Path analysis to identify factors influencing customer loyalty of Green Hotel and Resort in Thailand

Phairhoote Phhipopaekasit
King Mongkut’s University of Technology North Bangkok, Thailand
Email: proj76@gmail.com

Suang-I Anunthawichak
King Mongkut’s University of Technology North Bangkok, Thailand
Email: suang-i@live.com

Abstract---The objective of this study is to analyze the direct effects of customers loyalty, and the factors affecting customer loyalty to green hotels and resorts in Thailand. Indeed, the Green Hotel and Resort in Thailand is facing challenges in customer loyalty and customer satisfaction. This study is based on stratified sampling and the questionnaire was filled by the customers of the hotel, and the sample size for this research was 500. This study concludes that there is a significant role of corporate image, perceived value, customer expectation, and customer loyalty in customer satisfaction. Furthermore, this study highlights that to improve the customer satisfaction for the Green Hotel and Resort, it is important to consider the role of these influencing factors to increase customer satisfaction by providing them with values. Also, this study has the managerial implication that is necessary and based on finding to enhance customer satisfaction for better performance.

Keywords---path analysis, customer loyalty, customer satisfaction, corporate image, customer expectation, Green hotel and resort.

Introduction

Tourism and Hospitality businesses are facing a crisis in modern times to develop customer loyalty and satisfaction. In the same way, Green Hotel and Resort in Thailand is facing the same problem because the customers are not being satisfied according to the expected trends. In this regard, the role of corporate image, perceived value, customer expectation, and customer satisfaction is important in developing customer satisfaction, because most of the countries that
have improved these factors in their business terms, these countries are successful in the terms of business dealing. No doubt, customer satisfaction, and loyalty are based on consumer behavior, but the fact is that the behavior of the consumers is dynamic, because they belong to different entities, and they have a different set of values, and opinions. Therefore, to satisfy every customer is a hard nut to crack, and at the same time, the perception is important to develop for better loyalty, particularly, in the well-developed and emerging tourism businesses.

Corporate image refers to the positioning of cooperation in the mind of the consumers or customers that are associated or linked with that particular cooperation (SUKSUTDHI & BOONYANMETHAPORN, 2022). Similarly, customer expectation refers to the rotation of the consumers when they interact with any business activity, and they have their perception and problem to be fulfilled by that business entity (Quan, Al-Ansi, & Han, 2022). On the other hand, perceived value is the value that is based on the perception of consumers, according to the business entity, and their previous experience (Majeed, Asare, Fatawu, & Abubakari, 2022). In the same way, customer satisfaction refers to the satisfaction of consumers as a customer, when their needs are fulfilled by the business organization (Cabral & Marques, 2022). Importantly, when the needs of the consumer are fulfilled by the business entities, as result, the consumers become loyal to that particular business entity, and they have developed more positive behavior and become potential buyers (Tavitiyaman, So, Chan, & Wong, 2022).

The objective of this study is to analyze the role of customer loyalty and the effect of different influencing factors, in the consumer loyalty of green hotels and resorts in Thailand. Importantly, for sustainable tourism, understanding the behavior of consumers, and their adaptation according to their perceived value is important, for the tourism industry, and the hotels that are associated with this kind of business because to satisfy the needs of the consumer is the foremost goal of the well-established, and competitive leader business. In this regard, this study is conducted to analyze what is the role of customer loyalty, customer expectation, and perceived value in customer satisfaction and customer loyalty. Moreover, this study and practical implications, provide the theoretical framework, and the relationship between the variable for the success of green hotels and resort in Thailand.

This study is significant because it provides theoretical and practical implications for managerial activities for the green hotel and resort in Thailand, to enhance customer satisfaction to increase customer loyalty. Further, these managerial implications are based on the well-developed research and the sample taken from the customers of the hotel, to identify the real influencing factors in developing customer satisfaction, to develop customer loyalty. Moreover, this study highlights the way that is important for managerial implications, to support the hotel business of Thailand. In this regard, this study is not only effective for green hotels and resorts in Thailand, but also different businesses related to hospitality management.
Literature review

Role of corporate image in customer expectation, perceived value, and customer satisfaction

It is a fact that corporate image plays a key role in customer expectation because the customer is directly dependent and interacted with the corporate image, and they develop their expectation from the corporations. In this regard, according to Kanyama, Nurittamont, and Siripipatthanakul (2022) the businesses that are developing their corporate image, to increase their positioning in the target market, and as result, they are developing their corporate image, and at the same time, the expectation in the minds of customers. Furthermore, the corporate image would be developed in the target market as result the more customer expectation would be increased.

Similarly, according to Biju and Kumar (2022), the corporate image also contributes to the development of perceived value in the target market. It is a fact that the consumer belong to any target market are developing the values from the business organization based on their corporate image because they consider it as their source of satisfying the needs. In this regard, the role of corporate image is important, and the businesses that are working to enhance their corporate images, these businesses are increasing their perception of the target market (Talapatra, Santos, & Gaine, 2022). Importantly, for developing the perception in the mind of the consumer and at the same time the values for the target market, the role of corporate image is important, because it is for better positioning in the target market (Oh, Ji, Kim, Park, & del Pobil, 2022). Also, corporate-level strategies are enhancing the experience of consumers and developing strategies to provide satisfaction to them.

Moreover, the satisfaction of the customer is directly dependent on the corporate image because the corporate image is influencing the consumer, to purchase with the business entity. No doubt, the customers are willing to get it from the business entity, that is providing them value and understanding their basic needs, and developing strategies to fulfill them. In this regard, the study of Ulusoy and Akyürek (2022) states that there is an important role of the corporate image for the customer satisfaction because when the consumers are psychologically reinforced and they have social acceptance while making a transaction with such kind of corporation that has well-developed positioning in the target market, they are satisfied with it. Importantly, if the target market is not provided with the corporate level strategies or corporate image, as result, it would not be satisfied with the product, and services, and their motivation level would be decreased. In this regard, corporate-level strategies are helping business entities to develop corporate image, and satisfaction in the minds of the customer.

H1: There is a relationship between corporate image and customer expectation.
H2: There is a relationship between corporate image and perceived value.
H3: There is a relationship between corporate image and customer satisfaction.
Role of customer expectation in perceived value and customer satisfaction

The expectation of the customer is directly dependent on their perception of the business entity. If the consumers are not having strong values and perceptions, they would not have any kind of expectation from such kind of business. In this regard, according to Salim and Rodhiah (2022), the customers are looking for business entities that are providing them with values and fulfilling their protection by delivering products and services. Also, customer expectations are developed with the perceived value, because the more perceived value to the customer of any business entity would have, in results, the more efficient and effective strategies would be made for developing it. In the same way, customer expectations are playing a key role in customer satisfaction. Importantly, if the dynamic customers of any target market have a different level of expectations that are not being fulfilled, the customers would not be satisfied. Oppositely, the customer of any business entity is provided with the appropriate product and service according to their expectation, as result, their satisfaction level would be increased and they would also become loyal consumers to that business entity (Karki, Bhatt, & Ghosal, 2022). Particularly, in the hotel industry, to develop customer satisfaction and loyalty, it is important to maintain a long-term relationship with the target market by providing them satisfactory products and services, to increase customers satisfaction and fulfill customer expectations.

H4: There is a relationship between customer expectation and perceived value.
H5: There is a relationship between customer expectation and customer satisfaction.

Role of perceived value and customer loyalty in customer satisfaction

The perceived value of the customers is the value that the customer developed for fulfilling their needs by the hospitality management, and if their needs are being fulfilled, they would be satisfied. Many hotel managers are working harder, to meet the field values of the target market for developing the strong brand positioning and maintaining a long-term relationship with the help of customer satisfaction. In this regard, customer satisfaction is also dependent on the perceived value of the customer and their interaction with the business entity, for developing a strong brand and maintaining a long-term relationship with the target market (Santarcangelo et al., 2022; Kerdpitak, 2022). Moreover, the role of perceived value is critical for development in customer satisfaction, because it provides a unique experience to the target market. In the same way, for developing customer satisfaction, customer loyalty, customer satisfaction is important, as it helps in developing a long-term relationship with the target market (Gontur, Gadi, & Bagobiri, 2022).

H6: There is a relationship between perceived value and customer satisfaction.
H7: There is a relationship between customer loyalty and customer satisfaction.
Mediation role of customer expectation and perceived value in customer satisfaction

For developing customer satisfaction, the role of customer expectation and perceived value is important because both are the influencing factors in developing customer satisfaction and customer loyalty. Importantly, according to Caecaria, Hermawan, and Siswanto (2022), customer expectation is helping corporate image to provide a perceived value in the target market because the cleaners are attracted to the perceived value based on corporate image. Similarly, perceived value is influencing customer satisfaction based on corporate images, because the more perceived value would be developed in this regard, the more customer would be satisfied (Kerdpitak, 2020; Keča & Ivančić, 2022). Moreover, perceived value is important for developing a long-term relationship in the target market and satisfying the customer according to their expectation (see the relationship between the variables in Figure 1 Conceptual Framework).

H8: Customer expectation mediates the relationship between corporate image and perceived value.
H9: Perceived value mediates the relationship between corporate image and customer satisfaction.
H10: Perceived value mediates the relationship between customer expectation and customer satisfaction.

![Figure 1. Conceptual Framework](image)

Methodology

Prepare questionnaire

The customer was prepared by taking scale items from the previous studies for each variable. In this regard, the questionnaire was divided into two sections; in the first section, the demographic information of the customers was required to identify their diversification. However, in the second section of the questionnaire, the scale items for each variable were presented to get the response of the customer of green hotel and resort of Thailand. Moreover, the questionnaire was in the English language to be understandable for the respondents.

Data collection method

In this study, the data were collected from the customers of green hotel, and resort in Thailand. To begin with, they were asked for their permission, to provide them a questionnaire and also, they were introduced with the purpose of study, to
understand the purpose of the questionnaire, and the study for their share contribution. In the same way, they were introduced to the variables that are used in the theoretical framework. Furthermore, they were asked to fill out the questionnaire and after their response, the questionnaire was collected back for the analysis. The sample size for this research was 500.

**Findings**

The data was analyzed after getting a response for the respondents on the questionnaire, in this regard, the mean, standard deviation, and standard error are identified (see Table 1. Stactical Test of Empirical Variables). In the same way, the factor loadings were identified, and according to the results, the loadings of each scale item were greater than 0.70 which is recommended for modern research. Moreover, the value of CR for each variable was greater than 0.80 which is also best for valuable marketing research. Additionally, the AVE value for each variable was greater than the recommended value of 0.50 (see Table 2. Factor Loadings).

**Direct effects**

In this section, the hypotheses were tested according to check their significance or insignificance (see in Table 3). H1 was tested to check its significance and according to the results corporate image has a significant effect on customer expectation (β= 0.713, t= 5.340) and H1 is supported. H2 was tested to check its significance and according to the results, the corporate image has a significant effect on perceived value (β= 0.550, t= 2.675) and H2 is supported. H3 was tested to check its significance and according to the results, the corporate image has a significant effect on customer satisfaction (β= 0.185, t= 4.469), and H3 is supported. H4 was tested to check its significance and according to the results, customer expectation has a significant effect on perceived value (β= 0.157, t= 3.221), and H4 is supported. H5 was tested to check its significance and according to the results, customer expectation has a significant effect on customer satisfaction (β= 0.409, t= 3.172, p= 0.000), and H5 is supported. H6 was tested to check its significance and according to the results perceived value has a significant effect on customer satisfaction (β= 0.345, t= 4.262, p= 0.000) and H6 is supported. H7 was tested to check its significance and according to the results customer loyalty has a significant effect on customer satisfaction (β= 0.237, t= 3.746), and H7 is supported (see in Figure 2).

**Indirect effects**

The mediation or indirect effect was measured in this section of the study, and according to the results customer expectation mediates the relationship between corporate image and perceived value (β= 0.112, t= 3.231), hence H8 is supported. Additionally, according to the results, perceived value mediates the relationship between corporate image and customer satisfaction (β= 0.519, t= 2.988), therefore, H9 is supported. Furthermore, results reveal that perceived value mediates the relationship between customer expectation and customer satisfaction (β= 0.554, t= 2.836), therefore, H10 is supported.
Table 1
Statistical test of empirical variables (n=500)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean Statistic</th>
<th>Std. Deviation Statistic</th>
<th>Skewness Statistic</th>
<th>Kurtosis Statistic</th>
<th>Std. Error</th>
<th>Skewness Std. Error</th>
<th>Kurtosis Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Image</td>
<td>4.325</td>
<td>0.566</td>
<td>-0.566</td>
<td>0.109</td>
<td>-0.468</td>
<td>0.218</td>
<td></td>
</tr>
<tr>
<td>Customer Expectation</td>
<td>4.320</td>
<td>0.586</td>
<td>-0.471</td>
<td>0.109</td>
<td>-0.572</td>
<td>0.218</td>
<td></td>
</tr>
<tr>
<td>Perceived Value</td>
<td>4.187</td>
<td>0.624</td>
<td>-0.265</td>
<td>0.109</td>
<td>-0.858</td>
<td>0.218</td>
<td></td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>4.238</td>
<td>0.556</td>
<td>-0.349</td>
<td>0.109</td>
<td>-0.457</td>
<td>0.218</td>
<td></td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>4.433</td>
<td>0.450</td>
<td>-0.130</td>
<td>0.109</td>
<td>-0.547</td>
<td>0.218</td>
<td></td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Table 2
Factor Loadings

<table>
<thead>
<tr>
<th>Variables</th>
<th>Items</th>
<th>Loadings</th>
<th>Alpha</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Image</td>
<td>CI1</td>
<td>0.78</td>
<td>0.702</td>
<td>0.814</td>
<td>0.524</td>
</tr>
<tr>
<td></td>
<td>CI2</td>
<td>0.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CI3</td>
<td>0.798</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CI4</td>
<td>0.770</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Expectation</td>
<td>CE1</td>
<td>0.77</td>
<td>0.739</td>
<td>0.835</td>
<td>0.560</td>
</tr>
<tr>
<td></td>
<td>CE2</td>
<td>0.74</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CE3</td>
<td>0.833</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CE4</td>
<td>0.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Value</td>
<td>PV1</td>
<td>0.901</td>
<td>0.945</td>
<td>0.96</td>
<td>0.859</td>
</tr>
<tr>
<td></td>
<td>PV2</td>
<td>0.922</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PV3</td>
<td>0.911</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PV4</td>
<td>0.901</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>CS1</td>
<td>0.821</td>
<td>0.826</td>
<td>0.884</td>
<td>0.656</td>
</tr>
<tr>
<td>Variable</td>
<td>Effect</td>
<td>Corporate Image</td>
<td>Customer Expectation</td>
<td>Perceived Value</td>
<td>Customer Satisfaction</td>
</tr>
<tr>
<td>-------------------</td>
<td>--------</td>
<td>-----------------</td>
<td>----------------------</td>
<td>-----------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>Customer Expectation</td>
<td>DF</td>
<td>0.713(5.340)</td>
<td>-n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>IF</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>TE</td>
<td>0.713(3.111)</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Perceived Value</td>
<td>DE</td>
<td>0.550(2.675)</td>
<td>0.157(3.221)</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>IE</td>
<td>0.112(3.231)</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>TE</td>
<td>0.662(2.981)</td>
<td>0.157(2.763)</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>DE</td>
<td>0.185(4.469)</td>
<td>0.409(3.172)</td>
<td>0.345(4.262)</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>IE</td>
<td>0.519(2.988)</td>
<td>0.554(2.836)</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>TE</td>
<td>0.704(3.104)</td>
<td>0.466(3.273)</td>
<td>0.345(3.472)</td>
<td>n/a</td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>DE</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>0.237(3.746)</td>
</tr>
<tr>
<td></td>
<td>IE</td>
<td>0.167(2.873)</td>
<td>0.110(2.836)</td>
<td>0.082(2.364)</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>TE</td>
<td>0.167(3.663)</td>
<td>0.110(3.745)</td>
<td>0.082(2.744)</td>
<td>0.237(2.364)</td>
</tr>
</tbody>
</table>

**Discussion**

According to the results of H1, H2 and H3 there is a significant relationship between corporate image, customer expectation, and perceived value. To begin with, perceived value is important because with the help of a corporate image, it is developed in the consumers, and they have some kind of expectation from the business organization. In the case of hospitality businesses, it is observed that perceived value is considered as the foremost criteria the consumer thinks when they are going to make the transaction, with any business activity (Anetoh, Okafor, Ewuzie, & Okeke). Similarly, the corporate image is playing a key role in developing customer expectation, because the positioning of the corporation in the mind of consumers is the base of developing that petition as the consumer or willing to get the satisfaction of their needs from the business activities. Moreover, the role of corporate image is important in customer satisfaction, because until and unless a customer is not satisfied, then it will be useless for the business organization, particularly the organization of hospitality management to get the top of the mind positioning in the mind of the consumer (Sufi, 2022). Importantly, corporate image is the influencing factor that is playing a key role in developing the relationship between customer expectation, customer satisfaction, and perceived value, because these all factors are customer-oriented, and helps to develop customer loyalty and customer satisfaction.
Furthermore, according to the results of H4 and H5, there is a significant relationship between customer expectation, perceived value, and customer satisfaction. No doubt, the organizations that are working to provide unique services, and products to the customers to satisfy the need, these organizations are playing a key role in getting a competitive advantage. Also, the customers are always motivated by the product and services that are triggered when their values are high, and their satisfaction is achieved. The customers are always having a different set of opinions about the business organization and importantly is the value of consumers are concerned and the business organization fails to provide satisfaction, in result, the customer would be dissatisfied, and they would not become loyal, because their expectation would not be met by the services of tourism businesses (Chen, Han, & Wang, 2022). In this regard, the hotels and resorts in Thailand must focus on the satisfaction of approval based on corporate image, and receive values to develop a long-term relationship with the potential buyers. Moreover, the organization that is failed to satisfy the expectation of the customers, these organizations are less vulnerable and fail to get success in the target market (Bekimbetova, Erkinov, & Rakhimov, 2021).

In the same way, according to the results of H6 and H7, for developing customer satisfaction, there is an important role of perceived values and customer expectations. No doubt, the customer expectation is the desire, the customer wants to be fulfilled, and it must be the objective of business organization to understand the expectation of the target market, and develop strategies to provide satisfaction by fulfilling the expectation. In this regard, the most important factor is perceived value, because the customer is diversified, and when it comes to the hotels and resorts in Thailand, the customer is foreign tourists, and if their value is met according to their expectation, the level of their satisfaction increased (O'Connor & Assaker, 2022). Importantly, these customers are developing a long-term relationship with the target market to customer loyalty and customer satisfaction.

According to the results of H8, H9 and H10 there is an important mediating role of the customer expectation between the relationship of corporate image and perceived value. Similarly, there is an important mediating role of perceived value between the relationship of corporate image and customer satisfaction. It is a fact that when the customers are satisfied with any hospitality business, they develop a strong relationship with that particular business. Moreover, there is an important mediating role of perceived value between the relationship of customer expectation and customer satisfaction, in this regard, the most satisfied the customer would be the more productive, and the potential customer would develop a long-term relationship with the business entity in the hospitality business.

Implications

Theoretical implications

This study has theoretical implications because no study earlier has discussed the role of customer expectation, corporate image, and perceived value, in the customer satisfaction and customer loyalty of green hotels and resorts in Thailand. In this regard, different earlier researches are based on the attitude,
and purchasing power of consumers, as the influencing factors of green hotels and resorts. In this way, this study has significant implications to provide literature, and describe the relationship between different variables, in the study framework. Moreover, this study provides the framework that would be useful for future research, to understand the relationship between variables, and not repeat the same work. Also, the discussion of the study and the hypotheses are a contribution to the literature, to provide a study guide for managerial implications to increase customer loyalty and customer satisfaction in green hotels and resorts in Thailand.

**Practical implications**

This study has managerial implications that the management of green hotels and resorts in Thailand should understand the influencing factors of perceived value, corporate image, and customer expectation, to develop customer loyalty. To begin with, getting customer loyalty is not an easy task, but with the help of a corporate image, the management of the organization can go with the opportunity to increase and fulfill the expectation and fulfill the needs of consumers according to their perceived value. Importantly, when the perceived value of the consumers would be satisfied, as result, they would consider satisfaction from the business organization, and as result, the loyalty of customers would be developed for green hotels and resorts in Thailand. Moreover, the management of Thailand’s hospitality businesses should work according to the requirement of customers, develop strong customer loyalty, and increase business expectations to target the values, and as a result, get growth in terms of sales and customer loyalty. The hotels and the resorts in Thailand must focus on the development of strategies, to satisfy the needs of the customers to develop a long-lasting relationship with them for maintaining customer loyalty, by considering all of the influencing factors that are contributing to the success of these businesses.

**Future direction**

This study recommends that future studies should consider the role of marketing management, customers relation, and personal relations in the case of green hotels and resorts in Thailand because no study has considered the role of these variables in relationship management for the target market.

**References**


Biju, K., & Kumar, V. S. (2022). A review on the customer perception, expectations and satisfaction post covid in the hotel industry. *International journal of economic perspectives*, 16(1), 5-12.


