

Customer Satisfaction Evaluation by Using Service Marketing Mix Model: A Case Study of Budget Hotel at Rayong Province, Thailand

Adisak Suvittawat*

School of Management Technology, Suranaree University of Technology, Thailand

Nicha Klichandeang

School of Management Technology, Suranaree University of Technology, Thailand

Krittiyar Singchai

School of Management Technology, Suranaree University of Technology, Thailand

Abstract

The objective of this research is finding the variables which effect on customer satisfaction of budget hotel by using service marketing mix model in Rayong Province of Thailand. The service marketing mix model has 7 customer satisfaction dimensions such as product, price, place, promotion, people, physical evidence and process. The results find that product dimensions, the clear room number, having a door chain, quality furniture and reasonable room size are considered by customers and give the customer satisfaction. Price dimensions consist of reasonable room rate, reasonable key card deposit rate, reasonable laundry price and reasonable food and beverage prices which are main parameters for customer satisfaction of budget hotel. Place dimensions consist of hotel located in the community, comfortable travel location, leisure environmental location and room reservation through agents are important parameters for customer satisfaction. Promotion dimensions consist of give a recommended promotions by employees, hotel has regular promotions, promotion offer through social application and get information from the media are main parameters for customer satisfaction. People dimensions consist of staff provide complete information, assistive staff efficiency, has enough security staff and solved the problem quickly are main parameters for customer satisfaction. Physical evidence dimensions are has enough CCTV, clear fire escape signs, has fire protection system and cleanliness in the room are main parameters for customer satisfaction. Process dimensions are key card system for door opening, has suitable breakfast and beverage, various food and beverage menus and fitness equipment is in the good condition are main parameters for customer satisfaction.

Keywords: Customer satisfaction; Service marketing mix; Budget hotel.



CC BY: Creative Commons Attribution License 4.0

1. Introduction

Currently, Thailand tourism businesses have been dramatically increased as Thailand has many tourism attractions. The increasing of tourism involves with many related businesses such as hotel, restaurant and logistics businesses that provide the service for both inbound and outbound tourists.

Tourism industry is becoming a key factor driven economy for Thailand and Government puts any effort to support tourism industry due to it has direct influence on labor market, economic improvement and cultural exchange. Tourism industry generates more income for Thai and becomes the major income for Thailand in 2018.

Due to tourism business blooming, the hotel business is also blooming. In the last 2 years, many hotels and available rooms have significantly increased because many tourists are visiting Thailand. The increasing of available rooms accelerate the competition because many hotels emphasize on room occupation rate by reducing the price.

Budget hotel is very famous for tourists since many tourists are preferring to travel by individual rather than the group. Tourists will book the room through online applications and selecting the hotel by customer reviews. Then, the customer satisfaction is very crucial for budget hotel as it has directly influenced on customer reviews. The study of customer satisfaction is necessary for budget hotel, then the researcher conducts the research in customer satisfaction manner.

Rayong province is located in eastern part of Thailand, where is the famous for both tourisms and industrial estates. In every year, many tourists and business people are coming to visit Rayong province that makes hotel business blooming. The competitions between budget hotels are intensified and many hotel entrepreneurs are attempting to reduce the prices, but their revenues are reduced. Customer satisfactions will help the hotel entrepreneurs to improve their competitive advantages.

2. Literature Reviews

2.1. Product

Hotel customers consider the price sensitivity is far away from the key element of commoditization. Product homogeneity is having a much small effect and switching costs are not considered as part of consumers' perception

of commoditization. The establishment of commoditization as a framed in hotel industry is very important (Srikanth *et al.*, 2015). Consumer satisfaction is important in consumer behavior theory and is directly influenced by the quality of service. Customers give their priorities on value and security of hotel and suggest that the hotels must concentrate their efforts to provide service marketing in order to attract and satisfy elderly customers (Wuest *et al.*, 1998). Brand loyalty, perceived quality and brand image of the hotel are the key important components of consumer-based quality. The hotel providers should concentrate on brand loyalty, perceived quality and brand image during establish brand equity from consumers' viewpoint. Consumer-based quality directly effects on the hotel revenue performances (Hong-bumm *et al.*, 2003). The large hotel is not necessary to perform better than small hotels as hotel efficiency depends on location, geographical region and service types. The new technology introduction has an impact on product perceived by customers and hotels need to find the other ways for productivity improvement (Assaf and Tsionas, 2018).

2.2. Price

Many tourism entrepreneurs depend mainly on repeat purchasing from customers and repeat customers are more profitable such as lower costs. Price is negatively related to word of mouth (WOM) for the first time tourists and price is no effect on repeat tourists (Matzler *et al.*, 2019). A service quality is a multi-dimensional construct with many aspects. The competition within low cost airlines is intensified and low cost airline providers give the attractive prices for their customers. However, service quality are also considered as it builds the customer loyalty (Korfiatis *et al.*, 2019). Based on the user requirements of library, the facilities and services have greater influenced on the users' satisfaction. The users expect some cost benefit services so the users are regular users (Sriram and Rajev, 2014).

2.3. Place

Hotel locations have been classified in 3 categories: accessibility to interested points, transport convenience and surrounding environment. The results suggest that the hotel's accessibility to attraction points such as airport, university and public transport are significant interested. Free parking offering and airport shuttle bus service could improve customer satisfaction. Moreover, hotel location satisfaction effect customer's experience and different hotel locations provide rooms for different travelers (Yang *et al.*, 2018). Customer satisfaction is essential for a restaurant gain market share and earn profits in the fire competition situation. Restaurant characteristics and customer individual characteristics have an influence on customer emotional respond to the service of restaurant (Yu-Hsiang *et al.*, 2016).

2.4. Promotion

Traditional marketing programs aim the spread word of mouth by current employees, aims marketing efforts at value customers, focus on customer satisfaction and use social media as the promotional marketing programs (Berman, 2016). Relationship management and key resource management are the key driven sales for hotel growth. Since, the hotel industry is facing a high competition and needs to develop capabilities and develop price and promotional strategies to grow revenues (Koseoglu *et al.*, 2015). Greater customer interaction with social media of sport club shows great attractive and increase customer satisfaction. The social media is an attractive marketing tool and can be used in attracting customers to sport organization (Nisar *et al.*, 2018). Social network services have been identified as an electronic service, application, platform or site used by individuals who have common interest, beliefs, attitudes and culture as a tool for communication. Social media marketing could be identified as a dialogue often triggered by consumers or audiences to set a motivation communication on some promotional information (Alalwan *et al.*, 2017).

2.5. Process

A service is a collaboration process to integrate internal capabilities of service providers into customers perceived and customers actively engage in service value co-creation. Customer's interaction before and after service process is the essential part of the service process (Immonen *et al.*, 2018). Customer facing process requires to operate smoothly, the process failure threatens the perceived quality of service. The problem of online selling occurred when the potential customers go to online purchasing but they could not buy the phone as it is out of stock (Edgington, 2010). The ability to manage the service process engagement is a critical factor to effective revenue management. Customer satisfaction is a key factor of time management in services when the perceived control is high, customers have less sensitive to variation in pace. Customer's perceived control of pace is an instrument to attenuating the negative effect of fast pace on customer satisfaction (Noone *et al.*, 2012).

2.6. People

People consciously manage the impressions they convey to others in interpersonal interactions and people behavior in an effort to manage the identities they would like to deliver (Medler-Liraz and Yagil, 2013). The service employee's ingratiation has a positive effect to customer's deep acting and customer's deep acting is positively related to customer's satisfaction. Organizational commitment and job satisfaction are positively related to organizational performances such as employee's retention, work performance and service environment. Employee's effort is an important tool in service environment as customers' evaluations of service quality is directly linked to performance of service worker (Testa, 2001). Service employees trend to respond negatively to incivility customers

by show incivility behavior in return. Employee incivility occurs as a function of customer using the aggressive words, second-person pronoun used and interruptions (Walker *et al.*, 2017).

2.7. Physical Evidence

The bargaining intention, social interactions and recreational functions influence serviceescape. The tourists are motivated by recreation, bargaining hunting and socialization influence their positive attitude towards the shopping environment (Yalinsky *et al.*, 2018). The service quality in restaurants of East London, South Africa had been studied and the results show that customers are satisfied with restaurants' service quality. The most important expectation items of satisfaction are error-free served and clean dining area. Most of the finding indicates that the restaurant needs to develop service excellence through customer's requirements to secure performance excellence in restaurant service (Mhlange, 2018).

3. Methodology

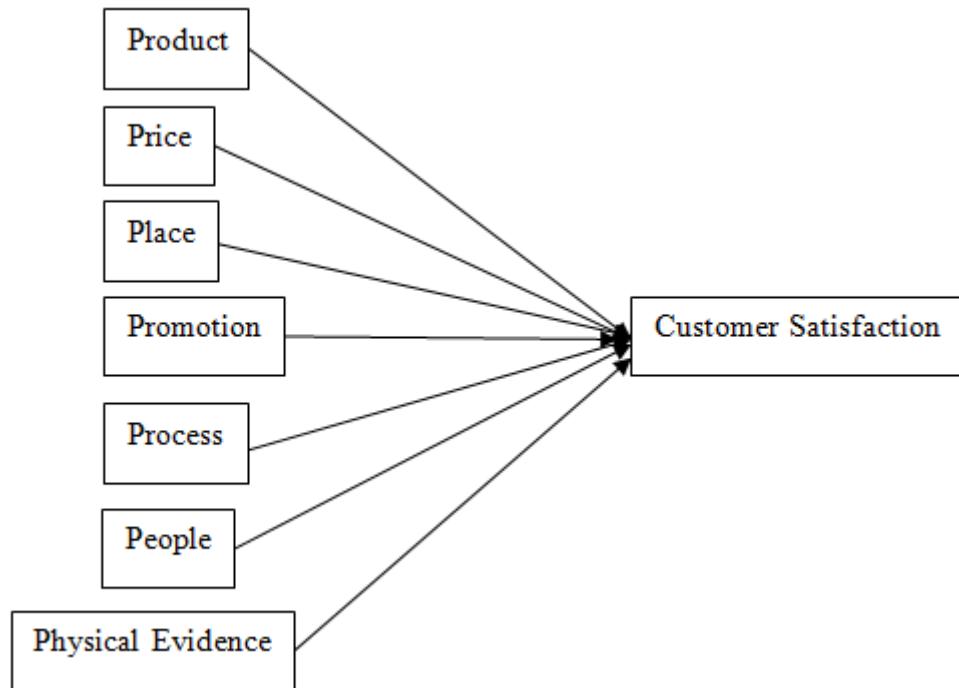
This is an exploratory research which focuses on the customer satisfaction by using service marketing mix model. The research has been explored the degree to which each key elements of service marketing mix which have an influence on customer's satisfaction.

Research has been applied by quantitative methods through using questionnaires for qualitative contextual tools. A secondary data have been taken on literature's review and have been reconfirmed of research finding.

Research process were started with a literature reviews. Based on the literature review, a parameters' measurements of key success related factors were created, which need to consult with supervisors and experts, before starting conducting the initial surveys with the entrepreneurs. The measures have been certainly applied to the results of the final survey version. The survey results were analyzed by using a mean and SD model. The conclusions were drawn from the study's findings.

The exploratory research had been focus on the Dummy Budget Hotel and Residence at Rayong province, Thailand who are currently doing the hotel business by using the final questionnaires. The questionnaires have been separated in 7 parts which depends on the research parameter measurements.

3.1. Conceptual Framework



Form conceptual framework, service marketing mix is a selection choices of customers. The elements of service marketing mix consist of seven Ps: four Ps from marketing mix such as product, price, place, promotion and three Ps from services such as process, people and physical evidence.

4. Results and Findings

Table-1. The Mean and S.D. of Service Marketing Mix Variables

Variable	Mean	S.D.	Results
Product			
1. Clear room number	4.55	0.58	Strongly agreed
2. Having door chain	4.39	0.70	Agreed
3. Quality furniture	4.35	0.71	Agreed
4. Reasonable room size	4.33	0.72	Agreed
Average	4.40	0.67	Agreed
Price			
1.Resonable room rate	4.43	0.67	Agreed
2.Resonable key card deposit rate	4.15	0.84	Agreed
3.Resonable laundry price	3.89	0.98	Agreed
4.Resonable food and beverage prices	3.75	1.08	Agreed
Average	4.05	0.89	Agreed
Place			
1.Located in the community	4.20	0.86	Agreed
2.Comfortable travel location	4.03	0.92	Agreed
3.Leisure environmental location	3.59	1.23	Agreed
4.Reservation through agents	3.54	1.26	Agreed
Average	3.84	1.06	Agreed
Promotion			
1.Recommended promotions by employees	3.23	1.15	Agreed
2.There are regular promotions	2.73	1.08	Agreed
3.Promotion offers through social applications	2.22	1.01	Disagreed
4.Get information through the media	2.14	1.05	Disagreed
Average	2.58	1.07	Agreed
People			
1. Staff provide complete information	3.92	0.87	Agreed
2. Assistive staff efficiency	3.90	0.86	Agreed
3. Has enough security staff	3.83	0.86	Agreed
4. Solved the problem quickly	3.82	0.92	Agreed
Average	3.86	0.87	Agreed
Physical Evidence			
1.Have enough CCTV	4.16	0.74	Agreed
2.Clear fire escape signs	4.15	0.77	Agreed
3.Has fire protect system	4.14	0.78	Agreed
4.Cleanliness in the room	4.13	0.78	Agreed
Average	4.14	0.76	Agreed
Process			
1.Key card system for door opening	4.38	0.72	Agreed
2.Has suitable breakfast and beverage	3.64	0.87	Agreed
3.Various food and beverages menus	3.09	0.91	Agreed
4.Fitness is in good condition	2.81	1.01	Agreed
Average	3.48	0.87	Agreed
Grand Average	3.76	0.88	Agreed

Table 1 shows the mean and S.D results for service marketing mix variables: product, price, place, promotion, people, physical evidence and process. The results found that the customer responses were in the agreed level in which the mean=3.76 and S.D=0.88. Mean of product is 4.40 and S.D=0.67. Based on the customer value based, sales people and entrepreneurial behaviors such as innovativeness, pro-activeness and risk taking have the positive relationship by customer trust in and satisfaction come from sales people who have a product commitment. Mean of price is 4.05 and S.D=0.89. Entrepreneurship within the firm is the best and most cost effectiveness to increase the competition in global marketplace. Firms have more entrepreneurial employees who will be given the right support and provided the enthusiasm for their works. Mean of place is 3.84 and S.D=1.06. Mean of promotion is 2.58 and S.D=1.07. Mean of people is 3.86 and S.D=0.87. Passion for work is an emotional aspect of people's approach to work and also related to the cognition of the people who are passionate about their work and tend to engage more intensive knowledge processing when required it. Mean of people is 4.14 and S.D=0.76. and Mean of process is 3.48 and S.D=0.87.

5. Conclusions

Based on the results, customer satisfaction of budget hotel have many dimensions such as product, price, place, promotion, people, process and physical evidence. For product dimensions, the clear room number, having a door chain, quality furniture and reasonable room size are considered by customers and give the customer satisfaction.

Price dimensions consist of reasonable room rate, reasonable key card deposit rate, reasonable laundry price and reasonable food and beverage prices which are main parameters for customer satisfaction of budget hotel. Place dimensions consist of hotel located in the community, comfortable travel location, leisure environmental location and room reservation through agents are important parameters for customer satisfaction. Promotion dimensions consist of give a recommended promotions by employees, hotel has regular promotions, promotion offer through social application and get information from the media are main parameters for customer satisfaction.

People dimensions consist of staff provide complete information, assistive staff efficiency, has enough security staff and solved the problem quickly are main parameters for customer satisfaction. Physical evidence dimensions are has enough CCTV, clear fire escape signs, has fire protection system and cleanliness in the room are main parameters for customer satisfaction. Process dimensions are key card system for door opening, has suitable breakfast and beverage, various food and beverage menus and fitness equipment is in the good condition are main parameters for customer satisfaction.

References

- Alalwan, A., Rana, N., Dwivedi, Y. and Algharabat, R. (2017). Social media in marketing, A review and analysis of existing literature. *Telematics and Informatics*, 34: 1177-90.
- Assaf, G. and Tsionas, M. (2018). Measuring hotel performance, Toward more rigorous evidence in both scope and methods. *Tourism Management*, 69: 69-87.
- Berman, B. (2016). Referral marketing, Harnessing the power of your customers. *Business Horizons*, 59(1): 19-28.
- Edgington, T. (2010). Mobile phone service process hiccups at cellular Inc. *Journal of Information Systems Education*, 21(4): 371-74.
- Hong-bumm, K., Woo, G. K. and Jeong, A. (2003). The effect of consumer-based brand equity on firms' financial performance. *Journal of Consumer Marketing*, 20(4): 335-51.
- Immonen, M., Sintonen, S. and Koivuniemi, J. (2018). The value of human interaction in service channels. *Computer in Human Behavior*, 78: 316-25.
- Korfiatis, N., Stamolampros, P., Kourouthanassis, P. and Sagiadinos, V. (2019). Measuring service quality from unstructured data, A topic modeling application on airline passengers'online reviews. *Expert Systems With Applications*, 116: 472-86.
- Koseoglu, M., Parnell, J. and Doyle, J. (2015). Market orientation, strategy and revenue growth in the Turkish hotel industry. *Journal of Travel & Tourism Marketing*, 32(8): 1099-116.
- Matzler, K., Teichmann, K., Strobl, A. and Partel, M. (2019). The effect of price on word of mouth, First time vesus heavy repeat visitors. *Tourism Management*, 70: 453-59.
- Medller-Liraz, H. and Yagil, D. (2013). Customeremotion regulation in the service interactions, Its relationship to employee ingratiation, satisfaction and loyalty intentions. *The Journal of Social Psychology*, 153(3): 261-78.
- Mhlange, O. (2018). Measuring restaurant service quality in east london, South africa, A comparison of restaurant customer expectations and perceptions. *African Journal of Hospitality, Tourism and leisure*, 7(2): 7-14.
- Nisar, T., Prabhakar, G. and Patil, P. (2018). Sport clubs use of social media to increase spectator interest. *International Journal of Information Management*, 43: 188-95.
- Noone, B., Wirtz, J. and Kimes, S. (2012). The effect of perceived control on consumer responses to service encounter pace, A revenue management perspective. *Cornell Hospitality Quarterly*, 53(4): 295-307.
- Srikanth, B., Brain, M., Tiffany, F. and Hemant, K. (2015). Commoditization in the U.S. Lodging industry. *Cornell Hospitality Quarterly*, 56(3): 296-308.
- Sriram, B. and Rajev, M. (2014). Impact of academic library services on user satisfaction, Case study of sur university college, sultanate of Oman. *DESIDOC Journal of Library & Information Technology*, 34(2): 140-46.
- Testa, M. (2001). Organizational commitment, job satisfaction and effort in service environment. *The Journal of Psychology*, 135(2): 226-36.
- Walker, D., Jaarsveld, D. and Skarlicki, D. (2017). Sticks and stones can break my bones but words can also hurt me, The relationship between customer verbal aggression and employee incivility. *Journal of Applied Psychology*, 102(2): 163-79.
- Wuest, B., Emenheiser, D. and Tas, R. (1998). The importance of hotel/motel products and services as perceived by older consumers. *Marriage & Family Review*, 28(1-2): 225-38.
- Yalinary, O., Baxter, I., Collinson, E., Curran, R., Gannon, M., Lochrie, S. and Thompson, J. (2018). Serviceescape and shopping value, The role of negotiation intention, Social orientation, And recreational identity at the istanbul grand bazaar, Turkey. *Journal of Travel and Tourism Marketing*, 35(9): 1132-44.
- Yang, Y., Zhenxing, M. and Jingyin, T. (2018). Understanding guest satisfaction with urban hotel location. *Journal of Travel Research*, 57(2): 243-59.

- Yu-Hsiang, H., Li-Fei, C., Chao-Chin, C. and Fu-Hsuan, C. (2016). Configurational path to customer satisfaction and stickiness for a restaurant chain using fuzzy set qualitative comparative analysis. *Journal of Business Research*, 69(8): 2939-49.