



## The Effects of Convenience, and Customer Satisfaction on Switching Intention in the Context of Cambodian Banking Market

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### Abstract

The objective of this study was to examine the effects of convenience and customer satisfaction on intention to switch in Cambodian banking context. With 323 data samples, Path Analysis indicated that the relationship between convenience and customer satisfaction was significant and positive while the relationship between intention to switch and customer satisfaction was significant and negative. In addition, the result generated in this study could help investors in service firm, especially banks, to deeply understand these variables' potential effects on switching intention. Thus, they could be ready to seek a reasonable solution to fix this issue so that customer's intention to switch could be lower.

**Keywords:** Convenience, Customer Satisfaction, Switching Intention

### Introduction

Many SMEs and multinational enterprises have significantly emerged to look for profits in Cambodia, therefore, demand on financial support for business operations and expansion is rising (IMF, 2014; World Bank Group, 2020) . Moreover, with rising number of banks and other availability of financial options such as different types of financial products and services, ATMs and internet banking have placed banking market competition become more intense (Beckett et al., 2000; Clemes et al., 2007; Gonzalez & Guerrero, 2004; Hull, 2002). Similarly, banks in Cambodia have offered such as cheaper prices, internet banking, and modern technological ATM machine, especially service



conveniences to attract all types of customer to buy their services which in turn allow customers to have more choices to choose the banks that they prefer (National Bank of Cambodia, 2017; World Bank Group, 2020). Therefore, lots of current banking customers might have high intention to look for another banking competitors (Bansal & Taylor, 1999; Mosavi et al., 2018). As a result, there is no doubt that the current banks might face the serious loss in profit if they cannot find the solutions to prevent customers from switching their banks (Pick, 2014).

Wirtz et al. (2014) give the definition of switching intention as the level of intention propensity that a person wants to change his/her bank to use another one. Furthermore, Pick (2014) introduced two types of switching intention in banking sector, partial switch (stop utilizing several accounts) and 100% switch (stop utilizing all accounts). Therefore, certain influential factors must be identified to appropriate solutions to prevent the future switching in banking industry (Mosavi et al., 2018).

Previous studies are conducted to find the root causes of switching intention in different industries. Chen and Keng (2018) emphasizes that convenience in service significantly influences switching intention in English learning platform. Likewise, Sombultawee (2017) shows that high convenience can lead to lower switching intention in mobile service industry. Furthermore, Kang et al. (2007) reveal that satisfaction significantly affects the switching intention in educational service industry. Similarly, Mosavi et al. (2018) conduct the study in banking service highlight that high satisfaction will lower the propensity of switching intention.

Several research studies have identified convenience and customer satisfaction as the potential factors that individually affect customers' intention to switch in different sectors (Chen & Keng, 2018; Kang et al., 2007; Mosavi et al., 2018; Sombultawee, 2017), however, the combination of these factor structural mechanism have been slightly studied in banking sector in Cambodia. Thus, to offer more contribution to this gap, this paper's aim is to address the examination on structural relationship among convenience, customer satisfaction and switching intention in Cambodian banking sector.

## Research Background and Hypotheses Development

### Convenience and Customer Satisfaction

Liu et al. (2015) defines convenience as estimated degree of ease on completing the customers' transaction by measuring in time and distances. Wungwanitchakorn (2002) emphasizes that any transaction that reduces time and distance for customers can lead to high customer satisfaction. Furthermore, Roy et al. (2016) reveal that convenient access, convenient benefit, and convenient transaction increase customer satisfaction. Likewise, Kaura et al. (2015) support that high satisfaction can be achieved if the customers can receive variety of service conveniences such as ATM, internet banking, etc. to finish their task quickly. Thus, Reimers and Chao (2014) indicate that providing more conveniences lead to high customer satisfaction. Therefore, the hypothesis is proposed as follows:

**Hypothesis 1** Customer satisfaction is positively affected by convenience.

### Customer Satisfaction and Switching Intention

Anderson and Sullivan (1993) give the definition of customer satisfaction as the degree of happiness with the comparison between received benefits and the performance of products or services. Kotler et al. (2005) make a general assumption that when the customers get benefits from the services to fulfill their needs, they must be happy. Furthermore, Ranaweera and Prabhu (2003) confirm that customers will stay with current service providers if their satisfaction level is high. In other words, high degree of customer satisfaction can result in lower intention to switch the current service providers (Gray et al., 2017). Thus, it is confirmed that customer satisfaction affect intention to switch (Kang et al., 2007). Likewise, Bansal and Taylor (1999) and Mosavi et al. (2018) also support that satisfaction negatively affect intention to switch. Therefore, the hypothesis is proposed as follows:

**Hypothesis 2** Switch intention negatively affected by customer satisfaction.

Following discussion above, a new conceptual model was developed as shown in Figure 1.



**Figure 1** A Proposed Conceptual Framework for Intention to Switch



## Research Methodology

### Data Collection

A report about opening banking account indicated that the actual number of saving accounts in the banks did not represent the number of customers because a person can open two accounts at the different banks, therefore, the total population in banking service sector is unknown (Gonzalez & Guerrero, 2004). In this case, non-probability sampling was applied (Zikmund et al., 2013). Furthermore, it was reported that at least 30% of Cambodian adults opened bank accounts (Gravesteijn et al. , 2018), thus, the result was generated based on the below formular of Zikmund et al. (2013):

$$n = \frac{Z^2 pq}{E^2}$$

Where:

n = number of items of in sample

Z<sup>2</sup> = square of the confidence level in standard error units (1.96)

P = estimated proportion of successes (30%)

q = 1- p, or estimated proportion of failures (100% - 30% = 70%)

E<sup>2</sup> = square of the maximum allowance for errors between the real proportion and the sample proportion (0.05)

Therefore, the sample size is:

$$n = \frac{(1.96)^2 (0.3)(0.7)}{(0.05)^2}$$

Moreover, this research used convenience sampling which was a part of non-probability sampling that allowed research to conveniently and randomly select the participants to interview (Zikmund et al., 2013). Therefore, the set of 323 questionnaires sent to Cambodia. People who at least had a saving account at any bank in Cambodia were asked to interview at convenient places such marts, supermarkets, parks and universities in Phnom Penh city, Cambodia. In addition, it took two months to finish the data collection from December of 2019 to January of 2020.



### Variable Measurements

This research adopted the measurement elements from previous researchers such as: convenience from Kaura (2013), customer satisfaction from Gray et al. (2017) and switching intention from Mosavi et al. (2018). Furthermore, all related items in questionnaire were measured through 5-point Likert scale which ranges from (1 = absolutely disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, and 5 = absolutely agree).

### Reliability, Validity, and Variables' Characteristic Analyses

Three marketing experts were asked to help check the validity the questionnaire items by using IOC technique since the questionnaire was required to translate into Cambodian language. Moreover, each item in questionnaire was judged as valid if its scores were above 0.5 while below 0.5 was judged as invalid and required to revise (Guntayoung & Chinchai, 2013). As a result, the outcome on the measurement items was satisfied by the experts, and a few items were also edited according to their recommendations.

After that, the Cronbach Alpha was used to check the reliability of each variable through statistical software. Thus, the table 2 showed that convenience ( $\alpha = 0.80$ ), customer satisfaction ( $\alpha = 0.91$ ), and switching intention ( $\alpha = 0.93$ ) were higher than recommended score 0.7 of Cronbach Alpha as reliability construct (Mosavi et al., 2018), as a result, this study's constructs were reliable.

### Path Analysis

To examine the structural relationships among variables, Path Analysis was used (Grapentine, 2000). It was similar to Structural Equation Model (SEM), however, unlike SEM; all variables were examined with their own mean scores of combined questionnaire items and excluded errors (Grapentine, 2000). As a result, the study could only focus on variable relationships.



## Results

### Sample Characteristics

According to the information in Table 1 regarding to gender, it revealed that 44.6% were female while 55.4 % were male. Second, regardless of respondents' age, 52.3% were in 18-28 fellow by 34.7% in the age between 29-39. Next, regarding to education of respondents, 31.6% were mostly in bachelor's degree fellow by 28.2% in high school. Finally, 74.3% were below 5 years for experience in using bank's service.

**Table 1** Participants' Profile

Variables	Description	Frequency n=323	Percentage
Gender	Male	179	55.4
	Female	144	44.6
	Total	323	100
Age	18-28 years	169	52.3
	29-39 years	112	34.7
	40-50 years	32	9.9
	51-61 years	10	3.1
	Total	323	100
Education	Primary Education	26	8.0
	Secondary Education	44	13.6
	High School Education	91	28.2
	Associate's Degree	46	14.2
	Bachelor's Degree	102	31.6
	Master's Degree	14	4.3
Total	323	100	
Experience interacting with bank	Below 5 years	240	74.3
	5-10 years	83	25.7
	Total	323	100



### Description on influential factor

According to the mean score between 3.65 to 3.79 in the Table 2 illustrated that banking customers seemed to agree that their banks made them more convenient and satisfied with the services offered. Consequently, the score in switching intention were in 2.23 which pointed out that banking customers seem to disagree to move to another banks. In other words, the views from banking customers saw convenience and customer satisfaction as the positive points in their banks.

**Table 2** Reliability Diagnostic

<i>Variable</i>	<i>Measuring Items</i>	<i>M</i>	<i>α</i>
<i>Convenience</i>	1. This bank offers variety of accessibilities such as (online, telephone, by person, ATM).	3.79	0.80
	2. This bank has convenient hours to operate service to customers.		
	3. This bank's location is convenient to access.		
	4. I can get my task done with less effort.		
	5. I can finish my transaction with reasonable time.		
	6. This bank's products are easy to utilize.		
<i>Customer Satisfaction</i>	7. I satisfy with the service of this bank.	3.65	0.91
	8. Generally, I feel happy anytime I buy the service of this bank.		
	9. It is a satisfied experience to the service of this bank.		
	10. My option to utilize service of this is a wise option.		
	11. According to my opinion, my decision to utilize the service of this bank for my service needs is correct decision.		
<i>Switching Intention</i>	12. I think I will leave my current bank soon.	2.23	0.93
	13. I seem to change to other banks if the contract between me and bank reaches the deadline.		
	14. I've usually thought of switching this bank.		
	15. I will be likely to change this bank to another that provides better services.		
	16. I want to change this bank due to this bank usually had problems with me.		



### Assumption Testing

The data in this were required to pass three tested assumptions before continuing to proceed the data analysis. First, the data was tested to find the multicollinearity by check the value of the correlations among variables. If the scores were equal or above 0.95, multicollinearity would be suspected, therefore, the result could be affected during the analysis (Zainodin & Yap, 2013). As a result, according to the Table 3 indicated that the range scores were between -0.51 to 0.70 which proved that no multicollinearity was suspected.

**Table 3** Correlation Among Variables

Variables	1	2	3
Convenience	1		
Customer Satisfaction	0.70*	1	
Switching Intention	-0.51*	-0.62*	1

Second, normality in data was test to find the normal distribution to make sure that the collected data were reliable (Field, 2013; Horse, 2019). To find it, Ghasemi and Zahediasl (2012) recommended to check Skewness and Kurtosis scores with suggested range scores between -1.96 to + 1.96 which were indicated as normal distribution. Thus, according to Table 4, the scores ranged between -1.039 to -0.226 which were in the suggested range scores indicated as normal distribution.

**Table 4** Data Normal Distribution

Variable	Skewness	Kurtosis
	Statistic	Statistic
Convenience	-.423	-.226
Customer Satisfaction	-.720	-.499
Switching Intention	-.098	-1.039



Finally, linearity assumption was applied to check the linearity between independent and dependent variables by checking the scatter dots laying around the linear line (Field, 2013). Therefore, according to the Figure 2, it revealed that the scatter dots gathered around the linear line, thus, linearity existed between independent and dependent variables.

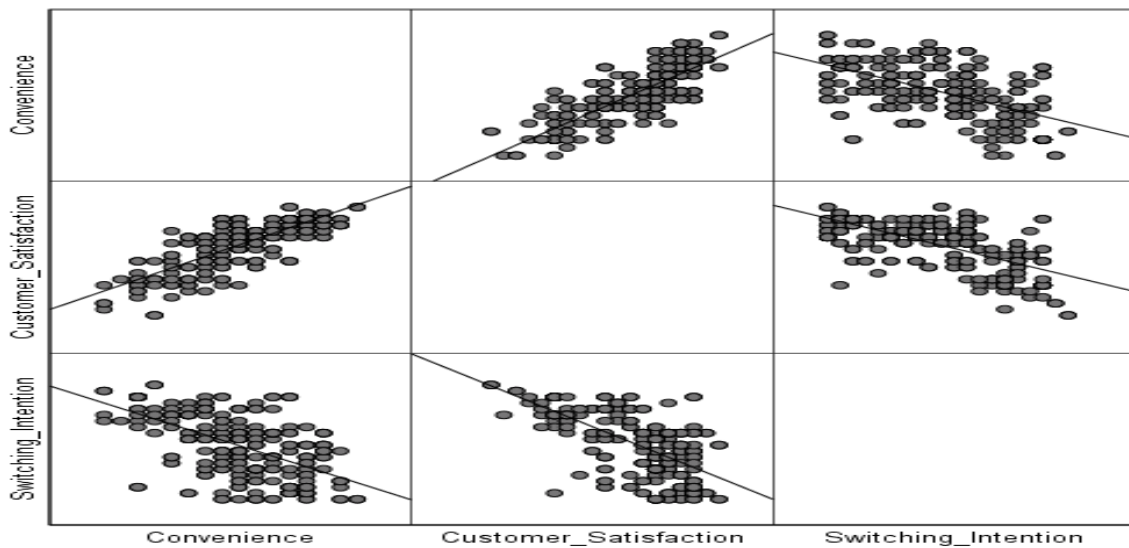


Figure 2 Linearity Diagnostic

### Model fit for structural model

Several indicators had been adopted to measure the fitness of structural model in Path Analysis, however, the three common indicators such as Normative Fit Index (NFI), Comparative Fit Index (CFI), and Goodness of Fit Index (GFI) (Zietsman, Mostert, & Svensson, 2019). Moreover, to see whether or not the structural model is fit for Path Analysis if NFI, CFI, and GFI scores were above 0.9 (MacCallum et al., 1996; Marsh et al., 2004). As a consequent, the structural model was fit for Path Analysis due to the three indicators' scores in Table 5 were all above recommended 0.9.

Table 5 Model Fit Characteristics

Indices	Score	Model Fit
GFI	0.999	Fit
NFI	0.992	Fit
CFI	0.991	Fit

### Path Analysis Outcome and Hypothesis Testing Results

According to Table 6, it showed that every relationship among variables was significant. In addition, the Table 4 also indicated that all relationships fully support the hypotheses.

**Table 6** Results in Standardized Regression

Exogenous Variables	Endogenous Variables	Std. $\beta$ Coefficient	p-value
Convenience	Customer Satisfaction	0.78	0.000*
Customer Satisfaction	Switching Intention	-0.66	0.000*

“Note: \* denotes 95% significance level.”

Furthermore, in Figure 3, convenience had a strongly positive impact on customer satisfaction with ( $\beta = 0.78, p < 0.05$ ). In contrast, customer satisfaction had significant impact on intention to switch with ( $\beta = -0.66, p < 0.05$ ).



**Figure 3** Path Analysis Findings

## Discussion

### Hypothesis Discussion

The current result indicated that convenience had a strong and positive relationship with customer satisfaction that supported the previous results of Reimers and Chao (2014). Each time that customers accessed to banking service with less duration of time and distances could really enhance customer satisfaction since it can help save not only time but also extra cost to them (Hamadi, 2010; Joseph & Stone, 2003; Mohammed & Ward, 2006; Reimers & Chao, 2014).



Last but not least, the relationship between customer satisfaction and switching intention illustrated as significant and negative relationship which supported the previous result of Bansal and Taylor, (1999) and Mosavi et al. (2018). It was confirmed that happy customers seemed to continue using the current service with the firm Kotler et al. (2005).

### **Theoretical Contribution**

Theoretically, the research results of this significantly confirm the relationships among convenience, customer satisfaction and switching intention which support the previous studies in service marketing. However, customer satisfaction in this research fully mediates the between convenience and switching intention which in turn allows convenience to have indirect relationship with switching intention. This scenario implies that when convenience changes its degree, it significantly changes degree of customer satisfaction which further directly affects switching intention. In other words, customers are happy because of receiving more convenience in services from the banks; as a result, they have lower intention to switch their current banks.

### **Managerial Implications**

Since the importance of convenience contributed to more customer satisfaction, the top management in banks' objective should focus on providing more service convenience to customers such as offering internet banking, placing more ATM machine around public places, offering convenient QR code in doing transaction, giving more convenient opening hours and opening more branches in other parts of the country. Therefore, customers will enjoy using the current service.

Finally, happy customers seem not to leave the current firms, therefore, top management in banks should focus on implement more campaign to enhance customer satisfaction through more innovative internet banking for customers and other variety of products and service selection option to make them feel more comfortable. As a result, when there is a high level of satisfaction, customer trust will be gained which in turn lead to lower customers' intention to switch.

### **Conclusion and Limitations of the Study**

The current results confirm that the relationship between customer satisfaction and convenience proves to be positive. On the other hand, the relationship between switching intention and customer satisfaction is confirmed to be negative.



Although this research completely covers the whole objective of the study, the limitation in this study exists. First, regarding to the result, it is generalized based on banking context. Therefore, the future research with the same variables should aim in different contexts such as airline, restaurant, hotel etc.

Next, there are only few variables set in this study to examine their relationship with customer's intention to switch. Thus, the future study ought to include more focused variables to examine their relationships with intention to switch.

Finally, the content of result is entirely based on Cambodian people's perspectives. As a result, the future study should make a cross-sectional study or study in different culture to see more diversified perspectives (Narteh, 2013).

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### Acknowledgement

This work was supported by Graduate School in Prince of Songkla University, Thailand.

### Conflict of Interest

The authors declare no conflict of interest.