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## Relation Between Employees and Customers Affects to the Positive Word of Mouth Through Customer Satisfaction

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### Abstract

**Purpose** - Vietnamese customers have a crowd psychology when choosing and buying cars, they believe the advice and comments of those who have used the product. This paper aims to explore how factors in the relation between employees and customers affect to the customer's positive word of mouth (WOM) through customer satisfaction.

**Research design, data, and methodology** - A survey was conducted with 250 customers. This research focus on six factors: (1) familiarity, (2) care, (3) personal connection, (4) employee competence, (5) customer satisfaction, (6) positive WOM. By using Exploratory Factor Analysis (EFA), Confirmatory Factor Analysis (CFA) and Structural Equation Model (SEM), this research determined the impact of relation between employees and customers to the customer satisfaction in order to have the positive WOM to another customers.

**Results** - This result shows that 3 factors: care, personal connection and service quality, have positive effects to customer satisfaction. Moreover, the similar relationship is found between customer satisfaction and positive WOM. The familiarity is not significant in this research.

**Conclusions** - The research results indicate that positive WOM has an important impact of market development for automobile business enterprises in Vietnam. Therefore, administrators should have appropriate strategies to encourage positive WOM to customers.

**Keywords:** Automobile Business Company, Customer Relationship, Customer Satisfaction, Relation between Employees and Customer, Positive Word of Mouth.

**JEL Classifications:** L62, L14, M30, M37.

### 1. Introduction

The relation between customer and employee relationship and company's profit is really complex, including some intermediary relations as satisfaction and after-sale behaviors of customer (Athanasopoulos et al., 2001). These behaviors include positive word of mouth after having experience of product and service. In providing product's information, word-of-mouth behavior is more effective about 10 times than TV advertising or print advertising (Kirby & Marsden, 2006). And word-of-mouth communications are transmitted

exponentially and always brings credible information. According to the report of J.D Power Asia Pacific (Singapore) in 2011, crowd psychology is characterized in selecting and buying a car of Vietnamese. Moreover, 82% of Vietnamese customers refer their relatives and friend regularly before making purchasing decision. On the other hand, 53% of customers indicated that they definitely recommend the car agency, where they bought the car, with their friends or relatives. Therefore, car manufacturers will win if they grasp this factor.

For automobile businesses, customers who have used the product are the source of word of mouth, which brings higher efficiency than any kind of advertising. Customers who want to buy cars often find out information from many sources such as websites, sales consultants, acquaintances, friends ... However, the source of advice and comments from those who have been using type of vehicle is more convincing than all. It can be seen that, taking advantage of

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and taking care of previous customers to create a close connection between customers and employees, thereby developing advertising channels from old customers through positive word of mouth is an effective strategy. However, many automobile business companies in Vietnam have not realized the decisive effect of word-of-mouth communications from their customer and only focused on the advertisements or communications in order to increase the number of target customer.

Therefore, this study wants to find out the impact of relationship between customers - employees on positive word of mouth through customer satisfaction. And from there, the managers can propose reasonable marketing solutions to increase sales opportunities and competitive advantages in their businesses.

## 2. Literature Review

### 2.1. Customer and employee relationship

Customers are all those who need a product or service of a business that is able to participate and be ready to engage in the trading process to get that product or service (Kotler, 2007). The employees in this research are sales, sales consultants or sales representatives. Salespeople not only give information about products to customers, but also help the customer in choosing product in order to achieve the business goals (Liu & Leach, 2001). Gremler et al. (2001) described the customer-employee's relationship was an awareness of customer when they interacted and contacted with the employee. Besides, Dell (1991) confirmed that the relationship between customer and employee were an overall status of the customer when they interacted with the business. Managing customer and employee relationship affected business performance, developed potential customers and was the key to the success of every business. Relationship marketing was a way to have trust, satisfaction, thereby ensuring the organizational success of the organization Rameeza et al. (2013).

Regarding to previous research, the relationship between customer and employee included those factors: familiarity (Alba & Hutchinson, 1987; Lundberg et al., 2000; Söderlund, 2002; Nam et al., 2015), care (Miller & Berg, 1984; Gremler & Gwinner, 2000; Nam et al., 2015; Kaladhar, 2016), personal connection (Gremler et al., 2001; Delcourt et al., 2013; Rameeza et al., 2013; Nam et al., 2015), employee competence (Athanasopoulos et al., 2001; Ahearne et al., 2007; Rameeza et al., 2013).

**Familiarity:** Familiarity is the repeated level of communication through transactions between employees and customers. According to Alba and Hutchinson (1987), familiarity comes from the processes of working with previous employees and companies that customers have made decisions. Lundberg et al. (2000) believed that

familiarity can help employees create standards for customers to evaluate future transactions. Familiarity is one of five factors of customer relationship development, which can lead to care, friendship, trust, and primarily to establish relationships.

**Care:** Miller and Berg (1984) have proposed three types of behavior that can recognize employee care behavior for customers, including obligation behavior, beneficiary behavior, caring behavior. Gremler and Gwinner (2000) showed that care is the perception of the customer when receiving the attention of the employee. As Equity theory, individuals tend to help people who have helped them. However, it does not rule out the possibility of being dishonest for the immediate business purpose. This study assumes that employee care for customers comes from Equity theory.

**Personal connection:** Individuals found many similar personalities are more likely to form relationships personal connection (Duck, 1976). Personal connection is strong sense of connection between individuals together. These connections are often based on some common characteristics or common benefits (Gremler et al., 2001; Duck, 1994).

**Employee competence:** In a highly interactive service environment, consumers determine very often their position concerning the companies from their attitudes towards staff competence (Athanasopoulos et al., 2001). In an environment where the products are considered as the same, the only differentiating point is the service provided by employee. According to Ahearne et al. (2007), the employee competence affects customer satisfaction, which is reflected in the following factors: quickly answering phone calls, surpassing expectations in commitments, completing customer requirements, and always available when needed.

### 2.2. Customer satisfaction

Customer satisfaction is a measure of the product or service offered by a company that meets or exceeds customer expectations (Oliver, 1997). Kotler (2000) defined customer satisfaction as person's feeling of pleasure or disappointment when he/she compares a product's perceived performance or outcome against his/ her expectations. Hansemark and Albinsson (2004) defined satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some needs, goals or desire

### 2.3. Positive word of mouth behavior (PWOM)

The simplest definition of WOM is to provide information to the others using oral or image. In 1967, Johan Arndt described word of mouth as oral, person to person communication between a receiver and a communicator whom the receiver perceives as non-commercial, regarding a

brand, product or service. According to research of Kirby and Marsden (2006), positive word of mouth is defined as words, a communication between human-to-human or receiver - communicator involving a brand, a product, a service, or market information, or a conversation between two or many people related to products and services with any business. Meanwhile, positive word of mouth includes suggestions for other people, which are easily discussed between individuals who are having comfortable connecting, experience or no real experience (Grenler et al., 2001). Positive word of mouth is the best way to sell products and services with low cost, high efficiency. It has been recognized as a valuable vehicle for promoting a company's products and services. Positive word of mouth is highly reliable because when customers are impressed, satisfied with products and services, they will introduce their relatives and friends to use them without any benefit or very little.

## 2.4. The impact of the relation between employees and customers to the positive word of mouth through customer satisfaction

### 2.4.1. Familiarity in the relationship between employees and customers influences the customer satisfaction

Grenler et al. (2001) characterized familiarity as the customer's perception through the employee's expression that the employee has personal recognition of the customer demand about his/her service needs. This demand can come from customer's information or through observation and perception of the employee through customer behavior after many encounters. As the result, the employees and the customers feel familiarity. Base on performance and customer satisfaction, some researchers have divided the familiarity into two levels are familiar and very familiar (Alba & Hutchinson, 1987). According to Söderlund (2002), customers with a high level of familiarity have different reactions with less familiar customers. Specifically, high familiar customers have higher levels of satisfaction, intention to buy and a willingness to spend more money than the low-level customers. Therefore, the hypothesis H1 is proposed as follows:

**H1:** The familiarity in employees and customers relationship have a positive effect to customer satisfaction.

### 2.4.2. Care in the relationship between employees and customers impacts on the customer satisfaction

The level of customer care behaviours, that make customers satisfied, is based on the motivation of the employee. According to Miller and Berg (1984), there are three behaviors: compulsory care, care for achievement goals and care for motivated desire to make customers feel satisfied. Dishonesty cares still exists in business transactions,

but this research focuses only on the care comes from genuine emotion in the relationship between customer and employee. Care behavior motivated by a desire to make customers happy can lead to higher levels of customer satisfaction. Base on Kaladhar (2016) study, the current level of success in business depends first on customer care, building a good relationship between customer and employee will win customer satisfaction rather than just focus on selling products. Because of these arguments, the hypothesis H2 is proposed as follows:

**H2:** The care in in employees and customers relationship have a positive effect to customer satisfaction.

### 2.4.3. Personal connection in the relationship between employees and customers impacts on the customer satisfaction

Personal connections are often based on some common attributes (such as personality, viewpoint, etc.) or shared benefit with related parties. Personal connections in the interaction between employees and customers influence customer perceptions and attitudes (satisfaction) (Delcourt et al., 2013). Customer commitment may be strengthened or become weaker depending on the connection with the employee and therefore the level of satisfaction may change accordingly. A research by Coulter, K. and Coulter, H. (2000) found that the same perceptions between customer and employee increased customer satisfaction. Therefore, the H3 hypothesis is proposed as follows:

**H3:** The personal connection in employees and customers relationship have a positive effect to customer satisfaction.

### 2.4.4. Employee competence in the relationship between employees and customers impacts on the customer satisfaction

Employees' service capabilities are reflected in their working style, their expertise and their enthusiasm (Ahearne et al., 2007). Employees can respond to your needs even when they are busy, or they can serve you promptly. Customers feel more satisfied when they are served by a highly qualified staff. Lai et al. (2007) and Rameeza et al (2013) show that employee competence has a positive impact on the timely response of customer expectations. Therefore, this study proposes the H4 hypothesis as follows:

**H4:** The employee competence in employees and customers relationship have a positive effect to customer satisfaction.

### 2.4.5. The customer satisfaction and ppositive word of mouth behavior

Customer satisfaction is the result of evaluation after

experiencing the product or service, including cognitive and emotional factors (Oliver, 1997). Previous research shows that when satisfied with a product or service, customers tend to say good or / and encourage others to use the service of that provider. Athanassopoulos et al. (2001) examined the impact of customer satisfaction on customer behavior responses and reported that customer satisfaction had a direct influence on: decision to stay with the existing suppliers, engaging oral communication, and intent to switch service providers. According to Sivadas and Jindal (2017), positive word of mouth is created when the customer is satisfied with the brand. Hence, the proposed H5 hypothesis is as follows:

**H5:** The customer satisfaction have a positive effect to positive word of mouth

### 3. Methodology and research model

#### 3.1. Methodology

The research is a combination of both quantitative and qualitative data. Qualitative research did directly interview twenty consumers, who purchased car/bus/coach at automobile business companies in Vietnam, to adjust the scale for quantitative research. Qualitative's data is collected through surveyed questionnaires with 270 answer sheets issued to respondents.

Five-levels likert scale "1 - Totally disagree", "2 - Disagree", "3 - Neutral ", "4 - Agree", "5. Totally agree" is used to measure observed variables in each factor. The collected data will be processed and analyzed by SPSS 22 and AMOS 22 to assess the significance of factors as well as test the hypotheses.

#### 3.2. Proposed research model

Based on the theory and previous studies, the suggested research model is following.

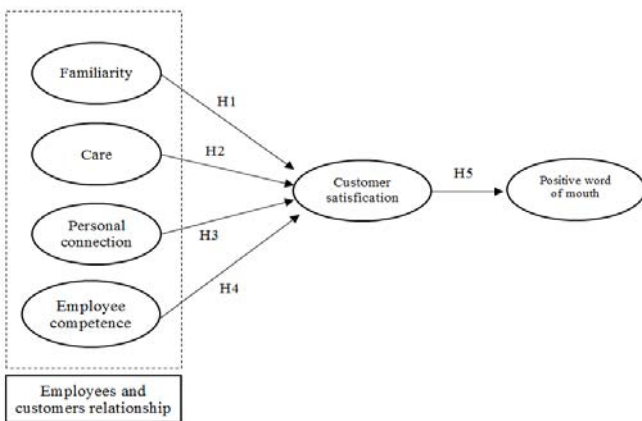


Figure 1: Proposed research model

### 4. Research results

There are 270 questionnaires generated and collected, after sorting out unsatisfied forms due to lack of information, the remaining 250 valid questionnaire forms (92.6%) used to analyze this data.

#### 4.1. Statistic Analysis

In Table 1, the statistic of sample characteristic is as follows:

Table 1: Descriptive statistics

		Frequency	%
Genders	Male	229	91.6
	Female	21	8.4
	Total	250	100.0
Age	31- 40 years old	93	37.2
	41-50 years old	95	38.0
	51-60 years old	46	18.4
	Others	16	16.4
	Total	250	100.0
Marital status	Single	52	20.8
	Married	198	79.2
	Total	250	100.0
Education	High school	56	22.4
	Intermediate	108	43.2
	College/University/ Postgraduate	42	16.8
	Others	44	17.6
	Total	250	100.0
The number of cars/buses/coaches ever purchased	1-2	182	72.8
	3-5	54	21.6
	More than 5	14	5.6
	Total	250	100.0
Experience in transport business	under 2 years	76	30.4
	2-5 years	142	56.8
	More than 5 years	32	12.8
	Total	250	100.0
Time to work with employees of the business	under 1 year	51	20.4
	1-2 years	112	44.8
	2-3 years	62	24.8
	3-5 years	21	8.4
	More than 5 years	4	1.6
	Total	250	100.0

Genders: Due to the special characteristics of the bus/coach business, most of the respondents are male, accounting for 91.6%. In Vietnam, the majority of customer who find out and buy for vehicles are usually men, because they are more knowledgeable about technology, mechanical and machine than women.

Age: Respondents, who aged from 31-50 years old, account for 75.2%. This is the group of customers most likely to buy a bus/coach in which, the percentages of peoples in group 41-50 years old are 38%.

Education: A large percentage of the respondents has graduated from intermediate with 43.2%, followed by customers who have a high school level accounted for 22.4% and 17.6% other qualifications.

The number of cars/buses/coaches ever purchased: The number of customers who bought from 1-2 buses/coaches accounted for 72.8%, the number of customers bought from 3-5 accounts for 21.6%. And customers who own 5 vehicles accounted for 5.6%.

Experience in transport business: the respondents who experienced in transport business from 2-5 years accounted

for the majority with 56.8%. And the lowest rate group is the over 5 years experience in transport bussiness group, accounted for 12.8%.

Time to work with employees of the business: the majority of customers work with employees for 1-2 years with 44.8%, followed by the 2-3 years group with 24.8% and under 1 year group with 20.4%. The remaining customers, who have over 3 years working time with the employees, accounted for 10%.

Descriptive statistic of variables is shown in Table 2 following:

**Table 2:** Descriptive statistic of quantitative variables

Coding	Content	Source	Mean	Min	Max	Stan. Dev.
<b>Familiarity</b>						
F1	This employee makes me feel closely, friendly.	Kattara et al. (2008); Casaló et al. (2007)	3.89	2	5	0.667
F2	I feel familiar when working with this employee.		3.92	2	5	0.593
F3	I would like to deal with employee that I am familiar with.		3.80	3	5	0.497
F4	I usually buy cars/bus/coach through employee I usually trade.		3.83	2	5	0.570
F5	I am familiar with the way employees work	Qualitative research	3.85	1	5	0.622
F6	The employee familiar with my working way		3.81	2	5	0.610
F7	I am familiar with the workflow of employee		3.82	1	5	0.582
<b>Care</b>						
C1	The employee always calls me by name.	Gremler and Gwinner (2000)	3.80	2	5	0.466
C2	The employee always talks to me lightly and politely.		3.84	2	5	0.593
C3	The employee always tries their best to handle my requests, suggestions		3.83	3	5	0.473
C4	When having information about new products or promotions, the employee informs me timely	Qualitative research	3.74	1	5	0.574
C5	I was interested by the employee before and after buying a car/bus/coach		3.77	2	5	0.560
<b>Personal connection</b>						
PC1	I feel friendly between the employee and myself	Gremler and Gwinner (2000)	3.73	2	5	0.669
PC2	I want to work / communicate with employee when I come to buy a car/bus/coach this		3.67	1	5	0.731
PC3	I have similarities with employee in this company		3.74	2	5	0.705
PC4	I have a close relationship with this employee		3.72	1	5	0.665
PC5	This employee gives me lots of useful information when I buy a car/bus/coach		3.77	2	5	0.590
PC6	I often discuss issues outside of work with this employee	Qualitative research	3.77	2	5	0.654
<b>Employee competence</b>						
RES1	This employee knows very well about their bus/coach/car	Athanassopoulos et al. (2001)	3.74	2	5	0.665
RES2	I receive timely support from this employee		3.78	1	5	0.685
RES3	Employee have full information about products, businesses to consult me		3.74	2	5	0.705
RES4	Employee willing to take the time to serve me		3.76	2	5	0.663
RES5	The employee knows my needs and consult the right car/bus/coach		3.72	2	5	0.688
RES6	Employee understand the procedures for vehicle registration	Qualitative research	3.76	1	5	0.662
RES7	Employee have relationships that help me complete the car/bus/coach registration process quickly.		3.84	2	5	0.653
<b>Customer satisfaction</b>						
CS1	I buy more cars/buses/coaches, I still choose to do through this employee.	Anderson and	3.78	2	5	0.697

CS2	I am satisfied with what I received from this employee	Narus (1984)	3.76	2	5	0.659
CS3	Choosing and buying a car/bus/coach through this employee are the right decision	Oliver (1997)	3.80	2	5	0.730
CS4	I believe that it was the right decision when buying a car /bus/coach through this employee		3.78	2	5	0.685
CS5	Overall, I am satisfied with this employee		3.79	3	5	0.564
CS6	I feel happy when the employee call to give an excuse about the use of the car after purchasing.	Qualitative research	3.83	3	5	0.521
<b>Positive word of mouth</b>						
WOM1	When I have the opportunity, I am willing to talk about the advantages of the employee I have dealt with friends and relatives.	Gremier và Gwinner (2000)	3.74	2	5	0.677
WOM2	I encourage my friends and relatives to buy a car/bus/coach of this company.		3.80	2	5	0.663
WOM3	I am proud to tell my friends and relatives that I have chosen a good quality car/bus/coach		3.82	3	5	0.572
WOM4	I always introduce the car/bus/coach of this company to everyone when possible		3.80	2	5	0.723
WOM5	I tell my friends and relatives about the prestige of this company	Qualitative research	3.79	2	5	0.688
WOM6	I talk about good care after buying a car/bus/coach of this company when having opportunity		3.80	2	5	0.767

Source: Authors' calculation

**Familiarity:** Almost observed variables rate over 3.8 in five-levels Likert scale, that means customers appreciate the familiarity in their relationship with employees. According results in table 2, F3 has minimum mean value (3.8) while F2 has maximum mean value (3.92). This shows that the customers prefer to communicate with employees, who they contacted before.

**Care:** The C4 variable has minimum value with 3.74 and C3 variable has maximum value with 3.83. Generally, with mean value higher than 3.74, the customers have a good reviews and appreciate the care from employees.

**Personal connection:** Overall, customers appreciate the employee's connections to them with the average values of all observed variables above 3.67. While PC5 and PC6 are highly value by customers at 3.77 average value with no respondent rates "strongly disagree", PC2 has a minimum value with 3.67.

**Employee competence:** Generally, all observed variables of employee competence factor have average values above 3.72. Although, RES2 and RES6 have a lowest value at 1, but the average values of them are not the lowest (3.78 and 3.76 respectively). Beside, RES5 is the lowest rating observed variable and RES7 is the highest with 3.87. In summary, the average value of the observed variables indicates that the customer appreciates well qualified staff who can serve the customer well.

**Customer satisfaction:** All observed variables of satisfaction factor were rated at least 2 points. There in, CS5 and CS6 variable are rated at least 3 points. Moreover, CS6 has the highest average value also (3.83) and all the remains have average value above 3.76. These results show that satisfaction factor is appreciated by customers.

**Positive word of mouth:** in positive word of mouth factor, WOM3 was rated the highest average of 3.82 with lowest

scores at 3 points. In the other hand, WOM1 was the lowest rated variable with 3.74 at average value. Overall, the average score for all variables was 3.74, which suggests that customers are willing to recommend and encourage their friends and relates to buy a car/bus/coach through employees.

## 4.2. Results of Cronbach Alpha and Exploratory Factor Analysis (EFA)

### 4.2.1. Test of Cronbach Alpha

In Table 3, Cronbach's alpha of scale of all factors in model fluctuated from 0.799 to 0.888; in addition, correlation coefficients are all qualified at above 0.3, thus all observed variables will be added into EFA for analysis.

**Table 3:** Cronbach's Alpha coefficients of variables in the model

Variable	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	Cronbach's Alpha
<b>Familiarity</b>			
F1	0.580	.763	0.799
F2	0.509	.776	
F3	0.524	.775	
F4	0.459	.785	
F5	0.467	.785	
F6	0.613	.757	
F7	0.565	.766	
<b>Care</b>			
C1	0.503	0.832	0.833
C2	0.636	0.800	
C3	0.626	0.803	
C4	0.713	0.775	
C5	0.698	0.780	

Personal connection			
PC1	0.594	0.858	0.868
PC2	0.753	0.829	
PC3	0.668	0.845	
PC4	0.680	0.843	
PC5	0.615	0.854	
PC6	0.685	0.842	
Employee competence			
RES1	0.650	0.875	0.888
RES2	0.688	0.870	
RES3	0.701	0.869	
RES4	0.684	0.871	
RES5	0.715	0.867	
RES6	0.699	0.869	
RES7	0.621	0.878	
Customer satisfaction			
CS1	0.515	0.798	0.813
CS2	0.539	0.791	
CS3	0.611	0.776	
CS4	0.625	0.772	
CS5	0.645	0.771	
CS6	0.545	0.792	
Positive word of mouth			
WOM1	0.589	0.813	0.835
WOM2	0.568	0.817	
WOM3	0.633	0.807	
WOM4	0.625	0.806	
WOM5	0.696	0.791	
WOM6	0.568	0.819	

4.2.2. Exploratory Factor Analysis (EFA)

All observed variables (37 variables) were analyzed with Principal Axis Factoring method and Promax rotation. During rotation procedure, C1, PC1, WOM6, F3, F5, PC3 and WOM2 were eliminated alternatively (Table 4).

Table 4: Rotation result

Number of implementations	Removed variables	Reason for removing
1st	C1	Factor loading: 0.227 < 0.5
2nd	PC1	Factor loading: 0.420 < 0.5
3rd	WOM6	Factor loading: 0.469 < 0.5
4th	F3	Factor loading: 0.480 < 0.5
5th	F5	Factor loading: 0.459 < 0.5
6th	PC3	Factor loading: 0.488 < 0.5
7th	WOM2	Discriminant validity was not guaranteed

After rotated 7 times, 30 observed variables of 6 factors were added in Confirmatory Factor Analysis (CFA), as follow (Table 5):

Table 5: Result of exploratory factor analysis EFA

Component		Component					
		1	2	3	4	5	6
Employee Competence	RES1	0.562					
	RES2	0.760					
	RES3	0.799					
	RES4	0.686					
	RES5	0.820					
	RES6	0.719					
	RES7	0.593					
Customer satisfaction	CS1		0.589				
	CS2		0.591				
	CS3		0.644				
	CS4		0.762				
	CS5		0.640				
	CS6		0.501				
Familiarity	F1			0.656			
	F2			0.618			
	F4			0.534			
	F6			0.707			
	F7			0.550			
Personal connection	PC2				0.781		
	PC4				0.794		
	PC5				0.606		
	PC6				0.656		
Care	C2					0.810	
	C3					0.626	
	C4					0.729	
	C5					0.700	
	WOM1						0.531
Positive word of mouth	WOM3						0.742
	WOM4						0.650
	WOM5						0.825
	Eigenvalues	9.850	2.093	1.916	1.665	1.398	1.334
% of Variance	32.833	6.976	6.387	5.551	4.661	4.447	
% Cumulative	32.833	39.809	46.196	51.747	56.408	60.855	
KMO = 0.908; Significance of Barlett's test = 0.000							

4.3. Confirmatory Factor Analysis (CFA)

After verifying scale of model by CFA method in 1st time, only GFI=0.885<0.9 was not qualified. By eliminating variables: F2, RES1, RES2, CS1 to adjust GFI coefficient, the CFA results after analyzing in 2nd time were: Chi Square=357.451; df=284; p=0.002; Chi Square/df=1.259 (<2); GFI=0.905(>0.9); TLI=0.968(>0.9); CFI=0.972(>0.9), RMSEA= 0.032 (<0.05). Therefore, the proposed model was consistent with data. The results indicated that reliability, convergent validity and discriminant validity were guaranteed with CR coefficient from 0.738 to 0.855 (>0.6), standardized regression weights from 0.58 to 0.82 (>0.5) with sig. < 0.05 and p\_value of discriminant validity test < 0.05.

After analyzing EFA and CFA, the proposed model was adjusted as below (figure 2 and 3):

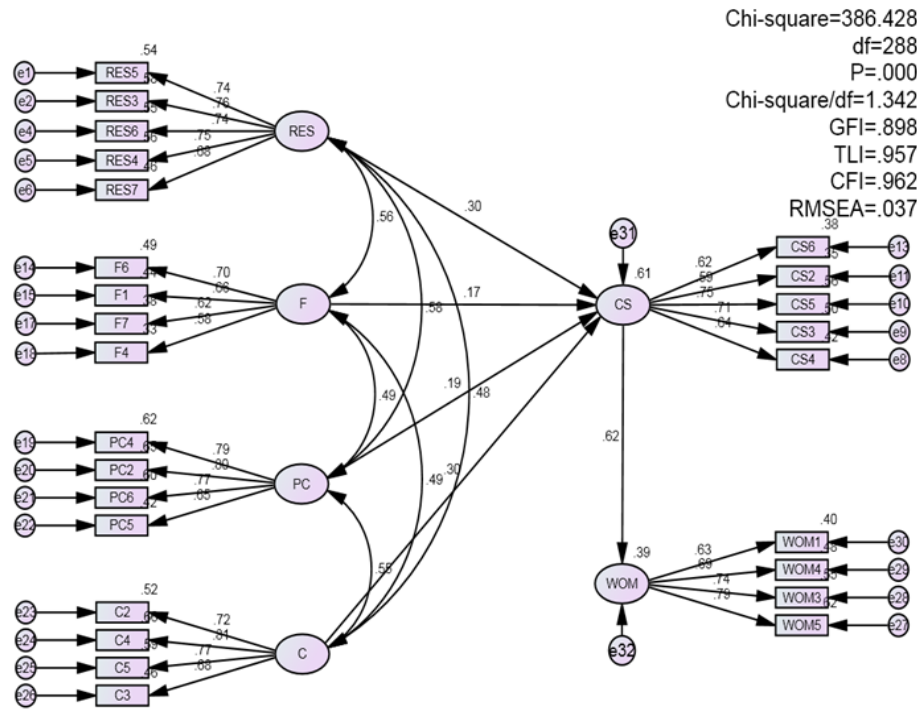


Figure 2: SEM model

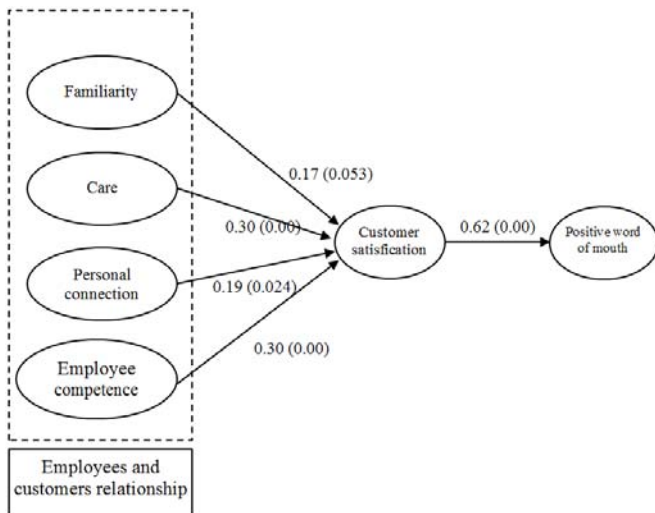


Figure 3: Research model after adjusting

Table 6: Result of analyzing SEM model

			Estimate	p_value	Hypothesis
CS	<---	F	0.17	0.053	Reject
CS	<---	C	0.30	0.000	Accept
CS	<---	PC	0.19	0.024	Accept
CS	<---	RES	0.30	0.000	Accept
WOM	<---	CS	0.62	0.000	Accept

The results of analyzing SEM model (Table 6) indicated that H2, H3, H4 and H5 were statistically significant in confidence interval 95% (p-value<0.05). Only H1 was not statistically significant with sig. = 0.053, it can be explained as follow:

The familiarity in the relationship between employees and customers affects on the customer satisfaction (H1): According to the results, there is no impact of the familiarity on customer satisfaction in the confidence interval 95%, because Sig. =0.53 was not statistically significant, so the hypothesis H1 is rejected. However, this research still shows that familiarity has a positive effect ( $\beta=0.17$ ) on customer satisfaction. This is similar to what found in the studies by Söderlund (2002) in banking, Gremler et al. (2001) in dental industry, Nam et al. (2015) in real estate.

In automobile business, customers tend to re-engage with former employees who they felt familiar with and understood how customers do to buy cars. Almost the entire customer. Buying a car/bus/coach for business so customers are very interested in familiar factors, quick in buying a car/bus/coach will help them gain business advantage. Almost customers buy the car/bus/coach for business, therefore they are very interested in familiarity factor and getting faster while buying a car/bus/coach gives them more business opportunities.

The care in the relationship between employees and customers affects on the customer satisfaction (H2): the results show that care in the relationship between customer and employee has a positive effect ( $\beta=0.30$  and Sig. = 0.00)



on customer satisfaction. The basis theoretical of this study also suggests similar results in other studies in some various fields as: Gremler et al (2001), Nam et al. (2015), Kaladhar (2016).

Nowadays, customer care is focused by the automobile companies in Viet Nam. The care not only happen in before and during purchasing process, but also in after-sales. The selling process begin from the time of receiving information then consult in a appointment or by a phone, contract negotiation, sign contract, delivery and after-sales. It's really a long process that requires employees to hold on caring for their customers. Therefore, the employees need to do their best in customer care to make the customers trust and happy, from there they can sign contracts as well as introduce new customers in the future. In the automobile market increasingly competitive, the customer care factor is one of the priorities of the business to maintain the old customers and develop new customers. Because of the growing competition in the automobile business market, customer care is one of the priorities of the business to keep the old customer and develop market.

The personal connection in the relationship between employees and customers affects on the customer satisfaction (H3): The personal connection factor was second highest impact on customer satisfaction in the relationship between customer and employee (with  $\beta=0.19$  and Sig. = 0.024). The results are similar with some previous research by Gremler et al. (2001), Nam et al. (2015) or Delcourt et al. (2013).

Connectivity between individuals and the others tends to be based on similarities such as geography, interests, personality... Personal connection between customer and employee are also generated based on such similarities. As the connection between customer and employee grows, customers are more likely to introduce employees to friends, relatives or even business partners, including possible relationships who can buy a car/bus/coach. And then, the employee will pay more attention to customer interests such as asking for preferential prices, advising customers on utilities, saving the most benefit for customers. As a result, the personal connection between customer and employee has become more and more tight, and the feedback is getting better and better. If you seize the customer psychology as well as hobbies and habits, the trust and satisfaction from customer will lead customers to say good thing or introduce to their relationship.

The employee competence in the relationship between employees and customers affects on the customer satisfaction (H4): The results show that employee competence has a positive effect on customer satisfaction with  $\beta=0.31$  and Sig. =0.00. Rameeza et al. (2013) also shows that employee competence has a positive impact on the timely response desired from customer and satisfied customers. Meanwhile, Ahearn et al. (2007) also demonstrate that employee service capabilities have a

positive impact on customer satisfaction. This positive impact is reflected through actions: quick response to telephone calls, exceeding expectations in commitments, fulfilling customer requirements and always available when needed. However, in automobile business, this research proves that the employee competence is reflected in the knowledge about the car/bus/coach, enthusiasm consultant to customers, willing to take the time to meet customer requirements even when busy; as well as understanding the car/bus/coach registration procedures and always having the relationship to make the car/bus/coach registration quickly.

The customer satisfaction affects on the positive word of mouth (H5): The results indicate that customer satisfaction positive influences to the positive word of mouth with  $\beta=0.62$  and Sig. = 0.00. The study of Gremler et al. (2001) in banking and dental field as well as research by Nam et al. (2015) in real estate sector in Ho Chi Minh city also give the same result. In the hotel industry, Rameeza et al. (2013) indicates that customer satisfaction will generate loyalty to ensure the word of mouth.

Customer satisfaction is usually proportional to the time in the relationship between customer and employee. It was shown through: customer care, keeping the relationship regularly and ensuring expectations and desire of customers. In the fierce competition market, when car/bus/coach taxes begin to decrease and the emission regulations are not synchronized, the customers tend to wait and not hurry to invest. Beside keeping the customers by discounts, gift, appearing in the media..., the most solution for customer retention is making them satisfied. From that customers will introduce more peoples.

## 6. Conclusions and Recommendations

### 6.1. Conclusions

Based on theoretical basis and previous studies, this research has modeled the impact of customer-employee relationships on positive word of mouth through customer satisfaction with 5 hypotheses. This research was conducted in two phases: preliminary research by qualitative method and formally research by quantitative method. As results of the preliminary research, the adjusted scale of 6 factors with 37 observed variables to proceed the formal survey. The official survey collected 250 acceptance answer sheets for data analysis.

After testing reliability of the scale by Cronbach's Alpha and analyzing Exploratory Factor Analysis (EFA), the scale with 30 observed variables was added into Confirmatory Factor Analysis (CFA). Finally, the scale, which has 6 factors, 26 observed variables and 5 hypotheses, was suitable for SEM linear structure model with Chi Square= 357.451; df=284; p=0.002; Chi Square/df=1.259(<2); GFI= 0.905(>0.9); TLI=0.968(>0.9); CFI=0.972(>0.9), RMSEA=0.032

(<0.05). Hypothesis testing results showed that H2, H3, H4, H5 were accepted in the 95% confidence interval, and the remaining hypothesis H1 was not accepted (not statistically significant) in this research.

The results show that relationships between customer and employee have an impact on positive word-of-mouth. In this, the employee competence is valued by the customer, followed by personal connection and customer care. The familiar factor, though valued by customers, was not statistically significant in this research.

## 6.2. Recommendations

Positive word-of-mouth communication has a huge impact on developing new customers for transportation companies. Therefore, automobile business companies must make great efforts in developing strategies to enhance and encourage word of mouth in this time in Vietnam.

Employee competence is the most appreciated factor by customers, it's mean that they are eager to work with the company through a qualified employee who understands their product, understands the market, always grasp the customer demand and consult the right model. In order to achieve these desires, companies must spend more time and money on recruiting, training, arranging and screening sales staff more appropriately. Moreover, they need to pay more attention to the policy of retaining and treating talents.

The connections between employees and customers should be maintained daily by inquiring about the use of the vehicle, customer's business status, maintenance period as well as visits, happy birthday, gifts, hobbies...

Employees need to improve their attitude and become friendly to have a large number of loyal customers. In addition, employees need to know that customers do not tend to look for other employees when buying a car/bus/coach; but if once a customer contacted another employee for buying, the employee needs to review and adjust themselves to retain the other potential customers.

Companies must determine that after-sales service is as important as sales, especially in customer care and customer feedback. There out, companies should recruit enthusiasm employees and train them to work conscientiously with customer.

Finally, companies should focus on recruitment and training to ensure that their employees have sufficient knowledge of the product, market, legal procedures. Thence, they can support their customer quickly, professionally, enthusiastically and confidently. If done so, the customer has a positive view about employee and company. Then customers will be satisfied, and willing to advertise actively.

## 6.3. Limitation

Although this study has shown certain results, it still has

some limitations for the future research. This study focused on surveying customers who bought passenger cars for business purposes, not all customers who bought passenger cars for non-business purposes. This study was designed with non-probability sampling method and convenience sampling for the survey, the representation is still low. Future research should choose stratified sampling method, which will generalize and achieve more statistical efficiency. Further studies should expand the survey area to increase the level of generalization of the study.

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