### Rungrot Trongsakul<sup>1</sup> HOTEL CUSTOMERS' LOYALTY: A CASE STUDY OF HOTELS' INTERNATIONAL CUSTOMERS IN BANGKOK, THAILAND

The purpose of this study is to examine factors associated with hotel customers' loyalty. This was a case study of 200 hotels' international customers in Bangkok, Thailand. The population of this study included international customers in three to four-stars-hotels, during January to March, 2015, the data was analyzed in SPSS. The mean average was used to rank the level of importance for the factors of loyalty as follows: 1) price factor; 2) customer service factor; 3) food and beverages factor; 4) facilities factor; 5) brand name factor; 6) location factor; 7) image factor. Keyword: hotel; customer; loyalty; price factor; Bangkok.

Рунгрот Тронгсакул ЛОЯЛЬНІСТЬ ВІДВІДУВАЧІВ ГОТЕЛІВ: НА ПРИКЛАДІ

# МІЖНАРОДНИХ ТУРИСТІВ У М. БАНГКОК, ТАЇЛАНД

У статті зроблено спробу оцінити фактори, що впливають на лояльність відвідувачів готелів. Дані зібрано шляхом опитування 200 міжнародних туристів у 3–4-зіркових готелях Бангкока (Таїланд) протягом січня-березня 2015 року. Дані опитування проаналізовано за допомогою SPSS. Середні значення результатів аналізу дозволили вибудувати такий рейтинг факторів впливу на лояльність туристів: 1) фактор ціни; 2) якість обслуговування клієнтів; 3) іжа та напої; 4) інфраструктура готелю; 5) значущість бренду готелю; 6) розташування готелю в місті; 7) фактор іміджу.

*Ключові слова:* готель; лояльність клієнтів; ціновий фактор; Бангкок. *Табл. 1. Літ. 10.* 

## Рунгрот Тронгсакул ЛОЯЛЬНОСТЬ ПОСТОЯЛЬЦЕВ ОТЕЛЕЙ: НА ПРИМЕРЕ МЕЖДУНАРОДНЫХ ТУРИСТОВ В Г. БАНГКОК, ТАИЛАНД

В статье сделана попытка оценить факторы, влияющие на лояльность постояльцев отелей. Данные собраны путём опроса 200 международных туристов в 3-4-звёздочных отелях Бангкока (Таиланд) в течение января-марта 2015 года. Данные опроса проанализированы при помощи SPSS. Средние значения результатов анализа позволили выстроить следующий рейтинг факторов влияния на лояльность туристов: 1) фактор цены; 2) качество обслуживания клиентов; 3) еда и напитки; 4) инфраструктура отеля; 5) значимость бренда отеля; 6) расположение отеля в городе; 7) фактор имиджа. Ключевые слова: отель; лояльность клиентов; ценовой фактор; Бангкок.

**Introduction.** Factor of loyalty is one of the most important "ingredients" in marketing (Gilley and Eggland, 1992; Kotler, 2003). Many researchers believe that good customer service lead to customer loyalty as such (BSI, 2014). However, K. Wongleedee (2012) had studied quite a wide range of issues regarding customers and tourists' loyalty and found that reasonable price and service quality were the two most important factors that lead to customers' loyalty. Every customer contributes to success and profit of a hotel. Therefore, customers' loyalty to any organization is an important step to future sustainability. In Thailand, during the expansion of tourism and hospitality, the occupation rate of international customers is also getting very high. Customers' loyalty becomes the factor of hotel survival under high level of competition. In the past, there was a belief that customers' loyalty resulted from good cus-

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tomer service and high customer satisfaction (Ineson et al., 2013). In the hospitality industry, the relationship between customer loyalty and long term relationship is an important link leading to long-term profits. Therefore, it is a big mistake to overlook minor facts such as customers' comments, for example, which can often impact the level of customer satisfaction and can become the major decision factor while choosing to come back or not. However, good management can inspire customers' loyalty and often result in the increasing rate of repeated customers and customer loyalty accordingly.

There are numerous benefits from customers' loyalty. Therefore, it is necessary to reveal and examine the important factors that can increase hotel customers' loyalty.

This paper is therefore aimed to focus on the factors associated with hotel customers' loyalty in order to use further the findings in improving the hotel customers' loyalty.

Literature review. What are the factors that lead to customers' loyalty? Customers' loyalty can be explained as the behavior of customers which are satisfied with the product or services and are willing to repurchase particular product or service in the future and often say positive things about these particular products and services (Kotler and Armstrong, 2010). Since hotel service can be considered as a tangible product, quality meeting customers' expectations is very important since it can lead to customer loyalty. The lack of customer loyalty may be attributed to such factors as low satisfaction and poor service. On the other hand, the factors that can create customers' loyalty vary widely. Many studies also differentiate between monetary and non-monetary recognition. Further, J. Heskett et al. (1994) stated in his model that a satisfied employee will be a loyal employee and the service he/she is providing would significantly increase the level of customer satisfaction and thus lead to customer loyalty.

Methodology. The objective of this study is to examine the factors associated with hotel customers' loyalty. The population included all international customers who stayed at the three and four star hotels in Bangkok, Thailand. The sample of 200 international customers was surveyed during January-March 2015. Three and four star hotels in Bangkok were selected as the main area of study because more demographic variety for the sample could be obtained in them. In fact, data collection was conducted in over 20 hotels. The initial sample size of 400 respondents was determined according to T. Yamane table (1973) with the 0.05 level of significance. However, due to limited time and resources and also language problems, 200 was chosen for this study as the sample maximum. Data collection was conducted by means of English questionnaire. There are three parts in the questionnaire. Part one concerns the respondents' demographic information. Part two covers the level of importance for each factor associated with customer loyalty and in part three the respondents could provide their opinions, comments, and suggestions. The validity of each question in the questionnaire was tested utilizing item-objective congruency, or IOC index (Wanichbancha, 2001). Also, preliminary 20 respondents had been used for a pilot study in order to find ways to improve each question and to obtain an acceptable Cronbach Alpha coefficient value of more than 0.75.

**Findings.** The demographic profile indicated that more female than male respondents were sampled, the ratio is 51:49. The majority of the respondents had an undergraduate degree and was able to understand English very well.

Factors	Mean	S.D.	Rank
1. Price factor	4.78	.7440	1
2. Customer service factor	4.68	.8915	2
3. Food and beverages factor	4.55	.6687	3
4. Hotel facilities factor	4.52	.7779	4
5. Brand name factor	4.44	.9567	5
6. Location factor	4.33	.9258	6
7. Hotel image factor	4.26	.9151	7
All categories	4.50	.8399	

Table 1. Level of Importance, author's

From Table 1, the mean score can be used to rank from the highest to the lowest factors as follows: 1) price factor; 2) customer service factor; 3) food and beverages factor; 4) hotel facilities factor; 5) brand name factor; 6) location factor; 7) hotel image factor. Also, the mean score of all the categories was 4.50 with the standard deviation of 0.8399, thus indicating that the average level of satisfaction was very high.

**Limitation and future studies.** The main limitation of this paper came from the sample as such since only 200 international hotel customers (respondents) could speak English, obviously they do not represent all other customers such as critical mass of Chinese customers who seldom speak English. As a consequence, the findings may not be generalized globally. Therefore, future research should use random sampling with more variety of customers. Also, future studies should cover not only the level of importance but also the reasons why exactly the respondents were satisfied or not satisfied since this provides more insights regarding their loyalty.

#### Acknowledgment. The author would like to thank the Research and Development Institute, Suan Sunandha Rajabhat University, Bangkok, Thailand for financial support. References:

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Стаття надійшла до редакції 5.02.2016.