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Banking Loyalty in Ho Chi Minh City: The Role of Service Quality, Satisfaction, and Trust

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Abstract

This research delves into the various factors which play a role in shaping the loyalty of customers towards banking institutions located in HCMC (Ho Chi Minh City). Unlike other commercial operations, providing banking services necessitates the establishment of strong foundations of trust and satisfaction in order to maintain long-term and successful connections to customers. This is critical since banking includes managing people's funds while also maintaining their security and trust in the institution. The primary objective of this study is to pinpoint the fundamental components, namely the caliber of service provision, the level of customer gratification, the degree of trustworthiness, and the convenience of transactions, that wield an influence on the choices made by patrons to maintain their allegiance to a specific bank. A questionnaire was distributed to 116 people who regularly use banking services in the urban region. The findings show that exceptional service, increased customer satisfaction, strong trust in the financial institution, and efficient banking operations significantly increase customer loyalty. The findings suggest that financial institutions should focus on improving these aspects in order to effectively retain their customer.

Keywords: *Customer loyalty, customer satisfaction, customer trust, service quality*

1. Introduction

Banks play a significant role in economic activities, especially in emerging economies, where they serve as the primary conduit for capital movement. Consequently, ensuring the effectiveness and resilience of the financial system has underscored the importance of enhancing the efficiency of the banking sector. The evolution of financial markets and institutions on a global scale, facilitated by governmental deregulation, financial innovations, the information revolution, and technological advancements, has ushered in a more competitive landscape for banks and reshaped the financial framework. In response to these dynamic shifts and advancements within the contemporary banking arena, financial institutions are striving to streamline their operations to optimize cost-effectiveness and profitability, thereby positioning themselves competitively in the market (Otero et al. 2020)

According to The World Population Review, Vietnam is presently positioned 97th globally in terms of the utilization rate of banking services, with 56.27% of the populace availing banking services and 16.5% utilizing mobile banking services by 2022. Numerous esteemed experts in the region have evaluated that Ho Chi Minh City serves as the primary economic hub in Vietnam, exhibiting robust progress in the finance and banking domain. This urban center witnesses a substantial volume of banking transactions, encompassing both conventional and digital modes, in contrast to other regions and municipalities within the nation. Nonetheless, a noteworthy portion of bank clients remains apprehensive about engaging with banks and harbors reservations regarding potential safety concerns, information security breaches, and technical glitches. Consequently, this poses a significant hurdle for financial institutions in Ho Chi Minh City, necessitating a comprehensive understanding of the ramifications of service excellence, client contentment, and trust levels on loyalty towards customers

In my research, I hope to uncover the elements influencing service quality that affect customer loyalty, satisfaction and also the relationship between customer loyalty and customer satisfaction, and customer loyalty and customer trust in the Vietnamese context. Using the findings of this study, banks in Ho Chi Minh City can identify the key aspects determining the quality of their e-banking services. The recognition can, in consequently, increase bank competitiveness, thereby contributing to the proactive international economic integration process and increasing the standard of living experienced by the people of Vietnam.

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2. Literature review and Hypotheses development

2.1 Literature review

2.1.1Customer loyalty

Most marketers became familiar with the term of "customer loyalty" (CS) in the 1980s and it is difficult to define customer loyalty. With the development, researchers and theorists in the fields of marketing and business have contributed to build the development of this concept.Loyalty is a broad concept with a variety of definitions (Jumaev& Kumar, 2012).

Gremler& Brown (1996) offer a concept of customer loyalty that is the degree to which customers demonstrate repeat purchasing behavior from a service provider and think about only using the supplier when a need for this services arises and as well as agreeing with a Gremler& Brown (1996). According Oliver, R. L. (2014) customer loyalty can be defined as customers' commitment to continue purchasing goods or services in the future despite changes in customer behavior due to external factors or possible marketing efforts affects them.

In addition, there are still a lot of concepts surrounding the term customer loyalty (Pan et al., 2012) expressed their opinion as "The extent of a consumer's propensity for selecting a certain brand (or service) and their plan to return to the brand or service in the future" and Dick &Basu (1994) who defined customer loyalty can be understood as the strength of the connection between a person's relative attitude and repeat business. However, repeat purchases by customer do not necessarily mean loyal customer. Hyken, S. (2009) also noted true customer loyalty extends beyond repeated business; it involves customers becoming supporters and defenders of your brand, willing to make sacrifices to continue their relationship with you.

2.1.2Customer Trust

"Trust is when customers feel security that they can rely on your honesty and character." (Vogel, 2015). The word "customer trust" relates to a customer's confidence and conviction in a firm and what they feel they ought to receive (Deutschi, 1958). As for Patrick, (2002), he firmly believe that: Without trust, all social connections would fall down or function irregularly. Interaction between organizations or businesses and customers can't take place without customer trust, as a result trust is critical to the survival and growth of any organization or company. Therefore, establishing trust with clients is crucial for maintaining customer loyalty, as emphasized by various marketing experts and international research papers.(Orazgaliyeva et al., 2024)

2.1.3Customer Satisfaction

The most important objective of overall quality control is to achieve customer satisfaction, which has been measured several times (Kondo, 2001). However, (Parks et al., 1996) holds a different perspective on client happiness. According to his definition, that phrase refers to a mindset in which a customer's needs, wants, and expectations are met or surpassed during the course of using the goods or services, leading to future purchases and loyalty. Consequently, it is determined that there are three levels of customer satisfaction: (1) Customers will be unhappy if the outcomes do not match their expectations; (2) Customers will be content if the outcomes do satisfy their expectations. (3) The customer will be extremely happy if the outcomes surpass their expectations. Ehigie (2006) discovered an important connection between customer loyalty and satisfaction. As that point of view in this research customer satisfaction is considered a bridge between customer loyalty and service quality

2.1.4Service quality

According Rust, R. T., & Oliver, R. L. (1994) service quality means the level to which a service satisfies the demands and expectations of its customers. The concept of services quality also can be understood accordingly as a multidimensional concept that combines all the technical quality of the final product and the functional quality of the service process (Grönroos, C. 2007).

Today, the SERVQUAL model is the most commonly employed by researchers to analyse service quality.

The SERVQUAL model is most commonly utilized in the banking, retail, hospitality, medical, tourism, restaurant, and transportation businesses, including education and local governments. (Luke &Heyns, 2020). This model was first introduced by Parasuraman et al. (1985). For example, Siu and Mou (2005) used SERVQUAL model parameters to assess the service quality of bank in Hong Kong. Chavan, J., & Ahmad, F. (2013) conducted research in retail bank by using the SERVQUAL model to determine the loyalty of customer.

2.2 Hypotheses development

2.2.1Research Model

In this study, I combine the impact of customer satisfaction and the impact of customer trust on customer loyalty. Furthermore, I use four dimensions compared to 5 dimensions as above (tangibles, reliability, responsiveness, and empathy) for service quality of (Liang Kheng et al., 2010) as a model to find out how these dimensions affect customer satisfaction at bank in Ho Chi Minh city. Instead, I employed a section from the investigation conducted by Orazgaliyeva et al. in 2024, which examines the connection between customer trust and customer loyalty, to act as the foundational structure for substituting a single aspect (Assurance) of (Liang Kheng et al., 2010) like Figure 1

2.2.2The correlation between service quality and client satisfaction.

To measure the level of service quality and customer satisfaction, Parasuraman et al. (1985) created the SERVQUAL model. The original intention of the SERVQUAL model was to have up ten dimensions were: tangibles, reliability, responsiveness, competency, courtesy, assurance, credibility, security, access, and understanding (Parasuraman et al. 1985). After using a factor analyst, Parasuraman et al. (1988) shortened from ten survey levels to

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five levels (Empathy, Reliability, Responsiveness, Assurance and Tangible).

According to Kotler, P. (2016), tangibles serve as physical evidence of the service and leave a lasting impression on customers. Their significance lies in how they enhance customer perceptions of service quality. The tangible aspects of a service can influence customer satisfaction significantly. Physical evidence, such as the environment and the appearance of facilities and equipment, plays a critical role in shaping customer expectations and perceptions (Zeithaml, Bitner, &Gremler, 2018). Customers observe these physical aspects and make assumptions about the company and how well it delivers its services. Since services are not physical, customers are usually present during the service delivery process. As a result, the physical environment can impact how customers perceive the quality of service provided (Baker 2002, n.d.); Parasuraman et al., 1988). Therefore, it is suggested that enhancing the human, technical, and tangible elements of bank services will lead to higher levels of customer satisfaction. Thus, we hypothesize that

H1: *Tangible has a powerful relationship with customer satisfaction*

Responsiveness refers to the eagerness to help consumers and provide timely service. It includes quick responses to customer inquiries, prompt service, and the ability to respond to consumer demands or concerns. Responsiveness in service quality refers to the timeliness and helpfulness of employees in providing service to customers. It includes promptness in handling customer requests, answering questions, and resolving problems (Wirtz& Lovelock, 2022). In their study, Ye, Dong, and Lee (2017) investigated the impact of responsiveness on profitability. Their results indicate that being responsive helps companies reduce costs and achieve instant productivity gains. However, this approach has a lasting adverse impact on customer satisfaction, which ultimately harms profitability over time. The following hypothesize is proposed that:

H2: *Customer satisfaction and responsiveness have a close connection.*

According to Parasuraman et al. (1988), empathy is the considerate, specific attention that a business provides its customers. "Seek first to understand, then to be understood." This quote is from Covey, S. R. (2020). Emphasizing empathy helps build better relationships with customer and increases customer satisfaction. Studies have shown that empathy has a positive impact on customer satisfaction (Flick, 2015). Other research has indicated that customers will not be happy with the quality of service if employees lack empathy (Loke et al., 2011). Consequently, when employees display empathetic behavior, it fosters a favorable perception of the company, ultimately enhancing its financial well-being in the long term (Khan &Fasih, 2014). Banks need to focus on each customer individually and address their specific requirements (Al-Azzam 2015). Banks that can deliver efficient services and effectively resolve conflicts for customers will have a large number of highly satisfied clients (Khan & Mariam, 2014). Furthermore, it has been noted that when employees show empathy towards customers, minor errors and mistakes are overlooked (Khan &Fasih, 2014). Hence, we hypothesize that

H3: *Empathy and customer satisfaction have a close connection.*

Reliability has been defined by Foster, S. T., & Gardner, J. W. (2022) as performing tasks consistently and accurately. It's the main factor influencing customer satisfaction.Rashid et al., (2020) thought that reliability can also be determined by the bank's capacity to offer promised services, solve problems quickly, process transactions accurately, operate during normal business hours, and give up-to-date recording information. Numerous research studies have indicated that reliability plays a crucial role in fostering strong and enduring customer relationships, as highlighted by Parasuraman&Zeithaml in 1988. It has been consistently demonstrated in various scholarly investigations that reliability constitutes a fundamental element of the SERVQUAL framework, with a direct and positive impact on customer satisfaction. Furthermore, several studies have highlighted the crucial impact that service quality has on customer satisfaction, with a specific focus on the importance of reliability within this framework. This emphasis on reliability has been clearly demonstrated by the research conducted by Kashif and colleagues in their study published in 2015. Their findings not only support the connection between service quality and customer satisfaction but also shed light on the significant role that reliability plays in shaping customers' perceptions and overall satisfaction levels. The strategic adoption of technological advancements by organizations can confer a competitive advantage and enhance the provision of dependable services. Consequently, such initiatives are likely to result in heightened levels of customer satisfaction, as posited by Khan &Fasih in 2014.The following hypothesize is proposed that:

H4: *Reliability has a powerful relationship with customer satisfaction*

2.2.3The relationship between customer satisfaction and customer loyalty

Many researchers suggest that customer satisfaction is a key factor in determining loyalty, particularly in the service industry (Belás&Gabčová, 2016)

Additionally, it is possible that the link between customer satisfaction and loyalty is nonlinear (Fida et al., 2020). Heskett et al. (2008) suggested that business boost customer satisfaction in order to maintain customer loyalty. Previous research has demonstrated a substantial positive association between service quality and customer loyalty by using customer satisfaction as a mediating variable (Chu et al., 2012). Furthermore, in the banking industry, the same findings have been discovered: customer satisfaction mediates the association between service quality and customer loyalty (Hassan et al., 2013); Hamzah et al., 2017). Research suggests that the relationship between customer satisfaction and loyalty of banks can increase profits, bring great efficiency to banks, and enhance trust (Kodua et al.,2022;Bai et al., 2023).

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Therefore, to contribute to increasing profits and position in society, banks should have a process to manage consumer customer satisfaction (Ogawa &Pongtanalert, 2013). Customer satisfaction with a bank has also been discovered to have a high correlation with their level of loyalty when using the bank's services. Therefore, I assume that:

H5: *The level of customer satisfaction with a bank is positively associated with customer loyalty.*

2.2.4The relationship between customer trust and customer loyalty

Currently, there is still no element of solid customer loyalty in marketing (Moloney,2006; Orazgaliyeva, 2017). Besides, in banks, to create competitive advantage, it must be based on customer loyalty built from foundations such as satisfaction, trust or awareness. In addition, Oliver (1993) believes that to have high quality and effective sales is not only about price awareness but also based on customer satisfaction and trust. Trust has been identified in previous research as a key factor influencing customer loyalty, as noted by various scholars (Liang and Wong, 2004). Customer loyalty towards a company is bolstered by the trust that is cultivated between the customer and the service provider (Kassim and Abdullah, 2008). Gul (2014) stressed that customer loyalty to a product or service is essentially rooted in trust. Because trust plays a crucial role in forming a strong connection between a brand and its customers, it stands as a significant factor in determining brand loyalty (Hunt and Morgan, 1994). Additionally, Prabhu and Ranaweera (2003) pointed out that trust is a more powerful sentiment than satisfaction and is a better predictor of loyalty. As a result, the following hypotheses are put forward:

H6: ***Customer trust has a positive relationship with customer loyalty***

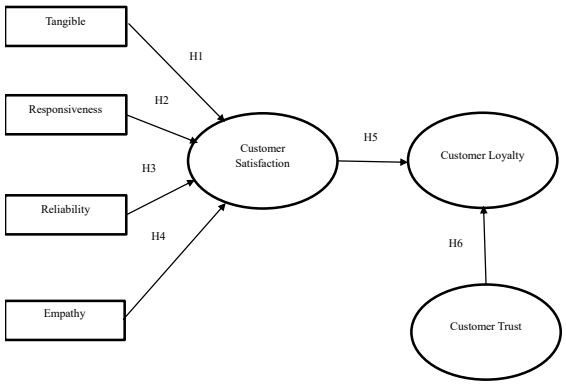


Figure 1

3. Methodology

3.1 Target population

In this study, the target population is customer in Ho Chi Minh City (HCMC). Using quantitative research, the survey was conducted based on 150 male and female customers, of different ages, with different job, and with different income levels. In terms of bank service providers, the researchers picked large financial institutions such as TPBank, BIDV, Vietcombank, MB Bank, Agribank, and Vietinbank for this study. Additionally, data can be acquired from customers of other banks. Ho Chi Minh City was selected as the survey area because Ho Chi Minh City is one of two major cities in Vietnam, it saved time, had many resources, and improved questionnaire management efficiency.

3.2 Measures, questionnaire design, and data collection

To collect data, a large number of people from Ho Chi Minh City were surveyed through an online survey specifically Google Forms. First, the questionnaire was changed from previous study to match this study. After change, it was translated from English to Vietnamese before being completed in Vietnamese, the official language, and then back to English to ensure translation equivalence. The level of agreeing or disagreeing with the reflective items was measured using a seven-point Likert scale, which included (1) strongly disagree, (2) mainly disagree, (3) partially disagree, (4) indifferent, (5) partially agree, (6) mainly agree, and (7) strongly agree.

According to the statistical software G*Power version 3.1.9.7 with F tests, effect size f^2= 0.15, α error prob = 0.05, and power (1- β err prob) = 0.8, and five predictor variables. The formula and G*Power both give almost the same of a total sample size =92

Table 1: Factors influencing the customer experience of bank.

Construct	Item	Questionnaire	Source
Responsiveness	DC1	Bank staff has their customers' best interests at heart.	(Zeithaml et al., 1988)
	DC2	Bank staff always understands the needs of customers.	
	DC3	Bank staff gives customer their individual attention.	
	DC4	Bank support department operates hours convenient to achieve all customers' needs.	
Empathy	DU1	Quick response to complaints, if any.	
	DU2	The bank can attend to customer complaints even after working hours through call center services.	
	DU3	Customer advising	

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		services are constantly provided by bank professionals.	
	DU4	Bank employees never appear to be too busy to meet the good expectations of customers.	
Reliability	TC1	The bank always performs its functions.	
	TC2	The bank is committed to providing e-services on schedule.	
	TC3	If there is an issue with e-banking services, the bank is constantly concerned about resolving it.	
Tangible	HH1	The bank's website provides customers with useful information.	
	HH2	The Bank's website makes it easy for me to find information.	
	HH3	The bank's website offers a visually appealing interface.	
Customer satisfaction	CS1	The bank maintains personal relationship with the customer.	(Liu et al., 2011)
	CS2	I am satisfied with the overall interaction with the bank.	
	CS3	Overall, I am satisfied with e-transaction offered by the bank.	
	CS4	Overall, I am satisfied with the service offered by the bank.	
Customer Trust	CT1	I feel secure while authorizing transactions with the bank.	Bagram, 2010; (Chiou& Droge, 2006); Hess, 1995)
	CT2	I prefer this bank each time I make any financial transaction.	
	CT3	I consider this bank as my preferred one when doing transaction.	
	CT4	I trust the know-how of this bank.	
Customer Loyalty	CL1	I will continue to make e-banking transactions with the bank.	Parasuraman et al (1988); Liu et al. (2011) Yim et al., (2004), (Chiou& Droge, 2006)
	CL2	I prefer this bank over other banks.	
	CL3	I have no intention to switch over to other bank.	
	CL4	I have intention to recommend the bank to others.	
	CL5	I would recommend the bank to my friends and relatives.	

4. Results and Discussions

4.1 Results

4.1.1 Demographic Profile

The 116 respondents' demographic profile shows a representative and trustworthy sample. Of the 116 participants who responded, 52 (44.8%) were male and 64 (55.2%) were female. Additionally, 7.8% were under the age of 20. 5.2% were between the ages of 36 and 50. 0.9% were over 50. And what surprised me was that 86.2% of people between the ages of 20 and 35 participated in this study. The percentage of income level in as follow: 19% have income below 3 million VND. 43.1% income level is from 3 million to 5 million VND. 35.3% have income from 5 million to 10 million VND. 1.7% have income from 10 million to 20 million VND and 0.9% have income over 20 million VND. In this study, 100% of respondents use banks or services provided by banks. Find out how diversified the uses of various banks are based on participant replies. Table 2 shows the following information:

Table 2: The proportion of Percentage of Respondents by Name of the banks

Name of the banks	Number of respondents	Percentage (%)
TPBank	20	17.2%
Agribank	14	12.1%
Vietcombank	19	16.4%
ViettinBank	19	16.4%
BIDV	19	16.4%
MBBank	19	16.4%
Techcombank	2	1.7%
Sacombank	2	1.7%
VIB	2	1.7%
VP Bank	1	0.9%

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4.1.2Assessing the outer measurement model

Descriptive statistics and reliability coefficients for constructs were used to explore and investigate the reliability of the data collected in this study, as well as to determine the degree of consistency across different measurements of variables (D. T. V. Dang et al., 2022; H.-B. Nguyen & Nguyen, 2021; L.-T.Nguyen, 2023; L.-T.Nguyen et al., 2022). Table 3 shows overall the result of Cronbach's alpha, composite reliability (rho_a), composite reliability (rho_c)and average variance extracted (AVE)

Table 3: Descriptive Statistics and Reliability Coefficients for Constructs:

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
CL	0.978	0.979	0.983	0.921
CS	0.978	0.978	0.984	0.938
CT	0.955	0.956	0.967	0.881
DC	0.971	0.972	0.979	0.921
DU	0.956	0.957	0.968	0.884
HH	0.969	0.969	0.980	0.941
TC	0.963	0.963	0.976	0.932

Based on Table 3, the items have strong internal consistency and reliability, with all structural Cronbach's alphas over 0.7 (customer loyalty, customer satisfaction, customer trust, responsiveness, empathy, reliability, tangible index correspond to 0.978, 0.978, 0.955, 0.971, 0.956, 0.969, 0.963 respectively) and composite reliability surpassing the 0.7 barrier (0.983, 0.984, 0.967, 0.979, 0.968, 0.980, 0.976) (Leong et al., n.d.)). Moreover, the validity examination of measurement models focuses on convergent validity and discriminant validity, with convergent validity demonstrated by the value of Average Variance Extracted (AVE) and Hair et al. (2011) supposed that all the index of each construct should be more than 0.5 (0.921, 0.938, 0.881, 0.921, 0.884, 0.941, 0.932) (D. T. V. Dang et al., 2022; Luan-Thanh et al., 2024; L.-T. Nguyen et al., 2022; L.-T. Nguyen, Nguyen, et al., 2023). To assess discriminant validity, this study used the FornellLarcker Criterion. Table 4 is the square root of the AVE, and Table 4 demonstrates that for the Fornell-Larcker index, correlations along the diagonal value bigger than all values in the same line and column of the data. Table 5 are the cross loadings presents the findings of the cross-loadings analysis, showing the discriminant validity of these two tests. After a measurement model assessment establishes validity and reliability, a structural model evaluation can be carried out.

The dimension of the model (outer model) is certified as trustworthy and accurate by the Cronbach alpha, composite reliability, outer loadings of the indicators, average value retrieved, convergent validity, and discriminant validity tests conducted by Fornell and Larcker and cross loadings (T.-Q. Dang et al., 2023; Dao et al., 2023; B.-T. H. Nguyen et al., 2023; L.-T. Nguyen et al., 2024; L.-T. Nguyen, Nguyen, et al., 2023).

Table 4: FornellLarcker Criterion - Discriminant validity:

	CL	CS	CT	DC	DU	HH	TC
CL	0.960						
CS	0.936	0.969					
CT	0.942	0.941	0.939				
DC	0.898	0.905	0.918	0.960			
DU	0.935	0.947	0.924	0.907	0.940		
HH	0.898	0.936	0.899	0.864	0.929	0.970	
TC	0.907	0.960	0.922	0.897	0.937	0.911	0.965

Table 5: Cross loadings - Discriminant validity

	CL	CS	CT	DC	DU	HH	TC
CL1	**0.915**	0.882	0.930	0.900	0.871	0.839	0.867
CL2	**0.975**	0.932	0.929	0.878	0.919	0.883	0.905
CL3	**0.960**	0.881	0.870	0.832	0.911	0.847	0.867
CL4	**0.972**	0.888	0.886	0.850	0.880	0.862	0.854
CL5	**0.975**	0.905	0.901	0.844	0.902	0.873	0.856

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CS1	0.910	**0.966**	0.915	0.893	0.915	0.915	0.914
CS2	0.921	**0.974**	0.923	0.878	0.922	0.914	0.915
CS3	0.905	**0.972**	0.902	0.873	0.912	0.917	0.953
CS4	0.892	**0.963**	0.905	0.862	0.923	0.881	0.939
CT1	0.870	0.905	**0.923**	0.830	0.865	0.899	0.891
CT2	0.915	0.916	**0.954**	0.877	0.905	0.868	0.900
CT3	0.907	0.891	**0.948**	0.888	0.863	0.845	0.852
CT4	0.841	0.819	**0.929**	0.849	0.836	0.761	0.818
DC1	0.844	0.841	0.876	**0.970**	0.851	0.789	0.843
DC2	0.845	0.831	0.863	**0.970**	0.863	0.810	0.823
DC3	0.858	0.874	0.880	**0.973**	0.870	0.826	0.844
DC4	0.894	0.920	0.899	**0.926**	0.893	0.882	0.926
DU1	0.885	0.927	0.870	0.880	**0.945**	0.906	0.902
DU2	0.872	0.849	0.848	0.831	**0.909**	0.868	0.845
DU3	0.877	0.887	0.883	0.869	**0.946**	0.855	0.895
DU4	0.882	0.898	0.874	0.830	**0.960**	0.864	0.879
HH1	0.877	0.896	0.884	0.849	0.903	**0.974**	0.884
HH2	0.864	0.918	0.870	0.835	0.908	**0.967**	0.896
HH3	0.872	0.911	0.864	0.830	0.893	**0.970**	0.872
TC1	0.874	0.923	0.899	0.897	0.896	0.881	**0.977**
TC2	0.874	0.923	0.881	0.851	0.920	0.888	**0.955**
TC3	0.879	0.935	0.890	0.850	0.897	0.870	**0.965**

4.1.3Assessing the structural model

Next, I analyzed the connections and explication power of the structural model to assess its reliability. The internal structural model was analyzed using a P-value threshold of 0.05 or lower (Duc, Mai, et al., 2024; Duc, Nguyen, et al., 2024; A. H. D. Nguyen et al., 2024; A.-H. D. Nguyen et al., 2024; L.-T. Nguyen, Phan, et al., 2023; N. T. T. Nguyen et al., 2024). The correlation between H1 and H2 and rising customer loyalty levels is demonstrated by the index in Table 6 and Figure 2 ($\beta = 0.372$, $p < 0.05$; $\beta = 0.594$, $p < 0.05$). Also, H5, H6 were identified as being strongly connected to CS ($\beta = 0.247$, $p < 0.05$; $\beta = 0.458$, $p < 0.05$). However, H3 and H4 had been deemed insignificant and unrelated to CS ($\beta = 0.105$, $p > 0.05$; $\beta = 0.191$, $p > 0.05$). In Figure 2, checking the explanatory power of the research model reveals that my formulation explains 94.9% of the difference in customer satisfaction and 91.2% of the difference in customer loyalty.

Table 5- Path coefficient results

		Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	Results
H1	CS -> CL	0.372	0.382	0.163	2.286	0.022	Supported

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H2	CT -> CL	0.594	0.584	0.160	3.713	0.000	Supported
H3	DC -> CS	0.105	0.105	0.087	1.205	0.228	Not supported
H4	DU -> CS	0.191	0.199	0.134	1.426	0.154	Not supported
H5	HH -> CS	0.247	0.250	0.097	2.548	0.011	Supported
H6	TC -> CS	0.458	0.448	0.112	4.086	0.000	Supported

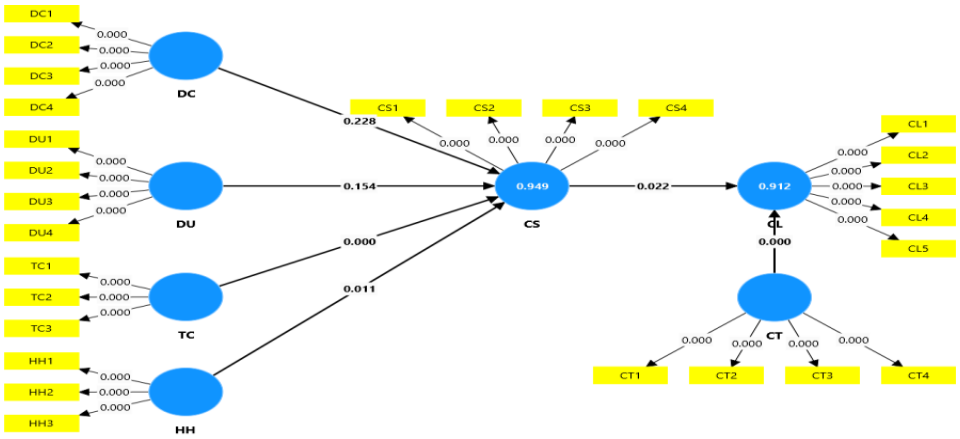


Figure 2- Structural Model Evaluation

4.2 Discussion

In total, the results are consistent with the proposed model of loyalty of customers to banks and the banking services they offer.Like predicted, it was discovered that elements such a customer's level of satisfaction (CS) and level of trust (CT) in service providers influences how often that customers will return,thereby forming customer loyalty (CL). Given CS and CL's good relationship, it is likely that customers in Ho Chi Minh City will use the bank if it can satisfy their needs. This is in line with the bank's objective to improve service quality by making it more trustworthy, friendly, and modern. Similar to CS, CT has a significant influence on CT. This means that in order for customers in Ho Chi Minh City to feel secure about the security of their money and personal information, the bank where they deposit money needs to be reliable, open, and honest.

In particular, the results show that there are substantial advantageous associations between customer satisfaction and all CS measures, with the exception of DC (responsiveness) and DU (empathy).This study found a substantial positive connection between CS and TC. This points out that when a bank frequently offers accurate information, dependable services, as well as quick transactions, this reliability makes banking for customers easier and less stressful, which influences customer happiness. There is an outstanding connection between HH and CS. This explains how a well-designed, user-friendly website may improve the customer experience by offering easy access to banking information and services. Customers will feel more satisfied and confidence in a bank's capabilities if its website has an appealing interface, is simple for customers to use, and is regularly updated with essential information.

Furthermore, according to a customer from Ho Chi Minh City, the theory proposed by DU and DC does not possess necessary factors to influence CS. In this method, banks in Ho Chi Minh City can re-evaluate the impact of DU and DC on CS and develop an optimal corresponding plan in time to improve customer satisfaction.

5. Conclusions

This research enhances our comprehension of the factors driving customer loyalty towards banks in Ho Chi Minh City, including trust, service quality, customer satisfaction, and convenience. Our results reveal that these factors wield a significant influence on customers' decisions to remain faithful to a specific bank. Initially, trust emerges as a pivotal element, with customers preferring to stick with banks they consider trustworthy. This trust is cultivated through consistent, dependable services and transparent communication. Subsequently, service quality holds great importance, as banks providing top-notch services, quick customer support, and efficient transactions are more likely to retain their clientele. Customer satisfaction also plays a crucial role, with content customers more likely to exhibit loyalty. This satisfaction can be attained by promptly and effectively addressing customer needs. Moreover, the ease of banking operations is vital, as banks offering user-friendly online and mobile platforms, along with easily accessible physical branches, can bolster customer loyalty. The outcomes of the study suggest that banks should focus on these areas to nurture customer loyalty. By establishing high levels of trust, providing exceptional service quality, ensuring high customer satisfaction, and offering convenient banking solutions, banks can significantly enhance their customer retention rates. Additionally, while this study underscores important factors, it also underscores the necessity for further

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research. Future studies could delve into other potential influences on customer loyalty, such as the impact of personalized banking services, the role of innovative banking technologies, and the influence of cultural factors in different regions.

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