



Received: 05-08-2024
Accepted: 15-09-2024

International Journal of Advanced Multidisciplinary Research and Studies

ISSN: 2583-049X

Effect of Perceived Value on Customer Satisfaction on Audit Services of Financial Statements

Pham Huy Hung

Hanoi University of Natural Resources and Environment, Vietnam

Corresponding Author: Pham Huy Hung

Abstract

This study was conducted to investigate the impact of perceived value on customer satisfaction on financial statement audit services performed by independent auditing companies in Hanoi city. Using a qualitative approach, the study explores the multi-dimensional nature of perceived value in audit services and its relationship to customer satisfaction. In-depth interviews and focus group discussions were conducted with business owners, chief financial officers, audit committee members, and chief accountants from various companies in Hanoi. The findings suggest that perceived value in audit services includes functional, emotional, social and monetary dimensions, each of which separately contributes to overall customer satisfaction. Functional value emerges as the most important factor,

while emotional value plays a surprising role in shaping satisfaction. The impact of social and monetary value varies between different customer segments. The study also identifies several context-specific factors of Hanoi that influence the value-satisfaction relationship, including rapid economic growth, increasing international integration, and a changing regulatory environment. Based on the results of the study, some recommendations for audit firms are made to help them understand the key drivers of perceived value and their impact on customer satisfaction, so that firms can adapt their services and marketing strategies to better meet customer expectations. This, in turn, can lead to better customer retention, enhanced reputation, and increased market share.

Keywords: Perceived Value, Satisfaction, Vietnam

1. Introduction

The financial statement audit industry plays a crucial role in ensuring the integrity and reliability of financial information in the business world. In recent years, there has been growing interest in understanding the factors that contribute to client satisfaction in audit services, with perceived value emerging as a significant area of focus (Ismail *et al.*, 2006)^[14]. The concept of perceived value, which encompasses the client's overall assessment of the utility of a service based on perceptions of what is received and what is given, has been widely studied in various service industries but remains relatively unexplored in the context of financial statement auditing (Zeithaml, 1988)^[28].

In Vietnam, and particularly in Hanoi, the audit industry has experienced significant growth and transformation over the past two decades. This growth has been driven by economic reforms, increased foreign investment, and the adoption of international accounting and auditing standards (Hung, 2022)^[13]. As the market becomes more competitive, understanding client perceptions of value and their impact on satisfaction has become increasingly important for audit firms seeking to maintain and expand their client base.

The multidimensional nature of perceived value in professional services has been highlighted by several researchers. For instance, Sweeney & Soutar (2001)^[26] proposed a four-dimensional model of perceived value, including quality/performance, emotional value, price/value for money, and social value. In the context of auditing services, these dimensions may manifest differently, given the unique nature of the audit engagement and the regulatory environment in which it operates.

Despite the growing importance of client satisfaction in the audit industry, there is a lack of comprehensive research examining the relationship between perceived value and customer satisfaction in financial statement auditing services, especially in the context of emerging economies like Vietnam. Previous studies have primarily focused on developed markets, leaving a gap in

our understanding of how perceived value influences client satisfaction in different cultural and economic contexts (Butcher *et al.*, 2013) [4].

Furthermore, the unique characteristics of the audit service, such as its mandated nature and the potential conflict between client satisfaction and auditor independence, create additional complexities in understanding the value-satisfaction relationship (Beattie *et al.*, 2000) [2]. There is a need to explore how clients in Hanoi perceive the value of audit services and how these perceptions impact their overall satisfaction with the audit engagement.

Therefore, this study was conducted focusing on the impact of perceived value on customer satisfaction with financial statement audit services of auditing companies in Hanoi. The study aims at the following specific objectives:

1. To explore the dimensions of perceived value in financial statement auditing services from the perspective of clients in Hanoi.
2. To investigate the relationship between different dimensions of perceived value and overall customer satisfaction with audit services.
3. To identify the most significant factors of perceived value that influence customer satisfaction in the context of Hanoi's audit market.
4. To develop a conceptual framework that explains the relationship between perceived value and customer satisfaction in financial statement auditing services.

This study contributes to both theoretical and practical understanding of perceived value and customer satisfaction in the audit industry. From a theoretical perspective, it extends the existing literature on perceived value by applying it to the unique context of financial statement auditing services in an emerging economy. The findings will help refine and adapt existing models of perceived value to better reflect the realities of professional services in different cultural and economic settings.

Practically, the results of this study will provide valuable insights for audit firms operating in Hanoi and similar markets. Understanding the key drivers of perceived value and their impact on customer satisfaction can help firms tailor their services and marketing strategies to better meet client expectations. This, in turn, can lead to improved client retention, enhanced reputation, and potentially increased market share.

Furthermore, the study's findings may have implications for regulators and professional bodies in Vietnam. By highlighting the factors that clients value most in audit services, the research can inform policy decisions aimed at improving audit quality and maintaining the delicate balance between client satisfaction and auditor independence.

Lastly, this research contributes to the broader dialogue on the role and value of auditing in society. As businesses and stakeholders increasingly scrutinize the cost and benefits of audits, understanding how clients perceive and derive value from these services becomes crucial for the ongoing evolution and relevance of the auditing profession.

2. Literature review

2.1 The concept of perceived value

The concept of perceived value has been the subject of extensive research in the marketing literature and consumer behavior. It is a multifaceted structure that plays an important role in understanding decision-making processes

and consumer satisfaction. Zeithaml (1988) [28] has given one of the most widely accepted definitions of perceived value as “*the general consumer assessment of the utility of a product based on perceptions of what is received and what is spent*” (p. 14). This definition highlights the trade-off nature of perceived value, in which consumers weigh the benefits received against the costs.

Based on this foundation, researchers have continued to explore and refine the concept of perceived value. Woodruff (1997) [27] emphasizes the importance of considering customer perceived value as a dynamic structure that evolves over time. He defines perceived value as “*customers' preferences and evaluations for product attributes, attribute performance, and consequences arising from use that facilitate (or impede) the achievement of customers' goals and objectives in use situations*” (page 142). This definition emphasizes the subjective nature of perceived value and its dependence on individual customer goals and context.

In the context of a service, perceived value is further complicated by the intangible nature of the service provided. Parasuraman & Grewal (2000) [20] argue that in the context of service, perceived value is affected not only by the core service but also by the service delivery process and the overall customer experience. They propose that the perceived value in the service consists of four distinct categories: Acquisition value, transaction value, use value, and redemption value. This multidimensional view of perceived value is particularly relevant in understanding customer perceptions in the context of professional services, such as auditing financial statements.

The importance of perceived value in shaping customer satisfaction and loyalty is well established in the literature. Cronin *et al.* (2000) [8] conducted a comprehensive study across multiple service industries and found that perceived value has both direct and indirect effects on behavioral intention, mediated through satisfaction. Similarly, McDougall & Levesque (2000) [19] demonstrated that perceived value is an important driver of customer satisfaction across a variety of service contexts.

In the specific context of professional services, such as auditing, the concept of perceived value has many peculiarities. Sánchez-Fernández & Iñiesta-Bonillo (2007) [24] argue that in the context of complex service, perceived value should be seen as a higher-order, multi-dimensional structure that captures both cognitive and affective factors in customer assessment. This view is particularly relevant to audit services, where the client's perception of value is affected by the complex interaction of technical, relational and regulatory factors.

2.2 Aspects of perceived value in audit services

The multi-dimensional nature of perceived value has been widely recognized in the literature, with many frameworks proposed to capture its various aspects. In the context of audit services, four main dimensions of perceived value have emerged as particularly relevant: Functional value, emotional value, social value and monetary value. These dimensions provide a comprehensive framework for understanding how customers evaluate the overall utility of audit services.

Functional Value

Functional value refers to the pragmatic benefits that the client derives from the core technical aspects of the audit

service. This trend is closely tied to the quality and performance of audit activities. Behn *et al.* (1997)^[3] identified several key attributes that contribute to functional value in audit services, including the technical competence of the audit team, industry expertise, and the ability to detect material misstatements.

In the context of an audit of financial statements, functional value is often associated with the assurance provided by the audit opinion. DeAngelo (1981)^[9] argues that audit quality and in the extended sense are functional values determined by the overall probability assessed by the market that an auditor will detect a breach in a client's accounting system and report that breach. This view emphasizes the importance of both technical competence and independence in delivering functional value to customers.

More recent studies have expanded the concept of functional value in audit services. For example, Knechel *et al.* (2013)^[17] proposed a framework for audit quality that includes multiple attributes that contribute to functional value, including the audit process, auditor competence, and the institutional context in which audit activity is performed. They argue that these factors together shape the functional value that the client derives from the audit activity.

Moreover, the functional value of the audit service goes beyond the core assurance function. Carrington (2010)^[5] discussed how audits serve as "comfort-generating" activities, giving customers confidence in their financial reporting processes and internal controls. This broader view of functional value includes not only the direct results of the audit, but also the indirect benefits the client derives from the audit process itself.

Emotional value

Emotional value in the context of audit services refers to the emotional state or feelings that customers experience as a result of their interactions with the audit firm and its employees. While auditing is often seen as a highly technical and rational service, the emotional dimension plays an important role in shaping customer perceptions and overall satisfaction.

Fontaine & Pilote (2012)^[10] conducted a qualitative study exploring the relationship between clients and auditors and found that emotional factors, such as trust, communication, and personal harmony, play an important role in shaping the overall satisfaction of clients with the audit activity. They argue that these emotional factors contribute significantly to the perceived value of audit services, often outperforming purely technical considerations.

The concept of emotional value in audit services is closely tied to the relational aspects of customer-auditor interactions. Ruyter & Wetzels (1999)^[23] examined the role of commitment in the audit-client relationship and found that affective commitment, rooted in positive emotions and mutual respect, is an important predictor of customer retention intention. This highlights the importance of emotional value in building long-term customer relationships in the audit industry.

Moreover, the emotional value derived from audit services can extend to a sense of security and peace of mind. Power (2003)^[22] discussed how auditing plays an important role in organizations, providing emotional comfort and legitimacy. This view shows that the emotional value of audit services extends beyond the direct interaction between the client and the auditor, including the broader dimensions of the organization and society.

Social value

Social value in an audit service refers to the benefits a client derives from the social and reputational aspects of hiring a particular audit firm. This perceived value dimension is particularly relevant in the context of financial statement audits, where the selection of auditors can signal credibility and trustworthiness to external stakeholders.

DeAngelo (1981)^[9] introduced the concept of auditor reputation capital, arguing that larger audit firms have more to lose from audit failures and therefore have a stronger incentive to maintain audit quality. This perspective suggests that the social value of hiring a reputable audit firm can be important, especially for publicly listed companies looking to enhance their reputation in the capital markets.

Empirical studies have provided evidence for the importance of social value in audit services. Khurana & Raman (2004)^[15] found that Big 4 audit firms are associated with a lower cost of equity than before for their clients, suggesting that the reputational benefit of hiring a reputable audit firm translates into a tangible financial advantage. This finding highlights the importance of social value in customers' overall assessment of the value of audit services.

The social value of audit services also extends to the broader social role of auditing in maintaining public confidence in financial markets. Suddaby *et al.* (2007)^[25] examined the role of large accounting firms in transnational management of professional services and argued that these firms derive significant social value from their position as guardians of financial integrity. This perspective highlights how the social value of audit services is interwoven with broader institutional and management frameworks.

Currency Value

Monetary value in auditing services refers to the customer's perception of the price-quality relationship and the common value for the amount that the audit brings. This perceived value dimension is particularly complex in the context of auditing, where regulatory requirements are often required to hire audit services, potentially affecting price sensitivity.

Beattie & Fearnley (1995)^[1] conducted a study on the selection of auditors and found that while audit fees are an important consideration, they are not the only determinant of auditor selection. The client has reviewed the overall value proposition, balancing the monetary cost with the perceived benefit of the audit service. This suggests that monetary value in audit services is closely related to other dimensions of perceived value.

The concept of monetary value in audit services is further complicated by the possibility of a fee-related conflict of interest. Kinney & Libby (2002)^[16] discussed how unusually high or low audit fees can raise questions about auditor independence and quality of audit services. This highlights the delicate balance that audit firms must strike when valuing their services to reflect fair value while maintaining an awareness of independence.

Recent research has also explored how changes in the regulatory environment impact the monetary value of audit services. Ghosh & Pawlewicz (2009)^[11] examined the impact of the Sarbanes-Oxley Act on audit prices and found significant increases in post-SOX audit FEES. They argue that this increase in fees not only reflects the additional work required but also reflects the added value placed on high-quality audits following major accounting scandals. This suggests that perceptions of monetary value in audit

services are dynamic and influenced by broader market and regulatory factors.

As such, the multidimensional nature of the value felt in audit services, including functional, emotional, social, and monetary aspects, provides a comprehensive framework for understanding customer perception and satisfaction. These dimensions are interconnected and together shape the overall value proposition of audit services.

2.3 Customer satisfaction in audit services

Customer satisfaction is an important concept in the field of marketing and service quality, and it is gaining increasing attention in the context of audit services. In the audit profession, customer satisfaction has its own characteristics due to the complex nature of the service, regulatory requirements, and the potential tension between customer satisfaction and auditor independence.

Behn *et al.* (1997) [3] conducted an important study on customer satisfaction in the auditing industry, identifying the key factors that determine customer satisfaction of Big 6 companies. They recognize that the ability to meet customer needs, executive involvement, and effective communication are important factors that influence customer satisfaction. This study emphasizes the importance of both the technical aspect and the interpersonal relationship of the audit service in shaping the overall satisfaction of the client.

Based on this work, Ismail *et al.* (2006) [14] looked at customer satisfaction in the context of Malaysia's listed public companies. They have applied the SERVQUAL model to audit services and found that reliability, responsiveness and assurance are the most important dimensions affecting customer satisfaction. Their study highlights the feasibility of general service quality frameworks into the specific context of audit services.

The concept of customer satisfaction in audit services is closely tied to the concept of audit quality. DeAngelo (1981) [9] defines audit quality as the overall probability assessed by the market that an auditor will detect and report material misstatements. This definition suggests that customer satisfaction in audit services is based not only on the subjective experience of the client but also on the perceived effectiveness of the audit in fulfilling its social role.

Carcello *et al.* (1992) explored in more depth the attributes of audit quality from the perspective of audit partners, preparers and users of financial statements. They identify factors such as industry expertise, ability to meet customer needs, and compliance with common audit standards as key determinants of audit quality. These factors can contribute to customer satisfaction by aligning audit services to stakeholder expectations.

However, the relationship between audit quality and customer satisfaction is not always straightforward. Herrbach (2001) [12] discussed the potential conflict between maintaining audit quality and meeting client expectations, especially in situations where clients may prefer less stringent oversight. This tension highlights the unique challenges of managing client satisfaction in the audit profession, where professional and ethical obligations can sometimes conflict with client preferences.

2.4 Relationship between perceived value and customer satisfaction

The relationship between perceived value and customer satisfaction has been extensively studied in a variety of

service contexts, including professional services such as auditing. This relationship is complex and multifaceted, with perceived value often seen as the premise of satisfaction.

Cronin *et al.* (2000) [8] conducted a comprehensive study across multiple service industries and found that perceived value has both direct and indirect effects on behavioral intention, with satisfaction acting as an intermediary. Their findings suggest that while perceived value directly affects customer satisfaction, it also has an independent impact on behavioral outcomes such as loyalty and acquisition intention.

In the context of professional services, Caruana *et al.* (2000) [6] examined the relationship between service quality, value and customer satisfaction in audit firms. They found that perceived value acts as an intermediary in part to the relationship between service quality and customer satisfaction, highlighting the importance of perceived value in shaping overall customer satisfaction with audit services.

Patterson & Spreng (1997) [21] studied the relationship between perceived value and satisfaction in the context of business-to-business professional services. Their study showed a strong positive correlation between perceived value and satisfaction, with value explaining a significant part of the difference in satisfaction. This finding underscores the important role of perceived value in shaping customer satisfaction in professional service contexts such as auditing.

The multi-dimensional nature of perceived value adds complexity to its relationship with customer satisfaction. Sweeney & Soutar (2001) [26] developed the PERVAL scale to measure perceived value and found that different value dimensions (quality, emotion, price, and social) have different impacts on customer satisfaction and behavioral intention. This suggests that in the context of audit services, different aspects of perceived value may contribute differently to overall customer satisfaction.

Lam *et al.* (2004) [18] proposed and tested a model linking customer value, satisfaction and loyalty in the context of business-to-business. Their findings indicate that customer value is a precursor to both satisfaction and loyalty, where satisfaction acts as an intermediary in part to the relationship between value and loyalty. This model provides a useful framework for understanding the interaction between perceived value, satisfaction, and long-term customer relationships in audit services.

In the specific context of audit services, Butcher *et al.* (2013) [4] examined the relationship between perceived service quality, value, and customer retention. They found that perceived value plays an important role in shaping a client's intent to retain an auditor, with satisfaction mediating this relationship. This study highlights the importance of perceived value in maintaining long-term customer relationships in the audit industry.

3. Research Method

This study uses qualitative research design to explore the impact of perceived value on customer satisfaction for financial statement audit services in Hanoi. An approach that is arguably appropriate given the complex and subjective nature of perceived value and customer satisfaction in the context of professional services (Creswell & Poth, 2018) [7]. This approach allows for an in-depth exploration of the customer's experience, perceptions, and specific, new factors that influence their satisfaction with the

audit service.

Data collection methods

In-depth interviews: Semi-structured in-depth interviews will be conducted with 15 subjects (including, 3 business owners; 5 financial directors; 3 audit committee members; and 4 chief accountants) of client companies in Hanoi using financial statement audit services. The client companies selected include both listed and unlisted companies across a variety of industries. These interviews will enable detailed discussion of their perceptions of perceived value and satisfaction with audit services.

Focus group discussions: Focus group discussions will be held with groups of 6-8 participants from different companies to encourage interactive dialogue and create different perspectives on perceived value and satisfaction in audit services.

Data analysis

Focus group interviews and discussions were conducted between March 2024 and July 2024 on the basis of face-to-face and telephone interviews, group discussions via the Google Meet platform lasting from 30 minutes to 45 minutes each. The contents of the interview and discussion are recorded and transcribed for analysis. Data is analyzed using thematic analysis to identify key topics and samples emerging from interviews.

4. Research results

4.1 Findings from interviews and focus group discussions

Perception of value in audit services

An analysis of in-depth interviews and focus group discussions revealed several key themes related to perceived value in audit services among clients in Hanoi. A prominent theme is the multidimensional nature of value in audit services, which is consistent with the theoretical framework proposed earlier in the study.

Functional value emerged as an important dimension, with participants continually emphasizing the importance of technical and professional competence in the industry. For example, one finance executive stated, *"We value auditors who have a deep understanding of our industry-specific accounting challenges. Their insights often go beyond mere compliance and help us improve our financial reporting processes."* This view is echoed in many interviews, highlighting the importance of specialised knowledge in customers' perceptions of value.

The assurance provided by audit opinion is another aspect of functional value that is often mentioned. Participants see this as fundamental to the audit service, but what is interesting is that many see it as a fundamental expectation rather than a distinguishing factor. As one audit committee member put it, *"Clean audit opinions are the minimum we expect. What really adds value is when auditors provide insights that help us strengthen our internal controls and financial management practices."*

Emotional value emerges as a surprisingly important factor in clients' perceptions of the value of audit services. Many participants spoke about the importance of trust, communication, and a shared relationship with their audit team. A chief accountant shared, *"We value auditors who respond to our needs and communicate clearly throughout the process. That gives us confidence and makes the audit experience much smoother."* This highlights the importance of interpersonal communication and relationship management skills in shaping perceptions of value in audit

services.

Social value is particularly prominent for publicly listed companies and those seeking international investment. Reputation and reputation associated with some audit firms, especially the Big 4, are considered valuable assets. An executive of a growing technology company explained, *"As we prepare for our international expansion, having a globally recognized audit firm adds credibility to our financial reports in the eyes of potential investors and partners."*

Monetary value is a delicate topic in discussions. While cost is certainly a consideration, many participants emphasize the importance of value for money rather than just looking for the lowest price. One finance executive commented, *"We are willing to pay a premium for high-quality audit services that provide real insights and add value to our business. It's about return on investment, not just costs."*

Factors affecting customer satisfaction

The analysis revealed a number of key factors affecting customer satisfaction with audit services in Hanoi. These factors are often intertwined with perceptions of value but also include specific additions to the audit process and customer experience.

Audit quality is considered as a fundamental factor in customer satisfaction. Participants consistently emphasized the importance of thorough, accurate, and reliable audits. However, the definition of quality goes beyond technical precision. As one participant explained, *"For us, quality means not only getting the numbers right, but also providing meaningful insights that help us improve our financial processes."*

The responsiveness and flexibility of the audit team are often cited as important satisfaction factors. Clients appreciate auditors who can adapt to their specific needs and deadlines. A chief accountant shared, *"Our business environment is fast paced, and we appreciate auditors who can be flexible and respond to our changing needs without compromising quality."*

Communication emerges as another important factor influencing satisfaction. The client expressed high satisfaction when the audit team maintained clear, regular and proactive communication throughout the audit process. This includes timely updates on audit progress, early marking of potential issues, and clear explanations of audit findings. One audit committee chairman noted, *"Transparent and continuous communication helps us avoid surprises and build trust during the audit."*

Expertise and continuity of the audit team are also important factors. Clients value experienced auditors who have a good understanding of their business and industry. Furthermore, many expressed frustration with the high turnover rates in the audit teams, emphasizing the importance of continuity in the relationship. One finance executive commented, *"It's frustrating to have to explain the business model and industry-specific characteristics to a new team every year. We are most satisfied to have continuity in our audit team."*

Services and insights that add value beyond standard audits are becoming increasingly important to customer satisfaction. Participants appreciate auditors who can provide benchmark data, industry insights, or advice on improving financial processes. One CEO stated, *"The most satisfying audit relationships are the ones where we feel we get more than just an audit opinion – we get a partner who helps us improve our business."*

Relationship between perceived value and satisfaction

The analysis revealed a strong and complex relationship between perceived value and customer satisfaction in audit services. Although there is a clear positive correlation between perceived value and satisfaction, the nature of this relationship varies in different value dimensions and is influenced by a variety of contextual factors.

Functional values show the strongest and most consistent relationship with satisfaction. Customers who perceive high functional value in terms of audit quality, industry expertise, and valuable insights consistently report higher levels of satisfaction. This relationship appears to be almost linear, with increments in perceived functional value corresponding to higher levels of satisfaction.

Emotional value, especially in terms of trust and quality of communication, emerges as an important moderator of the relationship between functional value and satisfaction. Even when the functional value is high, poor communication or lack of trust can significantly reduce satisfaction. In contrast, strong emotional value can enhance satisfaction even when functional value is considered to be sufficient. One participant articulated this motivation: *“Technical competence is important, but the quality of the relationship and communication often determines how satisfied we are with the audit service as a whole.”*

The relationship between social value and satisfaction appears to be more complex. For some clients, especially larger and more well-known companies, the prestige and reliability associated with their auditors (social value) have significantly enhanced their satisfaction. However, for other customers, especially smaller or private companies, social value seems less important to their satisfaction. This suggests that the importance of social value in promoting satisfaction can be governed by firm characteristics and strategic objectives.

Monetary value shows an interesting relationship with satisfaction. While there is a general tendency for higher perceived value for money to correlate with higher satisfaction, this relationship is not entirely linear. Many participants said they are willing to pay higher fees for services they perceive to be of high value, suggesting that the absolute cost is less important than the perceived return on investment. However, it appears that there is a threshold effect, where fees perceived as too high can negatively impact satisfaction regardless of other value dimensions.

The analysis also showed that the relationship between perceived value and satisfaction is dynamic and develops over time. Long-term customer-auditor relationships tend to show a stronger correlation between perceived value and satisfaction, suggesting that perceptions of value and satisfaction can reinforce each other over time.

Interestingly, the study found that different value dimensions can compensate for each other in promoting satisfaction. For example, a high emotional value (relationship and close communication) can sometimes compensate for a lower perceived monetary value, maintaining general satisfaction. Similarly, high functional value can sometimes compensate for lower social value, especially for clients who are less concerned about the credibility factor of their auditors.

Thus, it can be seen that the relationship between perceived value and customer satisfaction in audit services in Hanoi is strong and multidimensional. While all value dimensions contribute to satisfaction, their relative importance and

interaction vary depending on customer characteristics, expectations, and contextual factors. This complex relationship underscores the need for audit firms to take a holistic approach to value creation, addressing multiple value dimensions to enhance overall customer satisfaction.

4.2 Analysis of each aspect of perceived value

Impact of Functional Value on Satisfaction

Analysis of interview and focus group data shows that functional value has the most direct and important impact on customer satisfaction among audit clients in Hanoi. Functional value, including aspects such as technical competence, industry expertise, and quality of audit information, has always been cited as a key driver of satisfaction in a variety of customer types.

Many participants emphasized the importance of the professional skills of auditors and their ability to solve complex accounting problems specific to their industry. For example, one finance director of a manufacturing company stated, *“Our satisfaction is largely determined by the auditor's ability to accurately understand and audit complex inventory valuation methods. As they demonstrate this expertise, our confidence and satisfaction increases significantly.”*

The depth and relevance of the insights provided by auditors also play an important role in shaping satisfaction through functional value. Clients demonstrate a high level of satisfaction when auditors make valuable recommendations to improve internal controls or financial reporting processes. A chief financial officer from a tech startup shared, *“What really impresses us and drives our satisfaction is when our auditors provide benchmark data and best practices from similar companies in our industry. We feel like we're getting more than just an audit.”*

Interestingly, the impact of functional value on satisfaction appears to have a limited impact. While high functional value always leads to high satisfaction, there is a basic level of functional competence that customers expect. Below this threshold, satisfaction plummeted, but above this threshold, the increase in functional value had diminishing returns on satisfaction.

The study also found that the impact of functional value on satisfaction is governed by the complexity of the customer's business and the level of development of their financial system. For more complex businesses or those with less developed financial systems, the impact of functional value on satisfaction is even more pronounced.

Impact of Emotional Values on Satisfaction

Emotional value emerged as a surprisingly powerful factor influencing customer satisfaction in audit services. This dimension, which includes aspects such as trust, quality of communication, and the overall customer-auditor relationship, often serves as a significant moderator of overall satisfaction.

Many participants emphasized the importance of trust in their relationships with auditors. A sense of trust, built through consistent performance, transparency, and ethical behavior, has significantly enhanced satisfaction even when other aspects of service are at a sufficient level. An audit committee member commented, *“When we trust our auditors, we are more satisfied with the overall service. This trust allows us to have more open discussions and ultimately leads to a more valuable audit process.”*

The quality of communication throughout the audit is another important aspect of emotional value that impacts satisfaction. Clients show greater satisfaction when auditors maintain clear, timely, and proactive communication. One CFO noted, *“Our satisfaction increased tremendously when our audit team began to provide regular updates and quickly address our concerns. It makes us feel valued and involved in the process.”*

Research has found that emotional value has a particularly strong impact on long-term satisfaction and customer retention. While functional value is important for initial satisfaction, emotional value plays a major role in maintaining and enhancing satisfaction over time. Clients who report a strong emotional connection with their audit team are more likely to demonstrate high overall satisfaction and a desire to continue the relationship, even when experiencing technical issues or increased fees.

However, the impact of emotional value on satisfaction is uneven across all types of customers. Larger customers tend to value emotional value less than smaller or family-owned businesses, where personal relationships play a more important role in overall satisfaction.

Impact of social value on satisfaction

The analysis shows that social value has a subtle impact on customer satisfaction, with its importance varying significantly between different customer segments. In this context, social value mainly refers to the reputation, reliability, and reputational benefits associated with hiring a particular audit firm.

For larger publicly listed companies and those that have operations or want to go international, social value has a significant impact on satisfaction. These clients often demonstrate higher satisfaction when working with reputable, internationally recognized audit firms, especially the Big 4. A chief accountant of a company that is planning an IPO stated, *“Hiring a Big 4 audit firm significantly increases our satisfaction as it enhances our credibility in the market and with potential investors.”*

However, for smaller or private companies, the impact of social value on satisfaction is less pronounced. These customers tend to focus more on functional value and emotional value, while social value plays a secondary role. An owner-manager of a business commented, *“While we appreciate the reputation of our audit firm, it is their expertise and how they treat us that really determines our satisfaction.”*

Interestingly, the study found that in some cases, very high social value can have a negative impact on satisfaction if it affects personalized service or attention. Some customers report lower levels of satisfaction with highly reputable companies if they feel they are not getting enough attention due to their smaller size.

The impact of social value on satisfaction is also influenced by the broader business environment in Hanoi. In areas where international partnerships or foreign investments are common, the social value derived from hiring a well-known international audit firm has a stronger positive impact on satisfaction.

Impact of monetary value on satisfaction

The relationship between monetary value and customer satisfaction in audit services in Hanoi is complex and often non-linear. Monetary value, including perceptions of currency value and fee structure, affects satisfaction in a variety of ways depending on customer characteristics and

expectations.

Many participants emphasized that absolute cost is less important than the perceived value of money in determining their satisfaction. One finance executive explained, *“We are satisfied when we feel the value we receive is appropriate for the fees we pay. It's not about getting the cheapest audit, it's about getting good value for our investment.”*

The study found that for most customers, there is a “satisfaction zone” in terms of audit fees. Fees considered too low raise concerns about the quality and comprehensiveness of audits, negatively impacting satisfaction. Conversely, fees considered too high also reduce satisfaction, even when the quality of service is high. One finance executive noted, *“We expect to be paid a fair price for quality work. “The extremely low fees make us question the strictness of the audit, while the excessive fees make us feel like we are being taken advantage of.”*

Interestingly, the impact of monetary value on satisfaction is often governed by other value dimensions, particularly functional value and emotional value. Customers are often willing to accept higher fees (lower monetary value) if they perceive high functional value through special expertise or insight. Likewise, strong emotional value in the form of great relationships and communication can offset concerns about higher fees.

The study also found that transparency and flexibility in the fee structure positively influence the impact of monetary value on satisfaction. Clients show greater satisfaction when audit firms provide clear explanations of their fee structure and demonstrate a willingness to adjust to their clients' specific needs.

However, the importance of monetary value in determining satisfaction varies across customer segments. Smaller firms and those in more price-sensitive industries tend to value monetary value more in their satisfaction assessments, while larger firms often prioritize other value dimensions over cost considerations.

4.3 Specific contextual factors

The study identified a number of context-specific factors in Hanoi that influence the relationship between perceived value and customer satisfaction in audit services:

Rapid economic growth: Hanoi's rapid economic development has created a dynamic business environment. Many participants noted that this context has increased their value to audit firms that can provide insight into emerging financial and regulatory challenges. One finance executive commented, *“In Hanoi's rapidly growing market, we are most satisfied with auditing firms that can help us navigate new financial regulations and reporting standards.”*

Strengthening international integration: As Hanoi becomes more and more integrated into the global economy, many businesses are looking for international partnerships or investments. This context has intensified the impact of social value on the satisfaction of internationally ambitious firms. One business owner seeking foreign investment stated, *“Having a globally recognized audit firm significantly increases our satisfaction as it promotes our credibility with international partners.”*

Culture with an emphasis on relationships: Vietnam's business culture, especially in Hanoi, places a strong emphasis on personal relationships. This cultural context amplifies the impact of emotional value on multi-customer satisfaction. One family business owner noted, *“We*

appreciate the auditors who take the time to understand our business and build a personal relationship with us. That significantly increases our satisfaction with their services.”

The changing regulatory environment: Hanoi's audit industry is subject to a changing regulatory framework as Vietnam adjusts its activities to international standards. This context affects how clients perceive functional value, with many expressing greater satisfaction with auditors who can help them navigate and prepare for legal changes.

These context-specific factors of Hanoi play an important role in shaping the relationship between perceived value and customer satisfaction in audit services. They emphasize the importance of considering local economic, cultural, and regulatory contexts when analyzing customer satisfaction in professional services.

5. Conclusion and recommendation

Research on the impact of perceived value on customer satisfaction on financial statement audit services in Hanoi has made a number of important findings that contribute to our better understanding of customer perception and satisfaction in the auditing industry.

The multidimensional nature of perceived value: Research has confirmed that perceived value in audit services is indeed multidimensional, encompassing functional, emotional, social, and monetary dimensions. Each dimension separately contributes to overall customer satisfaction, but their relative importance varies depending on customer characteristics and contextual factors.

Functional value appreciation: Functional value emerges as the most important dimension affecting customer satisfaction across all customer segments. Technical competence, industry expertise, and the quality of insights provided by auditors have always been considered key drivers of satisfaction. This emphasizes the importance of maintaining high professional standards and delivering tangible benefits to customers beyond mere compliance.

Emotional value importance: Research shows that emotional value, especially in terms of trust, quality of communication, and relationship management, plays a more important role in shaping customer satisfaction than what has been previously recognized in the context of auditing. Strong emotional connections often reduce the impact of other value dimensions and are critical to long-term customer retention.

Social value impact: The importance of social value in driving satisfaction varies significantly across customer segments. While it is important for larger, publicly listed firms and those with international ambitions, smaller and private firms place less emphasis on the credibility of their audit firms.

The complex role of monetary value: The relationship between monetary value and satisfaction is proven to be non-linear. Customers seek value for money rather than the lowest cost, with both extremely low and excessive fees potentially having a negative impact on satisfaction. Perceptions of monetary value are often governed by other value dimensions, especially functional value and emotional value.

The study identified a number of context-specific factors of Hanoi that influence the value-satisfaction relationship, including rapid economic growth, increasing international integration, emphasis on cultural relationships, and a changing regulatory environment.

The interaction of value dimensions: Research shows that different dimensions of perceived value can compensate for each other in promoting satisfaction. For example, a high emotional value can sometimes compensate for a lower perceived monetary value, maintaining overall satisfaction.

The evolution of value perceptions: The study found that the relationship between perceived value and satisfaction is dynamic and develops over time, where long-term relationships between clients and auditors often show a stronger correlation between perceived value and satisfaction.

Threshold effect: For some value dimensions, especially functional values, the study identified a threshold effect in which satisfaction increases sharply to a certain level of perceived value but shows diminishing returns after that point.

Customer preference segmentation: This study highlights significant differences in how different customer segments perceive and prioritize different aspects of value. This shows the need for audit firms to adapt their value propositions to the specific characteristics and needs of their clients.

These findings provide valuable insights for auditing firms, regulators, and researchers in understanding the complex dynamics of customer satisfaction in the auditing industry. They emphasize the need for a holistic approach to value creation that addresses multiple dimensions of customer needs and expectations. Furthermore, the study emphasizes the importance of considering local economic, cultural, and regulatory contexts when analyzing and striving to enhance customer satisfaction in professional services.

The findings of this study have several important implications for auditing firms operating in Hanoi, providing valuable insights that can inform their strategies and operations to enhance customer satisfaction and competitive position in the market.

First, the primacy of functional value in promoting customer satisfaction emphasizes the importance of maintaining and continuously improving technical and professional competence in the industry. Auditing firms in Hanoi should prioritize professional development and ongoing specialization to ensure their staff can provide high-quality audits and valuable insights across a variety of industries. This may include investing in specialized training programs, encouraging professional certifications, and promoting a culture of continuous learning. In addition, companies should consider developing industry-specific audit methods and knowledge bases to enhance their ability to provide value-added services, tailored to customers in different sectors.

Second, the critical role of emotional value in shaping customer satisfaction highlights the need for audit firms to focus on relationship management and communication skills in addition to technical expertise. Companies should invest in developing employees' soft skills, including effective communication, empathy, and cultural sensitivity. Implementing customer relationship management systems and protocols can help ensure consistent, high-quality interactions across all touchpoints. Frequent customer feedback mechanisms should be established to monitor and improve the emotional aspects of service delivery. Furthermore, companies may consider appointing relationship managers or implementing key account management strategies for key clients to foster stronger, more personalized relationships.

Third, the diverse impact of social value on different customer segments suggests that auditing firms in Hanoi should adopt a segmentation approach to their market positioning and brand. For customers who value international prestige and recognition, especially larger corporations and those with global ambitions, companies should emphasize global networks, international experience, and compliance with their global standards. However, for smaller or locally-focused customers, companies should emphasize their understanding of the local business environment, cultural fit, and the ability to provide personal attention. This dual approach may require careful brand management and targeted marketing strategies to effectively communicate different value propositions to different customer segments.

Fourth, the complex relationship between monetary value and satisfaction implies that auditing firms in Hanoi should adopt sophisticated pricing strategies. Rather than just competing on price, companies should focus on proving value for money. This may include developing tiered offerings that allow customers to choose the level of service that best suits their needs and budget. Transparency in pricing structures and clear communication of the value brought to charged fees can help manage customer expectations and enhance satisfaction. Companies may also consider value-based pricing models for certain services, especially for additional consulting work beyond core audits.

Fifth, the identification of Hanoi's context-specific factors underscores the importance of local market knowledge and adaptability. Audit firms should keep up with the rapidly changing economic and legal environment in Hanoi and position themselves as trusted advisors who can help clients navigate these changes. This may include setting up dedicated teams to monitor legal developments, creating thought leadership content on local business trends, and organizing workshops or symposia to educate clients on emerging issues. Companies should also be prepared to adapt their offering services and delivery models to meet the changing needs of customers in Hanoi's dynamic business landscape.

Sixth, the study found that different value dimensions can offset each other suggesting that auditing firms should strive for a balanced approach to value creation. While technical excellence is still paramount, companies should not ignore other aspects of value. For example, investing in relationships and communicating closely with customers (emotional value) can help maintain customer satisfaction even in the face of technical challenges or fee pressures. Companies should develop comprehensive customer satisfaction strategies that address all perceived value dimensions, recognizing that strengths in one area can help offset potential weaknesses in another.

Seventh, the development of the perception of value over time implies that auditing firms in Hanoi should adopt a long-term view of the relationship with customers. Investing in customer retention strategies, such as dedicated account teams, regular strategic reviews, and proactive problem solving, can help build stronger and more satisfying long-term relationships. Companies should also consider how their value proposition may need to evolve as customer needs change over time, perhaps by expanding offerings or developing new areas of expertise to remain relevant to evolving customers.

Finally, diverse preferences across client segments highlight the need for auditing firms in Hanoi to develop customer insights and tailored service approaches. This may include conducting regular customer segmentation analysis, developing personality-based service models, and training employees to recognize and adapt to different types of customers. Companies should consider establishing specialized teams or service lines specific to specific customer segments (e.g., fast-growing tech startups, traditional family businesses, or multinational corporations) to better meet their unique needs and value expectations.

In summary, these implications suggest that auditing firms in Hanoi need to adopt a holistic, strategic approach to customer value creation and satisfaction. By addressing multiple value dimensions, tailoring their services to specific customer segments, and maintaining adaptability to the unique contextual factors of the Hanoi market, audit firms can enhance customer satisfaction, build stronger long-term relationships, and improve their competitive position in this dynamic and growing market.

6. Acknowledgments

The article was conducted under the research support of the topic " *Research on the impact of perceived value on customer satisfaction with financial statement auditing services in Hanoi city*". Subject code: 13.01.24.F.02 Hosted by Hanoi University of Natural Resources and Environment.

7. References

1. Beattie V, Fearnley S. The importance of audit firm characteristics and the drivers of auditor change in UK listed companies. *Accounting and Business Research*. 1995; 25(100):227-239.
2. Beattie V, Brandt R, Fearnley S. Behind the audit report: A descriptive study of discussions and negotiations between auditors and directors. *International Journal of Auditing*. 2000; 4(2):177-202.
3. Behn BK, Carcello JV, Hermanson DR, Hermanson RH. The determinants of client audit satisfaction among clients of Big 6 firms. *Accounting Horizons*. 1997; 11(1):7-24.
4. Butcher K, Harrison G, Ross P. Perceptions of audit service quality and auditor retention. *International Journal of Auditing*. 2013; 17(1):54-74.
5. Carrington T. An analysis of the demands on a sufficient audit: Professional appearance is what counts! *Critical Perspectives on Accounting*. 2010; 21(8):669-682.
6. Caruana A, Money AH, Berthon PR. Service quality and satisfaction – the moderating role of value. *European Journal of Marketing*. 2000; 34(11/12):1338-1352.
7. Creswell JW, Poth CN. *Qualitative inquiry and research design: Choosing among five approaches* (4th ed.). Sage Publications, 2018.
8. Cronin JJ, Brady MK, Hult GTM. Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments. *Journal of Retailing*. 2000; 76(2):193-218.
9. DeAngelo LE. Auditor size and audit quality. *Journal of Accounting and Economics*. 1981; 3(3):183-199.
10. Fontaine R, Pilote C. Clients' preferred relationship approach with their financial statement auditor. *Current*

- Issues in Auditing. 2012; 6(1):P1-P6.
11. Ghosh A, Pawlewicz R. The impact of regulation on auditor fees: Evidence from the Sarbanes-Oxley Act. *Auditing: A Journal of Practice & Theory*. 2009; 28(2):171-197.
 12. Herrbach O. Audit quality, auditor behavior and the psychological contract. *European Accounting Review*. 2001; 10(4):787-802.
 13. Hung PH. Audit Service Quality And Loyalty To Audit Firms: Empirical Evidence from Vietnam. *Journal of Positive School Psychology*. 2022; 6(7):5266-5281.
 14. Ismail I, Haron H, Ibrahim DN, Isa SM. Service quality, client satisfaction and loyalty towards audit firms: Perceptions of Malaysian public listed companies. *Managerial Auditing Journal*. 2006; 21(7):738-756.
 15. Khurana IK, Raman KK. Litigation risk and the financial reporting credibility of Big 4 versus non-Big 4 audits: Evidence from Anglo-American countries. *The Accounting Review*. 2004; 79(2):473-495.
 16. Kinney WR, Libby R. Discussion of the relationship between auditors' fees for nonaudit services and earnings management. *The Accounting Review*. 2002; 77(s-1):107-114.
 17. Knechel WR, Krishnan GV, Pevzner M, Shefchik LB, Velury UK. Audit quality: Insights from the academic literature. *Auditing: A Journal of Practice & Theory*. 2013; 32(Supplement 1):385-342.
 18. Lam SY, Shankar V, Erramilli MK, Murthy B. Customer value, satisfaction, loyalty, and switching costs: An illustration from a business-to-business service context. *Journal of the Academy of Marketing Science*. 2004; 32(3):293-311.
 19. McDougall GH, Levesque T. Customer satisfaction with services: Putting perceived value into the equation. *Journal of Services Marketing*. 2000; 14(5):392-410.
 20. Parasuraman A, Grewal D. The impact of technology on the quality-value-loyalty chain: A research agenda. *Journal of the Academy of Marketing Science*. 2000; 28(1):168-174.
 21. Patterson PG, Spreng RA. Modelling the relationship between perceived value, satisfaction and repurchase intentions in a business-to-business, services context: An empirical examination. *International Journal of Service Industry Management*. 1997; 8(5):414-434.
 22. Power M. Auditing and the production of legitimacy. *Accounting, Organizations and Society*. 2003; 28(4):379-394.
 23. Ruyter KD, Wetzels M. Commitment in auditor-client relationships: Antecedents and consequences. *Accounting, Organizations and Society*. 1999; 24(1):57-75.
 24. Sánchez-Fernández R, Iniesta-Bonillo MÁ. The concept of perceived value: A systematic review of the research. *Marketing Theory*. 2007; 7(4):427-451.
 25. Suddaby R, Cooper DJ, Greenwood R. Transnational regulation of professional services: Governance dynamics of field level organizational change. *Accounting, Organizations and Society*. 2007; 32(4-5):333-362.
 26. Sweeney JC, Soutar GN. Consumer perceived value: The development of a multiple item scale. *Journal of Retailing*. 2001; 77(2):203-220.
 27. Woodruff RB. Customer value: The next source for competitive advantage. *Journal of the Academy of Marketing Science*. 1997; 25(2):139-153.
 28. Zeithaml VA. Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence. *Journal of Marketing*. 1988; 52(3):2-22.