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A Study of Brand Image towards Customer's Satisfaction in the Malaysian Hotel Industry

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Abstract

Branding is known to be important to an organization. Through effective and efficient branding research and development, it is believed that the attainment of proper organizational return on investment (ROI) can be viably achieved. Therefore, establishing a strong brand image is inevitable to ensure the overall organizational success. This research was conducted to study the importance of brand image towards customers' satisfaction and to examine whether the brand image influences customers' satisfaction. Citing from the past literature it was found that brand image was among the first constituents that customers will adhere to when selecting accommodation. In this study, a total of 300 questionnaires were deployed with a 75% response rate. The finding was found to be intriguing and revealed that brand image does influence customer satisfaction in the Malaysian hotel industry context. Thus, this study is valuable because it strengthens further the understanding of what customers really want when choosing a hotel. Therefore, this study has the capacity to offer hotel operators a way to plan, formulate, and decide to what extent they should improve their brand image to compete in the long run.

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1. Introduction

Hospitality and tourism industry worldwide have developed into a truly global industry in which both consumers and producers are spread worldwide. The industry was known to be one of the major contributors to many countries (Mohajerani & Miremadi, 2012). In relation to that, the hotel sector emerged as a subsection of the industry that strengthened the business. The hotel industry in Malaysia has undergone a process of transformation that brought phenomenal economic expansion towards the Malaysian economy (Lahap, Said, Rose, Sumarjan & Mohi, 2014). In 2013, it was revealed that approximately 25.7 million international tourists visited Malaysia. Furthermore, it was recorded that the tourism revenue has increased from MYR 60.6 billion to MYR 65.4 billion (USD 19 billion) in 2013, an increase of 7.3% (Tourism Malaysia, 2014). Significantly, the development of hospitality industry in Malaysia has gone to a certain degree that further enhances the Malaysian Gross Domestic Product (GDP) that intertwined to the overall Malaysian economy. The United Nations World Tourism Organization (UNWTO) reports ranked Malaysia as the best ten tourist destination in 2012. The Malaysian Association of Hotels (MAH) has recorded a total of 2,724 hotels with a total of 195,445 hotels rooms to cater the inflow of international tourist and domestic consumption (Tourism Malaysia, 2014).

The aggressive nature of this industry in attaining service perfection drives hotel operators to constantly seeking for a new approach in building strong positive experience towards their customers (Liat & Rashid, 2013). Subsequently, it is vital for hotel operators to stay adhered concerning the present and future needs to advance in the business and to react towards the needs and wants of hotel guests. Innovation and creativity is a crucial element in maintaining competitive edge in this industry (Lahap, O'Mahony & Dalrymple, 2014; Tigu, Iorgulescu and Ravar, 2013). Thus, hotel operators have to explore hard especially in creating unique and distinctive service features that be able to meet and exceed customer's expectations (Liat & Rashid, 2013). Hence, this research is conducted to study on how brand image could contribute to customer's satisfaction in particular to the Malaysian hotel industry, and therefore, one hypothesis is offered: H¹: There is a significant relationship between brand image and customer satisfaction.

2. Literature review

2.1. Brand image

Image is an important element of a hotel, a brand acts as the most influential element in services because of its natural uniqueness like perishability, inseparability, tangibility and heterogeneity (Dhillon, 2013). Saleem and Raja (2014) posited that brand image is a reflection of a brand held in consumer memory. They added that, in a simple words, brand image is basically what comes into the consumers' mind when a brand is placed in front of the customer. In other words, it means that when the customers assess a brand name, they spontaneously think of the features of a brand. Mohajerani and Miremadi (2012) explained that image is the overall impression made in the minds of the public about something. They also stated that the image of service organization is diverse, and therefore, each customer has different types of expected impression, experiences and contacts with the organization, and that leads to a different image acceptance. Recent views of hotel operators stated that a solid brand image has the capacity to improve corporate esteem, financial performance, occupancy, average price, revenue and degree of profitability (Fung So, King, Sparks, & Wang, 2013). Suhartanto and Kandampully (2003) stated that "...company image also can be an important element in the value equation...company or brand image can support or undermine the value that customer's feel they are getting, and therefore, image can affect loyalty..." (p. 9). Brand image can be translated into what customer could benefit, the realization customer's attributes and the customer's personality traits (Maroofi, Nazaripour, & Maaznezhad, 2012).

Image is developed in the customer's mind through the impacts of promotion, advertisement, public relations, word-of-mouth and customer's encounter with the products and services (Suhartanto & Kandampully, 2003). Moreover, one approach in keeping up customer's brand dedication is to emulate an existing positive brand image implemented by successful organization (Kayaman & Arasli, 2007). The hotel image is also an important variable that positively or negatively influences marketing strategies of the hotel itself (Lahap et al., 2014). According to Suhartanto and Kandampully (2003) image is an important element to organizations, due to the ability to influence

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