THE EFFECT OF SERVICE INNOVATION AND CUSTOMER CHOICES ON CUSTOMER VALUE IN THE HOSPITALITY INDUSTRY IN MALAYSIA

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APRIL 2009
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Submitted to the Graduate School of Business
Faculty of Business and Accountancy
University of Malaya, in partial fulfillment of the requirements for the Degree of Masters of Management
April 2009
ACKNOWLEDGEMENTS

First and foremost, I would like to thank God for giving me the opportunity to study Master of Management in University Malaya. Secondly, I would like to extend my sincere appreciation and thanks to my dedicated research supervisor Professor Madya Dr. Ghazali Musa, for his continual guidance, support and constructive comments and kind assistance during the course of this research study. I am most grateful to him for his patience and tireless efforts in helping me get through the most difficult times whilst preparing for this research thesis.

My deepest appreciation and thanks to my parents, husband, brother, son and family members who had been constantly supporting me and upholding me in their prayers to request God to see me through the journey of acquiring higher education and life-long learning in my pursuit of the master degree. My gratitude also goes along with my heartfelt thanks and appreciation to my dear friends, for their continual moral support and kind assistance during the course of this research study.

Last but not least, I am indebted to all the respondents who willingly participated in the survey for this research. You all have made this research a success by providing the data for the study when you sacrificed your time and efforts in completing the questionnaire.
ABSTRACT

The hospitality industry in Malaysia is constantly undergoing innovative change in their efforts to meet customers’ expectation and achieve their satisfaction. At present customer expectation is much related to service innovation in the hospitality industry. Thus the aim of this research was to study the influence of service innovation on customer choice of hotels and the extent to which this delivers customer value. The key factors of service innovation in this research were the characteristics of hotel type, use of information technology and customization of service. These factors of service innovation were measured against customer choices and customer value. The methodology adopted for this study was a quantitative survey, based on a non probability sampling design using convenience sampling. A total of 200 questionnaires were distributed and collected back. The data collected were analysed using Statistical Package for Social Sciences (SPSS). The correlation analysis carried out clearly indicated that there was positive relationship between hotel type and information technology while there was a negative relationship between customization of service and customer choice. The analysis further indicated that there was a positive relationship between customer choice and customer value. The management implication of this research would be that hospitality managers should plan towards more innovative ideas in their organization to sustain competition in the industry.
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