# The Influential Factors Impacting on Customers' Perception of Hotels' Quality: A Study On Kuala Lumpur  Hotels

**Fatemeh Binesh**

*Faculty of Business & Accountancy, University Malaya, Malaysia*

| A R T I C L E   I N F O | A B S T R A C T |
|---|---|
| | This paper involves a research on the hotel service quality attributes and aims to study the implementation of Quality Management in Malaysia's hospitality industry.Hotels performance and customers perception of the quality of services offered by hotels is a complex process, which starts with an assessment of the factors and degree of customer satisfaction. Based on the assessment's outcomes, determines the products and services, as well as the mode of operations management so that hoteliers able to correspond to customers' expectations (Lazari and Kanellopoulos, 2007). In the meantime, they are collated, evaluated and the results dictate the corrective quality services to be taken. In this study a quantitative methodology has been proposed and data are used from online customer rating 407 reviews by customers of 38 hotels in Malaysia for the purpose of determining the customers perception of quality of services in hospitality industry. |

## INTRODUCTION

The hospitality industry has experienced growth over the last three decades to become one of the global largest industries (Patiar *et al*, 2010). Thus, many hotels have turned to quality improvement for achieving a competitive advantage (Ingram and Daskalakis, 1999; Shahbazipour, 2008).

The concept of quality constitutes the core of Total Quality Management (TQM) (Shahbazipour, 2008). According to Gover (1997), TQM is described as a "method of administration that aims to improve the effectiveness, efficiency, flexibility and competitiveness of an organization."Total Quality Management shoulders an important responsibility in service sector, especially in hotel industry. It aims to reach customers satisfaction in order to ensure the hotel's survival (Lazari and Kanellopoulos, 2007).

Service quality and customer satisfaction are deter minant factors for success of any business (Parasuraman *et al*., 1988), especially in hotel industry. Operations management approach focused on customer satisfaction can build customer loyalty and also increased the good image of the touristic destination. Hence, exploring the importance for customers of service quality at tributes in hotel selection is indispensable.

To identify the hotel service attributes that lead customer satisfaction, six at tributes were selected from the Malaysia's online rating site (www.tripadvisor.com.my): Value of money, Quality of Room, Location, Cleanliness, Service, and Sleep Quality. Online guest ratings from Trip advisor website are used in this study to understand how customers emphasize different service quality attributes in Malaysia's hotels. Furthermore, a classifications cheme for hotel service attributes was implemented to identify the performance levels of each service attribute. These hotel service attributes were classified into five categories: Criticals, Desirable, Satisfiers, Dissatisfiers, and Neutrals.

This study aims is to better understand the relative role of various service quality attributes on effective TQM implementation in hotel industry. This research should not only be useful to those hotel organizations trying to implement TQM, but also to those which are implementing quality management.

## MATERIALS AND METHODS

*Research Objective & Questions:*

The purpose of this paper is to identify the hotel service quality attributes that will lead to a successful TQM implementation in Malaysia's hospitality industry.

In order to fulfil this purpose the following research questions were constructed and were used as a base for the research:

RQ1: What are the service quality attributes that influencing customer satisfaction in hotel industry?

**Corresponding Author:** Fatemeh Binesh, Faculty of Business & Accountancy, University Malaya, Malaysia
E-mail: Nasim.binesh@yahoo.com

RQ2: What are the critical hotel attributes that lead to a successful TQM implementation?

*Literature Review:*

Many researchers asserted TQM as an approach to improve effectiveness, flexibility, and competitiveness of a business to meet customers' requirements, as the source of sustainable competitive advantage for organizations and delighting customers (Dotchin and Oakland, 1993, Talib *et al*., 2010). Measuring customer satisfaction is a cornerstone of TQM (Zairi, 1994).Organizations must be knowledgeable in customer expectations and responsive to customer demands, and measure customer satisfaction through TQM implementation. Therefore, to obtain high levels of customer satisfaction for the service supplied, hotelier must be able to identify the hotel service attributes in order to implement TQM practices (Talib *et al*., 2010; Zakuan *et al*., 2010).

There are several studies that analyze the needs and the desires of tourists. Table 1 shows the comparative summary of previous studies in hotel service attributes, which influence consumers in their assessment of service quality. Hotel's attributes such as cleanliness, customer service, food and drinks, location, restaurant, value for money, quality of room, security and reliability are recognized as decisive by guests to assess the quality of the hotel (Dotchin and Oakland, 1993, Lazari *et al*., 2007, Gandolfo and Rosa, 2010, Ramanathan and Ramanathan , 2010).

**Table 1:** Comparative Summary of Previous Studies in Hotel Service Attributes.

| Author | Dotchin& Oakland (1993) | Lazari *et al*., (2007) | Gandolfo&Rosa, (2010) | Ramanathan,Ramanathan ,(2010) |
|---|---|---|---|---|
| Hotel's Attributes | Service Courtesy Communication Reputation Security Understanding Facilities | Luxury Services Reliability Conformity of standard Value for money Food & drinks Restaurant atmosphere Cleanliness Staff performance | Cleanliness Price Location Security Services, Reputation Transfer/ transportation Restaurant Quality of room Entertainment | Customer service Cleanliness Facilities Price Food Location Quality of room Value for money Friendliness |

Source: Gandolfo and Rosa, 2010, Ramanathan, Ramanathan , 2010, Lazari *et al*., 2007 Dotchin& Oakland (1993).

Hoteliers must fully know which hotel's attributes are most likely to influence customers' intentions to stay as the customer satisfaction practices can help them to identify the critical factors affecting customers' staying experience and post-stay behaviour (Gandolfo and Rosa, 2010).

Some literatures have attempted to identify the importance of performance levels of various employee groups in influencing guest perceptions of hotel service quality (Cadotte and Turgeon, 1988; Chu and Choi, 2000; Hartline *et al*., 2003; Silverman and Grover, 1995, Ramanathan, Ramanathan, 2010). As shown in Table 1, they found using different classification in determining service performance levels:

**Table 2:** Comparative Summary of Previous Studies in Service Attribute Performance Classification.

| Author | Cadotte & Turgeon (1988) | Silverman &Grover (1995) | Chu & Choi (2000) | Hartline *et al*. (2003) | Ramanathan,Ramanathan , (2010) |
|---|---|---|---|---|---|
| Service Performance Classification | Criticals Satisfiers Dissatisfiers Neutrals | Necessary, Desirable Passive | Good Overkill Low priority Concentrate | Necessary Desirable Neutral | Criticals Desirable Satisfiers Dissatisfiers Neutrals |

Source: Ramanathan and Ramanathan , 2010

Cadotte and Turgeon (1988) have identified that some hotel's service categories could earn compliments for good performance or receive complaints for bad performance. They classified hotel service attributes into four categories: critical, satisfiers, dissatisfiers, and neutrals.

On the other hands, Silverman and Grover (1995) have categorized hotel's services offered by different employees as: necessary, desirable and passive. Chu and Choi (2000) have categorized service attributes based on their perceived importance and actual performance levels into four quadrants: good work, overkill, low priority, and concentrate. However, Hartline *et al*. (2003) have classified performance of different groups in hotels as necessary, desirable or neutral.

In most recent study, Ramanathan, Ramanathan (2010) have synthesized all these previous studies in the hotel literature and developed the classification scheme shown in Table 2. This paper adopts the same approach to classify service quality attributes in a hotel using data from online ratings by guests of Malaysia hotels.

Based on Ramanathan, Ramanathan (2010) survey (See Table 2), they have found that the performance of front desk personnel, quietness of rooms, quality of food in restaurants are critical cue in order to ensure good perceptions of quality. They have also found that the performance of housekeeping and parking are desirable

cues, hotel lobbies and restaurant parking are satisfier and dissatisfier cues respectively, while the performance of room service and bell staff are neutral.

**Table 3:** Classification scheme for hotel service attributes.

| Classification | Definition | Example |
|---|---|---|
| Critical | Usually have high potential for complaints; the unsatisfactory caused by their absence cannot be replaced by another factor | Performance of front desk Personnel Quality of food |
| Desirable | Adds to the customers perception of quality if offered; otherwise they may tend to reduce perception of quality | Performance of housekeeping |
| Satisfier | Usually satisfies customers based on its presence and if does not exist it won't reduce perception of quality | Hotel lobbies Large portion of foods in restaurant |
| Neutral | Usually isn't critical in changing customers perception about hotels quality. These factors are passive, once existed may be noticed by customers' but upon absence usually doesn't reduce satisfaction. | Performance of room service Performance of bell staff |
| Dis-satisfier | Usually brings dissatisfaction once does not provide, but when available won't increase satisfaction level significantly. | Parking space Variety of credit card options in a restaurant |

Source: Ramanathan, Ramanathan (2010)

***Methodology & Data Collection:***

The objective of this study is to test the attributes, which might have effect on customers' perception of hotels quality. The data was gathered from www.tripadvisor.com.my.

Trip Advisor ® is the world's largest travel site which assists custoemrs in gathering information, posting reviews and opinions of travel relate content and engaging in interactive travel forums. TripAdvisor.com is part of the TripAdvisor ® Media Group, operated by Expedia, Inc. Founded on February 2000, TripAdvisor ® is a pioneer of user-generated content. The website services are free to users, who provide most of the content, and the website is supported by an advertising business model. With more than 50 million monthly visitors, the website has a vast collection of hotels from all around the world, where each customer (member of the website) can post their reviews about each hotel and share their experience n that hotel with other people. The website has a vast collection of hotels in different locations. For the purpose of this study only hotels around Kuala Lumpur were chosen. From 154 hotels listed on the website in Kuala Lumpur, first 60 hotels based on the customers ratings were chosen. Then the data was gathered from the customers' reviews on these hotels on the May 2011.

Although, some of the options were not a hotel, like motel, inn, etc. and some didn't have any reviews available on May 2011. Finally 38 hotels were remained with an overall of 403 reviews.

Each review is based on the customers' experience on that hotel and each customer can rate the hotel based on 6 factors, which are:
1) Value
2) Rooms
3) Location
4) Cleanliness
5) Service
6) Sleep quality

In addition each customer can give a final rating of the overall performance of that hotel and also indicate whether they recommend that hotel to other people or not.

Finally, each customer should indicate their mdoe of travelling which are: business, couples, family, friends and solo traveller.

***Framework:***

Research model, the overall performance of each hotel (which was rated by the customers) was the dependent variable, whereas other six factors are independent variables.

It should be considered that each customer gives the final rating based on his or her perception, and not as an average of the other factors ratings.

So this overall rating score can be used as each customers perception about that hotel's performance, as well as the customer's loyalty; when the overall rating is high, it indicates that the customer would recommend that hotel to other people.

**Table 4:** Results of overall linear regression with all 6 attributes included; Hotels' performance based on guests perception is the dependent variable.

| (Constant) | Value | Rooms | Location | Cleanliness | Service | Sleep Quality |
|---|---|---|---|---|---|---|
| .092 | .233* | .300* | -.033 | .099** | .277* | .102* |
| Notes: $* p < 0.01$, $** p < 0.05$; $R^2 = .816$, $R^2 adj. = .813$, $F = 292.923$ and Sample Size $= 403$ ||||||| 

*Data Analysis:*

First regression (linear) after testing the regression relevance tests (normality of the samples and correlations of the error terms) all of the factors was entered into the regression model. Results show that 5 out of 6 factors are significant to the regression model:

These factors are: value, rooms, cleanliness, service and sleep quality. In other words, only location isn't a predictor of this regression model. The results of this first stage have been shown in the table below:

The table clearly shows that among five attributes which are significant on the regression model; three of factors are highly significant at 1 percent level (value, rooms and service) while 2 others are less significant at 5 percent level (cleanliness and sleep quality) and finally location was not a predictor of this regression model.

In the second stage, in order to assign each factor to one of the five types of factors introduced by Cadotte and Turgeon, 1993 we used this guideline:

1) Critical factor: should satisfy either or both of the following:
- It should find no factor to be significant for the regression for low performance of this factor; and/or
- It should always be significant in all regressions (except for low performance in terms of this factor).

2) Desirable factor: should be significant both for high performance and low performance in terms of the factor

Note: A critical factor is also a desirable factor but the reverse is not true.

3) Satisfier factor: should be significant for high performance but not significant for low performance in terms of the factor.

4) Dis-satisfier factor: should be insignificant for high performance but significant for low performance in terms of the factor.

5) Neutral factor: will not be significant for the regressions for high and low performance in terms of the factor.

This means that we should do linear regression on both low performance and high performance samples. To do so, one should know that here as the rating scale is 1-5 the low performance and high performance are different than what might have been expected. In fact the best approach for finding the low performance is using those samples under that criteria that are below median, but here as ranking scale is 1-5 the median always isn't the middle sample.

The median of each criteria as shown before are as following:

| | |
|---|---|
| Value | Median=4 |
| Rooms | Median=4 |
| Location | Median=5 |
| Cleanliness | Median=5 |
| Service | Median=4 |
| Sleep Quality | Median=4 |

Therefore, the low performance based on value will be those samples which are rated below 4 and high performances are those rated 4 or above. This method has been used for all of the 6 factors to find the low and high performance based on each criterion.

The next step was a linear regression based on the samples, which are under low/high performance of each criterion, the results are 12 linear regressions, which the findings are shown in table 5 and 6 in two separate tables based on low/high performance.

Based on these findings, now we could assign each criterion to one of the factor types of critical, desirable, satisfier, neutral and dis-satisfier.

The critical factor is one that is significant in all of the regressions on low or high performance (Ramanathan, 2010).

Therefore, three criterions will be under this type, which are: value, rooms and service.

Satisfier factor is one that is not significant in low performance but is significant in all of the high performance cases.

Therefore, two factors, which are cleanliness and sleep quality falls under this category.

In addition, neutral factors are those that are not significant in most of the cases whether its low or high performance. Therefore, only one factor, location is a neutral factor based on our results.

The summary of these findings are shown in the table below:

**Table 5:** Assigning examined factors to relevant categories.

| Factor | Critical | Desirable | Satisfier | Neutral | Dis-satisfier |
|---|---|---|---|---|---|
| Value | X | | | | |
| Rooms | X | | | | |
| Location | | | | X | |
| Cleanliness | | | X | | |
| Service | X | | | | |
| Sleep Quality | | | X | | |

*Results:*

Value, Rooms, and Service are pertains of product quality. They are consistently recognized as critical attributes in Table. Thus, any perception of reduced value is likely to terminate customers' intention to stay again in the same hotel; either decreases the quality of rooms and service. While location is generally neutral attribute. That implicate a neutral attribute will not be significant for the regressions for the good location or the bad location .Cleanliness and sleep quality are Considered as satisfier for hotels. This could indicate that good cleanliness and sleep quality will add up the perception of the hotels and help in facilitating the return of guests.

*Discussion & Marketing Implication:*

These results from the table are a mirror image of the managerial perceptions. From the Table above shows that "Value" is categorized as the critical attribute in this case. The high "value" perception is likely for consumer to stay in the same hotel next time, vice versa. Critical attributes represent both a threat and an opportunity to management. Just like (Zeithaml ,1988) identifies four diverse meanings of value: (1) "value is low price, (2) value is whatever one wants in a product, (3) value is the quality that the consumer receives for the price paid, and (4) value is what the consumer gets for what they give". For hotels to deliver superior customer value, i.e. provide the best quality, best prices, and best service, they should view themselves as value-producing entities (Weinstein and Pohlman, 1998). This requires best practice and of innovative thinking at all levels in the organizations (Knox, 2002), valuable core competencies (Walter *et al.*, 2001), mission, strategy, and systems (Dummond, 2000).

Rooms and Service are also considerate as the critical attributes in hotel industry; the presence of them in this industry is delivered through a number of vehicles including quality of rooms, and best service. Thus, they are bundle of tangibles and intangibles and differ in configuration across individuals. Hotels with good service quality will ultimately improve their profitability (Oh & Parks, 1997). In a competitive hospitality industry which offers homogeneous services, individual hoteliers must be able to satisfy costumers better than their counterparts (Choi & Chou, 2001). For example, every effort that manager made should have aim to minimizenoise levels from adjacent roomsand corridors e.g. creakingfloorboards, noisy extractor fans,mechanical toilets, noisy plumbing etc.Hotels situated in a particularlynoisy environment – in a citycentre or by an airport – needto have tried to minimize noise. Grönroos (2006) defined services as "processes that consist of a set of activities which take place in interactions between a customer and people, goods and other physical resources, systems and/or infrastructures representing the service provider and possibly involving other customers, which aim at solving customers" problems". The service is most often co-produced by the customer. Customers define service on the basis of value-in-use and the resulting customer experiences". We find that "value, rooms, and service" are significant in all regressions in the Table. Thus, those critical attributes are interpreted as the one where a low performance in terms of the criterion significantly reduces customer loyalty or a good performance significantly improves customer loyalty. Nevertheless, we highly encourage that our manager to improve the room and services quality to achieve consumer satisfaction and retention for good. It can also be reckoned that the that "value, rooms, and service" are significant in customer perspective are probably the more important given that this may have benefits of positive word of mouth, willingness to revisit and willingness to stay longer.

The satisfier factors are encompassing cleanliness and sleep quality, a high standard of cleanliness maintained should throughout all the property. Satisfier factors here interpreted a high quality of cleanliness and sleeps in terms of the attributes significantly improve customer loyalty but a low quality of room cleanliness and sleep does not significantly reduce customer loyalty. As the cleanliness of hotels is of paramount importance to the consumer, the highest standards of cleanliness are essential at every hotel. Particular attention should be given to bathrooms, shower rooms and toilets especially items involving direct contact for guests, including: Bedding, linen and towels Baths, showers, washbasins and WCs Flooring and seating Crockery, cutlery and glassware All bathrooms and shower rooms cleaned daily and checked to ensure very high standards of cleanliness. Bathrooms and shower rooms clean and fresh smelling. As for the sleep quality the manager need to Particular attention paid to Beds and headboards of better quality and condition. Bunk beds should have a minimum 75cms / 30ins clear space betweenthe mattress of the bottom bed and the underside of the top bed. (Bunk bedregulations 1997).

The classified neutral attribute is location in this case. We can conclude that a good location or a bad one will not be significant to customer intention to stay in the hotel again .Location implies accessibility and

conveniences to the users of hotel services, nevertheless; here we viewed this as neutral attributes from guest viewpoint, and they may not have much significance in shaping customers' intention to stay again. In a true sense, the location is not tends to dominate consumer retention in this case.

*Conclusion:*

Hotels industries showing a stronger commitment to TQM develop more advanced management systems and achieve higher performance levels. Therefore, hoteliers should invest in TQM, as this could help them to become more competitive. The present study highlights the relationship between TQM and a set of Guests' perceptions factors, and between TQM and hotel high/low performance. The findings show that certain Guests' perceptions factors (value, room, service, cleanliness, sleep quality, and location) may be enhanced when a hotel develops TQM to a greater extent. Therefore, these findings support the TQM literature and extend its positive effects to a specific sector like the hotel industry.

*Limitations & Further Studies:*

Finally, some limitations and future research need to be highlighted. This study is based on secondary data from the trip advisor; we are incapable interview hotel managers who would not openly admit not being concerned with quality management or the other consumer perception factors. Therefore, future research could focus on: ask other employees to take part in the survey and fill in the questionnaire as well. However, the following inconveniences must be taken into account when trying to undertake future research in this field. First, no databases providing time series about the variables measured here are available for the Malaysia hotel industry. Second, the other possible employees to be interviewed might distort the results, since the hotel manager is the only person who truly knows the degree of development of all Guests' perceptions factors and firm performance.

## REFERENCES

Faisal Talib, Zillur Rahman, M.N. Qureshi, 2010. The relationship between total quality management and quality performance in the service industry: a theoretical model, International Journal of Business, Management and Social Sciences, 1(1): 113-128.

Gandolfo Dominici, Rosa Guzzo, 2010. Customer Satisfaction in the Hotel Industry: A Case Study from Sicily", International Journal of Marketing Studies, 2.

Ingram, H. and G. Daskalakis, 1999. Measuring quality gaps in hotels: the case of Crete, International Journal of Contemporary Hospitality Management, 11(1): 24-30.

John A. Dotchin, John S. Oakland, 1994. Total Quality Management in Services: Part 1: Understanding and Classifying Services, International Journal of Quality & Reliability Management, 11(3): 9-26.

Lazari, C.G. and D.N. Kanellopoulos, 2007. Total quality management in hotel restaurants: A case study in greece. J. Eng. Applied Sciences, 2: 564-571.

Patiar, A., M. Davidson, Y. Wang, 2010. The interactive effect of market competition and total quality management practices on hotel department performance, International Journal of Hospitality Management.

Parasuraman A., V. Zeithaml, L. Berry, 1988. SERVQUAL: a multiple-item scale for measuring consume rerceptions of service quality. Journal of Retailing, 64(1): 12-40.

Shahbazipour, Mehdi, 2008. A feasibility study of the Total quality management in Hospitality industry with a case study in Esfahan. Master dissertation, 1-227.

Usha Ramanathan, Ramakrishnan Ramanathan, 2010. Guests' Perception on Factors Influencing Customer Loyalty: An Analysis For UK Hotels", International Journal of Contemporary Hospitality Management, 23(1): 7-25.

Zairi, M., 1994. Innovation or Innovativeness, results of a benchmarking study, TQM Magazine, 5(3): 10-16.

Zakuan, N.M., S.M. Yusof, T. Laosirihongthong and A.M. Shaharoun, 2010. Proposed relationship of TQM and organizational performance using structured equation modeling. Total Quality Management, 21(2): 185-203.