

POLICY IMPLICATIONS IMPROVING THE BANKING SERVICE QUALITY IN VIETNAM

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ABSTRACT

Commercial banks are making efforts to perfect services, improve the quality of care and serve customers. With the motto "Quality is the center in all activities", besides expanding the network, Commercial banks are increasing investment in facilities and techniques, developing many convenient services to attract customers. In particular, the growing trend of retail customer business is the "key" to banks' revenue and business efficiency. Therefore, this study objective proposed policy implications for improving the banking service quality in Vietnam. The study surveyed 1,000 customers related to commercial banks, but 917 samples were processed and answered 39 questions. The authors tested Cronbach's Alpha, Confirmatory Factor Analysis (CFA), Structural Equation Model (SEM), and descriptive statistics with a significance level of 0.01.

Keywords: Banking, Service, Quality, Commercial, BUH, LHU

INTRODUCTION

A bank that operates effectively and sustainably relies a lot on capital, but the bank's capital has significantly depended on the quality of banking services. The banking service quality is essential to the bank because it is the basis for judging whether the bank is strong or weak by Amin & Isa (2018). Whether the bank is interested in customers or not, this is also the basis for the bank to carry out investment, lending, and reserve activities to help bring profits.

In 2020, according to economic experts, the outstanding technological achievements of the industrial revolution 4.0 were the Internet of Things (IOT); Big Data; Artificial Intelligence: AI; Block chain technology (Block chain)... all bring great opportunities for the Vietnamese banking system in many aspects. In particular, proactively integrating with the world economy and the commercial banking industry has gradually developed and applied modern technology. Specifically, increasing the ability to use current technology, upgrading banking products and services towards a modern, more efficient way to increase profitability and reduce costs for customers by Hoang Thi Ngoc Hue (2018).

In addition, in the current period, the system of Vietnamese commercial banks is gradually establishing networks, innovating forms of operation, diversifying products and services to enhance competitiveness to stand firmly in the market by Chidambaram & Chandran (2018). For a modern and developed bank like a foreign country, service activities develop strongly. Revenue from service activities accounts for a large proportion and has a particular impact on the bank by Jaime Torres Fragoso và Ignacio Luna Espinoza (2017).

Stemming from this fact, the study of factors affecting the quality of banking services of commercial banks in Vietnam will have high practical significance as a scientific basis for the implications policies to improve the quality of banking services in the area by Landier & Thesmar (2020). With the above-analyzed problems, the authors chose "Policy implications improving the banking service quality in Vietnam". Such as the article.

LITERATURE REVIEW

Banking Services of Commercial Banks (CBS)

According to Aneesh, Dileepal & Abraham (2014) showed that banking services are understood as banking operations in terms of capital, currency, payment. Besides, the banks provide to customers to meet business needs, profitability, living activities, storing assets... and the bank collects interest rate differences, exchange rates or charges fees through that service by Igaz & Ali (2013). In the current trend of banking development in developed economies, the bank is considered a service supermarket, a financial department with hundreds or even thousands of different services depending on classification. Depending on the level of development of the bank by Johnston (2017). There are also some diverse views on the concept of banking services by Le Van Huy & Nguyen Thi Ha My (2007).

Service Quality of Commercial Banks (BSQ)

According to Ha Thach (2012), service quality is a much-debated concept in recent studies because of the difficulty in making definitions and measures. The researcher measured service quality which had a problem due to its characteristics (Ngu, Ogbechie & Ojah, 2019). The idea of service quality has been researched and developed in many studies in recent decades. According to Barker & Kandampully (2017), if a service provider provides customers with quality products that satisfy their needs, that business will initially make customers satisfied. Therefore, to improve customer satisfaction, service providers must enhance the quality of service by Moyo (2018).

Reliability (Rel)

In the market economy, businesses and customers can actively seek and choose commercial banks that are reliable enough to contact depositors, borrow money, make payments, use other services by Nguyen Dang Don, et al., (2010). Moreover, banks goods also have the right to offer relationship-setting services and offer many promotional forms proactively. In this process, the bank's service is better, more reliable, and with a more suitable price selected by the customer and increased its competitiveness in competition by Phan Thi Thu Ha (2009). That forces banks to improve staff qualifications and reliable technology and develop Mobin, Ahmed (2017) high-utility services. Therefore, competition in the banking sector is also one factor promoting the expansion and development of banking services in the direction of diversification and modernization, according to Le Ngoc Nuong & Ha Thi Hoa (2020).

Table 1
QUESTIONNAIRE FOR RELIABILITY (REL)
Rel1: You feel secure when using the services at the bank
Rel2: The bank's employees made the transactions accurately and without errors
Rel3: The bank always delivers service at the right time when it commits itself to the customer
Rel4: The bank has a high reputation in the heart of customers
(Source: Researchers proposed)

Empathy (Emp)

According to Nguyen Thanh Cong (2017), banks need to have strong potentials in human resources specializing in customer care to develop services. This factor plays a significant role in perfecting traditional services and developing new services to enhance the bank's competitiveness

by Abdel Anouze & Ahmed (2019). This human resource bank can ensure the ability to scale and invest in high-tech products such as ATM networks and online services by Nguyen Thi Hong Yen (2015). The potential of human resources specializing in customer care is also a factor determining customers' confidence in the bank by Rakesh (2012). Customers tend to believe in large, reputable, and healthy banks. When customers often look for banks with solid brands rather than unknown banks. So, building a brand and increasing customer care is what any bank wants to achieve by Parasuraman, Zeithaml & Berry (1985; 1988).

Table 2 QUESTIONNAIRE FOR EMPATHY (EMP)
Emp1: Bank employees always build good relationships and meet customers' needs
Emp2: Bank staff are always enthusiastic and friendly to customers
Emp3: Bank staff always serve fairly and conscientiously to all customers
Emp4: The bank always asks, congratulates, gives gifts to customers on major holidays of the year
(Source: Researchers proposed)

Responsiveness (Res)

The social environment is changing rapidly due to globalization. The social environment includes population, income, and education level by Saiful Islam (2011). These factors all have an impact on the development of banking services. Specifically, responsiveness had education level understood as the ability of the public to access and use services and the awareness of the benefits of the service by Szopiński (2016). If people's understanding of banking services is limited, they will not benefit from using these services. This factor reduces the development of bank products and services, according to Tran Thi Thanh Thuy (2018).

Table 3 QUESTIONNAIRE FOR RESPONSIVENESS (RES)
Res1: The Bank always satisfies all difficulties, questions, and complaints of customers
Res2: Time for customers to wait for their transactions is less than 5 minutes at the Bank
Res3: Simple, fast, and effective transaction execution procedures and processes at the Bank
Res4: The bank always has a hotline to serve customers
(Source: Researchers proposed)

Competence (Com)

According to Hoang Thi Ngoc Hue (2018), a distribution channel is the means to bring services to customers directly. Distribution channels play an active role in capturing customers' needs. The bank can be proactive in improving and perfecting products and services, creating favorable conditions in providing services to customers by Yee, Tam & Chu (2017).

Table 4 QUESTIONNAIRE FOR COMPETENCE (COM)
Com1: Employees handle transactions properly, quickly, and effectively at the bank
Com2: Bank staff have full knowledge and professional capacity to advise and answer customers' questions

Com3: Bank staff are always polite, considerate, and warm to all customers
Com4: Bank staff always keep customers' information confidential and professional ethics
(Source: Researchers proposed)

Tangibles (Tan)

The bank's technical facilities are part of the bank's photo. The image of a good bank will give customers peace of mind when doing transactions and vice versa by To Ngoc Hung (2012). From there, it can attract customers to use banking services. Therefore, it can be said that this is also a factor affecting the development of banking services by Tasnain & Abbas (2013). The facilities scale is measured by observable variables, including a screen system updating accurate information. Besides, signboards are complete, easy to understand, and placed at conspicuous positions; the employee's appearance is neat and polite; modern facilities at check-in counters; neat and clean counter layout by Talib & Rahman (2012).

Table 5 QUESTIONNAIRE FOR TANGIBLES (TAN)
Tan1: The Bank has a spacious head office, convenient for customers to transact
Tan2: The Bank has a system of modern equipment and machines
Tan3: Papers, forms, vouchers used in banking transactions designed to be simple, straightforward, and easy to implement
Tan4: Bank staff have a very professional manner and dress neatly and politely when communicating with customers
(Source: Researchers proposed)

Crisis (Cri)

According to Baker, Bloom, Davis & Terry (2020), the crisis factor also has other objective causes that affect the quality of banking services, such as Illnesses Covid-19 pandemic have caused overdue debts to rise. Some banks have increased provisioning, while others still make inadequate provisions to maintain profits. As a result, the provisioning/lousy debt ratio at these banks has decreased. The Covid-19 epidemic affected all economic sectors in society. The industries most heavily affected could be banking services, transport services, garments, footwear, tourism, and restaurants, hotel by Siu Ananda & Devesh, Sonal (2019).

Table 6 QUESTIONNAIRE FOR CRISIS (CRI)
Cri1: The Covid-19 pandemic has changed the perception of customers when using banking services
Cri2: The Covid-19 pandemic changed the behavior of technology use
Cri3: The Covid-19 pandemic created many difficulties and challenges for banks and increased terrible debt
(Source: Researchers proposed)

Technology (Tec)

In the context that Vietnam is profoundly integrating into the world economy, the outstanding technological achievements of Industry 4.0 bring great opportunities for the Vietnamese banking industry by To Thien Hien & Vo Thi Hong Nhung (2020). Specifically: (i) Enhancing the application of modern technology to upgrade the quality, features, utilities of

products and services, thereby increasing competitive advantage, reducing the manual workforce, reduce product distribution costs, and improve profitability; (ii) Increasing the opportunities for banks to access international markets; (iii) Open opportunities for banks to reach and serve a large number of customers, especially customers in remote and isolated areas by Muslim Amin và Zaidi Isa (2018).

Table 7
QUESTIONNAIRE FOR TECHNOLOGY (TEC)
Tec1: Industry 4.0 has far-reaching effects on banking services
Tec2: The bank changes in digital banking products and services to meet customer needs
Tec3: Banks invest in modern infrastructure and technology systems
Tec4: The bank has a risk management system in digital banking
Tec5: The bank has a Big Data application in the banking
(Source: Researchers proposed)

Management Capacity (Man)

Management capacity looks at an individual's behavior who wants to see their change in life and at work because when a person becomes a manager, they should know and understand by Nguyen Van Tien (2013). Daft, et al., (2015) argue that governance and self-development are individuals' efforts to manage their actions and decisions by assessing how goals are met. The problems raised and finding new resources to adapt to the work environment by To Duy Lam (2018).

Table 8
QUESTIONNAIRE FOR MANAGEMENT CAPABILITY (MAN)
Man1: The bank has the policy to attract high-quality human resources in the technology sector
Man2: The bank has a professional staff training and development policy
Man3: The Bank has a policy of maintaining human resources in the 4.0 era
Man4: The Bank always pays attention to the knowledge, skills, and attitudes of its employees and employees when dealing with customers
(Source: Researchers proposed)

METHODS OF RESEARCH

The authors conducted a group discussion with 30 managers, and during the debate, the authors gave his original scale design to survey the opinions of 30 managers. For this article, qualitative research is done through interviews to get views on the scales through in-depth interviews with 30 managers. In this study, the authors used a qualitative research method to evaluate factors affecting commercial banking services quality through group discussion of 30 managers of commercial banks' branches in Vietnam by Nguyen Dinh Tho (2011).

The authors presented preliminary research and formal research. Primary research is a reference to previous domestic and foreign studies related to the research problem. The authors conducted preliminary quantitative research with 500 customers using banking services in 5 major cities, including Can Tho City, Ho Chi Minh City, Da Nang City, Hai Phong City, and Hanoi. Next, the authors conducted the official research to design the scale for the research questionnaire, interpret and re-code the scale, collect and analyze data of 1,000 customers who are using the services of the banks in 5 major cities of Vietnam. Finally, the authors developed the research implementation process, scale evaluation theory, Cronbach'Alpha analysis, exploratory factor

analysis, confirmatory factor analysis, linear structural model analysis, and analysis of variance by Hair, Anderson, Tatham & Black (2010).

The group discussion results showed that eight factors affect the quality of commercial banking services in Vietnam. Effects of group discussion of 30 managers agreed and added some details with the scales. The study applied descriptive statistics to describe and understand a particular data set's properties by providing short summaries of the data's sample and parameters. The most common types of descriptive statistics are the concentration tendency parameters: mean, median, and weak, which are used at almost all levels of mathematics and statistics.

The study surveyed 1000 customers related to commercial banks, but 917 samples were processed and answered 39 questions. The data was collected from July 2020 to December 2020. The authors applied simple random sampling, tested Cronbach's Alpha, confirmatory factor analysis (CFA), and experimented with Structural Equation Model (SEM) by (Hair, Anderson, Tatham & Black, 2010).

The authors tested the purpose of confirmatory factor analysis (CFA) that helped the authors to clarify. Authors tested Chi-square testing is $P\text{-value} > 5\%$; $CMIN/df \leq 2.0$, some cases $CMIN/df$ maybe ≤ 3.0 or < 5.0 ; $GFI, TLI, CFI \geq 0.9$. GFI is still acceptable when greater than 0.8; $RMSEA \leq 0.08$ by (Hair, Anderson, Tatham & Black, 2010).

In the study, the authors used descriptive statistics to describe the essential characteristics of the data collected from the survey results of 1,000 customers using services of commercial banks in 5 major cities of Vietnam. Descriptive statistics demonstrate the use of graphs that describe data. To understand the phenomena and make the right decisions, the basic methods of data description are frequency tables, mortality rates, cumulative frequencies, and cumulative frequencies. In addition, the article also uses descriptive statistics of mean, standard deviation, variance, standard error according to Hoang Trong and Chu Nguyen Mong Ngoc (2008).

RESEARCH RESULTS

Testing descriptive statistics of mean, standard deviation for factors affecting the banking service quality of commercial banks in Vietnam following:

Table 9		
RELIABILITY (REL)		
Reliability (REL)	Mean	Standard Deviation
Rel1: You feel secure when using the services at the bank	3.0698	0.97878
Rel2: The bank's employees made the transactions accurately and without errors	3.0556	1.00227
Rel3: The bank always delivers service at the right time when it commits itself to the customer	3.0971	0.96351
Rel4: The bank has a high reputation in the heart of customers	3.0949	0.97722
(Source: Data processed by SPSS 20.0)		

Table 9 showed that column "Mean" value revolves around the 3.0 value and Standard Deviation is around 1.0. This result indicated that customers had not highly appreciated the quality of banking services in terms of reliability. This result is the basis for proposing policy implications.

Table 10		
EMPATHY (EMP)		
Empathy (EMP)	Mean	Standard Deviation
Emp1: Bank employees always build good relationships and meet customers' needs	2.3555	0.65092

Emp2: Bank staff are always enthusiastic and friendly to customers	2.4406	0.66577
Emp3: Bank staff always serve fairly and conscientiously to all customers	2.3959	0.64688
Emp4: The bank always asks, congratulates, gives gifts to customers on major holidays of the year	2.4667	0.70883
(Source: Data processed by SPSS 20.0)		

Table 10 showed that column "Mean" value revolves around the 3.0 value and Standard Deviation is around 1.0. This result indicated that customers had not highly appreciated the quality of banking services in terms of empathy. This result is the basis for proposing policy implications.

Table 11 RESPONSIVENESS (RES)		
Responsiveness (RES)	Mean	Standard Deviation
Res1: The Bank always satisfies all difficulties, questions, and complaints of customers	3.0720	0.99521
Res2: Time for customers to wait for their transactions is less than 5 minutes at the Bank	3.0807	1.00002
Res3: Simple, fast, and effective transaction execution procedures and processes at the Bank	3.1091	0.97069
Res4: The bank always has a hotline to serve customers	3.0687	1.01122
(Source: Data processed by SPSS 20.0)		

Table 11 showed that column "Mean" value revolves around the 3.0 value and Standard Deviation is around 1.0. This result indicated that customers had not highly appreciated the quality of banking services in terms of responsiveness. This result is the basis for proposing policy implications.

Table 12 COMPETENCE (COM)		
Competence (COM)	Mean	Standard Deviation
Com1: Employees handle transactions properly, quickly, and effectively at the bank	3.0436	0.97471
Com2: Bank staff have complete knowledge and professional capacity to advise and answer customers' questions	3.0643	0.98416
Com3: Bank staff are always polite, considerate, and warm to all customers	3.0949	0.94658
Com4: Bank staff always keep customers' information confidential and professional ethics	3.0731	0.97910
(Source: Data processed by SPSS 20.0)		

Table 12 showed that column "Mean" value revolves around the 3.0 value and Standard Deviation is around 1.0. This result indicated that customers had not highly appreciated the quality of banking services in terms of competence. This result is the basis for proposing policy implications.

Table 13 TANGIBLES (TAN)		
Tangibles (TAN)	Mean	Standard Deviation
Tan1: The Bank has a spacious head office, convenient for customers to transact	3.3882	0.88275
Tan2: The Bank has a system of modern equipment and machines	3.5136	0.97517

Tan3: Papers, forms, vouchers used in banking transactions are designed to be simple, straightforward, and easy to implement	3.3272	0.99005
Tan4: Bank staff have a very professional manner and dress neatly and politely when communicating with customers	3.3904	0.91699
(Source: Data processed by SPSS 20.0)		

Table 13 showed that column "Mean" value revolves around the 3.0 value and Standard Deviation is around 1.0. This result indicated that customers had not highly appreciated the quality of banking services in terms of tangibles. This result is the basis for proposing policy implications.

Table 14 CRISIS (CRI)		
Crisis (CRI)	Mean	Standard Deviation
Cri1: The Covid-19 pandemic has changed the perception of customers when using banking services	3.4002	0.94506
Cri2: The Covid-19 pandemic changed the behavior of technology use	3.3381	0.95602
Cri3: The Covid-19 pandemic created many difficulties and challenges for banks and increased bad debt	3.2824	0.99224
(Source: Data processed by SPSS 20.0)		

Table 14 showed that column "Mean" value revolves around the 3.0 value and Standard Deviation is around 1.0. This result indicated that customers had not highly appreciated the quality of banking services in terms of crisis. This result is the basis for proposing policy implications.

Table 15 TECHNOLOGY (TEC)		
TECHNOLOGY (TEC)	Mean	Standard Deviation
Tec1: Industry 4.0 has far-reaching effects on banking services	2.3588	0.65331
Tec2: The bank changes in digital banking products and services to meet customer needs	2.4275	0.67263
Tec3: Banks invest in modern infrastructure and technology systems	2.3915	0.64447
Tec4: The bank has a risk management system in digital banking	2.4406	0.69935
Tec5: The bank has a Big Data application in the banking	2.4504	0.70941
(Source: Data processed by SPSS 20.0)		

Table 15 showed that column "Mean" value revolves around the 3.0 value and Standard Deviation is around 1.0. This result indicated that customers had not highly appreciated the quality of banking services in terms of technology. This result is the basis for proposing policy implications.

TABLE 16 MANAGEMENT CAPABILITY (MAN)		
MANAGEMENT CAPABILITY (MAN)	Mean	Standard Deviation
Man1: The bank has the policy to attract high-quality human resources in the technology sector	3.0720	0.99631
Man2: The bank has a professional staff training and development policy	3.0763	1.00580

Man3: The Bank has a policy of maintaining human resources in the 4.0 era	3.1069	0.97206
Man4: The Bank always pays attention to the knowledge, skills, and attitudes of its employees and employees when dealing with customers	3.0851	1.00943
(Source: Data processed by SPSS 20.0)		

Table 16 showed that column "Mean" value revolves around the 3.0 value and Standard Deviation is around 1.0. This result indicated that customers had not highly appreciated the quality of banking services in management capability. This result is the basis for proposing policy implications.

CONCLUSIONS & POLICY IMPLICATIONS

Conclusions

In the market economy, competition is a natural law of operation in all industries and fields, especially in the banking sector, with the tendency of banks to provide customers with identical products as they are now. They stem from homogeneity, which is the driving force for banks to maintain their market share and expand the market share of competitors to maximize profits.

Therefore, the quality of banking services is a prerequisite for the success of the bank. Maintaining and continuously improving service quality by meeting customer needs and satisfying them is a measure and key to the bank's success. To help Vietnamese commercial banks realize the importance of quality banking services and have appropriate policies.

Policy Implications

Based on the results mentioned above, to enhance the banking service quality of commercial banks in Vietnam.

1. Research results show that banking service quality in terms of reliability has the highest standardized Beta coefficient of 0.530 among eight factors. Reliability has a positive relationship with the banking service quality of commercial banks at the 5% significance level. Reliability plays a significant role in service businesses, especially in the banking sector. A bank with a good customer care policy is a free but highly effective form of advertising. Since then, customers continue to use the service, helping to reduce business costs, increase income for the bank, create loyal customers, and trust the bank.

Bank employees need to make transactions accurately, without errors. With other service industries, apologies for mistakes can be forgiven and ignored. Still, in the banking and financial sectors, the absolute accuracy of numbers is required, and apologies for making mistakes will leave a drop in confidence and increase customers' doubts in the bank. Therefore, commercial banks need to create a trust to feel secure when using banking services, especially savings deposit services. It is recommended to strengthen the dissemination and training of business processes on a weekly/monthly basis to improve management knowledge, professional qualifications, computer skills, consulting skills for customers, and good communication skills for customers and staff. Besides, commercial banks need to keep good confidentiality of customer information to help customers feel secure when using services at the bank.

A bank is an organization that specializes in trading financial products. Because of these characteristics, banks always need to be highly alert to the risks to customers' funds. In addition, commercial banks invest heavily in security technology for domestic ATM cards, credit cards, and debit cards, making customers feel more secure. Especially recently, there are many stories about the amount of money in the account "without wings but flying," causing consumers to stir. Banks

need to constantly remind the transaction staff to be careful with each number to avoid affecting customers' trust. Since the nature of banking involves money, the risk of loss occurs immediately if not concentrated and cautious. Banks' facilities are understood as physical means mobilized to exploit service resources to create and perform services and goods to satisfy customers' needs in banks.

2. The research results show that the quality of banking services intangible means has a standardized estimate of 0.146, the second-highest among eight factors. Tangibles have a positive relationship with commercial banks' quality of banking services at the 5% significance level.

Bank employees need to build a professional style and dress neatly and politely when communicating with customers. Commercial banks need to supplement with modern equipment and machines. The bank should make a significant, excellent, and modernly furnished transaction space, tables, and chairs for customers right from the first time they come to the bank. In addition, most commercial banks have now invested in uniforms for employees and set quality standards for staff in clothing, hair, etc. However, from the research results, it can be seen that customers have not appreciated the staff's costumes. The uniform is not beautiful; the team has not followed the regulations correctly; the clothes and hair are not neat and professional.

Finally, human resources should be considered a decisive factor for all production and business processes. It is only accurate once human resources meet the requirements in terms of quantity. And high-quality human resources should include characteristics such as professional ethics, love for the job, passion for work, discipline and responsibility for work, ability to adapt to new technologies, and highly flexible in professional work, capable of creativity in work. When the quality of human resources is improved, it will positively impact, making customers feel confident and satisfied.

Empathy, simply understood, is recognizing the feelings of others and being able to put yourself in the shoes of others. To empathize, the banker must let go of his thoughts and concerns. Once looking at the outside world, employees will realize that there is a lot to see and appreciate. Empathy has a positive relationship with commercial banks' quality of banking services at a 5% significance level.

3. Research results show that banking service quality on empathy has the standardized estimate of 0.107, the third-highest among eight factors.

Product knowledge and customer persuasion skills: a good employee has in-depth knowledge of all banking products. Bank employees need to serve all customers fairly and conscientiously. When fully equipped with knowledge about banking products that employees are working on, employees can persuade customers to be interested in bank products. Especially in today's competitive banking environment, when commercial banks all own identical products, in addition to their criteria, customers also rely on the expert advice of their staff to make product selection decisions. Customers will feel more secure when asking someone who knows the entire product and any terms related to banking products.

Bank employees need to be enthusiastic, friendly with customers. They must keep a bright mind and professional ethics in the face of material temptations, self-interest and ignore the prescribed processes at work. The quality of banking services cannot be good. It cannot create customers' trust if corrupt officials still have no professional ethics, taking advantage of positions and powers to cheat and appropriate customer assets. Commercial banks should strive to build good relationships and pay attention to the needs of each customer. Employees need to be patient and fully consulted, really respect customers, mainly traditional customers. Bank employees need to be independent in problem-solving and resolve customer queries and complaints quickly and convincingly.

4. The research results show that the quality of banking services in terms of technology has the standardized estimation coefficient of 0.097, the fourth-highest among eight factors. The technology factor has a positive relationship with commercial banks' quality of banking services at the 5% significance level.

Banks with high technology content. Banks continue to invest in infrastructure and modern technology systems. Banks need to focus on promoting development, creating breakthroughs in technology infrastructure, and supporting the development of the whole system. Banks need to focus on building a long-term vision of digital banking, planning IT strategies, investing in IT system development, building human resources on applying new technologies in product development. Banks strengthen and link cooperation between banks and financial technology companies (fintech, big tech) and other organizations. Besides, strengthening linkages between banks and financial technology partners creates a more comprehensive and better ecosystem for customers. The recommendation is both a trend but also an opportunity and a challenge for the banking system.

Banks need to build a risk management system in digital banking. Banks need to focus on network security management. Industry 4.0 has pushed up information sharing, thereby creating a massive demand for information security and safety. Banks and financial institutions should pay special attention to building data backup centers (data recovery after the disaster). Besides, the banks upgrade the security system, security at a high level; ensure that the expansion of the operating range (if any) is stable, safe, and compelling in the long term. In addition, banks need to have multiple layers of hardware protection, such as security layers: The outer firewall layer is the central defense against outside attacks such as viruses.

5. The research results show that the quality of banking services in responsiveness has a standardized estimate of 0.095, the fifth-highest among eight factors. The level of response has a positive relationship with the quality of banking services at commercial banks at the 5% significance level.

The bank needs to handle all difficulties, questions, and complaints of customers satisfactorily. It is necessary to announce the hotline phone number on the mass media publicity and send it to business associations in the area for businesses and people to know. Banks need to build data-driven decision-making skills: data analytics is a decisive factor for financial institutions to provide targeted services and build stronger customer relationships in a digital environment. To do this requires skills in applying and incorporating data analysis into decision-making.

The bank provides a seamless customer experience through different channels. This approach requires banks to design products and services from the customer's perspective, incorporating customers in the design process to bring products and services with more value to customers. It is necessary to ensure that customer information is not wrong and not exploited for improper purposes; Comply with the correct procedure for using customers' personal information. Banks need to strictly and promptly handle cases of irresponsibility, causing difficulties and troubles for businesses and people, leading to questions and complaints.

6. The research results show that the quality of banking services in terms of governance capacity has the standardized estimate of 0.092, the sixth-highest among eight factors. Management capacity has a positive relationship with commercial banks' quality of banking services at the 5% significance level.

The bank should have a policy for training and developing a professional staff. The bank needs to recruit and receive appropriate remuneration to attract high-quality human resources, especially human resources with information technology and system control skills. There is a need for screening, rearrangement, training, and retraining for traditional human resources to meet the implementation, operation, and control of digital banks. Banks focus on training cybersecurity staff.

Banks need to invest, equip security and privacy solutions, regularly check and monitor compliance with security regulations. They were ensuring the confidentiality of customer information, ensuring the safety of assets for customers.

The bank needs to have the policy to maintain human resources in the 4.0 era. Banks need to have a plan to transform their operations based on 4.0 technology, which will completely change the quantity and quality of human resources of commercial banks. The demand for traditional banking staff will decrease, especially human resources to perform manual and repetitive operations; human resources with elementary qualifications include tellers, accountants, credit profilers, consultants.

7. The research results show that the quality of banking services in terms of service capacity has a standardized estimate of 0.079, the seventh-highest among eight factors. Service capacity positively correlates with banking service quality at commercial banks at the 5% significance level.

Bank employees need to have sufficient knowledge and professional capacity to advise and answer customers' inquiries. Employees need to have a good relationship with customers to stimulate, increase demand, maintain and develop new credit products and services for customers such as: regularly updating and analyzing existing customer data, statistics on fluctuations in the number and target customers, in terms of sales and balances of each type of product or service; annually, periodically report on customer satisfaction about the quality of products and services for each customer group. Diversifying banking products and services is one of the things that banks need to pay attention. The bank perfecting products, developing new products and services, taking care of customers' interests will satisfy customers. Commercial banks need to improve and improve the efficiency of existing services, and at the same time, develop new products and services.

Bank employees need to be professionally trained in communication skills such as politeness, kindness, and hospitality to all customers. The bank conducts market surveys for customers who have not used the bank's credit products and assesses and identifies each credit product's target market in each locality. For each of those target markets, banks need to develop their policies. When making policies on interest rates and fees, banks need to consider more customer relationships. Banks can offer negotiable interest rates to retain and attract more customers for traditional customers, VIP customers, and large and potential customers. For customers who are import-export enterprises in the area, have a solid foreign currency income, and have short-term loan needs, the bank can apply for a loan with a preferential interest rate.

8. The research results show that the quality of banking services on the crisis factor has a standardized estimate of 0.069, the lowest among the eight elements. The crisis factor positively correlates with the quality of banking services at commercial banks at the 5% significance level.

Banks need to be concerned the Covid-19 pandemic has changed the behavior of using technology. Banks need to diversify their business activities: Activities diversified according to regions, product lines, customer groups, etc., according to financial sources and input sources. Diversification needs to be balanced with economies of scale, but it should also be noted that there can also be inefficiencies due to scale. Diversification requires the bank to have the capacity to manage the more complex issues of its business, but often this is an effective antidote to crisis risk.

Bank leadership should implement appropriate risk management systems. The Board of Directors should oversee the development and implementation of a proper risk management system; they also need to overcome the prevalent desire for numbers and statistical models to prevail over comprehensive risk assessments. As mentioned above, the Board of Directors must establish critical metrics for the risk management system, monitor its implementation continuously and prudently, and ask critical questions at each phase. Finally, the board should develop a worst-case scenario

with help from management and possibly outside experts to see if the bank can still survive when How big is the crisis? Management can also develop a worst-case scenario for the bank.

In addition to credit expansion and growth associated with quality control, banks need to be more drastic and proactive in handling wrong debt recovery to create additional sources of capital for the economy and provision for other bad debts in 2021. Circular No. 01/2020/TT-NHNN is helping banks to postpone or delay the recognition of bad debts and damages from the Covid-19 epidemic in the short term. It could push difficulties and bad credit quality for the bank in the future through gradual recognition according to a particular expansion schedule, instead of accumulating in one moment, putting pressure on business results banks, thereby negatively affecting the economy.

There is the effect of the Covid-19 pandemic persists. The risk of banks' bad debt is still present, may become more evident in 2021, and the banking industry is still burdened with lousy debt provisioning, which Fitch Ratings believes will continue to increase due to the impact. On the other hand, when the bank's deposit interest rate decreases, people and businesses can transfer their temporarily idle capital to other investment channels with higher benefits such as real estate investment and trade, securities, gold trading, etc. It is forecasted that the bank's lending interest rate will be challenging to decrease deeply in 2021.

The limitation of the article is that the research model tested 1.000 customers representing five major cities of Vietnam compared to the total number of customers of all commercial banks, and many other factors have not been taken into account. In the research model, such as organizational culture, marketing activities. Finally, although this article has solved the set research objectives, there is still a random sampling method. Stratified and integrated convenient and straightforward sampling method at commercial banks in 5 areas: Can Tho City, Ho Chi Minh City, Da Nang City, Hai Phong City, and Hanoi, so the representativeness of the results is not high.

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