Banking Service Quality in Vietnam: A Comparison of Customers' and Bank Staff's Perceptions

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ABSTRACT

This study aimed to assess banking service quality in Vietnam and to make a comparison of customers' and bank staff's perceptions of this based on six dimensions of the BSQ (bank service quality) model suggested by Bahia & Nantel (2000). All the data were collected through questionnaires which were delivered to two groups: customers and bank staff in some large banks in Vietnam. Descriptive statistical approach, ANOVA, independent t-test, and ulti-regression were then used to describe and analyze these six dimensions as well as to take them into a comparison of banking service quality perceptions between the above two groups. The results of this study showed two important conclusions. Firstly, there were three significant differences in customers' and bank staff's perceptions about the price, service portfolio, and general banking service quality. Secondly, both customers and bank staff had the same opinions and evaluations about the important levels of six dimensions, with effectiveness and assurance the most important factors and service portfolio as the least important one. Finally, this study was one of the first concernimg banking service quality in Vietnam, based on the BSQ (Bahia & Nantel, 2000) model. Useful insights were obtained into the importance of banking service quality perceived by customers and bank staff, which can stimulate debates and discussions on building a quality standard system, strengthening service quality in banks' operations in Vietnam, as well as improving customers' and bank staff's satisfaction and loyalty.

Keywords: *banking service quality, perception, Vietnam*

INTRODUCTION

While the banking industry has become more and more developed in Vietnam, many kinds of financial and banking services have progressively been born as a result. Thenceforth, Vietnamese customers have had more opportunities for selection of more suitable places to buy and use banking services and satisfy all their demands. But at the same time, they have also become more fastidious and expect higher standards from banks, such as more friendliness in service styles, more effectiveness in solving all their complaints, or more modernization in equipment and tools. To bring satisfaction to customers therefore, banks have had to improve their service quality to keep their old customers and attract more new and potential ones. But what defines a good financial service? And what criteria do banks have to meet to be considered as good ones?

Many research papers and papers which have already mentioned service quality. Typically, the GAP model of service quality (Parasuraman, Zeithaml, & Berry, 1985) and the SERVQUAL approach (Parasuraman et al., 1988) that measures service quality using 22 items that are associated with the five service quality dimensions (tangibles, reliability, responsiveness, assurance and empathy) are verified in many different markets and countries. However, many of their results indicate that models and measurement scales of service quality are varied in conformity with every type of service, and every market or country (Bakakus, & Boller, 1992; Behara, Fisher, & Lemmink, 2002; Robinson, 1999). And in banking, bank service quality is commonly noted as a critical prerequisite for satisfying and retaining valued customers (Taylor & Baker, 1994). Therefore, Bahia & Nantel (2000) proposed a specific scale, the BSQ (Bank Service Quality) for measuring perceived service quality in retail banking. In Vietnam, basically, there are still very few researched models of service quality and measurement in each kind of service especially in banking. Besides, Vietnam

is still in the dawn of measuring quality and attitude toward service at present. In order to provide useful results and contribute to the development of financial services and banking ones in Vietnam, a study of measuring and comparing the banking service quality as perceived by customers and banking staff in Vietnam is needed and is significant. This research on the banking service quality is specifically focused on Vietnam as our case study.

The purpose of this study is twofold: firstly, to assess the level of the banking service quality provided in Vietnam based on the quality perceptions of retail customers and staff in banking; and secondly, to make a comparison of customers' and staff's perceptions about the banking service quality in Vietnam based on the BSQ (Bank Service Quality) model suggested by Bahia & Nantel (2000).

LITERATURE REVIEW

GAP Model

There are seven major gaps in the service quality concept: Gap1 (customers' expectations versus management perceptions), Gap2 (management perceptions versus service specifications, Gap3 (service specifications versus service delivery), Gap4 (service delivery versus external communication), Gap5 (the discrepancy between customer expectations and their perceptions of the service delivered), Gap6 (the discrepancy between customer expectations and employees' perceptions), and Gap7 (the discrepancy between employees' perceptions and management perceptions). Gaps 1-4 and 6-7 are identified as functions of the way in which service is delivered, whereas Gap 5 pertains to the customer and as such is considered to be the true measure of service quality. The Gap on which the SERVQUAL methodology has influence is Gap 5. In the following, the SERVQUAL approach is demonstrated.

SERVQUAL Model

The SERVQUAL model consists of 22 statements for assessing customer perceptions and expectations regarding the quality of a service which were grouped into five key dimensions (Parasuraman *et al.*, 1991) that were identified as follows:

- Reliability – the ability to perform the promised service dependably and accurately.
- Tangibles – the appearance of physical facilities, equipment, personnel and communications materials.
- Responsiveness – the willingness to help customers and to provide prompt service.
- Assurance – the knowledge and courtesy of employees and their ability to convey trust and confidence.
- Empathy – the provision of caring, individualized attention to customers.

Many research studies and papers have used SERVQUAL scale to verify and to adjust in conformity with many different market situations and conditions. However, many other researchers have tested this model in many fields of service as well as in many different markets and countries, and their results show that service quality is not the same nor even similar in different service fields and markets. Therefore, it is necessary to have more research in order to model service quality in each service field and in each specific market. And the BSQ model was developed to measure banking service quality as suggested by Bahia & Nantel (2000), in particular.

The BSQ Model

Bahia & Nantel (2000) developed a specific new scale for perceived service quality in retail banking: BSQ (Bank Service Quality). This BSQ model incorporated additional items such as courtesy and access, as proposed by Carman (1990), and items representing the marketing mix of the "7Ps" (product/service, place, process, participants, physical surroundings, price and promotion) from the Boom & Bitner (1981) framework. After refinement, the BSQ was left with 31 items of service quality relevant to the banking sector. These 31 items were distributed across six dimensions:

(1) **Effectiveness and assurance:** effectiveness refers to the effective delivery of service (particularly the friendliness and courtesy of employees) and the ability of staff to inspire a feeling of security. Assurance concerns the staff's ability to exhibit their communication skills and to deal confidentially with clients' requests.
(2) **Access:** assesses the speed of service delivery.
(3) **Price:** measures the cost of service delivery.

(4) **Tangibles:** assess the appearance and cleanliness of a bank's physical infrastructure.

(5) **Service portfolio:** assesses the range, consistency, and innovation of the bank's products.

(6) **Reliability:** measures the bank's ability to deliver the service you have been promised accurately and without error.

In comparing BSQ with SERVQUAL, Bahia & Nantel (2000) argue that the main strength of BSQ for banks is related to its content validity. For example, the services portfolio dimension and the price dimension of BSQ are absent from SERVQUAL (Petridou, Spathis, Glaveli, & Liassides, 2007). It is for this reason (content validity) that the BSQ was chosen for use in the present study.

RESEARCH FRAMEWORK & METHODOLOGY

Research Framework

Based on the perceptions of retail customers and bank staff, especially the BSQ model (Bahia & Nantel, 2000), to make a comparison of customers' and staff's perceptions about the banking service quality in Vietnam, this study has a research framework as follows:

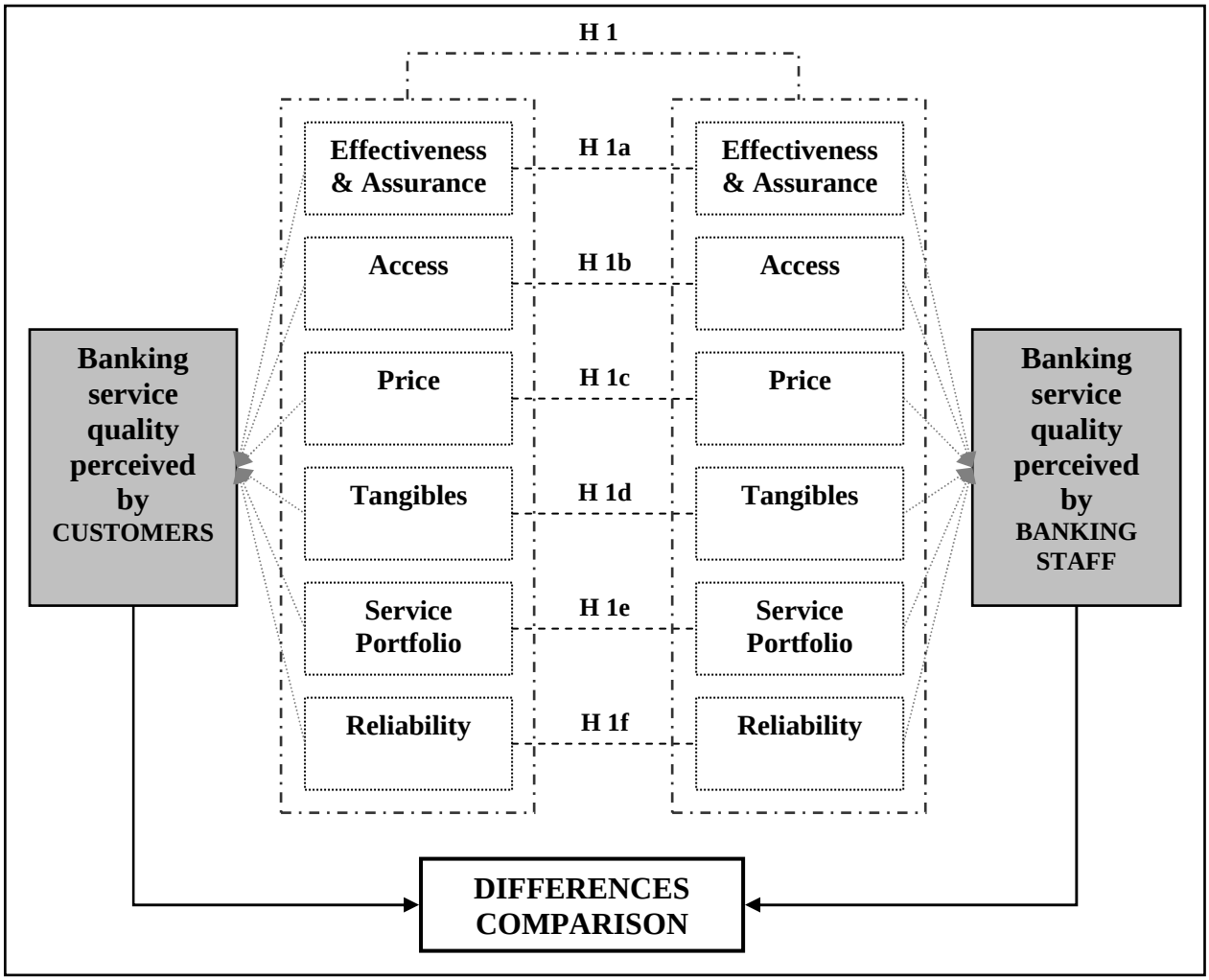

Figure 1: Research framework

Hypotheses

In this section, the hypothesized relationships between the variables mentioned in above framework are clarified as the following hypothesis 1:

Hypothesis 1: There is no significant difference of perceptions about the general perceived service quality between the customers and banking staff.

In detailed, we have six (sub-)hypotheses for the six pairs of service quality dimensions perceived by customers and bank staff respectively. The mentioned six hypotheses are given out as bellow:

Hypothesis 1a: There is no significant difference of perceptions about this dimension (effectiveness & assurance) between the customers and banking staff.

Hypothesis 1b: There is no significant difference of perceptions about this dimension (access) between the customers and banking staff.

Hypothesis 1c: There is no significant difference of perceptions about this dimension (price) between the customers and banking staff.

Hypothesis 1d: There is no significant difference of perceptions about this dimension (tangibles) between the customers and banking staff.

Hypothesis 1e: There is no significant difference of perceptions about this dimension (service portfolio) between the customers and banking staff.

Hypothesis 1f: There is no significant difference of perceptions about this dimension (reliability) between the customers and banking staff.

Methodology

After all data were collected through a survey with two forms of questionnaires (one for 223 customers, one for 88 bank staff), the basic analysis and tests utilized in the study included descriptive statistical approach, independent *t-test*, and ANOVA as well as multi-regression. We used descriptive statistical methods and calculated the means, frequency, percentage of the constructs that we developed above to summarize and interpret the survey. Additionally, data were also analyzed using independent *t-test* to compare the perceptions of customers and banking staff subject to every dimension of banking service quality to see whether there were any significant differences among them. Besides, ANOVA was also used to test the difference of the perceptions among different customers' and banking staff's backgrounds. And finally, the multi-regression approach was used to show the weights of the six selected banking service quality dimensions in this study. The SPSS software (Statistical Package Program for Social Sciences for Windows version 11.5) was used to support the progress and process of data analysis.

DATA ANALYSIS AND RESULTS

Descriptive Statistical Facts & Figures of the Main Survey

In the main survey, 400 questionnaires were delivered (250 to customers and 150 to banking staff) and the total number of usable questionnaires was 311. Thus, the response rate for the main survey was 77.75%.

For customers: based on 250 questionnaires' answers collected from bank customers, 27 units were rejected because they were not completely and correctly filled in as instructed; hence, the remaining number of questionnaires form A (for customers) is 223, which means a response rate of 89.2%. As regards the gender of customers, 54.3% were males and 45.7% were female. There was also a similar high rate of "unmarried" repondents in marital status (53.8%), and an adequate high rate of "age range" from 26 – 35 (48.4%). Most of the respondents' education levels were undergraduate degrees (75.3%); and their work status occupied the low- and medium-management classes (workers, staff, executives, or supervisors) holding a percentage of 76.2%, while the student group was 4.5% and high-class management level was 19.3%. The high rate of "worker /staff /executive /supervisor" career also logically matched a high rate in income in low and medium levels (43.5% for "1,800,000 – lower 3,600,000 VND" and 26.9% for "3,600,000 – lower 7,200,000 VND"). Concerning the company, 45.7% of customers worked for joint venture /joint-stock /private companies, while 23.8% and 30.5% worked for state-owned and foreign companies respectively. Especially, most of them (54.3%) used financial services provided by joint venture /joint stock /foreign banks. And finally, the facts and figures of the main survey also apprises us that 66.4% of respondents usually uses banking services 1-3 times per month, while 23.8% use banking services 4-6 times and the remaining 9.9%, over 6 times per month.

For bank staff: out of 150 questionnaires delivered to banking staff, a total of 88 questionnaires were returned, a response rate of 58.67 per cent. The majority (70.5%) were aged 18 to 35. Of the respondents, 30.7% were aged 18 to

25, 39.8% were from 26 to 35, 22.7% were from 36 to 45, and 6% were over 45. There are almost as many women (52.3%) as men (47.7%). Also, for the marital status, there were almost as many "single" (46.6%) as "married" respondents (53.4%). In terms of education level, all bank staff in the main survey had undergraduate degrees and upwards. Among them, 71.6% had a Bachelor's degree, 25.0% for Master's degree, and the remaining 3.4% for a doctorate degree. A total of 79.5% were at the low- and middle-level management (worker /staff /executive /supervisor), and the other 20.5% were at the high-level management upwards (leader /manager /director). In the aspect of income per month, 33% had an income from 3,600,000 - 7,200,000 VND, 21.6% had less than 3,600,000 VND, and 45.5 % had above 7,200,000 VND. Most of the respondents (58.0%) were working for joint venture or joint stock or private banks, while 20.5% worked in state-owned banks, and the remaining 21.6% worked for foreign banks.

ANALYSIS OF ONE-WAY ANOVA RESULTS

One-Way ANOVA Analysis for Bank Staff Groups

Table 1: One-way ANOVA results for bank staff groups

		Age	Gender	Marital Status	Education Level	Position	Income	Bank type
		Sig.	Sig.	Sig.	Sig.	Sig.	Sig.	Sig.
EA_STAFF	Between Groups	0.000	0.082	0.012	0.023	0.001	0.000	0.063
	Within Groups							
	Total							
A_STAFF	Between Groups	0.000	0.130	0.380	0.002	0.000	0.001	0.211
	Within Groups							
	Total							
P_STAFF	Between Groups	0.000	0.253	0.509	0.139	0.002	0.000	0.656
	Within Groups							
	Total							
T_STAFF	Between Groups	0.000	0.071	0.862	0.145	0.021	0.015	0.622
	Within Groups							
	Total							
SP_STAFF	Between Groups	0.000	0.219	0.229	0.015	0.000	0.041	0.051
	Within Groups							
	Total							
R_STAFF	Between Groups	0.000	0.048	0.910	0.100	0.006	0.012	0.971
	Within Groups							
	Total							
QUAL_STA	Between Groups	0.000	0.045	0.324	0.006	0.000	0.000	0.984
	Within Groups							
	Total							

Concerning age, from the above table, ANOVA results show us that there are significant differences among the four age groups for bank staff's perceiving six dimensions of service quality as well as the general service quality, because all ANOVA p-values are 0.000 (smaller than 0.05).

Concerning gender, although of the six factors, there is only one (reliability) which shows a significant difference due to its p-value of 0.048, general service quality perceived by bank staff was significantly different among two groups (males and females) due to its p-value of 0.045.

About the aspect of marital status, there was only one factor (effectiveness & assurance) with the p-value of 0.012, which means that there is a significant difference in this dimension among two groups of bank staff's marital status: "single" and "married". The other p-values of the five remaining factors are larger than 0.05, which is one important reason why the p-value of the general service quality as perceived by bank staff (0.324) is larger than 0.05. In other words, there is no significant difference between two groups of bank staff ("single" and "married") about their perceptions of general service quality.

About the education level, there were significant differences in three of the six dimensions (effectiveness & assurance's p-value: 0.023, access's p-value: 0.002, service portfolio's p-value: 0.015), which led to a significant difference among the three groups of bank staff about their perceptions of general service quality.

About the positions of bank staff, we have significant differences between the two groups of bank staff about the six dimensions and the generally perceived service quality. In particular, we have detailed p-values as follows: effectiveness & assurance: 0.001, access: 0.001, price: 0.002, tangible: 0.021, service portfolio: 0.000, reliability: 0.006, and the general service quality: 0.000.

About the aspect of income, ANOVA results clearly point out that there are, firstly, significant differences in perceiving banking service quality based on the five groups of income. In detail, p-value of effectiveness & assurance is 0.000, access: 0.001, price: 0.000, tangible: 0.015, service portfolio: 0.041, reliability: 0.012, and the general service quality: 0.000.

Finally, in the aspect of bank-type, all the p-values of the six factors and the general service quality show no significant differences among the mentioned three groups because they are all larger than 0.05.

One-Way ANOVA Analysis for Customer Groups

In the aspect of age, ANOVA results reflect significant differences among the four age groups about customers' perceiving six dimensions of service quality as well as the general service quality, because all ANOVA p-values are 0.000 (smaller than 0.05).

In the aspect of gender, there is no significant difference between 2 groups (male and female) in perceiving general service quality due to p-value of 0.523 (larger than 0.05). Nevertheless, the service portfolio, the only one factor of the six dimensions, has p-value of 0.018 (smaller than 0.05). This means that there is a significant difference here.

In the aspect of marital status, significant differences occupied in only three of the six factors: effectiveness & assurance (p value = 0.013), access (p value = 0.024), price (p value = 0.021), and to the general perceived service quality (p value = 0.013).

In the aspect of education level, although there is no significant difference about general service quality perceived by customers among the four education level groups, reliability is the only factor (out of the six factors) which has a significant difference with a p-value of 0.012. This shows that education level generally doesn't overly affect customers' perceptions.

Table 2: One-way ANOVA results for customer groups

		Age	**Gender**	**Marital Status**	**Education Level**	**Position**	**Income**	**Company type**	**Times of use**	**Career**	**Bank type**
		Sig.	Sig.	Sig.	Sig.	Sig.	Sig.	Sig.	Sig.	Sig.	Sig.
EA_CUS	Between Groups Within Groups Total	0.000	0.437	0.013	0.095	0.000	0.000	0.008	0.244	0.172	0.000

A_CUS	Between Groups	0.000	0.946	0.024	0.147	0.002	0.000	0.065	0.999	0.012	0.000
	Within Groups										
	Total										
P_CUS	Between Groups	0.000	0.876	0.021	0.485	0.002	0.000	0.138	0.493	0.253	0.000
	Within Groups										
	Total										
T_CUS	Between Groups	0.000	0.556	0.063	0.266	0.002	0.000	0.003	0.003	0.087	0.000
	Within Groups										
	Total										
SP_CUS	Between Groups	0.000	0.018	0.139	0.843	0.041	0.014	0.026	0.425	0.416	0.000
	Within Groups										
	Total										
R_CUS	Between Groups	0.000	0.324	0.280	0.012	0.001	0.000	0.000	0.829	0.032	0.000
	Within Groups										
	Total										
QUAL_ CUS	Between Groups	0.000	0.523	0.013	0.115	0.000	0.000	0.006	0.736	0.047	0.000
	Within Groups										
	Total										

In the aspect of career position, this part reflects customers' positions in society and/or organizations, and the relationships between their positions and their perceptions about bank service quality. Significant differences happened to the six main dimensions and the general service quality perceived by three customer groups (student, worker/staff/executive/supervisor, leader/manager/director) when p value of effective & assurance is 0.000, access: 0.002, price: 0.002, tangible: 0.002, service portfolio: 0.041, reliability: 0.001, and the general perceived service quality: 0.000.

In the aspect of income, all ANOVA p values are lower than 0.05 (p value of effectiveness & assurance: 0.000, p value of access: 0.000, p value of price: 0.000, p value of tangible: 0.000, p value of service portfolio: 0.014, p value of reliability: 0.000, p value of general perceived service quality: 0.000), which means that there are significant differences among five groups of customers' incomes.

In the aspect of company-type for which customers were working, there are four significant differences among three groups of customers about four factors: effectiveness & assurance (p value = 0.008), tangible (p value = 0.003), service portfolio (p value = 0.026), reliability (p value = 0.000), which makes a significant difference in the construct of general perceived service quality (p value = 0.006).

In the aspect of the number of times of using banking services in one month, we can see that there is no difference about general service quality perceptions among three groups (group 1: using banking services 1-4 times/month, group 2: using banking services 5-15 times/month, group 3: using banking services over 15 times/month) due to the p-value of 0.736. This means that the number of times of using banking services does not affect customers' perceptions about service quality significantly.

In the aspect of customers' profession based on p-values mentioned in the above table, there are significant differences among 7 groups in the factors of access (p value = 0.012) and reliability (p value = 0.032). These significant differences occurring in the mentioned two factors were the main reasons leading to a significant difference in general service quality (p value = 0.047) perceived by the 7 groups of customers.

Finally, in the aspect of the bank type used by customers, there are significant differences about all six dimensions and the general perceived service quality when all their p-values are 0.0000 (lower off than 0.05).

ANALYSIS OF MULTI-REGRESSION RESULTS

Multi-Regression results for Bank Staff's Perceptions

According to Table 3, we can come to some following inductions: firstly, in the view of banking staff, the most important factor is effectiveness & assurance (EA_staff); and next is price (P_Staff), followed by access (A_Staff), reliability (R_Staff), and service portfolio (SP_Staff) in order of decreasingly importance. Secondly, the R square of 0.000 shows us that the relationship between the six factors and the general perceived service quality is very strong and close together. Besides, all coefficients are positive, which means that the general service quality perceived by banking staff and the six main factors are direct and forward. In other word, if a bank improves any one or many of the six factors, it will obtain a higher ranking of general service quality perceptions perceived by its bank staff.

Table 3: Multi-regression results in the aspect of bank staff's perceptions

Coefficients(a)						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	0.000	0.000		0.000	1.000
	EA_STAFF	0.419	0.000	0.328	252,292,970.565	0.000
	A_STAFF	0.161	0.000	0.265	210,544,647.032	0.000
	P_STAFF	0.161	0.000	0.274	219,854,063.972	0.000
	T_STAFF	0.129	0.000	0.218	181,804,876.570	0.000
	SP_STAFF	0.065	0.000	0.079	59,248,345.607	0.000
	R_STAFF	0.065	0.000	0.110	84,889,495.655	0.000
a. Dependent Variable: QUAL_STA						
	R Square	1.000				
	Adjusted R Square	1.000				

Table 4: Multi-regression results in the aspect of customers' perceptions

Coefficients(a)						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	-0.005	0.012		-0.379	0.705
	EA_CUS	0.421	0.003	0.310	120.915	0.000
	A_CUS	0.161	0.002	0.223	79.988	0.000
	P_CUS	0.163	0.002	0.273	95.720	0.000
	T_CUS	0.162	0.002	0.215	65.855	0.000
	SP_CUS	0.030	0.001	0.055	25.544	0.000
	R_CUS	0.065	0.001	0.099	46.046	0.000
a. Dependent Variable: QUAL_CUS						
	R Square	0.999				
	Adjusted R Square	0.999				

Multi-regression results for customers' perceptions

The result in the above table proves that the importance levels of the six service quality dimensions perceived by customers are in increasing order as follows: service portfolio (0.030), reliability (0.065), access (0.161), tangibility

(0.162), price (0.163), and effectiveness & assurance (0.421). Therefore, customers in Vietnam consider effectiveness & assurance (EA_Cus) as the most important factors and service portfolio (SP_Cus) as the least important one.

In addition, R-square is 0.999, which is a very good result, showing that the general service quality perceived by customers can explain and account for 99.9% of the six main dimensions.

Hypotheses' test with independent t-test analysis approach

From the analysis of the six dimensions of service quality from Table 5, we have significant differences in only two cases: price and service portfolio, and the other four remaining dimensions do not receive results of significant differences. The six above-mentioned conclusions for the six hypotheses help us more clearly understand differences between customers' and bank staff's perceptions subject to the six main single dimensions of service quality. Therefore, although there are only two out of six dimensions which reflect significant differences, the general service quality perceptions show significant differences between customers and bank staff when its p-value equals to 0.017 (lower than 0.05). In other words, hypothesis 1 is not supported at all, or there is a significant difference of perceptions about the general perceived service quality between the customers and banking staff.

Table 5: Independent *t-test* results of comparisons of customers' and banking staff's perceptions

		Levene's Test for Equality of Variances		*t-test* for Equality of Means	
		F	**Sig.**	**T**	**df**
EA	Equal variances assumed	2.108	0.148	-7.417	309
	Equal variances not assumed			-7.909	183.611
A	Equal variances assumed	0.181	0.671	-1.946	309
	Equal variances not assumed			-1.984	166.077
P	Equal variances assumed	5.213	0.023	-2.257	309
	Equal variances not assumed			-2.454	192.222
T	Equal variances assumed	0.626	0.429	-0.165	309
	Equal variances not assumed			-0.168	165.968
SP	Equal variances assumed	45.576	0.000	-1.915	309
	Equal variances not assumed			-2.454	282.978
R	Equal variances assumed	0.764	0.383	2.996	309
	Equal variances not assumed			3.133	175.742
QUAL	Equal variances assumed	5.807	0.017	-3.327	309
	Equal variances not assumed			-3.643	195.457

DISCUSSION AND CONCLUSION

Conclusions and Managerial Implications

The most important contribution of this research is to support a link between customers' perceptions and bank staff's ones about banking service quality, which in turn has significant influence on the performance of banks. This will attract more attention and consideration of banking leaders on customers' perceptions about their own service quality, as well as on customer-orientation strategies. From that point of view, we can draw some conclusions and managerial implications from this research as follows:

Firstly, by comparing the data collected from customers and bank staff, we found that the gap between customers' perceptions and bank staff's ones in terms of banking service quality is really significant in Vietnam. Although in terms of mean values, there are always gaps between customers and bank staff in their perceptions about every single dimension of service quality, two (price and service portfolio) out of the six dimensions give out statistically significant differences. In other words, managerially speaking, to decrease the gaps between customers' and bank staff's perceptions as well as to improve customers' satisfaction and loyalty, banks need to build and apply new business strategies and/or reform their old business ones in the fields of prices and service portfolio.

Secondly, in conformity with the GAP model (Parasuraman *et al.*, 1985; Curry, 1999; Luk & Layton, 2002), the ANOVA and independent *t-test* analyses show us different kinds of gaps: gap 1 (discrepancies between perceptions of the management level and the ones of customers), gap 6 (discrepancies between perceptions of the employee level and the ones of customers), and gap 7 (discrepancies between perceptions of the management level and the ones of employee level). Therefore, to develop performance and to upgrade the cooperation, banks in Vietnam should think about decreasing risks and discrepancies among personnel levels, especially in the area of service quality. Consequently, banks could develop further solutions into reducing discrepancies between bank staff's and customers' perceptions.

Thirdly, analysis of the weights of the six selected banking service quality dimensions shows us that effective & assurance play the most important role while service portfolio plays the least important role in customers' and also bank staff's perceiving banking service quality. This implies that, on the one hand, the Vietnamese financial market is still basically new, simple and emerging which means that there are no or few needs and requirements for complex and/or complicated financial products; and on the other hand banks in Vietnam have not yet well-considered and diversified their own service portfolios as well as their types of financial products as the first priority requirements in their business.

In the aspect of technology, we can look into the dimensions of tangibility and access. Both dimensions are considered as only minor ones for both customers and bank staff, which implies that banks in Vietnam, especially local ones, have not yet brought high technology into their application popularly, and simultaneously customers have not yet used high technology banking services regularly and broadly. This also reflects the Vietnamese financial and banking market still has great potential, especially in the area of using new and/or high technology to attract customers. This is really an opportunity for bankers.

In the domain of human resources, because the dimension of effectiveness & assurance, which is essentially based on bank staff's ability and appearance, is analyzed as the most important one, it also reflects that banking operations in Vietnam mainly depend on human resources, and not technology. Moreover, because foreign banking personnel are evaluated better than that of local banks. Local banks should attach special importance to both their services and their human resources. Their staff should be trained and upgraded more regularly and more deeply.

Concerning prices, the fact that price plays the second important role behind effectiveness & assurance proves that obviously over time its role will be decreased in comparison with other dimensions, because the future trend is that banks will not consider price as the first competitive factor, and they will improve their service quality in other dimensions instead. In other words, the role of price might be decreased in the future.

For financial resources, not all banks have abundant capital at a certain period of time. Regression results reveal us that the unstandardized coefficient B value of effectiveness & assurance for both customers and bank staff accounts for over 0.4 (0.421 for customers, and 0.419 for bank staff) which is the largest figure in comparison with the other five dimensions in both regression models, which implies that if a bank has a budget limitation, it should concentrate on investing and allocating its budget into the aspect of effectiveness & assurance as the first priority to improve customer perceptions concerning service quality.

Additionally, the research also lets us know that banks in Vietnam have realized and followed the right ways and strategies to attract and sign up customers because the regression model gained from bank staff's perceptions is the same as the one gained from customers' perceptions. In other words, both customers and bank staff have the same views and assessment directions about the important levels of banking service quality. However, this might lead to harder competition among banks when they have the same realization that effectiveness & assurance is the most important factor in best influencing customers impressions and perceptions. Therefore, to eliminate other competitors, a bank should create its own competitive advantages and differences in other service quality dimensions like service portfolio, tangibility and access.

Another aspect worth examining is mean values. According to the total mean values of general service quality perceived by customers (4.4335) and bank staff (4.7452), we can derive the conclusion that although bank staff have somewhat higher and better perceptions than customers general service quality of the banking system in Vietnam is at an average or medium level in general, because their mean values are lower than 5 overall. These facts and figures imply that partly, at present, customers in Vietnam can be considered and evaluated as relatively fastidious ones, and furthermore, that customers are now in much need of receiving higher quality banking services to fit their expectations.

Therefore, banks should have suitable strategies and investment to obtain higher quality services and better results in customers' perceptions.

Last but not least is the matter of building and developing brand. In this study, most customers volunteered better service quality perceptions for foreign banks than for local ones. However, because all foreign banks in this study are world renowned, and most Vietnamese people (interviewees) are always fond of foreign brand-names and products/services, and while at present the number of services foreign banks provide is fewer than those local banks do, perhaps customers' better perceptions originated from their biases and personalities. In other words, we believe that reputation and status of a bank influence customers' and bank staff's perceptions; and if a local bank has a better image and brand-name as well as more attractive branding activities, surely its customers also reveal their better perceptions and feelings about its service quality. Therefore, banks in Vietnam, especially domestic ones, should have more effective and suitable branding campaigns and marketing plans.

Limitation & Future Research

In this study, most banks were operating in Hochiminh City. Generalization of the study would be higher if it was conducted in all different banks in other different cities throughout Vietnam. This is a direction for future research. In addition, the use of a relatively small sample, and of the study being restricted to Hochiminh City, further impacts the generalizability to which these results can be extrapolated to other bank formats, service types and cities. Future research in the Vietnamese banking systems can examine a wider respondent base across other cities of Vietnam. A larger sample size would also enable separate analysis across different income groups, gender and age categories. Besides, this study is mostly based on the definitions and theories of the GAP model of service quality (Parasuraman *et al.*, 1985; Curry, 1999; Luk & Layton, 2002) and the BSQ model (Bahia & Nantel, 2000) which relied on the SERVQUAL approach (Parasuraman et al., 1988). Therefore, using and applying some other different theories involved in service quality is also considered as a future research concern.

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