EFFECTIVENESS OF SERVQUAL DIMENSIONS IN INCREASING CUSTOMER SATISFACTION BETWEEN HOTEL AND RESORT IN MELAKA

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ABSTRACT

The role of service quality in the success of hotel businesses cannot be denied. It is vital for the hotel managers to have a good understanding on what exactly the customers want. Furthermore there also had been concerns that service quality dimensions may differ from one country to another. Hence this study intends to analyze the service quality dimensions in increasing customer satisfaction by conducting comparative study between three star hotels and resorts in Melaka, Malaysia to identify which service quality dimensions are significant in both type of establishment, to identify whether there are any differences regarding the perceived dimensions and to find out which dimensions are the best predictor of overall service quality. Probability sampling techniques were used to collect data from the modified SERVQUAL instruments. SPSS 16.0 for Windows was employed for the data analysis. Descriptive analysis such as means, standard deviation and frequencies are calculated. Reliability issues are tested and dimensionality of the scale is confirmed through an exploratory factor analysis. Finally, regression models were developed and analyzed for both type of establishments. Factor analysis confirmed the five-dimensional structure of SERVQUAL both in hotel and resort category; however, some of the dimensions found and their components were different from the original SERVQUAL. Results of regression analysis revealed that four dimensions were significant in determining overall service quality in hotel category while only one dimension were significant in determining overall service quality in resort category. The study concluded that identifying the perceptions of customers, the dimensions of service quality, and their relative importance for customers for each specific segment of the hotel industry would definitely help managers in the challenge of increasing customer satisfaction between Hotel and Resort in Melaka.

Keywords: effectiveness, SERVQUAL dimensions, increasing, customer satisfaction.

1.0   INTRODUCTION

Tourism is a major revenue earner for the Malaysian government, which has also invested significantly in the sector. The government has allocated RM1.8 billion in the Ninth Malaysian Plan for the 2006 to 2010 period. The allocation in the previous plan period (2001-2005) has been 700 million. The Malaysian government had set a target of 24.6 million tourist arrivals in 2010, while tourist receipts to reach RM59.4 billion that year.

The Melaka government through Tourism Malaysia, the Melaka State Tourism Action Committee and relevant agencies are always working out new ideas to turn Melaka into a compelling tourism centre in the region. Even now, Melaka is the choice for many national and international events. This helps establish the state in the tourism map. The state is giving emphasis to tourism events of international stature and Melaka currently received the recognition by the United Nations Education, Scientific and Cultural Organization (UNESCO) as a world heritage site. With the recognition, Melaka will remain as a tourism destination of choice for local and foreign tourists. Hence quality of hotels is a significant strategic issue for increasing the competitiveness of Melaka to the International tourism market; and the study explores service quality in terms of identifying which service quality dimensions are significant in Melaka hotels and resorts, to find out which dimension is the best predictor of overall service quality and examine the relationships between the service quality dimensions and the hotel guest's overall satisfaction.

The State of Melaka is currently on the course of rapid economic growth and development. The tourism industry in Melaka holds huge potential and has generated employment opportunities, more income for businesses and helped improve the livelihood of locals. More than six million people visited the historical state in 2008 and spent RM3 billion during their stays. With the present tagline in Melaka's tourism campaign being "Visiting Historical Melaka Means Visiting Malaysia, Melaka is highly optimistic of the tourist numbers and extrapolations indicate the number will reach 8.2 million by 2010. Accommodation is of no problem because there are 5,096 hotel rooms, resort hotel rooms (2,458), chalets (484) and homestay rooms (136). Thus Melaka's tourism industry will continue to prosper, bringing greater prosperity to the state and its people. (http:/malaysiahotelnews.blogspot.com).

Service quality incorporates the concept of meeting and exceeding the expectations of the customer and this has been growing in popularity

since its inception in the late 1970s. The majority of the literature on service quality in the 1970s and 1980s reveals four main attributes: intangibility, heterogeneity, perish ability and inseparability. Intangibility is an attribute often cited as having no tangible quality. The third attribute perish ability is grounded in the theory that services cannot be saved or inventoried for future use. The last attribute is the inseparability of production and consumption. When services are sold to customers, both production and consumption occur simultaneously.

In general, service quality promotes customer satisfaction, stimulates intention to return, and encourages recommendations. Customer satisfaction increases profitability, market share, and return on investment (Fornell, 1992). In a highly competitive hotel industry, individual hoteliers must find ways to make their products and services stand out among the others. To achieve this, hoteliers must understand their customers' needs – and then set out to meet (or exceed) these needs. Jiju, Freenie and Sid (2004) made a research identifying the dimensions of service quality in the UK hospitality industry based on the SERVQUAL instrument. Their study had its focus on a hotel group however it doesn't mention the type of hotels or the rating of stars given to the establishment. This makes it interesting whether the factor structured proposed in their study is valid in other type of hospitality establishment and also to look whether the perceived service quality dimensions differs by countries.

Hence, the study sets out to analyze the service quality dimensions of hotel guest using the SERVQUAL instrument in the emerging market which is Melaka hotel industry through a comparative study between hotel and resort in Melaka. The research question were what are the effectiveness of service quality dimensions that are perceived as significant between hotel and resort in Melaka and is there any difference in the service quality dimensions that are perceived as significant between hotel and resort in Melaka? Also, which dimensions are the best predictors of overall service quality between hotel and resort in Melaka?

1.1 Literature Review

An organization can gain competitive advantage by the use of technology for the purpose of enhancing the service quality by gathering information on marked demand. Conceptual models in service quality enable management to identify quality problems. By presenting the identified problems enables the possibility of improving the profitability, efficiency and overall performance (Parasuraman *et.al*. 1988).

The Gap Model

Service quality is a function of the differences between expectation and performance along the quality dimension. Unlike goods quality, which can be easily measured objectively in terms of number of defects and durability, service quality is an elusive construct that may be difficult to measure (Parasuraman *et.al*. 1988). Parasuraman *et.al*., (1985) research revealed that service quality stems from a comparison of the customers expectations or desire from the services provider with their perceptions of actual service performance.

Parasuraman *et.al*. (1985) argue that perceived service quality is the degree and direction of discrepancy between consumers' perceptions and expectations. According to Brown and Bond (1995), "the GAP model is one of the best received and most heuristically valuable contributions to the service literature". The first four gaps (GAP 1, GAP 2, GAP 3, GAP 4) are identified as functions of the way in which service is delivered, whereas GAP 5 pertains to the customer and as such is considered to be the true measure of service quality. The latter, GAP 5 is the GAP that SERVQUAL instrument influence.

SERVQUAL

SERVQUAL is a multi item scale developed to assess customer perceptions of service quality in service and retail businesses. Originally developed from the GAP model, SERVQUAL took shape and was developed during the 80's. The scale containing twenty-two items that was grouped into two statements, one to measure expectations concerning general factors about the company while the other measure perceptions about the particular firms whose service quality was being evaluated. Furthermore, these items were grouped into following five distinct dimensions (Zeithaml et al. 1988):

Tangibles: Encompasses physical facilities, equipment, and appearance of personnel etc.
Reliability: Ability to perform the promised service dependably and accurately
Responsiveness: Reflects the willingness to help customers and provide prompt service.
Assurance: Involves knowledge and courtesy of employees and their ability to inspire trust and confidence.
Empathy: Which is caring, individualized or customized attention the organization provides to its customers.

Assurance and empathy contain items representing seven original dimensions, (communications, credibility, security, competence, courtesy, understanding/knowing customers, and access) did not remain distinct throughout the several refinements over the years. This led to the extended model of service quality model illustrated in Figure 1 – Extended Model of Service Quality (Zeithaml et al. 1988).
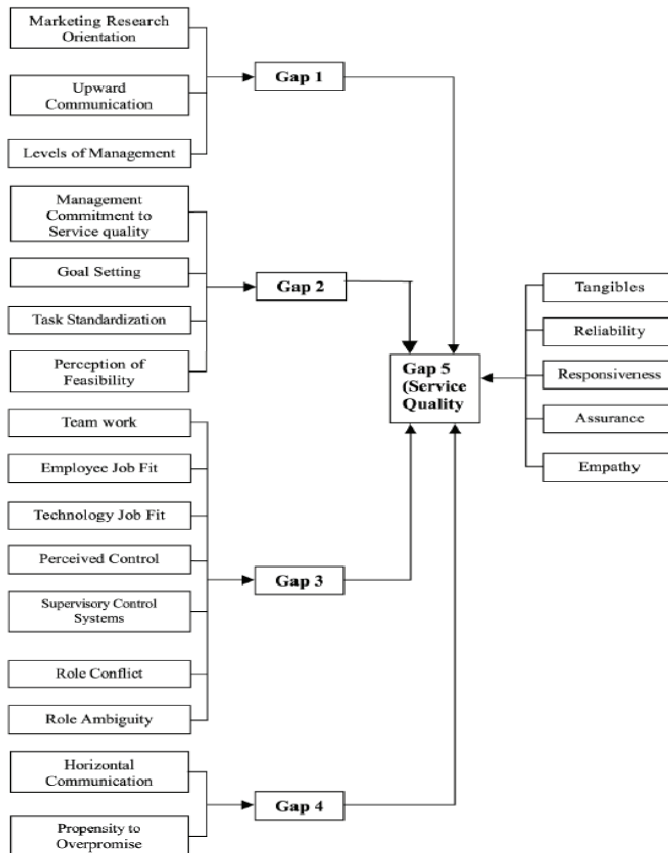

Figure 1: Extended model of service quality (Zeithaml *et.al.*, 1988)

SERVQUAL stand for service quality as the discrepancy between a customer's expectations for a service offering and the customer's perception of the service received, requiring respondents to answer questions about both their expectations and their perceptions. (Parasuraman et al., 1988). The purpose of SERVQUAL is to serve as a diagnostic methodology for uncovering wide areas of an organization's service quality weaknesses and strengths. The SERVQUAL instrument produces a systematic, multi stage and interactive process that evolves from the identified dimensions and items within that correspond to the specific companies and industries (Zeithaml et al. 1988). The SERVQUAL

instrument is designed for use in any kind of service business and provides a basic skeleton though its expectations/perceptions format, encompassing statement for each of the five dimensions (Parasuraman et al., 1988).

Service Quality and Customer Satisfaction

The interest in studying satisfaction and service quality as the antecedents of customer behavioral intentions in this paper has been stimulated, firstly, by the recognition that customer satisfaction does not, on its own, produce customer lifetime value (Appiah-Adu, 1999). Secondly, satisfaction and quality are closely linked to market share and customer retention (Fornell, 1992; Rust and Zahorik, 1993; Patterson and Spreng, 1997). There are overwhelming arguments that it is more expensive to win new customers than to keep existing ones (Ennew and Binks, 1996; Hormozi and Giles, 2004).

This is in line with Athanassopoulos, Gounaris and Stathakopoulos's (2001) arguments that customer replacement costs, like advertising, promotion and sales expenses, are high and it takes time for new customers to become profitable. And lastly, the increase of retention rate implied greater positive word of mouth (Appiah-Adu, 1999), decrease price sensitivity and future transaction costs (Reichheld and Sasser, 1990) and, finally, leading to better business performance (Fornell, 1992; Ennew and Binks, 1996).

Theoretical Framework
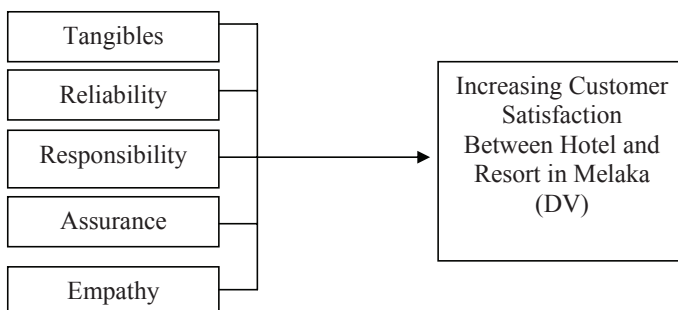
SERVICE QUALITY (IV)

Figure 2: Theoretical framework of effectiveness servqual dimensions in increasing customer satisfaction between hotel and resort in Melaka

Almost all research studies in social and behavioral sciences regardless of discipline/programs require a rational or base for conducting research. This rationale/base is often called theoretical framework. A host of researchers have provided varying definitions of theoretical framework. A theoretical framework is a conceptual model of how one theorizes or makes logical sense of the relationships among several factors that have been identified as important to the problem (Sekaran, 2004).

In essence, it attempts to integrate key pieces of information especially variables in a logical manner, and thereby conceptualizes a problem that can be tested. Theoretical framework visually tells the big picture of the study (research), identifies literature review categories and direct objectives. A typical theoretical framework provides a schematic description of relationships between and among independent, dependent, moderator, control, and extraneous variables so that a reader can easily comprehend the theorized relationships. Figure 2 shows the theoretical framework for this study.

2.0   METHODOLOGY

This study was a descriptive research as it was undertaken in order to ascertain and be able to describe the characteristics of the variables of interest in a different settings which is Melaka hospitality industry by analyzing the effectiveness of service quality dimensions in increasing customer satisfaction between hotel and resort in Melaka.

In this study, the population of the survey is guests from all three stars hotels and resorts in Melaka whom had experienced the service in the hospitality establishments mentioned. The sampling was targeted at selected hotels and resorts in Melaka that are ranked 3 stars. Two 3 star hotels and two 3 star resort was selected for this study. For this study, 200 questionnaires were distributed to guests who patronize. This number is chosen because the study involves guests of the hotel and by choosing two 3 star hotels and two 3 star resorts, the researcher is confident to gain enough data and information. The probability simple random sampling design was used for the study whereby every element has a known and equal chance of being selected as a sample. The probability sampling is typically used in quantitative research. This involves a selection or representative's sample from a population using a random procedure to ensure objectivity in selecting sample. The findings from the sampling data can be generalized to the population with a specified degree of accuracy.

Instrumentation is a process of selecting or developing measuring devices and methods appropriate to a given evaluation problem. In this case, there are two principle issues concerning all measuring instrument which is it valid and is it reliable. Measurement is intended to serve what role it is called upon to play in the scientific situation and what function it performs in inquire. For the purpose of this research, the researcher has decided to develop an adopted version of the SERVQUAL (Parasuraman *et.al.*, 1988) generic instrument (Refer Appendix A for the original SERVQUAL 22 items questionnaire). The conceptual and psychometric problems linked with using differences between perceptions and expectations (Cronin and Taylor, 1992), and the desire to make the task of the respondents of this study easier, led the researchers to include only the perception of quality.

The developed questionnaire includes twenty four items where eight items correspond to the tangibles dimension, five items correspond to the reliability dimension, four items to the responsiveness, three items correspond to the assurance dimensions, and four items to empathy. Respondents were asked to indicate their degree of agreement with each of the items on five-point Likert scale. The questionnaire also included one question that measure overall service quality. This question is measured using 100 point interval scale. The Statistical Package for Social Sciences (SPSS) 16.0 will be used to tabulate the data gathered from the research questionnaires. The frequencies descriptive statistics will be performed to determine the result from the demographic data. The descriptive statistics for all the variables involved also will be presented in order to find the mean and identify which items in the variables have the low and high mean. Factor analysis is the permutation of multivariate statistical methods primarily used to identify the underlying structure in data (i.e. determine the correlations among the large number of variables). Factor analysis refers to the cluster of interdependence techniques whereas it summarizes the information from a large number of variables into factors, depending on their relationship (Hair et al., 1998).

The purpose of factor analysis is to simplify the understanding of the data, which can be achieved from either an exploratory or confirmatory perspective (Hair et al., 1998). Confirmatory factor analysis and exploratory factor analysis are two statistical approaches used to examine the internal reliability of a measure. The latter is generally used to discover the factor structure of a measure and to examine its internal reliability. Exploratory factor analysis is often recommended when researchers have no hypotheses about the nature of the underlying factor structure of their measure. A regression analysis examines the

relation of the dependent variable (response variables) to specified independent variables. The objective is to identify whether relationship between variables exists, which is usually based on a study of the correlation between the variables (Hair et al., 1998).

3.0   FINDINGS

During the period of study, a total of 200 questionnaires were distributed to the guests staying at two 3 star hotels and two 3 star resorts in Melaka. The total number of questionnaires returned was 131 at 66%, which 89 is from hotel category and 49 from resort category. However based on Sekaran (2004), the total number of questionnaires returned is considered sufficient for data analysis.

Since this study is a comparative study between hotel and resort, the data analysis will be presented in comparative ways as well. The respondent's demographic profiles in the hotel category, the results showed that the gender of respondents is almost equal between male and female where male respondents constituted 51.2% while female 48.8% while in the resort category, male respondents constituted 55.1% while female 44.9%. In terms of respondent's age, the age range between 18 to 30 years old represents the highest age category recorded for both type of establishment is whereby this age category is accounted for 45.1% (hotel) and 40.8% (resort).

More than 97% of respondents from hotel category have high education level compared to respondents from the resort of 79%. 71% of the hotel's guests are married and 39% are single while 59% of the resort's guests are married and 41% are single. The nationality for all respondents from both hotel and resort category are Malaysian. The main purpose of the hotel guests for visiting to Melaka was for other purposes at 76%. However, in reference to their occupation, it could be concluded that the purpose for them to be in Melaka most probably for convention, conference or workshop. As for resort's guests, the main purpose of their visit was for holiday at 41%. Most of the guests were first time guests in the hotel and resort that they stayed in, constituting 61% of the respondents for hotel and 49% for resort.

Item-dimension Correlations

Items are then grouped into the item-dimension correlations for each of the five original dimensions and the result on the alpha values for the overall instrument is high, while the reliability coefficients for the

five original dimensions exceed the 0.70 cut-off recommended by Hair *et.al.*, (1998). The results show that both overall model and quality dimensions can be considered as to have high reliability.

Factor Analysis

The next stage of the data analysis was to explore the dimensions of quality in the hospitality industry using principal component factor analysis.

KMO and Bartlett's Test of Sphericity

Before proceeding with the factor analysis, the data sets are tested using Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity. Each of the test is use to assesses whether there are patterns of correlations in the data that indicate that factor analysis is suitable.

The average KMO value for the data set, is described as meritorious at 0.893 for data sets from hotel category and 0.806 for data sets from resort category. This indicates that factor analysis is feasible for data analysis. The Bartlett Test of Sphericity is also highly significant = (p<0.001) for data sets from both category, again suggesting that factor analysis can be applied to the data sets since there is an inter-correlations among the items.

Principal Component Analysis – Total Variance Explained

Principal Component Analysis was carried out so that the dimensions between different variables could be better outlined. Thus doing a factor analysis and the results subjected to Varimax rotation with Kaiser Normalization and to retain factors with Eigenvalues greater than one.

The analysis for hotel category has extracted five factors, and here we can see that factor one has an Eigenvalues of 11.96 and accounts for 49.84% of the variance, factor two has an Eigenvalues of 1.873 and accounts for 7.81% of the variance factor three has an Eigenvalues of 1.58 and accounts for 6.60% of the variance, factor four has an Eigenvalues of 1.18 and accounts for 4.90% of the variance and factor five has an Eigenvalues of 1.10 and accounts for 4.58% of the variance. In total the five factors account for 73.71% of the variance in the questionnaire and therefore seem to be a good representation of the original data set.

As for the analysis for resort category has also extracted five factors, and here we can see that factor one has an Eigenvalues of 11.23 and

accounts for 46.79% of the variance, factor two has an Eigenvalues of 2.49 and accounts for 10.37% of the variance factor three has an Eigenvalues of 2.02 and accounts for 8.40% of the variance, factor four has an Eigenvalues of 1.28 and accounts for 5.30% of the variance and factor five has an Eigenvalues of 1.05 and accounts for 4.40% of the variance. In total the five factors account for 75.27% of the variance in the questionnaire and are considered as a good representation of the original data set.

Principal Component Analysis – Rotated Component Matrix

Next is the rotated components matrix (shown below), which gives the same information but after rotation. It tells which variables map onto which factors most significantly and in size order. From this matrix for the hotel category, we can see that factor one includes six variables, factor two includes 8 variables, factor three includes 4 variables, factor four includes 5 variables whereas factor five is only comprised of one variable.

As for the matrix from the resort category, the results indicate that factor one includes 11 variables, factor two and three both includes 4 variables respectively, factor four includes 3 variables while factor five includes two variables. The general pattern loading suggests that 5 factors emerge as dimensions of service quality in the hospitality industry for this study, for both hotel and resort category. A summary of the essential content of the dimensions of service quality in the hospitality industry for both hotel and resort category is illustrated in Table 1 and Table 2 below, where the emerged factor also been named.

Table 1: Dimensions of service quality in the hospitality industry (Hotel)

Factor	Elements from SERVQUAL	Main Emphasis
Empathy	Assurance (2) Empathy (4)	Instill confidence, knowledgeable, gives attention, understand needs, best interest at heart
Responsiveness	Reliability (3) Responsiveness(4) Assurance (1)	Shows interest, deliver right service, error free, willingness to help, never too busy, feel safe
Exterior	Tangibles (3) Reliability (1)	Neat and professional, easy to use, clean, on time service delivery
Tangibles	Tangibles (4) Reliability (1)	Modern looking, appealing, appearance, comfortable, fulfill promises
Variety	Tangibles (1)	Variety of food and beverages

Table 2: Dimensions of service quality in the hospitality industry (Resort)

Factor	Elements from SERVQUAL	Main Emphasis
Reliability	Reliability (3) Responsiveness (3) Assurance (1) Empathy (4)	Shows interest, deliver right service, error free, informative, willingness to help, instill confidence, gives attention, understand needs, best interest at heart
Exterior	Tangibles (2) Reliability (1) Assurance (1)	Easy to use, clean, on time service delivery, feel safe
Responsiveness	Tangibles (1) Reliability (1) Responsiveness (1) Assurance (1)	Appearance, fulfill promises, never too busy, knowledgeable
Tangibles	Tangibles (3)	Modern looking, appealing and comfortable
Image	Tangibles (2)	Neat and professional, Variety of food and beverages

Perceptions of the New Factors

The new variables extracted from the factor analysis consisting of the five dimensions and its related items create new loads. The dimensions found in the study are not completely the same as SERVQUAL's original dimensions. In the hotel category, three of the original dimensions, "empathy", "responsiveness" and tangibles, are extracted and another two new dimensions of "exterior" and "variety" are added to the SERVQUAL model. Similar results were identified in the resort category whereby three of the original dimensions, "reliability", "responsiveness" and "tangibles", are extracted and another two new dimensions of "exterior" and "image" are added to the SERVQUAL model.

This new dimension results from the personal judgment of the researcher, pursuant to the idea that the sets of interrelated variables included in the factor can be used to measure the "exterior" and "variety" for hotel and "exterior" and "image" for resort makes it unique to the hospitality sector in Melaka. Adding the means of each item in the five dimensions respectively and dividing this by the number of items results in new factor values as shown in Table 3 and Table 4 below.

Table 3: Dimension statistics (Hotel)

Dimension	Mean	Std. Deviation
Empathy	3.5252	.70795
Responsiveness	3.6620	.62834
Exterior	3.7104	.54073
Tangibles	3.4970	.56994
Variety	3.2073	.82758

The dimension statistics from Table 3 and Table 4 shows the importance of the dimensions as perceived by the respondents where the maximum scale score is five on the scale. This gives an indication based on the factor analysis that these elements appear to be particularly important contributors to service quality evaluation in the hospitality industry. However, to further explore this assumption, regression analysis was used to investigate the best predictor.

Table 4: Dimension statistics (Resort)

Dimension	Mean	Std. Deviation
Reliability	2.9722	.72447
Exterior	3.0510	.76883
Responsiveness	3.0051	.71350
Tangibles	2.9932	.91158
Image	2.8163	.81454

Regression and ANOVA Analysis

The regression analysis used service quality dimensions as independent variables against a separate measure of overall service quality (dependent variable). The model summary reports the strength of the relationship between the model and dependent variable, overall service quality. R, the multiple correlation coefficients, is the linear correlation between the observed and the model predicted values of the dependent variable. Its large value indicates a strong relationship. R square, the coefficient of determination, is the squared value of correlation coefficient. Results from the hotel category shows that 49% of the variation is explained by the model while the result from the resort category shows that only 29% of the variation is explained by the model.

The ANOVA table tests the acceptability of the model from a statistical perspective. The regression analysis displays information about the variation that is not accounted for the model. The residual rows display information about the variation that is accounted for by the model. The regression and residual sums of squares for hotel are approximately 49/51, which indicates that about 49% of the dimension variation is explained by the model while in the resort category, the regression and residual sums of squares are approximately 29/71, which indicates that about 29% of the dimension variation is explained by the model.

Both types of establishment (hotel and resort) indicate the significance value of the F statistic is less than 0.05, which are generally considered

as "statistically significant." While the ANOVA table is useful test of the model's ability to explain any variation in the dependent variable, it does not directly address the strength of that relationship.

Coefficients of Determination

The relative importance of the significant predictors is determined by looking at the standardized coefficients. In the hotel category, empathy, responsiveness, exterior and tangibles has the highest standardized coefficient and the lowest significance, which means that these four dimensions are the best predictor for overall service quality in hotel category. There is also 1 non- significant coefficients, (variety) since the variable significances exceed 0.005 indicating that it does not contribute much to the model.

Analyzing the whole results, the order of significance for predictors of overall service quality in hotel category is empathy, responsiveness, exterior and tangibles. In the resort category, reliability has the highest standardized coefficient and the lowest significance. The other 4 dimensions, (exterior, responsiveness, tangibles and image) shows a non- significant coefficients, which exceed 0.005 indicating that these variables do not contribute much to the model. This means that reliability is the single best predictor of overall service quality in resort category.

4.0   CONCLUSION AND RECOMMENDATION

Research Question 1 and 2: Identified dimensions and differences

The findings of this study identified and confirmed the five-dimensional structure of SERVQUAL, but some of the dimensions found and the components of these dimensions differed from that of SERVQUAL. The identified dimensions of service quality that are perceived significant between hotel and resort in Melaka. Results reveal that the service quality in hotels is not just derived principally from the following original SERVQUAL dimensions but also new emerging dimensions. In the hotel category, three original dimensions of "empathy", "responsiveness" and "tangibles" were retained and the newly emerged dimensions are "exterior" and "variety". The results from the resort category also retained three original dimensions of "reliability", "responsiveness" and "tangibles" while a completely new dimensions that emerged was ''exterior'' and "image".

The findings from this study also support the claim that the number of service quality dimensions is dependent on the particular service being offered and different measures should be developed for different service contexts (Parasuraman et al., 1988).

Research Question 3: The best predictor of overall service quality

The results from this study through regression analysis reveal that in the 3 star hotel category in Melaka, the overall service evaluation of service quality was determined largely by four factors; namely, "*empathy*" like instill confidence, knowledgeable, gives attention, understand needs, best interest at heart; "*responsiveness*" factors like shows interest, deliver right service, error free, willingness to help, never too busy, feel safe, "*exterior*" like neat and professional, easy to use, clean, on time service delivery, and "*tangibles*" like modern looking, appealing, appearance, comfortable, fulfill promises. The remaining dimension (*variety*) is also relevant but less significant as compared to the other four dimensions which have significance levels that do not exceed 0.05.

On the other hand, the findings in the resort category revealed that the overall service evaluation of service quality was determined by a single factor; namely, "*reliability*" like shows interest, deliver right service, error free, informative, willingness to help, instill confidence, gives attention, understand needs, best interest at heart. The remaining dimensions (*exterior, responsiveness, tangibles and image*) are relevant but less significant since their significance levels exceed 0.05.

The previous studies conducted in the hotel industry produced different outcomes with regard to the hierarchy of dimensions in contributing to overall evaluation of service quality. The dimensions reports included ''courtesy and competence of hotel personnel'', ''employees'', Saleh and Ryan (1992) report ''conviviality'', Knutson et al., (1990) report "reliability'', and Ekinci et al., (2003) report ''intangibles'' as the most important dimensions influencing the perception of quality in the hotel sector. This also appeared to be a different result from that of Parasuraman et al., (1988) study, in which ''reliability'' was the best predictor. This finding was also different from the findings of other studies conducted in the hotel sector cited above henceforth adding up to the theoretical and methodological advancement of service quality and hotel industry literature.

Identifying accurately the specific expectations of customers, the dimensions of the service quality around which customers make their quality evaluations, and their relative importance for customers

carries vital importance in quality improvement efforts (Asubonteng et al., 1996). Having knowledge about these areas would definitely help managers in the challenge of improving the service quality in the hospitality industry. From this research point of view, obtaining specific knowledge about these areas for the hotel and resort segments that show differences with regard to the clientele they serve, the services they offer, and the cultural context from which the hotel and resort generates its customers would create more satisfying outcomes in quality efforts.

Based on the study, the hotel manager in the 3 star category should pay attention to all five dimensions of service quality, however they should give more focus to the dimension of empathy, responsiveness, exterior and tangibles in their pursuit to increase overall service quality. As for the resort manager, he or she can focus more on the dimension reliability to increase overall service quality. In this context it is imperative for resort manager to manage their service encounter, which involves the direct interaction between a service operation and its customers. Service encounters, in particular those involving front line staff typically have a high "impact" on consumers, and the quality of the service encounter is thus part of the overall service quality perceived and experienced by the customer. It's could be done through training of employees in delivering high quality service.

Further research is also needed to identify the additional factors that influence the level of service quality in resorts in Melaka since the result from the regression analysis indicate that only 29% of the overall service quality were explained by the model meaning that there are 71% of the variance can be explain by other factors. There's probably several other new factors or dimensions that can be further discovered which have influence on the overall service quality in Melaka hotel industry. The findings of this study also support the claim that, although the SERVQUAL scale is a very useful tool as a concept, it needs to be adapted for the specific service environments and for the cultural context. Along with the important findings obtained by this study, the adapted/modified questionnaire itself is also an important contribution of this study. Some researchers addressed concern about the layout and administration of SERVQUAL. This study utilized a one column customized format of SERVQUAL instrument. The one-column format scale has overcome some problems associated with operationalizing the SERVQUAL instrument. The modified scale is a shorter, more user-friendly version of SERVQUAL, and provides valid and reliable results. In future, further attempt to modify the instrument to obtain better fit should be carried out.

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