



THE MEDIATING EFFECT OF GUEST SATISFACTION ON THE RELATIONSHIP BETWEEN SAFETY AND SECURITY AND CUSTOMER RETENTION OF SELECTED INLAND RESORTS IN TAGUM CITY

Marielle Samantha P. Aldeano¹, Abbegail T. Montoro¹, Kimberly M. Capul¹,

Kerby C. Nerosa¹, Justine S. Balo¹, Jill A. Valdez, MBA²

¹St. Mary's College of Tagum, Inc., National Highway, Tagum City, 8100, Philippines

ABSTRACT

This study determined the mediating effect of guest satisfaction on the relationship between safety and security and customer retention at selected inland resorts in Tagum City. A descriptive-correlational research design was employed. The respondents of the study were 300 local and non-local tourists at selected inland resorts in Tagum City. Mean, Pearson r, standard deviation, regression analysis, and the Sobel test were used as statistical tools. Findings revealed a significant relationship between safety and security and customer retention, guest satisfaction and customer retention, and safety and security and guest satisfaction. Guest satisfaction mediates the relationship between safety, security, and customer retention among tourists with full mediation. Based on the findings, it highlights the importance of safety and security, customer retention, and guest satisfaction and suggest improving safety and security policies in inland resorts. The development of inland resorts for applying safety and security policies is needed to enhance guest satisfaction and maximize customer retention.

KEYWORDS: *safety and security, customer retention, guest satisfaction, Philippines*

INTRODUCTION

To deliver unique experiences, tourism and hospitality companies are always looking for new methods to include customers in the value-creation cycle (So & Li 2020). According to Rather and Sharma (2017), the rapid advancement of information technology aided the tourism and hospitality industries. Therefore, safety and security, customer retention, service quality, customer satisfaction, and firm engagement were critical in promoting domestic and foreign tourist service providers, such as lodging facilities, dining establishments, travel agents, airlines, and associated vendors (Pascual & Cain, 2021; Steinhoff & Zondag, 2021). However, for the past years, it was reported that there was significantly low customer retention in businesses, which resulted in suspending and/or closing their operations (Alketbi et al., 2020).

In Cavite, Philippines, Mendoza and Espejon (2022) stated that the service sector, particularly the resorts, and hotels, had low guest retention and satisfaction brought about by the COVID-19 pandemic. Furthermore, a recent surfing accident occurrence on Siargao highlighted the island's lack of safety precautions and regulations. Concerns were expressed concerning inexperienced surfing instructors, a lack of lifeguards, poor first aid facilities, and some instructors' casual attitudes. The Department of Tourism was urged to address these concerns and emphasize the safety of tourists visiting Siargao, with the goal of improving overall visitor safety and experience (Santiago, 2018). In the local context, a decline in customer retention occurred after the drowning incident happened in one

of the resorts in Tagum City, Davao del Norte, according to a report by the Police Community Affairs and Development Group, Davao Region. This incident harmed the resort's reputation (Ortonero, 2021).

In the tourism and hospitality, if tourists' expectations were met or exceeded, they were more likely to be satisfied with their stay, which could lead to higher customer retention. Furthermore, Nunkoo et al. (2019) backed up Deng et al.'s (2013) claim that to maintain existing customers, remain competitive, and attract new ones, lodging businesses frequently prioritized customer satisfaction. Thus, the results and findings of this study could be used by the resort's management to improve operational efficiency, develop new customer retention strategies, and implement constructive solutions to address problems relating to retention issues.

OBJECTIVES

1. To determine the level of safety and security in terms of public hazard, life and property, public health, accessibility, and environmental.
2. To ascertain the level of guest satisfaction in terms of facilities, amenities, and customer service.
3. To determine the level of customer retention in inland resorts in Tagum City.
4. To determine the relationship between safety and security and customer retention, guest satisfaction and customer retention, and safety and security and guest satisfaction.



5. To assess if guest satisfaction significantly mediates the relationship between safety and security and customer retention in selected inland resorts in Tagum City.

METHODOLOGY

The research design of this study was quantitative descriptive-correlational. It involves using a survey to collect data which covered the variables that the researchers needed to investigate. Furthermore, mediation analysis was performed to determine the mediating effect of guest satisfaction on the relationship between safety and security and customer retention at selected inland resorts.

This study was conducted at selected inland resorts in Tagum City. There were 300 local and non-local tourists as respondents. The questionnaires were distributed in accordance with permission from the resorts' owners and instructions were given by the assigned gatekeepers.

RESULTS

The level of safety and security was high. This means that it is very evident. This is parallel to the study of Georgieva and Bankova (2021), who emphasized that customer security and safety are top priorities in the global tourism industry. When choosing a resort to stay at, travelers consider security and safety. It is also the first consideration for travelers to be free from dangers and hazards (Torralba & Ylagan, 2021). All five indicators are described as high, which means that the level of safety and security of tourists in inland resorts is manifested at all times. Environmental got the highest mean, followed by Life and Property, then Public Health and Accessibility, and Public Hazard as the lowest.

Moreover, the level of guest satisfaction was high. This means that it is very evident. This confirms the findings of Giroti (2021), who argued that a satisfied customer increases repeat and referral business by being a loyal customer and taking the time to write positive reviews. All three indicators are described as high, which means that the level of guest satisfaction of tourists in inland resorts is manifested at all times. Facilities have the highest mean followed by Customer Service and Amenities as the lowest mean.

In addition, the level of customer retention was high. This means that it is very evident. This is parallel to the study of Buttle (2012), who stated that customer retention is defined as "the process of creating and maintaining long-term relationships with customers by providing superior customer value and satisfaction." It is a comprehensive approach that integrates various aspects of customer experience, including marketing, sales, and customer service. Tourists agree that if they had a positive experience at an inland resort, they are likely to share their experience with others through social media, and word-of-mouth recommendations. Hence, positive feedback from satisfied guests can attract new visitors to the resort while also reinforcing the decision for previous guests to return.

Moreover, the correlation of the two variables, namely, safety and security and customer retention, shows that safety and security have a significant relationship with tourists' customer retention. The p-value of the two variables is less than the 0.05

level of significance, which makes them significantly correlated. This finding is consistent with the notion of Wirtz et al. (2007), who demonstrated that perceived value (including perceptions of safety and security) is an important indicator of customer loyalty in other industries. Similarly, studies discovered that perceived value, including safety and security, was a strong predictor of customer loyalty in the hotel business.

Consequently, the correlation of the two variables, namely, guest satisfaction and customer retention, indicates that the two variables have a significant relationship with each other. The p-value of these two variables is not more than 0.05 level of significance, which makes them significant. On a high note, this finding is consistent with the study of Nunkoo et al. (2019) backing Deng et al. (2013) argument that to maintain existing customers, remain competitive, and attract new ones, lodging businesses frequently prioritize customer satisfaction.

Furthermore, the correlation of the two variables, namely safety and security and guest satisfaction, demonstrates that the two variables have a significant relationship. This means that tourists develop more trust and confidence when they feel that the resort prioritizes safety and security above all else. It means that when visitors feel safe and secure, they are more likely to have pleasant experiences, resulting in higher levels of satisfaction. This finding is consistent with the study by Ali et al. (2021), which found that safety and security significantly impact customer satisfaction in the hospitality industry, and this study also showed that satisfaction and safety and security have a beneficial connection. Thus, customers expect to feel safe and secure when engaging with a service provider, whether it's in a physical environment or online.

In addition, mediation analysis was performed to assess the mediating role of guest satisfaction on the relationship between safety and security and customer retention of selected inland resorts in Tagum City. It was hypothesized that safety and security would positively influence customer retention of tourists. Consequently, it was hypothesized that guest satisfaction would mediate such a relationship. A series of regression analyses were carried out to test the hypotheses.

This proposition aligns with the study of Torralba and Ylagan (2021), which highlights the safety and security of guests would result in guests' satisfaction thereby affecting customer retention. In other words, tourists would be more likely to patronize services if expectations were met. Hence, customer satisfaction is crucial to ensuring customer retention (Bowen & Chen 2001). Moreover, Meyer and Schwager (2007), in a study cited by Torralba and Ylagan (2021), revealed in their research findings that the resort's safety and security affect guest satisfaction.

SUGGESTIONS

After a profound consideration on the possible implications of the findings and conclusion of this study, the researchers recommend the management of inland resorts to organize regular training sessions for personnel on emergency response strategies, including protocols for dealing with various safety and security crises. Also, the inland resort should invest in high-



tech security equipment to ensure guest satisfaction and protect its grounds. This will improve the overall experience and encourage repeat business, ultimately increasing customer retention rates. More so, inland resorts should offer a safe and secure environment, resorts may build trust with their customers, boost their sense of well-being, and increase the likelihood that they will return. Effective safety and security protocols can also help to reduce risks, avoid accidents, and retain the resort's reputation as a reliable tourism destination. Finally, future researchers could conduct studies on the variables examined in the study. They may conduct more studies on safety and security in relation to guest satisfaction, guest satisfaction in relation to customer retention, and safety and security in relation to customer retention. They may also use various procedures, respondents, or designs in a research study.

CONCLUSIONS

Based on the results of the research objectives, the researchers have concluded that the variables of safety and security, guest satisfaction, and customer retention among tourists are high and manifested at all times. This means that the safety and security of guests would result in guests' satisfaction, thereby affecting customer retention (Torralba & Ylagan, 2021). Also, there is a significant relationship between safety and security and customer retention of tourists, guest satisfaction and customer retention of tourists, and safety and security and guest satisfaction. Lastly, guest satisfaction significantly mediates the relationship between safety and security and customer retention among tourists with full mediation.

TABLES AND REFERENCES

Table 1. Summary of the Level of Safety and Security

Table with 4 columns: Indicators, SD, Mean, Descriptive Equivalent. Rows include Public Hazard, Life and Property, Public Health, Accessibility, Environmental, and OVERALL MEAN.

Table 2. Summary of the Level of Guest Satisfaction

Table with 4 columns: Indicators, SD, Mean, Descriptive Equivalent. Rows include Facilities, Amenities, Customer Service, and OVERALL MEAN.

**Table 3. Level of Customer Retention**

Items	SD	Mean	Descriptive Equivalent
If I needed resort services now, this resort would be my first choice.	0.68	4.25	Strongly Agree
I plan to continue my relationship with this resort in the future	0.76	4.18	Agree
I would recommend this resort as the best service provider.	0.82	4.13	Agree
I would encourage friends and relatives to visit this resort.	0.83	4.17	Agree
I have said positive things about this resort to others.	0.80	4.16	Agree
The relationship I have with this resort is important to me.	0.83	4.06	Agree
I consider this resort as my first choice.	0.74	4.14	Agree
Category Mean	0.78	4.16	Agree

Table 4. Significance of the Relationship Among Safety and Security, Customer Retention and Guest Satisfaction

Variables Correlated	r-values	p-values	Remarks
Safety and Security and Customer Retention	0.604	.000	Significant
Guest Satisfaction and Customer Retention	0.734	.000	Significant
Safety and Security and Guest Satisfaction	0.782	.000	Significant
Strong Positive Correlation (0.60-0.79)		Very Strong Positive Correlation (0.80 -1.0)	

Table 5 Steps in Mediation Analysis

Independent Variable	Safety and Security
Dependent Variable	Customer Retention
Mediating Variable	Guest Satisfaction
Step 1. Path C (IV and DV)	
Unstandardized Beta (B)	.575
Standard Error (e)	.044
p-value	.000
Step 2. Path B (MV and DV)	
Unstandardized Beta (B)	.740
Standard Error (e)	.040
p-value	.000
Step 3. Path A (IV and MV)	
Unstandardized Beta (B)	.738
Standard Error (e)	.034
p-value	.000



Step 4. Combined Influence of IV and MV on DV

Guest Satisfaction

Unstandardized Beta (B)	.680
Standard Error (e)	.064
Standardized Beta	.674
Part Correlation	.420

Safety and Security

Standardized Beta	.077
Part Correlation	.048
Total R-square	.541

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