

# The Influence of Customer Satisfaction as a Mediator in Transmitting Integrated Marketing Communication and Service Quality on 5-Star Hotel Guests Repurchases in Phetchaburi Province, Thailand

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This study was developed to (1) determine the level of integrated marketing communication, service quality, customer satisfaction and repurchases, (2) investigate the effects of customer satisfaction as a mediator in transmitting integrated marketing communication on repurchases and (3) examine the effects of customer satisfaction as a mediator in transmitting service quality on repurchases. This research involved quantitative research and employed survey research methodology. The sample consisted of 400 guests for 5-star hotels in Phetchaburi province, Thailand. The developed questionnaires were implemented as a research tool. The collected data was analysed based on descriptive statistics by using percentage, mean, and standard deviation, as well as inferential statistics by using structural equation modelling. The results showed that integrated marketing communication, service quality, customer satisfaction and repurchases as a whole were at high level with the average values of 3.789, 3.777, 3.755 and 3.703 respectively. Customer satisfaction was found to be a moderator between integrated marketing communications on repurchases. In addition, customer satisfaction was also founded to be a moderator between service qualities and repurchase.

**Key words:** *Customer Satisfaction, Integrated Marketing Communication, Service Quality, Repurchase*

## Introduction

Currently, the Thai tourism industry plays a crucial part in triggering revenue for the country (Praneetham et al., 2016). This is because Thailand consists of rich cultures, various and exotic landscapes and has a centric location. Thailand becomes a gateway to other AEC countries. Phetchaburi is one of the most famous provinces in Thailand. It is located in the central region of Thailand, quite south. It is approximately 120 kilometres from Bangkok (the capital city of Thailand). The provincial shape is almost square. That is, the widest part from the east to the west is approximately 103 kilometres long and 80 kilometres from the north to the south. For the territory of Phetchaburi province, it is connected with the Ratchaburi and Samut Songkhram provinces to the north, Prachuap Khiri Khan province in the south, the coast of the Gulf of Thailand and Prachuap Khiri Khan province in the east, and the Socialist Republic of the Union of Myanmar in the west. Phetchaburi province has a long history and has many famous tourist attractions such as Cha-Am beach, Puktean beach, Chao Samran beach, Luang cape and Kaeng-Krachan dam. Also, this province is a prime spot for seafood. Numerous tourists have visited this province each year because the Phetchaburi destination is near the central tourism region. In addition, the Tourism Authority of Thailand has set tourist activities and projects concerning the cooperate governance-approach in motion, for example, there is the Wonderous Forest Project (at Kaeng-Krachan forest), Saksit River Project (at Phetchaburi river) and Following the King's Wisdom Projects. Almost 220 Royal-initiated projects proceeded the Pracharath-Phetchaburi Social Enterprise, which promoted WithiKleua community-based travelling and the Sea of Mist viewing at Panoen-Thung Mountain. These lead Phetchaburi to become a suitable province to travel and recreate because its location is close to Bangkok. Moreover, tourism might be in an upward trend because investors are increasingly funding resources in hospitality businesses. This has necessitated that the hospitality industry cater for the growing number tourists in terms of accommodation. It also drives the innovations of hospitality businesses to increase their competitiveness. Particularly affected are 5-star hotels where the customers expect a great quality of services as standard.

From these problems, it was indicated that competition in the hospitality business of Thailand is rising. This has caused many hospitality managers to adopt various strategies which create service quality in order to obtain customer satisfaction, leading to a competitive advantage over their competitors and market share gains. Thus, the researchers attempted to investigate the influence of customer satisfaction as a mediator in transmitting integrated marketing communication and service quality on 5-Star hotel guests' repurchase in Phetchaburi province in order to ensure that hotel managers realise the importance of service quality, and supply a suitable service to their customers, creating a competitive advantage among other players in ASEAN regional trade liberalization countries.

## Research Objectives

- (1) To determine the level of integrated marketing communication, service quality, customer satisfaction and repurchase of 5-star hotel guests in Phetchaburi province.
- (2) To investigate the effects of customer satisfaction as a mediator in transmitting integrated marketing communication on repurchase of 5-star hotel guests in Phetchaburi province.
- (3) To examine the effects of customer satisfaction as a mediator in transmitting service quality on repurchase of 5-star hotel guests in Phetchaburi province.

## Expected Outcomes

- (1) To gain insights about integrated marketing communication strategies contributing to service quality improvement, which could increase the competitive advantages of 5-star hotel businesses in Phetchaburi province.
- (2) To understand customer repurchasing, and present this understanding to hotel managers in order to develop service quality and customer satisfaction and, in turn, enhance 5-star hotel businesses guests repurchase in Phetchaburi province.

## Scope of the Study

The study involved quantitative research. The samples of this research were 5-star hotel guests in Phetchaburi province. By using Yamane's formula (Yamane, 1973) to calculate the sample size, a 95% confidence level with error tolerance of  $\pm 5\%$  was adopted. From the formula, the sample size was 400 guests. Respondents were selected throughout using stratified random sampling and simple random sampling.

## Literature Review

This research examined literature on integrated marketing communication, service quality, customer satisfaction and repurchasing. Their definitions are described below.

***Integrated marketing communication (IMC)*** is an approach that is of increasing interest as a new communication strategy and is extensively used in numerous businesses to reach the target group of the audience, and convey a positive image to customers. Accordingly, Sirgy (1998) divided integrated marketing communication into 2 distinct elements: (1) the continuity of integrated marketing communication, which is comprised of 2 subdomains - namely, physical and psychological continuity, and (2) the strategic orientation. A great number of studies have paid attention to the characteristics of integrated marketing communication. Gounaris, Dimitriadis and Stathakopoulos (Gounaris et al., 2010), for instance, suggested that integrated

marketing communication can influence customer satisfaction and loyalty. Therefore, as Schultz (Schultz, 1993) noted, integrated marketing communication should provide a combination of approaches and consistent message deliveries. Similarly, Schamann, Dyer and Petkus (Schamann et al., 1996) pointed out that organisations could endorse their integrated marketing communication campaigns through various activities, i.e. advertising, sale promotion, personal selling, public relations and building the brand image, etc. Given the above-mentioned foundation, the researchers hypothesised that:

**Hypothesis 1 (H1):** Integrated marketing communication will have an influence on customer satisfaction.

**Hypothesis 2 (H2):** Integrated marketing communication will have influence on repurchase.

*Service Quality (SQ)* is defined as excellent service that meets customers' expectations or that created satisfying outcomes for their customers. Service quality thus is a prerequisite for competitive advantages in the service businesses. The customers' satisfaction level depends upon the quality of services, and the ability to inspire confidence in the customers - via implementing services that exceed the guests' expectations. Moreover, Bitner (Bitner, 1995) commented that service quality is the gap between perceived services (or perceptions of the services) and the expectation of services of the customers. Thus, to satisfy customers, the question is whether service providers can meet or surpass the customers' expectations. Dotchin and Oakland (Dotchin and Oakland, 1994) also revealed that service quality that matched or outpaced customers' desires, caused satisfaction and repurchases. In additional, Zeithmal, Berry and Parasuraman (Zeithmal et al., 1996) stated that service quality could be described as the extent of customers' evaluation toward the perceived values of goods and services. Overall, high-quality services that matches the customers' expectations could increase their intentions to repurchase, and whether other service providers might attempt to attract through sale promotions or not. Also, Parasuraman, Berry and Zeithaml (Parasuramen et al., 1991) indicated that service quality is the evaluations of the customers' attitudes toward excellence in service, which, in turn, dictates their decisions. Service quality can be categorised into 5 elements: (1) tangible, (2) reliability, (3) responsiveness, (4) assurance and (5) empathy. These concepts suggest that the quality of services is urgent and may differentiate great service providers from their competitors. Customers would not only be satisfied if they have a favourable perception of the received services but would also generate repurchase through word-of-mouth. Consequently, based on the previously mentioned details, the following hypotheses were generated and tested in the present study:

**Hypothesis 3 (H3):** Service quality will have an influence on customer satisfaction.

**Hypothesis 4 (H4):** Service quality will have an influence on repurchase.

**Customer satisfaction (CS)** is a fundamental factor and could be understood as the results of service planning and implementations, both in emotional and expectancy responsiveness (Kuo and Tang, 2013), causing repurchase intentions (Weiwei, 2007). Kotler and Armstrong (Kotler and Armstrong, 2008) further explained that customer satisfaction is a feeling, both positive and negative, that customers experienced after evaluating their experiences in view of their expectations. In theory, customer satisfaction is primarily influenced by an overall quality expectation providing by the services (Oliver and DeSarbo, 1988). Customer satisfaction influences the linkage between the processes of customer purchasing (Churchill, 1982). Thus, this factor could boost customer loyalty (Zeithaml et al., 2009). Once the customers are satisfied with the received services, positive feelings emerged - encouraging them to continue using them (Taghizadeh and Panahi, 2013). Furthermore, customer satisfaction could impact word-of-mouth (Hsu, 2018) and repurchase (Liang et al., 2018). Normally, efficient organisations would have high-quality services, resulting in higher satisfaction of the customers and a higher tendency to repurchase. As Kuo and Tang (2013) mentioned, service operations necessitate customer-oriented marketing strategies and services that delight their customers. From the above-mention statements, the researchers thus have the hypotheses as followed:

**Hypothesis 5 (H5):** Customer satisfaction will have an influence on customer satisfaction.

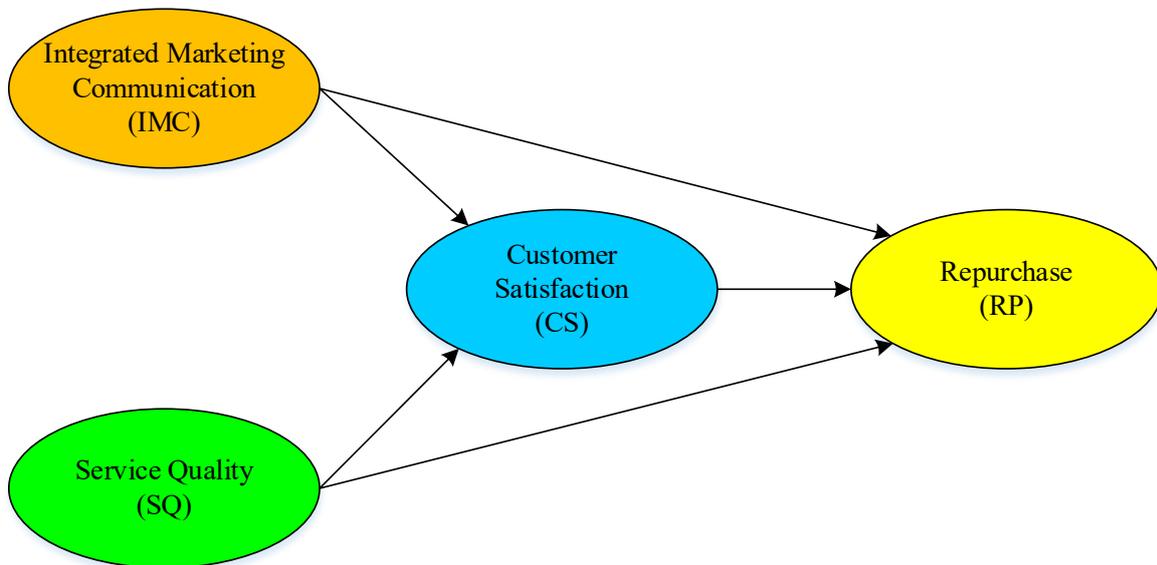
**Hypothesis 6 (H6):** Customer satisfaction will have a mediating effect between the influence of integrated marketing communication on repurchase.

**Hypothesis 7 (H7):** Customer satisfaction will have a mediating effect between the influence of service quality on repurchase.

**Repurchase (RP)** refers to customers re-buying or re-ordering the product or service in the future (Anderson et al., 1994). Hellier, Geursen, Carr and Rickard (Hellier et al., 2003) stated that repurchase could also account for an individual's intention to repeat purchases with the same service providers and organisations. Similarly, Cronin, Brady and Hult (Cronin et al., 2000) also mentioned that repurchase reflects customers' satisfaction toward usage experiences increasing purchases, and the likelihood that these experiences will be shared with others. In addition, Zenithmal, Berry and Parasuraman (Zenithmal et al., 1996) argued that repurchase is the response of customers intending to repeat buy goods and services in future attempts. This decision is influenced by various elements: such as, brand equity which draws positive interactions from its customers through lower-price products (Calik et al., 1997). Gounaris, Dimitriadis and Stathakopoulos (Gounaris et al., 2010) mentioned that repurchase is applied when customers consider and decide to repeat purchases across a period of time: resulting in buying from their specific service providers. As such, repurchase may reflect trustworthiness in services and satisfied prior experiences (Anderson, 2006).

Based on the literature review above on service quality, customer satisfaction, and repurchase, the researchers summarised and developed this conceptual framework in Figure 1.

**Figure 1:** Proposed Conceptual Framework



### Research Methodology

This proposed study involved quantitative research by using questionnaires as instruments in data collection. Thus, the instruments were designed based on existing related conceptual ideas and researches. The researchers accomplished this by employing as follow:

- (1) Populations of this research were 5-star hotel guests in Phetchaburi province.
- (2) Samples of this research included 400 5-star hotel guests who were waiting for check out in the lobby.
- (3) Questionnaires were employed as the measurement instruments in this study and were separated into 5 parts: part 1 consisted respondents' personal characteristics, while part 2 to part 5 assessed respondents' agreement toward questions on integrated marketing communication, service quality, customer satisfaction and repurchase. All items were rated on 5-point Likert's scale (Likert, 1932).
- (4) The researchers conducted quality testing in the mentioned questionnaires before data collecting. The process consisted of 2 phases: (1) content validity of test items was demonstrated to test the items inclusiveness in the assigned variables, throughout the index of item-objective congruence (IOC.) All items that exceeded 0.5 were considered valid and used

in the questionnaires and the reliability of the questionnaire was tested by calculating Cronbach's Alpha coefficient. The Cronbach's Alpha value was 0.939.

(5) The researchers collected data from 5-star hotel guests in Phetchaburi province. 400 questionnaires were dispatched in total. The returned questionnaires were verified, encoded, and analysed by using the selected statistics.

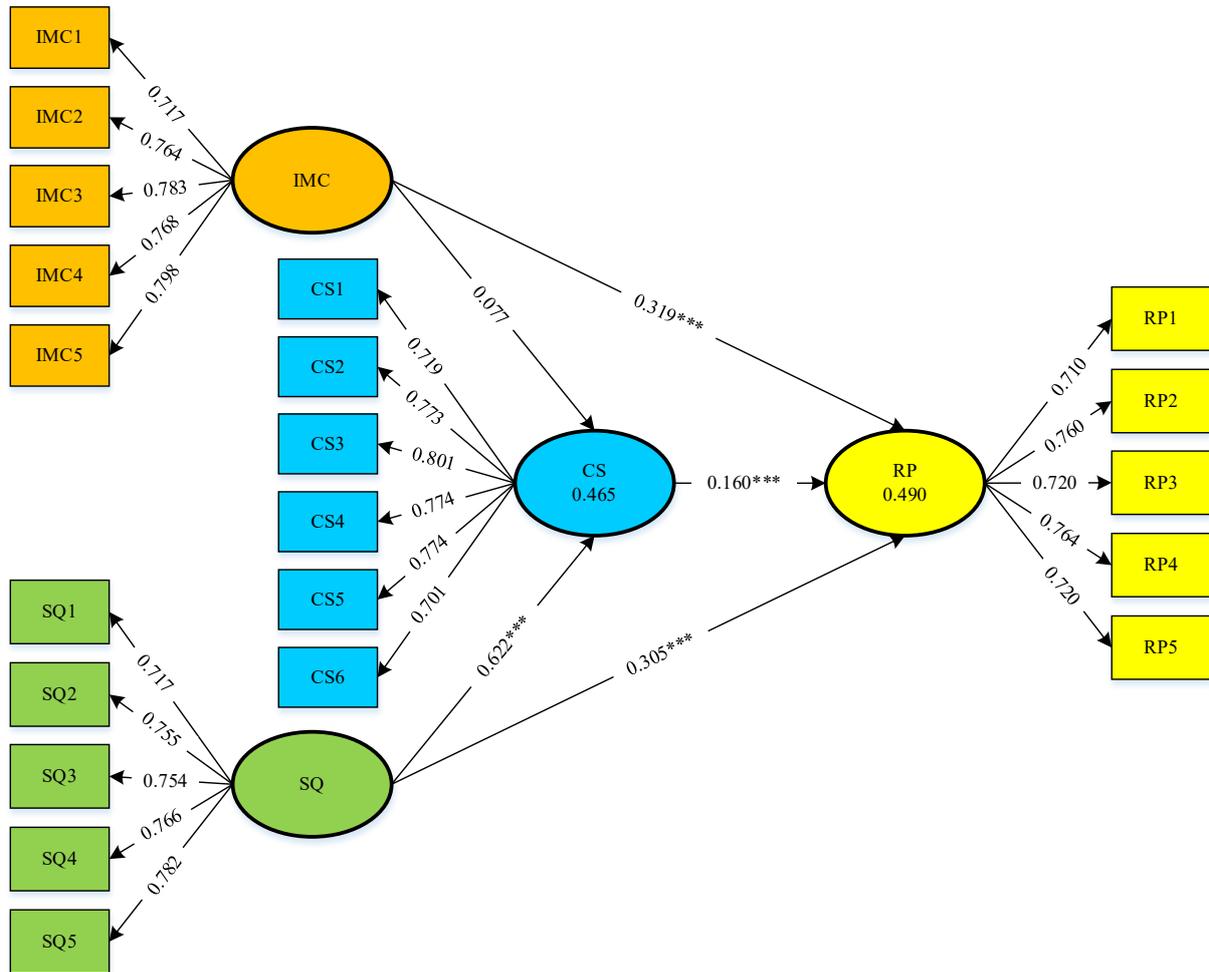
(6) Finally, the researchers had employed data analysis via a statistical software application. Respondents' personal information was analysed by using a percentage. The level of integrated marketing communication, service quality, customer satisfaction and repurchase was analysed by using descriptive statistics - percentage, mean and standard deviation. For the causal relationship between the variables, the researchers adopted inferential statistic and structural equation modelling (SEM), by using a statistical software application.

## Results

(1) From the returned questionnaires, the results of the demographic data showed that 65.00% of the respondents were female. 42.00% of the respondents were in an age group between 41 and 50 years old. 58.00% of the respondents were married. 32.80% of the respondents had income between 40,001 – 60,000 Bath per month. Besides, 54.80% of the respondents were reported that they get hotel service once a week.

(2) The results concerning the level of integrated marketing communication, service quality, customer satisfaction and repurchase in this study showed that the level of the variables as a whole were high. Overall, the mean score of these variables was 3.75 with the standard deviations (SD) of 0.582. Service quality was 3.789 with the standard deviation of 0.650, which was the highest mean score. It was followed by integrated marketing communication (mean = 3.777, SD = 0.677), customer satisfaction (mean = 3.7555, SD = 0.730) and repurchase (mean = 3.703, SD = 0.622), respectively. The analysis of the SEM revealed that there were significant relationships in both direct and indirect effects between the variables as demonstrated in Figure 2.

**Figure 2:** Path Coefficients of the Structural Equation Model



Referring to Figure 2, the results indicated that (1) repurchase was directly affected by both integrated marketing communication and service quality with 0.319 and 0.305, respectively. Customer satisfaction was noted to have an impact on repurchase (0.160), while integrated marketing communication and service quality also had an indirect effect on repurchase with 0.012 and 0.099, respectively. (2) Integrated marketing communication and service quality were found to directly impact customer satisfaction with 0.077 and 0.622, respectively. Results as mentioned above are illustrated in Table 1.

**Table 1:** Coefficients of the Variables on Repurchase

Latent Variable	Variance (R <sup>2</sup> )	Effect	IMC	SQ	CS
Repurchase (RP)	0.490	DE	0.319	0.305	0.160
		IE	0.012	0.099	0.000
		TE	0.331	0.030	0.160
Customer Satisfaction (CS)	0.465	DE	0.077	0.622	0.000
		IE	0.000	0.000	0.000
		TE	0.077	0.622	0.000

Note: DE = Direct Effect, IE = Indirect Effect, TE = Total Effect

**Table 2:** Results for Hypothesis Testing

Research Hypothesis		Coefficient (Coef.)	t-test	Results
H1	IMC → CS	0.077	1.066	Not supported
H2	IMC → RP	0.319***	4.986	Supported
H3	SQ → CS	0.622***	9.991	Supported
H4	SQ → RP	0.305***	5.100	Supported
H5	CS → RP	0.160**	2.152	Supported

Note: IMC = integrated marketing communication, SQ = service quality, CS = customer satisfaction, RP = Repurchase

\*  $p \leq 0.10$  or  $t\text{-value} \geq 1.65$

\*\*  $p \leq 0.05$  or  $t\text{-value} \geq 1.96$

\*\*\*  $p \leq 0.01$  or  $t\text{-value} \geq 2.58$

(1) The results revealed that there were several path coefficients as shown in Table 2. From the Table 2, it could be suggested that (1) the integrated marketing communication influenced customer satisfaction, but not repurchase, with the  $t$ -value of 1.066 and 4.986, respectively; (2) service quality had an impact on custom satisfaction and repurchase, with the  $t$ -value of 9.991 and 5.100 respectively; and (3) customer satisfaction had an impact on repurchases with the  $t$ -value of 2.152.

(2) The results of the analysis of the mediation variables, which were the variables causing an intervention in the relationship between independent variables, were demonstrated in Table 3. It was found that the effect of customer satisfaction had the absence of zero between the Boot lower level confidence interval (Boot LLCI) and the Boot upper level confidence interval (Boot ULCI), suggesting that customer satisfaction was correlated with the effect of integrated marketing communication and service quality on repurchase with the Boot LLCI of 0.068 and 0.257, respectively, and the Boot ULCI of 0.213, and 0.449, respectively.

**Table 3:** Results for Mediation Effects Testing

Research Hypothesis		Effect	Boost SE	Boot LLCI	Boot ULCI
H6	IMC → CS → RP	0.130	0.037	0.068	0.213
H7	SQ → CS → RP	0.347	0.048	0.257	0.449

## Conclusions

According to the findings of this study, the following conclusions were drawn.

(1) Overall, the integrated marketing communication findings signified that the hoteliers should be concerned with strategies involving both activities and experiences. Similarly, Ercis (2011) pointed out that integrated marketing communication approaches could not only strengthen a guests' customer satisfaction, but also encourage them to repurchase the service. Hotel managers must therefore conceive it as a vital factor to provide more high-quality services to their guests, resulting in repurchase behaviours as well as sustainable and increased revenue.

(2) In general, hotel providers should ensure that their employees' service is reliable, prompt, well-mannered, polite and gentle. Liked Parasuraman, Berry and Zeithaml (Parasuraman et al., 1991) found that service quality was the attitudinal evaluation by which the customers considered the quality of services. Satisfaction in the hotel service experience could lead customers to more likely to repurchase (Choi and Chu, 2001).

(3) Overall, the result confirmed that hotel managers should be aware of the importance of customer satisfaction through developing service procedures. As Millet (2012) suggested, satisfactory service can be understood in terms of the customers' satisfaction when receiving the services as expected. On that account, hotel managers should put in human development strategies to promote components favourable to service providers. This contribution could fulfil guests' preferences by exceeding their expectations. The described attempts might eventually lead to long-term and sustainable business practices.

### **Recommendations**

(1) The analysis of both direct and indirect influences indicated that customer satisfaction had a mediating effect between integrated marketing communication and service quality on 5-star hotel guests in Phetchaburi province. This proved that customer satisfaction plays an important role in enhancing custom repurchase.

(2) The present study also confirmed that service quality significantly impacts 5-star hotel guests' repurchasing in Phetchaburi province. Since service quality is vital to the hotels' guests, hotel providers should emphasise their quality of services, thus creating and maintain a competitive advantage over rival businesses.

(3) Future research should focus on including some other variables which might fit and should be considered in the hospitality industry in order to develop the potential of hotel providers to be more precise and suitable to their customers.

(4) The authors suggested that future research conducts a comparative study between other hotels in Thailand and across countries. Doing so would increase the understanding of the direction of the international hospitality sector, since foreigner tourists who travel and stay at Phetchaburi province are substantially increasing.



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