Tourist Satisfaction and Loyalty toward Service Quality of the Online Tourism Enterprises

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Abstract—The objectives of this research paper were to study the expectation and satisfaction of tourists in five tourism service quality dimensions, namely, website quality, service ability, trust ability, customer empathy, and responsiveness to customer and also to study the influences of satisfaction affecting loyalty toward quality service of the online tourism enterprises located in Bangkok Thailand. This research utilized both quantitative and qualitative research methods. In terms of quantitative method, a questionnaire was used as a tool to collect data from 400 tourists who were using in online travel services. Statistics analysis included descriptive statistics, t-test and Multiple Regression Analysis. In terms of qualitative analysis, an in-depth interview and content analysis were used along with 10 individual management levels of e-commerce enterprises.

The results revealed that the respondents had higher expectations than their level of satisfaction in all five categories. However, the respondents were more satisfied with online travel services than without online service. The demographic factors such as gender and age had no influence on the level of satisfaction whereas the demographic factors of education, occupation, and income had influenced the level of satisfaction. The test results also indicated that the level of satisfaction from responsiveness to customer had the highest influence on the loyalty of tourists who used online travel. The level of satisfaction from customer empathy had the highest influence on the tourists to recommend others to use online travel services. Also, the level of satisfaction from service ability had the highest influence on tourists to take an actual trip.

Keywords—Satisfaction, Loyalty, Service Quality, Online Tourism Enterprises.

I. INTRODUCTION

NOWADAYS, the tourism industry plays an important role in bringing enormous flows of foreign exchange into Thailand. Enhancing tourism revenues are one of the vital policies of national development. The Thai tourism policy aims to amplify both the number and the spending of domestic and international tourists. Moreover, free trade policies from the WTO, APEC, and ASEAN mean increasing tourism investment as well as competition at every level [1].

The evolution of e-commerce has resulted from the worldwide commercial expansion of the internet access which has directly affected the growth of tourism industry. There are many benefits of adopting e-commerce in the tourism industry such as providing updating information and public relations, completing business transaction online, tailoring service to fit with individual tourist, and bringing the global market to local small and medium enterprises [2]-[5]. Moreover, tourists can use the internet as a means to effectively search for tourist destinations and to be able to compare different kinds of information such as packaged tours, times, special promotions, prices, and quality [2].

In order to be successful in the market, a management approach must concentrate on retaining existing customers implementing effective policies of on customer satisfaction and loyalty. Customer satisfaction is the outcome of perception of the value received service quality in a transaction or relationship, compared to the value expected from transactions or relationships with competing vendors [6], [7]. In tourism industry customer satisfaction is largely hooked upon quality of service and is the starting point to build a long-term relationship. Relationship quality has a remarkable positive effect on customer loyalty and the positive image of the tourism corporate [6].

For the past decade, the tourism industry has dramatically changed in terms of consumer engagement with the introduction of the Internet and electronic commerce transactions while such changes have facilitated innovative business strategies and also created many challenges to the customer experience [8]. When individuals utilize online travel and tourism websites, they accept and use the service, and therefore form perceptions about service performance [9]. They also compare their actual perceptions with their initial expectations and develop a specific level of satisfaction or dissatisfaction as a result, their possibility of using the same website in future and recommending it to other potential users [10].

The 11th National Economic and Social Development 2012-2016 (NESDB) provide a plan to focus on the promotion of tourism to enhance and strengthen the national economy and to promote knowledge based society. The Service quality model (SERVQUAL) was developed by Parasuraman et al. [11] including ten determinants which customers compare perceived service with expected service. Subsequently, the SERVQUAL model has guided numerous studies in the service sector focusing on various organizations, such as hotel, tourism and hospital. This research paper aimed to contribute to the national plan by focusing a study on the benefits of service quality in tourism. The service quality is comprised of five categories: trust ability, service ability, website quality, customer empathy, and responsiveness to customer. In addition, the study also focused on the expectation of customers and the level of satisfaction according to the service quality.

The purposes of this research paper were to:

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1. To study the expectation and satisfaction of tourists in five categories: website quality, service ability, trust ability, customer empathy, and responsiveness to customer.
2. To compare the expectation and level of satisfaction of tourists who used the e-commerce online.
3. To study the relationship between the level of satisfaction and tourists' loyalty.

II. RESEARCH METHODOLOGY

This paper utilized a mixed research method of quantitative and qualitative approach. For the quantitative method, the content validity of the research was tested with Item-Objective Congruence (IOC) and was tested for its reliability by using Cronbach Alpha. The data was collected by using a questionnaire for 400 respondents who were tourists and used online travel service of tourism enterprises located in Thailand. The respondents had used e-commerce with the enterprises who registered with the Department of Business and Development. A simple random sampling was utilized. For the qualitative method, an in-depth interview and content analysis was conducted with 10 managers from 10 different online travel enterprises.
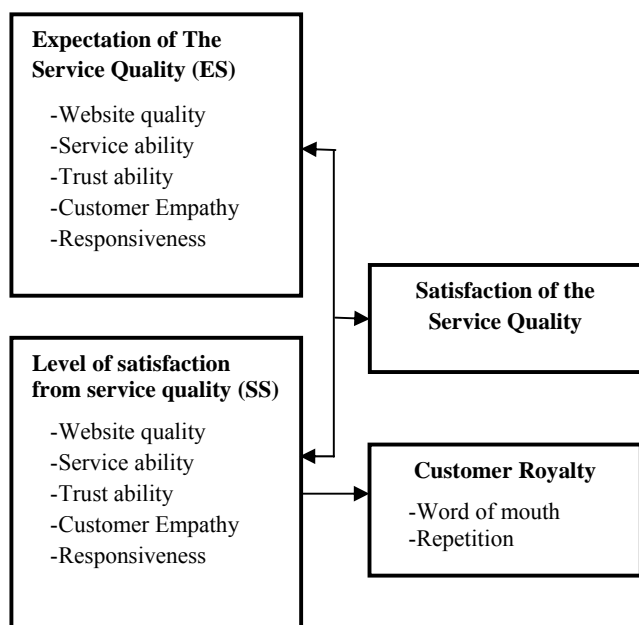
The conceptual framework is shown as follows.

Fig. 1 Conceptual framework of research

III. RESULTS

The demographic of the 400 respondents revealed that the majority of them were female between the ages of 21 - 40 years old. Most of them were married with an undergraduate degree. The majority worked with a private company and had income between 30,001–50,000 baht per month. The majority used e-commerce online at least one time within 3-6 months. They plan to travel 6-10 days with the expenses between 30,001–50,000 baht. The majority used e-commerce to search

for the travel and tourism information. The main reason for using e-commerce was the ability to compare tour information, price, and services. The other findings can be summarized into three categories.

A. Satisfaction of Service Quality

The findings revealed that the respondents had expectations from a high mean score to a low mean score as follows: trust ability, customer empathy, service ability, website quality, and responsiveness to customer. The respondents had a level of satisfaction from a high mean score to a low mean score as follows: trust ability, customer empathy, website quality, service ability, and responsiveness to customers. On average, the respondents had a level of satisfaction of 60 percent; however, they wanted to recommend others to use e-commerce only 47 percent.

When comparing the expectation and the level of satisfaction, it was found that the majority of respondents had high expectations in all five categories that exceeded their level of satisfaction. The gap between expectation and level of satisfaction can be ranked from high to low as follows: service ability, customer empathy, trust ability, website quality, and responsiveness to customers.

B. The Relationship between the Level of Satisfaction and Tourists' Loyalty

Many studies have investigated the relationship between service quality and customer loyalty [12]-[13]. Customer loyalty happens when there is repeated visiting by the same customers and their willingness to recommend the service to other customers. Comparison of expectations and satisfaction with service quality of online travel business in five categories: website quality, service ability, trust ability, customer empathy, and responsiveness to customer. Results of testing the differences of expectations and satisfaction in quality of service of the online travel enterprises by using t-test at 95% confidence level are shown in Table I, as hypothesized.

Hypothesis 1: Expectation and satisfaction with service quality of online travel business is different.

The test results also indicated that the level of satisfaction from responsiveness to tourists had the highest influence to the tourist loyalty to the use of e-commerce. The level of satisfaction from customer empathy had the highest influence for the tourists to recommend others to use e-commerce. Also, the level of satisfaction from trust ability had the highest influence for tourists to take an actual trip. In addition, from the demographics, it was found that difference in gender and age had no influence on the level of satisfaction. However, the difference in education, occupation, and income had influenced the level of satisfaction.

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TABLE I
TEST OF DIFFERENCE ON EXPECTATION AND SATISFACTION OF SERVICE QUALITY

Quality Service	Mean		Difference	t	Sig.
	Expectation	Satisfaction			
Service ability	4.20	3.47	-0.73	14.24**	0.00
Website quality	4.18	3.66	-0.52	17.34**	0.00
Trust ability	4.31	3.80	-0.51	12.45**	0.00
Customer Empathy	4.24	3.68	-0.56	18.03**	0.00
Responsiveness to customer	4.16	3.47	-0.69	22.20**	0.00
Total	**4.22**	**3.62**	**-0.60**	13.92**	0.00

*Significant at $\alpha = 0.05$, **Significant at $\alpha = 0.01$

TABLE II
RESULTS OF REGRESSION ON TOURISM SERVICE QUALITY AND CUSTOMER LOYALTY (WORD OF MOUTHS)

Level of Satisfaction	B	SE	t	Sig.
Constant	3.141	.268	11.733	.000
Website quality (X_1)	.252	.080	3.158**	.002
Reliability and Trust (X_2)	.114	.061	1.876	.073
Service ability (X_3)	.225	.125	2.801*	.042
Customer empathy (X_4)	.297	.106	2.856*	.034
Responsiveness to customers (X_5)	.170	.101	1.677	.095
$R^2 = .125$, SEE = 0.830, F = 10.456, Sig. of F = .000				

*Significant at $\alpha = 0.05$, **Significant at $\alpha = 0.01$

TABLE III
RESULTS OF REGRESSION ON TOURISM SERVICE QUALITY AND CUSTOMER LOYALTY (REPETITION)

Level of Satisfaction	B	SE	t	Sig.
Constant	3.366	.246	13.698	.000
Website quality (X_1)	.224	.072	3.115*	.002
Reliability and trust (X_2)	.020	.112	.177	.860
Service ability (X_3)	.252	.092	2.752*	.006
Customer empathy (X_4)	.133	.097	2.376*	.017
Responsiveness to customers (X_5)	.082	.054	1.512	.132
$R^2 = .138$, SEE = 0.558, F = 10.339, Sig. of F = .000				

*Significant at $\alpha = 0.05$, **Significant at $\alpha = 0.01$

C. The Relationship between the Level of Satisfaction and Tourists' Loyalty

Loyalty of service quality consisted of word-of mouth and revisiting. The results found that the samples satisfy in service quality of online travel business and want to introduce more people to come to know the online travel business 47 percent, and also they want to revisit to use business online website 70 percent.

Service quality measures how well the service delivered could match customer's expectations while delivery service quality refers to meeting and satisfying customer's expectation consistently and positively. Therefore, this research tests whether there is a positive relationship between service quality and customer loyalty. Therefore, the hypotheses of this study can be formulated as follow:

Hypothesis 2: The satisfaction of quality service of online travel business affect the loyalty in word of mouths.

Hypothesis 3: The satisfaction of quality service of online travel business affect the loyalty of repetition.

A regression analysis was conducted to investigate the importance relation of the five tourism service quality dimensions in predicting customer loyalty. The results of the regression analysis were shown in Tables II and III.

The hypothesis testing that satisfaction of quality service of online travel business affect the loyalty in word of mouths as shown in Table II was conducted to check for the direct relationship between tourism service quality and customer loyalty showed that website quality ($\beta = .252$, t-value = 3.158, p<0.05), service ability ($\beta = .225$, t-value = 2.801, p<0.05) and customer empathy ($\beta = .297$, t-value = 2.856, p<0.05) were found positively significant to customer loyalty. Nevertheless, reliability and trust ($\beta = .114$, t-value = 1.876, p>0.05) and responsiveness to customer ($\beta = .170$, t-value = 1.677, p>0.05) was found not significant with customer loyalty. An examination of the t-values for the five dimensions indicated that the most important factor in predicting customer loyalty evaluation is "customer empathy" followed by "website quality" and "service ability". It can be written in equation to predict loyalty in word of mouths (Y_1) as (1):

$$Y_1 = 3.141 + .252 X_1 + .225 X_3 + .297 X_4 \qquad (1)$$

Also, the hypothesis testing that satisfaction of quality service of online travel business affect the loyalty in repetition as shown in Table III was conducted to check for the direct relationship between tourism service quality and customer loyalty showed that website quality ($\beta = .224$, t-value = 3.115,

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p<0.001), service ability (β = .252, t-value = 2.752, p<0.05;) and customer empathy (β = .133, t-value = 2.376, p<0.05) were found positively significant to customer loyalty. Nevertheless, reliability and trust (β = .020, t-value = .177, p>0.05) and responsiveness to customer (β = .082, t-value = 1.512, p>0.05) was found not significant with customer loyalty. An examination of the t-values for the five dimensions indicated that the most important factor in predicting customer loyalty evaluation is "service ability" followed by "website quality" and "customer empathy". It can be written in equation to predict loyalty in repetition (Y_2) as (2):

$$Y_2 = 3.366 + .224\,X_1 + .252\,X_3 + .133\,X_4 \qquad (2)$$

IV. Recommendations

The findings revealed that the mean scores of the expectation in all categories were lower than the mean scores of the level of satisfaction. This implied that customers had high expectations and the e-commerce enterprises need to enhance their service quality. One of the reasons may also come from the fact that most of tourist entrepreneurs just started to introduce e-commerce service to their customers, therefore, they still lacked experience, lacked an updated technology, lacked continuous investment, and lacked support from the government in terms of knowledge and legal support. The fact that tourist customers were more satisfied with e-commerce than without indicated that there is a good potential future for more customers to accept the business transactions on e-commerce online.

The demographic factors of education, occupation, and income had high influence the level of satisfaction. This can be explained by the fact that the majority of respondents had high education, and their occupation required skills in using the computer and internet. It pointed out that each occupation of a high skill level often lead to the different needs and wants in terms of goods and services. Therefore, these customers required the sellers to recognize their differences of needs.

The findings also disclosed that the level of satisfaction in responsiveness to customers or tourists affected e-commerce quality the most. This also concurred with the Kotler idea [14] which pointed out that customers' satisfaction often come from the quality of responsiveness received during the interaction with staff. Also, the level of satisfaction in customer empathy had influenced customers and they were willing to recommend others to use e-commerce. This idea coincided with the theory of SERQUAL [11] which indicated that if the seller had understand customers and was willing to serve them on time and if customers had comfortable access to that service, they were more likely to be satisfied with the service and recommend others to use that service. Service ability and customer empathy were the factor that affected the customer loyalty the most. It appears that tourism managers should exert more attempt and focus to develop its service quality along these dimensions.

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