AN ASSESSMENT OF CUSTOMER SATISFACTION USING SERVQUAL

MODEL IN MELAKA HALAL HOTEL

WONG PIT YIN

Faculty of Technology Management and Technopreneurship

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

AN ASSESSMENT OF CUSTOMER SATISFACTION USING SERVQUAL
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WONG PIT YIN

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APPROVAL

I/We hereby declare that I/We have read and go through this dissertation/report/thesis and certify that, this dissertation/report/thesis is satisfactory in the sense of scope and quality as a partial fulfilment the requirements for the award of Bachelor of Technology Management (Technology Innovation) with Honours

SUPERVISOR'S SIGNATURE : _____

SUPERVISOR NAME : Dr. Nurulizwa Binti Abdul Rashid

DATE : _____

PANEL'S SIGNATURE : _____

PANEL NAME : Prof. Dr. Md Nor Hayati Tahir

DATE : _____

DECLARATION

I hereby declared that this thesis entitled

"AN ASSESSMENT OF CUSTOMER SATISFACTION USING

SERVQUAL MODEL IN MELAKA HALAL HOTEL"

is the result of my own research except as cited in the references. The thesis has
not been accepted for any degree and is not concurrently submitted in the
candidature of any other degree.

SIGNATURE :   …………………………….........

NAME   .   WONG PIT YIN
                    …………………….....................

DATE   :   ……………………….............

DEDICATION

I would like to dedicate the appreciation to my precious family members who supported and motivated me all the time, beloved supervisor Dr Nurulizwa Binti Abdul Rahshid who willing to spend a lot of time on guiding me and course mates that share their information throughout the research. This research is impossible to complete without their blessing and encouragement.

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ABSTRACT

The service quality in Halal hotel sector is a key determination toward successful market. The current trend of enhancing good quality management in Halal hotel affect the goal of competitive advantage between Halal hotel. The conceptual model of service quality is needed to understand the provenance of service quality and potential gaps in quality. The study aims to help the Halal hotel to measure the service quality by using the SERVQUAL model. The study consists of five independents variables which are tangible, empathy, reliability, assurance and responsiveness while the dependent variable is customer satisfaction. The survey data was collected from 150 respondents were analysed using Statistical Package from the Social Science (SPSS 23.0). This research uses the cluster sampling technique as probability sampling. The findings of this research contribute to the Syariah compliance hoteliers as well as the government over Malaysia tourism industry.

Keyword *– Syariah compliance hotel, SERVQUAL model, customer satisfaction*

ABSTRAK

Kualiti servis dalam pematuhan Syariah dalam industry perhotelan merupakan penentuan kejayaan sesebuah bisnes. Trend terkini dalam pengurusan kualiti secara keseluruhan membina pencapaian yang tinggi bagi hotel pematuhan Syariah. Konsep dan model konsep kualiti servis amat penting bagi memahami kualiti servis and jurang yang berpotensi dalam kualiti. Tujuan kajian ini adalah untuk membantu pematuhan Syariah dalam industri perhotelan untuk mengukur kualiti servis dengan menggunakan Model SERVQUAL. Kajian ini mengandungi lima faktor iaitu ketaranya, empati, keyakinan, kebergantungan dan ketindakbalasan dari segi kualiti servis dalam mengukur kepuasan para pelanggan. Hasil kajian ini adalah melalui pengumpulan data daripada 150 responden. Data yang dikumpul akan ditafsir dengan menggunakan *Statistical Package from the Social Science (SPSS 23.0).* Kaedah pensampelan dalam kajian ini ialah kaedah pensampelan kluster. Hasil kajian ini adalah diharapkan untuk menyumbang kepada hotel-hotel yang mematuhi syarat Syariah dan pihak kerajaan Malaysia dalam industri pelancongan.

Kata kunci – hotel pematuhan Syariah, Model SERVQUAL, kepuasan para pelanggang

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ABBREVIATION	MEANING
SERVQUAL	Service Quality
JAKIM	Department of Islamic Development Malaysia
JAIN	State Islamic Religious Department
MAIN	State Islamic Religious Council
GNI	Gross National Income
GBSE	Global Business and Social Entrepreneurship
NAPIC	National Property Information Centre
JIC	Jakarta Islamic centre
MSI	Marketing Science Institute
T	Tangible
E	Empathy
A	Assurance
R	Reliability
P	Responsiveness
IV	Independent variable
DV	Dependent variable
SPSS	Statistical Package for Social Science
Amos	Analysis of Moment Structures
CFA	Confirmatory factor analysis
SEM	Structural equation modelling

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CHAPTER 1

INTRODUCTION

1.0   Introduction

In this chapter, there is explanation an overview of this research paper that helps to understand the level of customer satisfaction among the Melaka Halal Compliance Hotel. This chapter was introducing about the background of studied of customer satisfaction level between Melaka Halal Compliance Hotels using SERVQUAL Model. Besides, this chapter also helps to understand the Halal Compliances Hoteliers and problems faced by this industry sector. The elements contain in this chapter include research background, problem statement, research questions, research objectives, the scope of the study, and lastly the significance of the study.

1.1   Research Background

Malaysia is one of the leaders in the Halal industry to drive the Islamic tourism sector. ASEAN Travel and Tourism Competitiveness Report 2012 indicated that there are approximately 25 million tourists visiting Malaysia each year, making Malaysia become the top 10 destinations over the world. Besides, Malaysia Tourism Industry also announced that in 2009, there were 5.5 million travelers who come from other country had travel to Malaysia and 24.6 million in year 2010. This shows a raise of around 347 per cent over travelers' arrivals between year 2009 to year 2010. Malaysia Tourism Industry also prove the statistics where the spending of Muslim tourist was 4,735,775 million in 2007 to 5,784,884 million in 2010 from the total tourist travel to Malaysia (BERNAMA, 2011). Muslim tourists always searching the travel destination which meets their needs especially in term of diet, dress or habit. Those demands help the market segment of 'Halal' tourism to grow more widely nowadays. Based on the statistic that show the number of Muslim travelers growing to 156 million from 121 million in 2016, the results estimate the spending by Muslim travelers will rise to 220 billion US dollar in year 2020.

Table 1.1 below shown the trends of tourist's visit to Malaysia between year 1990 to 2011. Based on the table, the growth in tourism industry is decreased because of the economic in 1991, 1996 and 1998. However, tourism market grows widely after the economic had recovered and this indicated itself as resilient industry. Malaysia implement Visit Malaysia Year 1994 after economic crisis in 1991 and this plan help to increase the growth of 10.66% instead of -21.47% in 1991.

YEAR	ARRIVALS	GROWTH (%)	EVENTS
1990	7,445,908	53.64	Visit Malaysia Year 1990
1991	5,847,213	-21.47	Economic Crisis
1992	6,016,209	2.89	
1993	6,503,860	8.11	
1994	7,197,229	10.66	Visit Malaysia Year 1994
1995	7,468,749	3.77	
1996	7,138,452	-4.42	Asian Economic Crisis
1997	6,210,921	-12.99	Dengue, Coxsackie, Asian Econ Crisis, Haze
1998	5,550,748	-10.63	Asian Economic Crisis, JE, Negative Publicity
1999	7,931,149	42.88	MTA launched
2000	10,221,582	28.88	Visit Malaysia Year 2000
2001	12,775,073	24.98	911 bombing
2002	13,292,010	4.05	Bali Bombing
2003	10,576,915	-20.43	SARS / Bombing in Pakistan
2004	15,703,406	48.47	Tsunami (Dec 2004)
2005	16,431,055	4.63	
2006	17,546,863	6.79	
2007	20,972,822	19.52	Visit Malaysia Year 2007
2008	22,052,488	5.10	Visit Malaysia Year/Global economic crisis
2009	23,646,191	7.2	Global Economic Crisis and H1N1
2010	24,577,196	3.9	
2011	24,714,324	0.6	Earthquake in Japan/Flood in Thailand

Source: Malaysia Tourism Ministry (2012)

Halal tourism and hospitality services are fresh quickly emerging market segment in today's world especially in airlines, restaurants, and food services. All the product developments and implementations aimed and directed at Muslims to attract the industry and academic researchers (Henderson, 2010). Duman (2011) defines the Halal tourists are the customers of goods and services that should comply with Halal and thus the industry should be respect the rights and interests if the demands of this market are to be met with success. Guidelines in all aspects of human activities for Muslim is provided in Quran and thus the direction of tourism choices by travelers is influenced by the religion. Many countries offer alternatives options for Muslim travelers by upgrading the tourism infrastructure to boost the travelers' comfort. Concept of Islam concern in human well-being and a good life and this requires a balanced fulfillment of human material and metaphysical demands (Rice & Al-Mossawi, 2002).

Halal certification in Malaysia is accredited by Department of Islamic Development Malaysia (JAKIM) and governmental organizations such as State Islamic Religious Department (JAIN) and State Islamic Religious Council (MAIN). However, only 390 Halal-certified hotels in Malaysia as stated in the statistics of JAKIM in 2010. There was 131 hotel which had the Halal certification that issued by JAKIM and the other 259 hotels were issued by JAIN. In 2011, the statistics have shown that only 366 out of 1,574 hotels and resorts in the Malaysia have been granted Halal certification. 273 three to five stars hotels out of the 366 hotels and resorts, 53 two stars hotels while the other 40 is boutique hotels (JAKIM, 2012). Several authors founded that Halal hotel is characterized as a place that offers facilities which follow the Shariah principles that restricted to the supply of Halal food and drink as well as the entire hotel activity.

The SERVQUAL Model is a model that used to measure the level of customer satisfaction in most of the service industry. This service quality model was discovered by Parsuraman, Zeithaml and Berry to understand the demands for offering the high service quality. They proposed the model that viewed service quality is the judgement of the customer's about the general experience or superiority and could be based on the student's assessment of a number of service encounters (Hill, 1995). This model explained the five gaps that will occur between the customer's needs and the service that provides by an organization. The gaps include knowledge gap, standards gap, delivery gap, communications gap and satisfaction gap. The SERVQUAL Model is an instrument for customer perception that needs customers to answer a survey which consists of some questions about their expectations and views and give a numerical weight to each of the five dimensions service quality (Parasuraman, Zeithaml, & Berry, 1988). The SERVQUAL Model helps organization to learn which factor is important and the formation of customer's expectancy pattern. This can help an organization to improve the performance and taking into consideration this expectation in advance.

Figure 1.1 showed the dimensions which are considered in the components of the service quality. There are five main dimensions which will affect the service quality of an organizations. The dimensions include reliability, responsiveness, empathy, assurance and tangibles.
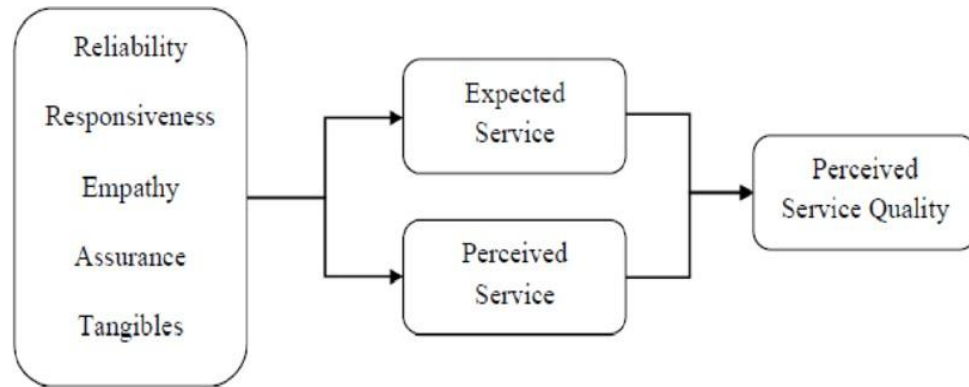

Figure 1.1: SERVQUAL Model (Parasuraman et al., 1988)

1.2 Problem Statement

In 2016, Mastercard and Cresentrating estimated in the Global Muslim Travel Index 2017 that in there were 121 million Muslim international travelers visit to Malaysia. This is shown to rise to 156 million by 2020, where Muslim travelers' travel expenses are anticipated to reach 220 billion US dollars. It is also stated that the total Muslim travel expenditure will reach 300 billion US dollar by 2026. This trend in tourism is here to remain and will only grow faster and better when just going by the exponential figures. Unfortunately, the word has been used very loosely throughout the tourism industry with such enormous potential. The industry's value was RM 36.9 billion of gross national income (GNI) in 2009 and is anticipated to grow greater. Malaysia targeted to reach the achievement of 38:168 that is tourists' arrivals of 38 million and RM168 billion receipts in year 2020 (Amir et. al., 2017). In 2010, number of foreign visitors in Malaysia amounted to 24.6 million RM56.5 billion, compared with just 5.50 million RM8.6 billion in 1998. (Razalli, et. Al., 2016).

Shariah compliant hotel is a new services market found in the hotel industry. Islamic hospitality or Shariah hotel can be found in countries such as Malaysia and Indonesia where Muslim resident are the main population. A lot of research study about the convenience hotel in tourism industry (Albattat, A., & Azmi, A., 2018). Currently, not much research has examined Halal tourism (Reisinger, Nassar, & Mostafa, 2016), specifically the influence factor on tourist customer satisfaction. Based on the Journal of Global Business and Social Entrepreneurship (GBSE) in 2017, the awareness towards hotel internal management and Islamic compliance are increase when hotel operators are alerted with the demands of Muslim travelers and offer certain male and female health facilities (Omar, S. I., Mohamad, D., Rozelee, S., & Mohamed, B., 2017).

Service quality measurement faced the problems such as lacking clear and measurable parameters to determine the quality. Majority of the research are study about the features or standard level of the hotel industry in Malaysia (Jumli, A. P., Albattat, A., & Yusof, E., 2018). The service quality investigation is measured with comparing customers' perceptions and expectations of the business-extended services. Moreover, the perceptions are expressed as the knowledge of consumer regarding the service received and expectation as the demand of customer. Knowledge of perceptions and expectations of customers is therefore important to service marketers in order to achieve sustainable viable advantage by preserving quality service. Therefore, this study helps the Halal hoteliers to measure the service quality by using the SERVQUAL model.

1.3   Research Questions

This research explores the following key questions:

i.   What is the implementation level of tangibles, reliability, responsiveness, assurance, empathy and customer' satisfaction in Melaka Halal hotel?

ii.   What is the relationship between the tangibles, reliability, responsiveness, assurance, empathy and the customers' satisfaction in Melaka Halal hotel?

iii. What are the most significant factors that influence the level of customers' satisfaction in Melaka Halal hotel?

1.4   Research Objectives

Research objectives have been constructed based on the research questions:

i.   To describe the tangibles, reliability, responsiveness, assurance, empathy and customer' satisfaction in Melaka Halal hotel.

ii.   To measure the relationship between the tangibles, reliability, responsiveness, assurance, empathy and customer satisfaction in Melaka Halal hotel.

iii. To examine the most significance factors that influence the level of customers' satisfaction in Melaka Halal hotel.