



DOI: [https://doi.org/10.14505/jemt.v14.2\(66\).09](https://doi.org/10.14505/jemt.v14.2(66).09)

Rising Customer Loyalty with Beneficial Impact on Service Quality Dimensions during the COVID-19 Pandemic for Tourism in Thailand

MUSRIHA

Faculty of Economics and Business, Bhayangkara University, Indonesia
Musriha.ubhara@gmail.com

Diana RAPITASARI

Faculty of Economics and Business, Bhayangkara University, Indonesia
diana@ubhara.ac.id

Suggested Citation:

Musriha, Rapisari, D. (2023). Rising Customer Loyalty with Beneficial Impact on Service Quality Dimensions during the COVID-19 Pandemic for Tourism in Thailand. *Journal of Environmental Management and Tourism*, (Volume XIV, Spring), 2(66): 392 - 397. DOI: [10.14505/jemt.v14.2\(66\).09](https://doi.org/10.14505/jemt.v14.2(66).09)

Article's History:

Received 13th of December 2022; Received in revised form 7th of January 2023; Accepted 14th of February 2023; Published 31st of March 2023. Copyright © 2023 by ASERS® Publishing. All rights reserved.

Abstract:

The tourism industry is one of the fastest and largest growing industries in the economy nowadays. This industry has proven to be full of opportunities and challenges such as opening international borders, widespread internet access, and increased mobility and wealth of citizens in increasingly industrialized countries such as Thailand. The tourism industry can support the economic development of both local and country economic, earnings from foreign and domestic visitors. Especially during the COVID-19 pandemic, the tourism industry is declining. Therefore, some adjustment is required to increase the recovery rate of the tourism industry. The goal of this study is to assess the influence of service quality (SERVQUAL) dimensions on customer loyalty using customer satisfaction as an intervening variable. Based on SERVQUAL dimension as the independent variable and customer loyalty as the dependent variable also customer satisfaction is the intervening variable. This research was done in 4 stars hotels in Thailand, that struggle during the COVID-19 pandemic. The data used is based on the questionnaire that spread out to 100 respondents of hotel customers from many countries. The regression and analysis approaches are used in this research because the goal is to determine the indirect influence of SERVQUAL characteristics and customer satisfaction on customer loyalty. The result of the study showed a positive impact to increase the value of the customer and minimizing customer loss, especially during the COVID-19 Pandemic.

Keywords: SERVQUAL dimension; customer satisfaction; customer loyalty.

JEL Classification: O41; L84; D02.

Introduction

Tourism is one of the world's most profitable industries. According to the UNWTO Statistics Guidelines, tourism is a general word that covers both demand and supply and has been accepted and used in many forms across the world (Nikolskaya *et al.* 2019). Opening international borders, broad internet access, and greater mobility and income of individuals in highly industrialized nations such as Thailand have all proven to be possibilities and difficulties for the tourist sector. The tourism business may help both local and national economies by generating revenue from both international and domestic tourists. Unexpectedly, the COVID-19 epidemic has had a detrimental influence on visitor arrivals in Thailand (Thin *et al.* 2019). As one of Thailand's most important businesses, the epidemic has had a severe impact on tourism workers. In contrast, the demand for tourism in Thailand remains high and is heavily influenced by the number of verified COVID-19 cases (Kanyama *et al.* 2022).

A company's competitive advantage is dependent on service quality and consumer engagement (Sharma & Srivastava 2018). Thus, according to Alzoubi and Nguyen (Alzoubi *et al.* 2021; NGUYEN 2021), interaction

quality is the quality that is closely tied to how the service process is performed, as observed via the interaction process of service provider representatives with their clients. Customer happiness may be created by providing the finest service quality (Park *et al.* 2022). Customer satisfaction is a measure of customer expectations in regard to corporate products or services that are used by customers (Ali *et al.* 2021). Long-term satisfaction will influence the creation of customer loyalty. Customer loyalty will emerge as a result of the company's trust (Think *et al.* 2019). According to (Soehardjoepri *et al.* 2021) competitive pressures will drive enterprises to improve their offerings. In accordance with the problems raised above, the following is the goal of this study: 1. Being aware of and analyzing how SERVQUAL dimensions effect customer satisfaction at the 3 stars hotels in Thailand. 2. Understanding and analyzing how SERVQUAL factors effect customer loyalty at the 3 stars hotels in Thailand. 3. Understanding and analyzing how customer happiness affects customer loyalty at 3 stars hotels in Thailand. 4. Determine and analyze if SERVQUAL characteristics influence customer loyalty indirectly through customer satisfaction at the 3 stars hotels in Thailand.

1. Literature Review

Service quality (SQ) is calculated by comparing perceived service expectations (E) to perceived service performance (P), yielding the equation $SQ = P - E$. The expectancy-disconfirmation paradigm gave rise to this idea of service quality. "The worldwide appraisal or attitude of overall excellence of services" was characterized as "service quality" (NGUYEN 2021). In other words, it is the discrepancy between consumer perception and expectation of service provided by service businesses based on the confirmation/disconfirmation principle. Meanwhile, the anticipation of what a service would provide may be evaluated (German *et al.* 2022). Parasuraman *et al.* (1998) validated the SERVQUAL scale for measuring service quality, which included reliability, tangible, responsiveness, assurance, and empathy.

Customer happiness, according to Mouzaek *et al.* (2021) has become an essential part of the hotel sector. Satisfaction is a feeling of pleasure or disappointment caused by comparing consumer expectations for a product or service to the actuality obtained. Consumers' satisfaction with a product or service is assessed by their behavior after utilizing the product or service (Park *et al.* 2022) defines customer satisfaction as "the scenario displayed by consumers when they recognize that requirements and desires that are expected and satisfied satisfactorily." The key characteristic of a business, as expressed in workers' motivation to offer services that surpass expectations and strive for customer pleasure (Kanyama *et al.* 2022).

According to Hassan *et al.* (2021), client loyalty will be the key to success, not only in the near term but also for long-term competitive advantage. Kanyama *et al.* (2022) defined loyalty as having two key components: loyalty as a behaviour and loyalty as an attitude. The behaviour dimension relates to a customer's behaviour on recurrent purchases, which indicates a long-term affinity for a brand or service (Ali *et al.* 2021). According to Suryaningsih *et al.* (2020) five sorts of marketing activities are utilized to build loyalty: repeat purchases, great affection for the services, provisions on the services, belief that the services are the greatest service, and brand referral to others. The desire of employees to pay attention to customers, the need to know customer needs, the need to deliver services, and the desire to establish personal relationships with customers (Sharma & Srivastava 2018).

According to Lin *et al.* (2021), pleased consumers will return to make purchases and spread favourable word of mouth recommendations. According to Widiana (2021) consumer pleasure may generate loyalty or loyalty to the firm. Customer satisfaction may help the firm by creating a harmonious connection between the customer and the company, which can then inspire consumers to make repeat purchases and develop loyalty customers against the company. As a result, it is possible to conclude that there are positive correlations between customer pleasure and customer loyalty. Another study found that the presence of personnel might boost customer satisfaction (Mouzaek *et al.* 2021) The findings of this study are also similar with the findings of Alzoubi *et al.* (2021), who found that behaviour outside of one's work helps to the management of the company's connection with customers, impacts consumer perceptions of outstanding service quality, and leads to customer loyalty. Employees must be trained in organizational skills so that businesses may increase the quality of services they deliver to clients (Park *et al.* 2022). Organization is happy to be able to deliver the greatest service to consumers in order to satisfy them (Ali *et al.* 2021).

2. Methodology

The primary goal of this research is to examine the relationship between Servqual Dimensions and Customer Loyalty using Customer Satisfaction as an intervening variable. Parasuraman *et al.* (1998) classified service quality into five aspects. As independent variables, they are Reliability, Assurance, Tangible, Empathy, and

Responsiveness. Customer Satisfaction serves as an intervening variable, while Customer Loyalty serves as a dependent variable. To obtain the data, a questionnaire was distributed to 100 hotel clients from various nations. The regression and analysis approach are used in this research because the goal is to determine the indirect influence of service characteristics and customer satisfaction on customer loyalty.

As a partner in this research is Bossotel 3 star hotel in Chiang Mai Thailand. This hotel was chosen because it is one of the most visited hotels by travellers and has very good ratings and reviews on various recommendation sites such as Agoda, Google and so on. So that in this research it is hoped that there are things that can be adopted by other similar hotels so that they can also survive the COVID-19 pandemic.

Table 1. Title of table

Tranche	Spread (basis point) (Gaussian copula)	Spread (basis point) (Student copulas)
0% à 10% (Equity)	2952,4	3172.895
10% à 30% (Mezzanine)	779.3024	762.065
30% à 100 % (Senior)	43.4713	30.210

Instrument research, according to Soehardjoepri *et al.* (2021), is a tool used to observe. Instrument research is a questionnaire that is organized based on variables from variable research. The indicators will be outlined in depth in questionnaires that will be provided to respondents. The instrument in this study is a closed questionnaire, which means that the questionnaire already has answers and respondents must just pick one, and there are three variables in this study, namely Dimensions of SERVQUAL, customer satisfaction, and customer loyalty.

3. Result and Discussion

In this study, there are five independent factors (reliability, assurance, tangible, empathy, and responsiveness), one intervening variable (customer satisfaction), and one dependent variable (consumer loyalty). The questionnaire in this study collects responses using a Likert scale. On a 1-5 scale, 1 represents Strongly Disagree and 5 represents Strongly Agree. This object's questionnaire has 30 questions about the variable and 3 questions on the respondent's particular data.

The analytical test employed the standard assumption test, which is the normalcy test (Hari *et al.* 2019). And to determine the indirect influence of each variable, we employed an analytical route with the Sobel test. Data normalcy is assessed using a skewness value threshold of 1.96 at a significance level of 0.05. When the crucial ratio skewness value is less than 1.96, data can be presumed to have a normal distribution.

From the Table 2, can be conclude that all the variables of this research are normal. Because shows that the significant of reliability, assurance, tangible, empathy, and responsiveness to customer satisfaction is 0.221 greater than the formula 0.05 so the variables are normal. And from the reliability, assurance, tangible, empathy, and responsiveness also customer satisfaction to customer loyalty is 0.152 greater than 0.05 so it is normal.

Table 2. One-Sample K-S Test

		Unstandardized Residual	Unstandardized Residual	
N		100	100	
Normal Parameters ^{a,b}	Mean	.0000000	.0000000	
	Std. Deviation	1.17547092	1.06766720	
Most Extreme Differences	Absolute	.103	.112	
	Positive	.103	.045	
	Negative	-.064	-.112	
Test Statistic		.103	.112	
Asymp. Sig. (2-tailed)		.010 ^c	.003 ^c	
Monte Carlo Sig. (2-tailed)	Sig.	.221 ^d	.152 ^d	
	99% Confidence Interval	Lower Bound	.210	.143
		Upper Bound	.231	.161

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

The analysis route is used to quantify research with intervening variables. For the first phase of this study, double regression was performed. Then, following regression, go to the Sobel test to determine the indirect influence of Servqual dimensions on customer loyalty via customer satisfaction.

Figure 1. Analysis Path Model

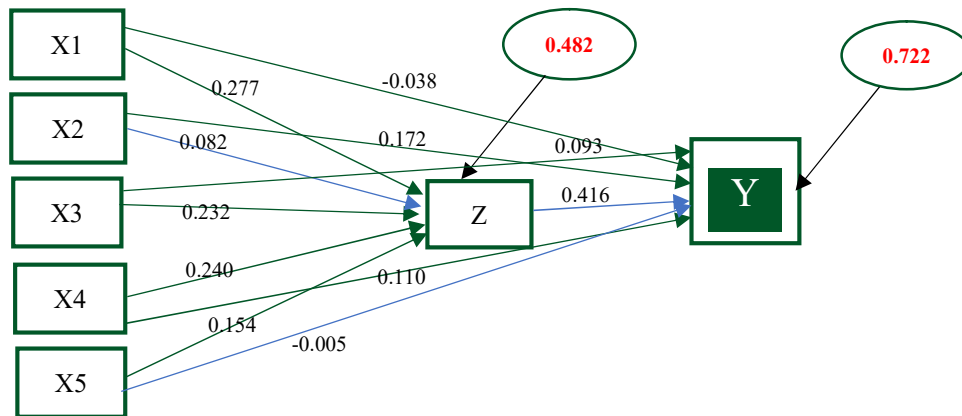


Table 3. Coefficients*

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.145	1.144		2.748	.007
	Reliability	-.034	.119	-.038	-.283	.778
	Assurance	.099	.075	.172	1.326	.188
	Tangible	.061	.091	.093	.678	.499
	Empathy	.061	.082	.110	.738	.462
	Responsiveness	-.003	.096	-.005	-.032	.974
	Customer Satisfaction	.252	.094	.416	2.677	.009

a. Dependent Variable: Customer Loyalty

Based on the statistics presented above, it is possible to conclude:

The significant value of Reliability (X1) to Customer Loyalty (Y) is 0.778 > 0.05, indicating that H6 is rejected, and Reliability (X1) has no substantial and positive effect on Customer Loyalty (Y).

The significant value of Assurance (X2) to Customer Loyalty (Y) is 0.188 > 0.05, indicating that H7 is rejected, and Assurance (X2) has no substantial and positive effect on Customer Loyalty (Y).

Tangible (X3) has a significant value of 0.499 > 0.05 to Customer Loyalty (Y), indicating that H8 is rejected and Tangible (X3) has no substantial and positive effects on Customer Loyalty (Y).

The significant value of Empathy (X4) to Customer Loyalty (Y) is 0.462 > 0.05, indicating that H9 is rejected and Empathy (X4) has no substantial and positive effect on Customer Loyalty (Y).

The significant value of Responsiveness (X5) to Customer Loyalty (Y) is 0.974 > 0.05, indicating that H10 is rejected, and Responsiveness (X5) has no substantial and positive effect on Customer Loyalty (Y).

The significant value of Customer Satisfaction (Z) to Customer Loyalty (Y) is 0.009 > 0.05, indicating that H11 is accepted, and Customer Satisfaction (Z) has a substantial and positive effect on Customer Loyalty (Y).

This test means to find out the relationship through intervening variable is significantly capable as mediator in the relationship. In this case Customer Satisfaction (Z) is the intervening variable of the relationship between Servqual Dimensions (X1, X2, X3, X4, X5) and Customer Loyalty (Y). Sobel test used to test how much the role of the Z variable intervening the effect of X1, X2, X3, X4, X5 and Y.

Formula:

$$Sab = \sqrt{b^2Sa^2 + a^2Sb^2 + Sa^2Sb^2}$$

a = value of Beta X to Z *b* = value of Beta Z to Y

Sa = Std. Error of Regression Model 1

Sb = Std. Error of Regression Model 2

After get the *Sab* then count the t-count of each variable with formula:

$$t - \text{count} = \frac{a \times b}{Sab}$$

If, $t\text{-count} > t\text{-table}$ It is possible to conclude that the independent variable has an indirect influence on the dependent variable (Y) via the intervening variable (Z).

Table 4. Sobel Test Results

No	Independent Variable	t-count	t-table	Description
1.	Reliability (X1)	1.955	1.986	H12 rejected , there is no significant effect of X1 towards Y through Z.
2.	Assurance (X2)	0.964	1.986	H13 rejected , there is no significant effect of X2 towards Y through Z.
3.	Tangible (X3)	2.081	1.986	H14 accepted , there is significant effect of X3 towards Y through Z.
4.	Empathy (X4)	2.299	1.986	H15 accepted , there is significant effect of X4 towards Y through Z.
5.	Responsiveness (X5)	1.373	1.986	H16 rejected , there is no significant effect of X5 towards Y through Z.

Conclusion

H1 was accepted because the significant value is $0.001 < 0.05$, indicating that Reliability significantly affects customer satisfaction; H2 was rejected because the significant value is $0.341 > 0.05$, indicating that Assurance does not significantly affect customer satisfaction; H3 was accepted because the significant value is $0.010 < 0.05$, indicating that Tangible significantly affects customer satisfaction; and H4 was accepted because the significant value is $0.015 < 0.05$, indicating that E We may infer that just three characteristics of service quality, namely reliability, tangibles, and empathy, have a substantial impact on customer satisfaction.

Data from Servqual factors that have a substantial impact on customer loyalty. H6, H7, H8, H9, and H10 were discarded since the significant value of these independent variables was greater than 0.05, implying that all aspects of service quality had no direct influence on customer loyalty. Because in order to be a devoted client, you must first be satisfied. Because the significant value is $0.009 < 0.05$, the data results of Customer Satisfaction that substantially effect Customer Loyalty H11 intervening variable (Z) towards dependent variable (Y) were approved. This suggests that Customer Satisfaction has a substantial impact on Customer Loyalty. We can observe that H12 was rejected for the indirect outcomes data test using analysis path by Sobel Test, indicating that there is no influence of Reliability on Customer Loyalty through Customer Satisfaction. Because H13 was rejected, Assurance has no effect on Customer Loyalty via Customer Satisfaction. Acceptance of H14 and H15 implies that Tangible and Empathy have a substantial impact on Customer Loyalty via Customer Satisfaction. H16 is rejected because responsiveness has no meaningful impact on customer loyalty via customer satisfaction. We may infer that in order to make customers loyal, we must first satisfy them so that they would repurchase and suggest our service and product to others.

Recommendations

In case of reliability, tangible and empathy have to increase the service quality because from the results research three of them get the special attention of customer and for the assurance and responsiveness variable have to improve and increased so it can make customer satisfied to stay in Bossotel Inn Chiang Mai.

Hotel should give more attention to create the customer satisfaction because to make the customer loyalty to repurchase also recommendation Bossotel to others needs customer satisfaction as intervening. Thus, with a good service of hotel same as this research and any others service that does not include to test can make customer satisfied and happy to stay so they will be a loyal customer and this will be beneficial especially post-pandemic.

References

- [1] Ali, B. J. *et al.* 2021. Hotel service quality: The impact of service quality on customer satisfaction in hospitality. *International Journal of Engineering, Business and Manage*, 5(3): 14–28.
- [2] Alzoubi, H. M., Vij, M., Vij, A., and Hanaysha, J. R. 2021. What leads guests to satisfaction and loyalty in UAE five-star hotels? AHP analysis to service quality dimensions. *Enlightening Tourism. A Pathmaking Journal*, 11(1): 102–135.

- [3] German, J. D., *et al.* 2022. Choosing a package carrier during COVID-19 pandemic: An integration of pro-environmental planned behavior (PEPB) theory and service quality (SERVQUAL). *Journal of Cleaner Production*, 346, 131123.
- [4] Hari, Y., Brian, K., and Trisno, I. B. 2019. Perancangan sistem informasi kepuasan layanan pendidikan dengan pendekatan naïve bayes studi kasus di nation star academy. *Prosiding SNST Fakultas Teknik*, 1(1).
- [5] Hassan, T. H., and Salem, A. E. 2021. Impact of service quality of low-cost carriers on airline image and consumers' satisfaction and loyalty during the COVID-19 outbreak. *International Journal of Environmental Research and Public Health*, 19(1): 83.
- [6] Kanyama, J., Nurittamont, W., and Siripipatthanakul, S. 2022. Hotel Service Quality and Its Effect on Customer Loyalty: The Case of Ubon Ratchathani, Thailand during COVID-19 Pandemic. *Journal of Management in Business, Healthcare, and Education*, 1(2): 1–20.
- [7] Lin, A. J., Chang, H.-Y., Huang, S.-W., and Tzeng, G.-H. 2021. Improving Service Quality of Wealth Management Bank for High-Net-Worth Customers During COVID-19: A Fuzzy-DEMATEL Approach. *International Journal of Fuzzy Systems*, 23(8): 2449–2466.
- [8] Mouzaek, E., *et al.* 2021. An empirical investigation of the impact of service quality dimensions on guests satisfaction: A case study of Dubai Hotels. *Journal of Contemporary Issues in Business and Government* 27(3): 1187.
- [9] Nguyen, P.-H. 2021. A Fuzzy Analytic Hierarchy Process (FAHP) Based on SERVQUAL for Hotel Service Quality Management: Evidence from Vietnam. *The Journal of Asian Finance, Economics and Business*, 8(2): 1101–1109.
- [10] Nikolskaya, E. Y., *et al.* 2019. Improvement of digital technology in the tourism sector. *Journal of Environmental Management and Tourism*, 10(6): 1197–1201. DOI: [https://doi.org/10.14505/jemt.v10.6\(38\).01](https://doi.org/10.14505/jemt.v10.6(38).01)
- [11] Park, S., Kwun, D. J., Park, J.-Y., and Bufquin, D. 2022. Service quality dimensions in hotel service delivery options: Comparison between human interaction service and self-service technology. *International Journal of Hospitality & Tourism Administration*, 23(5): 931–958.
- [12] Sharma, S., and Srivastava, S. 2018. Relationship between service quality and customer satisfaction in hotel industry. *TRJ Tourism Research Journal*, 2(1): 42–49.
- [13] Soehardjoepri, Balaff, M., Widyastuty, A. A. S. A., and Widiana, M. E. 2021. Natural Tourism Empowerment Construction through Brand Strategy based Online Marketplace to Accelerate the Development and Enhancement of Industrial Competitiveness 4.0 in Undeveloped Areas of the Coast of East Java. *Journal of Environmental Management and Tourism*, XI(48).
- [14] Suryaningsih, I. B., *et al.* 2020. Digital Marketing Tools or e-WOM? Tourists Motivation to Enjoy the Charm of Blue Fire on Ijen Crater Ecotourism. *Journal of Environmental Management and Tourism*, 11(4): 802–808. DOI: [https://doi.org/10.14505/jemt.v11.4\(44\).03](https://doi.org/10.14505/jemt.v11.4(44).03)
- [15] Thinh, N. H. T., Pham, L., and Strickler, C. 2019. Customer trust and purchase intention: How do primary website service quality dimensions matter in the context of luxury hotels in Vietnam. *International Journal of E-Services and Mobile Applications (IJESMA)*, 11(1): 1–23.
- [16] Widiana, M. E. 2021. The Standardization Transformation of Industry Oriented Batik to Accelerate Competitiveness 4.0 and National Independence in Clothing Sector during New Normal. *Journal of Environmental Management and Tourism*; 7(55). DOI: [https://doi.org/10.14505/jemt.12.7\(55\).18](https://doi.org/10.14505/jemt.12.7(55).18)