Factors Affecting Customer Satisfaction Among Local Tourists Towards Three-Star Hotels in Kuala Lumpur

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ABSTRACT

In today's fast-paced world, the hospitality industry works hard to provide excellent service to ensure customer satisfaction. However, a study on customer reviews from booking platforms like Agoda.com and Booking.com reveals that many guests are dissatisfied with the service quality at a three-star hotel in Kuala Lumpur. Guests often mention that poor service from hotel staff makes them unlikely to return. While guests value genuine solutions to their problems, have hotel staff needs to have strong problem-solving skills to manage satisfaction effectively. This study aims to identify the factors affecting customer satisfaction by examining both positive and negative feedback. It also highlights those complaints can take many forms and stresses the importance of identifying specific areas or behaviours that may lead to poor service in a three-star hotel.

Keywords: Customer Satisfaction, Reliability Value, Assurance, Tangible, Empathy, Responsiveness, and Price.

1.0 INTRODUCTION

Customer satisfaction is often at the heart of human experience, expressing our preference for a company's commercial activity. Besser & Beckwith (2000) stated that, a pleasant experience is generally mentioned to nine individuals, whereas a negative encounter is usually mentioned to sixteen people. High levels of

customer satisfaction are key determinants of client and customer retention, as well as product and loyalty repurchase. Customer satisfaction is a term that clarifies a measurement of services or products provided to meet customer's expectations (Anwar & Louis, 2017). In fact, maintaining the hotels' credibility and revenue to be consistent is by customer satisfaction is the best display of a hotel's future profits (Khan & Abdullah, 2019).

Nowadays, stiff competition among hotels and resorts is inevitable, while most of them offer almost identical services or goods as their next-door neighbours. A company must provide exceptional services and continuously improve service quality frequently results in happier customers, and higher customer satisfaction frequently results in customer loyalty. Service quality takes centre stage, providing more pleased and committed consumers and, as a result, more profit than competitors. It is the doctrine that emphasizes the significance of making worth for customers, predicting and handling their presumptions and manifesting the capability and duty to meet their requirements (Dominici & Guzzo, 2010). By improving customer satisfaction, which will definitely promote guest loyalty, the hotel's vision and mission can be achieved. Thus, identifying and addressing the factors that affect satisfaction is key to this success.

According to Free Malaysia Today (2022), Kuala Lumpur hotel occupancy to reach 75% in late 2023, and on the supply side, Kuala Lumpur's existing hotel stock of 47,500 is forecast to grow by 9% over the next three years, and about 60% of this new supply will be in the luxury and upper upscale segments which are currently under-represented. Hotels are a crucial factor in tourism as this is needed by the tourist from other countries and states. Based on the level of service provided by hotels are categorized as either economy or luxury, with economy hotels often known as budget hotels. Which meets the basic needs of customers by offering clean and tidy rooms (Abhijeet, 2013). Regarding the prediction from the FMT statement in 2023 for hotels and the tourism industry, it can increase up to 75% occupancy which can increase the revenue for the hotels. Thus, with this research, we can eliminate the factor that might make the customer feel unsatisfied with the service to boost the occupancy for the hotels, especially in Kuala Lumpur.

The main focus of this study is customer satisfaction towards the service of three-star hotels in Kuala Lumpur. Numerous articles and guest reviews on platforms like Agoda.com and Booking.com, consistently highlight these alarming concerns (Smith & Brown, 2021). Identifying and addressing these issues will help improve customer satisfaction. This is in line with Delgado and Ballester (2004) who stated that, if clients are not content with the employees, there is a high probability that they will not come back to do more business with the company. Customers are happy when they find simple answers to their difficulties but also hotel's employees must have problem-solving skills to manage customer satisfaction positively.

In addition, the number of customers that turn to internet sites and other related sites to make reviews and complaints about hotel services has increased (Tyrrell & Woods, 2005). These factors can significantly impact the hotel's reputation and star rating. For instance, a customer complained about a dirty room and the absence of towels in the bathroom. Addressing such issues is crucial in maintaining high service standards and customer satisfaction. The issue remains unaddressed since housekeeping service is not available at night (TripAdvisor, 2013) and many other factors mostly from the department front office, housekeeping and food and beverage.

Several previous articles and studies support the problem statement of this study, focusing on identifying the factors affecting customer satisfaction. This research references both positive and negative feedback, highlighting those complaints can be expressed in various ways. It is also important to evaluate which departments or behaviours might contribute to poor service quality in three-star hotels. Thus, this study aims to the contributing factors of customer satisfaction in three-star hotels in Kuala Lumpur.

RO1 To examine the relationship between reliability, assurance, tangible goods, empathy, responsiveness and price towards customer satisfaction among local tourists towards three-star hotels in Kuala Lumpur.

This study focused on six variables as most literature highlighted on value of reliability, assurance, tangible, empathy, responsiveness, and price as crucial factors affecting customer satisfaction among local tourists toward the three-star hotel.
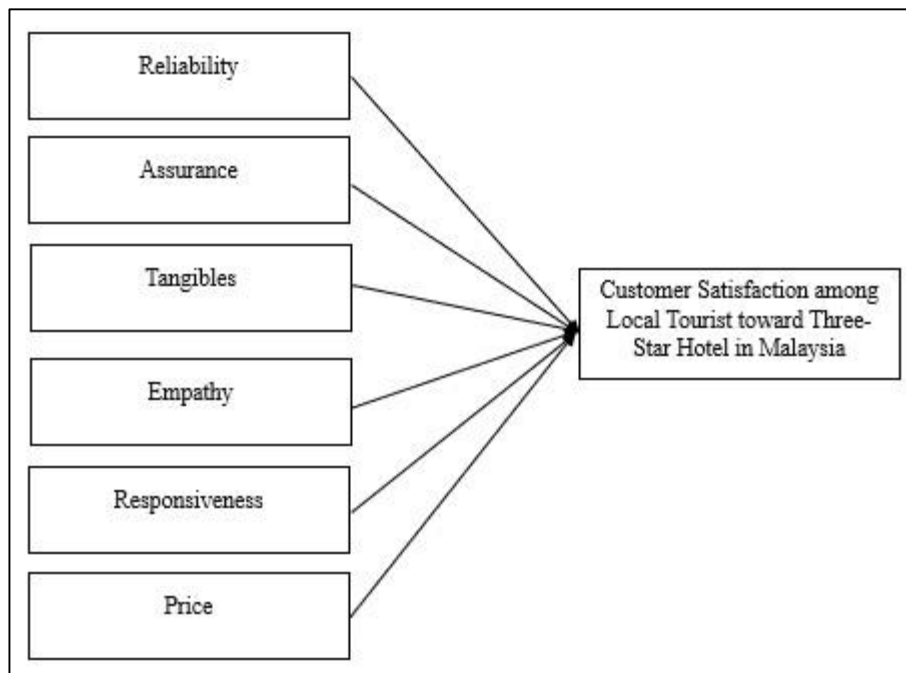
Figure 2.1: Theoretical Framework of Factors Affecting Customer Satisfaction Among Local Tourists Towards three-star Hotels in Kuala Lumpur

2.0 LITERATURE REVIEW

2.1 Customer Satisfaction

Customer satisfaction is a crucial element in service quality assessment because the higher the customer satisfaction the higher the performance of a business (Morgan, Anderson & Mittal, 2005). Moreover, service quality is also widely used in the hotel industry as there have been several research that have been conducted and focused on the service quality of the hotel industry in the past years (Juwaheer, 2004).

Customer satisfaction is defined as "the individual's perception of the performance of the product or service in relation to his or her expectations" (Schiffman & Kanuk, 2004). Thus, in the line of a business customers play a big role in this hospitality industry as they can influence other people if they feel great and comfortable in the hotel that they are staying so by that if this particular hotel can get the satisfaction from the customer, the hotel will increase its profit and revenue as the major complication that the organization encounter is the capability to generate profit and at the same time, maintaining the satisfaction of the customer (Dominici & Guzzo 2010).

2.2 Factors Influencing Hotel Guests' Satisfaction in Three Star Hotel in Kuala Lumpur

In Kuala Lumpur's competitive hospitality landscape, customer satisfaction directly impacts a hotel's reputation, repeat business, and overall success. Addressing guest concerns will ensure not only higher ratings on review sites but also increase loyalty and positive word-of-mouth. It's the essence of the industry. As a matter of fact, some several journals and articles may support this specific study and issues. Therefore, there are six (6) main variables relating to the elements influencing consumer satisfaction with hotel service in Kuala Lumpur are identified such as tangibles, empathy, reliability, assurance, responsiveness, and price that will be elaborated.

2.2.1 Reliability

Reliability is defined as the dependability, consistency and accuracy with which the service is performed by the provider (Kandampully, 2007). The service giver desires to be supportive and quick in rendering the service (Prayudha & Harsanto, 2014). Basically, reliability refers to a company's ability to provide consistent service and keep its commitments. It denotes that the service provider gives quality service the first time. The significant importance lies in fulfilling promptly the customer's requests (Hameed & Anwar, 2018). It indicates the service provider's capacity to offer consistent and accurate service to the customer during their stay.

On the other hand, reliability provides guarantees about issue selection, transmission, service provision, and price policy. Anwar and Climis (2017) stated that customers prefer to work with organizations that keep their guarantees about the service outcomes. In definition, the return on investment in a short message such as the customer doesn't mind spending more if the service is the same as they paid.

2.2.2 Assurance

Assurance is the extent to which the service personnel stimulate faith and credence among the customers of the firm (Kandampully, 2007). It indicates that employees' expertise and civility, as well as their capacity to inspire trust and confidence. Therefore, the hotel must demonstrate that it is trustworthy and worth the money that the customer is paying. According to Cronin and Taylor (1992), consumers should feel safe in all financial transactions; therefore, employees should be trustworthy.

Furthermore, customers are more likely to repurchase and recommend a company with a positive image because they believe it guarantees high-quality goods and services. Assurance also can be explained and expressed by admiration, thoughtfulness, and civility are all examples of etiquette. Communication that keeps customers updated at all times. Competence refers to the knowledge and abilities necessary to perform the service and security means by to make the customer feel safe from any harm will lead to good credibility refers to the truthful and trustworthiness (Du, et.al., 2003).

2.2.3 Tangibles

Tangibles have a significant impact on service quality, and customers can have a greater knowledge of the service if the service provider can control the tangibles such as the geographical area, service and service provider appearance. As stated by Cheng, et al. (2013) and Kinderis et al. (2011), hotels need to pursue established classification requirements to make the services high-quality. The main function and purpose of this SERVQUAL is to adopt some measures more generally, such as the quality verification list, laws, ambiguous customers, distinctive inspection, expert consultations, meetings, an ideal customer service system, and service assessment methodology. Basically, Tangibles relate to material characteristics like gadgets, equipment and how staff carry themselves (Seo, 2012).

In a nutshell, tangible can be separated into several elements such as the physical appearance including the appearance of the equipment, the appearance of the employees, the appearance of the structure, and the appearance of renovations. Furthermore, a dew tangible refers to the staff clean and suitable uniforms and the cleanliness of the restaurant, rooms and other facilities that have been provided by the hotel according to its star because when a guest needs to book a hotel, cleanliness is paramount. The most important aspect that hotels must emphasize is the significance of hygiene and sanitation. A clean hotel is one of the most important criteria in earning client loyalty. According to Silvestro & Johnston (1990), one of the essential reasons that leads to dissatisfaction of the absence of cleanliness in the service quality experience. Other than that, cleanliness is the most fundamental of the hotel guests' supposition (Zemke, Neal, Shoemaker & Kirsch, 2015).

2.2.4 Empathy

Empathy has to do with the "caring and individualized attention" granted to customers besides the degree of understanding personnel manifests in relation to customer needs (Kandampully, 2007). In the hospitality industry, the hotel should make a bond with the customers such as what are they desire, behaviour and feelings so as to get to know them customer more. On the other hand, one of the tips to make your hotel increase its profit and revenue is to get their customers hearts so it will become customer loyalty.

The behaviour dimension refers to a customer's behaviour on repeat purchases, indicating a preference for a brand or a service over time (Bowen & Shoemaker, 1998) and the attitudinal dimension of loyalty includes the goals and preferences of a consumer (Gremler & Brown, 1997).

Basically, in the hotel concept empathy can be influenced by price as Heskett et al. (1994) showed that, in some companies, loyal customers not only provide the profits but also cover the losses incurred in dealing with less loyal customers. However, not only the price that have influenced empathy but also how good or bad the employee serves them during their stayed that is also can be affected by empathy. Schultz and Bailey (2000); and Scott (2001) stated that although price continues to play a role in maintaining loyalty, competitive pricing alone does not create long-term customer loyalty.

2.2.5 Responsiveness

Responsiveness refers to the ability of a system or organisation to quickly and effectively respond to changing circumstances or needs. It can refer to the speed at which a system or organisation can respond as well as the effectiveness of the response. Responsiveness is often considered an important aspect of customer service, as well as in business, healthcare, and other industries. Anwar and Qadir (2017) mentioned that front-line staff, in hotel are receptions, waitresses, hostesses, and guest relations, must be very well trained as well as should be responsive towards customers. This refers to employees must be fully prepared with any possibilities or complaints as customers don't like waiting in line so everything must be fast and perfect to follow the systematic ways of handling customer requirements.

Responsiveness in SERVQUAL models refers to the responsiveness relates to the zeal in the service personnel to serve customers in a well-timed, effective fashion and it incorporates elements like cooperativeness, kindliness and tenderness of the service staff (Kandampully, 2007). Another meaning it is to convey to consumers the amount of time they must wait for a response to queries. It is critical to reply to all customer inquiries; otherwise, the request may become a complaint. The capacity of service suppliers to ensure that they provide a service on time is a fundamental component of service quality for significant clients because handling customers and complaints is the challenging and crucial thing. Despite the substantial benefits of companies having effective complaint management, many firms do not handle customer complaints appropriately (Homburg & Fürst, 2007).

2.2.6 Price

Hotel management needs to get their price right as the industry's demand is very inelastic, and as a result, many hotel chains are leaving money on the table by ignoring their price setting. Setting pricing effectively is crucial for increasing Revenue per Available Room (RevPAR). Naturally, raising your prices will boost your room rates. Adjusting prices strategically can also impact occupancy rates. Essentially, balancing your pricing strategy is key to optimizing both revenue and occupancy. Price, which indicates the cost to the consumer, is the monetary value assigned to a commodity or service. Price is the amount of value that customers trade for the numerous advantages they receive from owning or obtaining an item or service (Wantara & Tambrin, 2019). Additionally, price appropriateness might probably promote customer happiness if it reaches the necessary level of customer advantages, which encourages consumers to maintain their confidence and make additional purchases (Djumarno et al., 2018).

Igir, et al., (2018) stated that a product's pricing may be influenced and impact whether people would buy it. Only business policy, but only after taking into consideration several circumstances, determines prices. A product's value, whether it be low or high, is very subjective. To make sure that its prices are not excessively high or vice versa, the corporation must continually watch the pricing established by rivals. However, Denizci Guillet and Shi (2019) reported that applying price at the consumer level will be more successful.

3.0 METHODOLOGY

3.1 Research Design

Research design is the processes and methods used for data collection and analysis during the research (Burns & Bush, 2009). This particular study applies a quantitative research design, as mentioned by Aliaga & Gunderson (2006), quantitative research pays attention to collecting and analysing numerical data with the use of mathematically based methods. In this study, a descriptive research design is employed to identify and define the six key factors that affect customer satisfaction among local tourists in three-star hotels in Kuala Lumpur. Consequently, the researcher utilized surveys and sampling instruments to gather comprehensive data on customer satisfaction in this study. Convenience sampling is selecting participants because they are often readily and easily available. According to Taherdoost (2016), convenience sampling tends to be a favoured sampling technique among students as it is inexpensive and an easy option compared to other sampling techniques. Convenience sampling often helps to overcome many of the limitations associated with research. For example, using friends or family as part of the sample is easier than targeting unknown individuals.

3.2 Sampling Design

3.2.1 Target Population

The target population for this study includes guests who have stayed at three-star hotels in Kuala Lumpur. We specifically focus on those who have left reviews on platforms like Agoda.com and Booking.com, as their feedback is crucial for understanding customer satisfaction levels. Since the data retrieved is only from domestic tourism statistics for the state of Kuala Lumpur from 2021 to 2023 from 66.0 million locals decreased to 49.9 million locals (Department of Statistics Malaysia, 2021). Therefore, the researcher's main and aim targeted respondents is approximately 250 locals for this study as a sampling frame.

3.2.2 Sampling Technique

This research uses the convenience sampling method under non-probability sampling in distributing surveys to local guests who were currently staying at the three-star hotels within Kuala Lumpur during the research period. This assisted in collecting real-time data and increased the sample size.

3.2.3 Sample Size

The target sample size of this study is at least 250 respondents consisting of local guests that experienced staying in a three-star Hotel. According to Cattell (1978) asserted that the minimum appropriate sample size should be 250. Therefore, that is why this research we target around 250 respondents only, as they are the crucial amount for respondents to determine to our objective study as we can get the information from the respondent.

3.2.4 Questionnaire Design

The main objective of this research is to assess the effect of service quality on customer satisfaction in the Kuala Lumpur hotel business. The questionnaire structured in the form of multiple-choice questions was designed by the researcher. The participants were asked to mark each item on a five-point scales ranging from agree to do not agree at all (Ali, et al., 2021). Furthermore, past research investigations are adapted to ensure the questionnaire's high validity. Therefore, the researcher has structured and divided the questionnaire into two sections. Section A focuses on the demographic profile including respondents' occupation, gender, age and salary. In this section, nominal and ordinal scale is used, allowing the respective respondents to answer by checking the appropriate boxes provided.

Section B focuses on the independent variables (IVs) and the dependent variable (DV), specifically examining factors such as reliability, assurance, tangibles, empathy, responsiveness, price, and customer satisfaction among local tourists in relation to three-star hotels in Kuala Lumpur. Four of the independent variables are assessed with three questions each, while the other two IVs are evaluated using four questions. These questions aim to identify the factors that influence local tourist satisfaction with three-star hotels. The responses are measured using a Likert Scale (a non-comparative technique), which is an interval scale with values ranging from 1 to 5, where:

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree.

The dependent variable (customer satisfaction) is measured with four questions. All questions in the questionnaire are closed-ended to facilitate easier computation of responses.

3.3 Data Collection

For data collection, a cost-free drop-off method is employed by the researcher plus a self-administered survey technique. The questionnaires were distributed to local guests staying at three-star hotels in Kuala Lumpur. Respondents filled out the surveys on their own, and the collected by the researcher afterward. Guests were asked to answer all questions themselves, ensuring neutral responses. The entire data collection process took one month to complete, allowing ample time for gathering the targeted amount of data.

4.0 RESULT AND DISCUSSION

4.1 Descriptive analysis

The researchers used SPSS to create data, and the results will be evaluated and discussed further.

4.1.1 Research Respondents' Demographic Profile

4.1.1.1 Gender

Table 1: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	123	49.2	49.2	49.6
	Male	137	54.8	54.8	100.0
	Total	**250**	**100.0**	**100.0**	

According to Table 1, the survey was successfully completed by 137 male respondents and 123 female respondents. Males made up 54.8% of the total, while females constituted 49.2% correspondingly.

4.1.1.2 Age Group

Table 2: Age Group

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25 years old	102	40.8	40.8	68
	26-30 years old	60	24	24	113.6
	31-40 years old	45	18	18	148.4
	41-50 years old	29	11.6	11.6	94.4
	51 above	14	5.6	5.6	100.0
	Total	**250**	**100.0**	**100.0**	

According to Table 2, the majority of respondents are aged 18 to 25, accounting for 102 respondents or 40.80% of the total. The age groups of 26 to 30 years and 31 to 40 years had 60 replies (24%) and 45 respondents (18%), respectively. Respondents aged 41 to 50 numbered 29, representing 11.60% of the total. Lastly, 14 respondents, or 5.6% of the total, are aged 51 and above.

4.1.1.3 Occupation

Table 3: Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Employed	130	52	52	55.6
	Self Employed	37	14.8	14.8	120
	Student	79	31.6	31.6	171.2
	Unemployed	4	1.6	1.6	196.6
	Total	**250**	**100.0**	**100.0**	

Table 3 shows the employment status of questionnaire respondents. The majority are employed (130 respondents, or 52%), followed by students (79 respondents, or 31.6%). Additionally, 37 respondents (14.8%) are self-employed, while 4 respondents (1.6%) are unemployed.

Table 4 shows the respondent's monthly income. The greatest proportion, 92 respondents or (28.80%), had a monthly income of less than RM 1500. (8% of respondents) had a monthly income of greater than RM 6,001. 47 respondents (18.8%) earn between RM 1,500 and RM 3,000. Following that, respondents' monthly income ranged from RM3,001 to RM4,500, with 52 respondents (20.8%). 39 respondents (15.6%) of total respondents had monthly incomes ranging from RM 4,501 to RM 6,000.

4.1.1.4 Monthly income

Table 4: Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than RM1,500	92	36.8	36.8	45.2
	More than RM6,000	20	8.0	8.0	44.8
	RM3,001 -RM4,500	52	20.8	20.8	65.6
	RM4,501-RM6,000	39	15.6	15.6	81.2
	RM1,500 – RM3,000	47	18.8	18.8	100.0
	Total	**250**	**100.0**	**100.0**	

4.2 Central Tendencies Measurement of Constructs

Standard deviation can measure the dispersion of the data while mean used as measure of central tendency (Saunders, Lewis, & Thornhill, 2009).

Table 5: Summary of Central Tendency for Reliability

Variable	Item	Mean	Std Deviation
R1	If you have a problem, the hotel workers are eager to help you.	3.5120	1.34503
R2	The hotel employees are able to solve customers' complaints with suitable and possible solutions	3.4560	1.29568
R3	The hotel employee is able to check me in within the check-in time frame.	3.4240	1.25959

There are three items of Reliability (R) as presented in table 4.5. R2 has the highest mean value of 3.4560 and standard deviation value of 1.29568. On the other hand, R1 has the lowest mean value which is 2.9600 and its standard deviation value is 1.22681.

Table 6: Summary of Central Tendency for Assurance

Variable	Item	Mean	Std Deviation
A1	I feel safe when I stay in this hotel.	3.4440	1.33792
A2	The information provided by the hotel employees is accurate.	3.4480	1.21870
A3	I feel satisfied with the service provided by the hotel employees.	3.5520	1.32602

Table 6 outlines three items of Assurance (A). Notably, A3 claims the highest mean value at 3.5520, with a standard deviation of 1.32602. On the other hand, A1 shows the lowest mean value of 3.4440, accompanied by a standard deviation of 1.33792.

Table 7: Summary of Central Tendency for Tangibles

Variable	Item	Mean	Std Deviation
T1	The basic facilities provided by the hotel is sufficient and up to date.	3.5240	1.31466
T2	The physical appearance of the hotel is updated	3.4800	1.24572
T3	The cleanliness of the hotel is well maintained.	3.5000	1.26507
T4	The hotel's public area is clean and well maintained.	3.5040	1.34208

There are four items of Tangibles (T) as presented in Table 7. T1 has the highest mean value of 3.5240 and standard deviation value of 1.31466. On the other hand, T2 has the lowest mean value which is 3.4800 and its standard deviation value is 1.24572.

Table 8: Summary of Central Tendency for Empathy

Variable	Item	Mean	Std Deviation
E1	The hotel employees provide me with personalized service experiences.	3.4200	1.30630
E2	The hotel staff is capable of attentively responding to my requirements.	3.4040	1.24861
E3	I feel safe when communicating with the hotel	3.4920	1.6970

There are three items of Empathy (E) as presented in Table 8. E3 has the highest mean value of 3.4920 and standard deviation value of 1.6970. On the other hand, E2 has the lowest mean value which is 3.4040 and its standard deviation value is 1.24861.

Table 9: Summary of Central Tendency for Responsiveness

Variable	Item	Mean	Std Deviation
R1	The hotel employees are able to assists me on-time.	0.08262	1.30630
R2	The hotel workers are able to resolve my problem or complaint in a timely manner.	0.08221	1.29979
R3	The amenities and basic facilities in this hotel are in good condition.	0.08238	1.30258

Table 9 also highlighted three items of Responsiveness (R). Between them, R1 has the highest mean value of 0.8262, with a standard deviation of 1.30630. In contrast, R has the lowest mean value at 0.7897, and its standard deviation is 1.23861.

Table 10: Summary of Central Tendency for Price

Variable	Item	Mean	Std Deviation
P1	The room rates displayed by the hotel are correct and expected.	3.8400	1.30861
P2	The amount of money that I spend staying in this 3-star hotel meets my expectation.	3.4160	1.21691
P3	The total experience that I had staying in this budget hotel is worth spending for	3.0360	1.31515
P4	In this hotel, I paid less than I expected to.	3.4840	1.30866

There are four items of Price (p) as presented in Table 10. P1 has the highest mean value of 3.8400 and standard deviation value of 1.30861. On the other hand, P3 has the lowest mean value which is 3.0360 and its standard deviation value is 1.31515.

Table 11: Summary of Central Tendency for Customer Satisfaction Among Local Tourists

Variable	Item	Mean	Std Deviation
LCS1	My experience so far in this 3- star hotel has been enjoyable.	2.9600	1.26681
LCS2	I will definitely revisit this hotel in the future.	3.5120	1.34503
LCS3	I will suggest this hotel to my family and friends.	3.4240	1.25050

Table 11 presents three items of Customer Satisfaction Among Tourists (LCS). Notably, LCS2 has the highest mean value at 3.5120, with a standard deviation of 1.34503. Conversely, LCS1 records the lowest mean value of 2.9600, with a standard deviation of 1.26681

4.4 Inferential Analysis of Research

4.4.1 Analysis of Pearson Correlation

Table 12: Analysis of Pearson Correlation

		Customer Satisfaction	Reliability	Assurance	Tangible	Empathy	Responsiveness	Price
Pearson Correlation	Customer Satisfaction	1.000	.653	.645	.842	.787	.893	.847
	Reliability	.653	1.000	.746	.720	.774	.687	.659
	Assurance	.645	.746	1.000	.620	.757	.632	.590
	Tangible	.842	.720	.620	1.000	.850	.852	.943
	Empathy	.787	.774	.757	.850	1.000	.792	.834
	Responsiveness	.893	.687	.632	.852	.792	1.000	.814
	Price	.847	.659	.590	.943	.834	.814	1.000

According to Table 12, the correlation between reliability and customer satisfaction among local tourists is r=0.653 (p<0.0001). Additionally, there is a link of r=0.645 (p=0.0233) between assurance and customer satisfaction. The relationship between tangibles and customer satisfaction is r=0.842 (p<0.0001), and empathy has a correlation of r=0.787 (p<0.0001) with customer satisfaction. Responsiveness shows a strong association with customer satisfaction, r=0.893 (p<0.0001), and price has a correlation of r=0.847 (p<0.0001) with customer satisfaction.

Chan (2003) classifies tangibles (0.842), empathy (0.787), responsiveness (0.893), and price (0.847) as having a moderate coefficient range, while reliability (0.653) and assurance (0.645) fall into the weak coefficient range. Multicollinearity issues arise when Pearson Correlation values exceed 0.9 (El-Fallah & El-Sallam, 2011). As all variables in Table 4.13 have Pearson Correlation values below 0.9, there is no multicollinearity problem, indicating that the independent variables are not highly correlated with each other.

4.4.2 Multiple Linear Regression of Research

4.4.2.1 Strength of Relationship

Table 13: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	Change Statistics df1	df2	Sig. F Change
1	.921a	.848	.844	.30200	.848	226.146	6	243	<.001

Table 13 indicates an R-square (R²) value of 0.848. This means that 84.80% of the variance in Customer Satisfaction among Local Tourists at 3-Star Hotels can be explained by the independent variables in the study. This high R² value underscores the significant relationship between the variables and suggests that the model is highly effective in predicting customer satisfaction.

Table 14: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	123.753	6	20.626	226.146	<.001[b]
	Residual	22.163	243	.091		
	Total	**145.916**	**249**			

Table 14 shows that the F value is 227.146, with a significance level (Pr>F) of less than 0.001. This indicates that our six independent variables (IVs) are highly effective and can explain the variance in Customer Satisfaction among Local Tourists at three-star hotels.

Table 15: Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Statistics Tolerance	Collinearity VIF
	B	Std. Error	Beta			Lower Bound	Upper Bound		
(Constant)	.345	.136		2.538	.012	.077	.613		
Reliability	-.072	.062	-.052	-1.156	.249	-.194	.051	.312	3.202
Assurance	.164	.056	.124	2.936	.004	.054	.274	.350	2.854
Tangible	-.059	.056	-.093	-1.049	.295	-.170	.052	.080	12.538
Empathy	-.008	.061	-.008	-.126	.900	-.128	.113	.172	5.819
Responsiveness	.597	.050	.596	11.941	<.001	.499	.696	.251	3.988
Price	.272	.051	.417	5.339	<.001	.172	.373	.102	9.770

Referring to Table 15, the equation is based on the multiple regression model:

$$LCS = 0.345 + (-0.072R) + 0.164A + (-0.059T) + (-0.008E) + 0.597RE + 0.272P$$

where:
- LCS = Customer Satisfaction among Local Tourists
- R = Reliability
- A = Assurance
- T = Tangibles
- E = Empathy
- RE = Responsiveness
- P = Price

This equation highlights how each independent variable (R, A, T, E, RE, P) contributes to the overall customer satisfaction.

4.4.2.2 Test of Significant

Hypotheses Testing Results:

H₁: There is no positive link between reliability and customer satisfaction among local visitors in Kuala Lumpur's 3-star hotels.

Result: Not supported. Table 15 shows that reliability has a significant value of 0.249, which is greater than 0.05. Thus, there is no positive association between reliability and customer satisfaction.

H₂: Assurance has a positive relationship with customer satisfaction among local tourists in Kuala Lumpur's 3-star hotels.

Result: Supported. Table 15 demonstrates that assurance has a significant value of 0.004, which is less than 0.05. Therefore, assurance positively correlates with customer satisfaction among local visitors.

H₃: Tangibles have no positive link with customer satisfaction among local visitors in Kuala Lumpur's 3-star hotels.

Result: Not supported. According to Table 15, tangibles have a significant value of 0.295, which exceeds 0.05. Thus, tangibles do not positively impact customer satisfaction.

H₄: Empathy has no positive relationship with customer satisfaction among local tourists towards 3-star hotels in Malaysia.

Result: Not supported. Based on Table 15, empathy has a significant value of 0.900, higher than 0.05. Consequently, empathy does not positively influence customer satisfaction.

H₅: Responsiveness has a positive relationship with customer satisfaction among local tourists in Kuala Lumpur's 3-star hotels.

Result: Supported. Table 15 shows that responsiveness has a significant value of 0.001, which is below 0.05. Hence, responsiveness positively affects customer satisfaction.

H_6: Price has a positive relationship with customer satisfaction among local visitors in Kuala Lumpur's 3-star hotels.
Result: Supported. According to Table 15, the price has a significant value of 0.001, which is less than 0.05. Therefore, price positively influences customer satisfaction.

5.0 CONCLUSION
Theoretical Implications
This study contributes to the existing body of literature by offering new insights into the factors influencing customer satisfaction in the context of three-star hotels in Malaysia. Contrary to previous studies, the findings show that reliability, tangibles, and empathy do not have a positive relationship with customer satisfaction. This challenges the conventional wisdom that these factors are always critical in driving customer satisfaction in the hospitality industry. The lack of a positive relationship may reflect specific contextual differences in the Malaysian market or the nature of three-star hotels, suggesting that further exploration is needed to understand the unique dynamics that influence customer expectations and satisfaction in this context.

Additionally, the study reaffirms that assurance, responsiveness, and price are positively associated with customer satisfaction. This aligns with previous research that emphasizes the importance of service quality, responsiveness, and pricing strategies in improving guest satisfaction. This finding suggests that the hospitality industry should reconsider the weight placed on traditional factors like tangibles and empathy, particularly in mid-tier establishments.

Practical Implications
The findings of this research offer valuable guidance for three-star hotel operators and managers. Key practical implications include:
a) Training and Staff Development: Since reliability, tangibles, and empathy were not found to have a significant impact on customer satisfaction, hotel operators may want to allocate fewer resources toward training staff on these aspects. Instead, resources could be redirected toward enhancing assurance and responsiveness. Training staff to effectively listen to guest feedback and quickly address concerns can improve guest satisfaction, as these variables showed a strong positive relationship with satisfaction.
b) Resource Allocation: Hotel managers can use the savings from reducing the emphasis on staff training in areas like empathy and tangibility to invest in other areas, such as upgrading facilities or implementing technological innovations. For instance, introducing cashless payment options or improving the hotel's website for easier booking processes could increase convenience for guests, contributing to a better overall experience.
c) Focus on Security and Hygiene: Given the importance of assurance and responsiveness, hotel operators should prioritize guest security and ensure that their health and safety standards are rigorously followed. This includes implementing safety protocols, monitoring hygiene standards, and ensuring that all staff are trained in health and safety regulations. Ensuring consistent quality of service and offering value-added services like free Wi-Fi or free breakfast can further enhance the guest experience.
d) Price Management: Since price plays a significant role in customer satisfaction, three-star hotel operators must carefully balance competitive pricing with the level of service provided. Clear, transparent pricing, with no hidden charges, is essential for maintaining guest trust and satisfaction. This ensures that guests perceive they are receiving good value for money, especially when comparing rates with other similar hotels in the market.

While the study provides valuable insights, several limitations should be acknowledged. The study was conducted in a specific geographical location (Kuala Lumpur, Malaysia) and may not be fully representative of three-star hotels in other countries or regions. The sample size and scope of the research might limit the generalizability of the findings to other types of hotels (e.g., five-star hotels or budget hotels) or different tourist markets.

This research specifically targeted local tourists, which may present a bias. International tourists may have different expectations and satisfaction drivers. Therefore, the findings may not apply to the broader tourist population, especially given the cultural and socio-economic differences between local and international

guests. The study used a cross-sectional design, which limits the ability to infer causal relationships between the variables. Longitudinal studies would be beneficial to better understand the long-term effects of these factors on customer satisfaction.

Given the limitations of the current study, several areas for future research are suggested. Future studies could explore the impact of reliability, tangibles, and empathy in other types of hotels (e.g., budget, luxury) to see if these variables have different impacts depending on the hotel category. Additionally, the research could compare the experiences of local and international tourists to examine if their expectations differ significantly.

Long-term studies could offer a deeper understanding of how customer satisfaction evolves and how the relationship between service quality factors and customer satisfaction may change post-stay. This would provide more robust data on causal relationships. Future research could investigate other potential factors that could influence customer satisfaction in three-star hotels, such as personalization, environmental sustainability, or technology adoption. These factors could be increasingly relevant as customer expectations evolve in a digital age. Further qualitative research (e.g., in-depth interviews or focus groups) could complement the current study's findings by exploring customers' emotional responses and underlying reasons for their satisfaction or dissatisfaction. This would help to gain a deeper understanding of the nuances behind customer perceptions.

Since this study focused on Malaysian tourists, a comparative study involving hotels in other countries could offer insights into the cultural differences in customer satisfaction drivers. Cross-cultural research would help hotel operators understand the global variation in service expectations and preferences. By addressing these recommendations, future research could provide a more comprehensive understanding of the factors that influence customer satisfaction in the hotel industry, offering valuable implications for both theory and practice.

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