

# The impact of service recovery on customer satisfaction: the case of SunShine Thai Binh restaurant

*\*Nguyen Thi Phi Nga, Ph.D*

*University of Economics and Business (UEB)  
Vietnam National University, Hanoi (VNU)*

*\*\*Tran Trieu Khoi*

*Master student of University of Economics and Business  
Vietnam National University, Hanoi (VNU)*

**Abstract** - The research on the impact of 6 factors on customer satisfaction at SunShine Thai Binh restaurant, including Communication, Training, Feedback, Sorry, Explanation, Material compensation. The research results show that all 6 factors have relationship and affected on customer satisfaction with different levels.

**Key words** - service recovery, satisfaction, restaurant service, compensation, communication, feedback, sorry, explanation.

## I. Introduction

"Customer satisfaction" is a guideline and competitive advantage among businesses. Because customers are the determining factor for the existence and development of any organization.

However, in the process of implementing the service, failure is inevitable.

Reichheld and Sasser (1990) reported that service industries can increase profits up to 85%

by reducing their turn away from customer service to 5%.

Gilly (1987) shows that if customers are satisfied with the handling of their complaint, dissatisfaction can be reduced and the

probability of redemption may be increased. Moreover, effective service recovery can have a

significant impact on customer retention rates, avoid the spread of negative word of mouth and

improve profitability (Tax, Brown, & Chandrashekar, 1998).

Sunshine Thai Binh Restaurant was established in 2016 in Thai Binh City in the North of Vietnam. Restaurant with over 100 professional service staffs specializing in catering services; coffee and beverage services; event service. Since its establishment, Sunshine Thai Binh with various types of services has been upgraded to a more professional, modern and specialized style. The types of services at Sunshine Thai Binh have been increased the feeling of relaxation, absolute comfort to customers. However, in the process of serving customers, it can not avoid the errors. Therefore, how to recover service failure to satisfy customer satisfaction is really important.

### 1. Objective of the research

The research aims to reach the following objectives: (1) Clarify the basic theoretical for the service failure recovery and its impact on customer satisfaction and (2) analyze the factors of service recovery affect to the customer satisfaction; (3) propose suggestions to ensure the recovery of failed services, hence improving customer satisfaction of Sunshine Thai Binh restaurant.

### 2. Scope of the research

The research topic on the implementation of service recovery at Sunshine Thai Binh restaurant since the establishment until the time of doing research (from 2016 to 2018) and survey with the customers over 18 years old who used service of Sunshine Thai Binh.

## II. Literature review

### 1. The theory of satisfaction

#### 1.1 Customer satisfaction concept

According to Kotler (2000), defining satisfaction is a feeling of satisfaction or frustration of a person by the result of comparing the actual received product in relation to their own expectations. According to Zeithaml & Bitner (2000), customer satisfaction is the customer's assessment of a product or service that meets their needs and expectations. In addition, according to Hansemark and Albinsson (2004), customer satisfaction is the overall attitude of a customer to a service provider, or an emotion that responds to the difference between what the customer anticipates and what they receive, in response to certain needs, goals or desires.

In fact, customer satisfaction is very helpful in managing and monitoring businesses. In a competitive market, customer satisfaction is seen as an important element in the business

strategy. In businesses, customer satisfaction assessments can have powerful, predictable effects on sales and profits. When the business has a high number of satisfied customers, it will increase the effectiveness of positive word of mouth. That is the way to advertise your product for free and highly effective.

Some marketing materials cite two approaches to measuring consumer satisfaction, including awareness (Fornell, 1992), and affection or emotion (Giese & Côté, 2000).

### 1.2. Classification of customer satisfaction

Customer satisfaction can be classified into three categories, and they have different impacts on service providers:

**Positive satisfaction:** For customers with positive satisfaction, they and service providers will have a good relationship, mutual trust and satisfaction when dealing. Moreover, they also hope that service providers will be able to meet their increasing needs. Therefore, this is a group of customers who become loyal customers. The positive factor is also shown by the fact that the constantly increasing requirements of customers, the service providers strive to improve the quality of products and service.

**Stable satisfaction:** For customers with stable satisfaction, they will feel comfortable and satisfied with what is happening and do not want to have a change in the way products and services are provided. Therefore, these customers appear to be comfortable, have high confidence in providing products - services and are willing to continue using products - services.

**Passive satisfaction:** Customers with passive satisfaction are less confident in the product and service provider and change according to their needs. They feel satisfied not because they fully satisfy their needs but because they think that they will not be able to ask for better improvement of their products and services. They will not actively contribute ideas or appear indifferent to the improvement efforts of the product and service provider.

## 2. The theory of service recovery

### 2.1. Some concepts

#### 2.1.1. Service recovery concept

Zemke & Bell (2000) describes service recovery as a process of returning frustrated customers to an organization satisfaction after receiving a service or product that does not meet expectations. Schweikart et al. (1993) view service recovery as a part of quality management and the ultimate goal of all is to maintain business relationships with customers. These arguments are based on the premise that customer satisfaction guarantees customer loyalty, repeat purchasing and positive word of mouth (Bearden & Teel, 1983).

According to Tax and Brown (2000), service recovery is a process of identifying service failures, effectively solving customer problems, classifying the root causes of errors and being aggregated into data sets can be used as a basis to guide the use of other effective measures to evaluate and improve the service system. Berry and Parasuraman (1991) assert that a service company always has a second chance, even after experiencing the initial adverse service, because service recovery activities such as apologizing, explaining, replacing

or compensating can save the relationship and remove negative feelings about the product / service.

The service recovery system includes guarantee policies used by service providers to minimize and eliminate harm to customers that result from service failures. If a service restore is done correctly, its negativity can be eliminated or the feedback related to the service failure reduced can increase customer loyalty. Therefore, it can be said that service recovery systems are both the method and the mechanism by which organizations try to retain their customers (Smith et al., 2012).

Experts agree that a good service recovery system helps the company turn unhappy customers into happy customers after the service fails, which can also lead them to loyalty. A good recovery system is one that helps companies detect failures, solve the causes of problems and prevent failures to avoid customer dissatisfaction (Smith, et al., 2012).

According to Edvardsson et al. (2011), an appropriate recovery system tends to solve customer problems while ensuring their satisfaction with the recovery process, including handling complaints, response speed, compensation when service problems. Customer satisfaction depends on the efficiency of the recovery system. Service providers need to ensure that recovery work is customer-focused and internally focused.

The service recovery system should have strategies that can ensure customer satisfaction. Appropriate service restoration strategies can lead to positive results and reduce customer negative review factors, even if the initial service encounter has led to failure (Robinson et al., 2011).

The recovery system should encourage complaints from customers. It will provide them with multiple channels or means through which they can show the failure of the service. Proper customer feedback allows the company to respond quickly to the service incidents, provide compensation and turn unsatisfied customers into satisfied customers (Smith et al., 2012).

#### 2.1.2. Service recovery paradox

The term "service paradox," first coined by McCollough and Bharadwaj (1992), refers to situations in which a customer service satisfaction failure exceeds customer satisfaction. The service recovery paradox theory states that an effective service recovery can not only maintain customer satisfaction but also push it to a higher level.

A widely cited work supporting the service recovery paradox is the study of Hart et al. (1990) introducing the best method for companies to turn complaining customers into their loyal customers. Hart et al. (1990) stated that any problem that an employee is close to the customer can discover and solve is an opportunity to win a lifetime customer. Brosch (2005) supports the theory of hotel service paradox.

Through evaluation of the literature shows that there are three theoretical background aspects that explain the service recovery paradox. First, the theoretical support that the service recovery paradox is found in the model confirms expectations. According to the validation model, customer satisfaction is the result of an evaluation process in which customers evaluate

their service expectations compared to actual service experiences (Oliver, 1993). Customer expectations are defined as internal standards or benchmarks that customers evaluate or measure the quality of service they receive (McDougall and Levesque, 1998). Expectations are determined by factors including advertising messages, previous experience, personal needs, word of mouth (Parasuraman et al., 1985), and service provider image (Gronroos, 1984) and service provider promises (Zeithaml et al., 1993). Therefore, a mediocre recovery strategy only promotes confirmation of customer expectations and there is no increase in the paradox of satisfaction.

Second, the theory that justifies service recovery paradox can also be found in scenario theory. Scenario theory holds that knowledge of regular, familiar situations is stored in one's mind (Bateson, 2002). According to the scenario theory, information about service processes is stored in consumers' memory in the form of a series of actions taking place in a specific order and this knowledge is called scripting (Gan, 1991). This means that customers and employees need to understand and share beliefs about their role in the expected sequence of events and behaviors (Bitner et al., 1994). The failure of the service is the customer's sensitivity and perception deviate from the predicted transaction scenario. Consequently, the actions of employees to contact customers during the service recovery process are the key factors that promote overall customer satisfaction.

Third, the theoretical basis for the service-recovery paradox is the theory of trust and commitment of Morgan and Hunt (1994) for marketing relationships. A great service recovery has a direct impact on customer trust in the company (Kelley and Davis, 1994; Tax et al., 1998).

In recent years, service recovery is an issue that has gained increasing attention in service marketing (e.g. Tax et al. 1998; Smith et al. 1999; McCollough et al. 2000; Andreassen 2001; Swanson and Kelley 2001). Recently, Smith et al. (1999) considered service recovery as a resource package that an organization could use to cope with failure. Both complaint management and service recovery are considered as a customer retention strategy (Halstead et al. 1996).

**2.1.3. Methods of service recovery**

Errors in the service delivery process can make customers unhappy. And in turn, customers are more likely to appeal to overcome failures (Chan et al. 2007). Goodwin and Ross (1992) have shown that when a customer makes a complaint, it means that they feel they have to receive an inappropriate treatment from the service. In this case, a service recovery action is necessary for a business to solve the problem and retain the customer.

Miller et al. (2000) identified two types of service recovery: psychological rehabilitation (such as apologizing to a customer for an incident) and physical recovery (including providing service or product changes or compensation for customers). Hoffman (1995) has provided the following list of solutions to restore services: free gifts, coupons, direct discounts, management interventions, replacements, apologies, etc.

In addition, Riley (1994) points out that service providers should improve their service quality by improving policies or paying more attention to marketing and management programs. In this way, it not only helps to satisfy customer expectations but also reduces service errors and maintains profitability.

According to a factor analysis conducted by Defranco et al. (2005) in the restaurant industry, the recovery of failed service is very important for the restaurant industry to achieve high satisfaction and regain confidence.

In addition, Lam and Tang (2003) tried to make more suggestions such as timely handling of customer complaints, creating more efforts in training employees and improving communication skills with customers. It is clear from the results that customers are not only interested in the product itself but also more likely to pay attention to the service.

**2.2. Relationship between service recovery and customer satisfaction**

**2.2.1. The relationship between service recovery and customer satisfaction**

Satisfaction with service recovery is the level of customer satisfaction with recovery efforts after a service failure (Smith & Bolton, 1999). During service recovery, satisfaction with service recovery is an essential element.

A recovery strategy is a process in which a provider maintains customer satisfaction after failing to provide a service (Alexander, 2002). Some researchers design recovery processes to get the most out of service recovery (Krishna et al., 2014). The recovery strategy is one of the important factors that determine service quality and customer retention, which has a direct impact on company flexibility. Successful service recovery can increase customer awareness of satisfaction and build longer customer relationships and lead to positive word of mouth (Michel, Bowen, & Johnston, 2009). The relationship between customer perception of service restoration and satisfaction is also studied taking into ISO 9001 quality assurance certification (Petnji et al., 2013).

**2.2.2. The research model on the relationship between service recovery and satisfaction**

**2.2.2.1. Research model of Díaz (2017)**

(a) Díaz (2017) 's study on "The impact of service recovery on satisfaction: the case of a hotel".

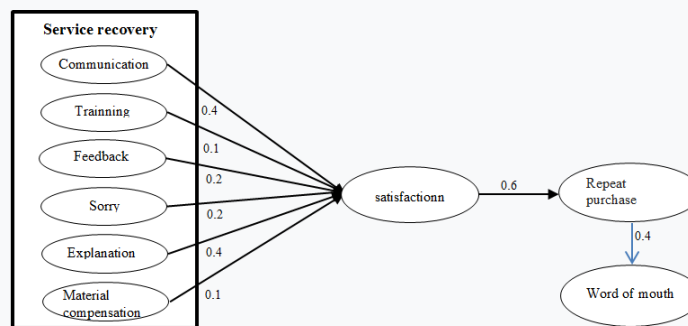


Figure 2.1: Research model of Díaz (2017)

**(b) Hassan's research model (2014)**

Hassan (2014)'s research on "The impact of service recovery on customer satisfaction in Pakistan's hospitality

industry" with the sample size was taken as 240, the results clearly showed that service recovery has a positive impact on customer satisfaction in the hospitality industry.

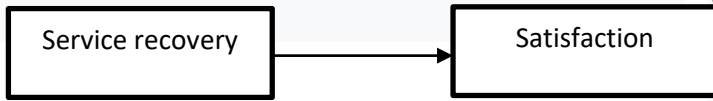


Figure 2.2: Hassna's research model (2014)

(c) Research model of Hess Jr. (2011)

Hess Jr. Research (2011) on "Failure and service recovery: The impact of factors related to customer satisfaction" with the following model:

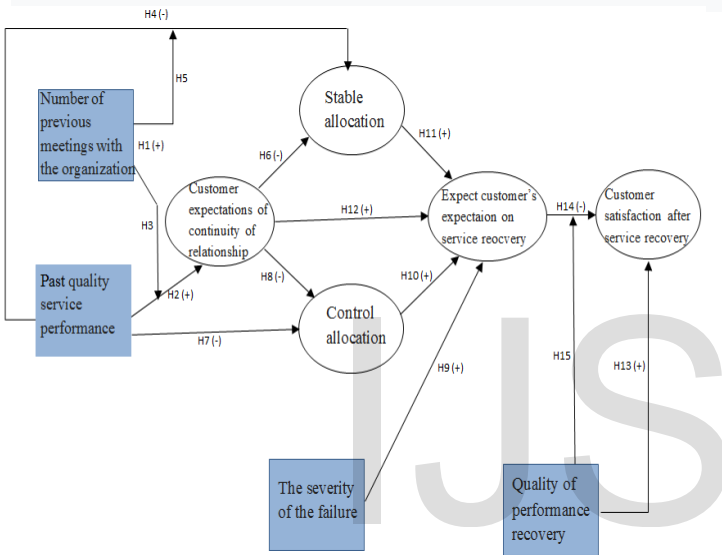


Figure 2.3: Research model of Hess Jr. (2011)

(d) Mansori Research (2014)

Mansori (2014)'s research on "Restoration of service, customer satisfaction and customer feedback on service in the banking sector of Malaysia with the factors which are mentioned in the following model:

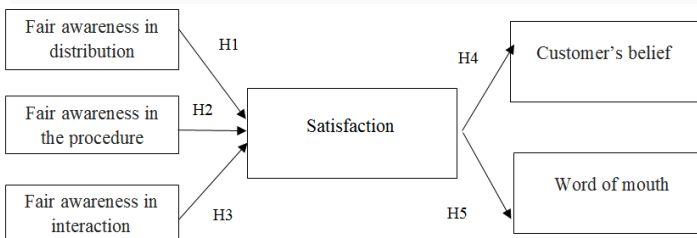


Figure 2.4: Research model of Mansori (2014)

2.2.2.2. Selected research model

The research model of Díaz (2017) analyze the relationship of service recovery and customer satisfaction and behavior. Therefore, to assess the impact of service recovery on customer satisfaction at Sunshine Thai Binh restaurant, the author chose the research model of Díaz (2017) and modified. However, the model only investigate the relationship between

service recovery and satisfaction, so the research model will consist of 6 independent factors: *Communication, Training, Feedback, Sorry, Explaining, Material compensation* and the dependent variable is *Customer satisfaction*. This relationship is illustrated by the following model:

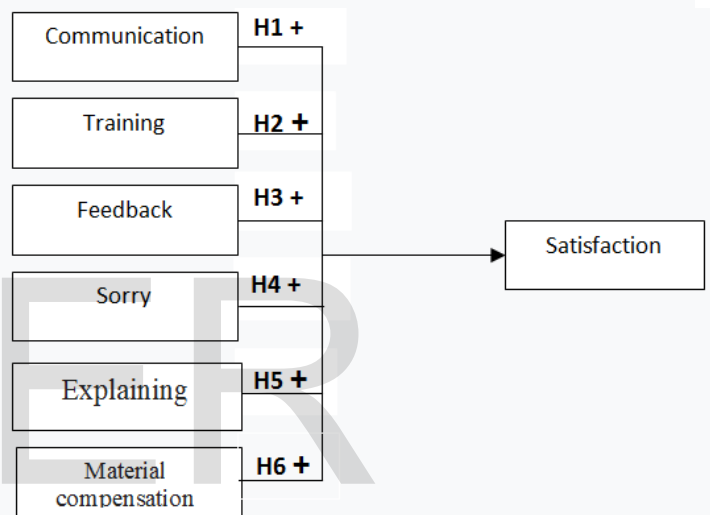


Figure 5: Research model

To find out the impact of the 6 independent factors to the customers' satisfaction, the author created 6 following hypotheses:

- H1: Communication has a positive (+) impact on customer satisfaction.
- H2: Training has a positive (+) effect on customer satisfaction.
- H3: Recognize feedback that has a positive (+) impact on customer satisfaction.
- H4: Sorry has a positive (+) impact on customer satisfaction.
- H5: Explaining has a positive (+) impact on customer satisfaction.
- H6: Material compensation has a positive (+) impact on customer satisfaction.

2.2.2.3. Operationalization

In order to understand the above research model, it is better to define the each factor in the following table:

Table 2.1: Describe the research model's factors

Factor	Description	Reference source
Communication	Staff should clearly communicating with	Adapted from

	customers who have experienced a service failure, answering questions to help them understand the situation, showing a receptive and honest attitude to solve the problem.	Boshoff (2005)
Training	Employees who receive customer complaints can resolve the problem without help from colleagues or other staff.	Adapted from Boshoff (2005)
Feedback	The restaurant provides written feedback to customers who are dissatisfied with the status of the problem or send written apologies.	Adapted from Boshoff (2005)
Sorry	The staff politely apologized to address the economic damage suffered by the customer..	Adapted from Boshoff (2005)
Explanation	The service staff provided an explanation for the error that the customer considered satisfactory.	Adapted from Boshoff (2005)
Material compensation	Employees who commit service faults provide compensation for inconveniences caused (refunds, exchanges of goods / services for similar services or discounts on future purchases).	Adapted from Boshoff (2005)

Independent variables in the research model: Communication, Training, Feedback, Sorry, Explain, Material compensation, Satisfaction are measured on a 5-point Likert scale (strongly disagree, not agree, neutral (moderate), agree, strongly agree). Except demographic variables use identification scales, rate scale.

The scale measurement of the factors are expressed in the following table:

**Table 2.2: The measurement of the factors**

I- Communication	Reference source	Coding
Service staffs communicate clearly with customers when a service error occurs.	Díaz (2017)	GT1
Service staffs answer all the questions to help customer		GT2

understand the failure situation.		GT3	
Service staffs express the acceptable attitude in solving the service failure.			
Service staffs express the honest attitude and try to solve the service failure.	<b>II- Training</b>	GT4	
Service staffs were trained how to solve the failure		Díaz (2017)	HL1
Service staffs were trained the passive attitude when receiving complaint from customers.			HL2
Training program of the restaurant help the staffs good solving the failure.		HL3	
<b>III- Feedback</b>			
The restaurant note the complain of the customers when failure happened.	Díaz (2017)	GNPH1	
The restaurant reply by written document to the customers on service failure.		GNPH2	
<b>IV- Sorry</b>			
Service staffs always say sorry to the customer when the failure happens.	Díaz (2017)	XL1	
The restaurant sends the sorry letter to the customers when failure happens.		XL2	
<b>V- Explanation</b>			
The staffs who make the failure occurred explain carefully to the customers.	Díaz (2017)	GTH1	
The staffs who made mistake do not avoid, transferring the mistake to other people during the explanation process.		GTH2	
<b>VI – Material compensation</b>			
The restaurant is committed to compensating customers if service problems occur.	Díaz (2017)	BTVC1	
The compensation level is commensurate with the inconveniences caused to customers.		BTVC2	
The restaurant offers various forms of compensation to meet customer requirements (refunds, exchange of similar services or discounts when used		BTVC3	

in the future).		
<b>VII – Customer satisfaction</b>		
I feel very satisfied with the explanation of the service issue.	Díaz (2017)	SHL1
I feel very satisfied with the attitude of the staff in solving service problems.		SHL2
I feel very satisfied with the service incident feedback		SHL3
I feel very satisfied with the form of apologies when the service incident occurred.		SHL4
I feel very satisfied with the compensation forms when the service incident occurred.		SHL5

### III. Research methodology

#### 3.1. Research methodology selected

This study is conducted through two main steps: preliminary studies using qualitative methods and formal studies using quantitative methods.

*Qualitative research:* interviewing experts to determine the factors of service recovery affecting customer satisfaction. Preliminary research was conducted by qualitative methods to explore the influencing factors and at the same time reassess the questions in the interview questionnaire. The purpose is to adjust and supplement the service quality scale.

*Quantitative research* is an official study with data collection techniques that are interviewed through closed questionnaires based on views, opinions assessing customer satisfaction with service recovery of Sunshine Thai Binh Restaurant. All response data will be solved and analyzed with the support of SPSS 20.0 software.

#### 3.2 Questionnaire design

After the research and discovery stage, the official questionnaire is set up as follow format:

- Part I: General information of customers such as: gender, age, marital status, income
- Part II: Designed to collect the affected factors on customer satisfaction including Communication, Training, Feedback, Sorry, Explain, Material compensation .

All observed variables use the Likert 5 scale with option number 1 indicating complete dissatisfaction, option number 5 is Completely satisfied and the satisfaction level is increased from 1 to 5.

#### 3.3 Primary data collection

##### 3.3.1. Implementation process

The data collection through interview by questionnaire. Survey subjects were customers who used the service at Sunshine Thai Binh restaurant. The questionnaire was sent by the author in many forms: designing online questionnaires on GoogleDocs and sending the addresses for the survey respondents to answer online and the response information recorded in the database, distributed tables. The questionnaire

was printed directly to the surveyed person and received the results after the completion.

The survey was implemented in Thai Binh province since early February 2019 to March 2019. During the research process, about 250 survey questionnaires were issued by the author. After the survey, the author has 235 responses from respondents including 210 valid responses.

##### 3.3.2. Sample size

The subjects of the survey include customers who used the service at Sunshine Thai Binh restaurant. During the research process, 250 survey questionnaires were delivered by the author. After the survey, the author received 235 responses from the respondents (94%) including 210 valid responses

#### 3.4. Data analysis process

After being collected, the answer sheets were checked and discarded unsatisfactory ones. They are then encrypted, entered and cleaned with SPSS 20.0. With SPSS software, perform data analysis through tools such as descriptive statistics, frequency tables, reliability testing of scales, discovery analysis, regression, T-test and ANOVA in-depth analysis.

### IV. Research results

#### 4.1. Introducing Sunshine Thai Binh

Restaurant Sunshine Thai Binh was established and operated in 2016, headquarter is located at Lot 8-9, Nguyen Van Nang, P. Tran Lam, Thai Binh City. With the main service is food; coffee and beverage and event service. With architecture combining nature, visitors will feel pleasant in the close natural scenery, away from the noise of the city. Each guest room of Sunshine Thai Binh is designed according to different styles, creating a separate space for the equipment with modern facilities.

Sunshine Thai Binh always makes customers feel warm, relaxed with the joy of family. Since its establishment, Sunshine Thai Binh with various types of services has been upgraded to a more professional, modern and specialized style. The types of services at Sunshine Thai Binh have been increasingly focused to bring the feeling of relaxation, absolute comfort to customers.

Currently Sunshine Thai Binh with over 100 professional service staff that can meet the customer's needs.

#### 4.2. General assessment of service failures and service recovery at the restaurant

According to the statistics of the restaurant, in the 3 years of operation from 2016 to 2019, the restaurant has experienced a number of service failures that affect customer satisfaction. Specifically: one case of losing a customer's bicycle, 1 case of a customer suing a restaurant for dirty food led to food poisoning, 19 cases of customers complaining about prices, and more than 40 cases customers complain about service behaviors of staff.

The above cases have been directly responded by customers at the restaurant or complained reviews on social networking sites. Most reactions from the restaurant to service failure cases are not fast and thorough, causing damage to the reputation of the restaurant. This shows that the restaurant needs to have a better assessment and recognition of service

recovery issues and seek solutions to increase customer satisfaction.

**4.3. Quantitative research result**

**Table 4.1: Sample information**

Factor	Range of age	%	Number of people
Age	18 – 29	44.8	94
	30 – 39	19.0	40
	40 - 50	15.2	32
	Over 50	21.0	44
<b>Total:</b>		<b>100%</b>	<b>210</b>
Gender	Male	57.1	120
	Femal	42.9	90
<b>Total</b>		<b>100%</b>	<b>210</b>
Educational level	Under high school education	14.3	30
	High school	28.1	59
	College - University	29.5	62
	Graduate University	28.1	59
<b>Total</b>		<b>100%</b>	<b>210</b>
Occupation	Pupil, students	16.7	35
	Businessmen	17.1	36
	Other jobs	51.4	108
	Retire	14.8	31
<b>Total</b>		<b>100%</b>	<b>210</b>
Income	Under 5 million	21.4	45
	5 – under 10 million	23.8	50
	10 - 15 million	21.4	45
	Over 15 million	33.3	70
<b>Total</b>		<b>100%</b>	<b>210</b>

**4.4. Testing reliability of scale**

The reliability of the scale is verified with the following results:

**Table 4.2: Cronbach’s Alpha analysis results table**

Factor	Observation factor	Mean	Standard deviation	Correlated total variable	Cronbach Alpha
Communication	GT1	2.90	0.932	0.572	0.669
	GT2	2.80	0.868	0.488	0.714
	GT3	2.85	0.979	0.519	0.698
	GT4	3.18	1.029	0.582	0.662
Cronbach's Alpha coefficient of the factor: 0.745					
Training	HL1	2.83	1.178	0.668	0.780
	HL2	2.71	1.061	0.645	0.801
	HL3	2.78	1.145	0.746	0.697

Cronbach's Alpha coefficient of the factor: 0.827					
Feedback	GNPH1	3.07	0.907	0.625	.
	GNPH2	2.91	0.856	0.625	.
Cronbach's Alpha coefficient of the factor 0.749					
Sorry	XL1	3.09	0.986	0.546	.
	XL2	3.04	1.183	0.546	.
Cronbach's Alpha coefficient of the factor 0.801					
Explanation	GTH1	2.94	1.076	0.601	.
	GTH2	3.01	1.257	0.601	.
Cronbach's Alpha coefficient of the factor 0.792					
Material compensation	BTVC1	2.98	1.134	0.677	0.805
	BTVC2	2.99	1.231	0.685	0.803
	BTVC3	2.86	1.161	0.681	0.804
Cronbach's Alpha coefficient of the factor: 0.844					
Customer satisfaction	SHL1	2.93	1.153	0.743	0.783
	SHL2	3.00	1.143	0.602	0.822
	SHL3	2.95	1.211	0.655	0.808
	SHL4	2.92	1.082	0.625	0.816
	SHL5	3.04	1.108	0.613	0.819
Cronbach's Alpha coefficient of the factor: 0.842					

The results show that all factors are statistically significant because Cronbach’s Alpha coefficient is greater than 0.6.

**4.5. Testing research models and hypotheses**

**4.5.1. Correlation analysis**

Correlation analysis was performed between Satisfaction dependent variable and independent variables such as Communication, Training, Feedback Record, Sorry, Explanation, Material Compensation to detect strong tight correlations between even the variables because such correlations can greatly affect the o

**Table 4.3 Results of Pearson correlation analysis**

Pearson correlation								
		Communication	Training	Feedback	Sorry	Explanation	Material compensation	Satisfaction
Communication	Correlation coefficients	1	0.061	0.174*	0.382*	0.494*	0.367*	0.520*
	Significance level (2-sided test)		0.378	0.012	0.000	0.000	0.000	0.000
	N		210	210	210	210	210	210
Training	Correlation coefficients		1	-0.174*	-0.027	0.087	-0.006	0.155*
	Significance level (2-sided test)			0.012	0.702	0.212	0.937	0.024

	N			210	210	210	210	210
Feed back	Correlation coefficients			1	0.323*	0.346*	0.276*	0.393*
	Significance level (2-sided test)				0.000	0.000	0.000	0.000
	N				210	210	210	210
Sorry	Correlation coefficients				1	0.520*	0.504*	0.660*
	Significance level (2-sided test)					0.000	0.000	0.000
	N					210	210	210
Expl anation	Correlation coefficients					1	0.562*	0.764*
	Significance level (2-sided test)						0.000	0.000
	N						210	210
Mate rial com pensation	Correlation coefficients						1	0.665*
	Significance level (2-sided test)							0.000
	N							210
Satisf action	Correlation coefficients							1
	Significance level (2-sided test)							
	N							

\*.α ≤ 0.05

As a result, the independent variables have strong linear correlations with the dependent variables, the correlation coefficients are statistically significant (p < 0.01).

#### 4.5.2. Hypotheses testing

*Hypothesis H1: Communication has a positive (+) impact on customer satisfaction.*

With this hypothesis, the research result shows that normalized regression coefficient  $\beta_1 = 0.112$ , Sig ( $\beta_1$ ) = 0.006 < 0.05, therefore the hypothesis H1 is accepted and can be interpreted as: Communication has a positive (+) impact on Customer Satisfaction, it means when customers feel the good attitude of employees' communication in solving service incidents, they are more satisfied with the services they are using.

*Hypothesis H2: Training has a positive (+) effect on customer satisfaction.*

Based on the result of testing this hypothesis: Standardized regression coefficient  $\beta_2 = 0.143$ ; Sig ( $\beta_2$ ) = 0.000 < 0.05, so it can be accepted the hypothesis H2 and this shows that the more customers feel that professionally trained employees have a positive attitude in resolving service incidents, the greater the satisfaction will be.

*Hypothesis H3: Recording feedback has a positive (+) impact on customer satisfaction.*

With the result of regression coefficient  $\beta_3 = 0.113$ , Sig ( $\beta_3$ ) = 0.004 < 0.05 so we can accept the hypothesis H3, or in other words, the survey shows that Customer Satisfaction is affected by the recognition of the provider when a service error occurs.

*Hypothesis H4: Sorry has a positive (+) effect on Customer Satisfaction.*

The result of regression coefficient  $\beta_4 = 0.260$ , Sig ( $\beta_3$ ) = 0.000 < 0.05 shows that the hypothesis H4 is accepted. It means Customer Satisfaction is affected by the provider's way of apologizing when a service incident occurs. The higher the attitude of the supplier's sincerity and initiative, the higher the satisfaction will be.

*Hypothesis H5: Interpretation has a positive (+) impact on Customer Satisfaction.*

To test this hypothesis, the research result can be used is regression coefficient  $\beta_5 = 0.383$ , Sig ( $\beta_5$ ) = 0.000 < 0.05 and Accepted the hypothesis H5 is the conclusion. Therefore, when consumers feel the level of clarity in a supplier's explanation, the higher the incident, the greater their satisfaction is.

*Hypothesis 6: Material compensation has a positive (+) effect on customer satisfaction.*

Similar to other hypotheses, the result: regression coefficient  $\beta_6 = 0.247$ , Sig ( $\beta_6$ ) = 0.000 < 0.05 the hypothesis H6 is supported and shows that if customers feel the compensation is commensurate with the value of using the service when a service incident occurs from the provider, their satisfaction increases.

#### 4.5.3. Analyze the impact of demographic factors on customer satisfaction with Sunshine Thai Binh restaurant.

##### a) Impact of gender factors on Customer Satisfaction on Sunshine Thai Binh Restaurant

*Hypothesis H'1: There is a difference in the impact of gender on Satisfaction.*

T-test results show that: with sig > 0.05: reject H'1. Therefore there is no gender difference in satisfaction

##### b) Impact of age on Customer Satisfaction for Sunshine Thai Binh Restaurant

*Hypothesis H'2: There is a difference in the impact of age on Satisfaction.*

One-way variance analysis (One-way ANOVA) shows with sig = 0.000 < 0.05 thus we can accept the H'2 hypothesis and confirm that there is a difference in the impact of age on Satisfaction. In particular, people over the age of 50 have higher satisfaction than other groups.

##### c) Impact of education level on customer satisfaction on Sunshine Thai Binh restaurant

In this study, the sample was divided into groups with different levels of education such as [Lower secondary school], [High school-intermediate], [College-university], [Above University]. The collected data showed that the survey sample for each group by educational level was large enough to carry out descriptive statistics, assessing the difference by educational level groups.

The hypothesis was created as follows:

*Hypothesis 3': There is a difference in the impact of education on Satisfaction.*

The result of One-way variance analysis (One-way ANOVA) shows that Sig = 0.631 > 0.05: so reject H'3 was confirmed and there is no difference in the impact of education on Satisfaction.



d) Impact of occupational factors on customer satisfaction with Sunshine Thai Binh restaurant

Hypothesis H'4: There is a difference in the impact of careers on job satisfaction.

One-way ANOVA analysis results show that: Sig = 0.000 <0.05, so accepting H'4 and it is concluded that there is a difference in the impact of occupation on customer satisfaction. In particular, retired group has higher satisfaction than student group and other specific occupations.

e) Differences by income

Hypothesis H'5: There is a difference in the impact of income on Satisfaction.

One-way ANOVA analysis showed that Sig = 0.000 <0.05, so the H'5 hypothesis is accepted and confirms there is a difference in the impact of income on Satisfaction. In particular, the group with income over 15 million has higher satisfaction than the other groups

The results of the research hypothesis test are summarized as follows:

**Table 4.4. Summary of test results of research hypotheses**

Hypothesis	Content	P value	Tested result
H1	Communication has a positive (+) effect on Customer Satisfaction.	0.006	Accept
H2	Training has a positive (+) impact on customer satisfaction.	0.000	Accept
H3	Feedback has a positive (+) impact on customer satisfaction	0.004	Accept
H4	Sorry has a positive (+) impact on customer satisfaction	0.000	Accept
H5	Interpretation has a positive (+) impact on customer satisfaction	0.000	Accept
H6	Material compensation has a positive (+) impact on customer satisfaction	0.000	Accept
H'1	There is a difference in the impact of gender on satisfaction	0.782	Reject
H'2	There is a difference in the effect of age on satisfaction	0.000	Accept
H'3	There is a difference in the impact of education on satisfaction	0.631	Reject
H'4	There is a difference in the impact of careers on job satisfaction	0.000	Accept
H'5	There is a difference in the impact of income on satisfaction	0.000	Accept

**4.5. Suggestions from the research results**

**4.5.1. Improve the storage of labor force**

In addition to the available potentials, to develop Sunshine Thai Binh service activities, it is necessary to have qualified human resources and knowledge of service organization. Sunshine Thai Binh needs to focus on training human resources to prepare a workforce with a high level of the knowledge economy, as the core for service development in the coming periods.

**4.5.2. Develop a process for resolving service errors**

Service errors are unavoidable in the business operation. It reduces service quality as well as affects customer satisfaction. Therefore, to effectively overcome Sunshine Thai Binh, it is necessary to devise a process for resolving reasonable service

errors. The author proposes to resolve the service error in 5 steps:

- Step 1: Meet customers: find out the causes, listen to customer comments
- Step 2: Offer solutions: commitment on time, commitment to quality
- Step 3: Solve problems with customers: specific actions; compensation (if any)
- Step 4: Provide information about the responsible person for each customer;
- Step 5: Plan a meeting: phone, email and inquire; feedback soon

**4.5.3. Receive customer feedback**

Collecting feedback can be done via:

- Collecting via message: Send one or two questions that the recipient can answer directly; or attach a link in the survey (use a shortened link to shorten the space when sending text messages).
- Expanding communication channels with customers through the mass media, using social media tracking to give feedback of help, identify customer trends and making strategy to respond what customers' concern.

**4.5.4. Develop a policy of apology and compensation**

Restaurants need to have an apology and compensation policy that increases customer satisfaction in the most appropriate way according to each situation.

**4.5.5. Issue the principles for staffs' attitude and behavior**

Customer care staff must have the following qualities:

- + Respect and be polite to the customers
- + Listening
- + Be sorry at the right time
- + Know the specific explanation, clearly and quickly

**V. Conclusion**

The results of this study help Sunshine Thai Binh restaurant review more clearly their activities in order to find solutions to increase customer satisfaction in service recovery, help the restaurant business and researchers better understand the market and customer satisfaction criteria in Vietnam to adjust their activities to gain the success.

**Reference**

1. Boshoff, C. (1997). An experimental study of service recovery options. *International Journal of Service Industry Management*, 8(2), 110-130.
2. Bowen, J.T., & Shoemaker, S. (1998). Loyalty: A strategic commitment. *The Cornell Hotel and Restaurant Administration Quarterly*, 39(1), 12-25.
3. Brown, S.W., Cowles, D.L., & Tuten, T.L. (1996). Service recovery: Its value and limitations as a retail strategy. *International Journal of Service Industry Management*, 7(5), 32-46.
4. Chihyung Ok (2004), The effectiveness of service recovery and its role in building long-term relationships with customers in a restaurant setting

5. Clow, K.E., Kurtz, D.L., & Ozment, J. (1996). Managing customer expectations of restaurants: An empirical study. *Journal of Restaurant & Foodservice Marketing*, 1(3/4), 135-159.
6. Giese, J.L. and Cote, J.A. (2000) Defining Consumer Satisfaction. *Academy of Marketing Science Review*, 1, 1-27.
7. Gilly, M.C. (1987). Post complaint processes: From organizational responses to responses to repurchase behavior. *The Journal of Consumer Affairs*, 21(2), 293-313.
7. Hart, C.W.L., Heskett, J.L., & Sasser, W.E., Jr. (1990). The profitable art of service recovery. *Harvard Business Review*, 68(4), 148-156.
8. Nhất Ly (2003), 1001 ways of retain customers, Hanoi Culcture and Informatic Publication.
9. Nguyễn Thượng Thái (2006), *Service Marketing*, Post Office Publication
10. Reichheld, F.F., Sasser, W.E., Jr., 1990. Zero defections: Quality comes to services. *Harvard Business Review*, 68(5), 105-111.
11. Spreng, R.A., Harrell, G.D., & Mackoy, R.D. (1995). Service recovery: Impact on satisfaction and intentions. *Journal of Services Marketing*, 9(1), 15-23.
12. Tax, S.S., Brown, S.W., & Chandrashekar, M. (1998). Customer evaluations of service complaint experiences: Implications for relationship marketing. *Journal of Marketing*, 62(2), 60-76
13. Timm Paul R (2004), 50 ý tưởng mạnh mẽ để chăm sóc khách hàng, NXB thống kê
14. Valarie A.Zeithaml & Mary Jo Bitner (2000), *Service Recovery. Service Marketing: integrating customer focus across the firm*, 165-190
15. Yoon, S. and Kim, J. (2000), "An empirical validation of a loyalty model based on expectation disconfirmation", *Journal of Consumer Marketing*, Vol. 17 No. 2, pp.

IJSER

IJSER