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RESEARCH ARTICLE

## ASSESSING THE IMPACT OF SERVICE QUALITY ON CUSTOMER SATISFACTION AND LOYALTY IN SOME SELECTED HOTELS IN KUALA LUMPUR

Nurun Najah Tarmidzi<sup>a\*</sup>, Masri Abdul Lasi<sup>a,b</sup>, Rosnizah Shaari<sup>a</sup>

<sup>a</sup>City Graduate School, City University Malaysia

<sup>b</sup>Faculty of Business and Management, City University Malaysia

\*Corresponding Author Email: [nurun.najah@city.edu.my](mailto:nurun.najah@city.edu.my)

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### ARTICLE DETAILS

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### ABSTRACT

This research aims to examine the relationship between Kuala Lumpur service quality and customer happiness and loyalty. On the policy groundwork of high value for long-term growth, Kuala Lumpur has pursued high standards for hotel service quality. The purpose of this research is to analyse the connection between satisfied customers and their continued patronage. A self-administered, quantitative questionnaire was developed for this study's data collection. To achieve this, a quota sample of 10 hotels was established, and 30 respondents were randomly selected from each hotel, for a total of 300 participants (non-probability sampling). The study instrument was a questionnaire. The coefficient of dependability for this instrument was calculated to be 0.936. Frequencies and percentages were calculated based on the responses of the respondents' demographic data. Means and standard deviations were applied to the data collected from hotel guests, while Pearson-moment correlations were used to examine the responses to study questions 2 and 3. The researcher used an independent sample t-test to determine if there was a statistically significant difference in how men and women rated the quality of the service they received. All aspects of service quality were found to be significant in the relationship between satisfied customers and repeat business. Conclusions can also be drawn regarding the relationships between service quality and client loyalty. The findings showed a statistically significant association between service quality and customer loyalty, as measured by a Pearson's  $r=0.673$  and a  $r=0.618$  for the two variables, respectively. The results showed that hotel owners and managers should pay close attention to the predictor highlighted in this study as having a significant impact on customer loyalty, but they should not discount the significance of other elements including certainty, reliability, tangibles, and empathy.

**KEYWORDS**

Servqual, hotel industry, customer satisfaction, customer service

### 1. INTRODUCTION

The expansion of hotel services is critical to the development of the tourism sector and the success of destination management. Kuala Lumpur has sought high-quality hotel service standards against a policy backdrop of high value for long-term growth. More recently, the government has invested in its long-term national economy in order to position itself as a top tourism destination.

Service quality has been perceived in the writing as straightforwardly affecting consumer loyalty and a backhanded effect on customer reliability (Lasi, 2020a). Hotels should look for general grouping necessities to guarantee service quality (Foo et al., 2021). As indicated by Parasuraman, Zeithaml, and Berry (1991), there are five aspects to think about while assessing client assistance greatness.

Building long-term connections with customers requires first ensuring their contentment. (Salim and Rahim, 2021). If a customer is happy with a service they have received, they are more likely to purchase the service again, to recommend it to others, to speak positively about the service and the company, to ignore advertisements for competing products, to be less price sensitive, and to purchase additional products from the company. (Ghazalle and Lasi, 2021)

The only sustainable competitive edge in today's market is providing

exceptional customer service that consistently exceeds expectations. (KamarulIkhsan Bin Ahamed Zaki and Bin Abdul Lasi, 2020). Several hotels are struggling to upsurge market share by giving higher-quality service in order to raise customer satisfaction (Pit et al., 2020). As per Parasuraman, Zeithaml, and Berry (1991), there are five aspects to think about while assessing client assistance greatness. Tangibility, reliability, responsiveness, empathy, and assurance are the aspects contained in this paper.

Customer satisfaction is upgraded through great help, which is generally viewed as a huge viewpoint in the hotel, providing food, and the travel industry organizations' presentation. Consumer loyalty(Liat and Chiau, 2015; Sangaran and Selvanayagam, 2021) is characterized as living up to purchasers' desires as far as fulfillment attributes. An individual can't totally conjecture the client's mind since it is a convoluted blend of contemplations and thoughts. Customer dependability, as per Pearson (1996), is characterized as a client's positive reasoning and great perspectives about an organization, as seen by their eagerness to purchase and recommend the company's services.

### 2. MATERIALS AND METHODS

The study Area: Kuala Lumpur is the area chosen as the study location.

Source of Data: The study used both primary and secondary sources to get

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the necessary information. Questions were sent out to a random selection of hotel guests in order to acquire the primary data. Books, journals, periodicals, and other internet resources were consulted as secondary sources of data.

Population of the study: Customers of the Kuala Lumpur hotels included in the study are the primary population. Thirty-three (33) different Kuala Lumpur hotels were randomly chosen for the study.

Sample techniques and sample size: We employed a non-probability sampling method to select our sample of 300 respondents from our target demographic of 10 hotels by randomly selecting 30 respondents from each hotel.

Data Analysis: Descriptive analysis was the primary method used. Demographic information was gleaned from participants' responses to closed-ended questionnaires, and then examined quantitatively with percentage and frequency. An analysis of the effect of respondents' perceptions of service quality on customer satisfaction was conducted using the mean and standard deviation. This analysis made use of both correlations and a t-test on a representative sample. Software packages from SPSS, version 20 were used for this analysis.

### 3. RESULTS AND DISCUSSION

Economic and social characteristics of respondents Table 1 reveals that men made up 53.7% of the sampled population and women 46.3%. This suggests that male travellers are more numerous at Kuala Lumpur hotels than female travellers, as shown in Table 1. About 90% of the responders are between the ages of 18 and 45, and 10% are between the ages of 50 and 65. This explains why Kuala Lumpur hotels are so popular among the city's young businesspeople, who are always on the move.

Table 1 also shows that 67.7% of the sample population works in government while the remaining 32.3% works in the private sector. The respondents' primary occupation may have had a significant impact on the predictability of their earnings. Findings from this study suggest that the majority of respondents work in public service, which further proves that Kuala Lumpur is not a business-dominated place where investors will rush to set up shop.

However, everyone who answered the survey had stayed at a hotel at least once. Table 1 reveals that of the total number of respondents, 44% are repeat guests who visit the hotel once every one to two years. There were 32% in the 3-4 age group, 13% in the 5-6 age group, and 10% in the 7-8 age group. Based on the results of the study, it appears that repeat guests visit the hotel once every two years, believing that the hotel offers the greatest services available.

Four items were created to measure tangibility as one of the service

quality characteristics, as shown in Table 2 below. Based on the overall mean of 4.32 and the accompanying standard deviation of 0.68, it can be shown that the majority of the participants regard tangibility as a service quality dimension as an influential factor responsible for customer satisfaction. Tangibility elements such as room attractiveness and décor are the most important factors influencing consumer satisfaction (Zulkarnain et al., 2022). As a result, hoteliers should not overlook this aspect of their business.

The researcher wanted to see if customer satisfaction is influenced by reliability. Based on the overall mean and standard deviation of 4.23 and 0.77 in table 2 below, it can be concluded that reliability as a service quality dimension was evaluated as an influential factor responsible for customer satisfaction. Reliability is defined as "consistently good character and quality that leads to dependability (Cheng et al., 2019)." They also stated that dependability is an important aspect of service quality. Most clients give this dimension a higher rating than the others when booking a hotel reservation since they travel with complete trust in the hoteliers. Reliability has a beneficial impact on customer satisfaction, and that employees must continually work hard to improve reliability. Reliability had little bearing on customer satisfaction, possibly due to the growing popularity of phone and online services, which provide customers with an alternative to face-to-face customer support (Pandey, 2016). Based on the finding, it could be concluded that the more consistent the services provided by the hotels are, the more customers will patronize the hotels.

Based on the results of the research below, the respondents agreed that responsiveness as a service quality factor influences customer satisfaction, as evidenced by the overall mean of 4.21 and the accompanying standard deviation of 0.74 in table 2. Responsiveness with a  $p > 0.05$ , on the other hand, was deemed statistically insignificant. However, this study's findings are reliable that the responsiveness component had the greatest impact on customer satisfaction. Based on the overall mean of 4.14 and the accompanying standard deviation of .76, the four items assessing assurance as a service quality dimension were considered by hotel customers as the influential factor responsible for customer satisfaction, as shown in Table 2.

Recent study found that, assurance has emerged as the greatest predictor of tourism service quality among the five dimensions of service quality elements in the model. Their study who found that the component of service quality that has the greatest impact on customer happiness is ensured, are also confirmed in this study. In this situation, hoteliers must keep all of their promises to their consumers in order to keep their business. Assurance was the strongest predictor of customer pleasure. As a result, customer satisfaction is strongly tied to service quality. Customers will only be satisfied if the service is seen to be valued and of exceptional quality, according to the research (Hariri Bakri et al., 2020).

**Table 1: Socio-Economic Characteristics of Respondents**

Particulars	Frequency	Percentage	Cumulative
<b>Gender:</b>			
Male	161	53.7	53.7
Female	139	46.3	<b>100.0</b>
<b>Age:</b>			
18-25	54	18.0	18
26-35	110	36.7	54.7
36-45	106	35.3	90.0
56-65	25	9.3	99.3
65 above	2	0.7	<b>100.0</b>
<b>Occupation:</b>			
Student	68	22.7	22.6
Public Officer	149	49.7	72.3
Private Worker	54	18.0	90.3
Businessman	29	9.7	<b>100.0</b>
<b>Hotel Patronage Experience:</b>			
1-2yrs	132	44.0	44
3-4yrs	98	32.7	76.7
5-6yrs	40	13.3	90
7-8yrs	30	10.0	<b>100.0</b>

Source: field survey, 2021.

As shown in Table 2, empathy as a service quality dimension was an influential factor responsible for customer satisfaction, with an overall mean and standard deviation of 4.15 and 0.76, respectively. As a result of the study's findings, empathy appears to have a considerable impact on customer satisfaction. (Amin et al., 2013) which claim that offering individual attention, knowing customer unique wants, and having a good menu makes empathy a powerful driver of service excellence for customer pleasure. According to (Pit et al., 2020; Sangaran and Selvanayagam, 2021; Wei, 2019) empathy is an important variable for individual consideration among humans. The findings revealed that hoteliers' empathy had a significant impact on customer satisfaction on the other hand, stated that there is no significant positive relationship between empathy and

customer satisfaction. In their study, claimed that empathy protects customers' pleasure during service encounters. As a result, empathic behavior among service providers has a beneficial impact on commitment, perceived service quality, and client happiness. The findings of Umesh (2014) also demonstrated a relationship between empathy and customer satisfaction. Because the value of Empathy leads to customer satisfaction (+ 0.140), the notion is backed by facts. As a result, it can be argued that Empathy and Customer Satisfaction have a good relationship.

In this study, the five service quality aspects (tangibility, reliability, responsiveness, assurance, and empathy) were evaluated as influential determinants in customer satisfaction by the respondents.

Table 2: Results of the Analysis of the Perceived Impact of Service Quality				
Dimensions				
S/N	Items	N	Mean	Std. Deviation
<b>Tangibility</b>				
1	The hotel has modern-looking equipment	300	4.2100	.78823
2	The hotel employees are neat appearing	300	4.400	.61181
3	The hotel is clean	300	4.2833	.68162
4	Materials associated with the service are visually appealing	300	4.2833	.68162
	Overall means	300	4.3266	.68189
<b>Reliability</b>				
1	When you have a problem the hotel shows a sincere interest in solving it	300	4.2033	.74195
2	The hotel provides its services at the time it promises to do so	300	4.1567	.80058
3	The front desk employees of the hotel accurately verify reservation request	300	4.3400	0.70193
4	The reservation system (e.g., telephone and internet) is easy to use	300	4.2467	.86505
	Overall means	300	4.2366	.77737
<b>Responsiveness</b>				
1	The hotel employees are courteous	300	4.23333	.75329
2	The hotel employees give special attention	300	4.1367	.80839
3	The hotel employees adapted services to our needs	300	4.1800	.73216
4	The hotel staffs are willing to help guests	300	4.3167	.67173
	Overall means	300	4.2166	.74139
<b>Assurance</b>				
1	The staffs in the hotels are polite	300	4.1767	0.70743
2	The staffs imparted confidence to the guests	300	4.0600	.831891
3	The staffs are friendly	300	4.3367	.64657
4	The staffs had sufficient support from the hotel to do their jobs	300	4.0167	.87880
	Overall means	300	4.1475	.76617
<b>Empathy</b>				
1	The hotel employees quickly apologized when service mistakes are made	300	4.2900	.71713
2	The hotel employees listened carefully when you complain	300	4.2533	.68609
3	The hotel has your best interest at heart	300	4.0900	.81493
4	The hotel gives you individual and special attention	300	4.1333	.78162
5	Employees understand your specific needs	300	4.0133	8.4590
	Overall means	300	4.1559	.76913

Source: field survey, 2021.

Examining the relationships between Service Quality and customer loyalty: Customers' derived satisfaction from the facilities and equipment available in the hotel. The results of the relationship between service quality and customer loyalty were provided in Table 3 below. The findings revealed a high positive relationship between service quality and customer loyalty (r=.673, n=300, p<0.05). Since the p<0.05, the results demonstrated that there was a statistically significant relationship. This suggests that service quality and customer loyalty are linked, and that

when service quality improves, customer loyalty improves as well. The findings demonstrated a highly significant relationship between service quality and customer loyalty in Kuala Lumpur hotels. As can be seen, studies using customer satisfaction as the mediating variable have proven the considerable positive relationship between service quality and customer loyalty. This research confirmed the findings of a link between service quality and customer loyalty. The findings from the many investigations have a considerable impact on the present research.

However, such investigations were not identical to the current study, and their findings revealed no statistically significant relationship. For example, (Lasi and Man, 2020) found no statistically significant relationship between service quality and customer loyalty. This implies that customer loyalty is not affected by service quality. Based on the findings, service quality has a substantial relationship with customer loyalty in this area.

Evaluating the relationships between Customer satisfaction and customer loyalty: The relationship between customer satisfaction and customer loyalty is illustrated in table 4 below. Customer satisfaction and loyalty were found to have a high, positive correlation ( $r=.618, n=300, p<0.05$ ) when the study data was analyzed. Since the  $p<0.05$ , the results have revealed that there is a perceived strong relationship between customer satisfaction and customer loyalty. This confirms that customer satisfaction and loyalty are related, through customer loyalty growing as customer satisfaction also increases. Customer satisfaction and customer loyalty ensure a significant strong positive relationship, according to the study's findings. The findings of this investigation corroborated those of a previous study. Previous study discovered that service quality variables such as tangibility, reliability, responsiveness, assurance, and empathy have a major impact on customer satisfaction and loyalty, which has an impact on the hotel industry. It also agrees with the results (Maduraiveeran et al., 2020) study, which discovered that total service quality increases customer satisfaction, which leads to customer loyalty. Customer satisfaction has been identified as the most important indicator of customer loyalty in early study. However, many studies have

established the relationship between customer satisfaction and customer loyalty, signifying a positive relationship by finding customer satisfaction as one of the most projecting predictors of customer loyalty (Afliza et al., 2022; Cheng et al., 2019). According to this study, customer satisfaction is one of the most significant influences in customer loyalty. Based on the results, it can be concluded that when customers are completely satisfied, they are more likely to become extremely devoted to such hotels, which affects their ability to repurchase

Is there any significant difference in Gender in Terms of Service Quality? The findings of the independent sample t-test used to compare gender in perceived service quality are shown in Table 5 below,  $t(269.318) = -.779, p=.436$  is the result of the analysis. Because  $p>0.05$ , the results revealed that there was no statistically significant difference in service quality between males ( $M=88.07, SD=9.7$ ) and females ( $M=89.05, SD=11.7$ ). This is consistent with the findings of a study conducted by Sun and Ham (2021), which found that there is a within-gender difference in the influence of service quality on word of mouth, but no significant difference between male and female. (Lasi, 2020b) on the other hand, found that women are more influenced than men. These ladies are also becoming more involved in the purchase of hotel services. Female visitors are more mindful of service quality than male tourists, and they prefer to look for current technology and beautiful facilities while traveling. The data suggest that hotel guests, whether male or female, have high expectations in terms of perceived service quality, but the differences between them are minor, as shown in Table 5 below..

**Table 3: Pearson-Moment Correlation of Service Quality and Customer Loyalty**

Independent variable	Customer loyalty		
	N	r	p-value
Service Quality	300	.673	.000

Source: field survey, 2021.

**Table 4: Pearson-Moment Correlation of Customer Satisfaction and Customer**

Loyalty			
Independent variable	Customer loyalty		
	N	r	p-value
Customer satisfaction	300	.618	.000

Source: field survey, 2021.

**Table 5: Independent Sample T-Test on Gender**

Gender	N	Mean	SD	Df	t-value	p-value
Male	161	88.0745	9.78938	269.318	-.779	.436
Female	139	89.0576	11.76323			

Source: field survey, 2021.

#### 4. CONCLUSION

This research shows that providing high-quality service to guests is crucial to their overall satisfaction with their hotel stay. If hotels consistently provided the sort of high-quality service that made guests feel cared for and appreciated, they would see their customer base grow even larger. There was a need to put in place all the mechanisms that would give guests the impression that hotels consistently provide service of an adequate standard. Using SPSS, we ran statistical analyses and found the degrees of expectation. The goals of the study were accomplished, and the results of the analysis showed that service quality significantly affected customer happiness and loyalty.

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