



RESEARCH ARTICLE

FACTORS AFFECTING THE INDIVIDUAL CUSTOMERS' SELECTION OF COMMERCIAL BANKS TO DEPOSIT MONEY IN VIETNAM

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ABSTRACT

This study considered the factors affecting the individual customers' selection of banks to deposit money in Vietnam. By the exploring research method, this research identified six factors affecting the customers' decisions to select banks to deposit money in Vietnam and the importance of these factors, which are: interest rates, brand, staff, sense of security, transaction procedures, convenience. From the six factors, the study suggested some policies to attract savings deposits at commercial banks in Vietnam.

Key words:

Banks, Selection Choices, Customers, Vietnam.

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INTRODUCTION

The identification of the factors determining the bank selection of customers would help banks to identify their business strategies and particularly appropriate marketing strategies needed to attract new customers and keep existing customers (Kaynak & Kucukemiroglu, 1992). Nowadays, the process of international integration along with the homogeneity of products and services in the banking sector (Holstius & Kaynak, 1995) have made the competition in the banking sector more severe (Grady & Spencer, 1990). Therefore, banks need to understand which factors customers consider when choosing a bank to use services. This has urged many scholars interested in researching to determine the factors affecting the decisions to select banks in many countries from America, Europe and the Middle Eastern countries. Some typical studies are the studies of Anderson *et al.* (1976); Evans (1979); Kaynak & Yavas (1985); Ross (1989); Kazeh & Decker (1993); Denton & Chan (1991); Metawa & Almosawi (1998); Omar (2007); Kamakodi & Khan (2008); Rao & Sharma (2010).

However, most of the studies were done in the US, Europe and some Muslim countries, whereas in less developed countries and developing countries in Southeast Asia, such issue has not attracted adequate attention. On the other hand, due to the differences in geography, politics, cultures, religions and traditions between some countries in Southeast Asia and developed countries in America, Europe, the Middle East, some of the results of previous studies may not be applicable to these countries. Vietnam is a member of the Asean and has been in the process of deeper international integration, therefore the competition between banks has become more severe, and one of the factors that create the competitive competencies is the financial element of commercial banks. Therefore, to increase operating capital is one of the operations which banks are concerned about. In this context, the identification of factors that influence individual customers' decision to deposit money is essential for banks to attract more idle money balances from the population of over 90 million people. From the study results, we suggest some recommendations to support bank managers with their business strategies in order to overcome the severe competition existing in the banking system in Vietnam.

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Literature Review

According to the research of Anderson *et al.* (1976) about the bank selection decision and market segments in the US, reputation, bank prestige, large capital for loans are the criteria for customers to choose banks. Over the past decades, the issue of bank selection criteria has been researched a lot and the researches mostly analyzed the questions of why people choose a particular bank. These researches were similar but more comprehensive and they were not only about the area of savings deposits. The arising financial needs presented the first step to choose banks. However, after that the selection has become difficult due to the similarity of products and services which banks provide. There have been many researches such as the researches of Kennington *et al.*, 1996; Luther Denton & Allan K.K. Chan, 1991; Omo Aregbeyen, 2011; Chen, 1999; Mylonakis *et al.*, 1998. The study of Anderson *et al.* (1976) in the US showed that reputation, bank prestige, large capital for loan were the criteria for customers to choose banks. The research of Kennington *et al.* (1996) about the selection of banks in Poland concluded that the factors affecting the bank choices of Polish customers were similar to US customers', which were reputation, fees, service types and convenience. According to the researcher, this convenience was related to elements such as close distances to workplaces or homes, good locations and working days, the number of branches. The research of Aldlaigan & Butile (2001) focused on customer groups aged from 19 to 24 in the Middle East region and the results of factors affecting bank selection were: bank reputation, parking areas near the banks, the friendliness of the bank staff, the possibility of using ATM services at various locations within 24 hours a day. They also recognized that young customers tended to communicate and conduct transactions by using modern technological equipments. Another study of Almosawi (2001) pointed out that the proximity and quality of service were important factors in the commercial bank selection of students in Bahrain. In addition, brand, technology, sense of security and the referrals of other people were also determining factors. The researches of Laroche *et al.* (1986) in Canada showed that the speed of the services, and factors related to the authority and friendliness of staff and the convenience of locations were important factors that consumers would be aware of when choosing their banks. Zineldin (1996) conducted a survey of 19 potential factors that customers would consider as important in choosing a bank in Sweden. These factors included reputation, referrals by others, interesting advertisements, convenience of locations, opening hours and high-tech services. Mylonakis *et al.* (1998) concluded that the most important criteria for bank selection were convenience, bank reputation, quality of products and services, interest rates and fees, education, infrastructure, sector environments, services, after-sales services and other factors such as advertising seemed not to influence the bank choice of customers. Chen (1999) conducted a survey of 336 state owned in the country and 39 foreign owned banks in Taiwan in 1997 to identify the critical success factors in the application of different business strategies in the banking sector. Data were analyzed using factor analyzing techniques which highlighted four factors including the ability of banks to manage marketing activities, banks, bank brand development and financial market

management. Shevlin & Graeber (2001) explored the various factors affecting a client in choosing a specific bank in Texas, USA. They pointed out that ATM (Automatic Teller Machine) was the main reason for the customers' bank selection, and branch visits and referrals from friends and relatives were the most common sources of influence. Aish *et al.* (2003) compared the bank selection decisions in small business markets across the UK and Egypt. Results showed different similarities and provided evidence proving that brand played an important role in bank selection decisions of small businesses in both of the study of the UK and the study of Egypt. In the case of India, Kamakodi & Khan (2008) conducted a survey and obtained responses from 292 banks about the factors affecting bank selection decisions. Top 10 parameters based on the level of importance were found as the safety of funds, guaranteed ATMs, ATM availability, reputation, personal attention, pleasant manners, security, proximity to work, timely services and friendly staff ready to work.

The studies of Rehman & Ahmed (2008) analyzed the main determining factors of the selection of a bank by customers in the banking sector in Pakistan. It was based on a survey of 358 clients of a private bank located in Lahore (Pakistan). The findings of the study showed that the most important variables affecting the customer choice were customer service, convenience, online banking facilities and banking environment in general.

Research model and the variables in the model

Based on the results of studies on the factors affecting the customers' bank selection conducted in many different countries, we choose 08 factors to insert in the model including interest rate, brand awareness, staff, sense of security, promotion, transaction procedures, convenience, influences of relatives.

+ Interest rate: Interest rate is always an important factor affecting the behaviour of selecting banks for savings deposits of individual customers. Before having savings deposits, many customers will take time to find out the interest rate situations of banks for appropriate selection.

The hypothesis is:

H1: Interest rate factor makes customers decide to have savings deposits (+)

+ Brand awareness: Today, brand is a major factor affecting product and service consumption decisions of customers. Almosawi (2001); Haques *et al.* (2009) pointed out that young customers preferred to deal with popular banks with good reputation.

The hypothesis is:

H2: Brand awareness factor makes customers decide to have savings deposits (+)

+ Bank staff: This factor is reflected in the attitude of increasing serving mentality and making good impressions on customers through the friendliness, politeness of customer reception, the professionalism in resolving inquiries and handling situations of employees, the attention, empathy, patience in serving customers. This factor has an impact on the

customers' selection. Customers will feel close to banks, want to build and maintain relationships with banks through the use of products and services if the bank employees express the friendliness, courtesy and respect in communication and professionalism in counseling customer. In addition, their working professionalism also contributes to the increase in the customers' trust in banks.

The hypothesis is:

H3: Bank staff factor makes customers decide to have savings deposits(+)

+ The sense of security: Transactions at commercial banks usually have sensitive nature due to the direct relation to customers' financing sources, so the sense of security is a considerable factor. According Almosawi (2001), this is one of the factors influencing the bank selection. Mokhlis (2009) pointed out that the sense of security reflected the expectations of banking service users about the stability and security when conducting financial transactions. This means that the sense of security includes the security at banks and the banks' financial stability. Therefore, the three criteria: the security of customer information, the solid financial background of banks, the security conditions of transaction locations are used to evaluate the sense of security which customers have about the banks where transactions occur.

The hypothesis is:

H4: The sense of security makes customers decide to have savings deposits (+)

+ Promotion factor: Promotions are stimulations and added value of products aimed at the sales force, distribution systems and ultimate consumers to create the fast product consumption. From the banks' perspective, promotions are the methods of encouraging customers to use a bank product or service. If banks have many impressive promotion programs creating benefits for customers, it will lead to the customers' intention to deposit their money in the banks.

The hypothesis is:

H5: Promotion factor makes customers decide to have savings decisions (+)

+ Simple procedure factor: Customers want the transactions to occur the most quickly, so the more simple the procedures are to shorten the transaction time, the more intention the customers would have to have savings deposits.

The hypothesis is:

H6: Simple procedure factor makes customers decide to have savings deposits (+)

+ Convenience factor: convenience factor affects the psychology of customers. A bank having the favourable location such as the downtown area, densely populated areas with convenient transportations ... can attract more customers. Therefore, the organization of a wide and reasonable operational network on residential areas helps commercial banks to have more opportunities to attract capital, helps customers to save time and travel costs for the transactions.

The hypothesis is:

H7: convenience factor makes customers decide to have savings deposits (+)

+ Influences of relatives: According Mokhlis (2009), the influences and advices of people are also an impact factor in the bank selection of male and female customers. Almosawi (2001) also recognized that the advices of friends and relatives were related to the bank selection of young customers. In Vietnam, oral culture exists and people still maintain their cultural system as such; information can easily flow through friends or relatives. This is important because the access to information can help customers in the process of choosing their banks.

The hypothesis is:

H8: Influences of relatives make customers decide to have savings deposits(+)

Through the theory-based analysis, the research model provides the below suggestions with 01 dependent variable which is the *decision to select a bank to have savings deposits* and 08 independent variables

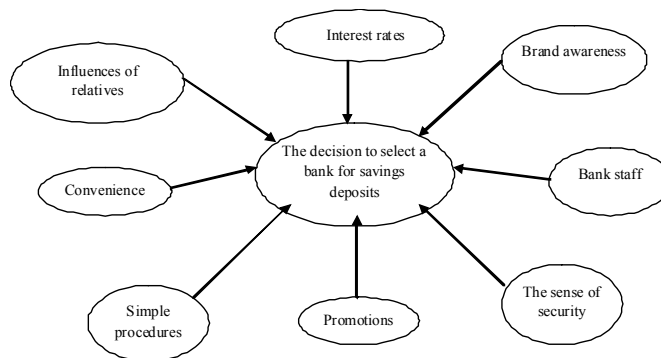


Figure 1. Research model

Data and Methodology

The research was carried out through 2 stages, including preliminary research and formal research.

a) Preliminary research mainly focused on interviews, bilateral discussions with 10 people who were staff of the customer service department, accounting manager, branch manager and customers who had already used banking services in Vietnam. The objective of the preliminary study was to examine the extent to which words were clear, assess the accuracy of each statement in terms of meaning, and search for new statements. The interview content was recorded as the basis for the adjustment and supplementation of observed variables in the scale. Among the 10 bilaterally discussing participants, there were 4 men and 6 women aged 27 to 56 and having university degrees or higher education. The preliminary research results were as follows:

- *About the bank*: The interviewed subjects had been using services at commercial banks in Vietnam.

- *About time for using services*: All the participants of the preliminary survey had used services for more than one year, so they should have had some experiences in the selection and

evaluation of the bank when using the services.

- *About the statements of scales:* All the participants of the preliminary survey clearly understood the meanings of the statement.

Finally the author prepared the questionnaire which consisted of 33 variables and were included in the official study.

b) *Formal research:* The formal research was carried out in Vietnam from June 2015 to September 2015. The samples were directly collected by questionnaires. In addition, a link containing a questionnaire was sent via email and the samples were collected via Internet. After the removal of unsatisfactory samples, the collected data were processed by SPSS 20.0 software to analyze the factors, test the scale and identify the factors affecting the bank selection decision of customers, and evaluate the importance of each factor. In this research, Likert scale was used with 5 levels from "totally disagree" to "totally agree".

RESEARCH RESULTS AND DISCUSSION

Descriptive statistics

With 350 sent survey forms, 290 survey forms were collected after the exclusion of invalid forms. The sample size used in the study was 276 samples. The results of Table 2 show that the majority of customers are aged 25 to 45, accounting for more than 82%, while the group aged over 45 accounts for 15.6% and the group aged 18-24 accounts for only 2.2%. In terms of gender, we realize that there is a difference between men and women, in particular men account for 35% only while women occupy approximately 65%.

The statistical results show that the group having Intermediate – Diploma and Bachelor education account for the highest proportion at 53.3%, followed by the above Bachelor group with the proportion of more than 25%. Whereas, the under Intermediate group account for a significantly low proportion. The statistical results also show that people who use banking services all have income at above 5 millions and the reasons for using banking services are security and convenience.

Test of scale

To test the scales, we performed the test of the scale reliability to eliminate variables did not meet the reliability requirement, and after that performed the factor analysis for the variables which satisfied the reliability requirement.

+ *Test the scale reliability.* The analytical method-Cronbach's alpha allowed the removal of inappropriate variables and garbage variables in the model. Accordingly, only the alpha coefficients greater than 0.6 were considered as acceptable and appropriate to be included in the next analysis steps. According to many researchers, if the alpha coefficient is 0.8 or higher, the measurement scale is good; simultaneously if the correlation coefficients with the total adjustment variables have the value greater than 0.3, it would be satisfactory. Test results show that the variables are unsatisfactory in terms of the correlation of total adjustment variables, particularly the variable TT6, NV4 and TT4 due to the unsatisfaction in the EFA analysis. After eliminating the 3 variables above, we analyzed the Cronbach alpha for the last time, which gave the results as in Table 3.

Table 1. Observed variables

No.	Factors	Observed variables	Explanations
1	Interest rates	LS1	Bank with competitive interest rates
		LS2	Bank with appropriate methods of interest payment
		LS3	Bank with diversified terms of savings deposits
		LS4	Bank with interest rates that are clearly and publicly announced
2	Brand awareness	TH1	Bank brand awareness through the bank name, logo, images and characteristic musical theme
		TH2	Bank brand awareness through community programs, sponsorships in which the bank participates
		TH3	Brand awareness through the frequency of bank appearance on the media: newspapers, TV, internet, posters, flyers..
3	Bank staff	NV1	The service attitudes of bank staff are polite, friendly, enthusiastic and cheerful
		NV2	Bank staff provide good advices and devotional, specific, clear instructions of procedures
		NV3	Bank staff know what customers need in order to consult and carry out professional business operations
		NV4	Bank staff are young and beautiful
		NV5	Bank staff have beautiful, tidy and polite costumes
4	Sense of security	AT1	Customer information is secured
		AT2	Bank transaction locations have security and bodyguards
		AT3	Bank's financial foundation is solid
		AT4	There are specialized (armored) vehicles that collect money at homes
5	Promotions	KM1	Promotions by bonus interests
		KM2	Promotions by gifts
		KM3	Promotions by lucky draws for gold or other valuables awards
6	Transaction procedures	TTGD1	Promotions by bonus interest
		TTGD2	Short time of transaction occurrence
		TTGD3	Bank solves grievances and complaints quickly and satisfactorily
		TTGD4	Bank has consistent and professional transaction processes
7	Convenience	TT1	Bank has many transaction locations
		TT2	Transaction locations are close to homes, schools and workplaces
		TT3	Bank working time is suitable for transactions
		TT4	Bank has a spacious parking lot
		TT5	Transactions can be carried out via internet banking/mobile banking
		TT6	There is the function of transferring savings interests into ATM account upon maturity.
		TT7	Bank has many ATMs and it is convenient to withdraw interests
8	Relatives' influences	AHNT1	You deposit money due to your family members' referrals
		AHNT2	You deposit money due to your friends' referrals
		AHNT3	You deposit money due to the bank staff's referrals

Table 2. Descriptive Statistics

Age		Number of people	%	% valid	% accumulative
Valid	18-24	6	2.2	2.2	2.2
	25-35	72	26.1	26.1	28.3
	36-45	155	56.2	56.2	84.4
	Above 45	43	15.6	15.6	100.0
	Total	276	100.0	100.0	
Gender					
Valid	Male	98	35.5	35.5	35.5
	Female	178	64.5	64.5	100.0
	Total	276	100.0	100.0	
Education					
Valid	UnderSecondary school	9	3.3	3.3	3.3
	Secondary-High school	49	17.8	17.8	21.0
	Intermediate-Diploma-Bachelor	147	53.3	53.3	74.3
	Above Bachelor	71	25.7	25.7	100.0
	Total	276	100.0	100.0	
Monthly Income					
Valid	Above 5 million	16	5.8	5.8	5.8
	5-10 million	113	40.9	40.9	46.7
	Above 10 million	147	53.3	53.3	100.0
	Total	276	100.0	100.0	
Career					
Valid	State officials	55	19.9	19.9	19.9
	NWP	77	27.9	27.9	47.8
	Lecturers	25	9.1	9.1	56.9
	Small business owners	27	9.8	9.8	66.7
	Retired	12	4.3	4.3	71.0
	Business owners	29	10.5	10.5	81.5
	Specialists	23	8.3	8.3	89.9
	Houseworks	9	3.3	3.3	93.1
	Others	19	6.9	6.9	100.0
	Total	276	100.0	100.0	
<i>Reasons for service use</i>					
Valid	Risk avoidance	36	13.0	13.0	13.0
	More secured than other channels	58	21.0	21.0	34.1
	Saved money	150	54.3	54.3	88.4
	Use other services of the bank	32	11.6	11.6	100.0
	Total	276	100.0	100.0	
<i>Bank of service use</i>					
Valid	DA bank	27	9.8	9.8	9.8
	Exim bank	17	6.2	6.2	15.9
	AB bank	17	6.2	6.2	22.1
	SCB	17	6.2	6.2	28.3
	VP bank	8	2.9	2.9	31.2
	ACB	88	31.9	31.9	63.0
	Sacombank	54	19.6	19.6	82.6
	Techcom bank	24	8.7	8.7	91.3
	MB bank	24	8.7	8.7	100.0
	Total	276	100.0	100.0	

Table 3. Cronbach alpha test

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
				Cronbach alpha = 0.913
LS1	11.4638	4.461	.839	.874
LS2	11.2536	4.728	.806	.887
LS3	11.3841	4.594	.749	.907
LS4	11.4529	4.634	.819	.882
				Cronbach alpha = 0.820
TH1	7.6377	2.479	.773	.652
TH2	7.6957	2.394	.698	.726
TH3	7.8768	2.865	.561	.859
				Cronbach alpha = 0.912
NV1	12.4928	5.516	.783	.894
NV2	12.4710	5.806	.811	.882
NY3	12.4565	5.944	.841	.873
NV5	12.3406	5.920	.774	.895
				Cronbach alpha = 0.893
AT1	11.5507	6.016	.694	.889
AT2	11.3841	5.772	.863	.825
AT3	11.4601	6.046	.797	.850
AT4	11.3551	5.961	.713	.882

Continue.....

			Cronbach alpha = 0.870		
KM1	7.9203		1.354	.795	.780
KM2	7.7899		1.367	.739	.827
KM3	7.7609		1.244	.727	.844
			Cronbach alpha = 0.883		
TTGD1	12.4167		4.237	.737	.854
TTGD2	12.4891		4.222	.752	.847
TTDG3	12.5290		4.541	.750	.850
TTGD4	12.4457		4.364	.748	.849
			Cronbach alpha = 0.893		
TT1	15.7826		8.520	.747	.867
TT2	15.9130		8.887	.686	.880
TT3	15.9022		8.045	.765	.863
TT5	15.7681		7.888	.771	.862
TT7	15.8370		8.697	.722	.873
			Cronbach alpha = 0.822		
AHNT1	8.1558		2.532	.578	.855
AHNT2	8.2174		2.316	.715	.715
AHNT3	8.1268		2.417	.748	.687

Table 4. Results of factor analysis

	Factor							
	1	2	3	4	5	6	7	8
LS1			.818					
LS2			.793					
LS3			.782					
LS4			.810					
TH1							.833	
TH2							.777	
TH3							.759	
NV1				.805				
NV2				.694				
NV3				.877				
NV5				.766				
AT1		.759						
AT2		.884						
AT3		.868						
AT4		.802						
KM1						.829		
KM2						.801		
KM3						.741		
TTGD1					.821			
TTGD2					.864			
TTDG3					.829			
TTGD4					.822			
TT1	.803							
TT2	.735							
TT3	.791							
TT5	.818							
TT7	.769							
AHNT1								.783
AHNT2								.846
AHNT3								.823
KMO					0.803			
Bartlett's Test					Sig = 0.000			
Average Variance Extracted					78.201%			

Table 5. Correlation results

		Correlations								
		LS	TH	NV	AT	KM	TTGD	TT	AHNT	QD
LS	Pearson	1	.389**	.540**	.265**	.495**	.309**	.473**	.294**	.655**
	Correlation Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.000	.000
TH	Pearson	.389**	1	.414**	.433**	.380**	.066	.290**	.045	.448**
	Correlation Sig. (2-tailed)	.000		.000	.000	.000	.275	.000	.457	.000
NV	Pearson	.540**	.414**	1	.359**	.469**	.220**	.530**	.227**	.587**
	Correlation Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000	.000
AT	Pearson	.265**	.433**	.359**	1	.390**	.111	.249**	.250**	.383**
	Correlation Sig. (2-tailed)	.000	.000	.000		.000	.066	.000	.000	.000

Continue.....

KM	Pearson	.495**	.380**	.469**	.390**	1	.234**	.451**	.280**	.524**
	Correlation									
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000	.000	.000
TTG	Pearson	.309**	.066	.220**	.111	.234**	1	.101	.373**	.357**
	Correlation									
	Sig. (2-tailed)	.000	.275	.000	.066	.000		.093	.000	.000
TT	Pearson	.473**	.290**	.530**	.249**	.451**	.101	1	.092	.575**
	Correlation									
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.093		.126	.000
AH	Pearson	.294**	.045	.227**	.250**	.280**	.373**	.092	1	.277**
	Correlation									
	Sig. (2-tailed)	.000	.457	.000	.000	.000	.000	.126		.000
QD	Pearson	.655**	.448**	.587**	.383**	.524**	.357**	.575**	.277**	1
	Correlation									
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	

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

Table 6. Regression results for the first time

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.254	.245		-1.040	.299
	LS	.281	.049	.295	5.761	.000
	TH	.111	.041	.128	2.745	.006
	NY	.112	.044	.132	2.572	.011
	AT	.072	.038	.085	1.886	.060
	KM	.088	.059	.073	1.483	.139
	TTGD	.163	.042	.165	3.887	.000
	TT	.239	.045	.255	5.295	.000
	AHNT	.025	.039	.028	.635	.526

a. Dependent Variable: QD

Table 7. The final regression results

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Durbin-Watson
1	.780a	.608	.599	2.211

a. Predictors: (Constant), XT, TTGD, AT, TH, LS, NV
b. Dependent Variable: QD

ANOVA ^b						
Model	Regression	Residual	Total	Sum of Squares	df	Mean Square
1				75.470	6	12.578
				48.715	269	.181
				124.185	275	

a. Predictors: (Constant), IT, TTGD, AT, TH, LS, NV
b. Dependent Variable: QD

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta				Tolerance	VIF
(Constant)	-.104	.226			-4.60	.646		
LS	.302	.047	.317		6.385	.000	.592	1.689
TH	.114	.040	.130		2.860	.005	.700	1.428
NV	.122	.043	.143		2.797	.006	.557	1.794
AT	.088	.037	.105		2.414	.016	.770	1.299
TTGD	.177	.040	.180		4.430	.000	.886	1.129
TT	.251	.044	.267		5.692	.000	.663	1.508

a. Dependent Variable: QD

The results of the elements in the model with the remaining observed variables in Table 3 have high correlation coefficients with the high total variable, and the observed variables have the value greater than 0.3, so the scale meets the requirement of reliability.

+ Analysis of factors:

If the factor analysis results are satisfactory, the observed variables used in the analysis of FTA factors have to satisfy the

following requirements:

- KMO coefficient (Kaiser - Meyer - Olkin) ≥ 0.5 with the significance level of Bartlett test < 0.05 .
- Factor loading coefficient ≥ 0.5 .
- Accept the scale when the Cumulative of Variance $\geq 50\%$ and the value of the Eigenvalue coefficient > 1 .
- The difference of the factor loading coefficients of an observed variable between the factors has to be greater than

0.3 to ensure the distinct value between the factors. When analyzing EFA with the component measurement scale, the author used the Principal Component Analysis method with the Varimax rotation and the stopping point of factors having Eigenvalue > 1. The below are the results of the final factor analysis after the authors eliminated 3 observed variables in the scale reliability test and the factor analysis results for the first time. Here are the results. The results of the exploring factor analysis show 33 observed variables of 8 components after the elimination of 2 observed variables and the final result is that the remaining observed variables are grouped into 8 groups. KMO coefficient = 0.803 > 0.5 and the sig value of the Bartlett's test equals 0.000 so that the observed variables are correlated with each other and the factor analysis is consistent with the data. The average variance extracted is 78.201%, indicating that 8 factors can explain the variance of 78.201%, therefore the scale is acceptable. From the results of the factor analysis, we found that the observed variables were grouped into factors as in the beginning. Therefore there was no major adjustment in terms of the content of the relevant scale. These formed factors would be used to conduct further studies in the later sections.

Analyzing the relationship between the independent variables and bank selection decision

To evaluate the relationship between the independent variables and the dependent variable, we performed the correlation analysis and then performed the regression analysis to test the hypotheses of the model.

+ Correlation analysis

The correlation analysis was carried out to examine the relationship between the two quantitative variables. To assess whether the two variables were correlated with each other or not, the author used the Sig value... If the Sig value is lower than the level of significance (usually 5%), the correlation between these two variables would be significant and vice versa. The correlation results are presented in Table 5. The results of table 5 show that the relationships between the variable of the bank selection decision (QD) and all the other independent variables have the Sig value < 0.05, so it could be concluded there are significant correlations between them. The correlation coefficients of all these pairs of variables have positive signs, therefore these correlations should be positive. Additionally, the consideration about each pair of correlation shows that the correlation between QD and LS (interest rate) is the strongest with the correlation coefficient of 0.655, followed by the correlation between QD and NV (bank staff) and correlation of the pair of QD and TT (convenience) and the pair of QD and TH (brand awareness). Whereas, the other pairs of relationships are weaker.

+ Regression analysis:

We inserted all the variables into the model to test the given hypotheses and simultaneously assessed the impact directions and the level of impacts that the independent variables had on the dependent variable. The first time's regression results are presented in Table 6. The results in Table 6 show that the

relationship between the two variables KM (promotion) and AHNT (Influences of relatives) has the Sig value greater than 0.1 (with 10% significance level), therefore these two variables should have no impact on the bank selection decision of customers. Regarding the AT variable, although the value of Sig = 0.06 > 0.05 (5% significance level), it is less than 0.1 (10% significance level), so we decided to keep this variable for the more detailed assessment in the next steps. The other remaining variables in the model all show that there is an impact on the dependent variable with 10% significance level or even 5%. Thus, we decided to exclude the 2 variables KM and AHNT and redo the regression. The analysis results show that F test has the sig value = 0.000, less than 5% significance level, so it can be confirmed that the adjusted R² value of the regression model is different from 0, in other words this is a suitable regression model. The adjusted R² value = 59.9% shows that the independent variables have significant impacts, which could explain 59.9% of the variation of the decision (QD). The regression results are presented in Table 7. The results presented in Table 7 show that all the variables TT, TTGD, AT, TH, LS, NV have the Sig value < 0.05, so all these variables have impacts on the bank selection decisions (QD) and all the independent variables have positive impacts on customers' bank selection decisions. It means that the increases in these factor points will increase customers' decisions on the bank selection. From the regression analysis results, there are two hypotheses which have been rejected and it involves the promotion and the relatives' influences. There are remaining hypotheses that are accepted. The regression equation is written as follows:

$$QD = 0.317LS + 0.130TH + 0.143NV + 0.105AT + 0.180TTGD + 0.267TT \quad (1)$$

From the results of the equation (1), the variable that has the strongest influence on the bank selection decision is interest rate (LS), the regression coefficient equals 0.317, indicating that an increase by 1 point in the assessment of LS will help customers increase their decisions by 0.317 points and vice versa. This result is totally reasonable when depositors choose the bank with more competitive interest rates, there are clear announcements about interest rates, maturity as well as interest payment methods of the bank. These factors all help customers who want to deposit money in the banks which they consider. Inconvenience is the factor which is considered as important just after interest rates. This shows that customers are interested in the convenience of the locations, transaction locations near schools, workplaces, or the homes of the customers; additionally, the convenience of working hours or even the large number of ATMs also make many customers appreciate. If customers highly evaluate these factors, they are important solutions that banks need to be concerned about in order to attract customers to deposit their savings to compete with other banks. In addition, transaction procedures are also a factor that banks should pay attention to. This factor is closely related to the accuracy of the transaction. Simultaneously, it also ensures whether customers have comfort or not. The simple and fast transaction procedures are essential elements for customer satisfaction; besides, the employees' settlement of customers' complaints which is quick and adequate also makes depositors want to send money in the bank. Besides, bank staff are also an

important factor for customers to decide to deposit money or not. Bank staff with service attitudes that are courteous, friendly, enthusiastic, cheerful and guide procedures that are devotional, detailed and clear are essential for customers. In addition, it is important that employees must understand the customers and professions, professional operations, which is highly evaluated by customers when making their decisions. Finally, the factors such as sense of security and bank brand awareness also influence their decisions.

Conclusion

The research of the factors that influence the bank selection decisions of customers show that the factors include interest rates, convenience, simple procedures, staff, secured transactions and strong brand. In particular, interest rate and convenience have great impacts on bank selection decisions. Based on the study results, we give some policy recommendations to help commercial banks to attract customers as follows:

Firstly, there should be a reasonable interest rate policy which is competitive and in line with many terms and suitable interest payment methods. Second, banks should pay attention to the expansion of branches, transaction offices, payment systems in residential areas, near supermarkets and companies to provide the convenience to customers. Also, the attention to the information security and safety will be a factor that helps customers make bank selection decisions. Thirdly, in order to provide the convenience to customers, banks need to research about how to improve processes, simplify procedures with staff who are professional and dedicated in providing services. Such is a factor affecting the bank selection of customers. Fourthly, pay attention to bank brand building through improving service quality, marketing campaigns, public relation activities with the construction of a bank brand identity system.

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