

FACTORS AFFECTING CUSTOMER SATISFACTION IN HOTELS AT THANH HOA PROVINCE, VIETNAM

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SUMMARY

Although researches on the customers' satisfaction in the world are abundant but in the field of hotel industry in Thanh Hoa is very little. This is the first official study in Thanh Hoa on the influence of factors on customer satisfaction in hotel services at Thanh Hoa. Through a 380 respondents of the survey, the test results show that Tangible and Intangible elements of Service Quality, Perceived value, Brand image, Customer Relationship Management have a positive impact on Satisfaction. Of which, intangible is the element that has the strongest influence on customer satisfaction, followed by Tangible elements, Brand image, Perceived Value, and finally Customer Relationship Management. In addition, foreigners, over 7-day-staying duration and higher education customers tend to be more satisfied than other groups, which help to suggest important and appropriate solutions for hotels in Thanh Hoa province.

Key words: *factors; customer; satisfaction; hotels; Thanh Hoa; service.*

INTRODUCTION

Thanh Hoa is the province that have full of potentials for developing tourism industry, bringing the good revenue for local economic development and improve the citizens' living conditions. In the period 2011-2015, the province has welcomed over 21 million visitors, the average growth rate of over 13% per year, up from the national average (8.6% per year). Total revenue from tourists is estimated at VND 16,715 billion, a growth rate of 27.4% per year. In 2016, Thanh Hoa received 6,250,000 visitors with total tourism revenue reaching 6,250 billion VND. By 2020, it will receive over 11,200,000 visitors [1]. In term of accomodation service, by 2016, Thanh Hoa province has nearly 700 establishments with 20,000 rooms, ranked number 6 in the country, of which 154 hotels were starred and 419 establishments met national requirements [2]. This opens up the opportunity for businesses in the field of tourism to approach exploitation in the future. The issue for the Thanh Hoa tourism, especially the hotel business, is how to satisfy existing customers and attract future customers to maintain this positive growth. The fact that providing good services quality

not only gives enterprises a special competitiveness, but also enhances the position and image in the market and occupies customer satisfaction in the situation that keeping an old customer costs five times less than finding new customers in the current fierce competition [3], [4]. Meanwhile, satisfaction is one of the most important factors for attraction of customers [5]. With a preliminary view on characteristics, limitations of hotels, and the lack of related studies in Thanh Hoa, the research "*Factors affecting customer satisfaction in hotels at Thanh Hoa province, Vietnam*" was aimed at finding out factors that had affect to satisfaction in thirteen 3 to 5 – star hotels at Thanh Hoa, the level of impacts and proposing appropriate solutions for the improvement of customers' satisfaction.

Customer satisfaction and influence factors

Customer satisfaction is the evaluation after using of the service [6]. It is an effective attribute of emotional response through which customers know their needs and expectations. Customer satisfaction plays an important role because it affects the long-term growth of profitability [7].

The measurement of customer satisfaction has attracted many research authors from years. In the field of tourism and hospitality,

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hospitality is the most influential factor in determining satisfaction for both Asian and Western tourists. Asian travellers are more interested in value, while Western travellers concerned more about security and safety [8]. A research of relationship between Hotel Ratings, Service Quality, Customer Satisfaction and Loyalty at Ethiopian Hotels concluded that there are significant relationships between these concepts [9]. Customer satisfaction depends not only on the ratings of hotels but also rely heavily on the quality of hotel services, which providing positive value perception to customers [10],[11]. A study in Egypt concluded that customer satisfaction depended tourism services, levels of customer satisfaction to the hotel's services, value related to services' prices, accommodations, internal transportation, and suitable prices [12]. Other study agreed on the point that service quality and service features played an important role in augmenting satisfaction [13]. In Vietnam, empathy and assurance, tangibility and hotel image directly affected customers' satisfaction [14]. Data collected from 432 guests of 33 three-star hotels in Vietnam in 2013 indicate that factors of Service Quality (Reliability, Responsiveness, Assurance, and Empathy) significantly impact on the customer satisfaction [15]. Nham (2014) confirmed this relationship on 5 star hotels using SERVPERF model as a conceptual framework [16].

Research Model

The relationship between factors as perceived

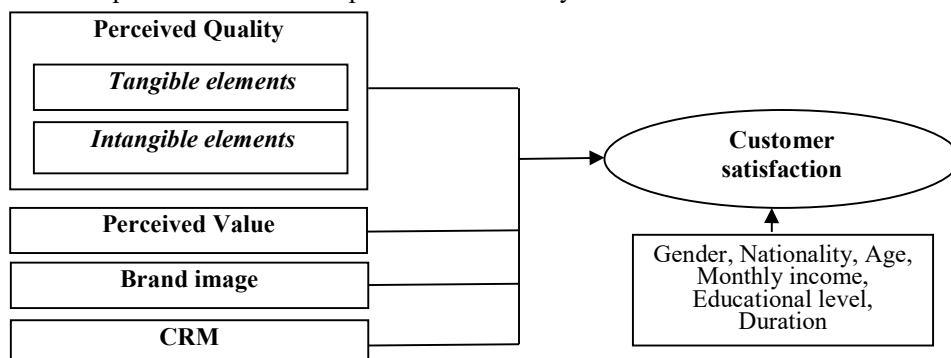


Figure 1. Research model

quality, perceived value, brand image, customer relationship management with customer satisfaction is very complex [17]. However, this study has considered the relationship between five independent factors (on the left side) and customer satisfaction factor (dependent factor on the right side). The research also proposed the impact of some demographic characteristics such as gender, nationality, income, age, education level and duration to the satisfaction of customers using hotels in Thanh Hoa province (Figure 1).

RESEARCH METHOD

The research used both quantitative and qualitative methods. Qualitative data was collected from secondary sources of hotels and departments. For quantitative data, the model identified 29 variables, so, the sample size must be at least $29 * 5 = 145$ [18]. In this study, the author surveyed 25 clients of each 13 hotels from 3-5 stars, so the number of sample according to experiential method should be 325. Excluding ineligible answers, the researcher decided to choose the number of the questionnaire is 400. The researcher used quota sampling technique to divide questionnaires for 13 hotels, and then continued to use the convenient sampling method to select the customers [19]. Three hundred and eighty valid respondents have met the criteria: (1) over 18 years old; (2) have used the services in the last 6 months. The survey was done in two forms: direct questionnaires and e-mail surveys. Statistical analysis tool was SPSS 20.

RESULTS AND DISCUSSTION

Respondents of the study

Respondents			Respondents			Respondents				
	Total	In %		Total	In %		Total	In %		
Gender	Male	243	63.9	Lam Kinh	54	14.2	Job related	153	40.3	
	Female	137	36.1	Thien Y	47	12.4	Purpose Entertain	227	59.7	
	Total	380	100	M. Thanh	51	13.4	Total	380	100	
National-ity	Vietnamese	251	66.0	Anh Phat 2	20	5.3	3 stars	151	39.7	
	Foreigner	129	34.0	Sao Mai	25	6.6	Type of hotel	4 stars	204	53.7
	Total	380	100	Phu Dong	26	6.8	5 stars	25	6.6	
Educa-tion level	Post graduate	57	15.0	Hotel name Phonenix	20	5.3	Total	380	100	
	Bachelor	198	52.1	Bien Nho	20	5.3	Relative	126	33.2	
	Lower	125	32.9	VDB	20	5.3	Website	114	30.0	
	Total	380	100	Van Chai	21	5.5	Infor-mation channel	Business Telephone	41	10.8
Occu-pation	Employed	180	47.4	Viet Hung	20	5.3	Brochure	23	6.0	
	Self-employed	106	27.9	DragonSea	31	8.1	Different	38	10.0	
	Unemployed	39	10.3	FLC SS	25	6.6	Total	380	100	
	Students	49	12.9	Total	380	100	Entire of service	195	51.3	
	Different	6	1.6	1 night	104	27.4	Part of service	185	48.7	
Monthly income	< 5 mil VND	38	10.0	Durat-ion	2-4 nights	118	31.1	Service Forms		
	5-10 mil VND	153	40.3	5-7 nights	50	13.2				
	>10 mil VND	189	49.7	>7 nights	108	28.4				
	Total	380	100	Total	380	100	Total			

Findings

Description Analysis

The results show that customer item ratings are in the range of Fair to Good. The highest average value is the hotels’ tangible element (3.53) and the lowest values are Intangible elements (3.37). About the tangible facilities, customers appreciate the availability and the full range of equipments and additional services, due to the reason that the hotels from 3 to 5 stars in Thanh Hoa province are almost new, which were built in the last five years. In term of *Intangible elements and Brand Image*, customers only evaluated these factors at the medium level. In general, customers are fairly satisfied with the services of 3-5 star hotels in Thanh Hoa.

Reliability of the scale

Table 1 shows the test reliability of the scale after EFA step. The result shows that the scales both have a reasonable strong Cronbach's Alpha coefficient. The Corrected item - Total correlation of items are all more than 0.3.

Table 1. Results of Cronbach's alpha testing

Code	Items	C. Alpha if Item Deleted	C. Alpha of group
INTAG1	Hotel staffs are well knowledgeable about services	.862	.87
INTAG2	The assurance of safety is made by hotels’ staffs	.837	
INTAG3	The staffs of the hotel gives the customer confidence	.847	
INTAG4	The staff of the hotel is very enthusiastic and friendly	.825	
INTAG5	The hotel has provided the right service as promised	.842	
INTAG6	Customers are always fully provided with information	.869	
TAG1	The hotel has full of facilities for clients	.829	.841
TAG2	Availability of added services	.778	
TAG3	The good physical features of the hotel	.800	
TAG4	The hotel have modern equipments	.796	
TAG5	The attractiveness of the lobby area	.839	
CRM1	Hotel has quick and convenient service procedures	.740	.805

Code	Items	C. Alpha if Item Deleted	C. Alpha of group
CRM2	Hotel provides service in line with customer's demand and personalization	.724	
CRM3	Hotel has small souvenir for guests	.777	
CRM4	Good customer information security system	.803	
CRM5	Hotel staff always call to inquire about the satisfaction	.785	
VALUE1	Price corresponds to the quality of service	.665	
VALUE2	Hotel services prices are competitive	.653	.771
VALUE3	The prices of hotel services are diversified	.755	
BRA1	The brand of the hotel impresses customers	.599	
BRA2	The hotel brand is easily recognizable	.530	.689
BRA3	I easily imagine its characteristics	.652	
SATIS1	I am completely satisfied with the services	.824	
SATIS2	Hotel services meets my expectations	.811	
SATIS3	I feel very happy to use the hotel services	.795	
SATIS4	I will recommend to acquaintances	.803	.839
SATIS5	I have positive statements about the hotel	.793	
SATIS6	Hotel is the first choice I think of	.828	
SATIS7	I will continue to use the hotel's services in the future	.821	

Exploratory Factor Analysis - EFA

The study conducted the EFA for 22 items of 5 factors. The results showed that KMO = .824; Bartlett's Test = 3392.354 with Sig = 0.00 < 0.05, it means that the application of EFA in the study is appropriate. Moreover, factors have the Eigenvalue >1, which explains greater than 50% (62.096%) of the variables, the observed variables are grouped exactly as the initial scale (Table 2).

Table 2. Rotated Matrix of factors

	Factor				
	1	2	3	4	5
INTAG4	.853				
INTAG2	.789				
INTAG5	.743				
INTAG3	.700				
INTAG1	.604				
INTAG6	.567				
TAG2		.845			
TAG4		.734			
TAG3		.723			
TAG1		.570			
TAG5		.563			
CRM2			.854		
CRM1			.796		
CRM3			.583		
CRM5			.556		
CRM4			.519		
VALUE2				.777	
VALUE1				.735	
VALUE3				.609	
BRA2					.769
BRA1					.565
BRA3					.527

Table 3. Verification of the fit of the model

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.722 ^a	.522	.515	.503	1.713

Regression analysis

According to the results of the correlation, independent variables are correlated with the dependent variable. To assess the impact of each factor on the customer satisfaction at the hotel, the author uses a multivariable regression model. After running SPSS 20 software, the result is as Table 3.

Test F shows the significance level (Sig. = 0.000) and R Square = 0.522 (Adjusted R Square = 0.515) demonstrates the suitability of the model, which is more than 50% of service satisfaction was explained by 5 independent variables. The Durbin-Watson coefficient = 1.713 (> 1) indicates that there is no autocorrelation between variables. The results of multiple regression analysis showed the importance of each factor, which was depended on the standardized Beta. The impact level of each factor are as order: Intangible ($\beta = 0.271$); Tangible ($\beta = 0.259$); Brand image ($\beta = 0.251$); Perceived value ($\beta = 0.193$); Customer Relationship Management ($\beta = 0.169$). The differences in term of demographic variables after testing T-test and Anova also revealed that foreigners, higher education customers and over 7 day-staying customers tend to be more satisfied to the hotels than the others, which may suggest important and appropriate solutions for hotels in Thanh Hoa province for this market share.

Discussion

In the Thanh Hoa province market, according to the results, satisfaction of customers to the hotels' brand is fair. This can be explained by the fact that hotels mostly have been newly built in recent years so they have not had strong brand image enough. Because of the new operation, the facilities and equipment of the hotels now are very new and modern. However, in the future time, hotels must have more strategy to upgrade and replace old facilities and equipments because technology must be updated time by time. In terms of human resource quality, it can be found that the number of unskilled staffs is high, especially in some hotels, where unskilled workers account for one-third or even a half of the workforce. This is a great challenge for tourism businesses in particular and hotel business in Thanh Hoa province in general. The results of this study are consistent with previous research findings in the service

sector, particularly hotel services: tangible and intangible elements of service quality [20], value [21], brand image [22], customer relations are mutually connected [23]. At the same time, service quality is the most important factor influencing customers' satisfaction.

CONCLUSION, LIMITATION AND IMPLICATION

By a survey of 380 customers in Thanh Hoa, the research has demonstrated the influence of Tangible, Intangible elements, Perceived Value, Brand Image and Customer Relationship Management to Customer Satisfaction, of which Service Quality has the most impact. In addition, the study found that foreign customers and high education level customers tend to be more satisfied to the hotels than the other, which may suggest important and appropriate solutions for hotels in Thanh Hoa province for this market share.

Based on the research results, in order to improve customer satisfaction, 3 to 5-star hotels in Thanh Hoa province should focus on improving service quality as it is the strongest factor impact on customer's adjustment. The other important factor to focus on is the improvement of human resource factor through the provision of short-term and long-term training programs, the process of recruiting, using and educating hotel staffs so that they can provide customers with the most complete, timely and accurate information on the services provided by hotels. In addition, hotel businesses need to set competitive and diversified prices to the needs of customers; improve brand image through promotion strategy, diversification and differentiation strategy to connect with new customers through an effective CRM strategy.

Although the research has met the initial objectives to find the influence of factors to the satisfaction of customers in Thanh Hoa province, the research cannot avoid some limitations about sample and sample size. Further studies should be performed on a more diversified type of hotels or on a larger sample scale, enhancing the overall scope of the subject. Researchers also can integrate other internal factors (such as corporate strategy) and external factors (such as local economic development and local tourism policies) to test more hypotheses with more factors affecting to customer satisfaction.

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TÓM TẮT

NGHIÊN CỨU NHÂN TỐ ẢNH HƯỞNG ĐẾN SỰ HÀI LÒNG CỦA KHÁCH HÀNG SỬ DỤNG DỊCH VỤ KHÁCH SẠN TẠI THANH HÓA, VIỆT NAM

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Mặc dù các nghiên cứu về sự hài lòng của khách hàng trên thế giới rất phong phú nhưng trong lĩnh vực khách sạn ở Thanh Hóa rất ít. Đây là nghiên cứu chính thức đầu tiên ở Thanh Hóa về ảnh hưởng của các yếu tố đến sự hài lòng của khách hàng đối với các dịch vụ khách sạn ở Thanh Hóa. Thông qua 380 khách hàng tham gia cuộc khảo sát, kết quả kiểm định cho thấy các yếu tố vô hình và hữu hình của chất lượng dịch vụ, giá trị cảm nhận, hình ảnh thương hiệu, quản lý quan hệ khách hàng đều có tác động tích cực đến sự hài lòng của khách hàng. Trong đó, yếu tố chất lượng vô hình là yếu tố có ảnh hưởng mạnh nhất đến sự hài lòng của khách hàng, theo đó là các yếu tố hữu hình, hình ảnh thương hiệu, giá trị cảm nhận và cuối cùng là quản lý quan hệ khách hàng. Ngoài ra, nghiên cứu cho thấy khách hàng nước ngoài, khách hàng lưu trú trên 7 ngày và khách hàng có trình độ giáo dục đại học có xu hướng hài lòng với các dịch vụ khách sạn hơn so với các nhóm khác, giúp đưa ra các giải pháp quan trọng và thích hợp cho các khách sạn ở tỉnh Thanh Hóa.

Từ khóa: Nhân tố; sự hài lòng; khách hàng; dịch vụ; khách sạn; Thanh Hóa.

Ngày nhận bài: 06/4/2018; Ngày phản biện: 03/5/2018; Ngày duyệt đăng: 29/6/2018

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