

The Marketing Relationships between Security Service Factors, Customer Satisfaction, and Customer Loyalty in Housing and Accommodation Business

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Abstract

According to the Asian Professional Security Association, Thailand's security industry is anticipated to enjoy healthy growth in the next decade as Thai public and private sectors alike are trying to show the world that the country is a desirable and safe place to visit, invest, do business, and live. Thailand is not alone in this effort and on this front, as other countries, confront the reality, as well as the fear, of raising local criminal and global terrorist activities, social and political instability, geopolitical conflict, and economic uncertainty. In order for the country to become a key player in the ASEAN security and safety market, a clearer and a better understanding of the interactions and interdependencies between suppliers/providers and buyers/users is required in this market space. Unfortunately, to date very little research has been conducted in this area, leaving scholars and practitioners with many unanswered questions, particularly when it comes to Thai security industry and market. Against this backdrop, the main objective of this research is to provide the needed insights on how important security service factors and customer loyalty are interrelated, which in turn shed light onto the interconnectivity between security providers with users in Thailand. In line with the extant marketing literature, this study proposes that service quality and company image are positively related to service value, customer satisfaction and loyalty, and that a chain relationship linking value to first customer satisfaction and then to loyalty exists. Additionally, this study proposes that these aforementioned relationships may not be the same when taking into account the type, size, and maturity of properties.

To test the proposed model, data was collected through a survey instrument sent to randomly selected property owners/managers of both residential and commercial buildings in Thailand. The measurement model was then specified based on existing theories and further refined to ensure the reliability and validity of all measures used. The structural model was subsequently tested by which the data were analyzed using a maximum likelihood estimation. Overall, the model fit indices revealed that both the measurement and structural models fit the data quite well. Furthermore, the hypothesized model adequately explained the relationships among the variables considered for our sample of 373 owners/managers of condominiums, houses and commercial buildings.

The SEM results support all eight direct- and mediating-effect hypotheses at varying degrees of significant. Specifically, the results indicate that service quality and company image

positively influence service value, customer satisfaction and loyalty, and that customer satisfaction serves as the mediator between service value and customer loyalty. When considering the condominium, house, and commercial building segments separately, the SEM results paint a slightly different picture for each of the segment. Similarly, the results vary when comparing the large size against the small size as well as the more matured against the less matured properties. In short, the findings of this empirical research help explain the intricate web of relationships between security service components, customer satisfaction, and loyalty in the Thai security industry. The findings further suggest that the nature of these relationships differs when considering the different type, size, and maturity of the properties.