THE FACTORS IMPACTING ON SAVINGS DECISION OF INDIVIDUAL CUSTOMERS - A CASE STUDY OF ASIA COMMERCIAL JOINT STOCK BANK AT THAI NGUYEN BRANCH

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ARTICLE INFO		ABSTRACT
Received:	**16/4/2021**	Savings deposit is an important component of banking service, which is a typical commercial bank sector and one of the bank's key growth pillars.
Revised:	**17/5/2021**	Capital mobilization is a key input in a bank's operation, and it also acts as the basis for generating output for credit and other banking activities. The
Published:	**21/5/2021**	purpose of this study is to examine the relationship between the factors impacting on savings decision of individual customers and propose some
KEYWORDS		recommendations to improve the service quality at Asia Commercial Bank in Thai Nguyen provincce. Survey data collected from 200 individual
Savings decision		customers were analyzed to provide evidence. The research used exploratory factor analysis methods to discover the validity of measurement of variables.
Individual customer		The results identify five variables including bank brand, interest rate policy, influencers' beliefs (friends, family, relatives), promotion, employee
Bank		knowledge and attitude which have a significant impact on the saving decision of individual customers at Asia Commercial Bank. The key results
Survey		of this article serve as a recommendation for how to strengthen these variables in order to maintain and attract individual customers' savings
Exploratory factor analysis		deposit decisions.

Savings deposit is an important component of banking service, which is a typical commercial bank sector and one of the bank's key growth pillars. Capital mobilization is a key input in a bank's operation, and it also acts as the basis for generating output for credit and other banking activities. The purpose of this study is to examine the relationship between the factors impacting on savings decision of individual customers and propose some recommendations to improve the service quality at Asia Commercial Bank in Thai Nguyen provincce. Survey data collected from 200 individual customers were analyzed to provide evidence. The research used exploratory factor analysis methods to discover the validity of measurement of variables. The results identify five variables including bank brand, interest rate policy, influencers' beliefs (friends, family, relatives), promotion, employee knowledge and attitude which have a significant impact on the saving decision of individual customers at Asia Commercial Bank. The key results of this article serve as a recommendation for how to strengthen these variables in order to maintain and attract individual customers' savings deposit decisions.

CÁC YẾU TỐ ẢNH HƯỞNG ĐẾN QUYẾT ĐỊNH TIẾT KIỆM CỦA KHÁCH HÀNG CÁ NHÂN TẠI NGÂN HÀNG THƯƠNG MẠI CỔ PHẦN Á CHÂU CHI NHÁNH THÁI NGUYÊN

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Khoa Quốc tế - ĐH Thái Nguyên

THÔNG TIN BÀI BÁO		TÓM TẮT
Ngày nhận bài:	**16/4/2021**	Tiền gửi tiết kiệm đóng góp một phần quan trọng trong hoạt động ngân hàng, là hoạt động kinh doanh cơ bản của ngân hàng thương mại và là một
Ngày hoàn thiện:	**17/5/2021**	trong những nền tảng cốt lõi để phát triển của ngân hàng. Đây cũng là cơ sở để tạo đầu ra cho hoạt động tín dụng và các hoạt động ngân hàng khác. Mục
Ngày đăng:	**21/5/2021**	tiêu chính của nghiên cứu này nhằm xem xét mối quan hệ giữa các nhân tố tác động đến quyết định gửi tiết kiệm của khách hàng cá nhân tại Ngân hàng
TỪ KHÓA		thương mại cổ phần Á Châu chi nhánh Thái Nguyên và đề xuất một số kiến nghị nhằm nâng cao chất lượng dịch vụ tại ngân hàng này. Dữ liệu khảo sát
Quyết định tiết kiệm		thu thập từ 200 khách hàng cá nhân được phân tích để cung cấp bằng chứng. Nghiên cứu cũng sử dụng phương pháp phân tích nhân tố khám phá để đánh
Khách hàng cá nhân		giá độ tin cậy cho thang đo của các biến được đo lường. Kết quả cho thấy 5 biến số bao gồm thương hiệu ngân hàng, chính sách lãi suất, niềm tin của
Ngân hàng		người có ảnh hưởng (bạn bè, gia đình, người thân), sự ưu đãi, kiến thức và thái độ của nhân viên có tác động đáng kể đến quyết định tiết kiệm của
Điều tra		khách hàng cá nhân tại Ngân hàng thương mại cổ phần Á Châu. Nghiên cứu này đưa ra những khuyến nghị về cách tăng cường các biến số này để duy
Phân tích nhân tố khám phá		trì và thu hút quyết định gửi tiền tiết kiệm của khách hàng cá nhân.

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1. Introduction

Asia Commercial Joint Stock Bank (ACB) at Thai Nguyen Province officially went into business in 2010 [1]. This is one of the leading joint-stock commercial banks in Vietnam with a network of branches throughout the provinces across the country and a variety of products and services such as deposit, lending, payment services, and cash flow management, international payment, and trade finance, foreign exchange and derivatives business, e-banking, card services and human insurance… However, the competition level of banking market in Thai Nguyen is quite high as there are different commercial banks in Thai Nguyen, who are providing similar products and services like ACB's ones. Therefore, customers have many available choices and are easy to switch from one bank to other ones.

Saving deposit plays critical part in banking activities which is a conventional commercial bank business and one of the bank's core foundations for growth [2]. There is multiple research on the factors impacting on savings decision of individual customers in Vietnam, but there has been no research so far about the factors impacting on savings decision of individual customers at Asia Commercial Joint Stock Bank - Thai Nguyen branch. Additionally, the increase in customers' income and the availability of various investment channels enable them to easily choose among the channels such as the stock market, foreign exchange, gold, real estate, business projects, or savings at banks [3]. Each investment channel will bring a different rate of return, corresponding to different levels of risk [4]. In fact, for Vietnamese, savings is still a top choice when having free money. Although ACB has the effort to improve its service and bank performance which is substantially credible, there is still some evidence on quality of service that makes the decision of individual customers go down such as lacking of well-trained and professionally qualified banking staff, poor attitude and behavior on the bank staff in dealing with actual and potential clients, strong completion with other banks [5], [6]. This may negatively impact the savings decision of individual customers, indicating a need for a research to address such problem [7], [8].

Therefore, we decided to conduct a research to examine the factors which may have impacts on savings decision of individual customers and offer recommendations to enhance the savings quality of individual customers at Asia Commercial Joint Stock Bank at Thai Nguyen branch.

2. Methodology research
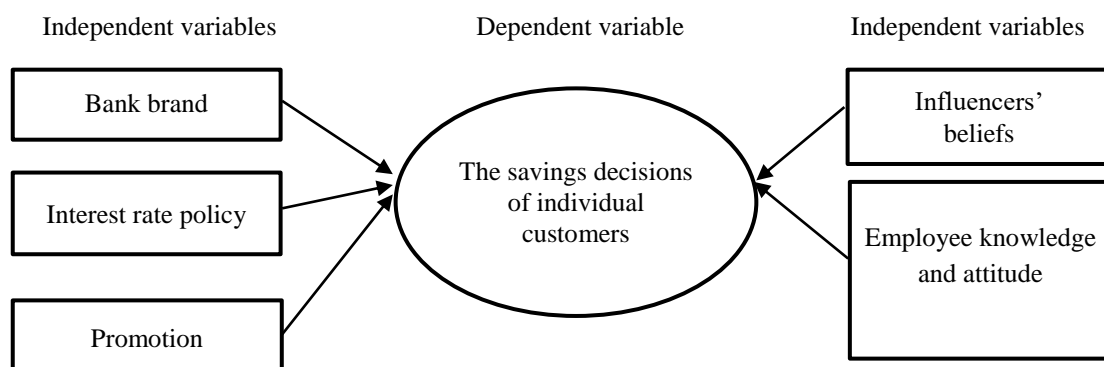
2.1. Conceptual framework

Figure 1. *Conceptual Framework*

Figure 1 presents conceptual framework of our study. A conceptual framework is a concept that is generally defined and systematically organized to provide a focus, a rationale, and a tool for the integration and interpretation of information [7]. The conceptual framework guides the study as it indicates the relationship between the independent variable and the dependent

variables [8]. The dependent variable in our study is the savings decision of individual customers. On the other hand, the independent variable includes bank brand, interest rate policy, influencers' beliefs (friends, family, relatives), promotion, employee knowledge and attitude.

2.2. Hypotheses

The pertinent literature has identified the determinant factors on individual savings decision. Specifically, Mohammad Nader Mohammudi and Jamal Mohamad Shilan (2015) conducted a study to determine the factors affecting the deposit attraction of banks in Iran. Through a survey of 400 customers, the research results showed that there were six factors affecting the attraction of individual customers to save money at the bank (deposit interest rates, branch development design, advertising reporting location, competition, employee attitudes, capacity) [9]. In addition, Nguyen Thi Ngoc Diep and Nguyen Quoc Huy (2016) aimed to build scales of factors affecting the decision to choose a savings bank of individual customers in Bien Hoa city. The quantitative method was performed through analysis of reliability by Cronbach's Alpha coefficients, exploratory factor analysis (EFA) and confirmation factor analysis (CFA) from survey data of 275 customers who have savings in Bien Hoa city. The results showed that there were seven factors that affect the decision to choose including brand reputation, financial benefits, the influence of relatives, tangibility, incentives, bank staff, and marketing [10]. Following the literature, our study chooses to develop the five hypotheses as follows:

H1: Bank brand has a positive impact on individual customers' decision savings at Asia Commercial Joint Stock Bank.

H2: Interest rate policy has a positive impact on individual customers' decision savings at Asia Commercial Joint Stock Bank.

H3: Influencers' beliefs have a positive impact on individual customers' decision savings at Asia Commercial Joint Stock Bank.

H4: Promotion has a positive impact on individual customers' decision savings at Asia Commercial Joint Stock Bank.

H5: Employee knowledge and attitude has a positive impact on individual customers' decision savings at Asia Commercial Joint Stock Bank.

2.3. Research method

The research used exploratory factor analysis (EFA) methods to uncover the factor structure of the measurement for the variables and to examine its internal reliability. The author needed quantitative data (The factors impacting on savings decision of individual customers of Asia Commercial Joint Stock Bank at Thai Nguyen branch) and some demographic data (age, gender, income, educational status) in this research; therefore, a survey using questionnaires was conducted to collect the primary data. According to Solvil's Formula, the researchers decided to collect 200 respondents at ACB. The prepared questionnaires were sent to the respondents. The draft of the questionnaire is drawn based on the research readings, previous studies, and relevant professional and published and unpublished dissertations for research. In the process of preparing equipment, the requirements in designing good data collection tools have been considered. The question set consists of 2 parts. Part I is the profile of respondents on age, gender, occupation. Part II is the answer about the factors impacting on savings decision of individual customers of Asia Commercial Joint Stock Bank at the Thai Nguyen branch. These include bank brand, interest rate policy, influencers' beliefs (friends, family, relatives), promotion, and employee knowledge and attitude. Finally, it encourages open responses to sensitive issues at hand. In addition, the tools were validated by a number of consultants and former professors before it was included in the study. Moreover, secondary data was drawn from the official reports of ACB, which was used to identify the current problems of individual savings.

3. Result and discussion

3.1. The Assessment of Reliability and Validity

After a survey, the author collected 200 valid questionnaires, sample characteristics were summarized in Table 1. The study respondents included 114 females (57.0%) and 86 males (43.0%). The majority of respondents were from 31 - 49 years (70.0%). It can be seen that the main customers of this bank were businessmen who accounted for 25.0%. As indicated in the table, respondents who had monthly income of 10 - 15 million counted for the highest percentage at 41.0%.

Table 1. *Descriptive analysis of respondents' profile*

N = 200		Frequency	Percentage
Gender	Male	86	43.0
	Female	114	57.0
Age	18 – 30 years	22	11.0
	31 – 45 years	63	31.5
	46 – 49 years	77	38.5
	Above 50	38	19.0
Job	Doctors	18	9.0
	Officers	34	17.0
	Businessman	50	25.0
	Retired people	43	21.5
	Workers	30	15.0
	Teachers	15	7.5
	Students	8	4.0
	Others	2	1.0
Monthly Income	3 – 5 million	19	9.5
	5 – 10 million	68	34.0
	10 – 15 million	82	41.0
	Over 15 million	31	15.5

The reliability of survey data was shown in Table 2. The author conducted evaluation on the reliability of the scale by Cronbach's Alpha coefficient. All the Cronbach's Alpha coefficients shown in Table 2 were greater than 0.5, besides, all observed variables had a total correlation coefficient greater than 0.3. Therefore, they were used or subsequent exploratory factor analysis (EFA).

Table 2. *The result of reliability*

Scale	Code	Items	Cronbach's alpha	The minimum value of corrected Item-Total Correlation
Bank brand	B	5	0.91	0.56
Interest rate policy	I	5	0.84	0.56
Influencers' beliefs (Friends, Family, Relatives)	H	5	0.75	0.38
Promotion	P	5	0.91	0.67
Employee knowledge and attitude	E	5	0.84	0.50

3.2. Factor analysis

Table 3 showed that the total eigenvalues and accumulative were more than 50%, so five items explained the percentage of the variability in the original variables (of 200 observations). The table of KMO and Bartlett's test showed that the Kaiser-Meyer-Olkin measure of sampling

adequacy value was higher than 0.6 and the small values of the significance level were less than 0.05. This means that independent variables were appropriate for factor analysis.

Table 3. *Factors analysis*

Scale	Code	Items	KMO	Accumulated Variance Extracted %	P-value of Bartlett's Test
Bank brand	B	5	0.833	72.331	0.000
Interest rate policy	I	5	0.726	62.343	0.000
Influencers' beliefs (Friends, Family, Relatives)	H	5	0.661	51.199	0.000
Promotion	P	5	0.826	73.891	0.000
Employee knowledge and attitude	E	5	0.829	60.863	0.000

3.3. Hypothesis Test

Table 4. *Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.935[a]	0.874	0.870	0.36648

Table 5. *ANOVA[a]*

	Model	Sum of Squares	df	Mean Square	F	Sig.
	Regression	179.594	6	29.932	222.867	0.000[b]
1	Residual	25.921	193	0.134		
	Total	205.515	199			

a. Dependent Variable: The savings decision of individual

b. Predictors: (Constant), bank brand, interest rate policy, influencers' beliefs (friends, family, relatives), promotion, employee knowledge and attitude

Table 4 of model summary showed that R^2 for the combined model is 0.874. According to statistics, R-square indicated the percentage of variation in one variable was explained by other variables.

As seen from Table 5, F-ratio indicated the statistical significance of the overall model. The F-ratio was the results of comparing the amount of explained variance to the unexplained variance. The regression model results in the ANOVA table showed that the overall model was significantly different from 0 (the F-ratio = 222.867 which is significant at the 0.00 level). The multiple linear regression models were consistent with the data set and the model was fit to be used.

Table 6. *Coefficients[a]*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		Result
	B	Std. Error	Beta			Tolerance	VIF	Significant
(Constant)	0.498	1.280		3.887	0.000			Significant
Bank brand	0.571	0.066	0.615	4.539	0.021	0.093	9.703	Significant
Interest rate policy	0.739	0.070	0.788	10.454	0.000	0.115	8.695	Significant
Influencers' beliefs	2.800	0.065	0.160	3.232	0.002	0.306	3.269	Significant
Promotion	0.146	0.069	0.169	2.123	0.035	0.103	9.730	Significant
Employee knowledge and attitude	0.262	0.650	0.275	4.012	0.000	0.139	7.206	Significant

(The Model column is labeled 11)

Standardized coefficients column in Table 6 revealed that bank brand had a beta coefficient of 0.571 with significant level at 0.21, which shows that bank brand had positive impact on individual customers' savings decision, supporting H1. Interest rate policy had a beta coefficient of 0.788 with significant level at 0.000, which shows that interest rate policy had positive impact on individual customers' savings decision, supporting H2. Influencers' beliefs have beta coefficient of 2.80 with significant level at 0.02, which means that influencers' beliefs had positive impact on individual customers' savings decision, supporting H3. Promotion had a beta coefficient of 0.169 with significant level at 0.35, which shows that Promotion had positive impact on individual customers' savings decision, supporting H4. Employee knowledge and attitude had a beta coefficient of 0.275 with significant level at 0.000, which shows that Promotion had positive impact on individual customers' savings decision, supporting H5. To summarize, the five hypotheses were supported.

4. Conclusion and recommendation

4.1. Conclusion

The results of the analysis show that the entire scale used in the study is credible (Cronbach's Alpha > 0.7) and can also be used for other tests. The study identified five determinants affecting the savings decision of individual customers which are bank brand, interest rate policy, influencers' beliefs, promotion and employee knowledge and attitude.

4.2 Recommendation

Based on the study findings, we recommend several suggestions to enhance quality of savings decision among individual customers.

Firstly, bank needs to improve their brand image in customers' perception by investing more into branding activities either online or offline. Online branding activities can be building up their official website or improving their social media page (Facebook, Zalo). Offline branding activities should be community involvement (such as organizing voluntary activities or sponsoring disadvantaged people), or organizing events through which customers can experience their service and has positive brand image of banks.

Secondly, banks can invest more into constructing a competitive interest rate policy, by adding more special options for different groups of individual customers. For example, freshman students who are about to start their new student life may be offered a preferred interest rate policy to pursuit their study. Such preferred interest rate policy will encourage savings decision.

Thirdly, banks should provide regular promotion for their individual customers to motivate their savings decision. For instance, on special days such as Vietnamese Teachers' Day, individual customers who are teachers should be given promotion products, which should be positive motivation for their savings decision.

Fourthly, banks are encouraged to care more about influencers' belief. The positive reviews from previous customers could be the key in decision making of savings among individual customers. The bank should maintain the good relationships with their customers, listening their reviews and suggestions to improve their service and products. These can positively impact the savings decision of individual customers.

Fifthly, employee knowledge and attitude are positive determinant of savings decision. Therefore, banks should focus on improving their employee knowledge and attitude. Regular training programs should be used to update employee knowledge, as well as help them to consolidate their attitude towards their banking field in particular and towards service sector in general. The improved employee knowledge and attitude can contribute to positive savings decision of individual customers.

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