

*Full Length Research Paper*

# **The application of European customer satisfaction index (ECSI) model in determining the antecedents of satisfaction, trust and repurchase intention in five-star hotels in Shiraz, Iran**

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**The main purpose of this study is to examine the relationships of several antecedents of satisfaction, trust and repurchase intention in five-star hotels in Shiraz, Iran. A series of hypotheses was developed from the services marketing literature and built into a 40 item questionnaire administered to 509 customers staying at the five-star hotels in Shiraz, Iran. Each variable is measured using a 7-point Likert-scale: Image (4 items), technical dimension (6 items), repurchase intention (2 items), trust (5 items), price (4 items), perceived value (8 items), functional dimension (5 items) and customer satisfaction (6 items). The European customer satisfaction index (ECSI) was used to measure the strength and direction of the determinants of customer satisfaction trust, and repurchase intention. Goodness of fit for the structural models of hypothesized model shows promising findings. The findings suggest that perceived value most influenced by Image, technical dimension, functional dimension and price. Beside, this study shows that customer satisfaction most influenced by perceived value. Also customer satisfaction has an effect on trust and repurchases intention.**

**Key words:** Image, customer satisfaction, repurchases intention, functional dimension, technical dimension, price, trust, perceived value.

## **INTRODUCTION**

Customer satisfaction has been extensively studied for the last four decades. Seminal articles, particularly, Oliver (1997) on customer satisfaction laid the foundation for numerous studies on the construct. Relatively more recently, studies have enunciated the constructs of adjusted expectation (Yi and La, 2004), trust (Kennedy et al., 2001; Singh and Sirdeshmukh, 2000), and their linkages to satisfaction and repurchase intention (Lambert-Pandraud et al., 2005; Tsai et al., 2006; Yi and La, 2004). Thematically, these constructs and their interrelationships have been prominently featured in the customer behavior literature, as one would expect. Still, our understanding of the mediating roles between customer

satisfaction and repurchase intention, which is also central for shopping behavior, is much more limited. More specifically, a number of potential mediating variables that are evident in the literature should be addressed. The literature is uncertain regarding potential mediating constructs between satisfactions and repurchases intention in different contexts (Lin and Wang, 2006).

Following Oliver (1980, 1981), a number of studies have confirmed the importance of customer satisfaction on firm profits. Scholars have critically examined these constructs in terms of their impact on customer profitability and firm performance. Although, numerous academic studies offer a positive portrait of the effects of satisfaction on firm performance (Hsu, 2008; Jiang and Rosenbloom, 2005; Kim et al., 2006). While the importance of these concepts for business has been recognized and established, a full understanding of the relationship

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between customer satisfaction and repurchase intention is still essential. Although, customer satisfaction has been regarded as an antecedent of repurchase, Yi and La (2004) assert that such traditional beliefs need to be challenged as counter arguments arise that higher customer satisfaction does not necessarily result in higher repurchase. Evidence is also supported by (Jones and Sasser, 1995). Yi and La (2004) also suggest that investigating new paradigm of post-purchase satisfaction is necessary since the link between customer satisfaction and repurchase intention seems to be more complex than expected (Anderson and Srinivasan, 2003). One recent research outlined by Seiders et al. (2005) confirms that the relationship between two parties is contingent on the mediating effects of several variables. Their study focused mainly on consumers' purchasing situation and their income in a retail context, but consumers' psychological judgments may also play a crucial role in building the relationship between satisfactions and repurchase. Taking into account findings from prior research, an evaluation of the determinants of the customer satisfaction-repurchase relationship is necessary to further our understanding in this context (Ha et al., 2008).

Trust is one of the factors that differentiate relationships from transactions (Delgado-Ballester and Munuera-Alema, 2001; Garbarino and Johnson, 1999; Morgan and Hunt, 1999; Sirdeshmukh et al., 2002). Any personal relationship, whether interpersonal or between a person and a company, is built on trust. In a marketing context it is impossible to completely detach trust from satisfaction. Trust and satisfaction are highly related constructs, and some conceptualizations of trust even include satisfaction as a component of trust (Sirdeshmukh et al., 2002). We propose that performance satisfaction is a condition of trust.

In previous discussions of relationships between company and customers, trust is usually related to a combination of company and product or service attributes: altruism, integrity, quality, and reliability (Hess, 1995; Moorman et al., 1993; Morgan and Hunt, 1994; Garbarino and Johnson, 1999). However, we typically isolate perceived quality and reliability of products or services, combine them into a summary construct, and call it satisfaction – an indication of expected future performance based on meeting past performance expectations. In this role, satisfaction explains some customer behavior, but not until placed in the context of trust, is satisfaction's role in building customer relationships clarified. Hence, satisfaction with the outcomes of company interactions is antecedent to trust.

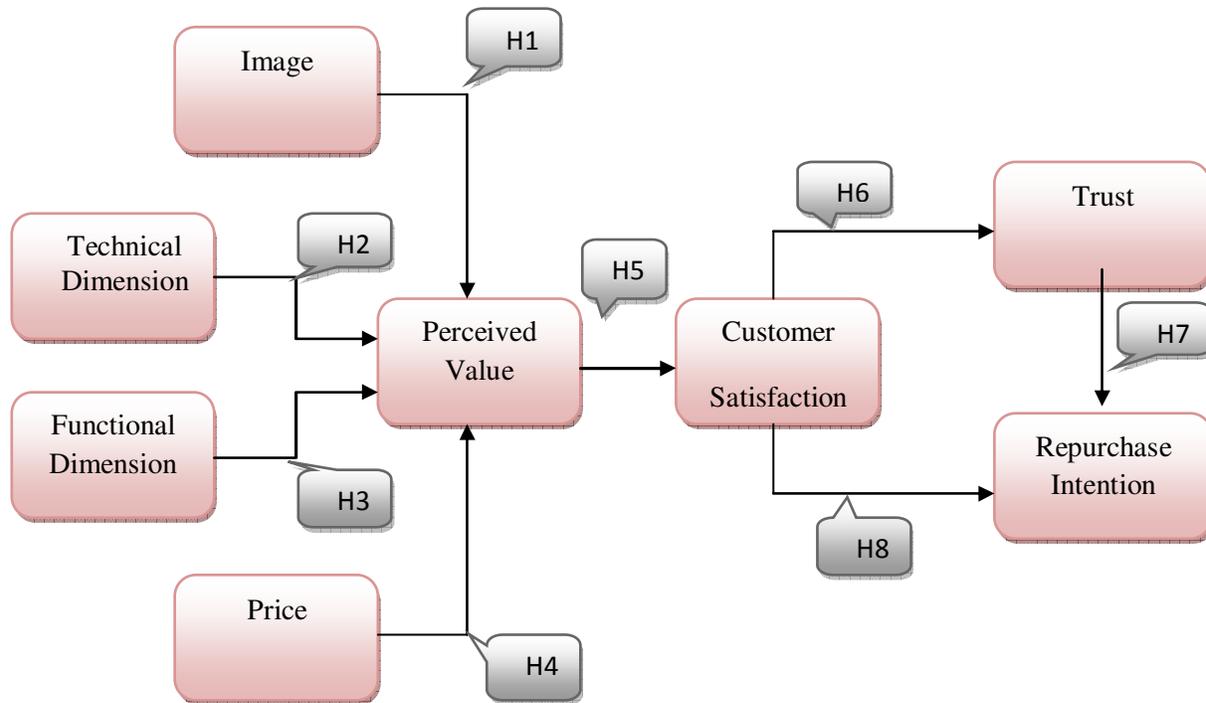
Satisfaction can either refer to transactional measures focusing on a discrete incident or a cumulative construct resulting from a series of transactions (Garbarino and Johnson, 1999). Ongoing satisfaction, which is required for trust to develop, results from consistent satisfaction with individual transactions over time, but unlike trust, there are no illusions about the motivations of the

company. Satisfaction is necessary but not sufficient for the formation of trust, and not all satisfied customers trust the company. The remaining components of trust are altruism and integrity. Unlike quality and reliability, these reflect on the company rather than what is produced by the company. Trust reflects customers' general belief that the company is looking out for them, will do whatever it takes to make them happy, and is responsive to their needs (Hess, 1995). Trust has previously been defined in terms of confidence in, or willingness to rely on an exchange partner, arising from perceived expertise, integrity, or intentionality (Moorman et al., 1993; Morgan and Hunt, 1994). We believe that the core component of trust, differentiating it from future expected performance, is perceived motivation of the company that derives from altruism, integrity, or a combination of the two. Companies express these motivations by doing such things as resolving problems quickly, providing consistently good food, and greeting customers with friendly, efficient employees. Trust is important as the bridge between satisfaction and personal connection, transforming a positive transactional orientation toward a company into an enduring and close personal relationship with a company. Entrenched relationships characterized by feelings of personal connection depend largely on trust, while satisfaction, as an indicator of past and future meeting of expectations, is primarily an indicator of functional connection (Hess and Story, 2005).

The paper begins with the literature review and hypotheses development of this study. We then describe the research design and methodology. Finally, discussion and conclusion are presented.

## LITERATURE REVIEW

In the 1990s, customer satisfaction had a significant impact on management thinking. In fact, the realisation that understanding, meeting, and anticipating customer needs was probably the most important source of sustained and competitive advantage for a company had a decisive effect on the setting of corporate priorities and practices. Among the large number of currently available approaches for studying customer satisfaction, a very promising one appears in the Swedish barometer in 1989 (Fornell, 1992). It was followed, in 1994, by the start-up of the American customer satisfaction index (Fornell et al., 1996) and more recently with the preparation of the European customer satisfaction index (ECSI) (ECSI Technical Committee, 1998). This approach computes a customer satisfaction index using an econometric model that, in terms of a causal relationship, ties a set of latent variables (like customer expectations and customer perceptions of quality and value) to a customer satisfaction index (Vilares and Coelho, 2001). The ECSI model is a conceptual framework of customer satisfaction that includes the independent variables of technical and



**Figure 1.** Hypothesized model.

functional dimensions, image, and price. The ECSI is derived from successful applications of the Swedish and American national customer satisfaction indices, designed to improve the measurement of customer satisfaction, and have been validated in such service industries as telecommunications, postal services and banks. Kristensen et al. (2000) describe it as “a structural equation model with unobservable latent variables ... that link customer satisfaction to its determinants and, in turn, to its consequence, namely “trust” and “repurchase intention”. The original ECSI model included customer expectations as an independent variable.

The revised model suggests that perceived value has an impact on satisfaction, which, in turn, is an antecedent to customer trust and repurchase intention. Perceived value is assumed to result from a passenger’s perceptions of the core service provided (termed “technical dimensions”), perceptions of service processes (termed “functional dimensions”), the image of the service provider and the price of the accommodation. This conceptual framework is shown in Figure 1.

### Image

Image has been defined as “the perceptions of an organization reflected in the associations held in consumer memory” (Keller, 1993). This is similar to corporate image which is assumed to influence the customer’s choice of service company when it is difficult

to distinguish between service attributes. Corporate image is established or developed in the consumer’s mind through communication and experience (Fornell, 1992). Keller (1993) suggested that image is based on customers’ beliefs about a brand, while Grönroos (2000) argued that it is a value-added antecedent determining satisfaction and trust. Despite its clear relevance to customer satisfaction, image does not appear to have been explicitly examined in much of the associated research (Chitty et al., 2007).

According to Fournier and Yao (1997), if customers believe that one institution is more credible and trustworthy than another, they develop a favorable image of that institution. That in turn tends to filter marketing communications and affects the word-of-mouth information that influences value perceptions. Kristensen et al. (2000) have noted that image has a significant impact on perceived value in a number of ECSI studies (Eakuru et al., 2008).

H1: Image has a direct impact on perceived value.

### Technical dimension

Technical (or outcome) dimensions of a service encounter are the tangible objects that remain after the completion of the service production process, when interactions between providers and their customers have ceased (Dobholkar et al., 1996; Grönroos, 2000; Morgan

and Piercy, 1992). In the case of five-star hotels' customers, the technical dimensions are what they receive or experience after checking into a five-star hotel. They include such physical facilities as availability of parking spaces or clean and comfortable accommodation, as well as such other benefits as a TV room, laundry and kitchen areas. One of the objectives of this research is to determine how technical dimension of a service experience influences customer' perceived value of the services performed by five-star hotels (Bill Chitty et al., 2007).

H2: Technical dimension has a direct impact on perceive value.

### Functional dimension

The functional dimension of the service process, also described as "process quality" dictates how the service and its concurrent production and consumption process are received and experienced by customers (Dhabolkar et al., 1996; Grönroos, 2000; Morgan and Piercy, 1992). Unlike the technical dimension, which can be objectively evaluated, the functional dimension is intangible and subjectively determined by customers (Grönroos, 2000). Both dimensions of the service product influence customers' perception of value. In earlier studies, Parasuraman et al. (1985) and Suprenant and Solomon (1987) suggest that friendliness, courtesy and personalised service are components of the functional dimension that contribute to and customer satisfaction. Some specific functional dimensions in the context of five-star hotels are the behavior of the staff, the ease of checking in and out, and whether the customers are shown to their rooms or left to find them on their own.

Due to fact that the evaluation of the functional dimension varies between individuals, it plays an important role in determining customer satisfaction. A related purpose of the current research is therefore, to ascertain how the functional dimension of a service encounter affects customer' perceived value of the service offered by a five-star hotel (Chitty et al., 2007).

H3: Functional dimension has a direct impact on perceive value.

### Price

Price is the cost incurred in making a purchase (Tse, 2001) which influences perceptions of value (Rust and Oliver, 1994). In the microeconomic literature, evidence can be found that the perception of price is closely linked to the concept of consumer surplus: ...the excess of the price which a man would be willing to pay rather than go without having a thing over what he actually does pay is

the economic measure of this satisfaction surplus (Marshall, 1890).

Price affects spending behavior because consumers' discretionary spending limits will determine what is to be bought on the basis of the price (Monroe, 1990). How much they are willing to pay differs because their readiness depends on their needs, and the importance of the service to them at a given time and place (Heskett et al., 1997). As a result, consumers, particularly inexperienced ones, tend to base their expectations and perceptions of image, quality and value on price (Dodds et al., 1991; Monroe, 1990; Zeithaml et al., 1990).

H4: Price has a direct impact on perceive value.

### Perceived value and customer satisfaction

Customer satisfaction is defined as a judgment that a product or service feature, or the product or service itself, provides a pleasurable level of consumption related fulfillment including the level of under or over fulfillment (Oliver, 1997). Satisfaction is thus a function of relative level of expectation and perceived performance. Expectations are formed on the basis of past experience with the same or similar situations, statements made by friends or other associates (Kotler and Clarke, 1987).

There is a multifaceted meanings of value which vary according to different functional context –economics – (utility and monetary costs), social science (human values) (Rokeach, 1973); industrial settings (processes and costs), and marketing (consumers' perspective on tradeoffs between benefits and sacrifices or costs) (Dodds et al., 1991; Roig et al., 2006; Patterson and Spreng, 1997). The meaning is not limited to these functional definitions but also include cognitive and affective aspects of value such as social, emotional and epistemic value (Sheth et. al., 1991). Drawing from the vast literature on value, the definition employed in this study is from the marketing perspective whereby Bolton and Drew (1991) define perceived value as a "richer measure of customers' overall evaluation of a service than perceived service quality. Luarn and Lin (2003) define perceived value from economic perspective which is the customers' perceived service utility relative to its monetary and non-monetary costs (Eakuru et al., 2008).

Perceived value of a service has been defined by McDougall and Levesque (2000) as the benefits customers believe they receive relative to the costs associated with its consumption. Zeithaml and Bitner (2000) have suggested that it is an overall evaluation of a service's utility, based on customers' perceptions of what is received at what cost, and that working definition was adopted for the present study. Value includes not only quality, but also price. Rust and Oliver (1994) contend that a service may be of excellent quality but still be rated as poor value by customers if the price is too high.

Heskett et al. (1997) argue that value is not necessarily equated with low prices because services with a perceived high value may in practice carry high or low prices. Their proposition that the value of a service to customers determines customer satisfaction is supported by the classic work of Kotler and Levy (1969) and Howard and Sheth (1969). The findings of personal interviews conducted by the authors as part of a pilot study suggest that the technical and functional dimensions of service delivery, as well as price, are important to customer. Given that perceived value is the result of the interactions of all the independent variables in the conceptual model, customers' perceptions of value were measured in the study (Chitty et al., 2007).

H5: Perceived value has a direct impact on customer satisfaction.

## Trust

For the purpose of this study, we define trust as "a psychological state comprising the intention to accept vulnerability based on positive expectations of the intentions or behaviors of another" (Rousseau et al., 1998). Trust, in a broad sense, is the confidence a person has in his/her favorable expectations, based, in many cases, on previous experiences (Gefen, 2000). Trust weakens or strengthens by experience (Yoon, 2002). Although, researchers show that trust serves as an antecedent to satisfaction (Grewal et al., 1999), such a trust is depended on consumers' prior experiences or satisfaction judgments (Ha and Perks, 2005).

From the relationship marketing perspective, Yoon (2002) addressed that the level of trust has been conceptualized to be contingent upon the consumers' perceived level of interaction between company which provides information and consumers who receive it (Ha et al., 2008). The buyer's overall satisfaction with the buying experience is proposed to have a positive impact on his/her trust of the manufacturer. Prior research has shown that constructs of trust and satisfaction are positively correlated (Crosby et al., 1990; Yoon, 2002), but the causal ordering of the two has not been assessed. However, evidence outlined by Kennedy et al. (2001) shows that customer satisfaction is an antecedent of trust of the manufacturer.

Trust has been linked to a variety of outcomes. Hennig-Thurau and Klee (1997) theorize that trust will play important roles in repurchasing decision. Such arguments are supported by the empirical findings of Bart et al. (2005) who found a strong relationship between trust and behavioral intent. Behavioral intent may include willingness to navigate further activities, such as purchasing or repurchasing from the company. Although, trust mediates the relationship between two parties, we expect that trust based on prior affective experience play a crucial role in facilitating consumers' further behavioral intentions.

Furthermore, trust affects the consumer's attitude, which in turn influences the willingness to buy (Järvenpää et al., 2000; Ha et al., 2008).

H6: Customer satisfaction has a direct impact on trust.

H7: Trust has a direct impact on repurchase intention.

## Repurchase intention

Repurchase intention refers to the individual's judgment about buying again a designated service from the same company, taking into account his or her current situation and likely circumstances ((Lacey and Morgan, 2007). The trend in marketing toward building relationships with customers continues to grow, and marketers have become increasingly interested in retaining customers over the long run (Lemon et al., 2002). Many researchers suggest that customer satisfaction is a key determinant of customer retention (Bolton, 1998; Zeithaml et al., 1996). According to Reichheld (1996), satisfaction measures have accounted for up to 40% of the variance in models of customer retention. Customer retention is regarded as essential factor in CRM (Hoekstra et al., 1999; Reichheld, 1996). Increasing customer satisfaction and customer retention leads to improved profits, positive word-of-mouth, and lower marketing expenditures (Reichheld, 1996).

The theory of reasoned action proposes that behavior can be predicted from intentions that correspond directly (in terms of action, target and context) to that behavior (Ajzen and Fishbein, 1977). This study thus postulated that consumer purchase intentions provide an acceptable proxy for actual purchase behavior. Additionally, previous studies have suggested that customer satisfaction positively influences purchasing intentions. For instance, Rust and Zahorik (1993) noted that customer satisfaction significantly influences customer retention, market share, and profitability.

H7: Customer satisfaction has a direct impact on repurchase intention.

## Sampling

The survey sample contained more males than females (64:36%). The mean age of the sample was 32 years. Almost half (47%) were travelling alone. A face-to-face interview of passengers was administered at five-star hotels (Chamran Hotel, Eram Hotel, Persepolis Hotel, Saadi Hotel, Hafez Hotel and Pars Hotel) in Shiraz in June 2011 for a period of one month. Approximately 84% of the passengers approached agreed to participate.

The survey questionnaire was developed from the literature review. A total of 509 usable questionnaires were collected. Respondents expressed the strength and directions of their feelings on a seven-point Likert scale from "strongly disagree" (=1) to "strongly agree" (=7).

## MEASUREMENT

Following Anderson and Gerbing (1998), we conducted confirmatory factor analysis to establish the reliability and discriminant validity of the multi-item scales. Although the  $\chi^2$  value for this model was significant [181.940 with 109 degrees of freedom (df)], ( $p = 0.00$ ), this statistic is sensitive to sample size and model complexity; as such, the goodness-of-fit index (GFI), Tucker-Lewis index (TLI), and comparative fit index (CFI) are more appropriate for assessing model fit here (Bagozzi and Yi, 1988; Bearden et al., 1982).

GFI (0.933), AGFI (0.905), TLI (0.975), CFI (0.980), SRMR (0.039) and RMSEA (0.048) indicate satisfactory model fit. Furthermore, all the individual scales exceeded the recommended standards proposed by Bagozzi and Yi (1988), in terms of construct reliability (for example greater than 0.60) and average variance extracted (AVE) by the latent construct (greater than 0.50). And all the item's loadings indicated significant t-values, suggesting convergent validity was achieved.

The squared correlation between the two constructs is less than all the AVE for each construct (Tables 1 and 2), suggesting discriminant validity was achieved (Fornell and Larcker, 1981). In addition, we checked the confidence interval for each pair wise correlation estimate (Anderson and Gerbing, 1988). As shown in Table 2, the confidence interval for each pair wise correlation estimate does not include the value of 1.

These results suggest that discriminant validity was achieved. Measure validation was also examined for internal consistency by computing Cronbach's  $\alpha$  coefficient. As shown in Table 1, Cronbach's  $\alpha$  was found to be greater than 0.70, in accordance with Nunnally's (1967) standard.

## RESULT

### Goodness of fit of the overall model

The hypothesized relationships were tested using the technique of structural equation modeling (SEM). Covariance structure analysis (AMOS 4.0) testing the proposed model (Figure 1) resulted in a  $\chi^2/df$  ratio below 2.0, indicating a good fit between the theoretical model and the data. Other goodness of fit indices is also indicative of a good fit: GFI (0.923), AGFI (0.894), TLI (0.967), CFI (0.973) (Bagozzi and Yi, 1988; Bearden et al., 1982).

### Results of hypotheses tests

The results of the hypotheses test are summarized in Table 3, which shows that all proposed relationships received strong support. Specifically, we find a positive relationship between image and perceived value (coefficient = 0.565,  $t = 9.252$ ,  $p < 0.001$ ), supporting H1. Technical dimension had significant positive relationship with perceived value (coefficient = 0.523,  $t = 9.173$ ,  $p < 0.001$ ) bolstering H2.

As predicted by H3, functional dimension had a significant and positive relationship with perceived value (coefficient = 0.184,  $t = 3.289$ ,  $p < 0.01$ ). Price had significant positive relationship with perceived value

(coefficient = 0.127,  $t = 2.407$ ,  $p < 0.05$ ) bolstering H4. As predicted by H5, perceived value had a significant and positive relationship with customer satisfaction (coefficient = 0.332,  $t = 5.706$ ,  $p < 0.001$ ).

H6 and H8 predicted that customer satisfaction would directly influence trust (coefficient = 0.479,  $t = 6.934$ ,  $p < 0.001$ ) and repurchase intention (coefficient = 0.583,  $t = 9.656$ ,  $p < 0.001$ ). As predicted trust had a significant relationship with repurchase intention (coefficient = 0.516,  $t = 9.028$ ,  $p < 0.001$ ), supporting H7.

## DISCUSSION

In the last decade, a number of national customer satisfaction indices or barometers have been introduced. They can be seen as a performance measure for the quality level of goods and services across firms, industries and countries. The Commission of the European Union encouraged the ECSI initiative (Commission of the European Union, 1999) in order to make industries in member states aware of total quality management strategies for the constant improvement of performance and customer satisfaction. Despite this potential strategic significance, neither academics nor practitioners have so far taken up the concept in Iran. This study is the first attempt to do so. We believe that our Iranian customer satisfaction index demonstrates the importance of national indices, and will encourage further research in Iran. Moreover, considering its potential for measuring the performance of whole countries, it could play a critical part in the process of integrating the Iranian economy into the EU economy, by showing in which sectors the economy has competitive advantage over existing member states, according to customer perception. Most existing national indices are based on structural modeling. Since we have added new constructs and modified the structure, we may argue that this model is the most comprehensive national index to be developed so far. Adding the trust and repurchase intention factors to the model increases the explanatory power of the index substantially.

The objective of this research is to establish relationships between the stipulated antecedents of customer satisfaction, trust and repurchase intention in five-star hotels. However, this study manages to assert eight of the proposed hypotheses. All of them supports relationships between antecedents of customer satisfaction, trust and repurchase intention. An image is a customer's perception based on the perceived benefits, the physical attributes and the branding. In this case, it reflects the history of five-star hotels and is as much a consumer perception of how well they can satisfy needs and wants as it is the result of previous service encounters. Image can be considered to be an extrinsic product cue related to the service product (Olson and Jacoby, 1972). For five-star hotels, that cue provides

**Table 1.** Confirmatory factor analysis results. Note:\* Parameter estimates are significant at the 0.001 level.

<b>Construct/items</b>	<b>Standardized loading</b>	<b>t-value</b>	<b>Construct reliability</b>	<b>AVE</b>	<b>Cronbach's <math>\alpha</math></b>
<b>Image</b>			0.92	0.801	0.937
IM 1	0.905*	20.782			
IM 2	0.745*	14.636			
IM 3	0.850*	17.219			
IM 4	0.839*	16.59			
<b>Customer satisfaction</b>			0.873	0.863	0.916
CS 1	0.983*	21.012			
CS 2	0.736*	13.573			
CS 3	0.898*	18.248			
CS 4	0.812*	17.986			
CS 5	0.947*	21.435			
CS 6	0.723*	13.219			
<b>Repurchase intention</b>			0.958	0.729	0.942
RPI 1	0.892*	19.208			
RPI 2	0.955*	21.814			
<b>Functional dimension</b>			0.832	0.824	0.951
FDI 1	0.931*	21.338			
FDI 2	0.844*	18.207			
FDI 3	0.737*	14.731			
FDI 4	0.961*	21.557			
FDI 5	0.750*	15.345			
<b>Technical dimension</b>			0.945	0.755	0.974
TDI 1	0.907*	20.149			
TDI 2	0.849*	19.726			
TDI 3	0.760*	15.031			
TDI 4	0.833*	19.581			
TDI 5	0.914*	20.018			
TDI 6	0.746*	13.246			
<b>Price</b>			0.961	0.871	0.935
PR 1	0.976*	21.847			
PR 2	0.799*	15.88			
PR 3	0.804*	16.276			
PR 4	0.911*	20.563			
<b>Trust</b>			0.972	0.849	0.961
TR 1	0.928*	20.412			
TR 2	0.819*	19.037			
TR 3	0.901*	20.451			
TR 4	0.933*	20.358			
TR 5	0.730*	13.809			
<b>Perceived value</b>			0.895	0.793	0.955
P V 1	0.991*	21.829			
P V 2	0.857*	19.773			
P V 3	0.824*	18.42			

**Table 1.** Contd.

P V 4	0.766*	14.295
P V 5	0.917*	20.813
P V 6	0.953*	20.988
P V 7	0.806*	17.304
P V 8	0.854*	17.025

**Table 2.** Correlation matrix.

IM	CS	RPI	FDI	TDI	PR	TR	P V
	0.296	0.17	0.282	0.198	0.184	0.215	0.211
0.528		0.251	0.341	0.247	0.235	0.354	0.269
0.473	0.532		0.376	0.218	0.332	0.273	0.321
0.651	0.519	0.545		0.315	0.317	0.184	0.377
0.458	0.483	0.537	0.652		0.422	0.336	0.289
0.634	0.427	0.618	0.471	0.638		0.328	0.395
0.549	0.642	0.673	0.536	0.491	0.684		0.417
0.517	0.563	0.491	0.529	0.533	0.521	0.542	

Notes: IM, image; CS, customer satisfaction; RPI, repurchase intention; FDI, functional dimension ; TDI, technical dimension; PR, price; TR , trust; PV, perceived value.

**Table 3.** Results of hypotheses test.

H	Hypothesized path	Coefficient (t-value)	Result
H1	image → perceived value	0.565*** (9.252)	Supported
H2	technical dimension → perceived value	0.523*** (9.173)	Supported
H3	functional dimension → perceived value	0.184** (3.289)	Supported
H4	Price → perceived value	0.127* (2.407)	Supported
H5	perceived value → customer satisfaction	0.332*** (5.706)	Supported
H6	customer satisfaction → trust	0.479*** (6.934)	Supported
H7	Trust → repurchase intention	0.516*** (9.028)	Supported
H8	customer satisfaction → repurchase intention	0.583*** (9.656)	Supported

Note: \*  $p < 0.05$ ; \*\*  $p < 0.01$ ; \*\*\*  $p < 0.001$ .

consumers with better predictive value for consumers because the intrinsic cues associated with the service are difficult to evaluate before experiencing it.

From the hotel guest's perspective, the image of the five-star hotels can serve to reduce the complexity of the decision making processes and its associated risks, by selecting accommodation which has few evaluative intrinsic attributes. The results of research into the behavior of hotel guests conducted by Bowen and Chen (2001) indicated that, as customer satisfaction increased, trust and repurchase intention indices more than doubled. This suggests that there is a greater probability of building guest's trust and repurchase intention when they are completely satisfied.

The general objectives of the research study reported

here were to identify and examine the key attributes that shape perceived value, and to determine whether it in turn influences satisfaction and, ultimately, trust and repurchase intention. The results of the data analysis suggest that the proposed model did meet those objectives. Consistent with previous studies (Baker and Crompton, 2000; Sivadas and Prewitt, 2000; Zhu et al., 2002), this study found a positive relationship among customer satisfaction and purchase intentions in five-star hotels.

Much of previous research on relationship marketing in the industrial context highlights the role of trust in inducing favorable behaviors (Morgan and Hunt, 1994; Kumar et al., 2003). The results reveal that trust has significant influence on repurchase intention. In managing

relationships, it is worthwhile for firms to cultivate trust gradually among their customers, and subsequently maintain high-quality relationships. Customers who have deep trust in their providers tend to continue the relationship. Therefore, managers should realize that trust is fundamental to buying–selling relationships.

This study extends current knowledge related to the interrelationship between satisfaction and trust. B2C marketing literature indicates that increasing satisfaction between two parties might strengthen their partnership, increase competitiveness and information exchanges, and improve trust (Abdul-Muhmin, 2005; Geyskens et al., 1999). Our results thus indicate that trust in post-satisfaction situations can play a significant role in bridging a gap between consumer judgment and behavioral intention.

## CONCLUSION

This study has achieved its objective in examining relationships of certain antecedents of customer satisfaction, trust and repurchases intention among five-star hotel customers in Iran. Image is found to be the most significant factor that five-star hotel customer look for in order to be satisfied with the hotel. Functional dimension, technical dimension and price, are found to be important for customer satisfaction, while perceived value is found to be a significant factor for improving customer satisfaction, trust and their repurchase in the future.

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## APPENDIX

### Image (four items)

- 1) The reputation of five-star hotels is important to me.
- 2) This five-star hotel makes a good impression on its guests.
- 3) This five-star hotel has a good reputation amongst customers.
- 4) I feel this five-star hotel suits my needs.

### Technical dimension (six items)

- 1) Satisfied with kitchen
- 2) Satisfied with TV room
- 3) Satisfied with internet facilities
- 4) Satisfied with telephone facilities
- 5) Satisfied with meals
- 6) Satisfied with location.

### Functional dimension (five items)

- 1) Staff were polite
- 2) Staff were helpful
- 3) Staff were friendly
- 4) Staff had knowledge about attractions and activities
- 5) The personnel provides a friendly atmosphere.

### Perceived value (eight items)

- 1) This five-star hotel offers good value for money.
- 2) I believe this five-star hotel offers good quality accommodation.
- 3) I will enjoy my stay at this five-star hotel.
- 4) I believe this five-star hotel provides good accommodation for the price.
- 5) The personnel knowledge is up to date.
- 6) The personnel know their job well.

- 7) The personnel have the knowledge of all services offered by the entity.
- 8) The service as a whole is good.

### Satisfaction (six items)

- 1) I am satisfied with the interactions I have with this five-star hotel's staff.
- 2) I am satisfied with the interaction I have with other guests.
- 3) In general I am satisfied.
- 4) I am very satisfied with the five-star hotels services provided.
- 5) I feel this five-star hotel is better than expected.
- 6) I am satisfied with my stay at this five-star hotel.

### Trust (five items)

- 1) This five-star hotel treats me in an honest way in every transaction.
- 2) Overall I have complete trust in this five-star hotel.
- 3) My overall trust in this five-star hotel is good.
- 4) This five-star hotel gives me a feeling of trust.
- 5) Employees of this five-star hotel show respect to customers.

### Price (four items)

- 1) The food prices at this five-star hotel are fair.
- 2) The beverage prices at this five-star hotel are fair.
- 3) The price charged by this five-star hotel is appropriate.
- 4) The price charged by this five-star hotel is rational.