A STUDY OF CUSTOMER SATISFACTION AND LOYALTY OF MY DREAM HOTEL

IN YANGON, MYANMAR

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<u>A Study of Customer Satisfaction and Loyalty of My Dream Hotel in Yangon,Myanmar</u>

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## ABSTRACT

This study proposed the customer satisfaction and loyalty of My Dream Hotel in Yangon, Myanmar. The objectives of this study are to consider the relationship between service quality in terms of tangibles, reliability, responsiveness, confidence, communication and customer satisfaction, to find the relationship between service quality in terms of tangibles, reliability, responsiveness, confidence, communication and perceived value, to investigate the relationship between satisfaction and customer loyalty and to find the relationship between perceived value and customer loyalty. The quantitative research method was used in this study. The researcher has used 385 respondents who are the customers of My Dream Hotel in Yangon, Myanmar. The independent variables of this study are service quality in terms of tangibility, reliability, responsiveness, assurance and empathy; the dependent variables are customer satisfaction, perceived value and customer loyalty. The research found out the independent variables has influenced on the dependent variables.

*Keywords: Service quality, Customer satisfaction, Customer Loyalty, Perceived value, My Dream Hotel*

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**CHAPTER 1**

**INTRODUCTION**

**1.1 Background**

The tourism business had been played a major role in Myanmar meanwhile the start of national reforms in the year 2011. Myanmar is blessed with numerous potential traveler attractions emerging from its 1,930 km coastline, its verifiable points of interest and assortment of social conventions. The government has drawn up a tourism improvement ace arrange, which looks for to construct Myanmar into a driving traveler goal in Southeast Asia, and to cater to the expanding number of sightseers going to Myanmar. The Ministry of Hotels and Tourism assessed that inbound visitors to Myanmar amounted to 6 million in 2016. Furthermore, political and financial steadiness are seen as openings for the advancement of the tourism industry. The Myanmar Tourism Master Plan (2013-2020) plans to reach target of 7.48 million international visitors in 2020, which means an increase of around 1.48 million tourists in 2016. Myanmar has seen an increase in the number of hotel rooms from 9,132 at the end of 2015 to 11,207 at the end of November 2016. (Myanmar Tourism Statistics, 2017). However, there is still high demand for hospitality services which need to be improved for Myanmar to achieve its target for the tourism industry. (http://tourism.gov.mm/en_US/publications/tourism-statistics/). In addition, there are very few academic approaches targeting local hotels in Myanmar. Therefore, the researchers interested to conduct a study to understand more about local hotels in Yangon, Myanmar to fulfill the research gap.

Yangon, formerly known as Rangoon, is long been a business center and the capital of the country till 2006 when the government moved to the new capital city named Nay Pyi Taw. However, Yangon still the metropolitan of Myanmar where all the industries are well developed and major gateway for tourism. The population of Yangon is over seven million and it is the largest and crowded city of Myanmar with important economic and commercial centers of the country (http://data.un.org). Yangon has the country largest international airport, Yangon International Airport which received nearly

6.65 million in 2016 with the estimated annual capacity of 2.7 million passengers; hosting the largest portion of country's newly developing tourism industry. My Dream Hotel is located in one of the major central business districts of Yangon which is Baukhtaw, Yankin Township in Yangon. My Dream hotel is operated by local company since 2016 situated very near to famous tourist attraction namely, Shwe Dagon Pagoda and Yangon's largest international retail shopping center, Myanmar Plaza. The carpeted rooms are clean and are prepared with television, a mini bar fridge, attached bathrooms with bath tubs, dressing table, healthy mattress, fire and smoke detectors and tea and coffee making facilities. The hotel has a good dining room waitressing Myanmar and International food as well as buffet breakfast is serving daily for all the guests. My Dream Hotel has 58 rooms and can accommodate more than 100 customers per day. Moreover, free private parking is available at the hotel. The front desk is available 24 hours at the property. My Dream Hotel has more than 70 employees including a manager, receptionist, chef, waiters and room service employees. Free Wi-Fi is offered throughout the property.

## 1.2 Statement of the problem

Hospitality industry becomes more competitive in the market and superior service quality enables a firm to differentiate itself from competition and firms are not only needed to find new customers but also they need to keep existing customers to enhance efficiency. (Kandampully and Suhartanto, 2000). Hotel is one of the hospitality industries which is an umbrella term for a broad variety of service industries including, but not limited to, hotels, restaurants and casinos. The hotel industry becomes one of the most competitive industries especially early in the 21$^{st}$ century.  For this reason, enhancing customer loyalty is one of the key aspects of enhancing competitiveness in the industry as well as ensuring business continuity. Moreover, the crisis in Northern Rakhine State happening since 2017 caused huge impact on growth of tourism industry of Myanmar. Therefore, tourism and hospitality industry of Myanmar is facing both challenges and opportunities at the same time. (https://www.voanews.com/a/Myanmar-tourism/4539095.html). Due to the international pressure and difficult situation among

Myanmar and Bangladesh, the impact of crisis will take long term to recover for tourism industry of Myanmar. Therefore, the competition in hospitality industry becomes relatively higher in Myanmar, especially for local hotels like My Dream Hotel, which has to compete not only among local counterparts but also with huge international investments.

The major objective to conduct this research is to identify how My Dream Hotel can work and apply better strategies to gain customer loyalty. As in today's world to get the customer loyalty is not an easy task. Different variables are tested like service quality, which has five sub-variables, customer satisfaction, and perceived value. The motivation behind this study is to characterize the factors affecting customer loyalty in the hotel industry. Service quality, customer satisfaction and hotel perceived value have a relationship with each other and affect the dependent variable, customer loyalty. As service quality has sub variables, identifying them with all the sub variables need to be tested with other factors to test the relationship between them. It is very important to justify which variable has more impact on another in terms of gaining customer loyalty in hotels. Therefore, the researchers interested to conduct a consider to explore the components impacting client dependability towards My Dream Hotel which can fulfill the investigate hole. The population of this study is both males and females including foreigners and local visitors who have experience in visiting My Dream Hotel in Yangon, Myanmar.

There are multiple factors which may have effect on the customer loyalty towards service provider. According to Kandampully and Suhartanto (2000), service quality of a business can provide differentiation which cannot only attract new customers but also keep existing customers. Anderson and Sullivan (1993) described perceived service quality as an intellectual assessment towards service provided and to have relationship with loyalty. Oliver (1980) proposed the expectancy disconfirmation theory, describing that customer loyalty can be triggered when the quality of the product or service exceeds his/her expectations. Hotels can create strategies to improve the quality of their services

and products by measuring the level of their customers' loyalty. In most cases, customer satisfaction lays out a blueprint that can be used to improve services. It gives the hotel management a reason to understand the needs of their customers and keep on offering quality services. Moreover, Gandolfo (2010) mentioned that satisfaction of customer can improve the good image of tourist destination and enhance loyalty of visitor towards the destination. In order to success in any business, customer satisfaction definitely is the critical factor (Gronoos, 1990). Satisfaction level is the outcome of the discrepancy between expected and actual performance. For instance, positive disconfirmation as known as satisfaction will happen when product or service performs better than expected (Oliver, 1980). Aiming to improve customer loyalty, management has to be focused on customer satisfaction was effective, at the same time enhanced the good image of touristic place (Gandolfo, 2010). Moreover, Day (1994) described the correlation between perceived value and customer loyalty which develop relationships between service provider and its subscribers. Therefore, the researcher interested to examine the perceived service quality, satisfaction and perceived value for their influence on customer loyalty towards a local hotel in Yangon, Myanmar.

Therefore, based on the statement of the problem of the study, the research questions are developed as follows:

1. What is the most influential factors of service quality in terms of tangible, reliability, responsiveness, confidence and communication on customer satisfaction?

2. What is the most influential factors of service quality in terms of tangible, reliability, responsiveness, confidence and communication on perceived value?

3. Does the customer satisfaction have significant effect on customer loyalty?

4. Does perceived value have significant impact on customer loyalty?

**1.3 Research Objectives**

The main objective of the research is to know the effect of service quality, customer satisfaction and perceived value on the loyalty of the customers towards the local hotel in Yangon, Myanmar. The particular destinations of the think about are as takes after.

(1)    To consider the relationship between service quality in terms of tangibles, reliability, responsiveness, confidence, communication and customer satisfaction

(2)     To find the relationship between service quality in terms of tangibles, reliability, responsiveness, confidence, communication and perceived value

(3)     To investigate the relationship between satisfaction and customer loyalty

(4)     To find the relationship between perceived value and customer loyalty

**1.4 Scope of the Research**

The fundamental center of this study is to recognize the factors affecting customer loyalty towards My Dream Hotel in Yangon, Myanmar. This study incorporates free factors which are service quality in terms of tangibles, reliability, responsiveness, confidence and communication, customer satisfaction and perceived value. In addition, customer loyalty plays as a major role and dependent variable in this study. This study of main population is the customers who had been visiting My Dream Hotel. The researcher will use a total sample size of 300 aiming to gather the information from the respondents. The questionnaire survey would be used as research instrument.

The surveys are appropriated to the respondents who have experienced visiting My Dream Hotel (at least one time). The respondents were asked about the service quality in terms of tangible, reliability, responsiveness, confidence and communication, customer satisfaction, perceived and customer loyalty. All the questions used the 5 point Likert Scale. The questionnaires for this study are developed depended on previous

studies. The questionnaires survey will undergo at the hotel lobby with the help from the receptionists and other staff of My Dream Hotel.

**1.5 The Research Limit**

The researcher emphasized only on My Dream Hotel, because of the confinement of assets, that the researcher unable to survey a larger population. In Myanmar, there was total of 1.8 million visitors visited in 2016 which increased to 3.55 million in 2018 including 1.3 million who came by air, and 9370 by cruise ship. Of the total, 1.4 million came with visas and 2.2 million came through border crossings (Ministry of Tourism, 2019). However, the occupancy rate of hotel in Myanmar is around 50% which shows only half of the nearly 70,000 rooms in 2018 (Ministry of Tourism, 2019). The respondents for this research are customers who have experienced visiting My Dream Hotel, in Yangon, Myanmar. Therefore, this study results might not be concluded to all the other hotels in Yangon or in other parts of Myanmar. The other restriction identifies with the limitations of period. This study is directed in an extremely constrained time span. Thus, its discoveries might be substantial for a single point in time, and cannot be summed up for different timeframes.

It is hard to examine all the conceivable components that impact customer loyalty. This examination has intentionally neglected a portion of the potential variables, which might impact customer loyalty. Consequently, a more top to bottom investigation of other possible components could be a proposal for directing future study. Lastly, the tool that the researchers used; questionnaire is also regarded as another limitation of the study. Regardless of these limitations, thus research still provided reliable and realistic data information.

**1.6 Benefit of the Research**

According to Reichheld et al. (1990), a firm could acquire 25% more benefit by simply keeping up 5% of its current customers. Hence, understanding the predecessors of service quality, customer satisfaction, perceived value and customer loyalty can be very critical to every business. The discoveries of this exploration will give a superior

comprehension of the key variables influencing the hotel industry. Therefore, My Dream Hotel may be able to improve the market share and better satisfy customer's prerequisites. Also, the data of this study will be significant for My Dream Hotel for growing new techniques to gain higher customer loyalty. In addition, this will also help My Dream Hotel to develop new strategies to enhance customer loyalty which can be a significant competitive advantages leading to sustainable development in highly competitive business environment. On the other hand, the research framework of this study can be applied to other hotels as well as service providers to learn the impact of significant factors on customer loyalty towards their business.
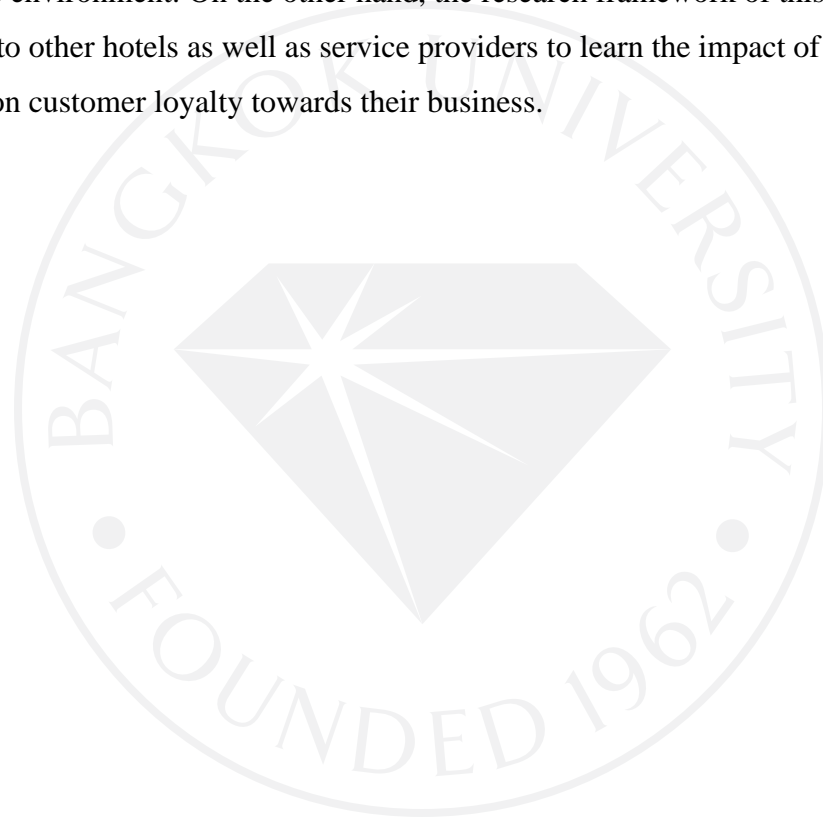
**CHAPTER 2**

**LITERATURE REVIEW**

This one shows the common concepts and overall literature review of the research for both independent and dependent variables. Firstly, the researcher presents the relevant theories of independent variables such as service quality in terms of tangibility, reliability, responsiveness, confidence and communications; perceived value and satisfaction. Moreover, the researcher discusses the concepts of customer loyalty that is the dependent variable of the study. Secondly, this chapter deals with the related literature review between independent variables and dependent variable for development of hypotheses. Lastly, this chapter literally and precisely supports the development of conceptual framework.

**2.1 Related Theory of Factors**

**2.1.1 Quality of the Serivce**

In this study, service quality is focused on perceived service quality. Cronin and Taylor (1994) stated that perceived service quality means a consumer evaluation perception of the actual service received at a specific time. Zeithaml (1998) defined service quality as the customer's judgment about the overall excellence or superiority of services. Park et al. (2004) also defined service quality as a consumer's overall impression of the firm or its services. The consumer's total impression of the efficiency of the firm describe the service quality (Park et al., 2004) and as a chain of services in which the whole service delivery is branched into a sequence of processes (Chen and Chang, 2005). Most of the service quality depends on the attitude and mainly focus on customers' need and how the service serve to the customers. The operational definition of service quality can be defined as the mix of administration ascribes those are assumed to be the most critical in the assessment of customers in arriving at a subjective assessment of service worth (Mason et al. 1974).

Aiming to measure service quality, Parasuraman et al. (1988) introduced five dimensions of SERVQUAL model including (1) tangible elements, (2) reliability (3)

responsiveness (4) assurance and (5) empathy. A few ponders detailed that the SERVQUAL scale isn't inclusive but there has been variable support for the validity of the SERVQUAL model in the hotel service industry (Wilkins et al,.2007).

Tangible elements can be specified as the common physical appearance and convenience of the hotel. The operational definition of tangible elements can be defined as the common physical appearance and functionality of the hotel (Getty and Getty, 2003).

Reliability implies the degree to which workers can be reliant on to perform the administration right the first run through. The operational definition of reliability can be defined as the extent to which employees can be depended on to perform the service right as the customers required (Getty and Getty, 2003).

Responsiveness is taking care of clients' issues immediately and proficiently with confidence which can be refered to the ability and obligingness of workers, representatives and the securities providing quick and reliable administration environment. The operational definition of responsiveness can be defined as solving customers' problems promptly and efficiently (Getty and Getty, 2003).

Assurance is the way of communication as keeping visitors educated and attempting endeavors to comprehend and react to their requirements. The operational definition of assurance can be defines as the courtesy, knowledge and ability of employees to develop confidence and trust from the customers (Getty and Getty, 2003).

Empathy can be described as the employees become critical to determine the customer service of a business that required prominent individualized empathetic attention towards customers (Donthu & Yoo, 1998). The operational definition of empathy can be defined as the ability of the service provider or employees to care for and provide personalized attention to its customers (Coetzee et al., 2013).

**2.1.2 Satisfaction of the Customers**

According to Hansemark & Albinsson (2004), customer satisfaction could be characterized as the customer's overall perception towards products or services including psychological responses to the difference between customer's anticipation and the benefits that they gain, related to the conforming needs, wants or goals. On the other hand, satisfaction is the consumer's fulfillment response. (Oliver,1997). Customer satisfaction is an individual's enjoyment obtained from using a particular product which meets with his or her expectations (Kotler, 2003). Deng et al. (2010) described that customer satisfaction is the level of customers' positive feelings and attitudes upon particular products or services. Customer satisfaction is the degree of how items and services provided by a company meet or fulfill customer desire. It is characterized as the number of customers or percentage of total customers whose detailed experience with a firm, its products or its services (rating) exceeds specified satisfaction goals (Ham and Ryu, 2009).

According to Kotler & Keller (2006), customer satisfaction refers to an individual's feelings of pleasure or disappointment driving from contrasting to a product perceived performance with their expectations. Satisfaction of the customers is the general feeling and the recognition of whether the product or service is identical with the standards (Fornell, 2001). Burn & Neisner (2006) added that customer satisfaction is the sentimental response after consuming the product or service. McKinney et al. (2002) pointed out that customer satisfaction is composed of two apparent parts including satisfaction upon the service quality offered and satisfaction upon service performance. Kim et al. (2015) also stated that from a psychological point of view, customer satisfaction is driven from the customers' positive emotional perceptions of future performance of the certain product or service by comparing with their previous usage. Kaura et al. (2015) also showed that the satisfaction of the customer is a highly intuitive concept resulting from the thorough assessment of a particular product or service since expectations of individuals are different.

**2.1.2 Perceived Value**

Understanding the perceived value helps explain customers' behavioural intentions (Jen, Tu and Lu, 2011) such as buying behavior proposed that future repurchase intentions of the customers can be predicted by the perceived value because customers consider whether they received a value for money before making a decision to return to the same service provider. A vast research had been studied by scholars focusing on perceived value of the customers, resulting that perceived value plays a major role in the determination of customer behavior intentions. Customer value can be achieved once the product or the performance of the service or a company meets the goal of the customer (Woodruff, 1997). Monroe (1991) and Zeithaml (1988) assumed that perceived value integrates customers' perceptions towards benefits and costs simultaneously.

Zeithaml (1988) initially defined perceived value as "consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given". In other words, it is a value or experience perceived by the customers for using the service (Bettman, Luce, and Payne, 1998), and trade-of between perceived benefits from the product or services by paying the cost (Monroe, 1990; Lovelock, 2000). According to Tam (2004), customers will be highly satisfied and positively affect loyalty if their perceived value or quality of the services or products exceeds the costs. Perceived benefits and perceived costs are the two major antecedents to perceived value (Monroe, 1991; Zeithaml, 1988), therefore, necessary adjustments of the former can improve customers' perceived value (Jen et al., 2011). Studies found service quality positively affects perceived value (Cronin et al., 2002; Zeithaml, 1988). Ruiz et al. (2008) asserts that perceived value model creates and sustains a competitive advantage and required a more comprehensive approach compared to service quality or customer satisfaction. The operational definition of perceived value can be defined as the individual perception of the customer derived from comparing the overall service with the actual cost of the service (Zeithmal, 1988)

## 2.1.4 Customer Loyalty

Reichfeld and Schefter (2000) summarized that loyalty is a more vital customer consideration than indeed cost. Izogo (2016) asserted customer loyalty as a strongly held commitment to repurchase a preferred product or service constantly in the future. Lam (2007) stated that customer loyalty is the customer's desire to rebuy, praise and stay committed to the certain product or service. In the same way, Edvardsson et al. (2000) added that customer loyalty is the buyer's willingness to purchase from the same service provider in a repetitive manner. Uncles et al. (2003) conceptualized customer loyalty as the continuing inclination to purchase the specific brand among other several brands. Terblanche & Boshoff (2010) revealed that customer loyalty is both unending attitude and unending observable trend which is strengthened by several experiences over time.

Loyalty in service industry is a sophisticated construct. Oliver (1993,p. 33) asserts: " It is time to begin the determined study of loyalty with the same fervor that researchers have devoted to a better understanding of customer satisfaction." According to Rauyruen & Miller (2007), the process of developing customer loyalty involves keeping numerous customers and improving relationships with customers in order to encourage them to repurchase services. Customer loyalty contributes numerous benefits to a company since it improves company's market share, reduce operating cost and develop employee satisfaction (Gerrad & Cunningham, 2001). Heskett et al. (2008) stated that customer loyalty and retention are the critical aims of marketing which would make the company profitable. Therefore, to obtain long-lasting success, customer loyalty plays a vital role for every company (Flavian & Guinaliu 2006; Keating et al., 2003). Soderlund (2006) described that customer loyalty intentions are made up of repurchase intentions and positive recommendations to others. According to Onyeaso & Johnson (2006), customer loyalty is insensible critical asset that will improve the company's performance. The operational meaning of customer loyalty can be asserted as the customer engagement to repurchase a particular product or service resulting in constant purchase of same brand and positive word-of- mouth effect (Oliver, 1999).

## 2.2 Hypothese Devlopment

### 2.2.1 Relationship of service quality and customer satisfaction

Minh, Ha, Anh and Matsui (2015) studied the case study for service quality and customer satisfaction towards hotel industry in Vietnam. The objective of the study is to investigate the correlation between service quality in terms of SERVQUAL dimensions and customer satisfaction in 33 three-star hotels in Vietnam. The researchers saved the data from 432 respondents and the result showed that service quality has significant impact in hotel business profit. Moreover, Among the SERVQUAL dimension, reliability, responsiveness, assurance and empathy has direct positive influence on customer satisfaction. Hussain, Nasser and Hussain (2015) conducted the research of service quality and customer satisfaction towards Dubai based airline. The researchers studied the correlation between service quality in terms of SERVQUAL framework, perceived value, customer satisfaction and brand loyalty by collecting the data from 253 respondents. The finding showed that service quality in terms of SERVQUAL framework has significant influence on customer satisfaction. Hapsari, Clemes and Dean (2017) studied the effect of service quality, customer engagement, perceived value, customer satisfaction, brand image on customer loyalty of airline passenger. The objective of this study is to examine the influence of five antecedents on airline passenger loyalty. The targeted respondents were the customers of the five-star airline at airports in Surabarya and Malang, Indonesia. The researchers distributed 300 questionnaires and collected 250 valid responses. The result showed that the quality of the service has direct impact on customer loyalty and customer satisfaction. Lu, Berchoux, Marek and Chen (2015) studied the qualitative research for service quality and customer satisfaction towards luxury hotels. The objective is to find the understanding of hotel manager and customers towards service quality and satisfaction at 5 star hotels in Taiwan. The finding of the study showed that there is significant close correlation between service quality and satisfaction towards both managers and customers towards luxury hotel industry. Therefore, it can be concluded that there is a direct significant positive relationship between service quality and customer satisfaction. Based on the related literature review between service qulaity and customer satisfaction, the researcher would like to devlope the hypothesis as follows:

Hypothesis 1: Service quality in terms of tangibility, reliability, responsiveness, empathy and assurance has a significant influence on customer satisfaction.

## 2.2.2 Relationship of quality of the service and perceived value

Gumussoy and Koseoglu (2016) studied the impact of quality of the service, perceived value on customer satisfaction and loyalty in Turkey. The objective of the study is to find the determinants of satisfaction and loyalty of customer towards hotels in Alanya, Turkey. The researchers collected the data from 346 respondents and the finding of the study showed that all dimensions of the quality of the service has significant impact on perceived value. According to Hapsari, Clemes and Dean (2017) who studied the antecedents of airline passenger loyalty in Indonesia, service quality has direct impact on perceived value. Dubey and Sahu (2019) studied the effect of quality of the service on perceived value, customer loyalty and satisfaction in India. The objective of the research is to find the influence of service quality in terms of SERVQUAL dimensions on perceived value, customer satisfaction and customer loyalty towards five hospitals in Chhattisgarh, India.  The researchers collected the data from 120 respondents and found that quality of the service in terms of tangibility, reliability, responsiveness, assurance and empathy shows positive influence on perceived value, customer satisfaction and customer loyalty in medical industry. Dubey and Sahu (2019) studied the effect of service quality on perceived value, satisfaction and customer loyalty in India. The objective of the research is to find the influence of service quality in terms of SERVQUAL dimensions on perceived value, customer satisfaction and customer loyalty towards five hospitals in Chhattisgarh, India.  The researchers collected the data from 120 respondents and found that service quality in terms of tangibility, reliability, responsiveness, assurance and empathy shows positive influence on perceived value, customer satisfaction and customer loyalty in medical industry. Based on the related literature review between service qulaity and perceived value, the researcher would like to devlope the hypothesis as follows:

Hypothesis 2: Service quality in terms of tangibility, reliability, responsiveness, empathy and assurance has a significant influence on perceived value.

### 2.2.3 Relationship of customer satisfaction and loyalty

Rather and Sharma (2017) studied the impact of customer satisfaction and commitment on customer loyalty in hotel industry. The objective of the study is to investigate the influence of customer satisfaction and commitment on customer loyalty towards four and five star hotels in Jammu and Kashmir, India. The researcher applied questionnaire survey to collect data from 120 respondents and received 112 valid responses. The outcome of the study showed that there is positive significant influence of customer satisfaction on customer loyalty. According to Hussain, Nasser and Hussain (2015) who studied the impact of service quality and customer satisfaction on loyalty of airline passengers towards UAE based airline, customer satisfaction is leading factor to develop brand loyalty in airline industry. Al-Msallam (2015) studied the correlation between customer satisfaction and brand loyalty in the hotel industry. The objective of the study is to investigate the impact of customer perceptions over customer satisfaction and brand loyalty of customers towards 3 hotels in Damascus. The researcher collected the data from 584 respondents and the finding of the study showed that customer satisfaction has direct significant influence on customer loyalty in hotel industry. Moreover, Hapsari, Clemes and Dean (2017) also mentioned in their study of airline passenger loyalty, that customer satisfaction has a significant influence on loyalty of passenger. Customer satisfaction is commonly regarded as an invisible asset which promotes for long-term profits since it has a positive association with customer loyalty (Kim et al., 2015). In hotel industry, customer satisfaction can be recognized as the positive post-purchase actions which maximize customer loyalty, minimize customer complaints and reduce switching behaviors (Morgeson et al., 2015). Based on the related literature review between customer satisfaction and customer loylaty, the researcher would like to devlope the hypothesis as follows:

Hypothesis 3: Customer satisfaction has a significant influence on customer loyalty.

### 2.2.4 Relationship of perceived value and customer loyalty

According to Gumussoy and Koseoglu (2016) who learned the impact of quality of the service, perceived value on customer satisfaction and customer loyalty towards hotels in Alanya, Turkey, customer satisfaction and perceived value can be regarded as the antecedents of customer loyalty. Hapsari, Clemes and Dean (2017) studied the antecedents of loyalty of airline passenger towards five-star airline in Indonesia. The researchers stated that quality of the service and perceived value indirectly affect customer loyalty through mediation. El-Adly (2018) studied the relationship between hotel perceived value, customer satisfaction and customer loyalty. The objective of the study is to investigate the influence of hotel perceived value in terms of seven dimensions on customer satisfaction and customer loyalty towards hotel industry in Abu Dhabi, UAE. The researcher conducted the multidimensional construct of perceived value in cognitive and affective characteristics. The finding of the study showed that among the seven dimensions of perceived value, self-gratification, price, quality, transaction and hedonic dimensions have significant influence on customer satisfaction and customer loyalty. However, aesthetics and prestige dimensions of perceived value do not have direct impact on customer loyalty. Besides, Zameer et al. (2014) supported that the higher customers' perceived value; they will be more loyal to the service provider. In many empirical studies, the perceived value had been investigated as the antecedents of customer loyalty (Lai et al., 2009). Lately, Floh et al. (2014) described that higher perceived value provide the higher level of customer loyalty. Based on the related literature review between customer satisfaction and customer loylaty, the researcher would like to devlope the hypothesis as follows:

Hypothesis 3: Perceived Value has a significant influence on customer loyalty

**2.3 Conceptual Framework**

The conceptual framework is developed by applying the factors that have a relationship with customer loyalty. The factors are service quality dimensions comprise of tangibility, reliability, responsiveness, assurance and empathy. The researcher adapted the conceptual framework of this study based on the hypothesis development mentioned above. Moreover, this research model proposed to test the relationship between each

variables of this study. On comparative study, the researchers would like examine the influence of service quality in terms of tangibility, reliability, responsiveness, assurance and empathy; on customer satisfaction as well as perceived value towards My Dream Hotel, in Yangon, Myanmar. Furthermore, on the study of correlation, the influence of independent variables including customer satisfaction and perceived value on the dependent variable of customer loyalty towards My Dream Hotel, in Yangon, Myanmar.
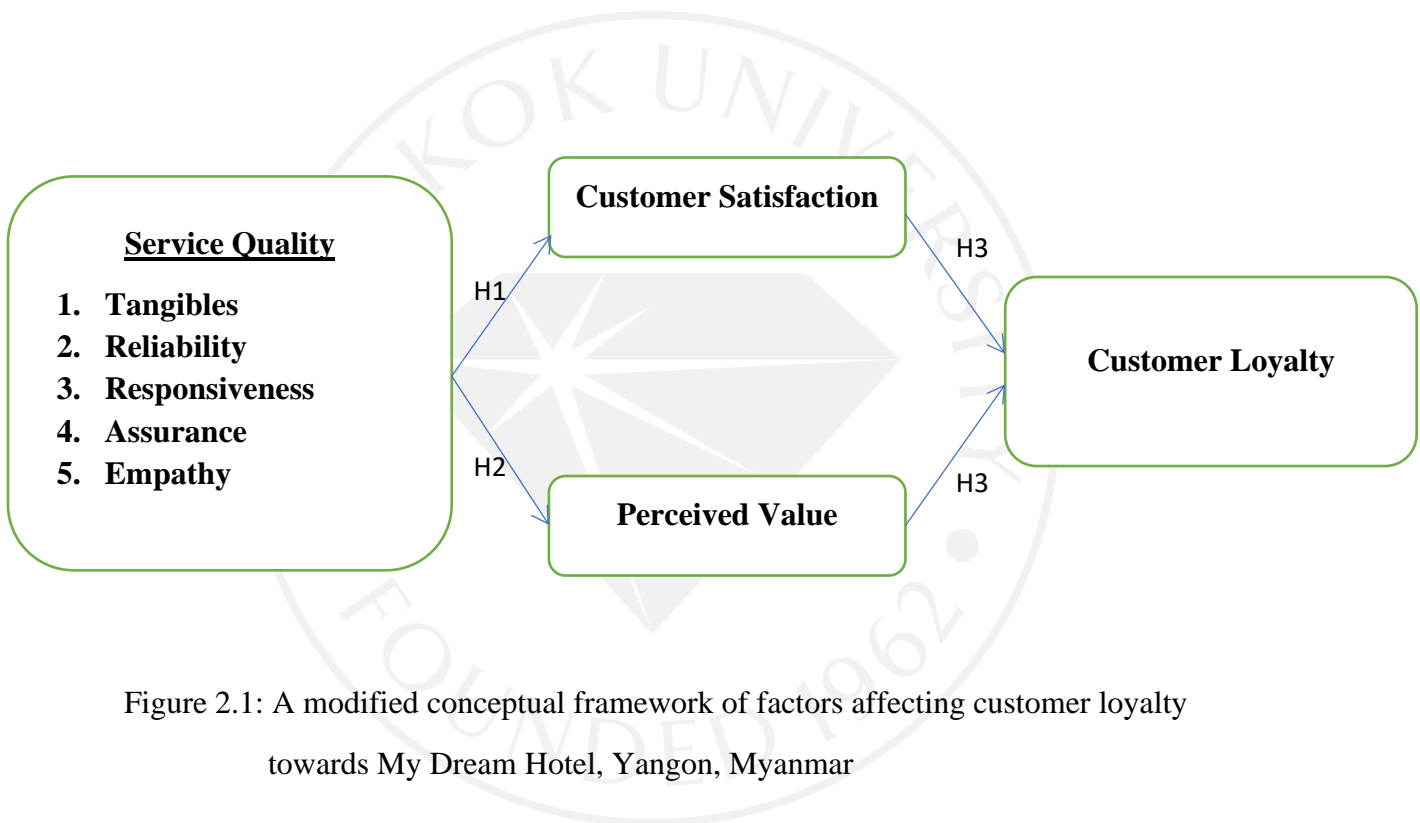


Figure 2.1: A modified conceptual framework of factors affecting customer loyalty towards My Dream Hotel, Yangon, Myanmar

# CHAPTER 3

# RESEARCH METHODOLOGY

The researcher describes an overall research methodology applied for the study in this chapter. The chapter composes of six major sections. The first section is research design which explains the research methods applied for this study followed by the second section describing the population and sample selection which represents the target respondents, and sample size of the study. The 3rd part is the research instrument which describes the details of the tool to collect the primary data of the study. The 4th section states the sampling procedure of the study including the sampling procedure and the data collection. The fifth part mentions the pretesting of research instruments including the reliability analysis to test the consistency of the questionnaires. The last section describes the statistical treatment of the data which will be summarized as the statistical tools applied for hypothesis testing.

## 3.1 Design of the Research

This research is the quantitative study and the researcher applies causal research method to find the factors influencing customer loyalty of customers towards My Dream Hotel in Yangon, Myanmar. Causal research or explanatory research is the research method to find the relationship between cause and effect (Sekaran and Bougie, 2013). Moreover, explanatory research is applied in order to find the effect of individual variable or factor on traditional customs, value or process (Zikmund et al., 2013). According to Sekaran and Bougie (2013), the causal research is designed to answer the correlation between variables regarding to the analysis of a specific situation which is mostly applied in experiments to collect the primary data. Therefore, Zikmund et al. (2013) mentioned that the exploratory research can provide the specific evidence that can explain the cause-and-effect relationships of the specific experiment. Thus, the researcher gathers the data by distributing the survey questions and the collected information can provide the perception, desires, choices, and behaviors as well as demographics data in this research.

Therefore, the researcher applies survey research design to collect the data from the respondents by distributing questionnaires. According to Zikmund et al. (2013), the survey method is the research design by using questions and answers such as prearranged questionnaires to collect information as well as using interview to observe and describe the behavior as well as attitude of the target respondents. Therefore, the researcher applies self-administered questionnaires to collect the data from the target respondents of this study.

## 3.2 Population and Sample Selection

In this part, the researcher describes the details of the respondents and selection of the target population applied in this study. The researcher explains the target population, sample unit and sample size to collect the primary data of the study.

### 3.2.1 Target Population

A population of the study is the selectively collected units as the sample of the study (Burns and Bush, 2005). Moreover, Zikmund et al. (2013) described that the population of the research is the group of people sharing identical characteristics and behaviors in accordance with the interest of the researcher. Therefore, the researcher defines the target population of this study depending on the statement of the problems of the study. This is supported by Hair et al. (2007) who described that the target population of the study can be selected by the researcher in order to figure out the solution for the objective of the study. Therefore, the researcher precisely selects the target population of this study according to the objectives of the research. The main purpose of this study is to investigate and interpret the influence of service quality in terms of tangibility, reliability, responsiveness, assurance and empathy, customer satisfaction and perceived value on customer loyalty towards My Dream Hotel in Yangon, Myanmar. Thus, this study target population includes customers of the age 18 years and above who have experience in visiting My Dream Hotel in Yangon, Myanmar during July, 2019. According to Hair et al. (2007), the sampling unit in the research is an important feature to gather information from the target population representing the whole population. Moreover, Zikmund et al.

(2013) suggested that the sampling unit of the study is a selective group of units relating to identify the study target population. Therefore, the sampling unit of the study can be selected from the target population by applying the sampling procedures (Burns and Bush, 2005). The sampling procedures of non-probability sampling are applied to define the sampling unit of the study and the questionnaire survey is conducted to individual respondents of sampling unit at Lobby of My Dream Hotel in Yangon, Myanmar.

### 3.2.2 Size of the Sample

The sample size of the study is the number of people which the researcher targets to collect the data (Zikmund et al., 2013).  According to Hair et al. (2007), the sample size of the study must be defined to predict the quantity of sampling units from the target population because it is not possible to collect data from the whole target population. Therefore, the researcher needs to consider the confidence level which the study would like to analyze and the limitations of the study before determining the sample size (Burns and Bush, 2005). The purpose of the study is to find the factors influencing customer loyalty towards My Dream Hotel in Yangon, Myanmar. Thus, the sampling unit of the study is the customers who have experience in visiting My Dream Hotel in Yangon, including both male and female customers at 18 years age and up. However, the exact number of the sampling units cannot be identified clearly and the researcher applies Cochran's formula (1977) to define the sample size of the study. The researcher applies the accepted standard of confidence level at 95% with allowable error at 5%. Therefore, the sample size of the study can be calculated according to the Cochran's formula (1977).

$$n = Z^2pq/ e^2$$

n = size of the sample group

Z = confidence level at 95% ($\alpha$= 0.05)

p = estimate of variance

q= 1- p

$$e = \text{probability of error at } 5\%$$

$$n = 1.962\,^2 (0.5)(0.5) / (0.05)2$$

$$n = 384.94 \approx 385$$

According to the finding of calculation, the outcome for the effective sample size is 385 which defined by the standard confidence level of 95% with error probability of 5%. So, the researchers decide to collect the data from 385 respondents which is the require sample size to represent the study target population.

## 3.3 Research Instruments

The researcher applied research instrument in term of questionnaires in order to collect the information of factors influencing customer loyalty towards My Dream Hotel in Yangon, Myanmar. According to Hair et al. (2007), the questionnaire is the structure composed of questions with the specific scales aiming to collect the primary data from the sampling units. Burn and Bush (2014) described that the self-administered questionnaire is the integrated set of questions distributed to the respondents to answer their perception relating to the study which are to be completed by the respondents. In addition, Zikmund et al. (2013) suggested that using of closed-ended questionnaires will help the respondents to answer quickly by choosing their agreement or disagreement from given options. Therefore, the researcher develops the research instrument as questionnaire based on literature review of the variables and relevant previous studies. The questionnaires of this study composed of three main parts. The first part includes the questions demographic information of the respondents followed by the second part containing the questions about behaviors of the respondents for visiting My Dream Hotel. The third part includes the questions investigating variables which are the independent variables namely, service quality in terms of tangibility, reliability, responsiveness, assurance and empathy, customer satisfaction and perceived value as well as dependent variable which is customer loyalty.

### 3.3.1 Demographic Information

The first part of the questionnaires contains the demographical data of the respondents which describes the general information of the participants including gender, age, marital status, education and monthly income. All questions in this part are developed as closed ended questions with the category scale to identify the general information of the respondents. Zikmund et al. (2013) mentioned that the category scale is the rating scale composing of response optionsfor respondents to describe their individual information. Therefore, the researcher applies category scale to each question in this part. Moreover, the researcher added one screening question to identify the respondent is local or foreigner. For the screening question, simple category scale is applied offering two options to response such as "Local" or "Foreigner". The respondents who answer local have to take the questionnaires in Myanmar language as well as the foreign respondents have to take the questionnaires in English Language.

### 3.3.2 Behavioral Information

The second part of the questionnaires contains behaviors of the respondents for visiting My Dream Hotel in Yangon, Myanmar. The purpose of these questions is to find the behavior of the respondents for choosing My Dream Hotel which will be useful for the hotel to understand the behavior of the visitors and their purposes. The first question asks for the purpose of visiting My Dream Hotel. The respondents can choose either "Leisure" or "Business" for their purpose of visiting My Dream Hotel. On question number 2, the respondent is asked, "When is the last time you visited My Dream Hotel?" and on the question number 3, the respondent is asked, "What type of room do you usually book when you visit My Dream Hotel?." All these questionnaires apply nominal scale. Nominal scale is a scale in which the numbers or letters assigned to objects serve as labels for identification or classification; a measurement scale of the simplest type (Zikmund et al., 2013).

### 3.3.3 Measuring Variables

The third part of the questionnaires composed of the questions towards both independent and dependent variables namely,service quality in terms of tangibility, reliability, responsiveness, assurance and empathy, customer satisfaction, perceived value and customer loyalty. The number of questions for each variables are as follows: Therefore, there are total of 33 questions in which tangibility refers to first 4 questions followed by questions 5 to 9 for reliability. In similar order, questions 10 to 13 represent responsiveness, questions 14 to 17 are for assurance, questions 18 to 22 refer to empathy, customer satisfaction occupies from questions 23 to 26, perceived value covers from questions 27 to 29, and lastly, questions 30 to 33 are intended to customer loyalty.

Table 3.1: Questions for Each Variables

| No: | Variables | No: of Questions |
|-----|-----------|------------------|
| 1 | Tangible | 4 |
| 2 | Reliability | 5 |
| 3 | Responsiveness | 4 |
| 4 | Assurance | 4 |
| 5 | Empathy | 5 |
| 6 | Customer Satisfaction | 4 |
| 7 | Perceived Value | 3 |
| 8 | Customer Loyalty | 4 |

The research questions in this part are measured by applying five-point Likert scale which allows the respondents to describe their perception towards the variables of the study. According toZikmund et al. (2013), the Likert scale measures the perception of the respondents with prearranged set of ratings arranging from very positive to very negative

response towards the structured questions. The Likert scale introduced by RensisLikert becomes one of the most common summated ratings and this allows the participants of the study to shows their expression towards each and every question. In conclusion, Burns and Bush (2005) described the Likert scale to be the reliable, easy to create as well as less time consuming to collect information for the research.Each response is given by a numerical score to reflect a favorable or unfavorable attitude. The statistical levels are as follows:

1 = Strongly disagree

2 = Disagree

3 = Neither agree nor disagree

4 = Agree

5 = Strongly disagree

## 3.4 Sampling Procedure and Data Collection

### 3.4.1 Sampling Procedure

According to Hair et al. (2007), the sampling procedure is the important phase to set the potential respondents as well as the selection criteria for target respondents from the suitable sample size. There are two types of the sampling technique called probability and non-probability sampling. Non-probability sampling is the sampling method to apply where the exact number of the population is impossible to know leading to unidentified information for the researchers (Burns and Bush, 2005). Therefore, the non-probability sampling methods allow the researcher to decide the sampling unit of the study based personal or expert judgement and convenience (Zikmund et al., 2013). Therefore, Hair et al. (2007) suggested that the sampling units in non-probability techniques are subjective rather than objective which can be more efficient and easier for the researcher. Therefore, the researcher applies non-probability sampling methods to figure out the sampling unit of this study. There are four major sampling approaches in non-probability sampling methods, namely, convenience sampling, quota sampling, judgment sampling and

snowball sampling. In this study, the researcher applies judgment sampling of the non-probability sampling procedures.

According to Hair et al. (2007), judgement sampling procedure is one of the non-probability sampling methodsin whichan experienced personof specificfield determines the sampling unitsbased onown personal assessment towards specific features of the target population. However, Burns and Bush (2005) argued that judgement sampling can be applied to properly select respondents who have individual experience to contribute the information required for the study. Zikmund et al. (2013) mentioned that judgement sampling is the widely used sampling procedure because of low cost and less time consuming nature. Therefore, the researcher applies the judgement sampling technique according to expert opinion of the managers working at the My Dream Hotel to identify the sampling unit representing the specific this study target population. Moreover, the researcher applies judgement sampling to decide the study target population aiming to collect the information from the sampling unit of the study. Therefore, the researcher distributes the questionnaire surveys to the customers who have experience in visiting My Dream Hotel by approaching to the visitors at the hotel lobby of My Dream Hotel in Yangon, Myanmar. Since the reception and cashier counter is located at the lobby area, it is convenient and effective for the researcher to approach visitors after their stay at My Dream Hotel.

### 3.4.2 Data Collection

Data have to be systematically collected for the purpose of gathering information to meet specific research objectives of the study. Basically, there are two types of data collection: primary data and secondary data. The researcher applies both primary and second data to achieve the research objectives. According to Zikmund et al. (2013), primary data is obtained from origin of the particular intention. The researcher collects primary datato arrange in the form that is useful for analysis of the particular research.Primary data can be defined as the data that is collected by the researcher

particularly for the present study and primary data can be obtained by various approaches including questionnaire or survey (Burns & Bush, 2005).The researcher employs the survey technique for gathering primary data. The researcher distributes385 questionnaires at lobby area of My Dream Hotel in Yangon, Myanmar. The researcher distributes questionnaires to respondents with face-to-face approach by explaining and clarifying questions to them for complete understanding. Before dispersing the questionnaire, the respondents will be asked for permission whether they are convenient to participate in survey. The questionnaire is distributed on both week days and weekends from 10 am to 5 pm at the hotel lobby of My Dream Hotel during the month of June 2019. The survey has been distributed until the determined sample size is obtained. Secondary data is the information collected previously by other researchers for individual intentions of their own which is not typically for the current research (Burns & Bush, 2005). Moreover, Zikmund et al., (2013) described that secondary data can be gathered from company's data, warehouse, libraries, books, journals, research articles, internet andwebsites thatusing secondary data is efficient and needs less time due to easy accessibility. Therefore, the researcher collects secondary data to build the structure of the research theoretically and systematically based on literature reviews, analysis, results, recommendations, implications and conclusions. Secondary data from the academic textbooks, articles, scholarly journals, magazines, websites and internet relevant to this research are alsoapplied.

## 3.5 Reliability Analysis

Reliability analysis is the reviewing of research instruments to point out and modifythe errorwhich would be difficult for the participants to answer (Burns and Bush, 2005). Reliability analysis can be done by collecting data from small segment ofsampling unitsby requesting to completethe questionnaires and feedback for the clarity of questionnaire (Hair et al., 2007). Moreover, Zikmund et al., (2013) described the pretest as a small-scale survey for the suggestion of participants in order to redesign the questionnaire. In addition, Cooper & Schindler (2011) clarify that reliability analysis can figure outthe problems in questionnaires, instruction and designs according to feedback

from respondents. Therefore, the researcher has run the reliability analysis before conducting the full survey in order to identify the reliability and consistency of the research instruments.  According to Burns and Bush (2005), the questions of each variable must be tested for internal reliability by using Cronbach's coefficient Alpha scale. Zikmund et al. (2013) described that the researcher can measure the extent of compatibility and reliability of research instruments for each variable which can be processed in the statistical software by applying Cronbach's Alpha test. Therefore, the researcher undergoes the Cronbach's Coefficient Alpha scale for the reliability of each variable in this study by processing the responses in statistical software. Burns and Bush (2005) described that number of respondents to be set for a reliability analysis can be between 5-100 respondents. Therefore, the researcher decided to apply 30 customers of My Dream Hotel in Yangon, Myanmar.

The data from the reliability analysis is examined to test the reliability of both dependent and independent variables includingservice quality, satisfaction, perceived value and customer loyalty. According to Sekaran and Bougie (2013), when the Cronbach's coefficient Alpha value is higher than 0.6, the question can be regarded as reliable and consistent to conduct the actual survey towards the target population. On the other hand, when the alpha value is less than 0.6, the research instruments are regarded as unreliable and inconsistent for the research.

Table 3.2: Rules of Thumb about Cronbach-Alpha Coefficient

| Alpha Coefficient Range | Strength of Association |
|---|---|
| < .06 | Poor |
| .06 to < 0.7 | Moderate |

(Continued)

Table 3.2 (Continued) : Rules of Thumb about Cronbach-Alpha Coefficient

| Alpha Coefficient Range | Strength of Association |
|---|---|
| 0.7 to < 0.8 | Good |
| 0.8 to < 0.9 | Very Good |
| ≥ 0.9 | Excellent |

The results of the Cronbach-alpha coefficients of each variable are as follows:

Table 3.3: The Value of Reliability Analysis of Each Variable

| Variables | | Alpha (α- Test) |
|---|---|---|
| Service Quality | Tangibles | |
| | Reliability | |
| | Responsiveness | |
| | Assurance | |
| | Empathy | |
| Satisfaction | | |
| Trust | | |
| Image | | |
| Behavioral Intention | | |

**3.6 Statistical Tools**

After collecting the information, the researcher applies statistical program to analyze and summarize the data in order to form it readable and easily understandable. The researcher applies descriptive analysis and hypotheses analysis to interpret the data gathered. Zikmund et al. (2013) described that descriptive analysis is the transformation of the raw data in order to describe the basic characteristic, such as variability, distribution, and central tendency. Moreover, Hair et al. (2007) mentioned that the main purpose of frequency distribution is to show the frequency of each variable and the cumulative percentage for each variable.Therefore, the researcher applies frequency distribution and percentage to describe the characteristic of the respondents as well as mean and standard deviation of the variables of the study.

For hypotheses analysis, both simple linear regression analysis and multiple linear regression analysis are applied to analyze the hypotheses. Cooper and Schindler (2011) showed that hypothesis analysis is one of the two major categories of statistical procedures. Hair et al. (2007) described that inferential statistics helps the researchers to make judgment towards the target population by using the data collected from the sampling units. Burns and Bush (2005) described that hypothesis analysis is the group of statistical methods and models that lead to a conclusion of the target population based on the sampling unit of the study. Therefore, the researcher applies one of the methods of inferential analysis which is Linear Regression analysis to study the hypotheses of the study. Cooper and Schindler (2011) stated that Simple Linear Regression and Multiple Linear Regression are used to examine the influence of independent variables and dependent variable of the study. Sekaran and Bougie (2013) stated that Simple Linear Regression analysis is used when the researcher would like to test the effect of one independent variable on one dependent variable.Cooper and Schindler (2011) described that Multiple Linear Regression is similar to SLR, in which MLR applies more than one independent variable to explainone dependent variable.Therefore, the researcher applies Multiple Linear Regression to hypothesis 1 and hypothesis 2 and Simple Linear Regression to hypothesis 3 and 4.

# CHAPTER 4

# DATA ANALYSIS

This chapter is composed of analysing and interpreting of all gathered data for the influence of service quality in terms of tangibility, reliability, responsiveness, assurance and empathy; customer satisfaction, trust and image on behavioural intention of customers towards My Dream Hotel in Yangon, Myanmar. Therefore, this study target population includes customers of different age group both male and female, who have experience in visiting My Dream Hotel. The data was collected from the 385 respondents by using questionnaire survey. The descriptive analysis is applied to describe the general information of respondents in frequency and percentage and mean and standard deviation of each variable. The reliability of each variable is tested by applying Cronbach's Alpha test. The inferential analysis is applied to test all hypotheses of the study by using Multiple Linear Regression analysis. The details of the chapter are as follows:

4.1 Analysis of Demographics Features of the Respondents

4.2 Level of Agreement Analysis

4.3 Hypothesis Analysis and Results of Hypotheses

4.4 Summary of Hypotheses Analysis

## 4.1 Analysis of Demographics Features of the Respondents

The researcher applied descriptive analysis to analyse the demographic features and background information of the respondents. According to Zikmund et al. (2013), descriptive analysis is the fundamental transformation of data mentioning the primary characteristics namely variability, distribution and central tendency. Descriptive analysis is the process of gathering, complying, organizing and describing data as defined by Hair et al. (2017). In this research, descriptive analysis is applied to identify the general information of respondents by using the frequency and percentage. The present study is particularly designed to analyse for the influence of service quality in terms of tangibility,

reliability, responsiveness, assurance and empathy; customer satisfaction, trust and image on behavioural intention of customers towards My Dream Hotel in Yangon, Myanmar. Data were collected by disseminating questionnaires to 385 respondents at hotel lobby of My Dream Hotel.

**4.1.1 Descriptive Analysis of General Information of the Respondents**

Descriptive analysis is employed in order to illustrate the general information of the respondents. The frequency and percentage distribution of general information of the respondents in the study is described as follows:

Table 4.1: Gender

|  | Frequency | Percent |
|---|---|---|
| Female | 136 | 35.3 |
| Male | 249 | 64.7 |
| Total | 385 | 100.0 |

According to the results from the Table 4.1, the highest percentage of gender is male accounting for 64.7 %, comprising of 249 respondents while the lowest percentage is female accounting for 35.3 %, comprising of 136 respondents.

Table 4.2: Marital Status

|  | Frequency | Percent |
|---|---|---|
| Single | 361 | 93.8 |

(Continued)

Table 4.2 (Continued) : Marital Status

|  | Frequency | Percent |
|---|---|---|
| Married | 24 | 6.2 |
| Total | 385 | 100.0 |

According to the results from the Table 4.2, the highest percentage of marital status is observed in single people representing 93.8 %, having 361 respondents followed by the married people representing 6.2 %, 24 respondents. There are no respondents choosing divorced category in this survey.

Table 4.3: Age

|  | Frequency | Percent |
|---|---|---|
| 18 - 30 years old | 353 | 91.7 |
| 31 - 45 years old | 32 | 8.3 |
| Total | 385 | 100.0 |

According to the results from the Table 4.3, the majority of respondents are in the age between 18-30 years old, which consists of 353 respondents expressing 91.7% of total respondents followed by the age group between 31-45 years old, which consists of 32 respondents expressing 8.3%. There are no respondents within the age limit of 46- 60 years and 61 years old or more.

Table 4.4: Education Background

|  | Frequency | Percent |
|---|---|---|
| High school graduate and below | 8 | 2.1 |
| Bachelor's degree | 299 | 77.7 |
| Master's degree | 78 | 20.3 |
| Total | 385 | 100.0 |

According to the results from Table 4.4, the majority of the respondents are Bachelor's degree holders representing 77.7% with 299 respondents followed by Master's degree holders with 20.3%, including 78 respondents. 2.1% of the respondents are high school graduate and below totalling 8 respondents. There are no respondents choosing higher than Master's degree category in this survey.

Table 4.5: Income

|  | Frequency | Percent |
|---|---|---|
| 400,000MMK or less (>10000THB) | 168 | 43.6 |

(Continued)

Table 4.5 (Continued) : Income

|  | Frequency | Percent |
|---|---|---|
| 400,001MMK - 800,000MMK (10001 - 20000THB) | 130 | 33.8 |
| 800,001MMK - 1,200,000MMK (20001 - 30000THB) | 33 | 8.6 |
| 1,200,001MMK - 1,600,000MMK (30001 - 40000THB) | 4 | 1.0 |
| 1,600,000MMK and above (40001THB above) | 50 | 13.0 |
| Total | 385 | 100.0 |

According to the results from the Table 4.4, the highest percentage of respondents are having monthly income level of 400,000MMK or less (>10000THB), representing 43.6%, containing 168 people followed by the monthly income level between 400,001MMK - 800,000MMK (10001 - 20000THB) accounting for 33.8%, 130 respondents. Then, the monthly income level between 1,600,000MMK and above (40001THB above) represents 13.0% having 50 respondents and 800,001MMK - 1,200,000MMK (20001 - 30000THB) accounts for 8.6% having 33 respondents. The

lowest monthly income level is between 1,200,001MMK - 1,600,000MMK (30001 -
40000THB) which accounts for 1.0% having 4 respondents.

Table 4.6: Nationality

|  | Frequency | Percent |
|---|---|---|
| Myanmar | 373 | 96.9 |
| Foreigner | 12 | 3.1 |
| Total | 385 | 100.0 |

According to the results from the Table 4.6, the highest percentage of the
nationality of the respondents is Myanmar accounting for 96.9 %, comprising of 373
respondents while foreigner is accounting for 3.1 %, comprising of 12 respondents.

Table 4.7: Purpose of Visiting

|  | Frequency | Percent |
|---|---|---|
| Leisure | 293 | 76.1 |
| Business | 92 | 23.9 |
| Total | 385 | 100.0 |

According to the results from the Table 4.7, the highest percentage of the
respondents' purpose of visiting My Dream Hotel is for leisure accounting for 76.1 %,
comprising of 293 respondents while for business purpose is accounting for 23.9 %,
comprising of 92 respondents.

Table 4.8: Room Type

|  | Frequency | Percent |
|---|---|---|
| Standard Room | 159 | 41.3 |
| Deluxe Room | 146 | 37.9 |
| Superior Room | 12 | 3.1 |
| Family Room | 68 | 17.7 |
| Total | 385 | 100.0 |

According to the results from Table 4.8, the majority of the respondents choose standard room representing 41.3% with 159 respondents followed by the respondents choosing deluxe room with 37.9%, including 146 respondents. 17.7% of the respondents choose family room totalling 68 respondents. The lowest percentage of the respondents chooses superior room which reveals 3.1%, with 12 people.

Table 4.9: Reason of Choosing

|  | Frequency | Percent |
|---|---|---|
| Customer service | 99 | 25.7 |
| Rooms are clean | 159 | 41.3 |

(Continued)

Table 4.9 (Continued) : Reason of Choosing

|  | Frequency | Percent |
|---|---|---|
| Easy to go everywhere | 78 | 20.3 |
| Surrounding is quiet | 49 | 12.7 |
| Total | 385 | 100.0 |

According to the results from Table 4.9, the majority of the respondents choose
My Dream Hotel for "Rooms are clean" representing 41.3% with 159 respondents
followed by the respondents choosing for "Customer Service" with 25.7%, including 99
respondents. 20.3% of the respondents choose for "Easy to go everywhere" totalling 78
respondents. The lowest percentage of the respondents chooses for "Surrounding is quiet"
which reveals 12.7%, with 49 people.

Table 4.10: Price

|  | Frequency | Percent |
|---|---|---|
| Too expensive | 4 | 1.0 |
| Reasonable price | 293 | 76.1 |
| The price is worth | 88 | 22.9 |
| Total | 385 | 100.0 |

According to the results from Table 4.10, the majority of the respondents thinks
that the price of My Dream Hotel is reasonable representing 76.1% with 293 respondents

followed by the respondents who think "The price is worth" with 22.9%, including 88 respondents. 1% of the respondents commented for "Too expensive" totalling 4 respondents. There are no respondents who think that the price is too cheap.

**4.2 Agreement Level Analysis**

For testing the agreement levelof the respondents, the respondents are asked to rate their agreement level with 5 point Likert scale for independent variables such as service quality in terms of tangibility, reliability, responsiveness, assurance and empathy; customer satisfaction and perceived value and one dependent variable: customer loyalty. The following tables describe the means and standard deviation of independent and dependent variables of the study.

Table 4.11: Descriptive Statistics

| | Mean | Std. Deviation | Level of Agreement |
|---|---|---|---|
| Rooms at My Dream Hotel were clean | 3.79 | .782 | Agree |
| Rooms at My Dream Hotel were provided with useful furniture | 4.12 | .780 | Agree |
| The atmosphere of My Dream Hotel was pleasant | 4.05 | .927 | Agree |
| The hotel staff and materials were visually appealing | 4.03 | .975 | Agree |
| Tangibles | 4.09 | .699 | Agree |

Table 4.11 shows descriptive analysis of service quality in term of tangibles by using mean and standard deviation. Tangible has 4.09 for mean and 0.699 for standard deviation which can be considered as strong agreement level.  For each questions of tangibles, the highest mean is "Rooms at My Dream Hotel were provided with useful furniture" which is 4.12. The lowest mean was "Rooms at My Dream Hotel were clean.", which is 3.79. In order to standard deviation, the highest was "The hotel staff and materials were visually appealing", which is 0.975. The lowest is "Rooms at My Dream Hotel were provided with useful furniture" which is 0.780.

Table 4.12: Descriptive Statistics

|  | Mean | Std. Deviation | Level of Agreement |
|---|---|---|---|
| The performance of My Dream hotel staff were reliable | 4.08 | .789 | Agree |
| My hotel room was ready as promised | 4.15 | .871 | Agree |
| TV, radio, A/C, lights and other equipment in the hotel room worked properly | 4.02 | .923 | Agree |
| My Dream Hotel staff can perform services right from the first time. | 4.18 | .768 | Agree |
| My Dream Hotel staff can handle my reservation and requests efficiently. | 4.11 | .844 | Agree |
| Reliability | 4.11 | .678 | Agree |

Table 4.12 shows descriptive analysis of service quality in term of reliability by using mean and standard deviation. Reliability has 4.11 for mean and 0.678 for standard deviation which can be considered as strong agreement level.  For each questions of

reliability, the highest mean is "My Dream Hotel staff can perform services right from the first time." which is 4.18. The lowest mean was "TV, radio, A/C, lights and other equipment in the hotel room worked properly", which is 4.02. In order to standard deviation, the highest was "TV, radio, A/C, lights and other equipment in the hotel room worked properly", which is 0.923. The lowest is "My Dream Hotel staff can perform services right from the first time." which is 0.768.

Table 4.13: Descriptive Statistics

| | Mean | Std. Deviation | Level of Agreement |
|---|---|---|---|
| My Dream Hotel staff responded promptly to my requests | 4.06 | .822 | Agree |
| My Dream Hotel staff tried to fulfil my particular needs | 4.13 | .846 | Agree |
| My Dream Hotel staff responded quickly to solve my problems | 4.08 | .886 | Agree |
| My Dream Hotel staff were willing to answer my questions | 4.19 | .817 | Agree |
| Responsiveness | 4.13 | .728 | Agree |

Table 4.13 shows descriptive analysis of service quality in term of responsiveness by using mean and standard deviation. Responsiveness has 4.13 for mean and 0.728 for standard deviation which can be considered as strong agreement level.  For each questions of responsiveness, the highest mean is "My Dream Hotel staff were willing to answer my questions" which is 4.19. The lowest mean was "My Dream Hotel staff

responded promptly to my requests", which is 4.06. In order to standard deviation, the highest was "My Dream Hotel staff responded quickly to solve my problems", which is 0.886. The lowest is "My Dream Hotel staff were willing to answer my questions" which is 0.817.

Table 4.14: Descriptive Statistics

|  | Mean | Std. Deviation | Level of Agreement |
|---|---|---|---|
| My Dream Hotel provided a safe and secure environment | 4.25 | .793 | Agree |
| The facilities of My Dream Hotel were accessible and conveniently located | 4.31 | .797 | Agree |
| My Dream Hotel staff treated me with respect | 4.23 | .794 | Agree |
| My Dream Hotel staff were polite when answering my questions | 4.14 | .799 | Agree |
| Assurance | 4.23 | .670 | Agree |

Table 4.14 shows descriptive analysis of service quality in term of assurance by using mean and standard deviation. Assurance has 4.23 for mean and 0.670 for standard deviation which can be considered as strong agreement level.  For each questions of assurance, the highest mean is "The facilities of My Dream Hotel were accessible and conveniently located" which is 4.31. The lowest mean was "My Dream Hotel staff were polite when answering my questions", which is 4.14. In order to standard deviation, the highest was "My Dream Hotel staff were polite when answering my questions", which is

0.799. The lowest is "My Dream Hotel provided a safe and secure environment" which is 0.793.

Table 4.15: Descriptive Statistics

|  | Mean | Std. Deviation | Level of Agreement |
|---|---|---|---|
| My Dream Hotel staff provided individual attention to guests. | 4.03 | .933 | Agree |
| Charges on my account were clearly explained by hotel staff | 4.11 | .938 | Agree |
| My Dream Hotel staff were active and willing to help every time | 4.15 | .778 | Agree |
| My Dream Hotel had convenient opening hours. | 4.30 | .830 | Agree |
| My Dream Hotel staff made efforts to understand and respond to my needs | 4.15 | .837 | Agree |
| Empathy | 4.15 | .723 | Agree |

Table 4.15 shows descriptive analysis of service quality in term of empathy by using standard deviation and mean. Empathy has 4.15 for mean and 0.723 for standard deviation which can be considered as strong agreement level. For each questions of empathy, the highest mean is "My Dream Hotel had convenient opening hours." which is 4.30. The lowest mean was "My Dream Hotel staff provided individual attention to guests." which is 4.03. In order to standard deviation, the highest was "Charges on my

account were clearly explained by hotel staff", which is 0.938. The lowest is "My Dream Hotel staff were active and willing to help every time" which is 0.778.

Table 4.16: Descriptive Statistics

| | Mean | Std. Deviation | Level of Agreement |
|---|---|---|---|
| The service provided by My Dream Hotel was excellent. | 4.35 | .838 | Agree |
| I am satisfied overall with a specific experience at My Dream hotel. | 4.15 | .838 | Agree |
| I truly enjoyed staying at My Dream Hotel. | 4.32 | .813 | Agree |
| My choice to visit My Dream Hotel was a wise one. | 4.07 | .938 | Agree |
| Satisfaction | 4.22 | .738 | Agree |

Table 4.16 shows descriptive analysis of customer satisfaction by using standard deviation and mean. Customer satisfaction has 4.22 for mean and 0.738 for standard deviation which can be considered as strong agreement level.  For each questions of satisfaction, the highest mean is "The service provided by My Dream Hotel was excellent." which is 4.35. The lowest mean was "My choice to visit My Dream Hotel was a wise one.", which is 4.07. In order to standard deviation, the highest was "My choice to visit My Dream Hotel was a wise one." which is 0.938. The lowest is "I truly enjoyed staying at My Dream Hotel" which is 0.813.

Table 4.17: Descriptive Statistics

| | Mean | Std. Deviation | Level of Agreement |
|---|---|---|---|
| The service of My Dream is valuable compare to time and money has been given. | 3.98 | .903 | Agree |
| The service of My Dream Hotel is acceptable according to the price has been paid. | 4.35 | .822 | Agree |
| It is worth choosing My Dream Hotel rather than other hotels | 4.21 | .843 | Agree |
| Perceived Value | 4.18 | .760 | Agree |

Table 4.17 shows descriptive analysis of perceived value by using mean and standard deviation. Perceived value has 4.18 for mean and 0.760 for standard deviation which can be considered as strong agreement level. For each questions of satisfaction, the highest mean is "The service of My Dream Hotel is acceptable according to the price has been paid." which is 4.35. The lowest mean was "The service of My Dream is valuable compare to time and money has been given", which is 3.98. In order to standard deviation, the highest was "The service of My Dream is valuable compare to time and money has been given." which is 0.903. The lowest is "The service of My Dream Hotel is acceptable according to the price has been paid." which is 0.822.

Table 4.18: Descriptive Statistics

| | Mean | Std. Deviation | Level of Agreement |
|---|---|---|---|
| I would like to visit My Dream hotel very often. | 4.18 | .907 | Agree |
| I visited My Dream hotel because I like this hotel more than other comparable hotels. | 4.15 | .876 | Agree |
| When I visit Yangon again, I will choose to stay only at My Dream hotel. | 4.19 | .913 | Agree |
| My Dream hotel is always my first choice. | 4.22 | .940 | Agree |
| Customer Loyalty | 4.18 | .808 | Agree |

Table 4.18 shows descriptive analysis of customer loyalty by using mean and standard deviation. Customer loyalty has 4.18 for mean and 0.808 for standard deviation which can be considered as strong agreement level. For each questions of satisfaction, the highest mean is "My Dream hotel is always my first choice" which is 4.22. The lowest mean was "I visited My Dream hotel because I like this hotel more than other comparable hotels", which is 4.15. In order to standard deviation, the highest was "My Dream hotel is always my first choice", which is 0.940. The lowest is "I visited My Dream hotel because I like this hotel more than other comparable hotels." which is 0.876.

**4.3 Hypothesis Analysis and Results of Hypotheses**

In this research, inferential statistics is applied to forecast the characteristics of the sample which covers the whole population (Zikmund et al., 2013). Lyons & Douek (2010) discussed that the relationship between variables should be analysed with

inferential statistics in order to test the hypotheses. In this study, Multiple Linear Regression Analysis is applied to test the hypotheses of the study.

**Hypothesis 1**

Hypothesis 1: Service quality in terms of tangibility, reliability, responsiveness, empathy and assurance has a significant influence on customer satisfaction.

Table 4.19: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .936[a] | .876 | .875 | .261 |

a. Predictors: (Constant), Empathy, Tangibles, Reliability, Assurance, Responsiveness

Based on table 4.19, the Correlation Coefficient (R) is equal .936, which means that there is highly positive correlation among service quality in terms of tangibles, reliability, responsiveness, assurance and empathy; and customer satisfaction. The researcher can conclude that tangibles, reliability, responsiveness, assurance and empathy and customer satisfaction move in the same direction. R square is s the percentage of the response variable variation that is explained by a linear model. Also, for strengthen association (R2) (or in the regression line all the coefficient of determination) is equal .876, and this means that if any independent variables increase or decrease, it will affect to the customer satisfaction to increase or decrease by 87.6%.

Table 4.20: ANOVA Table for Regression Model of Hypothesis 1

**ANOVAᵃ**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 183.339 | 5 | 36.668 | 537.669 | .000ᵇ |
| | Residual | 25.847 | 379 | .068 | | |
| | Total | 209.186 | 384 | | | |

a. Dependent Variable: Satisfaction

b. Predictors: (Constant), Empathy, Tangibles, Reliability, Assurance, Responsiveness

Based on the results from the Table 4.20, the level of significance is equal to .000, which is less than .05 (.000<.05). Therefore, the null hypothesis is rejected. Consequently, it can be concluded that service quality in terms of tangibility, reliability, responsiveness, empathy and assurance have an influence on customer satisfaction.

Table 4.21: Coefficient summary for Regression Model of Hypothesis 1

**Coefficientsᵃ**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|
| | B | Std. Error | Beta | | | Tolerance | VIF |
| (Constant) | -.126 | .100 | | -1.268 | .206 | | |
| Tangibles | -.021 | .026 | -.020 | -.809 | .419 | 0.697 | 1.434 |
| Reliability | .129 | .051 | .119 | 2.541 | .011 | 0.522 | 1.915 |
| Responsibility | -.114 | .069 | -.114 | -1.651 | .099 | 0.283 | 3.535 |
| Assurance | .661 | .055 | .600 | 12.107 | .000 | 0.322 | 3.110 |
| Empathy | .380 | .056 | .372 | 6.739 | .000 | 0.501 | 1.997 |

a. Dependent Variable: Satisfaction

According to Table 4.21, the result indicated that reliability, assurance and empathy are significant at .011 and .000 levels respectively; however, tangibles and

responsiveness are not significant due to significant level greater than 0.05. Thus, reliability, assurance and empathy have a significant positive influence on customer satisfaction with beta coefficient levels of .119, .600 and .372 levels respectively. Moreover, multicollinearity of the independent variables are measured by checking the Variance Inflation Factor (VIF) value or Tolerance value in which VIF value should be less than 4 and Tolerance value should be more than 0.2. From analysis, the value of Tolerance for all independent variables is more than 0.2 and the value of VIF for all independent variables is less than 4 which showed that there is no multicollinearity among independent variables of the study.

**Hypothesis 2**

Hypothesis 2: Service quality in terms of tangibility, reliability, responsiveness, empathy and assurance has a significant influence on perceived value.

Table 4.22: Summary for the regression model of Hypothesis 2

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .930[a] | .864 | .862 | .282 |

a. Predictors: (Constant), Empathy, Tangibles, Reliability, Assurance, Responsiveness

Based on table 4.22, the Correlation Coefficient (R) is equal .930, which means that there is highly positive correlation among service quality in terms of tangibles, reliability, responsiveness, assurance and empathy; and perceived value. The researcher could conclude that tangibles, reliability, responsiveness, assurance and empathy and perceived value move in the same direction. R square is s the percentage of the response variable variation that is explained by a linear model. Also, for strengthen association (R2) (or in the regression line all the coefficient of determination) is equal .864, and this means that if any independent variables increase or decrease, it will affect to the perceived value to increase or decrease by 86.4%.

Table 4.23: ANOVA Table for Regression Model of Hypothesis 2

**ANOVAᵃ**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 191.834 | 5 | 38.367 | 482.558 | .000ᵇ |
| | Residual | 30.133 | 379 | .080 | | |
| | Total | 221.967 | 384 | | | |

a. Dependent Variable: Perceived Value

b. Predictors: (Constant), Empathy, Tangibles, Reliability, Assurance, Responsiveness

Based on Table 4.23, the level of significance is equal to .000, which is less than .05 (.000<.05). Therefore, the null hypothesis is rejected. Consequently, it can be concluded that service quality in terms of tangibility, reliability, responsiveness, empathy and assurance have an influence on perceived value.

Table 4.24: Coefficient summary for Regression Model of Hypothesis 2

**Coefficientsᵃ**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|
| | B | Std. Error | Beta | | | Tolerance | VIF |
| (Constant) | -.127 | .108 | | -1.179 | .239 | | |
| Tangibles | .000 | .028 | .000 | -.007 | .994 | 0.697 | 1.434 |
| Reliability | .081 | .055 | .072 | 1.468 | .143 | 0.522 | 1.915 |
| Responsibility | .375 | .075 | .363 | 5.018 | .000 | 0.283 | 3.535 |
| Assurance | .331 | .059 | .292 | 5.619 | .000 | 0.322 | 3.110 |
| Empathy | .249 | .061 | .237 | 4.090 | .000 | 0.501 | 1.997 |

a. Dependent Variable: Perceived Value

According to Table 4.24, the result indicated that responsiveness, assurance and empathy are significant at .000 significant levels respectively; however, tangibles and reliability are not significant due to significant level greater than 0.05. Thus, responsibility, assurance and empathy have a significant positive influence on perceived value with beta coefficient levels of .363, .292 and .237 levels respectively. Moreover, multicollinearity of the independent variables are measured by checking the Variance Inflation Factor (VIF) value or Tolerance value in which VIF value should be less than 4 and Tolerance value should be more than 0.2. From analysis, the value of Tolerance for all independent variables is more than 0.2 and the value of VIF for all independent variables is less than 4 which showed that there is no multicollinearity among independent variables of the study.

**Hypothesis 3**

Hypothesis 3: Customer satisfaction and perceived value have a significant influence on customer loyalty.

Table 4.25: Regression model summary of Hypothesis 3

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|------|----------|-------------------|----------------------------|
| 1 | .916[a] | .838 | .838 | .326 |

a. Predictors: (Constant), Perceived Value, Satisfaction

Based on table 4.25, the Correlation Coefficient (R) is equal .916, which means that there is highly positive correlation among customer satisfaction and perceived value; and customer loyalty. The researcher can conclude that satisfaction and perceived value; and customer loyalty move in the same direction. R square is s the percentage of the response variable variation that is explained by a linear model. Also, for strengthen association (R2) (or in the regression line all the coefficient of determination) is equal .838, and this means that if any independent variables increase or decrease, it will affect to the customer loyalty to increase or decrease by 83.8%.

Table 4.26: ANOVA Table for Regression Model of Hypothesis 3

**ANOVA**[a]

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 210.171 | 2 | 105.086 | 990.815 | .000[b] |
| | Residual | 40.515 | 382 | .106 | | |
| | Total | 250.686 | 384 | | | |

a. Dependent Variable: Customer Loyalty

b. Predictors: (Constant), Perceived Value, Satisfaction

Based on Table 4.26, the level of significance is equal to .000, which is less than .05 (.000<.05). Thus, the null hypothesis is rejected. Consequently, it could be concluded that satisfaction and perceived value have a significant influence on customer loyalty.

Table 4.27: Coefficient summary for Regression Model of Hypothesis 3

**Coefficients**[a]

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | .038 | .097 | | .398 | .691 | | |
| | Satisfaction | .203 | .062 | .185 | 3.275 | .001 | 0.571 | 1.751 |
| | Perceived Value | .787 | .060 | .741 | 13.098 | .000 | 0.660 | 1.514 |

a. Dependent Variable: Customer Loyalty

According to Table 4.27, the result indicated that all independent variables which are customer satisfaction and perceived value are significant at .001 and .000 levels respectively. Therefore, both customer satisfaction and perceived value have a significant positive influence on customer loyalty with beta coefficient levels of .185 and .741 levels respectively. Moreover, multicollinearity of the independent variables are measured by checking the Variance Inflation Factor (VIF) value or Tolerance value in which VIF

value should be less than 4 and Tolerance value should be more than 0.2. From analysis, the value of Tolerance for all independent variables is more than 0.2 and the value of VIF for all independent variables is less than 4 which showed that there is no multicollinearity among independent variables of the study.

## 4.4 The summary of Hypothesis Testing Results

Table 4.28: The summary of Hypothesis Testing Results

| Hypothesis | Result |
|---|---|
| Hypothesis 1: Service quality in terms of tangibility, reliability, responsiveness, empathy and assurance has a significant influence on customer satisfaction. | Supported |
| Hypothesis 2: Service quality in terms of tangibility, reliability, responsiveness, empathy and assurance has a significant influence on perceived value. | Supported |
| Hypothesis 3: Customer satisfaction and perceived value have a significant influence on customer loyalty. | Supported |

# CHAPTER 5

# DISCUSSIONS AND CONCLUSIONS

This chapter shows the summary of the research findings, and conclusion of the primary data from 385 respondents from the descriptive analysis and hypotheses analysis. The main objective of the research is to know the effect of service quality, customer satisfaction and perceived value on customer loyalty towards My Dream Hotel in Yangon, Myanmar. Thus, this study target population includes customers of the age 18 years and above who have experience in visiting My Dream Hotel. This chapter consists of four parts as follows:

5.1 Summary of the Finding of the Research

5.2 Conclusion

5.3 Discussion

5.4 Recommendation for Managerial Implication

5.5 Recommendation for Further Study

## 5.1 Summary of the Finding of the Research

The primary objective of this study is to investigate and understand the impact of service quality in terms of tangibility, reliability, responsiveness, empathy and assurance, customer satisfaction and perceived value on customer loyalty My Dream Hotel in Yangon, Myanmar. Data are collected from 385 respondents at My Dream Hotel in Yangon, Myanmar.

The researchers collected the data from 385 male and female customers who are of the age 18 and above who have experience of visiting My Dream Hotel in Yangon, Myanmar. The majority of respondents are male, who are single at the age group between 18-30 years old, with Bachelor's degree having monthly income of 400,001MMK -

800,000MMK (10001 - 20000THB). Majority of the respondents visited My Dream Hotel for leisure purposes staying at Standard Room and chose My Dream Hotel for the reason of "Rooms are clean" and thought the price is reasonable.

In order to analyse the antecedents of customer loyalty My Dream Hotel in Yangon, Myanmar, three hypotheses has been developed. In this study, the researchers applied Multiple Linear Regression to test and analyse the hypotheses. In order to analyse the hypotheses to be accepted or rejected, significance value is used. In this research, the 0.05 significance level or 95 percent confidence level is applied. All the null hypotheses are rejected. Moreover, all the hypotheses are significant with .000 significant levels. The results of all three hypotheses are as follows:

**Hypothesis 1**: Service quality in terms of tangibles, reliability, responsiveness, empathy and assurance has a significant influence on customer satisfaction.

**Hypothesis 2**: Service quality in terms of tangibles, reliability, responsiveness, empathy and assurance has a significant influence on perceived value.

**Hypothesis 3**: Customer satisfaction and perceived value have a significant influence on customer loyalty.

**5.2 Conclusion**

Managing and enhancing customer loyalty is a vital factor for firms' profitability, growth and performance (Reichheld et al., 2000). The primary objective of this study is to investigate and understand the impact of service quality in terms of tangibility, reliability, responsiveness, empathy and assurance, customer satisfaction and perceived value on customer loyalty towards My Dream Hotel in Yangon, Myanmar.

The data were collected from 385 male and female customers who are equal or above the age of 18 who have experience of visiting My Dream Hotel in Yangon, Myanmar. Questionnaires were distributed to 385 respondents at My Dream Hotel in Yangon, Myanmar. In this study, the researcher uses non-probability sampling technique

based on judgment sampling, and convenience sampling to define the target population of the study. The hypotheses of the study are tested by Multiple Linear Regression analysis.

The results from the general information showed that the majority of respondents are male, who are single at the age group between 18-30 years old, with Bachelor's degree having monthly income of 400,001MMK - 800,000MMK (10001 - 20000THB). Majority of the respondents visited My Dream Hotel for leisure purposes staying at Standard Room and chose My Dream Hotel for the reason of "Rooms are clean" and thought the price is reasonable.

According to the findings of hypothesis one using Multiple Linear Regression analysis, service quality in terms of tangibles, reliability, responsiveness, empathy and assurance has a significant influence on customer satisfaction towards My Dream Hotel in Yangon, Myanmar. Among them, reliability, empathy and assurance are significant at .011 and .000 levels respectively; however, tangibles and responsiveness are not significant due to the significant level which is greater than 0.05.

According to the findings of hypothesis two using Multiple Linear Regression analysis, service quality in terms of tangibles, reliability, responsiveness, empathy and assurance has a significant influence on perceived value of My Dream Hotel in Yangon, Myanmar. Among them, responsiveness, empathy and assurance are significant at .000 levels respectively; however, tangibles and reliability are not significant due to significant level greater than 0.05.

According to the findings of hypothesis three using Multiple Linear Regression analysis, customer satisfaction and perceived value have a significant influence on customer loyalty of My Dream Hotel in Yangon, Myanmar. Both independent variables of customer satisfaction are significant at .001 and .000 levels respectively.

## 5.3 Discussion

According to the data gathered, the researcher applies descriptive analysis for analysing general information of respondents and variables of the study such as service

quality in terms of tangibility, reliability, responsiveness, empathy and assurance; satisfaction, perceived value and customer loyalty. Moreover, Multiple Linear Regression is applied for testing all hypotheses of the study.

Based on the hypothesis results one, the researcher investigated that service quality in terms of tangibles, reliability, responsiveness, empathy and assurance has an influence on customer satisfaction towards My Dream Hotel in Yangon, Myanmar. Multiple linear regression (MLR) is used to test the hypothesis one. The value of the beta in multiple linear regressions helps the researchers to better comprehend the relative importance of independent variables with the dependent variable of the study. The result indicated that reliability, assurance and empathy are significant at .011 and .000 levels respectively; however, tangibles and responsibility are not significant due to significant level greater than 0.05. Therefore, by examining the value of the beta coefficient, assurance is found out to have the strongest impact on customer satisfaction towards the My Dream Hotel in Yangon, since the beta value is equal to .600. It is followed by empathy and reliability at the beta value of .372 and .119 respectively. This study results are consistent with the findings of the other studies. This finding is supported by Minh et al. (2015) and Marek and Chen (2015) who studied that there is a positive relationship between perceived service quality and customer satisfaction

Based on the hypothesis results two, the researcher investigated that service quality in terms of tangibles, reliability empathy and assurance has a significant influence on perceived value of My Dream Hotel in Yangon, Myanmar. Multiple linear regression (MLR) is used to test the hypothesis two. The value of the beta in multiple linear regressions helps the researchers to better comprehend the relative importance of independent variables with the dependent variable of the study. The result indicated that responsiveness, assurance and empathy are significant at .000 levels respectively; however, tangibles and reliability are not significant due to significant level greater than 0.05. Therefore, by examining the value of the beta coefficient, responsiveness is found out to have the strongest impact on hotel image towards the My Dream Hotel in Yangon

since the beta value is equal to .363. It is followed by assurance and empathy at the beta value of .292 and .237 respectively. The results of this study are consistent with the findings of the other studies. This finding is supported by Hapsari, Clemes and Dean (2017) and Dubey and Sahu (2019) who studied that there is a positive relationship between perceived service quality and perceived value.

Based on the hypothesis results three, the researchers investigated that customer satisfaction and perceived value has an influence on customer loyalty towards My Dream Hotel in Yangon, Myanmar. Multiple linear regression (MLR) is used to test the hypothesis three. The value of the beta in multiple linear regressions helps the researchers to better comprehend the relative importance of independent variables with the dependent variable of the study. The result indicated that all independent variables including customer satisfaction and perceived value are significant at 0.01 and .000 levels respectively. Therefore, by examining the value of the beta coefficient, perceived value is found out to have the strongest impact on customer loyalty towards My Dream Hotel in Yangon since the beta value is equal to .741 followed by customer satisfaction with beta value of .185. This study results are consistent with the findings of the other studies. This finding is supported by Kandampully and Suhartanto (2000) as well as Kim et al., (2015) who studied that there is a positive relationship between customer satisfaction and customer loyalty. Moreover, El-Adly (2018) and Floh et al. (2014) supported that hotel image has significant influence on customer loyalty.

## 5.4 Recommendations for Managerial Implication

This study contributes the results by providing a comprehensive model that involves the crucial antecedents of customer loyalty and customer demographics for My Dream Hotel in Yangon, Myanmar. Hence, this research can be used as guidance for My Dream Hotel in Yangon, to keep its focus on the studied variables affecting customer loyalty. Furthermore, understanding how demographic factors are related to customer loyalty could support marketers to design appropriate strategies to persuade different

groups of consumers. According to the findings of this research, the researchers would suggest several recommendations as follows:

Based on the results of hypotheses analysis, perceived service quality in terms of tangibles, reliability, responsiveness, empathy and assurance has been observed as the most crucial contributing factor towards customer satisfaction and perceived value of My Dream Hotel. Hence, customers' assessment about the comprehensive services of My Dream Hotel in Yangon will contribute for the desire to revisit a preferred service provider in the long-term. Therefore, My Dream Hotel in Yangon should continuously find ways to fulfill all of the customers' expectations in enhancing customer satisfaction, perceived value and loyalty towards their hotel. The researcher would like to propose that the management of My Dream Hotel in Yangon should expand their service quality by giving more profound and stunning customer services to utilize every encounter and they should put more resources in different ranges also. Moreover, the management of My Dream Hotel in Yangon should keep maintaining the service quality in high standard and willing to answer the customers' question, always ready to solve the problems of customers. In addition, My Dream Hotel in Yangon should use advertising approach to let prospective customers know about the benefits of the hotel. They could probably use traditional advertising approach like radio, T.V, billboards and magazines as well as new trends such as Facebook and other social networks in order to improve the relationship between service quality with critical factors including satisfaction, perceived value and loyalty.

It can be said that the best advertisement for the organization is a satisfied customer. To establish a positive place in minds of the target customers, the hotel should give more focus on taking proactive approach by offering loyalty programs such as attractive offers, seasonal promotions, travel packages, user-friendly online reservation, as well as cobranding with local travel destinations and international online travel agencies. Previous researches indicated that when customers are satisfied, they will buy the product or come to the shop again. Therefore, the positive effect of customer satisfaction is

important My Dream Hotel in Yangon to retain loyalty to support longterm growth for their business. Thus, My Dream Hotel in Yangon should maintain and keep improving the satisfaction of the visitors.

Furthermore, perceived value has a significant impact on customer loyalty. In other words, favorable value influences on the loyalty of customers. Thus, My Dream Hotel in Yangon should promote ways to build good perceived value, variety of services and reputation. In addition, the company should provide opportunities for improving among main stakeholders through public relations and corporate social responsibility programs. The company should be more responsive to the ecofriendly approaches representing social citizenship behavior which can persuade potential customers from society creating more positive perceived value towards the hotel. By doing so, high impression and perception in the minds of customers concerning with the hotel would be well established.

Due to increasing competitions in Myanmar tourism market, building customer loyalty is becoming an urgent need for My Dream Hotel in Yangon for its growth and profitability. The hotel is suggested to reduce their customers' sensitivity to price. Additionally, the hotel is advised to consider winning greater brand differentiation through eco-friendliness, pricing and service development. The good predictors of customer loyalty such as service quality, perceived value and customer satisfaction are essential for the hotel to create a loyal customer base and reduce sensitivity to price. The understanding of the determinants of customer loyalty is an advantage for customer relationship managers to improve marketing strategies. Moreover, to achieve competitive advantage, My Dream Hotel in Yangon should analyze the extent to which customers view the alternative service providers and their marketing attempts. Finally, the researchers would like to recommend to find the effect of service quality on the customer loyalty because service quality is one of the major antecedents in marketing literature. Moreover, in this research service quality also showed the significant effect on customer satisfaction and perceived value which also have significant effect on customer loyalty.

Therefore, there can be a strong relationship between service quality and customer loyalty of My Dream Hotel in Yangon.

**5.5 Recommendations for Further studies**

For further studies, the researchers would like to describe some suggestions. Firstly, in future research, additional variables can be incorporated in order to test the interactions among more predictors to study its impact on development of customer loyalty and identify more influences on it including hotel image, trust, commitment and congruence, etc. Secondly, this study focuses only on My Dream Hotel in Yangon, Myanmar. Therefore, the findings of the study cannot represent other hotels and tourism service providers in Myanmar where different locations and customer base may result different outcomes. Therefore, upcoming researchers can expand the research in various geographic areas throughout the whole country in order to provide different and more complete approach towards customer loyalty concerning tourism industry of Myanmar. Thirdly, this research is conducted in quantitative approach in which sampling and survey method may limit the generalizability of the findings. Therefore, further investigation should consider to apply different research methodology to provide other relevant attributes for customer loyalty towards hotel industry of Myanmar. Fourthly, future investigation should focus on customer of potential competitor in hotel industry to compare the outcomes which will provide insight to review the strength and weakness of My Dream Hotel in Yangon in order to improve their weakness in future.

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APPENDIX
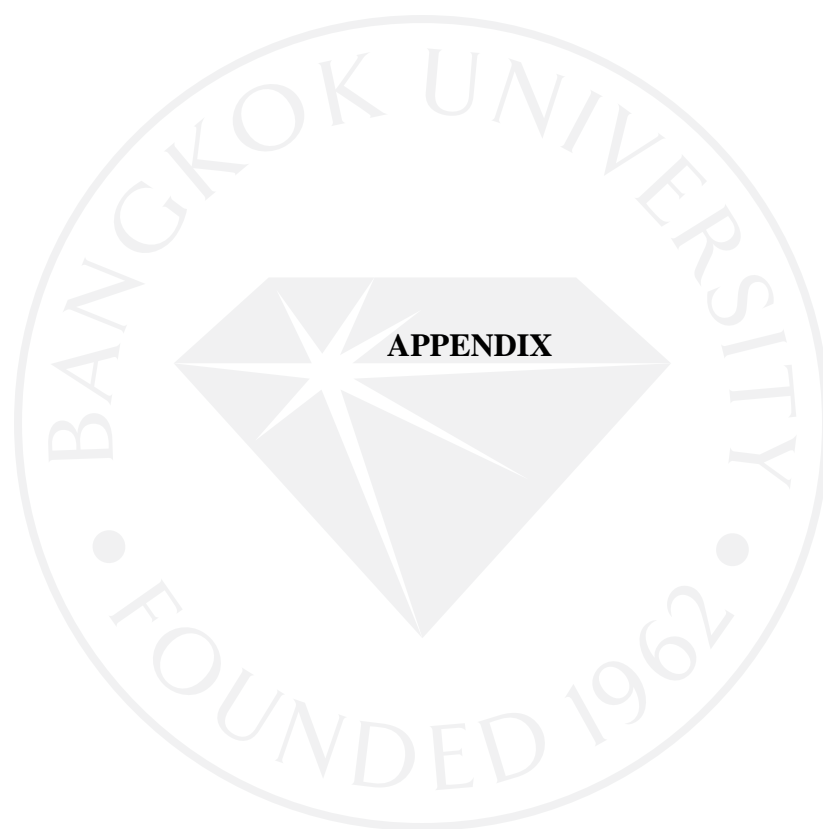
**English Survey Questionnaire**

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**QUESTIONNAIRES:**

**A study of customer satisfaction and loyalty of My Dream Hotel in Yangon,Myanmar**

This questionnaire is collected by the partial fulfilment of the requirements for the degree of Master of Business Administration (MBA) student, Ms Khaing Zin Win, from Bangkok University International, Thailand.  The objective of questionnaire is to study the factors affecting customer loyalty of My Dream Hotel in Yangon, Myanmar.  Please answer the following questions by tick mark "√" in the space given below and answer truthfully and complete all questions.  Your responds will be kept confidential.  Thank you for your cooperation.

---

**Part I: Demographic Information**

1. Nationality?

   ☐ Myanmar　　　　☐ Foreigner

2. Gender?

   ☐ Male　　　　☐ Female

3. Age?

   ☐ 18 – 30 years old　　　　☐ 31 – 45 years old

   ☐ 46 – 60 years old　　　　☐ 60 years old or more

4. Marital Status?

   ☐ Single　　　　☐ Married　　　　☐ Divorced

5. Education level?

   ☐ High school graduate and below　　　　☐ Bachelor's degree

☐ Master's degree                    ☐ Higher than Master's degree

6. Monthly income?

☐ 400,000MMK or less (>10000THB)

☐ 400,001-800,000MMK (10000-20000THB)

☐ 800,001-1,200,000MMK (20000-30000THB)

☐ 1,200,001- 1,600,000MMK (30000-40000THB)

☐ 1,600,001MMK and above (40000THB above)

**Part II: Behavioral Information**

7. Purpose of visiting My Dream Hotel?

☐ Leisure          ☐ Business

8. What type of room do you usually book when you visit My Dream Hotel?

☐ Standard room    ☐ Deluxe Room    ☐ Superior Room

☐ Family Room

9. What is your purpose of choosing My Dream Hotel?

☐ Customer service ☐ Rooms are clean ☐ Easy to go everywhere

☐ Surrounding is quite

10. How do you think the room fees of My Dream Hotel?

☐ Too expensive    ☐ Reasonable price ☐ Too cheap

☐ The price is worth

**Part II: Measuring variables**

Please answer the following question by mark "√" in the space given below and do kindly answer truthfully and complete all questions.

(1=strongly disagree, 2=disagree, 3=neither agree nor disagree, 4=agree, and 5=strongly agree).

| No. | Questionnaires | 1 = Strongly disagree | 2 = Disagree | 3 = Neither agree nor | 4 = Agree | 5 = Strongly agree |
|---|---|---|---|---|---|---|
| **(1) Service Quality** | | | | | | |
| **(a) Tangibles** | | | | | | |
| 1 | Rooms at My Dream Hotel were clean | 1 | 2 | 3 | 4 | 5 |
| 2 | Rooms at My Dream Hotel were provided with useful furniture | 1 | 2 | 3 | 4 | 5 |
| 3 | The atmosphere of My Dream Hotel was pleasant | 1 | 2 | 3 | 4 | 5 |
| 4 | The hotel staff and materials were visually appealing | 1 | 2 | 3 | 4 | 5 |

| | **(b) Reliability** | | | | | |
|---|---|---|---|---|---|---|
| 5 | The performance of My Dream hotel staff were reliable | 1 | 2 | 3 | 4 | 5 |
| 6 | My hotel room was ready as promised | 1 | 2 | 3 | 4 | 5 |
| 7 | TV, radio, A/C, lights and other equipment in the hotel room worked properly | 1 | 2 | 3 | 4 | 5 |

| 8 | My Dream Hotel staff can perform services right from the first time. | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|
| 9 | My Dream Hotel staff can handle my reservation and requests efficiently. | 1 | 2 | 3 | 4 | 5 |

| (c) Responsiveness | | | | | | |
|---|---|---|---|---|---|---|
| 10 | My Dream Hotel staff responded promptly to my requests | 1 | 2 | 3 | 4 | 5 |
| 11 | My Dream Hotel stafftried to fulfill my particular needs | 1 | 2 | 3 | 4 | 5 |
| 12 | My Dream Hotel staff responded quickly to solve my problems | 1 | 2 | 3 | 4 | 5 |
| 13 | My Dream Hotel staff were willing to answer my questions | 1 | 2 | 3 | 4 | 5 |

| (d) Assurance | | | | | | |
|---|---|---|---|---|---|---|
| 14 | My Dream Hotel provided a safe and secure environment | 1 | 2 | 3 | 4 | 5 |
| 15 | The facilities of My Dream Hotel were accessible and conveniently located | 1 | 2 | 3 | 4 | 5 |
| 16 | My Dream Hotel staff treated me with respect | 1 | 2 | 3 | 4 | 5 |
| 17 | My Dream Hotel staff were polite when answering my questions | 1 | 2 | 3 | 4 | 5 |

| (e) Empathy | | | | | | |
|---|---|---|---|---|---|---|

| 18 | My Dream Hotel staff provided individual attention to guests. | 1 | 2 | 3 | 4 | 5 |
|----|---|---|---|---|---|---|
| 19 | Charges on my account were clearly explained by hotel staff | 1 | 2 | 3 | 4 | 5 |
| 20 | My Dream Hotel staff were active and willing to help every time | 1 | 2 | 3 | 4 | 5 |
| 21 | My Dream Hotel had convenient opening hours. | 1 | 2 | 3 | 4 | 5 |
| 22 | My Dream Hotel staff made efforts to understand and respond to my needs | 1 | 2 | 3 | 4 | 5 |

| (2) Customer Satisfaction | | | | | | |
|----|---|---|---|---|---|---|
| 23 | The service provided by My Dream Hotel was excellent. | 1 | 2 | 3 | 4 | 5 |
| 24 | I am satisfied overall with a specific experience at My Dream hotel. | 1 | 2 | 3 | 4 | 5 |
| 25 | I truly enjoyed staying at My Dream Hotel. | 1 | 2 | 3 | 4 | 5 |
| 26 | My choice to visit My Dream Hotel was a wise one. | 1 | 2 | 3 | 4 | 5 |

| (3) Perceived Value | | | | | | |
|----|---|---|---|---|---|---|
| 27 | The service of My Dream is valuable compare to time and money has been given. | 1 | 2 | 3 | 4 | 5 |
| 28 | The service of My Dream Hotel is acceptable according to the price has been paid. | 1 | 2 | 3 | 4 | 5 |
| 29 | It is worth choosing My Dream Hotel rather than other hotels | 1 | 2 | 3 | 4 | 5 |

| (4) Customer Loyalty | | | | | | |
|---|---|---|---|---|---|---|
| 30 | I would like to visit My Dream hotel very often. | 1 | 2 | 3 | 4 | 5 |
| 31 | I visitedMy Dream hotel because I like this hotel more than other comparable hotels. | 1 | 2 | 3 | 4 | 5 |
| 32 | When I visit Yangon again, I will choose to stay only at My Dream hotel. | 1 | 2 | 3 | 4 | 5 |
| 33 | My Dream hotel is always my first choice. | 1 | 2 | 3 | 4 | 5 |

**Thank you for participation.**
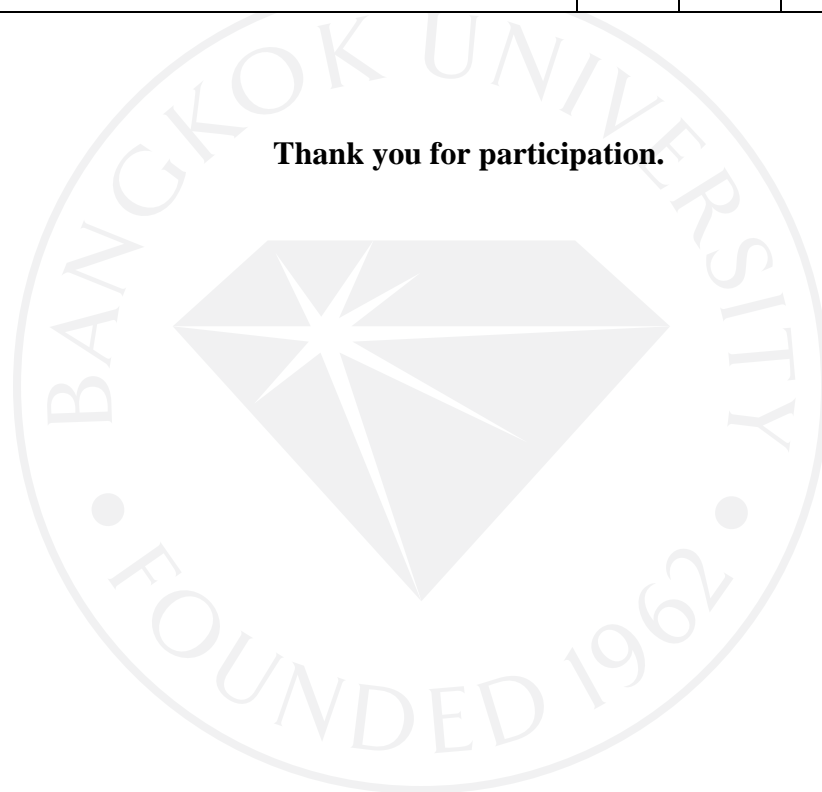
**BIODATA**

Name                              - Miss Khaing Zin Win
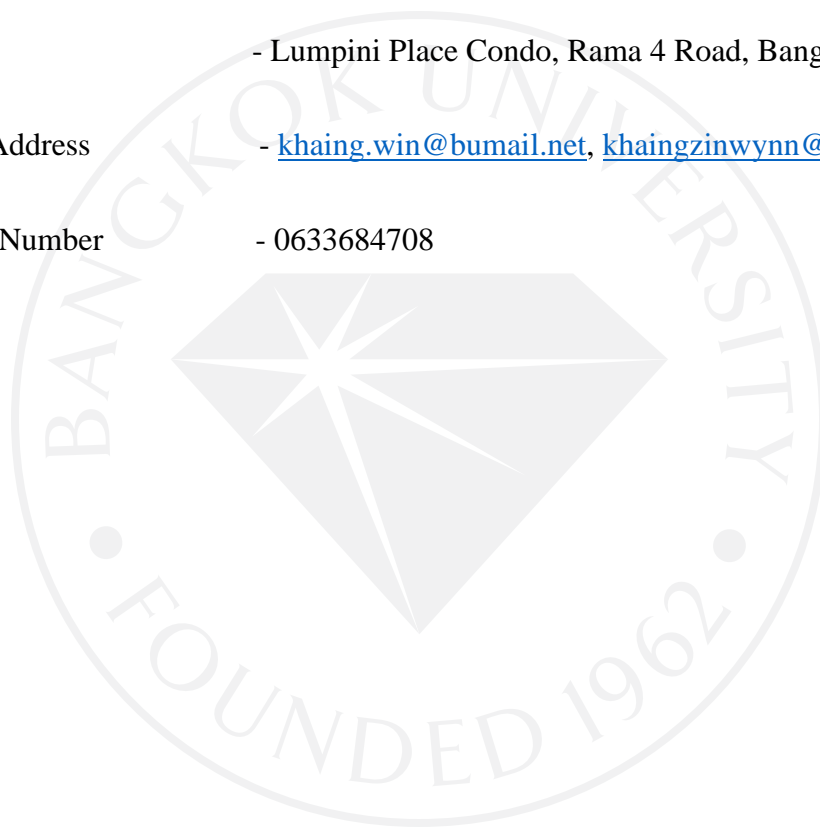
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