



DETERMINANTS OF CUSTOMER SATISFACTION IN TOURISM INDUSTRY IN SRI LANKA

*S.N. Karunathilake^{*1}, M.J.R. Perera²*

¹International College for Business & Technology, ²The Open University of Sri Lanka

INTRODUCTION

Sri Lanka is one of the remarkable destinations to attract the foreigners who are willing to travel all over the world. Tourism industry is the most important sector that contributes to the economy of the country in large scale. Sri Lanka (SL) has a long history about tourism, and it has developed gradually as an industry with economic growth. The progress of the Tourism industry depends on traveller's satisfaction of the destination (Atabeb, 2019). Therefore, Sri Lankan tourism industry development depends on the improvements of hotel industry. However, after the Covid 19 epidemic situation in the world, the Sri Lankan tourism industry faced huge negative impacts.

This pandemic created the most terrible economic shock that can be identified in the recent history. Travel restrictions directly affect on tourism industry in Sri Lanka. According to Sri Lanka Tourism Development Authority statistics tourist arrivals in the first quarter, has rapidly gone down by more than 50% in 2020 compared with the 2019 records.

According to United Nation World Tourism Organization - UNWTO the international travellers visiting in 2020 dropped down by 20% to 30% vs 2019 (UNWTO, 2020). Correspondingly, Central Bank records of tourism sector performance in 2019 which has been US\$ 3.6 Bn, has decreased drastically to US \$ 0.7Bn in 2020. It is a huge difference, which directly affects the Sri Lankan tourism industry and thus, the Sri Lankan economy.

The Covid -19 outbreak has struck the tourism industry very hard and reminded how severe it can effect on the country's economy (Samarathunga, 2020). Therefore, the hospitality in the tourism industry will have to be enhanced in order to face this pandemic and rise up from this problem. Tourist satisfaction is the main thing to be considered to attract the tourists again and it will help to re-build the industry.

That means Sri Lanka's travel industry faces uncertainty due to the unanticipated situation created by COVID-19 pandemic. To revitalize the tourism industry in Sri Lanka, need to search for new methods to attract the travellers by increasing their satisfaction. This study aimed to identify factors influencing the satisfaction of tourists, giving special reference to Ceylon Hotels Corporation.

Research Questions

- Does the Brand Image have an impact to the Customer Satisfaction in tourism industry?
- Does the Quality of Hospitality have an impact to the Customer Satisfaction in tourism industry?
- Does the Sales Promotions have an impact to the Customer Satisfaction in tourism industry?
- Does the Health Safety have an impact to the Customer Satisfaction in tourism industry?

Objectives of the Study

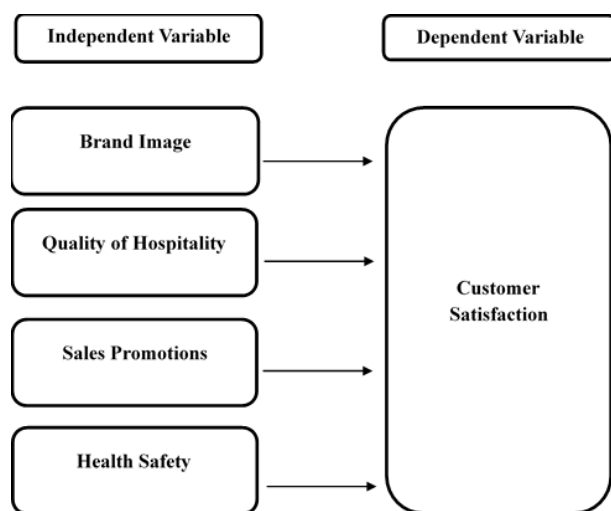


The research objective examines the impact of Brand Image, Quality of Hospitality, Sales Promotions, and Health Safety on Customer Satisfaction in the tourism industry.

METHODOLOGY

Operational Framework of the research

Figure 1: Operational Framework



Source: By Author for the study

Hypothesis

The derived Hypotheses for this study based on literature survey:

- H1_A: There is a relationship between Brand Image and Customer Satisfaction.
- H2_A: There is a relationship between Quality of Hospitality and Customer Satisfaction.
- H3_A: There is a relationship between Sales Promotions and Customer Satisfaction.
- H4_A: There is a relationship between Health Safety and Customer Satisfaction.

Population and determination of the sample size

The population was mainly based on the customers who reserved the hotels in Ceylon Hotels Corporation and sample size was determined through the population of 21,036 which was based on the average value of the last six months in year 2020. The derived sample size was 370 Krejcie & Morgan, 1970 and simple random sampling method was used to collect the data from 376 respondents. Five-point Likert scale self-administered questionnaire was used to collect data by using google forms.

Data Analysis

The demographic and statistical analysis was done. The multiple regressions method was used to find the relationship between independent and dependent variables used on the conceptual framework. A pilot test was carried out to verify the reliability and validity of the research instrument.

Test and Value

Table 1: The pilot test results



- Reliability Test (Cronbach's Alpha) 0.902
- Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy 0.814

RESULTS AND DISCUSSION

According to the demographic analysis the sample described in gender distribution, most of the respondents were males (58%).

The correlation between independent and dependent variables were found as significant positive (0.000)

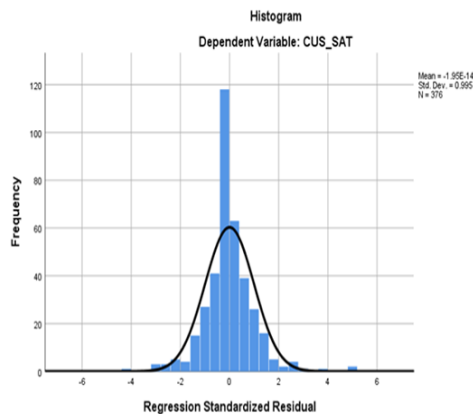
Table 2: Inter-Item Correlation Matrix

	Brand Image	Quality of Hospitality	Sales Promotion	Health Safety	Customer Satisfaction
Brand Image	1.000	.671	.601	.572	.556
Quality of Hospitality	.671	1.000	.727	.652	.611
Sales Promotion	.601	.727	1.000	.760	.651
Health Safety	.572	.652	.760	1.000	.744
Customer Satisfaction	.556	.611	.651	.744	1.000

Regression Analysis

According to figure no.2 we can prove that the collected data has followed the normal distribution.

Figure 2: Normal Distribution of Data



R² explain how much of dependent variable is described by the independent variable. According to this table the R² is 59% and R² (adj) is 58.7%. ANOVA (analysis of variance) table results interpret F value is 134.206 and the P value is 0.000 and its good fit to the data set.

The Durbin-Watson value 1.988 and model is fix to the Regression Analysis. The model of multiple regression interprets as follows,

$$Y = 0.841 + 0.112 X1 + 0.106 X2 - 0.495 X3$$

Y = Customer Satisfaction, X1 = Brand image, X2 = Quality of Hospitality, X3 = Health Safety.

Table 3: Model Summary

Model	R Square		Std. Error of the Estimate	Change Statistics				Durbin-Watson	
	R Square	Adjusted R Square		R Square Change	F Change	df1	df2		Sig. F Change
1	.769 ^a	.591	.34969	.591	134.206	4	371	.000	1.988



a. Predictors: (Constant), Health Safety, Brand Image, quality of Hospitality, Sales Promotion

b. Dependent Variable: Customer Satisfaction

Table 4: Coefficients Table

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Partial	Tolerance	VIF
1 (Constant)	.841	.142		5.935	.000					
Brand Image	.112	.044	.117	2.531	.012	.556	.130	.084	.511	1.955
Quality of Ho	.106	.047	.121	2.247	.025	.611	.116	.075	.377	2.650
Sales Promotio	.079	.052	.089	1.536	.125	.651	.079	.051	.325	3.075
Health Safty	.495	.050	.529	10.000	.000	.744	.461	.332	.393	2.545

Dependent Variable: CUS_SAT

Table 5: Summary of research objectives and Hypothesis

Research Objectives	Hypothesis	Significant factors	Significant relationship
To examine the impact of Brand Image to the Customer Satisfaction in tourism industry	There is a positive relationship between Brand image and customer satisfaction.	(0.112, P = 0.012)	Supported
To examine the impact of Quality of Hospitality to the Customer Satisfaction in tourism industry	There is a positive relationship between Quality of hospitality and customer satisfaction	(0.106, P = 0.025)	Supported
To examine the impact of Sales Promotions to the Customer Satisfaction in tourism industry	There is a no relationship between Sales promotions and customer satisfaction.	(0.079, P = 0.125)	Not Supported
To examine the impact of Health Safety to the Customer Satisfaction in tourism industry	There is a positive relationship between Health Safety and customer satisfaction.	(0.495, P = 0.00)	Supported

CONCLUSIONS/RECOMMENDATIONS

As a services sector organization, hotel reputation is depending on the extent of service they provide to the customers. It is interpreted from the factors of brand image and quality of hospitality inter relationship. Because of the highly competitive environment in the Sri Lankan hotel industry in this pandemic period customer satisfaction is getting more important day by day and it causes increasing income level of hotels. Despite this kind of pandemic period hotels should stabilize and maintain their income level.

The most important value of the study is Health Safety. Since customers are more concerned



about the health safety than the other factors. Therefore, it is recommended to include health safety procedures to the hotel contingency plan and increase quality of hospitality using hotel human resources practices. A longitudinal study can be recommended to observe a snapshot of the existing situation and the remaining factors ($R^2 = 59\%$) through future research with a larger sample.

REFERENCES

- (2020). *Annual Report - CBSL*. Colombo: Central Bank of Sri Lanka. Retrieved 05 02, 2021
- Atabeb , H. A. (2019, 01). Customer Satisfaction in Tourism Industry. *International Journal of Scientific and Research Publications*, 9(1), 555-557. Retrieved 03 25, 2021
- Chou, S.-K., Kohsuwan, P., & Thanabordeekij, P. (2019, 09). The Impact of Corporate Image, Service Quality, Trust, and Perceived Value on Chinese Customer Satisfaction and Loyalty. *Human Behavior, Development and Society*, 20(3), 41-51. Retrieved 09 27, 2020
- Khaddar , S., & Fatmi, M. R. (2021). COVID-19: Are you satisfied with traveling during the pandemic? *Transportation Research Interdisciplinary Perspectives*, 1-7. Retrieved 04 10, 2020, from www.elsevier.com/locate/trip
- Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. *EDUCATIONAL AND PSYCHOLOGICAL MEASUREMENT*, 30, 607-610.
- Ranasinghe, J. P., Danthanarayana, C. P., Ranaweera, R. A., & Idroos, A. A. (2020). Role of destination smartness in shaping tourist satisfaction: A SEM based on technological attributes in Sri Lanka. *IOP Conference Series: Earth and Environmental Science*, 11(1), 1-11. Retrieved 04 10, 2020
- Roshana, M. R., Kaldeen, M., & Banu, A. R. (2020). Impact of COVID-19 outbreak on Sri Lankan Economy. *Journal of Critical Reviews*, 7(14), 2124-2133. Retrieved 04 10, 2020, from <https://www.researchgate.net/publication/343587416>
- Samarathunga, W. H. (2020). Post-COVID19 Challenges and Way Forward for Sri Lanka Tourism. 1-12. Retrieved 04 11, 2020, from <https://ssrn.com/abstract=3581509>
- Tapak, L., Abbasi, H., & Mirhashemi, H. (2019, 11 19). Assessment of factors affecting tourism satisfaction using K-nearest neighborhood and random forest models. *BMC Research Notes*, 1-5. Retrieved 2020, from <https://doi.org/10.1186/s13104-019-4799-6>
- UNWTO. (2020). Retrieved from Impact assessment of the COVID19 outbreak on international tourism: <https://www.unwto.org/impact-assessment-of-the-covid-19-outbreak-on-international-tourism>

ACKNOWLEDGMENTS

My indebted gratitude and thanks go to the postgraduate department of International College for Business & Technology and Cardiff Metropolitan University, UK.