

A Study on Customer Satisfaction among Amanah Saham Nasional Berhad (ASNB) Customers

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Abstract: This study examines the service quality and customer satisfaction among Amanah Saham Nasional Berhad (ASNB) customers using Bank Service Quality (BSQ) model. Data was collected using a survey questionnaire (n = 193). Data has been analyzed by using SPSS software (version: 20). Multiple regression results was $R^2 = 0.532$, indicating suitability of BSQ in predicting customer satisfaction. Among the independent variables, only price was found to have positive significant influence on customer satisfaction. All dimensions did not have significant with customer satisfaction (dependent variable) except price. The study provides empirical evidence on customer satisfaction among ASNB customers and usage of BSQ in predicting customer satisfaction of financial institutions' customers. Future researches are suggested to extend scope to cover the whole financial institutions or at least to include other fund management institutions.

Key words: *Bank Service Quality (BSQ), customer satisfaction, Amanah Saham Nasional Berhad (ASNB)*

INTRODUCTION

Amanah Saham Nasional Berhad (ASNB) is wholly owned by Permodalan Nasional Berhad (PNB) and was set up on 22 May 1979 to manage funds launched by PNB. ASNB had been in the investment industry for more than 30 years. ASNB has 12 funds with total value of funds of RM207.398 billion at the latest practicable date (LPD) 2016. ASNB is an important organisation as it holds a huge amount of fund. However not much is known about the customers satisfaction towards services provided by ASNB. Understanding of drivers of customer satisfaction will enable organisations to make improvement and focus on specific factors to improve their services. Customer satisfaction is the most important part in marketing where we need to fulfil customer needs. ASNB could outflank the competitors by giving high quality service.

Despite the importance of ASNB that comes with holding a huge amount of fund, not much is known about customers satisfaction towards services provided by ASNB. Thus, a new study is needed to investigate the drivers of customer satisfaction among ASNB customers. Among the approach that has been adopted in explaining customer satisfaction include measuring organisation's service quality [1].

Improved service quality in the future is the critical factor that will decide whether the financial sector can survive or not [2]. Authors have argued that better service quality is consistently associated with overall customer satisfaction, higher market share, and better returns [3]. The Bank Service Quality (BSQ) was proposed as the model to assess service quality of financial institutions [4]. The BSQ model employs six measurements for financial institutions quality of service which are effectiveness and assurance, accessibility, price, tangibles, services portfolio and reliability.

Thus, the study aims to investigate the influence of service quality on ASNB customer satisfaction. In order to achieve the objective, the study seeks to answer the following research questions:

- What is the relationship between effectiveness and assurance, and customer satisfaction?
- What is the relationship between accessibility and customer satisfaction?
- What is the relationship between price and customer satisfaction?
- What is the relationship between tangibles and customer satisfaction?
- What is the relationship between services portfolio and customer satisfaction?

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- What is the relationship between reliability and customer satisfaction?

LITERATURE REVIEWS

Amanah Saham Nasional Berhad (ASNB)

PNB is one of the initiatives in the Government's New Economic Policy to advance ownership of shares in the corporate industry among Bumiputera. It also provides an opportunity for Bumiputera professionals wealth in the creation and management of wealth. Amanah Saham Nasional Berhad (ASNB) was established on March 17, 1978. Through PNB, generous offers obtained in significant Malaysian organizations from funds gave by the Bumiputera Investment Foundation or the Bumiputera Investment Foundation have been converted to the trust fund and sold to Bumiputera in small units. On May 22, 1979, ASNB was set up and it is to manage with the unit trust funds that propelled by PNB. To date, ASNB has 12 unit trust funds.

Customer Satisfaction

Customer satisfaction is one of the popular topics in marketing as early as 1980s [5]. Customer satisfaction has been described as the attitude of customers when their expectations are met [6]. While specifically in the case of financial institutions, customer satisfaction in banking has been referred to the state of mind, about the bank, and creating a customer experience with the bank all the time [7]. Various studies have been conducted by researchers on the relationship between customer satisfaction and service quality. Service quality was found to have an impact on customer satisfaction [8]. Among factors affecting customer satisfaction includes tangible, reliability, service accessibility, empathy, effectiveness and assurance [9], [10].

Bank Service Quality (BSQ)

Service is characterized as a movement or a progression of exercises in intangible frame which normally happens in communication amongst clients and specialist organizations. While service quality is characterized as the customer's general impression of the relative inadequacy or prevalence of the organizations and its services [11]. Researchers have used SERVQUAL to measure customer satisfaction. SERVQUAL has five dimensions which are tangibles, responsiveness, assurance, reliability and empathy [12]. Later, the SERVPERF service quality model was proposed to be a more appropriate measure for assessing service quality of service industry [13]. While in 1994, the BANKSERV model was introduced by Avkiran (1994) to measure the service quality of financial institutions from the perspectives of staff conduct, credibility, communication, and accessibility to teller services [14]. More recently, the Bank Service

Quality (BSQ) was introduced as a specific scale for bank service [4]. The BSQ model was an expansion of the first ten dimensions of the SERVQUAL. The service dimensioned proposed in the BSQ include Effectiveness & Assurance, Accessibility, Price, Tangibles, Service Portfolio and Reliability [4].

Effectiveness and Assurance

Assurance is the level of trust and confident of customer to feel that services providers are able to give [11]. Banks strive to assure their clients that their employees are dependable, knowledgeable and loyal with their establishment [15]. Prior studies examining the effect of assurance on customer satisfaction have establish a positive association [16], [6]. Specifically, this dimension is about employees having sufficient knowledge to meet the customers' inquiries and the customer feeling safe about their transactions. Therefore, based on existing literature, effectiveness and assurance are hypothesised to have a positive effect on customer satisfaction.

Accessibility

Accessibility refers to continuity of service organization in building a good relationship with customers [17]. While empathy is defined as the caring and individualised consideration that the firm provide to its customers [18]. The level of accessibility has been found to determine whether customer will choose to acknowledge or dismiss the service encounter [19]. Prior studies have not been able to establish the nature of association between accessibility and customer satisfaction. For instance, a study conducted in Malaysia found that accessibility has no relationship with customer satisfaction [6]. Use of technology has been suggested to improve accessibility via reduction of workloads and employees blunder, enabling more efficient and speedier problem-solving solution [20]. Based on available literature, it is hypothesised that accessibility has a positive association with customer service.

Price

The banking service charge or service price refers to the amount of payment requested by the service seller and payable by the customer to the financial institution or the bank [21]. Customer behaviour is linked to the consumer perception about the price and the quality of the products offered and the degree by which the customer is sensitive to price changes [22]. Price is also described as an effort to segment bank customers [23]. In Malaysia, price has been found to have a positive effect on banks' customer satisfaction [24]. Thus, based on existing literature, the price of financial services is expected to be positively associated with customer satisfaction.

Tangibles

Tangible is the physical aspect of service quality which may include appearance of equipment and employee, physical facilities, the materials related with the service, convenience of physical facilities, communication materials, and layouts [25]. Others, tangibles in the services industry are physical facilities that facilitate the process of providing services [26]. Customers frequently based their evaluation service quality on tangible evidence that encompasses the service [27]. Tangibles, which is measured by physical facilities, designs, adequacy and visibility of equipment and appearance of employee, have positive influence on customer satisfaction [20], [6]. Likewise, tangible is emphatically identified with customer satisfaction [27]. Based on review of existing literature, tangibles is hypothesised to have a positive influence on customer satisfaction.

Services Portfolio

A service portfolio is the listing of a financial institution’s products and services and is gauged by the range, consistency, and development of the bank’s products [28]. A study examining service portfolio influence on customer satisfaction among Balkan countries found that service portfolio is positively associated with customer satisfaction [28]. Therefore, in this study, service portfolio is hypothesised to have a positive influence on customer satisfaction.

Reliability

Reliability is about the precision and timeliness in the service provided and has the highest significant positive effect on customer satisfaction [27]. In other studies, reliability also refers to exact record, precise statement, keep services promise, accurate calculation of commissions and dividend which is

rated as among the most important driver of customer satisfaction in the financial industry [29]. Reliability has been reported to have a positive relationship with customer satisfaction [30]. However, there are other studies that have reported conflicting findings [6], [31]. This is suggested to be the result of growth of online services. Customers are less concerned about the reliability level in customer service since they have an alternative to turn into. Now, customers have higher demand in the machine reliability rather than human reliability when dealing with banks [6]. Based on review of literature, reliability is hypothesised to be positively associated with customer satisfaction.

METHODOLOGY

The proposed framework for this study detailing hypothesised relationships to be tested is as per Figure 1. As discussed earlier, the objective of this research study is to examine the effect of service quality on customer satisfaction of ANSB. Service quality is further defined by the dimensions of effectiveness and assurance, accessibility, price, tangibles, services portfolio and reliability.

While the hypotheses developed are as follows:

- H₁: There is relationship between effectiveness and assurance and ASNB customer satisfaction.
- H₂: There is relationship between accessibility and ASNB customer satisfaction.
- H₃: There is relationship between price and ASNB customer satisfaction.
- H₄: There is relationship between tangibles and ASNB customer satisfaction.
- H₅: There is relationship between services portfolio and ASNB customer satisfaction.
- H₆: There is relationship between reliability and ASNB customer satisfaction.

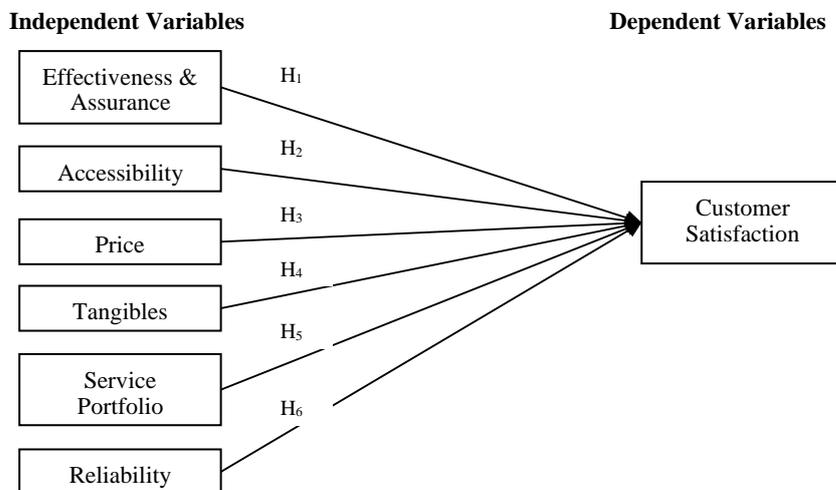


Figure 1: Theoretical Framework

Data Collection

Data was collected using a survey where questionnaires were distributed to study sample. The survey is favoured in light of the fact that it gives a quick, flexible, ease, proficient and precise methods for evaluating information relating to a population [32]. Printed questionnaires were distributed among customer of ASN branch in Sarawak, Malaysia. A total of 250 sets questionnaires were distributed and 193 sets questionnaires were return and used for analysis (response rate of 77.2%).

The research instrument was developed by adopting and adapting items from existing studies. The questionnaire consists of two sections, namely Section A and Section B. Section A was about capturing demographic data of survey participants, while Section B contains items measuring the customer satisfaction, effectiveness and assurance, accessibility, price, tangibles, service portfolio, and reliability. Table 1 consists of sources of items used to develop the questionnaire used in the study.

No	Variables	References
1.	Customer satisfaction	Lau et al., (2013)
2.	Effectiveness & assurance	Parasuraman et al., (1985); Bahia & Natel (2002)
3.	Accessibility	Parasuraman et al., (1985); Bahia & Natel (2002); Aayushi & Santosh, (2012)
4.	Price	Bahia & Natel (2002); Aayushi & Santosh, (2012)
5.	Tangibles	Parasuraman et al., (1985); Bahia & Natel (2002); Aayushi & Santosh, (2012)
6.	Service portfolio	Bahia & Natel (2002)
7.	Reliability	Parasuraman et al., (1985); Bahia & Natel (2002); Ananth et al., (2011)

Table 1: Sources of survey items

Prior to actual data collection, a pilot test was conducted in order to ascertain the instrument’s validity and internal consistency and reliability. As all the variables were found to have Cronbach’s alpha of above 0.8, the instrument is considered appropriate for further use.

FINDINGS AND ANALYSIS

Descriptive Analysis

Based on Table 2, a small majority of respondents are male (52.8%). Majority are Malay (66.3%) and fall within the age group of 25 years and below (29.5%).

Demographic Factor		Frequency	Percentage (%)
Gender	Male	102	52.8
	Female	91	47.2
Age	25 and below	57	29.5
	26-35	51	26.4
	36-50	53	27.5
	51 and above	32	16.6
Race	Malay	128	66.3
	Chinese	6	3.1
	Indian	6	3.1
	Other	53	27.5

Table 2: Demographic Characteristic of Respondents

Pearson’s Correlation Analysis

Table below present the result of correlation matrix for dependent and independent variables. There is a significant and positive relationship between the 6 dimensions of BSQ and customer satisfaction namely, effectiveness and assurance with customer satisfaction (Pearson correlation (r =0.624 and p<0.01), between accessibility and customer satisfaction also positive (r = 0.565, p<0.01), between price and customer satisfaction is significant and positive (r = 0.695, p<0.01), tangibles and customer satisfaction (r = 0.641, p<0.01), service portfolio and customer satisfaction (r =0.591, p<0.01), as well as reliability and customer satisfaction (r =0.613, p<0.01). These results can be interpreted as the higher the level of the dimensions of BSQ, the higher the level of ASN customer satisfaction.

		Customer Satisfaction
Effectiveness & Assurance	Pearson Correlation Sig. (2-tailed)	0.624** 0.000
Accessibility	Pearson Correlation Sig. (2-tailed)	0.565** 0.000
Price	Pearson Correlation Sig. (2-tailed)	0.695** 0.000
Tangibles	Pearson Correlation Sig. (2-tailed)	0.641** 0.000
Service Portfolio	Pearson Correlation Sig. (2-tailed)	0.591** 0.000
Reliability	Pearson Correlation Sig. (2-tailed)	0.613** 0.000

Table 3: Pearson Coefficient of Correlation

Multiple Regression Analysis

To test the predictive accuracy of the BSQ model in predicting the variation of customer satisfaction, the multiple regression analysis is conducted. The coefficient of determination for the model represented by the R² is 0.532. This means that together all the BSQ dimensions of effectiveness and assurance, accessibility, price, tangible, service portfolio and reliability are able to explain 53.2% of the variation in dependent variable (level of ASNB customer satisfaction). The rest of 46.8% are due to other factors.

Model	R ²	Adjusted R ²	Std. Error of the Estimate
1	.532	.517	2.67597

a. Predictors: (Constant), Effectiveness and assurance average, Accessibility average, Price average, Tangible average, Service Portfolio average, Reliability average

Table 4: Model Summary

Next is examining the beta coefficients which demonstrates how and to what extent BSQ dimensions such as effectiveness and assurance, accessibility, price, tangible, service portfolio and reliability influence customer’s satisfaction in ASNB. Based on Table 5, all the BSQ dimensions were found to have positive beta ranging from 0.015 to 0.204. However, on closer examination, except for price, all the other dimensions of BSQ beta values are significantly different from 0. Thus, only price is found to have a significant influence on customer satisfaction, where a unit increase in price will lead to 0.416 increase in customer satisfaction.

Model	B	Std. Error	t	Sig.
(Constant)	2.695	1.124	2.397	0.17
Effectiveness & Assurance	.024	.110	.215	.830
Accessibility	.015	.096	.152	.879
Price	.416	.100	4.173	.000
Tangible	.145	.114	1.272	.205
Service Portfolio	.345	.204	1.690	.093
Reliability	.131	.092	1.426	.156

Table 5: Coefficients of the Variables

DISCUSSION

The research objective is to determine whether effectiveness and assurance, accessibility, price, tangibles, service portfolio and reliability are the determinants of customer satisfaction in ASNB. To assess service quality performance, six-dimensional service quality which is BSQ model has been used. The BSQ model was found to be able to predict 53.2% variation to customer satisfaction level of ASNB customers. Thus, from the knowledge point of view, this study was able to provide empirical evidence on the applicability of the BSQ to ASNB as a financial institution. On the practical side,

ASNB can use this information to strengthen their services in terms of effectiveness and assurance, accessibility, price, tangibles, service portfolio and reliability in order to increase their customers’ satisfaction on ASNB level of service.

Due to the time and resources constraints, the study was only able to focus on ASNB, as the nation’s fund manager. Thus, findings cannot be generalised to the wider population of customers of other fund managers or an even wider scope of customers of financial institutions in Malaysia. Future studies in the same area are recommended to expand the scope of study to cover customer satisfaction among financial institutions in Malaysia.

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