PERCEIVED LEVELS OF CUSTOMER'S SATISFACTION AND LOYALTY OF THE BANK OF THE PHILIPPINE ISLANDS- CARMELRAY PARK II

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ABSTRACT

This study focuses on perceived levels of customer's satisfaction and loyalty of the Bank of the Philippine Isalnds- Carmelray Park II which would serve as the basis for continuous improvement of the products and services. The researchers used frequency distribution and percentage, weighted mean and chi- square for the statistical treatment of the study. Using the G- power, researchers come up with a total number of respondents which is 96. The results show those female ages 31-40 who are married and employed from Calamba, Laguna with 1-5 years of transaction in BPI- Carmelray Park II are more satisfied and loyal in the bank. The customers are strongly satisfied and loyal in terms of courtesy, consistency, responsiveness and security of account. All the variables have a significant relationship between demographic profile and customer's satisfaction and loyalty except the location. The recommendation of clients for the continuous services of the BPI- Carmelray Park II serves as the researchers basis for the recommendation. The recommendations of the researchers are BPI- Carmelray Park II should have customer profiling, improve its facilities, consult an interior designer to maximize the space of the branch, have more teller and staff, follow the number sequence, shorten the transactions and services, be more strict in inspection and have an evaluation form for getting customer feedback.

Keywords: Customer satisfaction, QualityService, CustomerLoyalty, Dissatisfied, Demographic

INTRODUCTION

Service quality and customer satisfaction are very important concepts that companies must understand if they want to remain competitive and grow according to Mark Keith Muhumuza (2015). In today's competitive environment delivering high quality service is the key for a sustainable competitive advantage. And in banking, customer satisfaction carries a positive effect on an organization's profitability.

Satisfied customers form the foundation of any successful business as customer satisfaction leads to repeat purchase, brand loyalty, and positive word of mouth.

According to Bpiexpressonline.com, the Banco de las Islas Filipinas, commonly known as BPI is one of oldest banks in the Philippines, still in operation and are the country's third largest bank in terms of assets, the country's largest bank in terms of market capitalization, and the country's most profitable bank. And with the help of the technology, BPI customers can now do more transactions with any BPI or BPI Family Savings branches, instead of only their branch of account. They also offer 24/7 service through our self-service facilities- BPI Express Online, BPI Express Phone and BPI Express Mobile, allowing their customers to do bank transactions anytime in their residences or offices. According to Brian Birt, Managing director for ASEAN and North Asia, banks can help the customers to achieve their financial goals that can cause them to trust their primary banks. Banks usually meet the customer expectations by having product simplicity, convenience, and connectivity to online and mobile services anywhere, any time. Consumers also rated banks as performing significantly above expectations in digital payment options for financial transactions.

Thus, the researchers proceed from the idea that if customers value the service they receive, the more they become satisfied, the more they will be loyal. The researchers, together with the Bank of the Philippine Islands (BPI) – Carmelray Park II located at Lai Sun Building, Barangay Milagrosa (Formerly Barangay Tulo), Calamba City, Laguna, agreed to conduct a company driven research.

This can be done by analyzing and understanding the customer's wants and needs in terms of improving the services of the bank and suggestions on what service they want to acquire.

Review of related literature

The satisfaction is however another vital feature which must be taken into account when determining the complete loyalty of the customers towards their service suppliers. In banks, the customers question themselves about the level of the services and decide about the lack of importance given to them and decide about repurchase behavior after using the services.

According to *Amudha, R. &Vijayabanu, C. (2012),* service development performance of a business should be restrained constantly to accomplish competitive advantage and this is possible by giving outstanding service by any business. The quality of the products or the quality of customer service defines the degree of customer satisfaction. The customer

satisfaction is not only by sustaining the customers but also customer retention in case of service failure. The organization should solve the criticisms over several service retrieval strategies. It is compulsory to classify the effect of service failure and customer feedback for the existence, success and affluence of a business. The actual success of a business is created on the degree of loyalty of the customers. The customer satisfaction concerning the services of a bank from five different perspectives specifically, service encounters, waiting time of the customer to get the service, role of intermediaries, quality of service provided and customer complaints towards the bank. Fascination, retention and enrichment of the customer relationship are vital to preserve, pleased and loyal customers who form the basis for the sustainable competitive position of the bank. This study can also be prolonged to tourism and hospitality, insurance companies, hospitals, transport corporations, railways, airlines, telecommunications, libraries and other service segments to measure the degree of quality of service presented by them.

Customer loyalty is all about enticing the correct customer, getting them to purchase, purchase repeatedly, purchase in higher amounts and get you even more customers. Though, customer loyalty is made by keeping touch with customers using email marketing, thank you cards and more. Treating the employees well so they treat the customers well, presenting that the organization cares and recalling what customers likes and dislikes, building it by satisfying them for selecting the organization over the competitors and finally building it by truly giving an attention about them and imagining out how to make them more successful, contented and delighted (Kotler, 2000). Some strategies have been tried to maintain customers. In order to raise customer loyalty, many banks have presented advanced products and services (Alam and Khokhar, 2006). Marketing success needs empathy and often checking the product and service qualities which increase loyalty and shares.

Srinivasan (2007) says that there are two main kinds of loyal customers, satisfied and unsatisfied. Sometimes unsatisfied customers are also loyal in line for connection and commitment with the supplier. Satisfied customers, if lack the trust commitment and connection with the supplier's products and services, will always bend once they find a competitor with the better quality of products and services. In today's technically progressive world and due to coming of internet, it is much tougher to keep a customer.

Clare McDonalds (2014) said that banks have cited customer loyalty as their main concern, according to a survey by financial services firm Temenos. The report showed 30% of banks said keeping customers was their biggest challenge, with retail banks showing more concern over losing consumers than corporate banks. David Arnott, CEO of Temenos, explained that new market entrants such as Amazon are making more customers

change their minds about what they want, using innovative technology solutions to tempt them away from their current account or have several accounts with lots of different firms. In 1980, 3% of the customers changed their bank account and on the year 2013 it was 12%, meaning the wants of the customer are dynamically changing and they are seeking for better services.

According to Brian Gentile (2015), banks should continue to set themselves apart from their competitors by ensuring customer loyalty while remaining profitable. Banks should also have better understanding about customer preferences in order to predict customer behavior effectively. The fact is that data have always been a critical part of banks' loyalty/reward program strategies, but with Big Data, banks can build profiling programs for each customer, determine which customers are profitable, understand what methods of motivation are most likely to succeed for each, and then tailor relevant programs uniquely.

Satisfaction is the consumer's contentment reaction according to Tjiptono (2005). It is a decision that a product or service feature, or the product or service itself, provides a satisfying level of consumption connected to contentment, and contains levels of less than or more than satisfaction GourSaha (2009). From the definitions above, it is believed that satisfaction transmits a personal assessment of emotions. The end-result is a feeling of fulfillment (if satisfied) or disappointment (if not satisfied). Relationship value, as well as trust and commitment, has been assessed differently by many researchers, with some must engaged it to be an ancestor of overall satisfaction according to Norizan and Salaheldin (2009). According to GourSaha (2009), that giving trust and customer satisfaction at the same balance will result to captivating relationship quality and service quality together to be antecedents of behavioral intentions. On studying the literature, declare relationship quality to be an importance of customer satisfaction as well as service meeting.

According to Gareth Cartman (2013), customer loyalty is more difficult to acquire rather than satisfaction. Yes, you can see the behavior of your customers and sense their excitement to avail your products and services because of its benefits but it is hard to tell who among those customers will go back when competitors create similar offerings with similar prices. Customers nowadays are not just contented to get what they want and need. Businesses should exceed their expectation and make them loyal to build up a strong relationship and a positive word of mouth. It is important to maintain and track customer satisfaction because it gives feedback to make an adjustment and develop a strategy to the success of the business. The benefits of having customer loyalty is increasing sales and due to the strong relationship between the company and clients while satisfied customers are just purchasing your products and services in just a short

period of time.

Trying to sell products and services without understanding your ideal customers is like *driving with your eyes closed. Customer profiling would be a great help in knowing your target market and understanding their needs, wants and demands.*

Framework

The researchers formed and used the conceptual framework in order to create a conclusion and recommendation for continuous improvement of the products and services of BPI- Carmelray II for the satisfaction and loyalty of their clients. The input consisted of review of related literature and the demographic profile of the respondents in terms of age, gender, civil status, nature of work, location and years of transaction. The second was the process that consists of evaluation of gathered information, survey, distribution of questionnaire and analysis of data. In this part the researchers evaluated the data that they gathered and came up to use a method which was survey that helped them in collecting data and afterwards analyze it. The output consists of conclusion and recommendation on action plans for BPI continuous improvement.
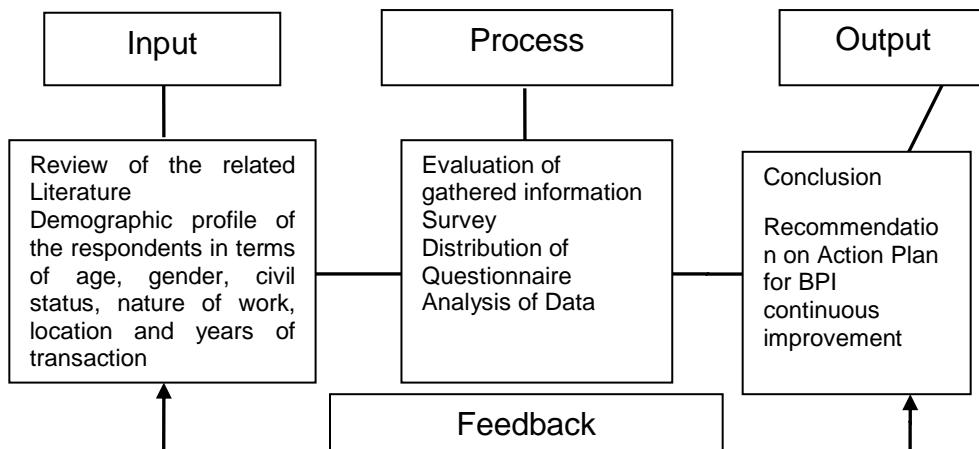
Input	Process	Output
Review of the related Literature Demographic profile of the respondents in terms of age, gender, civil status, nature of work, location and years of transaction	Evaluation of gathered information Survey Distribution of Questionnaire Analysis of Data	Conclusion Recommendation on Action Plan for BPI continuous improvement

Feedback

Figure 1. Conceptual framework

OBJECTIVES

The objectives of this study is to(1) present the demographic profile of the respondents in terms of; age, gender, civil, status, nature of work, location and years of transaction, (2) determine the perceived levels of

customer's satisfaction and loyalty of BPI- Carmelray Park II in terms of: courtesy, consistency, responsiveness, security of accounts and ambiance, (3) determine if there is a significant relationship between customer profile and customer's satisfaction and loyalty, and to (5) proposed an action plan for continuous improvement.

METHOD

In this study, the researchers used the descriptive collateral method to conclude the Levels of Customer's Satisfaction and Loyalty of Bank of the Philippines Island, Carmelray Park II. This is a method of collecting data through written questionnaires from a representative sample of the population under study.The Bank of the Philippine Islands- Carmelray Park II was established on 2007 at the Lai Sun Building, Barangay Tulo, Calamba City, Laguna. There will be 96 clients of Bank of the Philippines Island Carmelray Park II Branch who will answer the survey questionnaire. For determining the number of respondents, the researchers used and applied G- Power method, software used to determine the sample size. It was designed as a general stand-alone power analysis program for statistical tests commonly used in social and behavioral research. Usually, a power analysis calculates needed sample size given some expected effect size, alpha, and power.

To gather the information, the researchers use survey questionnaire that is validated to ensure the reliability.The questionnaire is composed of four parts. Part I is about the profile of customers of BPI- Carmelray II in terms of socio demographic variables such as age, sex, civil status, nature of work, location and years of transaction. Part II is about the levels of the customer's satisfaction of BPI- Carmelray Park II in terms of courtesy, consistency, responsiveness, security of accounts and ambiance. Part III of the questionnaire is about the levels of customer's loyalty. And the Part IV of the questionnaire is the action plan or recommendation of the customers for the continuous improvement of the service of BPI- Carmelray II. The instruments were tested for their reliability. Based from the result, the Cronbach's Alpha is .927 which means that items on questionnaire are acceptable and reliable. The researchers used the scale and formula provided below describes the respondent's response towards customer satisfaction.

SCALE	INTERPRETATION
1.00 – 1.49	Strongly Dissatisfied
1.50 – 2.49	Dissatisfied
2.50 – 3.49	Satisfied
3.50 – 4.00	Strongly Satisfied

In terms of significant relationship between demographic profile and customer's satisfaction & loyalty, the researchers got the result by chi- square using SPSS. It is most useful non-parametric statistics. It is used when the data consist of people distributed across categories, and to know whether that distribution is different from what would expect by chance (or another set of expectations). It doesn't have scores and means. It just has numbers, or frequencies. In other words, it has nominal data.

RESULTS AND DISCUSSIONS

Demographic profile of the respondents

Based on the data gathered in terms of customer loyalty of the Bank of the Philippine Islands Carmelray Park II there are more female with the total of 54% than male which have 46%. In terms of age most of the respondents are from the age bracket 31 to 40 with the percentage of 33.33%. With regards to the demographic profile of the respondents in terms of civil status, it shows that most of the respondents are married individual with the total number of 55 out of 96. In terms of the nature of work of the proponents, 75 of them are employed and 21 are unemployed. The employed customers are more loyal and satisfied

because they have an income and have the capacity to spend more in availing a product or service. The researchers also found out that most of the respondents are from Calamba Laguna with the total number of 59 followed by Sto. Tomas Batangas with 16 respondents and with regards to the years of transaction most of the respondents are in 1 to 5 years in transaction with BPI Carmelray Park II with the percentage of 46.88%; followed by 6 to 10 years with the total number of 31 individuals.

Customers' Level of Satisfaction and Loyalty to BPI

Table 1 presents customer's levels of satisfaction. The composite mean of 3.3 shows the clients of BPI- Carmelray Park II agreed that they are satisfied with the services and products of the bank. The service provides security of account as indicated by the weighted mean of 3.6 and verbally interpreted as strongly satisfied ranked 1 because customers are now concerned with the security of their accounts before they become satisfied.

Table 1. Customer's level of satisfaction

Questions	Weighted Mean	Verbal Interpretation	Rank
1. BPI employee and security personnel are consistently professional and courteous.	3.5 3.5	Strongly Satisfied	3
2. BPI services are consistently efficient.	3.5	Strongly Satisfied	3
3. BPI employee are responsive and answer questions promptly and correctly	3.6	Strongly Satisfied	3
4. BPI ensures that the customers and account information are safe and free from theft and tampering	2.4	Strongly Satisfied	1
5. BPI ambiance makes the customers comfortable and relaxed.		Dissatisfied	5
Composite Mean	3.3	Satisfied	

Strongly satisfied 3.50-4.00 Satisfied 2.50-3.49 Dissatisfied 1.50-2.49
Strongly Dissatisfied 1.00-1.49

Table 2. Customers' levels of loyalty

Variables	Frequency (YES)	Percentage (%)	Frequency (NO)	Percentage (%)
1. Do you like to purchase another products or services?	39	40.63	57	59.38
2. Will you keep on transacting with the BPI-Carmelray Park II?	92	95.83	4	4.17
3. Will you increase the frequency of purchasing the services of BPI?	76	79.17	20	20.83
	69	71.88	27	28.13
4. Will you choose BPI again for the first time?	94	97.92	2	2.08
5. Will you recommend BPI to your friends and relatives?	94	97.92	2	2.08
6. In general, are you satisfied with the service of BPI-Carmelray Park II?				

Researchers found out that most of the respondents answered "No" on the question number 1 with the total number of 57 and 39 respondents answered "Yes". Customer loyalty is usually seen as the control force of the relationship between the attitude of individual's relative and repeat patronage.

Table 3. Relationship between demographic profile and customer satisfaction and loyalty

Variables	Chi-square value	P-value	Interpretation
Age			
Loyalty	57.522	.001	Significant
Satisfaction	124.938	.001	Significant
Gender			
Loyalty	21.377	.001	Significant
Satisfaction	84.575	.001	Significant
Civil Status			
Loyalty	27.211	.001	Significant
Satisfaction	80.975	.001	Significant
Nature of work			
Loyalty	90.226	.001	Significant
Satisfaction	20.038	.001	Significant
Location			
Loyalty	92.968	.000	Significant
Satisfaction	N/A	N/A	N/A
Years of Transaction			
Loyalty	50.233	.000	Significant
Satisfaction	67.138	.000	Significant

Legend: Significant at P- value <0.05

Table 3 shows the relationship between the demographic profile and customer's satisfaction and loyalty of the clients of BPI- Carmelray Park II.

Based on the results, it was found out that there is a significant relationship between age and customer's satisfaction and loyalty since the chi- square value obtained in loyalty is 57.522 while in satisfaction is 124.938 indicates correlation and resulted P- value .000 that is less than 0.05, standard of significant of chi- square. The respondents' ages between 31- 40 are the most satisfied and loyal among the other ages

CONCLUSIONS

In order to measure the levels of customer satisfaction and loyalty in terms of demographic profile, the researchers analyzed and tallied the following survey results: female (46%), age 31 to 40 (33.33%), married (57%), employed (78%), Calamba Laguna (61.26%) and 1-5 years of transaction (46.88%).

Most of the respondents are strongly satisfied with the performance of the BPI Carmelray Park II branch in terms of courtesy of security personnel and staff, consistent and efficient service, responsiveness of the employee to answer question promptly and security of the account while some of the respondents are dissatisfied with the ambiance.

Based on the gathered data, the researchers have come up with a result that there is significant relationship between almost all the variables of demographic profile and customer's satisfaction and loyalty except one of the variables in demographic profile which is location.

The researchers found out that even if there are many customers who are satisfied and loyal there are respondents who have complaints in terms of: ambiance of the BPI Carmelray Park II branch, convenience,numbering system and security.

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