



RESEARCH ARTICLE

Unpacking The Influence of Relationship Marketing on Customer Satisfaction: The Mediating Effect of Service Quality in Northern Kerala's Hospitality Industry

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| ARTICLE INFO | ABSTRACT |
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| Received: Sep 20, 2024 | This paper aims at understanding the spectrum of how relationship marketing strategies including commitment, bonding and shared values will affect customer satisfaction specifically through service quality as a mediator in Northern Kerala's hospitality industry. Using a quantitative approach, the research takes a look at how these relationship building strategies can help to contribute to improvements in the service quality that, in turn, result in increased customer satisfaction during the region's hotel and restaurant establishments. The study contributes by exploring how service quality functions as a bridge between relationship marketing initiatives and customer satisfaction, and how this leads to customer satisfaction and customer loyalty in a competitive hospitality economy. It is expected that the findings would provide them practical guidance to hospitality managers in Northern Kerala, who would in return, in order to forge lasting customer relationships and stay competitive in the market with rich cultural setting. |
| Accepted: Nov 26, 2024 | |
| Keywords | |
| Commitment | |
| Bonding | |
| Shared Values | |
| Service Quality and Customer Satisfaction | |
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INTRODUCTION

Relationship marketing has emerged as a strategic approach to withstand competitive pressure in the hospitality industry of customer highlights and experiences. Commitment, bonding and shared value strategies in relationship marketing aim at building long term relationship with customers by focusing on their value and needs and 'moving beyond transaction than pure exchange: creating meaning as opposed to merely needing to exist'. Since customer expectations in service driven industries are evolving, specifically in culturally diverse and vibrant places like Northern Kerala, it is necessary to understand the mechanisms by which customer satisfaction can be increased. In the light of this this study explored, from a Northern Kerala's hospitality sector perspective, the mediating role of reference service quality between relationship marketing and customer satisfaction.

Generally, service quality, that is, the consistency and his utility of service delivery, is a critical link between relational strategies and customer perceptions, and thus determines the overall satisfaction. Nevertheless, service quality between one or more semantic and tangible elements of satisfaction mediates ambiguous relationship marketing effects on service satisfaction, especially in regional

hospitality markets where cultural issues bear on customers' expectations. This study offers hospitality manager's evidence based strategies to enhance customer satisfaction through well integrated relationship marketing efforts, by focusing on Northern Kerala. Finally, this study attempts to explain the way relational bonds drive improvements of service quality which turn satisfaction and loyalty in a competitive environment.

REVIEW OF LITERATURE

Findings from recent research have stressed the intricate relationships of commitment, bonding, shared values, service quality and customer satisfaction across different service industries. We find that commitment strongly influences perceived service quality and that stronger relational commitment results in heightened perceptions of service quality that are beneficial to satisfaction (Morgan & Hunt, 2019). Liang et al. (2020) have shown that bonding, the emotional link between customers and service providers, leads to an increase of trust between customers and service providers to more easily perceive service positively. Similarly, customers are also made loyal by shared values (Molinillo et al., 2021), where congruent beliefs among customers and providers are perceived as trust and satisfaction. Relational factors like bonding and service quality mediate on the relationship between relational factors and customer satisfaction, which suggests that the relationship of high quality services is necessary for a translation between high customer provider relationship and satisfaction (Han et al., 2022). In addition, Wu and Wang (2021) recently find that satisfaction and commitment interact, offering service quality perceptions when values are aligned (Wu and Wang, 2021). If the customers are in agreement with the brand values, the service quality and the level of customer satisfaction increased, as shown by Parveen et al. (2022). In the retail context, Javed et al. (2023) examined these factors finding that strong bonding and shared value had strong impact on customer satisfaction through enhanced service quality. Especially in powerful competition on the service levels, it is proven not only that commitment helps sustain customer loyalty by increasing satisfaction (Qazi et al., 2023), but also it can actually facilitate the process of achieving the commitment in the first place (He et al., 2018; Xie & Blair, 2016). The convergence of these studies collectively strengthens the commitment that commitment, bonding and shared values are key relational dimensions that enhance service quality and subsequently customer satisfaction.

Statement of the Problem

Hospitality Businesses in Northern Kerala face a challenge as to how relationship marketing strategy like commitment, bonding and shared values can be deployed to augment customer satisfaction through the reconciling role of service quality. Although relationship marketing has been widely recognized as key for customer loyalty, there is limited empirical evidence on how these particular strategies impact service quality, and consequently customer satisfaction. This study tries to fill the gap by trying to identify the mechanisms through which relational efforts result in higher satisfaction in Northern Kerala's hospitality sector.

Research Gap

In spite of this, research on relationship marketing in other service sectors have widely been examined, but not much research has been done about the impact relationship marketing has on customer satisfaction through the mediation of service quality in Northern Kerala's hospitality industry. Studies mostly concern larger geographic areas or urban centres and neglect the particular social, cultural factors that affect rural or regional market. There is predictably a gap in the literature that needs to be filled in to understand how relationship marketing strategies impact customer satisfaction in the special case of the Northern Kerala hospitality scenario.

Research Questions

1. Is there any connection exist among relationship marketing strategies in the hospitality sector?
2. How much does the level of the relationship marketing strategies affect the customer satisfaction level?
3. Does Service Quality mediate the relationships between Commitment, Bonding, and Shared Values and Customer Satisfaction?

Research Objectives

1. To examine the inter connection among the relationship marketing strategies in the hospitality industry.
2. To investigate the bearing of various levels of relationship marketing strategies on Customer Satisfaction in the hospitality industry.
3. To test the mediating effect of Service Quality on the relationships between Commitment, Bonding, and Shared Values with Customer Satisfaction in the hospitality industry

Research Hypothesis

H01: Relationship marketing strategies of the hospitality industry are unrelated.

H02: No difference of Customer Satisfaction is presented against diverse levels of relationship marketing.

H03: The Proposed Model has not a good fit

Proposed Conceptual Model

This model shows relationships between commitment, bonding, and shared values as critical relationship marketing dimensions that lead to service quality and, finally, are linked with customer satisfaction. It claims that more commitment, better bonding and shared values lead to a better perception of the service quality. Then, service quality acts as a mediator and leads to higher level of customer satisfaction in the hospitality industry context.

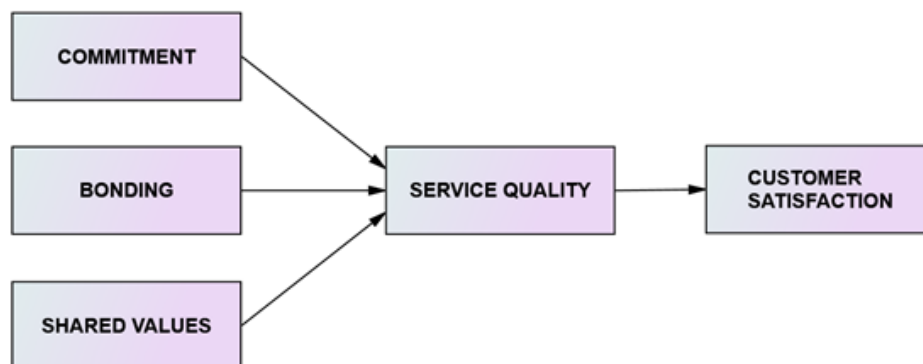


Figure 1: Conceptual Model

RESEARCH METHODOLOGY

The study uses quantitative research methodology to investigate the impact of relationship marketing on customer satisfaction with special focus on the mediating role of service quality in Northern Kerala hospitality industry. For data, structured surveys will be administered to a sample of 397 respondents collected via Cochran's formula for an adequate sample size. Commitment,

bonding, shared values, service quality and customer satisfaction would be measured by the survey items.

Data Analysis

To achieve the objectives of this study data analysis would go through several steps. Correlation analysis was conducted to determine the strength and direction of relationship among relationship marketing strategies. A Univariate analysis of variance would then seek to determine the effect of different relationship marketing strategies at different levels on customer satisfaction. To test

| | | COMMITMENT | BONDING | SHARED VALUES |
|---------------|---------------------|-------------------|----------------|----------------------|
| COMMITMENT | Pearson Correlation | 1 | .756** | .534** |
| | Sig. (2-tailed) | | .000 | .000 |
| | N | 397 | 397 | 397 |
| BONDING | Pearson Correlation | .756** | 1 | .491** |
| | Sig. (2-tailed) | .000 | | .000 |
| | N | 397 | 397 | 397 |
| SHARED VALUES | Pearson Correlation | .534** | .491** | 1 |
| | Sig. (2-tailed) | .000 | .000 | |
| | N | 397 | 397 | 397 |

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

mediating effect of service quality in association of firm commitment, bonding and shared values with customer satisfaction, the study eventually utilize Structural Equation Modeling (SEM) path analysis.

Interpretation

Correlation analysis rejects the null hypothesis (H_{01}) which held that there is no significant relationship between relationship marketing strategies in the hospitality industry. Specifically, statistically significant positive correlation among commitment, bonding and shared values in these relationship marketing strategies with highest positive correlation of commitment to bonding ($r = .756$, $p < .001$) and moderate correlation of commitment to shared values ($r = .534$, $p < .001$) and bonding to shared values ($r = .491$, $p < .001$), indicate that these relationship marketing strategies are actually interrelated. Therefore the data does not support H_{01} .

| Dependent Variable: Customer Satisfaction | | | | | |
|--|--------------------------------|-----------|--------------------|----------|-------------|
| Source | Type III Sum of Squares | df | Mean Square | F | Sig. |
| Corrected Model | 2.248 ^a | 4 | .562 | 4.590 | .001 |
| Intercept | 176.947 | 1 | 176.947 | 1445.541 | .000 |
| Relationship Marketing Strategies | 2.248 | 4 | .562 | 4.590 | .001 |
| Error | 47.984 | 392 | .122 | | |
| Total | 1411.000 | 397 | | | |
| Corrected Total | 50.232 | 396 | | | |

a. R Squared = .045 (Adjusted R Squared = .035)

Interpretation

Results of the tests prove, with a F value ($F = 4.590$, $p = .001$), a significant impact of different degrees of relationship marketing strategies on customer satisfaction. The result then allows us to reject (H_{02}) the null hypothesis of no significant impact. The model accounts for approximately 4.5 percent

of variance in customer satisfaction ($R^2 = .045$) indicating that variations in relationship marketing strategies do little to explain differences in customer satisfaction in the hospitality sector.

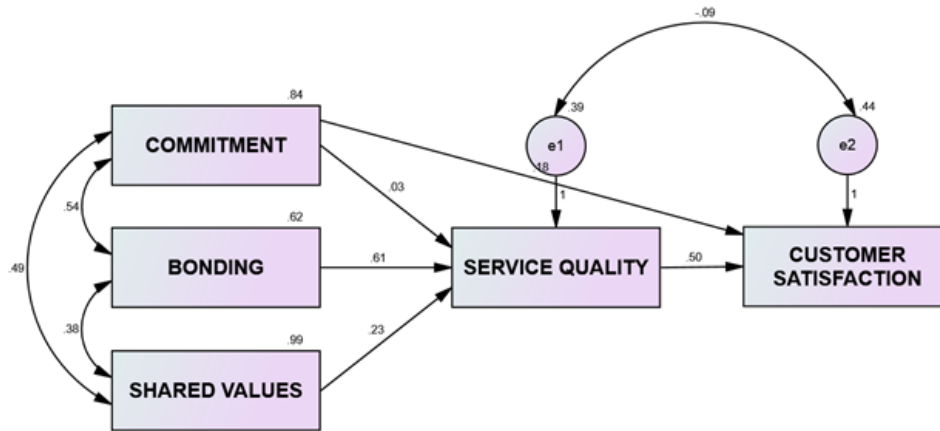


Figure 2: SEM – Path Analysis

Table 3: Model Fit Measures

| Measure | Estimate | Criteria | Interpretation |
|---------|----------|-----------------|----------------|
| CMIN | | - | |
| DF | | - | |
| CMIN/DF | 1 | Between 1 and 3 | Model Fit |
| GFI | 1 | > 0.9 | Model Fit |
| CFI | 1 | > 0.95 | Model Fit |
| SRMR | 0.003 | < 0.08 | Model Fit |
| RMSEA | 0.000 | < 0.06 | Model Fit |
| PClose | 0.741 | > 0.05 | Model Fit |

Interpretation

A strong model fit is obtained and contradicts the null hypothesis (H03); that is, the proposed model would not fit the data. With a CMIN/DF ratio of 1 and GFI and CFI both being 1, you can say that at least there is a decent model fit because the values of these are more than their respective cut off values of 0.9 and 0.95. Furthermore, the respective SRMR of 0.003 followed by RMSEA of 0.000, both falls well within permissible limits (i.e. <0.08 and <0.06, respectively) and PClose of 0.741 also confirms model fit. Thus, the rejection of H03 is strongly evidenced by the fact that the model is simply outstanding in harmonization with the data.

FINDINGS

The findings of the study recognize three important insights within relationship marketing within the hospitality realm. A robust interconnection exists between relationship marketing strategies, commitment, bonding and shared values which are positive and significant correlated with each other first. This suggests that under these strategies, customer relationship is stronger. Second, relationship marketing strategy variations matter very much for customer satisfaction, as shown by a large F value (4.5% variance in satisfaction) and moderate explanatory power (modest explanatory power of 4.5%). That means that well developed relationship strategies produce better satisfied customers. Finally, the utility of service quality as a key mediating mechanism is established between the relationship marketing dimensions and subsequent customer satisfaction, and the structural validity of this mediating effect is affirmed by the model fit indices (e.g., GFI, CFI, RMSEA) within SEM

analysis, to demonstrate that service quality is an essential component supporting the maximization of relationship marketing efforts in realizing customer satisfaction.

SUGGESTIONS

Hospitality businesses have to work on strengthening commitment, bonding and shared values to improve customer satisfaction through relationship marketing strategies. Personalization with engagement and loyalty programs and consistent, high quality interaction will foster bonding that will deepen the relationship with the customer. Focusing on what they have in common like sustainability and community involvement can also unseat customer and brand identity. Furthermore, efforts to amplify these efforts would also include prioritizing service quality as a mediating factor, and this would sacntize customer satisfaction, hence the customer loyalty.

SCOPE FOR FUTURE STUDY

Future research may expand to a larger and more heterogeneous sample representative of the whole of the hospitality industry for greater generality. Further, the incorporation of longitudinal data would enable the utilization of customer satisfaction changes over time from evolving relational marketing strategies. Last but not least, other mediators and moderators such as customer loyalty (is customer loyalty a second stream) or brand perception can expand our understanding of relationship marketing, and which mechanisms of relationship marketing in turn influence satisfaction so that it becomes a more comprehensive view on its impact.

CONCLUSION

The important role of relationship marketing in improving customer satisfaction in Northern Kerala hospitality industry is shown by this study and service quality is shown to play a mediating role. The findings suggest that these three that together positively affect customer satisfaction are positively correlated to commitment bonding, and shared values. While relationship marketing strategies explain a small portion of variation in satisfaction but when service quality is controlled, they have a large impact. The strategies should be strengthened and focused on service quality and customer experiences are improved and sustained loyalty achieved, resulting in a good foundation for competitive advantage in the hospitality sector.

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