

**UNIVERSITI TEKNOLOGI MARA**

**THE INFLUENCE OF PRIOR KNOWLEDGE ON A  
CONSUMER'S CURRENT JUDGMENT IN RATING  
A HOTEL**

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## ABSTRACT

Knowledge in consumer judgment is essential for a firm to stay competitive in business especially in the era of globalization. The findings from many researches in the field of consumer judgment showed that the current judgment is influenced by the prior knowledge. Most studies carried out to date in this area focused mainly on the goods and still many areas in service domain have yet to be explored. In view of this and the rapid emergence of the service industry, the study focuses on the influence of prior knowledge on the current judgment in the service industry and the focus is on the hotel industry. The study is challenging as hotel has both the tangible and intangible dimensions at an almost equally balance. Hotel is chosen as it is a major sector in the service industry. In hotel, the tangible dimension is associated with the physical evidence of the building, lobby, reception, guest room and restaurant while the intangible dimension is associated with the service interaction between the hotel customers and the hotel employees. The study is significant as it covers both the tangible and intangible dimensions which is so beneficial to hotel firms in business decision and marketing and also to enrich the present knowledge in the fields of psychology and service marketing. The study suggests that the current judgment in hotel industry is influenced by the prime type (tangible vs. intangible) and the context extremity (extreme vs. moderate). The study was carried out by an experiment and the subjects for the experiment were among the graduate students.

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# CHAPTER 1

## INTRODUCTION

### 1.0 An Overview of the Study

Knowledge in consumer judgment is essential for a firm to stay competitive, to differentiate the service or goods from others, enhance repeat patronage, maximize profit, maintain market share and penetrate global market. Various studies have been carried out in the field of consumer judgment in the marketing and psychology disciplines, using various means of research methods, domains and market segmentation. The studies in the field of consumer judgment started many decades ago and the early domain was goods. Many theories in consumer judgment were developed and one of the well known theories is the social judgment theory. The published studies in consumer judgment especially those that originated from the Asian region were however very few as most of the studies were carried out in the Western countries. As such the present theories in consumer judgment may have not been tested globally and these deficiencies make room for more future research in the area of consumer judgment.

Most of the studies in consumer judgment were in the goods domain and there have been very few in the service domain due to the fact that the service industry is still new as compared to the manufacturing industry. Due to the rapid emergence of the service industry which comprise of many important sectors such as hospitality, airlines, telecommunication and many more, there is a strong quest for the enrichment of the present theories especially due to the advancement in information technology which may have changed consumer behaviors. The service industry is very broad, ranging from pure service like hair cutting (Lampo, 2001) to a blend between services and goods like in the hospitality industry. It also ranges from well known service sectors like hospitality to new types of service sectors like