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Service quality as a determinant of customer satisfaction and resulting behavioural intentions: A SEM approach towards Malaysian resort hotels

Abstract

Despite extensive research on service quality and its consequences, there is still a lack of empirical research examining these variables in the context of resort hotels. In filling the gap, this study aims to assess service quality as determinant of customer satisfaction and resulting behavioural intentions in the context of Malaysian resort hotels. Based on the literature review, this study validates a new operationalization of service quality and hypothesises its significant effects on customer satisfaction and behavioural intentions. Based on convenience sampling, 425 questionnaires were received from the guests of Malaysian resort hotels. Structural equation modelling was used to analyse the collected data and the findings point out that, in general, guests were satisfied with the quality of the services provided by Malaysian resort hotels. It is also revealed that better perceptions of hotel ambience and staff courtesy, food and beverage products, staff performance and knowledge, reservation services and financial value were more likely to develop customer satisfaction which was, in turn, more likely to result in positive behavioural intentions such as revisit intentions or intentions to recommend it to others. The implications of these findings, limitation of the study and future research suggestions are also discussed.

Key words: service quality; customer satisfaction; behavioural intentions; resort hotels; SEM; Malaysia

Introduction

Malaysia has been attracting a large number of tourists over past few years. This continued growth has developed the country as one of the most popular tourist Asian tourism destination (Ali, Hussain & Omar, 2014). As per the statistics issued by United Nations World Tourism Organization (UNWTO), Malaysian tourism industry performed above expectations in 2013, with tourist receipts of US$ 21.1 billion exceeding the initial target of US$ 21 billion. The 5.9% growth from US$ 20.25 billion in 2012 represents an expansion of about US$ 0.75 billion in foreign exchange earnings. Meanwhile, tourist arrivals also grew by 2.7% to 25.7 million arrivals compared to 25 million arrivals in 2012, despite a challenging year (UNWTO, 2014). This substantial growth in tourist arrivals and receipts are in line with the broad objectives of the National Key Economic Areas (NKEA) and Malaysia Tourism Transformation Plan (MTTP) of increasing yield per tourist. Last year, the average tourist spending

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per capita was US$ 848 per person compared to US$ 806 per person in 2012. This made tourism the sixth largest contributor to the Malaysian economy, contributing US$ 17.15 billion to Gross National Income (GNI) in 2013 (Tourism Malaysia, 2014). This growth in the tourist arrivals and receipts is expected to continue to a compound annual growth rate (CAGR) of approximately 8% in the coming years (Amin, Yahya, Ismayatm, Nasharuddin & Kassim, 2013), because of the government's focus on the initiatives under National Key Economic Area (NKEA) Tourism. These initiatives include the promotion of Malaysia as a duty-free and affordable luxury shopping destination, as well as the concerted efforts through the strategic public-private partnership to position and brand Malaysia as the top-of-mind destination for leisure tourism (Tourism Malaysia, 2014).

Leisure tourism is defined as tourism activities for recreational, educational, sightseeing, relaxing and other experiential purposes (Getz, 2008). Recently, resort hotels have shaped to be one of the fastest growing segments of leisure attractions and are rapidly growing in number, diversity and popularity since the economic boom of 1960s (Ali, *et al.*, 2014; Ali, Amin & Omar, 2013). Today, a large numbers of people travel to resort hotels situated in exotic and beautiful destinations in order to enjoy themselves and escape from their daily routines (Ali, Hussain & Ragavan, 2014; Walker, 2006; Yang & Chan, 2010). In this context, Gee (2000, p. 22) states that, "… the core principle of the resort concept is the creation of an environment that will promote and enhance a feeling of well-being and enjoyment". Furthermore, Gee (2000) identified two characteristics of a resort hotel: (i) sufficient indoor amenities including quality services, pleasant physical surroundings, convenient entertainment and other facilities; and (ii) unique location in terms of climate, scenery and recreational attractions. This definition of resort hotels is also supported by other scholars and practitioners (Ali & Amin, 2014; Gonzalez, Comesana & Brea, 2007; Meng, Tepanon & Uysal, 2008; Prideaux, 2000). Resort hotels have become one of the dominant segments of the tourism industry (Ali *et al.*, 2014; Inkabaran, Jackson & Chhetri, 2004) and their focus is centred primarily on the customers and the pursuit of superior customer perceived service quality in order to ensure customers' satisfaction and favourable behavioural intentions (Hu, Kandampully & Juwaheer, 2009). Moreover, the UNWTO also stated that the importance of resort hotels in tourism and hospitality has been consistently growing (UNWTO, 2014), however, it is surprising that this sector has not gained much attention in literature (Ali & Amin, 2014).

From customers' point of view, resort hotel services are intangible and heterogeneous, therefore service quality plays an important role in influencing customer's consumption and post-consumption processes (Han & Ryu, 2009; Matzler, Bidmon & Grabner-Krauter, 2006). Although researchers have studied the concept of service quality and customer satisfaction in various segments of hospitality and tourism (Amin *et al.*, 2013; Han & Ryu, 2009; Wu & Liang, 2009; Ryu & Han, 2010), there is a limited focus on examining the effects of service quality on customer satisfaction and behavioural intentions in the context of resort hotels. Moreover, most of the literature related to service quality and customer satisfaction has been revolving around two models, namely technical and functional quality model (Gronroos, 1984) and Gap Model/SERVQUAL (Parasuraman, Zeithaml & Berry, 1985). Consequently, Wu and Ko (2013) called for further studies that may adopt newer operationalization to assess service quality and customer satisfaction in hospitality industry.

Considering the preceding discussion, this study attempts to add to this research stream by validating a recent operationalization of service quality proposed by Amin *et al*. (2013) and investigates the effect

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of service quality dimensions on customer satisfaction and behavioural intentions in the context of Malaysian resort hotels. The remainder of this paper is organized as follows. First the theoretical background and concepts central to this study are reviewed. Subsequently, the theoretical framework and relationships among main constructs, research methodology and data collection is discussed. Finally, the findings, implications and future research directions are narrated.

Literature review

This section provides a synthesis and analysis of the previous published research related to the main theoretical concepts of this study including service quality, customer satisfaction and behavioural intentions.

Service quality

Within the services literature, the construct of service quality mainly assesses the perceived quality which is referred to as consumer's judgment about an entity's overall excellence or superiority (Zeithaml, 1988). During the last three decades, researchers and practitioners have diverted their attention towards the concept of service quality because of its significant influence on business performance, customer satisfaction, retention and profitability (Amin *et al.*, 2013; Ali, Khan & Rehman, 2012; Cronin & Taylor, 1992; Seth, Deshmukh & Vrat, 2005; Sultan & Wong, 2013; Sureshchander, Rajendran & Anatharaman, 2002).

In terms of its operationalization, many studies agree with multi-dimensionality of service quality (Lien & Kao, 2008). An early multi-dimensional measure of service quality, developed by Goronroos (1982), proposed two service quality dimensions - technical and functional quality. Expanding on technical and functional quality model, Parasuraman *et al*. (1985) presented the concept of expectations and perceptions of service quality through the Gap Model. The focus of this model is on the discrepancy between customers' expectations and perceptions regarding ten dimensions of service quality which were later reduced by Parasuraman, Zeithaml and Berry (1988) to five - reliability, responsiveness, assurance, empathy and tangibles and it is now known as SERVQUAL measurement instrument. These five dimensions of SERVQUAL were studied by numerous scholars across different industries (Ali & Yuan, 2013; Kang & James, 2004; Mohsin, 2011; Parasuraman. *et al.*, 1988), considering only the perceptions of customers. However, various studies also report issues with applicability and universality of SERVQUAL dimensions across different service industries (Cronin & Taylor, 1992; Ladhari, 2009). Thus, scholars started modifying SERVQUAL and presented its various modified versions with different dimensions and terminologies.

Numerous scholars have also studied the validity of the SERVQUAL measurement scale within hospitality industry (i.e. Getty & Thompson, 1994; Markovic & Raspor, 2010; Renganathan, 2011). For example, five dimensions of service quality were proposed by Saleh and Ryan (1991) including avoidance of empathy, sarcasm, reassurance, tangibles and conviviality. In another study, Getty and Thompson (1994) developed another scale, named LODGQUAL, incorporating the dimensions of tangibles, contact and reliability, which include attributes associated with response capacity, safety and empathy. Similarly, Mei, Dean and White (1999) focused on Australian hotel industry and proposed

a new service quality measurement scale with three dimensions named as HOLSERV. These three dimensions included reliability, tangibles and employees. Similarly, focusing on the conference hotels in the UK, Oberoi and Hales (1990) proposed two dimensions of service quality including tangibles (availability of equipment, cleanliness of facilities and food and beverages' quality and quantity) and intangibles (reliability, empathy, attention, assurance and responsiveness of service provider) (Ladhari, 2012). In the same vein, Amin et al. (2013) also tested five dimensions of service quality in Malaysian Hotel Industry including (1) hotel ambience and staff courtesy, (2) food and beverage product and service quality, (3) staff presentation and knowledge, (4) reservation services and (5) overall value for money. A careful review of the literature discloses that most of the proposed measurement scales are having multiple dimensions ranging from two to nine (Nadiri & Hussain, 2005).

Customer satisfaction

In this fast and dynamic environment, service providers can maintain their competitive advantage by delivering high quality services to their customers (Hu et al., 2009). Satisfied customers can bring lot of other advantages for the service providers as a ripple effect including loyalty to service provider, engagement in positive word-of-mouth promotion and paying premium prices (Amin et al., 2013; Dominici & Guzzo, 2010; Kim & Lee, 2010; Ryu & Han, 2010). Therefore, customer satisfaction has caught considerable attention from the academicians and the practitioners (Hu et al., 2009). Oliver (1981) defined satisfaction as customer's emotional reaction to a specific product/service experience. This reaction is developed based on the disconfirmation of customer's perceptions and expectations of service performance. If the perceived service performance exceeds the expectations of customers, the disconfirmation results in customer's pleasure, whereas in the opposite case it results in their disappointment (Crotts & Magnini, 2011). Another group of scholars believe that satisfaction of customers may develop not only because of a single experience, but can be result of a series of various experiences (Ali et al., 2014; Ryu et al., 2012). Therefore, Hu et al. (2009, p. 115) define customer satisfaction as "a cognitive or affective reaction that emerges in response to a single or prolonged set of service encounters". Similarly, McDougall and Levesque (2000) view customer satisfaction as the overall assessment of the service provider.

Measurement of customer satisfaction varies in marketing literature. For instance, Cronin and Taylor (1992) consider it as a uni-dimensional construct and measured it by assessing customer's overall feeling towards the services provided. However, this one item scale fails to capture the richness of customer satisfaction construct (Hu et al., 2009). Other scholars developed and adopted multi-item scales to measure customer satisfaction. For example, Bitner and Hubbert (1994) used four items to measure customers' overall satisfaction with the service provider. Barsky and Labagh (1992) counted nine attributes of customer satisfaction, namely employee attitudes, location, room, price, facilities, reception, services, parking and food and beverage. Similarly, Sureshchander et al. (2002) include five factors to measure customer satisfaction - core service or service product, human element of service delivery, systematization of service delivery (non-human element), tangibles of service (servicescape) and social responsibility. Most of the scholars agree that satisfaction is a complex evaluative process towards multiple experiences, therefore, it should be measured using multi-item scales.

Behavioural intentions

Zeithaml, Berry and Parasuraman (1996, p. 33) state that behavioural intentions ". . . signal whether customers will remain with or defect from the company". These behavioural intentions are either favourable or unfavourable. The favourable includes positive word of mouth, more spending with the service provider, paying a price premium and remaining loyal. The unfavourable includes leaving the service provider, negative word of mouth, less spending with the company and/or taking legal action (Ali & Amin, 2014; Ladhari, 2009). Similarly, Oliver (1997, p. 28) described behavioural intentions as "a stated likelihood to engage in behaviour". In this context, behavioural intentions are considered to include revisit and word-of-mouth intentions (Jani & Han, 2011). Consequently, customers' previous experiences with a product or service results in formation of an attitude toward the provider that is greatly associated with consumer intentions to repurchase and recommend (Han & Kim, 2009). Many scholars have emphasised on the importance of incorporating consumers' behavioral intentions because they are predictors of consumers' actual behaviour (Ali & Amin, 2014).

Hypotheses development

As discussed earlier, service quality is a complex construct and should be measured by using multiple dimensions. Based on the previous studies, five dimensions are considered as the main dimensions of perceived service quality of resort hotels including hotel ambience and staff courtesy, food and beverage product and service quality, staff presentation and knowledge, reservation services and overall value for money (Mohsin & Lockyer, 2010). These five dimensions were recently tested by Amin *et al.*, (2013) and the authors confirmed the significant impact of these five dimensions on customer satisfaction. The relationship between service quality and customer satisfaction has received enormous attention from the researchers. Many authors who studied the relationship between perceived service quality and customer satisfaction have shown that service quality determines customer satisfaction (Amin *et al.*, 2013; Cronin & Taylor, 1992; Dominici & Guzzo, 2010; Gronroos, 1990; Parasuraman *et.,* 1988; Ryu & Han, 2010). In this context, Bitner and Hubbert (1994) also stated that a better service quality will develop customer satisfaction and this relationship is intuitive. Ladhari (2009) conducted a study on 200 Canadian travellers and also confirmed the impact of perceived service quality on customer satisfaction. Therefore, the hypotheses are developed as:

- *H1:* There is a significant relationship between resort hotel ambience, staff courtesy, and customer satisfaction.
- *H2:* There is a significant relationship between food and beverage products and customer satisfaction.
- *H3:* There is a significant relationship between staff performance and knowledge and customer satisfaction.
- *H4:* There is a significant relationship between reservation services and customer satisfaction.
- *H5:* There is a significant relationship between overall financial value and customer satisfaction.

A number of scholars have also confirmed the significant impact of customer satisfaction and behavioral intention in hospitality and tourism industry. For instance, Getty and Thompson (1994) examined

service quality and satisfaction as determinants of customers' behavioral intentions. They indicated that high level of satisfaction increases customers' intentions to repurchase and recommend the product. Moreover, Han and Ryu (2009) also studied guests' behavior in the lodging industry and stated that guests' revisit intentions are positive function of satisfaction. In hotel setting, Kao, Huang and Wu (2008) postulated that improving customer satisfaction is integral to increase revisit and recommendation intentions. Hence, it is hypothesised that:

• *H6*: Customer satisfaction has a significant influence on behavioral intention.

The discussion above indicates that due to its complex nature, service quality should be measured by using multiple dimensions and these dimensions of service quality influence customers' satisfaction and behavioural intentions. A model that integrates these hypotheses regarding service quality, customer satisfaction and behavioural intentions is shown in Figure 1.

Figure 1
Theoretical model
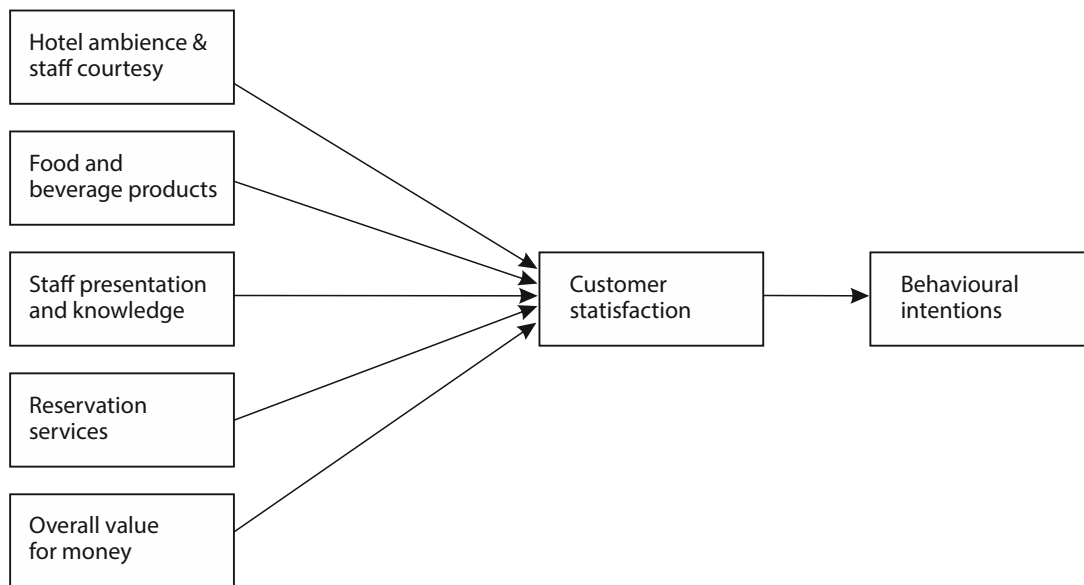
Methods

The instrument to measure the hotel service quality dimensions (hotel ambience and staff courtesy, food and beverage product and service quality, staff permission and knowledge, reservation services, and overall value of money) had 32 items adopted from Amin *et al.*, (2013) and Mohsin and Lockyer (2010). Customer satisfaction and behavioural intentions were both measured using 4 items each adopted from Westbrook and Oliver (1991) and Jani and Han (2011) respectively. A five-point Likert scale were employed in this study starting from 1 (strongly disagree) to 5 (strongly agree).

For data collection, a self-administered questionnaire, available in English language, was used. It consisted of three (3) sections i.e., section 1 was related to demographics, section 2 was related to perceived

service quality whereas section 3 was related to customer satisfaction and behavioural intentions and it took approximately 10 minutes to complete. The questionnaire was sent to two (2) academicians to check the face and content validity. Based on their suggestions, a few grammatical and structural modifications were made in some of the statements. Trained interviewers approached respondents and explained the purpose of the research in order to increase their responsiveness to participate in the survey. Completed questionnaires were handed back to interviewers in a sealed envelope to ensure anonymity and confidentiality of responses.

The target population for this study were defined as those guests older than 18 years of age who had stayed at the selected Malaysian resort hotels during the data collection period. The survey was conducted with guests at various locations at four selected resort hotels situated at two tourist destinations of Malaysia - Langkawi and Penang. These hotels were beach resorts and were of similar quality with an average capacity of 250 guestrooms each. A convenience sample was drawn for the survey. Sampling was conducted by distributing questionnaires to the guests at different times of the day, over three weeks period.

A total of 425 useable questionnaires were collected. Out of these, 57% were male whereas 43% were female; 18% of the respondents were between 18 and 25 years of age, 49% were between 26 and 40 years, 20% were between the ages of 41-55 years and 13% were older than 55. Amongst the 425 respondents, 41% were Malaysians whereas 59% were foreigners.

Results

The collected data was analysed using SPSS Statistics 20 and AMOS 20. Following the procedure suggested by Anderson and Gerbing (1988), a measurement model was estimated before the structural model. A confirmatory factor analysis (CFA) was employed to assess the measurement model and to test data quality, including reliability and construct validity. Structural equation modelling (SEM) was conducted to assess overall fit of the proposed model and test hypotheses. The findings are reported as follows.

Measurement model

A measurement model was estimated using the maximum likelihood estimation method. The initial 40 items developed for measurement were subjected to CFA. Six of these items were deleted due to low factor loadings (SP1, SP4, RS4, RS5, FB4 and VM6). The remaining 34 items showed a good fit to the data. The chi-square value (χ^2) of the measurement model was 1,584.121 (df = 504, p = 0.000). The χ^2/df value of 3.124 falls within a range of below 5 as suggested by Marsh and Hocevar (1988). Other practical fit indices demonstrated that the measurement model fit the data well (RMSEA 0.071; CFI 0.928; GFI = 0.915; TLI = 0.954). Consequently, this measurement model was used for all further analyses. As shown in Table 1, the composite reliability values were well above 0.70, as suggested by Nunnally (1978). All standardized factor loadings emerged fairly high and significant. This suggested convergence of the indicators with the appropriate underlying factors (Anderson & Gerbing, 1988). The average variance extracted (AVE) values for each construct were all above 0.50 (Fornell & Larcker, 1981). Overall, these results showed strong evidence of the uni-dimensionality, reliability and validity of the measures.

Table 1
Validity and reliability of the constructs

	Loadings	AVE	CR
Hotel ambience and staff courtesy (HA)			
The resort hotel has modern equipment	0.746		
The resort hotel's physical facilities are visually appealing	0.775		
The reception and lobby is visually appealing	0.716		
Materials associated with the services are visually appealing	0.741	0.561	0.896
The furnishings in the room are appealing	0.761		
Resort hotel staff is helpful and friendly	0.723		
I received undivided attention at the resort hotel	0.733		
The check-in and out of the resort hotel are efficient	0.713		
Food and beverages product and service quality (FB)			
The resort hotel provides a variety of items on the menu	0.753		
The overall selection of beverages is satisfactory	0.784	0.572	0.801
Quality of the restaurant food is good	0.731		
Staff presentation and knowledge (SP)			
The resort hotel employees appear neat	0.787		
Employees in the resort hotel are always willing to help	0.753		
The behaviour of the employees of the resort hotel instils confidence in me	0.746		
Employees in the resort hotel are consistently courteous to me	0.816	0.619	0.919
The resort hotel employees give me individual attention	0.814		
Employees of the resort hotel understand my specific needs	0.811		
Employees are able to recommend me the local places of interest	0.775		
Reservation services (RS)			
When the resort hotel promises to do something by a certain time, it does so	0.722		
Receiving confirmation on reservation is timely	0.822	0.625	0.833
My reservation was handled efficiently	0.823		
Overall value for money (VM)			
The resort hotel has my best interests at heart	0.784		
The services of the resort hotel have convenient business hours	0.808		
The resort hotel gives individual attention	0.763	0.622	0.892
I got what I paid for during my stay at this resort hotel	0.814		
The resort hotel performs the service right the first time	0.774		
Customer satisfaction (SAT)			
I am satisfied with my decision to stay in this resort hotel.	0.789		
My choice to stay in this resort hotel is a wise one.	0.781	0.584	0.849
I think I did the right thing when I chose to stay in this resort hotel.	0.714		
I feel that my experience with this resort hotel has been enjoyable	0.771		
Behavioural intentions (BI)			
I intend to continue visiting this resort hotel	0.738		
I consider this resort hotel as my first choice in the future	0.816	0.586	0.850
I will spread positive word-of-mouth about this resort hotel	0.795		
I will recommend this resort hotel to my friends and others	0.708		

Notes: χ^2 = 1,584.121, CMIN/df = 3.124, GFI = 0.915, CFI = 0.928, TLI = 0.954, RMSEA = 0.071

Discriminant validity of the constructs is shown in Table 2. The diagonal in Table 2 shows the square root of the AVE between each pair of factors that was higher than the correlation estimated between factors, thus ratifying its discriminant validity (Hair, Black, Babin, Anderson & Tatham, 2006; Amin *et al.*, 2013).

Table 2
Discriminant validity of the constructs

	Correlation of the constructs						
	HA	FB	SP	RS	VM	SAT	BI
Hotel ambience and staff courtesy (HA)	**0.748**						
Food and beverages product and service quality (FB)	0.694	**0.756**					
Staff presentation and knowledge (SP)	0.629	0.721	**0.786**				
Reservation services (RS)	0.635	0.623	0.668	**0.791**			
Overall value for money (VM)	0.554	0.553	0.451	0.402	**0.788**		
Customer satisfaction (SAT)	0.600	0.566	0.617	0.613	0.496	**0.764**	
Behavioural intentions (BI)	0.669	0.566	0.763	0.738	0.513	0.654	**0.765**

Structural model

A structural model was estimated to test the six hypotheses. The goodness-of-fit statistics of the proposed model showed that the model reasonably fits the current data. Chi-square value of the model (χ^2 = 1,767.413, CMIN/ *df* = 3.387, *p* = 0.000) and other goodness of fit indices (RMSEA = 0.070; CFI = 0.925; GFI = 0.905) revealed that the model fit the data reasonably well. The structural results of the proposed model are depicted in Figure 2.

Figure 2
Structural equation modelling results
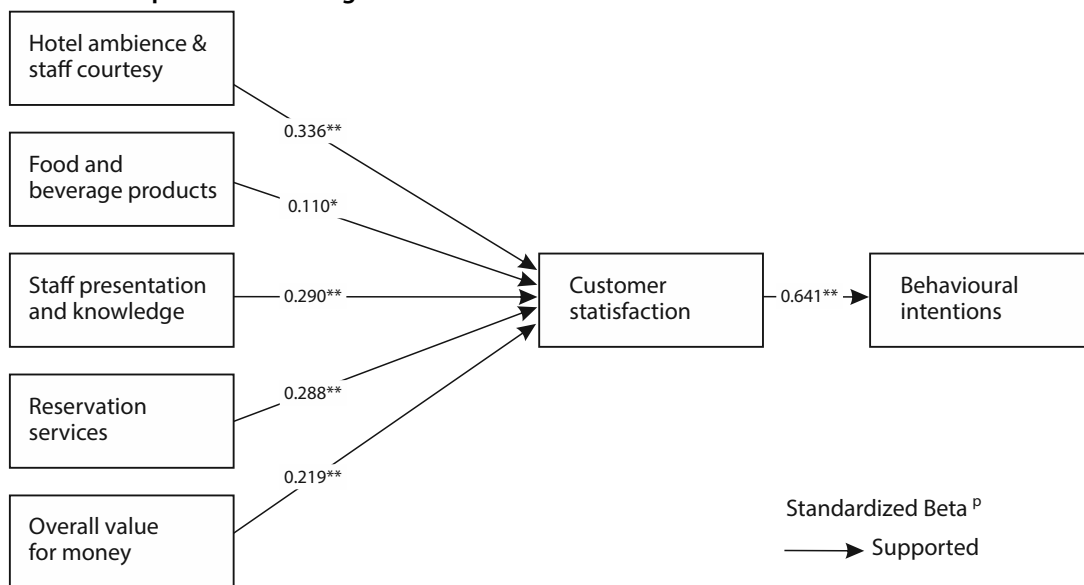
*p > 0.05; **p > 0.01

The hypothesized relationship between the perception of hotel ambience & staff courtesy and customer satisfaction was significant (β = 0.336; p < 0.01), thus H1 was supported. The results indicated that a better perceptions of hotel ambience & staff courtesy is more likely to develop customer satisfaction. The path coefficient of the relationship between the perception of food & beverage products and customer satisfaction was also significant, and thus H2 was supported (β = 0.110; p < 0.05). These findings suggest that a better perceptions of food & beverage products is more likely to develop customer satisfaction. The hypothesized relationship between the perception of staff performance & knowledge and customer satisfaction was also significant (β = 0.290; p < 0.01), thus H3 was supported. The results indicated that a better perceptions of staff performance & knowledge is more likely to develop customer satisfaction. The path coefficient of the relationship between the perception of reservation services and customer satisfaction was also significant, and thus H4 was supported (β = 0.288; p < 0.01). These findings suggest that a better perceptions of reservation services is more likely to develop customer satisfaction. Moreover, the hypothesized relationship between the perception of financial value and customer satisfaction was also significant (β = 0.219; p < 0.01), thus H5 was supported. The results indicated that a better perceptions of financial value is more likely to develop customer satisfaction. The path coefficient of the relationship between the customer satisfaction and behavioural intentions was also significant, and thus H6 was supported (β = 0.641; p < 0.01). These findings suggest that a satisfied customer is more likely to have positive behavioural intentions such as revisit intentions or intentions to recommend it to others. The summary of the results are presented in Table 3.

Table 3
Hypotheses testing

Hypothesized path			β	t - values	Decision
H1	Hotel ambience and staff courtesy	→ Customer Satisfaction	0.336	3.503	Supported
H2	Food and beverages product and service quality	→ Customer Satisfaction	0.11	2.129	Supported
H3	Staff presentation and knowledge	→ Customer Satisfaction	0.29	3.546	Supported
H4	Reservation services	→ Customer Satisfaction	0.288	4.567	Supported
H5	Overall value for money	→ Customer Satisfaction	0.219	4.452	Supported
H6	Customer satisfaction	→ Behavioural Intentions	0.641	9.588	Supported

p < 0.01

Conclusion and implications

A large number of tourists are visiting Malaysia since last few years and this number is expected to increase in the coming years. It is supplemented by the initiatives taken by the Malaysian government to promote Malaysia as the top-of-mind destination for leisure tourism (Tourism Malaysia, 2014). Consequently, resort hotels are increasing in number throughout Malaysia making it as one of the dominant segments of leisure tourism industry (Inkabaran et al., 2004). Yet, despite of its growing importance, resort hotels have been ignored by scholars (Line & Runyan, 2012). Hence, this study

aimed to focus on resort hotels and investigate the effects of various service quality dimensions on customer satisfaction and behavioural intentions in the Malaysia. Following the suggestion by Wu and Ko (2013) to adopt newer operationalization for assessment of service quality in hospitality industry, this study attempted to validate Amin *et al.*'s (2013) operationalization of service quality and investigate the effect of service quality dimensions on customer satisfaction and behavioural intentions. The findings of this study points out that in general, guests are satisfied with the quality of the services provided by Malaysia resort hotels. The findings showed that operationalization of service quality proposed by Amin *et al.*, (2013) has a good predictive ability and it implies that better perceptions of hotel ambience & staff courtesy, food & beverage products, staff performance & knowledge, reservation services and financial value are more likely to develop customer satisfaction which is more likely to result in positive behavioural intentions such as revisit intentions or intentions to recommend it to others. These findings were consistent with previous studies (Amin *et al.*, 2013; Ekinci, Dawes & Massey, 2008; Mohsin & Lockyer, 2010; Mei *et al.*, 1999; Ryu & Han, 2010).

Despite of satisfaction with the quality of services provided, there is still a room for Malaysian resort hotels to improve their operations to attract and retain their customers. Improvements should be ensured in hotel ambience and the courtesy of staff. It is evident that creating a high quality and attractive ambience is not an option for the resort hotels, but it is a substantial aspect of service quality. Resort hotels emphasize more on hedonic aspects of customer experiences through an environment reflecting their theme or culture. Thus, ambient conditions can be a critical cue for satisfaction of the guests in resort hotels (Yang & Chan, 2010). Therefore, Malaysian resort hotels should make an effort develop positive intentions of customers by ensuring their satisfaction through a well-designed and maintained ambient conditions supplemented by courteous staff. Resort hotel managers should be well-aware of the significant role of hotel employees in delivering services to hotel guests. Therefore, hotel managers should focus on enhancing the knowledge, skills and commitment of their employees by providing them regular trainings and incentives.

Moreover, the findings of this study also pointed out to other critical and significant determinants of customer satisfaction such as staff presentation and knowledge, food and beverages product and service quality, as well as reservation services. These factors should not be ignored by Malaysian resort hotels. To provide exceptional customers value, hotel management needs to take a value producing entities approach by providing best price, best quality, and excellent service (Amin *et al.*, 2013). These offering should be made considering the objective of meeting the customer's expectations and anticipation to satisfy the customers. Previous research has highlighted that satisfied customers have tendency to spread their word-of-mouth and make repeat purchases (Nasution & Mavondo, 2008). In order to precisely improve the quality of the services provided, Malaysian resort hotels may have to develop a proper market segmentation. This may help them in understanding the needs and expectations of their target groups and how to improve the services provision (Ladhari, 2009). Malaysian resort hotels should consider ambience of the resort hotels and other amenities, as an effective marketing strategy in order to appeal to these different target groups. As observed in the findings of this study, reservation services are also a significant determinant of customer satisfaction. Hence, resort hotels should focus on improving their existing reservation services and aligning them with the modern technology. Resort hotels may

offer reservation services via virtual channels such as their web sites and social media channels. Resort hotels should also think of developing dedicated apps for smartphones which can help customers to access reservation services from multiple channels regardless of their location.

Although the results of the current study have shed light on several important issues, some limitations need to be considered in future research. Since convenience sampling was used in this study, results cannot be generalised. For instance the findings should be interpreted with caution when applied to different types of hotels or different industries. Future research should examine the proposed relationships in other types of hotels, industries and countries with a larger sample size. Service quality is an area which has been heavily researched in the past two decades. Therefore, it is advisable to use a more comprehensive operationalization of service quality in future studies. Future studies might also consider how people having different characteristics perceive service quality and its effect on their satisfaction and behaviours. Another avenue for future research can be using additional variables such as perceived value and customer loyalty which can determine the unexplained variance in customers' price acceptance. Besides, future research may also include emotions of customers in the existing framework.

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