

# Research Framework on Customer Satisfaction

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## Abstract

The study proposes a comprehensive model that includes service quality, customer involvement, and brand image as crucial factors in measuring customer satisfaction. Consistently providing high-quality service and maintaining a positive brand image lay the foundation for customer satisfaction, as customers perceive the brand as trustworthy and capable of meeting their needs. Customer involvement plays a role in shaping satisfaction, as actively involving customers in the service process creates a sense of ownership and personalization. Businesses should create opportunities for customers to contribute ideas and feedback to improve satisfaction. High service quality that meets customer expectations leads to higher satisfaction. The study highlights the interlinked nature of service quality, brand image, customer involvement, and satisfaction. Businesses should prioritize providing high-quality service, building a positive brand image, engaging customers, and continuously improving their approach to maximize customer satisfaction and promote business success. However, a limitation of the study is that the research model has not been proven for specific products or services, suggesting the need for future quantitative studies in different contexts to validate the findings.

**Keywords:** service quality, brand image, customer involvement, customer satisfaction, different contexts

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## I. Introduction

In the current globalization context, customer satisfaction has become an important factor in maintaining the development and enhancing the competitive position of enterprises. To stay in business, companies always invest and learn and meet the needs of existing customers, attracting new customers. However, the competition is getting fiercer due to economic globalization. It is also easy to set up a business in another country, so more and more businesses are established, leading to fierce competition. The number of newly established enterprises in the first 2 months of 2023 was 19,684 enterprises, down 3% compared to the same period in 2022, but higher than the number of enterprises entering the market in the same period of the years from 2021 onwards and higher average level in the period 2018-2022 (Vietanlaw, 2023). The total registered capital added to the economy in the first 2 months of 2023 is VND 522,696 billion (up 15.9% over the same period in 2022), of which, the registered capital of newly established enterprises is 164,665 billion VND (down 40.7% over the same period in 2022) (Vietanlaw, 2023). There are 09/17 industries with an increase in the number of newly established enterprises compared to the same period in 2022, such as education, tourism, entertainment, health, science, and technology (Vietanlaw, 2023).

In addition, the globalization of culture and society has given customers the opportunity to stay up to date on price changes, technology, and product trends. This leads to more and more customers demanding more and more for the company's products. According to the Edelman Trust Barometer 2021 report, 68% of consumers believe they have enough power to force corporations to change, and 86% expect CEOs at corporations to be more accountable for social problems.

Especially, after the COVID-19 pandemic, many businesses are still facing difficulties due to the recession of the economy, people are unemployed, low income, and reduced spending. Specifically, businesses in general and small and medium enterprises in particular around the world have been severely affected by the Covid-19 pandemic. According to the OECD, global trade is down 10.2% in 2020 and foreign direct investment is down 40%, causing major disruptions in supply chains. Large cuts in private consumption lead to an increase in corporate defaults in 2021. SMEs operate in the sectors most affected by the crisis, especially wholesale and retail trade, transportation, and logistics, airlines, accommodation and catering services, real estate, professional services, and other personal services. In these sectors, the employment share of SMEs averages 75% across OECD countries, compared with the overall SME employment share of around 60%. Rates also vary greatly by country. The combination of these issues makes business operations of enterprises face a lot of difficulties and challenges. So, how to turn those challenges into opportunities is becoming a big problem for enterprises. And most businesses are making efforts to study the factors affecting customer satisfaction by improving product quality, improving brand image, improving customer perceived value, and encouraging customer involvement in the service process. Specifically, a study by Khatab, Esmaeel, & Othman (2019), Kundi et al. (2014), Abdullah

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and Hui (2014) pointed out that, when businesses need to create value for customers through meeting customers' needs and expectations in product and service quality at the same time, building relationships Relationship with customers by being dedicated to customers, making a difference in products will bring customer satisfaction. Research by King, Chen, and Funk (2015) and Chew and Jahari(2014) has shown that brand image is an important factor in customer satisfaction. The research of Puh(2014) andMunhurrun, Seebaluckand Naidoo (2015) also gave similar results on the influence of brand image on customer satisfaction.

Service quality directly affects customer satisfaction. When customers receive high-quality service that meets or exceeds their expectations, they are more likely to be satisfied and have positive experiences. Hence, satisfied customers are more likely to become loyal, repeat customers and recommend the business to others. Besides, customers who consistently receive excellent service are more likely to stay loyal to a company, reducing customer churn. In addition, satisfied customers generate repeat business and tend to spend more over time and become advocates for the brand. service quality can attract customers away from competitors and create a positive brand reputation, leading to increased market share and business growth. According to many studies, customer involvement allows customers to actively participate in the value-creation process (Kelley et al., 1990; Bendapudi& Leone, 2003). When customers have the opportunity to provide input, contribute ideas, and collaborate with businesses, it leads to the development of products, services, and experiences that better align with their needs and preferences. By involving customers, businesses can create value propositions that are more likely to satisfy customer expectations and drive higher levels of satisfaction (Rodie&Kleine, 2000).

## II. Literature review

Customer satisfaction will be achieved when the company's products and services have value and meet customer expectations (Zameer et al., 2015). Meanwhile, Kotler and Armstrong (2018) argue that customer satisfaction is a measure of the difference in service delivery that exceeds consumer expectations. Similarly, when customer satisfaction is achieved, customers tend to be loyal to the business and have positive word of mouth about the company's image (Mohd Suki, 2017) and are willing to pay more for the product or services received (Agnihotri et al., 2019)

There are many studies conducted to investigate the relationship between customer satisfaction and its antecedent and consequential factors. In which, there is a huge difference in the influencing factors as well as their degree of influence on customer satisfaction in different contexts (cultural differences between countries, regions, etc.), or differences due to different product or service contexts).

This study was conducted in the banking context in Danang, with a survey of 318 customers, Chien (2022) showed that customer satisfaction is most strongly influenced by brand image, followed by other factors. This result proves that the power of business images built in customers' minds is extremely important, in addition, other factors such as empathy, reliability, intangibles, assurance, and responsiveness also affect customer satisfaction. However, this study did not evaluate the importance of customer involvement in the process of providing products and services.

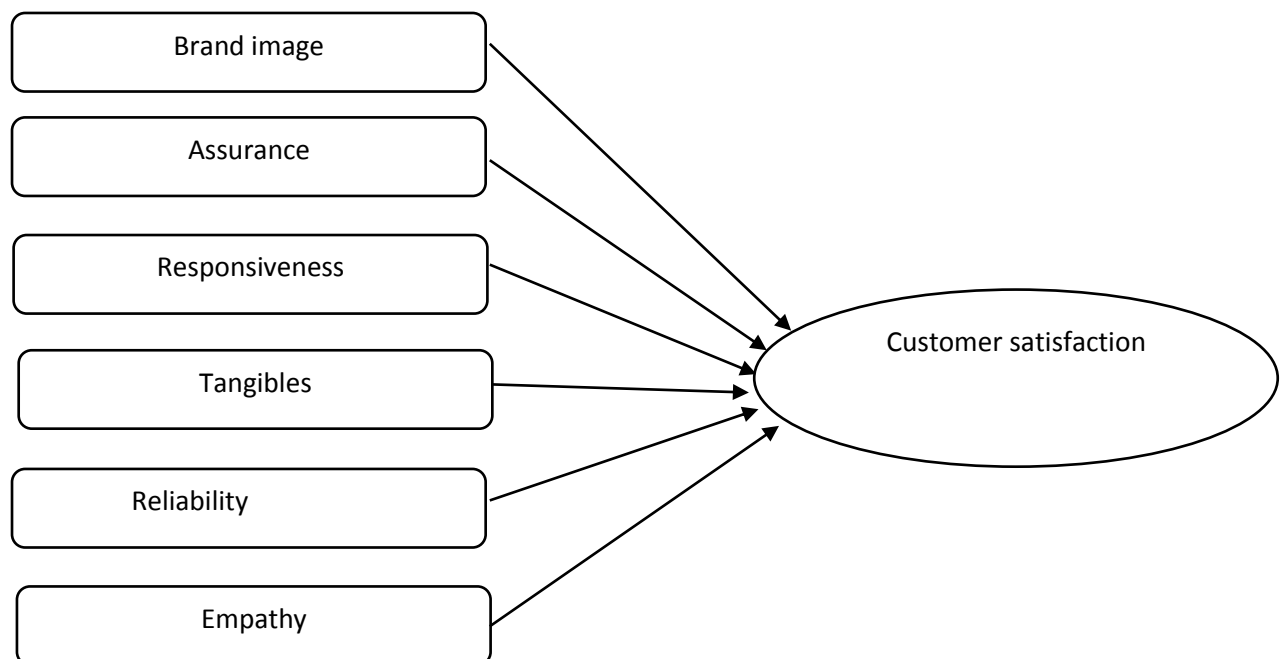


Figure 1: Proposed Model by Chien (2022)

Research model of Impact of e-banking service quality on customer satisfaction: Practice of joint stock commercial bank for foreign trade of Hammoud (2018), the authors prove that design characteristics, reliability, security, information quality and response time affect service quality thereby affecting customer satisfaction. However, this study did not evaluate how important brand image and customer involvement are for businesses.

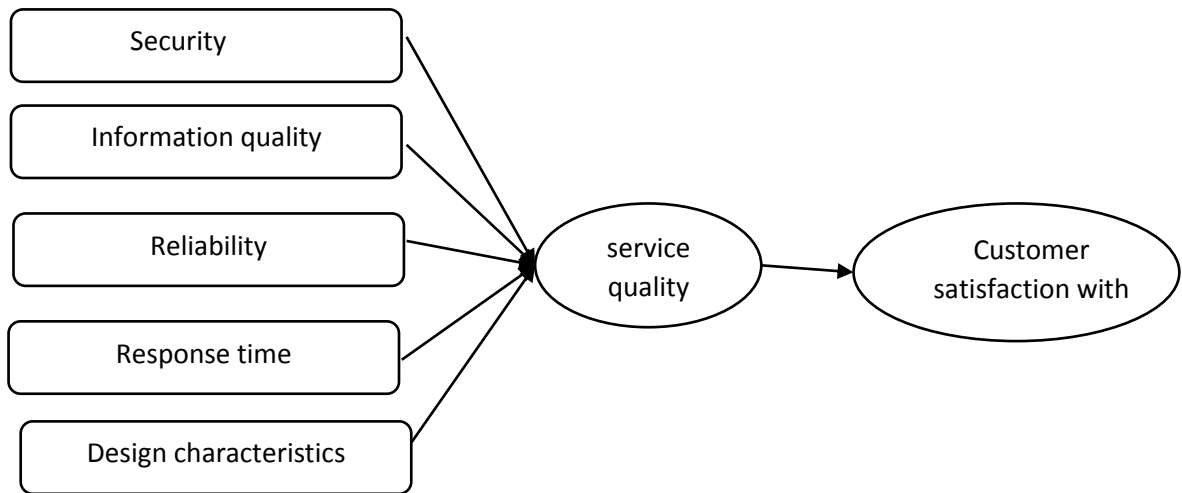


Figure 2: Proposed Model by Hammoud (2018)

The studies of foreign authors, also proved that service quality has an influence on customer satisfaction. Specifically, in the study of Mohammad Tahseen Sleimi et al. (2018), the author evaluated the role of trust and service quality affecting customer satisfaction, and trust is the mediating variable of empathy, reliability, intangibles, responsibility, security, and customer satisfaction in the context of banking in Amman City. The study used a survey method to collect the opinions of 300 customers. The results were as expected by the author. However, in this study, the author did not evaluate the role of brand image and customer involvement in customer satisfaction.

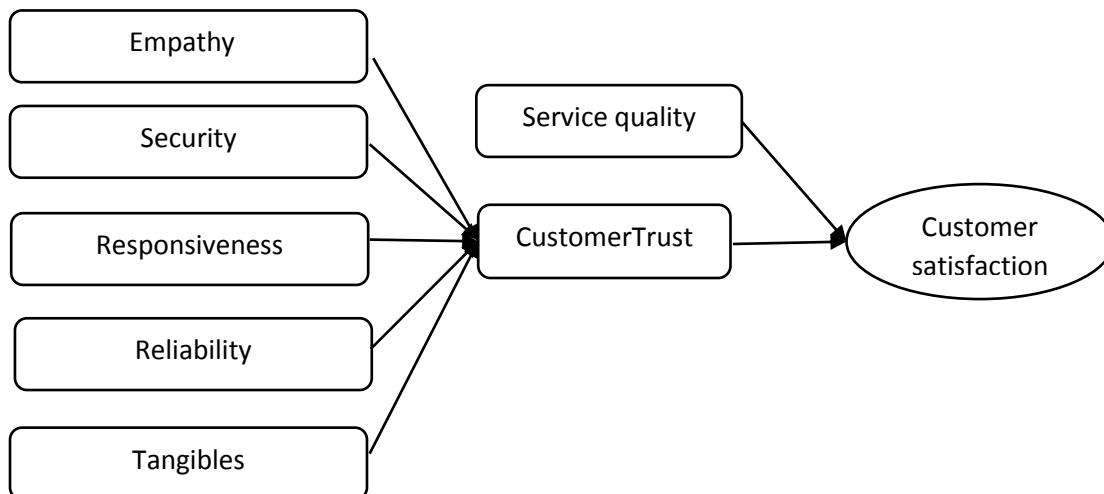


Figure 3: Proposed Model by Sleimi et al. (2018)

Meanwhile the study of Darmawan, Mardikaningsih, and Had (2017), This study has the participation of 250 customers of the five largest banks in Indonesia. Research results indicate that service quality has a positive impact on customer satisfaction, brand image, and customer loyalty. The results also show that customer satisfaction has a significant influence on brand image, a result that sets it apart from other studies where other studies have demonstrated that brand image affects customer satisfaction. In another context, Beauty, YiHsu, and Chen (2014) did their research with 299 hairdressers, the results showed that customer participation and service involvement has a positive influence on customer satisfaction.

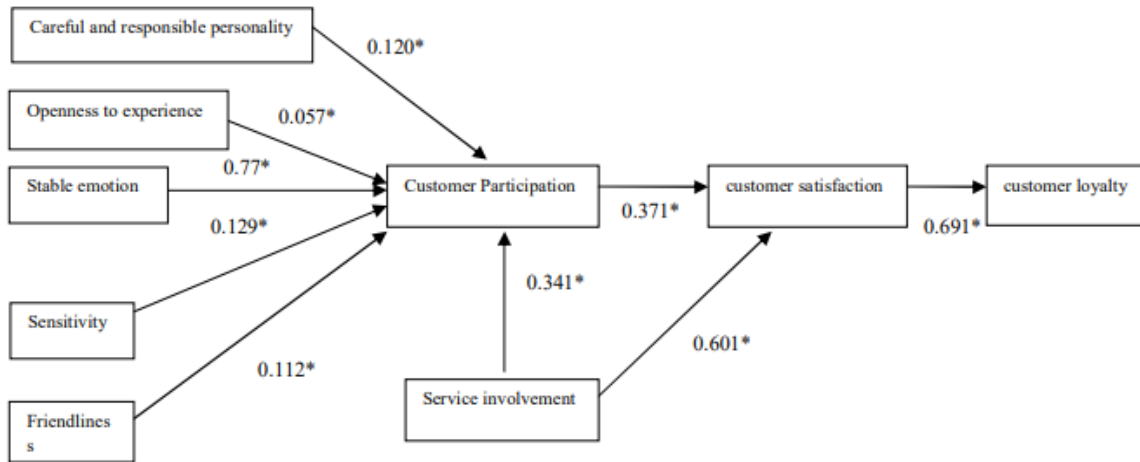


Figure 4: Proposed Model by YiHsu, and Chen (2014)

Another research of Nischay et al. (2014), this study highlights that brand image is a powerful tool for a company's success and performance. Brand image is a customer's perception when purchasing a product or service and can affect customer satisfaction. Satisfied customers are more likely to exhibit loyalty behaviors, such as repeat purchases and positive word of mouth. The relationship between brand image and loyalty intention is observed to be positive. Customer satisfaction is also considered an indicator of customer loyalty. The study focuses on the impact of customer satisfaction on brand image and loyalty intention, as well as the indirect and direct effects of brand image on customer satisfaction and loyalty intention.

While according to Oliver and Bearden (1983), the analysis consisted of comparing the mean variable difference between high and low-involvement customers and testing the performance of the satisfaction model for the entire group of customers and two subsets with low involvement levels. The results show that the group with high participation scores significantly higher for the variables before and after use, except for the measure of expectations. Satisfaction is significantly affected by non-confirmation. The analysis also compared the results between the high and low-involvement groups, revealing some similarities and differences in the coefficients of the model. Expectations were related only to attitude in the high-involvement group, and non-confirmation was positively related to prior attitudes in the low-involvement group. Satisfaction had a modest positive relationship with previous attitudes in the low-involvement group and a negative relationship in the high-involvement group. The model provides a more accurate representation of satisfaction processes for the low-involvement group.

Today, consumers are very interested in brand image, and the reputation of businesses. Brand image is the belief of the brand in the minds of customers (Bos, 2007) and is a symbol in people's minds and it can be illustrated by display names or symbols that can distinguish products from other products of competitors (Nandan, 2005) and is a competitive advantage that is difficult for competitors to imitate (Daubaraitė, 2011). A brand with high levels of high brand image-level leads to a stronger commitment to the company (Walsh, Mitchell, Jackson, & Beatty 2009). According to Business Dictionary (2013), brand image is defined that is “the impression in the mind of customers of a brand’s total personality which may be imaginary or real shortcomings and qualities is called brand image”

Numerous studies have demonstrated the relationship between brand image and customer satisfaction. In the context of life insurance services in Vietnam, brand image is a crucial factor impacting on customer satisfaction (Nguyen et al., 2018). Similarly, Cameron et al. (2009) also proved evidence about the relationship between brand image and customer satisfaction in the professional service industry. In another context, Nischay et al. (2014) manifest that brand image influences customer satisfaction and loyalty. Based on these discussions, this study proposes the following hypothesis:

H1: Brand image impacts customer satisfaction.

Service quality is the extent to which customers are satisfied when their needs are satisfied in the process of using a service or product (Kasper et al., 1999). Teas (1993) argues that service quality is related to the evaluation of service results derived from a number of pre-existing criteria. Or is the gap between perceived and expected service received (Ali et al., 2012; Islam et al, 2020).

Parasuraman et al. (1988) and Van et al. (2019) suggest that service quality includes intangible, reliability, assurance, responsiveness, and also empathy. Similarly, in Chien’s (2022) model, service quality includes empathy, reliability, intangibles, assurance, and responsiveness.

According to Shahin and Dabestani (2010), service quality plays an important role in helping businesses maintain competitive advantages and sustainable success. The reason is said to be that when customers have good service quality experiences, Good service awareness will lead to continued use of your services. High service quality can contribute to operational efficiency and cost reduction in the long term. When service processes are well-designed and optimized, it reduces errors, rework, and customer complaints. Streamlined operations lead to increased productivity, lower costs, and profitable service quality and serve as a catalyst for continuous improvement within an organization. By monitoring customer feedback, conducting surveys, and analyzing service metrics, businesses can identify areas for improvement and make necessary changes. A commitment to ongoing improvement ensures that service quality remains a priority and evolves with changing customer needs and expectations. service quality plays a pivotal role in shaping customer experiences, driving customer loyalty, and ultimately contributing to a business's long-term success.

Many previous studies have demonstrated that there is a strong relationship between service quality and customer satisfaction in different contexts (Wu and Li, 2015; Priporas et al., 2017; Kasiri et al., 2017; Famiyeh et al., 2018). In the tourism context of the Museums of Macau, service quality is a critical factor leading to visitor satisfaction Wu and Li (2015). In the context of tourism and hospitality services, Cheng et al. (2014) also said that the level of customer satisfaction depends largely on the experience of service quality. Especially, in the field of banking services, many authors (Zameneer et al., 2018) have proved that service quality is an important premise for customers to evaluate their satisfaction with the bank. Based on this logic, the following hypothesis is proposed

H2: Service quality influences customer satisfaction

According to Guthrie & Kim (2009), customer involvement is a “motivational state” concept to explain customer attitudes towards products and services. customer involvement allows businesses to gather insights and information directly from customers and this can be used to personalize and customize products or services as required by each customer (Kelley et al., 1990). First, as customers feel that their unique needs are being considered and met, it has their satisfaction with the product. On the other hand, customers develop a sense of ownership and an emotional connection to the product or service and their involvement in the decision-making process (Bendapudi& Leone, 2003). This sense of ownership increases customer satisfaction as they feel more invested in the results and see the offering as a reflection of their own preferences and choices. Similarly, when the customer is actively involved in the process, it promotes better communication and understanding between the business and the customer (Rodie&Kleine, 2000). Specifically, through direct interactions and feedback, businesses gain insight into their customers' preferences, expectations, and weaknesses. All these enable businesses to provide more tailored and satisfactory solutions to their customers' needs

Hsu and Chen (2014) suggest that when customers are actively involved in the service process, they are more likely to be satisfied with the service. Several other studies also demonstrate that the level of customer involvement in the buying and using process affects their satisfaction. Based on these studies, the following hypothesis is proposed

H3 Customer involvement has an influence on customer satisfaction

Based on those hypotheses, the research model is proposed:

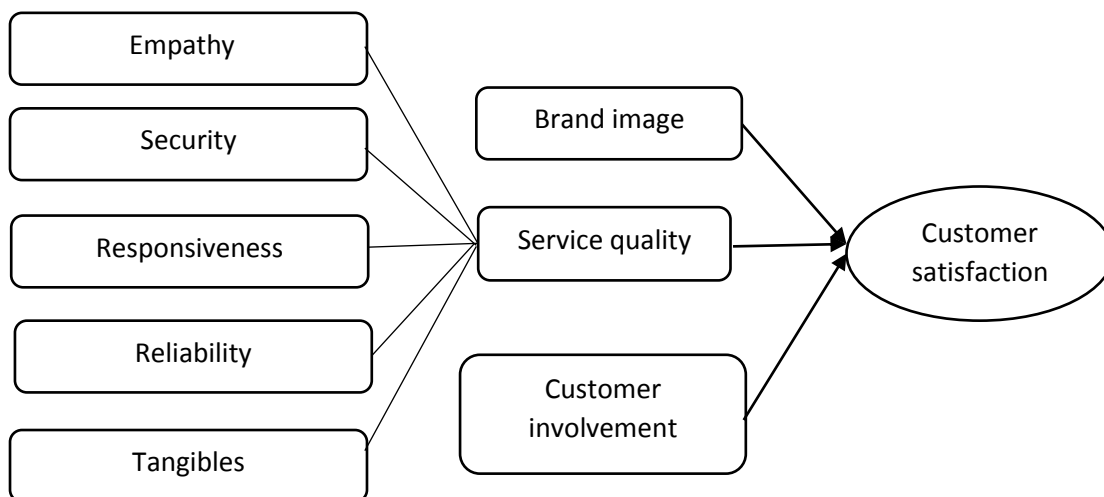


Figure 5: Proposed research framework

### **III. Conclusion**

The study provided a fairly complete model for contributing to the marketing literature. Where this model reaffirms that service quality includes five dimensions empathy, security, responsiveness, reliability, and intangibles (Parasuraman et al., 1988). In addition, customer involvement and brand image are crucial factors in order to measure customer satisfaction.

In addition, some other implications may be provided to businesses when they apply this model to measure factors affecting customer satisfaction.

When a business consistently provides high-quality of service and maintains a positive brand image, it lays the foundation for customer satisfaction. Customers perceive the brand as trustworthy, trustworthy, and capable of meeting their needs. This positive perception contributes to increased satisfaction, as customers have confidence in service quality and brand. Meanwhile, customer involvement also plays an important role in shaping satisfaction. When customers are actively involved in the service process, their needs, preferences, and opinions are taken into account. This involvement creates a sense of ownership and personalization, leading to higher levels of satisfaction. Therefore, businesses should create opportunities for customers to contribute ideas, feedback, and co-creation to improve satisfaction.

Equally important, service quality is an extremely important factor to measure the general attitude and behavior of all customers. The service quality model refers to the perceived quality of the service delivery process, which directly affects customer satisfaction. When customers perceive high service quality, it will meet their expectations and lead to higher satisfaction. Therefore, to achieve the desired business performance, businesses should focus on consistently delivering outstanding service, and meeting or exceeding customer expectations at each touchpoint.

The same goes for brand image, which includes reputation, perceived value, and overall brand impression, which affects customer satisfaction. A strong and positive brand image creates trust and confidence in the brand, which in turn enhances satisfaction. That said, businesses should work to build and maintain a favorable brand image through consistent messaging, positive customer experiences, and strong brand identities.

The combination of the importance of the above factors shows that the interaction between service quality, brand image, and customer engagement is very important. When businesses provide high-quality of service, engage customers in the process, and maintain a positive brand image, it creates a synergistic impact on satisfaction. Customers feel valued, attached, and trust the brand, leading to higher levels of satisfaction. In other words, to ensure customer satisfaction, businesses should continuously monitor and improve service quality, brand image, and customer acquisition strategies. By listening to customer feedback, analyzing satisfaction metrics, and keeping up to date with changing customer preferences, you can identify areas for improvement and adjust your approach. Similarly, the combination of positive service quality, brand image, customer involvement, and satisfaction can generate positive word of mouth and customer support. Satisfied customers are more likely to share their positive experiences with others, leading to increased brand visibility and new customer acquisition. This highlights the importance of providing exceptional service, engaging customers, and maintaining a positive brand image to leverage the power of word-of-mouth marketing.

In summary, model service quality, brand image, customer involvement, and satisfaction are interlinked factors and influence each other in significant ways. Businesses should prioritize providing high-quality service, building a positive brand image, actively engaging customers, and continuously improving their approach to maximize customer satisfaction and promote success in business.

However, this study has a major limitation in that the research model has not been proven through investigation for a specific product or service. Therefore, future studies need to prove it through quantitative studies in different contexts.

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