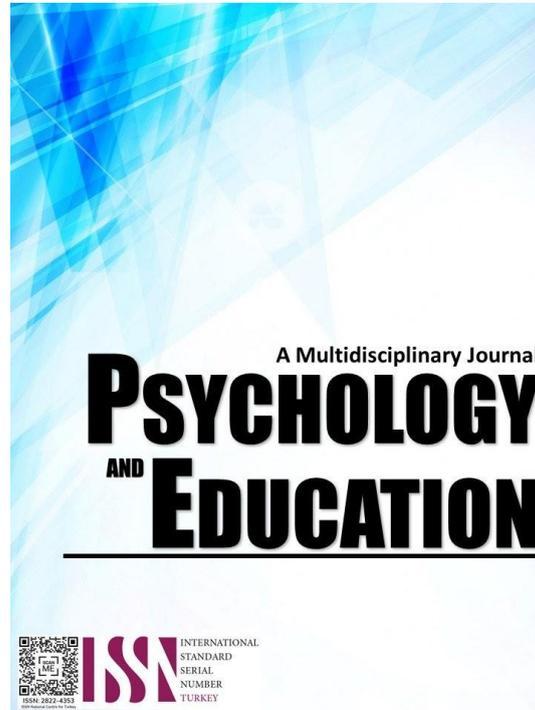


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Quality of Resort Services and Customer Satisfaction: Implications on Customer Loyalty

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Abstract

This descriptive-correlational study determined the relationship between service quality and customer satisfaction; and customer loyalty. It focused on assessing the association of service quality with the dimensions of tangibility, reliability, responsiveness, assurance and empathy; and customer satisfaction to customer loyalty among the guests of the selected beach resorts of Labason, Zamboanga del Norte. There were 84 guests who participated in the study. Mean, Frequency Percentages, Standard Deviation, and Kendall Tau's Correlation Coefficient were employed to generate the findings of the study. Results revealed that among the dimensions of Service Quality, only responsiveness and empathy had significant association to customer loyalty. However, the participants' satisfaction level showed non-association to their level of loyalty. The study emphasized the need to increase the participating resorts and the number of sample size to strengthen the generalizability of the findings of the study.

Keywords: *service quality, customer satisfaction, customer loyalty*

Introduction

Customer satisfaction and customer loyalty are crucial to the continuous operation and survival of the firm for two main reasons. First, customers are scarce resource; it is far easier to obtain from an old customer than from a new one. Second, customer loyalty and satisfaction have a positive effect on the profitability revenues of the company (Rosenberg & Czepiel, 2017). It is in this notion that organizations are developing and adopting strategies that competitors failed or unable to provide to better serve customers with quality.

When customers are satisfied, fostering loyalty among them can be easily developed. If customer satisfaction is earned, then, it is sure that customer loyalty will also come along with it (Trivsel & Trivsel, 2017). Loyal customers are those who would come back to continuously utilize the same product or service from the same organization, make business referrals and directly, or even indirectly offering strong word-of-mouth references and publicity (Bowen & Shoemaker, 2013).

In this highly competitive era, the tourism and hospitality industry are challenged to provide service quality to satisfy and keep its valued clients. It is concluded in the study of Añasco and Lizada (2014), that tourism is a well-established industry in the Philippines and that it contributes to an inclusive economic growth of the country. This industry is technically developing because clients are demanding more than just a product or service. Clients are now

expecting a seamless and personalized experience from the companies they transact business with (Newswire, York, & York, 2016). This implies that tourism institutions must exhibit excellent performance in all areas where their clients are making contact with.

The researcher focused on the beach resorts of Labason because based on the researcher's observation, it has the most numbered beach resorts among the towns of Zamboanga del Norte. On the other hand, there was no study conducted that investigated the quality of beach resorts' services in the municipality. Considering its significant function in the hospitality industry and the economy of the area, the researcher sees the need for the resorts' management to increase their awareness and understanding of the varied guests' behaviors. In this regard, resorts can effectively respond to the dynamic needs and demands of the guests and increase the number of local and foreign tourists in the area. Hence, the companies that do not provide value to their customers bring an opportunity for the competitors to jump in and steal these customers (Akhtar, Latif & Ashraf, 2016).

This present investigation is conducted to determine the association of service quality and customer satisfaction to customer loyalty among the guests in the beach resorts. Specifically, this study aimed to address the following questions: 1. How do the participants assess the service quality of the beach resorts in terms of: 1.1 tangibility; 1.2 reliability; 1.3 responsiveness; 1.4 assurance; and 1.5 empathy? 2.



What is the participants' overall satisfaction with the service quality of beach resorts? 3. What is the participants' level of customer loyalty? 4. Is the participants' assessment of service quality and customer satisfaction significantly associated with their customer loyalty?

Methodology

Research Design

This study used the quantitative method specifically the descriptive-correlational design. This design determined the association of the variables used in this study. According to Crossman (2018), this design is used to describe and provide answers with the relationships that exist between the variables. This type of research is seen to be suitable in the research study at hand because it considers the perception of the participants on the dimensions of service quality such as tangibility, reliability, responsiveness assurance and empathy including their overall satisfaction of the service quality and the association of these variables to customer loyalty.

Participants of the Study

The participants of the study were the guests of the beach resorts of Labason, Zamboanga del Norte who were 18 years old and above. They were chosen based on the systematic random sampling technique. The researcher distributed the instruments to 2 beach resorts in the area. For beach resort A, 48 guests approved to participate in the study and 36 participants for beach resort B. As a whole, there were a total of 84 participants who answered the questionnaire, 59 of which were female and 25 of them were males.

Research Instrument

The instrument used for data collection in the study is a questionnaire. The questionnaire consisted of two parts. The first part is the SERVPERF questionnaire which is adopted from the study of Chavez (2014) which was originally from Cronin and Taylor (1992) and Parasuraman et al. (1988) that contained the five dimensions of service quality such as tangibility, reliability, responsiveness, assurance and empathy. This comprises of 21 items that are divided into five sets. The first set is items 1-4 for Tangibility; the second set is items 5-9 for Reliability; the third set is

items 10-13 for Responsiveness; the fourth set is items 14-17 for Assurance and the last set are items 18-20 for Empathy. The 21st item is a question that would elicit the assessment of the overall satisfaction of the guests on the service quality of the beach resorts. The second part of the questionnaire which was adopted from Moreno (2018) consisted of 9 questions that elicit the level of customer loyalty.

Scoring Procedure

or the scoring procedure, the researcher adapted the scoring procedure of Stromgren (2007) which was developed by Parasuman et al. (1988) to rate the dimensions of service quality and customer satisfaction. The seven-point scale description was utilized for these variables with 7 as the highest and 1 as the lowest for the variables of service quality and satisfaction. The responses on customer loyalty were assigned to a 5-point scale with 5 as the highest and 1 as the lowest.

Data Gathering Procedure

Primarily, in the gathering of data, the researcher wrote a letter to the owners of the beach resorts to ask for their permission to conduct the study through their Human Resource Department. After securing the permission, the researcher then communicated the front desk officer and asked a favor to distribute the questionnaires to the guests of the beach resorts on her behalf. The researcher made a weekly visit to the resorts to personally experience the resorts' services and at the same time follow-up on the data collection. After the data gathering period (January to February 2020), the researcher encoded the data for organization and interpretation.

Statistical Treatment of the Data

Descriptive statistical analysis such as mean, frequency distribution, percentages and standard deviation were used to determine the participants' assessment on service quality, customer satisfaction and customer loyalty. Kendall Tau's Correlation Coefficient was used to ascertain the association that exists between the participants' assessment on the dimensions of service quality and their overall satisfaction and the participants' loyalty.



Result

Table 1 presents the guests' assessment of the beach resorts service quality considering tangibility. With an overall mean of 6.13, majority of the guests agreed that the service quality of the resorts in terms of Tangibility is Outstanding. Among the specific indicators, participants found convenience in hours of operation (M=6.52) as Excellent, followed by visually appealing signs, handouts and brochures (M=6.35); visually appealing facilities (M=5.89); and neat and professionally appealing staff (M=5.74).

Table 1. *Frequency, Percentage and Mean Distribution of Service Quality (Tangibility)*

Range	Interpretation	Frequency	%
6.50 – 7.00	Excellent	20	23.81
5.50 – 6.49	Outstanding	63	75.00
4.50 – 5.49	Very Satisfactory	1	1.19
3.50 – 4.49	Satisfactory	0	0.00
2.50 – 3.49	Fair	0	0.00
1.50 – 2.49	Poor	0	0.00
1.00 – 1.49	Very Poor	0	0.00
Total		84	100
Overall Mean		6.13	
Interpretation		Outstanding	
SD		0.38	

The participants' assessment on the dimension of reliability for the beach resorts' service quality is reflected in Table 2. Results revealed that majority of the participants assessed service quality in terms of Reliability as Outstanding (M=6.15). Among the specific indicators, the performance of the service done right for the first time (M=6.32) was rated the highest, followed by their ability to keep guests informed on when services will be performed (M=6.18), providing service at the promised time (M=6.15), providing service as promised (M=6.10) and dependability in handling guest's service problems (M=6.00).

Table 2. *Frequency, Percentage and Mean Distribution of Service Quality (Reliability)*

Range	Interpretation	Frequency	%
6.50 – 7.00	Excellent	10	11.90
5.50 – 6.49	Outstanding	72	85.71
4.50 – 5.49	Very Satisfactory	2	2.38
3.50 – 4.49	Satisfactory	0	0.00
2.50 – 3.49	Fair	0	0.00
1.50 – 2.49	Poor	0	0.00
1.00 – 1.49	Very Poor	0	0.00
Total		84	100
Overall Mean		6.15	
Interpretation		Outstanding	
SD		0.33	

Table 3 presents the guests' assessment of the beach resorts service quality considering responsiveness. Majority of the guests agreed that the service quality of the resorts in terms of Responsiveness is Outstanding with an overall mean of 6.26. Among the specific indicators, courteous staff was rated the highest (M=6.35), then the staff's willingness to help (M=6.27), then followed by the staff's readiness to respond to the guests' request (M=6.23), and the prompt service to guests (M=6.20).

Table 3. *Frequency, Percentage and Mean Distribution of Service Quality (Responsiveness)*

Range	Interpretation	Frequency	%
6.50 – 7.00	Excellent	35	41.67
5.50 – 6.49	Outstanding	49	58.33
4.50 – 5.49	Very Satisfactory	0	0.00
3.50 – 4.49	Satisfactory	0	0.00
2.50 – 3.49	Fair	0	0.00
1.50 – 2.49	Poor	0	0.00
1.00 – 1.49	Very Poor	0	0.00
Total		84	100
Overall Mean		6.26	
Interpretation		Outstanding	
SD		0.37	

The participants' assessment on the dimension of assurance for the beach resorts' service quality is reflected in Table 4. Results showed that majority of the participants assessed service quality in terms of Assurance as Outstanding (M=6.17). Among the specific indicators, making guests feel secure in their



transactions with the staff (M=6.33) was rated the highest, followed by giving guests individual attention (M=6.14), knowledgeable staff in answering guests questions (M=6.13) and staff who instill confidence in guests (M=6.07).

Table 4. Frequency, Percentage and Mean Distribution of Service Quality (Assurance)

Range	Interpretation	Frequency	%
6.50 – 7.00	Excellent	32	38.10
5.50 – 6.49	Outstanding	47	55.95
4.50 – 5.49	Very Satisfactory	5	5.95
3.50 – 4.49	Satisfactory	0	0.00
2.50 – 3.49	Fair	0	0.00
1.50 – 2.49	Poor	0	0.00
1.00 – 1.49	Very Poor	0	0.00
Total		84	100
Overall Mean		6.17	
Interpretation	Outstanding		
SD		0.47	

Table 5. Frequency, Percentage and Mean Distribution of Service Quality (Empathy)

Range	Interpretation	Frequency	%
6.50 – 7.00	Excellent	25	29.76
5.50 – 6.49	Outstanding	53	63.10
4.50 – 5.49	Very Satisfactory	6	7.14
3.50 – 4.49	Satisfactory	0	0.00
2.50 – 3.49	Fair	0	0.00
1.50 – 2.49	Poor	0	0.00
1.00 – 1.49	Very Poor	0	0.00
Total		84	100
Overall Mean		6.21	
Interpretation	Outstanding		
SD		0.48	

Table 5 presents the guests' assessment of the beach resorts service quality considering empathy. Majority of the guests agreed that the service quality of the resorts in terms of Empathy is Outstanding with an overall mean of 6.21. Among the specific indicators, staff who deal with guests in a caring fashion was rated the highest (M=6.25), then staff who have the

guests' best interest at heart (M=6.20) and the staff who understand the needs of guests (M=6.19).

The participants' assessment on the overall satisfaction the beach resorts' service quality is reflected in Table 6. Generally, the result revealed that the guests assessed their level of satisfaction as outstanding as indicated by their overall mean of 6.44. It is evident that 53.57 percent of the participants rated excellent, while 36.9 percent rated outstanding and only about 9.52 percent rated very satisfactory.

Table 6. Frequency, Percentage and Mean Distribution of Guests' Overall Satisfaction on the Service Quality of the Beach Resorts

Range	Interpretation	Frequency	%
6.50 – 7.00	Excellent	45	53.57
5.50 – 6.49	Outstanding	31	36.90
4.50 – 5.49	Very Satisfactory	8	9.52
3.50 – 4.49	Satisfactory	0	0.00
2.50 – 3.49	Fair	0	0.00
1.50 – 2.49	Poor	0	0.00
1.00 – 1.49	Very Poor	0	0.00
Total		84	100
Overall Mean		6.44	
Interpretation	Outstanding		
SD		0.66	

Table 7. Frequency, Percentage and Mean Distribution of Guests' Level of Customer Loyalty to the Beach Resorts

Range	Interpretation	Frequency	%
4.51 – 5.00	Very High	84	100.00
3.51 – 4.50	High	0	0.00
2.51 – 3.50	Moderate	0	0.00
1.51 – 2.50	Low	0	0.00
1.00 – 1.50	Very Low	0	0.00
Total		84	100
Overall Mean		4.62	
Interpretation	Very High		
SD		0.17	

Table 7 presented the participants' evaluation of the beach resorts in terms of their level of customer loyalty. Majority of the guests assessed their level of



customer loyalty as Very High with an overall mean of 4.62. All indicators were also rated very high with the consistency of the services as the highest (M=4.69), then the cozy atmosphere (M=4.67), while the good facilities was rated the least (M=4.55).

Table 8 presents the results of the relationship between the dimensions of service quality and satisfaction and the customer loyalty. It can be gleaned that not all the dimensions of service quality are significantly associated with customer loyalty. Specifically, only the dimensions Responsiveness (B=.195, P=.024) and Empathy (B=.173, P=.045) showed significant association to customer loyalty. Moreover, the participants' satisfaction level also shows non-association to their level of loyalty (B=.093, P=.324).

Table 8. Result of the Test of Relationship Between the Dimensions of Service Quality and Satisfaction and the Customer Loyalty

Kendall Tau's Correlation Coefficient		
Factors	Measures	LOYALTY
Tangibility	Correlation Coefficient	-.099
	Sig. (2-tailed)	.251
Reliability	Correlation Coefficient	-.031
	Sig. (2-tailed)	.717
Responsiveness	Correlation Coefficient	.195*
	Sig. (2-tailed)	.024
Assurance	Correlation Coefficient	-.115
	Sig. (2-tailed)	.178
Empathy	Correlation Coefficient	.173*
	Sig. (2-tailed)	.045
Satisfaction	Correlation Coefficient	.093
	Sig. (2-tailed)	.324

Conclusion

Based on the findings of the study, the conclusions and implications can be claimed. The stated assumption of the researcher that service quality and customer satisfaction may influence customer loyalty is confirmed in the study except for tangibility, reliability and assurance as dimensions of service quality and customer satisfaction variable. This means that the guests were delighted with the staff's readiness and willingness to provide the service and at the same time they appreciate the care and attention offered by the staff. The dimensions of responsiveness and empathy must have been marked in the heads and hearts of the clients and that both dimensions make up their positive experience with the organization. These dimensions are the reason why the guests become loyal to the beach resorts identified in the study.

Evidently, customer loyalty significantly impacts a beach resort's sustainability in a competitive industry. This can be realized if the service quality is given paramount importance. Therefore, the beach resorts should persistently aspire for high quality products and services and seek methods that would ensure the observance of quality in all dimensions of their service in order to effectively respond to the demand of the competitive and fast-growing industry.

Based on the findings and conclusion in the study, the following recommendations are thus presented: (1) that the managers and/or owners of the beach resorts consider to: (1.1) emphasize the consistent provision of responsiveness and empathy by the staff to the guests as these are associated to loyalty; and work hard on improving the tangibility dimension to better satisfy clients; (1.2) develop among their staff the value of assurance and reliability through any form of enrichment such as team building and seminars with topics on professionalism, code of ethics, self-reliance and social responsibility and others which would ensure delivery of superior customer service; and (1.3) conduct customer service survey regularly to get information from the customer to be able to address customers' needs. (2) that the future researchers may: (2.1) investigate other variables that may influence customer loyalty aside from service quality and satisfaction for organizations to foster customer loyalty with alternative ways; (2.2) consider expanding and identifying components or dimensions of customer satisfaction and customer loyalty in hospitality industry in order to gain more insights on the said constructs; (2.3) increase the participating resorts and the number of sample size to strengthen the generalizability of the findings of the study; and (2.4) explore other instruments that would best capture the clients' assessment of the dimensions of service quality, customer satisfaction and customer loyalty. (3) that the higher education institutions offering hospitality and management courses consider to emphasize the dimensions of service quality, customer satisfaction and customer loyalty to any related subjects; and develop an assessment tool that would ensure the inclusion of these concepts in the instruction offered.

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