

UNIVERSITI TEKNOLOGI MARA

**THE ROLE OF SATISFACTION AND
INVOLVEMENT IN PERCEIVED
VALUE AND BEHAVIORAL
INTENTION RELATIONSHIP: A TEST
OF MULTIPLE MEDIATION MODEL
IN MALAYSIA GREEN HOTELS**

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ABSTRACT

Green Hotel is an alternative tourism product that has the potential to attract guests due to a marked global environmental concern worldwide that allow guests to value, feel and involve, about the way of environmental sustainability behavioral measures. Nevertheless, compared to other special interest tourism products, research on guest behavioral intention in green hotel segment has been neglected. This study fills this void by investigating these remarkably distinctive tourism experiences through the concept of guests' perceived value. The purpose of this study was to test a model of guest's perceived value of green hotel to explain the role of satisfaction and involvement in behavioral intentions. At the theoretical level, this study aimed to demonstrate that the conventional paradigm of perceived value, satisfaction and behavioral intentions is inadequate to explain guest's behavioral intentions in the context of special interest of green hotel. A more realistic explanation is required that incorporates involvement characteristic as a potentially mediating variable. The theoretical framework for this study included five dimensions of perceived value. Empirical assessment of the theoretical framework included a survey of 325 certified green hotel guests in Malaysia. The resulting data were analyzed using the Partial Least Square methods (i.e. PLS-SEM). In this assessment, convergent and discriminant validity were performed initially on the measurement models followed by structural model. This finding of the study contributed to advancing understanding of green hotel guests and hotel industry in many ways. First, the results of the study indicated support for a multi-dimensional construct of perceived value in green hotel in relation to guest satisfaction. The most important dimension was found to be *functional value (price)* and *functional value (social)*. The results indicated that green hotel guest was motivated by desire to value strong environmental effort regardless of the price offerings. The guest willingness to pay higher for green have helped the developing country such as Malaysia to put the green sustainable initiatives in place. Seconds, the results of the study indicate support for a multi-dimensional construct of perceived value in green hotel in relation to guest involvement. The most important dimension in this relationship was found to be *functional value (price)* and *functional value (epistemic)*. The results indicated that green hotel guest was motivated by desire to value strong environmental effort regardless of the price offerings. Third, the result contributed to improving understanding the underlying relationship between satisfaction and involvement towards perceived value and guest's future behavioral intentions. The results showed that the perceived value, satisfaction and involvement has a significant direct effect towards behavioral intentions. Providers and marketers should disregard the traditional assumptions that all guests are similar, which results in management, operations and marketing strategies that treat guests as a homogenous whole. Finally, the results provided strong evidence of the multiple moderating effect of satisfaction and involvement relationship between perceived value dimensions and behavioral intentions. This study contributed to guest behavior and marketing literature by adding new empirical evidence on the direct and indirect relationship between perceived value, satisfaction, involvement and behavioral intentions.

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TABLE OF CONTENTS

	Page
CONFIRMATION BY PANEL OF EXAMINERS	ii
AUTHOR'S DECLARATION	iii
ABSTRACT	iv
ACKNOWLEDGEMENT	v
TABLE OF CONTENTS	vi
LIST OF TABLES	x
LIST OF FIGURES	xiii
CHAPTER ONE: INTRODUCTION	1
1.1 Introduction	1
1.2 Background Of The Study	1
1.3 Problem Statement	4
1.3.1 Gaps of the Study	5
1.4 Research Objectives And Research Questions	7
1.4.1 Research Objectives	7
1.4.2 Research Questions	8
1.5 Contributions/Significance Of The Study	9
1.5.1 Theoretical Contributions	9
1.5.2 Practical Contributions	9
1.6 Scope And Limitations	10
1.7 Definitions Of Terms	10
1.7.1 Perceived Value	10
1.7.2 Satisfaction	11
1.7.3 Involvement	11
1.7.4 Enduring Involvement	11
1.7.5 Purchasing Involvement	11
1.7.6 Behavioral Intentions	12
1.8 Summary	12

CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

Green hotel must determine how the customer defines the value of their market offerings, and which factors determine the perceived value of current and potential customers. Market factor analysis will give guidance as to how to improve existing offerings, which in turn leads to higher perceived value, increased customer satisfaction, and long-term relationships with customers.

The main aim of this chapter is to explain the background of the study, problem statement, the objectives and research questions that this research intends to achieve. It also provides a brief explanation as to the methodology and data analysis techniques employed in this study. Finally, a summary of the chapter is presented.

1.2 BACKGROUND OF THE STUDY

Tourism has been reported as one of the major contributor to the Malaysian economy with a forecasted continuous annual GDP growth of 4.3% till 2025 (World Travel and Tourism Council, 2015). Tourism has become one of the rapidly growing services sectors of the world. This has prompted the Malaysian government to set tourism as a key sector for invigorating Malaysia's long term economic growth. Specifically, the 11th Malaysia Plan (2016 - 2020) has identified the tourism sector as one of the National Key Economic Areas (NKEAs) for transforming Malaysia into high income nation by 2020. Malaysia is ranked as a top tourist destination in Asia (Nanthakumar, Subramanian, & Kogid, 2012) and is one of the world's top ten countries in terms of tourist arrival (WTO, 2015).

In 1998 the number of tourist arrivals in Malaysia was only at 5.56 million with a total receipt of approx. MYR 8.6 billion (approx. USD 37 billion). This number has increased drastically over the decades and in year 2015, the total number of tourist arrivals has reached to 26 million with total receipts amounted to approx. MYR 67 billion (approx. USD 288 billion), a growth of 400% over the 17-year period. It was reported by the Malaysia Tourism Promotion Board (MTPB) (2015), that the number