

An Examination of the Influencing Factors toward Customer Satisfaction: Case study of a Five Star Hotel in Bangkok, Thailand

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Abstract—This study investigates the relationship between service quality dimensions (included tangibility, responsiveness, reliability, assurance and empathy), customer perceived value and customer satisfaction of a five star hotel. The researcher surveyed about 400 respondents who stayed at least one night in a five star hotel in Bangkok, Thailand. Multiple linear regressions was applied for the data analysis. The results show that customer perceived value, customer satisfaction and brand image were positively influenced by service quality dimensions (included tangibility, responsiveness, reliability, assurance and empathy); customer satisfaction was positively influenced by the brand image and customer perceived value. Based on these results, the researcher provides some recommendation.

Keywords—Service quality dimensions, tangibility, responsiveness, reliability, assurance and empathy, customer perceived value, brand image and customer satisfaction

I. INTRODUCTION

TOURISM industry has become one of the most important players of economies worldwide during the past decades (Shahin and Dabestani, 2010) [13]. With the increase of tourist number, the growing demands for a hotel. Customers' satisfaction is a key for a hotel's success. Evans et al. (2006) [4] also stated that customer satisfaction can be described as the feeling or attitude of a customer towards a product or service after it has been used. Sriyam (2010) [12] stated that customer satisfaction in the hotel industry is the highest priority for owners in the hotel competition. Makeeva (2010) [7] stated that hotel's main purpose is to satisfy customers' needs and to delight customers in the hotel system. Pizam & Ellis (1999) [11] stated that customer satisfaction is an important factor for it is easier to sell to an existing customer than to find a new one in the hotel industry. Hence, how to improve hotel's service quality, brand image and customer perceived value and finally gain high level's customer satisfaction has become a key to managers and marketers of hotel industry. The researcher applied 4 hypotheses and 4 variables to explore the influencing factors toward customer satisfaction of a five star hotel in

Bangkok, Thailand. The variables applied in this study are service quality dimensions (included tangibility, responsiveness, reliability, assurance and empathy), customer perceived value and customer satisfaction.

II. LITERATURE REVIEW

A. SERVICE QUALITY DIMENSIONS

In measuring the service-quality gap, there are two different and similar scaled are classified as two multidimensional models include: Parasuraman et al. (1985) [9] defined that SERVQUAL dimension is the gap between customer's expectation of service and their perception of the service experience. Cronin and Taylor (1992) [2] stated that SERVPERF focusing on the consumer's perception of service performance. Cronin, Barry, and Hult (2000) [3], Anderson et al. (1993) [1] and Cronin and Taylor (1992) [2] suggested that only SERVPERF research instrument was good enough to measure perceived service quality or service performance. In this study, the researcher applied only perception of service quality on utilizing SERVPERF research instrument to collect the data. There are 5 sub-variables of SERVPERF research instrument based on the SERVQUAL scale. Parasuraman et al. (1988) [10] defined that tangibility is a physical conveniences, equipment and appearance of personality; responsiveness as the willingness to help customers and provide prompt services; reliability as the ability to perform the promised service dependably and accurately; assurance as the knowledge and courtesy of employees and their ability to inspire trust and confidence; empathy as the caring, individualized attention the firm provides for its customers.

B. CUSTOMER PERCEIVED VALUE

Zeithaml (1988) [14] defined customer perceived value as customers' overall assessment of the utility of a product or service based on perceptions of what is received and what is given.

C. BRAND IMAGE

Keller (1993) [6] mentioned that the image is based on the customer's beliefs upon a brand. Grönroos (2000) [5] stated that the image is a value-added antecedent and which is determining satisfaction and loyalty of a product or service.

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D. CUSTOMER SATISFACTION

Oliver (1997) [8] defined as customer satisfaction is a response that occurs when consumers experience a pleasurable level of consumption related fulfillment when evaluating a product or service.

III. RESEARCH FRAMEWORK AND METHODOLOGY

A. Research Framework

Based on previous empirical researches provided evidence, in the conceptual framework, customer satisfaction, the dependent variable, is affected by three independent variables; service quality dimensions (included tangibility, responsiveness, reliability, assurance and empathy), brand image and customer perceived value. The framework is illustrated in Fig.1. There are 4 hypotheses formulated based on the framework and they are shown as follows:

H1: Service quality in terms of tangibility, responsiveness, reliability, assurance and empathy is significantly influential on customer perceived value

H2: Service quality in terms of tangibility, responsiveness, reliability, assurance and empathy is significantly influential on customer satisfaction

H3: Service quality in terms of tangibility, responsiveness, reliability, assurance and empathy is significantly influential on brand image

H4: Customer perceived value and brand image are significantly influential on customer satisfaction

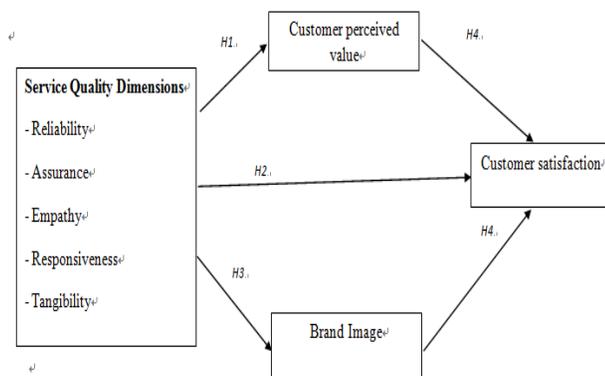


Fig.1 The Influencing Factors toward Customer Satisfaction: Case study of A Five star Hotel in Bangkok, Thailand

B. Research Methodology

The purpose of this research is to investigate the influencing factors toward customer satisfaction of a five star hotel in Bangkok, Thailand.

This paper describes 4 independent variables which are service quality dimensions (included tangibility, responsiveness, reliability, assurance and empathy), brand image, customer perceived value and customer satisfaction. All 400 research questionnaires were distributed to target population in a five star hotel in Bangkok, Thailand. The

questionnaires consisted of six sections that represent screening question, three independent variables (one variable of three independent variables are five sub-variables) and the dependent variable and demographic factors. The researcher applied judgment and convenience non-probability sampling method. The researcher selected the descriptive research methodology instrument to evaluate each variable. This means that the outcome of the research would be described by examining the relationship between different variables.

Sampling procedure

The researcher applied the non-probability sampling method to find the sampling unit in this study. The probability sample is the process of probability sampling which is randomly chosen and non-probability sampling is the probability of a specific member of the population which is unknown information for the researcher. The sampling unit is an individual component or group of components which point to the selection of the sample. The researcher in this study applied Judgment sampling and Convenience sampling to be the first and second step respectively; all details are as follows:

Step 1: Judgment Sampling

Judgment sampling or purposive sampling is non-probability technique in which an experienced individual selected the sample based upon some appropriate characteristic of the sample members. The judgmental function expresses agreement (JA) or disagreement (JD) and it involves choosing objects/ samples that are believed will give accurate results. The researcher chose to conduct Judgment sampling on customers who stayed at least one night in a five star hotel in Bangkok, Thailand. This sampling technique is the most suitable in research in which broad population generalizations are not required.

Step 2: Convenience Sampling

Convenience sampling is the sampling method used to gather information from people who are most conveniently available and it also called accidental or haphazard sampling. Convenience samples are often used in exploratory and descriptive research where time and money are critical constraints. Convenience sampling is beneficial to obtain a large number of completed questionnaires quickly and economically. Therefore, most of the researchers generally use convenience sampling to obtain a large number of completed questionnaires quickly and economically.

IV. RESEARCH AND FINDINGS

The hypotheses testing, is supported by the conceptual framework. There are total four hypotheses which were tested in this research. Based on the research objectives, Multiple Linear Regression (MLR) was used in this study. After analyzing the hypotheses, all the null hypotheses were rejected. The results are summarized as follows:

TABLE I
SUMMARY OF HYPOTHESES TESTING

Null hypothesis description	Beta Co-efficient	Significance	Results
H1o: Customer perceived value was not influenced by service quality in terms of tangibility, reliability, responsiveness assurance and empathy. - Assurance - Reliability - Responsiveness - Tangibility - Empathy	.289 .208 .192 .128 .107	.000 .001 .003 .025 .030	Reject H1o
H2o: Customer satisfaction was not influenced by service quality in terms of tangibility, reliability, responsiveness assurance and empathy. - Assurance - Reliability - Responsiveness - Tangibility - Empathy	.275 .245 .221 .133 .122	.000 .000 .000 .015 .010	Reject H2o
H3o: Brand image was not influenced by service quality in terms of tangibility, reliability, responsiveness assurance and empathy. - Assurance - Reliability - Responsiveness - Tangibility - Empathy	.276 .238 .192 .156 .096	.000 .000 .002 .004 .040	Reject H3o
H4o: Customer satisfaction was not influenced by customer perceived value and brand image. - Customer perceived value - Brand image	.201 .809	.000 .000	Reject H4o

V. SUMMARY AND CONCLUSION

The majority of respondents are females which accounted for 54.2% or 217. Most of the respondents are in the age level of "21-30 years old" which are accounted for 58.5% or 234. Most of the respondents are single which are accounted for 60% or 240. Most of the respondents' occupation is business sector employee which is accounted for 60% or 240. Most of the respondents' purpose of the trip is tourism / holiday which are accounted for 53.2% or 213. Most of the respondents are master degree/ in reading master (55.30% or 221) as highest educational level. The largest personal income in a month

group is 20,001 baht to 30,000 baths which are accounted for 29.8% or 119.

Based on the result of hypothesis 1, hypothesis 2 and hypothesis 3, the researcher found that service quality in terms of tangibility, responsiveness, reliability, responsiveness, assurance and empathy has a statistically significant effect on customer perceived value, customer satisfaction and brand image, respectively. By considering the beta coefficient the researcher indicated that service quality in terms of tangibility, responsiveness, reliability, responsiveness; assurance and empathy have a positive influence on the customer perceived value, customer satisfaction and brand image of Shangri-La

hotel, respectively. In three hypotheses, all assurance has the highest beta value which means it affects customer perceived value, customer satisfaction and brand image of Shangri-La hotel the most in the five- sub service quality factors and empathy has the lowest beta value, respectively.

Based on the result of hypothesis 4, the researcher found that customer perceived value and brand image have a statistically significant effect on customer satisfaction. By considering the beta coefficient the researcher indicated that perceived value and brand image have a positive influence on the customer satisfaction of Shangri-La hotel. Brand image has the highest beta value which means it affects the customer satisfaction of Shangri-La hotel the most and customer perceived value has the lowest beta value.

VI. RECOMMENDATIONS

According to the data analysis of this study, the result can help managers and marketers not only to understand the customer satisfaction level towards Shangri-La hotel in Bangkok, Thailand but also to gain more competitive advantages for attract Shangri-La hotel's customers to further stay and use the services of this hotel. Regarding the research findings, the answers from the questionnaires of this research paper and based on the researcher's observation, the researcher would like to make some suggestion as follows;

According to the result of hypothesis H1, H2, H3 the researcher would like to suggest that the service quality dimensions (included tangibility, reliability, responsiveness, assurance and empathy) positively affect customer perceived value, brand image and customer satisfaction of Shangri-la hotel in Bangkok. Considering the un-standardized Coefficients Bata (β), assurance has the highest (β) and it strongly affects customer perceived value, customer satisfaction and brand image of Shangri-La hotel. The researcher suggest that managers focus mainly on building strong assurance (such as HRM (Human resource management) department to train employees which can make them knowledgeable and better skilled which helps them to take decisions without error and eliminate equivocal statements), so that the level of customer satisfaction increases; brand image of Shangri-la will be stronger and customers will perceive high in value.

Based on the results of hypothesis H1, H2, H3; reliability ranks second in service quality dimensions considering its beta coefficient in affecting customers perceived value, customer satisfaction and brand image. The researcher suggests that increase reliability of Shangri-La employee, such as management that to provide enough amenities to employee, so that they can help customers in time. And then the level of customer satisfaction will increase; brand image of Shangri-la will be stronger and customers will perceive high in value.

Based on the results of hypothesis H1, H2, H3; responsiveness is the third most important factor considering its beta value in service dimensions, influencing customers perceived value, customer satisfaction and brand image. The researcher would also like to suggest that to focus on improving

responsiveness of Shangri-La employee towards customers (such as managers provided enough training to employees for they can better comfort and solve problems of customers in a brunt situation), so that the level of customer satisfaction increases; brand image of Shangri-la will be stronger and customers will perceive high in value.

Based on the results of hypothesis H1, H2, H3; tangibility is one of the service quality dimensions which affect customers perceived value, customer satisfaction and brand image. Considering the beta value, it ranks fourth most influencing factor. The researcher would also like to suggest that to focus on improving tangibility of Shangri-La (such as management should appoint a strong quality control system, to check the tidiness of every room, wash room and all the environment of the hotel), so that the level of customer satisfaction increases; brand image of Shangri-la will be stronger and customers will perceive high in value.

Based on the results of hypothesis H1, H2, H3; empathy is the least affecting factor considering its beta value influencing consumer perceived value, customer satisfaction and brand image. The researcher would like to suggest management that to organize quarterly trip, monthly event, and weekly bonus to make the employee less stressful and enjoy working. The researcher also would like to suggest that a training of meditation, yoga, and some physical activities should be made compulsory for every staff regardless of the level to manage stress. A stressful employee cannot be empathetically respond to the customers.

According to the result of hypothesis four, the researcher would like to suggest that consumer perceived value and brand image are positively affected towards the customer satisfaction. Considering the beta value, brand image can strongly affect customer satisfaction of the Shangri-La hotel. The researcher would like to suggest that to improve the brand image of Shangri-La hotel by advertising about the history of Shangri-La is luxuries, tidiness and comfort. With the best marketing channel and delivering the same what has promised in the advertising which helps building a strong image. Consumer perceived value affects the least considering its beta value. The researcher would like to suggest the management that to provide the best amenities and the best service to feel customers perceived high in value which is positively affecting the customer satisfaction. The researcher would also like to suggest that to focus on improving the brand image and perceived value of customers, so that the level of customer satisfaction increases.

FURTHER RESEARCH

Further studies, other researchers could investigate other independent variables to influence on customer satisfaction, such as price, promotion and so on. The researcher focused only upon the (4) variables in this study according to the limited timeframe and the cost. Further studies, other researchers may study customers in other nationalities' hotels or other hotels in Bangkok. This study is conducted at Shangri-La hotel in Bangkok. Thailand and it can represent only customers who

stayed at least one night in Shangri-La hotel. For further study, other researchers can study for the customers, who have experienced staying at the hotel four to five times within five years in order to test the level of customer loyalty.

ACKNOWLEDGMENT

First of all, I would like to express my deepest gratitude to my thesis advisor, Dr Sirion Chaipoopirutana, who has devoted the time, provide guidance and given the encouragement and constructive criticisms for assisting me to finish this research. I extend my very special thanks to all people who have helped me to collect and answer the questionnaire for my research. Ultimately, it is extremely important to acknowledge my family and my friends for their constant encouragement, support, love and understanding.

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