

Perception of Trust and Commitment in the Financial Sector in Bogota (Colombia)

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Abstract: This study aims to determine the variables through which financial sector entities can establish retention processes and create long-term and quality relationships with Bogota's financial consumers. This was done by applying a survey to a sample of 384 people. The perception of trust and commitment of financial consumers is between regular and non-conforming however, it was possible to establish significant variations between such perception associated with age groups, number of years linked to the financial institution, marital status, type of economic activity and the number of financial products.

Key words: Trust, commitment, quality, relationship, financial sector

INTRODUCTION

The existing literature confirms that there is a lack of information to define the variables that influence the quality of the relationship, trust and commitment in the financial sector. This research was conducted in order to empirically determine the variables through which financial sector entities can establish retention processes and create long-term and quality relationships with each of the financial consumers in Bogota.

With respect to the dimension of trust (Wu *et al.* 2011) argue that it can be identified as a multi-component variable with correlated dimensions but difficult to quantify. For their part, DeOrtentiis *et al.* (2013) support the view that satisfaction is one of the key mediators of trust which defines as the effectiveness of the relationship team.

The trust between the consumer and the financial institution according to different empirical investigations is established by seven factors that impact a good relationship with the entity within which are information, reliability, bank image, bank reputation, satisfaction with services, competition of employees, privileges to loyal customers.

The concept of engagement plays a central role in the literature on relationship marketing and is a feature of relationship marketing models (Izquiere *et al.*, 2005). Engagement is essential for the development of successful exchanges of relationships and represents the highest level of linkage relationship.

The relationship between commitment and trust is understood as the interconnection of variables in order to satisfy both parties and their needs, since from the point

of view of the consumer, not only does a service or a product acquire but also feels valued and this leads to loyalty to a financial institution (Laksamana *et al.*, 2013; Skvarciany and Juris, 2015).

Likewise, loyalty has been defined as a firm commitment to re-buy or recommend in the future an appreciated product or service. It has been shown that the increase in benefit derived from a 5% customer retention varies between 25 and 85% (Ladhari *et al.*, 2011; Ladhari, 2009).

Taking this into account, this study aims to determine the variables through which financial sector entities can establish retention processes and create long-term and quality relationships with financial consumers in the city of Bogota.

MATERIALS AND METHODS

The methodology focused on the application of a questionnaire that in a sample of 384 (Table 1) people in the city of Bogota where a qualitative and quantitative review and analysis of those that are considered and identified as fundamental parts of the concept of trust And commitment on the quality of the relationship between the financial consumer and the financial sector. Following the criterion by Kumar *et al.* (2010) the questionnaire is divided into three main blocks: banking channels used by consumers and actions; main evaluation part (Table 2) sociodemographic variables of the financial consumer (Table 3). The first block of the questionnaire validates the interviewee's suitability as part of the sample and characterizes their relationship with the entity. The second block includes questions for the

Table 1: Research sheet

	Financial consumers of the city of Bogota between the ages of 18 and over. 5,533,538 according to the estimates by DANE (2016)
Universes	
Geographic scope	Bogota Colombia
Sample size	379 valid surveys
Confidence level	94.82%; $p = q = 0.5$
Error range	5.03%
Type of sampling	Random sampling
Selection	Shopping centers in the city of Bogota
Field work	September 01 to October 20, 2016

Table 2: Composition of the questionnaire (block 2)

Informations	Question	Type of scale
Global reputation main entity	p.5	Likert 0-10 (3 items)
Loyalty	p.8	Likert 0-10 (3 items)
Recommendation	p.9	Likert 0-10 (3 items)
Satisfaction	p.6	Likert 0-10 (3 items)
Trust	p.7	Likert 0-10 (3 items)
Quality of relationship	p.10	Likert 0-10 (5 items)

Table 3: Composition of the questionnaire (block 2)

Informations	Question	Type of scale
Sex	p.13	Categorical dichotomous
Age	p.14	Five level categorical
Civil status	p.15	Five level categorical
Level of studies	p.16	Five level categorical
Employment situation	p.17	Categorical of eight levels
Income level	p.18	Categorical of four levels
Self made		

assessment of trust and commitment (Table 2). This is the central and most important part of the questionnaire, since, it will extract the necessary information to contrast the research hypotheses. In this part, questions are asked for the evaluation of trust and commitment, the outcome variables (loyalty and recommendation), emotional (satisfaction and trust) and cognitive variables of banking reputation: and finally, a question destined to evaluate the overall reputation of the study entities other than the principal entity.

A pilot test was performed on a number of 30 people to verify the validity of the questionnaire and the correct adaptation to successfully measure the variables studied in this study in the city of Bogota, considering that it was adapted from Ruiz (2013).

RESULTS AND DISCUSSION

The 54.36% of the respondents were men and 45.64 were women thus having a balanced sample for achieving the results. The 22.31% of the people surveyed are people who have been free union. The employment situation is marked by 14% of people are students and another 14% are unemployed people.

About 28% of people surveyed show that they are among people with an income <COP \$1,000,000 (\$333) which shows that they are people with low income levels and without high purchasing power. About 48.04% of the people are partially in agreement with the services offered by the financial institution and therefore partially acquire

a perception of confidence of the financial institution in order to promote an effective voice-to-voice communication of the entity.

About 37.99% of people surveyed to measure the commitment dimension agree to acquire a loyalty or commitment to the financial institution. In variables such as the quality of the relationship that a financial consumer can have with his or her main financial institution, 22.42% of respondents have a regular relationship with the financial institution, since they are generally not satisfied with the products or services offered by the financial institution.

However, those persons who indicated that they had greater confidence and commitment towards the financial institution complied with at least one of the following characteristics:

- People between 30 and 39 years
- Between 6 and 10 years of relationship with the same financial institution
- Singles
- Dependent workers
- It had three financial products

In contrast, those who indicated that they had greater confidence and commitment to the financial institution complied with at least one of the following characteristics:

- Unemployed or self-employed
- People over 60
- It had more than three financial products

No significant differences were found regarding the perception of the bank's reputation or the feelings towards the financial institution between men and women, level of schooling or income level.

CONCLUSION

The perception of trust and commitment of financial consumers is between regular and non-conforming however, it was possible to establish significant variations between such perception associated with age groups, number of years linked to the financial institution, marital status, type of economic activity and the number of financial products. Likewise, it was possible to establish that:

- Only clients when they acquire a commitment with the financial institution are willing and have an intention to positively promote a voice to voice of the financial institution

- If the perception of consumer confidence is high towards a financial institution, the commitment is high
- If the organization establishes products and services of high quality, the perception of consumer confidence is high and their commitment equal

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