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Master of Business Administration

Factors that determine satisfaction between Asian and Western travelers staying in Malaysian hotels

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Ethics Number : INBS392
Submission Date : 14th December 2012
Final Word Count : 16,236 words

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ABSTRACT

This paper aims to examine the factors that measure different satisfaction between the Asian and Western travelers during their stay in Malaysia. Meanwhile, it seeks to analyze the importance of the tangible and intangible factors in the hotel industry. The research questions are utilized to measure the differences between Asian and Western perception of hotel attributes. There are four dimensions (quality of services, value for money, atmosphere, hotel image) in examining the relationship with customer satisfaction. Reliability analysis, factor analysis, Mean analysis, independent T-Test and multiple regression analysis were used to examine the relationship between four dimensions and customer satisfaction. Moreover, the self-administration questionnaires were distributed to 200 travelers who were above 18 years old and had experience that staying in hotels in the past using convenience sampling method. In addition, the findings show that quality of services, value for money, atmosphere and hotel image have significant positive relationship with customer satisfaction for Asian travelers. At the same time, quality of services, value for money and atmosphere has significant positive relationship with customer satisfaction for Western travelers. Finally, recommendations are given to people who are interested in this topic and to future researchers.

Keywords Customer satisfaction, Travel, Tourism, Hotels, Customer services quality, Malaysia

Acknowledgment

This research project would not have been possible without the support from my mentor and family. Therefore, I would like to show my great gratitude to those who have given me solid emotional supports and professional suggestions.

First and foremost, I would like to express my sincere gratitude to my supervisor, Anthony Vaz. I am grateful for her professional knowledge and contributions to my study and advice in the process of my study. Moreover, my sincere gratitude for her patient and motivation gave in the process of my study. I feel so appreciated that I have learnt new knowledge and critical thinking from my supervisor, Anthony Vaz.

Next, I would like to show my sincere gratitude to Dr Jagdeep Singh, who followed up the process of the thesis, and Ms Yalini Easvaralingam, who gave some suggestions and recommendations in chapter 4 on the thesis.

Last but not least, a great appreciation to my beloved family members and friends who gave motivation to me throughout the process of this research.

Wang Shiming

December, 2012

Declaration

I hereby declare that the project work entitled "Factors that determine satisfaction between Asian and Western travelers staying in Malaysian hotels" submitted to the INTI INTERNATIONAL UNIVERSITI and research project is of my own effort except that information of which the resources are clearly specified

Wang Shiming

December, 2012

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List of abbreviation

SARS: Severe Acute Respiratory Syndromes

KLIA: Kuala Lumpur International Airport

SPSS: Statistical analysis for social science

H1N1: Flu pandemic

CHAPTER I

INTRODUCTION

1.0 Chapter Summary

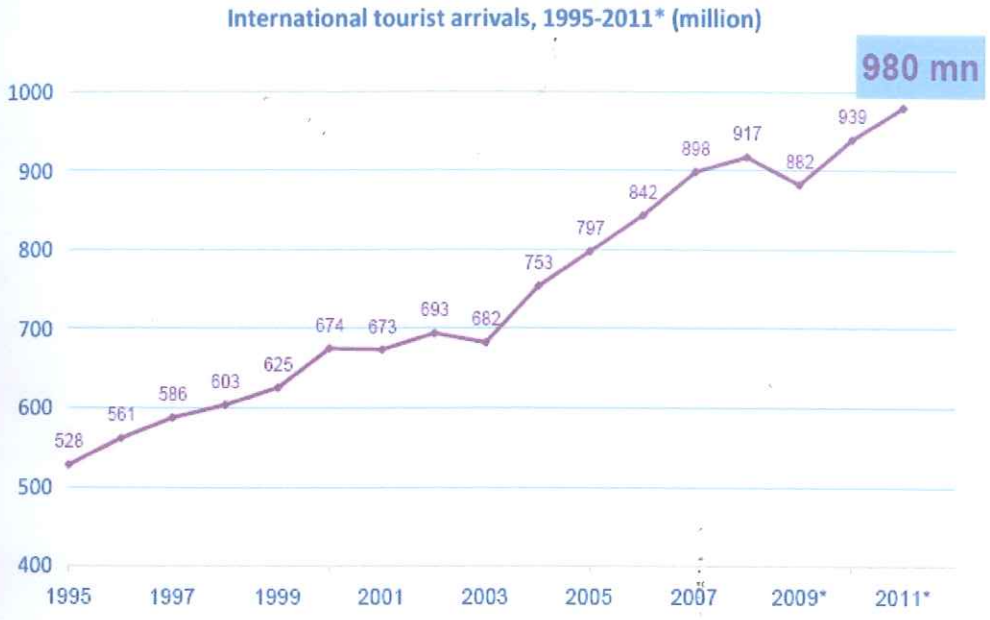
This chapter starts with the background of this study. Later, definition of tourism industry and its important role in the economic will be introduced. Then, development and trends of tourism in Malaysia will be described. As an overview of this chapter, topics on problem statement, research questions, research aim and objectives, and significance of the research will be discussed. To complete this chapter, limitation of the research will be supplemented. The last part is an overview of the organization of the study.

1.1 Background

Tourism- it constitutes people's vacationing to places beyond their familiar circumstances for only one continuous year for entertainment, commerce and other aims that are irrelevant to the practice of an act recompensed from inside the area traveled. In another word, it means peoples' movements, which are provisional and short-dated, to some places, which are beyond where they live and work and their doings during their visit. Kandampully (2000) describes tourism as a distinctive outcome since it is compound by nature, a combination of the visible and invisible that involves no matter what tourists have experienced. Lately, tourism has turned to a prevalent worldwide idlesse. At the same time, tourism is also one of the biggest and energetically growing parts of external economic activities in a country. Figure 1.1 showed that the

international tourist arrivals kept an increasing trend from 1995 to 2011.

Figure1.1: Inbound tourism: World 2011



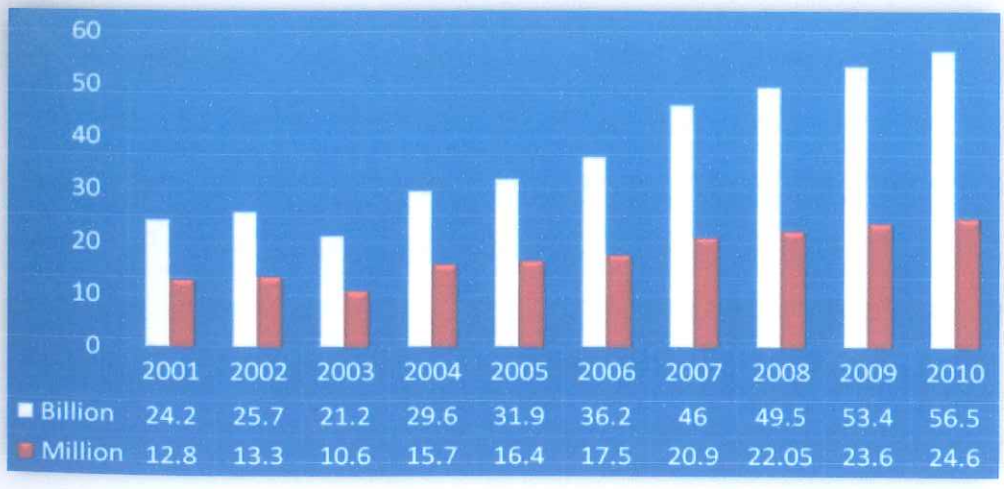
Source: World Tourism Organization (UNWTO)

Located in about 1°N to 6°45' N latitude and 99°36'E to 104°24'E longitude, Malaysia is a country in Southeast Asia, which is really beautiful. With landmass amounts to 329,845 square kilometers, Malaysia is composed of three Federal Territories and thirteen states. The South China Sea divides the country into two sections, namely Malaysia Borneo (also named East Malaysia) and Peninsular Malaysia. On 31st August, 1957, after being checked by various external forces for a span of many years, it ultimately won its autonomous right. Malaysia enjoys a lengthy shoreline, particularly Peninsular Malaysia, with Indonesia in its south and south-west, Philippines in its north-east, Singapore in its south as well as Thailand located in the north of Malaysia. It is adjacent to the Strait of Malacca, which is a significant international shipping crossroads. Moreover, it contributes to the progress of foreign commerce that is inseparable to its financial condition.

With vivid and beautiful littoral peneplain rising to uplands and coteaus, Malaysia has biodiversities in fauna and flora. All these beautiful scenery, cultural diversities, as well as structured development in all the sectors greatly promote the development of tourism that molds more and more significant division of the Malaysian economy. Tourism keeps its sustainable development via its economic capacity. In order to make up the balance of international payment deficit during 1980's, the government of Malaysia has paid more and more attention to exploit sustainable tourism as the source of foreign exchange instead. Tourist cost is of great importance in the direct tourism-related departments. What's more, ripple effects also exist on some other parts of the economy. Therefore, tourism accelerates the promotion of developing economies, meanwhile its significance is becoming widely recognized.

Overall, until the onset of 9/11 bombing in 2002, SARS and the US-Iraq war in 2004 and H1N1 in 2009, the hotel industry and tourism in Malaysia manifested an uptrend (Poon & Low, 2005). As the figure 1.2 showed in the following:

Figure 1.2: Tourist arrivals & receipts to Malaysia from 2001 to 2010



(Source: Tourism Malaysia)