

# Factors on Customer Satisfaction Among Credit Cooperatives in the City of Mati

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## Abstract

The study seeks to determine the factors on customer satisfaction among credit cooperatives in the City of Mati. To achieve the objectives of the study, a combination of descriptive and inferential research design was employed to analyze data collected through a structured survey questionnaire. The 302 respondents were selected using a purposive sampling method. The collected data from the survey were analyzed through frequency count, mean, exploratory factor analysis, and ANOVA. Results revealed that the top three loan products mostly availed are government salary loan, private salary loan, and cash advance, while in terms of savings, regular savings ranked as first. The results also determined the level of customer satisfaction, which is high in terms of all the factors that could influence it. The study further determined that the potent factors are professionalism, competency, high emotional intelligence, communication skills, implicit service promises, personal needs, reliability, responsiveness, and past experiences.

**Keywords:** credit cooperatives, customer satisfaction, exploratory factor analysis.

## 1. Introduction

The western concept of cooperativism was first introduced in the country over 100 years ago, albeit Filipino ancestors were already practicing it as manifested by the tradition of bayanihan or cooperation. It was in 1915 when the first cooperative-related law, the Rural Credit Cooperative Association Act (PA 2508), was enacted that facilitated the creation of agricultural credit associations and provided for their regulation. Since then, the cooperative movement in the country has survived and flourished despite the problems encountered by some of the cooperatives. One of the major developments in the country's cooperative movement in the 1990s was the creation of the Cooperative Development Authority (CDA) through Republic Act (RA) No. 6939, which took effect on March 1990. The CDA, along with its 14 regional extension offices distributed nationwide, takes care of registration and supervises registered cooperatives in the country. It was also mandated to promote the viability and growth of cooperatives as instruments of equity, social justice and economic development [7].

Members' satisfaction is a necessary condition for cooperatives to exist. Cooperatives, like any other business, depend on their members' pleasure to exist and grow [8]. Cooperatives must be able to offer their members—who also serve as their customers—valuable and distinctive terms and effective, innovative services in order to survive in the market. Cooperatives must be able to meet the expectations and demands of their members in addition to providing these [34]

Research findings suggested that satisfaction is the foundation of marketing regardless of the form of corporate organization [23] further emphasized this point of view. Satisfaction is a relevant predictor of

loyalty, where customers that are more satisfied tend to be more loyal and are more likely to recommend the bank to new customers by positive word of mouth [26].

In these literatures, consensus exists that expectations serve as standards with which subsequent experiences are compared, resulting in evaluations of satisfaction or quality. Consensus on other issues--the specific nature of the expectation standard, the number of standards used, and the sources or antecedents of expectations--has not yet been reached [29].

With limited studies crafted and published on the satisfaction of cooperative members on credit products and services, it is the aim of this paper to investigate the factors that satisfies the City of Mati credit cooperative members.

## 2. Objectives of the Study

This study aimed to identify factors that influence credit cooperative services satisfaction. It specifically:

1. Determined the services usually availed;
2. Determined the extent of the factors influence to customer satisfaction on credit cooperative services;
3. Identified the potent factors that influence customer satisfaction;
4. Examined the significant difference on the factors that influence cooperative customers when grouped according to their availed service; and
5. Examined the significant difference on the potent factors that influence cooperative customers when grouped according to their availed service.

## 3. Hypotheses

The hypotheses of the study were subjected to  $p < 0.05$ . These were the hypotheses:

H<sub>01</sub>: There is no significant difference on the factors that influence cooperative customer satisfaction when grouped according to their availed service.

H<sub>02</sub>: There is no significant difference on the potent factors that influence cooperative customer satisfaction when grouped according to their availed service.

## 4. Literature Review

Customer satisfaction is positively correlated with customer loyalty and advocacy, which ultimately lead to increased profitability and growth for financial institutions [5]. Factors such as *perceived value*, and *trust* have been found to significantly influence customer satisfaction in the banking industry. Thus, financial institutions need to continuously monitor and improve their service quality to meet changing customer needs and expectations. In addition, *technology* has also played a significant role in shaping customer satisfaction in the banking sector, with the adoption of digital channels and online banking services providing customers with more *convenience* and *flexibility*.

[2] concluded, a brand's image is made up of associations that may or may not be true to the outside world. Also, brand image is the means by which specific groups interpret all of the signals arising from the good or service. An organization's functional, symbolic, social, experiential, and visual benefits are all boosted by its company's image. Despite the fact that the results of this study revealed the correlation between the advantages of brand image and customer satisfaction and loyalty.

[32] stated that businesses recognize the importance of customer satisfaction and the potential opportunities it brings through positive feedback and word-of-mouth recommendations. h. A business regularly engages with its clients by completing transactions and offering after-sales support, service,

generating and growing additional sales prospects, etcetera. They all are intended to produce value from the customers that a business hopes to acquire in the future. This implies that organizations must recognize and capitalize on the primary factors that contribute to long-term client retention. Management generally accepted notion that satisfied consumers are more likely to return and that having satisfied clients are a benefit to the business. This is because customer satisfaction ought to be measured and converted into several measurable variables [18]

Customer satisfaction measurement may be considered as the most reliable feedback, providing client's preferences and experiences in an effective, direct, meaningful and objective way. Thus, customer satisfaction may be considered as a base line standard of performance and a possible standard of excellence for any organization.

Research showed that waiting longer than expected is less satisfying than waiting shorter than expected [16]. A general assumption was that there is a linear relationship between wait *time expectations* and customer satisfaction, where waiting shorter than expected always increases satisfaction, and waiting longer than expected always decreases [25]. According to this assumption, retailers' wait management strategies should always ensure that customers never wait longer than expected [20].

*Personal needs* refer to the unique requirements and desires of customers based on their individual situations and circumstances. These needs can vary widely among customers, and their satisfaction levels are often tied to how well the credit cooperative can fulfill these individual needs. Research has shown that customer satisfaction is strongly influenced by how well the organization can understand and address the personal needs of its customers [8]

As for *employee value or competencies*, it is defined as the accuracy of the information provided by advisers and their expertise of the services they offer while maintaining a specific level of professionalism in their interactions with customers [5]. According to earlier research, employees with high emotional intelligence frequently have the tendency to enhance the client's impression of the advisor's service that is being suggested for a particular client's need, which indirectly influences client satisfaction [5].

Furthermore, *communication skills* and *emotional intelligence* tend to lead to better interactions with bank clients and make it simpler to assess and recognize needs, which in turn reflects on the customers' perception of having a financial advisor who is knowledgeable and interested in their position. [7] competency is the combination of an employee's knowledge and abilities, their capacity for problem-solving and analysis, and their attitude toward their customers. Being able to act appropriately under pressure and provide a high level of service with a variety of people requires competence.

In the financial sector, employees' capacity to relate to clients and their requirements has grown more crucial and influences a customer's level of happiness [31]. According to studies, because employees serve as the company's ambassadors, their good attitudes toward their work frequently reflect favorably on customers and their happiness. This makes a business with satisfied employees tends to increase customer satisfaction levels by being more effective in providing *quicker response* times and the capacity to quickly assist customers by responding to their questions.

A high level of competence may make employees feel more important to the bank by allowing them to contribute more and without a manager overseeing every decision that is made. This may have a positive impact on the advisers' personal internal sense of satisfaction, which in turn affects how the customer is helped and ultimately increases customer satisfaction.

*Corporate reputation* can be a basis for perceived value of customer satisfaction, as customers may associate a company's reputation with the quality and value of its products or services. A positive corporate

reputation can enhance customers' perceptions of a company's offerings and increase their willingness to pay for them.

*Implicit service promises* are service-related cues other than explicit promises that lead to inferences about what the service should and will be like. These quality cues include price and the tangibles associated with the service. Research has shown that customers often use price and tangibles as surrogates of quality [34]. Also, Implicit service promises were first proposed by [35] as a potential antecedent of both desired and predicted expectations. They gave examples of tangibles and pricing, but this category might also include other elements like image and reputation considerations that could be interpreted as carrying an implicit promise. Also, when dealing with satisfaction,

*Past experience*, is the customer's previous exposure to service that is relevant to the focal service, is another force in shaping predictions and desires [27]. Previous experience may extend beyond experience of a particular service provider to a class of services or similar [36]. Small number of antecedents which are posited by (Zeithaml, Berry and Parasuraman 1993) among these are the consumer's personal needs, which include their bodily, social, and psychological needs. People have varying demands from the service and their relationship with the service provider; these needs are frequently determined by their past experiences. Thus, a client with strong dependency and social requirements, for instance, could have higher expectations for the kind of relationship and assistance they can expect.

[32] states that reliability is the capacity to supply services on schedule and with accuracy the first time around, without making any mistakes. While [25] state that responsiveness entails having the capacity to assist with inquiries or difficulties quickly.

With all of the factors mentioned from various studies that were associated to customer satisfaction including those that was mentioned under the next section, are the bases for undertaking this study.

## 5. Theoretical Bases

The theoretical framework for this study was based on the American Customer Satisfaction Index (ACSI) modelled by [13]. The ACSI model is a framework that explains the factors that influence customer satisfaction in the service sector. The model consists of three components: perceived quality, customer expectations, and perceived value.

Perceived quality included factors such as reliability, responsiveness, empathy, assurance, efficiency, and price transparency. These factors are considered crucial in determining the quality of service provided by credit cooperatives and are likely to influence customer satisfaction. For instance, customers are likely to be satisfied if they receive efficient and reliable services that meet their needs and are provided in a transparent manner.

Customer expectations, on the other hand, are influenced by factors such as experience, word-of-mouth communication, personal needs, and promotional activities. These factors can shape customer expectations and impact their perception of the service provided by credit cooperatives. Customer expectations are an important consideration in understanding customer satisfaction levels.

Lastly, perceived value included factors such as customer loyalty, trust, employee competence, corporate reputation, and tangibility. These factors can affect how customers perceive the value of the service provided by credit cooperatives and ultimately influence their satisfaction levels. For instance, customers are likely to be satisfied if they perceive that the service is of high quality, and if they trust the credit cooperative to provide reliable services that meet their needs.

Additionally, the study considered the impact of customer complaints on perceived quality and overall

customer satisfaction. According to the ACSI model, customer complaints can directly affect perceived quality and, in turn, influence overall customer satisfaction [13]

Utilizing this theory, helped identify the factors that contribute to customer satisfaction on the services of credit cooperatives, and provided a structure for organizing and analyzing the data collected in the study.

## 6. Methodology

### 6.1 Design

The research design for this study was a combination of descriptive design and inferential. Descriptive design was responsible for disclosing the most availed products and services of the customers/members, and the extent of influence of each of the factor. [28] asserted that descriptive design sought to accurately depict the events as they transpire in their natural environment. The researcher can only describe the variables using this kind of research design; they cannot be changed.

Meanwhile, inferential examined the most potent factors that lead to customer satisfaction, and resolved the significant difference between these influencers when grouped accordingly. In *inferential* statistics, it alludes to the presence of a model that can be used to predict future changes in a variable.

In addition, the study used a quantitative research approach to collect data from credit cooperative members in the City of Mati through a survey questionnaire. Using numerical answers, responses to the problems/objectives at hand were provided.

### 6.2 Sampling

The use of purposive sampling method in this research was deemed necessary to ensure the credibility and representativeness of the data gathered. It also ensured every member of the population to have equal chance of being selected, thereby minimizing bias in the selection process (Acharya et al., 2013). The criteria of a respondent included: 1. A member of a multi-purpose cooperative with credit services, or other cooperative that provides credit products and services; and 2. A member who have availed credit products and services from the cooperative.

In addition to purposive sampling, snowball sampling was applied. Since, the process did not undergo cooperative's permission to conduct considering members' satisfaction was to be evaluated, and interviewed at a place other than the cooperatives', the technique was beneficial in identifying the next respondent. A total of 300 respondents were collected, and examined.

### 6.3 Collection

As soon as the survey questionnaire was validated and approved, it was uploaded in an online/offline application for convenient and efficient collection of data. These individuals are cooperative individuals whom have already experienced availing loans from financial institutions. Cronbach alpha must reach .70 to pass reliability test. Any necessary modifications to the questionnaire were made based on the feedback from the pre-test.

Consequently, the collection of data starts with a person who qualifies as a respondent. After the face-to-face collection of data, enumerator asks the respondent for a referral to another respondent, until the sample size was achieved.

### 6.4 Data

To gather all the information required, quantitative data gathering technique was applied. A structured questionnaire was used (Appendix A). There were two sections: services mostly availed, and factors influencing customer satisfaction.

In discussing the results, a combination of primary and secondary data was provided for a more in-depth

analysis of the research problem and increase the validity of the study. All data collected were treated with confidentiality and privacy to ensure the protection of respondents' information. The data were analyzed using statistical methods to test the hypotheses, and achieve the research objectives.

### 6.5 Analyses

**Frequency count.** This treatment was utilized in disclosing the most availed credit products and services of the members. Hence, this resolved the first objective.

**Mean.** The average or mean measured the extent of the factors influencing members' satisfaction towards the grant of credit, answering the second objective.

**Exploratory Factor Analysis (EFA).** This was conducted to identify the underlying factors that contributed to customer satisfaction in credit cooperatives. This was done by examining the interrelationships among the variables and identifying commonalities and differences among them. In addition, the EFA provided insights into which dimensions of customer satisfaction that were of most importance to customers of credit cooperatives. Specifically, a principal component analysis with varimax rotation was used to extract the underlying factors. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity were used to evaluate the appropriateness of the data for factor analysis. On the other hand, Eigenvalues and factor loadings were used to identify the number of factors at a threshold of .500 and above. After, all factors were grouped according to their factor loading thereby determining further the potent group amongst all drawn components.

**Analysis of variance (ANOVA).** This statistical treatment was applied to resolve the significant difference of the factors identified when grouped according to the most availed services which revealed earlier by the frequency count, and when grouped according to the potent factors which were revealed by the EFA.

## 7. Results and Discussion

### 7.1 Products and services usually availed

Table 1 presents the ranking of the services availed by the respondents in terms of loans. The most availed service of cooperative was the government salary loan (30%) followed by private company salary loan (19%), cash advance (14%), and emergency loan (11%). On the other hand, the least availed services were the Accredited DepEd Employees' Salary Loan with 1%, computer loan with 2%, business loan with 4%, car loan with 5%, and convenient loan with 9%. Note that there were 5% from the respondents who did not avail loan services.

**Table 1. Services availed in terms of loans**

Loan	Frequency	Percent	Rank
Business Loan	18	.04	8
Government Salary Loan	124	.30	1
Car Loan	20	.05	6.5
Private Company Salary Loan	77	.19	2
Emergency Loan	43	.11	4
Cash Advance	56	.14	3
Convenient Loan	37	.09	5
Computer Loan	8	.02	9
Accredited DepEd Employees Salary Loan	6	.01	10

None	19	.05	6.5
<b>Total</b>	<b>408</b>	<b>1.00</b>	

The government salary loan was the most popular service since the majority of the members were government employees. These loans may have specific terms and conditions tailored for them. It was also considered more secured due to collateral-based payments and offer a low interest rate with a high guarantee of release.

Private company loans, on the other hand, were for employees of the private institution. These may vary based on the borrowers' profile, work history, and company history. Given that, the private sector here in Mati is limited. Thus, a cash advance was given to those who have already availed of loan service. They can add-up when unforeseen financial circumstances rise up, but this varies when their salary can catch up with more payments for another add-up loan account.

Table 2 shows the ranked services availed by the respondents in terms of savings. It the disclosed that the most availed service in terms of savings was the regular savings with 60.9%. Next, employees have both regular and share capital savings with 25.8%, and shared capital savings with 13.2%.

**Table 2. Services availed in terms of savings**

Savings	Frequency	Percent	Rank
Regular Savings	184	60.9	1
Share Capital Savings	40	13.2	3
Both	78	25.8	2
<b>Total</b>	<b>302</b>	<b>100.0</b>	

### 7.2 Extent of the factors influence to customer satisfaction on credit cooperative services

In Table 3, the mean scores of the factors that influence customer satisfaction are presented. The highest mean score of 3.4669 was obtained by customer loyalty which is interpreted as frequently manifested. On the other hand, the implicit service promises, and past experiences both obtained the lowest mean score of 3.2583 but were still on a high level and indicate frequent manifestation of customer satisfaction.

Based on the results, most of the cooperative members are influenced by the loyalty of customers in a cooperative. This would imply that most [2] delivery as perceived by other customers, thereby earning their loyalty and improving the company's image. The company's image shapes perceptions and expectations, which in turn affect how customers feel about their experiences. As what [2] had concluded that brand's image correlated with customer satisfaction and loyalty.

Most respondents also frequently manifest satisfaction with cooperatives where they can build trust. Furthermore, cooperatives that hire employees who approach each customer's demands with professionalism tend to have higher levels of customer satisfaction. This indicates that customers are likely to be satisfied with employees who display positive behaviors such as courtesy and respect and who serve with competence and knowledge. Convenience plays a crucial role in influencing the customer satisfaction of cooperative members by saving time, reducing effort, providing flexibility, and offering easily accessible, reliable, and secure services.

**Table 3. Extent of the factors influence to customer satisfaction on credit cooperative services**

Factors	Mean	Std. Deviation	Verbal Description	Interpretation (The factor is manifested ... )
Company's Image	3.4120	.55653	High	<i>Frequently</i>
Product Differentiation	3.3522	.50554	High	<i>Frequently</i>
Customer Loyalty	3.4669	.54428	High	<i>Frequently</i>
Company's Advocacy	3.3841	.55718	High	<i>Frequently</i>
Word of Mouth Communication	3.3808	.53206	High	<i>Frequently</i>
Perceived Value	3.3013	.52695	High	<i>Frequently</i>
Trust	3.4040	.53674	High	<i>Frequently</i>
Customer Expectations	3.3642	.55266	High	<i>Frequently</i>
Convenience	3.4007	.56037	High	<i>Frequently</i>
Flexibility	3.3411	.55247	High	<i>Frequently</i>
Response Time Expectations	3.3212	.55837	High	<i>Frequently</i>
Personal Needs	3.2848	.56330	High	<i>Frequently</i>
Transparent and Fair Pricing	3.3311	.56735	High	<i>Frequently</i>
Responsive Customer Service	3.3344	.57414	High	<i>Frequently</i>
Empathy	3.3113	.56103	High	<i>Frequently</i>
Promotional Activities	3.2649	.57294	High	<i>Frequently</i>
Employee Competencies	3.3146	.57960	High	<i>Frequently</i>
Corporate Reputation	3.3742	.55501	High	<i>Frequently</i>
Complain Processing	3.2914	.58881	High	<i>Frequently</i>
ICT	3.2682	.58575	High	<i>Frequently</i>
Marketing	3.3212	.59299	High	<i>Frequently</i>
Accessibility	3.3311	.59591	High	<i>Frequently</i>
Reliability	3.3742	.54291	High	<i>Frequently</i>
Responsiveness	3.3510	.56708	High	<i>Frequently</i>
Assurance	3.3510	.56708	High	<i>Frequently</i>
Professionalism	3.4040	.54898	High	<i>Frequently</i>
Competency	3.3709	.51056	High	<i>Frequently</i>
High Emotional Intelligence	3.3046	.56467	High	<i>Frequently</i>
Communication Skills	3.3212	.55837	High	<i>Frequently</i>
Implicit Service Promises	3.2583	.55242	High	<i>Frequently</i>
Past Experiences	3.2583	.55840	High	<i>Frequently</i>

Moreover, the results are in line with the research of [5] that showed positive correlation with customer satisfaction and customer loyalty. Also, factors such as *perceived value* and *trust* have been found to significantly influence customer satisfaction in the cooperative industry. Thus, financial institutions need



to continuously monitor and improve their service quality to meet changing customer needs and expectations. also concluded that employees who maintain professionalism mostly impress customers. On the other hand, implicit service promises, and past experiences obtained the least mean scores but can still affect customer satisfaction when their expectations in the company are not being met or they anticipate receiving. If the experience falls short of what was expected based on implicit promises, it leads to dissatisfaction. This coincides with [15] who found that implicit promises associated with service are often perceived as dimensions of good quality.

Customer loyalty affects customer satisfaction because loyal customers create excellent overview of the cooperative. Aside from cooperative services, customers created assurance through high level of satisfaction to aspiring members in the future. It is not always about what can the company offer, but how the body of the company delivered. Delivering the goods or services is more important than the company's capabilities. Alternatively, implicit service commitments shape members' opinions of the organization as well as how staff members interact with the customers. Unmet service promises can affect client satisfaction. Lastly, we can always learn from past experiences and apply it on present contrasting if there is improvement at the moment of employee-customer interaction.

### 7.3 Potent factors that influence customer satisfaction

EFA was appropriate to use given that Kaiser-Meyer-Olkin (KMO) was at .967, and Bartlett's test of sphericity was significant at 0.00.

Deleting other values from the result of the initial extraction, Table 4 presents the Rotated Component Matrix for the second extraction result which revealed that from 26 factors, they can be clustered or grouped into four (4) components. Further, based on the result, no factor has factor loading below .500, and that two extractions were enough (Table 4).

Component 1 included word of mouth, trust, convenience, response time expectations, customer loyalty, customer expectations, responsive customer service, and assurance. This component was called *Service Quality* which can be defined as dimensions that customers use to judge the quality of cooperative services. Component 2 consisted of professionalism, competency, high emotional intelligence, communication skills, implicit service promises, personal needs, reliability, responsiveness, and past experiences. These factors mostly lean towards the qualities of cooperative employees; therefore, Component 2 referred to as *Human Resource*.

**Table 4. Rotated Component Matrix**

	Component			
	1	2	3	4
Company's Image	.346	.304	.221	.667
Product Differentiation	.252	.192	.201	.808
Word of Mouth Communication	.648	.280	.114	.359
Trust	.641	.274	.348	.260
Convenience	.692	.114	.407	.211
Response Time Expectations	.647	.366	.240	.232
Promotional Activities	.148	.307	.634	.407
Corporate Reputation	.448	.266	.626	.171
Complain Processing	.464	.160	.641	.092

Information Communication Technology	.257	.418	.679	.166
Marketing	.127	.468	.674	.168
Accessibility	.348	.413	.652	.162
Professionalism	.510	.676	.127	.103
Competency	.338	.629	.280	.267
High Emotional Intelligence	.188	.748	.290	.251
Communication Skills	.262	.662	.309	.226
Implicit Services Promises	.173	.643	.286	.413
Customer Loyalty	.586	.384	.156	.261
Customer Expectations	.555	.159	.509	.238
Flexibility	.471	.227	.516	.358
Personal Needs	.309	.518	.457	.262
Responsive Customer Service	.530	.471	.383	.071
Reliability	.454	.577	.415	.055
Responsiveness	.519	.528	.392	.054
Assurance	.591	.580	.230	.027
Past Experiences	.197	.546	.359	.300
<b>Total</b>	<b>4.890</b>	<b>5.528</b>	<b>4.931</b>	<b>1.474</b>

Component 3 included promotional activities, corporate reputation, complaint processing, information communication technology, marketing, accessibility, customer expectations, and flexibility. This component, which was called *Customer Relations*, mostly covers methods and qualities that are used to establish and maintain customer relationships. Component 4 or the *Corporate Identity* factors are the company’s image and product differentiation. These factors show how a cooperative presents itself to its target market.

Adding the factor loadings (italicized) of each component, factors included in Component 2 or *Human Resource* emerged as the potent factors that influence customer satisfaction in cooperatives. This implies that most customers were influenced by the trustworthiness of the employees, and how they interact, and treat their clients. Employees who cater to customers with knowledge, expertise, and skills are likely to create positive customer experience, thus increasing customer satisfaction.

This result is consistent with the study of [12] which revealed that employee competency, level of professionalism, expertise, and emotional intelligence have tendencies to increase customer satisfaction. [13] also found that communication skills and emotional intelligence tend to lead to better interactions with bank clients. The ability of the employees to relate to customers became important that affects the level of customer satisfaction [31].

#### 7.4 Difference on the factors that influence cooperative customers when grouped according to their availed service

This study sought to determine the significant difference on the factors that influence cooperative customers when grouped according to their availed service (Table 5). From the ANOVA results, there are significant differences in company’s image (Sig. = .032), company’s advocacy (Sig. = .006), response time expectations (Sig. = .039), and personal needs (Sig. = .029) that influence customer satisfaction in terms of loan services.

From the results, a company's image plays a critical role in the decision-making process for availing loan services because it encompasses trust, credibility, reputation, customer service, transparency, and emotional assurance, all of which are essential factors for customers when making significant financial commitments. In terms of company's advocacy, this factor matters when availing of loan services because it provides social proof that creates an emotional connection with potential customers, therefore building good reputation and satisfaction. The response time expectation also matters when availing types of loan services especially for customers who apply for loans for immediate needs. Faster response time reduces their anxiety while waiting for loan decision, making the overall experience more pleasant for customers. Meanwhile, personal needs are also being considered by customers when selecting a type of loan service because they directly influence the type, amount, and terms of the loan that best suits the borrower.

**Table 5. ANOVA when grouped according to availed services**

Factors	Loans		Savings	
	F	Sig.	F	Sig.
Company's Image	2.070	.032	2.398	.093
Company's Advocacy	2.620	.006	1.928	.147
Response Time Expectations	1.997	.039	.645	.525
Information Communication Technology	1.721	.084	1.036	.356
Personal Needs	2.111	.029	.993	.372
Product Differentiation	1.413	.182	1.079	.341
Customer Loyalty	1.611	.112	.658	.519
Word of the Mouth Communication	1.051	.399	1.312	.271
Perceived Value	1.200	.294	1.614	.201
Trust	1.483	.153	.191	.826
Customer Expectations	1.052	.399	1.480	.229
Convenience	1.160	.320	3.541	.030
Flexibility	1.240	.270	.936	.393
Transparent and Fair Pricing	1.669	.096	.462	.631
Responsive Customer Service	1.289	.242	.981	.376
Empathy	.924	.504	3.009	.051
Promotional Activities	1.851	.059	2.403	.092
Employee Competencies	1.094	.367	.182	.834
Corporate Reputation	1.452	.165	1.337	.264
Complain Processing	1.366	.203	.911	.403
Marketing	1.782	.071	2.049	.131
Accessibility	1.397	.189	1.613	.201
Reliability	1.756	.076	2.038	.132
Responsiveness	.685	.722	.438	.646
Assurance	.962	.472	1.487	.228
Professionalism	1.509	.144	3.856	.022
Competency	.917	.511	2.118	.122
High Emotional Intelligence	.861	.561	2.215	.111

Communication Skills	.602	.795	2.220	.110
Implicit Services Promises	1.425	.177	4.232	.015
Past Experiences	1.071	.384	2.018	.135

As it was the objective of the study to sought the significant difference on the factors that influence cooperative customers when grouped according to their availed service in terms of savings, personal needs (Sig. = .030), professionalism (Sig. = .022), and implicit service promises (Sig. = .015) were found to have significant difference on the responses of members.

Results show that there is a significant difference in customers selecting a type of savings account in cooperatives when they consider their personal needs. This is supported by the result presented in the first objective of this study that there is a huge difference in the frequency distribution between the savings services availed by cooperative members, with regular savings in the first rank. This could be due to different financial situations and goals that customers want to attain through savings. Most cooperative members prefer for their money to be kept in a convenient, accessible, and flexible manner such as a regular savings.

Moreover, there is also a significant difference when considering the professionalism of cooperative personnel. This result is evident since the factors in Component 2 named *Human Resource* emerged as the potent factors that influence customer satisfaction. Based on this result, it can be inferred that cooperative members could have less understanding of the share capital savings leading them to avail it less than the regular savings. It is possible that workers did not provide adequate details about all the cooperative's savings options.

Another significant difference prevailed in the implicit service promises. Because of the possibility that customers have limited knowledge about share capital savings, their expectations mostly align with the benefit that they can get in availing the regular savings. Also, it could be possible that the returns in both savings options do not have much difference, thus, making the customers select regular savings as it is more accessible and flexible.

**7.5 Difference on the potent factors that influence cooperative customers when grouped according to their availed service**

This study sought to determine the significant difference on the potent factors that influence cooperative customers when grouped to their availed service. Table 6 shows that in terms of loan services, among the potent factors, only the personal needs of customers obtained a significant difference (Sig. = .029).

Cooperative customers are indeed affected by their personal needs when it comes to choosing types of loans. As what the first objective has obtained, the top three (3) types of loans mostly availed are government and private salary loans, and cash advance. These loan services offer huge loanable amounts backed by the customer’s salary for repayment. These loans are usually availed for the purposes of purchasing or improving properties and for their children’s education. This would suggest that most cooperative customers do not rely on or avail of loans that is used for trivial purposes.

**Table 6. ANOVA of potent factors when grouped according to availed services**

Potent Factors	Loan		Savings	
	F	Sig.	F	Sig.
Professionalism	1.509	.144	3.856	.022

Competency	.917	.511	2.118	.122
High Emotional Intelligence	.861	.561	2.215	.111
Communication Skills	.602	.795	2.220	.110
Implicit Services Promises	1.425	.177	4.232	.015
Personal Needs	2.111	.029	3.541	.030
Reliability	1.756	.076	2.038	.132
Responsiveness	.685	.722	.438	.646
Past Experiences	1.071	.384	2.018	.135

Meanwhile, the significant difference of potent factors when grouped according to savings shows that there is significant difference in professionalism (Sig. = .022), implicit service promises (Sig. = .015), and personal needs (Sig. = .022).

Professionalism as a potent factor still emerged with significant difference in selecting savings options. This result is consistent with the result in the fourth objective of this study. Cooperative members are mostly particular with the conduct and qualities of cooperative personnel who assist them in processing their savings account. Additionally, customer expectations that come from implicit service promises matter significantly in choosing savings options as they would likely want their expectations to be aligned with their preferences of which savings option would suit them best. Lastly, personal needs as a potent factor have significant difference in customers savings decisions. This difference might be caused by practical reasons such as financial discipline, liquidity, access, as well as financial goals like building emergency funds and planning for the future.

### Conclusion

This study was conducted to determine the factors that influence customer satisfaction on credit cooperative services. From the findings of the study, it can be concluded that there is a high level of customer satisfaction which is influenced by all the factors identified in this study. However, the factor contributing mostly to customer satisfaction is customer loyalty, while implicit service promises, and past experiences have the least influence.

This study further concludes that the potent factors mostly point to the qualities that cooperative employees possess that are exhibited when interacting with clients. With this result, Component 2, where the potent factors belong, was labeled as *Human Resource*. The potent factors include professionalism, competency, high emotional intelligence, communication skills, implicit service promises, personal needs, reliability, responsiveness, and past experiences.

After testing the significant difference of factors influencing the customers' choice of services availed, this study concludes that factors particularly company's image, company's advocacy, response time expectations, and personal needs significantly matter when cooperative customers choose a certain type of loan product. In terms of savings, there is a significant difference when factors which are personal needs, professionalism, and implicit service promises are considered. Using the potent factors in choosing loan services, only personal needs have a significant difference while professionalism, implicit service promises, and personal needs have a significant difference in choosing savings options.

## Recommendations

Based on the results, this study recommends more on marketing about the benefits of share capital savings and availing of government salary loan. Government salary loans can be a practical option for addressing short-term financial needs with long-term results. Typically, these loans are those regular government employees, and mostly members of the cooperative are from this group because its qualifications aren't as strict compared to other loans and offer low-interest rates.

Moreover, cooperative employees should orient more about share capital because it utilizes the company's ability to offer loans to the extent amounts that leads to more earnings. Dividend earnings bolster the company's image and that would result in customer loyalty resulting in attracting more members. Laying a strong foundation for competitive advantage and strategic foresight. Also, employees must execute strong communication with members to penetrate their emotional state to get to know their past experiences and leveraging this information into acceptable actions. Thus, meeting the implicit service promises to those who enter the company, and maintaining a positive can-do attitude.

Since the results revealed that potent factors are mostly inclined to the human resources of the cooperative, human resource managers must focus on improving, maintaining, and monitoring the competency, skills, and knowledge acquired by every employee. They must be given customer engagement training entailing consistency in the delivery of services. Not merely to comply, but to provide the greatest possible customer service while being an employee in the cooperative sector, always striving to increase customer satisfaction.

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