Effects of Hotel Experiences on Service Quality, Satisfaction and Consumer-Brand Relationship

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Abstract

**Purpose**: The study tried to make a comparison between local and global brand hotels with respect to the relationships among customer experiences, service quality, customer satisfaction and consumer-brand relationship. This study provided strategic implications according to its results. **Research design, data and methodology**: To this end, this study collected data from 300 participants who have stayed at local and global brand hotels in Seoul. SAS 9.4 was used for data analysis. **Results**: The results showed that experiential modules ('sense' module and 'feel-think-act') affected service quality (human service, physical service) in local brand hotels. But 'feel-think-act', one of experiential modules, only affected service quality in global brand hotels. Also, physical service only had strong effects on customer satisfaction with both local and global brand hotels. Finally, customer satisfaction was influenced by consumer-brand relationships for two hotel groups. But there were no statistically significant differences in all estimations between local and global brand hotels. **Conclusions**: In conclusion, the study provided some strategic implications that experiential marketing in hotel industry needs be practiced maintain the competitive advantage and sustain branding power and will result in stronger consumer-brand relationships in local and global brand hotels.

**Keywords**: Experiential Marketing, Service Quality, Customer Satisfaction, Consumer-Brand Relationship, Local Brand Hotel, Global Brand Hotel

**JEL Classification Codes**: M31

1. Introduction

Companies want to take advantage of opportunities created by information innovation, to build their own brand to conduct integrated communications across the world and interact with customers. Traditional marketing, however, has not developed from today's information, branding, and communication revolutions, so it cannot properly play a role in the emerging experience economy. (Fernandes et al, 2019) divided the progressive circles of economic value into four stages: daily necessities, industrial goods, services and experience. As the product has been, services are increasingly becoming necessities of life, and experience has also emerged as the next step in the 'improvement of economic Traditional marketing focuses largely on functional features and benefits, so traditional marketers value functional benefits for consumers in various markets. But now customers take for granted the functional features and benefits, product quality and brand image and expect more. Therefore, the ability to create a desirable customer experience and how well the factors that make it possible will be the main determinant of the company's success.

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Experience marketing has emerged from traditional marketing and branding, and experience marketing is a technique that provides long-lasting recognition to consumers while making their packaging beautiful or using products or services that impressively decorate the space provided. Experience marketing is applied in many areas such as transportation products, technology and industrial products, professional services and financial instruments.

2. Theoretical Background

2.1. Experience

Research on experience has been done in many areas, including marketing, consumer behavior and psychology, with an empirical view (Cho et al, 2015) that encompasses phenomena that are difficult to explain as informational views in the early marketing field. There are also information economics views that categorize products or attributes according to when they can be obtained based on the purchase date, experience and economic experience, and Schmidt's emphasis on holistic experience that emphasize the experience of pleasure in the evolution of products according to the stage of economic development. contrary to other views, does not regard experience as an element of experience, but as a sense, emotion, and knowledge. The emphasis was on a holistic experience that included a number of factors, such as behavior, and relationships. Experience is the response to any stimulus, any stimulus provided by the marketing effort before and after purchase, resulting from direct observation and participation of events, whether virtual or not (Cho et al, 2015). Because the experience is not automatically created but induced, the marketer must provide an incentive to lead the customer experience (Wallace et al, 2014).

2.2. Customer Satisfaction

The concept of satisfaction has been regarded as a key variable for predicting post-purchase behavior and has long been studied in marketing and consumer studies. There are two main definitions of customer satisfaction. One is to place emphasis on outcomes and the other on processes. The electronic conceptions customer satisfaction as a result of consumption experience. (Raggio & Leone, 2009) was defined as an emotional state as an emotional response to the product or service experience. (Jo, 2007) then defined inconsistencies as a comprehensive state of psychology resulting from a combination of conflicting expectations and consumer preconceived (cognitive/constructive) emotions about the consumption experience. On the other hand, the latter was defined as a process-focused conceptualization of customer satisfaction, while (Kocyigit & Ringle, 2011) defined the consumption experience as being at least better than expected. (Peterson, 2001) classified customer satisfaction into two forms: a definition that focuses on outcomes from consumption experience and a definition that is based on a comparative process for expectations and performance.

2.3. Consumer-Brand Relationship

The study of the consumer-brand relationship was first conducted centering on the self-image from the consumer point of view, and then on the West brand image from the brand point of view, leading to the study of the consistency of brand image and self-image. It further led to the study of brand personality and the study of consumer-brand relationships that logically expanded brand personality. The study of consumer-brand relationships began with (Cho et al, 2015) study of human-ownership relationships and suggested that humans self-organize by engaging in relationships with certain possessions. (Jo, 2007) said that brand-consumer relationships interact with each other from a long-term perspective and as a result they interact with each other. It was said that the meaning of consumers having a relationship between brands is a complex of cognitive, emotional, and behavioral processes that occur between consumers and brands, as in relationships between individuals. (Cho et al, 2015) also called it the interaction between consumer attitudes toward brands and brand attitudes toward consumers, and said that consumer-to-brand relationships are more about giving the brand a personality than simply resolding the brand's performance or service, so that it is as if it were a human relationship. (Winchester et al, 2008) stated that the brand has meaning in both psychological and social-cultural contexts, along with the perception of the brand as a partner that the brand and the consumer are interdependent.

3. Research Method

3.1. Collecting Data

The composition of the questionnaire was prepared after reviewing the adequacy and understanding of the terms by experts in advance to obtain an easy and reliable response as soon as possible. Twelve luxury hotels were selected in downtown Seoul and surveyed hotel customers. The survey was conducted from March 18 to April 30, 2021, and a total of 400 copies of the questionnaire were distributed to collect 350 copies, and 300 copies were used as final analysis, except for those that were not suitable for the study.
**H1**: Experience in native brand hotels and overseas brand hotels will have a significant positive (+) effect on the quality of service.

**H2**: Service quality for native brand hotels and overseas brand hotels will have a significant positive (+) effect on customer satisfaction.

**H3**: Customer satisfaction with native brand hotels and overseas brand hotels will have a significant positive (+) effect on consumer-brand relationships.

**H4**: There will be significant differences between customer experience and service quality in native brand hotels and overseas brand hotels, and the respective path coefficients for customer satisfaction and consumer-brand relationships.

### 4. Analysis Result

#### 4.1. Feasibility and Reliability of Measured Items

The SAS 9.4 statistical program was used to verify the validity and reliability of the measuring instrument. First of all, an exploratory factor analysis was conducted to verify feasibility. Conformity of the overall sample (KMO=0.7) and the sphericity test of Bartlett (p=).000) indicates that the data used in this study are suitable for factorial analysis. The factorial analysis of experience was conducted by the Varimax method, which is a right-angled rotation method, and the factor was given to extract more than 1 igen value (Hollebeek & Chen, 2014). According to the analysis, two factors were extracted from the experience, with a total distributed description of 69.58 percent. They were named as emotional, cognitive and behavioral experiences and sensory experiences. In particular, variables with factor loading below 0.4 (scenters) were eliminated among experienced variables, and variables with decreasing reliability (freshness, new facts, and participation in invitation events) were eliminated. Since the load carrying values of all factors are 0.6 or higher, perpendicular rotation has been performed, the validity of each concentrated plate can be considered to be demonstrated. Reliability verification was also used as the basis for the Cronbach Alpha coefficient, and the Cronbach Alpha coefficient for the factor all appears to be 0.7 or higher, meeting the lowest allowable value presented by (Fernandes et al, 2019) and above, which makes it reliable. The results of the analysis are shown in Table 1 below. In addition, the compliance of the overall sample (KMO>0.7) and Bartlett's test (p=.000), indicating the suitability of the dependent variables, quality of service, customer satisfaction, and consumer brand relationships.

<table>
<thead>
<tr>
<th>Table 1: Sphericity Test Results</th>
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<tr>
<td>Keiser-Meyer-Olín(KMO) Measurement of the appropriateness of standard formation</td>
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### 5. Conclusion

Consumers no longer buy products with functional features, benefits, and quality of their products, but are looking for brands that want a long-lasting experience that will imprint on consumers’ minds while making beautiful packaging of their products or using impressively decorated products or services. The best way to do this is to create interactive experience for businesses and customers. Therefore, companies should have a series of experiences to satisfy consumers and maintain a lasting relationship with the brand. Therefore, in this research, we will use experience marketing strategy as a solution to win the upper hand in the fierce competition between native brand hotels and overseas brand hotels. The experience factors were constructed based on the Strategic Experience Module proposed by (Fernandes et al, 2019) highlighting the perceived service quality and customer satisfaction and a set of relationships between consumers and brands, and providing strategic implications. To carry out this study, the hypothesis was established based on the previous preceding research. To verify this, 12 express hotels in downtown Seoul were selected and surveyed from March 18 to April 30, 2021 and 300 questionnaires were used as final analysis materials. The analysis results are summarized as follows. First, at the native brand hotel, it's experience. Although phosphorus has a significant impact on the quality of service only emotional, cognitive and behavioral experiences among the experience factors have a significant impact on the quality of service. In particular, emotional, cognitive, and behavioral experiences have a larger impact on the quality of physical services and human services than sensory experiences. These results are the sensuous aspects that customers feel when using a hotel.
As soon as you enter the hotel, you will be able to feel better through beautiful melodies from the lobby lounge and the subtle aroma of coffee that stimulates the tip of your nose, and eventually recognize the favorable image of the hotel, which can be seen as a series of processes that end up reusing the hotel have a positive impact on the overall quality of service, including the quality of physical service quality. Therefore, marketers of hotel companies should build a comprehensive experience that allows them to experience multiple experiences rather than simple experiences through strategic modules of (Fernandes et al, 2019). In order to create such a holistic experience, you should find and use the empirical cartwheel to find and use the empirical link. In the case of a native-brand hotel, Korea's atmosphere, style, color, style, and symbolism will give Korean customers an old-fashioned idea, while overseas customers will be able to appreciate their good intentions and identity, creating a pleasant and impressive feeling. This can play an important role in connecting sensory experience modules to emotional experience modules. These modules will also be connected to positive and impressive cognitive experience modules for hotels and a link will be formed to connect them to row dynamic experience modules through sensory, emotional and cognitive experiences that reflect the distinctive Korean culture. Because this is not automatically created but induced, the marketer will need to provide an incentive to lead the customer experience. Therefore, hotel companies should use the appropriate means of providing experience to each concept, since marketers may have a different image or affinity for companies and brands depending on which type of experience they choose and market. In addition, when comparing a native brand hotel with an overseas brand hotel, the impact of emotional, cognitive and behavioral experience on the physical service quality of the hotel was slightly greater than that of an overseas brand hotel. These results can be seen as a result of a series of customer-oriented sensibilities, perceptions and behaviors that suit the needs of domestic customers compared to overseas brand hotels, which can be seen as driving improvements in the exterior and tangible quality of the hotel service. As a result, since the customer positively evaluates the quality of the physical service through a series of experiences, the marketer should improve the quality of the physical service by using the design or color of the hotel, unique facilities, and advertising or pamphlets that may be reminiscent of Korea. On the other hand, foreign-brand hotels will be run on the basis of marketing provided by foreign headquarters or overall management strategies by consigned management or franchising, so they may be somewhat less than the needs of domestic customers.

References


