

# THE RELATIONSHIP BETWEEN SATISFACTION AND WORD-OF-MOUTH AT THE LANGUAGE CENTERS IN HOCHIMINH CITY VIETNAM

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**Abstract:** This research analyzes the relationship between satisfaction and word-of-mouth (WOM) at the language centers in HoChiMinh City by questioning 200 current learners. This research uses Cronbach's Alpha and exploratory factor analysis, confirmatory factor analysis, Structural equation modelling by AMOS program. The results show that WOM Praise and WOM Activity were strongly affected by Affective commitment; Satisfaction was affected the more by Functional quality than by Technical quality; then Satisfaction affects directly and positively on Affective commitment and High-sacrifice commitment, help language centers have the good image in learners' perception, leads to learners' WOM Praise and WOM Activity.

**Keywords:** Satisfaction, word-of-mouth, WOM Praise and WOM Activity Affective commitment and High-sacrifice commitment Functional quality than by Technical quality, language centers

## 1. OVERVIEW

At present, the demand for language acquisition is increasing among learners from all social and age groups, each with a different purpose, most of whom are loyal to the goal of improving English skills, while some others see this as a trend. English language centers in HoChiMinh City (HCMC) are numerous and varied. The website of HCMC Department of Personnel and Organization as well as the Department of Education and Training has shown that there are 341 foreign language centers, 47 foreign language and cultural centers, 94 foreign language and informatics centers, 101 foreign language, informatics and cultural centers. Thus, there are 583 foreign language teaching centers in total with over 750,000 learners.

Centers have different ways of attracting students, such as newspapers, leaflets, online advertising, eye-catching signage design; the content of the ads focuses on native English teachers, reasonable tuition fees, facilities, modern equipment, advanced teaching methods ... The English teaching market in HCM City is competitive; learners always look for qualified, reliable

and affordable teaching centers, while many students are attracted by the gifts and fee discount policies.

With the explosion of social networking nowadays, participants can share experiences after attending a course; this greatly affects the decision of choosing the English language center of the students as well as the re-enrollment for higher level English studies.

## 2. THEORETICAL STRUCTURE AND RESEARCH MODEL

### 2.1. Theoretical basis

Word-of-mouth (WOM) is a form of informal communication, the information which goes from one person to another is about a brand, product, organization, or service that occurs in a non-commercial communication (Harrison-Walker, 2001), and the receiver (consumer) thinks that this form of communication has a greater influence on the choice of consumers than other forms of communication (Murray, 1991). Indeed, some studies have quantified the impact of WOM influence

and suggest that the effect is 9-time better than advertising in the shift from unwillingness to positive attitudes (Day, 1971). With the advances in technology, especially in the field of electronic communications, the scope of WOM's influence has increased significantly, showing great interest in this form of communication and its impact on market results.

Researchers have also found that the level of WOM influence on consumers' service decisions is far greater than the level of impact when buying tangible products (Murray & Schlacter, 1990; Bristor, 1990). Bansal & Voyer (2000) argued that this difference arises from the intangibility of the service, which makes it difficult to make comparisons before buying. And, the level of WOM influence on the choice of consumers varies across services (Still *et al.*, 1984). English teaching is a highly competitive market, so the WOM impact is obvious.

A number of previous studies used scales of factorial structures (Harrison & Shaw, 2004; Fullerton & Taylor, 2002; Brady & Robertson, 2001), suggesting that value-based measures such as efficacy management is limited. Current research has overcome this weakness by following Gronroos's (1984) recommendation that service quality should be evaluated in two aspects: what customers receive (technical quality), and how customers receive it (functional quality). WOM is considered as a two-dimensional structure, with WOM Activity and WOM Praise.

**2.2. Research model**

Raymond (2006) models a study on how satisfaction affect word-of-mouth on the premise of the aforementioned theories, and this is also the research model proposed by the group of authors.

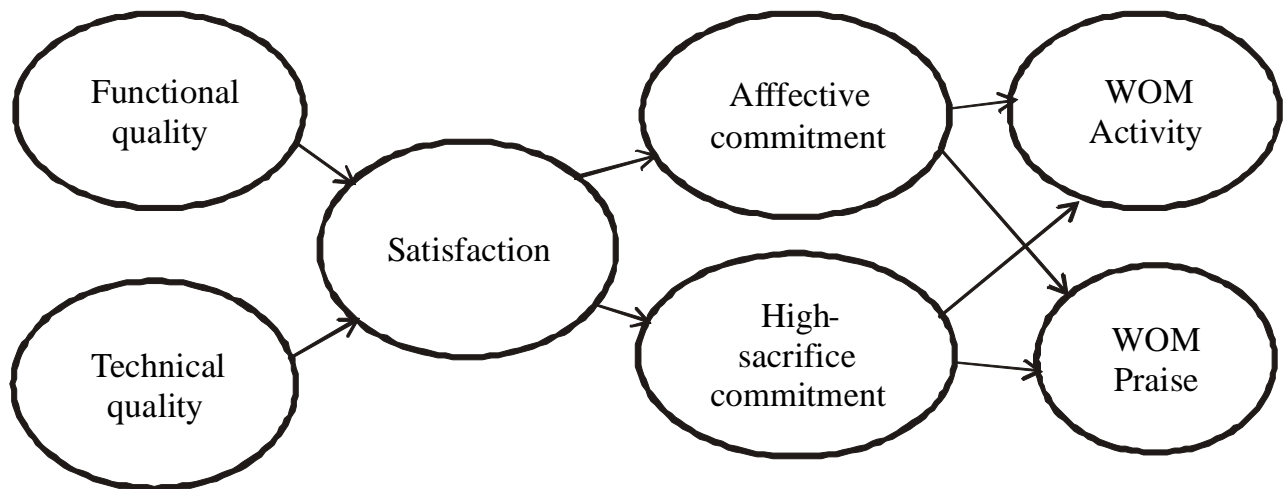


Figure 1: Satisfaction influences WOM activities

Source: Raymond, 2006

The hypotheses are as follows:

- H<sub>1</sub>: The higher the Affective commitment is, the more WOM generated.
- H<sub>2</sub>: The higher the Affective commitment is, the greater WOM Praise created.
- H<sub>3</sub>: The effect of Affective Commitment on WOM is greater than the impact of High-sacrifice commitment on WOM behavior.

- H<sub>4</sub>: The effect of Affective Commitment on WOM is greater than the impact of High-sacrifice commitment on WOM Praise.
- H<sub>5</sub>: The higher the level of Satisfaction is, the greater the level of Affective Commitment created
- H<sub>6</sub>: The effect of Satisfaction on Affective commitment is greater than the effect on high sacrifice commitment

H<sub>7</sub>: The higher the level of perception of Technical quality, the higher level of Satisfaction created

H<sub>8</sub>: The higher the level of Functional quality is, the higher the level of Satisfaction created

### 3. IMPLEMENTING RESEARCH

#### 3.1. Research sample

300 direct questionnaires were distributed in English language centers by the end of 2015 with a return of 250 samples. After preliminary examination, 50 were rejected due to non-eligibility, 200 left were used for analysis (Table 1).

**Table 1**  
Sample characteristics

Gender		
	<i>No. of participant</i>	<i>Percent (%)</i>
Female	131	65,5
Male	69	34,5
Age		
	<i>No. of participant</i>	<i>Percent (%)</i>
Under 18	91	45,5
From 18 to 25	95	47,5
From 26 to 35	11	5,5
Over 35	3	1,5
English centers		
	<i>No. of participant</i>	<i>Percent (%)</i>
VUS	35	17,5
YOLA	27	13,5
ACET	13	6,5
Duong Minh	30	15,0
SEAMEO	22	11,0
Language center of the University of Pedagogy	16	8,0
ILA	38	19,0
EQUEST	19	9,5
Study time		
	<i>No. of participant</i>	<i>Percent. (%)</i>
Under 3 months	77	38,5
From 3 to under 6 months	45	22,5
From 6 to under 12 months	31	15,5
Over 12 months	47	23,5

Source: field survey of the authors

#### 3.2. Measure of internal consistency

A measure of internal consistency with corrected item-total correlation measuring less than 0.3 will be rejected, and the reliability statistics of Cronbach's Alpha must be 0.6 or greater (Nunnally & Burnstein, 1994). Table 2 shows all items that can be used in Exploratory Factor Analysis (EFA).

**Table 2**  
Results of Cronbach's Alpha

<i>Order</i>	<i>Factors</i>	<i>Cronbach's alpha</i>	<i>The smallest corrected item-total correlation</i>
1	WOM Activity	.768	.468
2	WOM Praise	.771	.569
3	Affective Commitment	.864	.408
4	High-sacrifice Commitment	.842	.510
5	Satisfaction	.851	.629
6	Functional Quality	.741	.543
7	Technical Quality	.794	.439

(Source: calculated of the authors)

#### 3.3. Discovery Factor Analysis

Exploratory Factor Analysis (EFA) was conducted using Principals axis factoring method in combination with Promax rotation method.

The EFA results for the WOM and WOM Praise scale show that the modeled explanatory variance of the model was 53.096% of the total variance of the sample, the two factors extracted at the eigenvalues of 1,007. KMO statistic is 0.712 and Sig. is 0%. Two important factors are: WOM Praise is formed from three observation variables; WOM Activity is formed from two observation variables.

The EFA for the Affective Commitment and the High-sacrifice Commitment show that the overall explanatory variance of the model was 53.465% of the total variance of the sample, with two factors having eigenvalues of 1,659. KMO statistic is 0.903 and Sig. is 0%, which satisfies the condition of the analysis. Two significant factors are: Affective Commitment is formed from 7 observation variables; High-sacrifice Commitment is formed from 5 observation variables.

Satisfaction factor was maintained, the overall explanatory variance of the model was 59,337%, the factor extracted at the eigenvalues of 2.767. The coefficient of KMO is 0.788 and Sig is 0%. A significant factor is satisfaction which is formed from four observation variables.

The EFA results of the Functional and Technical Quality indicate that the explanatory total variance of the model was 50.894%, the factor extracted at the eigenvalues of 1.26. KMO statistic is 0.788 and Sig is 0%. Functional quality is measured by 4 observed variables. Technical Service Quality is measured by 3 observed variables.

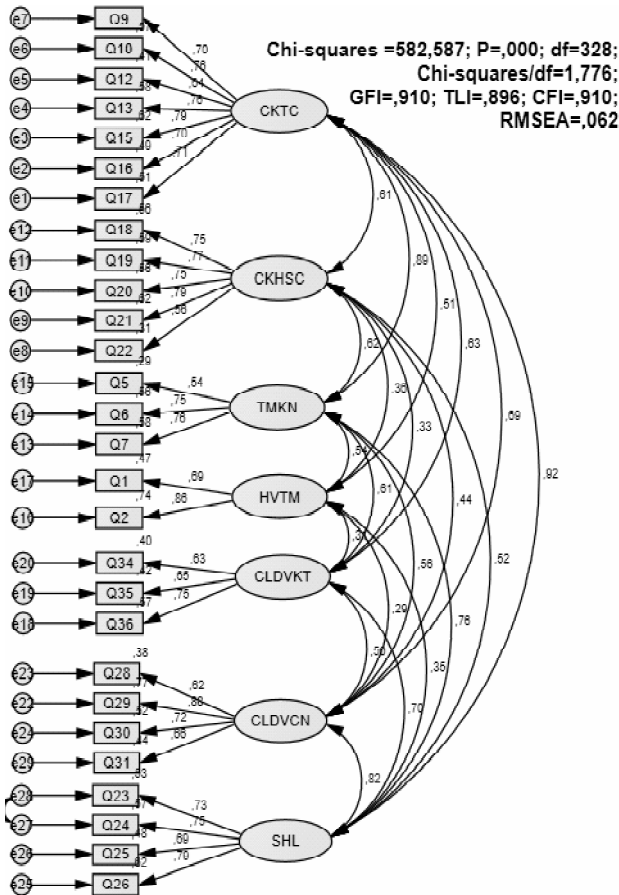


Figure 2: Standardized CFA model

Source: calculated of the authors

### 3.4. Results of Structural Equation Modeling (SEM)

Confirmatory Factor Analysis (CFA) results show that the model achieves high correlation with market data with Chi-square = 582.587, degree of freedom df = 328, GFI = 0.910, TLI = 0.896 and CFI = 0.910 (Bentler & Bonett, 1980). At the same time, the Chi-square / df adjusted to 1,776 (Carmines & McIver, 1981) combined with RMSEA = 0.062 (Steiger, 1990) showed that the data matched the case study (Figure 2). The confirmatory factor analysis with all indicators results suitable for the Multi-Sample Model, the scales satisfied the requirements to conduct SEM analysis (Blend, 2005; Anderson & Gerbing, 1988)

Verification shows that all correlation coefficients of the concepts are less than 1 which render them statistically significant. Thus, the above concepts achieve distinct values (Steenkamp & Vantrijp, 1991).

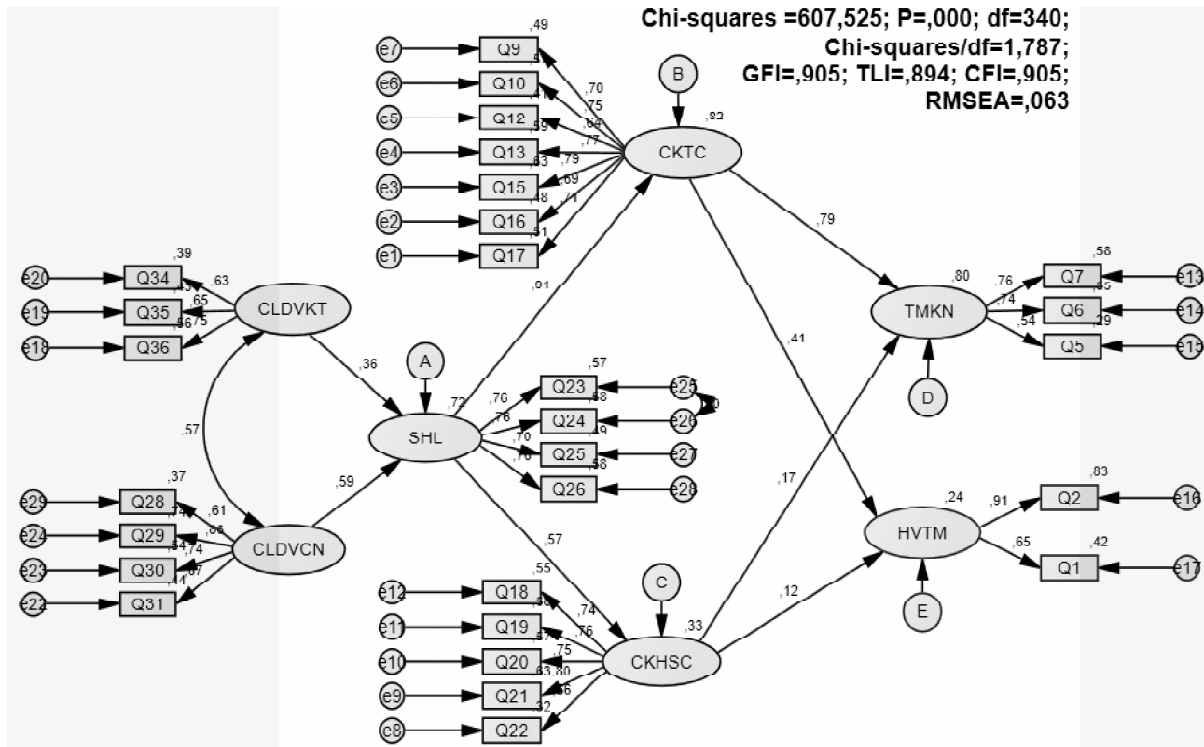
Estimated results show that the theoretical model is quite suitable for market data as follows: Chi-square with 340 degrees of freedom, 0% probability of reaching 607.525, GFI of 0.905, TLI reaching 0.894, CFI 0.905 and RMSEA 0.063. Thus, it can be concluded that the theoretical model is appropriate and can be used to test the expected relationships.

Estimated results show that the H<sub>1</sub>, H<sub>2</sub>, H<sub>3</sub>, H<sub>4</sub>, H<sub>5</sub>, H<sub>6</sub>, and H<sub>7</sub> relationships in the research model, through

Table 3  
SEM model results

Relationships	Estimated Coefficient	S.E.	C.R.	P	Hypothesis	Conclusion
SHL ← CLDVKT	0,367	0,092	4,015	0,000	H <sub>1</sub>	Accepted
SHL ← CLDVCN	0,579	0,090	6,442	0,000	H <sub>2</sub>	Accepted
CKTC ← SHL	0,883	0,094	9,406	0,000	H <sub>3</sub>	Accepted
CKHSC ← SHL	0,601	0,105	5,702	0,000	H <sub>4</sub>	Accepted
HVTM ← CKTC	0,602	0,137	4,386	0,000	H <sub>5</sub>	Accepted
TMKN ← CKTC	0,922	0,114	8,078	0,000	H <sub>6</sub>	Accepted
TMKN ← CKHSC	0,184	0,081	2,266	0,023	H <sub>7</sub>	Accepted
HVTM ← CKHSC	0,167	0,125	1,333	0,183	H <sub>8</sub>	Rejected

(Source: Analysed by the authors group)



the non-normalized regression table, are acceptable,  $H_8$  alone is not statistically significant. Consequently,  $H_8$  hypothesis will be rejected for the purpose of revising the relevant research model.

Estimated results show that the theoretical model after calibration is quite consistent with the market data as follows: Chi-square with a degree of freedom of 341, the probability of 0% is 609.023, GFI reaching 0.905, TLI reaching 0.895, CFI reaching 0.905 and RMSEA reaching 0.063.

Results of normalized regression coefficients show that Functional quality factor impacts Satisfaction more than Technical quality ( $0.595 > 0.355$ ); Satisfaction has a stronger impact on Affective commitment than High-sacrifice commitment ( $0.907 > 0.574$ ); Affective commitment influences WOM praise rather than WOM activity.

#### 4. CONCLUSION AND IMPLICATION

##### 4.1. Administrative implications

Analytical results show that “Functional quality” is more important than “Technical quality” to the satisfaction of

the learners, thus affecting the commitment; then commitment affects word of mouth. Therefore, English language centers should focus on improving the Functional quality.

##### Enhance the Functional quality

The authors suggest that English Language Centers should standardize services, service provision and service control; at the same time, proceed to develop a comprehensive quality assurance system with a focus on quality assurance which meets the requirements of the learners. The steps are as follows:

- **The starting point:** identify the need and apply the service quality assessment model SERVQUAL (Parasuraman *et al*, 1985).
- **Organizing the specialized unit:** to prepare the work of organizing and building the quality assessment department
- **Training awareness and skills in applying the methodology:** training qualified staff with basic skills of defining the needs of the learners, standardizing the service, developing

evaluation standards and quality control methods.

- **Conducting service standardization:** to obtain a set of service standards, the process of supply and service quality control.
- **Developing regulations on quality assessment:** to have regulations on evaluation standards and on how to conduct the evaluation.
- **Developing annual evaluation program and assessment plan for each evaluation:** The annual evaluation program can assess and control the overall quality of processes and departments. The assessment plan for each session should identify questionnaires, scoring methods, assessments, and work for both the assessor and the department being assessed.
- **Promulgating and applying service rules and service evaluation:** providing service in conjunction with quality control that evaluates SERVQUAL quality is important.
- **Maintaining and improving:** regularly assess (especially from learners) and analyze results, continue to improve quality and standardize services and processes so that they always suit the demand of the students.

The center needs to organize training to improve staff's skills, apply staff management procedures and quality management processes in the management of learners. The center should also have a compensation system that is appropriate to the performance of employees and a percentage of reward for reaching a certain number of students.

Besides, the facilities for learners' learning process are also very important. The system of computer labs, libraries, materials and supplementary materials should be well-equipped for the students. Outside the main class, students can go to the library for self-study and self-improving. The staff of a center should also have knowledge of English and communication skills in order to support the learners.

In addition to the official school hours, extracurricular activities are also useful for students to improve their use of English skills. The center should pay attention to the

monitoring system, checking the learners, coordinating with the family during the learners' learning process at the center, taking care of slow-learners or drop-out students, helping students achieve high scores in the exams for certificates such as IELTS, TOEFL, TOEIC,...

### Improving the quality of technical services

The teacher is the last step in the process of bringing direct education to the students and the qualification of teachers greatly affects the process of providing education services to students. Therefore, the selection of English language teachers in English language centers should be at the forefront. At present, some English language centers require their teachers have IELTS 7.0 or C1 (European standard), some also require TESOL degree (Teachers of English to Speakers of Other Languages). In addition to qualifications in language and pedagogy, some English language centers also apply a rigorous selection process, from checking profile, entrance examinations, to interviewing, and teaching demo class; then, the teacher is probed for 1 month. After one month, the center will take feedback from the learners to decide whether to continue the long-term collaboration with the teacher.

Besides selecting the right people, the center also needs to focus on the right things and manage people properly. The English Language Center must hold training sessions to improve the professionalism of the teacher, train the teacher on the content of the curriculum, the goals and courses of the center, improve professional skills and update new teaching methods for teachers.

Teachers' support equipment such as projectors, computers, and loudspeakers also play a very important role in facilitating the teaching process. It provides students with the opportunity to talk to the teacher more about their needs so that the teacher will have appropriate plans to help the learners.

The teaching process should not be fully contracted to the teacher, but to the whole center, so there should be at least one person being responsible for the selection and preparation of lesson plans, preparation of materials and exercises. It is designed for students, as well as assists teachers in teaching, marking and examining learners. The

Center also needs to provide an effective teaching process for teachers, from attendance, extracurricular activities, homework assignments and final exams to the students.

The supervision and management of teaching should be strictly applied to ensure the benefits of the learners, avoid being late or missing from classes. The Center should consult participants between the course to make appropriate adjustments for the students, and at the end of the course to make changes for students in the following courses.

Language Centers also need to set policies to encourage teachers to improve their skills and qualifications, such as salary increases or bonuses when teachers earn higher degrees or when the percentage of students in a class increases or reaches a high re-enrollment rate. Besides, taking care of teachers during important holidays is very necessary.

#### **4.2. Conclusion**

The authors have conducted the EFA and CFA methods to measure Functional quality, technical quality, satisfaction, affective commitment, high-sacrifice commitment, WOM praise and WOM activity, the results show that the components of the scale ensure reliability and validity, which can be used in English language centers in Ho Chi Minh City, and have a high degree of applicability in Vietnam.

In the SEM model, WOM praise and WOM activity are strongly influenced by affective commitment ( $\beta$ , is respectively at 0.798 and 0.497). Student satisfaction has a strong affective commitment ( $\beta$  is 0.907); Satisfaction is strongly influenced by Functional quality rather than technical service quality ( $\beta$  is 0.595 and 0.355, respectively). Satisfaction directly and positively affect the affective commitment and high-sacrifice commitment, helping the center of English create a good image in the feeling of students; this will lead to WOM praise and the WOM activity to the English center the learners have studied. Therefore, to increase the likelihood of WOM activity and WOM praise of English learners, English language centers need to have policies that impact on factors at the same time, but in certain order of preference.

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