

EVALUATION OF INDIVIDUAL CUSTOMERS' TRUST IN BANKS

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Abstract

Banks play an increasingly important role in mobilizing and regulating capital sources for the economy. However, with the increasingly competitive landscape and the current trend of technological innovation, many customer transactions have not been completed as expected, leading to a decrease in customer trust for banks. In Vietnam, customer trust in banks is also an issue of concern to society and regulators. What is worrying is the situation of legal violations of economic crimes in the banking sector in Vietnam in general and criminals violating regulations on banking activities and other activities related to banking activities in general. alone has caused a lot of damage to the assets and reputation of the system of credit institutions (Nguyen, 2023). This study was conducted with the aim of identifying, analyzing, and measuring individual customers' trust in banks in Hanoi by using qualitative and quantitative research methods. Quantitative research methods were carried out with SPSS software, including descriptive statistics, independent t-tests, and ANOVA analyses. On the basis of an overview of previous studies and after interviewing experts, the study identified and analyzed three scales (component attributes) of individual customers' trust in banks in Hanoi. Based on the research results, we propose some recommendations to improve individual customers' trust in banks in Hanoi, thereby contributing to improving business performance for banks in Hanoi.

Keywords: business performance, trust, commercial Bank, finance, customer, business administration

JEL codes: E58, G21, M10, F65

1. INTRODUCTION

Banks play an increasingly important role in mobilizing and regulating capital sources for the economy. However, with the increasingly competitive landscape and the current trend of technological innovation, many customer transactions have not been completed as expected, leading to a decrease in customer trust for banks.

The higher the buyer's trust in the seller, the more positively it affects their attitude (Schurr & Ozanne, 1985).

In Vietnam, customer trust in banks is also an issue of concern to society and regulators. What is worrying is the situation of legal violations of economic crimes in the banking sector in Vietnam in general, and criminals violating regulations on banking activities and other activities related to banking activities in general alone have caused a lot of damage to the assets and reputation of the system of credit institutions (Nguyen, 2023). This information has had a significant impact on customers' trust in banks.

Trust is especially important in the banking system. Maintaining and strengthening customer trust is something that banks must always pay attention to, especially in the current context, when crimes using high technology related to the banking sector are continuously increasing and becoming increasingly complex in terms of both trends and scams. Sharing at the seminar "Protecting bank accounts against the increasing risk of online fraud" organized by Tuoi Tre newspaper in collaboration with the State Bank on September 19, 2023, Lieutenant Colonel Cao Viet Hung, Deputy Head of Division 4 of the Department of Cyber Security and High-Tech Crime Prevention, Ministry of Public Security, said: Currently, a new trick for criminals is to overwrite QR Codes at stores to appropriate property and create invoices. The fake transferred money to appropriate property, impersonated a bank employee, asked customers to provide card information, and used it illegally to buy goods and services.

Customer trust in banks is one of the new topics that needs to be studied more fully in Vietnam. What aspects are included in measuring customer trust in banks? What solutions and points do banks need to focus on to stabilize and increase customer trust? This study was conducted to understand and evaluate the trust of individual customers in banks in order to provide some solutions for banks to build trust with Vietnamese customers.

2. LITERATURE REVIEW

According to Mayer et al. (1995) and Rosseau et al. (1998), trust is a psychological state that includes the willingness to accept vulnerability based on positive expectations of the party's actions or behavior. Vulnerability intentions and positive expectations are two fundamental components of trust in general.

Customer trust can be divided into one factor (Agustin & Singh, 2005), two factors (Johnson & Grayson, 2005), or three factors (Aiken & Boush, 2006). According to Aiken & Boush (2006), three factors of trust include: (i) emotional trust, (ii) cognitive trust, and (iii) behavioral trust. These three factors are commonly used in research because they best demonstrate the nature of cooperation between subjects, especially in the economic field.

Research by Koo & Wati (2010) shows trust in banking services as a core factor, allowing individuals to be willing to use the service repeatedly and speak well of that service to others.

According to Johnson & Grayson (2005), cognitive trust represents the customer's trust based on the partner's competence and trustworthiness, stemming from knowledge accumulated from the past, leading to predictions and guesses with a certain degree of confidence.

Abosag et al. (2006) argue that cognitive beliefs can also be viewed as expectations rather than uncertain predictions.

People with emotional beliefs are hardly aware of rational reasons for their beliefs, which are often formed based on personal instincts, intuition, and emotions (McAllister, 1995).

The concept of customer trust used in this study is fundamental to understanding customer trust levels. Macintosh and Lockskin (1997) explained customer decisiveness when defining trust as the reliability and integrity of a partner providing services to the customer. This definition shows that if customers trust and have confidence in a bank's reliability and integrity in providing products and services, then they will have confidence in that bank.

Lau & Lee (1999) developed the concept of customer trust; accordingly, trust is said to be trust, placing full trust in the transaction activities of the service provider. Also, according to Lau and Lee (1999), brand trust is the attitude of consumers when they are sure to be satisfied with their expectations about products and services.

Behavioral trust is a state of trust expressed through two levels of behavior: "cooperation" and "communication." The "cooperative" level involves actions or behaviors that can leave oneself vulnerable to negative actions by the partner (Lahno, 2004). The "communication" level represents the highest meaning of trust, including introducing and sharing information that individuals receive with third parties (Adali et al., 2010).

The behavioral trust aspect is seen as a consequence of emotional trust and cognitive trust (Johnson & Grayson, 2005).

According to research by Nurhasanah & et al. (2021), brand trust is the consumer's brand reliability. They believe that the product can meet the values promised by the firm. When a brand has interactions with its customers, it can meet consumer needs and take responsibility for consumers' interests and sense of security. Brand trust is also defined as a consumer's sense of security that the brand will meet their consumption expectations (Delgado-Ballester & Munuera-Aleman, 2001).

During the customer purchasing decision process, customers feel hesitant to give trust to brands and sellers (Sandu, 2015).

Le (2016) used a convenient research sample of 300 students. The study expands the theoretical model of planned consumer behavior (TPB) and applies the structural equilibrium model (SEM) to evaluate the reliability, discriminant validity, and convergent validity of the scale. Test the relationship between concepts in the measurement model. Research results show the important role of trust in the extended TPB model to explain customers' intentions to use ATM services, and customer trust in the bank's ATM service includes four factors: observed variable (i) I have confidence in the bank's ATM service; (ii) I have confidence in the bank brand; (iii) I have confidence in the convenience of the service; and (iv) I have confidence in ensuring safety.

Inheriting the results of the above studies and based on the opinions of interviewed experts, we propose a scale to measure individual customers' trust in banks in Hanoi (see table 1).

Table 1: Individual customers' trust in banks in Hanoi

Code	Scales
Trust (T)	
T1	You trust the services of the bank you are dealing with.

T2	The bank treats you honestly in all transactions.
T3	You believe that the bank you are dealing with is not deceiving you.

Source: Prepared by the authors (2023)

3. RESEARCH METHODS

Scale and design of questionnaires

The scale used in this study is a 5-point Likert scale ranging from 1 to 5. 1. I totally disagree with 5. strongly agree. The statements in each scale are inherited from previous studies and expert opinions to correct the wording and then adjusted to suit the context of commercial banks in Hanoi, Vietnam, at the present time, based on the results of expert interviews and group discussions. Individual customers' trust in banks in Hanoi is measured by three observed variables (see table 1).

Samples and data collection

The study sample was selected according to the convenience method. After designing the questionnaire, we conducted the survey through online design on Google Docs and in person. Of the collected questionnaires from individual customers in Hanoi, after cleaning, 205 remained for analysis (see table 2).

Table 2. Respondents by genders, income and job

	Frequency	Percent	Cumulative Percent
Genders			
Female	73	35.6	35.6
Male	132	64.4	100.0
Income			
Less than 5 million dong	47	22.9	22.9
From 5 million dong to 15 million dong	104	50.7	73.7
15 million dong or more than that	54	26.3	100.0
Job			
Private enterprise or private organization	84	41.0	41.0
State enterprises or public organization	55	26.8	67.8
Other positions (self-employed or freelance profession)	66	32.2	100.0
Total	205	100.0	

Source: Prepared by the authors (2023) and SPSS software.

Information on the data collected is shown in Table 2. It shows that among the respondents, 64.4% were female and 35.6% were male. Among the respondents, 41.0% work for a private enterprise or private organization, 26.8% work for state enterprises or public organizations, and 32.2% are self-employed or freelance. Of these, 22.9% of respondents have income less than 5 million dong, 50.7% have income from 5 million dong to 15 million dong, and 26.3% have income of 15 million dong or more than that.

Data processing

Descriptive statistics, independent t-tests, and ANOVA analyses are all quantitative research techniques supported by SPSS software.

4. RESULTS

Descriptive Statistics

Table 3 indicates that the respondents agree with the variable of individual customers' trust in banks, where three attributes were quite high. All five attributes were rated at an average of 4.23 or higher.

The analysis results also show that the skewness and kurtosis coefficients are in the range of -1 to 1, so the survey data ensures a relatively standard distribution. Therefore, the evaluation levels of the employees participating in the survey are relatively uniform and concentrated, with little dispersion, so the analysis results have high statistical significance.

Table 3. Descriptive analysis of attributes

Code	N	Mini	Max	Mean	Std. Deviation	Skewness		Kurtosis	
						Statistic	Std. Error	Statistic	Std. Error
Trust (T)									
T1	205	2.0	5.0	4.31	0.746	-0.782	0.170	-0.058	0.338
T2	205	2.0	5.0	4.26	0.739	-0.674	0.170	-0.124	0.338
T3	205	2.0	5.0	4.23	0.757	-0.625	0.170	-0.330	0.338
Valid N (listwise)	205			4.27					

Source: Prepared by the authors (2023) and SPSS software.

Independent T-test: different genders

A comparison of the results of the evaluation of the differences in individual customers' trust in banks with participants of different genders (male and female) can be seen in Table 4. According to the results shown in Table 4, sig Levene's test is 0.938, which is more than 0.05. The variance between males and females is not different. Moreover, the sig value t-test is 0.915, which is more than 0.05, which means that there is no statistically significant difference in individual customers' trust in banks between these different genders (Hoang & Chu, 2008; Hair et al., 2009; Hair et al., 2014).

Table 4. Differences in individual customers' trust in banks with participants of different genders - Independent Test

	Levene's Test for Equality of Variances	t-test for Equality of Means
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		F	Sig.	t	Df	Sig. (2-tail ed)	Mean Differe nce	Std. Error Differe nce	95% Confidence Interval of the Difference	
									Lower	Upper
T	Equal variances assumed	0.006	0.938	-0.106	203	0.915	-0.00993	0.09337	-0.19404	0.17418
	Equal variances not assumed			-0.108	153.595	0.915	-0.00993	0.09234	-0.19235	0.17249

Source: Prepared by the authors (2023) and SPSS software.

ANOVA – Job

An ANOVA test was needed to make a comparison of the results of the evaluation of the differences in individual customers' trust in banks between the three subjects, including participants who work for a private enterprise or private organization, participants who work for state enterprises or public organizations, and participants who are in other positions (self-employed or freelance profession). Table 5 shows that the sig Levene statistic of 0.260 is greater than 0.05, which means that the hypothesis of homogeneity of variance among the variable value groups (different jobs) has not been violated. Table 6 shows that sig. is 0.684, which is more than 0.05, which indicates that there is no statistically significant difference in individual customers' trust in banks between the mentioned three groups of jobs (Hoang & Chu, 2008; Hair et al., 2009; Hair et al., 2014).

Table 5. Test of Homogeneity of Variances

Descriptions	Levene Statistic	df1	df2	Sig.
T				
Based on Mean	1.358	2	202	0.260
Based on Median	1.173	2	202	0.312
Based on Median and with adjusted df	1.173	2	192.684	0.312
Based on trimmed mean	1.319	2	202	0.270

Source: Prepared by the authors (2023) and SPSS software.

Table 6. ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
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T					
Between Groups	0.313	2	0.156	0.381	0.684
Within Groups	82.887	202	0.410		
Total	83.200	204			

Source: Prepared by the authors (2023) and SPSS software.

ANOVA – income

An ANOVA test was needed to make a comparison of the results of the evaluation of the differences in individual customers' trust in banks between the three subjects, including participants who have income less than 5 million dong, participants who have income from 5 million dong to 15 million dong, and participants who have income 15 million dong or more than that. Table 7 shows that the sig Levene statistic of 0.498 is greater than 0.05, which means that the hypothesis of homogeneity of variance among the variable value groups (different income) has not been violated. Table 8 shows that sig. is 0.259, which is more than 0.05, which indicates that there is no statistically significant difference in individual customers' trust in banks between the mentioned three groups of income (Hoang & Chu, 2008; Hair et al., 2009; Hair et al., 2014).

Table 7. Test of Homogeneity of Variances

Descriptions	Levene Statistic	df1	df2	Sig.
T				
Based on Mean	0.701	2	202	0.498
Based on Median	0.208	2	202	0.813
Based on Median and with adjusted df	0.208	2	197.520	0.813
Based on trimmed mean	0.405	2	202	0.668

Source: Prepared by the authors (2023) and SPSS software.

Table 8. ANOVA

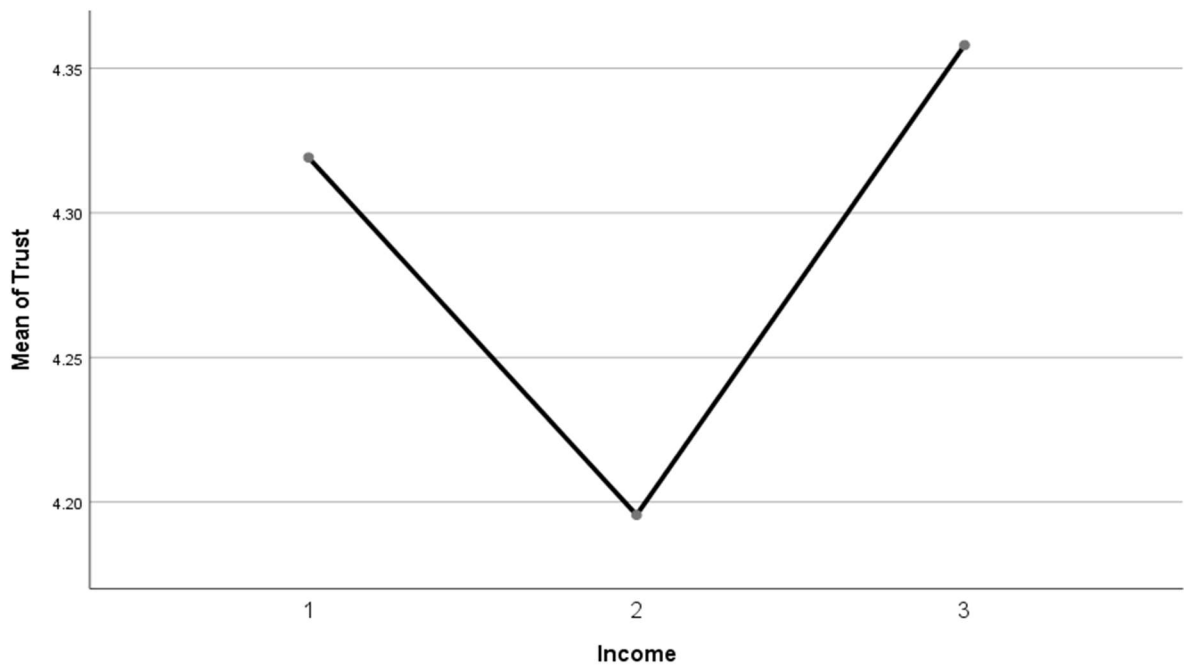
	Sum of Squares	Df	Mean Square	F	Sig.
T					
Between Groups	1.107	2	0.553	1.362	0.259
Within Groups	82.093	202	0.406		
Total	83.200	204			

Source: Prepared by the authors (2023) and SPSS software.

The relationship between individual customers' trust in banks and their income

Next, the line graph shows the relationship between individual customers' trust in banks and each respondent's income (Figure 1). Figure 1 shows that the line tends to go down when the respondents' income goes from 5 million dong to 15 million dong. But this line tends to slope up

when the respondents' income is 15 million dong or more.

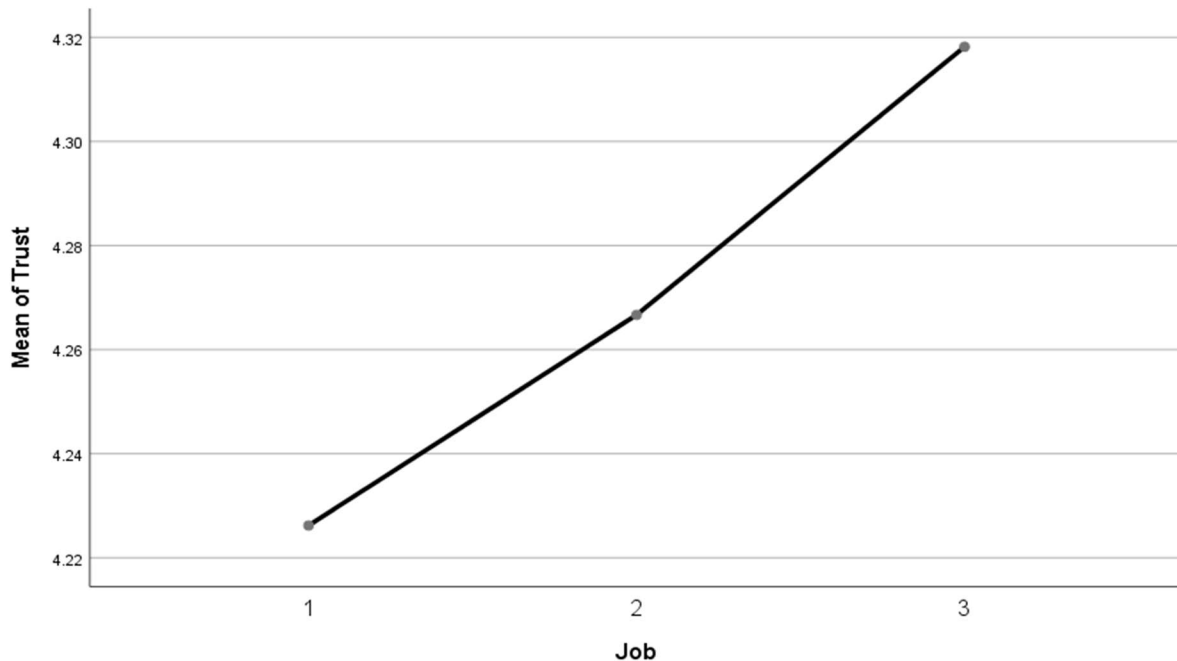


Source: Prepared by the authors (2023) and SPSS software.

Figure 1: The line graph shows the relationship between individual customers' trust in banks and each respondent's income.

The relationship between individual customers' trust in banks - jobs

Next, the line graph shows the relationship between individual customers' trust in banks and each respondent's job (Figure 2). Figure 2 shows that this line tends to slope up when the respondents' jobs are state enterprises, public organizations, or other positions (self-employed or freelance professions).



Source: Prepared by the authors (2023) and SPSS software.

Figure 2: The line graph shows the relationship between individual customers' trust in banks and each respondent's job.

5. DISCUSSION AND IMPLICATIONS

When future actions or behaviors are potentially risky, the resulting understanding increases uncertainty. When the level of trust is high, expectations can be reliably predicted because participants feel secure in the interaction. On the contrary, when trust is low, expectations will be unclear due to uncertainty.

Financial services are always uncertain, so emotional trust is the top reason for customers to cooperate with banks. Thus, if customers have a good opinion of the bank, they will actively choose that bank.

According to Pham (2023), for banks, subjects will scan and attack the system, detect and exploit security holes, attack malicious code, etc. As for bank customers, banks Subjects continuously use many new methods and tricks to defraud and appropriate property. Therefore, banks should improve and strengthen coordination between the Ministry of Public Security, the State Bank of Vietnam, and payment service providers to build a coordination process to limit the use of unauthorized bank accounts and e-wallets early, preventing cash flow and violating the law. In addition, banks need to research and implement solutions to thoroughly resolve the situation of "junk" bank accounts, using unofficial bank accounts to serve illegal activities such as fraud, gambling, money laundering, etc. At the same time, it is necessary to strengthen security, improve information system security, prevent malware, and buy and sell customer data.

The authors observed practice at a number of banks, and the results showed that in most cases of money lost in bank accounts, customers were very confused and frustrated, and even public opinion was skeptical about the security of the banking system as well as transaction staff revealing

customer personal information. But the identified cause is that the majority of money loss cases are due to fraud, not intrusion into the banking system. Therefore, customers should be alert and stay away from fraudulent situations to maintain trust in the bank.

Some banks have developed encryption algorithms to prevent intrusion and falsification of transaction information. This application also monitors the system in real time to quickly respond to attacks, scan exposed card and account information, and handle it before damage occurs. Thereby increasing customer trust in the bank.

This research is meaningful for researchers as well as marketers of banking services, as competition for banking services is increasing today. Customers using banking services care more about the trust of the bank providing the service. Therefore, to improve the competitiveness of banking services and the ability to attract service consumers in the coming time, industry and banking managers will not only focus on improving service quality but also learn the factors that constitute customer trust, thereby building trust for different customer groups to increase the intention to use banking services in the future, contributing to attracting and retaining customers longer.

To build customer trust, banks need to focus on: (i) ensuring safety throughout the transaction process for ATM services; (ii) ensuring information about ATM services is clear, complete, and updated; (iii) creating convenience and flexible payment suitable for students during ATM transactions with the motto "fast, convenient, effective, and safe"; (iv) focusing on building a strong banking brand reputation by providing all high-quality banking products and services; and (v) building a brand identity system that is attractive and has strong, positive associations. Extremely communicate in student lecture halls to increase awareness of the banking brand in general and ATM services (Le, 2016).

Although we are trying to complete the research in the best possible way, due to limitations in time and knowledge, the research still has certain limitations, such as the fact that the sample size is quite small and the scope of the research is limited to Hanoi City. Therefore, subsequent studies can increase the sample size and expand the scope of research in many other provinces and cities.

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