Brand Trust in Hotel Industry: Influence of Service Quality and Customer Satisfaction

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Abstract. The objective of current study is to understand the influence of service quality and customer satisfaction on brand trust for hotel services in Dubai. In order to achieve this goal, a total of 100 local and international hotel customers have been investigated. The self-employed questionnaire survey was employed to collect data from respondents. The relationship among the variables was studied by applying Pearson Correlation analysis. The results reflect the fact that both service quality and customer satisfaction have positive influence on brand trust. In addition, based on the data analysis, service quality has higher impact on brand trust in compare with customer satisfaction.

Keywords: brand trust, service quality, customer satisfaction, hotel marketing

1. Introduction

The topic of brand has been subject of several studies and researches all around the globe. The basic assumption about the brand in this relationship derives from social psychology (Delgado-Ballester and Munuera-Alemán, 2000), with it being proposed that the relationship between the consumer and the brand has similarity to relations between individuals (Delgado-Ballester and Munuera-Alemán, 2000). Brand trust has been described as a relationship between consumers and manufactures which based on trust and reliability of manufactures (Chaudhuri and Holbrook, 2001). The importance of level of trust regarding a specific brand is more significant when there is perceived risk (Krishnan and Hartline, 2001), doubtfulness about the quality and standard features of same product or service in contrast with other competitor products or services (Chaudhuri and Holbrook, 2001), or when there are high levels of participation in the selection process (Garbarino and Johnson, 1999). Besides, In terms of hotel venues, there is always element of uncertainty about temporary residence and selection of hotels for travellers and visitors of a new region. In such situation, brand issue plays a significant role in hotel industry. Hence, the importance of this research is related to the customer decision making toward hotel selection and how hoteliers can increase their band trust and attract travellers in their first experience of a destination. More specifically the main objective of current study is to understand in what extent and how service quality and customer satisfaction impact on brand trust

2. Literature Review

2.1. Hotel industry in Dubai

Dubai is located at a strategic place. Its location is the confluence point of the Middle East, Asia, Western Africa and Central/Eastern Europe. Apart from Dubais' geographical advantages, other significances refer to this place such as historical chronicle, religion aspects of the place and the fact that it is a perfect transit point for the travellers. Undisputedly Dubai is the epicentre of an iconographic destination development in compare with the other Gulf countries (Steiner, 2009). The term "hyperreal destination"

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applied to describe Dubai (as opposed to a cultural heritage destination) which has the potential to create a novel concept and progressive enterprises to appeal to the westerners (Stephenson et al., 2010). Furthermore, based on data have been released by Dubai Department of Tourism and Commerce Marketing (DTCM), the popularity of spending holidays time in Dubai rocketed in the year of 2008. Hotel industry gained 4.3 billion Dirhams (£593.6) during a period of four months in 2008. This amount of revenue displayed an escalation of more than a fifth on the 3.5 billion Dirhams recorded in the same period of time in 2007.

In addition, statistic showed 7% enlargement of the guest's number in Dubai's hotels and apartments over the first quarter of 2008. Also the number of nights spend guests increased 10% at the same time. Furthermore, the number of hotel rooms and hotel apartments multiplied, 15.9 % on 2007. This rise in the number of rooms assisted to hotel revenues in Dubai to reach a record of Dh15.25 billion (US$4.15bn) in the year 2008.

2.2. Brand and hotel selection

One of the main aspect of the hotel selection links to the consumer awareness of the hotel features and standards. Given the fact that potential customers are unfamiliar with the location, we can suggest they are unaware of the hotels presence in that location or their quality. Existence of the unfamiliarity and unawareness with the consumers makes them to rely on other cues to select their accommodation. In such situation, option of brand can be extremely sizable (Dube and Renaghan, 1999; Krishnan and Hartline, 2001). Brand trust defines as an efficient and undeniably significant factor (Delgado- Ballester et al., 2003; Hiscock, 2001) in the hotel experience, particularly in unfamiliar locations that always feature of uncertainty over the quality of the accommodation is the matter.

Moreover, according to Krishnan and Hartline (2001), the products such as hotel and restaurants with simultaneous and inseparable production and consumption, which involves high levels of experience effects, can only be appraised during and after the consumption process. This demands external cues to assist a form of judgment on the likely levels of satisfaction to be anticipated in the consumption process. In addition, the subject of perceived risk in a purchase is proceeding to anticipated value and willingness to buy (Sweeney et al., 1999). For this reason consumers often base their hotel choice on their beliefs about brand (Jiang et al., 2002; Kotler et al., 1996; Morgan, 1991).

A degree of relationship was identified between affective quality and perceptions of functional quality by Dardan and Babin (1994). They conducted a retail study that suggested consumers use tangible aspects to conclude probably intangible qualities. Affective quality was caused from store design as well as internal and external tangible features.

The role of the brand, as an external cue to quality, is highly significant to select a hotel, although there is a lack of research that has conducted the role of the brand in the initial or subsequent purchase of hotel accommodation. Therefore studies that conducted in this particular field have the potential to show us valuable tip especially for chain hotel managers whom always require updating their knowledge about the customers and their demands.

2.3. Service quality and customer satisfaction in hotel industry

Guest satisfaction is acknowledged as an essential factor to provide revenues and profits. Therefore, most of the literatures in the context of hotel industry identified customer satisfaction as the critical component of the hotel industry's value position to guest. Similarly, service quality is recognized as a critical item to the success of hotel business as well as a prior condition to gain favourable purchase intentions (Min and Chung, 2002; Callan and Kyndt, 2001; Callan and Bowman, 2000). As the matter of fact service quality has been identified as an agent that is able to affect directly customer satisfaction, repetition of purchase behaviour and guarantee organization's long-term profitability (Wilkins et al., 2007; Zeithaml and Bitner, 2003). For instance, Bitner (1990) indicated that effective service delivery influences customer satisfaction directly and immediately. Moreover, the result of research by Oh (1999) showed that the perceived service quality and perceived customer value have direct influence on customer satisfaction. In addition, Erto and Vanacore (2002), demonstrated that there are three different levels of service quality in hotel industry including "Must-be quality elements", "One-dimensional quality elements" and "Attractive quality elements". While each level result in various level of customer satisfaction.

3. Research Method

The methodology that applied for body of this research was based on five-point scale questionnaire, from 1(Not important at all) to 5(Extremely important).The respondents were the local and foreign hotel guests who had at least one night experience staying at four or five star hotels in the city of Dubai. Exclusively four stars hotels included in this study because the concept of brand trust is mostly critical for this hotel category. The data were collected via central location intercept across several tourist attractions as well as main shopping malls in Dubai city centre at various times of the day. Respondents were randomly approached and asked whether they were interested to participate in the study. A total of 100 completed and usable surveys were collected for further analysis. The proportions for the local and foreign guests were 55 and 45 respectively.

The main variables of this study were measured via the established and tested instruments. The Delgado-Ballester (2004) instrument consist of eight questions were adapted and modified to measure brand trust. Customer satisfaction was measured by modified instrument of Olorunniwo et al. (2006) along with its four questions related to customer satisfaction and one question related to behavioural intention. Finally the Akbaba (2006) scale and its 29 items completely have been used to measure service quality for current research. The demographic factors considered for this study involved gender, age, education, income and nationality.

Statistical Package for the Social Sciences (SPSS) was employed to analyze the relationship to test the objectives of this study. The Pearson correlation analysis was conducted to determine the degree of association among the main constructs of this study including service quality, customer satisfaction and brand trust. Independent sample t-test and Analysis of variance (ANOVA) were utilized to identify the influence of various demographic factors on brand trust.

4. Research Findings

Pearson correlation analysis was conducted among main variables including brand trust and service quality; service quality and customer satisfaction; as well as customer satisfaction and brand trust domain to understand and determine the relationship between each of the variables. Based on Burnes and Bush (2000), correlation coefficients that fall between +1 and +0.81 or between -1 and -0.81 are generally considered to be "very high". However, those correlation coefficients of +0.5 and -0.5 and above reflect strong correlations between two variables (Tabachnick and Fidell, 2001).

The Results of this study showed that correlation between all variables including service quality, customer satisfaction and brand trust were significant at 0.01 levels. Moreover, it illustrated that there was a very strong and positive correlation (0.887) between service quality and customer satisfaction. Also service quality was found to have a strong and positive correlation with brand trust (r = 0.521). However, a positive and weak correlation existed between customer satisfaction and brand trust.

The outcome of independent sample t-test identified that there were not a significant difference between female and male, also local and foreign hotel customers regarding the level of their brand trust. Ultimately, the result of ANOVA test did not illustrate any significant difference among other demographic factors including various age groups, education and income level and their level of brand trust (r = 0.339).

5. Discussion

The relationship between service quality and customer satisfaction (Caruana, 2002; Oh, 1999; Cronin et al., 2000; Parasuraman et al., 1988) has been the concern of many previous studies in the context of service industry. More specifically, service quality is considered as the critical success factor by both hoteliers and academic researchers. It is due to the fact that the direct and immediate influence of service quality on customer satisfaction has been examined in prior literatures (Zeithaml and Bitner, 2003; Binter, 1990). Moreover, according to Wilkins et al. (2006), service quality is a key factor in hotel industry which enhances customer satisfaction. Despite the considerable attention according to service quality and customer satisfaction, their influence on brand recognition, trust and reputation has taken few attentions in prior literature. Nevertheless, the result of research by Grace and O'Cass (2004) determined a linkage between service experience, satisfaction and brand attitude in bank industry. Further, Selnes (1993) recognized the

influence of service quality on both brand reputation and customer satisfaction as well. While customer satisfaction also impacts brand reputation.

The results of current study support the discussions and outcomes of last researches investigations and illustrated a positive connection among all main variables. Similarly service quality had a very strong and strong correlation with customer satisfaction and brand trust. While, although the correlation between customer satisfaction and brand trust was positive, it was quite weak.

The impact of various demographic factors on the level of trust over the hotel brand was another concern of this research. The demographic factors which tested consist of age, gender, education, income and nationality. The outcomes of data analysis did not show any association among these variables and brand trust in hotel industry.

6. Limitation and Suggestion for Future Research

One major limitation of this study was pertaining to its relatively small sample size of only 100 respondents. Thus, the generalization of the findings was not strong enough to the whole population of local and foreign hotel guests. Based on the above limitations, several directions can be taken in future research with regards to brand trust in hotel industry. As this study was an exploratory study to understand the factors may influence brand trust in the context of hotel, additional empirical attention should be given to the conceptual framework in future research. To produce more comprehensive results, the sample size must be large enough and include other hotel categories. Since the significant impression of service quality has been determined, further research is required to understand the role of antecedents of service quality in this regard.

7. Conclusion

Brand trust is a significant factor for hotel industry particularly when hotel customers have to decide upon their accommodation in an unfamiliar location and situation. Based on the consequence of this study, both service quality and customer satisfaction positively influenced the level of trust toward hotel brand. While, this impression of service quality was more significant in compare with customer satisfaction. Thus, according to the outcomes of this research, it would be a considerable obligation for hotel managers to invest on their service quality and attempt to comprehend the factors which improve the quality of their services to customers.

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