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The Impact of Distribution Service Quality on Customer Satisfaction in Vietnam: A Descriptive Analysis of Market Evidence, 2020–2025

Nguyen Phuong Thao
Hanoi University of Natural Resources and Environment, Hanoi, Vietnam

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Corresponding Author: **Nguyen Phuong Thao**

Abstract
Vietnam's retail and distribution system has grown quickly since the pandemic, but the quality of the service it delivers to consumers has received far less systematic attention than its scale. This paper examines how the quality of distribution services relates to customer satisfaction in Vietnam without estimating a statistical model. Instead, it builds an analytical grid from channel service output theory and the expectation disconfirmation paradigm, and populates it with official and industry data for 2020–2025: retail sales from the National Statistics Office, channel and infrastructure data from the Ministry of Industry and Trade, the World Bank Logistics Performance Index, postal volumes, consumer complaint records of the National Competition Commission, and recent consumer surveys. Total retail sales of goods and consumer services reached VND 7,093 trillion in 2025, equal to about VND 69.3 million per person, and grew at 7.9% a year over 2020–2025. Yet modern distribution still accounts for only about 30% of retail goods sales, there are roughly 78,000 inhabitants per supermarket, and two thirds of supermarkets are in the lowest quality grade. The analysis shows that satisfaction problems are concentrated after the purchase rather than at the point of sale. Delivery delays, damaged parcels, refund failures and poor complaint handling dominate both survey responses and formal complaints, and e-commerce alone generated 21.3% of the written consumer cases received by the regulator in 2025. Vietnam's weakest logistics scores relative to regional peers are timeliness and infrastructure. The paper argues that the main satisfaction gap lies in reliability and service recovery, not in access or assortment, and draws implications for retailers, platforms, logistics firms and regulators.

Keywords: Distribution Service Quality, Customer Satisfaction, Retail Channels, e-commerce Logistics, Consumer Complaints, Vietnam

JEL classification: L81; L87; M31; D12; R41

1. Introduction

Distribution is the part of the economy that consumers actually touch. Whatever a manufacturer produces reaches households through a store, a market stall, a marketplace app or a delivery rider, and the experience of that final contact shapes how people judge both the product and the seller. In emerging markets the point is sharper, because distribution systems are changing quickly and different formats with very different service levels operate side by side. Vietnam is a clear case. Its retail market expanded from VND 4,848 trillion in 2020 to VND 7,093 trillion in 2025 (MoIT, 2026) [15], e-commerce more than doubled over the same period, and the national postal system now handles more than four billion items a year, most of them parcels (MOST, 2025) [16].

Growth in volume, however, does not automatically mean growth in service. Consumers who once bought rice and cooking oil at a neighbourhood shop now order cosmetics through livestreams and expect the parcel the next day. Their expectations rise faster than the systems that serve them. The regulator's records point to the strain: In 2025 e-commerce became the single largest source of written consumer complaints, ahead of tourism, electronics and consumer credit (NCC, 2026) [18]. The question that follows is practical as much as academic. Which aspects of distribution service are Vietnamese consumers satisfied with, and where does the system fall short of what they expect?

Most Vietnamese studies on this topic estimate structural equation or regression models on convenience samples of a few hundred shoppers in one city or one platform. Such work is useful for testing relationships, but it says little about the scale and

structure of the national system, and results are hard to compare across studies. This paper takes a different route. It does not estimate a model. It assembles national and industry data for 2020–2025, organises them through an analytical grid derived from channel service output theory (Bucklin, 1966; Coughlan *et al*., 2006) [2, 3] and the expectation disconfirmation paradigm (Oliver, 1980) [23], and reads the evidence dimension by dimension. The aim is a grounded, quantitative description of the current state of distribution service quality and of the satisfaction signals it produces.

The paper makes three contributions. It offers the first integrated picture, to our knowledge, that places retail scale, channel structure, infrastructure quality, logistics performance and complaint data for Vietnam in one framework. It shows that the main weaknesses of the system lie in the post-purchase stage (delivery reliability, returns, refunds and complaint handling) rather than in physical access or product assortment. And it translates these findings into priorities for firms and policymakers at a moment when the 2023 Law on Protection of Consumers' Rights and the new E-commerce Law are being put into practice.

The rest of the paper is organised as follows. Section 2 reviews the literature and develops the analytical grid. Section 3 describes the data and the descriptive approach. Section 4 presents the results along six dimensions of distribution service. Section 5 discusses what the evidence implies for customer satisfaction, and Section 6 concludes.

2. Literature review and analytical framework

2.1 Distribution service quality

The idea that a distribution channel produces services, not only goods, goes back to Bucklin (1966) [2], who argued that channels exist to supply "service outputs" that consumers value: lot size, waiting or delivery time, spatial convenience and product variety. Coughlan *et al*. (2006) [3] later added customer service and information provision. The more of these outputs a channel provides, the less work the consumer must do, and the more the consumer is usually willing to pay. This view is useful here because it treats a market stall, a hypermarket and a marketplace app as different bundles of the same basic services.

A second stream measures service quality from the customer's side. SERVQUAL (Parasuraman *et al*., 1988) [24] defined quality as the gap between expected and perceived performance on reliability, responsiveness, assurance, empathy and tangibles. Dabholkar *et al*. (1996) [4] adapted the approach to stores in the Retail Service Quality Scale, adding physical aspects, problem solving and store policy. For online channels, eTailQ (Wolfinbarger and Gilly, 2003) [33] and E-S-QUAL (Parasuraman *et al*., 2005) [25] placed fulfilment, meaning that the right item arrives on time and in good condition, at the centre of quality. A third stream comes from logistics. Mentzer *et al*. (1999, 2001) [9, 10] showed that logistics service quality covers not only timeliness and order accuracy but also order condition, information quality and the handling of discrepancies. Rao *et al*. (2011) [27] found that delivery reliability in online retail shapes future purchasing behaviour.

Read together, these streams agree on a simple point. Distribution service quality has a front end (access, assortment, the store or interface) and a back end (delivery, information during fulfilment, returns and complaint handling). In fast-growing e-commerce markets the back end has become increasingly decisive (Hübner *et al*., 2016) [7].

2.2 Customer satisfaction and its link to service quality

Customer satisfaction is commonly defined as the evaluation a customer makes after consumption, comparing what was received with what was expected (Oliver, 1980) [23]. Performance above expectations produces satisfaction, while performance below expectations produces dissatisfaction. National satisfaction indices such as the Swedish barometer and the American Customer Satisfaction Index rest on the same logic (Fornell, 1992) [5]. A broad body of evidence shows that perceived quality is a main antecedent of satisfaction and that satisfaction in turn supports loyalty, word of mouth and profitability (Anderson *et al*., 1994; Zeithaml *et al*., 1996) [1, 35].

Two features of this literature matter for the present study. Satisfaction is driven asymmetrically: failures tend to hurt more than equal-sized successes help, which is why service recovery after a failure carries weight. And satisfaction leaves observable traces even where it is not measured directly, in complaints, switching, repeat purchase and willingness to pay. These traces allow a descriptive study to read satisfaction from secondary data.

2.3 Evidence from Vietnam

Research on Vietnam has followed the international streams. Nguyen Thi Mai Trang (2006) [21] found that service quality in Ho Chi Minh City supermarkets raised shopper satisfaction and loyalty, with assortment, staff and physical facilities as key components. Maruyama and Trung (2007) [8] explained why supermarkets spread slowly in Vietnam: traditional markets offered proximity, freshness and small lot sizes that early supermarkets could not match. Studies of the last decade have turned to online shopping and logistics. Survey-based work on e-commerce users repeatedly finds that delivery performance, product information and return handling are among the strongest correlates of satisfaction. These studies are informative, but they rely on small, mostly urban convenience samples and rarely relate their findings to the national structure of distribution. The present paper addresses that gap by working from national data.

2.4 Analytical grid

Drawing on the three streams above, the study uses six dimensions of distribution service quality. Each is linked to observable indicators and to the satisfaction signal it should generate according to the expectation disconfirmation logic. The grid in Table 1 is an organising device, not a model to be estimated: it tells the reader which data speak to which aspect of service and how the evidence is interpreted.

Table 1: Analytical grid: Dimensions of distribution service quality, indicators and expected satisfaction signals

Dimension	Theoretical roots	Indicators used in this study	Satisfaction signal
D1. Spatial convenience and access	Bucklin (1966) [2]; Coughlan *et al.* (2006) [3]	Outlets by type; inhabitants per outlet; store density by region; chain expansion	Visit frequency; store choice reasons
D2. Tangibles and outlet quality	Parasuraman *et al.* (1988) [24]; Dabholkar *et al.* (1996) [4]	Grade I/II/III of supermarkets and shopping centres; food safety and pricing violations	Expectation benchmark; complaints on quality
D3. Assortment and channel choice	Bucklin (1966) [2]; Wolfinbarger & Gilly (2003) [33]	Channel shares; e-commerce size; purchase motivators	Online purchase frequency; spending shifts
D4. Delivery time and reliability	Mentzer *et al.* (1999, 2001) [9, 10]; Rao *et al.* (2011) [27]	Postal volumes; LPI timeliness and infrastructure; delivery problems reported	Reported delays and damage; stated priorities
D5. Information and transparency	Parasuraman *et al.* (2005) [25]; Mentzer *et al.* (2001) [10]	Complaints on inaccurate information; origin and IP violations; hidden fees	Cart abandonment; trust
D6. Service recovery and after-sales	Dabholkar *et al.* (1996) [4]; Zeithaml *et al.* (1996) [35]	Complaints on refunds, exchanges, refusal to negotiate; return reasons	Switching; stopping purchases; formal complaints

Source: Authors' synthesis

3. Data and method

The study is a descriptive analysis of secondary data. No survey was conducted and no econometric relationship was estimated. This choice is deliberate. National statistics on retail, infrastructure, logistics and complaints are the most complete and least biased evidence available on how the distribution system performs, and they allow comparison over time and across countries. The study period is 2020–2025, which covers the pandemic shock, the recovery and the recent acceleration of online trade.

Data come from seven groups of sources, listed in Table 2. Official figures were preferred wherever they exist. Industry sources were used where official statistics do not cover a dimension, especially consumer perceptions of delivery. When sources disagree, as they do on the size of e-commerce, the disagreement is shown openly rather than resolved by choosing one figure.

Table 2: Data sources

Source	Content used	Period
National Statistics Office (NSO)	Retail sales of goods and consumer services; population	2020–2025
Ministry of Industry and Trade, Vietnam Domestic Market Report 2025	Retail by product and region; markets, supermarkets, shopping centres and their grades; channel shares; chain expansion; market surveillance violations	2020–2025
World Bank, Logistics Performance Index	Overall and component scores for Vietnam and five regional peers	2023
Ministry of Science and Technology	Postal items, firms and revenue	2010–2025
National Competition Commission (MoIT)	Written complaints, hotline calls, sector and issue composition	2023–2025
Google, Temasek & Bain; Metric; VECOM	E-commerce size and platform sales	2024–2025
NielsenIQ; Milieu Insight; Q&Me	FMCG outlet universe and channel value; online shoppers' and sellers' experiences	2025–2026

Source: Authors' compilation

The analysis proceeds in four steps. Raw series were first harmonised to current-price VND and to a common reference year. Next, derived indicators were computed: compound annual growth rates, values per inhabitant, inhabitants per outlet, index numbers with 2020 = 100, channel shares and the gap between Vietnam's Logistics Performance Index scores and the average of five regional peers (Thailand, Malaysia, the Philippines, Indonesia and China). Each indicator was mapped to the relevant dimension of Table 1. Finally, results were triangulated across sources so that a conclusion about a dimension rests on more than one type of evidence.

Three limitations should be stated at the outset. Secondary data do not allow the relationship between quality and satisfaction to be tested statistically, so the paper speaks of evidence consistent with an effect rather than of a measured effect. Complaint data capture only consumers who complain formally, which is a small and possibly unrepresentative fraction of the dissatisfied. And survey data from private firms vary in sampling and method; they are used for direction and order of magnitude, not for precise estimation.

4. Results

4.1 Scale of the market served by the distribution system

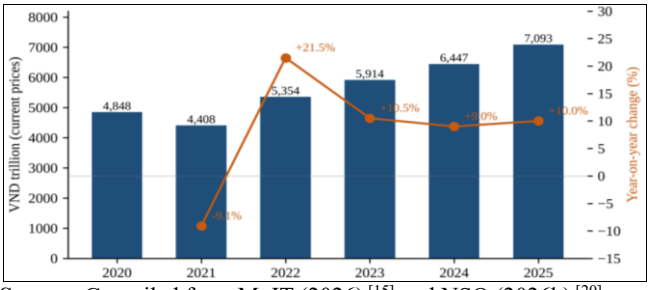
The distribution system serves a large and growing market. Total retail sales of goods and consumer services rose from VND 4,848 trillion in 2020 to VND 7,093 trillion in 2025 (Table 3, Fig 1). After a fall of 9.1% in 2021, when social distancing closed many outlets, sales rebounded by 21.5% in 2022 and then settled at 9 to 10.5% a year. Over the five years the compound growth rate was 7.9%; measured from the 2021 trough it was 12.6%. The series follows the revised figures published by the Ministry of Industry and Trade; the National Statistics Office's preliminary estimate for 2025 put growth slightly lower, at 9.2% (NSO, 2026b) [20]. With an average population of 102.3 million in 2025 (NSO, 2026a) [19], retail spending reached about VND 69.3 million per person, or roughly USD 2,600.

Table 3: Total retail sales of goods and consumer services, 2020–2025

Year	VND trillion (current prices)	Change on previous year (%)	Index (2020 = 100)
2020	4,848	–	100.0
2021	4,408	-9.1	90.9
2022	5,354	21.5	110.4
2023	5,914	10.5	122.0
2024	6,447	9.0	133.0
2025	7,093	10.0	146.3
CAGR 2020–2025		7.9	
CAGR 2021–2025		12.6	

Note: Revised series; the NSO preliminary estimate of 2025 growth is 9.2%.

Source: MoIT (2026) [15], NSO (2026b) [20]; growth rates and index calculated by the authors



Source: Compiled from MoIT (2026) [15] and NSO (2026b) [20]

Fig 1: Total retail sales of goods and consumer services, 2020–2025

The composition of sales shows what the distribution system mainly has to move. Goods accounted for 76.2% of the total in 2025 (about VND 5,405 trillion), with accommodation and food services at 12.1% and travel and other services at 11.7%. Within goods, food and foodstuffs made up 34.1%, petroleum 14.2% and household appliances 10.5% (MoIT, 2026) [15]. Food is a frequent, low-value, perishable purchase. It rewards proximity, freshness and small lot sizes, the very service outputs in which traditional markets and small shops are strong.

Demand is also spatially concentrated. The Red River Delta contributed 31.3% of national retail sales in 2025 and the Southeast 28.5%, while the Northern Midlands and Mountains contributed only 6.7%. Hanoi alone accounted for more than half of its region's sales and Ho Chi Minh City for about 76% of the Southeast (MoIT, 2026) [15]. E-commerce is even more concentrated: Hanoi and Ho Chi Minh City generated about 83% of domestic marketplace revenue in 2025 (Metric, 2026) [11]. A system built around two metropolitan poles will deliver very different service levels to urban and rural customers.

4.2 Spatial convenience and physical accessibility

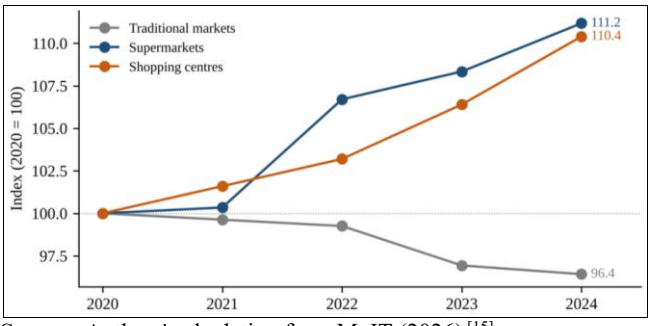
Spatial convenience remains the strongest service output of Vietnamese distribution, but it is delivered mainly by traditional formats. In 2024 the country had 8,274 traditional markets, 1,293 supermarkets and 276 shopping centres (Table 4). That is about 12,200 inhabitants per market, against roughly 78,200 per supermarket and 366,300 per shopping centre. NielsenIQ (2025) [22] counts a universe of about 1.24 million outlets selling fast-moving consumer goods, of which 51% are off-premise traditional shops and only 1% are modern trade stores.

Table 4: Commercial infrastructure and its quality, 2020–2024

Indicator	2020	2021	2022	2023	2024	Change 2020–2024
Traditional markets	8,581	8,549	8,517	8,318	8,274	-307 (-0.9%/yr)
Supermarkets	1,163	1,167	1,241	1,260	1,293	+130 (+2.7%/yr)
Shopping centres	250	254	258	266	276	+26 (+2.5%/yr)
Inhabitants per market / supermarket / shopping centre (2024)	≈12,200 / ≈78,200 / ≈366,300					
Supermarkets by grade I / II / III (2024)	167 (12.9%) / 263 (20.3%) / 863 (66.8%)					
Shopping centres by grade I / II / III (2024)	54 (19.6%) / 31 (11.2%) / 191 (69.2%)					

Source: MoIT (2026) [15]; ratios calculated by the authors using a 2024 population of 101.1 million

The trend is one of slow substitution (Fig 2). Between 2020 and 2024 the number of traditional markets fell by 307 (an average of -0.9% a year), while supermarkets increased by 130 (+2.7% a year) and shopping centres by 26 (+2.5% a year). Growth in modern formats is now coming from small stores rather than from large ones. WinCommerce reached about 4,600 outlets at the end of 2025, opening around 800 in that year, roughly 70% of them in rural areas. Bach Hoa Xanh reached about 2,000 stores. Convenience chains such as Circle K (over 460 stores), GS25 (over 200) and 7-Eleven (about 150) continued to expand in cities (MoIT, 2026) [15]. NielsenIQ (2025) [22] recorded 6,633 minimarts in March 2025, 144 more than three months earlier, while the number of super- and hypermarkets rose by only eight.



Source: Authors' calculation from MoIT (2026) [15]

Fig 2: Number of markets, supermarkets and shopping centres (index, 2020 = 100)

This pattern matters for satisfaction. Retailers are moving towards the service output that Vietnamese consumers have long valued most, namely a store within a short walk or ride from home. Survey evidence from Hanoi and Ho Chi Minh City supports this reading. Shoppers want modern stores near home, with product variety, reasonable prices and promotions as the main drivers of which nearby store they prefer (Q&Me, 2025) [26], and a survey of 1,236 convenience store shoppers found that 72% visit at least once a week (VnEconomy, 2026) [31]. Regional differences remain large, however. NielsenIQ (2025) [22] estimates a density of 10.8 traditional stores per square kilometre in the South but only 2.4 in the Central region, where each store serves about 96 people against 35 in the South.

Accessibility in the physical sense is therefore not the binding constraint on satisfaction for most urban consumers. It still is for rural and mountainous areas, which have few modern outlets and, as Section 4.4 shows, slower and costlier delivery.

4.3 Tangibles and the quality of modern outlets

The quality of the physical environment is a core element of store service quality (Dabholkar *et al.*, 1996) [4]. Vietnam classifies supermarkets and shopping centres into three grades by floor area, assortment and facilities. The 2024 distribution is unflattering (Table 4). Only 167 supermarkets (12.9%) met the Grade I standard and 263 (20.3%) Grade II, while 863 (66.8%) were Grade III. Among shopping centres, 54 (19.6%) were Grade I, 31 (11.2%) Grade II and 191 (69.2%) Grade III (MoIT, 2026) [15].

Two thirds of the modern infrastructure thus sits at the lowest grade. This does not mean that these outlets are unsatisfactory to their users; a small, well-run Grade III supermarket may serve its neighbourhood well. It does mean

that the gap in tangibles between a typical Vietnamese supermarket and the reference formats that urban consumers see from foreign chains such as AEON, Central Retail or Lotte is wide. AEON alone operated 8 shopping malls, 15 general merchandise stores and hypermarkets, 45 medium-sized supermarkets and 180 convenience stores at the end of 2025 (MoIT, 2026) [15]. As consumers compare, their expectations are set by the best formats they experience, and the expectation disconfirmation logic implies that ordinary outlets will be judged against that higher benchmark.

Traditional markets present the opposite profile. They are close and cheap but offer weak tangibles: limited hygiene, little price transparency, and uneven food safety. The 2,392 food safety violations and 2,152 pricing violations handled by market surveillance in 2025 (Table 10) indicate that these weaknesses are not trivial.

4.4 Assortment, channel structure and the rise of e-commerce

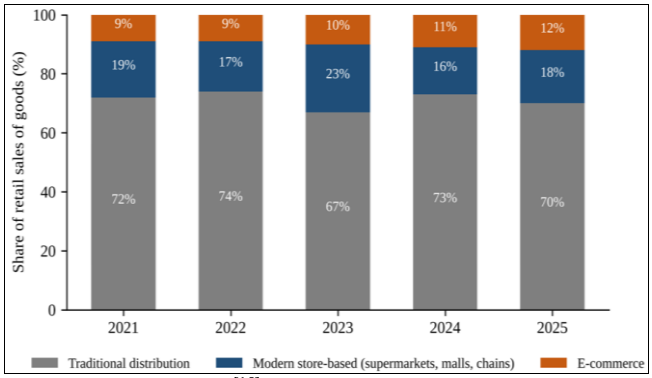
Channel structure shows how far consumers have moved towards formats offering wider assortment and more information. According to the Ministry of Industry and Trade, modern distribution accounted for 28% of retail goods sales in 2021 and about 30% in 2025, with traditional distribution at around 70% (Table 5, Fig 3). Before the pandemic the modern share was about 22%. In Hanoi and Ho Chi Minh City it reached 28 to 30% in 2025. The same report also cites a 2025 modern share of 25% in its narrative, so the 2025 value should be read as a range of 25 to 30% rather than a point estimate.

Table 5: Channel structure of retail sales of goods, 2021–2025 (%)

Channel	2021	2022	2023	2024	2025
Modern distribution	28	26	33	27	30
of which: e-commerce	9	9	10	11	12
of which: store-based modern trade (derived)	19	17	23	16	18
Traditional distribution	72	74	67	73	70

Note: The narrative of the same report gives a 2025 modern share of 25%.

Source: MoIT (2026) [15]; store-based modern share derived by the authors



Source: MoIT (2026) [15]; store-based modern share derived as modern total minus e-commerce

Fig 3: Channel structure of retail sales of goods, 2021–2025

The interesting feature of Table 5 is the composition of the modern share. E-commerce rose steadily from 9% to 12% of retail goods sales, while store-based modern trade fluctuated between 16% and 23% without a clear upward trend. In other words, almost all the structural gain of modern distribution over 2021–2025 came from online channels. For FMCG specifically, NielsenIQ (2025) [22] puts modern trade at about 12.8% of value, slightly below the previous year, against 52.5% for traditional off-premise shops.

Estimates of the size of e-commerce differ by source and definition, which is itself informative (Table 6). The Ministry estimates total domestic e-commerce transactions at about USD 32 billion in 2025, roughly 12% of retail sales. The Vietnam E-commerce Association puts the figure at about USD 31 billion, or 10 to 11%. The e-Conomy SEA report, which measures gross merchandise value on a narrower basis, gives USD 25 billion, up 17%. Marketplace-tracking data from Metric show sales on the four main platforms (Shopee, TikTok Shop, Lazada and Tiki) of VND 429.7 trillion in 2025, an increase of 34.8% on 2024. Whatever the measure, online trade grew two to three times faster than retail as a whole.

Table 6: Alternative estimates of e-commerce in Vietnam, 2025

Source	Measure	Value	Growth / share
Ministry of Industry and Trade	Total domestic e-commerce transactions	≈USD 32 billion (≈VND 830 trillion)	≈12% of retail sales; ≈20%/yr growth
Vietnam E-commerce Association (VECOM)	B2C e-commerce size	≈USD 31 billion	10–11% of retail sales; ≈25%/yr growth
Google, Temasek & Bain (e-Conomy SEA)	E-commerce gross merchandise value	USD 25 billion	+17% on 2024
Metric	Sales on Shopee, TikTok Shop, Lazada, Tiki	VND 429.7 trillion	+34.8% on 2024

Source: MoIT (2026) [15]; VECOM as reported by VCCI (2025) [32]; Google, Temasek & Bain (2025) [6]; Metric (2026) [11]

From the consumer's side, the main attraction of online channels is assortment combined with price. Among Vietnamese online shoppers surveyed by Milieu Insight (2025) [12], 64% cited discounts, 55% low or free shipping and 52% product variety as reasons to buy online, and 65% shopped online at least weekly, compared with 50% across Southeast Asia. Assortment is thus a service output in which the system has improved rapidly, and consumers respond to it with high purchase frequency.

The supply side is consolidating. Metric (2026) [11] counted about 601,800 active shops on the four platforms at the end of 2025, 7.4% fewer than a year earlier, even though revenue rose by a third. Sales are moving towards larger, better-organised sellers. For service quality this is ambiguous: larger sellers tend to be more reliable, but the exit of small sellers also reflects rising platform fees and compliance costs.

4.5 Delivery time and reliability

Delivery is the dimension in which distribution service has changed most and where the evidence of dissatisfaction is clearest. The national postal system grew from about 360 million items in 2010 to about 4.1 billion in 2025, more than a fourfold increase over 2020–2025 alone, and more than 90% of the volume now consists of parcels rather than letters. The number of postal and courier firms rose to about 760, and sector revenue to about VND 87,000 billion

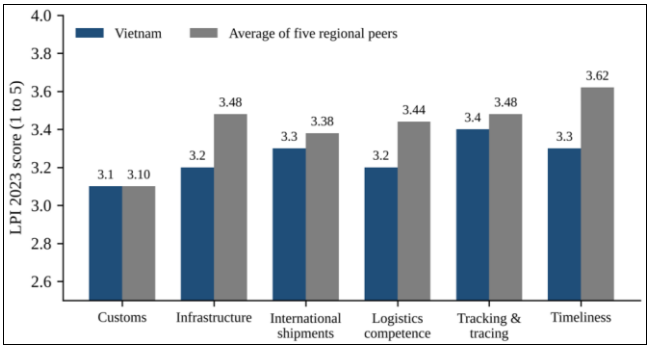
(MOST, 2025) [16]. With roughly 40 items per inhabitant a year, last-mile delivery has become part of everyday consumption.

Capacity has grown, but reliability lags. Vietnam's score in the World Bank Logistics Performance Index rose to 3.3 in 2023, its best since the index began, ranking 43rd of 139 economies (World Bank, 2023) [34]. Table 7 and Fig 4 compare its six component scores with the average of five regional peers. Vietnam matches the peer average on customs (3.1) and is close on international shipments and on tracking and tracing (gaps of -0.08). The largest gaps are in timeliness (-0.32), infrastructure (-0.28) and logistics competence (-0.24). Timeliness, defined as the frequency with which shipments reach the consignee within the scheduled time, is precisely the logistics attribute that end consumers notice. Logistics costs equal to an estimated 16 to 18% of GDP, against a global average of 10 to 12% (MoIT, 2026) [15], complete the picture of a system that moves large volumes at relatively high cost and with uneven punctuality.

Table 7: Logistics Performance Index 2023: Vietnam and regional peers

Economy	Rank	LPI	Customs	Infra-structure	Int'l shipments	Logistics competence	Tracking & tracing	Timeliness
Vietnam	43	3.3	3.1	3.2	3.3	3.2	3.4	3.3
Thailand	34	3.5	3.3	3.7	3.5	3.5	3.6	3.5
Malaysia	26	3.6	3.3	3.6	3.7	3.7	3.7	3.7
Philippines	43	3.3	2.8	3.2	3.1	3.3	3.3	3.9
Indonesia	61	3.0	2.8	2.9	3.0	2.9	3.0	3.3
China	19	3.7	3.3	4.0	3.6	3.8	3.8	3.7
Peer average		3.42	3.10	3.48	3.38	3.44	3.48	3.62
Gap Vietnam – peers		-0.12	0.00	-0.28	-0.08	-0.24	-0.08	-0.32

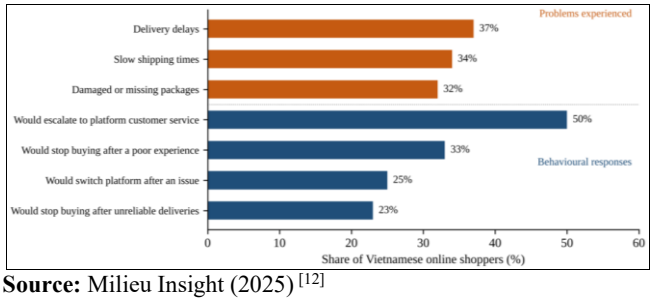
Note: Peer average is the simple mean of Thailand, Malaysia, the Philippines, Indonesia and China.
Source: World Bank (2023) [34]; calculations by the authors



Note: Peers are Thailand, Malaysia, the Philippines, Indonesia and China.
Source: Authors' calculation from World Bank (2023) [34]

Fig 4: LPI 2023 component scores: Vietnam versus the average of five regional peers

Consumer surveys confirm that the weak points of logistics turn directly into service failures (Fig 5). Among Vietnamese online shoppers, 37% reported delivery delays, 34% slow shipping and 32% damaged or missing packages (Milieu Insight, 2025) [12]. Sellers see the same problems from the other side: in a survey of 300 Vietnamese online sellers, 48% reported late deliveries and 48% lost or damaged parcels, and 42% faced unpredictable shipping costs (Milieu Insight, 2026) [13].



Source: Milieu Insight (2025) [12]

Fig 5: Delivery problems and behavioural responses of Vietnamese online shoppers, 2025

What consumers ask for is revealing. Vietnamese shoppers prioritised reliability (53%) and better parcel handling (51%) above lower delivery fees (45%), whereas shoppers across the region put lower fees (56%) and faster delivery (55%) first. Some 90% said marketplaces should enforce delivery quality standards, and 79% said the courier brand did not matter as long as goods arrived safely and on time (Milieu Insight, 2025) [12]. In the language of the analytical grid, Vietnamese consumers have moved beyond valuing speed and price alone. Their expectations now centre on consistency, which is the core of the reliability dimension in both SERVQUAL and logistics service quality.

4.6 Information, transparency and service recovery

The last two dimensions of the grid concern what happens when something goes wrong: whether consumers receive accurate information and whether failures are put right. Here the data from the National Competition Commission (NCC), which receives consumer complaints on behalf of the Ministry of Industry and Trade, provide the most direct evidence. They are summarised in Tables 8 and 9.

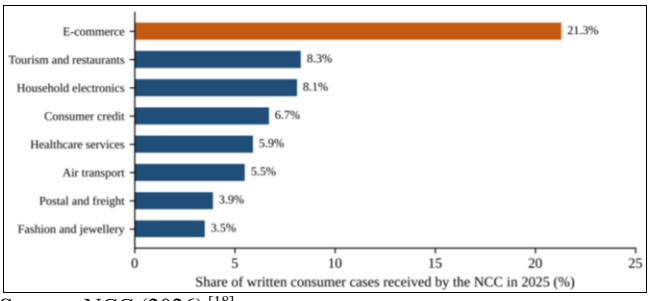
Table 8: Consumer complaints received by the National Competition Commission

Indicator	2023	2024	2025
Written complaints, requests and petitions	1,567	787	896
Hotline calls	n.a.	5,536 answered	>14,800
Share of written cases related to e-commerce (%)	5.5	n.a.	21.3
Share related to postal and freight services (%)	n.a.	n.a.	3.9
Written cases per VND 1 quadrillion of retail sales	≈265	≈122	≈126

Note: 2023 figures are not strictly comparable owing to reclassification and partial decentralisation of complaint handling. n.a.: not available.
Source: MoIT (2024) [14], NCC (2025, 2026) [17, 18], Tien Phong (2026) [28]; ratios by the authors

The Commission received 896 written complaints, requests and petitions in 2025, compared with 787 in 2024, and handled more than 14,800 hotline calls in 2025 (NCC, 2025; 2026; Tien Phong, 2026) [17, 18, 28]. The 2023 figure of 1,567 written cases is not strictly comparable, since responsibility for receiving complaints was partly decentralised to provinces from mid-2025 and classification has changed. Relative to market size, written complaints were stable at about 122 to 126 per VND 1 quadrillion of retail sales in 2024–2025.

The composition of complaints changed much more than their number. E-commerce accounted for about 5.5% of written complaints in 2023 (MoIT, 2024) [14] but 21.3% in 2025, the highest of any sector and more than two and a half times the next sector, tourism and restaurants (8.3%) (Fig 6). Postal and freight services added a further 3.9%. Roughly one in four formal complaints therefore concerned online selling or the delivery that supports it.



Source: NCC (2026) [18]

Fig 6: Written consumer cases received by the NCC in 2025, leading sectors

The nature of the complaints is equally telling (Table 9). The largest single category in 2025 was the failure of businesses to negotiate with consumers (26.9%), followed by the quality of goods and services (16.1%), failure to compensate, refund or exchange (14.8%) and incomplete or inaccurate information (9.2%). In the first nine months of 2025, refunds were the most frequent issue among e-commerce complaints, at about 19% (Vietnam News, 2025) [29]. Over 40% of formal complaints thus concern service recovery, meaning the response of the seller after a problem has occurred, rather than the problem itself.

Table 9: Main issues raised in written consumer cases, 2025

Issue	Share of cases (%)	Dimension of Table 1
Business failed to negotiate with the consumer	26.9	D6 Service recovery
Quality of goods and services	16.1	D2 / D4
Failure to compensate, refund or exchange	14.8	D6 Service recovery
Incomplete or inaccurate information	9.2	D5 Information
Other issues	33.0	Various

Source: NCC (2026) [18]; mapping to dimensions by the authors

Survey data point in the same direction. Half of Vietnamese online shoppers would abandon a cart over hidden fees, 46% would walk away from a seller with an unclear return policy, and 40% would stop buying from sellers that do not offer refunds. Of those who had recently returned an item, 60% did so because the product was defective or incorrect and 23% because it was missing or undelivered; only 12% returned for a change of mind (Milieu Insight, 2025) [12]. Returns, in other words, are mostly the result of fulfilment failures, not of consumer whim.

Market surveillance data show the background of information problems in the wider market (Table 10). Of the violations handled in 2025, goods without proof of origin made up 21.0%, intellectual property infringements 16.4% and smuggled goods 16.4%; e-commerce-specific violations were 2.2% (MoIT, 2026) [15]. Counterfeit and untraceable goods undermine the assurance dimension of service quality across channels, online and offline.

Table 10: Market surveillance violations handled in 2025, by area

Area	Cases	Share (%)
Goods without proof of origin	5,550	21.0
Intellectual property	4,332	16.4
Smuggled goods	4,310	16.4
Food safety	2,392	9.0
Pricing	2,152	8.1
Health sector	2,106	8.0
Standards, metrology and quality	873	3.3
Prohibited goods	651	2.5
E-commerce	579	2.2
Agriculture	99	0.4
Counterfeit goods	46	0.2
Other areas	3,389	12.8

Note: Case counts by area sum to about 26,500 while the report states 23,402 violations handled overall; shares follow the source table.
Source: MoIT (2026) [15]

4.7 Synthesis of satisfaction signals

Table 11 brings the evidence together. For each dimension it gives the current state, the main supporting indicators and the direction of the satisfaction signal inferred from the data. The pattern is consistent across sources. Dimensions at the front end of the purchase (access, assortment) show improving performance and positive signals such as high purchase frequency and rising online spending. Dimensions at the back end (timeliness, parcel condition, refunds, complaint handling) show persistent gaps and negative signals in surveys and formal complaints alike.

Table 11: Synthesis: State of distribution service quality and satisfaction signals

Dimension	Current state (key evidence)	Trend 2020–2025	Satisfaction signal
D1 Spatial convenience	≈1.24 million FMCG outlets; dense in South (10.8/km²), thin in Central (2.4/km²); rapid small-format chain growth	Improving; urban–rural gap	Positive in cities; weaker in rural areas
D2 Tangibles	66.8% of supermarkets and 69.2% of shopping centres at Grade III; food safety and pricing violations in traditional markets	Slow improvement	Mixed; benchmark rising
D3 Assortment and channels	Modern share ≈30%; e-commerce 9% → 12%; 65% shop online weekly	Strong improvement	Positive
D4 Delivery reliability	4.1 bn postal items; LPI timeliness 0.32 below peers; 37% report delays, 32% damage	Volume up, reliability lagging	Negative
D5 Information	9.2% of complaints on information; origin and IP violations 37% of surveillance cases; 50% abandon over hidden fees	Partial improvement	Negative to mixed
D6 Service recovery	26.9% refusal to negotiate, 14.8% refund/exchange failures; refunds top e-commerce complaints	No clear improvement	Negative

Source: Authors' synthesis of Sections 4.1–4.6

Behavioural data also show that satisfaction has economic consequences. Seventy percent of Vietnamese online shoppers say they would spend more with sellers they consider reliable, and 55% with sellers offering good service, while 33% would stop buying after a poor experience and 25% would switch platforms after an issue (Milieu Insight, 2025) [12]. The asymmetry predicted by the literature is visible: reliability earns loyalty and spending, and failure costs customers.

5. Discussion

The results support a clear reading of how distribution service quality relates to customer satisfaction in Vietnam. Over 2020–2025 the system improved fastest on the service outputs that are easiest to scale: more stores closer to home, wider assortment online, lower prices through competition among platforms. It improved slowest on the outputs that require coordination across firms and investment in processes: punctual delivery, intact parcels, accurate information and prompt redress. Because satisfaction depends on the gap between expectation and performance (Oliver, 1980) [23], and because the rapid improvements at the front end have raised expectations, the back-end weaknesses have become more visible, not less. The sharp rise of e-commerce in the complaint statistics, from about one in twenty cases in 2023 to more than one in five in 2025, is the clearest symptom.

This finding is consistent with international research that places fulfilment and reliability at the heart of online service quality (Wolfinbarger and Gilly, 2003; Parasuraman *et al*., 2005; Rao *et al*., 2011) [33, 25, 27] and with logistics research that stresses order condition and the handling of discrepancies (Mentzer *et al*., 2001) [10]. It also refines the Vietnamese survey literature. Many local studies report that delivery is one of several significant predictors of e-commerce satisfaction. The national evidence suggests it is more than one factor among several: Delivery and recovery failures account for most of what consumers formally complain about, and Vietnamese shoppers rank reliability above price, unlike their regional peers.

The second insight concerns the role of service recovery. More than 40% of formal complaints in 2025 concerned refusal to negotiate or failure to refund and exchange. This suggests that many dissatisfied consumers were not only hit by a failure but also left without remedy. The service recovery literature shows that a well-handled failure can restore satisfaction and even strengthen loyalty, while a badly handled one compounds the damage. In the Vietnamese system, responsibility for recovery is often unclear because a single order involves a seller, a platform and one or more carriers. Regulators have observed, for example, that when consumers' personal data leak it is often impossible to tell whether the seller, the delivery firm or the platform was the source (VietnamNet, 2026) [30]. Fragmented responsibility of this kind is a structural cause of weak recovery.

A third point is spatial. Physical access is good in the dense South and in the two metropolitan areas but thin in the Central region and in the mountains, and e-commerce revenue is heavily concentrated in Hanoi and Ho Chi Minh City. The rural expansion of chains such as WinMart+ and Bach Hoa Xanh is narrowing the gap in store access, but delivery to remote areas remains slower and costlier. National averages can therefore mask lower service quality, and probably lower satisfaction, outside the urban cores.

Finally, traditional distribution should not be read only as a weakness. It still handles about 70% of goods sales because it supplies service outputs consumers value: proximity, small lot sizes, personal relationships and flexible credit. The weaknesses of traditional formats lie in tangibles, hygiene and information, as the food safety and pricing violations indicate. Upgrading these formats, rather than replacing them, may raise satisfaction for the majority of purchases more than further expansion of large modern stores.

A methodological caution applies to all these interpretations. The study does not estimate the strength of the relationship between any quality dimension and satisfaction. Its conclusions rest on the convergence of independent sources, which makes them robust in direction but not precise in magnitude. Future research could combine the grid used here with a nationally representative survey to quantify the weight of each dimension.

6. Conclusions and implications

This paper has described the current state of distribution service quality in Vietnam and the customer satisfaction signals it produces, using national and industry data for 2020–2025 rather than a statistical model. The market is large and growing, with retail sales of VND 7,093 trillion in 2025, but distribution remains dominated by traditional formats, modern outlets are mostly of low grade, and the structural shift towards modern channels is being carried mainly by e-commerce. The service outputs consumers experience before the purchase, notably access and assortment, have improved markedly. Those they experience after the purchase have not kept pace. Timeliness is Vietnam's weakest logistics dimension against regional peers, roughly a third of online shoppers report delays or damaged parcels, and e-commerce has become the leading source of formal complaints, most of them about refunds, exchanges and failure to negotiate.

The overall conclusion is that the main satisfaction gap in Vietnamese distribution lies in reliability and service recovery. Improving these dimensions is likely to yield greater gains in satisfaction than further expansion of outlets or assortment.

For retailers and platforms, the implication is to manage fulfilment and recovery as part of the product. Practical steps include publishing and honouring delivery commitments, setting service standards for partner carriers with penalties for breaches, offering clear and fast refund procedures, and designating a single point of responsibility for each order so that consumers are not passed between seller, platform and courier. For logistics firms, investment in sorting automation, parcel handling and last-mile tracking addresses the dimensions on which Vietnam trails its neighbours. Traditional retailers and market management boards could raise satisfaction at modest cost by improving hygiene, price display and traceability.

For policymakers, the evidence supports three priorities. The first is to clarify the allocation of liability among sellers, platforms and carriers under the E-commerce Law and its implementing decree, so that consumers have a clear counterpart when a failure occurs. The second is to strengthen the capacity of provincial authorities that took over part of complaint handling in 2025, including a shared database of complaints that would allow service quality to be monitored by sector and region. The third is to continue investment in logistics infrastructure outside the main cities, where access and delivery gaps are widest. A periodic national customer satisfaction index for retail and delivery, built on the model of established national indices (Fornell, 1992) [5], would give firms and regulators a common yardstick that is currently missing.

The study has the limitations noted in Section 3. Its strength lies in breadth and in the consistency of independent evidence; its weakness is that it cannot measure the size of each effect. It nonetheless provides a factual baseline against which future model-based studies, and future policy changes, can be assessed.

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