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EXPERIENTIAL MARKETING INFLUENCE ON CUSTOMER LOYALTY BEHAVIOR (CLB) OF THE HOTEL INDUSTRY IN IRAN: EVALUATING THE MEDIATING EFFECTS OF RELATIONSHIP QUALITY AND CUSTOMER DELIGHT

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ABSTRACT

This study aims to investigate the influence of experiential marketing on the notion of Customer Loyalty Behavior (CLB) of hotels in Iran. Customer Loyalty Behavior (CLB) is a priority for marketers especially in the hospitality industry as positive experiences that customers go through are likely to lead to revisit intention. Numerous past studies on Customer Loyalty Behavior (CLB) are based on the enterprises' and businesses' viewpoints. In this study, the view point of the customers or hotel guests are taken into consideration using the dimensions of loyalty, revisit intention and word of mouth (WOM) communication as measures. This study addresses the influence of Experiential Marketing (EM) on Customer Loyalty Behavior (CLB) from the perspectives of hotel guests in the three main cities of Iran; Tehran, Isfahan and Mashhad. In addition, the mediating effects of Relationship Quality (RQ) and Customer Delight (CD) was also introduced in the study as both these variables are deemed important in the context of service provision in the hospitality industry. Customer Delight (CD) was considered more appropriate to describe the extent of satisfaction in the hospitality industry as the element of surprise is incorporated in satisfying customers. Relationship Quality (RQ) was also measured to determine the importance of establishing trustful and satisfying relationships. The integrative model proposed in this study investigates the role of Relationship Quality (RQ) and Customer Delight (CD) as moderating variables and Customer Loyalty Behavior (CLB) as the dependent variable and Experiential Marketing (EM) the independent variable. A quantitative research was conducted using the survey method to collect data from 400 travelers who stayed in 4 and 5 star hotels in the three major cities (Tehran, Mashhad, and Isfahan). Using Structural Equation Modelling (SEM) to test the hypothesized model, the analysis finds that Experiential Marketing (EM) has positive relationship on Customer Loyalty Behavior (CLB), Customer Delight (CD) and Relationship Quality (RQ) and the mediating effects on Customer Delight (CD) and Relationship (RQ) on the relationship between Experiential Marketing (EM) and Customer Loyalty Behavior (CLB). As all the hypotheses are supported in this study, the implications for the hospitality industry is established where the importance of building positive experiences for the customers is proven in order to retain long term customers. The contribution of this study is seen from the contextual setting of the hotel industry in Iran and the assessment of the mediating effects of Relationship Quality (RQ) and Customer Delight (CD). There is still a need to extend the study further to look at other sectors and to incorporate more comprehensive measurements of Customer Loyalty Behavior (CLB) .

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