

A Study Onthe Influence of Service Quality and Customer Satisfaction on Behavioral Intention in the Hospitality Industry in Malaysia

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Abstract: This paper aimed to investigate the applicability of the SERVQUAL model in predicting customer satisfaction and customer behavioral intentions in three five star hotels in Ipoh, Perak, Malaysia. A total of 650 structured questionnaires were distributed to the respective hotels over five months. A letter granting approval to conduct this study to gauge the customers' perception of service quality and behavioral intention purely for academic purpose was attained from each of the hotel's management. The front office receptionists at the hotels helped to distribute and collect the questionnaires. Two hundred and eighty seven (n = 287) respondents returned the completed questionnaires. Service quality was measured using the SERVQUAL scale developed by Parasuraman *et al.*, (1988) and behavioral intentions were measured using Zeithaml *et al.*, (1996). The five dimensions of the SERVQUAL model predicted high amount of variances in both the satisfaction and behavioral intentions variables.

Key words: Service Quality • Behavior intentions and hospitality industry

INTRODUCTION

[1] Stated that the service sector plays an important role in most developing and developed countries. The hotel industry is of significant important and has become one of the most competitive businesses in the world in the last three decades [2]. For example, lodging in the United States was a \$108 billion industry, with over 536,500 hotels and 4.1 million guestrooms in 2006 [3]. Interestingly, a careful observation of service quality management program reveals that the ability of service providers to properly implement service quality in executing job has a significant impact on customer's behavioral intention [4]. According to many scholars like [5] and [6] behavioral intention is often seen as a customer favorable to use the service provided by the service provider. [4] defined behavioral intention as increasing customer retention, or lowering the rate of customer defection. In a quality management context, many scholars think that service quality dimensions and customer's behavioral intention are different, but highly interrelated constructs. For example, the ability of service providers to properly implement tangible, responsiveness,

reliability, assurance and empathy in delivering services may lead to higher customer's behavioral intention [7], [8] and [9]. Many studies have been conducted in the past for the measurement and evaluation of the service quality with the improved major scales such as SERVQUAL and SERVPERF in almost every service sector in the world. But there are few empirical studies in tourism sector which examines the relationship between service quality and behavior intentions. This study will attempt to examine the relationship between service quality (i.e., tangible, responsiveness, reliability, assurance and empathy) and customer's behavioral intentions in the hospitality industry in Malaysia.

Literature Review

Service Quality: Service quality is generally perceived to be a tool that can be used to create a competitive advantage and therefore, substantial research into service and service quality has been undertaken in the last 20 years. [10] define service quality as "the consumers' overall impression of the relative inferiority/superiority of the organization and its services." The most common definition of service quality is the discrepancy between

consumer's expectations and perceptions of the service received. Accordingly, service quality is defined as how well a delivered service level matches customer's expectation. [11], [12] identified more detailed dimensions of service quality and developed a well-known instrument, called SERVQUAL, to measure customer's perceptions and expectations from service. The SERVQUAL instrument consists of five underlying dimensions, with two sets of 22 item statements for the 'expectation' and 'perception' sections of the questionnaire. Perceived service quality is measured by subtracting customer perception scores from customer expectation scores, both for each dimension and overall. The five dimensions of SERVQUAL are [11], [12]:

- Tangibles, which pertain to the physical facilities, equipment, personnel and communication materials.
- Reliability, which refers to the ability to perform the promised services dependably and accurately.
- Responsiveness, which refers to the willingness of service providers to help customers and provide prompt service.
- Assurance, which relates to the knowledge and courtesy of employees and their ability to convey trust and confidence.
- Empathy, which refers to the provision of caring and individualized attention to customers.

Perceived Service Quality: According to [13], perceived service quality is the extent to which a firm successfully serves the purpose of customers. Customers determine the perceived or cognitive value of service based on their experience with the service delivered. [14] stated that customers' expectations, service delivery process and service outcome have an impact on perceived service quality. [15] found that employees, as an integral part of the service process, are a critical element in enhancing perceived service quality. Furthermore, [16] pointed out that service quality perceptions are formed during the production, delivery and consumption process. [17] have reported that customers' perceptions of service quality may, to a large extent, be influenced by the degree of their prior experience with a particular service.

In the hospitality industry, several studies have examined hotel attributes that guests may find important when evaluating the performed service quality. Literature review suggests that cleanliness [18], security and safety [19], employees' empathy and competence [20], value for money [21] and physical facilities [22] are attributes that hotel guests perceive as being important. Customer expectations and quality performance perceived by

customers are important factors in determining perceived service quality. Customers always like and expect the service delivery processes to be perfectly standardized, streamlined and simplified so that they could receive the service without any hassle, hiccups or undesired questioning by the service providers [23]. As a result of this comparison, an assessment process will be experienced if the perceived service quality meets or does not meet consumer expectations.

Behavioral Intentions: Behavioral intention refers to "a person's subjective probability that he will perform some behavior" [24]. [25] find that the willingness to use small enterprises has an effect on their use behavior intentions. Consumer behavior is an integrated science; it includes economics, marketing, psychology and sociology. American Marketing Association (AMA) defined consumer behavior as a dynamic relationship between interaction of emotion, cognition and behavior. That also means that consumer behavior includes the feelings and thoughts experienced by consumers and the behavior during their buying process. At the same time, it also includes environment which affects consumers' emotion, cognition and behavior, like other consumers' comment, advertisement marketing, product price information, package, product appearance ...etc. As compared with the service quality or customer satisfaction variables, intended behavior are more closely related to actual behaviors and reflect richer diagnostic value. [26] introduce that behavioral intention is related to attitude. The traditional view reflects that attitude consists of three key components: (1) cognitive, a person's knowledge and beliefs with respect to the attitude object; (2) affective, a person's feelings about the attitude object; (3) cognitive, a person's action or behavior tendencies toward the attitude object. [27] in accordance with recent advances in services marketing theory and built on the efforts to conceptualize the effects of quality, satisfaction and value on consumers' behavioral intentions across multiple service industries. [28] proposed that adjusted expectations are related to consumer's behavioral attitudes. Therefore, it is acceptable that positive attitude is mediated by the relationship between customer satisfaction and adjusted expectations. Because adjusted expectations are evaluated by post-satisfaction they may be linked to positive attitude, which is presumed to have the underlying confidence of adjusted expectations [29].

Relationship Between behavioral Intentions and Service

Quality Dimensions: Two studies about service quality were conducted using different samples, such as 537 outpatients in general hospital located in Sungnam, South Korea [30] and 287 individuals participated in an outdoor program in Lake Plasteera, Greece [31]. These studies found that the ability of service providers to properly implement quality dimensions (i.e., tangible, responsiveness, reliability, assurance and empathy) in delivering services had increased customer's behavioral intention. In addition, [32] examined the quality service based on a sample of 610 from 5 star hotel customers from selected hotels in Balek Tourism District in Antalya, Turkey and found that ability of service providers to properly implement quality dimensions (i.e., tangible, responsiveness, reliability, assurance and empathy) in delivering services had increased customer's behavioral intention.

[33] conceptual service quality model, which highlights that matching between service quality standards and customers' standards may decrease service performance gap and increase customer's behavioral intention about the quality systems. This theory is also consistent with the notion of Adams's equity theory explained the motivational model that how people strive for fairness and justice in social change [34]. Customer's behavioral intention has its root in equity theory which considers the customer favorable to use the service provided by the service provider [35]. Application of this theory in a service quality framework shows that properly implemented tangible, responsiveness, reliability, assurance and empathy in doing job may lead to higher customer's behavioral intention in organizations [30], [32]. In numerous researchers, it has been found that quality of service affected the behavioral intentions. [27] have found a positive relationship between service quality and purchase intentions. In addition, previous research has

demonstrated associations between service quality and specific dimensions of behavioral intentions. For example, in the study by [17] that was conducted with 242 spectators, tangibles, responsiveness and reliability dimensions were determined as the moderate estimators of the word of mouth's variance. Therefore, we expect customers who perceive the quality of the service as high to be more likely to demonstrate intentions. This literature has been used to develop the conceptual framework for this study as shown in Figure 3.1.

Research Methodology

Framework and Hypotheses: For the measurement of customer satisfaction on service quality, a model named SERVQUAL was developed by [11]. The model consists of ten components. SERVQUAL provides a technology for measuring and managing service quality. In their 1988 work these ten dimensions were reduced to five dimensions as shown below. Cronbach's alpha reliability coefficient for SERVQUAL scale was measured and the reliability coefficients were found as shown below in Table 3.1.

In order to measure behavioral intention, 5 dimensional and 13 itemed scale which developed by [4] was used. These dimensions are named as; loyalty to hotel (loyalty), propensity to switch (switch), willingness to pay more (pay more), external response to problem (external response) and internal response to problem (internal response). The reliability of behavioral intention scale was measured by Cronbach's alpha coefficient and the reliability coefficients were found as shown below in Table 3.2.

The Cronbach's alpha of the five dimensions of SERVQUAL and five dimensional scales to measure behavioral intentions developed by [4] is greater than 0.70 which shows that there is an internal consistency in the dimensions. It ranged from 0.71 to 0.92 indicating the reliability of the study was good [36].

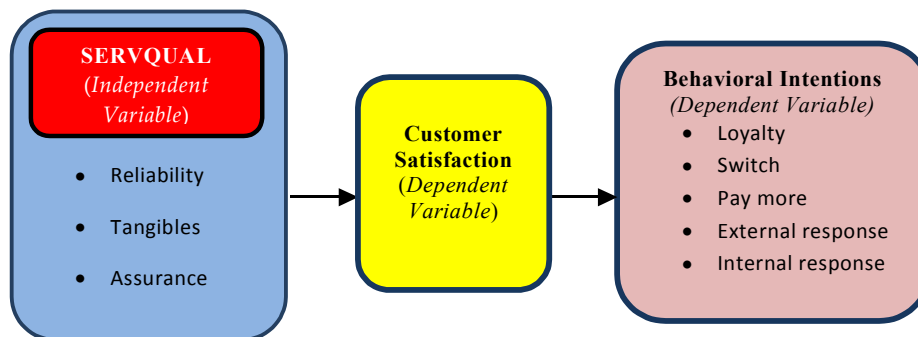


Fig. 3.1: Relationship between service quality dimensions and behavioral intention.

Table 3.1: Reliability Statistics of SERVQUAL Construct

	Dimensions	Items in Scale	Cronbach's Alpha
1	Reliability	5	0.85
2	Assurance	4	0.76
3	Tangibles	5	0.71
4	Empathy	4	0.78
5	Responsiveness	4	0.76

Table 3.2: Reliability Statistics of Behavioral Intentions Scale

	Dimensions	Items in Scale	Cronbach's Alpha
1	Loyalty	5	0.92
2	Switch	2	0.78
3	Pay More	2	0.84
4	External Response	3	0.71
5	Internal Response	1	0.74

Hypotheses of the Study: The hypotheses of the study are developed as below:

- H₁: There is a positive relationship between assurance on behavioral intentions.
- H₂: There is a positive relationship between empathy on behavioral intentions.
- H₃: There is a positive relationship between tangibles on behavioral intentions.
- H₄: There is a positive relationship between reliability on behavioral intentions.
- H₅: There is a positive relationship between responsiveness on behavioral intentions.
- H₆: There is a positive relationship between customer satisfactions on behavioral intentions.

Data Collection and Sample of Respondents: The study investigated the relationship between service quality dimensions and behavioral intentions from the viewpoint of customers (patrons) of three five star hotels in Ipoh, Perak. [4] theoretical framework of behavioral intentions was used in the measurement of behavioral intentions and the five dimensions of SERVQUAL [11] were used in the measurement of perception of service quality. A total of 287 usable responses were collected from respondents of the three five star hotel in Ipoh, Perak over a five month period. Patrons of these hotels were asked to voluntarily fill-in the questionnaire given out by the front office receptionist during check-out. Although the sample size is relatively small for a consumer research, nonetheless the objective of the study was to test the 22 items of SERVQUAL construct and its relationship with [4] multidimensional model of behavioral intentions (13 items) were achieved. Customer perceptions of service quality were measured using 22 items taken from SERVQUAL [11]. They include the following dimensions: (1) tangibles

Table 3.3: Profile of Respondents

Characteristics		Frequency	Percentage (N = 287)
Gender	Male	152	53
	Female	135	47
Age	18-21	23	8
	22-30	66	23
	31-40	138	48
	41-50	6	17
	Above 51	12	4
Marital Status	Married	187	65
	Engaged	32	11
	Single	69	24
Education	Secondary school	26	9
	High school	49	17
	College	103	36
	University	80	28
	Student	29	10
Occupation	Civil Servant	69	24
	Professional	141	49
	Entrepreneur	49	17
	Housewife	23	8
	Others	6	2
Income per annum	Less than 24k	12	4
	24k-36k	80	28
	36k-48k	95	33
	48k-60k	86	30
	Above 60k	14	5

(2) reliability (3) responsiveness (4) assurance and (5) empathy. A five point Likert scale, ranking from (1) strongly disagree to (5) strongly agree was used for both the behavioral intentions and the service quality scales. A frequency analysis was executed to survey the distribution of various variables based on demographic profiles such as gender, age, level of education, occupation and average monthly salary. Table 3.3 shows the demographic characteristics profile of respondents.

The results in the table above shows that almost 53% of respondents are male and 47% respondents are females. The percentage of married respondents is 65% followed by 11% engaged to be married and 24% single. In terms of education level, 36% of the respondents have college diplomas' followed by 28% university degrees. The highest income group is 33% earning between 36k to 48k per annum, 30% of the respondents are earning between 48k to 60k and a mere 5% earning above 60k per annum. Majority of the respondents are in professional work representing 49% followed by 24% in civil service. 17% are business persons and only 8% are housewives.

Test of Research Hypothesis

SERVQUAL and Customer Satisfaction: Determination coefficient was used to assess the influence of the five dimensions of service quality (reliability, assurance,

Table 4.1: Regression Analysis Results

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	.627 ^a	.497	.472	1.55220

a. Predictors (Constant), Total Assurance, Total Reliability, Total Responsiveness, Total Empathy and Total Tangible

Table 4.3: Determination Coefficient Results

Variables	Unstandardized Coefficients		Standard Coefficients		Sig.
	β	Std. Error	Beta	<i>t</i>	
(Constant)	6.237	.761	8.064	.000	
Satisfaction	.568	.052	.662	9.712	.000

a. Dependent Variable: Behavioral Intentions

empathy, tangible and responsiveness) as the independent variables on the dependent variable, which is customer satisfaction. The result on Table 4.1 and 4.2 shows that the overall model was significant at p-value <0.05 and five dimensions of service quality has influence on customer satisfaction by 47.2%, while the remaining 52.8% was defined as other factors which is not considered in this study.

Customer Satisfaction and Behavioral Intentions: Determination coefficient was used to assess the influence of customer satisfaction on behavioral intentions. Table 4.3 shows that, the influence of satisfaction on behavioral intentions is equal to 0.662 (66.2%). If the customer satisfaction is increased by one unit of value and then it will increase the behavioral intentions of 0.662. Furthermore, the overall model was significant at p-value < 0.05.

Firstly this study analyzed using SERVQUAL whether the five dimensions of service quality's influence on customer satisfaction. As a result of the analysis, hypotheses 1-5 had an influence on customer satisfaction. The influence was equal to 0.472 or 47.2 % (Adjusted R Square) and the p-value is equal to 0.000 was smaller than the significance level (0.05). Therefore, hypotheses 1-5 have an influence on customer satisfaction is accepted.

Secondly, this study analyzed the influence of customer satisfaction on behavioral intentions. According to the result of hypothesis 6, the p-value (0.000) was lower than the significance level (0.05). Thus, hypothesis 6 is accepted. The influence of customer satisfaction on behavioral intentions is equal to 0.662 or 66.2% (standardized beta). This indicates that the higher customer satisfaction with service quality will lead to higher positive behavioral intentions.

Table 4.2: ANOVA Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	235.874	5	45.671	21.117	.000 ^b
Residual	421.823	281	2.226		
Total	657.697	286			

a. Dependent Variable: Total satisfaction

b. Predictors: (Constant), Total Assurance, Total Reliability, Total Responsiveness, Total Empathy and Total Tangible

CONCLUSION

This study intended to investigate the relationship between the perceived service quality and behavioral intention using SERVQUAL and behavioral intention scales in the hospitality industry. Descriptive analysis conducted showed that the five dimensions of service quality; reliability, assurance, responsiveness, empathy and tangible were important criteria in the assessment of the quality of hotel services. There is also a strong positive relationship between customer satisfaction and behavioral intentions in the hospitality industry. Although there are not many research conducted in relation to behavioral intention in the service industry in Malaysia, results shows that this study is consistent with existing literature containing all dimensions of behavioral intentions and SERVQUAL.

This research has some limitations also. The sample size was limited to three five star hotels in a single city, thus generalizability might not be appropriate to the whole of the hospitality industry in Malaysia.

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