



De La Salle University – Dasmariñas
GRADUATE PROGRAM

**FACTORS AFFECTING CUSTOMER SATISFACTION IN
PRUDENTIAL BANK BRANCHES IN CAVITE**

A Thesis

Presented to

The Faculty of the Graduate School of Business

De La Salle University-Dasmariñas

In Partial Fulfillment

Of the Requirements for the Degree

Master In Business Administration

By

Zhao Hai Long

April 2004

10 JUL 2004



ABSTRACT

Title: Factors Affecting Customer Satisfaction in Prudential Bank
Branches in Cavite

Researcher: Zhao Hailong (Michael)

Adviser: Professor Ma. Luisa G. Dy

Year Completed: 2004

Type of Document: Master Thesis

No. of Pages: 106

Measuring customer satisfaction is a relatively new concept to many local banks that have been focused exclusively on income statements and balance sheets. Companies now recognize that customer satisfaction is a critical strategic weapon that can bring increased market share and increased profits.

The primary objective of this study is to identify critical factors that have the greatest influence on customer satisfaction toward products and service in the Prudential Bank Cavite 11 branches. This paper first discusses the concepts of customer



De La Salle University – Dasmariñas

GRADUATE PROGRAM

satisfaction and service quality from the literature and summarizes findings in theoretical and conceptual framework. Based on conceptual framework, the researcher develops a service performance measurement instrument to measure customer satisfaction. The procedures used in generating items, protesting questionnaires, and analyzing data from a quota sample of 550 customers are described.

Various data collection methods have been employed, including self-administered questionnaires, face-to-face interviews, telephone interviews, and access to internal reports of the bank. A total of 357 of the 550 questionnaires were returned for a superior response rate of 65%. The principal method of data analysis is descriptive. Development of scales and testing of study variables were achieved through quantitative techniques such as, Pearson coefficient matrix, multiple linear regression analysis and Stepwise multiple regressions.

The results of study showed the bank in general are satisfied and indicated that service quality was the most highly



De La Salle University – Dasmariñas GRADUATE PROGRAM

correlated to overall customer satisfaction, followed by fairness, product innovation, convenience, and price. Service quality was the first variable to enter into the stepwise regression equation for predicting overall customer satisfaction, followed by fairness and convenience.

Finally, to improve further the customer service from clients concern, and change some behind customer satisfaction level in individual branches, the study concludes with several recommendations for the bank.

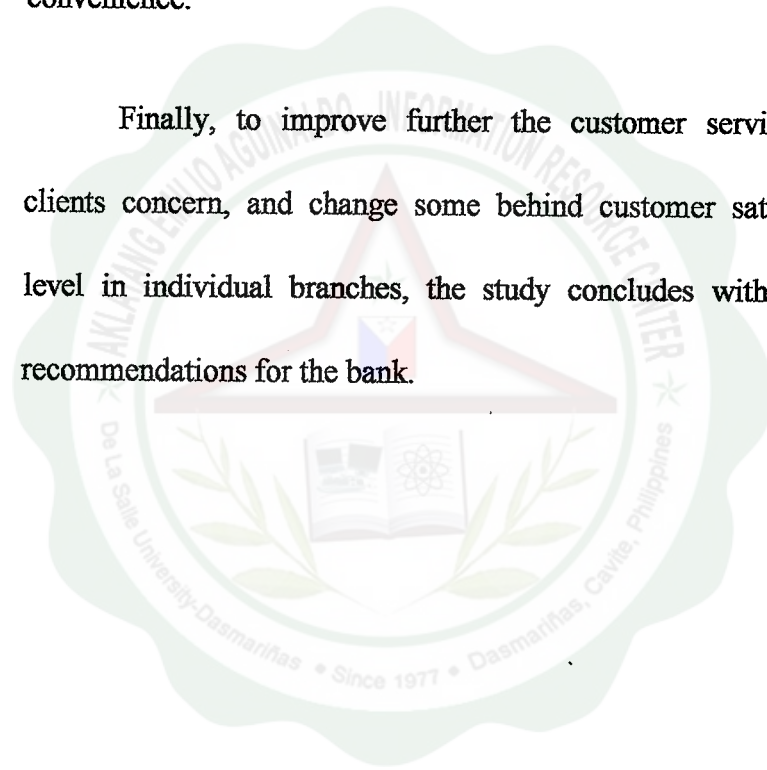




TABLE OF CONTENTS

	Page
List of Tables	vi
List of Figures	vii
Chapter	
1 THE PROBLEM AND ITS BACKGROUND	
Introduction.....	1
Theoretical Framework.....	3
Conceptual Framework.....	4
Statement of the Problem	7
Hypothesis.....	8
Significance of the Study.....	9
Scope and Limitation.....	12
Definition of Terms.....	13
2 REVIEW OF RELATED LITERATURE AND STUDIES	
Foreign literature and studies.....	17
Local literature and studies.....	29
Assessment.....	32



3. RESEARCH METHODOLOGY

Research Design.....33

Data Management..... 33

Sampling..... 36

 Sampling Design.....36

 Sampling Size..... 37

 Procedure..... 38

 Instrument.....38

 Data Treatment..... 41

4 PRESENTATION, INTERPRETATION AND ANALYSIS

OF DATA..... 46

5 SUMMARY OF FINDINGS, CONCLUSIONS AND

RECOMMENDATIONS.....70

Appendixes..... 78

A. SURVEY COVER LETTER AND QUESTIONNAIRE.....79

B. PRUDENTIAL BANK HISTORICAL HIGHLIGHTS.....83

C. PHILIPPINE BANKING SYSTEM.....86

D. PRUDENTIAL BANKING PRODUCTS AND SERVICES.....87



E. PRUDENTIAL BANK CAVITE PROVINCIAL BRANCHES.....91

F. RANKING OF BANKS.....95

G. MAP OF THE CAVITE PROVINCE.....99

Bibliography..... 100





LIST of TABLES

Table	Page
1. Sample Size of the Study.....	37
2. Criterion and Interpretation of Mean Value.....	44
3. Breakdown of Returned Questionnaires.....	48
4. Respondents Demographic.....	50
5. Frequency of Visits of Respondents.....	50
6. Customer Satisfaction Indicators Percentage Rate.....	53-54
7. General Weighted Satisfaction Level with Response.....	59-60
8. Correlation Matrix and Regression Analysis.....	63
9. Regression Reanalysis.....	65
10. Branch Customer Satisfaction Level.....	69



LIST OF FIGURES

Figure	Page
1. Conceptual Framework.....	7
2. Overall Satisfaction Level.....	51
3. Customer satisfaction factors rank.....	61

