## Jiun-Lan Hsu<sup>1</sup>

# EFFECTS OF INTERACTIVE MARKETING ON CUSTOMER SATISFACTION IN CATERING INDUSTRY

Interactive marketing mainly features in attracting the participation of consumers. Participation is not simply an interactive model, but interactive marketing covers more complex and complete marketing levels and tactics. The short-term objective to attract consumers' participation is to form interactions with them, while the long-term objective tends to cohere consumers' trust with enterprises, to satisfy customers for more than one transactional behavior, to achieve the objective of lifelong sales, and to establish permanent transactional loyalty. With top 10 hotels in catering industry as the research subjects, the supervisors and staff were the subjects of the questionnaire survey. Factor analysis and reliability analysis are applied to test the reliability and validity, and regression analysis is utilized to verify the research hypotheses. The outcomes show that (1) interactive marketing has partially positive correlations with product quality in customer satisfaction, (2) interactive marketing presents partially positive correlations with staff quality in customer satisfaction, (3) interactive marketing displays partially positive correlations with service content in customer satisfaction, (4) interactive marketing reveals partially positive correlations with entity presentation in customer satisfaction, and (5) demographic variables present remarkable effects on the correlations between interactive marketing and customer satisfaction.

**Keywords:** interactive marketing, customer satisfaction, marketing strategy.

# Цзюнь-Лань Сюй

# ВПЛИВ ІНТЕРАКТИВНОГО МАРКЕТИНГУ НА ЗАДОВОЛЕНІСТЬ КЛІЄНТІВ В ГАЛУЗІ КЕЙТЕРИНГУ

У статті розглянуто схеми інтерактивного маркетингу із залучення покупців як складного набору прийомів і тактик. Його короткострокова мета— сформувати взаємодію з покупцями, довгострокова— формування довіри і лояльності, що забезпечують повторні покупки. Для збору даних опитано менеджерів і персонал 10 найкращих готелів, до даних застосовано факторний аналіз, аналіз надійності і регресійний аналіз. Результати показали, що 1) інтерактивний маркетинг впливає на значення якості продукції в задоволеності клієнтів; 2) інтерактивний маркетинг впливає на значення підготовленості персоналу в задоволеності клієнтів; 3) інтерактивний маркетинг демонструє вплив на значення якості послуг у задоволеності клієнтів; 4) інтерактивний маркетинг позитивно впливає на значення іміджу фірми в задоволеності клієнтів; 5) демографічні змінні істотно впливають на кореляції між інтерактивним маркетингом і задоволеністю клієнтів.

**Ключові слова:** інтерактивний маркетинг, задоволеність клієнтів, маркетингова стратегія.

## Цзюнь-Лань Сюй

# ВЛИЯНИЕ ИНТЕРАКТИВНОГО МАРКЕТИНГА НА УДОВЛЕТВОРЕННОСТЬ КЛИЕНТОВ В ОТРАСЛИ КЕЙТЕРИНГА

В статье рассмотрены схемы интерактивного маркетинга по привлечению покупателей как сложного набора приемов и тактик. Его краткосрочная цель — сформировать взаимодействие с покупателями, долгосрочная — формирование доверия и

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лояльности, обеспечивающих повторные покупки. Для сбора данных опрошены менеджеры и персонал 10 лучших гостиниц, к данным применен факторный анализ, анализ надежности и регрессионный анализ. Результаты показали, что 1) интерактивный маркетинг влияет на значение качества продукции в удовлетворенности клиентов; 2) интерактивный маркетинг влияет на значение подготовленности персонала в удовлетворенности клиентов; 3) интерактивный маркетинг демонстрирует влияние на значение качества услуг в удовлетворенности клиентов; 4) интерактивный маркетинг положительно влияет на значение имиджа фирмы в удовлетворенности клиентов; 5) демографические переменные существенно влияют на корреляции между интерактивным маркетингом и удовлетворенностью клиентов.

**Ключевые слова:** интерактивный маркетинг, удовлетворенность клиентов, маркетинговая стратегия.

**Introduction.** In various industries, competition is apparent among products; it is even fiercer at mature markets. Especially, global distribution is the objective of industries in the 21st century and regional products are still struggling when facing international brands. Sales with small-scale imitation still survive in certain regions. Under the premises of growth and profits, face-to-face fights among enterprises are inevitable. Marketing therefore becomes critical to apply strategies to enhance brand names and occupy the market.

Traditional marketing unidirectionally delivers messages to consumers through media in order to have consumers understand certain products or services provided by enterprises and enhance images for further contact. One-way delivery do not receive consumers' resonance and participation. The values of products or services cannot be revised by feedback of whether the products or services provided by enterprises correspond to or satisfy consumers' demands. Two-way communication not only enhances the involvement and participation in marketing, but similar feelings could also be generated by conceptual contact. Trust and loyalty are built in the relationship of two-way interactive marketing which is the key in acquiring consumers' ideas. Apparently, interactive marketing has become important in practice. Nonetheless, theoretical bases and practice verifications are insufficient for the development of theories and the expansion of practical applications in both international and domestic research. This study therefore tends to discuss and study interactive marketing.

## Literature review.

I. Interactive Marketing. Gronroos (1990) regarded marketing as establishing, maintaining, enhancing, and commercializing the relations with customers through mutual exchange and commitment practice (Kendrick and Fletcher, 2002) so that all involved objectives in a group could be achieved. In service industry, personnel is the service suppliers delivering or supplying services to customers, where the company, customers, and staff are the marketing bodies. The correlations among them could be explained with service triangle (Gronroos, 1984), which, in addition to highlighting the importance of personnel, emphasizes the interactions between customers and service personnel with interactive marketing and discusses the interpersonal interaction among people in the service relationship (Gabbott and Hogg, 1998; Barwise and Farley, 2005; Kuan, 2009).

Molenaar (1995) defined interactive marketing as the marketing policies, ideas, and execution based on direct interaction with present and potential customers. Teng (2010) regarded interactive marketing as the required skill for dealing with customers similar to the concept of personnel service encounter. Chiao, Yang & Kung (2009) indicated that the first-line service personnel considered from the aspects of customers, provided services for customers, and practiced the service commitment through service process.

Basing the above research, the dimensions for interactive marketing proposed by Lethinen & Lethinen (1991) were applied to this study. 1. Service personnel (people) played the critical role in maintaining consistent service quality in the service delivery. It is an intangible effect that the services offered by service personnel would affect customers' perceived service. 2. Entity facilities (physical evidence), environments, and any tangible contents could affect customers' experiences in service. Exterior facilities include the environment, symbols, and car parks, while interior facilities cover machinery, decoration, color, and furnishing, building, labels, air quality/humidity, and odors. 3. Service process referred to the actual process and activities in service delivery, related to the functional quality of services and further affected customers' perception when interacting.

II. Customer Satisfaction. Joewono and Kubota (2007) considered customer satisfaction as the measurement of products and labor according to the past experiences of customers and the overall evaluation of consumers' consumption experiences. Russell-Bennett, McColl-Kennedy & Coote (2007) regarded customer satisfaction as the predecessor of consumers' viewpoints, brand intention and brand loyalty towards customer services. Lin (2007) believed that enterprises could satisfy the diverse demands of customers by excellent service quality and indicated that customer satisfaction was the overall evaluation of products and labor according to the past experiences of customers.

Huang (2000) proposed the following dimensions for customer satisfaction. (1) Customer expectation reflected in the anticipated product performance as the product performance could be predicted by the past consumption experiences of customers. (2) Product performance was regarded as a comparison standard of the actual product performance and the expectation before purchase. (3) Disconfirmation was regarded as a major moderator that the expectation would be confirmed when the product performance was consistent with the expectation. (4) Perceived value was considered as a yield after purchase. When the actual product performance was larger than or equal to the expectation, customers were likely to be satisfied; otherwise, they would be dissatisfied. Chen (2008) considered the dimensions for customer satisfaction as: 1) product price, the perceived acceptance of product price; 2) service efficiency, a comparison of overall service in the consumption process, and 3) perceived value, the expectation before purchase and the perception after purchase. These 3 variables are further utilized for customer satisfaction in this study.

III. Research on Interactive Marketing and Customer Satisfaction. Ting (2009) indicated that inducement to attract consumers' attention could enhance customer satisfaction, but interactive marketing would not succeed without rewards and inducement. Once consumers did not participate in interactive marketing because of

not being interested in the activities, customer satisfaction became impossible (Miller's World Marketing, 2011). Marketing personnel therefore had to integrate interactive marketing into creative life to promote customer satisfaction so that consumers could establish, control and share simple but creative tools for the opportunity of self-presentation and the correlations with products. Appropriate interactive marketing was therefore inevitable among consumers, brands and products (Ting, 2009). Wang (2010) proved the effects of interactive marketing on service value and customer satisfaction and mastered in tourists' behavior intention, expecting to study the interactive relationship between tourists and leisure farms with such a model. The research outcomes showed the positive effects of interactive marketing on customer satisfaction. Tung (2010) utilized the interactive marketing model on the website and explored the advantages and drawbacks of Citroen to find the opportunities and challenges in China. The research findings presented the positive effects of interactive marketing on customer satisfaction.

Aiming at the above research, the following hypotheses were further proposed in the study.

- H1: Interactive marketing shows significantly positive correlations with product price in customer satisfaction.
- H2: Interactive marketing presents remarkably positive correlations with service efficiency in customer satisfaction.
- H3: Interactive marketing reveals notably positive correlations with perceived value in customer Satisfaction
- *IV. Demographic variable.* According to the research on interactive marketing in catering, younger customers and the ones with higher educational background and monthly income tended to higher interactions and customer satisfaction (Day & Landon, 1977; Zaichowsky & Liefeld, 1977; Bearden & Mason, 1984). Singh (1990) indicated that demographic variables, except age, did not demonstrate explanations. The hypotheses for this study were proposed as below.
- H4: Gender presents significant moderating effects on the correlations between interactive marketing and customer satisfaction.
- H5: Age displays notable moderating effects on the correlations between interactive marketing and customer satisfaction.
- H6: Monthly income shows outstanding moderating effects on the correlations between interactive marketing and customer satisfaction.
- H7: Educational background reveals remarkable correlations between interactive marketing and customer satisfaction.

### Research method.

*I. Research framework.* Having organized international and domestic research on interactive marketing and customer satisfaction, the research framework was further proposed. With customer satisfaction being the dependent variable and 3 dimensions for interactive marketing, including service personnel, entity facilities, and service process, as the independent variables, the correlations between interactive marketing and customer satisfaction were discussed.

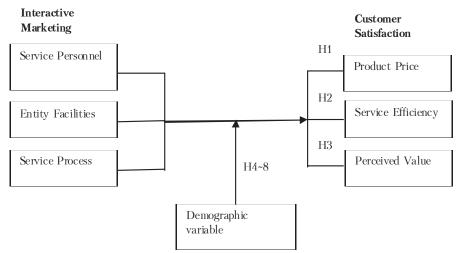


Figure 1. Research framework

II. Research subjects and sampling. According to the data in 2010 Operation Analysis of International Hotels in Taiwan, total 61 international hotels, with 18092 rooms, by December 2010 were identified by Bureau of Tourism. With random sampling, 10 international hotels, with the total revenues 0.2693 bln NT dollars for Grand Hyatt Taipei, 0.2285 bln for Sheraton Taipei Hotel, 0.1571 bln for Howard Taipei, 0.937 bln for The Splendor Kaohsiung, 0.2484 bln for Regent Taipei, 0.1086 bln for The Grand Hotel, 0.1546 bln for Grand Hi-Lai Hotel, 0.1204 bln for Ambassador Taipei, 0.1719 bln for Shangri-La's Far Eastern Plaza Hotel Taipei, and 0.1154 bln for The Westin Taipei, were chosen to distribute and collect questionnaires onsite. Total 280 questionnaires were distributed to supervisors, staff, and customers. Within the collected 202 copies, 12 invalid ones were deducted. Total 190 valid copies were retrieved, with the retrieval rate of 68%.

### Analysis and discussion.

- I. Factor Analysis of Interactive Marketing. Based on the dimensions and questionnaires proposed by Lethinen & Lethinen (1991), 3 dimensions were abstracted for interactive marketing by factor analysis. The cronbach  $\alpha$  were 0.88 (service personnel), 0.81 (entity facilities), and 0.86 (service process). With principle component analysis and oblique rotation, the explained variance was 82.671%.
  - II. Correlation Analysis of Interactive Marketing and Customer Satisfaction.
- 1. Correlation Analysis of Interactive Marketing and Product Price in Customer Satisfaction. With multiple regression analysis to test Hypothesis 1, the results show the remarkable effects of service personnel ( $\beta$ =0.182, p<0.05), entity facilities ( $\beta$ =0.169, p<0.05), and service process ( $\beta$ =0.196, p<0.05) on product price in customer satisfaction, Table 1, H1 was agreed.
- 2. Correlation Analysis of Interactive Marketing and Service Efficiency in Customer Satisfaction. With multiple regression analysis to test Hypothesis 2, service personnel ( $\beta$ =0.174, p<0.05), entity facilities ( $\beta$ =0.155, p<0.05), and service process ( $\beta$ =0.218, p<0.01) present notable effects on service efficiency in customer satisfaction, Table 1, H2 was agreed.

3. Correlation Analysis of Interactive Marketing and Perceived Value in Customer Satisfaction. With multiple regression analysis to test hypothesis 3, service personnel ( $\beta$ =0.227, p<0.01), entity facilities ( $\beta$ =0.191, p<0.05), and service process ( $\beta$ =0.233, p<0.01) revealed remarkable effects on perceived value in customer satisfaction? Table 1, H3 agreed.

Table 1. Multiple Regression Analysis of Interactive Marketing and Customer Satisfaction

	Customer Satisfaction (Dependent variable)		
Independent variable	Product Price	Service Efficiency	Perceived Value
Interactive Marketing			
Service Personnel	0.182*	0.174*	0.227**
Entity Facilities	0.169*	0.155*	0.191*
Service Process	0.196*	0.218**	0.233**
F	9.465	13.772	17.363
Significance	0.000***	0.000***	0.000***
$\mathbb{R}^2$	0.186	0.217	0.247
Regulated R <sup>2</sup>	0.162	0.198	0.221

Note: \*p<0.05 \*\*p<0.01 \*\*\*p<0.001.

Data source: Self-sorted in this study.

- III. Moderating effects of demographic variable.
- 1. Moderating effects of gender in the relations between interactive marketing and customer satisfaction.

With analysis of variance, Table 2, gender shows significant differences between entity facilities (p<0.01), service process (p<0.05) and product price, between service personnel (p<0.01), entity facilities (p<0.05), service process (p<0.05) and service efficiency, and between service personnel , (p<0.05), entity facilities (p<0.01), service process (p<0.05) and perceived value, H4 is partially agreed.

Table 2. Moderating Effects of Gender on the Relations between Interactive Marketing and Customer Satisfaction

Interactive Marketing	Product Price	Service Efficiency	Perceived Value
Service Personnel	p>0.05	p<0.01	p<0.05
Entity Facilities	p<0.01	p<0.05	p<0.01
Service Process	p<0.05	p<0.05	p<0.05
Hypothesis test	H4 partially agreed		

2. Moderating effects of age on the relations between interactive marketing and customer satisfaction.

With analysis of variance, Table 3, age reveales notable differences between service process (p<0.05) and product price, between service personnel (p<0.05) and service efficiency, and between service personnel (p<0.05) and perceived value, H5 is partially agreed.

Table 3. Moderating Effects of Age on the Relations between Interactive Marketing and Customer Satisfaction

Interactive Marketing	Product Price	Service Efficiency	Perceived Value
Service Personnel	p>0.05	p<0.05	p<0.05
Entity Facilities	p>0.05	p>0.05	p>0.05
Service Process	p<0.05	p>0.05	p>0.05
Hypothesis test	H5 partially agreed		

3. Moderating effects of monthly income on the relations between interactive marketing and customer satisfaction. With analysis of variance, Table 4, monthly income shows outstanding differences between entity facilities (p<0.05) and product price, between service personnel (p<0.05) and service efficiency, and between service personnel (p<0.05) and perceived value, H6 is partially agreed.

Table 4. Moderating Effects of Monthly Income in the Relations between		
Interactive Marketing and Customer Satisfaction		

Interactive Marketing	Product Price	Service Efficiency	Perceived Value
Service Personnel	p>0.05	p<0.05	p<0.05
Entity Facilities	p<0.05	p>0.05	p>0.05
Service Process	p>0.05	p>0.05	p>0.05
Hypothesis test		H6 partially agreed	

4. Moderating effects of educational background on the relations between interactive marketing and customer satisfaction. With analysis of variance, Table 5, educational background shows remarkable differences between service personnel (p<0.01), entity facilities (p<0.05), service process (p<0.01) and product price, between service personnel (p<0.05), service process (p<0.01) and service efficiency, and between entity facilities (p<0.05) and perceived value, H7 is partially agreed.

Table 5. Moderating Effects of Educational Background on the Relations between Interactive Marketing and Customer Satisfaction

Interactive Marketing	Product Price	Service Efficiency	Perceived Value
Service Personnel	p<0.01	p<0.05	p>0.05
Entity Facilities	p<0.05	p>0.05	p<0.05
Service Process	p<0.01	p<0.01	p>0.05
Hypothesis test	H7 partially agreed		

**Conclusion and suggestion.** Summing up the data analyses, the research conclusions and suggestions for practical application of interactive marketing and the follow-up research are as follows.

- 1. To establish interactive channels. The key in conducting interactive marketing activities is to understand the purchase behaviors of certain consumers in various industries as well as the stages for each purchase behavior. The optimal method is then selected for the maximal effects on consumption behaviors so as to increase income and enhance the return on marketing. The target market and the area therefore should be confirmed; then, the behavioral model of customers, different media channels, including digital ones, should be realized; and, the connection and tactics of such channels and consumer behaviors are determined, such as establishing the interactive network with customers to promote customer satisfaction.
- 2. Customer satisfaction-oriented trainings. Educational trainings allow employees understand the objective of one-to-one communication by building up the favorable image of products and services, reinforcing customer satisfaction, and cultivating and establishing stable customers when satisfying customers' individualized demands and providing personalized service. In other words, communication between enterprises and consumers should be transformed into the communicatio among consumers via word-of-mouth and infinite increase of customers. In this case, low-cost expansion becomes possible for an enterprise.

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