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Customers' Satisfaction on the Marketing Practices of Beach Resorts in IBA, Zambales, Philippines: Basis for a Harmonized Hospitality Services in the ASEAN

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Abstract:

The study was conducted to determine the level of satisfaction of customers on the marketing practices and services of beach resorts operating in Iba, Zambales. The descriptive and inferential methods of research were used with the questionnaire checklist as the main tool in data gathering using the 5-point Likert scale. Focused variables include product, price and promotion. Level of significance is at 0.05. The profile of the 355 respondents was also described. Based on the assessment of the respondents as to the marketing practices of IHERRA, the respondent's general ratings for product offerings, price, and promotion were described as "Often" practiced. The level of satisfaction of the respondents on the services of IHERRA beach resorts for product, price, and promotion were all described as "Very Satisfied". The findings also revealed that in terms of customer satisfaction and with product as the independent variable, there is "Moderate Relationship" on the marketing practices in terms of product, price and promotion. Based on the trend on tourism in the Philippines, IHERRA beach resorts should better improve their services and facilities to invite more tourist to visit and stay in Zambales. IHERRA should strengthen its membership and linkages with the local, national and international organizations to bring in these tourists. Websites must be developed to showcase the beauty of Zambales and the hospitality of its people.

Keywords: *Customers' satisfaction, marketing practices, beach resorts, descriptive, Philippines*

1. Introduction

As reported in The Association of Southeast Asian Nation (ASEAN) Travel & Tourism Competitiveness Report 2012 published by the World Economic Forum, the travel and tourism sector has become important driver of social progress and economic prosperity for many countries. It is estimated that it accounts for about 9 percent of gross domestic product (GDP) and employment worldwide. It stimulates growth through jobs and enterprise creation, provides significant foreign exchange revenues, generates opportunities for reducing poverty and inequality, preserves natural and cultural heritage, and upgrades infrastructure. In 2015, the ten-member countries of the ASEAN had recorded 108.9 million arrivals of intra-ASEAN and extra-ASEAN tourists (www.asean.org). Thailand (27.44%) had the highest tourist arrivals followed by Malaysia (23.62%), Singapore (13.99%), Indonesia (9.56%), Vietnam (7.29%), Philippines (4.92%), Cambodia (4.38%), Lao PDR (4.30%), Myanmar (4.30%), and Brunei Darussalam (0.20%). These tourists came from ASEAN countries, China, Europe, South Korea, Japan, Australia, USA, India, Taiwan, Hong Kong, and the rest of the world. The World Economic Forum (WEF) in its "Travel and Tourism Competitiveness Report 2015" ranked the Philippines at 74th overall, 12 places higher than the country ranked in its previous report. Aggressive travel campaigns, increased air traffic and improved infrastructure are among the driving factors of robust tourism in the country. Added to these are the plentiful natural endowments and a cultural inclination for service and hospitality (www.oxfordbusinessgroup.com).

In the Philippines, the Aquino administration identified that tourism and hospitality sectors were vehicles for positive impact on inclusive growth. It launched the "It's more fun in the Philippines" marketing campaign which gained international citations and lured more visitors (www.business.com). The Philippine travel and tourism industry contributed a total of Php.1.43 trillion to the local economy in 2015, equivalent to about 10.6 percent of the country's GDP as reported by the World Travel and Tourism Council (www.business.inquirer.net).

Strategic marketing management plays a very critical role in sustaining and improving the competitiveness of the Philippines in travel and tourism. Without effective marketing practices of hospitality establishments equipped with right facilities and efficient services to tourists would not achieve clientele satisfaction for the increase influx of tourists.

Thus it is important for Hotels, Restaurants and Resorts (HRR) researchers today to study and evaluate the existing strategic marketing management in terms of strategies and practices of small and medium scale hospitality enterprises.

2. Methodology

A combination of descriptive and inferential methods was used in this study as the questionnaire checklist is the main tool in the gathering of data. The researcher employed various data gathering procedures such as series of interviews, observations, the use of researcher-designed questionnaire, and surveys to secure the much needed information. The study was conducted in Iba, the capital town of Zambales. Customers who have experienced the services of IHRRA beach resorts were the respondents. Using the quota sampling technique, 355 was the computed sample size.

A survey questionnaire was used in gathering data from the customers of IHRRA beach resorts. A customer satisfaction evaluation form was used in gathering data from the customers. Items in the questionnaires were derived from the different marketing functions expressed in general aspects that easily understood by the respondents.

3. Results and Discussion

Table 1 shows the assessment of the respondents on the marketing practices of IHRRA beach resorts in terms of product offerings.

Marketing Practices	Mean	Interpretation	Rank
1. Sanitation and cleanliness of rooms/cottages and vicinity	4.15	Often	1
2. Prompt and courteous service	3.97	Often	4
3. Availability of parking space	3.90	Often	7
4. Food and beverages	3.99	Often	3
5. Good and proper ventilation	3.91	Often	6
6. Availability of recreational facilities	3.89	Often	8
7. Friendly customer information service	4.03	Often	2
8. Attractiveness of arrangement of rooms/cottages	3.95	Often	5
9. Proper arrangement of dining facilities	3.82	Often	9
10. Security & safety (security guard, CCTV, lifeguard, etc.)	2.83	Sometimes	10
Overall Weighted Mean	3.84	Often	

Table 1: Assessment of the Respondents on the Marketing Practices of IHRRA Beach Resorts in Terms of Product Offerings
Legend: 5.00 – 4.20 Always, 4.19 – 3.40 Often, 3.39 – 2.60 Sometimes, 2.59 – 1.80 Rarely, 1.79 – 1.00 Never

The marketing practices of IHRRA beach resorts in terms of their product offerings were assessed as “Often” by the respondents with an overall weighted mean of 3.84. The findings are similar to Kotler (2009) as he averred that customers are always aiming to get maximum satisfaction from the products or services that they buy. Whether an organization provides quality services or not will depend on the customers’ feedback on the satisfaction they get from consuming the products, since higher levels of quality lead to higher levels of customer satisfaction (Kotler & Keller, 2009)

Table 2 shows the assessment of the respondents on the marketing practices of IHRRA beach resorts in terms of price.

Marketing Practices	Mean	Interpretation	Rank
1. Based on cost/expense of product offering	4.00	Often	1
2. Based on demand	3.75	Often	8
3. Psychological (e.g. Php 999.95, P499)	3.67	Often	11
4. Discount	3.64	Often	12
5. Based on the price of competitors	3.74	Often	9
6. Profit	3.80	Often	4
7. Available product offering	3.79	Often	5
8. Cost	3.78	Often	6
9. Business structure	3.82	Often	2
10. The market and demand	3.81	Often	3
11. Competitors and demand	3.77	Often	7
12. Other factors (political, environmental, economics, etc.)	3.70	Often	10
Overall Weighted Mean	3.77	Often	

Table 2: Assessment of the Respondents on the Marketing Practices of IHRRA Beach Resorts in Terms of Price

The marketing practices of IHRRA beach resorts in terms of their price were assessed as “Often” by the respondents with an overall weighted mean of 3.77. Price is essential element in understanding and predicting customer behaviour. Keaveney (1995) found that pricing was the one of the most significant categories among eight general categories when he investigated customer switching behaviours in the service industry. To attract and maintain customers, marketers should consistently improve the quality of products and lower prices at the same time. A reasonable price level is considered to be a critical factor to influence customer satisfaction.

Table 3 shows the assessment of the respondents on the marketing practices of IHRRA beach resorts in terms of promotion.

Marketing Practices	Mean	Interpretation	Rank
1. Giving customers' discount	3.83	Often	3
2. Providing additional amenities (maid service, TV, phone)	3.71	Often	7
3. Providing additional assistance	3.80	Often	4
4. Greeting customers and being friendly	3.92	Often	1
5. Providing customers with clean and ventilated rooms	3.86	Often	2
6. Giving souvenirs and gifts	3.55	Often	15
7. Personal selling approach	3.66	Often	11
8. Print media advertisement	3.65	Often	12
9. Sales promotion	3.73	Often	5
10. Local radio advertisement	3.53	Often	17
11. Local newspaper advertisement	3.54	Often	16
12. Brochures distributed	3.60	Often	14
13. Billboard nearby	3.68	Often	10
14. The resort has sufficient budget for advertising	3.72	Often	6
15. The resort has a strong promotion program	3.64	Often	13
16. Promotion affects the volume of sales	3.70	Often	8
17. The advertising activities could reach target clientele	3.69	Often	9
Overall Weighted Mean	3.69	Often	

Table 3: Assessment of the Respondents on the Marketing Practices of IHRRA Beach Resorts in Terms of Promotion

The marketing practices of IHRRA beach resorts in terms of their promotion were assessed as "Often" by the respondents with an overall weighted mean of 3.69. For a service organization such as a hotel & resorts to acquire customers, it is important that marketing strategies be deployed to improve its own ability to compete with other hotels, gain a competitive advantage and thus retain a greater number of customers (Hill & Jones, 2002).

Table 4 shows the level of satisfaction of the respondents on the services of IHRRA beach resorts in terms of product offerings.

Customers' Satisfaction	Mean	Interpretation	Rank
1. Variety of products (food, beverages, souvenirs, etc.)	4.01	Very Satisfied	1
2. Quality of service	3.93	Very Satisfied	3
3. Quality of food and beverages	3.89	Very Satisfied	4
4. Quality of recreational facilities	3.80	Very Satisfied	7
5. Arrangement and presentation of rooms/cottages	3.85	Very Satisfied	5
6. Ventilation	3.76	Very Satisfied	9
7. Lighting	3.79	Very Satisfied	8
8. Security and safety	3.19	Satisfied	10
9. Cleanliness	3.94	Very Satisfied	2
10. Customer friendly staff and management	3.83	Very Satisfied	6
Overall Weighted Mean	3.80	Very Satisfied	

Table 4: Level of Satisfaction of the Respondents on the Services of IHRRA Beach Resorts in Terms of Product Offerings

The level of satisfaction of the respondents on the services of IHRRA beach resorts in terms of product offerings was rated with an overall weighted mean of 3.80 interpreted as "Very Satisfied". According to McCarthy and Perreault (1990), quality means the ability of a product to satisfy customers' needs in order to keep them satisfied.

Table 5 shows the level of satisfaction of the respondents on the services of IHRRA beach resorts in terms of pricing.

Customers' Satisfaction	Mean	Interpretation	Rank
1. Prices of rooms/cottages	3.77	Very Satisfied	2
2. The prices vary according to quality	3.70	Very Satisfied	5
3. The prices vary according to target market	3.68	Very Satisfied	6
4. The prices are based on current market condition	3.72	Very Satisfied	4
5. The prices are based on supply and demand	3.75	Very Satisfied	3
6. Acceptance of price	3.78	Very Satisfied	1
Overall Weighted Mean	3.74	Very Satisfied	

Table 5: Level of Satisfaction of the Respondents on the Services of IHRRA Beach Resorts in Terms of Pricing

The level of satisfaction of the respondents on the services of IHRRA beach resorts in terms of pricing was rated with an overall weighted mean of 3.74 interpreted as “Very Satisfied”. According to Molina & Esteban (2007), price fairness refers to consumers’ assessment of whether a seller’s price is reasonable, acceptable or justifiable. Price fairness is a very important issue that leads toward satisfaction. Charging fair price helps to develop customer satisfaction and loyalty.

Table 6 shows the level of satisfaction of the respondents on the services of IHRRA beach resorts in terms of promotion.

Customers’ Satisfaction	Mean	Interpretation	Rank
1. The use of radio advertising	3.59	Very Satisfied	4
2. The use of discounts as a promotion strategy	3.63	Very Satisfied	3
3. The use of local newspaper	3.51	Very Satisfied	6
4. The use of billboard(s)	3.68	Very Satisfied	1
5. The use of brochures given to customers	3.66	Very Satisfied	2
6. Giving of souvenirs	3.53	Very Satisfied	5
Overall Weighted Mean	3.60	Very Satisfied	

Table 6: Level of Satisfaction of the Respondents on the Services of IHRRA Beach Resorts in Terms of Promotion

The level of satisfaction of the respondents on the services of IHRRA beach resorts in terms of promotion was rated with an overall weighted mean of 3.60 interpreted as “Very Satisfied”. Promotion is a way of informing people about the services and products of an organization. According to Peter and Donnelly (1991) that a seller’s product can be promoted through advertising in printed and electronic media. With this, a message can be designed to inform, persuade and remind people about the company’s offering.

Table 7 presents the significant relationship between the customers’ satisfaction and the marketing practices of IHRRA beach resorts.

Customer’s Satisfaction	Marketing Practices					
	Product		Price		Promotion	
	r	Descriptive Value	R	Descriptive Value	r	Descriptive Value
Product	0.470*	Moderate Relationship	0.590*	Moderate Relationship	0.639*	Moderate Relationship
Price	0.417*	Moderate Relationship	0.633*	Moderate Relationship	0.670*	Moderate Relationship
Promotion	0.391*	Low/Slight Relationship	0.617*	Moderate Relationship	0.683*	Moderate Relationship
Overall	0.671					
Descriptive Rating	Moderate Relationship					
* significant at 0.05 (two-tailed) level of significance						
r critical value is 0.105 at N=355						

Table 7: Relationship of Customers’ Satisfaction and Marketing Practices of IHRRA Beach Resorts

Generally, there is a “Moderate Relationship” between the customer’s satisfaction and the marketing practices of IHRRA beach resorts at $r = 0.671$. The results show that the customers are satisfied when they personally experience and able to get the worth of what are being marketed and promised by these IHRRA beach resorts. Customers always look forward on what these resorts can really offer at the marketable price.

4. Conclusions

The findings revealed that a typical respondent is 33.55 years old, male, single, Filipino, a holder of a bachelor’s degree, working in the government and with a monthly income of Php 26,414.99.

Based on the assessment of the respondents as to the marketing practices of IHRRA, the respondent’s general ratings for product offerings, price, and promotion were described as “Often” practiced.

The level of satisfaction of the respondents on the services of IHRRA beach resorts for product, price, and promotion were all described as “Very Satisfied”.

The findings also revealed that in terms of customer satisfaction and with product as the independent variable, there is “Moderate Relationship” on the marketing practices in terms of product, price and promotion.

Based on the trend on tourism in the Philippines, IHRRA beach resorts should better improve their services and facilities to invite more tourist to visit and stay in Zambales. IHRRA should strengthen its membership and linkages with the local, national and international organizations to bring in these tourists. Websites must be developed to showcase the beauty of Zambales and the hospitality of its people.

5. Recommendation

The study recommends the following: (1.) The owners/managers of these resorts should undergo trainings and seminars regarding the mechanism of resorts operation and do the following: craft a unique and innovative advertising program, promotion strategies must be strengthened and improved; and provide good facilities coupled with prompt and courteous service. (2.) The owners should provide

more and improved recreational facilities. (3.) The resort owners must hire security and lifeguards to ensure the safety of the customers. (4.) The local government officials and local leaders may consider better promotion of in the province during low season, encourage more investors to expand and improve existing marketing strategies, and provide funding to educational institutions so marketing research can be conducted. (5.) In starting-up a business like resorts, the product, price and promotion or the three P's of marketing mix should always be a primary consideration. (6.) Resort owners need to advance customer satisfaction levels through providing a wide variety, high quality of products and coupled with well-mannered and speedy service sold at a reasonable price.

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