

Service Quality, Customer Experience and Commitment Affecting Customer Satisfaction in Vietnamese Hotel Industry



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ABSTRACT: The purpose of this study was to find out about customer satisfaction at the hotels in Hanoi. The survey method was conducted to collect data on assessing the loyalty of customers in the hotels. The research results showed that the customers paid much attention to service quality, customer experience and commitment. Therefore, enterprises in the hospitality industry need to concentrate on factors affecting customer satisfaction and behaviors to maintain and develop their loyalty.

KEYWORDS: Satisfaction, service quality, customer experience, commitment, hotel

JEL code: M14, M16, M21

1. INTRODUCTION

Hotel businesses and accommodation services contribute to the development of tourism in particularly and economics in general, and create jobs for society. In Hanoi, accommodation establishments have increased rapidly in both quality and quantity. Customer satisfaction is one of the top tools for success of an enterprise. Customer satisfaction is defined as the overall rating based on the number of customer experiences and consumption with goods or services (Fornell et al, 1996).

According to Zeithaml & Bitner (2003), customer satisfaction is influenced by specific products and service features and perceptions of quality. Satisfaction is also affected by the customer's emotions, their perception of the fairness. When the customer is satisfied with a hotel product and service, it can cause the customer to make regular purchases and recommend the product and service to potential customers.

To increase customer satisfaction, hospitality businesses need to consider what happens before, during, and after customers interact with a hotel. In addition to, customer satisfaction play an important role in customers loyalty. The purpose of this study provides a deeper approach to customer satisfaction by testing factors such as service quality, customer commitment and customer experience whether impacting on customer satisfaction.

2. LITURATURE REVIEW AND RESEARCH MODEL

2.1. Service quality

According to Doney and Cannon (1997), service quality impacts the development of customer satisfaction. Service quality can be considered as one of the most frequently analyzed factors which create customers satisfaction. The tangible and intangible nature of service quality is very important in the customer's assessment of the service supplier or customer confidence in the enterprise.

2.2. Customer commitment

Arantola (2000) argues that commitment is the desire to buy products and have a clear priority for the enterprise. Common values for commitment may be the beliefs, shared values about the difficulty of replacing products or services. A commitment is a two-way structure. In order to ensure a shared commitment, both the customer and the service provider make a close relationship. Commitment is considered the stability in that relationship between the customer and the supplier.

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2.3. Customer experience

Meyer & Schwager (2007) find that customer experience is the internal subjective response of the customer to direct or indirect contact with the company's products and services. Therefore, customer experience is both the interaction between the enterprise and the customer and the sum of actions, senses and feelings compared with customer expectations in the exposure process which increase customer satisfaction (Shaw, 2005).

In many studies on the hotel industry, there are aspects within the connotation of the concept of customer experience. Walls (2013) suggested two aspects consisting of experience from physical environment and interaction.

2.4. Customer satisfaction

Customer satisfaction has been proposed extensively in the literature on customer behavior (Fornell, 1992). Satisfaction has been considered the total rating of a product and service over a period of time which is a result of the buying and consuming experience (Anderson, 1994; Oliver, 1999). According to Oliver (1997), customer satisfaction is the response of consumers to satisfaction, which is an evaluation of a product or service to provide a reduction of prices.

Kotler and Keller (2006) argue that customer satisfaction represents the emotional state of pleasure or frustration that a person can feel due to a comparison between perceived value and expected value of productivity performance. Dissatisfied customer is a customer whose expectation exceeds the actual outcome of a service interaction.

Johnson et al. (2001) reviewed the literature on customer satisfaction and came up with two rudimentary concepts of satisfaction such as transaction and cumulative satisfaction. Fornell (1992) showed that cumulative satisfaction was the consumer experience over a period of time in relation to a particular product or service. According to Olsen and Johnson (2003), satisfaction is the assessment of the customer about their experience and response to a transaction.

This study focuses on researching three factors affecting customer satisfaction including service quality, customer commitment and customer experience. Therefore, the research model is proposed.

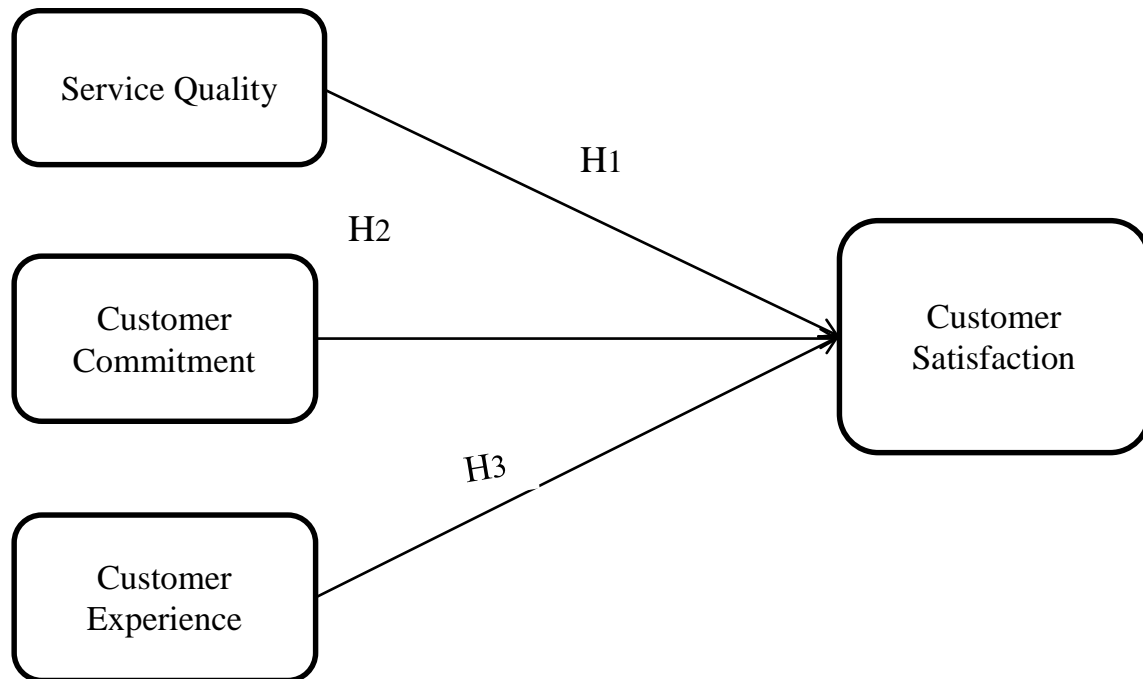


Figure 1: Research model

There are three research hypotheses.

H1: There is a positive relationship between service quality and customer satisfaction.

H2: There is a positive relationship between customer commitment and customer satisfaction.

H3: There is a positive relationship between customer experience and customer satisfaction.

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3. RESEARCH METHODOLOGY

The study conducted a survey on customers who have been using accommodation services at three to five star hotels in Hanoi. The content of the survey was designed with two parts. The first part is to learn about how customers feel about service quality, customer experiences and commitment when staying at hotels in Hanoi. The second part is to describe the client's personal information such as gender, occupation and age.

Because the overall target is too diverse and too large, so this study uses convenient sample selection (non-probability). Specifically, the sample selection is based on the number of three to five star hotels in districts in Hanoi to conduct survey such as Hoan Kiem; Ba Dinh; Nam Tu Liem; Tay Ho. The survey period of the study lasted 10 months (from October 2019 to August 2020) because the covid-19 pandemic interrupted the survey process of the study.

The data collection process is conducted through direct surveys with customers at hotels in Hanoi. The collected data and met the requirements of reliability as well as objectivity for data processing is 491. SPSS 22.0 statistical software is used to process data.

Sample characteristics are described in Table 1, in which the number of surveyed male and female customers is relatively equal, account for 52.7% and 47.3% respectively. About the age, less than 30 years old accounts for 46.2%, followed by from 30 to 39 years old, accounting for 28.1%. About the job, employees and managers account for 31.2% and 31.4%, respectively, followed by other groups of 25.9% and researchers of 11.6%. The participants were very diverse with different nationalities. There is accounted for 45.6% in Vietnam, followed by Asia (29.1%), America (13.1%) and Europe (12%).

Table 1: Sample characteristics

	Number	Percentage (%)
1. District		
Hoan Kiem	126	25.6
Ba Dinh	99	20.1
Tay Ho	123	25.1
Nam Tu Liem	143	29.2
2. Sex		
Male	259	52.7
Female	232	47.3
3. Age		
Less than 30	227	46.2
From 30 to 39	138	28.1
From 40 to 49	86	17.5
From 50 and more than	40	8.1
4. Job		
Employee	154	31.4
Manager	153	31.2
Research	57	11.6
Others	127	25.9
5. Nationality		
Vietnam	224	45.6
Asia	143	29.1
America	65	13.2
Europe	59	12.0

4. RESEARCH RESULT

4.1. Descriptive statistics

* Service quality

Factor of Service quality (SQ) has an average value of 3.67. In general, customers appreciate the service quality in the hotels. In which,

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the variable “Demands are met at an affordable price point” (SQ7),” The hotel instructions are complete and clear” (SQ8) and “Employees take care carefully and sincerely to customer demand” (SQ4) has the highest mean values respectively 3.70, 3.71 and 3.74. The observed variable with the lowest level is “Booking process is simple, accurate and easy” (SQ1) of 3.60.

Table 2: Descriptive statistics of service quality

Service quality	Mean	SD.
SQ1: Booking process is simple, accurate and easy.	3.60	0.81
SQ2: The receptionist worked quickly and professionally	3.66	0.81
SQ3: Employees deal with requests quickly	3.69	0.86
SQ4: Employees take care carefully and sincerely to customer demand.	3.74	0.65
SQ5: Fast and clean room service	3.69	0.82
SQ6: Good restaurant service and abundant menu	3.63	0.87
SQ7: Demands are met at an affordable price point	3.70	0.74
SQ8: The hotel instructions are complete and clear	3.71	0.87

Source: Result from SPSS 22.0

* Customer experience (EXP)

Customer experience (EXP) has the mean value of 3.62. In which, the variable observing “My stay has been well taken care” (COM3) is the highest mean by 3.67. The observed variable which has the lowest mean is “I have good memories” (EXP1) and “My experiences have been positive” (EXP2) with mean value of 3.59.

Table 3: Descriptive statistics of customer experience

Customer experience	Mean	SD.
EXP1: I have good memories.	3.59	0.78
EXP2: My experiences have been positive.	3.59	0.78
EXP3: The hotel has flexibly met my needs.	3.67	0.80
EXP4: My stay has been well taken care.	3.64	0.79
EXP5: Hotel can listen, is polite and I feel relaxed.	3.64	0.79

* Customer Commitment (COM)

The mean value of commitment is relatively high (equal to 3.66). In particular, the observed variable “Customer likes to stay at the hotel” (COM2) and “Customer is interested and continues to stay at the hotel” (COM4) has the highest mean. The observed variable “Customer feels close and attached to the hotel” has the lowest mean with 3.65.

Table 4: Descriptive statistics of customer commitment

Customer commitment	Mean	SD.
COM1: Customer feels close and attached to the hotel.	3.65	0.85
COM2: Customer likes to stay at the hotel.	3.67	0.85
COM3: Customer will not change hotel.	3.66	0.84
COM4: Customer is interested and continues to stay at the hotel.	3.68	0.84
COM5: Customer will not change the accommodation address when arriving in Hanoi.	3.66	0.89

* Customer satisfaction (SAT)

Customer satisfaction has an average value of 3.523. In particular, the variable “Experience at hotel corresponds to expectations” (SAT6) and “The customer satisfied with the hotel” (SAT7) is rated highest with mean of 3.54 and 3.55 respectively. The lowest observed variable is “Hotels in accordance with the needs and styles of customers” (SAT1) with mean by 3.49.

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Table 5: Descriptive statistics of customer satisfaction

Customer commitment	Mean	SD.
SAT1: Hotels in accordance with the needs and styles of customers.	3.49	0.67
SAT2: Hotel meets the needs of customers.	3.53	0.69
SAT3: Hotel has a reasonable price and payment terms.	3.53	0.67
SAT4: Customers likes care program in hotel.	3.53	0.69
SAT5: Hotel is a place of trust and commitment.	3.52	0.67
SAT6: Experience at hotel corresponds to expectations.	3.54	0.69
SAT7: Customer is satisfied with the hotel.	3.55	0.67

4.2. Research on the impact of these factors on customer satisfaction

Testing reliability of variables

All observed variables ensure high reliability because Corrected Item-Total Correlation of all variables is greater than 0.5 and Cronbach's Alpha coefficient is greater than 0.8.

Extracted factor analysis

In table 6, KMO coefficient is by 0.926 greater than 0.5 so that factor analysis is appropriate. The value of Sig. (Bartlett's Test) is of 0.000 (less than 0.05) which indicate that the observed variables are correlated.

Table 6: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.926
Bartlett's Test of Sphericity	Approx. Chi-Square	6065.378
	df	300
	Sig.	.000

Total variance extracted is of 61.226 % greater than 50%. It is that 61.226 % of the variation of the data is explained by three factors. The rotation factor matrix in table 8 reveal that the loading factors are greater than 0.5 and the observed variables are grouped by four factors.

Table 7: Matrix rotation independent variables

Rotated Component Matrix ^a				
	Component			
	1	2	3	4
SQ6	.759			
SQ2	.758			
SQ5	.736			
SQ8	.729			
SQ3	.729			
SQ1	.724			
SQ7	.664			
SQ4	.621			
SAT6		.764		
SAT1		.754		
SAT3		.744		
SAT4		.723		
SAT5		.707		
SAT2		.702		

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SAT7		.675		
COM4			.821	
COM3			.798	
COM2			.789	
COM5			.784	
COM1			.779	
EXP2				.776
EXP1				.755
EXP4				.738
EXP3				.738
EXP5				.674

Correlation analysis

From the table of correlation analysis, the values of Sig. are less than 0.05, indicating that the variables are correlated. Correlation coefficients are positive, so the correlation between the variables is positive.

Table 8: Correlation analysis

		f_SQ	f_COM	f_EXP	f_SAT
f_SQ	Pearson Correlation	1	.214**	.335**	.570**
	Sig. (2-tailed)		.000	.000	.000
	N	491	491	491	491
f_COM	Pearson Correlation	.214**	1	.301**	.272**
	Sig. (2-tailed)	.000		.000	.000
	N	491	491	491	491
f_EXP	Pearson Correlation	.335**	.301**	1	.470**
	Sig. (2-tailed)	.000	.000		.000
	N	491	491	491	491
f_SAT	Pearson Correlation	.570**	.272**	.470**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	491	491	491	491

** . Correlation is significant at the 0.01 level (2-tailed).

Analysis of multiple regression

In table 10, the Sig value of the ANOVA test is less than 0.05, showing that the variables used in the model are appropriate.

Table 9: Analysis of multiple regression

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	58.360	3	19.453	117.419	.000 ^b
	Residual	80.684	487	.166		
	Total	139.044	490			
a. Dependent Variable: f_SAT						
b. Predictors: (Constant), f_COM, f_SQ, f_EXP						

The results found that the values of Sig in three factors are less than 0.05. As a result, all factors affect customer satisfaction. In which, service quality has the strongest impact on customer satisfaction, followed by the customer experience and commitment.

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Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.893	.148		6.023	.000
	f_SQ	.397	.032	.454	12.290	.000
	f_EXP	.255	.033	.292	7.711	.000
	f_COM	.068	.028	.087	2.394	.017

a. Dependent Variable: f_SAT

The value of adjusted R² is 0.416, proving that the model explains 41.6% of the influence of the independent variables on the SAT variable.

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.648 ^a	.420	.416	.40703	1.822

a. Predictors: (Constant), f_COM, f_SQ, f_EXP
b. Dependent Variable: f_SAT

5. CONCLUSION

Currently, customer satisfaction has a significant influence on the performance and is an important factor for competition hotel industry. Customers always want that in a certain period of time, they can be served quickly, conveniently, easily, and fully. To meet the increasing needs of customers, the hotel needs to develop customer loyalty with some of the following main solutions:

Firstly, constantly training and fostering a contingent of offices and employees with new technology, consistent with the level of countries in the region and the world. Improving customer service methods, increase professionalism in all stages and activities.

Secondly, the enterprises in the hotel industry need to offer suitable and diverse prices for each type of customer towards fairness in prices. At the same time, diversifying forms of payment facilitates the best process of customers during their stay at hotels.

Thirdly, the hotels should improve and diversify the promotions for loyal customers to create trust for customers during the process of using services next time.

Finally, enhancing the diversity, specialize products and services, create a unique national culture to make a difference in products, maintain prestige and build brand name. In particular, for large-scale hotels, it is necessary to focus on improving the quality of facilities and service quality to create more accommodation establishments which has a strong brand name and is able to compete in the region.

The findings of this study contribute to broadening understanding of customer satisfaction and factors affecting customer satisfaction including quality of service, customer commitment and experience. The results also contribute to suggestions for businesses in the hotel industry to have an appropriate investment to maintain and develop customer satisfaction.

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