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February 2012
Master Degree Thesis

The Effects of Perceived Trustworthiness
and Customer-oriented Benefits of Bank
Customers on Trust, Competitive Advantage
and Future Intention to Use

-Centering on Mongolian Case-

Graduate School of Chosun University
Department of Business Administration
Munkhjargal Purevsukh

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지각된 신뢰가치와 고객중심적 편익이
은행고객의 신뢰와 경쟁우위인식 및
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-몽골 은행서비스 사례를 중심으로-

February 24th, 2012

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Advisor: Prof. Hyung-Shik Jung, Ph. D.

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ABSTRACT

The Effects of Perceived Trustworthiness and
Customer-oriented Benefits of Bank Customers on Trust,
Competitive Advantage and Future Intention to Use
-Centering on Mongolian Case-

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The aim of the study is to examine the effects of main factors influence customers' bank use and to develop and validate multi-dimensional model of customers' intention to use bank in Mongolian retail banking. We tested the strength of our theoretical model using data collected from 270 completed questionnaires of total 313 retail banking customers in Mongolia.

As shown as result, three main elements of trustworthiness, which are perceived ability, perceived integrity, and perceived benevolence significantly influence customers' trust in retail banking. Among the elements of perceived trustworthiness, perceived benevolence is the most important predictor of trust, indicating that customers expect more positive orientation of the bank toward the customers. Likewise, customer-oriented benefits such as convenience,

customization, and interest rate/service charge except response time have positive impact on competitive advantage in retail banks. Regarding the elements of customer-oriented benefits, interest rate/service charge appears to be the most influential factor affects competitive advantage of the bank.

The study identified trust and competitive advantage as significant predictors of customers' intention to use bank. Also our results showed that trust significantly influences competitive advantage.

The main contribution of the study is that we discussed the issue of competitive advantage in the banking sector, which was not empirically investigated before. Besides, this thesis complements the scant research stream dealing with customers' intention to use bank in Mongolia.

This thesis serves as an insight for bank managers who are involved in retail bank marketing and strategic decisions in Mongolia. We hope that the results of the study can help Mongolian retail bankers to project a trustworthy image in the minds of customers to rebuild trust and focus on customer-oriented benefits to enhance the competitive advantage, which are the keys of bank success and long-term relationships with customers.

국문초록

지각된 신뢰가치와 고객중심적 편익이 은행고객의 신뢰와 경쟁우위인식 및 지속사용의사에 미치는 영향

-몽골 은행서비스 사례를 중심으로-

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지도교수 : 정형식

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본 연구의 목적은 소비자들의 은행 이용에 영향을 주는 주요 요인을 평가하고, 몽골인들의 은행 점포 이용에서 소비자 이용의도의 다차원 모델을 개발하고 확인하는데 있다. 본 연구를 위해 조사는 몽골의 은행을 이용하는 고객자료 313부를 배포하여 이 중 불성실한 응답지 43부를 제외한 270명의 조사자료를 최종분석에 사용하였다. 본 연구의 분석결과는 다음과 같다.

지각된 신뢰성요인인 '지각된 능력(ability)', '지각된 진실성(integrity)', '지각된 선행(benevolence)'의 3가지 차원의 다차원적 구조를 갖고 있음을 밝혀냈다. 또한 은행이용에 대한 소비자의 신뢰성요인은 전반적으로 은행에 대한 신뢰에 높은 영향을 미치고 있음을 나타냈다. 특히 이들 신뢰성요인이 소비자의 은행에 대한 전반적 신뢰에 미치는 상대적 영향에 있어 지각된 선행요인이 신뢰성에 가장 높은 영향력을 나타내 신뢰형성에 있어 지각된 선행요인이 중요함을 나타냈다. 마찬가지로, 고객중심적 편익 요인인 편의성(convenience)과 고객맞춤형서비스(customization)과 금리/수수료(interest rate/service charge)는 경쟁우위(competitive advantage) 인식에 유의한 영향을 미치는 것으로 나타났으나 응답시

간(response time)은 경쟁우위 인식에 유의한 영향을 미치지 않는 것으로 나타났다. 고객중심적 편익 요소들과 관련하여 금리/수수료는 은행의 경쟁우위에 높은 영향을 주는 변수로 확인되었다.

본 연구는 은행 이용에 대한 소비자 의향의 유의한 예측변인으로써 신뢰와 경쟁우위를 확인하였다. 또한 은행에 대한 고객의 신뢰는 경쟁우위 인식에 유의한 영향을 미치는 것으로 나타났다.

본 연구의 시사점으로 이전에 실증적으로 조사되지 않은 은행 부분에서 경쟁우위의 이슈를 다루었다. 나아가 몽골에서 은행 이용에 대한 소비자 의향에 대한 연구 분야를 보충하였다.

본 연구는 몽골의 은행에서 마케팅을 하거나 전략적인 의사결정을 내려야 하는 은행 관리자에게 중요한 시사점을 제공해 줄 수 있다. 아울러 본 연구의 결과는 소재한 은행 점포가 은행 성공과 고객과의 장기적인 관계구축의 핵심이 되는 신뢰를 재구축하기 위해 고객에게 믿을 수 있는 이미지를 계획하고, 경쟁우위를 강화하기 위하여 고객-중심적 편익에 집중하는 전략을 수립하는데 도움이 될 것으로 예상된다.

Chapter 1. Introduction

Rapidly changing competitive environments are forcing business marketing firms to seek more creative and flexible means for meeting competition. Many firms have responded to these challenges by building collaborative relationship with customers and suppliers (Hawes et al., 1989). Such relationships rely on obtaining a sustainable competitive advantage by providing customer-oriented benefits to customers and maintaining customer trust for long periods of time.

The fundamental basis of long-run success of a firm is the achievement and maintenance of a sustainable competitive advantage (Hoffman, 2000). Competitive advantage enables bank to position and to perform superior than its competitors. If there is no differentiation, no distinction, no unique way that a bank can provide superior benefits to customers, then it is unlikely that the bank has any competitive advantage, much less a sustainable one. In order to be key members of management and make meaningful contributions to the long-run strategic success of the bank, marketers must understand the essentials of competitive advantage (Bennett, 1992).

Unquestionably, trust is also essential for bank. Trust has long been regarded as a catalyst for buyer-seller transactions that can provide consumers with high expectations of satisfying exchange relationships (Pavlou, 2003) and important facilitator in establishing and maintaining a long-term relationship between sellers and their customers (Moorman et al., 1993). Giving the emphasis placed on trust in building long-term relationships, it is equally important to understand as trust what makes a business a trustworthy (Roy et., 2011). Mayer and his colleagues (1995) have identified and validated three main elements of trustworthiness: ability, integrity, and benevolence. Although they are not trust

per se, these variables help build the foundation for the development of trust.

It is now well established that trust and competitive advantage are key elements of bank success and support long-term relationship between customers and bank.

The main objective of the thesis is to examine the effects of main factors influence customers' bank use and to develop and validate multi-dimensional model of customers' intention to use bank in case of Mongolia.

Mongolia is landlocked country between Russia and China, an adverse geographical condition for international trade, has an area of 1.6 million square kilometers and population of about 2.9 million. The Mongolian firstling bank - a joint Mongolian-Russian bank, called the "Trade and Industry Bank of Mongolia" (Bank of Mongolia) was opened on June 2, 1924, with a single branch. Until 1991, Mongolia had a monobank financial system, as other centrally planned economies.

Since the collapse of the former Soviet Union, Mongolia's financial system has undergone substantial change. The introduction of a two-tier banking system in 1991 was the first milestone in the modernization of the Mongolian financial system. This financial transformation and economic development has had a significant impact on the financial system, both negatively and positively. During its evolution to a market-based financial system, the banking sector has experienced recurring crises and failures, most notably in 1994, 1996 and 1998-1999. The failure of banks, without clear compensation for depositors and, accordingly, inadequate protection of small depositors had meant that there was a general mistrust of the banks among Mongolian public (Tumennast, 2008). During the last twenty years, 18 banks were bankrupted but also merged show that how difficult obstacles this sector has overcome until today. By the end of

2010, 14 commercial banks were operating in the country (www.mongolbank.mn).

We view that Mongolian financial sector is still immature and Mongolian banks lost its reputation and customer trust due to last two decades history. But it is imperative for banks to obtain competitive advantage and to rebuild customer trust unless there are, to be sure, numerous barriers.

There has been no research done in Mongolia regarding these issues up to now. To conclude above mentioned statements, this thesis is so fresh and valuable academically and practically.

We state here following specific objectives of the thesis, which are:

1. To determine relationship between customer trust and its antecedents
2. To determine relationship between customer-oriented benefits and competitive advantage
3. To determine relationship between trust and competitive advantage
4. To determine relationship between customer trust and customers' intention to use bank
5. To determine relationship between competitive advantage and customers' intention to use bank

The thesis is organized in the following manner: Following this introduction, chapter 2 will continue with literature review. This chapter will discuss the previous academic findings in the research field and outline our research model and hypotheses. In chapter 3, we develop the research method and research design. Chapter 4 will discuss the research findings and concludes with the limitations of the thesis and potential topics for future research.

Chapter 2. Theoretical Background

1. Perceived trustworthiness

Trust is not a stable condition; instead it is a dynamic construct. Trust will move, or fail to move from different levels to another trust level based on evidence regarding the trustworthiness of a trustee person, trustee group or trustee organization (Recklies, 2009). Therefore, it is equally important to understand as trust what makes a business a trustworthy from the consumer point of view (Roy et., 2011).

Mayer and his colleagues (1995) indicated that perceived trustworthiness is the trustor's perception of how trustworthy the trustee is, while trust is the trustor's willingness to be vulnerable to the actions of the trustee. They have identified and validated three main elements of trustworthiness: ability, integrity, and benevolence by subsuming conceptually similar factors that leads to trust on prior researches (see Table 1).

Ability is that group of skills, competencies, and characteristics that enable a party to have influence within some specific domain.

Integrity is the trustor's perception that the trustee adheres to a set of principles that the trustor finds acceptable.

Benevolence is the extent to which a trustee is believed to want to do good to the trustor, aside from an egocentric profit motive.

<Table 1> Trust antecedents (adapted from Mayer et al., 1995)

Authors	Trustworthiness attributes
Boyle & Bonacich (1970)	Past interactions, index of caution based on prisoners' dilemma outcomes
Butler (1991)	Availability, competence, consistency, discreetness, fairness, integrity, loyalty, openness, promise fulfillment, receptivity
Cook & Wall (1980)	Trustworthy intentions, ability
Dasgupta (1988)	Credible threat of punishment, credibility of promises
Deutsch (1960)	Ability, intention to produce
Fanis, Senner, & Butterfield (1973)	Openness, ownership of feelings, experimentation with new behavior, group norms
Frost, Stimpson, & Maughan (1978)	Dependence on trustee, altruism
Gabarro(1978)	Openness, previous outcomes
Giffin (1967)	Expertness. reliability as information source, intentions, dynamism, personal attraction, reputation
Good (1988)	Ability, intention, trustees' claims about how (they) will behave
Hart, Capps. Cangemi, & Caillouet (1986)	Openness/congruity, shared values, autonomy/feedback
Hovland, Janis, & Kelley (1953)	Expertise, motivation to lie
Johnson-George & Swap (1982)	Reliability
Jones, James, & Bruni (1975)	Ability, behavior is relevant to the individual's needs and desires
Kee & Knox (1970)	Competence, integrity
Larzelere & Huston (1980)	Benevolence, honesty
Lieberman (1981)	Competence, integrity
Mishra (In press)	Competence, openness, caring, reliability
Ring & Van de Ven (1992)	Moral integrity, goodwill
Rosen & Jerdee (1977)	Judgment or competence, group goals
Sitkin & Roth (1993)	Ability, value congruence
Solomon (1980)	Benevolence
Strickland (1958)	Benevolence

Mayer et al., (1995) noted that even though these factors are not trust per se, these variables help build the foundation for the development of trust (p. 717). They also suggested that these characteristics are unrelated to one another, but separable and that together they explain a major portion of trustworthiness while maintaining parsimony. If a trustee is perceived as high on all three factors, the trustee will be perceived as quite trustworthy.

Similar to this, McKnight and his colleagues (1998) defined trusting beliefs as the perceptions of the trustworthiness of the object of trust and the trustor perception that the trustee possesses characteristics that would benefit the trustor. Trusting beliefs are integrity (trustee honesty and promise keeping), benevolence (trustee caring and motivation to act in the trustor's interest), competence (ability of the trustee to do what the trustor needs) and predictability (consistency of trustee behavior).

According to McKnight et al., (1998) a web vendor who is honest would fulfill agreements with the customer. A benevolent web vendor would not intentionally harm the consumer. A competent vendor would do a good job filling consumer orders with fine products. A trustee who possesses these traits is very desirable as an exchange partner, because consumer will perceive that they will behave ethically and kindly, skillfully, and consistently in the exchange (Mayer et al., 1995). Thus, having high trusting beliefs should lead consumer to be willing to depend on the vendor. For the purpose of the thesis, perceived trustworthiness is defined as the customers' perception of confidence in the bank's ability, integrity, and benevolence to provide the banking services.

2. Trust

Trust is very important matter for retail banking. Before customers are willing to risk their capital in a financial transaction, they want to have appropriate assurance that they will receive the product what they closed the deal for; i.e. when customers deposit their money in a bank, they trust the bank not to fail and to pay back the money. Customers have to trust the bank as whole, and not just to focus on a single product.

The importance of establishing trust in promoting adaptive organizational forms, coping with complexity and uncertainty (Luhmann, 1979; Lane, 1998), reducing costs of transaction (Colemann, 1994; Uzzi, 1997), enhancing competitive advantages (Barney and Hansen, 1994), offering true economic value (Grudzewski et al., 2008), and characterizing and sustaining truly effective personal and organizational performance (Lee, 2009) has been broadly recognized as benefits of trust (Recklies, 2009).

Trust is a cross-disciplinary construct that has been used in i.e. psychology, sociology, economics, and marketing to study different types of relationships. In the discipline of marketing, it has been an important component in a significant research stream focusing on buyer-seller relationships (Ganesan and Hess, 1997) as well as in social discipline, research argues that trust can be held by individuals, social relationships, and social systems. Furthermore it is stated that modern society would not be possible without trust (Lumsden and MacKay, 2006). The psychological trust research puts an emphasis on individual personality and inter-personal relationships (e.g. Rotter, 1967).

There are probably as many definitions of trust in the literature, but we summarized here frequently cited ones in Table 2.

<Table 2> Definitions of trust

Study	Definitions of trust
Rotter (1967)	Trust is "an expectancy held by an individual (...) that the word, promise, verbal or written statement of another individual (...) can be relied upon".
Moorman et al., (1993)	Trust is "a willingness to rely on an exchange partner in whom have confidence".
Doney and Canon (1997)	Trust is "the perceived credibility and benevolence of a target of trust".
Rousseau et al., (1998)	Trust is "a psychological state comprising the intention to accept vulnerability based upon positive expectation of the intentions or behavior of another".
McKnight et al., (1998)	Trust is "a multi-dimensional construct with two-related components-trusting beliefs (perceptions of the competence, benevolence, and integrity of the vendor) and trusting intentions-willingness to depend (that is, a decision to make oneself vulnerable to the vendor)".
Ennew and Sekhon (2007)	Trust is "an individual's willingness to accept vulnerability on the grounds of positive expectations about the intentions or behavior of another in a situation characterised by interdependence and risk".
Yousafzai et al., (2009)	Trust is "willingness to perform banking transactions on the internet, expecting that the bank will fulfill this obligations, irrespective of the customer's ability to monitor or control the bank's actions on the Internet".

Although there is no-agreed upon definition of trust in the literature, Wang and Emurian (2005) proposed 4 characteristics of trust are generally observed and accepted by researchers studying trust:

Trustor and Trustee. There must exist two specific parties in any trusting relationship: a trusting party (trustor) and a party to be trusted (trustee).

Vulnerability. Trust involves vulnerability. Trust is only needed, and actually flourishes, in an environment that is uncertain and risky. In online commercial transactions, consumers are vulnerable to specific trust violations: loss of money and loss of privacy (Friedman et al., 2000).

Produced actions. Trust leads to actions, mostly risk-taking behaviors. The form

of the action depends on the situation, and the action may concern something tangible or intangible. For instance, customers deposit their money in a bank because the bank is trusted to pay back the money.

Subjective matter. Trust is subjective matter. It is directly related to and affected by individual differences and situational factors. People also hold different attitudes toward machines and technology.

Mayer and his colleagues (1995) provided one of the best and most used definitions of trust, which builds on previous definitions and incorporates the nonrational aspects of trust. They stated that trust is "the willingness of a party to be vulnerable to the actions of another party based on the expectations that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party".

This definition of trust is applicable to a relationship with another identifiable party who is perceived to act and react with volition toward the trustor. Being vulnerable (Boss, 1978; Zand, 1972) implies that there is something of importance to be lost. Making oneself vulnerable is taking risk. Trust is not taking risk per se, but rather it is a willingness to take risk (Mayer et al., 1995).

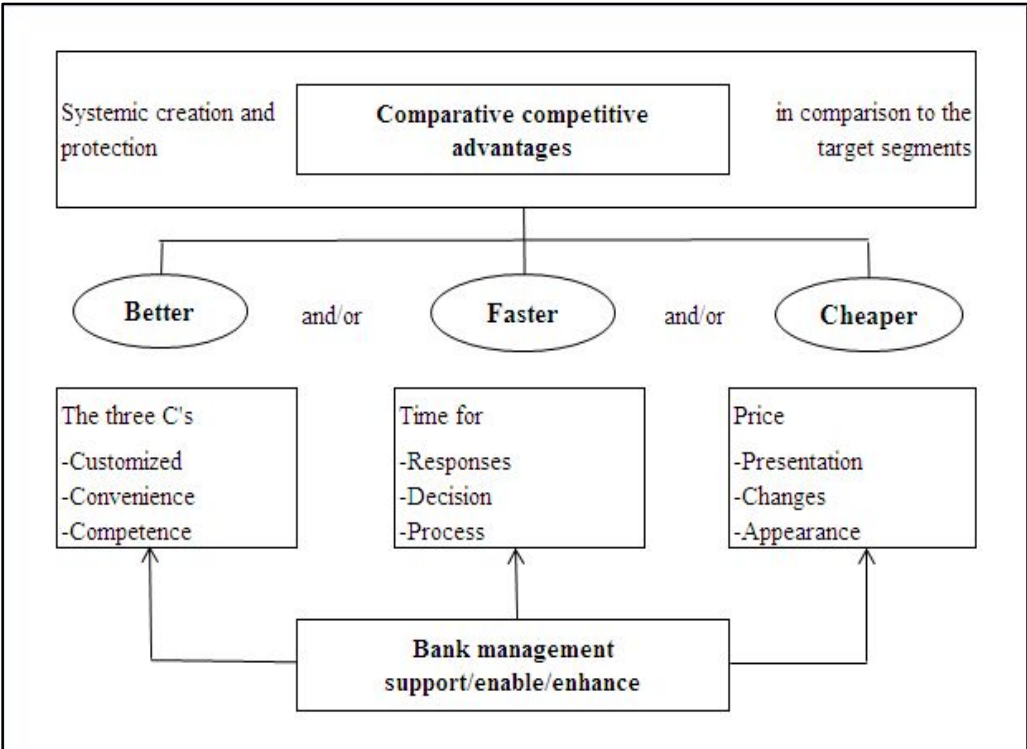
3. Customer-oriented benefits

To survive and prosper in today's competitive markets a business needs to have superior sources of competitive advantage. Any business with a competitive advantage is able to attract more customers than its competitors by having some special factors that no one else possesses. The key to capturing competitive advantage is to know what your customers want and finding a way to give it to them. Very few sources of competitive advantage last very long

however, so businesses are engaged in a never ending search to find new angles to beat their competitors.

For the purpose of the thesis a model by Schierenbeck is employed. Shierenbeck (2003) argues that a competitive advantage exists when customers value a company higher in their perception in comparison to other companies. (Recklies, 2009). It means that banks can offer their services better and/or faster and/or cheaper in comparison to their competitors (see Figure 1). Customers could obtain benefits by receiving better customized and convenience service, faster response, and cheaper interest rate/service charge and these customer-oriented benefits are superior sources of competitive advantage.

<Figure 1> Shierenbeck model



3.1 Convenience

Service convenience is consumers' time and effort perceptions related to buying or using a service (Berry et al., 2002). Berry and his colleagues proposed five types of convenience: decision convenience, access convenience, transaction convenience, benefit convenience, and post benefit convenience. They argued that the relative importance of these convenience types varies across situations, services, and consumers.

As similar to this, Joseph C. Ciampa, senior vice president of National city bank of Pennsylvania cited that bank should consider that customers have varying perception of convenience - what is convenient for one person isn't necessarily convenient for another (tellervision, 2001). She also said: "Convenience banking means giving your customers what they want it, at a reasonable cost". She stressed two types of convenient: nonautomated and automated convenient. Nonautomated convenience options are: branches inside supermarkets, drive-up windows that stay open longer than the lobby, a 24-hour-a-day, 7-day-a-week customer service center, and extended hours of bank branches. Automated convenience options are: ATMs, debit cards, direct deposit, automatic bill payments, electronic funds transfer, online banking and overdraft protection .

3.2 Customization

One of the best ways for bank to be successful and stand out in the increasingly competitive finance industry is to offer customized services. Customized service usually means that it has been customized to the consumers' needs. From the consumers' perspective, the real benefit of customization is the

ability to find and design products and services that meet their need (Wind and Rangaswamy, 2001).

Bitner et al., (2000) stated some forms of customization. Successful customization has largely reflected in a contact employee's ability to recognize a situation and adapt the delivery or the service accordingly. Also firms in all industries can customize their offerings by providing contact employees with cutting-edge technology tools. This front-office automation includes various tools such as powerful databases, sales force automation, call-center management, help-desk applications, product and price configuration tools, and many other applications. Another form of customization occurs when customers use technology to create services for themselves. For example, customers can view their account information, pay bills, transfer money, apply for new accounts, and invest in the stock market through online banking. Also customers are enabled to access any combination of banking services they need, 24 hours a day, thus creating their own package of customized product.

3.3 Response time

Zeithmal et al., (1985) stated that responsiveness is the willingness or readiness of employees to provide service. It involves timeliness of service: mailing a transaction slip immediately, calling the customer back quickly and giving prompt service (e.g., setting up appointments quickly). So we pose that response time of banking service is "willingness or readiness of bank to provide service promptly".

Indeed time is a limited and scarce resource. Customers seek banking services which have quick response and minimize the expenditure of time. Therefore,

bank often attempts to increase speed of service has become one of crucial elements in achieving a competitive advantage in the marketplace. This particular desire for speed of service can be attributed to factors such as more intense competition due to the emergence of the single global economy and the increasing value or criticality of time to people, especially in highly developed countries (Davis and Heineke, 1994).

Over the past decades, bank got ability to deliver service promptly and effectively by virtue of profound technological development changes. For instance, ATMs, online banking, and mobile banking enabled customers serve banking service in fast and convenient way. Stalk (1988) emphasized that time is the equivalent of money, productivity, quality, even innovation as a strategic weapon and most powerful new source of competitive advantage.

3.4 Interest rate and service charge

Bank pays out at a lower interest rate on deposits and receives a higher interest rate on loans. The difference between these rates represents the bank's net income. Besides bank charges fees, commissions, and brokerage for its direct services such as bank guarantees, ATM debit card business, and credit card business etc. We consider here interest rate on loans not deposits as interest rate and bank's interest rate (loans) and service charges generally as price. Price is defined what is given up or sacrificed to obtain a product or service from the consumer's perspective (Zeithaml, 1988).

Harvard's Michael Porter suggests that, in basic terms, only two strategic thrusts will result in a sustainable competitive advantage: low cost leadership or differentiation/premium price leadership (Bennett, 1992). Low cost leadership

means it providing average competitive quality at a lower price than the average competitive price, but not a price so low as to offset the lower cost advantage. The competitive advantage for the customer is average or nearly average quality at lower prices, and for the bank the competitive advantage is increased market share and higher profit margin per customer. A differentiation strategy inherently conflicts with a low cost leadership strategy. Providing exceptional service, performance and features will negatively affect a bank's profitability unless the customer is willing to pay for them. This premium price must more than offset the higher costs if the bank is to have a competitive advantage. The advantage for the customer is better satisfaction of needs, and the advantage for the bank is distinctiveness from competitors and higher profit margins per customer. In addition to competitive thrust, a bank must decide on its competitive scope.

4. Competitive advantage

The banking industry is in flux, turmoil and perhaps even disarray. The seemingly endless numbers of mergers and acquisitions, consolidation, "right sizing," and declining or even negative profitability have many questioning the future of the industry, their banks and their own careers. Under such conditions, is it possible for a bank not only to survive, but to prosper? The answer is an emphatic yes - if, and perhaps only if, the bank understands the concept of competitive advantage and how to achieve and sustain it (Bennett, 1992).

Competitive advantage can be derived from numerous sources and almost any and every article written on the subject of conducting business better or running

an organization more efficiently could be construed to be concerned with creating competitive advantage (Lado et al., 1992). As such, the literature concerning competitive advantage is extensive and certainly too large to review in a single article (Walley and Thwaites, 1996).

Hoffman (2000) summarized that prior researchers' contribution (either directly or indirectly) to the literature pertaining to sustainable competitive advantage. According to him, early literature on the subject of competition serves as a precursor to the development of the sustainable competitive advantage construct. For example, Alderson (1937) hinted at a basic tenet of sustainable competitive advantage, that a fundamental aspect of competitive adaptation is the specialization of suppliers to meet variations in buyer demand. Later, Alderson (1965) was one of the first to recognize that firms should strive for unique characteristics in order to distinguish themselves from competitors in the eyes of the consumer. He stated that differential advantage might be achieved through lowering prices, selective advertising appeals, and/or product improvements and innovations. In following decades, authors such as Hamel and Prahalad (1989) and Dickson (1992) discussed the need for firms to be willing to learn how to create new advantages that will keep them one step ahead of competitors. All of these concepts involve differentiation, uniqueness and the ability and willingness to deliver service at levels that not only meet but exceed customer expectations. Differentiation and uniqueness on factors important to the customer are the keys to competitive advantage (Bennett, 1992).

One of the oldest and applicable definitions of competitive advantage is "positional and performance superiority being a consequence of relative superiority in the skills and resources a business deploys" (Day and Wensley, 1988). Day and Wensley (1988) stated that these skills and resources reflect the

pattern of past investments to enhance competitive position. The sustainability of this positional advantage requires that the business set up barriers that make imitation difficult. Because these barriers to imitation are continually eroding, the firm must continue investing to sustain or improve the advantage. Thus, the creation and sustenance of a competitive advantage are the outcome of a long-run feedback or cyclical process.

5. Research model and hypothesis

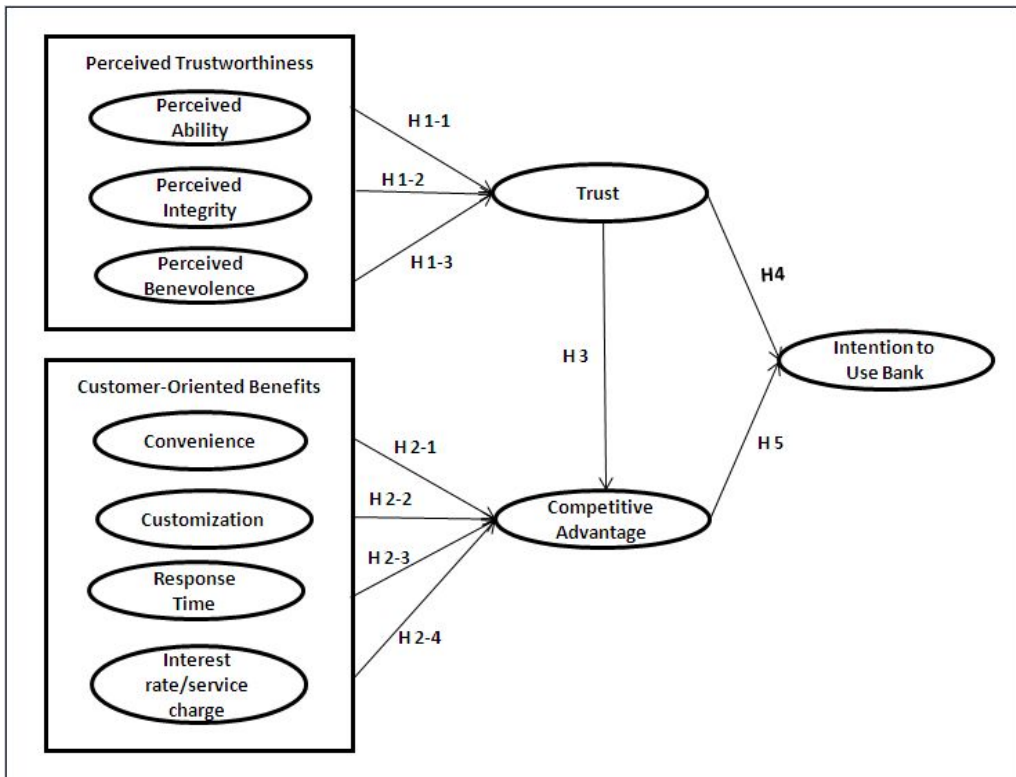
5.1. Research model

We drew upon two primary research streams, trust and competitive advantage which are widely recognized as an important facilitator of successful long-term relationship between customers and bank, to develop the thesis's research model.

There are 10 constructs in our model, which includes perceived ability, perceived integrity, perceived benevolence, convenience, customization, response time, interest rate/service charge, trust, competitive advantage, and intention to use bank.

We will test the strength of the hypothesized relationships embedded in the theoretical model and the robustness of the model in predicting customers' intention to use bank in the Mongolian banking sector. The theoretical model is graphically presented in Figure 2.

<Figure 2> The proposed research model



5.2 Hypothesis development

5.2.1 Hypothesis regarding perceived trustworthiness

Trustworthiness refers to the extent to which a bank is perceived as being worthy of trust (Ennew and Sekhon, 2007). Mayer and his colleagues (1995) have identified three elements of perceived trustworthiness as perceived ability, perceived integrity, and perceived benevolence. Accordingly, previous researches have shown that perceived trustworthiness directly or indirectly influences the

customers' level of trust in offline and online banking contexts (Yousafzai et al., 2009; Roy et al., 2011). In this thesis, it is proposed that perceived trustworthiness will have a direct effect on the customers' trust and it will assure the customers that bank is both competent (able) and willing to (integrity and benevolence) to deliver services in accordance with their expectations. Therefore it follows that:

H 1-1: Perceived ability positively influences trust.

H 1-2: Perceived integrity positively influences trust.

H 1-3: Perceived benevolence positively influences trust.

5.2.2 Hypotheses regarding customer-oriented benefits

According to Shierenbeck model (2003), a competitive advantage exists when customers value a company higher in their perception in comparison to other companies (Recklies, 2009). Customers could obtain benefits by receiving better customized and convenience service, faster response, and cheaper interest rate/service charge and these customer-oriented benefits are superior sources of a competitive advantage.

Day and Wensley (1988) focused on two categorical sources involved in creating a competitive advantage: superior skills and superior resources. Superior skills and resources, taken together, represent the ability of a business to do more or do better (or both) than its competitors. Therefore, no matter what types of business, firms may succeed in establishing a sustainable competitive advantage by combining skills and resources in unique and enduring ways (Hoffman, 2000). Bharadwaj and his colleagues (1993) state that a firm's skills

and resources can be considered sources only if they offer benefits desired by customers. Based on these studies, it is reasonable to expect that bank could gain a competitive advantage by providing customer-oriented benefits to the customers through combination of customized and convenience service, effective price policy and quick response. Thus, it follows that:

H 2-1: Convenience positively influences competitive advantage.

H 2-2: Customization positively influences competitive advantage.

H 2-3: Response time positively influences competitive advantage.

H 2-4: Interest rate/service charge positively influences competitive advantage.

5.2.3. Hypotheses regarding trust and competitive advantage

Trust is being defined as the willingness of a party to be vulnerable to the actions of another party based on the expectations that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party (Mayer et al., 1995). Trust, which induces a more open exchange of ideas, fosters the creativity that is necessary to produce a unique value-added strategy. Therefore, trust leads to sustainable competitive advantage (Hoffman, 2000). Also strong forms of trust as defined by Barney and Hansen (1994) are based on shared values, principles, and standards. Of importance here, strong forms of trust can create a competitive advantage relative to firms that base their relationship on weak or semi-strong forms of trust (Barney et., 1994). The competitive advantage gained through strong forms of trust is usually immune from imitation and rapid diffusion by competitors.

In addition, Gefen (2002) and Pavlou (2003) indicated that trust has a positive impact on customers' intention to use bank. Therefore, it is reasonable to infer that trust positively influences competitive advantage and customers' intention to use bank, and we hypothesized that:

H 3: Trust positively influences competitive advantage.

H 4: Trust positively influences intentions to use bank.

A bank has got competitive advantage means that the bank offers services better and/or faster and/or cheaper than its competitors to the customers (Shierenbeck model, 2003) in differentiated, uniqueness, and enduring ways (Bennett, 1992) in consequence of positional and performance superiority by combining superior skills and resources (Day and Wensley, 1988). Thus, it is evident that competitive advantage is an important factor affects customers' evaluation of services and intent to use bank. Therefore, we hypothesized that:

H 5: A competitive advantage positively influences customers' intention to use bank.

Chapter 3. Research Method

1. Sample and data collection

The data were collected through a questionnaire sent to 313 Mongolian retail bank customers in Ulaanbaatar city via mail. Two hundred and seventy completed questionnaires were received, giving a response rate of 86.26%. The survey was conducted for two weeks.

Table 3 summarizes the profile of 270 customers, who filled in valid questionnaires. Respondents varied in gender (male, 34.8%; female, 65.2%), age (younger than 18 years, 0.4%; 18-25 years, 36.3%; 26-35 years, 36.3%; 36-45 years, 14.1%; 46-55 years, 11.5%; older than 56 years, 1.5%), education level (graduate or similar, 21.1%; undergraduate or similar, 55.9%; high school, 20.0%; middle school, 3.0%), occupation (student, 24.8%; self-employed, 3.7%; full-time public, 42.6%; private sector employee, 23.7%; other, 5.2%), monthly income (less than 500,000 tug, 59.3%; 500,001 tug- 1,000,000 tug, 32.6%; 1,000,001 tug-1,500,000 tug, 5.2%; more than 1,500,000 tug, 3%).

Expect from demographics, data related to numbers of the serving banks, the relationship length with their main bank, and services receiving from the main bank are included in order to present indirect measures of customers' use of bank.

Through the survey, 21.95% of the respondents use only 1 bank, 72.2% of the respondents use 2-3 banks, 4.8% of the respondents use 4-5 banks and 1.1% of the respondents use more than 5 banks. The results show that 7% of the respondents were users less than 1 year, 14.1% of the respondents were users

for 1-2 years, 26.7% of the respondents were users for 2-4 years, 23.0% of the respondents were users for 4-6 years and 29.3% of the respondents were users more than 5 years.

Finally, 60.4% of the respondents use current accounts, 61.5% of the respondents use savings accounts, 81.5% of the respondents use card service, 35.6% of the respondents use loan service, 16.7 % of the respondents use e-banking, 5.2% of the respondents use personal banking, 1.5% of the respondents use asset management consulting and 5.9% of the respondents use other services.

To summarize, most of the respondents (72.2%) have relationship with 2-3 banks and are cooperating with their main bank for longer than 6 years (29.3%) and use card service (81.5%).

<Table 3> Respondents' profile

Measure	Item	Frequency	Percentage (%)
Gender	Male	94	34.8
	Female	176	65.2
Age	younger than 18 years	1	0.4
	18-25 years	98	36.3
	26-35 years	98	36.3
	36-45 years	38	14.1
	46-55 years	31	11.5
	older than 56 years	4	1.5
Education level	Graduate or similar	57	21.1
	Undergraduate or similar	151	55.9
	High school	54	20.0
	Middle school	8	3.0
	Elementary school	-	-
Occupation	Student	67	24.8
	Self-employed	10	3.7
	Full-time public	115	42.6
	Private sector employee	64	23.7
	Other	14	5.2

Measure	Item	Frequency	Percentage (%)
Monthly income	less than 500,000 tug	160	59.3
	500,001 tug- 1,000,000 tug	88	32.6
	1,000,001 tug-1,500,000 tug	14	5.2
	more than 1,500,000 tug	8	3.0
Numbers of the serving banks	1	59	21.9
	2-3	195	72.2
	4-5	13	4.8
	more than 5	3	1.1
Relationship length with the main bank	less than 1 year	19	7.0
	1-2 years	38	14.1
	2-4 years	72	26.7
	4-6 years	62	23.0
	longer than 6 years	79	29.3
Services receiving from the main bank	Current accounts	163	60.4
	Savings accounts	166	61.5
	Card service	220	81.5
	Loan service	96	35.6
	E-banking	45	16.7
	Personal banking	14	5.2
	Asset management consulting	4	1.5
	Other	16	5.9

2. Measure development and validation

An initial pool of items was created from a review of the existing literature on customer trust and competitive advantage. Some items were taken from the previous literature with little modifications to fit the purpose of the thesis. The remaining items were developed through proposed definitions of the constructs.

As to perceived trustworthiness, we described 15 measurement variables adapted from Ennew and Sekhon (2007). This led to three-factor dimension of trustworthiness, consisting of, perceived ability, perceived integrity and perceived benevolence. Measures of trust were also adapted from Ennew and Sekhon (2007), containing five variables. Convenience was measured by adapting scale

items from Berry et al., (2002), containing five variables. Customization was measured by adapting scale items from Kwon Dul Hee (2008), containing four variables. Interest rate/service charge was measured by adapting scale items from Matzler et al., (2006), containing five variables. Intention to use bank was measured by three scale items. Two of them are adapted from Sajeev and Colgate (2001).

All constructs are measured using multiple indicators. A 5-point Likert-type scale was applied to measure the different constructs anchored from strongly disagree to strongly agree.

3. Data analysis

The data analysis was carried out in accordance with a two-step methodology (Anderson and Gerbing, 1988). Accordingly, the first we examined the measurement model to measure convergent and discriminant validity. Then we examined the structural model to investigate the strength and direction of the relationships among the theoretical constructs.

3.1 Analysis of the measurement model

The measurement model includes 22 indicators of seven exogenous and three endogenous constructs after elimination of some items by conducting a confirmatory factor analysis on items from subsets of theoretically related measures to assess the extent to which they reflected a single dimension (see Table 4).

Cronbach's alpha scores shown in Table 5 indicated each construct exhibited

strong internal reliability. Usually Cronbach's alpha .6 and .7 or above is considered to be criteria for demonstrating internal consistency of new scales and established scales respectively (Nunnally, 1998).

<Table 4> Eliminated items

Construct	Total items	Final items	Eliminated items
Perceived ability (ABI)	5	2	My main bank can be relied upon to give honest advice
			My main bank has the information it needs to conduct its business
			My main bank is consistent in what it provides service
Perceived integrity (TER)	5	2	My main bank is honest
			My main bank shows high integrity
			My main bank acts in the best interests of its customers
Perceived benevolence (BEN)	5	2	My main bank is responsive when contacted
			My main bank treats its customers fairly
			My main bank communicates clearly
Convenience (CON)	5	2	It was easy to get the information I needed to decide which bank to use
			It doesn't take much time to reach my bank
			Bank made it easy for me to resolve my problem
Customization (CUS)	4	3	If I want, my bank will provide service what I want even though not now.
Response time (RES)	4	2	Response time of bank on my request is fast
			Bank resolve my problem quickly
Interest rate/service charge (INT)	5	2	I do not believe that another bank would have the same or even a better service for the price
			Service fee and quality meet my needs
			I get better terms and conditions than others for the same service
Trust (TRU)	5	2	My bank is very reliable
			My bank has a reputation for having its customers interests at heart
			I feel my bank is trustworthy
Competitive advantage (ADV)	5	3	My bank offers its service better, faster and cheaper in compare to other banks
			My bank provides its service in differentiated and unique ways
Intention to use bank (USE)	3	2	I will recommend my bank to other people

<Table 5> Construct reliability and convergent validity

Construct/ indicator	Exploratory factor analysis (SPSS 16.0)			Confirmatory factor analysis (LISREL 8.51)		
	Item	Factor loading	Cronbach's alpha	t-value	Composite reliability (CR)	Average variance extracted (AVE)
Perceived ability (ABI)	Abi1	0.665	0.739	11.82	0.742	0.591
	Abi3	0.748		13.54		
Perceived integrity (TER)	Int3	0.748	0.777	13.06	0.777	0.635
	Int4	0.732		14.61		
Perceived benevolence (BEN)	Ben1	0.695	0.784	13.99	0.752	0.603
	Ben2	0.727		15.01		
Convenience (CON)	Con3	0.750	0.828	15.34	0.832	0.713
	Con4	0.781		17.11		
Customization (CUS)	Cus1	0.748	0.844	14.89	0.847	0.650
	Cus2	0.745		14.42		
	Cus4	0.790		16.83		
Response time (RES)	Res1	0.813	0.893	17.81	0.893	0.802
	Res3	0.830		18.68		
Interest rate/service charge (INT)	Int1	0.687	0.869	15.45	0.875	0.778
	Int2	0.767		19.10		
Trust (TRU)	Tru1	0.676	0.713	13.16	0.695	0.532
	Tru3	0.699		12.80		
Competitive advantage (ADV)	Com1	0.789	0.845	14.54	0.846	0.646
	Com3	0.842		17.01		
	Com5	0.808		15.35		
Intention to use bank (USE)	Intent1	0.831	0.864	17.48	0.867	0.766
	Intent3	0.846		17.54		

*** Significant at $p < .001$

Composite reliabilities of constructs are above 0.7, except trust (Bagozzi and Yi, 1988). Variance-extracted estimates are above 0.5, which indicates that there is more "signal" than "noise" in the data (Fornell et al., 1996). The fact that all the indicators load on the proposed constructs significantly (the t values range from 11.82 to 19.10), coupled with average variance-extracted estimates greater than 0.5 for each of the constructs, indicates convergent validity among items measuring the construct (Fornell and Larcker, 1981; Bagozzi and Yi, 1988). Also we employed confirmatory factor analysis (CFA) to refine the measurement model. The CFA revealed a relatively good fit to the data (chi-square=261.806, df=164 (p=0.000), GFI=0.921, AGFI=0.879, CFI=0.974, NFI=0.935, RMR=0.0203), thus confirming the efficacy of our measurement model.

Discriminant validity of the constructs, on the other hand, was checked by determining whether twice the standard errors of the correlations between the latent constructs (Φ) included the value of 1. If a value of 1 were to be included, this would suggest that there is no difference between the correlated constructs (Anderson and Gerbing, 1988). This was not found to be case for either data set, thereby indicating the discriminant validity of the constructs employed (see Table 6).

<Table 6> Discriminant validity

Construct	ABI	TER	BEN	CON	CUS	RES	INT	TRU	ADV	USE
ABI	1.000									
TER	0.628	1.000								
BEN	0.561	0.589	1.000							
CON	0.523	0.503	0.718	1.000						
CUS	0.565	0.644	0.752	0.749	1.000					
RES	0.514	0.488	0.686	0.781	0.716	1.000				
INT	0.438	0.501	0.600	0.554	0.646	0.698	1.000			
TRU	0.648	0.715	0.756	0.748	0.831	0.663	0.589	1.000		
ADV	0.659	0.574	.704	0.736	0.785	0.696	0.765	0.752	1.000	
USE	0.616	0.627	0.672	0.743	0.771	0.729	0.668	0.733	0.861	1.000

***significant at $p < .001$

3.2 Analysis of the structural model and hypothesis testing

The proposed model was tested on the basis of a structural equation model using LISREL 8.51. The results of the structural model are reported in Table 7.

We assessed the overall goodness-of-fit using the chi-square test. The results of structural equation modeling obtained for the proposed conceptual model revealed a ratio of chi-square to the degree of freedom (χ^2/df) of 1.73 ($p=0.000$), goodness-of-fit index (GFI) of 0.909, adjusted goodness-of-fit index (AGFI) of 0.871, comparative fit index (CFI) of 0.966, normed fit index (NFI) of 0.924, relative fit index (RFI) of 0.901, and root mean square error of approximation (RMSEA) of 0.0496 (see Figure 2). Generally, fit statistics greater than or equal

to 0.9 for GFI, NFI, RFI, and CFI indicate a good model fit (Bagozzi and Yi, 1991; Hair and et al., 1998). Furthermore, RMSEA values ranging from 0.05 to 0.08 are acceptable (Hair and et al., 1998); therefore, the RMSEA suggested that our model fit was acceptable. Other fit indices indicated that our proposed model obtained an adequate model fit.

<Table 7> Construct structural model

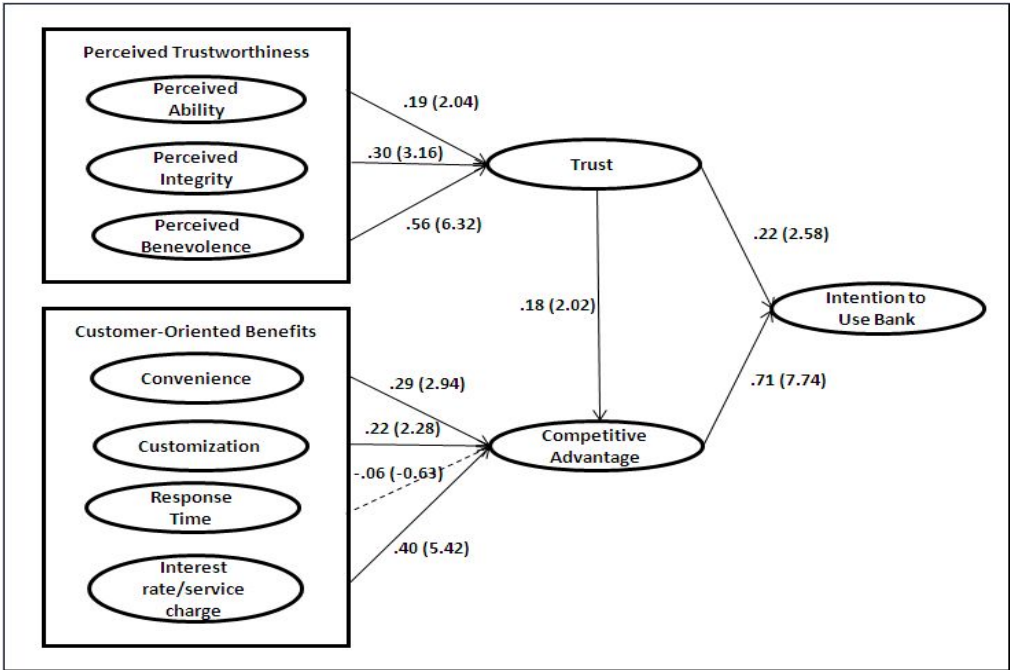
Hypothesis	Linkage in the model	Coefficient	t-value	Support
H1-1	Perceived ability → Trust	0.19	2.04*	O
H1-2	Perceived integrity → Trust	0.30	3.16**	O
H1-3	Perceived benevolence → Trust	0.56	6.32***	O
H2-1	Convenience → Competitive advantage	0.29	2.94**	O
H2-2	Customization → Competitive advantage	0.22	2.28*	O
H2-3	Response time → Competitive advantage	-0.06	-0.63	X
H2-4	Interest rate/service charge → Competitive advantage	0.40	5.42***	O
H3	Trust → Competitive advantage	0.18	2.02*	O
H4	Trust → Intention to use bank	0.22	2.58**	O
H5	Competitive advantage → Intention to use bank	0.71	7.74***	O

*p<.05, **p<.01, ***p<.001

Table 7 indicates that all relationships (H1 to H5), with the exception of H2-3, are supported as hypothesized. The findings indicate that perceived trustworthiness is positively associated with trust (respectively t=2.04, p<.05; t=3.16, p<0.01; t=6.32, p<.001). Thus, H1-1, H1-2, and H1-3 are supported. The implication is clear: the higher the perceived trustworthiness, the deeper is the trust. The relationship between customer-oriented benefits and competitive

advantage is also significant and positive (respectively $t=2.94, p<.01$; $t=2.28, p<.05$; $t=5.42, p<.001$). However, there is no statistical significance that response time will affect competitive advantage. Therefore, H2-3 is not supported. This may imply that bank with fast response time is not sufficient enough to result in competitive advantage. Thus, H2 is supported partially. It means that convenience, customization, and interest rate/service charge are positively associated with competitive advantage in support H2-1, H2-2 and H2-4. As expected, our findings support H3 and H4 that trust positively influences competitive advantage ($t=2.02, p<.05$) and intention to use bank ($t=2.58, p<.01$). Also our results show that competitive advantage has positive impact on intention to use bank ($t=7.74, p<.001$) in support H5. Our hypothesis results are shown in Figure 3.

<Figure 3> Results of structural modeling analysis



*GFI=0.909, AGFI=0.871, CFI=0.966, NFI=0.924, RFI=0.901, RMSEA= 0.0496

Chapter 4. Conclusion and Implications

This study aimed to examine the effects of main factors influence customers' bank use and to develop and validate multi-dimensional model of customers' intention to use bank in case of Mongolia. The results show that trust and competitive advantage as key determinant factors positively influence customers' intention to use bank. Also our results approved that trust significantly influences competitive advantage. It means that trust leads to create and maintain the competitive advantage.

More specifically, the main elements of trustworthiness which are perceived ability, perceived integrity, and perceived benevolence significantly affect trust in retail banking. Among the elements of perceived trustworthiness, perceived benevolence is the most important predictor of trust, indicating that customers expect more positive orientation of the bank toward the customers. It shows that Mongolians prefer employee-customer interaction than self-service technologies. It might be related to extensive use of technology has not been stucked to customers' use of bank in Mongolia. Thus, banks should find ways to initiate and foster electronic relationships with customers. If perceived ability, perceived integrity, and perceived benevolence were all perceived to be high, the trustee would be deemed quite trustworthy (Mayer et al., 1995). Therefore, it is recommended that Mongolian retail bankers consider all dimensions of trustworthiness identified in the thesis in building the overall customers' trust in the service provider. This is particularly important during the current economic slowdown because trust acts as a determinant of the relationship processes (Moorman et al., 1993) and helps in creating and maintaining competitive advantage (Barney and Hansen, 1994; Hoffman, 2000). We conclude that the

result showed the significance of the proposed conceptualization of trust. If banks better understand the true nature of trust, they have better chances to build up trust more systematically and maintain for long periods of time.

Although there are a number of papers related to the literature of competitive advantage, few studies discussed the issue of competitive advantage in the specific context. This thesis seeks to fill this gap by considering competitive advantage in the banking sector using survey collected from completed 270 questionnaires of total 313 bank customers in Mongolia. We construct propositions relating to a wide-scale investigation of competitive advantage, with reference to consumer-oriented benefits and customers' intention to use bank. Indeed, other researchers have noted the need for further research (Walley and Thwaites, 1996; Hoffman, 2000). Walley and Thwaites (1996) argue that further investigation is required into competitive advantage in a non-manufacturing context, mentioning financial services in particular.

As shown as result, customer-oriented benefits such as convenience, customization, and interest rate/service charge except response time significantly affect competitive advantage. Moreover, the results show that competitive advantage strongly relates to customers' intention to use bank. Regarding the elements of customer-oriented benefits, interest rate/service charge appears to be the most influential factor affects competitive advantage of the bank. This may be associated with interest rate/service charge of Mongolian retail banks is relatively high in compare to other developed countries. Tumennast (2008) stated that the two-tier banking system in Mongolia has functioned as one of the highest interest rate regimes in the world. Thus, we suggest that bank need to focus other factors such as convenience and customization to enhance its competitive advantage. As such, banks should use cross-selling opportunities to

provide convenience and customer data base information to deliver highly personalized and customized products. For instance, banks can combine over-the-counter services from stock-brokers and insurers at its large branches. Accordingly, there are agents, brokers, and insurance salespeople working together with bank salespeople in one branch. This multi-functional layout can increase the service convenience. Also bundled products, such as a mortgage and property insurance connected to a checking account or credit card, can be developed to provide service convenience. Furthermore, banks can leverage credit card holder usage data to cross-sell products by including customized promotions with credit card bills. This is an extremely cost-effective method of reaching the untapped market of credit card customers who meet the qualifications for certain products. Generally, we conclude that customer-oriented benefits enable banks to obtain and sustain more competitive advantage than its competitors and customers are likely to intent to use the bank that has got such competitive advantage.

This thesis complements the scant research stream dealing with customers' intention to use bank in Mongolia. Also this thesis serves as an insight for bank managers who are involved in retail bank marketing and strategic decisions in Mongolia. Bank managers could pursue all or any of the constructs as benchmarks in their current and/or future marketing deliberations.

The thesis is limited to represent the general public. It is only based on Mongolian case. The specific characteristics of current Mongolian financial services market, which can not be considered as a mature financial services market compared to other developed countries e.g. South Korea, generate concern. Thus, additional research is needed on another country's data to generalize the findings.

Future research is needed to in order to explore moderators of the links between trustworthiness and trust. This thesis has identified the linear relationship between the overall trustworthiness of a service provider and customers' overall trust in the service provider. It would be interesting to examine whether there exist a non-linear relationship between the two constructs. In addition, further research can extend this thesis by examining the effects of main factors influence customers' intention to use bank in the context of online banking.

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www.mongolbank.com

<Appendix: Survey>

Dear Respondents,

My name is Munkhjargal Purevsukh and I am conducting a survey for my research towards completing my Master of Business Administration thesis. The research field of my thesis is trust, competitive advantage and customers' intention to use bank.

Your answers will be treated with utmost confidentiality and utilized for academic purposes only. I sincerely hope you will answer with utmost honesty.

Thank you for your cooperation.

Conducted by

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Please answer following questions.

1. How many banks do you serve?

- 1 2-3 4-5 more than 5

2. Please name your main bank that presently you are serving

3. How many years do you cooperate with your main bank?

- less than 1 year 1-2 years 2-4 years
 4-6 years longer than 6 years

4. What kind of services do you receive from your main bank? (multiple answers possible)

- Current accounts Savings accounts Card service
 Loan service E-banking Personal banking
 Asset management consulting Other

Listed below are series of statements that represent main factors influence on customers' intention to use bank. With the respect to your own experience with your main bank, please answer the following statements by circling one of the number in the scale which best reflects the strength of your agreement or disagreement in relation to that statement.

Regarding the bank's perceived ability,		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	My main bank is knowledgeable	1	2	3	4	5
2	My main bank can be relied upon to give honest advice	1	2	3	4	5
3	My main bank is efficient	1	2	3	4	5
4	My main bank has the information it needs to conduct its business	1	2	3	4	5
5	My main bank is consistent in what it provides service	1	2	3	4	5

Listed below are series of statements that represent main factors influence on customers' intention to use bank. With the respect to your own experience with your main bank, please answer the following statements by circling one of the number in the scale which best reflects the strength of your agreement or disagreement in relation to that statement.

Regarding the bank's perceived integrity,		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	My main bank is honest	1	2	3	4	5
2	My main bank shows high integrity	1	2	3	4	5
3	My main bank conducts transactions fairly	1	2	3	4	5
4	My main bank keeps its word	1	2	3	4	5
5	My main bank acts in the best interests of its customers	1	2	3	4	5
Regarding the bank's perceived benevolence,		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	My main bank shows respect for the customer	1	2	3	4	5
2	My main bank competently handles all my requests	1	2	3	4	5
3	My main bank is responsive when contacted	1	2	3	4	5
4	My main bank treats its customers fairly	1	2	3	4	5
5	My main bank communicates clearly	1	2	3	4	5
Regarding the bank's trust,		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I trust my bank to do what it says it will do	1	2	3	4	5
2	My bank is very reliable	1	2	3	4	5
3	Overall I feel I can trust my bank	1	2	3	4	5
4	My bank has a reputation for having its customers interests at heart	1	2	3	4	5
5	I feel my bank is trustworthy	1	2	3	4	5

Listed below are series of statements that represent main factors influence on customers' intention to use bank. With the respect to your own experience with your main bank, please answer the following statements by circling one of the number in the scale which best reflects the strength of your agreement or disagreement in relation to that statement.

Regarding the bank's convenience,		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	It was easy to get the information I needed to decide which bank to use	1	2	3	4	5
2	It doesn't take much time to reach my bank	1	2	3	4	5
3	Bank made it easy for me to take the service	1	2	3	4	5
4	The service is easy to use	1	2	3	4	5
5	Bank made it easy for me to resolve my problem	1	2	3	4	5
Regarding the bank's customization,		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	My bank provides service suits my demand	1	2	3	4	5
2	My bank provides proper service to suit my needs in comparison to other banks	1	2	3	4	5
3	If I want, my bank will provide service what I want even though not now.	1	2	3	4	5
4	Overall my bank has got customized service	1	2	3	4	5
Regarding the bank's response time,		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Service process time of my bank is quick	1	2	3	4	5
2	Response time of bank on my request is fast	1	2	3	4	5
3	My bank has got prompt service	1	2	3	4	5
4	Bank resolve my problem quickly	1	2	3	4	5

Listed below are series of statements that represent main factors influence on customers' intention to use bank. With the respect to your own experience with your main bank, please answer the following statements by circling one of the number in the scale which best reflects the strength of your agreement or disagreement in relation to that statement.

Regarding the bank's interest rate/ service charge,		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Interest changes are communicated properly	1	2	3	4	5
2	All service charge components are clear, comprehensive and understandable	1	2	3	4	5
3	I do not believe that another bank would have the same or even a better service for the price	1	2	3	4	5
4	Service fee and quality meet my needs	1	2	3	4	5
5	I get better terms and conditions than others for the same service	1	2	3	4	5
Regarding the bank's competitive advantage,		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	My bank has got strong competitive advantage than other banks	1	2	3	4	5
2	My bank offers its service better, faster and cheaper in compare to other banks	1	2	3	4	5
3	My bank has got superior skills and resources than its competitors	1	2	3	4	5
4	My bank provides its service in differentiated and unique ways	1	2	3	4	5
5	My bank provides superior benefits to its customers	1	2	3	4	5
Regarding my intention to use the bank,		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I will do more business with my bank	1	2	3	4	5
2	I will recommend my bank to other people	1	2	3	4	5
3	I will continue to use my bank for future bank service	1	2	3	4	5

Please answer following demographic questions.

Gender: Male Female

Age:

- younger than 18 years 18-25 years
 26-35 years 36-45 years
 46-55 years older than 56 years

Level of education:

- Graduate or similar Undergraduate or similar
 High school Middle school
 Elementary school

Occupation:

- Student Self-employed
 Full-time public Private sector employee
 Other

Your monthly income:

- less than 500,000 tug 500,001 tug- 1,000,000 tug
 1,000,001 tug-1,500,000 tug more than 1,500,000 tug

Thank you!

Эрхэм хүндэт санал асуулгад оролцогч танаа

Миний бие Пүрэвсүх овогтой Мөнхжаргал нь Бизнесийн Удирдлагын Магистрын зэрэг горилон энэхүү санал асуулгыг явуулж байгаа билээ. Миний судалгааны ажлын хүрээ бол харилцагчдын банкинд итгэх итгэл, банкны өрсөлдөөний давуу тал болон харилцагчдын банкны хэрэглээ юм.

Таны хариулт маш өндөр нууцлалд зөвхөн судалгааны зорилгоор ашиглагдах болно. Таныг энэнхүү санал асуулгад үнэн зөв хариулна гэдэгт найдаж байна.

Хамтран ажилласанд талархаж байна.

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Та доорх асуултуудад хариулна уу.

1. Та хэдэн банктай харилцдаг вэ?

- 1 2-3 4-5 5-аас дээш

2. Та өөрийн үйлчилүүлдэг гол харилцагч банкаа нэрлэнэ үү

3. Та энэхүү банктай хэдэн жил харилцаж байгаа вэ?

- 1-ээс доош жил 1-2 жил 2-4 жил
 4-6 жил 6-аас дээш жил

4. Та өөрийн гол харилцагч банкнаасаа ямар төрлийн үйлчилгээ авдаг вэ? (олон сонголт боломжтой)

- Харилцах данс Хадгаламж Карт
 Зээл Интернет банк Хувийн банкны үйлчилгээ
 Хөрөнгийн удирдлагын зөвлөгөө Бусад

Доорх өгүүлбэрүүд нь харилцагчдын банкны хэрэглээнд нөлөөлөх гол хүчин зүйлүүдийг илэрхийлсэн болно. Та өөрийн гол харилцагч банктайгаа харилцдаг туршлага дээрээ тулгуурлан доорх өгүүлбэрүүдтэй санал нийлж буй эсвэл нийлэхгүй байгаа эсэхээ хойд талын таван сонголтлоос нэгийг дугуйлан илэрхийлнэ үү.

Миний гол харилцагч банк чадварын хувьд...	Санал огт нийлэхгүй	Санал нийлэхгүй	Дунд зэрэг	Санал нийлнэ	Санал маш их нийлнэ
1 Мэдлэгтэй	1	2	3	4	5
2 Үнэн зөв зөвлөгөө өгдөг	1	2	3	4	5
3 Чадварлаг	1	2	3	4	5
4 Өөрийн үйл ажиллагаагаа явуулахад шаардлагатай мэдээллээр хангагдсан	1	2	3	4	5
5 Үйл ажиллагаандаа нийцсэн үйлчилгээ үзүүлдэг	1	2	3	4	5

Миний гол харилцагч банк үнэнч шударгын хувьд...		Санал огт ний лэхгүй	Санал ний лэхгүй	Дунд зэрэг	Санал ний лнэ	Санал маш их ний лнэ
1	Үнэнч	1	2	3	4	5
2	Маш шударга	1	2	3	4	5
3	Үнэнч шударгаар ажил гүй лгээ явуулдаг	1	2	3	4	5
4	Хэлсэн үгэндээ хүрдэг	1	2	3	4	5
5	Харилцагдынхаа эрх ашигт ний цсэн үй л ажиллагаа явуулдаг	1	2	3	4	5
Миний гол харилцагч банк нөхөрсөг харьцааны хувьд...		Санал огт ний лэхгүй	Санал ний лэхгүй	Дунд зэрэг	Санал ний лнэ	Санал маш их ний лнэ
1	Харилцагчиддаа хүндэтгэл үзүүлдэг	1	2	3	4	5
2	Бүх хүсэлтийг хүлээн авч ший двэрлэдэг	1	2	3	4	5
3	Холбоо барихад уриалагахан	1	2	3	4	5
4	Харилцагчидтай гаа үнэнч шударга харьцдаг	1	2	3	4	5
5	Харилцагчидтай гаа тодор-хой , ой лгомжтой харьцдаг	1	2	3	4	5
Миний гол харилцагч банкиндаа итгэх итгэлий н хувьд...		Санал огт ний лэхгүй	Санал ний лэхгүй	Дунд зэрэг	Санал ний лнэ	Санал маш их ний лнэ
1	Хий нэ гэж хэлсэн зүй лээ хэрэгжүүлдэг гэдэгт итгэдэг	1	2	3	4	5
2	Маш най двартай	1	2	3	4	5
3	Ерөнхий дөө би банкиндаа итгэдэг	1	2	3	4	5
4	Өөрий н харилцагдын ашиг сонирхолыг дээдэлсэн нэр хүндтэй банк	1	2	3	4	5
5	Итгэл даахуй ц банк	1	2	3	4	5

Миний гол харилцагч банкны үй лчилгээний ая тухын хувьд...		Санал огт ний лэхгүй	Санал ний лэхгүй	Дунд зэрэг	Санал ний лнэ	Санал маш их ний лнэ
1	Надад аль банкаар үй лчлүүлэхээ сонгоход шаардлагатай мэдээлэл олоход хялбар бай сан	1	2	3	4	5
2	Өөрий н харилцагч банкны салбарт очиход цаг их ордоггүй	1	2	3	4	5
3	Миний банк өөрий н үй лчилгээг хүлээн авахыг ихээхэн хялбарчилж өгсөн	1	2	3	4	5
4	Үй лчлүүлэхэд амар, хялбар	1	2	3	4	5
5	Миний банк асуудлуудаа ший двэрлэхий г минь ихээхэн хялбарчилж өгсөн	1	2	3	4	5
Миний гол харилцагч банкны харилцагчдынхаа хэрэгцээнд ний цсэн үй лчилгээний хувьд...		Санал огт ний лэхгүй	Санал ний лэхгүй	Дунд зэрэг	Дунд зэрэг	Санал маш их ний лнэ
1	Миний эрэлт хэрэгцээнд ний цсэн үй лчилгээ үзүүлдэг	1	2	3	4	5
2	Бусад банктай харьцуулахад миний хэрэгцээнд ний цсэн тохиромжой үй лчилгээ үзүүлдэг	1	2	3	4	5
3	Хэрэв би хүсвэл одоо биш ч гэсэн миний хүссэн үй лчилгээг үзүүлж чадна	1	2	3	4	5
4	Ерөнхий дөө миний банк харилцагчынхаа хэрэгцээнд ний цсэн үй лчилгээ үзүүлдэг	1	2	3	4	5
Миний гол харилцагч банкны харилцагчдад үзүүлэх хариу үй лдлий н хурдны хувьд...		Санал огт ний лэхгүй	Санал ний лэхгүй	Дунд зэрэг	Санал ний лнэ	Санал маш их ний лнэ
1	Үй лчилгээ үзүүлэх хугацаа хурдан	1	2	3	4	5
2	Миний хүсэлтэд хариу өгдөг	1	2	3	4	5
3	Түргэн шуурхай үй лчилгээ үзүүлдэг	1	2	3	4	5
4	Миний асуудлыг	1	2	3	4	5

Миний гол харилцагч банкны үйлчилгээний хүү шимтгэлийн хувьд...		Санал огт нийлэхгүй	Санал нийлэхгүй	Дунд зэрэг	Санал нийлэнэ	Санал маш их нийлэнэ
1	Үйлчилгээний хүүгийн нөөрчлөлт сайн мэдээлэгддэг	1	2	3	4	5
2	Үйлчилгээний бүх хүү шимтгэлийн нөхцөлүүдийг логомжтой, тодорхой, дэлгэрэнгүй	1	2	3	4	5
3	Бусад банкууд ижил эсвэл илүү сайн хүү шимтгэлийн нөхцөлтэй гэдэгт итгэхгүй байна	1	2	3	4	5
4	Үйлчилгээний төлбөр болон чанар миний хэрэгцээнд нийцсэн	1	2	3	4	5
5	Бусад банкны ижил төрлийн үйлчилгээтэй харьцуулахад илүү сайн нөхцөл, болзолтой үйлчилгээ үзүүлдэг	1	2	3	4	5
Миний гол харилцагч банкны өрсөлдөөний давуу талын хувьд...		Санал огт нийлэхгүй	Санал нийлэхгүй	Дунд зэрэг	Санал нийлэнэ	Санал маш их нийлэнэ
1	Бусад банктай харьцуулахад хүчтэй өрсөлдөөний давуу талтай	1	2	3	4	5
2	Бусад банктай харьцуулахад илүү сайн, хурдан, хямд үйлчилгээ үзүүлдэг	1	2	3	4	5
3	Өрсөлдөгчидөөсөө илүү давуу ур чадвар, нөөц бололцоотой	1	2	3	4	5
4	Өөрийн үйлчилгээгээ илүү ялгарсан, өвөрмөц, онцгой аргаар үзүүлдэг	1	2	3	4	5
5	Өөрийн харилцагчиддаа маш их ашиг тусыг өгдөг	1	2	3	4	5
Миний гол харилцагч банктай гаа харилцах хүсэл эрмэлзлэлийн хувьд...		Санал огт нийлэхгүй	Санал нийлэхгүй	Дунд зэрэг	Санал нийлэнэ	Санал маш их нийлэнэ
1	Цаашид ч энэ банктай илүү хамран ажиллах болно	1	2	3	4	5
2	Бусад хүмүүст өөрийн банкаар үйлчлүүлэхийг санал болгоно	1	2	3	4	5
3	Ирээдүйд банкны үйлчилгээ авахдаа энэхүү банкаараа үргэжлүүлэн үйлчлүүлнэ	1	2	3	4	5

Та доорх хүн ам зүй н холбогдолтой асуултуудад хариулна уу.

1. Хүйс: Эрэгтэй Эмэгтэй

2. Нас:

18-аас доош нас 18-25 нас 26-35 нас
 36-45 нас 46-55 нас 56-аас дээш нас

3. Боловсрол:

Доктор, магистр Бакалавр Бүрэн дунд
 Бүрэн бус дунд Бага ангийн боловсролтой

4. Эрхэлдэг ажил:

Оюутан Хувиараа хөдөлмөр эрхлэгч
 Төрийн байгууллагын ажилтан Хувийн салбарын ажилтан
 Бусад

5. Таны сарын орлого:

500,000 төгрөг хүртэл 500,001 төг- 1,000,000 төг
 1,000,001 төг-1,500,000 төг 1,500,000 төгрөгөөс дээш

Танд маш их баярлалаа!