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A RESEARCH ON CUSTOMER BEHAVIOR WHEN USING PAYMENT BANK CARDS

AT VIETNAM TECHNOLOGICAL AND COMMERCIAL JOINT STOCK BANK – TECHCOMBANK NGUYEN HUE – DANANG, VIETNAM



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A RESEARCH ON CUSTOMER BEHAVIOR WHEN USING PAYMENT BANK CARDS AT TECHCOMBANK NGUYEN HUE, DANANG, VIETNAM

The banking services, particularly payment cards, are among the most dynamic and developing sectors in the expanding economy of Vietnam in recent years. Under the fierce and intense competition among domestic and international banks, almost every bank has been increasingly trying to focus on its services in order better to respond efficiently to customers' ever-changing behaviors and expectations.

This research seeks to investigate customer behavior when using payment card services at Techcombank Nguyen Hue, Danang, Vietnam, which includes identifying the underlying factors and motivations that drive customers' decision for using payment card services at the Bank, and more importantly evaluating the customer satisfaction level on the banking services offered. The research was carried out with the use of quantitative method, collecting primary data from customers who have been employing the services provided by Techcombank Nguyen Hue, by using structured questionnaires.

The findings reveal that customers choose Techcombank as a services provider owing to the high reputation and prestige of the Bank, the large number of ATMs and POS, the safe and convenient ATM locations, as well as the wide variety of card products' features. As to customer satisfaction, the large majority are generally satisfied and appreciate the services provided by Techcombank Nguyen Hue; however, the price and promotion issues are fairly underestimated, not to mention some common problems at ATMs. The research also gives some suggestions for Techcombank Nguyen Hue on how to enhance its services so as to encourage repeat patronage and attract new customers.

KEYWORDS: consumer/customer behavior, customer satisfaction, payment card, banking services, service quality, Techcombank, Vietnam

CONTENT

LIST OF ABBREVIATIONS (OR) SYMBOLS.....	7
1 INTRODUCTION	8
1.1 Research background	8
1.2 Rationale for the study	10
1.3 Research objectives.....	11
1.4 Research questions	11
1.5 Thesis structure	11
2 LITERATURE REVIEW	13
2.1 Introduction	13
2.2 Consumer behavior.....	13
2.3 The basic factors affecting consumer behavior for using payment bank cards	13
2.3.1 Consumer characteristics	14
2.3.2 Payment method characteristics.....	14
2.3.3 Transaction characteristics	17
2.4 Customer satisfaction	19
2.5 Service marketing mix.....	20
2.6 The impacts of service marketing mix on customer satisfaction	20
2.6.1 Product.....	21
2.6.2 Price	22
2.6.3 Place	23
2.6.4 Promotion	23
2.6.5 Physical evidence.....	24
2.6.6 People	25
2.6.7 Process	25

3	VIETNAM TECHNOLOGICAL AND COMMERCIAL JOINT STOCK BANK – TECHCOMBANK, VIETNAM	27
3.1	About Techcombank Vietnam	27
3.2	About Techcombank Nguyen Hue Transaction Office, Danang, Vietnam.....	28
3.3	Techcombank Card Products and Services	28
4	METHODOLOGY	32
4.1	Introduction	32
4.2	Choice of research method	32
4.3	Research strategy.....	33
4.4	Questionnaire design	33
4.5	Sampling technique	34
4.6	Questionnaire distribution and data collection	35
4.7	Data Analysis.....	36
4.8	Limitations of the research	36
5	FINDINGS, ANALYSIS AND DISCUSSION	37
5.1	Introduction	37
5.2	Profile of the study sample	37
5.3	Customer behavior when using Techcombank payment card services	39
5.3.1	Customer motivations and habits for using Techcombank payment card services	39
5.3.2	Customer satisfaction regarding payment card services provided by Techcombank Nguyen Hue.....	48
6	CONCLUSION AND RECOMMENDATION	61
6.1	Introduction	61
6.2	Customer behavior when using payment bank cards at Techcombank Nguyen Hue, Danang, Vietnam	61

6.3	Recommendations	63
6.4	Implication for further research.....	67
7	REFERENCES	68

APPENDICES

APPENDIX 1: TECHCOMBANK ATM LOCATIONS IN DANANG CITY, VIETNAM

APPENDIX 2: SURVEY QUESTIONNAIRE (Translated from Vietnamese)

**APPENDIX 3: LETTER OF REFERENCE - PROOF OF CARRYING OUT
AN INTERNSHIP AT TECHCOMBANK NGUYEN HUE, DANANG, VIETNAM**

FIRGURES

Figure 1: Rate of cash flow in total payment methods	8
Figure 2: Number of issued bank cards over the years	9
Figure 3: Customers' Gender	37
Figure 4: Customers' age	38
Figure 5: Customers' education level.....	38
Figure 6: Customers' monthly average income	39
Figure 7: Payment cards using situation by categories.....	40
Figure 8: Sources of Techcombank payment card services information	41
Figure 9: Time of using Techcombank payment cards	42
Figure 10: Purposes of using payment bank cards.....	43
Figure 11: Customers' use of other bank card services	45
Figure 12: Customers' reasons for using Techcombank cards.....	45
Figure 13: Frequency of card using by customers.....	46
Figure 14: Customers' methods of using payment bank cards.....	47
Figure 15: Number of ATMs of different banks in Danang.....	55
Figure 16: The problems encountered by customers when using cards at ATMs	58

TABLES

Table 1: Customer assessment of the Product	48
Table 2: Customer assessment of the Price	50
Table 3: Customer assessment of the Place.....	51
Table 4: Customer assessment of the Promotion	52
Table 5: Customer assessment of the Physical Evidence	54
Table 6: Customer assessment of the People	56
Table 7: Customer assessment of the Process	57
Table 8: Customer intention for long-term use.....	59
Table 9: Customer word-of-mouth behavior	60

LIST OF ABBREVIATIONS (OR) SYMBOLS

4Ps	Product, Price, Place, Promotion
7Ps	Product, Price, Place, Promotion, Physical Evidence, People, Process
ACB	Asia Commercial Bank
ASEAN	Association of Southeast Asian Nations
ATM	Automated Teller Machine
DongA Bank	DongA Joint Stock Commercial Bank
Eximbank	Vietnam Export Import Bank
POS	Point of Sale
SeABank	Southeast Asia Commercial Joint Stock Bank
Techcombank	Vietnam Technological and Commercial Joint Stock Bank
Vietcombank	Joint Stock Commercial Bank for Foreign Trade of Vietnam
VietinBank	Vietnam Joint Stock Commercial Bank for Industry and Trade

1 INTRODUCTION

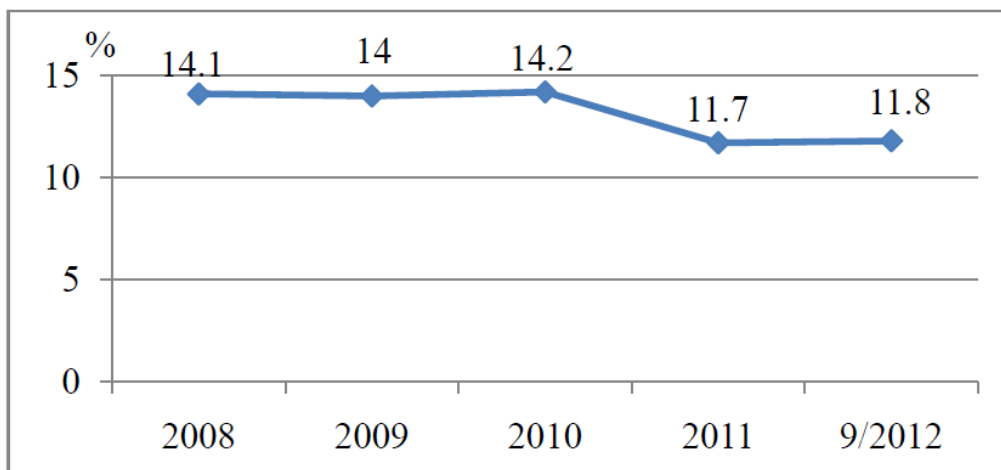
1.1 Research background

A payment card is a means of cashless payment which is very useful in today's modern world. This simple and small piece of plastic could be regarded as the greatest source of personal convenience as individuals no longer have to carry a large amount of cash for making any purchase. In addition, a payment card is of greater importance when it comes to making online transactions in the age of digital commerce. These are the essential advantages that using payment bank cards is a valid option for individuals.

According to the Payments Council, card payments will continually overtake cash in the years to come, representing a positive shift in the way consumers spend their money. Whilst the number of cash transactions is forecasted to decrease from 21 billion in 2012 to 14 billion in 2022, the use of payment bank cards is on the rise, from 10 to 17 billion. (Belfast Telegraph, 2013)

In Vietnam, the rate of cash payment has declined over the years, specifically from 31.6% in 1991 to 11.8% in 2012, based upon the statistics of the State Bank of Vietnam (Vietnam E-commerce and Information Technology Agency, 2012, 13).

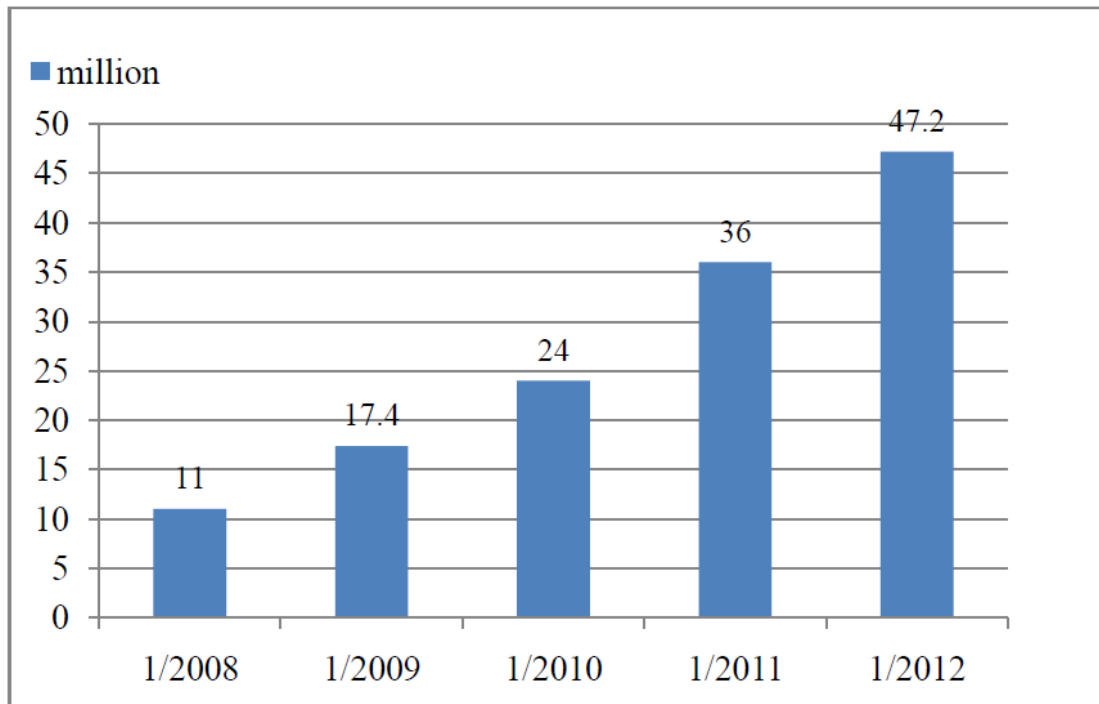
Figure 1: Rate of cash flow in total payment methods



Source: Vietnam E-commerce and Information Technology Agency, 2012, 13

Meanwhile, the proportion of non-cash payment has been growing remarkably. In recent years, the payment bank card market in Vietnam has been developing noticeably, bringing significant revenue for numerous banks despite of difficult economic condition. By the end of June 2012, the number of cards issued by banks reached 47.22 million. (Vietnam E-commerce and Information Technology Agency, 2012, 13-15).

Figure 2: Number of issued bank cards over the years



Source: Vietnam E-commerce and Information Technology Agency, 2012, 15

In addition to payment bank cards significantly contributing to the rising incomes for banks, they also play a crucial role in fostering the rapid economic growth as well as improving the legal system in Vietnam, said Nguyen Thu Ha – chairperson of the Vietnam Card Association under the Vietnam Banking Association from both the macro-economic and banking perspectives (Vietnam Chamber of Commerce and Industry, 2015). Gordon Cooper, Visa International’s country manager for Vietnam, Laos and Cambodia also shared the upbeat outlook on the market potential of Vietnam and said that “Electronic payments have grown rapidly worldwide and Vietnamese consumers now demand the convenience of cards” (Vietnam Chamber of Commerce and Industry, 2015).

1.2 Rationale for the study

It is clear that the Vietnamese bank card market has been booming lately (Vietnam Chamber of Commerce and Industry, 2015). Under the fierce competition amongst banks, each bank has been increasingly trying to focus on its banking services to meet and even exceed customer expectations. Over the years, Techcombank has proven its position to be one of the best banks and leading businesses in Vietnam. Additionally, Techcombank is amongst the top 10 leading banks on number of issued bank cards (Vietnam E-commerce and Information Technology Agency, 2012, 15).

Furthermore, Techcombank is always the pioneer in improving its service quality over any other in order to satisfy its customers' highest demands and expectations. Chakrabarty (2015) stated that customer satisfaction is the key to the profitability of banks, not to mention its implication in the retention of customers for the long term, thus lowering the cost of attracting new customers. I worked for Techcombank Nguyen Hue, Danang, Vietnam as intern for 5 months period. During my internship, little was revealed about the customer behavior when using payment bank cards, the evaluation of payment bank card service quality, as well as the customer satisfaction on its services provided. These are, of course, crucially significant in improving the Bank's services in the long run.

In order to further deepen the knowledge on consumer behavior in banking, I would carry out the research on the behavior of customers when using payment bank cards, including the satisfaction of individual customers, which might help the Bank to evaluate its services. Solutions will then be proposed for Techcombank Nguyen Hue on how to enhance its services in order better to encourage repeat patronage and loyalty, and attract new customers.

1.3 Research objectives

The study is aimed at investigating customer behavior when using payment bank cards at Techcombank Nguyen Hue, Danang, Vietnam. Accordingly, the research objectives are:

- To determine factors and motivations affecting customers for using payment bank cards at Techcombank
- To investigate customer satisfaction on payment bank card services provided by Techcombank Nguyen Hue
- To propose solutions to maintain and improve the service quality of payment bank cards in order to encourage repeat patronage and loyalty, and attract new customers.

1.4 Research questions

In order to achieve those proposed objectives, the study is aimed at answering the following research questions:

1. Which factors and motivations affect customers' decision for using payment bank cards at Techcombank Nguyen Hue?
2. To what extent the customers are satisfied with the quality of each service component in payment bank card system at Techcombank Nguyen Hue?

1.5 Thesis structure

The study will be divided into six main chapters.

Chapter 1: Introduction

In this chapter, the research background which is the payment bank card and card market situation in Vietnam is provided, followed by the rationale why the research is worth conducting. The highlights of research objectives as well as research questions are also clearly presented.

Chapter 2: Literature Review

This chapter provides the theoretical background for the research by reviewing of previous studies in the similar fields. Specifically, the concept of consumer behavior, the underlying factors affecting customer behavior for using payment bank cards, and the service marketing mix and its impacts on customer satisfaction are discussed.

Chapter 3: Company profile

An overview of Vietnam Technological and Commercial Joint Stock Bank (Techcombank), Techcombank Nguyen Hue – a transaction office directly under Techcombank Vietnam, and its main business related to payment card products and services is introduced.

Chapter 4: Methodology

The research methodology applied for this study, including the choice of method, the construction of method, the sampling technique, the data collection process, and data analysis, is explained. This is followed by the identification of limitations of the research.

Chapter 5: Findings, Analysis, and Discussion

Chapter 5 covers the data collected from primary source which is survey questionnaire. The interpretation, analysis and discussion about the results are described in detail.

Chapter 6: Conclusion and Recommendation

This chapter summarizes the key findings and provides conclusion in terms of customer behavior when using payment cards at Techcombank Nguyen Hue, including the motivations for using and customer satisfaction on services provided. The suggestions are then given for Techcombank Nguyen Hue on how to improve its service to retain repeat customers and attract new ones. Implication for further research is also proposed at the end.

2 LITERATURE REVIEW

2.1 Introduction

Chapter one introduced the research objectives with the main aim to examine customer behavior when using payment bank cards. The specifics are to identify the factors and underlying motives that drive customers' choice of payment methods; and to evaluate customer satisfaction on the bank card services. These require the review of previous studies in the similar field to develop a theoretical background for the research. Accordingly, the concept of consumer behavior, plus the basic factors which might have an influence on customers' decision will be discussed. It is then followed by the concept of customer satisfaction, and the service marketing mix (7Ps) which is identified to be significant in delivering customer satisfaction on service product.

2.2 Consumer behavior

Consumer behavior is referred to all the activities of individuals, groups or organizations in searching for, purchasing, using and assessing of products or services, including the consumers' emotional, mental, as well as behavior responses that precede, determine, or follow these activities (Kardes, et al., 2008, 8-9). According to Solomon, et al. (2013, 6), consumer behavior is as the actions and decision processes of individuals and households in discovering, evaluating, acquiring, consuming and then disposing of products by utilizing their existing and available assets, such as money, time or effort. In other words, it entails all the activities of the consumers as well as the underlying motivations associated with those actions. The field of consumer behavior is therefore the study of the process of how individual consumers or groups select, purchase, use and dispose ideas, products, services or experiences that fulfill customers' needs and desires (Solomon, et al., 2013, 6).

2.3 The basic factors affecting consumer behavior for using payment bank cards

Over the decades, there have been dozens of studies that investigate consumer behavior towards the use of payment bank cards, together with the fundamental motives

influencing card payment choice amongst consumers. The results have revealed that individual consumers are mostly effected by three main groups of factors worth considering, which are consumer characteristics, payment method characteristics and transaction characteristics (Ching and Hayashi, 2006, 9).

2.3.1 Consumer characteristics

Consumer characteristics, which are demographic and financial attributes, were found to be fundamental determinants that potentially have a great influence on payment behavior of consumers (Hayashi and Klee, 2003, 176; Klee, 2006, 7; Zinman, 2008, 19). Another research by Schuh and Stavins (2011, 3) also asserted that the effect of those components is consistent with preceding studies. Demographic variables include age, gender, education, income, race, marital status, etc. Arango and Taylor (2009, 12); Schuh and Stavins (2011, 20), for example, both pointed out that while younger customers were associated with the use of more debit cards, the older used more checks; and the better-educated people tended to use credit cards. In regards to income, people with low income spent more cash; in contrast, those with higher salary used debit and credit cards intensively. The findings also revealed that the matter of having financial responsibility for paying bills did not considerably influence the choice of payment methods, such as cash, checks or payment bank cards.

2.3.2 Payment method characteristics

Although the aforementioned demographic and financial variables have been found to be correlated to consumer payment behavior, some authors, notably Schuh and Stavins (2011, 3) identified that the perceived characteristics of payment are of crucial importance for both the adoption and the use of payment method. Each payment instrument carries with it some exclusive attributes, such as transaction speed, cost, convenience, security, restraint, records keeping and acceptance (Borzekowski et al., 2006, 10; Ching and Hayashi, 2006, 10; Schuh and Stavins, 2011, 17). Accordingly, each attribute of payment instrument will be discussed in terms of payment card as follows.

2.3.2.1. Transaction speed

Transaction speed is referred to the time a certain payment method takes for customers to perform a payment transaction. Borzekowski et al. (2006, 10) provided evidence that a preference for speed is amongst the most desired features that drive the payment choice of users. For instance, the time that card payment takes at the check-out counters/ POS, or the time the system consumes when customers withdraw the money from ATMs is typically taken into consideration to customers' choice of using bank cards.

2.3.2.2. Cost

Cost includes service fees, interest paid or lost, penalties, subscriptions or materials. It is obvious that customers who are using payment bank card services have to pay for some certain fees such as per-transaction cost and monthly, term or annual fees depending on regulations of each bank. Furthermore, for the users of credit cards, they must pay their credit balance in full by the due day; otherwise, the interest on the charge starts immediately. Previous research has established that cost substantially contributes to the choice of payment methods (Borzekowski et al., 2006, 10; Schuh and Stavins, 2011, 1). Cost is therefore significant both in adoption as well as in use of bank cards.

2.3.2.3. Convenience

According to Schuh and Stavins (2011, 31), convenience is regarded to the degree to which people can save time, effort to carry, or ability to keep or store, or do some physical requirements at the time of payment. In their study, convenience driver was statistically demonstrated to be associated to the consumer choice of card usage. This view is also reinforced by Borzekowski et al. (2006, 19), in their empirical paper, convenience is overwhelmingly cited as a main reason for using debit cards. Additionally, the convenience in consumers' use of bank cards was specifically investigated in the study by Arango and Taylor (2009). These authors found that consumers perceiving bank cards to be more convenient and less risky than cash use them more frequently and consumers substantially shift away from cash and towards alternative payment methods (Arango and Taylor, 2009, 12).

2.3.2.4. Security

Security is defined as “Security against permanent financial loss or wanted disclosure of personal information when a payment method has been stolen, misused or accessed without the owner’s permission.” (Schuh and Stavins, 2011, 31). Based upon the research by Zinman (2008, 3), the improved security was a significant proximate of recent growth of debit card users. Security is, in fact, of crucial importance in explaining the payment methods that customers choose to do transactions. For many, in this age of advanced technology, they would prefer holding bank cards due to the prevention of theft, robbery, loss, or counterfeit money. On the other hand, others are still fond of spending by cash instead of cards as they are afraid of disclosing personal information, and exposing risks of fraud activities when the cards are lost or stolen. Customers, however, would mostly feel secure and put their mind at ease because they are always protected by liability agreements with card issuers and merchants when these problems happen. Furthermore, the concern of security was emphasized in the research by Schuh and Stavins (2011, 17) who concluded that people seeing the payment method as relatively more secure are more likely to adopt it and vice versa. Security is, therefore, vital when it comes to understanding the consumer behavior for using payment bank cards.

2.3.2.5. Restraint and Records Keeping

Payment card adoption was also affected by the characteristics of restraint which is a desire to limit and control overspending, and record keeping that is an ability to track and record purchases (Borzekowski et al., 2006, 10; Schuh and Stavins, 2011, 17). As a matter of fact, by using payment bank card services, cardholders can easily keep track of their expenses, the actual payment as well as deduction of funds from their bank accounts over the time in order better to avoid overspending. Moreover, additional information such as time and date of payment or where the payments made is also shown in transactions record which might help the users to control and manage their account. Particularly, in case of credit card users, the feature of record keeping can potentially help in building credit history that would bring benefits for customers. Results of the 2006 survey regressions revealed that the effect of record keeping was strong for credit and debit cards although the coefficient is quite negative for debit (Schuh and Stavins, 2011, 19).

Hence, these characteristics of restraint and record keeping would be potentially favored by card users, and definitely significantly affect the choice of payment instruments.

2.3.2.6. Acceptance

Schuh and Stavins (2011, 31) defined acceptance as “how likely each payment method is to be accepted for payment by stores, companies, online merchants, and other people or organizations.” In fact, the effect of acceptance has a strong influence on the card usage. To be more specific, it is usually seen that for some retail stores or departments, only cash is accepted. This could be seen more clearly in some Asian countries, such as Vietnam, where the payment bank cards have not been used extensively and widely as expected; and there has been a limited number of ATMs and POS units. These disadvantages are therefore barriers that partially prevent customers’ choice of card payments. Several previous empirical papers have proved the influence of physical environment, namely the availability of card payment acceptance at POS, on payment method choices of whether or not using bank cards. Specifically, Bolt et al. (2008, 94) investigated the difference in payment instrument use between Norway and The Netherlands and eventually concluded that due to the fact that Norway started with more payment terminals than the Netherlands, thus leading to the higher point of card usage on the growth curve.

2.3.3 Transaction characteristics

Aside from the main contributors above, several authors concluded that customer’s choice of payment methods is also derived from their use in transactions; therefore the transaction characteristics are of high importance. The transaction characteristics include reward incentives and payment size. (Bounie and François, 2006, 4; Ching and Hayashi, 2006, 9).

2.3.3.1. Reward incentives

As a leading strategic way, in order to propel the growth of payment card usage, banks usually offer reward programs to their customers, such as gifts, discounts, coupons or accumulated points for special offers. Specifically, for instance, by doing card payments

at POS or ATMs, customers are capable of saving certain points to their credit history; and in the end, when the total value of transactions reaches a certain level set by bank, they will receive some special offers. In the empirical research on the effects of payment card reward program on consumer payment choice, Ching and Hayashi (2006, 18-19) suggested that consumers who are granted credit card rewards use credit cards much more extensively than those who are not, and reward card transactions are inclined to replace both paper-based and non-reward card transactions. Furthermore, Carbó-Valverde and Liñares-Zegarra (2011, 21) also emphasized the importance of rewards by saying that reward programs significantly affect the preferences for cards relative to cash payment and that the marginal effect of these programs is the highest among the posited set of explanatory factors. Due to this feature, it can be said that reward could be a good predictor for the preferences of different payment methods.

2.3.3.2. Payment size

Payment size which is explained as a value of each transaction is shown to be a concerned determinant to the payment choice of consumers (Ching and Hayashi, 2006, 9). It is likely that consumers have a tendency of spending cash for small value payments; whereas larger value transactions are conducted by payment bank cards. Bounie and François (2006, 14) also affirmed on this point of view that the transaction size influences the probability of a transaction being paid by one of three payment instruments, namely cash, check and bank cards, and that the larger a transaction, the higher the probability of it being paid by check or bank cards.

Besides all the three sets of above-mentioned factors, in the context of Vietnam, another point worth considering is that, in 2007, the Prime Minister issued the Instruction No. 20/2007/CT-TTg on paying salaries via bank cards for workers, officials and others who are receiving salaries from the government budget (VnBusinessReg, 2014). Due to this, Vietnamese people who work for many and various different state sectors have to use payment bank cards to get paid, thus bringing an ever increasing number of card users in recent years. As a result, it helps foster the fast growing bank card market of Vietnam. This factor therefore plays an important role in influencing customer behavior for using bank cards in Vietnam.

2.4 Customer satisfaction

Customer satisfaction is a frequent term and most studied areas in marketing, and the importance of it has been proven by many researchers over the years. Customer satisfaction has been bringing many undeniable benefits for firms and organizations, such as positive word-of-mouth advertising or referrals, increased sales volume from repeated purchases, failure cost reduction, sustainable advantages from customer loyalty and repeat patronage, competitor isolation and many more (Baron and Harris, 2003, 150; Hoffman and Bateson, 2010, 290-291). An exhaustive review of Yi (1991- see Grigoroudis and Siskos, 2010, 4) revealed that customer satisfaction is basically referred to two ways, either as an outcome or as a process. To be more precise, as an outcome, satisfaction is viewed as a post-purchase evaluation resulting from the consumption experience (Grigoroudis and Siskos, 2010, 4; Lovelock and Wirtz, 2011, 323). As a process, it emphasizes the perceptual, evaluative, and psychological process that eventually leads to satisfaction of customers (Grigoroudis and Siskos, 2010, 4).

There are different approaches to define customer satisfaction based on different perceptions. The most popular definitions, however, are based upon the fulfillment of customer expectations (Grigoroudis and Siskos, 2010, 4). Barron and Harris (2003, 136), for instance, viewed customer satisfaction as a function of similarities between the previous expectations with the actual performance of a product or service after its use. Kotler and Keller (2012, 129) agreed with this assertion, adding that satisfaction is the customers' feelings of pleasure or disappointment after comparing their expectations and real perceived experience. Likewise, customer satisfaction was defined by Solomon, et al. (2013, 328) as the overall attitude or feelings of customers about a product or service after purchasing and using it. Customers therefore take part in the process of evaluating products or services as they are the ones who integrate those products/services into their life. The comprehensive definition is that "satisfaction is the consumer's fulfillment response. It is a judgment that a product/service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over fulfillment." (Oliver, 2010, 8).

2.5 Service marketing mix

In 1960, McCarthy initially suggested the concept of the marketing mix – the 4Ps, namely product, price, place and promotion with the ultimate aim to generate, fulfill and sustain the satisfaction of customers (Drummond and Ensor, 2005, 8). According to him, the 4Ps are the vital decision areas, in which each variable P includes different factors that marketers need to emphasize to create perceived value, meeting the needs of each target customer group in a certain specific marketplace. Solomon et al. (2013, 9) supported this assertion by saying that each customer segment can be reached by an appropriate specific marketing mix and they will respond in a desired way to the marketing mix designed for them. In other words, the target specific group is a specific marketing mix (Drummond and Ensor, 2005, 9). This traditional marketing mix has been proved to be essential to manufacturing-based or tangible products. In terms of service-based products, however, due to the four distinct characteristics of services, which are intangibility, perishability, variability/heterogeneity, and inseparability, the mix should be expanded to the 7Ps by adding physical evidence, process and people in order to consider other elements particularly relevant to services (Zeithaml and Bitner, 2000, 18; Moorthi, 2002, 259; Baron and Harris, 2003, 25-26; Drummond and Ensor, 2005, 10).

2.6 The impacts of service marketing mix on customer satisfaction

It is said that recognizing the importance of customer satisfaction in the success of business, the concept of original marketing mix (4Ps) by McCarthy (1960) and then the service marketing mix by Booms and Bitner (7Ps) were come out with the underlying goal to generate and sustain customer satisfaction (Baron and Harris, 2003, 25-26; Drummond and Ensor, 2005, 8). Since then, the relationship between marketing mix and customer satisfaction has been highly examined and explored throughout many different business sectors; as a result, most of the research studies have indicated the positive effects of the marketing mix towards customer satisfaction. As an example, Madmud (2006), in his study about customer satisfaction related to marketing mix of Jamuna Bank Limited in Bangladesh, concluded that overall customer satisfaction derived from different elements of the service marketing mix (7Ps) of their bank. Similarly, Jaarsveld and Heerden (2007)

conducted a study in the relationship between selected marketing mix elements and overall customer satisfaction in South African banks, empirically finding that respondents viewed all the factors, namely physical evidence, people, process and price, as equally important to their perception. Another research by Ling (2007) also supported the positive effects of marketing mix in building a model in deriving consensus rankings from benchmarking, from which evaluate customer satisfaction at different retail stores, as a result setting a benchmark about product, price, promotion or place strategies to compete in the market. Mattsson (2009) also adapted a model of service marketing mix to measure customer satisfaction in the retail market in Finland, specifically at Gant store, and revealed that aside from basic elements such as product, place or price, other substantial factors namely physical evidence (the style or image of the store), people (kindness of sales people) and business process play crucial role in delivering customer satisfaction.

After a review of previous studies, most of them strongly support the positive impacts of service marketing mix on customer satisfaction. This study therefore adopts the marketing model (7Ps) in order to investigate and measure the satisfaction of customers who are using payment bank cards at Techcombank Nguyen Hue. Accordingly, each element of the service marketing mix will be described in more detail as follows.

2.6.1 Product

According to Drummond and Ensor (2005, 9), in general, products are solutions to customers' needs. Lovelock and Wirtz (2011, 106) supported this assertion, then specifically defining this term in regards to services: "a service product comprises all of the elements of the service performance, both physical and tangible, that create value for customers." Specifically, the service product is made up of core, augmented and supplementary products.

Firstly, the core product is the central component that provides the benefits or solutions that the customers actually seek for (Lovelock and Wirtz, 2011, 106). In this study, the core product is to provide payment card product, coupled with associated services that help customers to handle finance-related issues. Secondly, the actual product comprises some tangible aspects of product, such as brand name, range offered, features, quality,

or design (Lovelock and Wirtz, 2011, 106). Research has shown, for example, that service quality is among the factors that have an influence on customer satisfaction (Parasuraman et al., 1994-see Chakrabarty, 2014). This view is also reinforced by Anderson and Sullivan (1993-see Charabarty, 2014) who state that strong linkages are apparent between service quality and overall customer satisfaction. Finally, the augmented product supplies the additional services for its core element; for example, customer service support (Lovelock and Wirtz, 2011, 107). The product dimension also involves the influence of human factor, both providers and customers in terms of how it is delivered and perceived (Gilmore, 2003, 12). All things considered, these characteristics help facilitate the product's use as well as improving its value for the customer's experience. It is product which is basically considered as the crucial element, from which other remaining elements develop and decisions to be made (Drummond and Ensor, 2005, 9).

In this study, the product element of the mix will be considered through the attributes: the range offered, the features and especially the quality of card payment products and services.

2.6.2 Price

Price is defined as the amount of money that customers pay for a product or service that they acquire. In other words, price determines what a provider is paid. (Drummond and Ensor, 2005, 9). Furthermore, price is the only element of the marketing mix that creates revenue; whereas the others create costs (Drummond and Ensor, 2005, 134). Lovelock and Wirtz (2011, 158-159) later confirmed and reinforced the notion that price helps generate profits, cover costs and build demand as well as developing a user base. For services, price becomes more complex due to the characteristic of intangibility; therefore, it is more difficult for customers to evaluate (Lovelock and Wirtz, 2011, 159). More importantly, the perception of value, which is highly related to the pricing element, varies according to individual customers, thus making the pricing decisions become more difficult and imprecise for managers (Gilmore, 2003, 12).

In this research, price will be reflected from present customers' perceptions in order to see to what extent that customers are satisfied with the payment bank card services in exchange for their money.

2.6.3 Place

Place represents the distribution and location of the service offering to the market. Any service distribution strategy would response to four basic questions of what, how, where and when. In addition, some core services require a physical location, yet supplementary services can be delivered remotely. (Lovelock and Wirtz, 2011, 132). Importantly, place is referred as an easy access so that both customers and service providers can benefit from (Drummond and Ensor, 2005, 163). For instance, convenient places and a wide range of location availability will substantially lead to an increase in the levels of customers' accessibility as well as buying decisions. Therefore, the location of premises is vital.

Within the scope of this study, the location of bank office, ATM machines, and the distribution of POS units, which are considered as crucially important dimensions of place that significantly contribute to customer satisfaction, will be taken into consideration.

2.6.4 Promotion

The promotional element of the marketing mix is in charge of providing communication with the desired customers. To be more specific, promotion helps companies to spread out the information about product or service offerings to a target market (Drummond and Ensor, 2005, 9). In other words, "Through communication, marketers explain and promote the value proposition their firm is offering." (Lovelock and Wirtz, 2011, 186). There have been a number of ways that businesses can employ to communicate with their customers; for example, advertising, internet marketing, public relations, salespeople, sales promotion, social media, and sponsorship, or the blend of these methods that is called the communication mix (Drummond and Ensor, 2005, 9). Moreover, the use of deployed promotion mechanism could vary depending on types of products and service sectors, not to mention the company's existing and available budgets. It is conceded that the role

of marketing communication is of high importance to a company's success (Lovelock and Wirtz, 2011, 186). This is because it not only makes customers aware of a product/service offering, but also develops a long-term relationship with customers as well as generating and stimulating demand (Drummond and Ensor, 2005, 9).

In this study, the promotional element will be discussed from customers' perspectives in terms of the product and service information they are informed, and the sales promotion in forms of special sales package, voucher, or coupon they acquire when using payment card services.

2.6.5 Physical evidence

Due to the characteristic of intangibility of service products, customers cannot have physical evaluation of a service product itself as they cannot touch, smell, or feel. As a result, it is quite difficult for customers to evaluate whether or not a service product meets their expectations, especially quality and value for money before purchasing. (Lancaster and Massingham, 2011, 511). Nevertheless, customers might look for physical evidence as an indicator of satisfaction (Drummond and Ensor, 2005, 10). Zeithaml and Bitner (2000, 20) considered physical evidence as the environment where the interaction between service providers and customers take place, thus a service is delivered. According to Baron and Harris (2003, 8), the physical evidence consists of both the internal and external environment to the service setting, the equipment and technology that customers may encounter in dealing with the service. More specifically, Gilmore (2003, 12) and Lancaster and Massingham (2011, 511-512) referred these elements as building facilities, including facility exterior (design, signage, surrounding environment) and facility interior (equipment, layout) and ambience (temperature, lighting, sound). Finally, he concluded that physical evidence is everything that provides tangible clues for customers to evaluate services (Gilmore, 2003, 12).

This study will focus mainly on the building facilities and ambience of transaction office and ATMs, as well as the availability of POS units as main indicators of physical evidence.

2.6.6 People

Many and various services are people-based and hence the quality of service provision mainly depends on the element of people who are in charge of delivering the service (Drummond and Ensor, 2005, 10). Lovelock and Wirtz (2011, 302) maintained that people are crucially important to the success of the service firm, especially in a service delivery process because any service is inseparable from the people who provide it. These authors strongly emphasized the importance of service personnel who play an essential role as: a source of competitive positioning, generating sales, a key driver of productivity of the frontline operations, a source of customer loyalty, and 'moments of truth' encounters (Lovelock and Wirtz, 2011, 302-303). In addition, Hoffman and Bateson (2010, 232) asserted another role of human resource that when different organizations have the same business activities concept, it is people who make a distinctive difference through customer-employee interaction and relationship. Therefore, personnel's service skills, appearance, attitude as well as motivation will determine customer satisfaction (Gilmore, 2003, 13), (Hoffman and Bateson, 2010, 232).

In this research, the element of people will be examined with regard to the appearance, attitude as well as service skills of the Bank's employees.

2.6.7 Process

According to Baron and Harris (2003, 95), "service is a process not a tangible product". And process is the method by which a service is delivered to its customers; for example, the procedures that ensure an effective and efficient service (Gilmore, 2003, 12; Drummond and Ensor, 2005, 10). By the same token, Lovelock and Wirtz (2011, 337) defined process as the way in which the service is designed and managed to deliver value of service offerings to customers. To be more specific, process involves procedures, tasks, schedules, activities and routines that help form facilitation element of the service offering to deal with customers at the contact point (Drummond and Ensor, 2005, 10). So, it is clear that the process function plays an essential role in the marketing mix. Poor process is likely to make customers annoyed as it results in low and poor quality service delivery, then leading to poor productivity, and the risks of failures (Lovelock and Wirtz,

2011, 337-338). Therefore, managers had better put a premium on the process administration, ensuring managerial and operational 'attention to detail' in all aspects of service delivery (Gilmore, 2003, 12).

This study will discuss the element of process regarding the procedures, time, and speed for card payment transactions.

3 VIETNAM TECHNOLOGICAL AND COMMERCIAL JOINT STOCK BANK – TECHCOMBANK, VIETNAM

3.1 About Techcombank Vietnam



TECHCOMBANK – Vietnam Technological and Commercial Joint Stock Bank was established on September 27, 1993 with the initial registered capital of VND 20 billion with the aim to become an efficient financial intermediary bridging the savers with the investors in the need of capital for business and economic development in the open-door era. (Techcombank, 2015a)

With the extensive service network of 315 branches, 1,229 ATMs, together with the most high-end and modern banking technology, Techcombank has offered a wide range of financial products and services, ranging from Personal Finance Services, to Small and Medium Enterprise Banking and Wholesale, to different and diverse groups of customers. This is perhaps the reason why Techcombank has had more than 3.3 million individual customers, and 45,368 corporate clients who chose Techcombank as a financial companion. (Techcombank, 2015a)

Since its first opening, Techcombank has experienced strong growth as well as remarkable market performance over the years, thus being recognized, multiple times, as one of the most leading banks in Vietnam. By 2014, Techcombank had received more than 10 international awards, highlighted by Best issuing Bank in Vietnam awarded by International Finance Corporation (IFC) – World Bank Group, Best Trade Finance bank in Vietnam 2014 awarded by Global Finance, Best Bank in Vietnam awarded by Finance Asia, ASEAN quality products/services and Most Favorite Brand ASEAN awarded by ASEAN, Best Cash Management Bank in Vietnam awarded by Alpha South East Asia, Best Customer Service Bank 2014, etc. Today, with HSBC as a main strategic

shareholder, Techcombank has increased its financial base from only VND 20 billion at the beginning to virtually VND 158,897 billion by the end of 2013. (Techcombank, 2015a)

3.2 About Techcombank Nguyen Hue Transaction Office, Danang, Vietnam

Techcombank Nguyen Hue is one of transaction offices directly under Techcombank Vietnam. It started operations on February 10, 2009, situated at 65 Quang Trung Street, Hai Chau District, Danang City, Vietnam.

In recent years, Techcombank Nguyen Hue has asserted its position as a leading business in the fierce competition environment among banks by better responding and even exceeding customers' expectations thanks to the highly-qualified and professional staff, the wide range of financial products and services of high quality, not to mention the high-end and modern facilities. Through a personalized/customer centric relationship, customers are always given a sense of security and comfort whenever they come to the Bank. Techcombank Nguyen Hue is therefore considered as the preferred and trusted financial partner for many and various customers over the years.

Today, in the context of national economy development in general, together with the expansion of the city of Danang in particular, Techcombank Nguyen Hue has been being further expanded with the purpose of improving the services quality and the officers' skills in order better to respond to the ever increasing demand of customers, thus increasing sales as well as reducing risks.

3.3 Techcombank Card Products and Services

There are many different card products and services that Techcombank offers to its customers:

- **F@stAccess Domestic Debit Card**



F@stAccess Card is the domestic payment card which is connected to deposit payment accounts of customers and is used to perform transactions at millions of ATMs nationwide of banks in such alliances as: Smartlink, Banknet and VNBC, and at Techcombank card-accepting units/ POS. Customers can also make online transactions at all websites accepting Techcombank F@stAccess Card, such as Vietnam Airlines. (Techcombank, 2015b)

- **Techcombank Visa Debit Card (Classic and Gold)**



Techcombank Visa Debit Card which is an international payment card branded Visa International allows customers use the card to perform transactions in debit limits at millions of card-accepting units/ POS, websites and ATMs bearing the Visa logo in Vietnam and around the world. Customers are also entitled to preferential discounts for payment transactions at POS associated with Techcombank. (Techcombank, 2015c)

- **Techcombank Visa Credit Card (Classic and Gold)**



Techcombank Visa Credit Card which is an international payment card branded Visa International operates under the principle of "spend first, pay later". With such cards, card holder is provided with a credit limit, up to VND 70 million for classic card and VND 150 million for gold card, for card spending at millions of card-

accepting units/ POS, websites and ATMs bearing the Visa logo in Vietnam and around the world. Particularly, customers do not have to pay interest for up to 45 days for purchase transactions if they always pay the statement amount in a timely manner. Customers also receive preferential discounts for payment transactions at POS associated with Techcombank. (Techcombank, 2015d)

- **Techcombank Visa Platinum Credit Card**



Apart from receiving the same benefits of Techcombank Visa Credit Card as mentioned above, customers who hold Techcombank Visa Platinum Credit Card will enjoy many additional benefits and offers: the highest credit limit of up to 1 billion VND, global travel insurance with maximum compensation up to USD 500,000, golf offer for 6 leading Golf courses in Vietnam, business lounge offer at airports, discount offers for restaurants, health and beauty, travel and entertainment and many more. (Techcombank, 2015e)

- **Vietnam Airlines - Techcombank Visa Card**



Include:

- Vietnam Airlines Techcombank Visa Debit Card.
- Vietnam Airlines Techcombank Visa Credit Card.
- Vietnam Airlines Techcombank Visa Platinum credit card.

Similar to other visa cards, Vietnam Airlines Techcombank Visa Card can be used at millions of

card-accepting units/ POS, websites and ATMs bearing the Visa logo in Vietnam and around the world. Especially, for such cards, the card holder will be entitled to special offers from the Golden Lotus mileage program; for example, customers can redeem for free airfares by exchanging the points accumulated from purchase transactions, etc. (Techcombank, 2015f)

- **Mercedes-Benz Techcombank Visa Credit Card**



Like other visa cards, Mercedes-Benz Techcombank Visa Credit Card can be used at millions of card-accepting units/ POS, websites and ATMs bearing the Visa logo in Vietnam and around the world. More than that, with such card, cardholders are entitled to many exceptional incentives from Mercedes-Benz agencies and showrooms in Vietnam and free insurance policy with insured value up to VND 200 million, etc. (Techcombank, 2015f)

There are also the other card products, such as VIP Vingroup Platinum debit/ credit card, Vincom Loyalty Visa Debit, or Dream Card. These cards, however, have been less chosen by customers due to high service fees, and strict requirements.

4 METHODOLOGY

4.1 Introduction

This chapter will cover the research methodology which is a plan of how to answer the research questions as well as achieving the research objectives. In detail, it specifies the choice of research method, the construction of method, the sampling technique and the process of data collection, and analysis. Moreover, the limitations of the research will also be discussed at the end of the chapter.

4.2 Choice of research method

Saunders et al. (2009) emphasized the need for a clear research method that eventually has significant influence on the research outcomes. There are two main research methods for data collection techniques and data analysis procedures, which are quantitative and qualitative research.

Quantitative research is used for data collection technique, such as survey questionnaire, or data analysis procedure, such as statistics or graphs, that generates numerical data in a systematic way (Saunders et al., 2009, 151). The quantitative research is usually associated with deductive method, aiming at testing a theory by utilizing statistical procedures. More specifically, quantitative method is used to explain and describe variables or the relationships between different concepts or variables. Oppositely, qualitative research is referred to data collection technique, such as interview, or data analysis procedure, such as categorizing data, by using non-numerical data (Saunders et al., 2009, 151). The qualitative research focuses on building the holistic understanding as well as comprehensive interpretation of participants' insight points of view.

The main purpose of this research is to investigate consumer behavior when using payment bank cards, especially measuring the customer satisfaction with payment card services provided by Techcombank Nguyen Hue. This study requires the collection of many customers' responses who are currently employing payment card services in order to yield the valid and generalized conclusions from customers' opinions. It thus follows

the design of quantitative research which is considered as the most appropriate choice for this study. Besides, at some point, qualitative data might be utilized to support the data analysis procedure.

4.3 Research strategy

This study is an exploratory and descriptive research, collecting primary data to analyze and then draw the valid conclusions based on the meanings derived from numbers. According to Saunders et al. (2009, 144), a survey strategy is usually linked to the deductive approach, allowing to answer who, what, where, how much, or how many questions; therefore it is appropriate for exploratory and descriptive research. Furthermore, questionnaire survey is the most common and frequently used method that allows the gathering of a large amount of data from a sizeable population in a highly economical way; and when sampling is used, it is possible to generalize back to the whole population (Saunders et. al., 2009, 144). Another advantage of survey questionnaire is that the researcher will have more control over the research process, not to mention the risks elimination as to interview bias. For those reasons, survey questionnaire will be employed as the main method to collect primary data in this research.

4.4 Questionnaire design

The research is carried out with the use of self-administrated questionnaires, particularly delivery and collection questionnaires which mean that such questionnaires are delivered by hand to each customer and then collected later. The technique of using questionnaires here is an effective and efficient way of collecting customers' responses from a large sample as every customer is asked to respond to the same set of structured questions. In order to make customers understand the significance of the research and maximize the response rate, a lucid explanation of the questionnaire's purpose is stated at the beginning. The questionnaire consists of 15 questions in total, divided in two main parts.

Part I includes four main questions, gathering some demographic information of customers, namely gender, age, education level and average income per month. Part II consists mainly of closed-ended questions exploring customer behavior towards using

payment card services at Techcombank Nguyen Hue. The specifics are the motivations and reasons for using payment cards at Techcombank, the satisfaction on card services provided, and other closely-related questions. The closed-ended questions provide many alternative answers from which the respondent is instructed to choose. This type of question is easier and quicker for customers to answer because they require minimal writing (Saunders, et al., 2009, 375). There are two main types of questions, namely list questions and rating questions. For the list questions, respondents are offered with a list of responses that they can easily tick the most appropriate box; and for some questions, they can tick more than one answer that best suit them. For the rating questions, mostly for the satisfaction part, a 5-point Likert scale is used when seeking to rate the satisfaction for each factor. These questions require customers to indicate their level of agreement/satisfaction on a number of criteria relative to payment card services by checking the most appropriate number given.

4.5 Sampling technique

There are two main types of sampling techniques, namely probability sampling and non-probability sampling. While the chance of each case that is selected from the population is known if the former technique is employed, the probability of each case selected is unknown in the latter technique.

This study applies non-probability sampling technique, which involves getting survey data from any convenient customer groups who come to do transactions at Techcombank Nguyen Hue office, as the sampling frame for probability sample/ the list of customers is not available. In addition, due to the time constraint and financial resources of the research, convenient sampling, also known haphazard or accidental sampling, is supposed to help access as many types of customers as possible to improve sample size and increase the likelihood of representative sample. Specifically, customers were approached when they had just finished transactions at counters, then introduced about the research by the bank employees. And those who have been using payment card services and agreed to take part in the survey were asked to fill in the questionnaire.

4.6 Questionnaire distribution and data collection

Prior to distributing survey questionnaires to respondents to collect primary data, a pilot test is carried out. According to Saunders et al. (2009, 394), the main purpose of pilot test is to refine the questionnaire so that respondents could be capable of understanding and answering questions with no problems. It is, as a result, convenient for researchers in recording the data. More importantly, the pilot test facilitates the assessment of questions' validity, as well as the reliability of data collected in order to ensure that the investigative questions will be answered. (Saunders, et al., 2009, 394)

For this research, a pilot study was conducted over two days, April 13 and 14, 2015 to test the questionnaire. The author delivered the questionnaires to the director of Techcombank Nguyen Hue – Ms. Nguyen Thi Tam Linh, accompanied by instructions. The customers were approached by bank employees when they had just finished their transactions, being introduced and explained about the research, then asked to voluntarily fill in the questionnaire. Upon completion, importantly, surveyed customers were asked to give comments on whether or not they easily understood the questions, and suggest recommendation for improvements. As a result, the total of 15 out of 20 questionnaires distributed were collected, and most respondents stated that the questionnaire was clear and easily understandable. Therefore, no adjustments were made to the final survey questionnaire.

After a pilot study, the actual survey was conducted over 10 working days from April 15 to April 25, 2015 using the final survey questionnaire which can be found enclosed in Appendix 2. Similar to the pilot study, the questionnaires were sent to the director of Techcombank Nguyen Hue by the researcher in person. The bank employees helped approach the customers when they had just finished their transactions at the counters, thoroughly explaining and guiding them to complete the questionnaires in a consistent manner. The complete questionnaires were then collected by the researcher from the office. As a result, the number of collected questionnaires is 179.

4.7 Data Analysis

Data processing was carried out using the Excel software and methods of statistical and synthetic analysis, and description. The results will be discussed in detail in the subsequent chapter.

4.8 Limitations of the research

Due to time and resource constraint, there are, of course, some limitations which could not be avoided during doing the research although an appropriate methodology was adopted. First of all, due to the Bank's security, trade secrets and business confidentiality, the researcher could not be present all the time at the transaction office, and directly administrated the process of questionnaire distribution. The researcher is therefore not certain that the bank employees strictly followed the instructions provided, and perfectly carried out the survey. At some point, the questionnaire might take the employees more time to deal with customer enquiries, thus disadvantaging them in some way, then it is likely to affect the results. Secondly, the research using survey questionnaire as a main method of quantitative data collection might not reveal all the customers' perception towards the payment bank card services. For a better result, this research had better adopt in-depth qualitative methodology in addition to the quantitative. Lastly, there is little available literature on customer behavior of payment card industry in Vietnam. With all the attempt, however, the results can provide the valid and generalized ideas from customers, thus helping answer the research questions and meet the research objectives.

5 FINDINGS, ANALYSIS AND DISCUSSION

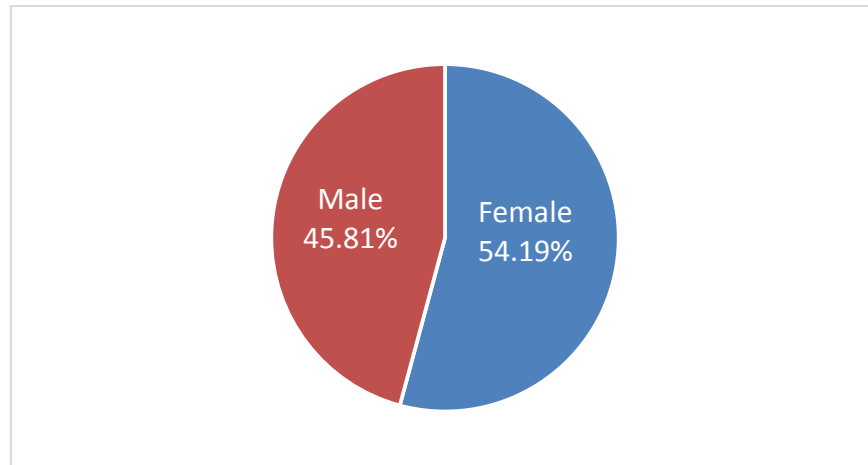
5.1 Introduction

This chapter will describe empirical findings from 179 survey questionnaires collected. The results will be divided into two main sections in accordance with two parts of the questionnaire. Specifically, the first section will introduce the profile of the study sample. The second section then presents the focus of the research, which is analyzing the customer behavior towards using Techcombank payment bank cards.

5.2 Profile of the study sample

Responses were obtained from 179 customers who are using the payment card services provided by Techcombank Nguyen Hue. Among them, 97 were females, accounting for 54.19%, and 82 were males, comprising 45.81%.

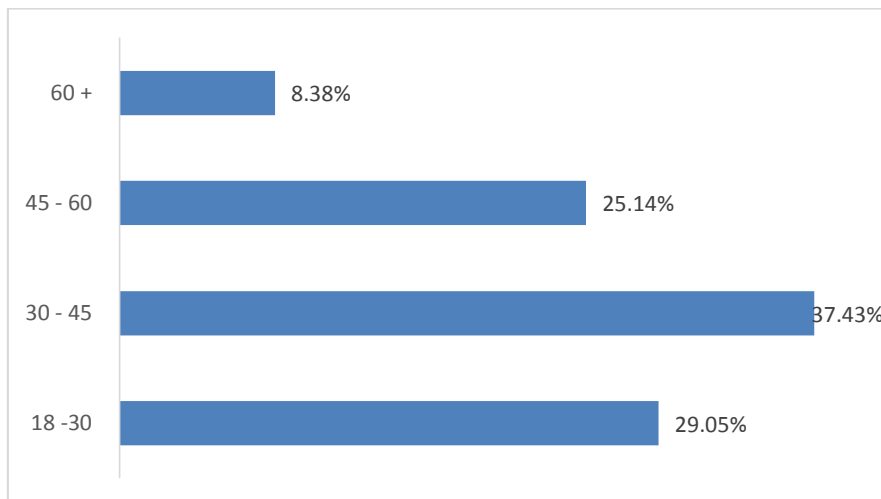
Figure 3: Customers' Gender



In terms of age criterion, these responses consist of 52 customers aged 18-30, 67 customers aged 30-45, 45 customers aged 45-60 and 15 customers aged 60 plus, making up 29.05%, 37.43%, 25.14% and 8.38% respectively. These figures reflect the main markets of Techcombank in general, which are the groups of entrepreneurs, businesspeople, workers and employees who have steady incomes. In addition,

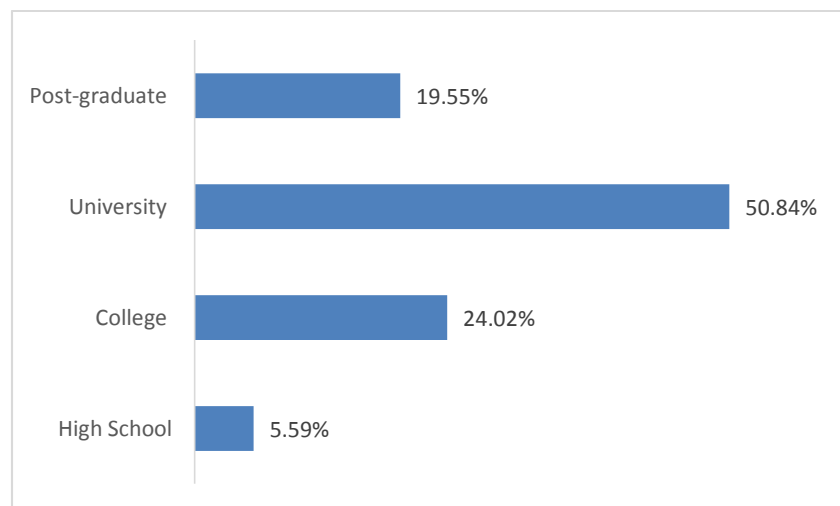
Techcombank is currently progressively rejuvenating its target markets by aiming at the youth group who are very active and dynamic, and quickly respond to social trends.

Figure 4: Customers' age



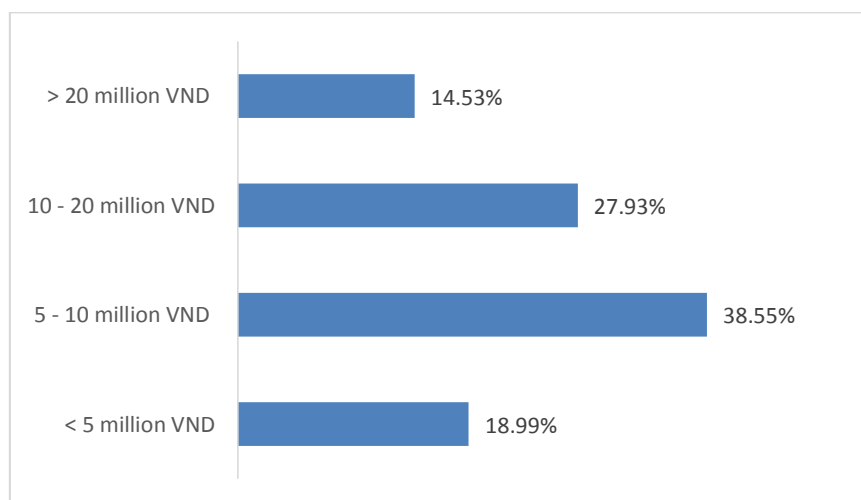
Regarding the education level of respondents, more than 50% of them have a university degree, followed by 24% of those who held a college degree. The proportion of customers who are post-graduate is also worth considering, making up nearly 20% of the total. The rest that represent only roughly 6% are high-school graduates. By and large, most Techcombank customers are highly educated, so it is really convenient for them to access to the bank's facilities with many modern utilities.

Figure 5: Customers' education level



As to the criterion of monthly average income, surveyed customers whose incomes ranging from 5 to 10 million VND account for the highest percentage, which is approximately 39%. This is followed by the groups of 10-to-20 million VND and under 5 million VND income with 28% and 20%, correspondingly. The last group which comprises nearly 15% is above 20 million VND. It is seen that a majority of customers who have steady and high incomes tend to employ the bank card as a choice of payment.

Figure 6: Customers' monthly average income



5.3 Customer behavior when using Techcombank payment card services

This section will discuss customer behavior when using payment card services at Techcombank Nguyen Hue. Accordingly, it covers the motivations and habits for employing the services, and customer satisfaction regarding each element of the service marketing mix.

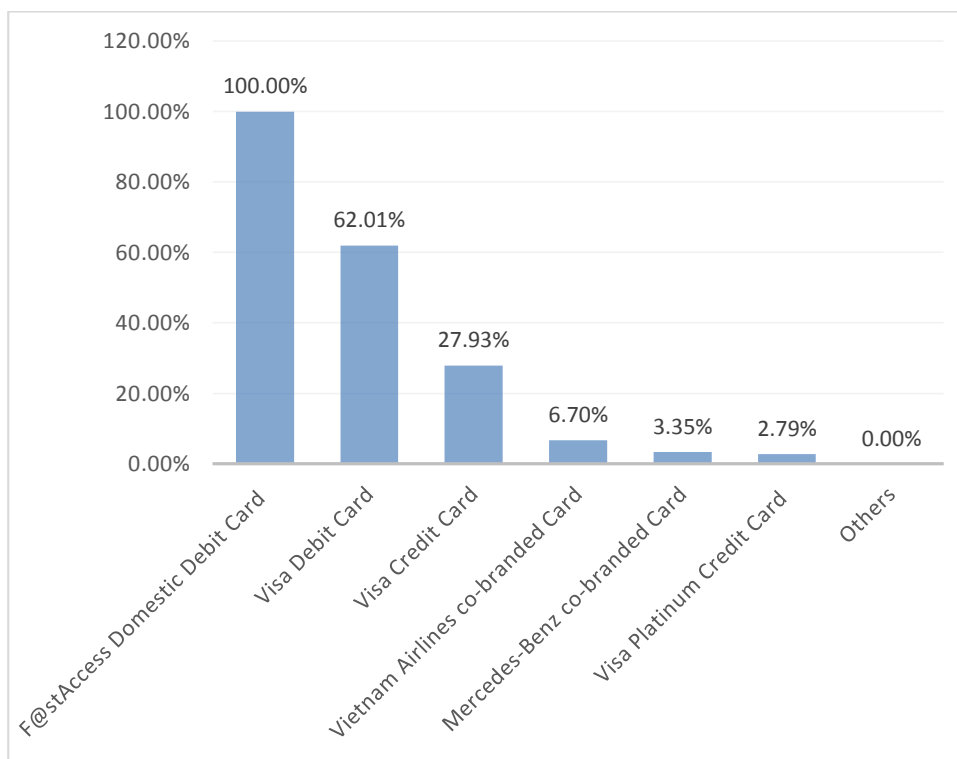
5.3.1 Customer motivations and habits for using Techcombank payment card services

Q: Types of Techcombank payment cards you are currently using

As mentioned in section 3.3, Techcombank have been providing many payment card products, such as F@stAccess domestic debit card, International Techcombank Visa debit card, International Techcombank Visa credit card, the co-branded card with Vietnam

Airlines, the co-branded card with Mercedes-Benz and International Techcombank Visa Platinum credit card. The following chart indicates the proportion of people using different types of Techcombank cards.

Figure 7: Payment cards using situation by categories



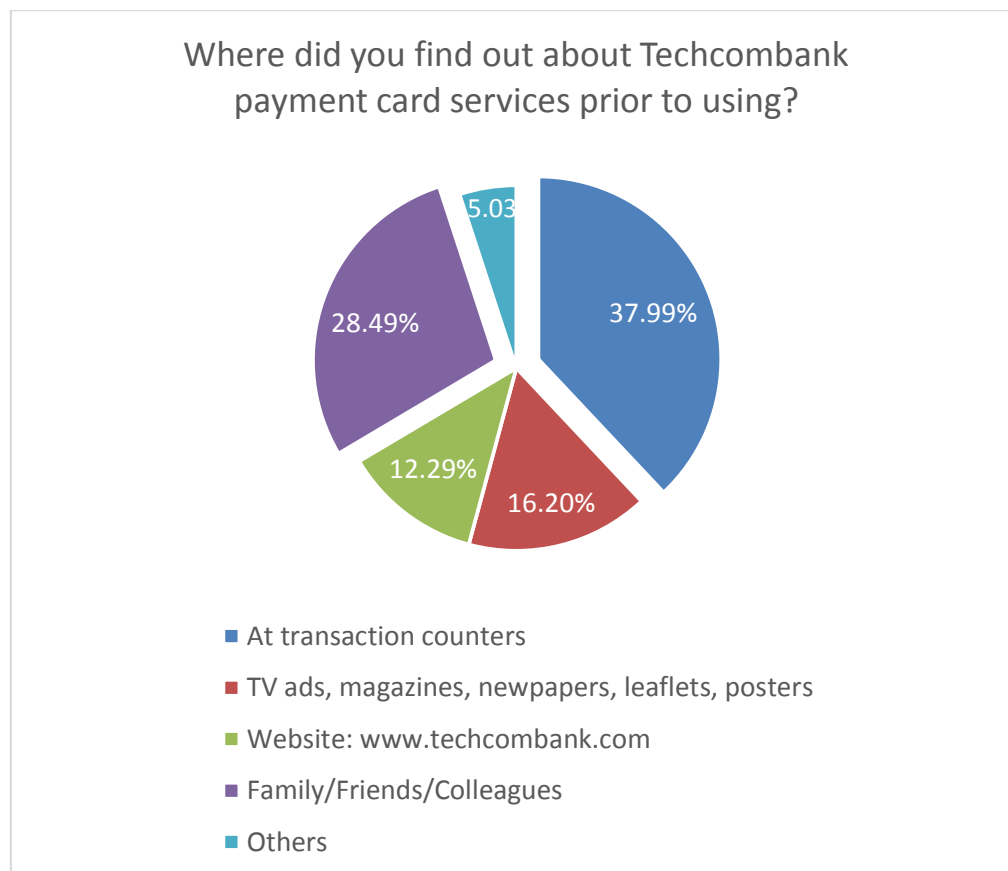
Each customer may use one or many different types of cards depending on their demands as well as the regulations of the Bank. It can be seen from the above graph, all surveyed customers are using the F@stAccess Domestic debit card, accounting for 100%. This is a basic and popular card with low fees, simple procedures and requirements for signing up, but still having many utility features; therefore being used by a majority of customers. Techcombank Visa debit card is employed lower but it still occupies significant percentage, namely 62.01%. Meanwhile, an approximate proportion of only 28% customers are utilizing Techcombank Visa credit card. Very few people are using the co-branded cards with Vietnam Airlines and with Mercedes-Benz, and Techcombank Visa Platinum credit card, representing only 6.70%, 3.35% and 2.79%, respectively. And none of respondents chose the other card products of Techcombank for their businesses. The reason why there are less users for the Visa credit card and co-branded card products is

that the requirements as well as procedures for signing up are strict and more complex, not to mention the high service charge.

Q: Where did you find out about Techcombank payment card services prior to using?

The survey result is illustrated in the chart as follows.

Figure 8: Sources of Techcombank payment card services information



Based upon the survey result, the staff at transaction counters had the most substantial impact on customers' decisions for using the services. More specifically, a total of nearly 38% respondents, who were convinced by bank employees when doing transactions at counters, decided to employ the payment card services provided by Techcombank Nguyen Hue. Thereby it can be said that the staff at the Bank are very professional, and excel in marketing and persuading potential customers.

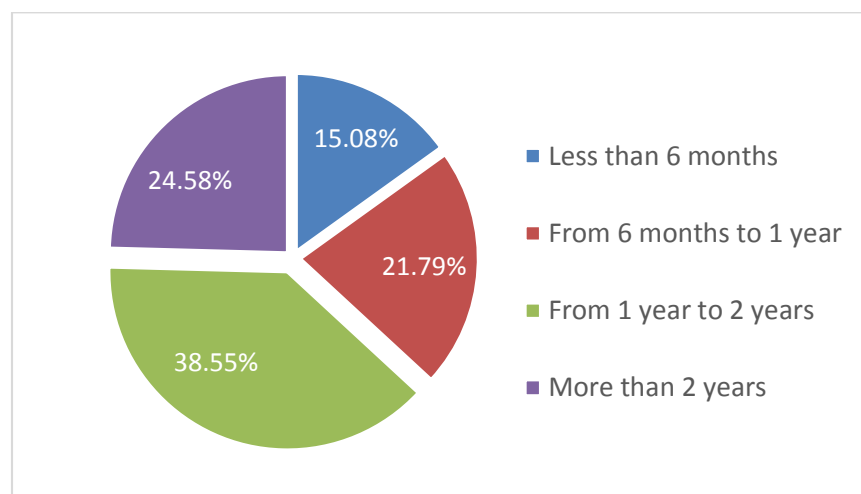
Another channel worth noting is the reference group, making up closely 29%. It shows that family/ acquaintances/ friends/ colleagues were the pivotal and reliable sources that customers usually searched for. This channel was greatly trusted as these people were very close and had experience of using certain cards, thus recommending an appropriate service that best suited customers' demands. Consequently, services information was transmitted most efficiently via this channel.

The subsequent sources of information that customers got informed are TV ads, magazines, newspapers, leaflets and posters, amounting to roughly 16%. With around 12%, the Bank's website was the least preferred channel that customers chose to get information. The other sources, such as marketing email, were clearly least common and were searched by very few people, with only 5%.

Q: Since when have you been using Techcombank cards for?

In the survey, customers were questioned as to the duration of using payment cards. It is clear that the more customers who use cards for a longer time, the more accurate the assessments would be as these customers have much more experience compared to the ones who just start employing.

Figure 9: Time of using Techcombank payment cards

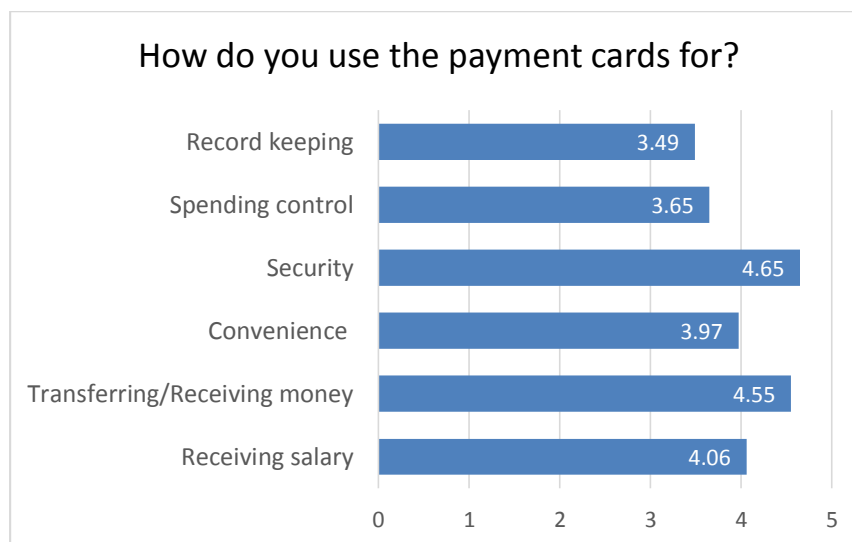


From the graph, the rate of customers using the services from 1 to 2 years is greatest, constituting virtually 40% of the total. The customer group of more than 2-years-using comes next with almost 25%. Meanwhile, the amount of 6-months-to-1-year customers makes up nearly the same proportion, namely 22%. The rest have been using for less than 6 months, accounting for lower percentage of only 15%. As a result, the majority of customers have been using the services for pretty long duration, thus the services assessments will be of high accuracy and reliability. More importantly, these figures also predict the trend that a large number of customers will continue using the payment card services of Techcombank Nguyen Hue as it has in part met customers' demands over the years.

Q: How do you use the payment cards for?

In the question of the purposes of using payment cards, respondents were given six possible answers with the scale from 1 to 5, in which 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree, so that they can indicate their level of agreement by rating.

Figure 10: Purposes of using payment bank cards



Based on the statistical results, most people decided to use bank cards due to the security reason, which was rated 4.65 out of 5. Today, many people are afraid of holding a large amount of cash by themselves due to the chance of theft or loss, added to the fact that

they do not want to deposit into savings accounts as they might need them at hand. Furthermore, Techcombank currently has branches in all provinces and cities, together with a large number of cooperated banks and POS, so it is highly convenient for customers to easily withdraw cash at any ATM booth or make payments at check-out counters/ POS. Card is therefore a valid and wise choice.

Another significant purpose is transferring or receiving money, graded 4.55 over 5. This is then followed by 'receiving salary' reason, rated 4.06. As mentioned in previous chapter (section 2.3), in Vietnam, officials, employees, and workers now get paid via bank cards according to the Instruction issued by the Prime Minister, therefore this purpose was rated quite high among respondents.

An aspect of convenience was also taken into much consideration, which was rated virtually 4. As said, Techcombank has many ATMs and POS so customers can easily perform transactions. Moreover, in this day and age, many companies operate their businesses online, they require customers to have payment bank cards to make purchases or pay utility bills. Using payment bank card is thus of greater convenience. The least relevant attributes were record keeping and spending control, only graded around 3.5.

Q: Why do you choose Techcombank cards?

Prior to investigating the reasons why customers choose to use Techcombank payment cards, the survey considered whether or not customers have been using the services of other banks. For the reasons for using Techcombank payment cards, customers were given seven possible answers with 5-point Likert scale, in which 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree, so they can rate for each criterion given. The results are shown in the graphs underneath.

Figure 11: Customers' use of other bank card services

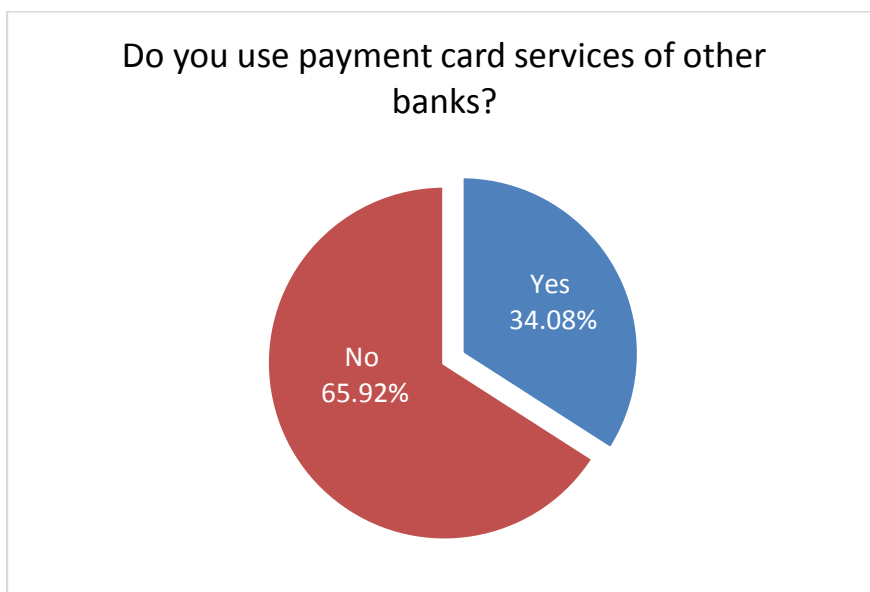
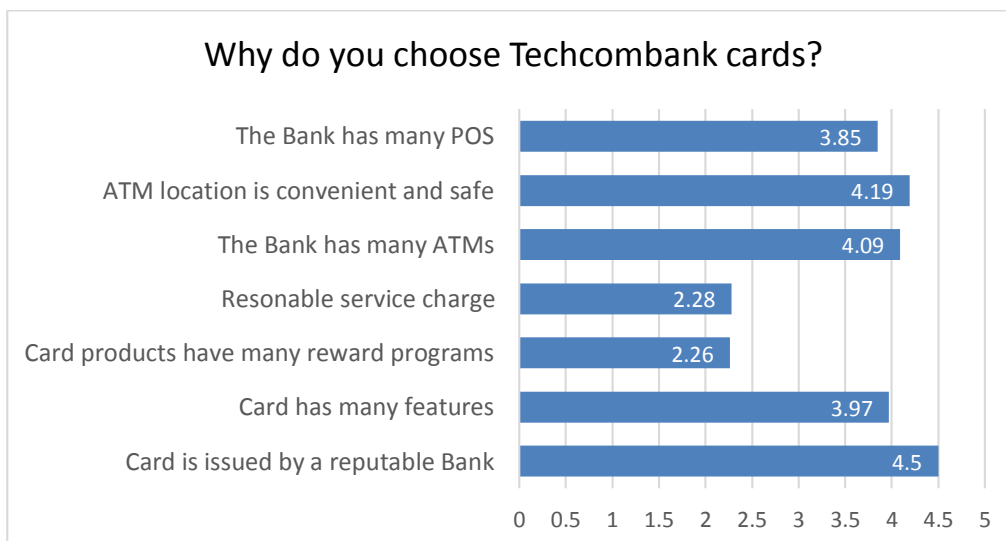


Figure 12: Customers' reasons for using Techcombank cards

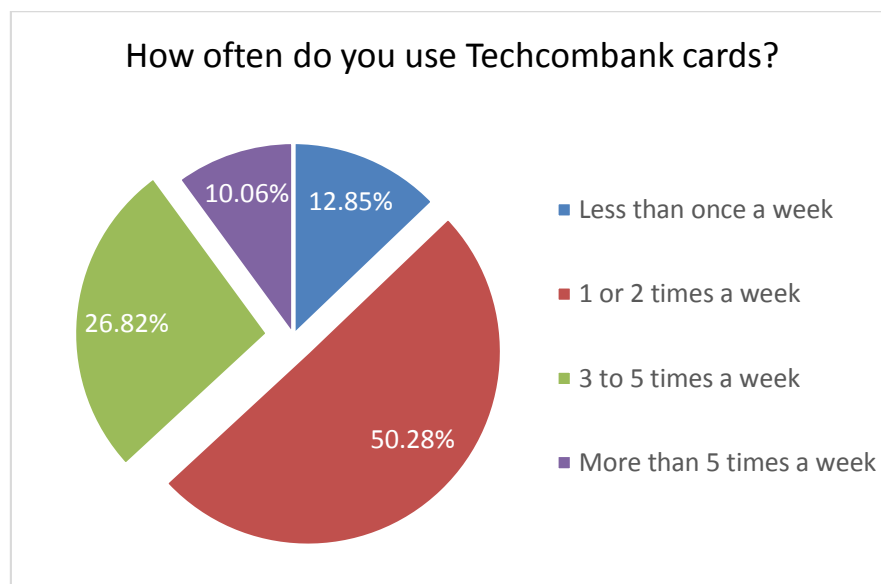


Among 179 responses, 61 customers have been using the payment card services of other banks, accounting for 34.08%. Customers chose to use other bank services due to various reasons. In order to examine why they decided to employ the others, the survey questioned respondents as to their reasons for using Techcombank services. The Bank can base on those answers to investigate its strengths and weaknesses, in order better to enhance its services, as a result attracting more customers.

It can be seen clearly from the above chart (figure 12), a large majority of customer appreciated the reputation and brand of Techcombank as this criterion was rated highest as 4.5 out of 5. The next common reasons were that the Bank has numerous ATMs and they are positioned in convenient and safe locations, rated 4.09 and 4.19, respectively. Customers also considered the features of payment bank card fairly important, nearly 4 over 5. Additionally, they attributed comparatively great importance to the number of POS, graded 3.85. The other two aspects, which are service fees and reward programs, were underestimated, representing only around 2.3 for each. It is clear that the service fees and reward programs were not attractive, so the customers did not consider them as the motivation for using services offered by Techcombank. These aspects were perhaps the reasons that cause customers' shift towards the rivals who offer likewise services.

Q: How often do you use Techcombank cards?

Figure 13: Frequency of card using by customers



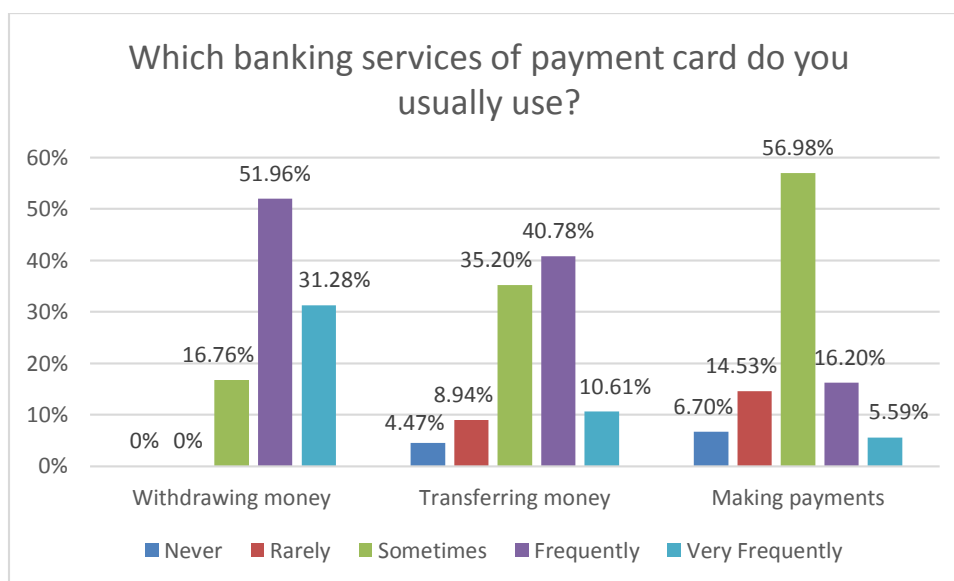
In consideration of frequency of using cards, more than half of surveyed customers use their cards 1 or 2 times a week, making up 50.28%. The percentage of customers who employ the card services 3 to 5 times a week is also worth considering, constituting slightly over a quarter of the sample. This is then followed by a group of those who use cards less than once a week, with approximately 13%. Last is the ones with the highest frequency of using cards (more than 5 times a week), accounting for a slightly low

proportion of roughly 10%. Overall, the majority of Techcombank customers use card services with a relatively high frequency in a week, in the context of the present economy of Vietnam.

Q: Which banking services of payment card do you usually use?

The survey questioned which banking services of payment card that customers usually use by providing them with three possible answers, coupled with a 5-point Likert scale, in which 1 = Never, 2 = Rarely, 3 = Sometimes, 4 = Frequently, 5 = Very Frequently. The outcome is summarized in the following column graph.

Figure 14: Customers' methods of using payment bank cards



Among three main services of payment card, 'withdrawing money' method is greatest employed: approximately 31% and 52% of the clients use it very frequently and frequently, respectively. The next common method which is of relatively high use is 'transferring money'; specifically, it is utilized usually by a significant proportion of 41% of customers, followed by around 35% of the people who sometimes transfer money to business partners, family members or relatives. The other method that is comparatively far less used by clients is 'making payments'. The fact is that in Vietnam, the rate of people who still prefer using cash at points of sale is relatively high, the service of 'making payments' is therefore less employed than the other two.

5.3.2 Customer satisfaction regarding payment card services provided by Techcombank Nguyen Hue

In regards to customer satisfaction about the payment card services of Techcombank Nguyen Hue, customers were asked to indicate to what extent they agreed or disagreed of the listed criteria of each service element of the mix. The 5-point Likert scale, in which 1 = Strongly disagree, 2 = Disagree, 3 = Fair, 4 = Agree, 5 = Strongly agree, was given for them to rate. The results are discussed in detail as follows.

Q: The Product element of the service marketing mix

Table 1: Customer assessment of the Product

	Strongly disagree	Disagree	Fair	Agree	Strongly agree
	1	2	3	4	5
a. Payment card products are diversified			11.73%	43.02%	45.25%
b. Services are of high quality			13.97%	48.60%	37.43%
c. The Bank provides services on time as promised		1.68%	8.38%	34.08%	55.87%
d. My account information is always kept confidential				32.40%	67.60%
e. ATM systems operate continuously		7.82%	12.85%	37.99%	41.34%

N = 179

According to table 1, the majority of surveyed customer agreed that Techcombank payment card products are diversified: about 43% of people agreed and 45% strongly agreed. Regarding the service quality, a significant rate of up to 86% of the clients felt satisfied, whereas none of them were dissatisfied.

In fact, every year, the Bank always continues to develop the new card products with newly-added functions to quickly respond to customer needs. In addition, the Bank

spends a great amount of money on improving and developing technology. Currently, Techcombank's payment card system has been associated with many well-known bank card issuers around the globe, such as MasterCard International, Visa International, and China UnionPay. This wide connection has helped card users to easily pay for goods and services, as well as withdrawing cash at millions of ATMs which operate 24/7 around the world.

In particular, Techcombank has cooperated with Smartlink – the Card Service joint-stock company, as well as the banks in Smartlink system to deploy the services of interbank money transfer via cards. So all the users who are in this network can easily perform money transfer to each other at ATMs instead of going to the Bank's offices as before.

In order to further enhance customers' convenience, Techcombank has bridged the strong bonds with more than 200 partners in different business sectors, such as restaurants, hotels, resorts, automobile agents, hospitals, English language centers, shopping centers, beauty salons, etc. and issued special co-branded cards, such as Vietnam Airlines Techcombank Visa card, Mercedes-Benz Techcombank Visa Credit card, VIP Vingroup Platinum Credit card, etc.

Turning to reliability, which is among the important dimensions of service quality, a high proportion of nearly 90% of customers were satisfied, in which up to 56% felt strongly satisfied with Techcombank's prestige that is the ability of providing the services at the time as promised. A very low level of dissatisfaction is attached by clients to the Bank's reliability, only 1.68%.

As to the criterion of account information security, it was highly approved and agreed by virtually 68% and 33%, respectively. Techcombank is always committed to keeping all personal information on customers confidential, improving security systems and security functions of cards in order to help customers feel safe and secure in doing transactions.

Techcombank ATM systems are of high quality. Around 41% of respondents strongly agreed that the systems operate continuously, followed by around 38% people of some agreement. Meanwhile, only 13% of the total customers found it normal, and 8% used to

experience the ATM system downtimes. Generally, customers seemed to be relatively highly satisfied with the products and services of the Techcombank.

Q: The Price element of the service marketing mix

Table 2: Customer assessment of the Price

	Strongly disagree	Disagree	Fair	Agree	Strongly agree
	1	2	3	4	5
a. Service charge is competitive with other banks'	9.50%	44.69%	40.22%	5.59%	
b. The quality of services is a good value for money		2.23%	32.96%	49.16%	15.64%

N = 179

In terms of service fees, it is clear from table 2 that more than half of surveyed customers stated that they are not competitive with other banks'; specifically, an approximate percentage of 45% disagreed and almost 10% strongly disagreed. However, the assessment for the latter criterion is positively opposite. A total of nearly 65% customers agreed that the quality of services is a good value for money. It means that the service charge of Techcombank is perhaps fairly high but the customers really pay what they get for.

It is argued that price is usually an important factor in the customer decision-making process when using services. In this case, even the clients agreed that they get a high quality service, yet a large number of clients are likely to be not really satisfied with the service fees because they are perhaps quite high than expected.

Q: The Place element of the service marketing mix

Table 3: Customer assessment of the Place

	Strongly disagree	Disagree	Fair	Agree	Strongly agree
	1	2	3	4	5
a. Techcombank Nguyen Hue office is located at convenient location			8.94%	53.07%	37.99%
b. ATM machines are positioned widely, and in safe and convenient locations			9.50%	31.84%	58.66%
c. POS units are distributed widely in different business sectors		2.79%	31.84%	55.31%	10.06%

N = 179

Regarding the transaction office location, while a substantially high rate of 91% of people agreed that Techcombank Nguyen Hue office is located at convenient location, there is no one of disagreement. In fact, this transaction office is positioned in the main street of Quang Trung which is belonging to the biggest business district of Hai Chau, in the center of Danang City, not to mention there are a considerable number of state as well as private companies, Danang administrative center, and University of Danang nearby.

Another point for consideration is the ATM locations. According to the survey data, almost 60% respondents completely agreed that ATM machines are set up in safe and convenient places, followed by approximately 32% of some agreement. Techcombank positions almost every ATM machine in the main streets and important hubs, such as at Danang International Airport, Big C supermarket, Metro supermarket, or Danang Railway Station in order to bring the highest convenience for customers. Most importantly, safety is always the first concern of customers when choosing which bank to use. Foreseeing this vital issue, the Bank is always careful and vigilant in selecting the locations to set up ATM machines in order to guarantee the highest safety for its customers. Latest technology is always updated to improve the security as well. For example, anti-shock

devices and grounding wires are installed and the regular maintenance is implemented at each ATM booth to prevent risks and protect customers. See Appendix 1 for Techcombank ATM locations.

As to the last criterion, a total of more than 65% of the sample felt satisfied with the allocation of POS/ the card-accepting agencies; whereas, an inconsiderable percentage of 2.79% disagreed, and the rest felt normal. Every year, the Bank tries to forge more linkages with many other card-accepting agencies in different business sectors in order to expand the POS network, thus increasingly encouraging customers to spend by card instead of cash as usual.

Q: The Promotion element of the service marketing mix

Table 4: Customer assessment of the Promotion

	Strongly disagree	Disagree	Fair	Agree	Strongly agree
	1	2	3	4	5
a. Techcombank payment card services are advertised and promoted broadly			34.64%	49.16%	16.20%
b. Techcombank offers regular sales promotions (discount, voucher, coupon...)	8.94%	50.28%	36.31%	4.47%	
c. I am well introduced of card features			12.29%	41.34%	46.37%
d. Usable manipulation is fully guided		7.82%	24.02%	56.42%	11.73%
e. I easily know the ATM points		11.73%	18.99%	40.78%	28.49%
f. I am well informed of how to deal with card problems	9.50%	39.11%	18.44%	29.61%	3.35%

N = 179

When asked about the card products and services promotion, almost two thirds of respondents highly appreciated as they easily got informed about Techcombank banking

services via many different channels, such as at transaction counters, commercials, websites, reference group, etc.

The reward programs/ sale promotions, on the other hand, are underestimated. Around 59% said the Bank has very few promotional activities for card holders, and roughly 36% found it normal. Techcombank has not put strong concentration on promotions of payment cards; in contrast, it usually focuses on the promotion of savings activities.

Referring to card features information, as usual, customers are always provided all the needed basic information, such as card features, through the brochures available at the Bank's office, or sometimes guided by the bank employees if needed, right at the first time they receive the cards. Therefore, clients agreed that they are provided enough information: about 46% strongly agreed and 41% agreed.

In respect to the usual manipulation issue, the staff usually provide directions for use for the first time, and customers progressively learn through experience of using. In addition, Techcombank ATMs' interface is quite simple, containing brief and understandable directions in both English and Vietnamese, therefore it is very convenient for customers to follow and use. According to the data, there is only 7.82% saying that the directions for use were not guided in detail, thus being difficult for use; the rest felt were pleased or normal.

Information with regard to the locations of Techcombank ATMs are provided fully on the main website of Techcombank. Furthermore, Danang region is relatively small compared to other big cities like Hanoi or Ho Chi Minh, and ATMs are almost distributed widely in the entire city, particularly in the central and crowded areas so that customers can easily identify. However, 11.73 % of customers still found it difficult in identifying the ATM locations. Virtually 41 % of customers agreed and 28 % totally agreed that they can easily find Techcombank ATM locations.

It seems that the Bank employees had not directly provided information to customers on how to handle problems related to cards, so 48.61 % of customers did not really know how to handle problems if occurred. On the main website of Techcombank, however, there is always a question-and-answer (F&A) section that the Bank usually answers all

the queries about card-related problems for customers, yet customers are not likely to search for.

Q: The Physical evidence element of the service marketing mix

Table 5: Customer assessment of the Physical Evidence

	Strongly disagree	Disagree	Fair	Agree	Strongly agree
	1	2	3	4	5
a. The building facilities at Techcombank Nguyen Hue look modern and comfortable				46.37%	53.63%
b. There is a large number of ATMs			5.59%	35.20%	59.22%
c. ATM booths are airy and full of light			4.47%	37.99%	57.54%
d. There is a large number of points of sale			13.97%	56.42%	29.61%

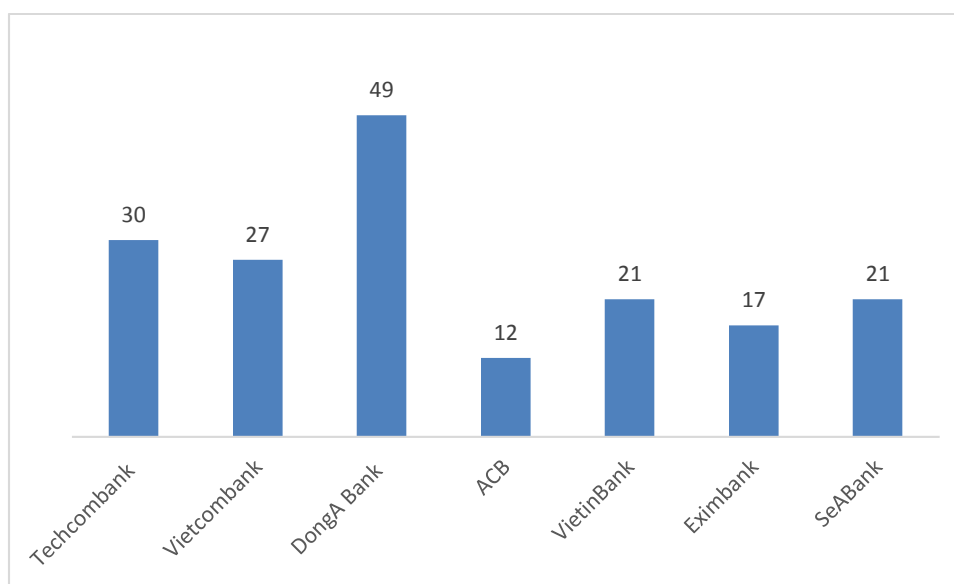
N = 179

The facility factor which is an aspect of the tangible dimension is important because it makes an impression on customers, thus affecting customer behaviour. At Techcombank Nguyen Hue office, all transaction-supporting services are concentrated in the central in order to help shorten the transaction time as customers do not need to move around. Surroundings are the waiting areas, including comfortable chairs, TV, air conditioners, newspapers, magazines and brochures stands, drinks, candy, etc., therefore creating a cozy space, helping customers feel comfortable and shortening the waiting time. Besides, in front of the office are equipped with the ATM, so customers can perform any transaction very quickly. Therefore, when asked about this aspect, almost all surveyed clients asserted that the building facilities look very modern and comfortable: 54% strongly agreed, followed by 46% were of agreement.

Similarly, a total of nearly 94% of customers agreed that there is a large number of Techcombank's ATMs in Danang city. In fact, Techcombank puts a premium on investing in technology in recent years, setting up many additional ATMs to meet the ever

increasing number of customers. Currently, it has 30 ATMs around the city of Danang. When comparing with other big banks in Danang, such as Vietcombank, DongA Bank, ACB, VietinBank, Eximbank and SeABank, the number of ATMs of Techcombank is big, just less than only DongA Bank.

Figure 15: Number of ATMs of different banks in Danang



Source: (Techcombank, 2015g), (Vietcombank, 2015), (DongABank, 2015), (ACB, 2015), (VietinBank, 2015), (Eximbank, 2015), (SeABank, 2015)

Turning to the ATM booths, while a majority of customers are satisfied with; specifically, 58% strongly agreed and 38% agreed, a very small proportion of respondents (4%) felt normal. Techcombank has installed sufficient lighting and conditioners for each booth with the aim of bringing to the customers the highest level of comfort during the time they perform transactions.

As to the last point which is the number of POS, a large percentage of customers approved that Techcombank has numerous points of sale in the region of Danang. It is agreed that all these characteristics provide some tangibles of the services to customers, which is considered as a crucial important in delivering the services quality.

Q: The People element of the service marketing mix

Table 6: Customer assessment of the People

	Strongly disagree	Disagree	Fair	Agree	Strongly agree
	1	2	3	4	5
a. The staff appearance is neat and polite				34.08%	65.92%
b. The staff are knowledgeable and professional			5.03%	39.66%	55.31%
c. The staff are always willing to assist customers when needed			1.12%	31.28%	67.60%
d. The staff satisfactorily resolve customers' complaints			14.53%	53.63%	31.84%

N = 179

According to the survey data, all surveyed clients are satisfied with the staff costume. Red and white, which are the dominant colors of the Bank's logo as well as the office, are also chosen for the staff uniform, reflecting a youthful, dynamic and professional appearance of the staff in order to make good impression on customers. Likewise, while a large number of respondents affirmed that the staff are knowledgeable and professional: more than 55% strongly agreed and almost 40% agreed, an insignificant rate of around 5% found it normal. More importantly, a total of nearly 99% approved saying that the staff are always willing to assist the customers in need. Last but not least, a majority of clients are satisfied with the ways of solving complaints. Specifically, while nearly 54% of people agreed that their complaints were solved satisfactorily, about 32% strongly agreed and only 12% felt normal. It is the staff who create the sympathy with clients, therefore making a good impression for the Bank. Due to this importance, Techcombank always invests money in training staff regularly so that they can create prestige, and enhance the Bank's trademark value.

Q: The Process element of the service marketing mix

Table 7: Customer assessment of the Process

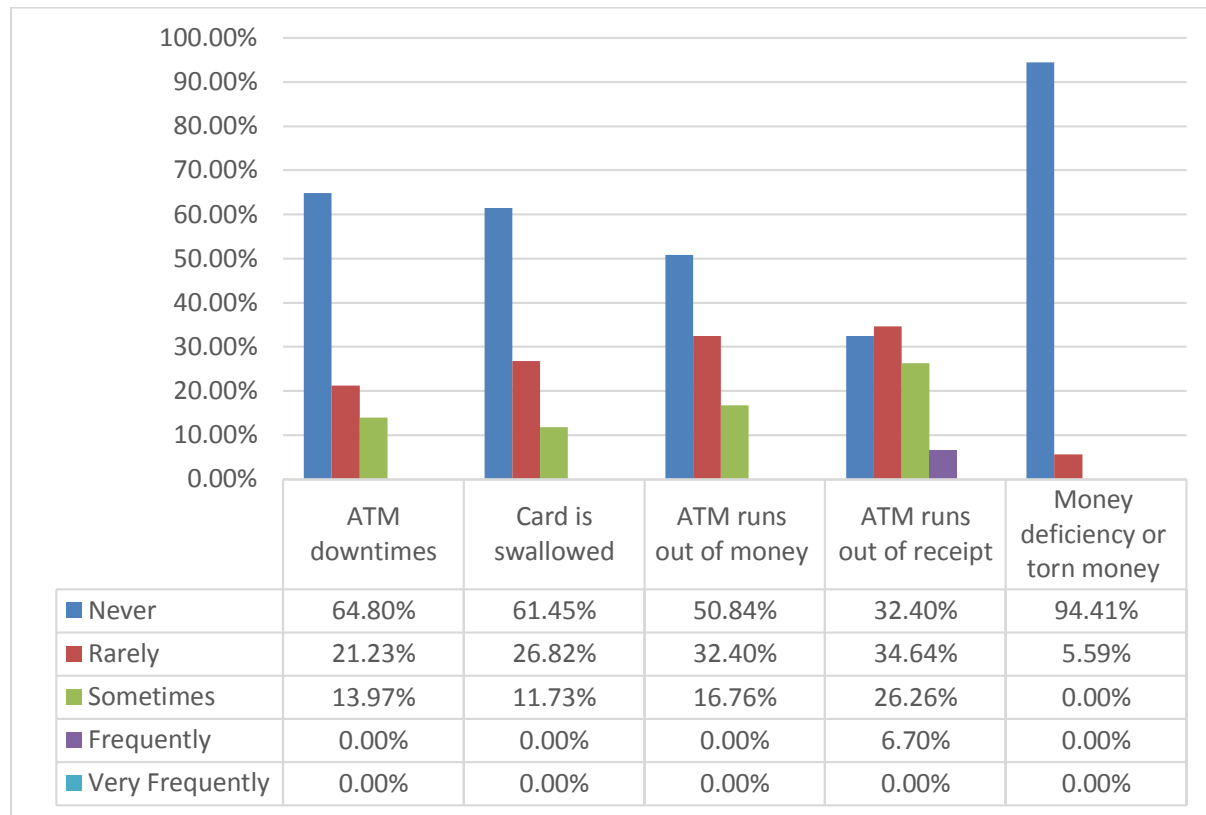
	Strongly disagree	Disagree	Fair	Agree	Strongly agree
	1	2	3	4	5
a. Procedures for transactions are simple			6.70%	41.90%	51.40%
b. Transaction speed is fast			7.82%	35.20%	56.98%

N = 179

For the procedures used for transactions, roughly 51% are completely satisfied and 42% are satisfied because they are simple. Similarly, the transaction speed is also positively evaluated: 57% of respondents confirmed that the speed is fast, followed by 35% of agreement, and only 8% who said it is average. In Techcombank, a transaction normally takes only about 5 to 10 minutes at the office, and only 2 to 5 minutes at ATMs or POS. This Bank always attempts to reduce complex procedures, and concentrates on training staff in order to help customers to feel comfortable and in particular, to save time.

Q: The problems that you may have encountered when using cards at ATMs

The survey also questioned which problems that customers may have encountered when using cards at ATMs by providing them with 5 possible answers, along with a 5-point Likert scale, in which 1 = Never, 2 = Rarely, 3 = Sometimes, 4 = Frequently, 5 = Very Frequently. These problems somehow affect the customer satisfaction on the services provided. The result is shown in the following column graph.

Figure 16: The problems encountered by customers when using cards at ATMs

It is generally seen from the above graph that a large number of customers, at least 50%, never encountered the incidents, except for the problem of receipt shortage at ATMs. This is a good sign, indicating that the ATM system of Techcombank is normally stable.

Through the survey, the most popular problem is that the ATM runs out of receipt. About 7% of surveyed clients frequently faced such unpleasant incident, followed by 26% sometimes experienced it. Another common problem worth considering is that the ATM runs out of money, with nearly 17% of customers who sometimes dealt with. These incidents have occurred occasionally as the ATMs of Techcombank are numerous, widely distributed, coupled with the ever increasing number of customers using at the peak hours, the Bank sometimes could not respond immediately to the customers' demands and needs. Only 14% used to experience with machine downtimes due to power cuts or machine maintenance. And only 12% had troubles when their cards were swallowed due to wrong code typing for many times, transmission or system errors. The problems of

money deficiency, which means that customers do not get enough money from the ATMs, or torn money were far least rarely encountered by users.

Q: Customer perception

In order to assess customers' general satisfaction on the payment card services provided by Techcombank Nguyen Hue, the author questioned customers whether or not they will continue to use the services, as well as their word-of-mouth behavior/ recommendations about Techcombank banking services to others. Respondents were given the 5-point Likert scale, in which 1 = Strongly disagree, 2 = Disagree, 3 = Not sure, 4 = Agree, 5 = Strongly agree, so that they can indicate their level of agreement by choosing the most appropriate number. The findings are shown as follows.

Table 8: Customer intention for long-term use

	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
	1	2	3	4	5
a. In the future, I will continue to use the payment card services of Techcombank			5.59%	39.11%	55.31%

N = 179

According to the results, more than 55% of customers strongly agreed that they will continue to use the card services of the Bank, followed by 39% of people who agreed and 6% of people who feel they are not sure. Through these figures, it can be concluded that almost every customer is satisfied with the service provided by the Bank and desires to continue using this service.

Table 9: Customer word-of-mouth behavior

	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
	1	2	3	4	5
b. I will recommend Techcombank to other people			10.06%	43.58%	46.37%

N = 179

It is widely conceded that positive word-of-mouth is one of the most effective channels of marketing. Loyal customers therefore play a crucially important role in helping the Bank to attract new customers with lower costs compared to other channels. They are also a reliable information source for friends, family, relatives or colleagues. Through the survey, it is seen that 46% of people strongly agreed and 44% of people agreed that they will recommend the Bank to other people. This implies that all surveyed customers are satisfied with the service on the whole. This is a very good sign for the Techcombank Nguyen Hue.

6 CONCLUSION AND RECOMMENDATION

6.1 Introduction

This chapter will present the key findings of the research which are all about customer behavior when using payment bank cards at Techcombank Nguyen Hue, Danang, Vietnam. In other words, the research questions will be addressed in order to review the achievement of research objectives as mentioned in chapter 1. The suggestions/solutions will be then proposed for Techcombank Nguyen Hue so as to maintain and further enhance its payment card services. Last but not least, some implications for further research will be recommended.

6.2 Customer behavior when using payment bank cards at Techcombank Nguyen Hue, Danang, Vietnam

The first research question: ***“Which factors and motivations affect customers’ decision for using payment bank cards at Techcombank Nguyen Hue?”***, it has been answered through the following points.

First of all, the main purposes for choosing card services as a choice of payment are security, transferring and receiving money, receiving salary and convenience in payment. The other purposes of spending control and record keeping are less relevant, yet still are of some importance for a certain group of people. This re-confirms the role of these factors in driving customers towards using payment bank cards, which has been disclosed in many previous studies.

Secondly, customers choose Techcombank Nguyen Hue as a card services-providing partner for their businesses due to the high reputation and prestige of Techcombank, the large number of ATMs as well as POS, the safe and convenient ATM locations, not to mention the diversity of cards’ features. Most noticeably, the aspects of price and promotion are not considered as the motives influencing customers’ choice. This implies that the price and promotion policies are not really attractive. These are probably the

reasons why a proportion of 34% of surveyed customers employ other banks' card services simultaneously.

In addition, customers are significantly affected by the Bank employees when deciding to employ Techcombank services. The reference groups, such as families, friends, colleagues, also have substantial influences on customers' choices; whereas TV ads, magazines, newspapers, leaflets, posters and the Bank's website do not make such considerable impacts.

Besides, the research provides some related aspects as to customers' habits for using card; for example: the choice of payment card types, the frequency of card using as well as the banking services usually employed by customers. The findings have revealed that the F@stAccess domestic debit card and Techcombank Visa debit card are the most popular and main types of cards customers often choose. Customers use payment cards relatively frequently, from 1 to 5 times a week. Last but not least, the two main services/methods of payment cards customers usually employ are 'withdrawing money' and 'transferring money'.

The second research question: ***“To what extent the customers are satisfied with the quality of each service component in payment bank card system at Techcombank Nguyen Hue?”***, the research has yielded the following results to meet the objectives.

Customer satisfaction on each service component/element, including product, price, place, promotion, physical evidence, people and process has been examined in detail. The study has found that in general, the majority of customers are satisfied and appreciate Techcombank Nguyen Hue for its ability to supply the payment card products and services, as they desire to continue using the services, and particularly agree to recommend Techcombank Nguyen Hue to other people. The quality of card products and services, the facilities as well as the Bank staff are highly appreciated. However, the research has given an insight into the main problems that customers complained about relative to the card services as follows:

- The service charge is not competitive with other banks'. Particularly, the fees are higher than expected, thus not being attractive to customers.

- The sales promotions, such as discount, voucher, or coupon, are limited. Customers who are doing saving activities usually receive interesting promotions; whereas card holders are less likely to receive benefits from promotions.
- Some customers said that the directions for use are not guided in detail, so it is quite difficult for them to use.
- There are still some customers who find it difficult in recognizing the ATM locations.
- Many customers do not know how to deal with card problems if occurred.
- There is still a group of customers who have encountered some common problems at ATMs. ATM running out of receipt and money are fairly popular. The problems of ATM downtimes and card swallow are less common, but still exist.

It can be said that these recognized problems somehow negatively affect customer satisfaction on the services provided, although customers tend to be relatively satisfied with their experience at Techcombank Nguyen Hue on the whole. Recognizing this importance, hence, the author try to propose some practical solutions as following, with the hope to further improve the service quality of payment cards at Techcombank Nguyen Hue in order better to meet customers' expectations.

6.3 Recommendations

The recommendations are proposed following, in which each above recognized problem is highly addressed.

- **Product:**

The majority of customers feel pleased with the quality and variety of products and services. Techcombank has offered a wide range of card products; however, customers primarily choose the basic products, such as F@stAccess domestic debit card and Techcombank Visa debit card. Techcombank Nguyen Hue should put a premium on promoting other different card products to its potential customers, such as Visa credit card

and co-branded cards, as a result increasing the sales volume, maximizing the profits for the company. As there have been many competitive banks offering similar kinds of products, it is better that the Bank creates signature products (the products that customers only find at Techcombank) with many newly-added and superior features to differentiate itself from the others.

Techcombank cards have a number of functions, but customers usually employ the services of 'withdrawing money' and 'transferring money'. The Bank should actively introduce benefits to customers when using the service of 'making payment' at POS, or making utility bills (telephone, mobile phone, electricity or water). Alternatively, Techcombank can cooperate with those services providers to agree that they will attach the information of Techcombank associated payment services through the monthly utility bills to customers.

- **Price:**

The service fees of Techcombank are quite high. The Bank should conduct further research about the fees of different types of payment cards and services by comparing its fees with many other banks' in Danang city, then re-designing and enhancing its pricing strategies to stay competitive with other rivals.

- **Promotion:**

First of all, the main marketing channels that keep customers informed are the bank employees who at the same time work as salespeople, and reference group. The role of other media, such as TV ads, newspapers, etc., social media like Facebook or Twitter, and website should be more focused and exploited, particularly in the age of technology, to help promote the services more productively and efficiently. Public relations and sponsorships should be also taken into consideration. For example, Techcombank can sponsor many sports tournaments, social and charity events, or projects related to community development, in order to show good images about Techcombank, create good impression on citizens and gain people awareness about company's brand.

Secondly, in terms of sales promotion, card holders had better be entitled to receive similar rewards policies as those who do saving activities so as to encourage current customers continue using the services, and attract new customers. The Bank could self-partnership with some services companies, such as restaurants or hotels, spa and beauty salons, or cinemas, to offer some discounts, vouchers or coupons for different categories of customers when they employ the services at those partners' businesses. For example, free movie tickets can be given to students or beauty and spa vouchers to female card holders.

Thirdly, as to the provision of information for customers, the Bank employees should actively provide the directions for card use, making sure that every client is instructed right at the time they receive the cards. If needed, direct instruction at the ATM should be implemented as some customers are retarded in getting familiar with new technology, such as the old people or those having little literacy. Alternatively, guide-books/brochures should be always available at the Bank office so that customers can fetch them when in need.

In addition, at the Bank office and ATM booths, there should be information about the locations of ATMs, especially the ATMs near major landmarks so that customers easily identify and remember for next times. Customers can also search for ATM locations list which is always available on the main website of Techcombank.

Another matter that the Bank highly takes into consideration is that many customers do not know how to deal with card problems. It is suggested that the Bank employees should actively provide the guidelines for customers to handle card problems immediately at the time they receive cards. Furthermore, guidelines, with hotlines attached, should be labeled at each ATM booth so that customers easily know how to overcome problems or contact the Bank in case of emergency. Safety instructions should be provided as well, especially how to use payment cards without revealing personal/secret information. As a result, it helps reduce the unpleasant incidents and risks occurred to customers, thus improving the satisfaction of customers.

- **Physical evidence:**

The facilities of the Bank have been highly evaluated; however, the Bank should always lay an emphasis on in order to provide customers with the best environment. Customers look for physical evidence as an indicator of satisfaction as they cannot have physical evaluation of a service product itself. To be more specific, due to the hot weather in Vietnam, air conditioning system has to be guaranteed to operate well all the time at the office as well as each ATM booth. The lighting should be sufficient and the noise from outside should be lessen as much as possible. Plus, the Bank needs to check and upgrade technological equipment regularly.

- **People:**

Good appearance and attitude of staff should be maintained and enhanced to always give customers nice impressions. It is essential to make customers feel that the staff always give individual intention and are willing to assist them when in need. Moreover, the Bank had better organize training programs on a regular basis to improve professional qualifications, service skills for employees so that they can perform their jobs properly and efficiently. Techcombank Nguyen Hue also needs to create a good working environment, build interesting reward and promotion schemes so as to encourage the staff to work better.

- **Process:**

The simplicity of procedures and the speed of transactions should be maintained and improved, and fixed into a certain standard set. Daily newspapers, magazines and brochures should be always available at waiting areas to help customers shorten the waiting time, especially in the peak hours of transactions at the Bank's office.

- **Solutions to reduce problems at ATMs**

Frequent inspection and maintenance at ATMs should be further implemented to make sure that the ATMs operate continuously, the amount of money and receipt is enough for customers to perform transactions. To do this, Techcombank have to carefully monitor and enhance the staff's performances to prevent the existence of all subjective problems

caused from the bank itself. For the uncontrollable and objective problems once spotted /reported, the staff who are responsible for have to be on the spot immediately to fix or find a prompt solution.

6.4 Implication for further research

As aforementioned, this research has adopted only the quantitative method, so it is recommended that further research should be conducted with the combination of both quantitative and qualitative methods (such as observation or interview). A more in-depth qualitative study would enable researchers to better identify the customers' perception towards the services at the Bank, thus yielding the further holistic picture of the situation.

Furthermore, similar studies on customer behavior towards other banking services, such as savings, loans, etc. might also need to be studied on. These findings potentially provide an impetus for the Bank to consider making possible changes in order to encourage repeat patronage and attract new customers.

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APPENDIX 1: TECHCOMBANK ATM LOCATIONS IN DANANG CITY, VIETNAM

ATM	LOCATION
1. Techcombank 29 - 3	24-26 Điện Biên Phủ, Chính Gián, Quận Thanh Khê, Đà Nẵng
2. ATM Chi nhánh Techcombank Đà Nẵng (M5)	244 - 248 Nguyễn Văn Linh, Quận Thanh Khê, Đà Nẵng
3. Bệnh Viện Mắt Đà Nẵng	68 Phan Đăng Lưu, Quận Hải Châu, Đà Nẵng
4. Big C Đà Nẵng	255-257 Hùng Vương, Quận Thanh Khê, Đà Nẵng
5. Bưu điện Đà Nẵng 3	1 Ngô Quyền, Quận Sơn Trà, Đà Nẵng
6. Cty Foster - Đà Nẵng	Số 2 KCN Hòa Cầm, Phường Hòa Thọ Tây, Quận Cẩm Lệ, Đà Nẵng
7. Cty Foster - KCN Hòa khánh	Lô E- Đường Số 7, KCN Hòa Khánh, Quận Liên Chiểu, Đà Nẵng
8. Cty ITG Phong Phú	Đường số 2 KCN Hòa Khánh, Quận Liên Chiểu, Đà Nẵng
9. Cty Keyhinge Toys - KCN Hòa Cầm	KCN Hòa Cầm, Quận Cẩm Lệ, Đà Nẵng
10. Cty Tài chính Dầu Khí Đà Nẵng	Lô A2.1 300 Đường 30 Tháng 4, Quận Thanh Khê, Đà Nẵng
11. Cty TNHH LK Word & TNHH Tristar	KCN Hòa Khánh mở rộng, Quận Liên Chiểu, Đà Nẵng

12. Ga Đà Nẵng	200 Hải Phòng, Quận Thanh Khê, Đà Nẵng
13. KCN Hòa Cầm	KCN Hòa Cầm, Quận Cẩm Lệ, Đà Nẵng
14. Metro Đà Nẵng	Cách mạng tháng 8, Quận Thanh Khê, Đà Nẵng
15. Ngũ hành Sơn	27 Ngũ Hành Sơn, Quận Cẩm Lệ, Đà Nẵng
16. Nhà sách Bạch Đằng - Đà Nẵng	76 Bạch Đằng, Quận Hải Châu, Đà Nẵng
17. Sân bay quốc tế Đà Nẵng	Sân bay quốc tế, Quận Hải Châu, Đà Nẵng
18. Sở Ngoại vụ Đà Nẵng	04 Trần Phú, Quận Hải Châu, Đà Nẵng
19. Sở Y Tế - Đà Nẵng	103 Hùng Vương, Quận Hải Châu, Đà Nẵng
20. Techcombank Chợ Hàn	136 Trần Phú, Quận Hải Châu, Đà Nẵng
21. Techcombank Chợ Mới	298 Trưng Nữ Vương, Quận Hải Châu, Đà Nẵng
22. Techcombank Đà Nẵng	244-248 Nguyễn Văn Linh, Quận Hải Châu, Đà Nẵng
23. Techcombank Hải Châu	291 Ông Ích Khiêm, Quận Hải Châu, Đà Nẵng
24. Techcombank Hòa Khánh	661 Tôn Đức Thắng, Quận Liên Chiểu, Đà Nẵng
25. Techcombank Phan Chu Trinh	97 Phan Chu Trinh, Quận Hải Châu, Đà Nẵng
26. Thanh Bình Techcombank	54 Ông Ích Khiêm, P. Thanh Bình, Quận Hải Châu, Đà Nẵng
27. Techcombank Thanh Khê	Tòa nhà Đà Nẵng Plaza, số 16 Trần Phú, phường Thạch Quang, Quận Hải Châu, Đà Nẵng

28. Tổng Cty Giao Thông Đô Thị 5	Tổng Cty Giao Thông Đô Thị 5, Quận Hải Châu, Đà Nẵng
29. UBND Quận Cẩm Lệ	40 Ông Ích Đường, Quận Cẩm Lệ, Đà Nẵng
30. Viện nghiên cứu phát triển KT-XH	118 Lê Lợi, Quận Hải Châu, Đà Nẵng

Source: (Techcombank, 2015h)

APPENDIX 2: SURVEY QUESTIONNAIRE *(Translated from Vietnamese)***QUESTIONNAIRE**

Dear customer,

I am currently conducting a survey about customer behavior when our customers use payment card services provided by Techcombank Nguyen Hue. This research will help improve the quality of payment card services in the long run, your opinions are therefore of great importance to the accomplishment of this research. The survey data will be treated with confidentiality and anonymity, and only used for the purpose of this research. Therefore, please feel at ease when answering the questions. ***The questionnaire will take about 5 minutes to complete.*** Thank you for your time and assistance!

Part I: Customer information

Please kindly provide some of your personal information

Question 1: Gender

- ☐ Male
- ☐ Female

Question 2: Age

- ☐ 18 – 30
- ☐ 30 – 45
- ☐ 45 – 60
- ☐ Other: _____

Question 3: Education level

- ☐ High school
- ☐ College
- ☐ University
- ☐ Post-graduate

Question 4: Average income per month

- ☐ < 5 million VND
- ☐ 5 – 10 million VND
- ☐ 10 – 20 million VND
- ☐ > 20 million VND

Part II: Customer behavior towards using Techcombank payment card services

Please tick the **answer(s)** below that apply to you or fill in the blanks where necessary

Question 5: Please select the type of Techcombank card(s) you are currently using

- ☐ F@stAccess domestic debit card
- ☐ International Techcombank Visa debit card
- ☐ International Techcombank Visa credit card
- ☐ The co-branded card with Vietnam Airlines
- ☐ The co-branded card with Mercedes-Benz
- ☐ International Techcombank Visa Platinum credit card
- ☐ Other: _____

Question 6: Where did you find out about Techcombank payment card services?

- ☐ At transaction counters
- ☐ TV ads, magazines, newspapers, leaflets, posters
- ☐ Website: www.techcombank.com
- ☐ Family/Friends/Colleagues
- ☐ Other: _____

Question 7: Since when have you been using Techcombank cards for?

- ☐ < 6 months
- ☐ 6 months - 1 year
- ☐ 1 - 2 years
- ☐ > 2 years

Question 8: How do you use the payment cards for?

Please tick the appropriate number which best indicates your opinion for each aspect

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
	1	2	3	4	5
a. Receiving salary through cards					
b. Transferring or receiving money					
c. Convenience in payment					
d. Security – it is a safe place to keep money					
e. Spending control					
f. Record keeping					

Question 9: Do you use payment card services of other banks?☐ Yes☐ No**Question 10: Why do you choose Techcombank cards?***Please tick the appropriate number which best indicates your opinion for each aspect*

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
	1	2	3	4	5
a. Card is issued by a reputable Bank					
b. Card has many features					
c. Card products have many reward programs					
d. Reasonable service charge					
e. The Bank has many ATMs					
f. ATM location is convenient and safe					
g. The Bank has many points of sale					

Question 11: How often do you use Techcombank cards?☐ Less than once a week☐ 1 or 2 times a week☐ 3 to 5 times a week☐ More than 5 times a week**Question 12: Which banking services of payment card do you usually use?***Please tick the appropriate number which best indicates your opinion for each aspect*

	Never	Rarely	Sometimes	Frequently	Very frequently
	1	2	3	4	5
a. Withdrawing money					
b. Transferring money					
c. Making payments					

Question 13: Customer satisfaction

Please indicate to what extent do you agree or disagree of the listed criteria about Techcombank payment card services by checking the most appropriate number

Section A: Product

	Strongly disagree	Disagree	Fair	Agree	Strongly agree
	1	2	3	4	5
a. Payment card products are diversified					
b. Services are of high quality					
c. The Bank provides services on time as promised					
d. My account information is always kept confidential					
e. ATM systems operate continuously					

Section B: Price

	Strongly disagree	Disagree	Fair	Agree	Strongly agree
	1	2	3	4	5
a. Service charge is competitive with other banks'					
b. The quality of services is a good value for money					

Section C: Place

	Strongly disagree	Disagree	Fair	Agree	Strongly agree
	1	2	3	4	5
a. Techcombank Nguyen Hue office is located at convenient location					
b. ATM machines are positioned widely, and in safe and convenient locations					
c. POS units are distributed widely in different business sectors					

Section D: Promotion

	Strongly disagree	Disagree	Fair	Agree	Strongly agree
	1	2	3	4	5
a. Techcombank payment card services are advertised and promoted broadly					
b. Techcombank offers regular sales promotions (discount, voucher, coupon...)					
c. I am well introduced of card features					
d. Usable manipulation is fully guided					
e. I easily know the ATM points					
f. I am well informed of how to deal with card problems					

Section E: Physical evidence

	Strongly disagree	Disagree	Fair	Agree	Strongly agree
	1	2	3	4	5
a. The building facilities at Techcombank Nguyen Hue look modern and comfortable					
b. There is a large number of ATMs					
c. ATM booths are airy and full of light					
d. There is a large number of points of sale					

Section F: People

	Strongly disagree	Disagree	Fair	Agree	Strongly agree
	1	2	3	4	5
a. The staff appearance is neat and polite					
b. The staff are knowledgeable and professional					
c. The staff are always willing to assist customers when needed					
d. The staff satisfactorily resolve customers' complaints					

Section G: Process

	Strongly disagree	Disagree	Fair	Agree	Strongly agree
	1	2	3	4	5
a. Procedures for transactions are simple					
b. Transaction speed is fast					

Question 14: The problems that you may have encountered when using cards at ATMs

Please tick the appropriate number which best indicates your opinion for each aspect

	Never	Rarely	Sometimes	Frequently	Very frequently
	1	2	3	4	5
a. ATM downtimes					
b. Card is swallowed					
c. ATM runs out of money					
d. ATM runs out of receipt					
e. Money deficiency or torn money from ATM					

Question 15: Customer perception

Please tick the appropriate number which best indicates your opinion for each aspect

	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
	1	2	3	4	5
a. In the future, I will continue to use the payment card services of Techcombank					
b. I will recommend Techcombank to other people					

THANK YOU AGAIN FOR YOUR TIME AND COOPERATION!

**APPENDIX 3: LETTER OF REFERENCE - PROOF OF CARRYING OUT AN
INTERNSHIP AT TECHCOMBANK NGUYEN HUE, DANANG, VIETNAM**



July 12, 2014

TO WHOM IT MAY CONCERN

This is to certify that Mr. Nguyen Thanh Trung, a student of BBA, Turku University of Applied Sciences, Finland, has successfully completed an internship at the Vietnam Technological and Commercial Joint Stock Bank (TECHCOMBANK), Nguyen Hue Branch, Danang, Vietnam from March 11, 2014 to July 12, 2014.

During his internship, he accomplished all tasks assigned with high interest and commitment. He is a reliable colleague and excellent team player. As a result of this successful experience, we are pleased to provide this letter of reference.

We wish him the very best in all his future endeavors.

Sincerely,

A handwritten signature in blue ink, which appears to be "Linh", is written over a red circular official stamp. The stamp contains the following text: "SỐ D: 341-C.T.C.D", "NGÂN HÀNG", "T. MẠI CỔ PHẦN", "KỸ THUẬT VIỆT NAM", "CHÍNH HÀNH ĐÀ NẴNG", "PHÒNG GIAO DỊCH", "TECHCOMBANK", "NGUYỄN HUE", and "QUẬN HẢI CHÂU - TP. ĐÀ NẴNG".

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