level income area and target customers are rich and well educated people in Vietnam. Therefore, the questionnaire is used English and Vietnam language to survey.

The researcher has divided the questionnaire into 4 parts. There are independent variable, dependent variable and demographic question. The researcher will develop questions based on previous studies to determine factors in the conceptual framework.

The details are as follow:

Part 1 is the screening question. The purpose of questions is chosen corrected respondents. Question number one will be asked “Do you have any experience of using HSBC service?”. The Yes and No question are used to this question. If “Yes”, the customer will be chosen and continue to question 2. If “No”, the customer will be skipped. On the question number two, the customer will be asked “how many time do you use HSBC service?”. If “Less than 3 times”, the customer will be skipped. If “More than 3 times”, the customer will be chosen as the target and continue the second part. Reichheld (2003) found that loyalty leaders grow and repurchase is more than twice as fast as the industry average across a wide variety of industries. The researcher has chosen customers who have used HSBC service more than 3 times.

- Do you have an experience of using HSBC service?
- How many times do you use HSBC service?

Part 2 consisted independent variable questions. This part is to test the independent variables: Service encounter satisfaction, Friendship, Perceived core service, Social Regard, Brand Image. There are a total of 22 questions which covered 5 points Likert scales and all questions will follow this format. Zikmund (2003) defined the Likert scale is measurement of the attitudes of respondents and showed agreement level of attitudes toward an object from positive to negative attitude. The questions will be evaluated from degree of respondents agreed or disagreed in statement with the following criteria:

1 = Strongly disagree

2 = Disagree

3 = Neither Agree nor disagree

4 = Agree

5 = Strongly agree

The questionnaire will be prepared to base on conceptual framework. It is divided into 6 factors which are used as the instrument to achieve the research objective. It has clearly defined structure and offered the respondents clearly.

- Friendship
- Perceived core Service
- Perceived Core Service Quality
- Social Regard
- Social Comfort
- Brand Image

Part 3 is on dependent variable questions. There are 5 questions in this part to test the customer loyalty factor. The 5-points Likert scales is used for this part from strongly disagree to strongly agree.

- Customer loyalty

Part 4: Demographic Factors: It includes 5 questions about the gender, age, income, and education levels. Gender: there are 2 choices: male and female. Age: the scale of actual

age of respondent. Income: the income level of respondent can get each month including commissions. Education level: There are 4 levels provided: high school graduate, Bachelor Degree, Master Degree and Ph.d Degree.

Collecting Data

Primary Data: Following Churchill's (1996) study, the researcher implied that the primary data is the information collected specially for the investigation at hand. Primary data in this research is information that is collected from survey by questionnaire. It uses of structure question by each factors on conceptual framework. Burns and Bush (2000) explained that questionnaire is used to present questions and record answers in quantitative field research survey.

This research will collect data from 8 branches of HSBC banking service in Ho Chi Minh City, Vietnam. The questionnaire will be translated into 2 versions: Vietnamese and English language. It helps respondents to understand it easily.

Secondary data: At beginning the secondary data is very important to conduct the primary data, and the primary data based on secondary data to develop. Davis (1996) explained that the secondary data is important because it can save considerable time and cost in solving the research problem at hand. The secondary data are ready existing, it was researched and collected. Churchill (2002) stated that hence, secondary source sometime can provide data an individual can't collect. Actually, a lot of secondary data in this study is not collected in a short time, it related to time and region by time. It can come from any sources such as: textbook, business journal, magazine, marketing news and the internet etc. Data supported the theory, and data analyze recent study develop the conceptual framework.

4.4- Pretest

Oppenheim (1992) stated that pretest can provide a better understanding of the questionnaire and it is good to prepare for the final survey. According to Zikmund (2003), who defined that the purpose of pretest is to check the understandable of the questions and

researchers would have no difficulties in analyzing the data. In order to complete this study, the researcher used pretest method to correct the mistake and adjust some error to avoid the problem in result of study. Because of the population are HSBC customers in Ho Chi Minh City, Vietnam. Therefore, the questionnaire will be in 2 languages Vietnamese and English. Vietnamese language will be easier for respondents to understand when the researcher collects the data.

The purpose of pretest is to determine the reliability of the research. Vanichbancha (2001) stated that in order to conduct the pretest, the number of respondents should be at least 25 respondents. In this case, the researcher decided to collect 30 questionnaires to guarantee the reliability of the research. Cronbach test is used to test the reliability. The reliability range of Cronbach is between 1 and 0. George and Mallery (2003) set some standards for reliability: 0.9 or more means (Excellent), 0.8 or more means (Good), 0.7 or more means (Acceptable), 0.6 or more (Questionable), 0.5 or more (Unacceptable).

Sekaran (1992) stated that the reliability value is equal to at least 0.6, it is consider reliable. It took about 1 week during September, 2011 to collect the data. After the pretest process, the researcher could continue to apply the questionnaire to 400 respondents.

Before the researcher steps to the final process, questionnaire was tested to determine the reliability. After the researcher collected 30 respondents, SPSS program is used to analyze the data and the researcher will base on estimated-standard of an expert to be used in the final decision. Following to Zikmund (2003) found that reliability is degree to which measures are free from error and therefore yield consider result. The result of retest by Cronbach's Alpha from 27 questions (7 factors on conceptual framework) is greater than 0.6, therefore the questionnaire is reliable.

Table 4.3: The Reliability of the Questionnaire in the study.

No	Factors	Cronbach's Alpha if Item Deleted
1	Customer Loyalty	.884
2	Service Encounter Satisfaction	.751
3	Friendship	.838
4	Perceived Core Service	.815
5	Social Regard	.817
6	Social Comfort	.837
7	Brand Image	.821

The result from Cronbach's Alpha analysis in Table 4.3 indicated that all variables are higher than 0.6 which is accepted. It means that the questions are reliable and can be apply for the final survey.

4.5- Collection of data/Gathering Procedure

The researcher plans to collect data by using distribution questionnaire technique. This research used the questionnaire to analyze about the effects of independents variables effect on dependent variable (customer loyalty). The questionnaire emphasizes on the relationship between independent factors such as: Perceived Core Service Quality, Perceive service satisfaction, Brand Image, Social Regard, Social Comfort, Friendship and how they effect dependent variable (Customer Loyalty). Secondary data was collected from various sources: business book, internet, business journal, article etc. Following working time of Vietnamese people, who usually work from 7.30 am to 5.30 pm from Monday to Friday. The researcher arranged the survey time on a week as shown in Table 4.4. And it was planned between 27th November and 7th December.

Table 4.4: Schedule of collection Data

Days	Morning.	Afternoon
Monday	8 am – 11 am	2 pm - 5 pm
Tuesday	8 am – 11 am	2 pm - 5 pm
Wednesday	8 am – 11 am	2 pm - 5 pm
Thursday	8 am – 11 am	2 pm - 5 pm
Friday	8 am – 11 am	2 pm - 5 pm
Saturday	8 am – 11 am	-

4.6- Statistic Treatment of the Data

On important tool SPSS/FW (Statistical Package for the Social Science Version 20 for Window) is a useful stool to help the researcher to analyze and implement data.

When the data is collected as required, it will be analyzed by SPSS software. After collecting 400 respondents, the data will be input into a numerical form in SPSS. And using another statistical tool change the data into result. By the demographic question the researcher can segment the customer in various levels of education, income levels and location etc by using descriptive analysis. Also the researcher will apply correlation coefficient to analyze the relationship between dependent and independent variables based on hypotheses.

4.6.1-Descriptive Statistics

Zikmund (2003) defined that descriptive statistics is the method that could summarize the characteristic of the population or sample. Background information of respondents could be used analysis by descriptive statistic method. In this study, the demographic question will be analyzed to find the majority of HSBC customers. Furthermore, Zikmund (2003) stated that descriptive statistics include the different measures such as Mean, Median, Mode Variable, standard deviation, range, count and proportions.

4.6.2 Pearson Correlation Coefficient

Pearson’s correlation coefficient (r) is a parametric technique, which gives a measure of the strength of association between two variables. The correlation of two variables X and Y measured on the same object or organism. The correlation between two variables reflects the degree to which the variables are related. Zikmund (2003) stated that the Pearson method is considered as the proper technique to describe the relationship of variable. In addition, Collis et al. (2003) and Sauders et al. (2003) stated that the r-value is estimate the strength of relationship of 2 variables. Zukmund (2003) provided the formula to calculate the correlation coefficient “r” for the variable X and Y as shown below:

Formula:

$$r = \frac{n \sum xy - (\sum x)(\sum y)}{\sqrt{n(\sum x^2) - (\sum x)^2} \sqrt{n(\sum y^2) - (\sum y)^2}}$$

Where:

x = Independent Variable

y = Dependent Variable

n = Number of sample

Table: 4.6: The r-value and Corresponding Strength of Association

Correlation(r)	Interpretation
1	Perfect position linear association
0	No linear association
-1	Perfect negative association
0.90 to 0.99	Very high position association
0.70 to 0.89	High positive correlation
0.4 to 0.69	Medium positive correlation
0 to 0.39	Low positive correlation
0 to -0.39	Low negative correlation
-0.4 to -0.69	Medium negative correlation
-0.70 to -0.89	High negative correlation
-0.90 to -0.99	Very high negative correlation

Source: Hussey, J. and Hussey, R. (1997). Business Research: A Practical Guide for Undergraduate and Postgraduate Students. Macmillan Press, London.

Correlation coefficients generally range from -1.00 to +1.00. If the value of r is 0.1 or - 0.1 is perfect positive or negative linear relationship, respectively. For example: if the researcher found that $r = - 0.92$. It means there is a relatively strong negative relationship.

4.7 SUMMARY OF STATISTICAL TOOLS USED IN TESTING HYPOTHESES

Zikmund (2003) stated that the significant level is a critical probability in choosing between the null and alternative hypotheses and the significant level can be set at 0.01 and 0.05. Pearson Correlation Coefficient test will provide the p-value. From the result of SPSS analyzed, the researcher will compare to significant level of 2 variables. Kitchens (1998) stated that the confidence level is a percentage that indicates the long-run probably the result will be correct, and traditional the 95% confidence level has been used by the researchers.

Table 4.7: Summary of Statistical Tools used in Testing Hypotheses

Null Hypotheses	Null Hypotheses Description	Statistical Technique Used
H1o	There is no significant relationship between friendship and customer loyalty.	Pearson Correlation
H2o	There is no significant relationship between brand image and customer loyalty.	Pearson Correlation
H3o	There is no significant relationship between service encounter satisfaction and customer loyalty.	Pearson Correlation
H4o	There is no significant relationship between perceived core service quality and service encounter satisfaction.	Pearson Correlation
H5o	There is no significant relationship between social regard and perceived core service quality.	Pearson Correlation
H6o	There is no significant relationship between social comfort and perceived core service quality.	Pearson Correlation

CHAPTER 5

PRESENTATION OF DATA AND CRITICAL DISCUSSION OF RESULTS

This researcher studied customer loyalty in case of HSBC banking service in Ho Chi Minh City Vietnam. And this chapter focuses on analysis of significant relationship between dependent and independent factors on conceptual framework. The first part is descriptive analysis of demographic characteristics: age, income, education level and location of respondents. The second part is the result of the hypothesis testing, after the data were analyzed, summary in reasonable and easily interpretable by using SPSS program. The researcher used Pearson Correlation statistical tool to analyze. Finally, the researcher will tabulate the summary of the results of hypotheses in this testing. Using the SPSS program, the data were analyzed, simplified and summarized for interpretation.

5.1 DISCRIPTIVE ANALYSIS

Descriptive statistical method is the tool to summarize all basic characteristics of data in the study. Trochim (2005) stated that together with sample graphics analysis, they form the basic of virtually every quantitative analysis of data. Zikmund (2003) stated that descriptive analysis as the transformation of raw data into a form that will make those data understand and interpretable. In the other research of Parasuraman (1998), it is stated that descriptive analysis aims at describing the demographic characteristics of the respondents by using frequency distribution and percentage distribution.

5.1.1 Frequency of Demographic Characteristic.

This section analyzed personal information of the respondents. The researcher studied the personal data of HSBC customers in Ho Chi Minh City. Demographic factors in this study related to age, monthly income, education level, nationality and location of 400 respondents. These features are shown below:

Table 5.1: The Gender of HSBC customers in Ho Chi Minh City

Gender				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	254	63.5	63.5	63.5
Female	146	36.5	36.5	100.0
Total	400	100.0	100.0	

As shown in Table 5.2, out of 400 HSBC customers in Ho Chi Minh City, more than half of them -254 are male making up 63.5% and 146(36.5%) are female.

Table 5.2: The age of HSBC customers in Ho Chi Minh City

Age category				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18 or less	13	3.3	3.3	3.3
18-30	225	56.3	56.3	59.5
31-40	153	38.3	38.3	97.8
41-60	9	2.3	2.3	100.0
Total	400	100.0	100.0	

In Table 5.1, shows that out of 400 respondents in the study, the majority of HSBC customers in Ho Chi Minh City who participated in this research are between 18-30 years old totaling 225 peoples (56.3%), followed by 153 (38.3%) respondents who are 31-41 years old. There were only 13 respondents in the youngest age group of 18 years. The oldest age group of 41-60 years old is less than 10. Majority is customers have age from 18-30 years old with 225.

Table 5.3: The Income Level of HSBC customers in Ho Chi Minh City

Your gross annual household income				
	Frequency	Percent	Valid Percent	Cumulative Percent
5,000,000 or less	54	13.5	13.5	13.5
5,000,000 - 10,000,000	114	28.5	28.5	42.0
10,000,000 - 15,000,000	63	15.8	15.8	57.8
15,000,000 - 20,000,000	56	14.0	14.0	71.8
More than 20,000,000	113	28.2	28.2	100.0
Total	400	100.0	100.0	

In Table 5.3, it can be seen that out of 400 respondents in the study, most of HSBC customers in Ho Chi Minh City who anticipated this research have income 5,000,000-10,000,000vnd with 114 peoples (28.5%), followed by 113 peoples with income more than 20,000,000vnd (28.2%), follow by 10,000,000-15,000,000vnd with 63 peoples with 15.8%), follow by 15,000,000-20,000,000vnd are 56 peoples (14%), the last one are 54 (13.5%) peoples with 5,000,000vnd or less. Totally, there are 400 respondents to anticipate in this survey. The majority is customers who have income between 5,000,000-10,000,000vnd and more than 20,000,000vnd to anticipate this study.

Table 5.4: The Education Level of HSBC customers in Ho Chi Minh City

Highest education level				
	Frequency	Percent	Valid Percent	Cumulative Percent
High school graduate or less	98	24.5	24.5	24.5
Undergraduate Degree	205	51.2	51.2	75.8
Graduate	83	20.8	20.8	96.5
Doctor's Degree	14	3.5	3.5	100.0
Total	400	100.0	100.0	

From Table 5.4, it showed the education level of HSBC customers in Ho Chi Minh City who anticipated this research are in under-graduate with 205 peoples (51.2%), followed by 98 peoples are high school graduate or less (24.5%), graduate are 83 peoples (20.8%) and Doctor level are 14 peoples (3.5%). Totally, there are 400 respondents to anticipate in this survey. The majority is customers who have under graduate education level.

Table 5.5: The nationality of HSBC customers in Ho Chi Minh City

Nationality (Vietnamese or Foreigner)				
	Frequency	Percent	Valid Percent	Cumulative Percent
Vietnamese	385	96.3	96.3	96.3
Valid Foreigner	15	3.7	3.8	100.0
Total	400	100.0	100.0	

From Table 5.5, it showed the nationality of HSBC customers in Ho Chi Minh City who anticipated this research are Vietnamese with 385 peoples (96.3%), followed by 15 peoples are foreigners (3.7%). Totally, there are 400 respondents to anticipate in this survey. And the majority customers are Vietnamese with 385 respondents.

5.1.2: Analysis of mean and standard deviation

For this part, the respondent were asked to rate the level of agreement on 7 factors, which are customer loyalty, brand image, friendship, perceive service satisfaction, perceive core service quality, social regard and social comfort. The purpose of this testing to test the significant between dependent variable and independent variables in this research. Furthermore, Analysis of mean and standard deviation also check understandable of questionnaire.

Table 5.6: Mean, Standard deviation and Interpretation of Customer Loyalty

Descriptive Statistics			
	N	Mean	Std. Deviation
HSBC staff wouldn't bother me, when I changed this bank to another.	400	4.34	.962
I think this HSBC as my bank	400	4.25	.949
I would strongly recommend HSBC to my friend	400	4.23	.930
This is my favorite bank in long way	400	4.24	.966
I am very loyal this HSBC	400	4.24	1.011
Valid N (listwise)	400		

Table 5.6 presents the implementation in term of the customer loyalty. There are 5 items in this category with the range of mean between 4.23 and 4.34. The customers of HSBC have agreed and strongly agreed in 5 points of Likert scale. From this result, the customers totally agree with choosing HSBC like their favorite bank. Because, they were customer loyalty of HSBC, therefore they want to share their favorite bank with their friends.

Table 5.7: Mean, Standard deviation and Interpretation of Service Encounter Satisfaction

Descriptive Statistics			
	N	Mean	Std. Deviation
I was delighted with this visited to HSBC	400	4.47	.801
I was happy that I visited the bank for my problem.	400	4.37	.851
I am satisfied with my decision to use at HSBC bank.	400	4.23	.995
I really enjoyed my visit to HSBC.	400	4.22	.966
Overall, my visit to the bank was very satisfying.	400	3.88	1.188
Valid N (listwise)	400		

Table 5.7 presents the implementation in term of the service encounter satisfaction. There are 5 items in this category, with the range of mean between 3.88 and 4.47. The customers have the satisfaction with banking service of HSBC in Ho Chi Minh City. From Table 5.7, the researcher found that the HSBC customers are satisfied with the services when using HSBC services or products. They are satisfied with their decision to use HSBC and felt happy.

Table 5.8: Mean, Standard deviation and Interpretation of Friendship

Descriptive Statistics			
	N	Mean	Std. Deviation
We seem to find plenty to talk with them.	400	4.12	1.168
The bank staff knows a lot about me.	400	4.20	1.015
We have developed a good rapport.	400	4.22	1.026
There is a friendship between us.	400	4.14	1.029
Valid N (listwise)	400		

Table 5.8 presents the implementation in term of the friendship. There are 4 items in this category, which have the range of mean between 4.14 and 4.22. From the result of Table 5.8 showed that the customers agreed and strongly agreed with friendship in HSBC in Ho Chi Minh City. The employees seem to plenty to talk with them. And between them, there have good relationship.

Table 5.9: Mean, Standard deviation and Interpretation of Perceived Core Service Quality

Descriptive Statistics			
	N	Mean	Std. Deviation
I Though the service was high quality	400	4.46	.869
The service I received was of first class quality	400	4.70	.630
I rated the quality of service as excellent	400	4.50	.810
Valid N (listwise)	400		

Table 5.9 presents the implementation in term of the perceived core service quality. There are 3 items in this category, which have the range of mean between 4.46 and 4.70. From the result of Table 5.9, the researcher demonstrated that the customers agreed and strongly agreed that they were used the high class services in HSBC.

Table 5.10: Mean, Standard deviation and Interpretation of Social Regard

Descriptive Statistics			
	N	Mean	Std. Deviation
The bank staff treats me with respect.	400	4.38	.906
The staff shows interest in me as a person.	400	4.32	.984
The staff makes me feel important.	400	4.31	.985
I feel as though I am very well regarded by this staff.	400	4.04	1.073
Valid N (listwise)	400		

Table 5.10 presents the implementation in term of the social regard. There are 3 items in this category with in the range of mean between 4.04 and 4.38. From the result, the researcher found that the customers have agreed, strongly agreed the social regard shown in HSBC in Ho Chi Minh City. The employees treated the client respectfully. The result also said that the staff showed keen interest to serve the customers. Consequently, the customers

feel the importance of using the service provided by HSBC services.

Table 5.11: Mean, Standard deviation and Interpretation of Social comfort

Descriptive Statistics			
	N	Mean	Std. Deviation
I feel relax easily in this bank.	400	4.42	.968
I feel very comfortable with the bank staff present.	400	4.24	.891
I feel completely at ease with the bank staff	400	4.32	1.005
Valid N (listwise)	400		

Table 5.11 presents the implementation in term of the social comfort. There are 3 items in this category with the ranging of mean between 4.24 and 4.42. From the result, the researcher found that the customers agree and strongly agree the social comfort in HSBC service. The customers felt comfortable and relaxed when they use HSBC service.

Table 5.12: Mean, Standard deviation and Interpretation of Brand Image

Descriptive Statistics			
	N	Mean	Std. Deviation
I feel that HSBC branding product possesses its practices function.	400	4.23	.934
I feel that HSBC branding product possesses a positive symbolic meaning	400	4.19	1.046
I feel that HSBC branding product can relate to the pleasant experience.	400	4.14	.891
Valid N (listwise)	400		

Table 5.11 presents the implementation in term of the social comfort. There are 3 items in this category, with the ranging mean between 4.14 and 4.23. As result shown in Table, the customers choose between agree and strongly agree in 5 point Likert scale. People

agreed that HSBC branding product possesses a positive symbolic meaning. Those services and products of HSBC can relate to the pleasant experience, and it does belong to HSBC brand image. Brand Image affects customer decision and feeling on practice processing.

5.2 INFERENTIAL ANALYSIS

The researcher conducted the survey by distributing the questionnaire to 400 respondents in Ho Chi Minh City during 27th November, 2011 until 10th December 2011.

5.2.1 Hypotheses testing result

Pearson’s Correlation Coefficient was used to test the hypothesis from hypotheses 1 to hypotheses 6. Results of the research of hypotheses testing are as follow:

Hypothesis 1: Friendship and Customer Loyalty.

- H1o: There is no significant relationship between friendship and customer loyalty.
- H1a: There is significant relationship between friendship and customer loyalty.

Table 5.2.1: Correlation between Friendship and Customer Loyalty

Correlations		MeanFritan	MeanCustan
MeanFritan	Pearson Correlation	1	.322**
	Sig. (2-tailed)		.000
	N	400	400
MeanCustan	Pearson Correlation	.322**	1
	Sig. (2-tailed)	.000	
	N	400	400

** . Correlation is significant at the 0.01 level (2-tailed).

Therefore, the result of hypotheses 1in Table 5.2 showed that it is significance at .000 which is less than 0.01. So the null hypothesis was rejected. The correlation coefficient

is .322 which means that there is low positive correlation relationship between friendship and customer loyalty in Ho Chi Minh City, Vietnam.

Hypothesis 2: Brand Image and Customer Loyalty.

- H2o There is no significant relationship between brand image and customer loyalty.
- H2a There is significant relationship between brand image and customer loyalty.

Table 5.2.2: Correlation between Brand Image and Customer Loyalty

Correlations			MeanCustan	MeanBratan
MeanCustan	Pearson Correlation		1	.260**
	Sig. (2-tailed)			.000
	N		400	400
MeanBratan	Pearson Correlation		.260**	1
	Sig. (2-tailed)		.000	
	N		400	400

** . Correlation is significant at the 0.01 level (2-tailed).

The result of hypotheses 2 in Table 5.2.2 showed that it is significant at .000 which is less than 0.01. Therefore, the null hypothesis was rejected. The correlation coefficient is .260 which means that there is low positive correlation relationship between brand image and customer loyalty in Ho Chi Minh City, Vietnam.

Hypothesis 3: Service Encounter Satisfaction and Customer Loyalty.

- H3o: There is no significant relationship between service encounter satisfaction and customer loyalty.
- H3a: There is significant relationship between service encounter satisfaction and customer loyalty.

Table 5.2.3: Correlation between Service Encounter Satisfaction and Customer Loyalty

Correlations			
		MeanCustan	MeanSertan
MeanCustan	Pearson Correlation	1	.319**
	Sig. (2-tailed)		.000
	N	400	400
MeanSertan	Pearson Correlation	.319**	1
	Sig. (2-tailed)	.000	
	N	400	400

** . Correlation is significant at the 0.01 level (2-tailed).

Table 5.23 shows the result of hypotheses 1 which is significant at .000 less than 0.01. So the null hypothesis was rejected. The correlation coefficient is .319 which means that there is low positive correlation relationship between service encounter satisfaction and customer loyalty in Ho Chi Minh City, Vietnam.

Hypothesis 4: Perceived Core Service Quality and Service Encounter Satisfaction.

- H4o: There is no significant relationship between perceived core service quality and service encounter satisfaction.
- H4a: There is significant relationship between perceived core service quality and service encounter satisfaction.

Table 5.2.4: Correlation between Perceived Core Service Quality and Service Encounter Satisfaction

Correlations			
		MeanSertan	MeanPertan
MeanSertan	Pearson Correlation	1	.359**
	Sig. (2-tailed)		.000
	N	400	400
MeanPertan	Pearson Correlation	.359**	1
	Sig. (2-tailed)	.000	
	N	400	400

** . Correlation is significant at the 0.01 level (2-tailed).

From Table 5.24 the result of hypotheses 1 showed that the significance is .000 which is less than 0.01. Rejecting the null hypothesis, the correlation coefficient is .359 which means that there is low positive correlation relationship between perceived core service quality and service encounter satisfaction in Ho Chi Minh City, Vietnam.

Hypothesis 5: Social Regard and Perceived Core Service Quality.

- H5o: There is no significant relationship between social regard and perceived core service quality.
- H5a: There is significant relationship between social regard and perceived core service quality.

Table 5.2.5: Correlation between Social Regard and Perceived Core Service Quality

Correlations		MeanRegtan	MeanPertan
MeanRegtan	Pearson Correlation	1	.207**
	Sig. (2-tailed)		.000
	N	400	400
MeanPertan	Pearson Correlation	.207**	1
	Sig. (2-tailed)	.000	
	N	400	400

** . Correlation is significant at the 0.01 level (2-tailed).

In Table 5.25, it can be seen that the result of hypotheses 1 is significant at .000 which is less than 0.01. Therefore the null hypothesis was rejected. The correlation coefficient is .207 which means that there is low positive correlation relationship between social regard and perceived core service quality in Ho Chi Minh City, Vietnam.

Hypothesis 6: Social Comfort and Perceived Core Service Quality.

- H6o: There is no significant relationship between social comfort and perceived core service quality.
- H6a: There is significant relationship between social comfort and perceived core service quality.

Table 5.2.6: Correlation between the Social Comfort and Perceived Core Service Quality

Correlations		
	MeanPertan	MeanComtan
MeanPertan	Pearson Correlation	1
	Sig. (2-tailed)	.157**
	N	400
MeanComtan	Pearson Correlation	.157**
	Sig. (2-tailed)	.002
	N	400

** . Correlation is significant at the 0.01 level (2-tailed).

From Table 5.26 the result of hypotheses 1 showed that the significance is .002 which is rather than 0.01, rejecting the null hypothesis. The correlation coefficient is .157 which means that there is low positive correlation significant positive relationship between social comfort and perceived core service quality in Ho Chi Minh City, Vietnam.

5.2.2: Summary of Hypotheses Testing

Hypothesis	Statistical Test	Significant Value	Correlation Coefficient	Result
H1a: There is significant relationship between friendship and customer loyalty.	Pearson's Correlation	0.000	.322	Reject Ho
H2a There is significant relationship between brand image and customer loyalty.	Pearson's Correlation	0.000	.260	Reject Ho

H3a: There is significant relationship between service encounter satisfaction and customer loyalty.	Pearson's Correlation	0.000	.319	Reject Ho
H4a: There is significant relationship between perceived core service quality and service encounter satisfaction.	Pearson's Correlation	0.000	.359	Reject Ho
H5a: There is significant relationship between social regard and perceived core service quality.	Pearson's Correlation	0.000	.207	Reject Ho
H6o: There is significant relationship between social comfort and perceived core service quality.	Pearson's Correlation	0.002	.157	Reject Ho

CHAPTER 6

SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATIONS

This chapter is divided into 3 sections, there are summary of finding, conclusion recommendation of this study and further study. The first section is summary of finding which the researcher was separated into 2 parts: summary of demographic factors and hypotheses results. All the result of hypotheses testing will be shown in this section. The second section is made up of discussion, conclusion and recommendation of this study. Finally, further study will be recommended to any researches which are related to this topic in the future.

6.1SUMMARY OF FINDINGS

In the main purpose of this part, the researcher will summary all data analyzed in previous chapter to make the recommendation for the study of HSBC Ho Chi Minh City, Vietnam. The summary of finding will be divided into 2 parts: the first is summary of demographic questions to find out about the respondents information of HSBC customers and the second is Summary of Hypothesis tests.

6.1.1 Summary of Demographic

The objective of this research is to examine to the relationship between brand image, friendship, service encounter satisfaction and customer loyalty of HSBC in Ho Chi Minh City, This research obtained the data from 400 respondents who have experience in using HSBC service in Ho Chi Minh City Vietnam. All the highest percentage of demographic factors was shown in Table 6.1.

Table 6.1: Summary of Demographic represented by highest percentage

Consumer Profile	Variable	Percentage (%)
Age	18-30	55.8
Income Monthly	5,000,000vnd - 10,000,000vnd	28.3
Gender	Male	63
Education level	Under-Graduated Degree	50.9
Nationality	Vietnamese	95.5

The result in Table 6.1 indicated that the majority of all respondents were male with 63%, nationality is Vietnamese (95.5%) and most of the respondent and age between 18-30 years old. For the monthly income is between 5,000,000vnd - 10,000,000vnd 28.3%. And highest percentage education level is under-graduate degree with 50.9%.

6.1.2 Summary of Hypothesis Testing

Six hypotheses were tested and analyzed from the research objective and questionnaires. The researcher used Pearson correlation statistical tool to analyze hypotheses and summary of six hypothesis result were shown below:

Hypothesis one: There is a positive significant relationship between friendship and customer loyalty.

The relationship between friendship and customer loyalty at significant level is 0.01. The correlation coefficient of .322 means two variables move in the same direction but there is low positive correlation relationship.

Hypothesis two: There is a positive significant relationship between brand image and customer loyalty.

The relationship between brand image and customer loyalty at significant level is 0.01. The correlation coefficient of .260 means two variables more in the same direction but

there is low positive correlation relationship.

Hypothesis three: There is a positive significant relationship between service encounter satisfaction and customer loyalty.

The relationship between service encounter satisfaction and customer loyalty at significant level is 0.01. The correlation coefficient of .319 means two variables more in the same direction but there is low positive correlation relationship.

Hypothesis four: There is a positive significant relationship between perceived core service quality and service encounter satisfaction.

The relationship between perceived core service quality and service encounter satisfaction at significant level is 0.01. The correlation coefficient of .359 means two variables more in the same direction but there is low positive correlation relationship.

Hypothesis five: There is a positive significant relationship between social regard and perceived core service quality.

The relationship between social regard and perceived core service quality at significant level is 0.01. The correlation coefficient of .207 means two variables move in the same direction but there is low positive correlation relationship.

Hypothesis six: There is a positive significant relationship between social comfort and perceived core service quality.

The relationship between social comfort and perceived core service quality at significant level is 0.01. The correlation coefficient of .157 means two variables move in the same direction but there is low positive correlation relationship.

6.2 IMPLICATIONS AND DISCUSSION

In this study, independent variables such as: friendship, brand image, service encounter satisfaction, perceive core service quality, social comfort and social regard, dependent variable (customer loyalty) were studied.

The result of hypothesis one showed that the friendship has positive significant effects on customer loyalty, as the null hypothesis was rejected. Based on this finding, it

indicated that a friendship effected customer loyalty toward HSBC in Ho Chi Minh City. The result of the hypothesis was supported by Bove and Johnson (2000) who found that the personal friendship between customer and individual service employee has been modelled to influence customer loyalty. Also, another result from Kokko and Moilanen's (1997) study found that the loyalty can be increased through personal friendship, which was similar to Price and Arnould's (1999) research in which they found that the client employee friendship was positive correlation with customer loyalty. From the result of this hypothesis testing, the researcher also found positive significant relationship between friendship and customer loyalty. This result leads to prove that higher loyalty increase or create friendship between HSBC and its customers.

The result of hypothesis two showed that the brand image has significant effects on customer loyalty, as the null hypothesis was rejected. Based on this finding, it is proven that the brand image effected customer loyalty toward HSBC in Ho Chi Minh City. According to Keller's (1993) study, the researcher found similar result in his study. He found that the customer loyalty is often viewed as resulting from brand knowledge. In this study, the researcher found that there is positive significant relationship between brand image and customer loyalty. Customer Loyalty can be increased by brand image and brand image can promote the services or products of banking which may lead to believe or create trust toward HSBC.

Based on the result of hypothesis three, the "service encounter satisfaction" has significant effects on customer loyalty, as the null hypothesis was rejected. According to this finding, it can be interpreted that the service encounter satisfaction effected customer loyalty toward HSBC in Ho Chi Minh City. Therefore, service encounter satisfaction is a key measuring factor for customer loyalty which may be a useful measuring method to predict customer concept of products and services in every industry. It was also supported by Brown's (1996) who concluded that the service encounter satisfaction has also been modelled to impact long-term customer relationship, as well as overall satisfaction. Jason (2005) also found the relationship between customer satisfaction and loyalty. Meanwhile, the result of hypothesis testing for hypothesis three also showed that the correlation between those two

variables is positive. Similar research finding by Phillip (2002) found that perceived quality is very important to customer satisfaction. In this study, the research also indicated that perceived quality directly impacts on customer loyalty. Satisfaction of the customer leads to the customer to re-use the bank service in the future. Consequently, after repeated use of more than 3 times, the loyalty of customer is well established in customers mind. On banking service or other service, satisfaction is considered as the main litmus test to improve customer loyalty.

The result of hypothesis four showed the “perceived core service quality” has significant effect on service encounter satisfaction, as the null hypothesis was rejected. Based on this finding, it is clear that the “perceived core service quality” effected service encounter satisfaction toward HSBC in Ho Chi Minh City. This research empirically examined the role between perceived core service quality and service encounter satisfaction. This study tested the relationship between perceived core service quality and service encounter satisfaction as a concept and found the relationship, as well as data from a sample survey of 400 banking retail customers in their evaluation of their banking experiences to address this issue. Additionally, the study had similar results based on Cronin and Brady’s (2000) who indicated that the perceived service quality and customer orientation are directly influenced to service satisfaction, the service encounter satisfaction.

Based on the result of hypothesis five, the “social regard” has significant effects on perceived core service quality, since the null hypothesis was rejected. Consequently, it indicated that the social regard effects perceived core service quality toward HSBC in Ho Chi Minh City, which was similar to the research result of Butcher et al. (2001). He indicated the importance of social regard effects in the service encounter in making the customers feels valued or important in the social interaction.

According to the result of hypothesis six, the “social comfort” has significant effects on perceived core service quality, because the null hypothesis was rejected. Based on this finding, it has been proved that the social comfort effects perceived core service quality toward HSBC in Ho Chi Minh City. Butcher et al. (2001) found similar result that the specific relationship between friendship, social regard, social comfort, value for money,

service encounter satisfaction perceived core service quality and customer loyalty were established in banking service. A previous studies by Pavlou's (2003) demonstrated that the social comfort can lead the service quality in long-term process, the social comfort directly influences the perceived core service quality and ensure customer satisfaction.

6.3 CONCLUSIONS

Based on the research objective, the researcher studied the factors that may affect customer loyalty in case of HSBC in Ho Chi Minh City, Vietnam. It showed that there are positive significant relationships between dependent variables (customer loyalty) and independent variables of: brand image, friendship, service encounter satisfaction, perceived core service quality, social regard, social comfort. Data were collected from a total of 400 respondents who have had experience of using HSBC service. From the result of demographic factors on gender, age, education level, income, the researcher discovered that the majority of HSBC customers are male, Vietnamese, aged between 18 and 30 years old, with under-graduate education level, who have monthly income between 5,000,000vnd-10,000,000vnd. For hypothesis testing, the data were analyzed by using SPSS (statistical package of social science) to test six hypothesis. The researcher used Pearson Correlation analysis to investigate the relationship between independent variables and dependent variable.

The results of the hypothesis testing showed that null hypotheses one, two, three, four, five and six were rejected signaling that there were a positive significant relationship between dependent variable and independent variables.

6.4 RECOMMENDATIONS

Currently in Vietnam, banking industry is highly competitive among service banks and HSBC is one of the most well-known foreign bank. The dependent variable in this research for the survival is customer loyalty, a vital factor of the banking service in the future.

It is measured by customer intention to continue to buy, trust and recommend to other people about products and services that they have used. In contrast to the loyalty that the customers do not complain when satisfied with the products and services compared to their wishes, customer loyalty is seen as an asset of the banking business that the marketer needs to create satisfied customers to enhance customer loyalty in their businesses. Bankers must understand that in order to achieve success and generate growth in business, they have to invest and trade based on needs and wants of customer as the main goal. Research on customer loyalty could be great of help to the bank to reach and resolve their marketing issue. Thereby, HSBC could have concrete results of the evaluation by customers comment on their product or service so that they could supply and serve to people in Ho Chi Minh City.

Based on the result of hypothesis one, the researcher could state that there is significant positive relationship between customer loyalty and friendship. The bank staff members could respond to customers and let them feel that they are valued. the staff could deal with customers in a polite and informative manner. Friendship can be impressive on customers to make them feel very comfortable, because it make them feel relaxed and familiar in more ways than customers expected. Counter service personnel can not only show that they are polite and friendly as employees but also show their true profession of knowledgeable bank service provider. In their usual duty in the work place, the service personnel could express their sincerity and care to the customers by going extra further with friendliness. It suggested that the management team may train their employees to special training service program where they will learn to practice friendly dealing with the customers. Supervisor must act as businessman to understand what their employee and customer need. The friendly service is vitally important to any business, especially customer-oriented banking service provider.

The researcher also found that the HSBC customers were satisfied with the performance of the personnel. Of course the customers have not contacted to all the staff within the bank however the impression of staff they contacted in their service to be pleasant. Therefore, the customers feel welcome as a special, value person and feel as a member of the family of the bank. Their friendly knowledgeable employees and showing profession made great impression on customers.

In the result of hypothesis two, the brand image has positive significant relationship with customer loyalty, it also is most important for banking industry. Customers never use a service of bank with poor management or unreliable performance because they don't trust their money. The main factor can contribute customer image of HSBC that influence in customer mind. Brand can reflect the quality of service of HSBC "the world's local bank". Brand image showed the relationship between the brand (trademark) and associations of customers for the brand's attributes (label). This variable is represented by reputation, prestige and trust of the consumer for the brand image. Many researchers have confirmed that brand image is an important factor and have a direct impact to the customer loyalty (Aperia and Back, 2004). In this research, brand image has strongly positive relationship to the customer loyalty of HSBC service. In the banking sector, image of the bank plays an important role by the customers in determining which loans or deposits. Therefore, the HSBC's management teams are required to positioning and promote their image. The brand is the best method for clients to identify easily among other competitors.

Based on the result of hypothesis three, the researcher found that the service encounter satisfaction directly impact and have significant relationship with the customer loyalty. According to Selnes (1993) the higher customer satisfaction leads to the higher customer loyalty. In this study, the researcher would like to recommend the customer service department of HSBC to improve the service encounter of HSBC, the management team should train their employees and let them understand the important of customer loyalty and its advantage to the bank. This study provides the guidelines for banking service in order to build higher customer satisfaction and raise the customer loyalty. The result of Lemmink and Mattsson (1998) research indicated that the service quality is also a solid component for customer loyalty improvement, competitive strategy, marketing strategy, designing brand identity and promotion strategy for other enterprise as well.

From the result of hypothesis four, the researcher found the significant relationship between perceived core service quality and service encounter satisfaction. Some previous studies showed that service encounter satisfaction depends on perceived value of goods and services. Satisfaction is the level of receiving the product quality or service price that the

customer will pay compared to the others "value not only in cash" products. The HSBC management teams may improve their service quality in order to improve customer satisfaction. The managers may train their employees on how to respond or answer customer questions and know how to treat customers. HSBC has to supply more banking products and services to classify and segment the customer's need. Last but not the least is to create professional environment inside the bank which let customers feel comfortable when they are on HSBC premises.

6.5 FURTHER RESEARCH

Understand customer loyalty and trends (improving living standard, e-banking...) impact the relationship between "brand image, friendship, service encounter satisfaction, perceived service quality, social comfort and social regard" and customer loyalty in this result of study, a result of finding are beneficial for HSBC marketer. This research contributes to a richer and more systematic understanding of the role of customer loyalty in banking service. The researcher conducts this study on actual customer loyalty of HSBC in Ho Chi Minh City to give the useful information to banking marketers. And this information is not only useful for HSBC but also for other banks as well. Based on result of hypothesis testing on this study, the researcher would like to recommend further research as below:

This research studied on HSBC Ho Chi Minh City only; it may not reflect other locations. In further research, the researcher may survey in Ha Noi Capital and others cities (Da Nang City and Can Tho City...) to have specific data based on different geographical location of Vietnam banking service. That information will be more valuable for banking industry.

In addition, in this study, the researcher tested the significant relationship between dependent variable and independent variables of: brand image, friendship, service encounter satisfaction, perceive core service quality, social comfort and social regard. However, the result did not provide any fields which are related to demographic factors to be independent variables. Therefore, further research may determine the significant difference between

demographic factors of: age, gender, education level...which may affect customer loyalty on various provided, especially indicated service in HSBC service in Ho Chi Minh City.

In general banking services for example: e-banking service, premium customer service and ATM card service... Also, Mefford (1993) mentioned that “To survey in the highly competitive Internet banking industry, it is apparent that the banks need to provide customers with high quality service.” In the case of Vietnam, technologies are being developed than before, they have improved and innovated information technology, especially in the improvement of internet speed and internet security may belong to e-banking service. Now a day the e-banking service is developing in almost every bank in Ho Chi Minh City. For further research, the customer loyalty of internet banking may be considered an interested topic to research. The result of that study would benefit banking service in term of doing banking service.



BIBLIOGRAPHY

- Aaker, D.A. (1991). *Managing Brand Equity*. The Free Press, New York. NY.
- Aaker, J.L. (1997). Dimensions of brand personality. *Journal of Marketing Research*, 34(3), 347-357.
- Adrey, G., & Rosalind, M. (2008). Customer loyalty: an empirical study. *European Journal of Marketing*, 42, 9-10.
- Alber, C. (2002). The effects of service quality and the mediating role of customer satisfaction. *European Journal of Marketing*, 36(7/8), 881-828.
- Anderson, C.J. (1990). A model of distributor firm and manufacturer firm working relationship. *Journal of Marketing*, 54, 57-62.
- An-Tien, H., & Chung-Kai, L. (2007). The moderating effect of brand image on public relations perception and customer loyalty. *Marketing Intelligence & Planning*, 26(1), 26-42.
- Aperia, T., & Back, R. (2004). *Brand Relations Management: Bridging the Gap between Brand Promise and Brand Delivery*, Liber AB, Malmo.
- Argyle, M. (1992). Social relationship, in Hewstone, M., Stroebe, W., Codol, J.P. and Stephenson G.M (Eds). *Introduction to Social Psychology*, Blackwell, Oxford, 222-240.
- Asubonteng, P., McCleary, K.J., & Swan, J.E. (1996). SERVQUAL revisited: a critical review of service quality. *The Journal of Services Marketing*, 10(6), 62-81.
- Back, K. (2005). The effect of Image Congruence on Customer's Brand Loyalty in the Upper Middle-Class Hotel Industry. *Journal of Hospital & Tourism Research*, 31(2), 448-467.
- Bagozzi, Richard P., Utpal M. Dholakia., & Suman Basuroy. (2003). How effortful decisions get enacted: The motivating role of decision processes, desires and anticipated emotions. *Journal of Behavioural Decision Making*, 16, 273-295.
- Barnes, J.G. (1997). Closeness, strength, and satisfaction; examining the nature of relationships between providers of financial services and their retail customers. *Psychology and Marketing*, 14(8), 765-790.
- Baumann, C., Burton, S., Elliott, G., & Kehr, H.M. (2007). Prediction of attitude and behavioural intentions in retail banking. *International Journal of Bank Marketing*, 25(2), 102-16.
- Beatty, S.E., Mayer, M., Coleman, J.E., Reynolds, K.E. and Lee, J. (1996). Customer-sales associate retail relationships. *Journal of Retailing*, 72(3), 223-247.
- Belk, R. (1998). Possessions and the extended self. *Journal of Consumer Research*, 15(1), 139-169.

- Bitner, M.J. (1990). Evaluating service encounters: the effects of physical surrounding and employee reactions. *Journal of Marketing*, 54(2), 69-82.
- Bitner, M.J., Booms, B.H. and Tetreault, M.S. (1990). The service encounter. Diagnosing favorable and unfavorable incident. *Journal of Marketing*, 54, January, 71-84.
- Bitner, M.J., & Hubbert, A.R. (1994). Encounter satisfaction versus overall satisfaction versus quality: the customer voice. *New Directions in Theory and Practice*, Sage Publications, Thousand Oaks, CA, 72-79.
- Bitran, G.R., & Hoech, J. (1990). The humanization of service: respect at the moment of truth. *Sloan Management Review*, 31(2), 89-96.
- Bloemer, J.M., de Ruyter, K., & Peeters, P. (1998). Investigating drivers of bank loyalty: the complex relationship between image, service quality and satisfaction. *International Journal of Bank Marketing*, 16 (7), 276-86.
- Boulding, W. (1993). A dynamic process model of service quality: from expectations to behavioral intentions. *Journal of Marketing Research*, 30, February, 7-27.
- Bouranta, N., Chitiris, L., & Paravantis, J. (2009). The relationship between internal and external service quality. *International Journal of Contemporary Hospitality Management*, 21(3), 275-293.
- Bove, L.L., & Johnson, L.W. (2000). A customer service worker relationship model. *International Journal of Service Industry Management*, 11(5), 491-511.
- Bowen, J., & Shoemaker, S. (1998). The antecedents and consequences of customer loyalty. *Cornell Hotel Restaurant and Administration Quarterly*, 39(1), 12-25.
- Broadbent, K., & Cooper, P. (1987). Research is good for you. *Marketing Intelligence & Planning*, 5(1), 3-9.
- Brown, M. (1996). Environmental auditing and the hotel industry: an accountant's perspective, in Seaton, A.V. (Ed.). *Tourism: The State of the Art*, John Wiley & Sons, Chichester.
- Brown, S.W. (1996). Service recovery: its value as a retail strategy. *International Journal of Service Industry Management*, 11(5), 491-511.
- Brunner, T.A., Stocklin, M., & Opwis, K. (2008). Satisfaction, image and loyalty: new versus experienced customer. *European Journal of Marketing*, 42(9/10), 1095-1105.
- Burn, A.C., & Bush, R.F. (2000). *Marketing Research*, (3rd ed), Prentice-Hall, Englewood Cliffs, NJ.
- Burn, A.C., & Bush, R.F. (2005). *Marketing Research: Online Research Application*, (4th ed) Person: Prentice Hall.
- Butcher, K., Beverley, S., & Frances O'Callaghan. (2001). Evaluative and relational influences on service loyalty. *International Journal of Service Industry Management*, 12(4), 310-327.
- Butcher, K., Sparks, B., & O'Callaghan, F. (2001). Evaluate and relational influences on

- service quality. *International Journal of Service Industry Management*, 12(3/4), 310-327.
- Chandon, J., Leo, P., & Philippe, J. (1997). Service encounter dimensions- a dyadic perspective. *International Journal of Service Industry Management*, 8(1), 65-86.
- Chang, K.C., Mu-Chen, C., Chia-Lin, H., & Nien-Te, K. (2010). The effect of service convenience on post-purchasing behavior. *Industrial Management & Data Systems*, 110(9), 1420-1443.
- Chin-Yuan, C., & Wei-Ming, O. (2011). Relationships among customer loyalty programs, service quality, relationship quality and loyalty. *Chinese Management Studies*, 5(2), 194-206.
- Churchill, A.G. (2002). *Marketing Research: Methodological foundations* (8th ed), Ohio: South-Western.
- Churchill, G. Jr., & Carol, S. (1982). An investigation into the determinants of consumer satisfaction. *Journal of Marketing Research*, 19, 491-504.
- Churchill, J. (1996). *Marketing Research*. Dryden Press, New York, NY.
- Clollis, J., & Hussey, R. (2003). *Business Research: A practical Guide to Undergraduate and Postgraduate Students*, Palgrave Macmillan, Basingstoke.
- Conchar, M.P., Zinkhan, G.M., Peters, C., & Olavarrieta, S. (2004). An integrated framework for the conceptualization of consumers' perceived-risk processing". *Journal of the Academy of Marketing Science*. 32(4), 418-436.
- Cronin, J.J., & Brady, M.K. (2000). Assessing the effects of quality, value, and customer satisfaction on customer behavioral intentions in service environments. *Journal of Retailing*, 76(2), 193-218.
- Cronin, J.J., Brady, M.K., & Hult, G.T. (2000). Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments. *Journal of Retailing*, 76(2), 193-218.
- Cronin, J.J., & Taylor, S.A. (1992). Measuring service quality: a re-examination and extension. *Journal of Marketing*, 56, July, 55-68.
- Czepiel, J.A. (1990). Managing relationship with customers: a differentiating philosophy of marketing. *Service Management Effectiveness*, Jossey-Bass Publishers, San Francisco, CA. 299-323.
- Czepiel, J.A., Solomon, M.R., Surprenant, C.F., & Guttman, E.G. (1985). Service encounters: an overview", in Czepiel, J.A., Solomon, M.R. and Surprenant, C.F. (Eds). *The Service Encounter*, Lexington Books, Lexington, MA, 3-16.
- Davis, S. (1996). *Future Perfect*. Addison-Wesley, Boston, MA.
- Dina, D., & Allard, C.R. (2004). Comfort your online customer: quality, trust and loyalty on the internet. *Journal of Managing Service Quality*, 14(6), 446-456.
- Dotson, M., & Patton, W.E. (1992). Consumer perceptions of department store service: a

- lesson for retailers. *Journal of Service Marketing*, 6(2), 15-28.
- Drucker, P. (1998). Peter Drucker on the Profession of Management. Harvard Business School, Boston, MA.
- Ehigie, B.O. (2006). Correlates of customer loyalty to their bank: a case study in Nigeria. *International Journal of Bank Marketing*, 24(7), 494-508.
- Ekinci, Y., & Riley, M. (2003). An investigation of self-concept: actual and ideal self-congruence compared in the contest of service evaluation. *Journal of Retailing and Consumer Service*, 10(4), 201-214.
- Formell, C. (1992). A national Customer Satisfaction Barometer: The Swedish Experience. *Journal of Marketing*, 1(56), 6-21.
- Fornier, S. (1998). Consumer and Their Brands: Developing Relationship Theory in Consumer Research. *Journal of Consumer Research*, 24(4), 343-373.
- George, D., & Mallery, P. (2003). SPSS for Windows Step by Step: A Simple Guide and Reference 11.0 Update. Allyn & Bacon, Boston, MA.
- George, J.F. (2004). The theory of planned behavior and internet purchasing. *Internet Research*, 14(3), 198-212.
- Getty, J.M., & Thompson, K.N. (1994). The relationship between quality, satisfaction, and recommending behavior in lodging decision. *Journal of Hospital & Leisure Marketing*, 2(3), 3-22.
- Gilbert, D. (1999). Retail Marketing Management, Prentice Hall, Harlow.
- Goodwin, C., & Frame, C.D. (1989). Social distance within the service encounter: does the consumer want to be your friend?. *Advances in Consumer Research*, 16, Association of Consumer Research, Provo, UT.
- Graeff, T.R. (1996). Using promotional messages to manage the effects of brand and self-image on brand evaluation. *The Journal of Consumer Marketing*, 13(3), 4-18.
- Gremler, D.D., & Bitner, M.J. (1992). Classifying service encounter satisfaction across industries. in Allen, C.T. et al. (Eds), *Marketing Theory and Applications*, American Marketing Association, Chicago, IL, 111-118.
- Gremler, D.D. (1995). The effect of satisfaction, switching costs, and interpersonal bonds on service quality. *Unpublished doctoral dissertation*, Arizona State University, Tempe, AZ.
- Gwinner, K.P (1998). Relational benefits in services industries: the customer's perspective. *Journal of the Academy of Marketing Science*, 26(2), 101-114.
- Hanley J. A., & Lippman-Hand, A. (1983). If nothing goes wrong, everything all right? *Interpreting zero numberators*. JAMA. 249(13), 1743-1745.
- Hatice, C.A., & Mosad, Z. (2010). Strategic positioning and quality determinants in banking service. *The TQM Journal*, 23(4), 446-457.
- Hausman, A. (2004). Modeling the patient-physician service encounter: improving patient

- outcomes. *Journal of the Academy of Marketing Science*, 32(4), 403-417.
- Hennig-Thrau, T., & Klee, A. (1997). The impact of customer satisfaction and relationship quality on customer retention: a critical reassessment and model development. *Psychology and Marketing*, 14(8), 737-764.
- Hill, C.W.L. (2002), International Business, McGraw-Hill Irwin, New York, NY.
- Hoeffler, S., & Keller, K.L. (2002). Building brand equity through corporate societal marketing. *Journal of Public Policy & Marketing*, 21(1), 78-89.
- Hussey, J., & Hussey, R. (1997). Business Research: A Practical Guide for Undergraduate and Postgraduate Students. Macmillan Press, London.
- Jason, M.C. (2005). Consumer shopping value, satisfaction, and loyalty for retail apparel brands. *Journal of Fashion Marketing and Management*, 9(3), 256-269.
- Johye, H., & Li Wen. (2009). The effect of perceived fairness toward hotel overbooking and compensation practices on customer loyalty. *International Journal of Contemporary Hospitality Management*, 21(6), 659-675.
- Karatepe, O.M., Yavas, U., & Babakus, E. (2005). Measuring service quality of banks: scale development and validation. *Journal of Retailing and Consumer Services*, 12(1), 373-383.
- Keaveney, S. (1995). Customer switching behavioral in service industries: an exploratory study. *Journal of Marketing*, 59(2), 71-82.
- Keller, K.L. (1993). Conceptualizing, measuring, and managing customer-based brand equity. *Journal of Marketing*, 57(1), 1-22.
- Keller, K.L. (1999). Managing brands for the long run: brand reinforcement and revitalization strategies. *California Management Review*, 41(3), 102-124.
- Kelley, S.W., & Hoffman, K.D. (1997). An investigation of positive affect, prosocial behaviours and service quality. *Journal of Retailing*, 73(3), 407-427.
- Kim, M., Kim, J.H., & Lennon, S.J. (2006). Online service attributes available on apparel retail web sites: an E-S-QUAL approach. *Managing Service Quality*, 16 (1), 51-77.
- Kitchen, L.J. (1998). Exploring statistics: A modern introduction to data analysis and inference (2nd ed). Pacific Grove, CA: Duxbury Press.
- Kokko, T., & Moilanen, T. (1997). Personalisation of services as a stool for more developed buyer-seller interactions. *International Journal of Hospitality Management*, 16(3), 297-304.
- Kotler, P. (2003). Marketing Management (11th ed). Prentice-Hall/Pearson Education, Englewood Cliff, NJ.
- Kotler, P. (2004). Principle of Marketing , Prentice-Hall, Upper Saddle River, NJ.
- Kotler, P., Armstrong, G., Saunders, J., & Wong, V. (2002). Principles of Marketing. Pearson Education, Prentice-Hall Europe, London.
- Kuo-Chien, C., & Chia-Lin, H. (2010). The effect of service convenience on post-purchasing

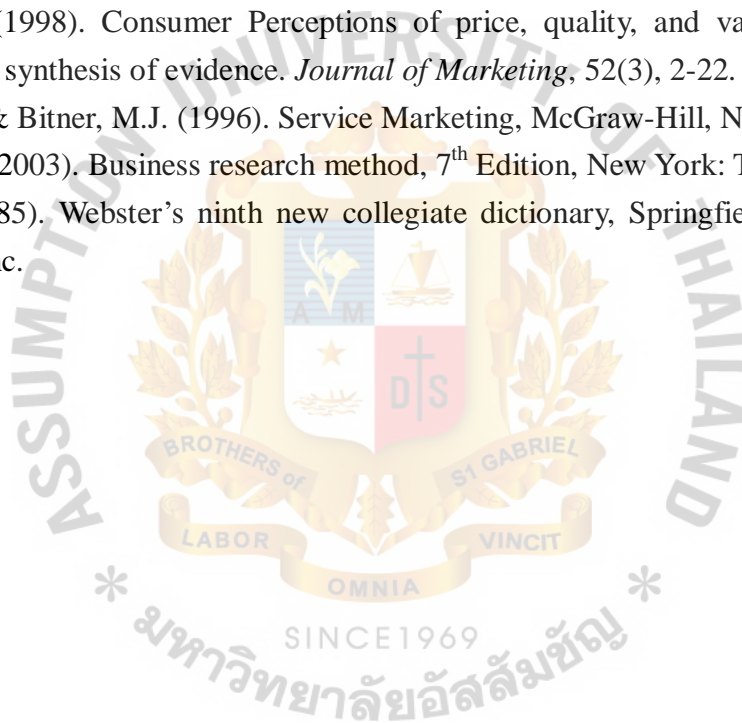
- behavior. *Journal of Industrial Management & Data Systems*, 110(9), 1420-1443.
- Lafley, A.G. (2009). *Designing Brand Identity* (3rd ed), Anlia Wheeler, An essential guide for the whole branding team, Wiley.
- Lehtinen, U., & Lehtinen, J.R. (1982). Service quality- a study of dimension. *Unpublished Working Paper*, Service Management Institute, Helsinki, 439-460.
- Lemmink, J., & Mattsson, J. (1998). Warmth during non-productive retail encounters: the hidden side of productivity. *International Journal of Research in Marketing*, 15(5), 505-517.
- Levine, M. D., Stephan, D., & Berenson, L.M. (1999). *Statistics for Managers Using Microsoft Excel* (2nded), 1999, Pearson Education: Upper Saddle River.
- Mavondo, F.T., & Rodrigo, E.M. (2001). The effect of relationship dimensions on interpersonal and interorganizational commitment in organizations conducting business between Australia and China. *Journal of Business Research*, 52(2), 111-121.
- McClave, S., Chang, W., Dhaliwal, R. and Heyland, D. (2006). Nutrition support in acute pancreatitis systematic review of the literature. *Journal of Parenteral and Enteral Nutrition*, 30(2), 143-156.
- McGarry, D.E. (1995). The road to customer loyalty. *Canadian Business Review*, 22(1), 35-36.
- Mefford, R.N. (1993). Improving service quality: learning from manufacturing. *International Journal of Production Economic*, 80(1), 399-413.
- Minjoon, J., & Shaohan, C. (2001). The key determinants of Internet banking service quality: a content analysis. *International Journal of Bank Marketing*, 19(7), 276 – 291.
- Mohr, L.A., & Bitner, M.J. (1995). Mutual understanding between customers and employees in service encounters. *Advances in Consumer Research*, 18(1), 611-617.
- Novo, N. (2004). Sustainability Report 2003, Novo Nordisk, Bagsvaerd.
- Oliver, R.L. (1997). *Satisfaction: A Behavioral Perspective on the Consumer*, McGraw-Hill, New York, NY.
- Oliver, R.L. (1999). Whence consumer loyalty. *Journal of Marketing*, Special Issue, 33-44.
- Oppenheim, A. N. (1992). *Questionnaire design, interviewing and attitude measurement*. London: Pinter.
- Parasuraman, A. (1998). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64(1), 12-40.
- Parasuraman, A., Zeithaml, V.A., & Berry, L.L. (1985). A conceptual model of service quality and its implication for future research. *Journal of Marketing*, 49, April, 41-50.
- Patterson, P.G., & Smith, T. (2001). Relationship benefits in service industries: a replication in a south-east Asian context. *Journal of Services Marketing*, 15(6), 425-443.
- Patterson, P.G., & Spreng, R. (1997). Modelling the relationship between perceived value, satisfaction and repurchase intentions in a business-to-business, service context: an

- empirical examination. *International Journal of Service Industry Management*, 8(5), 414-434.
- Pavlou, P.A. (2003). Consumer acceptance of electronic commerce – integrating trust and risk with the technology acceptance model. *International Journal of Electronic Commerce*, 7(3), 101-134.
- Payne, A. (1993). *The essence of Service Marketing*. Prentice-Hall, London.
- Philip, M.D. (2002). The role of consumption emotions in the satisfaction response. *Journal of Consumer Psychology*, 12(3), 243-252.
- Pieters, R., & Bottschen, G. (1999). Special issue on service marketing and management: European contribution. *Journal of Business Research*, 44(1), 1-4.
- Price, L.L., & Arnould, E.J. (1999). Commercial friendships: Service provider – client relationships in context. *Journal of Marketing*, 63(4), 38-65.
- Rama, M. (1999). Public sector downsizing: an introduction. *The World Bank Economic Review*, 13(1), 1-22.
- Reichheld, F.F. (1996). Loyalty – based management. *Harvard Business Review*, 71(2), 64-73.
- Reichheld, F.F. (2000). The loyalty effect-the relationship between loyalty and profits. *European Business Journal*, 12(3), 134-139.
- Reichheld, F.F. (2003). The one number you need to grow. *Harvard Business Review*, 81(12), 46-54.
- Reichheld, F.F., Markey, R.G. Jr., & Hopton, C. (2000). The loyalty effect – the relationship between loyalty and profits. *European Business Journal*, 12(3), 134-139.
- Reichheld, F.F., & Sasser, W.E. (1990). Zero defections: quality comes to service. *Harvard Business Review*, Sept-Oct, 105-111.
- Riadh, L., & Ines, L. (2010). Bank service quality: comparing Canadian and Tunisian customer perceptions. *International Journal of Bank Marketing*, 29(3), 224-246.
- Ribbink, D., Riel, A., Liljander, V., & Streukens, S. (2004). Comfort your online customer: quality, trust, and loyalty on the internet. *Managing Service Quality*, 14(6), 446-456.
- Robert, H., & Owusu-Frimpong, N. (2011). Brands and service-quality perception. *Marketing Intelligence & Planning*, 29(3), 264-283.
- Roberts, K., Varki, S., & Brodie, R. (2003). Measuring the quality of relationships in consumer services: an empirical study. *European Journal of Marketing*, 37(1/2), 169-196.
- Rosalind, M., & Audrey, G. (2007). Customer loyalty: an empirical study. *European Journal of Marketing*, 9(10), 1084-1094.
- Rust, R.T., & Oliver, R.T. (1994). *Service quality: insights and managerial implications from the frontier*. *Service Quality: New Directions in Theory and Practice*, Sage, Thousand Oaks, CA.

- Rust, R.T., & Oliver, R.L. (2000). Should we delight the customer?. *Academy of Marketing Science Journal*, 28(1), 86-92.
- Saunders, M., Lewis, P., & Thornhill, A. (2003). *Research Methods for Business Students*, (3rd ed), Financial Times Prentice-Hall, Harlow.
- Schneider, B., & Bowen, D.E. (1999). Understanding customer delight and outrage. *Sloan Management Review*, 41(1), 35-46.
- Sekaran, U. (1992). *Research method for Business: A skill-building approach* (2nd ed). New York: John Wiley & Sons, Inc.
- Selnes, F. (1993). An examination of the effect of product performance on brand reputation, satisfaction and loyalty. *European Journal of Marketing*, 27(9), 19-35.
- Senge, P. (1990). *The Fifth Discipline*. Doubleday, New York, NY.
- Shocker, A.D., Srivastava, R.K., & Rueckert, R.W. (1994). Challenges and opportunities facing brand management: an introduction to the special issue. *Journal of Marketing Research*, 31, May, 149-58.
- Shostack, G.L. (1985). Planning the service encounter, in Czepiel, J.A., Solomon, M.R. and Surprenant, C.F. (Eds). *The Service Encounter*, Lexington Books, Lexington, MA, 243-254.
- Sirgy, M.J. (1982). Self-concept in consumer behavior: a critical review. *Journal of Consumer Research*, 9(3), 287-300.
- Sirgy, M.J. (1985). Using self-congruity and ideal congruity to predict purchase motivation. *Journal of Business Research*, 13(3), 195-206.
- Smith, A., & Bolton, R. (1998). An experimental investigation of customer reactions to service failure and recovery encounters: paradox or peril. *Journal of Services Research*, 1(1), 65-81.
- Spake, D.F., Beatty, S.E., Brockman, B.K., & Crutchfield, T.N. (2003). Consumer comfort in service relationships: measurement and importance. *Journal of Service Research*, 5(4), 316-332.
- Stern, B.B., Thompson, C.J., & Arnould, E.J. (1998). Narrative analysis of a marketing relationship: the consumer's perspective. *Psychology and Marketing*, 15(3), 195-214.
- Sumit, A. (2005). *Service quality improvement: A study on bank or AYUDHYA Assumption University branch*. Thesis of Assumption University.
- Surprenant, C.F., & Solomon, M.R. (1987). Predictability and personalization in the service encounter. *Journal of Marketing*, 51, April, 86-96.
- Taylor, C. (1991). *The Ethics of Authenticity*, Harvard University Press, Cambridge, MA.
- Taylor, S.A. (1994). An assessment of the relationship between service quality and customer satisfaction in the formation of consumers' purchase intentions. *Journal of Retailing*, 70(2), 163-178.
- Trochim, W.M. (2005). *The Research Methods Knowledge Base* (2nd ed), Atomic Dog

Publishing, Cincinnati, OH.

- Van Dolen, W., & Lemmink, J. (2002). Customer-sales employee encounters: a dyadic perspective. *Journal of Retailing*, 78(4), 265-279.
- Vale, M.J., Jelinek, M.V., Best, J.D., & Santamaria, J.D. (2002). Coaching patients with coronary heart disease to achieve the target cholesterol: a method to bridge the gap between evidence-based medicine and the 'real world'-randomized controlled trial. *Journal of Clinical Epidemiology*, 55(3), 245-252.
- Vanichbancha, K. (2003). Advanced statistical Analysis SPSS for Windows Bangkok (1st ed). Tammasan.
- Zahorik, A.J., & Rust, R.T. (1992). Modeling the impact of service quality on profitability. *Advances in Service Marketing and Management*, 1, JAI Press, Greenwich, CT, 247-276.
- Zeithaml, V.A. (1998). Consumer Perceptions of price, quality, and value: a means-end model and synthesis of evidence. *Journal of Marketing*, 52(3), 2-22.
- Zeithaml, V.A., & Bitner, M.J. (1996). *Service Marketing*, McGraw-Hill, New York, NY.
- Zinmund, W.G. (2003). *Business research method*, 7th Edition, New York: The Drylen Press.
- Webster, M. (1985). *Webster's ninth new collegiate dictionary*, Springfield, MA: Merriam Webster Inc.



INTERNET WEBSITE:

Boyd, S. (2006): [http:// www.stoweboyd.com/](http://www.stoweboyd.com/) 20/09/ 2011
<http://adwords.netlinkad.vn/> 20/09/2011
<http://hienstc.wordpress.com/> 28/10 /2011
<http://mktsci.journal.informs.org/content/> 25/09/2011
<http://www.apps.asiapacific.hsbc.com/> 10/10/2011
<http://www.diendannganhang.com/> 24/09/2011
<http://www.drivingretention.com/> 20/09/2011
<http://www.dummies.com/> 25/09/2011
<http://www.eximbank.com.vn/> 24/09/2011
<http://www.eximbank.com.vn/> 24/09/2011
<http://www.hsbc.com/> 25/09/ 2011
<http://www.hsbc.com.vn/1/2/> 24/09/ 2011
<http://www.saigon-gpdaily.com.vn/> 27/09/2011
<http://www.redravine.worldpress.com/> 27/09/2011
<http://www.drivingretention.com/> 26/09/2011
<http://www.smartfinance.vn/> 25/09/2011
<http://www.viet-studies.info/> 25/09/2011
<http://www.vietscape.com/> 20/10/2011
<http://www.vnbrand.net/> 24/09/2011
<http://www.vneconomic.vn/> 29/10/2011
<http://www.thesaigontimes.vn/> 20/9/2011



Questionnaire

This questionnaire is designed to obtain information of study title “Researching the customer loyalty of HSBC in Ho Chi Minh City” in Ho Chi Minh City in Vietnam. The purpose of this research has a looking overview the customer loyalty of banking system in Vietnam. Other purpose is completion of the Master of Business Administration in Assumption University of Thailand. Please answer all following question by your experiences. Thanks for cooperation with researcher.

Part 1: Screening Question

The Yes and No question is used to question number 1. If “Yes”, the customer will be chosen and continue to question 2. If “No”, the customer will be skipped. On the question 2, Customer will be asked how many time that customer used banking service. If “Less than 3 times”, the customer will be skipped. If “More than 3 times”, the customer will be chosen as the target and continue the second part.

1.

Do you have an experience of using HSBC service?

☐ Yes (Please continue)

☐ No (Thanks for your cooperation)
2.

How many of times do you use HSBC service?

☐ Less than 3 times

☐ 3 times or more

Part 2: All Independent Variables

On a survey or questionnaire. A typical Likert scale item usually takes the following format: 1:Strongly disagree, 2:Disagree, 3:Neither agree nor disagree, 4:Agree, 5:Strongly agree. This part is tested the independent variables: Service encounter satisfaction, Friendship, Perceived core service, Social Regard, Brand Image.

The questionnaire will be made and answered following the ranking from

1 Strongly disagree, 2 Disagree, 3 Neither Agree nor disagree, 4 Agree, 5 Strongly agree						
No	Question	1	2	3	4	5
	Service encounter satisfaction					
1	I was delighted with this visit to HSBC.					
2	I was happy that I visited the bank for my problem.					
3	I am satisfied with my decision to use HSBC bank.					
4	I really enjoyed my visit to HSBC.					

5	Overall, my visit to the bank was very satisfying.					
	Friendship					
6	I seem to find plenty to talk with them.					
7	The bank staff knows a lot about me.					
8	I have developed a good rapport.					
9	There is a friendship between us.					
	Perceived core service					
10	I thought the service was of high quality					
11	The service I received was of first class quality					
12	I rated the quality of service as “excellent”					
	Social Regard					
13	This person treats me with respect.					
14	The staff showed interest in me, as a person.					
15	The staff makes me feel important.					
16	I feel as though I am very highly regarded by the staffs.					
	Social Comfort					
17	I feel relaxed with this bank.					
18	I feel very comfortable in bank staffs present.					
19	I feel completely at ease with the bank staff.					
	Brand Image					
20	I feel that HSBC branding product possesses its practices function.					
21	I feel that HSBC branding product possesses a positive symbolic meaning.					
22	I feel that HSBC branding product can relate to a pleasant experience.					

Part 3: Customer loyalty.

5-points Likert scales are used to measure about the customer loyalty of HSBC. The 5-points of Likert scale are format: 1:Strongly disagree, 2:Disagree, 3:Neither agree nor disagree, 4:Agree, 5:Strongly agree.

The answers will be evaluate in the ranking of

1 Strongly disagree, 2 Disagree, 3 Neither Agree nor disagree, 4 Agree, 5 Strongly agree						
No	Question	1	2	3	4	5
	Customer Loyalty					
23	HSBC staff wouldn’t bother me, when I change this bank to another.					
24	I think HSBC as my bank.					
25	I would strongly recommend HSBC to my friend.					
26	This is my favorite bank.					
27	I am very loyal to HSBC.					

Part 4: Demographic

This part includes 5 questions about the gender, age, income, and education levels. Gender: male and female. Age: the level of actual age of respondent. Income: the income level respondent can get each month including commissions. Education level: high school, Bachelor, Master and Ph.d.

This part seeks information regarding your personal background, Please check “√” for each answer that you chose.

1. Gender

- ☐ Male
- ☐ Female

2. Age:

- ☐ Lower than 18
- ☐ Between 31 - 40
- ☐ More than 61
- ☐ Between 18-30
- ☐ Between 41 - 60

3. Educational Level

- ☐ High school or less
- ☐ Master Degree
- ☐ Bachelor Degree or equal
- ☐ Doctor Degree

4. Nationality

- ☐ Vietnamese
- ☐ Others

5. Monthly Income in Vnd

- ☐ Lower than 5,000,000
- ☐ Between 5,000,000 - 10,000,000
- ☐ Between 10,000,001- 15,000,000
- ☐ Between 15,000,001 -20,000,000
- ☐ More than 20,000,000

THANK YOU SO MUCH



APPENDIX B
QUESTIONNAIRES
(VIETNAMESE VERSION)

Bảng Câu Hỏi

Bảng câu hỏi này được thiết kế để có được thông tin tiêu đề nghiên cứu "Nghiên cứu lòng trung thành khách hàng của HSBC tại thành phố Hồ Chí Minh" tại thành phố Hồ Chí Minh tại Việt Nam. Mục đích của nghiên cứu này có một cái nhìn tổng quan và tìm kiếm sự trung thành khách hàng trong hệ thống ngân hàng tại Việt Nam. Mục đích khác là hoàn thành Thạc sĩ Quản trị Kinh doanh tại trường Đại học Assumption của Thái Lan. Hãy trả lời tất cả các câu hỏi sau đây theo kinh nghiệm của bạn. Cảm ơn bạn đã hợp tác với các nhà nghiên cứu.

Phần 1: Câu hỏi sàng lọc

Có và Không có câu hỏi được sử dụng cho câu hỏi số 1. Nếu "Có", khách hàng sẽ được lựa chọn và tiếp tục cho câu hỏi 2. Nếu "Không", khách hàng sẽ được bỏ qua. Về vấn đề 2, khách hàng sẽ được hỏi có bao nhiêu thời gian mà khách hàng sử dụng dịch vụ ngân hàng. Nếu ít hơn 3 lần ", khách hàng sẽ được bỏ qua. Nếu "Nhiều hơn 3 lần", khách hàng sẽ được chọn làm mục tiêu và tiếp tục phần thứ hai.

1. Bạn có sử dụng dịch vụ của HSBC không?

☐ Có (Tiếp tục)

☐ Không (Cảm ơn bạn đã tham gia)

2. Bạn sử dụng dịch vụ HSBC bao nhiêu lần?

☐ Ít hơn 3 lần.

☐ 3 lần hoặc nhiều hơn

Phần 2: Tất cả các biến độc lập

Khảo sát, bảng câu hỏi, áp dụng theo biểu đồ của có định dạng sau: 1: Rất không đồng ý, 2: Không đồng ý, 3: Không đồng ý, không đồng ý, 4: Đồng ý, 5: Hoàn toàn đồng ý. Phần này là thử nghiệm các biến độc lập: Nhãn hiệu, Hình ảnh, Sự hài lòng về dịch vụ, Tình bạn, Nhận thức dịch vụ cốt lõi,...

Câu hỏi được xây dựng và trả lời theo phân loại kết quả từ 1 đến 5 theo bên dưới.

1 rất thấp, 2 thấp, 3 trung bình, 4 tốt, 5 rất tốt						
	Sự hài lòng của dịch vụ					
1	Tôi thường khi đến sử dụng dịch vụ của HSBC.					
2	Tôi thích đến HSBC để giải quyết những vấn đề tài chính.					
3	Tôi hài lòng khi quyết định sử dụng dịch vụ của ngân hàng HSBC.					
4	Tôi thích dịch vụ của HSBC.					
5	Đến với HSBC, tôi cảm thấy rất hài lòng.					
	Tình bạn					
6	Giữa chúng tôi có nhiều chuyện để trò chuyện.					
7	Nhân viên ngân hàng hiểu rất nhiều về khách hàng.					
8	Chúng tôi có được mối quan hệ rất tốt.					
9	Giữa chúng tôi là mối quan hệ bạn bè.					
	Nhận thức cốt lõi dịch vụ					
10	Tôi nghĩ dịch vụ chất lượng rất cao.					
11	Dịch vụ mà tôi sử dụng có chất lượng hạng nhất					
12	Tôi đánh giá chất lượng phục vụ là rất tuyệt vời.					
	Liên quan xã hội					
13	Nhân viên cư xử với tôi với lòng tôn trọng.					
14	Tôi nhận thấy nhân viên biểu hiện thích thú khi nói chuyện với tôi.					
15	Nhân viên cho tôi thấy mình là khách hàng quan trọng.					
16	Như tôi nghĩ, tôi rất được tôn trọng bởi nhân viên ngân hàng					
	Thoải mái xã hội					
17	Tôi cảm giác rất thoải mái đến với ngân hàng này.					
18	Tôi cảm giác rất thoải mái với biểu hiện của nhân viên ngân hàng.					
19	Tôi hoàn toàn cảm thấy thoải mái với đội ngũ nhân viên ngân hàng.					
	Hình ảnh thương hiệu					
20	Tôi cảm thấy rằng sản phẩm xây dựng thương hiệu HSBC sở hữu thực hành chức năng.					
21	Tôi cảm thấy rằng sản phẩm xây dựng thương hiệu HSBC sở hữu một nghĩa tích cực mang tính biểu tượng.					
22	Tôi cảm thấy rằng sản phẩm xây dựng thương hiệu HSBC có thể liên quan đến trải nghiệm thú vị.					

Phần 3: Lòng tin khách hàng

Câu hỏi được xây dựng và trả lời theo phân loại kết quả từ 1 đến 5 theo bên dưới.

1 rất thấp, 2 thấp, 3 trung bình, 4 tốt, 5 rất tốt

TT	Câu hỏi	1	2	3	4	5
	Lòng tin khách hàng					
23	Nhân viên ở HSBC không gây phiền phức tôi, khi tôi thay đổi sang sử dụng dịch vụ ở ngân hàng khác.					
24	Tôi nghĩ HSBC là ngân hàng của tôi					
25	Tôi sẽ mạnh dạn giới thiệu HSBC cho bạn bè và gia đình tôi.					
26	Tôi quyết định sử dụng dịch vụ ngân hàng dài lâu.					
27	Tôi sẽ là khách hàng trung thành của HSBC.					

Phần 4: Nhân khẩu học

Phần này bao gồm 5 câu hỏi về giới tính, tuổi tác, thu nhập, và mức độ giáo dục. Giới tính: nam và nữ. Tuổi: độ tuổi chính xác của khách hàng. Thu nhập: mức thu nhập có thể nhận được mỗi tháng bao gồm cả tiền hoa hồng. Trình độ học vấn: Trung học hay thấp hơn, Cử nhân, Thạc sĩ và Tiến sĩ. Phần này tìm kiếm thông tin về nền tảng cá nhân của bạn, xin vui lòng kiểm tra "✓" cho mỗi câu trả lời mà bạn đã chọn.

6. Giới tính

☐ Nam ☐ Nữ

7. Tuổi

☐ Ít hơn 18 ☐ Khoảng 31 - 40 ☐ Hơn 61
☐ Khoảng 18-30 ☐ Khoảng 41 - 60

8. Trình độ học vấn

☐ Trung cấp hay thấp hơn ☐ Thạc sĩ
☐ Đại học ☐ Tiến sĩ

9. Quốc tịch

☐ Việt Nam ☐ Quốc gia khác

10. Thu nhập hàng tháng theo Việt nam đồng

- ☐ Ít hơn 5,000,000
- ☐ Giữa 5,000,001 - 10,000,000
- ☐ Giữa 10,000,001 - 15,000,000
- ☐ Giữa 15,000,001 - 20,000,000
- ☐ Hơn 20,000,000

11. Địa chỉ

- ☐ Quận 1
- ☐ Quận 2
- ☐ Quận 3
- ☐ Quận 4
- ☐ Quận 10
- ☐ Quận 12
- ☐ Thủ Đức
- ☐ Tân Bình
- ☐ Quận 5
- ☐ Quận 6
- ☐ Quận 8
- ☐ Quận 9
- ☐ Quận 11
- ☐ Tân Phú
- ☐ Bình Thạnh
- ☐ Bình Tân



CẢM ƠN RẤT NHIỀU!