

# INFLUENCING FACTORS OF CUSTOMER SATISFACTION OF M TRAVEL AGENCY BASED ON O2O MODEL

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## ABSTRACT

Clothing, food, housing and transportation are the basic needs of people's social, economic and cultural life. This paper mainly discusses the problem of "living" in the tourism industry. In recent years, tourism has become a strategic pillar industry of China's national economy. As one of the three pillars of tourism, the travel agency industry competition is also increasingly fierce competition. In 2020, due to the impact of COVID-10, the tourism industry was greatly impacted, and the development of the travel agency industry began to face more challenges. Currently, the traditional marketing strategy can no longer meet the development needs of personalized and customized tourism market. How to adapt to the new trend of the tourism market under the background of the Internet, optimize the marketing strategy and expand the market share is an important topic for the development of the travel agency industry at present and in the future, and it is also the key to whether the travel agencies can remain invincible in the fierce market competition.

In this paper, 359 residents of M community in Beijing, China were surveyed. The empirical analysis of the results was carried out, and the results were verified by using descriptive statistical analysis of percentage, average, standard deviation, multiple regression analysis and other methods. A series of research conclusions were drawn. The results showed that the factors that affect the customer satisfaction of M Travel Agency under the O2O model, adjusted  $R^2 = 77.1\%$ . Including the following aspects, the factors that affect the customer satisfaction of M Travel Agency under the O2O model are in turn the assurance of service (Beta=0.154), the care of service (Beta=0.413), the responsiveness of service (Beta=0.228) and the tangibility of service (Beta=0.204). The factors that do not affect consumers' purchase intentions are the intangibility of services (Beta=-0.024) and the reliability of services (Beta=0.024).

**Keywords:** O2O model, travel agency, customer satisfaction

## INTRODUCTION

The 2018 National Time Use Survey showed that the physical leisure time per person was 65 minutes, 25 minutes more than in 2008. It can be seen that the importance of the leisure entertainment in residents' life is becoming more and more prominent, and a very important part of the leisure entertainment is tourism. China has entered the era of "mass tourism". With the improvement of people's living standards, tourism is no longer just about appreciating the scenery, but the scope of the tourism field is becoming more and more wide, and the scope of travel destinations is also becoming wider and wider. Overseas travel has become a "new fashion".

China ranks first in the world in terms of tourism scale and consumption scale. In the past decade, China's overseas tourism market has continued to grow by more than 1,000 people, becoming the world's largest source of overseas tourists and consumer expenditure countries. In 2018, overseas tourists reached nearly 150 million. Outbound travel is no longer the enjoyment of the few people, but has become the choice of the most people.

Tourism is becoming more and more developed, more and more travel agencies appear, serious homogenization, leading to the increasingly fierce competition of travel agencies, service quality is more and more difficult to guarantee. Travel agency vicious competition is serious. Tourists are more and more, and higher and higher, but the routes provided by travel agencies are much the same, the characteristics are not prominent, it is difficult to attract tourists. In order to gain a place in the fierce competitive environment, many travel companies have adopted unfair competition means, resulting leads to frequent tourism chaos. One is to cheat customers and rip off customers. In order to attract tourists, travel agencies arrange some items in the travel as self-funded items, which leads to tourists will be forced to shop, forced to "tip", forced to participate in self-funded on the trip, so that tourists spend more money, affect the mood of tourists, resulting in tourists unhappy travel. Second, false propaganda. Since tourists do not know the situation abroad, travel agencies will use some false publicity means, such as exaggerated pictures, exaggerated copy-writing, in the case of information asymmetry to attract tourists. Therefore, tourists have a huge psychological gap in the travel, which is far from the expectations, and eventually leads to dissatisfaction. Third, the cost of rights protection is high. Tourists in the travel agency after ripping off customers and other behavior, because of the pay to buy. The willing psychology of tolerance and the channels for rights protection are not clear, especially in the overseas country and because of the language barrier, most tourists therefore choose to give up their rights protection, which also makes the violations of travel agencies more rampant.

The service quality of tour guides and other service personnel is uneven. With the rapid development of tourism, the number of related service personnel has increased rapidly. Due to the low entry threshold and the lack of systematic training, the ability and quality of service personnel are not uniform. On the one hand, the lack of online personnel ability makes it difficult for tourists to have a clear understanding of the travel items when consulting and booking services. On the other hand, the attitude or ability of offline service personnel such as tour guides are uneven, and it is difficult to meet the service requirements of tourists, such as insufficient relevant knowledge reserve, poor service attitude and poor emergency response ability. Especially in the overseas travel, the lack of local cultural knowledge will make the tourists feel more dissatisfied.

## LITERATURE REVIEW

**Invisibility of O2O service contact:** With the progress of science and technology and the deepening of research, the service contact has expanded from the original narrow concept of interpersonal interaction to the broad whole-process contact, that is, the interpersonal contact between customers and service personnel, and also the interaction with environmental

facilities, other customers and non-interpersonal factors such as the Internet. In the context of mobile Internet era, customers form a preliminary impression on the hotel through online information before in-store consumption, generating certain psychological expectations; form a consumption experience through the contact with hotel hardware and software, and the degree of satisfaction in the first two stages of contact has formed customer loyalty; after consumption, customers will conduct word of mouth publicity through online evaluation, including positive publicity and negative publicity. Customers through before consumption, consumption and consumption after three aspects of service contact to complete the whole process of consumption, obviously the traditional offline service contact is not enough to represent the whole process of contact, in the customer and theme hotel service contact must join the elements of online contact, through online and offline service contact elements, attaches great importance to the improvement of hardware facilities, pay more attention to culture, creativity, service, software, to improve the quality of service contact before consumption, consumption and consumption.

Therefore, this paper, on the basis of the traditional service contact, put forward the new concept of O2O service contact, combined with the domestic and foreign literature combing and summary, the O2O service contact is defined as: customers in a series of complete consumption process and the enterprise entity environment, other customers, service personnel and network tangible and intangible factors between contact, these factors can be divided into online and offline two parts.

**Customer satisfaction:** Malthouse et al. (2004) believes that customer satisfaction has always been considered a key result of good marketing practice. Baker & Crompton (2000) believes that visitor satisfaction is a measure of a positive emotional response to the actual experience. Fornel (1992) & Fornel et al. (1996) stated that the framework of satisfaction measurement is divided into three important aspects: first, general or overall satisfaction, usually used as unique indicators in many surveys and studies and the cumulative nature of consumer satisfaction in our study; Oliver (1980) confirmed performance beyond or below expectations; and third, Johnson & Fornell (1991) considered ideal product performance relative to the consumer assumptions. Parasuraman et al. (1985) proposed ten major factors affecting customer satisfaction, including reliability, ability, responsiveness, politeness, accessibility, communication, security, credibility, understanding, and visibility.

**Service quality:** The literature reveals that the quality consists of two parts: one is customization or applicability, involving whether the product can meet various consumer needs or whether the product has a consumer scale; the other is reliability, which is related to whether the product can avoid defects for a long time. Anderson, Fornell & Lehmann (1994) believes that perceived service quality is a cognitive response to the service product. The definition of service quality of travel agency is mainly divided into two aspects: one is the service provided by travel agency before tourists participate in tour groups. The services include the itinerary and prices. According to the expectation inconsistency theory, satisfaction is achieved by a two-stage process. Before the purchase, the customer forms an "expectation" of the performance of the product (i. e., the various benefits and utilities that the product will provide);

after the customer buys, he compares the actual level of performance obtained by the consumer product with the expectation before the purchase, resulting in a gap or "inconsistency" between the two. Therefore, the services provided by travel agencies before the tourists participate in the tour will affect the satisfaction of the tourists in the trip. Second, the services provided by the tour guide to the tourists during the journey, including the arrangement of the real itinerary, the tour guide's full-service attitude, etc. The travel services provided by the travel agency are those that can only be perceived after the tourists participate in the tour group. Even if these services do not meet the expectations of the tourists, the tourists have almost no possibility to change the services during the short trip. The tour guide service and itinerary that dissatisfy tourists will seriously affect the feelings and mood of tourists.

**Customer-perceived value:** Early research, Chen & Dubinsky (2003), defined perceived value as the trade-off between perceived value and sacrifice value is mainly related to price cost, but also includes non-monetary cost, such as time cost, manual labor, psychological effort, and lifestyle change. Perceived benefits are mainly what consumers feel from the service, including perceived quality, internal and external characteristics of the product, and other psychological benefits. The concept of cost and benefit in the above research is too narrow, and later scholars have expanded it to an emotional evaluation of the individual's understanding of the value of a product or service. Pandza Bajs (2015) believes that perceived value is a concept that gives you insight into how consumers view a specific product or service and guides the creation of products or services to meet consumer needs and expectations. Perceived value can be defined as a personal cognitive-emotional assessment of the product or service occurring during the purchase process, and is based on the comparison between the benefits and costs generated from the offer and the offer of the market competitor, and varies with the time, place and circumstances of the assessment.

The study of perceived value is applied to multiple fields, among which the study of perceived value in travel is the basis of this paper. Song et al. (2013) defines it as the extent to which the services and products that visitors receive from their travel match their consumption (input). Chiu et al. (2014) believes that perceived value is a personal subjective evaluation of the quality, price, emotion and social factors of tourism products and services, which determine whether the product value is worth consumption, thus affecting the satisfaction of tourists. Li Jixin (2018) studied the perceived value of outbound tourism during the Spring Festival. He believes that the perceived value of tourists is also affected by the differences in different products or services, consumer groups, culture and time.

## METHODOLOGY

The research design of the following research is based on quantitative research where it is mainly emphasized on evaluating the numerical and figures. Henceforth, the following study reflects on an objective view rather than a subjective. The data collection is conducted by gathering primary data rather than secondary data. The instrument utilized for collecting the primary data is the questionnaire 359 survey where the statements in the survey are designed with the help of the literature. The questionnaire survey consisted of the closed-ended

questionnaire in which it was primarily based on the Likert scale which has a range from 1 – 5. The value 1 represents ‘Strongly disagree’ whereas the value 5 indicates’ Strongly Agree’. The main focus of the study was to evaluate the effect of learning and knowledge on improvising Transformation Enterprises. The context in which the study is being conducted is on the employees of residents of M community in Beijing City, China. The targeted individuals for the study were particularly residents of M community in Beijing City, China. Sampling technique and sample size the main focus of the study is mainly emphasized towards understanding the influence of learning and knowledge on customer Satisfaction in the M community in Beijing; therefore, the targeted sample that is relevant for the study where insights carry the most worth value are the residents that are residents of M community in Beijing City, China sector. Since the study mainly emphasized gathering data from residents; therefore, not every individual had a similar chance of being selected. Thus, the sampling technique falls under non-probability sampling which is considered that the chance of selecting an individual for a sample is unequal. Moreover, the sample size selected by the researcher for data collection is 380 questionnaires. 359 of; 359 surveys were appropriately filled by the targeted responses. Hence, the response rate on the questionnaire survey was 100 %. The complete data of the 359 samples were investigated and analyzed to determine whether learning and knowledge have an influence over the residents of M community in Beijing City, China. Method for analysis of data the questionnaire survey has provided the data in numerical and figures; therefore, the data analysis is conducted through the use of path model where a path model is used.

## RESULTS

The present study aims to study the influencing factors of A Customer satisfaction under the O2O business model. We used a quantitative study approach. The instrument used in the study was a questionnaire survey. Data were collected with a sample group of 359 samples. Details are as follows:

The results of the Level of opinion about the reliability of service, guarantee of service, caring for service, responsiveness to service, tangibles of service, the intangibility of service (independent variables) and customer satisfaction (dependent variables).

Table 1 The level of opinion about the factors affecting the overall

	Descriptive Statistics			
	Mean	Std. Deviation	level	Rank
Reliability of service	3.88	.719	High	6
Guarantee of service	3.94	.663	High	3
Caring for service	3.92	.791	High	4
Responsiveness to service	3.96	.661	High	2

Tangibles of service	4.04	.684	High	1
Intangibility of service	3.92	.621	High	5
Total	3.94	.559	High	

From Table 1 both the mean and the standard deviation of the opinion levels regarding the factors affecting customer satisfaction are both at a high overall level, with the mean at a higher level being 3.94. From each variable, we found that the highest mean was Tangibles of service (4.04), at a high level, followed by Responsiveness to service (3.96), and the lowest was Reliability of service, with an average score of 3.88.

### Regression analysis

This study tested the study hypothesis by performing a multiple linear regression analysis of the sample data using statistical software. First, each factor variable of the five variables is unified into the new variables by calculation through data processing, and then linear regression is used to test each hypothesis. The final results are shown in Table 4.11 below:

Table 2 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.880 <sup>a</sup>	.775	.771	.35752

a. Predictors: (Constant), Intangibility of service, caring for service, guarantee of service, tangibles of service, responsiveness to service, reliability of service

b. Dependent Variable: Customer satisfaction

Through regression analysis, the results of the influence between the dependent variable and all independent variables are output. It is found that the adjusted  $R^2=0.771$ , This means that the six independent variables are intangibility of service, caring for service, guarantee of service, tangibles of service, responsiveness to service and reliability of service have 77.1% impact on customer satisfaction.

Table 3 ANOVA

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	154.767	6	25.794	201.806	.000*
	Residual	44.992	352	.128		
	Total	199.759	358			

a. Dependent Variable: Customer satisfaction

b. Predictors: (Constant), Intangibility of service, caring for service, guarantee of service, tangibles of service, responsiveness to service, reliability of service

\*Significant at 0.05 level

F=201.806, Sig.=0.000\*, the value was much less than 0.05, which indicates that at least one factor affects the purchase intention. The investigators will then analyze the extent of the influence of the respective variable and the dependent variable.

Table 4 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.052	.146		-.354	.724
	Reliability of service	.025	.045	.024	.557	.578
	Guarantee of service	.174	.045	.154	3.832	.000*
	Caring for service	.390	.042	.413	9.304	.000*
	Responsiveness to service	.258	.046	.228	5.567	.000*
	Tangibles of service	.223	.043	.204	5.175	.000*
	Intangibility of service	-.029	.038	-.024	-.779	.437

a. Dependent Variable: Customer satisfaction

\*Significant at 0.05 level

The results show that the factors affecting Customer satisfaction of M Travel Agency under the O2O model are Adjusted R<sup>2</sup>=77.1%. Including the following aspects, In the O2O mode, the factors affecting customer satisfaction of M Travel Agency were guarantee of service (Beta=0.154), caring for service (Beta=0.413), responsiveness to service (Beta=0.228) and tangibles of service (Beta=0.204). The factors that do not affect the consumer's willingness to buy are reliability of service (Beta=0.024) and intangibility of service (Beta=-0.024). It can be written as a regression equation as follows:

$$\hat{Y} = 0.024(x_1) + 0.154(x_2) + 0.413(x_3) + 0.228(x_4) + 0.204(x_5) - 0.024(x_6)$$

So, according to the standardized regression coefficient between each variable, the following Figure 4 shows the test after the Customer satisfaction model.

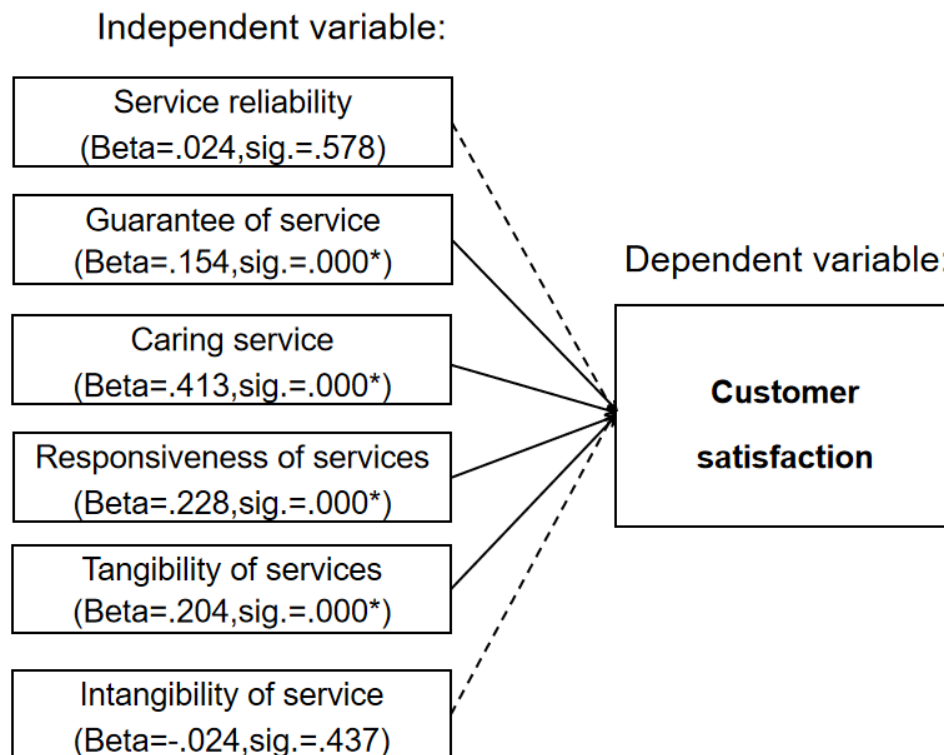


Figure 1 Research framework after verification

## CONCLUSION

**Summary the results of the research hypothesis test:** Outresults of the effect between the dependent variables and all independent variables by regression analysis, it was found that the adjusted R<sup>2</sup>=0.771, meaning that the 6 independent variables were intangibility of service,



caring for service, uarantee of service, tangibles of service, responsiveness to service, and reliability of service had a 77.1% effect on customer satisfaction.

$F=201.806$ ,  $\text{Sig.}=.$  At  $000^b$ , the value was much less than 0.05, suggesting that at least one factor affects the purchase intention. The investigators will then analyze the extent of influence of the respective variable and the dependent variable.

The results show that the factors affecting Customer satisfaction of M Travel Agency under the O2O model are Adjusted  $R^2=77.1\%$ . Including the following aspects, the factors affecting Customer satisfaction of M Travel Agency in O2O mode are Guarantee of service (Beta=0.154), Caring for service (Beta=0.413), Responsiveness to service (Beta=0.228) and Tangibles of service (Beta=0.204). The factors that do not affect the consumer's willingness to buy are Reliability of service (Beta=0.024) and Intangibility of service (Beta=-0.024).

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