



**THE RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER  
SATISFACTION: A CASE STUDY OF CONG QUYNH COOPMART  
IN HO CHI MINH CITY, VIETNAM**

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**ABSTRACT**

*The study was conducted to analyze the factors affecting the satisfaction of foreign tourists for the quality of services at the Coopmart Cong Quynh. Qualitative and quantitative research methods were combined to conduct 266 customers with 47 observed variables to determine the factors affecting the satisfaction of customers for quality Service at Cong Quynh Coopmart. This paper conducted during the period from April 2014 to May 2015. the research results processed from SPSS 20.0 software through an adapted questionnaire on a 5-point Likert scale, the five-point scale is as follows: 1-Strongly disagree; 2-Disagree; 3-Neutral; 4-Agree and 5-Strongly Agree.*

*The study results showed that five-factor group is influenced (1) Competence, (2) Tangibles, (3) Access, (4) Responsiveness, and (5) Reliability. The objects of the findings are as following : First, to identify the factors that affect the satisfaction of customers for the quality of services at Cong Quynh Coopmart; Second, to determine the prior order of the impact degree of factors on affecting the satisfaction of customers for the quality of services at Cong Quynh Coopmart; Third, to propose solutions for enhancing the satisfaction of customers to the quality of services at Cong Quynh Coopmart.*

**INTRODUCTION**

Business services are a general industry, which is unlike any normal manufacturing; it is difficult to standardize the quality of service for travel service business because it does not only depend



on the policy its company. It does not rely on supply chain partners' related services but it also counts on the appreciation of our customers. Therefore, to satisfy the needs of customers and enhance competitiveness, every travel business need to know how to assess the service quality provided, what factors to or not to meet customers' demands, which factors to affect customers' perception most and others. Besides, customer satisfaction plays an important role within your business. Not only is it the leading indicator to measure customer loyalty, identify unhappy customers, reduce churn and increase revenue; it is also a key point of differentiation that helps you to attract new customers in competitive business environments.

Combined with the practical requirements of the teaching lecturer, the researcher had boldly chosen the title: "*The relationship between service quality and customer satisfaction: a case study of Cong Quynh Coopmart in Ho Chi Minh city, Vietnam*" as a paper for researching in the developing of the service quality of the Cong Quynh Coopmart in Ho Chi Minh city to meet social need.

## **LITERATURE REVIEW**

The Servqual scale model (Parasuraman, 1985) is one key tool in marketing activities used to evaluate the service quality of service. Many authors studied and tested Servqual scale with different theories that are evaluated Servqual scale reliability and high value. This scale can be applied in the different types of services such as retail sector, restaurants, hotels, hospitals, supermarkets, schools, airlines and others. Servqual scale measures service quality based on the perception by customers using its service. Parasuraman et al (1985) said that in any services the quality of service perceived by customers could apply to the scale of the model including the 10 components Reliable, Responsiveness, Competence, Access, Courtesy, Communication, Credibility, Security, Understanding customers, Tangibles. Later, many authors studied and tested selected models 5-6 scale model as noticed some overlapping scales and close correlation. Cronin and Taylor (1992, 1995) systemarized Servqual model into Servperf model which had 05 factors according to flexibility depending on the service sector. The model applied for this research



includes 05 key factors determining the quality of the service including, reliability, responsiveness, competence, access, and tangibles.

**Reliability:** the term refers to the ability to perform services on time and fix right the first time, the ability to ensure the services is performed as promised with certainty exactly. [Cronin and Taylor, (1992, 1995)]

**Responsiveness:** the desire and willingness of staff to provide services to customers; the guarantee of the quality and quantity of sources; the on-time guarantee and delivery schedules; the assurance of processes and process test work shows class carriage of the service provider. [Cronin and Taylor, (1992, 1995)]

**Competence** refers to qualifications to perform the service, the ability to manifest when serving staff with customer contact employees directly performing services, research capabilities to capture information related need for customer service. In other words, the assurance of qualifications, the attitudes of staff and their ability create trust and confidence in clients. The spirit and enthusiasm of the staff is always ready to serve will ensure rapid implementation and quality. [Cronin and Taylor, (1992, 1995)]

**Access:** Access implies the exposure and interaction with customers and business in introducing products and services. It is committed to the implementation of the service or in other words, the approach involves creating easy conditions for customers to access services such as shortening the waiting time of customers, serving locations and opening hours convenient for customers. [Cronin and Taylor, (1992, 1995)]

**Tangibles** is the set of elements as tangible evidence of physical material, equipment, people and information materials, service personnel costume, support equipment for the provision of services. [Cronin and Taylor, (1992, 1995)]

## RESEARCH MODEL

Based on the theoretical framework of Servqual and Servperl Models of Parasuraman and other authors, ideas from experts in the retail sector are consulted and a formal model of study is proposed as following:

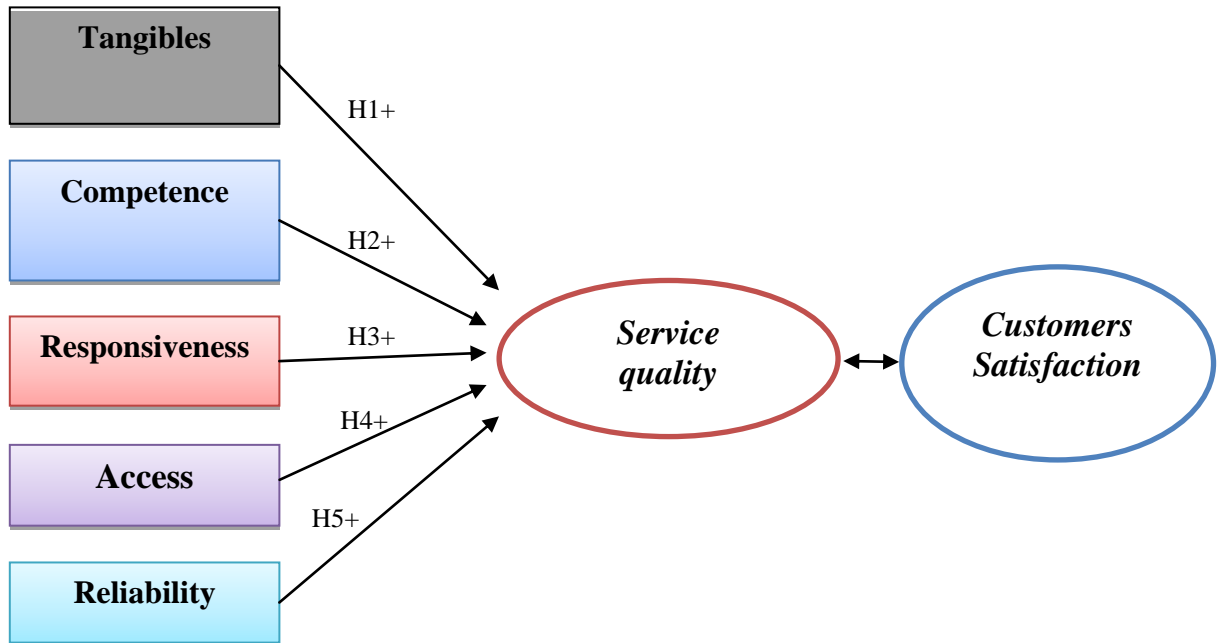


Figure 1: Research model for the factors influencing the Customers Satisfaction through Service Quality

**Hypothesis:**

- H1: There is relationship between tangibles and satisfaction
- H2: There is relationship between competence and satisfaction
- H3: There is relationship between responsiveness and satisfaction
- H4: There is relationship between access and satisfaction
- H5: There is relationship between reliability and satisfaction

**METHOD OF RESEARCH**

The two major research methods, qualitative and quantitative research are focused, specifically; the research process has three stages:

**Stage 1:** Based on theory and the related results mentioned the above, qualitative research method was used for group discussing and leading experts consulting to select the variables and observed variable groups.



**Stage 2:** Based on the factor groups of foreign tourists' satisfaction to the service quality at Coopmart Cong Quynh, a questionnaire survey is designed and conducted to collect the opinions of 277 customers in HCM city. The research model includes five scales, 47 observed variables (questionnaires), using 5-point Likert scale (Likert scale with a 5-point), Distance value =  $(\text{Maximum} - \text{Minimum})/n = (5-1)/5 = 0.8$ : 1. Completely disagree; 2. Disagree; 3. No opinion/Normal; 4. Agree; 5. Completely agree. Survey results were entered SPSS 20.0 and Cronbach's Alpha coefficient was used to test reliability of the scale.

**Stage 3:** After testing the reliability using Cronbach's alpha coefficient, Exploratory Factor Analysis - EFA was analyzed to shrink and summarize the data of the scale (Hoang Trong Chu and Nguyen Mong Ngoc, 2005 "Quantitative Research SPSS"). This method is based on extraction ratio factor (Eigenvalue), under which only those factors having rasion (Eigenvalue) greater than 1 will be kept, those smaller than one will not show information better than origin variable because after standardizing, each original variance is 1. The method of extracting the main components (Principal components) and original method of factor rotation (Varimax Procedure) were used to minimize the number of variables that have large coefficients for the same factor, which increases explaining the factors.

## RESEARCH RESULTS

### Descriptive statistics Summary

**Table 1: Descriptive Statistics for the factors influencing the Customers Satisfaction through Service Quality**

QUESTIONS	N	Mean
REL01: Always perform exactly with what has been committed	266	3.48
REL02: Perform appropriate and right services at the first time	266	3.37
REL03: Always provide adequate, accurate and timely information	266	3.56
REL04: Personal information of customers is always confidential	266	3.41
REL05 Always resolve complaints quickly and satisfactorily	266	3.43



REL06: Our supermarket has won reputation in the market many years	266	3.48
REL07: Our supermarket's image has made a good and deep impression for customers for years	266	3.44
RES01: Product categories and services are rich and varied	266	3.35
RES02: Quality of products is good	266	3.18
RES03: Goods and services are different and unique	266	3.02
RES04: Customer services are good and professional	266	3.11
RES05: Quality products and services are excellent	266	3.17
RES06: Consulting services, online sales and delivery are quick and professional	266	3.16
RES07: Availability and implementing services arising (if any) are good and in time	266	3.07
RES08: Test procedure of services are done well and regularly	266	3.14
RES09: There is a good link among the major, professional and prestigious service providers	266	3.33
ACC01: Location is convenient and favorable for customers	266	3.22
ACC02: Service time is easy and convenient for customers to transaction	266	3.22
ACC03: The forms and means of payment are varied and flexible (Online, Visa Master Card, Visa Debit Card)	266	3.14
ACC04: The transaction are diversified, flexible and good (Reply online, phone, Skype, Zalo, video chat ...)	266	3.25
ACC05: Receiving and transaction process in selling of the business are very quick and professional	266	3.20
ACC06: It's easy to find information about products and services at supermarket, website and poster	266	3.17
ACC07: Website interface is good, impressive and easy using	266	3.27



ACC08: It's easy to find information about our products and services on the website and the sales channel by network	266	3.18
ACC09: Propaganda activities on the social network are very good	266	3.33
ACC10: Goods on stalls are beautiful and logical	266	2.87
COM01: Staff have extensive knowledge in goods	266	2.95
COM02: Staff have good qualifications	266	2.98
COM03: Staff handle problems quickly and accurately	266	3.02
COM04: Staff can reach the needs of customers quickly	266	2.93
COM05: Staff do consultancy work dedicatedly, specifically, clearly, completely and accurately	266	3.06
COM06: Staff are willing to serve customers when needed	266	3.14
COM07: Staff have sense of enthusiasm in serving	266	3.00
COM08: Staff answer questions clearly, accurately and adequately	266	3.10
TAN01: Facilities such as offices, sales offices, counters etc. are good, beautiful, elegant and modern	266	3.30
TAN02: Layout inside the supermarket is nice, neat and logical	266	3.33
TAN03: Facilities, and equipment are modern and appropriate such as trolleys, tracking goods machines, etc.	266	3.26
TAN04: Documents and publications introducing products and services very attractive and professional	266	3.27
TAN05: Parking lot is large, modern and convenient	266	3.25
TAN06: Toilets are nice, courteous and modern (art picture, spacious, clean, toilet paper, hand wash, etc.)	266	3.26
TAN07: The waiting room is beautiful, courteous, modern and friendly (cozy, luxurious, airy, clean, free Wi-Fi, etc.)	266	3.22
TAN08: Online sales have all information that is easy to use and professional	266	3.21



TAN09: Apparel of staff are beautiful, impressive and distinctive	266	3.17
TAN10: 24-hour customer service hotline	266	2.68
SAT01: I am very pleased with the service quality of the supermarket	266	3.09
SAT02: I will continue using your services of the supermarket in the future	266	3.24
SAT03: I will introduce my relatives and friends to use the services	266	3.16

(Source: The researcher's collecting data and SPSS)

Table 1 showed that the average results of auditing the scales showed that most of the scales are average and good from 2.68 to 3.56. The observed variables in Scales "Reliability" fluctuate from 3.37 to 3.56 and the observed variables in scale "Responsiveness" change from 3.02 to 3.35. However, the scale "competence" is quite low, the observed variables range from 2.98 to 3.14. Thus, tourists have not really rated the knowledge, qualifications, professional and attitude of the staff. Standard deviation (SD) value is around 1.0. The Mean is around 3.0. This showed that the Data is very good for the testing of Cronbach's Alpha following.

### Testing the results of reliability scales

The test results scale (details in table 3) shows that the scale has good accuracy with Cronbach's alpha coefficient  $> 0.7$  and the correlation coefficients of the total variables of measurement variables meet the allowed standard ( $> 0.3$ ), the scale will be accepted. From the initial 47 observed variables, 2 variables are eliminated: Observed Variable "ACC10" for the reliability of this factor to increase 0.889; observed variables "TAN10" for the reliability of these factors to increase 0.913. The scales are better with 45 variables left so it would be suitable to Exploratory Factor Analysis.

### Table 2: Cronbach's Alpha for the factors influencing the Customers Satisfaction through Service Quality





Code	Factors	Hệ số Cronbach's Alpha
REL	Reliability	0.888
RES	Responsiveness	0.915
ACC	Access	0.889
COM	Competition	0.918
TAN	Tangible	0.913

(Source: The researcher's collecting data and SPSS)

Table 2 showed that the test results of scales had pretty high accuracy on Cronbach's alpha coefficient were  $> 0.6$  and the total correlation coefficients of the variables measurement met the standard ( $> 0.3$ ). The scales were acceptable. Therefore, the scale would be better, there were 47 items observed left for analyzing factors explored in the next step.

### Exploratory Factor Analysis (EFA)

The results of EFA (Exploratory Factor Analysis) show the total variance extracted is 60.095% greater than 50%. This means that the withdrawing factors would explain 60.095 % for model, 39.905 % is explained by other factors. Extraction ratio factor (Eigenvalue) is greater than 1 that is kept.

**Table 3: Factor Analysis the factors influencing the Customers Satisfaction through Service Quality**

Code	Components				
	1	2	3	4	5
TAN02	.801				
TAN03	.776				
TAN07	.774				
TAN09	.769				
TAN05	.768				
TAN08	.763				



TAN06	.763				
TAN01	.747				
TAN04	.548				
COM04		.777			
COM05		.768			
COM03		.765			
COM07		.759			
COM01		.729			
COM08		.717			
COM02		.684			
COM06		.673			
RES08			.763		
RES05			.751		
RES06			.727		
RES07			.714		
RES04			.696		
RES02			.677		
RES03			.671		
RES09			.605		
RES01			.579		
ACC09				.803	
ACC01				.771	
ACC02				.769	
ACC08				.744	
ACC04				.714	
ACC07				.701	



ACC06				.662	
ACC05				.614	
ACC03				.613	
REL05					.795
REL02					.769
REL01					.754
REL07					.720
REL04					.700
REL06					.698
REL03					.647

(Source: The researcher's collecting data and SPSS)

Table 3 showed that the model of EFA (Exploratory Factor Analysis) is consistent with the data, calculated into five groups of factors and these results may be used for a multiple regression analysis.

### Analysis of multiple linear regressions

Regression analysis method is to study level of influence of one or more independent variables to one dependent variable to predict outcome variables based on the value of explanatory variables in advance. To measure the extent of the impact of the factors groups to competitiveness, analysis and multiple linear regression were analyzed to test the hypotheses of model with 5 factors groups are independent variables to measure the satisfaction of international tourists to the service quality of Coopmart Cong Quynh

The results showed that the influence degree of these factors reflected through multiple regression coefficients. To compare the effects of the factors, regression coefficients were normalized for this coefficient did not depend on the scale (Nguyen Dinh Tho - Nguyen Thi Mai Trang, 2009, page 126). Thus, the standardized regression equation was used to analyze the



degree of influence of these factors to the satisfaction of international customers to service quality of Coopmart.

**Table 4: Summary model for the factors influencing the Customers Satisfaction through Service Quality**

<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>	<i>Durbin-Watson</i>
1	.732 <sup>a</sup>	.536	.527	.482	<b>1.939</b>

*ANOVA*

<i>Model</i>		<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
1	Regression	69.874	5	13.975	60.158	.000 <sup>b</sup>
	Residual	60.398	260	.232		
	Total	130.271	265			

*Coefficients*

<i>Factors</i>	<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients (Beta)</i>	<i>t</i>	<i>Sig.</i>	<i>linearity Statistics</i>	
	<i>B</i>	<i>Std.Error</i>				<i>Tolerance</i>	<i>VIF</i>
(Constant)	.226	.215		1.052	.294		
X1: (TAN)	.158	.052	.143	3.031	.003	.797	1.254
X2:(COM)	.391	.048	.456	8.214	.000	.579	1.728
X3: (RES)	.123	.054	.132	2.263	.024	.524	1.907
X4: (ACC)	.135	.047	.133	2.862	.005	.823	1.215
X5: (REL)	.120	.050	.122	2.426	.016	.705	1.418



(Source: The researcher's collecting data and SPSS)

Table 4 showed that the correlation coefficient adjustment:  $R^2=0.527$  (verification F, sig.  $< 0.05$ ); which means 52.27 % of the variable Y shift is explained by the five independent variables ( $X_i$ ). Coefficient Durbin - Watson ( $d$ ) = 1.939; some observers  $n = 266$ , parameter  $k = 6$ , the level of significance of 0.01 (99 %), in the statistical tables Durbin - Watson,  $dL$  (less statistical value) = 1.623 and  $dU$  (statistical value over) = 1.725. So ( $dL = 1.623$ )  $<$  ( $d = 1.939$ )  $<$  [ $4 - (dU = 1.725) = 2.275$ ] proved that the model has no autocorrelation.

Accreditation ANOVA from table 4 is to assess the relevance of the theoretical regression model. The test results  $F = 60,158$  value and  $Sig. = 0.000 < 0.05$  shows the building model is consistent with the data set and the variables included in the model are related to the dependent variable. Generally, regression analysis is 99 % reliability, corresponding to the selected variables with statistically significant at the  $p < 0.01$ ; the results also show that all variables satisfy the demand. Verification of conformity of the model show that multi-linearity phenomenon does not violate ( $VIF < 10$ )

## CONCLUSIONS

There are five factors affecting customers' satisfaction and the degree of influence of each factor is different. According to the analysis, five factors have positively correlated to customers' satisfaction, respectively: (1) Competence; (2) Tangible; (3) Access; (4) Responsiveness; (5) Reliability. This is an important basis for corporate to review its strategic business in the future.

First of all, Competence is assessed primarily related to personnel, and it also perceived though service, attitude, specialty and willingness to serve customers. So, the first thing for Coopart Cong Quynh to do is to improve the quality of human resources such as training courses for additional professional knowledge, customer care, interaction with customers to enhance service quality.

Secondly, infrastructure, machinery, equipment, merchandise, staff attire are factors directly involved in the process of providing quality service to customers. Therefore, by offering



solutions to improve and enhance the quality of the above factors such as investing stalls, modern toilets, , parking, specialized equipment to help customers facilitate during lookups etc. Thirdly, The value of customer needs increasing such as logical and beautiful layout; developing online payment service, by phone, credit card payments; applying more and flexible means of payment (online, Visa Master Card, Visa Debit Card) to ensure the convenience, facility for customers. Besides, specialized HTVCoop sales channel should be maintained and completed. Fourthly, In addition to providing more products, services and diversified goods, the supermarket should have more constructive supply chain in order to avoid the peak season and the negative impact from the business environment. Supermarkets need a professional sales department and customer care to improve service, especially VIP customer. Finally, although reliability level of customers is high, Coopmart Cong Quynh should improve it at the highest level. Bernd Stauss and Neuhaus Patrica (1997) studied that if customers' satisfaction level is good or level 4 in 5 Likert scale, customers can leave business. Nevertheless, if customers have the highest level of satisfaction, they can be loyal to companies. The customers with average satisfaction level, they can easily leave for other competitors.

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