

# The Impact of Restaurant Service Quality on Online Word-Of-Mouth of Customers in Ho Chi Minh City: The Mediating Role of Customer Satisfaction

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## **Abstract**

*The study aims to investigate the impact of restaurant service quality on electronic word-of-mouth behavior of customers in Ho Chi Minh City: the mediating role of customer satisfaction. The author conducted a survey using convenience sampling method on 216 customers and analyzed and tested the data using structural equation modeling (SEM). The results of the study indicate that physical quality and staff attitude/behavior have an impact on customer satisfaction. Additionally, customer satisfaction is found to be a precursor to online word-of-mouth. Based on these findings, the author proposes solutions to enhance customer satisfaction and promote electronic word-of-mouth behavior.*

**Keywords:** Customer Satisfaction, Online Word-Of-Mouth, Service Quality.

## **INTRODUCTION**

The restaurant business is currently facing intense competition, striving to meet and retain customers by providing quality service. One of the reasons why some businesses cannot survive in difficult market conditions is the lack of customer satisfaction and the necessary sensitivity to reputation and online reputation. This directly affects customer recommendations, repeat business, business growth, customer complaints, and the sharing of customer experiences (Ladhari et al., 2008).

According to the resources used in our literature review, although it has been tested whether the impact of customers on restaurants is based on their satisfaction with the service they receive, we have only found a few studies on satisfaction and electronic word-of-mouth. Therefore, this study aims to fill this gap in the literature. The objectives of this study are: (1) to investigate the impact of restaurant service quality on satisfaction and electronic word-of-mouth; (2) to study the impact of customer satisfaction on electronic word-of-mouth. After introducing information about the restaurant, service quality, and electronic word-of-mouth, the next section is the application part.

## **Theoretical Foundations and Research Hypotheses**

### **Service Quality**

Today, people not only expect products or services to have high quality, but also demand an improvement in quality in all areas. Quality applies to both public and private sectors. Quality varies according to customer expectations and desires, social structures, and differences in development and customs (Bozkurt, 1995). According to Parasuraman, Zeithaml, and Berry (1988), service quality is the difference between customer expectations and customer perceptions of service. On the other hand, Grönroos (1984) believes that service quality, customer expectations, and thoughts generated after experiencing the service are stages of evaluation. Cronin and Taylor (1992) point out that the most important factor in service quality is customer opinions.

Assessing the quality of specific products is easier than assessing services. Specific products can be measured using physical methods at specific stages and inspected before being presented to customers. If there are production errors, delivery can be postponed (Bateson & Hoffman, 2008). Due to the difficulty in understanding services and the simultaneous production and consumption, it is challenging to measure the quality of services (Diab et al., 2016).

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## Customer Satisfaction

Customer satisfaction can be clearly described as a detailed evaluation of the service/product based on the purchasing experience and usage time (Khadka & Maharjan, 2017).

Restaurants and other service organizations can achieve customer satisfaction and loyalty by providing high-quality service, fair prices, and a friendly environment (Ma et al., 2014; Zhong & Moon, 2020). According to Khadka and Maharjan (2017), satisfied customers tend to repurchase the same product/service, become loyal customers, and actively engage in word-of-mouth recommendations. Additionally, once consumers are satisfied with a product/service, they will recommend it to others and repurchase it in the future (Bennett & Rundle-Thiele, 2004).

In some studies, it has been determined that the quality of restaurant service has an impact on satisfaction and behavioral intentions (Stevens et al., 1995; Yüksel and Yüksel, 2002; Soriano, 2002; Nam and Lee, 2011; Diab et al., 2016; Chen, 2016). In Ekinci's study (Ekinci, 2001) study, important factors identified were physical quality and employee behavior/attitude, which were empirically studied using confirmatory factor analysis. In fact, physical quality background was used for specific dimensions, while employee behavior/attitude was used for intangible dimensions. Eight relevant indicators were found in the restaurant industry and were retained in the survey. The first latent factor, physical quality, was measured by three indicators, while the second factor, employee attitude/behavior, was measured by five variables (Table 1).

Therefore, hypothesis H<sub>1</sub>, H<sub>2</sub> are proposed as:

**H<sub>1</sub>:** *The physical quality in restaurants has a positive and significant impact on customer satisfaction;*

**H<sub>2</sub>:** *The Staff Attitude/Behavior has a positive and significant impact on customer satisfaction;*

## Electronic Word-Of-Mouth (Ewom)

The emergence of the Internet has expanded the concept of WOM (word-of-mouth) to online content known as electronic word-of-mouth (eWOM), which can reach a large audience in a short period of time (Abubakar & Ilkan, 2016). eWOM transforms traditional WOM communication into a form of information sharing that can be done through various virtual platforms (Yang, 2013).

eWOM is defined as all informal communication by consumers through internet-based technologies regarding certain products, services, or their providers (Litvin et al., 2008; Jalilvand & Samiei, 2012). According to another definition, eWOM communication refers to positive or negative opinions expressed by consumers about products or services on the internet (Hennig-Thurau et al., 2004). In general, eWOM includes comments from current or previous consumers about product performance, service quality, product impressions, and reliability (Arroyo & Pandey, 2010). The natural influence of eWOM on consumer behavioral intentions may be stronger than that of traditional WOM communication (Eunha & Soocheong, 2011).

Many tourists visit forums and virtual environments on the internet to determine their restaurant choices at travel destinations because they believe that evaluations made in virtual environments are useful for their decision-making. In fact, Ye et al. (2011) identified that tourists seeking enjoyment and pleasure use reviews from other tourists in virtual environments as a source of information.

The satisfaction of restaurant customers is a common concept for customers to visit the restaurant again. Although satisfied customers may not necessarily visit the restaurant again, dissatisfied customers are unlikely to visit the restaurant again (Soriano, 2002). When customers are satisfied with a product or service, the probability of them spreading positive word-of-mouth increases (Yang, 2013; Tsao and Hsieh, 2012), hypothesis H<sub>3</sub> is proposed: .

**H<sub>3</sub>:** *Restaurant customer satisfaction has a positive and significant impact on electronic word-of-mouth.*

## Research Method

### Data

In order to obtain the test data for the aforementioned hypothesis, the study was conducted in two phases:

First, the author used in-depth interview techniques (including three lecturers and five market experts, who have extensive experience in the Finance - Marketing University and Sai Gon University), with interviews conducted from May 15, 2024, to May 25, 2024. The purpose of interviewing these experts was to adjust and supplement the observed variables in the research model.

The selected observed variables are as shown in Table 1.

**Table1. List of observed variables**

No.	Code	Observed Variables	Source
<b>Service quality (SQ)</b>			
Physical Quality (PQ)			
1	PQ1	The exterior of the restaurant was visually appealing.	(Ekinci, 2001)
2	PQ2	The decor was beautifully coordinated, showcasing great attention to detail and a clear vision.	
3	PQ3	The restaurant was clean.	
Staff Attitude/Behavior (SAB)			
4	SAB1	The restaurant employees were attentive to my needs.	(Ekinci, 2001)
5	SAB2	The restaurant employees were proficient in their roles.	
6	SAB3	The restaurant employees appeared to anticipate my desires.	
7	SAB4	Employees of the restaurant were helpful.	
8	SAB5	The restaurant employees were welcoming.	
<b>Customer satisfaction (CS)</b>			
9	CS1	Overall, dining at the restaurant is a satisfying experience	(Ali & et al., 2016; Hanaysha, 2016)
10	CS2	I believe choosing to dine at this restaurant was a wise decision.	
11	CS3	This restaurant meets most of my expectations.	
<b>Ewom (EW)</b>			
12	EW1	I say positive things about this restaurant to other people	Adjustment from (Nadiri & et al.,2008)
13	EW2	I recommend this restaurant to someone who seeks my advice	
14	EW3	I encourage my friends and relatives to fly with this restaurant	

(Source: Summary by the author)

Next, the study used convenience sampling with a sample size of 300 people and data collection through online interviews. The survey was conducted from June 10, 2024, to June 20, 2024. A total of 269 responses were received, but only 216 were valid. However, considering that the study used 14 observed variables, this sample size is still sufficient. Information about the research sample is presented in the table 2.

**Table 2. Description of respondent information**

N = 216		Frequency	Percent
Gender	Male	103	48
	Female	113	52
	Total	216	100
Occupation	Students	82	38
	Officials, civil servants	72	33
	Office workers	62	29
	Total	216	100
Age	18 - 15	72	33
	26 - 33	61	28
	34 - 42	55	25
	>42	28	13
	Total	216	100

### Data Analysis Method

The research model is divided into two steps for analysis: measurement model evaluation and structural model evaluation.

First, the measurement model is evaluated by assessing the reliability, convergent validity, and discriminant validity of the measurement concepts in the model.

Second, the partial least squares structural equation modeling (PLS-SEM) is used to test the relationships between concepts in the research model.

## RESEARCH RESULTS AND DISCUSSION

### Measurement Model

When evaluating the measurement model, the authors used the Partial Least Squares (PLS) method to assess the characteristics of all variables used in the study. Since all variables in this study include reflective indicators, it is crucial to test their validity and reliability (Hair et al., 2014). Each indicator was tested to determine its suitability for measuring the represented constructs.

The results of the validation process are presented in Table 3, showing that the factor loadings of the observed variables are all greater than 0.7, ensuring convergent validity (Hair et al., 2014).

In addition, all factor loadings are greater than 0.7 (except for the observed variable "SAB5" in constructing "employee attitude/behavior" and "EW2" and "EW3" in constructing "electronic word-of-mouth"), and the composite reliability of the scale is also greater than 0.7, meeting the requirements. The average extracted variance of the scale also reaches the cutoff point (greater than 0.5), indicating reliable reliability, with values ranging from 0.851 to 1, meeting the requirements of Fornell and Larcker (1981). These results indicate that the selection of the measurement model is appropriate.

**Table 3. The reliability and convergence value of the measurement scale**

Constructs	No. of variables	Outer loading	CR	AVE
Physical Quality (PQ)	3	0.833-0.930	0.910	0.773
Staff Attitude/Behavior (SAB)	4	0.734-0.849	0.851	0.589
Customer satisfaction (CS)	3	0.809-0.851	0.876	0.701
Ewom (EW)	1	1	1	1

(Source: Calculated from the sample)

Then, in order to continue the analysis of differences, the author compared the relationship between factors and the Average Variance Extracted (AVE). The analysis results showed that the second-level AVE of each factor was greater than the correlation coefficient between that factor and other factors. In other words, the factor loading of each indicator was highest in the cross-correlation coefficient matrix and statistically significant, with a p-value of 0.000. This indicates that the sample ensures the differentiation of measurement factors.

In addition, a test for multicollinearity was conducted, and all Variance Inflation Factor (VIF) values were less than 5, with a maximum value of 1.196. This indicates that the model does not violate the multicollinearity phenomenon (Hair et al., 2014).

### Structural Model

The results of Table 4 and Figure 1 show that both factors, including physical quality and employee attitude/behavior, have a positive and statistically significant direct impact on customer satisfaction. This is evident in the positive coefficient estimates and t-values greater than 1.96, reaching a significance level of 5%, in line with the proposal by Henseler et al. (2009). Among these factors, "employee attitude/behavior" has the strongest impact on customer satisfaction. Additionally, these two factors explain 31.5% of the variation in customer satisfaction.

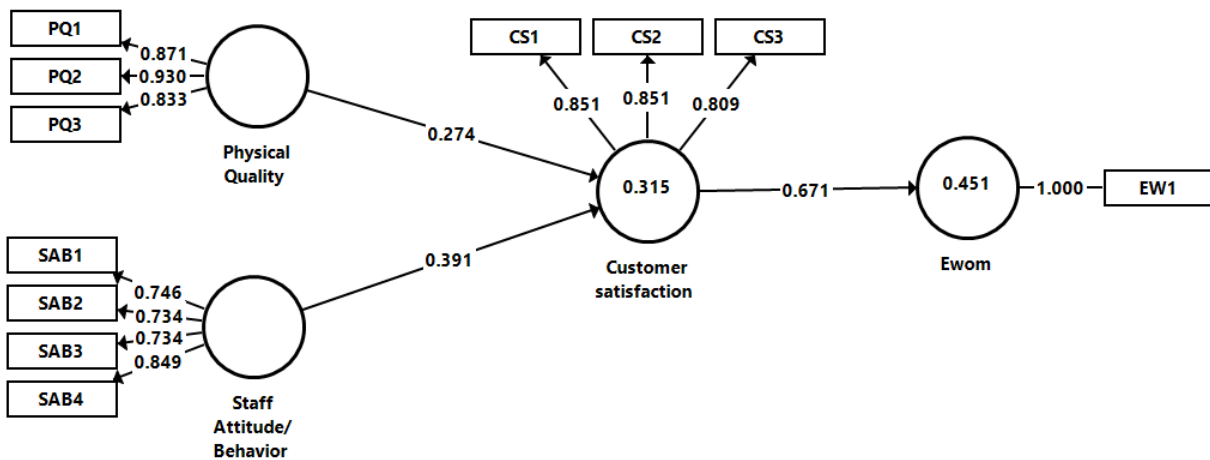
Furthermore, customer satisfaction is also confirmed as a key prerequisite for Ewom (P-Value = 0.000 < 0.05), and it explains 45.1% of the fluctuation in Ewom. The structural model was tested using 1000 repeated bootstraps, and the results show that all four theories are accepted. Additionally, the research findings in Table 4 also demonstrate that customer satisfaction acts as a mediator in the relationship between physical quality and

employee attitude/behavior and Ewom. This is a new contribution of this study, providing crucial information for a clearer understanding of customer behavior.

**Table 4. Structural model analysis results**

Dependent Variables	Independent Variables	Original Sample (O)	T Statistics	P-Value	Research Hypothesis	Test results
Direct Effect						
CS R <sup>2</sup> = 0.315	← PQ	0.274	4.081	0.000	H <sub>1</sub>	Support
	← SAB	0.391	5.270	0.000	H <sub>2</sub>	Support
EW R <sup>2</sup> = 0.451	← CS	0.671	14.564	0.000	H <sub>3</sub>	Support
Indirect Effect						
EW ← CS ← PQ		0.184	3.885	0.000	-	-
EW ← CS ← SAB		0.263	4.700	0.000	-	-

(Source: Results of the author's survey data processing)



**Figure 2.** Structural model results

(Source: Results of the author's survey data processing)

## CONCLUSIONS

### Solutions

With the aim of studying the influence of restaurant service quality on online word-of-mouth of customers in Ho Chi Minh City: The mediating role of customer satisfaction. The research results have shown that: firstly, the quality of restaurant service is reflected through 02 aspects: Physical Quality and Staff Attitude/Behavior (Ekinici, 2001c). This research result is consistent with previous studies (Stevens et al., 1995; Yüksel and Yüksel, 2002; Soriano, 2002; Chow et al., 2007; Ha and Jang, 2010; Akinyele, 2010; Nam and Lee, 2011; Diab et al., 2016; Chen, 2016). This implies that actions aimed at improving Physical Quality, as well as enhancing the service ability of staff, may enhance customer satisfaction.

Next, customer satisfaction is identified as an important premise leading to Ewom behavior, this finding is consistent with the results of previous studies. Accordingly, when customers are satisfied with a product or service, the probability of them spreading positive word-of-mouth increases (Yang, 2013; Tsao and Hsieh, 2012).

Based on the results of the study, a number of solutions are proposed:

With regard to the “Physical Quality” factor, We need to pay attention to improving the infrastructure at the restaurant, creating attractiveness in the exterior, designing a clean, airy and especially convenient serving space for customers. In addition, the display and decoration of the dishes also need to be taken care of by the staff and chefs, creating eye-catching and attractive features for tourists.

For the “Staff Attitude/Behavior” factor, Employees play a crucial role in providing services to customers. This is also the most influential factor in customer satisfaction. Therefore, it is necessary to help employees have awareness and a positive attitude when interacting with customers. Employees must always appear friendly, caring, and understand the customers' needs correctly. Always listen and respond promptly when customers have requests. In addition, restaurant leaders also regularly pay attention to training service skills for employees, presentation skills, and food processing skills for the restaurant's chefs.

For the “Customer satisfaction” factor, Customer satisfaction is an important indicator and attracts the attention of managers in general. This is because it is an important premise leading to future consumer behavior: repurchase intention, loyalty, especially electronic word-of-mouth behavior. Most studies have shown that word-of-mouth, especially electronic word-of-mouth, has a significant impact on potential customers' purchasing decisions. Therefore, restaurant managers need to make efforts to provide customers with a value experience that exceeds their expectations. Through regular observation and research to thoroughly understand customer needs, appropriate changes can be made in the process of providing restaurant services.

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