The Impact of Word of Mouth on Customer Satisfaction: An Empirical Study at a Music Tea Room in Ho Chi Minh City, Vietnam

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Abstract

Purpose: This paper investigates both the direct impact and indirect impact of word of mouth on intention to return to tea rooms in Ho Chi Minh City – Vietnam.

Design/Methodology/Approach: direct impact of Word of mouth on intention to return to tea rooms and indirect impact of word of mouth on intention to return to tea rooms via mediating role of customer satisfaction, confirmed by 277 customers who come directly to Music Tea Rooms in Ho Chi Minh City – Vietnam and applying confirmatory factor analysis (CFA) and linear structural (SEM) models to test the hypotheses.

Findings: The result shows that direct impact and indirect impact of word of mouth on intention to return to tea rooms via mediating role of customer satisfaction

Conclusion: Intention to return to tea rooms are directly and indirectly impacted by word of mouth via mediating role of customer satisfaction

Practical Implications: The paper's investigation has implications for managers who run directly the tea rooms in Ho Chi Minh City – Vietnam where to build performance oriented strategics.

Limitations: this paper has been only tested in Ho Chi Minh City - Vietnam; therefore, there could evaluations generalization in research scope.

Keywords: *word of mouth, customer satisfaction, intention to return, Ho Chi Minh City.*

1. Introduction

Many Northern musicians and singers migrated to Saigon (Ho Chi Minh City – Vietnam) since 1954, contributing to the music diversity in the South during this period with other music type for many audiences, the vibrant music market - as well as famous singers help tea rooms to come upon the golden stage, therefore; it is believed for going to the tea rooms and listening to music to be a cultural feature in Ho Chi Minh City – Vietnam (Tran Khanh An, 2023).

The music tea room, a cultural feature in Ho Chi Minh City, has gradually faded and there cannot exist that due to lack of operation capacity, moreover, there arises the development of the new performance types and changes the entertainment needs of audience and market that impact on show activities in Ho Chi Minh City – Vietnam;

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especially, the Covid 19 Pedamic has had a strong impact on all activities and lives of people in Ho Chi Minh City - Vietnam, and tea rooms are also impacted seriously (Duyen Vo, 2023).

Particularly, many tea rooms closed and many singers changed their jobs. Although the Covid-19 epidemic has passed but the opening of tea rooms is still limited because the number of visitors to the tea rooms is also rare, so that how to attract the customers to the tea room; more specifically, what factors impact on customers' intention to return to tea room?

So, it is necessary to research the causes that affect the intention to return to the tea room; more specially, the authors choose the research topic "The impact of word of mouth on intention to return to the tea room through the mediating role of satisfaction: the case of tea rooms in Ho Chi Minh City – Vietnam" for this paper to be essential.

2. Literature review

2.1. The Theory of Reasoned Action (TRA)

It is the theory of reasoned action that describes how a customer makes a buying behavior (Ha, 1998); it also confirms that subjective norm and attitude toward buying are the precursors of performed behavior (Ha, 1998); the two precursors (subjective norm and attitude) impact on the purchase behavior additively, although a conceptual explanation was risen earlier showing to an interaction as well as direct influences (Ha, 1998); it is thought that operational measures of the concepts have been affirmed to have seperate effects on the purchase behavior (Ha, 1998). Beta weight analysis has implications for marketing strategies as a means of ascertaining whether product purchase intentions or brand are primarily under social or attitudinal influence control, if the additivity of attitude and subjective norm assumption can be supported (Ha, 1998).

Furthermore, Ha (1998) gave two important propositions in order to contribute to the theory of reasoned action; first, estimating a purchase behavior, it is necessary to measure a person's attitude toward showing that behavior, not just the attitude to the object that the purchasing behavior is (Ha, 1998). For example, yet the person may never purchase the jewelry, although that a person's attitude toward a jewelry is good (Ha, 1998); second, out of the attitude toward the behavior, TRA consists of a second determinant of apparent behavior: the subjective norm, there used the subjective norm to measure the social effects on a person's behavior (i.e., family members' expectations), we can admit that it may be some situations that behavior is not controlled by the attitudinal of individuals; rather, ultimate behavioral performances are impacted on by the expectation of relevant others (Ha, 1998).

2.2. The Theory of Planned Behavior (TPB)

The theory of planned behavior is the extended work of Ajzen and Fishbein who was in 1969 and that they proposed the theory of reasoned action (Sondari & Sudarsono, 2015); therefore, it is believed that there can predict one's behavior through the intention by the model of this theory (TPB), intention is confirmed as a person's perception towards probability to conduct behavior (Sondari & Sudarsono, 2015); it is attitudes, subjective norms, and perceived controlled behavior that are considered as three antecedents of intention; according to Ajzen and Fishbein, attitude is admitted as the level of what extent a person has feelings that favored or unfavored to particular psychological object, beside, subjective norms is affirmed as a person's perception to be concerned the probability of other individuals or group as a reference, disagree or agree with particular behavior that a person intent to do, and the perceived behavior control behavior can be admitted as a person's assumption to have confidence in one's capacity to direct particular behavior (Sondari & Sudarsono, 2015); the model is showed in figure 1
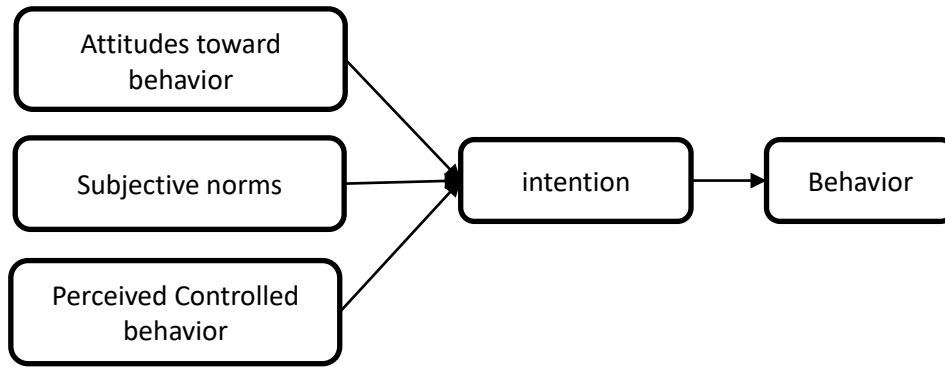
Figure 1, theory of planned behavior (Sondari & Sudarsono, 2015)

2.3. Self-determination theory

Self-determination theory's view is that a person has congenital disposition to improve her/his development, motivation, and well-being (Gao et al., 2018); in particular, to what extent of one person satisfies basic psychological needs for autonomy, capacity and relatedness effected on his/her well-being, intrinsic motivation, satisfaction (Gao et al., 2018); wherein, autonomy is considered as the desire to experience emotions of preference and to discern the base of one's actions, and there fully affirms that whose behavior as actual and concord with how a person would act, but it does not pay attention to the external influences (Gao et al., 2018); besides, capacity relates to the belief in a person's ability and effectiveness to make necessary tasks (Gao et al., 2018); finally, relatedness in line with the desire to experience emotions of belongingness or connectedness, or to be evaluated and cared for by individuals or other collectives (Gao et al., 2018).

2.4. Word of mouth (WOM)

There disseminated, expressed, and built regarding one's opinion on products, brands, and services that it is word of mouth and as it is considered as the oldest mechanism (Tjahjaningsih et al., 2020); besides, an exchange of information between people who know each other, either directly or indirectly is also considered as WOM (Tjahjaningsih et al., 2020); furthermore, WOM is a communication where information recipient is not interested any commercial value when the information provider proposes things to be concerned to the products, services and specific brands (Tjahjaningsih et al., 2020). According to research of Kirby and Marsden (2006), positive word of mouth is affirmed as words, a receiver - communicator or communication between human-to-human, involving a brand (Nguyen et al., 2019), a service, a product, or a conversation, or market information between two or many people to be concerned to services and products with any business (Nguyen et al., 2019). To measure the WOM, Nguyen et al (2019) suggested six observed items

- When I have the opportunity, I am willing to talk about the advantages of the employee I have dealt with friends and relatives.

- I encourage my friends and relatives to buy a car/bus/coach of this company

- I am proud to tell my friends and relatives that I have chosen a good quality car/bus/coach

- I always introduce the car/bus/coach of this company to everyone when possible

- I tell my friends and relatives about the prestige of this company

- I talk about good care after buying a car/bus/coach of this company when having opportunity

More important, impact of Electronic Word-of-Mouth on Customer Satisfaction was confirmed (Kuo & Nakhata, 2019; Ginting et al., 2023); Furthermore, Long et al (2021) proved that WOM dispersion has impact on consumers' return intentions. Therefore, suggested hypotheses such as

Hypothesis 1 (H1): word of mouth has a significantly positive effect on customer satisfaction.

Hypothesis 2 (H2): word of mouth has a significantly positive effect on intention to return.

2.5. Customer satisfaction (SAT)

The assessment of anticipated performance against the real perceived performance and the paid price that it is customer satisfaction (Manyanga et al., 2022); besides, customer satisfaction comes from the result of the dominance of the customer sense and facet around the gap amid customer expectations and the actual experience (Manyanga et al., 2022); in particularly, satisfaction is considered as a feeling reaction to the difference or customer attitude regarding a service provider between what customers foresee and what they gain, toward the fulfillment of some desire, needs or goals (Nguyen et al., 2019); measuring the customer satisfaction, Nguyen et al (2019) used following observed items;

- I buy more cars/buses/coaches, I still choose to do through this employee

- I am satisfied with what I received from this employee

- Choosing and buying a car/bus/coach through this employee are the right decision

- I believe that it was the right decision when buying a car /bus/coach through this employee

- Overall, I am satisfied with this employee

- I feel happy when the employee calls to give an excuse about the use of the car after purchasing.

Especially, Marcussen (2011) affirmed that overall satisfaction is a factor to impact on intention to return; further, satisfaction impacts on intention to return of tourist to the place of the event or the event (Shonk & Chelladural, 2008); therefore, suggested hypotheses such as.

Hypothesis 3 (H3): customer satisfaction has a significantly positive effect to intention to return.

Based on H1 and H3, authors suggest Hypothesis 4 (H4) that word of mouth has an indirectly positive effect to intention to return in the mediation role of customer satisfaction.

2.6. Intention to return (ITR)

In actual, definition of returning intention is understood that based on human behavioral intention; it is simple to understand that the behavioral intention is considered as an intention to build a plan to implement a particular action (Nguyen et al., 2020). According to Fishbein and Ajzen (1975), return intention is the essential tool to assess social behavior; it is a future behavior that is intended or planned (Nguyen et al., 2020); when an intention is given, a behavior is performed; therefore, the behavioral intention is concerned to actual behavior (Nguyen et al., 2020). To measure the return intention customer satisfaction, Nguyen et al (2020) used the following observed items

- I may return to these destinations in the future

- These destinations are worth visiting again

-                                       These destinations have special attractions

-                                       Vietnam will be one of my first choices if I return to Southeast Asia again

-                                       I will try other Vietnam tourist products and services in the future

Until now, researching on the impact of word of mouth and satisfaction on revisiting intention that has mainly been performed in service sectors such as hotels (Mount & Mattila, 2009), restaurants (Weiss et al., 2005), or tourism (Khuong & Nguyen, 2017); but there are few studies of the relationship between word of mouth, satisfaction, and intention to return to tea music room in Vietnam; more especially, researching on the mediating role of satisfaction in the relationship between word of mouth and intention to return that is still rare for music tea rooms in Ho Chi Minh City - District 1 in Vietnam. Therefore, this paper is necessary to aim at helping the music tea rooms to re-open after the covid 19 epidemic.

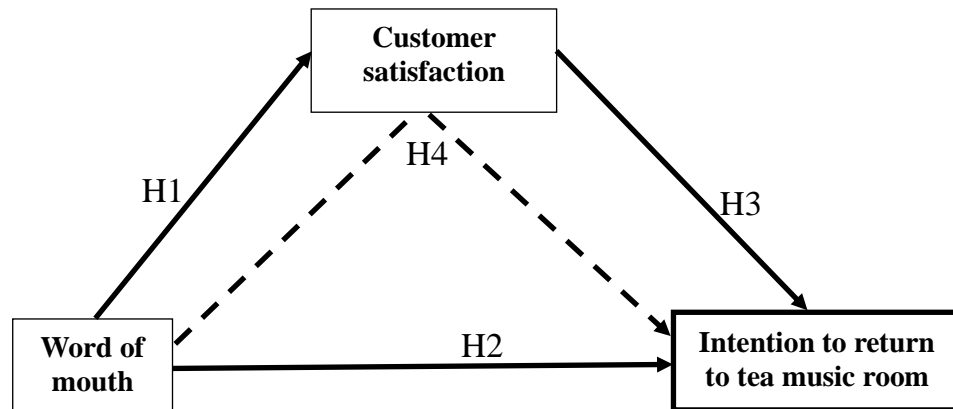There based on the above hypotheses, authors proposed the research model such as

Figure 1, research suggested model

3. Methodology and research model

3.1. Methodology

This paper used both quantitative and qualitative data. To qualitative data, group of authors organized directly to interview twenty customers who always come to the music tea room in Ho Chi Minh City, District 1 - Vietnam. After that, authors adjusted the scale for quantitative research. Through surveyed questionnaires, Quantitative data is collected with 275 respondents. Five-levels likert scale "1 - Totally disagree", "5 - Totally agree" is used to test observed variables for each factor; SPSS 23 and AMOS 24 software will be used to process, assess, analyze the collected data as well as test the hypotheses for this paper.

3.2. Measures

To measure the factors in research model, the author uses scale of Nguyen et al (2019) toward word of mouth (4 observed variables) and customer satisfaction (5 observed variables); finally, this paper used the scale of Nguyen et al (2020) toward intention to return (5 observed variables); All scales were used for this study to be adjusted after qualitative interview.

3.3. Results and Discussion

3.3.1. Construct Validity of KMO

To examine the validity, this paper used both Exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) (Hair et al., 2017); for EFA, using the Promax rotation; there must be surpassed than 0,7 for each item loading to evaluate the precise validity because of convergent validity and higher than 0,5 for adequate validity; besides, Average Variance Extracted' s indexes must exceed than 0,5 to assure reliability and validity. Moreover, the square root of the AVE must be greater than the shared variance that discriminant validity obtained the reliability (table 1)

Table 1 Constructs Validity of SAT, ITR and WOM

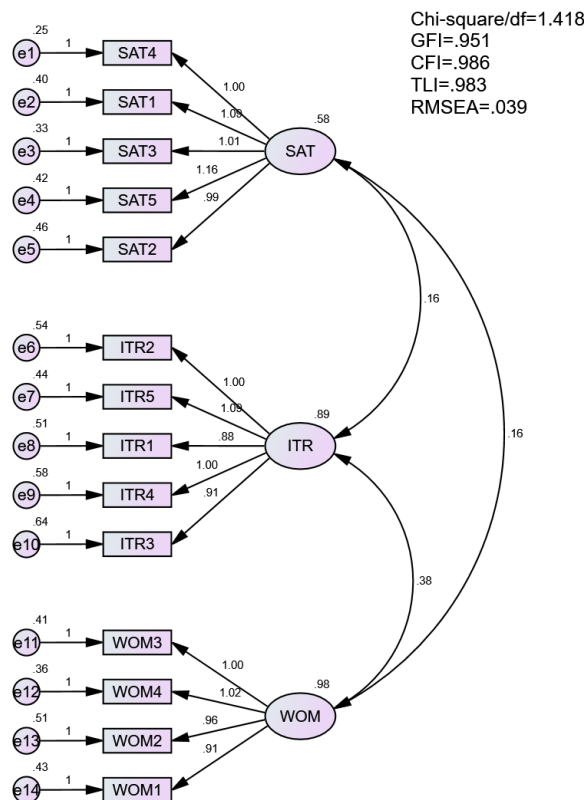|	CR	AVE	MSV	MaxR(H)	SAT	ITR	WOM
SAT	0.896	0.634	0.048	0.899	0.796		
ITR	0.887	0.610	0.164	0.891	0.218	0.781	
WOM	0.896	0.683	0.164	0.898	0.210	0.405	0.826

Figure 1, result of CFA

To use five incremental fit indices for evaluating model fit: Root Mean Square Error of Approximation
(RMSEA), Tucker Lewis index (TLI), chi-square/degree of freedom (CMIN/DF), Comparative Fit Index (CFI), Goodness-of-Fit Index (GFI); particularly, RMSEA < 0,08; TLI > 0,9; 2 < CMIN/df < 5; CFI > 0,9; GFI > 0,9 (Hair et al, 2014). As a result, the CFA model in this paper gained reliability: RMSEA = 0,039; TLI = 0,983; CMIN/DF = 1,418; CFI = 0,986; GFI = 0,951. So, it's strong to support for WOM, SAT, ITR in confirmatory factor analysis

Table 2 performs on Alpha, mean, CR, and AVE scored and that it's significantly larger than 0,5 for AVE; both Alpha and CR values surpass 0,7.

Table 2, displays Alpha, Mean, CR and AVE scored

	ALPHA	MEAN	CR	AVE	MSV	SQRTAVE	MaxR(H)	SAT	ITR	WOM
SAT	0.894	2.06	0.897	0.636	0.047	0.797	0.899	0.797		
ITR	0.886	2.77	0.887	0.610	0.164	0.781	0.891	0.218	0.781	
WOM	0.895	2.80	0.896	0.683	0.164	0.826	0.898	0.209	0.405	0.826

3.3.2. Structural Model Results

This paper used five incremental fit indices for evaluating model fit: Root Mean Square Error of Approximation (RMSEA), Tucker Lewis index (TLI), chi-square/degree of freedom (CMIN/DF), Comparative Fit Index (CFI), Goodness-of-Fit Index (GFI); particularly, RMSEA < 0,08; TLI > 0,9; 2 < CMIN/df < 5; CFI > 0,9; GFI > 0,9. Result showed that the model fit is well: CMIN/DF = 1,418; TLI = 0,983; CFI = 0,986; GFI = 0,951 and RMSEA = 0,039; therefore, all hypotheses (H1, H2, H3, H4 in table 4) are accepted and statistical significance.
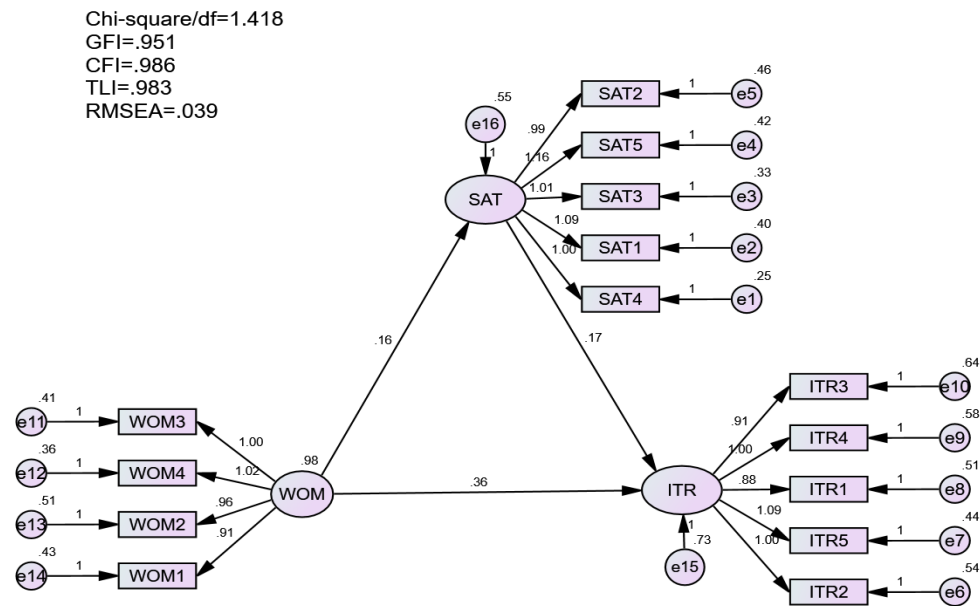

Figure 2, hypotheses tested result

Table 3, Result of indirect path

Indirect Path	Unstandardized Estimate	Lower	Upper	P-Value	Standardized Estimate
WOM --> SAT --> ITR	0.028	0.004	0.080	0.043	0.029*

Table 4: Result of direct and indirect path

Hypothesis	Effect	Coefficient	P-value	Conclusion
H1	SAT ← WOM	0.161	0.002	Accepted
H2	ITR ← WOM	0.359	0.000	Accepted
H3	ITR ← SAT	0.174	0.030	Accepted
H4	SAT mediate WOM & ITR	0.028	0.043	Accepted

4. Conclusion and implication

This study is based on an overview of related studies and actual observations at music tea rooms in Ho Chi Minh City - Vietnam to propose a research model. The results show that all hypotheses are accepted and this is the basis for proposing the following solutions.

- The manager needs to monitor, observe, and listen to people's feelings and opinions about the current music tea room to make a decision before reopening the music tea room.

- Managers should also organize a survey to evaluate customer satisfaction with the music tea room to create a music tea room business plan.

- Customer satisfaction is an important factor to maintain and develop tea rooms, and it is necessary to grasp music needs and music trends according to each age to retain customers and to develop sustainability of this type in the coming time.

5. Limitation:

-        The research was only conducted Ho Chi Minh City in Vietnam, so the generalizability is not high

-        The sample size is only 277 so it is limited to the research result

6. Suggestion

-        There's need to increase the sample size for the research in the future

-        It's necessary to research in another city to increase the generalizability

-        In the future research, to use other factors to evaluate the intention to return to the music tea room

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