



Credit Card Services at Vietnam International Bank – Ly Thuong Kiet Branch, Ha Noi City, Vietnam

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ABSTRACT

Although it has joined the credit card market since 2016, the problem VIB Bank needs to solve is how to develop in this field. Using statistical analysis and qualitative research methods, the author has based on previous scientific research combined with actual banking practices to determine that credit card activities have not developed due to lack of development. Thoroughly exploit customer behavioral factors. The author has proposed that Vietnam international bank (VIB Bank) consider implementing the following solutions (i) consider expanding card issuance conditions (such as issuing cards to customers with an income of 6 million VND/month and focusing on the Millennials generation).), (ii) applying card technology to processes related to card issuance, and (iii) understanding and predicting the upcoming behavior of current customers as well as building incentive programs for customers This item is more strategic. The author also recommends that competent state agencies consider creating a more favorable legal corridor for this business activity, such as allowing banks to identify customers by electronic means (e.g., allowing banks to identify customers by electronic means). -KYC)

Keywords: credit card services, VIB bank

Introduction

A commercial bank is a credit institution that plays an important role in the economy, as both a borrower and a lender. Thanks to the contributions of commercial banks, our country's economy has had outstanding development. However, because the integration trend in the world is developing strongly, commercial banks have to compete with each other to attract many new customers as well as retain old customers. Therefore, improving customer satisfaction plays an extremely important role for commercial banks to improve their competitiveness, especially in the field of credit services. At Vietnam International Commercial Joint Stock Bank VIB - Ly Thuong Kiet Branch, Hanoi city, Vietnam, the quality of credit services is also focused on because this is one of the important services, making an important contribution to the Bank's income. . Therefore, the author chose the topic "Assessing the level of customer satisfaction with the quality of credit card services at VIB International Bank - Ly Thuong Kiet Branch" to evaluate and identify the factors related to credit service quality has a strong impact on customer satisfaction levels . At the same time, the author conducted an assessment of the current status of credit services at VIB International Bank - Ly Thuong Kiet Branch to provide appropriate solutions and recommendations to help improve service quality and customer satisfaction. customers when they use credit services at the Bank.

2. Content

2.1. Study overview

Credit cards are one of many types of products and services that meet the diversity of consumer needs. Although the development of credit cards in developed countries such as the US, UK... is at a very high level and popular, in Vietnam, the development of credit cards has not been as expected because people are familiar with this type of card. More like a debit card

A credit card is a card that allows the cardholder to make card transactions within the

credit limit granted as agreed with the card issuer. With the characteristic of "spend now, pay later", credit cards effectively support cardholders in quickly making payment transactions for goods and services at card accepting units or on commercial websites. e-commerce.

There are many research projects on the development of card banking services, specifically as follows:

- First: topic "Developing card services at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Nha Trang Branch" in 2012, Master's thesis by author Le Khac Tu.

- Second: topic "Developing card services at Vietnam Joint Stock Commercial Bank for Industry and Trade - Thua Thien Hue Branch" in 2011, Master's thesis by author Tran Thi Phuong Thao.

- Third: topic "Development of payment card services at Military Commercial Joint Stock Bank - Binh Dinh Branch" in 2012, Master's thesis by author Van Thi Minh Khai.

The above projects research on developing card services at other banks or other VIB branches, so they are not suitable for the current business conditions and situation at VIB Ly Thuong Kiet.

However, using the above referenced works, the author has drawn appropriate research directions and methods. At the same time, combined with the current status of card service business activities at VIB, the author wishes to analyze more deeply and clearly the results of card service business activities that VIB has achieved as well as existing limitations, thereby providing solutions to develop card services at VIB in the current context.

2.2 Current status of credit services at VIB International Commercial Joint Stock Bank - Ly Thuong Kiet Branch

Sex:

The number of male customers using credit services at Ly Thuong Kiet Branch is larger than female customers. Up to 57.41% of male customers participate in using this service, while female customers only account for 42.6%.

Age:

According to statistics, the main age group participating in the evaluation is customers between the ages of 25 and 35 years old, accounting for 52.5%. This is also the main customer group of the Branch. The age group that least participated in the survey was customers aged 45 and older, only 3.1%.

Income:

Based on the statistical table shown, the majority of survey participants have income levels from 10 million VND to 20 million VND, accounting for 60.5%. The number of customers participating in the survey with an income of over 30 million VND and under 10 million VND is quite rare, from 4.3% and 7.4% respectively.

Used Time: Thus, the group of customers using VIB Bank's credit card services for a period of 1 year to less than 2 years accounts for the majority of data, 63%. Meanwhile, the number of customers participating in the survey using credit services for more than 3 years is quite low, only 1.9%.

Evaluate the current status of customer satisfaction regarding the reliability of credit services at the Branch:

Table 3.1. Evaluate the Reliability level of the service

	Describe	Smallest value	Greatest value	average value	Standard deviation
TC1	The bank does the right thing	3.00	5.00	4.1235	.63798
TC2	What is introduced and committed to customers when providing credit?	3.00	5.00	4.2963	.70393
TC3	Performed by Bank staff	3.00	5.00	4.2778	.63295
TC4	Accurate service right from the first service provision	3.00	5.00	4.2901	.71958

Source: Author's analysis results

According to the statistics in the table, it can be seen that customers "agree" highly with the Bank's reliability level, the smallest average index in the statistical table is that of TC 1 - that is, the majority of customers do not agree. that the Bank did what was introduced and committed when providing credit to customers with an average value coefficient of 4.1235; and the highest is 4.2963 of variable TC2 - The bank keeps transaction information and customers' personal information well secured.

Assessment of the current status of customer satisfaction regarding the responsiveness of credit services at the Branch:

Table 3.2. Evaluate the level of service responsiveness

	Describe	Smallest value	Greatest value	average value	Standard deviation
DU1	Bank staff serve customers quickly and promptly	2.00	5.00	4.2716	.74787
DU2	The Bank's staff are professional and considerate; Always ready to help and support when customers request	2.00	5.00	4.2593	.76048

DU3	Bank staff never seem too busy when customers ask for help	2.00	5.00	4.2284	.80584
DU4	Bank staff always serve all customers fairly	2.00	5.00	3.9074	.83261
DU5	Bank staff always assist you in completing documents and transaction records when requested	2.00	5.00	4.0432	.80641
DU6	Bank staff are qualified to handle the problem your profile professionally and effectively	2.00	5.00	3.9691	.68182
DU7	Bank staff when consulting and answering questions	2.00	5.00	4.1790	.83334

Source: Author's analysis results

The average value of the index ranges from 3.9074 – DU4 (Bank staff never appear too busy when customers ask for help) to 4.2716 – DU1 (Branch staff Always quick and timely service). Thus, the Branch's Responsiveness factor is still largely agreed upon by customers.

Evaluation of the current status of customer satisfaction regarding product utility of credit services at the Branch:

The factors of product utility are widely agreed upon by customers. The most underrated factor is factor TI2 - The Bank is always a pioneer in providing new services to meet emerging needs of customers. Therefore, the Bank needs to focus on this factor to improve and increase the level of customer satisfaction when using the Bank's credit services. Evaluation of the current status of customer satisfaction with tangible means of credit services at the Branch

	Describe	Smallest value	Greatest value	average value	Standard deviation
PT1	The location of the Branch is convenient for your travel and transactions	2.00	5.00	3.8086	.69187
PT2	The bank has modern equipment and machinery, complete facilities (waiting chairs, books, newspapers, drinks, etc.)	2.00	5.00	3.7901	.69095
PT3	The Bank has full documents and advertisements introducing the Bank's services and website	2.00	5.00	3.5926	.66459
PT4	Professional and easy to use	2.00	5.00	3.5370	.66069
PT5	The branch space is clean, airy and comfortable	2.00	5.00	3.7840	.57612

Source: Author's analysis results

Here, Customers agree the most with factor PT 1 or Branch location is convenient for your travel and transactions. Receiving the lowest agreement is factor PT4 or Clean branch space, airy and comfortable. However, these factors are still rated quite highly. Therefore, this is an aspect that the Branch needs to promote for improvement Improve the quality of its credit services. Evaluation of the current status of customer satisfaction regarding the Empathy of credit services at the Branch:

Table 3.5. Evaluate Empathy

	Describe	Smallest value	Greatest value	average value	Standard deviation
DC1	The branch has effective and impressive marketing activities	3.00	5.00	4.2284	.69849
DC2	The bank has preferential policies and gift programs suitable for each type of customer	1.00	5.00	4.1667	.79790
DC3	The branch always has specialized staff to meet customer requirements	1.00	5.00	4.4259	.80992
DC4	The bank always shows concern for customers on special occasions (anniversaries, traditions, etc.)	2.00	5.00	4.4938	.76611

Source: Author's analysis results

The level of customer agreement in this aspect is higher than the previous two factors with the Mean index ranging from 4.1667 of variable DC 2 (The bank has preferential policies and gift programs suitable for each individual). customer) to 4.4938 conversion DC4 (The bank always shows interest in customers on special occasions (anniversaries, traditions,...))

Evaluation of the current status of customer satisfaction with the pricing policy of credit services at the Branch

Table 3.6. Review Pricing Policy

	Describe	Smallest value	Greatest value	average value	Standard deviation
GC1	The bank has competitive transaction fees	2.00	5.00	3.0000	.63049
GC2	The bank applies good preferential interest rates compared to other credit institutions	2.00	5.00	2.9259	.52933
GC3	The bank has a flexible interest rate policy to suit each product	2.00	5.00	3.3951	.74231
GC4	The bank has diverse interest policies suitable to the needs of each customer	2.00	5.00	3.5123	.65216
GC5	Ngân hàng có sự điều chỉnh lãi suất theo đúng cam kết	2.00	5.00	3.4012	.67299

Source: Author's analysis results

In this factor, survey participants did not agree too much with the branch, the highest Mean index reached 3.3951 - variable GC3 (The bank has a flexible interest rate policy to suit each product). Meanwhile, the GC2 factor (Bank applies good preferential interest rates compared to other credit institutions) is only rated at Neutral by customers.

Evaluation of the overall satisfaction level of credit service customers in Chinhha

The statistics show that customers rate the overall satisfaction level quite well, have a need to continue using it and are likely to recommend the consumer service product to other customers. With Mean index respectively HL1 (Are you satisfied with the Bank's credit services) - 4.3457; HL2 (You will introduce VIB Bank's credit services to other customers) - 4.3272 and HL3 (In the near future, you will continue to use the services of VIB Bank Ly Branch Thuong Kiet) - 4.3086.

Thus, through the factors affecting customer satisfaction with credit services at VIB Bank - Ly Thuong Kiet Branch, it can be seen that customers using the service have a quite high degree of homogeneity with these factors. factor in building branch satisfaction. The above results are the basis for proposing plans to promote strengths in the future as well as limit and overcome remaining limitations and difficulties.

Success

Card opening and card issuance at Vietnam International Bank VIB - Ly Thuong Kiet Branch are quite successful with clear, reasonable and consistent processes between departments and between card specialists and customers.

When planning to open and issue cards, credit card specialists always determine in detail the tasks that need to be done, the documents that need to be prepared, and the human resources that need to be mobilized. Relevant departments always clearly define their duties in each case of card issuance so that support work is organized effectively and systematically.

In the process of collecting customer information to complete card issuance documents, specialists always emphasize carefulness to be able to accurately survey the customer's financial capacity and credit history. Customer information is collected and evaluated from many different sources to ensure reliability and accuracy.

Although the card issuance process includes many steps with many tasks that need to be done carefully and in detail, the specialist still ensures the progress of the work as committed to the customer, without prolonging the time. causing loss of trust in customers.

2.3. General assessment

Besides the achievements in credit services, I personally realize that the card issuance process, also known as credit services of Vietnam International Bank VIB, still has some shortcomings as follows: :

Regarding incentives for credit products:

The products of Vietnam International Bank VIB - Ly Tuong Kiet Branch have gone through a research process to come up with a list of products that are suitable for certain customer groups. However, after the internship, I realized that VIB products still have some problems as follows: the annual fees of the cards are still quite high compared to the needs of many customers. row; The incentives used with credit card products are quite new to consumers

because of the Happy Lite credit card's cashback service. Therefore, credit card specialists need to advise more so that customers can understand and grasp VIB Bank's incentive programs.

About the card issuance process

Regarding the card issuance process, the Branch needs to improve the process of appraising documents to issue cards because this process still has many problems such as: customer documents are approved at the management level but when it is sent for appraisal at a higher level, it is returned, causing customers to waste time waiting and feel dissatisfied. Credit card specialists also need to assist in providing information and explanations to customers when their applications encounter problems or are rejected at higher levels.

About personnel remuneration

When going for appraisal, Credit Officer should be supported with additional travel expenses or transportation to appraisal locations far away from the Branch and some other benefits if necessary. This will help promote the morale and work responsibility of the staff, thereby ensuring the quality of appraisal work.

2.4. Solutions and recommendations to improve credit service quality at VIB Bank - Ly Thuong Kiet Branch:

Enhance competitiveness in pricing policy:

Banks need to continuously update market fluctuation information as well as transaction prices to develop appropriate pricing policies to improve the competitiveness of products and services, thereby attracting more customers. new and improve customer satisfaction when using credit services.

Branches can also implement policies to diversify interest rate programs to create competition with other banks, especially in terms of flexibility in mechanisms such as interest rate plans for specific periods, Interest rates change according to market conditions, interest rate swaps with VND or USD... to create attractiveness related to interest rate policies so that customers are satisfied because they are suitable for their financial conditions.

Enhance empathy:

Promote the Bank's image in association with social organizations and departments such as schools, hospitals or organizations related to consumer rights, employees, etc. This will support the image of the Bank becomes familiar and demonstrates the bank's contribution to social activities.

Build a familiar customer care program and build an annual funding source. Regular and regular customer service or on special occasions such as traditional holidays or customers' special days will make customers feel the care and respect from the Bank.

Improve and develop product utilities:

Grasp and understand the characteristics of the product, thereby promoting the product widely to appropriate customers, especially those customers who have researched, evaluated the customer's financial situation and purchased the product. suitable to customer needs. Regularly survey customer needs as well as check customers' ability to pay and financial capacity at different stages to suggest suitable products to customers.

Promote electronic banking services to reduce difficulties in the process

transactions, opening customer cards, helping customers quickly carry out transactions, capture statement information easily, and pay outstanding debt and principal and interest quickly. At the same time, we also need to focus on ensuring the quality of data provided to customers and the safety and security of information when customers use the service.

3. Conclude

Through research, the goal of evaluating corporate customer satisfaction with the quality of credit services at VIB Bank - Ly Thuong Kiet Branch has been achieved. Through the analyzed model, the author has identified the main factors affecting customer satisfaction. Through that, the author also proposed measures to support the Branch in improving the level of customer satisfaction when they use credit services at the Branch. The contributions of this study still have many limitations and shortcomings. I look forward to your comments and corrections so that I can continue to improve and learn from experience for future research.

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