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Customer satisfaction with services quality of Domestic Independent Auditing Firms in Hanoi

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Abstract
Evaluation of satisfaction of customers with services quality of domestic independent auditing firms in Hanoi was conducted based on theoretical background, results of research studies in the world and domestic, and opinions of the experts. Both qualitative and quantitative methodologies were employed. Questionnaires were designed with a 5 - points Likert scale. By using several statistical analytical tools, i.e., descriptive statistics, Cronbach's Alpha analysis, and Independent T-test, the study has identified and measured five (5) attributes of satisfaction of customers with services quality of domestic independent auditing firms in Hanoi, Vietnam that have great effects on employees (or in this case study, auditors). There is not, statistically, significant difference in the level of satisfaction of customers with services quality of domestic independent auditing firms in Hanoi from these different genders. Based on the findings, some recommendations are given for domestic independent auditing firms to improve satisfaction of customers.

1. Introduction
Customer satisfaction is one of the crucial goals of service providers, and good feedback, together with customer loyalty, will help the business become more advantageous (Greenwell *et al.*, 2002; Liu & Jang, 2009) [5, 14].

Customer satisfaction is considered a vital key to the success of a business (Shemwell *et al.*, 1998) [21], as it allows the service to create more loyal customers (Hanzaee & Nasimi, 2012) [8], more usage frequency, which indicates that the better the service quality is, the higher the customer satisfaction will be (Dabholkar & Bagozzi, 2002) [3].

By December 2020, Vietnam had 204 auditing firms, including 10 firms with foreign investment capital and 194 firms with 100% domestic capital (Ministry of Finance, 2020) [15]. Therefore, customers increasingly have more opportunities to choose among various services and have fewer constraints on the auditing service provider. In addition, through the author's observations, the phenomenon of customers switching audit service providers is increasing, including those choosing foreign-invested auditing firms, indicating that satisfaction for domestic independent auditing firms needs to be reassessed.

There have been many studies on customer satisfaction for reference points in different fields; however, they are not sufficient on customer satisfaction for domestic independent audit firms, etc. On the other hand, auditing services have characteristics different from the mentioned types of services, such as: Independent auditing firms use the sample audit program for financial statement audit promulgated by the Association of Auditors Vietnam Vocational Training (VACPA) (VACPA, 2019) [22]. The main outline of the sample audit program for financial statement audit includes: (i) Audit plan; (ii) Summary, conclusions and report preparation; (iii) Inspection of the internal control system; (iv) Detailed inspection of assets; (v) Detailed inspection of liabilities; (vi) Detailed inspection of capital sources; (vii) Detailed inspection of the income statement; (viii) Review of other total boxes (VACPA, 2019) [22]. In addition, clients of auditing firms are quite diverse in terms of scale (large scale, medium scale, small scale), and sectors (industrial production, trade, services, tourism, hotels, construction, etc.).

The objective of this study is to identify, evaluate and measure the component attributing customer satisfaction with services quality of Domestic Independent Auditing Firms in Hanoi. Thereby, suggesting some recommendations for managers of Domestic Independent Auditing Firms to build effective services quality development strategy.

2. Theoretical Background and Literature Review
2.1 Quality of service
Parasuraman *et al*. (1985) [19] define quality of service as a concept different from satisfaction, reflecting the correlation between performance and customer expectations. Quality equals the subtraction of expectations from performance appraisal and the higher performance appraisal is, the more satisfied customers tend to be.

The model of service quality, introduced by Parasuraman *et al*. (1988) [20], is one of the most remarkable models, which has been used by many researchers to study service quality of organisations and firms. Parasuraman *et al*. (1988) repeatedly tested and concluded that components of service quality include: (i) Reliability: ability to perform the service appropriately and punctually at the first time; (ii) Responsiveness: desire and willingness of the service staff to provide timely service to customers; (iii) Service capacity: professional qualifications and polite and affectionate manner toward customers; (iv) Empathy: care for each individual customer; and (v) Tangible: appearance, attire of the service staff, service equipment.

This study proposes to apply the model by Parasuraman *et al*. (1988) [20] to evaluate customer satisfaction for service quality of domestic independent audit firms because the service quality theory of Parasuraman *et al*. (1988) [20] focused on assessing them from the customer's point of view. According to the regulations on mandatory auditing specified by Vietnam in many Articles such as Article 37 of the Law on Independent Auditors dated March 29, 2011 (National Assembly, 2011) [17]; Article 15 of Decree No. 17/2012/ND-CP dated February 13, 2012 on audit subjects, audit services are one of the partially mandatory products. Thus, auditing firms providing partially mandatory audit services need to evaluate based on the comparison between the perception and expectations of customers to retain customers. The service quality theory of Parasuraman *et al*. (1988) [20] also brings forth superior diagnostic capability for a particular service sector where service quality deficiency and service satisfaction are assessed overall on that service.

2.2 Customer satisfaction with service quality
According to Oliver (1997) [18], customer satisfaction is content response of customers and is measured by emotional recognition, perception and performance components of satisfaction.

Anderson *et al*. (1994) [1] defined customer satisfaction as the overall rating of products/services throughout customer journey. Parasuraman *et al*. (1988) [20] believe that satisfaction is customer's response to the difference between perception of prior experience and expectations. To specify, satisfaction is the feeling of customers when their needs and expectations are satisfied or their demands are met beyond expectations during their customer journey.

Kotler and Keller (2000) [11] link satisfaction with feeling of pleasure or displeasure resulting from comparing perceived performance of a product (or outcome) and expectations. Customer satisfaction is the feeling of happiness or dissatisfaction after comparing the product performance they feel to expectations. If product performance is considered to be below expectations, the customers are unsatisfied; on the contrary, if the performance is considered above expectations, they are satisfied.

Customer satisfaction is the degree of a person's sensory state that incurs from comparing the results obtained from the product (or production) with one's expectations (Kotler, 2001) [12].

According to Yang and Peterson (2004) [23] and Chen & Tsai (2008) [2], customer satisfaction is the concept of measuring all levels of customer contentment with the service provider organization after all contacts and interactions with customers. According to Yüksel & Yuksel (2001) [24], there are two aspects of satisfaction, namely customer satisfaction for end products (i.e., after consumption of the product) and customer satisfaction for service delivery (i.e., associated with the whole customer journey).

The majority of studies manifest service quality as an important driver of customer fulfilment as well as their behaviour in the future (Lai *et al*., 2009) [13].

In Vietnam, there have been researches on customer satisfaction for service quality in various industries like: Banks, supermarkets. One of those was the 2012 study of Gioi and Huy (2012) [4] about customer satisfaction for banking services including: (i) Your expectations for the bank have been met; (ii) whether you are satisfied with the services provided by the bank. According to Hoa and Long (2021) [9], the enjoyment of customers for the quality of banking services includes: (i) Customers are satisfied with the quality of service; (ii) Customers continue to use the bank's services; (iii) Customers recommend the bank's services to relatives and friends. In the field of logistics, customer satisfaction includes: (i) You are satisfied with the quality of logistics services of the business, (ii) You will continue to use the services provided, (iii) You are willing to recommend the business to others (Nam & Hang, 2021) [16].

Mentioned researches focused on the satisfaction of customers in general and the contentment with the service quality of banks, logistics in particular. However, there has been yet a comprehensive study on the service quality of independent auditing firms. This research chooses to study customer satisfaction for the service quality of independent auditing enterprises owing to unique characteristics of the service quality provided by independent auditing enterprises.

3. Methodology
3.1 Qualitative Approach
We interviewed 3 lecturers with highly experiences in auditing in domestic independent auditing firms of the Hanoi University of Industry and University of Labour and Social Affairs and 5 experts working as auditors in domestic independent auditing firms in Hanoi. The contents of the interviews include 5 attributes (indicators) of customer satisfaction with services quality of Domestic Independent Auditing Firms of domestic independent auditing firms in Hanoi (see Table 1). The results showed that, experts identified 5 attributes (indicators) are appropriate, do not add any more attributes.

Inheriting the research results of Oliver (1997) [18], Anderson & *et al*. (1994) [1], Parasuraman *et al*. (1988) [20], Kotler & Keller (2000) [11], Kotler (2001) [12], Yang & Peterson (2004) [23], Chen & Tsai (2008) [2], Lai & *et al*. (2009) [13], Gioi & Huy (2012) [4], Hoa & Long (2021) [9], Nam & Hang (2021) [16] and based on the results of expert interviews, we identified 5 attributes of customer satisfaction with services quality of Domestic Independent Auditing Firms (see table 1):

Table 1: Attributes of customer satisfaction with services quality of Domestic Independent Auditing Firms

Code	Scale	Sources
Customer satisfaction (SAT)		
SAT1	The audit firm has met my expectations	Oliver (1997) [18], Anderson & et al. (1994) [1], Parasuraman et al. (1988) [20], Kotler & Keller (2000) [11], Kotler (2001) [12], Yang & Peterson (2004) [23], Chen & Tsai (2008) [2], Lai & et al. (2009) [13], Gioi & Huy (2012) [4], Hoa & Long (2021) [9], Nam & Hang (2021) [16]
SAT2	I believe this is a wise decision when choosing services of this auditor firm	
SAT3	I think that the service experience of this auditor firm is appropriate	
SAT4	I am satisfied with the services of the audit firm that is providing services to me	
SAT5	I am satisfied with the decision to use the services of this audit firm	

3.2 Quantitative Approach

After having the scale table with 5 attributes, we designed the questionnaire. We then tested general accountans and chief accountants working at firrs which are customers of domestic independent auditing firms in Hanoi, Vietnam; through convenient sampling methods. We sent 300 questionnaires directly and indirectly to general accountans and chief accountants working at firrs which are customers of domestic independent auditing firms in Hanoi and received the feedback of 275. After checking the information on the returned questionnaires, there were 250 questionnaires with full information for data entry and analysis, the size of this sample was consistent with study of Hair et al. (1998) [6]. Because, according to them, the research sample must be at least 5 times the total number of indicators in the scales. The questionnaire of this study includes 5 indicators, therefore, the minimum sample size to achieve are 5 x 5 = 25 observations. We use SPSS 23 for analysis to determine reliability through Descriptive statistics, Cronbach's Alpha and Independent T-test.

4. Research Results
4.1 Descriptive Statistics

Information of data collected is shown in Table 2. It shows that among the 250 respondents, about 35.6% were male while the remaining 161 (64.4%) were female. Among the respondents, 15.6% of the participants have work experiences for less than 5 years; 18.4% of the participants have work experiences from 5 to 10 years, and over 10 years accounted for 66.0%

Table 2: Respondents by Gender and Work Experience

	Frequency	Percent	Cumulative Percent
Gender			
Female	161	64.4	64.4
Male	89	35.6	100.0
Work Experience			
Less than 5 years	39	15.6	15.6
From 5 to 10 years	46	18.4	34.0
More than 10 years	165	66.0	100.0
Total	250	100.0	

Next, Table 3 indicates that the respondents agree with the dependent variables of "Customer satisfaction with services quality of Domestic Independent Auditing Firms" where five attributes were quite high with an average of 3.92 compared with the highest of the Likert 5-point scale. All 5 attributes were rated at an average of 3.51 or higher.

Table 3: Descriptive Analysis of Attributes of customer satisfaction with services quality of Domestic Independent Auditing Firms

	N	Minimum	Maximum	Mean	Std. Deviation
SAT1	250	1	5	4.10	0.854
SAT2	250	1	5	4.06	0.841
SAT3	250	1	5	4.22	0.820
SAT4	250	1	5	3.71	0.769
SAT5	250	2	5	3.51	0.660
Valid N (listwise)	250			3.92	

4.2 Cronbach's Alpha

Customer satisfaction with services quality of Domestic Independent Auditing Firms in Hanoi have been measured by the Cronbach's Alpha. Results of testing Cronbach's alpha of attributes are presented in Table 4 below. The results also show that attributes of the dependent variables have Cronbach's Alpha coefficients that are greater than 0.6, and the correlation coefficients of all attributes are greater than 0.3. So, all the attributes of the dependent variables are statistically significant (Hair et al., 2010; Hoang & Chu, 2008) [7, 10].

Table 4: Results of Cronbach's Alpha Testing of Attributes and Item-Total Statistics

Cronbach's Alpha	N of Items			
0.826	5			
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
SAT1	15.50	5.705	0.689	0.771
SAT2	15.54	5.776	0.683	0.773
SAT3	15.38	5.850	0.686	0.772
SAT4	15.89	6.493	0.551	0.811
SAT5	16.09	7.048	0.503	0.822

4.3 Independent T – test

Comparison of the results of the evaluation of customer satisfaction with services quality of Domestic Independent Auditing Firms in Hanoi with participants of different gender (male and female) can be seen in Table 5. According to the results shown in Table 5, sig levene's test is 0.781, which is more than 0.05. The variance between male and female is not different. Moreover, sig value t-test = 0.157 > 0.05, which means that there is not, statistically, significant difference in the level of tangibles of customer satisfaction with services quality of Domestic Independent Auditing Firms in Hanoi of these different gender (Hair et al., 2010; Hoang & Chu, 2008) [7, 10].

Table 5: Differences in customer satisfaction with services quality of Domestic Independent Auditing Firms in Hanoi with Participants of Different gender - Independent Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
SAT	Equal variances assumed	0.077	0.781	-1.419	248	0.157	-0.11376	0.08016	-0.27164	0.04413
	Equal variances not assumed			-1.394	172.503	0.165	-0.11376	0.08158	-0.27478	0.04727

4.4 Discussion

About the services of independent auditing enterprises, in addition to the need to audit financial statements, most businesses need independent and objective assurance services for financial information, transactions and processes. Independent assurance and verification will increase the reliability of information and reports issued by the organization. Therefore, customers will be more likely to choose the audit services belonging to independent audit firms. However, the satisfaction of customers for auditing firms depends on a variety of factors, including the factors of audit service quality of auditing firms.

According to auditing experts, audit service is the process of examining, reviewing, verifying, evaluating, concluding and confirming the entirety, truthfulness and practicality of accounting documents, data along with financial statements. The audit service is provided by an auditing company that has been licensed to operate in the field. For firms and organizations, audit service plays a crucial role in ensuring compliance with the law; identifying errors arising in accounting, ensuring the most objective; supporting firms to make economic forecasts in the future, and improving the quality and reliability of reports after being audited.

Satisfaction is a relative factor. Some customers will prefer one service over others, depending on their income and past experience. The customer's experience in one auditing firm can affect his/her fulfilment regarding using service provided by another firm and this can happen in two branches in two different locations under the same management of an audit firm system. Auditing firms that want to compete in the industry need to study the customer experience with not only the end product but also the experience process.

Research showed that qualities receive a great deal of attention from customers, specifically the quality of service, the quality of auditors and additional utilities, which represent economic values that customers can see.

5. Conclusion and implications
5.1 Conclusion

The research used the qualitative and quantitative research methods, processed data by statistical method to identify 6 attributes (indicators) of dependent variable "Customer satisfaction with services quality of Domestic Independent Auditing Firms in Hanoi".

Despite trying to perfect the research in the best way, however, due to the limitation of time and knowledge, the study has certain limitations such as, sample size is small, research scope in Hanoi City. Therefore, subsequent studies can increase the sample size and expand the scope of the study to other provinces and cities.

5.2 Implications

Increasing the training, coaching, and experience-sharing session among employees at domestic independent auditing firms allows employees to acquire sufficient knowledge and understanding in handling customers' opinions in the most effective way.

In order to have the best solution, it is also recommended to regularly collect opinions of customers to detect, promptly correct errors and dissatisfied opinions of customers in transactions.

Employees at domestic independent audit firms must maintain a calm attitude and willingness to support customers in all circumstances.

The development of information and communication technology has empowered customers. The reviews and feedback of a customer can influence the consumption decisions of many other customers. Therefore, customers need to perform the most genuine assessment of the services they have experienced and the added value they gain from other activities of the independent auditing firm to become a useful reference source for potential customers as well as the independent auditing firm itself.

Independent auditing firms need to regularly review and evaluate their levels of commitment to customers to promptly make appropriate adjustments to ensure all the rights of customers are met in accordance with the announced contracts and the immediate situation. In the process of using the service, when customers encounter any obstacles, the auditor of the company must commit to supporting and promptly solving problems for customers. Auditing firms need to protect the confidentiality of all customer information and prevent leaking the personal information of customers.

It is of great importance to develop and improve a team of employees who are highly responsible, enthusiastically helpful, always happy with customers, and aware of how to share and value all customers using the services of independent auditing firms. Additionally, betterment in customer support hotline to conveniently contact the auditing firm to answer questions and deal with complaints about products and services at the auditing enterprise should be made. Employees of auditing firms need to express their enthusiasm and support customers' queries to provide customers with a sense of security and safety. In addition, auditing firms should continue to improve the professional training of the staff in order to fully equip them with the necessary skills to meet the requirements of customers.

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