



LỄ CHỨNG NHẬN CHỈ SỐ MỨC ĐỘ HÀI LÒNG CỦA KHÁCH HÀNG VIỆT NAM

2024 VCSI Certification Ceremony

Special Lecture

Thursday, 19th December 2024, Emerald Room, Lotte Hotel Hanoi 6F

KmAC



Adapting to a New Normal :

The Influence of CSI/Royalty on Financial Performance Across Pre- and Post-COVID-19 Eras

CHA University
(Department of Business Administration and Data Science)

이 희 정 (Heejung Lee)

Contents

01. KCSI & Performance

02. KMAC 10 years Data Analysis

03. Discussion

04. Implications for Vietnam CSI

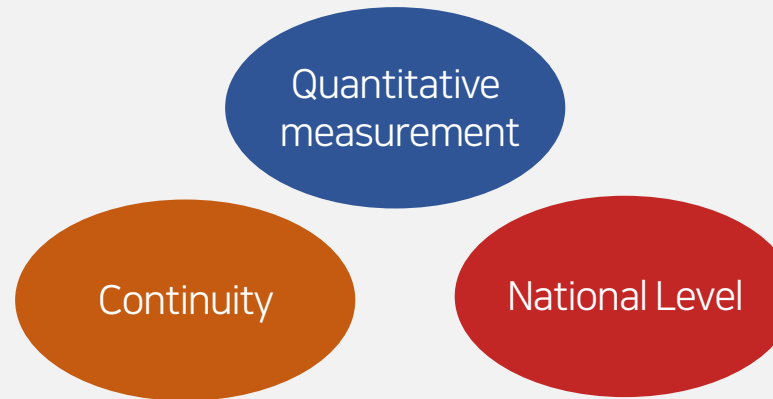
01) KCSI & Performance

CSI (Customer Satisfaction Index)

CSI & Performance

1. KCSI & Performance

What is the CS Index?



CSI (Customer Satisfaction Index) (Fornell, Johnson, Anderson, Cha, & Bryant , 1996) :

- ▶ The American Customer Satisfaction Index measures
- ▶ the quality of the goods and services
- ▶ as experienced by the customers that consume them.

ACSI (American Customer Satisfaction Index) since 1996

KCSI (Korean Customer Satisfaction Index by KMAC 한국능률협회컨설팅) since 1992

1. KCSI & Performance

ACSI (American Customer Satisfaction Index)

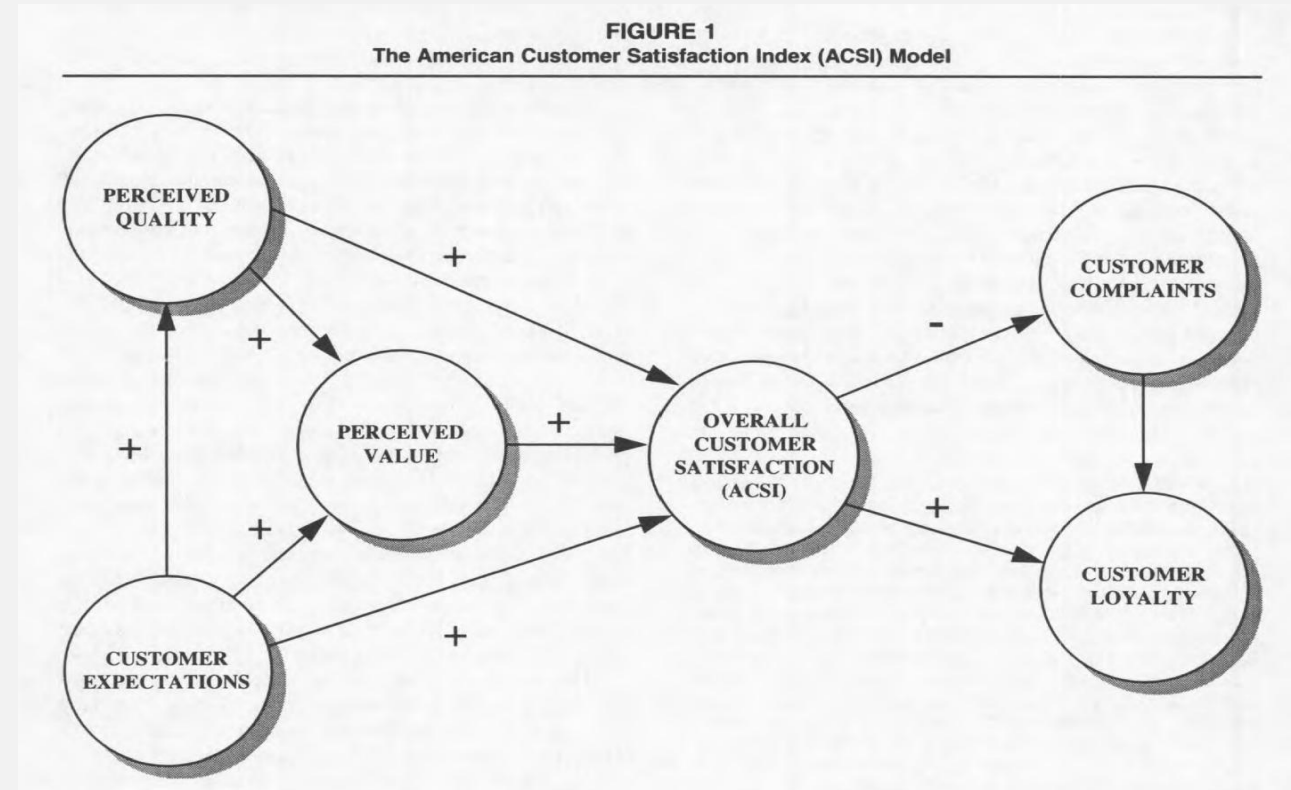
Perceived quality

Expectations

Perceived Value

Overall Customer
Satisfaction

Customer Loyalty

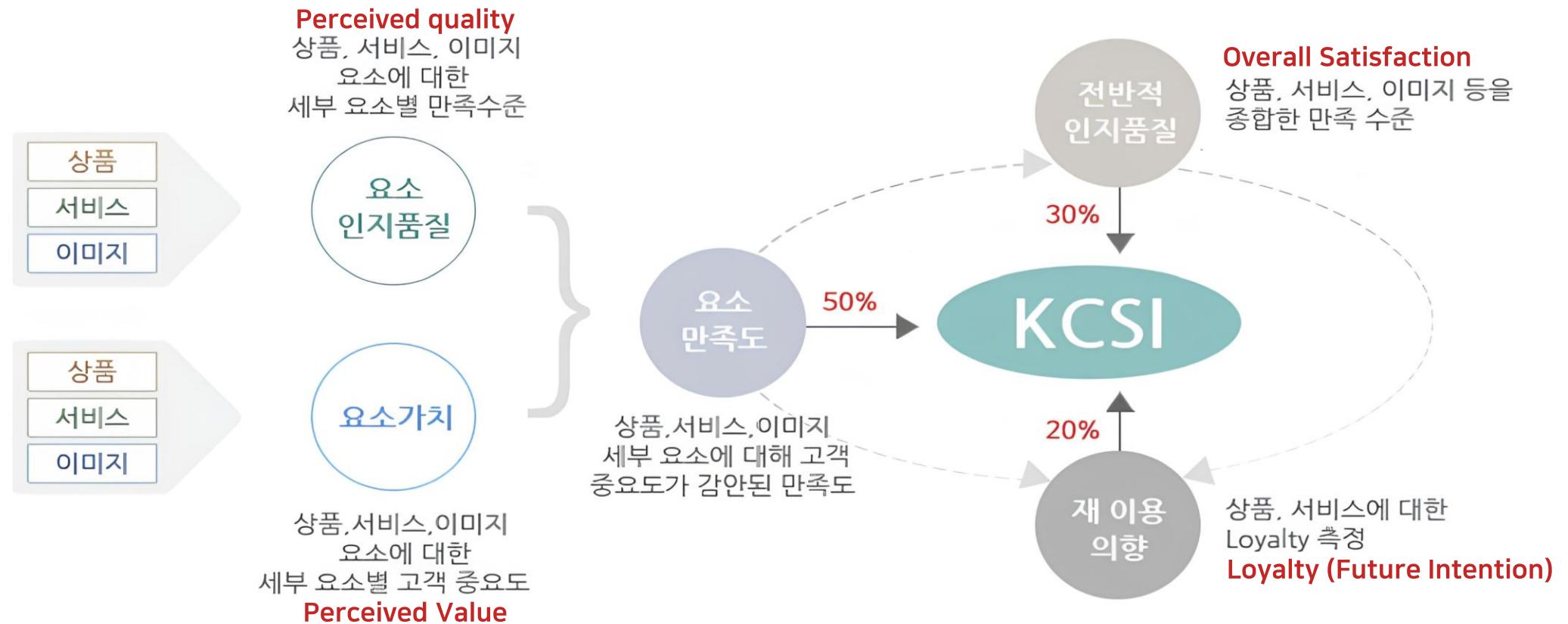


Fornell, C., Johnson, M. D., Anderson, E. W., Cha, J., & Bryant, B. E. (1996). The American customer satisfaction index: nature, purpose, and findings. *Journal of marketing*, 60(4), 7-18.

1. KCSI & Performance

KCSI (Korean Customer Satisfaction Index) by KMAC

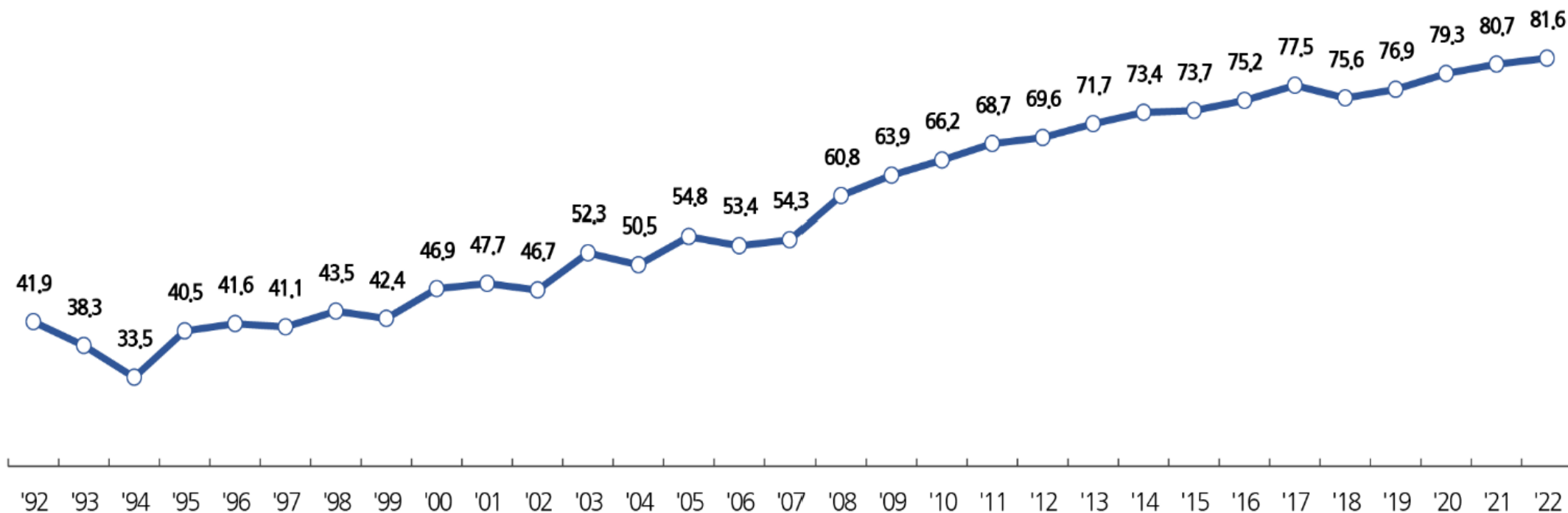
KCSI Model



1. KCSI & Performance

KCSI (Korean Customer Satisfaction Index) by KMAC

The Trends of KCSI Across All Industries

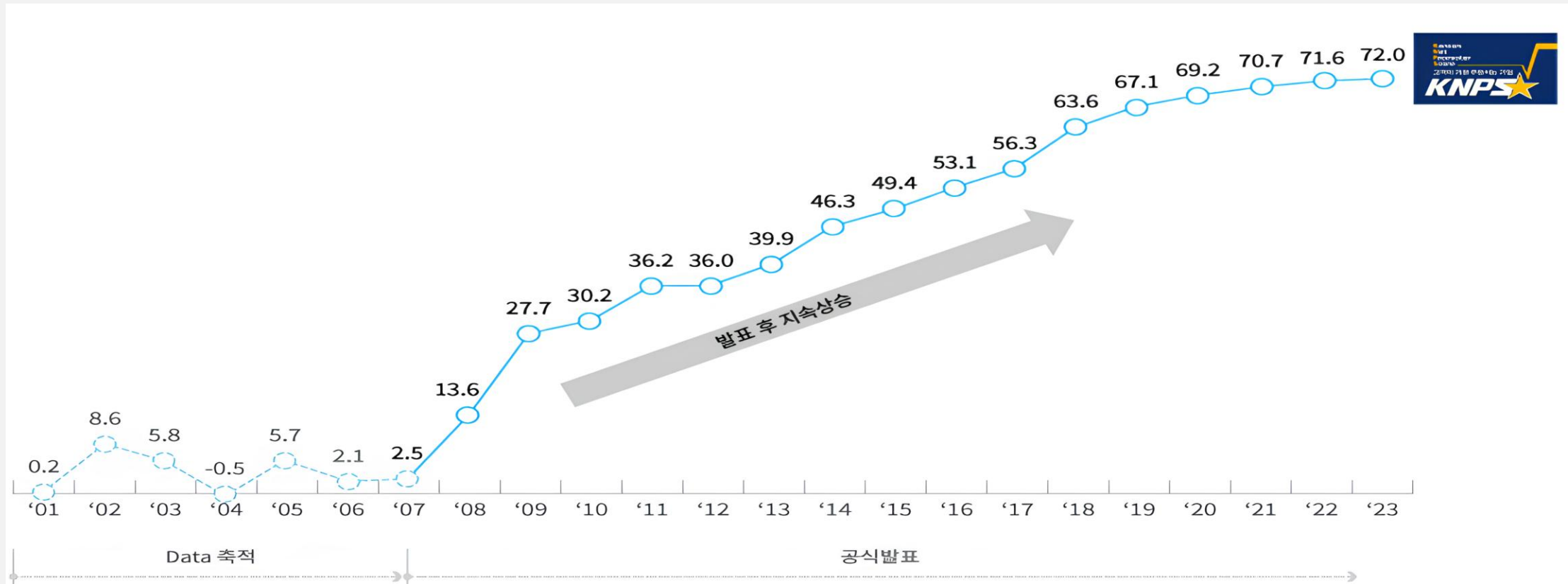


2023년도 KNPS 추이 (KMAC 홈페이지 참조)

1. KCSI & Performance

KCSI (Korean Customer Satisfaction Index) by KMAC

Loyalty (KNPS (Korean Net Promoter Score))



2023년도 KNPS 추이 (KMAC 홈페이지 참조)

1. KCSI & Performance

KCSI (Korean Customer Satisfaction Index) by KMAC

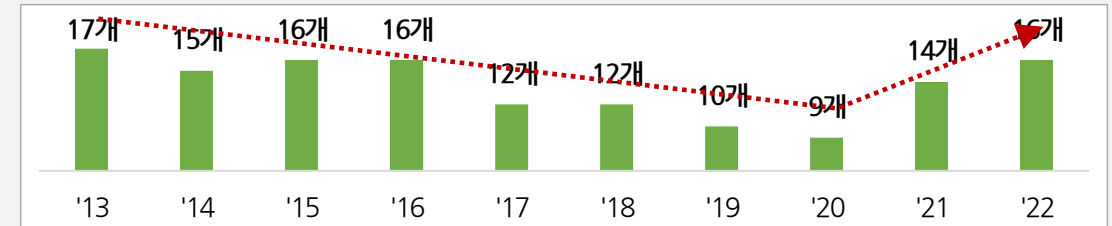
| Certificated Companies Associated Advertising



| Contributing to major media articles



| 최근 1위 변동 기업 수 및 2022년 KCSI 1위 변동 기업



No	산업군	산업명	2022년 KCSI 1위 기업	2021년 KCSI 1위 기업
1	소비재 (6개)	과자	오리온	롯데제과
2		맥주	하이트진로	OB맥주(카스포함)
3		전통장	CJ제일제당(해찬들)	대상(청정원)
4		삼푸	애경산업	LG생활건강
5		제화	탠디	금강제화
6		치약	애경산업	LG생활건강
7	내구재 (3개)	무선청소기	삼성전자	삼성전자, LG전자
8		사무용복합기(복사기)	캐논코리아	한국후지필름비즈니스노베이션
9		식기세척기	LG전자	SK매직
10	서비스 (7개)	간편결제서비스	네이버페이	카카오페이
11		OTT서비스	티빙	Seezn(시즌)
12		배달앱	배달의민족	쿠팡이츠
13		숙박앱	여기어때	야놀자
14		고속버스	금호고속	중앙고속
15		스키장	용평리조트	하이원리조트
16		종합병원	삼성서울병원	서울아산병원, 삼성서울병원

1. KCSI & Performance

Does CSI Drive Financial Success?

| Fornell, Morgeson, and Krishnan (2006)

Claes Fornell, Sunil Mithas, Forrest V. Morgeson III, & M.S. Krishnan

Customer Satisfaction and Stock Prices: High Returns, Low Risk

The study utilized ACSI data (American Customer Satisfaction Index) for the years 1994-2002. The study analyzed the impact of customer satisfaction on market value using 601 observations from publicly traded firms.

The analysis found **a strong relationship between ACSI scores and market value of equity** (MVE), suggesting that higher customer satisfaction leads to a higher market valuation. Interestingly, despite the strong relationship between customer satisfaction and firm value, the study found that investors do not react immediately to ACSI news.

1. KCSI & Performance

Does CSI Drive Financial Success?

| Sun & Kim (2013)

Does customer satisfaction increase firm performance? An application of American Customer Satisfaction Index (ACSI)

Article in International Journal of Hospitality Management · December 2013

DOI: 10.1016/j.ijhm.2013.05.008

ACSI data focusing on the service and tourism sectors

data for 21 firms from three industries within the hospitality and tourism sector, which included: 6 hotel brands/9 restaurant brands/6 airline brands

These firms had their American Customer Satisfaction Index (ACSI) scores and financial data collected and analyzed over a period from 1998 to 2010.

Positive Impact:

ACSI had a statistically significant **and positive influence** on profit margin (PM).

ACSI also showed a significant and positive impact on return on assets (ROA).

a positive relationship between ACSI and return on equity (ROE), though the impact was less consistent than for PM and ROA.

1. KCSI & Performance

Does CSI Drive Financial Success?

| Jeong et al. (2012)

analyzing 20 years of KCSI data

customer satisfaction indices have a positive effect on sales

high levels of customer satisfaction contribute to increased sales and revenue growth,
emphasizing the importance of maintaining high customer satisfaction for long-term financial success.

Lee HJ & Kim JH (2024)

Sector-Specific Reactions to Customer Satisfaction Announcements (KCSI) in Korea: Manufacturing vs. Service Industries

Heejung Lee (이희정)¹

Lib Lee (이립)²

KwangHo Song (송광호)³

Janghyun Kim (김장현)⁴

Abstract

Purpose: This study investigates the impact of KCSI announcements on stock prices from 2019 to 2022, focusing on abnormal returns (AR) and cumulative abnormal returns (CAR) during the event period (-2 days to +2 days) to understand

10 years data from KMAC

KCSI Announcements Impact Stock Prices: When the Korean Customer Satisfaction Index (KCSI) scores are announced, companies generally see a small but positive increase in their stock prices shortly afterward.

Top-Ranked Companies Benefit Most: Companies that ranked 1st or 2nd in customer satisfaction saw the most noticeable increases in stock prices.

Service Industry Reaction: The positive impact was particularly strong for companies in the service industry.

1. KCSI & Performance

The level of CSI increases the level of Loyalty

KNPS (Korean Net Promoter Score)



Loyalty: Korean Net Promoter Score (KNPS)

KMAC since 2007 "How likely is it that you would recommend [company X] to a friend or colleague?"

Scale: 1 2 3 4 5 6 7

Responses are categorized into "Promoters" (6-7), "Passives" (5), and "Detractors" (1-4).

The score is calculated by subtracting the percentage of Detractors from the percentage of Promoters

02) KMAC 10 years Data Analysis

Financial Performance Data

KNPS Data

2. KMAC 10 years Data Analysis

Research Questions

KNPS (Korean Net Promoter Score)

1 고객만족경영연구 제26권 제3호 2024. 10. (pp.1-17)

Adapting to a New Normal
: The Influence of KNPS (Korea Net Promoter Score) of KMAC
on Financial Performance in Korea Across Pre- and
Post-COVID-19 Eras

Eun Jung Lee*	이 은 정
Yu Kyung Lee**	이 유 경
Lib Lee***	이 립
Kwang Ho Song****	송 광 호
Hee Jung Lee*****	이 희 정

(1)

Is the 7-point scale Loyalty (KNPS: KCSI) a significant predictor of financial performance in the Korean market?

(2)

Did the predictive significance of Loyalty (KNPS:KCSI) for financial performance in Korea change after the COVID-19 pandemic?

2. KMAC 10 years Data Analysis

KMAC Data

KNPS (Korean Net Promoter Score) Data

10 years Data (This study utilizes KNPS data from 2014 to 2023; around 900 cases)

As this study aims to explore how KNPS has adapted to these changes in the Korean market, it focuses on its influence on financial performance across two distinct periods :

before COVID-19 (2014-2019) and after the onset of the pandemic (2020-2023).

Financial Performance Data

The financial and accounting data of the sample companies were extracted from FNGuide.

Return on Assets (ROA: 영업이익률), is calculated by dividing operating income by total assets

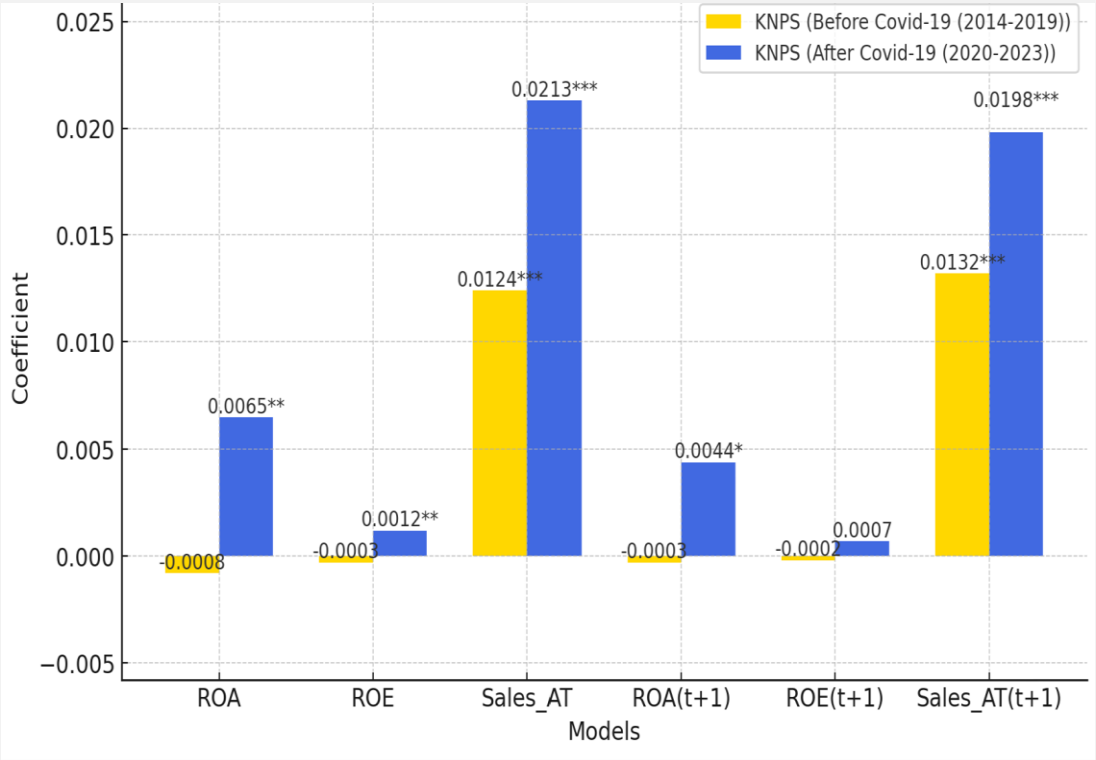
Return on Equity (ROE : 당기순이익률), is calculated by dividing net income by total equity, and the

Sales-to-Assets ratio (Sales_AT: 매출액 비중). is calculated by dividing total sales by total assets.

2. KMAC 10 years Data Analysis

KMAC Data

Year	Number of Observations	Mean	Median	Minimum	Maximum
2014	83	48.14	48.00	28.00	64.10
2015	85	51.74	51.60	32.30	76.50
2016	90	55.53	55.47	28.60	77.90
2017	97	60.32	60.40	39.20	100.00
2018	89	67.86	69.00	47.73	91.30
2019	89	69.89	70.80	50.08	85.80
2020	88	70.76	72.30	53.30	86.37
2021	83	71.90	72.50	55.40	96.40
2022	86	72.34	72.35	56.45	88.90
2023	89	71.65	71.90	47.20	86.20



03) Discussion

Conclusions and Discussion

3. Discussion

The Results and Conclusions

(1)

In more stable periods (2014-2019), the relationship between customer Satisfaction and **financial performance was limited.**



(2)

The post-pandemic analysis demonstrates a significant shift, where Customer Satisfaction emerged as **a robust predictor of financial performance** across all examined metrics, including ROA, ROE, and Sales_AT.



(3)

The COVID-19 pandemic has reshaped the relationship between customer loyalty (KNPS) and firm performance, potentially due to shifts in consumer behavior

3. Discussion

Implications

Why is the so-called **"Recommendation intention"** having a greater impact on corporate success after the COVID pandemic?
This can be attributed to the cultural characteristics of Korea and **Digital life**, which has changed rapidly due to COVID-19.



Relationship-Centered
Culture



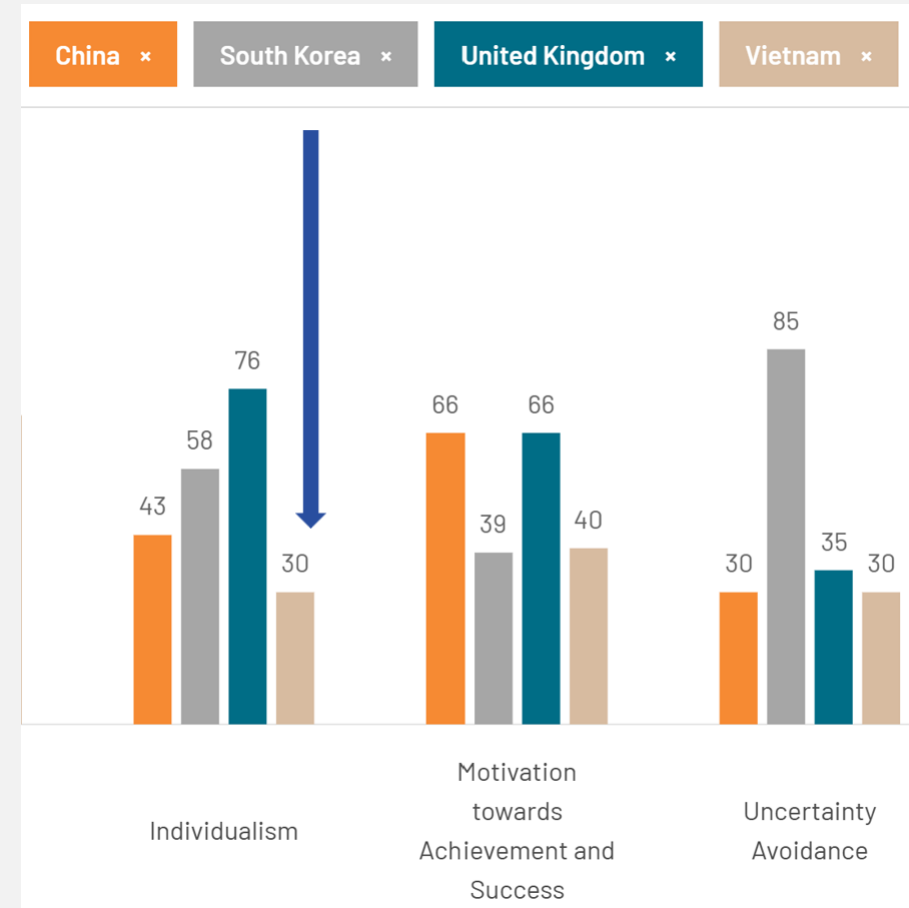
Digitally Connected
Country

3. Discussion

Finding Reasons

Relationship-Centered Culture

In collectivist cultures (e.g., China, Vietnam), consumers are more likely to engage in e-WOM as part of group norm compliance.



Finding Reasons

Journal of Business Research 170 (2024) 114303

Contents lists available at ScienceDirect

Journal of Business Research

journal homepage: www.elsevier.com/locate/jbusres

Understanding the link between net promoter score and e-WOM behaviour on social media: The role of national culture

Gomaa Agag^{a,b,*}, Baseer Ali Durrani^a, Ziad Hassan Abdelmoety^{c,d}, Maya Mostafa Daher^e, Riyad Eid^b

In collectivist cultures (e.g., China, Vietnam, China), consumers are more likely to engage in **e-WOM** as part of group norm compliance.

“Collectivists rely more on eWOM, especially from in-groups, for purchase decisions, than individualists.”

G. Agag et al.

Journal of Business Research 170 (2024) 114303

Study 2

Study 1

Cultural dimensions

- Collectivism
- Power distance
- Uncertainty avoidance
- Masculinity

NPS Categories

- Detractors
- Passives
- Promoters

e-WOM valence

- Positive
- Neutral
- Negative

Fig. 1. Research Model.

3. Discussion

Digitally Connected Country

- ✓ Digitally Connected

Korea's status as one of the most digitally connected countries in the world—with **high internet penetration and widespread use of social media—accelerates** the dissemination of WOM.

- ✓ Digitalization

Digitalization has significantly changed customers. They are more self-confident and optimistic, coping well with constant change, but is **less independent than previous generations** (Laor & Galily, 2022).

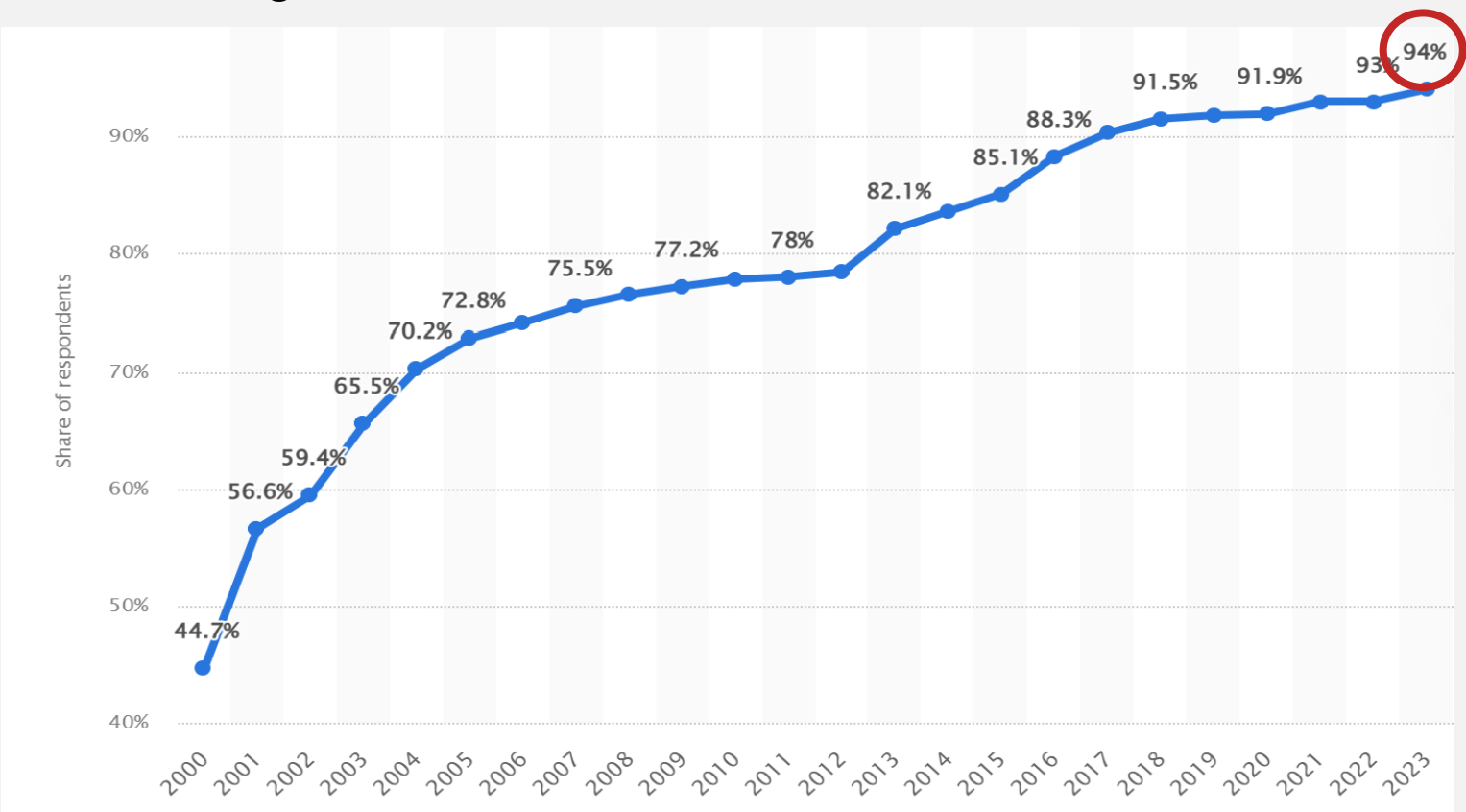
Consumers generally **conduct more online research before purchasing** than previous generations hence, recommendations play an important role to them. (Grigoreva et al., 2021)

» Social media makes it easier for consumers to know and listen to other people's opinions much more attentively than ever before.

3. Discussion

Digitally Connected Country: Korea

Internet usage rate in South Korea from 2000 to 2023



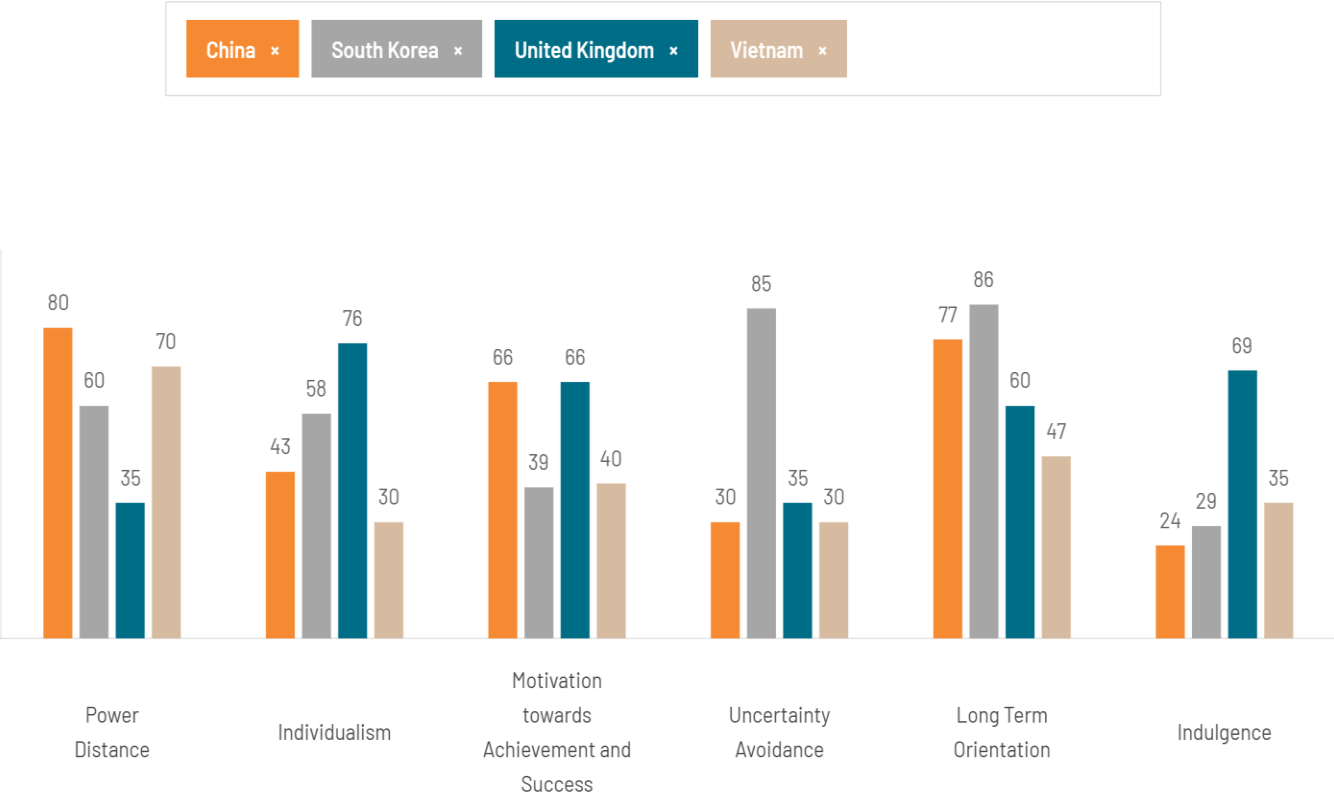
04) Implications for Vietnam CSI

Collectivism vs Individualism

Digitally Connected Country: Vietnam

4. Implications for Vietnam CSI

Collectivism vs. Individualism



4. Implications for Vietnam CSI

Digitally Connected Country: Vietnam

Penetration rate of leading social media apps among consumers in Vietnam Q2 2024

Published by [Minh-Ngoc Nguyen](#), Dec 7, 2024

 According to a survey conducted among internet users in Vietnam by [Decision Lab](#), as of the second quarter of 2024, around 92 percent of respondents stated that they used Facebook, followed by Zalo, and YouTube. While Facebook and YouTube are known globally, Zalo is Vietnam's premier chatting platform, which was first introduced to the population in 2012.

Social media usage in Vietnam

[The number of social network users in Vietnam](#) is forecasted to reach nearly 83 million by 2028. While [Facebook remains the most popular app to get news](#), Zalo was primarily used to [connect with friends and family](#), according to a survey conducted among Vietnamese internet users in the fourth quarter of 2023. In addition to providing entertaining videos, YouTube also offers subscription services for celebrity channels. TikTok, the new rising app first launched in 2016, has become [the leading social media app to watch short videos in Vietnam](#), especially among the Vietnamese Gen Z.

Zalo in Vietnam

Zalo was created by Vuong Quang Khai, the current executive vice president of the Vietnamese technology company VNG Corporation, and has reached over 100 million users worldwide. Zalo provides free instant messaging, voice messaging, and individual or in-group calls, allowing users to send high-quality media files as well as calendar functions in private groups. It also has a diary function for users to post emotions and upload photos. On average, people send over one billion messages, deliver around 45 million pictures, and make 50 million minutes of calls through Zalo every day globally.

[Top social media in Vietnam 2024](#) | Statista

4. Implications for Vietnam CSI

Digitally Connected Generations : Vietnam

Digital natives are becoming an increasing force in Vietnam's consumption (Asia Pacific Business : The new faces of the Vietnamese consumer, December 9, 2021/Henry Lee)

So-called digital natives born between 1980 and 2012, including members of Generation Z and millennials, are expected to account for around 40 percent of Vietnam's consumption by 2030.

Members of this digitally savvy generation live online and on their mobiles. Almost 70 percent of Vietnam's population in 2020 are internet users.

The rapid emergence of digital consumers has fueled innovation in retail and purchasing behavior. An estimated 55 percent of Vietnamese Gen Zers now use TikTok, driving intense competition, as evidenced in the launch of YouTube shorts and Instagram reels. Social commerce sites, such as Mio, and live-streaming platforms are reinventing consumption methods by creating new channels that attract new and often younger shoppers to a category or a brand.

"These new behavioral trends have forced companies to rethink the allocation of their marketing budget"



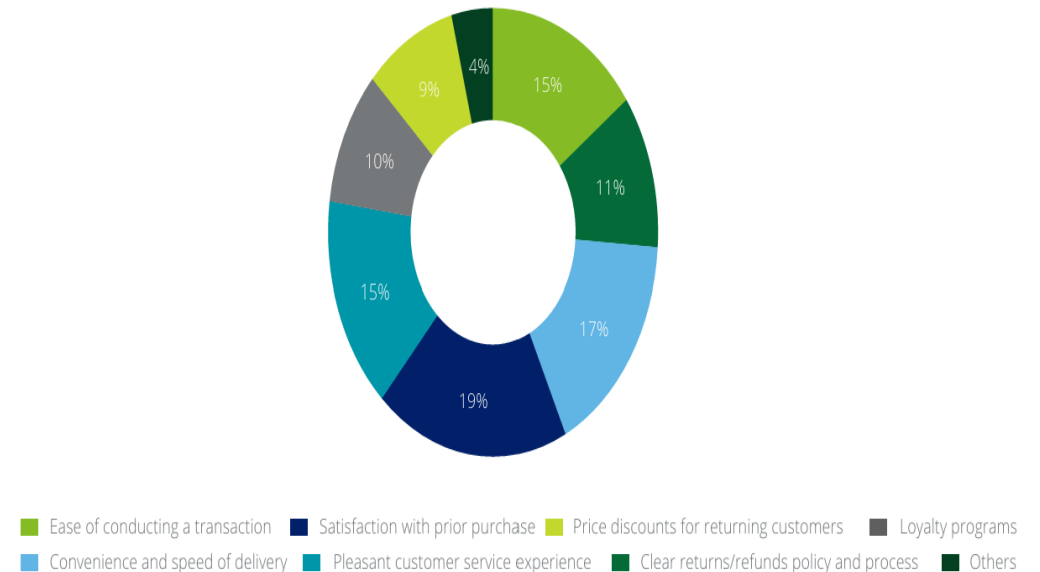
Top social media in Vietnam 2024 | Statista

4. Implications for Vietnam CSI

Resource: Deloitte February 2021 <The Vietnam Consumer Survey; Staying resilient amidst headwinds>

- ✓ For consumer companies, this suggests the need to review their entire customer journeys to envision and redesign frictionless experiences to encourage repeat purchases.
- ✓ This will entail a more strategic and holistic approach, rather than one that relies primarily on tactical discounts, and suggests that **increasing the level of customer loyalty could be one way in which consumer companies can avoid costly price competition** and customer acquisition efforts

Figure 36: Drivers of repeat purchases on e-Commerce/Online platforms



Source Deloitte's Vietnam Consumer Survey (2020)

4. Implications for Vietnam CSI

3R (Recognize –Refine-Reward stages)

"Fast-Acting Companies Soar with Customer-Centric Strategies"

Stage 3: **Reward stage** (Progressive Royalty Index)
Rewarding loyal customers by creating memorable experiences that turn them into brand advocates

Stage 2: **Refine stage** (Active CSI)
Refining the customer experience (areas of improvement)

Stage 1: **Recognize stage** (Basic CSI)
Recognizing the current state of customer satisfaction

Covid 19 Pandemic

✓ The level of Digitalization

✓ Cultural Background

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Thank you!

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