

## **Customer Satisfaction on Small Business Loan by BDO Unibank Inc.: Basis for Service Enhancement**

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***Abstract** - Due to global economic shifts, many businesses especially in service sector modified the way they do their business, attempted to attract and hold customers. They tend to focus in providing quality customer service and environment in which clientele wants are satisfied.*

*This study aimed to propose customer satisfaction enhancement measures on small business loan offered by BDO Unibank, Inc. in Batangas City. Specifically, it aimed to determine the level of customers' satisfaction in terms of Personal Skills and Business Environment and to test if such service quality dimensions significantly relate with their demographic variables. The descriptive-correlation method of research was used in the study.*

*The study showed customers of BDO who availed small business loan in 2012 are relatively middle aged female having loan availment of One Million to Five Million. Most of them are first timer and repeat clients. Almost all rated customer service on small business loan as to Personal Skills and Business environment as highly satisfied, however BDO still needs to provide services that make all quality services dimensions highly satisfied.*

*The assessment of the personal skills is affected by what kind of occupation the client has and frequency of his/her loan availment. For only empathy and responsiveness among SERVQUAL dimensions when correlated to nature of work and number of loan availment show significant relationship, thus leaving the null hypothesis rejected. On the other hand, the level of customer satisfaction as to business environment is being affected by processing transaction and safety and security since both show significant relationship on the total amount availed and the respondents age. This was supported by the resulted p-values and indicates that the above mentioned variables were affected by their profile. Proposed service enhancement measures were based on results of the quality service dimensions as assessed by the loan customers.*

**Keywords** – Customer Satisfaction, Small Business Loan, BDO Unibank, Customer Service

### **I. INTRODUCTION**

Customers are the lifeblood of any business. Without customers, eventually there would be no company (Britt, 2012). In light of highly competitive industry of banking, financial institutions like banks inclined to proffer service spiced up with quality in order to give its customer ultimate satisfaction. Making customer satisfied is the ultimate goal. Similarly, it's their responsibility to meet client's expectations in order to ensure loyalty to the company. And these can be attained by way of giving quality customer service. Lucas (2012) mentioned that building stronger relationships is first step in providing better service. The Importance-Performance Analysis (IPA), it is the simple and easy way-to-use approach that compares the performance of elements of a service with the importance of each of these elements to the customers (Palmer, 2008).

Commercial banks represent the largest group according to Bangko Sentral ng Pilipinas (BSP). Universal bank or commercials are the resource wise of country's financial institutions as they offer widest variety of banking services including money lending. BDO Unibank, Inc. or simply BDO is one of the best examples. It is the country's largest bank in terms of total resources, customer loans, total deposits and assets under management. It provides a complete array of industry-leading products and services to the retail and corporate markets which includes money lending. ([www.bdo.com.ph](http://www.bdo.com.ph)). Mostly, commercial banks have similarity since most of its product developments are easy to duplicate. Nevertheless, disparity lies on how it is being offered and how its customers feel about it. Hence, banks can only be distinguished on the basis of pricing and quality. At this point, customer service is potentially an effective tool that banks can use to gain a

strategic advantage and survive an ever-increasing competitive environment of banking.

According to Chernatony, (2006) gauging the level of satisfaction and its determinants is crucial for every company. The management must periodically measure customer satisfaction. It is not sufficient that a company thinks that its customers are delighted with their performance. There should always be a continuous practice the positive skills that create enjoyable and efficient customer service. Measures of customer satisfaction are derived from sales record or relying on conducted surveys.

However, customer satisfaction ratings may be influenced by numerous confounding factors such as, response bias, the data collection method, the questionnaire, the context of questions and its timing, the social responsibility bias, the mood of customers, or their genuine satisfaction on the service provide. These may be occurred during the collection process (Hoffman & Bateson, 2006).

In a study conducted by Castillo, (2012) defined service quality as prime movers in today's service industry as it offers a way of achieving success among competing companies. Metters, Metters, Pullman &Walson, (2006) defined quality as something that customers expect and something they value when they purchase as service. Yet, conceptualizing quality for services is more complex than goods because of its certain distinctive characteristics. According to Clarke, (2000) service is an activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. It is everywhere, and it permeates every aspect of our lives. Services extended should be of value and which should be noticed and appreciated by customers. If an organization wishes to be truly a "customer's delight", it should choose the value, provided the value and communicate the value, Malcolm (2002).

A customer's perception of quality service is often one of the prime reasons for his or her return (Lucas, 2012). Remember that Customers want the best value of their money. They spare no efforts in searching for high quality services (Strategic Direction, 2007). Therefore, quality customer service is decisive to help banks develop good customer relationships to achieve client's retention. Happy and contented clientele, are most valuable assets of every bank. Anchored by this concept, the researcher was inspired to assess the level of customer satisfaction on Small Business Loan Facility being offered by BDO Unibank, Inc.in Batangas City, utilizing five (5) Service Quality's (SERVQUAL) dimensions as parameters; the

tangibility, reliability, responsiveness, assurance and empathy (Parshuraman et al., 1990).As a current bank employee and a Masters student in Business, the researcher wishes to confirm that this study will be of help in conceptualizing business philosophies in various operational practices in an organization, particularly in banking.

## II. OBJECTIVES OF THE STUDY

The study aims to assess the level of customer satisfaction on Small Business Loans offered by BDO Unibank, Inc., in Batangas. Specifically, it sought to meet the following objectives: to present the profile of small business loan clients in terms of demographic variables; to determine satisfaction level of on Small Business Loan offered by BDO Unibank, Inc., with respect to Personal Skills and Business; to determine if there's a significant relationship between the profile of bank customers and their satisfaction; and to propose measures on how to enhance bank's customer service.

Ho: There is no significant relationship between the profile of the bank customers and their satisfaction on Small Business Loan by BDO Unibank, Inc., with regard to personal skills and business environment.

## III. METHODS

### Research Design

This study utilized the descriptive correlational method to identify to assess the level of satisfaction on Small Business Loan being offered BDO Unibank, Inc., in Batangas area. It is a method of collecting data through written questionnaires from a representative sample of the population under study. A very quick and efficient method, Bradley (2000).It discovers the direction and magnitude of relationships among variables in a particular population of subjects which are the concerns of this study (Santrock, 2002).

Documentary analysis was also used to know the profile of respondents and the level of customer satisfaction on Small Business Loan being offered BDO Unibank, Inc., in Batangas.

### Respondents of the Study

The study focused on Small Business Loan clients of BDO Unibank, Inc., in Batangas City. However, subject Company limits the number of clients who can be part of this study due some reasons. In this regard, the researcher opted to use Systematic sampling in which first thirty (30) clients only who availed small business loan in 2012 are the respondents out of the 120 total population or 25 percent. Names of first thirty clients were based on system-generated file from the said company.

### Instrument

The researcher adopted the questionnaire of Ylagan (2006) as a main instrument being used in this study. The researcher modified some items and aligns each based on the given objectives. After considering some researches, and with some inputs of individual who has expertise when it comes to customer service, the researcher was able to come up with an instrument in order to measure the quality customer services on Small Business Loan offered by the BDO Unibank, Inc. It was then presented to the adviser for further evaluations and revisions, after which the final copies were done for distribution. The instruments were tested on its reliability. Based from the result, the Cronbach alpha is 0.830 which means that items on questionnaire are acceptable. The questionnaire used has two parts:

Part I determined the profile of customers as to socio-demographic variables such as age, gender, nature of work, number of years as small business loan clients, total amount availed and number of availments. Part II measured the customer satisfaction on small business loans as to personal skills such as; empathy, reliability, responsiveness and assurance and as to business environment such as; tangibles, processing transactions and safety and security. The questionnaire is answered using the following scale: 4- Highly Satisfied (HS); 3- Satisfied (S); 2- Less Satisfied (LS); and 1 - Not Satisfied (NS).

### Procedures

The distribution of the questionnaires was personally done by the researcher. To be able to distribute the questionnaire to the target respondents, which are the regular loans clients, the researcher first asked the permission of Unit Head through a formal letter. Upon the approval, the researcher proceeded to distribute questionnaires.

It took more than two weeks for the researcher to get back some the questionnaires from the respondents since respondents sometimes were not able to answer it on preferred time. The researcher also pre-numbered the materials to easily account for any missing questionnaire.

### Data Analysis

Frequency distribution and percentage were used to analyze and interpret the profile of the respondents in terms of age, gender, nature of work, number of years as Small Business Loan clients and total amount availed. Weighted Mean was used to analyze the respondent's satisfaction on Small Business Loan as to Tangibility, Reliability, Responsiveness, Assurance and

Empathy. Ranking was used to describe the positional importance of each item in relation to another. This is done to determine the order of decreasing or increasing magnitude of variable presented. The largest frequency would be rank one or first and the next largest frequency rank two and so on. Eta square was used in determining the correlation between the profile of the bank customer and their satisfaction on Small Business Loan Facility of BDO. A scale of 1-4 was used with 4 as the highest and 1 as the lowest with the following range 3.50 – 4.00 = Highly Satisfied; 2.50 – 3.49 = Satisfied; 1.50 – 2.49 = Less Satisfied; 1.00 – 1.49 = Not Satisfied

## IV. RESULTS AND DISCUSSION

Table 1 on the next page shows the profile of customers in terms of age, gender, nature of work, number of years as Small Business Loan clients, total amount availed and number of loan availments

**Table 1. Percentage Distribution of the Respondents' Profile (N = 30)**

Profile Variables	Frequency	Percentage (%)
<b>Age</b>		
31-35 years old	4	13.30
36-40 years old	3	10.00
41-45 years old	11	36.70
46-50 years old	9	30.00
above 50 years old	3	10.00
<b>Gender</b>		
Male	10	33.30
Female	20	66.70
<b>Nature of Work</b>		
Employed	11	36.70
Self-Employed/Entrepreneur	19	63.30
<b>Number of years as Small Business Loan Client</b>		
1 year	13	43.30
2 years	3	10.00
3 years	13	43.30
4 years and above	1	3.30
<b>Total Amount Availed</b>		
Below P1, 000,000	2	6.70
P1, 000, 000 – P5, 000, 000	22	73.30
P5, 000, 001 – P10, 000, 000	6	20.00
<b>Number of Loan Availment</b>		
1	16	53.30
2	8	26.70
3	6	20.00

In terms of age, most of the respondents belong on the age bracket of 41 to 45 years old which composed of 36.70 percent, followed by 46- 50 years old age that hold 30 percent of total respondents. These could be individual or entrepreneurs who are willing to put up business and those with existing businesses who still wanted to expand. BDO caters financial assistance that specifically designed to address customer needs. Through borrowing, individuals could start up business, more over can add up to their working capital.

As to gender distribution, male was dominated by female since it obtained frequency of 20 or 66.70 percent where majority are self-employed/entrepreneur. The result only shows that women really took the risk in handling financial transactions than men. This result is corroborated with the findings of Ylagan (2006) and Quiatchon (2009). Both researchers noted that most females hold the finances as they are the one who is in change in doing banking transaction, for they have the patience to wait, as their husband are busy attending business transaction or working broad. Likewise, gender is not a deviation in applying a Small Business Loan from BDO, just like any other bank that provides financial help regardless of client's gender.

Self-employed individuals got the high percentage of 63.30 percent. Data shows that most clients of Small business loan of BDO are entrepreneurs or business men/women. This result could be attributed to an idea that business people are more likely to borrow than employed individuals, since they need additional funds in order to finance their business. The only source of their income is the business itself, so they have to sustain it, unlike employed individuals that they have their monthly salaries which they can depend on.

As to the number of years of being a client, there is an equal percentage obtained for those who are 1 year and 3 years in the business with 43.30 percent. It only shows that most of the customers of BDO who availed small business loan are first timer and its repeat clients. It likewise connotes that BDO really worked out its campaign in attracting and retaining its customers. By way of its effective marketing strategies and promotional steps, small business loan unit able to attract new investors without compromising its existing customers. One of its remarkable ways of attracting clients is by giving lower interest and bank charges.

In addition, customers usually availed an amount ranging from P1, 000,000 to P5, 000,000 with 73.30 percent. Greater percentage goes to second bracket, since most of the clients who availed small business loan have business those belong to small-medium

enterprises. These are what we called medium-scale businesses having a capital of not more than P5M. and above The number of clients who availed small tickets accounts mirrored on what kind of businesses are operating and tend to seek financial assistance here in Batangas City. This can be supported by SME Community Philippines-Batangas Chapter of Commerce and Industry who said there's a great number of Small-medium enterprises operating in the locality. SMEs are recognized as they play an important role in the economic and social development of the city.

Lastly, most of the clients of BDO who availed Small Business Loan answered that they availed loan for the first time as it reach 53.30 percent. Based on the given data most of the respondents had availed Small Business Loan for the first time. This could be possible since as indicated above most of the respondents have been clients for 1 year only. It was followed by respondents who answered they already availed loan for the second time which got 26.70 percent, leaving those clients who said they availed Small Business Loan for the third time already, 20 percent. Notice that only few answered for two and three years despite that in number of years as small business loan clients, most of the respondents answered that they have been transacting for three years already. This is possible since BDO also allows re-availments in just one year, meaning within one year a customer could still add or re-avail a loan. Possibly, some of the respondents got several availments in just one year.

Table 2 shows the level of satisfaction on the quality customer service on Small Business Loan Offered by BDO Unibank, Inc. in terms of Personal Skills-Empathy.

As seen from the table, the over-all assessment of the respondents on their satisfaction on the services offered by BDO Unibank as to Empathy was 3.68 and rated Highly Satisfied. It was also found out that all items were rated highly satisfied.

Among the items mentioned, small Business Loan personnel are willing to listen regarding loan queries and concerns of the clients ranked as no. 1 which obtained the highest mean value of 3.80. This can be resulted since Banks are customer-oriented institution where customers are considered as its life blood. BDO personnel are much willing to listen in every query and concern of the customers, making it sure these will be addressed accordingly. Loan personnel take time to take down notes every detail that need to be answered. One way of showing willingness to attend clients call is to pick up and answer the phone immediately.

**Table 2. Level of Satisfaction on the Quality Customer Service on Small Business Loan Offered by BDO Unibank, Inc. in terms of Personal Skills (Empathy)**

Empathy	WM	VI	Rank
1. Small Business Loan personnel are courteous and considerate in dealing with customers on Small Business Loan offered by the Bank	3.60	Highly Satisfied	3
2. Small Business Loan personnel clearly explain to client about their Small Business Loan transaction/s	3.57	Highly Satisfied	4
3. Small Business Loan are willing to listen regarding loan queries and concerns of the clients	3.80	Highly Satisfied	1
4. Small Business Loan personnel offer suggestions if there are problems in loan transaction	3.73	Highly Satisfied	2
<b>Composite Mean</b>	<b>3.68</b>	<b>Highly Satisfied</b>	

It was followed by small Business Loan personnel offer suggestions if there are problems in loan transaction and small business loan personnel are courteous and considerate in dealing with customers on Small Business Loan offered by the Bank that holds 3.73 and 3.60 mean, respectively. Inevitably, clients may get confused due complexity and unfamiliarity of the transaction. And most of the time, they may have limited ideas when it comes to loan process. So, whenever there is problem, loan personnel practice its out-of-the box thinking value and initiate to offer remedies in order solve the problems promptly.

Among the items, small Business Loan personnel clearly explain to client about their Small Business Loan transaction/s got the lowest ranked 3.57 mean, even though it was positively assessed by the respondents. This result could be attributed to complexity and maybe misunderstanding of customers and loan personnel with regards to loan transaction. Nevertheless, respondents still rated this item as highly satisfied.

Table 3 shows the level of satisfaction on the quality customer service on Small Business Loan offered by BDO Unibank, Inc. in terms of personal Skills-responsiveness

**Table 3. Level of Satisfaction on the Quality Customer Service on Small Business Loan Offered by BDO Unibank, Inc. in terms of Personal Skills (Responsiveness)**

Responsiveness	WM	VI	Rank
1. Small Business Loan personnel attend to the urgency of client's loan transaction.	3.70	Highly Satisfied	2.5
2. Small Business Loan personnel provide prompt yet accurate service	3.60	Highly Satisfied	5
3. Small Business Loan personnel express willingness in resolving problems quickly	3.63	Highly Satisfied	4
4. Small Business Loan personnel explain the process of loans in the language that clients can understand easily	3.90	Highly Satisfied	1
5. Small Business Loan personnel are available and ready to give updates status of loan transaction	3.70	Highly Satisfied	2.5
<b>Composite Mean</b>	<b>3.71</b>	<b>Highly Satisfied</b>	

As reflected in the table, the over-all assessment of the respondents on their satisfaction on the services offered by BDO Unibank as to Responsiveness was 3.71 and rated Highly Satisfied. It was also found out that all items were rated highly satisfied.

Out of the five items mentioned, small business loan personnel explain the process of loans in the language that clients can understand easily obtained the highest mean value of 3.90. It only shows that loan

personnel explain to client the process of loan in a way they that they can easily understand. BDO personnel discuss the procedures slowly and clearly as they give samples to better emphasize the situation. Building good relationship with customers is essential. One way of showing customer service is by giving each customer at least adequately. Take time to explain every detail.

The ranking is followed by Small Business Loan personnel attend to the urgency of client's loan

transaction and Small Business Loan personnel are available and ready to give updates status of loan transaction which both got mean value of 3.70. The result could be resulted from the effort exerted by BDO personnel to attend emergency transactions and give time in updating clients about the status. Loan personnel are patient in attending every phone calls and emails just to give recent updates.

On the other hand, small business loan personnel express willingness in resolving problems quickly and Small Business Loan personnel provide prompt yet accurate service got the lowest ranked in overall which hold mean value of 3.63 and 3.60 respectively, but still

it was still positively assessed by the respondents. BDO personnel may not attend the problems promptly since each step/process has to be examined and analyze first before taking any actions. At the same time, there are other units who are responsible for every concern. Likewise, every transaction has an appropriate specified target time of completion. In processing loans, there is a turn-around-time in completing one transaction.

Table 4 shows level of satisfaction on the quality customer service on Small Business Loan offered by BDO Unibank, Inc. in terms of personal skills-assurance.

**Table 4. Level of Satisfaction on the Quality Customer Service on Small Business Loan Offered by BDO Unibank, Inc. in terms of Personal Skills (Assurance)**

Assurance	WM	VI	Rank
1. Small Business Loan personnel insure to discuss politely to the customers the process of releasing loan proceeds.	3.87	Highly Satisfied	1
2. Small Business Loan personnel explain to the clients that their transaction will be handled with quality	3.67	Highly Satisfied	5
3. Small Business Loan personnel give client an opportunity to express doubt and questions about loan process	3.70	Highly Satisfied	3.5
4. Small Business Loan personnel observe confidentiality of loan documents.	3.70	Highly Satisfied	3.5
5. Small Business Loan personnel do not disclose information about loan transaction other than clients.	3.83	Highly Satisfied	2
<b>Composite Mean</b>	<b>3.75</b>	<b>Highly Satisfied</b>	

As seen from the table, the over-all assessment of the respondents on their satisfaction on the services offered by BDO Unibank as to Assurance was 3.75 and rated Highly Satisfied. It was also found out that all items were rated highly satisfied. Only Small Business Loan personnel insure to discuss to the customers the process of releasing loan proceeds obtained the highest mean value of 3.87. BDO loan personnel assure to discuss to clients the process of loan releasing. This is to exercise to give clients at least idea on what are things a service provider has to do in order to complete his or her transactions.

The ranking is followed by Small Business Loan personnel give client an opportunity to express doubt and questions about loan process and Small Business Loan personnel observe confidentiality of loan documents which got mean of 3.70. Loan personnel assures client to express their doubts and questions pertaining to the loan transaction. In Small Business Loan unit of BDO each client has the right to express things that may seem unclear to them. And each unclear

thing is being properly addressed and answered. Even though, Small Business Loan personnel explain to the clients that their transaction will be handled with quality got the lowest rank at 3.67 mean, it was positively assessed by the respondents. It only entails that customers still believe on the assurances given by BDO.

Table 5 shows level of satisfaction on the quality customer service on Small Business Loan offered by BDO Unibank, Inc. in terms of personal skill – reliability.

As seen from the table, the over-all assessment of the respondents on their satisfaction on the services offered by BDO Unibank as to Reliability was 3.70 and rated Highly Satisfied. It was also found out that all items were rated highly satisfied.

Among the items mentioned, Small Business Loan personnel have the skills required to perform their duties as service provider and Small Business Loan personnel are competent and knowledgeable about their specific job obtained the highest mean value of 3.73.

**Table 5. Level of Satisfaction on the Quality Customer Service on Small Business Loan Offered by BDO Unibank, Inc. in terms of Personal Skills (Reliability)**

Reliability	WM	VI	Rank
1. Small Business Loan personnel have the skills required to perform their duties as service provider.	3.73	Highly Satisfied	1.5
2. Small Business Loan personnel are competent and knowledgeable about their specific job.	3.73	Highly Satisfied	1.5
3. Small Business Loan personnel are able to perform transaction accordingly	3.67	Highly Satisfied	3.5
4. Small Business Loan personnel accurately present records of loan transactions.	3.67	Highly Satisfied	3.5
<b>Composite Mean</b>	<b>3.70</b>	<b>Highly Satisfied</b>	

It only entails that customers are relying on the capacity of loan personnel to perform its respective duties, as a service provider. In order to sustain its client-oriented value, BDO initiated trainings and seminar which aim to enhance and make every BDO employee more competitive. Employees are given chances not to miss daily updates in industry as it provides e-news which employees can read via intranet. In service sector, each is compelled to be knowledgeable, to know what is currently going on in the industry where she or he belongs in order to provide updated and correct data to your customers. Banks have similar products to offer, they only differ on ways how to offer it, and how to handle its customers. The result

confirms that customers trusted and believed in the capacity of loan personnel in performing their job.

The ranking is followed by Small Business Loan personnel are able to perform transaction accordingly and Small Business Loan personnel accurately present records of loan transactions which got mean of 3.67. Loan personnel perform given specific duty legibly, present loan records and documents correctly. And in order to perform this, BDO provides systems and data record files.

Table 6 shows the level of satisfaction on the quality customer service on Small Business Loan offered by BDO Unibank, Inc. in terms of business environment- tangibles

**Table 6. Level of Satisfaction on the Quality Customer Service on Small Business Loan Offered by BDO Unibank, Inc. in terms of Business Environment (Tangibles)**

Tangibles	WM	VI	Rank
1. Comfort rooms are clean and always available.	3.40	Satisfied	6
2. Telephones are accessible to customers	3.70	Highly Satisfied	1
3. The bank provides a clean and tidy environment	3.53	Highly Satisfied	2
4. The bank provides comfortable in waiting area.	3.40	Satisfied	6
5. The bank has adequate supply of brochures for loans customers.	3.20	Satisfied	8
6. Loan forms are available and property placed with labeled.	3.50	Highly Satisfied	3.5
7. The bank has enough and functional air conditioning units	3.40	Satisfied	6
8. The bank provides reading materials for the clients.	3.00	Satisfied	9
9. Standby generators are available in case of power interruptions.	3.50	Highly Satisfied	3.5
<b>Composite Mean</b>	<b>3.40</b>	<b>Satisfied</b>	

As indicated in the table, the over-all assessment of the respondents on their satisfaction on the services offered by BDO Unibank as to Tangibles was 3.40 and rated Satisfied. It was also found out that some items were rated as highly satisfied.

Among the items mentioned, Telephones are accessible to customers obtained the highest mean value of 3.70. The ranking is followed by the bank provides a clean and tidy environment that holds 3.53. Loan forms

are available and property placed with labeled and Standby generators are available in case of power interruptions got mean of 3.50 and ranked as third. Comfort rooms are clean and always available, The bank provides comfortable waiting area and The bank has enough and functional air conditioning units both got the forth rank at 3.40 mean value, while the bank has adequate supply of brochures for loans customers and The bank provides reading materials for the clients

are on the fifth and sixth rank which hold mean value of 3.20 and 3.00, respectively.

Results entail that considering the physical environment of the Bank, customers feel satisfied. BDO insures to give clients convenience every time they visit the bank. Comfort rooms are clean; telephones are accessible, air condition is functioning and with comfortable waiting area. In case of power

interruptions, BDO provides generators to supply its powers. Loan forms are properly placed and labeled and reading materials are likewise available.

Table 7 shows the level of satisfaction on the quality customer Service on Small Business Loan offered by BDO Unibank, Inc. in terms of business environment -processing transaction.

**Table 7. Level of Satisfaction on the Quality Customer Service on Small Business Loan Offered by BDO Unibank, Inc. in terms of Personal Skills (Processing Transaction)**

Processing Transaction	WM	VI	Rank
1. Client's waiting time for each loan transaction is reasonable.	3.80	Highly Satisfied	1.5
2. Small Business Loan personnel update client with regard to the status of the loan from time to time	3.80	Highly Satisfied	1.5
3. The bank delivers fast yet meticulous loan services.	3.73	Highly Satisfied	3.5
4. Loans are release with in specified target time	3.73	Highly Satisfied	3.5
<b>Composite Mean</b>	<b>3.77</b>	<b>Highly Satisfied</b>	

*Legend: 3.50 – 4.00 = Highly Satisfied; 2.50 – 3.49 = Satisfied; 1.50 – 2.49 = Less Satisfied; 1.00 – 1.49 = Not Satisfied*

As seen from the table, the over-all assessment of the respondents on their satisfaction on the services offered by BDO Unibank as to processing transaction was 3.77 and rated Highly Satisfied. It was also found out that some items were rated as highly satisfied.

Among the items mentioned, Client's waiting time for each loan transaction is reasonable and Small Business Loan personnel update client with regard to the status of the loan from time to time got the highest mean value of 3.80. The results may be attributed to the extra effort of every loan service provider of BDO to process each transaction in a short period of time and making them updated from time to time. The ranking is followed by The bank delivers fast yet meticulous loan

services and Loans are release with in specified target time that hold mean value of 3.73 ranked as the lowest. Even the last two items were ranked as lowest, based on result that customers are still satisfied with the processing of transactions of Small Business Loan. There could be instances that a loan proceeds is not yet released at desired target time of the client. Nevertheless, overall performance when it comes to processing transaction is highly satisfied.

Table 8 shows the level of satisfaction on the quality customer service on Small Business Loan offered by BDO Unibank, Inc. in terms of business environment -safety and security

**Table 8. Level of Satisfaction on the Quality Customer Service on Small Business Loan Offered by BDO Unibank, Inc. in terms of Personal Skills (Safety and Security)**

Items	WM	VI	Rank
1. The location of the bank is easy and accessible to customers.	3.80	Highly Satisfied	3
2. The vicinity is safe.	3.80	Highly Satisfied	3
3. Parking spaces are convenient.	2.80	Satisfied	6
4. Security guards observe 24 hours service	3.80	Highly Satisfied	3
5. There is good number of guard on duty.	3.80	Highly Satisfied	3
6. Fire extinguishers are available.	3.80	Highly Satisfied	3
<b>Composite Mean</b>	<b>3.63</b>	<b>Highly Satisfied</b>	

As data shows, the over-all assessment of the respondents on their satisfaction on the services offered by BDO Unibank as to safety and security was 3.63 and rated Highly Satisfied. It was also found out that some items were rated as highly satisfied. All other items

except Parking spaces are convenient were rated as highly satisfied with mean value of 3.80.

This is really true since, the place has very limited parking space for the customers due to its location. Above all, customers are highly satisfied in terms of

safety and security of BDO. Although with limited parking space, the location itself is accessible to the customer. Branches are strategically set up that is accessible to customers. The vicinity is safe since there are good numbers of security guards on duty twenty four hours. This is to secure the security of the bank and

of customers who are accessing the bank's facility even at night.

Table 9 shows the relationship between the profile variables and the customers' satisfaction in terms of personal skills.

**Table 9. Relationship Between Profile Variables and Customer Satisfaction in terms of Personal Skills**

	Empathy			Responsiveness			Assurance			Reliability		
	eta	p-value	I	eta	p-value	I	eta	p-value	I	eta	p-value	I
Age	.470	.166	NS	.357	.472	NS	.369	.434	NS	.371	.428	NS
Gender	.111	.558	NS	.030	.876	NS	.092	.628	NS	.162	.392	NS
Nature of Work	.289	.121	NS	.486	.007	S	.029	.878	NS	.302	.105	NS
Number of years as Small Business Loan Client	.428	.147	NS	.310	.444	NS	.179	.834	NS	.245	.652	NS
Total Amount Availed	.380	.122	NS	.201	.574	NS	.294	.295	NS	.321	.231	NS
Number of Loan Availment	.491	.024	S	.178	.648	NS	.388	.111	NS	.063	.947	NS

Legend: Significant at p-value < 0.05; HS = Highly Significant; S = Significant; NS = Not Significant

Based on the table, the computed eta values indicates moderate positive correlation, however, only empathy (0.024) and responsiveness (0.007) when correlated to nature of work and number of loan availment shows significant relationship since the obtained p-value were all less than 0.05 level of significance, thus the null hypothesis of no significant relationship on the customer satisfaction on the service

offered by BDO Unibank is rejected. This implies that the respondents' assessment on the personal skills empathy and responsiveness is affected by the nature of work and the frequency they availed the loan.

Table 10 shows the relationship between the profile variables and customer satisfaction in terms of business environment.

**Table 10. Relationship Between Profile Variables and Customer Satisfaction in terms of Business Environment-Tangibles**

	Tangibles			Processing Transaction			Safety and Security		
	eta	p-value	I	eta	p-value	I	eta	p-value	I
Age	.363	.451	NS	.423	.275	NS	.578	.032	
Gender	.134	.479	NS	.100	.600	NS	.205	.276	NS
Nature of Work	.209	.267	NS	.191	.311	NS	.209	.268	NS
Number of years as Small Business Loan Client	.291	.503	NS	.296	.489	NS	.171	.853	NS
Total Amount Availed	.251	.414	NS	.541	.009		.319	.236	NS
Number of Loan Availment	.233	.470	NS	.291	.304	NS	.188	.610	NS

Legend: Significant at p-value < 0.05; HS = Highly Significant; S = Significant; NS = Not Significant

It shows that only processing transaction and safety and security shows significant relationship on the total

amount availed and the respondents age. This was supported by the resulted p-values and indicates that the

above mentioned variables were affected by their profile.

Based on analysis of data, Table 11 shows the proposed measures to enhance the loan services of the Small Business Loan offered by BDO Unibank, Inc.

**Table 11. Proposed Enhancement Measures to Enhance Personal Skills**

Key Result Areas	Areas for Improvement	Proposed Measures
1. Responsiveness	<ul style="list-style-type: none"> <li>• Small Business Loan personnel provide prompt yet accurate service.</li> </ul>	<ul style="list-style-type: none"> <li>• Heighten accuracy standard in loan services</li> <li>• To provide additional trainings which aim to enhance accuracy</li> </ul>
2. Assurance	<ul style="list-style-type: none"> <li>• Small Business Loan personnel explain to the clients that their transaction will be handled with quality.</li> </ul>	<ul style="list-style-type: none"> <li>• Reorientation of Loan Personnel</li> <li>• To include in KYC's procedure</li> </ul>
3. Empathy	<ul style="list-style-type: none"> <li>• Small Business Loan personnel clearly explain to client about their Loan transaction.</li> <li>• Small Business Loan personnel are able to perform transaction accordingly &amp; Small Business Loan personnel accurately present records of loan transactions.</li> </ul>	<ul style="list-style-type: none"> <li>• Review and update set of frequently asked questions to properly address customer's inquiry.</li> <li>• Conduct regular audit to verify and monitor loan</li> <li>• Double checking on records and information should be performed by higher position to verify its authenticity</li> </ul>

**Table 11. Proposed Enhancement Measures to improve Business Environment**

Key Result Areas	Areas for Improvement	Proposed Measures
1. Tangibles	<ul style="list-style-type: none"> <li>• The bank provides reading materials for the clients.</li> </ul>	<ul style="list-style-type: none"> <li>• Have adequate reading materials such as magazines and newspapers</li> <li>• Electronic wide-screen showing/displaying information as to loans services may also be considered</li> </ul>
2. Processing Transaction	<ul style="list-style-type: none"> <li>• The bank delivers fast yet meticulous loan services &amp; Loans are release with in specified target time</li> </ul>	<ul style="list-style-type: none"> <li>• Loan personnel to undergo extensive t which aim to enhance employee's accuracy</li> <li>• Conduct regular performance appraisal among loan personnel assure proper handling of accounts</li> <li>• Review and Simplify loan process</li> <li>• Reduce loan requirements to fast track loan releasing</li> </ul>
3. Safety and Security	<ul style="list-style-type: none"> <li>• Parking spaces are convenient</li> </ul>	<ul style="list-style-type: none"> <li>• Tighten the policy on "Customer Parking Only" to give enough space for the clients.</li> <li>• Review and update Bank's premises policy</li> </ul>

**V. CONCLUSIONS AND RECOMMENDATIONS**

The customers of Small Business Loan of BDO are first timer, middle aged female entrepreneurs with loan availment of one million to five million. Customers of

Small Business loan perceived customer service offered by BDO with quality in terms of personal skills and business environment. Respondents' assessment on the personal skills, processing transactions, and safety and

security are affected by the nature of work, the frequency in availing loan, the total amount availed and the age of respondents.

Small Business Loan Unit may formulate measures like reorientation and training to give customer quality service. BDO may conduct surveys to obtain more reliable and objective customer feedbacks. BDO to ensure consistency on its service to sustain quality customer service. Proposed measures may be discussed during the meeting for implementation.

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