EXPLORING THE IMPACT OF SERVICE QUALITY ON GENERATION Z CUSTOMER SATISFACTION IN THE NAIL INDUSTRY: CASE STUDY IN HANOI, VIETNAM

Phuong Mai Nguyen[1], Vu Nhu Mai[1], and Shikha Daga[2,1*]

[1] International School, Vietnam National University, Hanoi, Vietnam

[2] Department of Commerce, PGDAV College, University of Delhi, India

[*]Corresponding author: shikha.menani@pgdav.du.ac.in

Abstract

Research purpose:
This study aims to investigate the influence of service quality on the customer satisfaction of Vietnamese Generation Z in the nail industry.

Research motivation:
The nail industry in Vietnam has been growing significantly in the last ten years, with roughly 7,000 to 8,000 beauty salons in large cities, which are Hanoi capital and Ho Chi Minh city. Sales are anticipated to grow by 20–30% annually, reaching 1.5–2 billion USD per year. However, the quality of service in this industry is still underexamined. The customer's welfare, safety, and hygiene issues have not yet been under the control of the local governmental authority. Thus, it is doubtful that many beauty salons have not yet paid proper attention to service quality. Moreover, empricial studies in this industry are limited in Vietnam.

Research design, approach, and method:
The SERVPERF model was adapted in our study to test how service quality influcences the satisfaction of Generation Z customers, who experienced the nail service of beauty salons in Hanoi, Vietnam. We employed the convenient and snowball sampling method to collect data in a self-administered online survey. 224 valid responses were collected in three months. Regression analysis was run to test the proposed hypotheses.

Main findings:
Our data analysis shows that 4 out of 5 factors in the SERVPERF model, including Assurance, Empathy, Reliability, and Tangibles, positively influence the satisfaction of Gen Z customers in Hanoi. Only the Responsiveness factor was found to have no relationship with Gen Z customers' satisfaction.

Practical/managerial implications:
The findings are expected to provide valuable insights into the attributes of service quality that matter most to Generation Z customers. It is implied that nail salons should enhance their service to meet young customers' evolving needs and expectations. Improving service alignment subsequently enables firms to boost customer satisfaction. Overall, this research contributes to the existing knowledge on service quality management. It also offers practical implications to industry stakeholders desiring a deeper understanding of how to attract, satisfy, and maintain loyal Gen Z customers in Vietnam's thriving nail industry.

Keywords: service quality, SERVQUAL model, SERVPERF model, customer satisfaction, nail industry, Vietnam

1. INTRODUCTION

The nail business has experienced rapid growth in recent years. The International Nail Association estimates that the nail industry is valued at roughly 8.5 billion USD with an anticipated annual growth rate of 4% to 5% (World Nail Association, 2022). In developed economies including the US, China, UK, Australia, and Canada, the nail business is well established. Gel nails, conventional nail paints, nail tattoos, artificial nails, manicures, and pedicures are examples of popular nail

services. Furthermore, the nail sector offers complementary spa treatments as well as hand and foot care.

The global nail industry has undergone significant expansion and transformation because to evolving consumer preferences and increasing demand for beauty and self-care services. Consumers from Generation Z, born between the mid-1990s and early 2000s, exert a considerable influence on this growth. Generation Z consumers are distinguished by their unique preferences, technological proficiency, and elevated expectations for service excellence. In the nail industry, customer acquisition and retention primarily hinge on the caliber of services rendered. Nail salons must provide exceptional service quality to differentiate themselves in a highly competitive business and cultivate client loyalty.

The nail industry in Vietnam has been growing significantly in the last ten years, with roughly 7,000 to 8,000 beauty salons in major cities, particularly in Hanoi capital and Ho Chi Minh city (Vietnam Briefing, 2024). Sales are predicted to expand by 20–30% a year to reach 1.5–2 billion USD per year. However, the quality of service in this industry is still underexamined. The customer's welfare, safety, and hygiene issues have not yet been under the control of the local governmental authority. Thus, it is doubtful that many beauty salons have not yet paid proper attention to service quality. Moreover, empricial studies in this industry are limited in Vietnam. Meanwhile, client retention and happiness are increasingly vital for company success as the market evolves. Given that more than 60% of Vietnamese citizens are under 30 years old, Gen Z has a huge impact on the country's consumption habit (Huong Le Thu, 2015). Recent research indicate that Generation Z prioritizes experience, value, convenience, and customer connection more than older demographics (Francis & Hoefel, 2018). Understanding how service quality influences Gen Z customer satisfaction is particularly essential.

In this context, this paper investigates how service quality influences Generation Z customer satisfaction in the nail industry of Vietnam. This paper is structured as follows. Section 1 introduces the topic. Section 2 describes the literature review and arguments to develop hypotheses. Section 3 explains the methods. Section 4 discusses the research results. Finally, section 5 highlights the implications and limitations of our study.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1 Service quality, SERVQUAL and SERVPERF models

Service quality is defined as an organization's capacity to meet or surpass customer expectations (Parasuraman, 1988). It is regarded as a fundamental catalyst for consumer happiness and loyalty. The SERVQUAL model is extensively employed to assess service quality across five principal dimensions: Tangibles, Reliability, Responsiveness, Assurance, and Empathy (Asubonteng, 1996). Tangibles encompass physical buildings, equipment, and the appearance of personnel. Reliability pertains to the capacity to execute a service consistently and precisely. Responsiveness assesses the readiness to assist clients and deliver timely service. Assurance signifies the knowledge, competence, and civility of employees in fostering trust and confidence. Ultimately, empathy is delivering sympathetic, individualized attention to customers.

The SERVQUAL model provides a systematic framework for service enterprises and retailers to assess elements that affect consumer perceptions of overall service quality. It tackles the intangible aspects of service measurement and offers a framework for evaluating and enhancing service quality inside the company. The application of the SERVQUAL model enables organizations to identify gaps between customer expectations and the actual performance of their services across multiple dimensions, including reliability, assurance, tangibles, empathy, and responsiveness (Hernon et al., 1999; Huang et al., 2019; Lytle & Timmerman, 2006). This enables firms to identify areas needing improvement to enhance customer happiness and cultivate loyalty. Superior service quality results in favorable client perceptions and experiences. It satisfies their needs and desires more efficiently than competitors. Nonetheless, when a disparity exists between anticipated and perceived quality standards, customer satisfaction generally diminishes (Asubonteng et al., 1996; Oh, 1999; Setó-Pamies, 2012). SERVPERF model was developed based on SERVQUAL model but it omits the expectation component. Researchers in banking, non-bank financial services, insurance, hospitality, fast food, etc., have applied the SERVPERF instrument to measure perceived service quality and then tested its effects on customer satisfaction. For instance, a study in Nepalese financial institutions used confirmatory factor analysis and structural equation modeling to show that assurance, responsiveness, and reliability (three of the SERVPERF dimensions) positively and significantly predict customer satisfaction (Karmacharya, 2022) Similarly, in a study of non-banking financial institutions in Bangladesh, four

of the dimensions (assurance, tangibility, responsiveness, reliability) were found significant in explaining satisfaction, with reliability being the most important (Wang et al., 2023).
Many studies compare SERVPERF with SERVQUAL to see which yields better model fit, greater explained variance, or stronger predictive power for satisfaction. The original work by Cronin & Taylor (1992) found that SERVPERF explained more variation in overall service quality and behavioral intentions than SERVQUAL (i.e. with expectations and perception) in several service industries (Jain et al., 2004).

2.2 Customer satisfaction

Customer satisfaction is a critical indicator of business success. It refers to how a customer feels after interacting with a company, its products or services. Satisfied customers are more likely to repurchase, less likely to switch to competitors, and provide positive word-of-mouth marketing (Kotler, 2016).

Oliver (2010) argues that satisfaction or dissatisfaction is determined by the impression that customers have following a purchase. This impression is created by the positive or negative discrepancy between the customers' expectations and what they actually feel about the experience.

2.3 Hypothesis development

SERQUAL model has been used widely in many research contexts to test the relationship between service quality and customer satisfaction. Sivadas and Baker-Prewitt (2000) examined the relationship between service quality, customer satisfaction and store loyalty within the retail department store context. These authors confirmed that service quality, satisfaction, and fostering a favorable relative attitude have a positive effect on consumers' likelihood of recommending the store to others.

In addition, numerous studies in the non-Western contexts supported the positive influence of service quality on customer satisfaction in various service industries. For example, Wang and Lo (2002) examined the dynamic relationship among service quality, customer satisfaction, customer value and their future behaviors in the China's telecomunication industry. They found that assurance and reliability are two most significant factors that affect customer satisfaction. Similarly, Izogo and Ogba (2014) insisted that the best way to enhance the welfare of the consumers of automobile repair services is by improving the empathy, tangibles, responsiveness, reliability and commitment dimensions of service quality.

In the B2B technology service industry, Huang et al. (2019) also proved that service quality positively impact customer satisfaction and then, brand awareness moderates the relationship between service quality and customer satisfaction. Ali et al. (2021) applied the SERQUAL model in the hospitality industry and confirmed that four factors of service quality (empathy, responsiveness, assurance and tangibles) have positive relation with customer satisfaction.

From the above arguments, in this study, we also hypothesize that service quality positively affects the Gen Z customer satisfaction when they experience the service at nail salons. Thus, five hypotheses were initiated.

H1: Tangibles positively influence Gen Z customer satisfaction at nail salons.
H2: Reliability positively influences Gen Zcustomer satisfaction at nail salons.
H3: Responsiveness positively influences Gen Zcustomer satisfaction at nail salons.
H4: Assurance positively influences Gen Zcustomer satisfaction at nail salons.
H5: Empathy positively influences Gen Z customer satisfaction at nail salons.

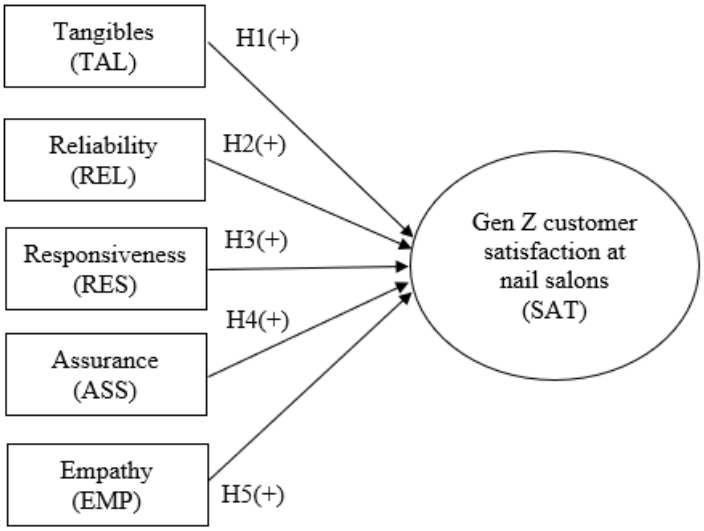


Fig 1. Proposed research model

3. METHODOLOGY

3.1 Measurements

The measurements of SERQUAL factors were adopted from the studies of Parasuraman et al. (1988), Asubonteng et al. (1996) and Lee (2017). Customer satisfaction measurement was taken from the study of Lytle (2006) and Mehta (2000). Table 1 below shows more details of the measurements.

Table 1. Measurements and items

Measurement	Number of items	Coding	Item
Tangible (TAL)	4	TAL1	The nail salon uses high-quality equipment for their services
		TAL2	The physical facilities at nail salon are visually appealing
		TAL3	The nail salon has a clean space
		TAL4	Nail technicians are always neat and professional in appearance
Reliability (REL)	5	REL1	Nail salon provides their services at scheduled time
		REL2	The nail salon consistently offers promotions or discounts for customers
		REL3	The nail salon offers precise and transparent details on their services
		REL4	The staff are sympathetic when customers have problems
		REL5	The staff are dependable
Responsiveness (RES)	4	RES1	The nail salon offers convenient scheduling options for appointments.
		RES2	The nail salon resolves any issues or complaints promptly
		RES3	The staff are responsive to customer requests.
		RES4	The staff constantly deliver swift and attentive service.
Assurance (ASS)	4	ASS1	The staff treat clients with respect and courtesy
		ASS2	The customers can trust the staff
		ASS3	The customers are able to feel safe in their transactions with staff at the nail salon
		ASS4	The customers should get adequate support from the nail salon
Empathy (EMP)	5	EMP1	The staff at the nail salon attentively consider my needs and concerns
		EMP2	

		EMP3	The staff are expected to give customers individual attention
		EMP4	It is expected that the staff have their customers' best interest at heart
		EMP5	The nail salon is expected to have the operating hours convenient to all their customers
Customer satisfaction (SAT)	3	SAT1	I am satisfied with the facilities used at the nail salon
		SAT2	I am satisfied with the professionalism of the staff at the nail salon
		SAT3	I am satisfied with the convenience and flexibility of the service that nail salon provides

3.2 Sampling and data collection

According to the General Statistic Office of Vietnam, the number of Gen Z population in Vietnam is around 13 million in 2025. The population of this study is Generation Z (Gen Z) people who are living in Hanoi city, Vietnam. Using the age structure of Hanoi population, the number of Gen Z in Hanoi is estimated to be around 2.3 million people. Hanoi is renowned for its dynamic and rapidly growing nail salon industry, serving a diverse clientele. In this study, customer satisfaction pertains to the degree of enjoyment and fulfillment that Gen Z customers derive from their encounters with nail salon services in Hanoi, Vietnam. Comprehending consumer satisfaction levels is essential for nail salons to focus strategies and cultivate enduring customer relationships. Increased satisfaction results in recurring or referral business, brand loyalty, enhanced earnings, and a favorable corporate reputation, particularly due to Gen Z's influence in social media advocacy.

In this research, convenience and snowball sampling techiques was employed. We designed the questionnaire in Google Form format and sent it through social media platforms to our friends and family circles of the author team. Then, the advocates of our study were also encouraged to share our survey with their friends who are Gen Z living in Hanoi. After three months, we obtained 224 valid responses. The demographic statistics of our sample is presented in Table 2 below.

Table 2. Sample profiles

		Number of respondents	Percentage (%)
Age	14 to 18 years old	36	16.0
	19 – 22 years old	81	36.2
	23 – 29 years old	73	32.6
	30 – 34 years old	34	15.2
Gender	Female	210	93.7
	Male	14	6.3

4. RESULTS AND DISCUSSION

4.1 Realiability and validity test

We employed SmartPLS software to run the reliability and validity tests of the measurements. The reliability of measurements is assessed using Cronbach's alpha. The accepted value of Cronbach's alpha is 0.7. The convergent validity of the measurements was evaluated based on the factor loading of each item in Exploratory Factor Analysis (EFA), which must be higher than 0.5. In addition, Variance Inflation Factor (VIF) was also used to check the multicollinearity among items. Table 3 shows the results of these tests.

Table 3. Reliability and validity test results

Construct	Item	Factor Loading	VIF	Cronbach's Alpha
Tangible (TAL)	TAL1	0.850	1.985	**0.848**
	TAL2	0.853	2.284	
	TAL3	0.821	2.176	
	TAL4	0.784	1.688	
Reliability (REL)	REL1	0.856	1.772	**0.826**
	REL2	0.762	1.579	
	REL3	0.713	1.689	
	REL4	0.770	1.698	
	REL5	0.651	1.741	
Responsiveness (RES)	RES1	0.884	1.689	**0.836**
	RES2	0.727	1.942	
	RES3	0.736	1.923	
	RES4	0.783	1.916	
Assurance (ASS)	ASS1	0.830	1.438	**0.784**
	ASS2	0.720	1.715	
	ASS3	0.822	1.658	
	ASS4	0.692	1.442	
Empathy (EMP)	EMP2	0.834	2.035	**0.827**
	EMP3	0.781	1.717	
	EMP4	0.801	1.660	
	EMP5	0.829	1.845	
Customer Satisfaction (SAT)	SAT1	0.825	1.603	**0.779**
	SAT2	0.834	1.631	
	SAT3	0.839	1.600	

As shown in Table 3, only EMP1 was removed from the measurements because their factor loading was lower than 0.5. The Cronbach's alpha of six measurements ranges from 0.779 to 0.848, showing the high reliability of all measurements. Moreover, the VIF value ranges from 1 to 3, which implies that multicollinearity does not exist in this study.

Meanwhile, discriminant validity pertains to the extent to which measures of distinct constructs are dissimilar. In this study, the Heterotrait-monotrait ratio of correlation (HTMT) was used to test discriminant validity. Per the HTMT methodology, discriminant validity coefficients should be substantially lower in magnitude than convergent validity coefficients. The advised threshold for HTMT is 0.9, according to Henseler et al. (2015). Table 4 shows that the discriminant validity of measurements in this study was achieved.

Table 4. Discriminant validity test results using HTMT criterion

	ASS	SAT	EMP	REL	RES	TAL
ASS						
SAT	0.107					
EMP	0.124	1.005				
REL	0.898	0.121	0.123			
RES	0.862	0.147	0.162	0.853		
TAL	0.107	0.416	0.351	0.124	0.106	

4.2 Hypothesis testing

To test the proposed hypotheses, we ran Structural Equation Modelling (SEM) analysis with sample size of 5000 using boostrapping method. Results are shown in Table 5 below.

Table 5. SEM analysis result

Hypothesis	Relationship	β	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P- value	Result
H1	TAL→ SAT	0.102	0.046	2.229	0.026	Accepted
H2	REL→ SAT	0.002	0.069	0.029	0.007	Accepted
H3	RES→ SAT	0.011	0.080	0.132	0.095	Rejected
H4	ASS → SAT	0.010	0.066	0.156	0.006	Accepted
H5	EMP → SAT	0.762	0.040	19.194	0.000	Accepted

It is revealed that 4 out of 5 hypotheses were accepted with p-value smaller than 0.05, only H3 was rejected (p-value = 0.095 > 0.05).

4.3 Discussions

Research results show that some aspects of service quality significantly affect the satisfaction of Gen Z customers in Hanoi. Our research results indicate that *assurance, empathy, reliability,* and *tangible* are the primary dimensions influencing Gen Z customers' satisfaction with nail salon services in Hanoi. This finding aligns with the SERVPERF and SERVQUAL literature, which emphasizes these dimensions as critical determinants of perceived service quality in personal care and beauty contexts (Parasuraman et al., 1988; Cronin & Taylor, 1992). For Gen Z customers—who value both aesthetic experience and emotional connection, these factors jointly contribute to trust, comfort, and perceived professionalism.

First, *tangible,* including salon design, equipment, and cleanliness, significantly affect customer perception. Aesthetic and hygienic environments enhance experiential satisfaction, especially for image-conscious Gen Z clientele (Nguyen et al., 2022). Second, *reliability* underscores the importance of delivering services accurately and consistently. Gen Z consumers, accustomed to high digital standards and instant gratification, expect dependable results and punctual service delivery (Tran et al., 2025). Inconsistent service quality may quickly erode trust and satisfaction. Moreover, *assurance* reflects employees' competence, courtesy, and confidence in delivering safe and professional service. In Vietnam's beauty service industry, hygiene, skill certification, and product safety are particularly salient to young consumers (Mai Chi et al., 2022). Gen Z customers tend to be highly informed and cautious; thus, their satisfaction depends heavily on staff credibility and salon transparency (Nguyen et al., 2022). Finally, *empathy*—personalized attention and understanding of customer needs—emerges as a strong predictor of satisfaction. Studies have shown that Vietnamese Gen Z values emotional engagement and inclusivity in service encounters (Nguyen et al., 2022). Nail technicians who communicate warmly and recognize clients' individuality help foster loyalty and positive word-of-mouth. Overall, these four dimensions reflect a combination of functional quality and emotional resonance that defines Gen Z satisfaction in Vietnam's urban nail service sector.

Our findings are in line with some previous studies such as Ngo and Nguyen (2016) in the banking industry, Olorunniwo et al. 2006) in the service industry, Priyo et al. (2019) in the hotel industry, and Wang and Lo (2002) in the telecommunication industry. These dimensions underscore the significance of elements like as personnel conduct, communication, physical surroundings, and overall experience in influencing consumer impression and satisfaction. The results demonstrated strong construct validity and internal consistency among variables, affirming the efficacy of the measuring methodology. The SEM study indicated a moderate explanatory capacity for customer satisfaction, implying that the model's explanatory power may be enhanced. Model fit study revealed satisfactory fit indices, indicating that the structural model well reflects the data. Ultimately, hypothesis testing validated the considerable correlation between qualities such as empathy, reliability, responsiveness, tangibles, and customer happiness. These findings underscore the significance of elements such as empathy and physical aspects in influencing consumer satisfaction within the nail industry.

Nonetheless, the analysis indicates that the correlation between responsiveness (RES) and customer satisfaction (SAT) is not statistically significant. This result indicates that trustworthiness may have a negligible effect on customer satisfaction

within the nail sector among Gen Z consumers in Hanoi. Research on service quality often identifies responsiveness—the willingness to help customers promptly and provide timely service—as a key determinant of satisfaction (Parasuraman et al., 1988). However, in the specific context of nail salons in Hanoi and among Vietnamese Gen Z customers, responsiveness may not significantly influence satisfaction. Several cultural, generational, and industry-related factors help explain this finding. First, Gen Z customers in Vietnam are highly digitalized and accustomed to fast-paced interactions across social media, e-commerce, and digital platforms (Tran et al., 2025). As a result, their baseline expectation for speed and responsiveness is already high. Nail salons in Hanoi typically operate in competitive urban districts where quick service is standardized; thus, responsiveness is not perceived as a differentiator but rather as a minimum requirement. When all salons provide relatively prompt service, responsiveness becomes less salient in shaping satisfaction. Second, for Gen Z customers, the value proposition of nail salons often lies more in experiential and aesthetic dimensions, such as design creativity, ambience, and personalization. Studies show that this cohort prioritizes self-expression, uniqueness, and quality outcomes over transactional efficiency (Nguyen et al., 2022). Therefore, other dimensions of service quality, such as assurance (skills of the manicurist), empathy, and tangibile (salon atmosphere), carry greater weight in influencing satisfaction compared to responsiveness. Third, cultural norms may also play a role. In Vietnamese service interactions, customers often emphasize relational warmth and trust rather than speed alone. For Gen Z, who frequently visit salons with friends or share their experiences online, social value and peer approval may overshadow concerns about how quickly staff respond.

The ramifications of these findings are substantial for nail salons in Hanoi to improve Gen Z consumer happiness. By concentrating on enhancing assurance, empathy, tangible, and crafting unforgettable nail salon experiences, enterprises can proficiently fulfill the requirements of this target audience and foster enduring consumer loyalty.

5. IMPLICATIONS, LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

5.1 Implications

Theoretically, the study confirms the applicability of key quality dimensions in the nail salon industry across the emerging economy of Vietnam. The study highlights the importance of these factors in impacting customer satisfaction across the Vietnamese nail industry.

As far as the practical aspect is concerned, the study asserts the importance of service quality for customer satisfaction across Gen Z in the Vietnamese nail industry. The results of the study document the important role that the adoption of a customer-centric approach plays in enhancing the service quality and customer satisfaction in Hanoi. The important factors that can help in enhancing the same are increased professionalism, appropriate cleanliness and hygiene, enhanced product quality, better ambience that supports comfort, providing personalised services, improved technology, sustained efforts towards environmental protection, having empathy towards staff, access to reliable services and continuous access to customer feedback. All these factors will not only assist in enhancing the overall customer experience but also assist in promoting long-term loyalty among Gen Z.

One of the important antecedents for selecting a nail salon among Gen Z is the level of professionalism, expert knowledge and skilled technicians that can help in providing enhanced customer service. To ensure a rise in technical skills, it is necessary to impart training and development opportunities along with integrating with the latest trends to ensure an appropriate customer service etiquette. The investment in the development of the staff will have a two-pronged impact wherein not only would there be a rise in the service quality but it will also provide a positive atmosphere across the nail salons that will ultimately increase customer satisfaction.

Another important factor that is linked with enhanced customer satisfaction in the nail industry is the level of cleanliness and hygiene that is being followed. This is because of the utmost importance that Gen Z places on health and hygiene, which makes it necessary for nail salons to prioritize the same. It is therefore crucial for nail salons to have stringent protocols for cleaning that include disinfecting the tools, due cleanliness of workstations and other common areas. A clean and hygienic nail salon thus would not only add to customer satisfaction but will also ensure enhanced goodwill and long-term value creation.

The third important factor that is crucial for ensuring the success of the nail industry is to have optimum quality products.

It can be implemented by collaborating with reputed suppliers that can assist in providing good-quality products, thereby enhancing the overall service experience. In addition to providing good quality products, it is also necessary to provide a wider choice that can meet the individual customer preferences, thereby enhancing overall Gen Z customer satisfaction. By using superior products, nail salons can ensure better outcomes, longer-lasting results, and ultimately, higher levels of customer satisfaction.

In addition to quality, hygiene and improved skills, the ambience and comfort available at the salon also make a huge mark on the overall customer satisfaction. Getting nail services is an experience that is linked to a number of factors like the music, décor, light arrangements and comfortable seating. All these factors add to customer satisfaction as it helps in creating a relaxed atmosphere. When nail salons are designed to align with Gen Z's tastes and expectations, they create a space that connects with their target audience, leading to a more engaging and fulfilling customer experience.
A crucial factor that adds to the Gen Z customer satisfaction in the case of services like nails is to enhance personalization. Gen Z gives utmost importance to individuality and uniqueness. Nail salons thus, should focus on catering to individual tastes and preferences that can lead to better customer satisfaction. To attain the same, there should be a focused pre-consultation session that helps in providing customized solutions to Gen Z customers. It will add to long-term value creation by providing a personalised experience that is bound to be greater than customer expectations.

Gen Z, being tech-savvy, also prefers enhanced technology usage in the entire process, be it the online booking system, use of a payment gateway or even reminders for future services. Thus, nail salons need to ensure that they make a paradigm shift towards technical advancement. Even in terms of promotion, social media and influencer marketing can assist nail salons in getting the attention of Gen Z. Technology thus, should seamlessly be integrated into the entire supply chain of nail salons to ensure enhanced convenience and efficiency.

Not only are Gen Z tech-savvy savy but they are equally considerate about the environment and hence prefer to go for processes that are sustainable and eco-friendly. Nail salons thus need to match up to customer satisfaction and adopt cruelty-free and green products as and when possible. Communicating the salon's commitment to sustainability through clear messaging and practices can help resonate with environmentally conscious customers and enhance their satisfaction. Developing empathy among employees is the most critical factor in creating a warm and welcoming atmosphere. Nail salons must emphasize training workers to demonstrate authentic care and compassion for customers. Fostering skills like active listening, effective communication, and customer needs prioritization assists employees in building trust and rapport with customers. Such empathetic interaction plays a vital part in a good service experience and increases overall customer satisfaction.

For customers, time is money and hence they give due importance to the reliability of services. Nail salons need to ensure that there are no pre-informed cancellations, delays, and/or rescheduling. In addition, in extreme situations, if it does happen, it must be handled professionally and empathetically. Clear policies and procedures for handling customer grievances should be clearly laid down and efficiently followed. By demonstrating reliability and responsiveness, nail salons can build trust with customers and foster long-term loyalty.
At last, recurrent customer feedback is the key to identifying the loopholes in the overall process and the scope for future improvements. This is important as nail salons that stay ahead through customer feedback and sort it out quickly demonstrate their commitment towards customer satisfaction and hence are valued.

Taking care of the above factors can assist nail salons in Hanoi to enhance their overall service quality which leads to enhanced customer satisfaction and creation of a long-term customer base. Emphasizing factors like professionalism, cleanliness, quality items, welcoming atmosphere, individualized services, technology application, sustainability, empathy, dependability, and responsiveness to criticism can enable nail salons to provide experiences that resonate with Gen Z clients in Hanoi. To stay effective, salons need to continuously monitor evolving customers' tastes and adjust their strategies to be congruent with the changing needs and expectations of this fast-paced generation.

5.2. Limitations and future research directions

The present study investigates the impact of service quality on customer satisfaction of the Gen Z in the nail industry of Hanoi. The study uses an empirical approach to explore the relationship between service quality dimensions and customer satisfaction in this target demographic. However, the generalization of the research results is limited due to small sample

size and convenience sampling technique. Thus, future research should expand the sample size and explore other areas to enhance the validity of the findings. Furthermore, we focus mainly on the impact of service quality factors in the SERQUALmodel on the customer satisfaction. Other potential demographic factors such as income, lifestyle might have some influence on customer satisfaction but they were not included in our study. Thus, we suggest that future research might expand our research model with factors that might moderate the relationship between service quality and customer satisfaction in the nail industry.

6. REFERENCES

Ali, B. J., Gardi, B., Othman, B. J., Ahmed, S. A., Ismael, N. B., Hamza, P. A., ... & Anwar, G. (2021). Hotel service quality: The impact of service quality on customer satisfaction in hospitality. *International Journal of Engineering, Business and Management*, *5*(3), 14-28. https://dx.doi.org/10.22161/ijebm.5.3.2

Asubonteng, P., McCleary, K. J., & Swan, J. E. (1996). SERVQUAL revisited: a critical review of service quality. *Journal of Services Marketing*, *10*(6), 62-81. https://doi.org/10.1108/08876049610148602

Cronin Jr, J. J., & Taylor, S. A. (1992). Measuring Service Quality: A Reexamination and Extension. *Journal of Marketing*, *56*(3), 55-68. https://doi.org/10.1177/002224299205600304

Francis, T. & Hoefel, F. (2018). "True Gen": Generation Z and its implications for companies. *McKinsey&Company.* Retrieved September 20, 2024 from https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/true-gen-generation-z-and-its-implications-for-companies#/

Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, *43*, 115-135. https://doi.org/10.1007/s11747-014-0403-8

Hernon, P., Nitecki, D. A., & Altman, E. (1999). Service quality and customer satisfaction: An assessment and future directions. *The Journal of Academic Librarianship*, *25*(1), 9-17.

Huang, P. L., Lee, B. C., & Chen, C. C. (2019). The influence of service quality on customer satisfaction and loyalty in B2B technology service industry. *Total Quality Management & Business Excellence*, *30*(13-14), 1449-1465. https://doi.org/10.1080/14783363.2017.1372184

Huong Le Thu (2015). Vietnam's Urban Middle Class: Rapidly Growing, Slowly Awakening. *Kyoto Review*, *18*(Sept.2015). Retrieved September 20, 2024 from https://kyotoreview.org/yav/vietnams-urban-middle-class-rapidly-growing-slowly-awakening/

Izogo, E. E., & Ogba, I. E. (2015). Service quality, customer satisfaction and loyalty in automobile repair services sector. *International Journal of Quality & Reliability Management*, *32*(3), 250-269. https://doi.org/10.1108/IJQRM-05-2013-0075

Jain, S. K., & Gupta, G. (2004). Measuring service quality: SERVQUAL vs. SERVPERF scales. *Vikalpa*, *29*(2), 25-38. https://doi.org/10.1177/0256090920040203

Karmacharya, B. (2022). Impact of Service Quality Dimensions on Customer Satisfaction in Nepalese Financial Institutions based on SERVPERF Model. *Journal of Nepalese Business Studies*, *15*(1), 11–26. https://doi.org/10.3126/jnbs.v15i1.50375

Kotler, P., & Lane Keller, K. (2016). *A framework for marketing management*. Pearson Education.

Lee, D. (2017). HEALTHQUAL: a multi-item scale for assessing healthcare service quality. *Service Business,* 11, 491–516 (2017). https://doi.org/10.1007/s11628-016-0317-2

Lytle, R. S., & Timmerman, J. E. (2006). Service orientation and performance: an organizational perspective. *Journal of Services Marketing*, *20*(2), 136-147. https://doi.org/10.1108/08876040610657066

Mai Chi, V. T., Paramita, W., & Ha Minh Quan, T. (2022). Does customer experience always benefit company? Examining customers' epistemic motivation and interaction with service contexts. *Australasian Marketing Journal*, *30*(1), 35-50. https://doi.org/10.1177/1839334921998867

Mehta, S. C., Lalwani, A. K., & Li Han, S. (2000). Service quality in retailing: relative efficiency of alternative measurement scales for different product-service environments. *International Journal of Retail & Distribution Management*, *28*(2), 62-72.

Ngo, M. V., & Nguyen, H. H. (2016). The relationship between service quality, customer satisfaction and customer loyalty: An investigation in Vietnamese retail banking sector. *Journal of Competitiveness*, *8*(2), 103-116. https://doi.org/10.7441/joc.2016.02.08

Nguyen, D. (2024). The Clean Beauty Movement: Perspectives of Generation Z in Vietnam and the United States. Working paper. http://dx.doi.org/10.2139/ssrn.4983332

Nguyen, T., B., Tran, T. L. A., Tran, T. T. H., Le, T. T., Tran, P. N. H., & Nguyen, M. H. (2022). Factors influencing continuance intention of online shopping of generation Y and Z during the new normal in Vietnam. *Cogent Business & Management*, *9*(1), 2143016. https://doi.org/10.1080/23311975.2022.2143016

Oh, H. (1999). Service quality, customer satisfaction, and customer value: A holistic perspective. *International Journal of Hospitality Management*, *18*(1), 67-82. https://doi.org/10.1016/S0278-4319(98)00047-4

Oliver, R.L. (2010). *Satisfaction: A Behavioral Perspective on the Consumer* (2nd ed.). Routledge. https://doi.org/10.4324/9781315700892

Olorunniwo, F., Hsu, M. K., & Udo, G. J. (2006). Service quality, customer satisfaction, and behavioral intentions in the service factory. *Journal of Services Marketing*, *20*(1), 59-72. https://doi.org/10.1108/08876040610646581

Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1988). A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, *64*(1), 12-40.

Priyo, J. S., Mohamad, B., & Adetunji, R. R. (2019). An examination of the effects of service quality and customer satisfaction on customer loyalty in the hotel industry. *International Journal of Supply Chain Management*, *8*(1), 653-663. http://excelingtech.co.uk/

Setó-Pamies, D. (2012). Customer loyalty to service providers: examining the role of service quality, customer satisfaction and trust. *Total Quality Management & Business Excellence*, *23*(11-12), 1257-1271. https://doi.org/10.1080/14783363.2012.669551

Sivadas, E., & Baker-Prewitt, J. L. (2000). An examination of the relationship between service quality, customer satisfaction, and store loyalty. *International Journal of Retail & Distribution Management*, *28*(2), 73-82. https://doi.org/10.1108/09590550010315223

Tran, Q. P., Do, A. D., Ha, D. L., Bui, P. T., Nguyen, D. K., & Tran, N. H. D. (2025). Value co-creation and customer satisfaction mediation on the service innovation and generation Z consumers' repurchase intention in Vietnam. *Cogent Business & Management*, *12*(1), 2466811. https://doi.org/10.1080/23311975.2025.2466811

Wang, C. K., Masukujjaman, M., Alam, S. S., Ahmad, I., Lin, C. Y., & Ho, Y. H. (2023). The effects of service quality performance on customer satisfaction for non-banking financial institutions in an emerging economy. *International Journal of Financial Studies*, *11*(1), 33. https://doi.org/10.3390/ijfs11010033

Wang, Y., & Lo, H. P. (2002). Service quality, customer satisfaction and behavior intentions: Evidence from China's telecommunication industry. *Info*, *4*(6), 50-60. https://doi.org/10.1108/14636690210453406

Websites

https://world-nail-association.com/en/

https://www.who.int/

https://www.vietnam-briefing.com/doing-business-guide/vietnam/sector-insights/vietnam-s-emerging-cosmetics-industry-strong-potential-for-growing-market