

UNIVERSITI TEKNOLOGI MARA

MODELLING IMPOTANCE PERFORMANCE ANALYSIS
(IPA) TO IMPROVE SERVICE QUALITY
IN LUXURY HOTEL

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ABSTRACT

This study investigated the usage of Importance Performance Analysis (IPA) to improve service quality among guests of luxury hotels in Kuala Lumpur. Questionnaires were used to obtain the perceptions of importance and performance of service quality from luxury hotel guests. Nine items of service quality were identified as areas need to be improved by luxury hotels in Kuala Lumpur namely furnishings in the room, quality of service of the restaurant, quality of the restaurant foods, receiving confirmation of reservation, helpful and friendly staffs, timely service, the check in and check out process, first impression of the hotel and dealing with complaints. From this study, it provides an opportunity to recognize, in ranking order, features that are considered important by the guests staying in luxury hotels and able to identify the areas of divergence in hotel service quality.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

In 2014, tourism industry was recorded as the sixth highest contributor to the Malaysian economy (Economic Transformation Program Annual Report, 2014). It is supported with the growth of tourist arrivals by 6.7 per cent (27.4 million) and receipts at RM72 billion compared to RM65.4 billion in 2013. Among the tourism-related activities, accommodation sub-sector has expanded 5.9 per cent during the first half of 2014 (January – June 2013: 5.2 per cent) reinforced by the increase in the total supply of hotel rooms from 189,843 in 2013 to 197,030 as at the end of June 2014 with Kuala Lumpur continues to contribute the highest supply at 17.4 per cent (Economic Report, 2014).

The aforementioned statistics are in response towards Malaysia Tourism Transformation Plan (MTTP) which is one of the strategies to achieve National Key Economic Area (NKEA) in developing high nation income by 2020. Through MTTP, the Ministry of Tourism and Culture (MOTAC) has outlined twelve Entry Project Points (EPP) to ensure these strategies are able to realize the year 2020 objectives (Economic Transformation Program Annual Report, 2013). One of the EPP's is to improve rates, mix and quality of hotels which the central goal is to attract high yield tourists by ensuring the optimal mix and quality of hotels are provided with high quality service. In order to attract high yield tourists, this EPP aim to develop more four and five star hotels in Malaysia. These progresses show that the MTTP is rigorously monitored to ensure that the NKEA can be realized successfully to contribute at least 36 million tourist arrival and RM168 billions of tourism receipts by 2020. The implementation of Malaysian Year of Festival (MyFest) campaign is aimed to boost the tourism sector and maintain Malaysia as popular destination in the world as align in MTTP.

According to Horst Schulze former Vice Chairman of The Ritz-Carlton Hotel Company as cited in (Leaders Megazine, 2011) terms luxury is having something that is exceptional. But the interpretation of what is exceptional has changed in the