Abstract: Studies have shown that a great pressure is placed on professionals in the hospitality industry, where managers strive to strengthen service quality through managerial strategies to retain loyal guests. However, the studies were limited and there has been a lack of research on how to enhance performance through service quality and brand image which influence guest satisfaction and loyalty. This study evaluates these perspectives from international and local guests of 5-Star hotels located in Bukit Bintang, Kuala Lumpur, Malaysia. The primary study purpose is to fill this gap by investigating empirically the impact of service quality and brand image on guest satisfaction and loyalty in 5-Star hotels. The research used the quantitative method to test the hypotheses proposed which were derived from literature review. Using a self-administered questionnaire, data were collected in person from guests who stayed in 5-Star hotels at shopping malls, in the Bukit Bintang area and from tourism agencies via social media. Raw data obtained were analysed using the Statistical Package for Social Science [SPSS] version 24. Results showed significant relationships in all hypotheses proposed. Customer satisfaction showed a full mediating role in the effect of service quality on guest loyalty and a partial mediating role in the effect of brand image on guest loyalty. Also, brand image and service quality impacts guest satisfaction and guest loyalty directly. Based on the results we discuss the study’s implications.

Keywords: service quality, brand image, guest satisfaction, guest loyalty, 5-star hotel, Malaysia

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Introduction

Hospitality and tourism industry has been developing remarkably in recent decades. This industry has become an anchor to the global economy, and according to UNWTO, it represents 9% of the world’s GDP, 30% of service exports and provide one in every eleven jobs. hospitality and tourism industry represents one of the major players in international commerce; it ranks third after fuels and chemicals and in many developing countries it ranks the first income source (UNWTO, 2016).

The tourism industry is not only one of the biggest contributors to Malaysia’s economy, but also the second largest source of foreign exchange (Hall & Page, 2017). Hospitality and tourism industry is a mentionable earning sector in Malaysia. The enormous transformation processes the hotel industry in Malaysia underwent has brought about a phenomenal economic expansion (Lahap et al., 2014).

The hospitality industry in Malaysia is a major contributor in the services sector of the Malaysian economy. The growth goes hand in hand with an increase in diversification and competition among destinations. Moreover, the hotel industry plays a major role in supporting tourism in Malaysia. The number of hotels are increasing
markedly to cater for the influx of international and domestic tourists. Kenneth (2016) reported the demand on hotels has increased along with the growth of tourism in Malaysia, and subsequently, increased the supply of hotel rooms throughout the country as much as 81% from 2010 to 2015.

Therefore, a greater pressure is placed on professionals in the hospitality industry to strengthen their management strategies to retain loyal guests by enhancing service quality, to stay ahead of the competition and maintain a competitive advantage (Kenneth, 2016).

Bukit Bintang, also known as “Arab street” is one of the trendiest shopping and entertainment areas in Kuala Lumpur. Its central location has added another feature that attracts most of the tourists if not all. Many five star hotels in Bukit Bintang are within walking distance of shopping malls and the Bintang walk. Malaysia receives a large number of tourists arriving for business or holiday purposes (Lahap et al., 2016). Therefore, maintaining service quality and brand image of its hotels are critical.

The first service research was carried out in the 1920s (Akbaba, 2006), and up to now, many researches have been carried out on service quality and guest loyalty (Lin, 2005; Wilkins et al., 2007; Lee et al., 2011; Tanford et al., 2012). From the literature, it is comprehended that the influence of service quality and brand image on guest satisfaction is effective and could be enhanced as a competitive advantage to obtain guest loyalty.

However, the studies are limited and sometimes confusing when it comes to the impact of brand image and service quality on guest satisfaction towards guest loyalty in the Malaysian 5-Star hotels. In other words, the factors which influence service quality of a hotel that can generate a better performance may differ from one hotel to another in Malaysia. The primary purpose of this study is to empirically investigate guests’ evaluation of service quality and brand image on guest satisfaction towards guest loyalty in 5-Star hotels in Bukit Bintang, Malaysia. Furthermore, by highlighting this particular matter, the impact of service quality and brand image will be revealed for the execution of effective management strategies. As for managers, the big picture will be disclosed, to enhance both service quality and brand image, to provide a higher performance of the hotel and as a result to obtain guest loyalty and receive high profits.

Finally, this paper offers a review of the existing literature about service quality and brand image on guest satisfaction towards guest loyalty. This paper values the perception of Malaysians and international guests as they contribute significantly to the Malaysian economy. This study will offer pertinent knowledge and some recommendations to practitioners and managers in this industry to improve the performance.

**Literature Review**

**Service Quality**

Among academics, service quality has become a major area of investigation. Many researchers and analysts have proposed several definitions of ‘Service Quality’. It refers to the measurement of how well the service-level delivered matches guest expectations. Service Quality (SQ) is the comparison of expectations (E) of service with service performance (P), which generates the equation SQ = P – E (Lewis & Booms, 1983). Guest’s requirements must be clearly stated to avoid misunderstanding as Crosby stated, “Quality is conformance to requirement.” (Crosby, 1985).

Previous studies mostly defined service quality as the difference between service expectations of guests and their perceptions of service (Grönnroos, 1984; Parasuraman et al., 1985; Johnston & Hewa, 1997). In 1989, Juran defined quality as fitness for use by which quality products should meet or exceed customer requirements. This confirms the association and inter-relation between the idea of perceptions and expectations in service quality (Parasuraman, et al., 1985; Lewis, & Mitchell, 1990). Therefore, service quality became a vital element in the hospitality industry. This theory has evolved over a long period of time through testing and trials in order to generate guest satisfaction (Borgave, 2012).

In 1985, Parasuraman et al. published a paper in which they described the factors that influence both perceptions and expectations of guests regarding service quality. Perceptions are what the guests reflect on and
feel about the service that they received from a hotel; influenced by tangibles, reliability, responsiveness, assurance and empathy. Expectations are what the guests are anticipating from the hotel which is influenced by the service promises, past experience, personal needs and word of mouth (Parasuraman et al., 1985).

**Gap Model Theory**

Parasuraman et al. (1985) suggested a Gap model to serve for future research. This model is a framework constructed to formulate and implement a high service quality strategy, integrating customers’ points of view. The objective of this model is to identify the gaps and reduce them as much as possible. The model gives emphasis to comparative differentiation in terms of the service quality with respect to the guest service expectations and perceptions, as guests assess the actual performance of the service obtained within a specified time (Parasuraman et al., 1985, 1988, 1994; Nasution & Mavondo, 2008).

**Service Quality Dimensions**

The SERVQUAL model is an instrument used to measure the perceived service quality from the guest’s point of view where the implementation of the Gap Model refers to Gap 5. After modifying the determinants from 10 to 5 dimensions, it was meant to combine guests’ expectations with their perceptions of a service. The evaluation is then obtained from a questionnaire with 22 items in which guests state their level of agreement on a scale. Academics have agreed that SERVQUAL provides several important functions (Parasuraman et al., 1988; Fitzsimmons & Fitzsimmons, 2011). It identifies departments that offer low service quality through sources of guest dissatisfaction; it helps in discovering trends in service quality through periodic surveys; and it identifies competitive advantages when comparing one’s own services with competitors. In this study, three of the five dimensions will be used as indicators namely Reliability, Responsiveness and Assurance. These will assist in identifying the factors that influence the guests’ expected and perceived service quality. Once the gaps between the perceptions and expectations of hotel guests are identified, the management could therefore seek solutions and improve hotel services. The study of service quality in hotels could ensure the growth of its business. See Figure 1.

**Brand Image**

The term brand image can be traced back to the 1950s. Aaker and Keller (1991) confirmed that after 1950s, the concept of brand image has become a very important part related to consumer purchasing decisions where it plays an important role in building brand equity in a long-term basis. The fundamental idea of this concept evolves from guests’ mental representations of the offerings (Dobni & Zinjkan, 1990) where symbolic meanings are associated with specific features of products (Padgett & Allen, 1997) or destinations. One study describes it as a perception of quality associated with the name (Aaker & Keller, 1990), whilst other studies refer to it as the trademark and the kind of associations that customers have with a brand, goods, services or organizations (Nguyen & Leblanc 2002; Simoes et al. 2005). However, Aaker (1991) emphasized that brand image can generate values in terms of helping customers to process information, differentiating the brand, generating reasons to buy, give positive feelings, and providing a basis for extensions. Thus, brand image is defined as the perception of an organization by its customers.

**Service Marketing Theory**

In marketing literature, it has been debated whether brand reputation and customer satisfaction are the same construct (Yi, 1990). Although it is important to ensure that the company’s brand image is recognizable, it is equally important to recognize a brand’s name for the valuable assets it brings to the company. A key function of a brand is that it facilitates a choice when intrinsic cues (attributes) are difficult to employ (Hoch & Ha, 1986; Olson & Jacoby, 1972). Thus, brand name is recognized as an extrinsic cue, that is, as an attribute related to the product but not part of the physical product itself. A brand will thus have a perception of overall quality
not necessarily intrinsic. Zeithaml (1988) and Shapiro (1983) suggested that the perceived quality of a product or service is related to the reputation associated with the brand name. In some situations, customers will only associate one product or one service with the brand (i.e. Pepsi) and thus the brand reputation is only measurable at the product level. In other situations, customers identify a bundle of products and services with the brand name (i.e. Philips, IBM, Citibank, etc.). The major point is that brand reputation is not necessarily limited to a focal product or service. In services and business-to-business industries, the brand appears to be more often connected to the reputation of the company rather than individual product or services (Shapiro, 1983; Zeithaml, 1988).

**Brand Image Dimensions**

Based on the studies conducted on store image Kandampully and Suhartanto (2000) identified two dimensions of image namely “holistic / Intangible” and “attributes / Tangible”. The holistic dimension refers to an individual’s mental picturing of the phenomena as a whole, as opposed to a mere collection of independent stimuli. In other words, the holistic or imaginary element of an image encompasses the total impression and feeling of a phenomenon from any senses. At the same time, Kandampully and Suhartanto (2003) mentioned that the operationalization of the holistic dimension of hotel image is based on the customer’s perception of the hotel’s atmosphere, reputation, external appearance, and layout. Meanwhile, they mentioned that attributes dimensions refer to the facilities and physical environment that forms and influences the phenomena. The operationalization of the attributes dimension is based on the basis of the guest’s perception of the hotel location, physical facilities, interior design, price, the quality of the goods and services provided and also employee performance.

The brand image attributes can be separated into functional and psychological dimensions (Echtner & Ritchie, 1993). The functional aspects are associated with the tangible or measurable attributes whereas the psychological/emotional aspect comprises of the more symbolic or intangible attributes. The brand-images’ attributes position the destination in the marketplace and distinguish it from competitors (Naidoo et al., 2010). In this study, Intangible dimension was used as an indicator to measure brand image. A further discussion of measuring intangible brand image such as hotel services is presented in the next subsection. See Figure 1.

**Guest Satisfaction**

The term satisfaction is generally understood as a person’s feelings of pleasure. Despite its common notion, the meaning of satisfaction has been extended to refer to an attitude or evaluation that is formed by the customer comparing their pre-purchase expectations of what they would receive from the product with their subjective perceptions of the performance they actually received (Oliver, 1980). The academic literature has typically defined customer satisfaction as a post choice evaluative judgment concerning a specific purchase decision (Churchill & Surprenant, 1982; Oliver, 1977; Tse & Wilton, 1988; Yi, 1990).

**Disconfirmation Theory**

This model consists of four elements: expectations, perceived performance, disconfirmation, and satisfaction as described in the following:

1. Expectation is what the customers anticipate about the performance of products or services (Churchill & Surprenant, 1982; Parasuraman et al., 1988).
2. Perceived performance indicates a guest’s experience after using products or services that can be better or worse than the customer’s expectations (Spreng et al., 1996). It is also known as perceived quality (Zeithaml, 1988).
3. Disconfirmation is defined as the difference between customer’s initial expectation and observed actual performance (Spreng et al., 1996). According to literature, disconfirmation is divided into three types consisting of positive disconfirmation, negative disconfirmation and simple disconfirmation.
4. Customers assess their levels of satisfaction by comparing two aspects, their actual experiences with their previous experiences, expectations, and perceptions (prior expectations to actual delivery) of the product’s performance (Oliver, 1980). They are basically confirming or disconfirming how well the organization has
delivered. This process is described as the Disconfirmation Model of Customer Satisfaction.

**Guest Satisfaction Dimensions**

In this study, Guest satisfaction indicators to be used are; ambiance including atmosphere, music, scent, color, convenient location, accessibility, safety and security (Rivers et al., 1991; Ananth et al., 1992; LeBlanc & Nguyen, 1996; Atkinson, 1988; Knutson, 1988; Cadotte & Turgeon, 1988) as well as interior decor and exterior aesthetics (Saleh & Ryan, 1992). Added to that, Guest room (cleanliness, amenities) among intangible components of hotel service are cleanliness (Atkinson, 1988; Knutson, 1988; Saleh & Ryan, 1992), comfort, spacious, well-maintained rooms (Knutson, 1988; Cadotte & Turgeon, 1988; Saleh & Ryan, 1992), room facilities such as better lighting, safety features in the bathrooms, easy to handle door knobs, supporting mattresses and chairs (Ruys & Wei, 1998). And lastly, Overall Satisfaction, Value for price is another factor that is strongly associated with high customer loyalty and hotel revenue (Atkinson, 1988; Shifflet & Bhatia, 1997; Amin et al., 2013). See Figure 1.

**Guest Loyalty**

In the literature, guest loyalty refers to the feeling of connection to a certain hotel brand. Jones and Sasser (1995, p. 94) stated that customer loyalty is “a feeling of attachment to or affection for a company’s people, products, or services”. A further definition of loyalty is given by Oliver (1999) who describes guest loyalty as “a deeply held commitment to repurchase a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior” (p. 34). For the purpose of this study, it is assumed here that a ‘loyal customer’ is a customer who repurchases from the same service provider whenever possible, and who continues to recommend or maintains a positive attitude towards the service provider (Kandampully, & Suhartanto, 2000).

The arguments in support of loyalty are simple to understand. On one hand, loyal customers are reported to have higher customer retention rates, commit a higher share of their category spending to the firm, and are more likely to recommend others to become customers of the firm (Reichheld & Earl Sasser, 1990). On the other hand, Uncles et al. (2003) stated that there is no globally agreed definition of loyalty. Overall, loyalty can be defined as something that consumers may exhibit to brands, services, product categories such as hotel room, and activities such as travelling (Uncles et al., 2003). This has led scholars such as Uncles et al. (2003) to propose three concepts of loyalty:
1. As primarily an attitude that sometimes leads to a relationship with the brand;
2. Expressed in terms of revealed behavior (for example, the pattern of past stay); and
3. Buying moderated by the individual’s characteristics, circumstances and/or the purchase situation.

**Guest Loyalty Theory**

Practitioners and researchers have not clearly identified a theoretical framework, identifying factors that could lead to the development of customer loyalty (Gremler & Brown, 1997; Kandampully & Suhartanto, 2000). However, there is a consensus amongst practitioners and academics that customer satisfaction and service quality are prerequisites of loyalty (Gremler & Brown, 1997; Cronin & Taylor, 1992). Keiningham et al. (2007) indicated that the hierarchy of customer perceptions to behavioral intentions to customer behavior is a logic that has a close resemblance to the Theory of Reasoned Action (Ajzen & Fishbein, 1980). According to Uncles et al. (2003) two aims of customer loyalty programs stand out. One is to increase sales revenues by raising purchase/usage levels, and/or increasing the range of products bought from the supplier. A second aim is more defensive, through building a closer bond between the brand and current customers it is hoped to maintain the current customer base.
Guest Loyalty Dimensions

1. Behavioral Loyalty - The behavior dimension refers to a customer’s behavior on repeat purchases, indicating a preference for a brand or a service over time (Bowen & Shoemaker, 1998).
2. Attitudinal Loyalty - Attitudinal dimension, on the other hand, refers to a customer’s intention to repurchase and recommend, which are good indicators of a loyal customer (Getty & Thompson, 1994).
3. Cognitive Loyalty - Cognitive loyalty refers to a psychological preference for buying a brand which consists of positive beliefs and thoughts about continually purchasing said brand (Hartel & Russell-Bennett, 2010). See Figure 1.

![Figure 1. Constructs and Dimensions](image)

Literature review summarised into four main points. First, scholars concluded that service quality affects guest satisfaction and guest loyalty; brand image affects guest satisfaction; and guest satisfaction influences guest loyalty. Second, brand image partially mediates the relationship between guest satisfaction and guest loyalty. Third, the majority agreed that both guest satisfaction and guest loyalty lead to success in the hospitality industry and gain competitive advantages. Finally, guest satisfaction mediates the relationship between service quality and guest loyalty.

Methodology

Conceptual Framework

Based on the review of literature, a conceptual framework proposed for this research is illustrated in Figures 2, 3 & 4.
Research Hypotheses

The main objectives of the research is to examine the structural relationships of the four interrelated constructs. Seven hypotheses are proposed as follows:

Service quality is one of the key factors in customer retention. In the hotel industry customer loyalty is an element that shows the effectiveness of the management and all the stakeholders (Mubiri, 2016). A management approach focused on customer loyalty can improve the competitiveness of the hotel (Tsiotsou & Goldsmith, 2012). Basically, customers’ loyalty is dependent on the quality of services that they get in a hotel. Therefore, if customers are not satisfied by the services they receive in one hotel, they will look for better services elsewhere (Jana & Chandra, 2016).
There is a significant relationship between Service Quality and Guest Loyalty.

Cronin and Taylor (1992) examined the significance of the relationships between service quality and customer satisfaction. Anderson and Sullivan (1993), Parasuraman et al. (1994), Anderson et al. (1994), Fornell et al. (1996), and Cronin et al. (2000) postulated that empirical researches have proposed service quality as one of the main antecedents of customer satisfaction which is also an identified factor influencing loyalty.

There is a significant relationship between Service Quality and Guest Satisfaction

The positive impact of brand image on customer satisfaction has been tested. Mazanec (1995) found image is positively related to customer satisfaction and customer preference (a dimension of customer loyalty) in luxury hotels. This indicates that a desirable image leads to customer satisfaction and customer preference, while an undesirable image may lead to dissatisfaction. Moreover, an experimental demonstration of this effect was also carried out by Suhartanto and Kandampully (2003), where they affirmed that brand image can support or undermine the value of their impression, and therefore, image can affect satisfaction and loyalty.

There is a significant relationship between Brand Image and Guest Satisfaction.

In addition, some studies proved that brand image influences customer loyalty (customer preference) directly (Mazanec, 1995). The degree to which guests prefer specific brands relative to competing alternatives is an important component of guest’s brand loyalty (Rundle-Thiele & Mackay, 2001). In addition, Mirzaee et al. (2013) stated that organizations are aware that their profitability depends on creating a strong image of products or services that leads to customer loyalty.

There is a significant relationship between Brand Image and Guest Loyalty.

Newman and Werbel (1973), La Barbera and Mazursky (1983), Bearden and Teel (1983), Bitner (1990) Dick and Basu (1994) and Oliver (1996) contended that customer satisfaction has often been held responsible for customer loyalty during the past few years. Cronin et al. (2000), McDougall and Levesque (2000), and Chiu et al. (2002) argued that literature provides empirical evidence of satisfaction influencing customer loyalty which is referred to as continuously positive buying behaviour of a customer towards a certain company or brand. In fact, Oliver and Linda (1981), Cronin and Taylor (1992), Fornell (1992), Reichheld (1993), Anderson et al. (1994), and Rai and Srivastava (2012) found that satisfaction is the most significant factor leading to customer loyalty.

There is a significant relationship between Guest Satisfaction and Guest Loyalty.

A group of researchers believed that service quality influences behavioral intention through customer satisfaction (Anderson & Sullivan, 1993; Lewis & Soureli, 2006). A significant impact of service quality and customer satisfaction on purchase intentions (Guest Loyalty) was examined in one of Cronin and Taylor (1992)’s studies. Another group of researchers argued that service quality is a key determinant of customers’ perceived value, which in turn has an impact on customer satisfaction and customer satisfaction influences loyalty (Joseph et al., 2000; Patterson & Spreng, 1997; Day & Crask, 2000).

Guest Satisfaction mediates the relationship between Service Quality and Guest Loyalty.

Although the positive impact of brand image on customer satisfaction and customer loyalty has been testified, there still exist minor disagreements between different researches. Specifically, some studies proved that brand image not only influences customer loyalty directly, but also impacts on it through other mediating factors. However, some research results demonstrated that brand image exerts no direct influence on customer loyalty, but it can impact on customer loyalty via customer satisfaction (Zhang, 2015).

Additionally, brand image has been shown to interact with customer satisfaction to impact customers’
behavioral loyalty (as measured by share-of-wallet) (Keiningham et al., 2005). In literature, attitudinal loyalty is often described as preference for the brand (Bennett & Rundle-Thiele, 2002). Therefore, brand preference may in fact be regarded as a higher order construct in the sense that “Loyalty” would likely be an outcome based upon guests’ expectations or experience (i.e. satisfaction) (Keiningham et al., 2007). Moreover, Cheng and Abdul Rashid (2013) confirmed that almost 64 per cent of the effect of customer satisfaction on customer loyalty goes through the brand image.

\[ H_p \text{ Guest Satisfaction mediates the relationship between Brand Image and Guest Loyalty.} \]

Research design, sampling design and data collection are addressed in order to comprehend further the methodology of this study. As for respondents, they were selected purposively from popular shopping malls in the Bukit Bintang area such as Pavilion Kuala Lumpur, Starhill Gallery and the Bintang walk. We were also assisted by travel agencies who distributed the questionnaire to their clients via social media.

**Research Design**

This research was conducted under the positivism ontology which is influenced by the empiricist paradigm. It means that it is concerned with cause and effect of social phenomena. The quantitative approach was used in this study as it involved gathering and analysing numerical data. Conclusions were drawn relying on said numerical data. Moreover, guests’ actions can be explained as a result of real causes without the influence of the researcher. As a deductive study, hypotheses were proposed based on theories via literature review whereby data were collected and tested for confirming theories addressed in literature. Therefore, quantitative data was more efficient and able to test the hypotheses addressed above as it employs approved procedures to ensure validity and reliability.

**Sampling Design**

The sample size was 165 and according to Krejcie and Morgan (1970) this is sufficient to assume a confident level of 0.05. Only 5-Star hotels’ guests were chosen, which is in line with the objectives of the study. The target respondents were international and local guests. Participants were guests of 5-star Hotels in the Bukit Bintang area who were selected using a non-probability sampling method.

**Data Collection**

To obtain the required data, a self-administered six-page E-questionnaire was used in this study. In light of ethical concerns, consent was first acquired from the guests before their participation in the study. The guests (respondents who have experienced 5-Star hotels) were informed about the purpose of their participation and had a clear understanding of the purpose of this research. Also, they were asked to voluntarily and anonymously fill out the questionnaire in soft copy (online). A souvenir was given to those who completed the questionnaire. Data collection started around the beginning of May 2017 and by the end of the study, 165 completed questionnaires were collected and saved instantly in an Excel spreadsheet.

A pilot test was conducted with 37 guests at the beginning of May 2017 to ensure that unclear, vague, and unfamiliar terms would not be included. The feedback from the respondents indicated that the questionnaire was appropriate. And from that point the data collection continued. A Cronbach’s Alpha results exceeded .70, indicating a high reliability of the questionnaire items (refer to Table 1).

<table>
<thead>
<tr>
<th>Construct</th>
<th>Number of Items</th>
<th>Coefficient Alpha ()</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Image</td>
<td>6</td>
<td>0.897</td>
</tr>
<tr>
<td>Service Quality</td>
<td>15</td>
<td>0.896</td>
</tr>
<tr>
<td>Guest Satisfaction</td>
<td>16</td>
<td>0.924</td>
</tr>
<tr>
<td>Guest Loyalty</td>
<td>15</td>
<td>0.905</td>
</tr>
</tbody>
</table>

**Table 1. Reliability analysis of items in survey questionnaire**

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Analysis Methods

The information collected from the questionnaire was coded carefully. Data obtained were then entered into Statistical Package for Social Science [SPSS] version 24. The data were then screened using appropriate statistical techniques to prevent the study from being biased, which involved the removal of unusable data; then several analytical techniques were employed to achieve the objectives of the study as follows:

1. A reliability test was made by computing Cronbach’s alpha for reliability analysis.
2. Correlation analysis to test hypotheses 1 to 5.
3. PROCESS analysis, including multiple regression and bootstrapping, was then employed to test H6 & H7.

Results

Gender

Out of 165 guests that responded to the questionnaire, the majority of them were female (60.6%) while males were 39.4% (Refer to Table 2). This indicates that 5-star hotels must thrive to attract and meet expectations of females as they represent the majority of customers. Female tourists are more aware of the quality of services in comparison to male tourists (Kwok et al., 2016).

<table>
<thead>
<tr>
<th>Table 2: Respondents gender</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>100</td>
<td>60.6</td>
<td>60.6</td>
<td>60.6</td>
</tr>
<tr>
<td>Male</td>
<td>65</td>
<td>39.4</td>
<td>39.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>165</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Age

The dominant respondents (44.2%) were Millennials or Gen Y between 26 and 35 years old, followed by respondents of Gen Z (43.6%) aged between 18 to 25 years. Finally, 10.9% of respondents from Generation X were obtained while only 1.2% were Baby Boomers. This indicates that 5-star hotels have to meet Gen Y and Gen Z expectations and needs as they represent a majority of consumers (Refer to Table 3).

<table>
<thead>
<tr>
<th>Table 3: Respondents age range</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>65</td>
<td>39.4</td>
<td>39.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>165</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Nationality

Out of 165 guests that responded to the questionnaire, the majority of respondents were international guests (75.8%) while 24.2% were Malaysians.

<table>
<thead>
<tr>
<th>Table 4: Respondents Nationality</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysian</td>
<td>40</td>
<td>24.2</td>
<td>24.2</td>
<td>24.2</td>
</tr>
<tr>
<td>International</td>
<td>125</td>
<td>75.8</td>
<td>75.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>165</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Hypotheses

Hypotheses 1 to 5 showed positive relationship (Refer to Table 5), thus significant results.

**Table 5: Summary of Hypotheses 1 to 5**

<table>
<thead>
<tr>
<th>Hypothesized path</th>
<th>r</th>
<th>Empirical Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>.560***</td>
<td>Significant</td>
</tr>
<tr>
<td>H2</td>
<td>.835***</td>
<td>Significant</td>
</tr>
<tr>
<td>H3</td>
<td>.722***</td>
<td>Significant</td>
</tr>
<tr>
<td>H4</td>
<td>.637***</td>
<td>Significant</td>
</tr>
<tr>
<td>H5</td>
<td>.651***</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Note:  * = p<.05, ** = p<.01, *** = p<.001

**H6: Guest Satisfaction mediates the relationship between Service Quality and Guest Loyalty.**

Results (Refer to Table 6) of the mediation analysis support the mediating role of guest satisfaction in the relationship between service quality and guest loyalty (B = .5743, CI = .2781 to .8670) with the confidence interval not reaching zero, meaning it is significant. Results indicated that the direct effect of service quality on guest loyalty is lessened as a predictor (B = .045, t (148) = .351, P = .725) when controlling for guest satisfaction and because the p value is higher than .05, thus suggesting full mediation.

**Table 6: Result of Hypothesis 6**

<table>
<thead>
<tr>
<th>Path</th>
<th>F-value</th>
<th>R²</th>
<th>Beta</th>
<th>t-value</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Path c</td>
<td>69.67***</td>
<td>.318***</td>
<td>.619***</td>
<td>8.347***</td>
<td></td>
</tr>
<tr>
<td>Path a</td>
<td>383.42***</td>
<td>.72***</td>
<td>.789***</td>
<td>19.58***</td>
<td></td>
</tr>
<tr>
<td>Path b</td>
<td>54.67***</td>
<td>.42***</td>
<td>.727***</td>
<td>5.23***</td>
<td></td>
</tr>
<tr>
<td>Path c'</td>
<td>.045</td>
<td>.351</td>
<td>.725</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Indirect effect of X on Y

<table>
<thead>
<tr>
<th>GS (M)</th>
<th>Beta</th>
<th>BootLLCI</th>
<th>BootULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.5743</td>
<td>.2781</td>
<td>.8670</td>
</tr>
</tbody>
</table>

Note:  * = p<.05, ** = p<.01, *** = p<.001

**H7: Guest satisfaction mediates the relationship between brand image and guest loyalty.**

Results of the mediation analysis confirmed the mediating role of guest satisfaction in the relationship between brand image and guest loyalty (B = .2932, CI = .1423 to .5175); the confidence interval does not reach zero, meaning it is significant. In addition, results indicated that the direct effect of brand image is lessened on predicting guest loyalty (B = .442, t (151) = 4.56, P = .000) when controlling for guest satisfaction, thus suggesting partial mediation (refer to Table 7).

**Table 7: Results of Hypothesis 7**

<table>
<thead>
<tr>
<th>Path</th>
<th>F-value</th>
<th>R²</th>
<th>Beta</th>
<th>t-value</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Path c</td>
<td>119.08***</td>
<td>.439***</td>
<td>.735***</td>
<td>10.91***</td>
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</tr>
<tr>
<td>Path a</td>
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<td>.56***</td>
<td>.70***</td>
<td>13.9***</td>
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</tr>
<tr>
<td>Path b</td>
<td>73.71***</td>
<td>.49***</td>
<td>.41***</td>
<td>4.04***</td>
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</tr>
<tr>
<td>Path c'</td>
<td>.442</td>
<td>4.56</td>
<td>.000</td>
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</tbody>
</table>
## Discussion

**Hypothesis 1: There is a significant relationship between Service Quality and Guest Loyalty**

Researchers agreed that through guest loyalty the effectiveness of the management and all stakeholders can be demonstrated (Mubiri, 2016). A management approach focused on guest loyalty can improve the competitiveness of the hotel (Tsiotsou & Goldsmith, 2012). Several studies have revealed that service quality plays an important role towards guest loyalty. This means that when service quality meets its high standards the guest tends to come back to the hotel more often and become loyal. Jana and Chandra (2016) confirmed in their study that if guests are not satisfied with the services they receive in one hotel, they would look for better services elsewhere. The hypothesis proposed above has proven a significant positive relationship that suggested guests tend to be more loyal if they receive high service quality. By receiving a worthy quality service, their needs are fulfilled and the probability a hotel loses them to the competitors is low. Therefore, the finding of this hypothesis is in line with the results from previous researches.

**Hypothesis 2: There is a significant relationship between Service Quality and Guest Satisfaction.**

A considerable amount of literature has been published on guest satisfaction and how it impacts guest loyalty. One of the main antecedents of guest satisfaction proposed was service quality, where many empirical researches confirmed this relationship (Anderson & Sullivan, 1993; Parasuraman et al., 1994; Anderson et al., 1994; Fornell et al., 1996; Cronin et al., 2000). Cronin and Taylor (1992) examined the significant relationship between service quality and customer satisfaction which is also treated as a primary source of loyalty. The second hypothesis has confirmed that there is a significant positive relationship between service quality and guest satisfaction. This indicates that the higher the quality of service a guest received the more satisfied he/she becomes. The result of this study is therefore consistent with the findings in previous studies.

**Hypothesis 3: There is a significant relationship between Brand Image and Guest Satisfaction.**

The relationship between brand image and guest satisfaction has been widely investigated, Mazanec (1995) for instance, found image to be positively associated with customer satisfaction and customer preference (a dimension of customer loyalty) in luxury hotels. This indicates that a desirable image leads to customer satisfaction and customer preference, while an undesirable image may lead to dissatisfaction. Besides, an experimental demonstration of this effect was also carried out by Suhartanto and Kandampully (2003), where they affirmed that brand image can support or undermine satisfaction and loyalty. The result of the third hypothesis was significant, it proves what previous researches have examined, and affirms that there is a significant positive relationship between brand image and guest satisfaction. When the Brand Image is high the tendency of guests to be satisfied is also high. The result of this hypothesis is therefore in line with previous researches.

**Hypothesis 4: There is a significant relationship between Brand Image and Guest Loyalty.**

Some studies proved that brand image influences customer loyalty (customer preference) directly (Mazanec, 1995). The degree to which guests prefer specific brands is an important component of a guest’s brand loyalty (Rundle-Thiele and Mackay, 2001). Besides, Mirzaee et al. (2013), affirmed that an organization knows that
their profitability results from creating a strong image and products or services that lead to customer loyalty. The above proposed hypothesis has proven this relationship significantly. Brand image has a noticeable influence on guest loyalty, the higher-level brand image provides a tendency among guests to become loyal to the brand. This means that there is a significant positive relationship between brand image and guest loyalty which is also in line with the previous studies from the literature.

**Hypothesis 5: There is a significant relationship between Guest Satisfaction and Guest Loyalty.**

A considerable number of researchers has argued that customer satisfaction has often been held responsible for customer loyalty during the past few years (Newman & Werbel, 1973; LaBarbera & Mazursky, 1983; Bearden & Teel, 1983; Bitner, 1990; Dick & Basu, 1994; Oliver, 1996). While others claimed that literature provides empirical evidence of satisfaction influencing customer loyalty which is referred to as the continuously positive buying behavior of a customer towards a certain company or brand (Cronin et al., 2000; McDougall & Levesque, 2000; Chiou et al., 2002).

Nevertheless, it was found that satisfaction is the most significant factor leading to customer loyalty (Oliver & Linda, 1981; Cronin & Taylor, 1992; Fornell, 1992; Reichheld, 1993; Anderson et al., 1994; Rai & Srivastava, 2012). The fifth hypothesis proposed significantly confirmed that there is a positive relationship between guest satisfaction and guest loyalty. This implies that when guests are fulfilled and happy their tendency to come back to the same hotel is high. Thus, this result is consistent with previous studies that proved the significant positive relationship between guest satisfaction and guest loyalty.

**Hypothesis 6: Guest Satisfaction mediates the relationship between Service Quality and Guest Loyalty.**

It has been reported that service quality influences behavioral intention (guest loyalty) through customer satisfaction (Anderson & Sullivan, 1993; Lewis & Soureli, 2006). Moreover, a significant impact of service quality and customer satisfaction on purchase intention (Guest Loyalty) was examined in one of Cronin and Taylor (1992)’s studies. Another group of researchers argued that service quality is a key determinant of customers’ perceived value, which in turn has an impact on customer satisfaction; and customer satisfaction influences loyalty (Joseph et al., 2000; Patterson & Spreng, 1997; Day & Crask, 2000).

The above proposed hypothesis was supported by the fact that there is a significant mediating role of Guest Satisfaction in the relation between Service Quality and Guest Loyalty. The confidence interval did not include zero and the results indicated that the direct effect of Service Quality on Guest Loyalty is lessened as a predictor when controlling for Guest Satisfaction and p value is higher than .05, suggesting a full mediation. This result is in line with previous studies from the literature that guest satisfaction mediates significantly the relationship between service quality and guest loyalty (Keshavarz & Ali, 2015).

**Hypothesis 7: Guest Satisfaction mediates the relationship between Brand Image and Guest Loyalty.**

Although the positive impact of brand image on customer satisfaction and customer loyalty has been affirmed, there still exist minor disagreements between different researches. Specifically, some studies prove that brand image not only influences customer loyalty directly, but also impacts on it through other mediating factors. However, some research results demonstrate that brand image exerts no direct influence on customer loyalty, but it can impact on customer loyalty via customer satisfaction (Zhang, 2015).

Additionally, brand image has been shown to interact with customer satisfaction to impact customers’ behavioral loyalty (as measured by share-of-wallet) (Keiningham et al., 2005). In literature, attitudinal loyalty is often described as preference for the brand (Bennett & Rundle-Thiele, 2002). Therefore, brand preference “Loyalty” may in fact be an outcome based upon guests’ satisfaction (Keiningham et al., 2007). Besides, Cheng and Abdul Rashid (2013) confirmed that almost 64 percent of the effect of customer satisfaction on customer loyalty is because of the brand image.

The above hypothesis was significantly confirmed. Results of the mediation analysis confirmed the mediating
role of Guest Satisfaction in the relation between Brand Image and Guest Loyalty as the confidence interval does not include zero, so it is significant. In addition, results indicated that the direct effect of Brand Image is lessened on predicting Guest Loyalty when controlling for Guest Satisfaction, thus suggesting partial mediation. This implies that whether the guest is satisfied or not the brand image still impacts his loyalty. This result is in line with previous studies that proved the mediating role of Guest Satisfaction in the relationship between Brand Image and Guest Loyalty (Keiningham et al., 2005; Cheng, & Abdul Rashid, 2013; Zhang, 2015).

Recommendations and Conclusions

Some recommendations are suggested for hotels to implement. Implementing Total Quality Management (TQM) with brand promotion will improve service quality and brand image overall. Emphasizing quality management and promotion will help improve the business and increase guest satisfaction, which indirectly increases the revenue. It is encouraged that hotels never stop learning and continue to change to adapt to the current trend of business because it strengthens further the understanding of what customers really want when choosing a hotel. Secondly, as findings revealed, brand image impacts guest satisfaction and guest loyalty positively and directly. Therefore, it is essential for hoteliers to take into consideration the importance of brand image and its positive potential outcomes to the hotel industry. Based on this finding, hotel operators could plan, formulate, and decide to what extent they should improve their brand image and service quality to compete with other hotels.

This study proposed the framework with two independent constructs - service quality and brand image - to influence guest satisfaction and guest loyalty in the Malaysian hotel industry. Thus, this research has extended the existing knowledge by developing the concept, which simultaneously aligning service quality and brand image that is an integral part of a marketing strategy for the hotel industry. A limitation of this study is that it only sampled guests who experienced 5-star hotels in Bukit Bintang due to financial and temporal constraints. Therefore, the results cannot be generalised as representative of all five star hotels in Malaysia.

Future research may increase the sample size to be tested to include other five stars in other geographical areas in Malaysia. This will ensure a better representation of five star hotels and therefore the findings could be generalised better. Similar research could also be carried out in other service industries such as attractions, health services and financial services.

Another interesting direction for future research is to consider how other factors such as media and online reviews as well as the hotel’s recent communications, for instance, would affect guest satisfaction and guest loyalty. Also, guest loyalty and guest satisfaction can exchange positions from mediator to a dependent variable. The expansion of the model can be compared to this research’s model.

References


