A Study of Factors Influencing Customer Loyalty Towards Sedona Hotel in Yangon, Myanmar

Mr. Swan Yee Paing Phyo

A Thesis Submitted in Partial Fulfillment of the Requirements for the Degree of Master of Business Administration in Entrepreneurship
Graduate School of Business
Assumption University
Academic Year 2016
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Examination Committee:

1. Asst. Prof. Dr. Kriengsin Prasongsukarn (Advisor) ........................................
2. Asst. Prof. Dr. Sirion Chaipoopirutana (Co Advisor) ........................................
3. Dr. Apichart Intravisit (Chairman) .................................................................
4. Dr. Vorapot Ruckthum (Member) .................................................................
5. Dr. Dr. Ioan Voicu (Member) .................................................................

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Bangkok, Thailand

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By
Mr. Swan Yee Paing Phyo

Major
Entrepreneurship

Thesis Advisor
Assistant Professor Kriengsin Prasongsukarn, Ph.D.

Co-Thesis Advisor
Assistant Professor Sirion Chaipoopirutana, Ph.D.

Academic Year
2016

The Graduate School of Business, Assumption University, has approved this thesis as a partial fulfillment of the requirements for the Degree of Master of Business Administration in Entrepreneurship.

K. Phothikittik
Dean of the Graduate School of Business
(Kitti Phothikittik, Ph.D.)

THESIS EXAMINATION COMMITTEE

W. Ph. Chairman (External)
(Associate Professor Watt Sanguanwongwan)

Kriengsin Prasongsukarn, Ph.D.
Thesis Advisor

Sirion Chaipoopirutana, Ph.D.
Co-Thesis Advisor

Apichart Intravisit, Ph.D.
Member

Ioan Voicu, Ph.D.
Member

Vorapot Ruckthum, Ph.D.
Member
ABSTRACT

The purpose of this research is to examine the factors influencing customer loyalty towards Sedona Hotel in Yangon, Myanmar. The conceptual framework was developed to represent the customer loyalty and its influencing factors such as service quality, interaction quality, outcome quality, customer satisfaction and trust.

The researcher collected the primary data from 400 respondents at Sedona hotel in Yangon, Myanmar through self-administered questionnaires in both English and Myanmar language. Then, the four hypotheses of this research were tested with the data from sample size using statistical software, Simple Linear Regression and Multiple Linear Regression. The researcher utilizes 5-point Likert scale (1 to 5) represents for questionnaires.

To conclude, according to hypothesis one, interaction quality and outcome quality have a statistically significant effect on service quality. According to hypothesis two, service quality, outcome quality and interaction quality have a statistically significant effect on customer satisfaction. According to hypothesis three, customer satisfaction has a statistically significant effect on trust. According to hypothesis four, customer satisfaction and trust have a statistically significant effect on customer loyalty.

The findings of this study will be beneficial for not only the management teams of Sedona hotel but also for another hotel resorts. It can provide data that may help such hotel service industry to adjust and improve more effective and efficient marketing strategies and business model based on the knowledge of the influences among factors studied in this research in order to create customer loyalty and achieve the ultimate goals of the firms. The findings suggested that the management should enhance factors influence service quality and customer satisfaction in terms of maintaining more loyal customers.

Key words – customer’s loyalty, customer’s satisfaction, customer’s trust, interaction quality, outcome quality, and service quality
ACKNOWLEDGEMENT

First of all, I would like to thank all people who gave me strong support and helped me to accomplish this thesis well. Foremost, I would like to express my sincere gratitude and supreme appreciation to my thesis advisors, Asst Prof. Dr. Krinengsin Prasongsukarn and Asst Prof. Dr Sirion Chaipoorirutana for a great deal of time, patience, motivation, valuable advices and guidance throughout the course of the study.

Then, I would like to express my gratitude to Chairman Dr. Apichart Intravisit and committee members Dr. Vorapot Ruckthum and Dr. Ioan Voicu for for their encouragement, valuable comments, questions and suggestions that support me to develop a better thesis. Thirdly, I offer my appreciation to the Sedona hotel management team that allowed me to collect the data at the hotel and my respondents for their precious time and corporation to complete my data collection section smoothly.

Finally, I would like to express my deepest thanks from the bottom of my heart to my beloved family, especially my parents, for their love, understanding and supports, both financially and mentally during the whole process of my thesis. I really appreciate for their kindness and without them, I would not have enough strength to complete this study successfully. Also, I would like to thank to all my friends for their worthy supports till the end of my study.

Swan Yee Paing Phyo
Assumption University, Bangkok, Thailand
15 November, 2016
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CHAPTER 1
GENERALITIES OF THE STUDY

1.1 Introduction to the study

In the past few decades, hotel and tourism sectors in developed countries have taken a tremendous structural improvement to compensate declining profits in other areas like manufacturing (Kerr, 2003). The tourism and hotel sectors have been registering growth despite the problems of recession and terrorism (Nunes and Spelman, 2008). The hotel sector is especially competitive with the emergence of a variety of hotels and apartments throughout the world. It has been argued that, in order to stay ahead of competition, hotels need to utilize their resource capabilities to improve their operational performance in terms of various criteria (Knutson, 1988; McCleary et al., 1993). As indicated by Kamakura et al (2002) and Heskett et al (1994), the theory of service-profit-chain has shown that performance of a firm in the service sector requires high degree of customer satisfaction or loyalty and customer loyalty is achieved by greater levels of operational performance, which in turn requires resource capabilities, including manpower.

Loyalty has been widely recognized as important for businesses survival (Zeithaml, 2000). Moreover, customer loyalty is crucial for success as attracting new customers is considerably more expensive than retaining existing ones (Reichheld and Schefter, 2000). According to Reichheld (1996), the researcher studied how loyal customers help businesses by buying more; being less price sensitive, attracting new customers through positive word-of-mouth, to make it clear, and loyalty has been addressed from a behavioral standpoint, being evaluated as a repeated purchase, by the sequence in which the product was purchased and by the proportion of shopping expenses dedicated to the product (Homburg and Giering, 2001). Nowadays, especially in service business firms’ customers’ loyalty play one of the most important strategic objectives in the service industry.

However, trust has also been considered as an important factor which influences on customer commitment and mainly on loyalty (Morgan and Hunt, 1994; Gremler and Brown, 1999).
Hegner et al., (2014) stated that especially during and after periods of crisis where trust can even enhance brand loyalty. Garbarino and Johnson (1999) also suggested that trust is one of the key mediators between component attitudes and future intentions for high relational customers and that it is influencing loyalty both directly and indirectly, through satisfaction (Harris and Goode, 2004). Ranaweera and Prabhu (2003) argued that trust is a stronger emotion than satisfaction and that it may better predict loyalty. Trust was also found by Hsu (2007) who also concluded that trust had a positive effect on loyalty and it helps to attract new customers and later can retain existing ones besides influencing overall satisfaction. Hart and Johnson (1999) have asserted that the condition beyond satisfaction that ensures true customer loyalty is total trust. Trust is proposed as another important antecedent of loyalty (Reichheld et al., 2000).

Regarding a study in the hotel and tourism business, the researcher introduced that customers’ satisfaction, service quality and trust are significant antecedents of the customers’ loyalty. Many studies have found that customer satisfaction plays a mediating role in the customer satisfaction and customer loyalty relationship. However, many researches revealed that dealing with service quality for hotel enterprises, as the service quality is one of the most vital things of the service sector. Furthermore, Nasution and Mavondo (2008) stated that positive customer experiences which derived from service quality and satisfaction are very important, because the positive experience will affect the customer are willing to return or stay longer and to recommend the establishment to others. In addition, the Internet and social media also have made it easier than ever for customers to explain and share their satisfaction or dissatisfaction, thus make influencing on others (Ekiz et al., 2012). As a result, hotel operators must concentrate on the quality of every detail of service encountered by their guests (Su, 2004).

After that, most marketing researches try to figure out the antecedents of loyalty, and amongst them the significant predictors are customer satisfaction and trust (Fornell, 1992; Anderson and Sullivan, 1993; Oliver, 1999; Hes and Story, 2005). According to today’s intense competitive market, competitive advantage is spewed from delivering high-quality service that will convert a regular customer to satisfy and eventually to a loyal one. Loyal customers are reported to have higher customer retention rates, commit a higher share of their category spending to the firm, and are more likely to recommend others to become customers of the firm (Reichheld and Sasser, 1990). Additionally, loyalty is the commitment of a current customer in
respect to a particular store, brand and service provider, when there are other alternatives that the current customer can choose instead (Shanker et al., 2003).

Also, Ravald and Grönroos (1996) proposed that trust is an aggregate evaluation at some higher level than satisfaction, and that satisfaction in fact is an important source for trust. Several studies advocated that customer satisfaction is important for developing customer trust and commitment (Kantsperger and Kunz, 2010). Others researches have also discovered that trust is the most significant determinant of customer satisfaction (Pavlou and Fygenson, 2006; Ribbink et al., 2004; Kim et al., 2008). In turn, satisfaction has been linked to user trust development, this being a relationship that is supposed to be recursive. Thus, although some authors think of trust as an antecedent of satisfaction (Thong et al., 2006), while most researchers also believed that it is satisfaction which should be considered as the antecedent of trust (Shiau and Chau, 2012).

As such, customer satisfaction and retention are crucial for the service providers: their survival depends on their service quality. Customer satisfaction is recognized as an organizational performance measure; i.e., a satisfied customer becomes a loyal customer. Satisfaction in various contexts translates into loyalty when satisfaction is really high in various contexts (Harris and Goode, 2004; Chandrashekaran et al., 2007; Han et al., 2008; Christodoulides and Michaelidou, 2011). Many researches study have shown that customer satisfaction is a leading factor in determining loyalty. In other words, the degree to which customers are satisfied with their experience plays a central role in their loyalty to the service firms. However, there are also studies that suggest trust is more important than satisfaction in ensuring loyalty (Ranaweera and Prabhu, 2003; Caceras and Paparoidamis, 2007). Also, Ehigie (2006) showed that customer satisfaction is correlated with loyalty, and satisfaction has been claimed to be a leading factor in determining loyalty.

Moreover, a lot of researchers also supported the impact of service quality on customer satisfaction (Cronin and Taylor, 1992; Spreng and MacKoy, 1996; Ting, 2004). For example, according to the study of the measurement of service quality and the relationships between service quality, consumer satisfaction and purchase intentions by Cronin and Taylor (1992), they found out that service quality was a determinant of customer satisfaction. Additionally, the findings which are came out form the study about the direction of causality between service
quality and satisfaction by Lee et al. (2000) showed that perceived service quality is an antecedent of satisfaction vice versa. Regarding to these findings, Ting (2004) proposed that service quality better clarifies customer satisfaction, and the coefficient of the pathway from service quality to customer satisfaction is more noteworthy than the coefficient of the pathway from customer satisfaction to service quality in the service industry.

As indicated by Hsieh and Hiang (2004), the perceived quality of service outcome positively influences customer satisfaction across three types of services (i.e. photograph developing shops, banks, and hospitals). These services are characterized, respectively, by search, experience, and credence attributes. Also, Hsieh and Hiang (2004) noted that customer perceptions of service outcome quality, which is critical in forming an evaluation of service delivery which may lead to customer satisfaction. Given this relationship, the researchers posted that there exists a positive relationship between outcome quality and customer satisfaction in a hospital context. Several recent studies showed that service quality evaluation involves both outcome and process quality attributes of service delivery (e.g. Baker and Lamb, 1993; Grönroos, 1982, 1990; Mangold and Babakus, 1991; Richard and Allaway, 1993). Also, many studies also concluded that the outcome quality component of service quality is a significant determinant of the overall service quality assessed by the consumer and that the addition of the outcome quality component into the measurement scale significantly improves the explanatory power and predictive validity. Additionally, service outcome refers to the outcome of the service act and what the customer is left with after service delivery is complete (Grönroos, 1984). Outcome quality reflects the customer’s perception of the superiority of service experience (Brady and Cronin, 2001; Grönroos, 1982, 1984; Kang and James, 2004).

The foundation of a successful hospitality industry is management of the service encounter defined as the time when the consumer interacts directly with the service provider (Shostack, 1985). Also, Grönroos (1982, 1984) adopted that interaction quality which refers to the customers’ perception of the manner in which the service is delivered during service encounters. And also, interaction quality is also related to customers’ perception of the interactions with service providers (e.g. employees, staff, etc.) during service delivery (Brady and Cronin, 2001; Grönroos, 1982, 1984). Many researchers suggested that interpersonal
interactions have a critical impact on customer perception of service quality (Bitner et al., 1994; Surprenant and Solomon, 1987).

Accordingly, Gerrard and Cunningham (2001) suggested that staff who deliver services play an important role in making customers satisfied. In a similar way, Jamal and Naser (2002) posited that relational quality, which refers to quality of interactions between employees and customers, has a direct influence on customer satisfaction. Many researchers referred to this encounter as the Moment of Truth, in which customers often develop unforgettable impressions of the service provider (Bitner et al., 1990). While many studies on service encounter experiences exist (Bitner et al., 1990; Farrell et al., 2001; Grandey et al., 2005), relatively few focus on customers’ evaluation of interactions with service providers from a cross-cultural perspective (Winsted, 1997; Furrer et al., 2000; Manzur and Jogaratnam, 2006; Tsang, 2007).

Overview of Myanmar

The Republic of the Union of Myanmar, also known as Burma, is a sovereign state in Southeast Asia bordered by Bangladesh, India, China, Laos and Thailand. One-third of Myanmar's total perimeter of 1,930 km (1,200 miles) forms an uninterrupted coastline along the Bay of Bengal and the Andaman Sea. According to the country meter information, the estimated population of Myanmar in 2016 is more than 54 million people. Myanmar is 676,578 square kilometres (261,227 sq mi) in size. Its capital city is Naypyitaw and its largest city is Yangon (Rangoon). Myanmar is a country rich in jade and gems, oil, natural gas and other mineral resources. In 2015, its GDP (nominal) stood at US$74 billion and its GDP (PPP) at US$270 billion. The income gap in Myanmar is among the widest in the world, as a large proportion of the economy is controlled by supporters of the former military government. Moreover, the country is expected to see a major shift after the government changed hands early in 2016. The dominance of the largest ethnic group, the Burma or Bamar people, over the country's many minorities has been fuelling a series of long-running rebellions, although a gradual peace process yielded a draft ceasefire deal in 2015.

The November 8, 2015 elections in Myanmar marked a historic milestone in the country’s political and economic transition that began in 2011. The opposition National League for Democracy (NLD) swept into power, leading to the parliament’s election of Myanmar’s first civilian state leader in decades. Myanmar launched fundamental political and economic reforms in 2011, aimed at increasing openness, empowerment and inclusion. The past years have seen a dramatic increase of political and civil liberties, along with new emerging challenges such as outbreaks of violence in minority ethnic areas. There are now opportunities to further deepen reforms create shared prosperity for all, and for the country to resume its place as one of the most dynamic economies in Asia.

As the largest country in mainland Southeast Asia, Myanmar has one of the lowest population densities in the region, with fertile lands, significant untapped agricultural potential, and a rich endowment of natural resources. Its geographic location at the intersection of China and India, two of the world’s most dynamic economies, makes it well positioned to resume its traditional role as a regional trading hub and a key supplier of minerals, natural gas and agricultural produce. Economic growth in Myanmar eased to 7 percent in 2015 and 2016, due to floods in July 2015, which affected some of the poorest and most vulnerable people in the country, causing inflationary pressures and a slowdown in new investments. Medium-term growth is projected to average 8.2 percent per year. Poverty in Myanmar is unequally concentrated in rural areas, where poor people are relying on agricultural and casual employment for their livelihoods. A large number of households also are living near the poverty line and likely to be sensitive to economy-wide shocks. Since the majority of the poor are engaged in subsistence agriculture, they may be shielded from recent inflationary pressures but the urban poor are likely to be highly affected by recent bouts of food price inflation.

Among ASEAN countries, Myanmar has the lowest life expectancy and the second-highest rate of infant and child mortality. Just one-third of the population has access to the electricity grid and road density remains low at 219.8 kilometers per 1,000 square kilometers of land area. With the liberalization of the telecommunications sector in 2013, mobile and internet penetration has increased significantly from less than 20% and 10% in 2014, to 60% and 25% respectively. Establishing a credible and consistent policy and regulatory environment in the telecommunications sector can help ensure steady private investments and growth. Since the
transition, growth has accelerated buoyed by improved macroeconomic management, increased
gas production and exports, and stronger performance in non-gas sectors as the economy opened

Yangon, Myanmar

Yangon also known as Rangoon, literally: "End of Strife" is a former capital of Myanmar
(Burma) and the capital of Yangon Region. Yangon is the country's largest city with a population
of nearly six million, and is the most important commercial center, although the military
government officially relocated the capital to Naypyitaw in March 2006. Although, Yangon's
infrastructure is undeveloped compared to that of other major cities in Southeast Asia, it now has
the largest number of colonial buildings in the region. While many high-rise residential and
commercial buildings have been constructed or renovated throughout downtown and Greater
Yangon in the past two decades, most satellite towns that ring the city continue to be deeply
impoverished (http://www.independent.co.uk/news/world/asia/colonial-past-could-be-the-
saving-of-rangoon-2219991.html).

Overview of Myanmar tourism business

Since Myanmar liberalized its economy in 2011, the country has experienced a surge of
foreign direct investment and visiting tourists. Official government figures showed that tourist
arrivals have risen from below 1 million in 2011 to over 3 million in 2014, with the Ministry of
Hotels and Tourism setting an ambitious target of 4.5 to 5 million tourist arrivals in 2015, as
shown in figure1.1. Recognizing the need for international standard hotel facilities, funded by
overseas investors, Myanmar’s government has worked to increase foreign investment by
implementing laws and policies to encourage foreign market growth. This includes passage of
the Foreign Investment Law 2012 and implementing regulations allowing for 100 percent foreign
ownership of hotel projects rated three stars and above. In addition, the Asian Development Bank
has unveiled plans to further promote regional investment in the hotel and tourism sector, and
Myanmar has committed to launching a Tourism Development Bank to provide financial and
technical assistance to entrepreneurs. The response from investors has been positive—the number of hotel facility constructions has steadily increased since 2011. This has included numerous internationally-recognized hoteliers such as Accor, Hilton, Best Western, Shangri La, and Dusit International. Yet, despite robust development, Myanmar’s hotel and tourism infrastructure has strained to keep up with the lightning pace of demand, highlighting the need for continued sector investment.

Myanmar is unique in the region in that it retains a colonial history in its architecture, something long ago lost by some of its regional neighbors. With hundreds of colonial properties in Yangon in need of restoration, opportunities exist for the right investors to collaborate on projects for hotel, restaurant, and retail service projects. Although Myanmar is ripe for opportunity, development of the country’s hotel and tourism infrastructure will need to keep up with the pace of demand if its investors are to reap the benefits of long-term sustainability and success. Investors must also be wary of pitfalls that require measured guidance and evaluation, even in the midst of a market boom (http://www.tilleke.com/resources/capturing-opportunity-myanmar%E2%80%99s-hotel-and-tourism-boom, retrieved on 8th June 2016).
Figure 1.1 Numbers of Tourists Arrival within the last 5 years

<table>
<thead>
<tr>
<th>Name of entry Points</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Yangon</td>
<td>364,743</td>
<td>559,610</td>
<td>817,699</td>
<td>1,022,081</td>
<td>1,180,682</td>
</tr>
<tr>
<td>2. Mandalay</td>
<td>20,912</td>
<td>32,521</td>
<td>69,596</td>
<td>90,011</td>
<td>107,066</td>
</tr>
<tr>
<td>3. Mawlamyine</td>
<td>1,024</td>
<td>271</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Nay Pyi Taw</td>
<td>5,521</td>
<td>1,250</td>
<td>11,842</td>
<td>19,261</td>
<td>13,835</td>
</tr>
<tr>
<td>5. Border Gateways</td>
<td>425,193</td>
<td>465,614</td>
<td>1,144,146</td>
<td>1,949,788</td>
<td>3,379,437</td>
</tr>
<tr>
<td>Grand Total</td>
<td>816,369</td>
<td>1,058,995</td>
<td>2,044,307</td>
<td>3,081,412</td>
<td>4,681,020</td>
</tr>
</tbody>
</table>

1.1.1 Overview of the Sedona Hotel in Yangon, Myanmar

The five-star Sedona Hotel in Yangon is one of the best hotels in Myanmar, there have two buildings namely Garden wing and Inya wing. The Garden wing is the first one which is opened in October 1996. It comprises 334 hotel rooms, 32 serviced apartments and 30 office suites. And also, recently renovated in June 2014, the Garden Wing unveils contemporary touches and a sense of refined luxury suited for quietude and relaxation. With breathtaking views of the tranquil Inya Lake, be inspired by subtle hints of Burmese artistry at every turn. Over 1,700 square meters of function space caters to intimate gatherings or events of epic grandeur (http://www.sedonahotels.com.sg/yangon/garden-wing/, retrieved on 24th July 2016).

The extended or new one which was opened in October 2015, the new Inya Wing is named after the tranquil lake in front of the hotel, and is poised to be an iconic oasis for business travelers in bustling Yangon. The new extension wing features a grand lobby with a luxury retail gallery connecting both hotel wings, an all-day dining restaurant, a fitness center, an executive lounge and 431 well-appointed guest rooms and suites. Inspired by the intricacies of Burmese traditional handicrafts, guests will be treated to a fanfare of Asian aesthetics in elegant, contemporary settings. The Burmese traditional umbrella acts as the one single theme throughout the new wing, from the magnificent lighting centerpiece at the lobby to the fritted glass ceiling. The lacquered rice bowl structure is also incorporated within lobby sculptures and lamps in the guest rooms. The main color palette of gold and red reminds one of the sacred Buddhist influences and indigenous lacquer ware (http://www.sedonahotels.com.sg/yangon/inya-wing/, retrieved on 24th July 2016).

Furthermore, the hotel is quietly popular among corporate and leisure travelers, the hotel is within close proximity to the international airport, city center and various cultural and tourist attractions, including the scenic Inya Lake. Also the hotel is managed by Keppel Land Hospitality Management, Sedona Hotels and Suites presents a suite of luxury serviced apartments and 5 star deluxe hotels in Asia. The hotels are located in the most alluring locations from the legendary Golden Land of Myanmar to the Land of the Dragon in Vietnam. At Sedona Hotel in Yangon, which presents a variety of on-site facilities for fun and relaxation. The hotel boasts a swimming pool, a fitness center, and mini golf driving bay and putting green to keep
guests active and the hotel is also arranging for meeting, wedding, event and etc. For a tranquil escape, Siam Spa offers an array of treatments from traditional Thai massages, aroma therapy, facial treatments, and more.

Headquartered in Singapore, Keppel Land Hospitality Management is a wholly-owned subsidiary of Keppel Land, the property arm of the Keppel Group, one of Singapore's largest multinational conglomerates with key businesses in property, offshore and marine, as well as infrastructure. The company portfolio of award-winning residential and commercial developments, coupled with their commitment to constantly innovate and maintain high standards of corporate governance and transparency, propel Keppel Land to be one of the most trusted brands in Asia. Previously known as Sedona Hotels International, Keppel Land Hospitality Management has over 20 years of experience in operating and managing an award-winning chain of hotels, serviced apartments, golf clubs and resorts and marinas in Singapore, China, Indonesia, Myanmar and Vietnam. The company’s success and commitment to excellence make Keppel Land Hospitality Management the preferred hospitality management company in emerging cities in Asia. Offering guests a contemporary selection of accommodation and lifestyle preferences, they promise unique and memorable experiences for all their guests. Keppel Land Hospitality Management seeks to set new standards in the hospitality industry projects which include hotels, serviced apartments, golf resorts and marinas across Singapore, China, Indonesia, Myanmar and Vietnam. Also, Keppel Land Hospitality Management offers guests a contemporary selection of accommodation and lifestyle preferences, promising unique and memorable experiences for business and leisure travelers alike; at the same time, setting new standards in the hospitality industry (http://www.keppellandhospitality.com/About-Us.asp, retrieved on 25th July 2016).
According to Figure 1.2, Sedona Hotel in Yangon, Myanmar received 220 reviews which is ranked as “Excellent”, 338 reviews which is ranked as “Very good”, 164 reviews as “Average”, 44 reviews as “Poor”, and 23 reviews as “Terrible”, from its customers and community. Furthermore, the customers who were coming to visit to Sedona Hotel mainly for the purpose of business and followed by couples and friends for pleasure. Moreover, Sedona Hotel in Yagnon got a lot of positive reviews from their former customers in term of good physical environment of surrounding area, hotel services, room services, well-trained and hospitality of hotel staffs, offering wide range and delicious eastern and western foods and so on. Hence, it is obvious that Sedona Hotel in Yangon is offering a great performance and service to its customers in order to fulfill customers’ needs and wants.
Figure 1.3 Price rates of Sedona Hotel in Yangon, Myanmar

<table>
<thead>
<tr>
<th>Room Type</th>
<th>01.04.2015 to 30.05.2015</th>
<th>01.10.2015 to 31.03.2016</th>
<th>01.04.2015 to 30.09.2015 (Green Seasons Promotion Rate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superior</td>
<td>160</td>
<td>160</td>
<td>80</td>
</tr>
<tr>
<td>Deluxe</td>
<td>200</td>
<td>200</td>
<td>80</td>
</tr>
<tr>
<td>Club Deluxe Room</td>
<td>240</td>
<td>240</td>
<td></td>
</tr>
<tr>
<td>Club Premier Room</td>
<td>260</td>
<td>260</td>
<td></td>
</tr>
<tr>
<td>Balcony Suite</td>
<td>330</td>
<td>330</td>
<td>100</td>
</tr>
<tr>
<td>Club Suite</td>
<td>330</td>
<td>330</td>
<td></td>
</tr>
<tr>
<td>Princess Suite</td>
<td>625</td>
<td>625</td>
<td></td>
</tr>
</tbody>
</table>

1.2 Research Objectives

The main objective of this study is to find out the factor influencing customers loyalty towards Sedona Hotel in Yangon, Myanmar. In this study, the researcher has emphasized on the factors influencing customer loyalty, including service quality, interaction quality, outcome quality, customer satisfaction and trust. The objectives of this research are as follows:

1. To identify the influence of interaction quality and outcome quality on service quality.
2. To evaluate the influence of service quality, interaction quality and outcome quality on customer satisfaction.
3. To test the influence of customer satisfaction on trust.
4. To analyze the influence of customer satisfaction and trust on customer loyalty.

1.3 Statement of the problems

Nowadays, the numbers of hotels in Myanmar has increased significantly come along with the development of business and increasing the numbers of the tourism. Anyway, the situation has changed a lot in the recent years due to political and economic reforms that has opened up the country allowing outside investment and bilateral trade. As a result, many of the international company and hotel business groups are coming to do business in Myanmar, some examples of hotels which are operating by the international company are Sule Shangri-La Hotel which is managed by Shangri-La International Hotel Management group and Novotel Hotel, managed by AccorHotels group. This made for market growth; however, competition has come along with it. As a side effect of the country’s new open-door policy, Sedona Hotel faces tough competition from new incomers and existing competitors.

However, the country’s economy was growing significantly within 5 years from 2011 to 2015, majority of people are still living in low living standard and also their monthly income are not more than between $200 and $500, according to (http://www.reuters.com/article/us-myanmar-economy-wages-idUSKCN0QY0A62015050829). Thus, majority of the local people are not affordable go to visit to Sedona Hotel with their range. Since, customers of Sedona Hotel are mostly upper class people and foriengers. Because of this, the hotel management should always
maintain their hotel standard and try to improve for better services to substanb existing customers and to attract for potential customers. On the other hand, customer service and satisfaction have now become an aspect for the service industry especially hospitality business to focus on developing more effective and lasting relationships with prospect customers. The major problem or reason to conduct this research is to identify how Sedona Hotel can work and apply better strategies to gain customer loyalty. Also, as in today’s world to get the trust of customers is not an easy task. Moreover trust is also a vital factor for several business firms. While, trust was found by Hsu (2007), and the researcher stated that trust had a positive effect on loyalty and it helps to attract new customers and later can retain existing ones besides influencing overall satisfaction.

Undoubtedly, customer loyalty is considered to play the most important role for the success and strong survival of firms. Customer loyalty brings a lot of benefits to the firm which improves the profit levels of the firm by a reduction in the cost of targeting new customers (Reicheld and Sasser, 1990). Thus, in this study, the researcher will focus on finding out the factors influencing customers’ loyalty in regards Sedona Hotel which is located in Yangon, Myanmar. In this study, the researcher emphasizes on the factors likely to weight on customer loyalty to service quality, interaction quality, outcome quality, customer satisfaction, and trust. It is important to validate which variable affect other variables in order to gain more customer loyalty. The statement of the problems of this study is as follows:

1. Do interaction quality and outcome quality influence on service quality?

2. Do service quality, interaction quality and outcome quality influence on customers’ satisfaction?

3. Does customers’ satisfaction influence on trust?

4. Do customers’ satisfaction and trust influence on customers’ loyalty?
1.4 **Scope of the research**

This study is a descriptive research which mainly targets to explore the key factors likely to influence customers’ loyalty towards Sedona Hotel, located in Yangon, Myanmar. The researcher intended to investigate how customers’ loyalty of Sedona Hotel will be influenced by different determinants. The conceptual framework of this research comprises three types of variables: independent variables, intervening variables and dependent variables. The dependent variable concentrate in this study are customers’ loyalty and trust along with two independent variables: interaction quality and outcome quality and two intervening variables: service quality and customers’ satisfaction. In this research, the target population are the customers both male and female who have experience at Sedona Hotel, Yangon, Myanmar. Moreover, the findings of this research can profit not only people who are willing to study about the factor that influencing customer’s loyalty of the Sedona Hotel in Yangon, but also the management team of the Sedona Hotel in Yangon to develop effective business marketing strategies and also to enrich service quality, interaction quality and outcome quality in order to promote customer’s satisfaction in terms of achieving customer’s loyalty and trust.

1.5 **Limitations of the research**

This paper targets on the customers’ loyalty towards Sedona Hotel in Yangon, Myanmar. While, there are some limitations in the data collection in this study. In this research, the researcher determined to target Sedona Hotel which is one of the best five stars hotel and well-known hotel, located in Yangon, Myanmar. As this research only took place in Yangon, Myanmar, it is because not only Yangon is the commercial and biggest city of Myanmar but also most of the tourists come into Myanmar through Yangon international airport. So, the researcher thought that it is more convenience, reliable and easy to collect data in Yangon. The researcher decided to gather the data from customers from both local visitors and foreigners who have experience at Sedona Hotel in Yangon, Myanmar at least two times as the target population of this study. It is because the loyalty is built in customer’s mind when customers use services or products more than one time. Keller (1993) suggested that loyalty is presented when favorable attitudes for the brand of services or products are manifested in repeated purchasing behavior.
Furthermore, Blomqvist et al. (2000) defined that customer loyalty is a customer who over time engage one company to satisfy entirely, or a significant part, of his or her needs by using the company’s product or services. Additionally, there are several hotels in Yangon, but all of them have different characteristics, dissimilar standard and serve an unequal level of customer satisfaction in terms of service quality, interaction quality, outcome quality etc. This means that the results may not be applicable for other hotels, located in Yangon. Furthermore, there is another Sedona Hotel in Mandalay, Myanmar, but this research is also not useful for the Sedona Hotel in Mandalay because the survey only took place only in Yangon, so the target population of this study represent for the Sedona Hotel in Yangon only.

Another limitation of this study is time constraint that the researcher could not study all other independent variables which influence on customers’ loyalty apart from five variables, including service quality, interaction quality, outcome quality, customers’ satisfaction and trust, also there may have some other important factors that affect customer loyalty from the five variables within the scope of this study. The time frame for this research is relatively short, from Sept 2016 to Oct 2016 by distributing questionnaires to customers who are convenient and willing to participate in this survey. Furthermore, the researcher could not collect the data from all of the population because of time and budget limitations and also some customers may be neglected or missed the survey. The last one, this research is conducted in a specific time frame; therefore, its findings may not be applicable to other time periods.

1.6 Significance of the study

The findings of this research will show and explain the significance of the factors influencing on customers’ loyalty towards Sedona Hotel in Yangon, Myanmar which will obtained from the investigation of the influences among key factors, including service quality, interaction quality, outcome quality, customers’ satisfaction and trust. Therefore, the results of this study will help the management team of Sedona Hotel to understand the factors that tend to increase customer loyalty as well as how customers’ satisfaction will lead to trust. Moreover, this hotel could apply the fundamental information from this research to generate developing achievement and implement service quality, interaction quality and outcome quality more effectively and efficiently.
In addition, the consequence of this study will be beneficial for not only the management team of Sedona Hotel but also hotel and tourism businesses can gain advantages from the results of this study because all of the factors examined in this research are conveyed and play important roles in service firms, such as hospitality, tourism and mainly in the hotel industry. As results, the service providers can adjust and apply more effective marketing and business strategies for their business firms more suitably according to the influence among potential factors evidenced in this study in order to achieve the ultimate goal efficiently. Moreover, the findings of this paper can also be advantageous for other researchers such as practitioners, academicians, marketers, educators who are willing to study about factors which tend to influence customer loyalty towards Sedona Hotel and other hotels in Myanmar.

1.7 Definition of terms

Customers’ loyalty

Loyalty has been defined in a several different ways alternately from probability of frequent purchase to proportion of purchase by Dick and Basu (1994). According to Oliver (1997), Customer loyalty is defined as a profoundly held commitment to repeated purchase or patronizes a preferred product or service in the future.

Customers’ satisfaction

Customer’s satisfaction can be described as the customer’s fulfillment reaction which is a judgment from a pleasure level of consumption-related fulfillment received from a product or service by Oliver (1997). Kotler (2000) examined that customer satisfaction is a good perception of a customer when the quality perceived is equal to the quality expected of a product or service.

Interaction quality

The foundation of a successful hospitality industry is management of the service encounter is defined as the time when the consumer interacts directly with the service provider by (Shostack, 1985). Interaction quality is also meant to customers’ perception of the interactions with service providers (e.g. employees, staff, etc.).
Outcome quality

According to Grönroos (1982, 1990), the outcome quality represents the result of the service transaction which is related with what the customer actually receives from the service transaction or, conversely, what is delivered by the service provider. Brady and Cronin,(2001) stated that in face-to-face service encounters interaction quality which is conceptualized as comprising three factors, are called customer perceptions related to: employee behavior; their attitude; and role-related competencies.

Service quality

Service quality can be defined as an overall excellence of services that customers received from service providers, including employees are well-dressed, and also provide impressive services to customers by Nitecki and Hernon (2000). Rust and Oliver (1994) identified that service quality as one of the key driving forces for business sustainability and also it’s essential for firms’ accomplishment.

Trust

In terms of marketing, Rousseau (1998) defined trust as a psychological state of mind to accept everything based on your expectations. In general terms, Mouraman (1993) defined trust as the courage to buy the same thing again and again and rely on the exchange partner for good trust.
CHAPTER 2
LITERATURE REVIEWS

This chapter presents a review of the literature and research related to the study. This chapter consists of three parts. In the first part, the researcher explained the definition of each variable which are customer loyalty, customer satisfaction, interaction quality, service quality outcome quality and trust. In the second part, the researcher considered the relationship between independent variables and the dependent variables from the conceptual framework. The last part describes the previous study which is based on the past research.

2.1 Theory of Dependent and Independent Variables

2.1.1 Service Quality

Service quality is quietly important in presenting a competitive advantage to a company, as it influences on such factors for example, customer satisfaction (Ali et al., 2013), loyalty (Kim et al., 2013; Prentice, 2013), intentions (Hooper et al., 2013; Srivastava and Sharma, 2013) and value perceptions (Wu, 2013). Berry et al. (1988) identified service quality as the comparison of a customer’s specific expectations or requests regarding service with the performance after use of that service. Rust and Oliver (1994) identified service quality as one of the key driving forces for business sustainability and also it’s essential for firms’ accomplishment. According to the current competitive environment, where most hotels have similar facilities, the survival of hotels mainly depends on delivery of service quality which is affecting on customer satisfaction (Mohsin and Lockyer, 2010).

Parasuraman et al. (1985, 1988) stated that service quality can be defined as the difference between perceived service level and customer expectations. According to Grönroos (1984), service quality is the result of calculation process where the customers appraise the service received from provider and compare it with their expected service. As indicated by Zeithaml et al. (1990), perceived service quality is the level to which a firm successfully serves
the purpose of customers. Additionally, Ineson et al. (2011) pointed out that key indicators for excellent service include employees with a passion for services and for their works, as well as employee honesty, trustworthiness and ability to deal with emergencies. Because of this, Vijayadurai (2008) concluded that hotel managers should train their personnel to ensure delivery of polite, respectful and friendly service.

Service quality means distinct from customer satisfaction in that service quality is dependent on the factor under the control of management, (Iacobucci and Ostrom, 1995). Moreover, customer experience is also conceptually distinct from the judgment of service quality (Lemke et al., 2011). Service quality is a judgment about the firm’s processes from a firm’s perspective, whereas customer experience quality is a judgment of experience from a customer’s perspective (Payne et al., 2008). According to Rust and Oliver (1994), satisfaction is based on service quality; thus, the greater the service quality felt by customers, the more likely they will feel satisfied.

2.1.2 Interaction quality

According to Grönroos (1982, 1984) interaction quality referred to the approach of customer’s perception in which the service is delivered during service encounters (Lemke et al., 2011). Also, Brady and Cronin (2001) and Grönroos (1982, 1984) presented that interaction quality is also meant to customers’ perception of the interactions with service providers (e.g. employees, staff, etc.) while delivering services. Interpersonal interactions have a critical impact on customer perception of service quality (Bitner et al., 1994; Surprenant and Solomon, 1987). Additionally, Gerrard and Cunningham (2001) suggested that staffs that provide services play an important role of making customer satisfied. In a similar way, Jamel and Naser (2002) posited that relational quality, which means to interaction quality between employees and customers, where has a direct effect on customer satisfaction. After that, Jap (2001) suggested that employee’s efforts and personal interactions aimed to build and retain the relationship with customers are antecedents of customer satisfaction.

The foundation of a successful hospitality industry is management of the service encounter is defined as the time when the consumer interacts directly with the service provider
Additionally, the interaction quality is also important factor to understand between hosts and guests due to their impact on holiday satisfaction, future behavioral intentions and ultimately the competitiveness of a destination (Pizam and Sussmann, 1995; Reisinger and Turner, 1997, 2002a, b; Butcher, 2005). Also, interpersonal attributes such as attentiveness, politeness, generosity, care, friendliness, and commitment of service providers influence positively on encounter experiences (Johnston, 1995; Juwaheer, 2004; Grandey et al., 2005). In the hospitality and tourism sector, mainly social interactions play a major role in the online travel community (Park and Allen, 2013; Sigala, 2012; Xiang and Gretzel, 2010). Moreover, (Furrer et al., 2000; Mattila, 1999a, b; Tsang and Ap, 2007; Winsted, 1999), whose results indicated that visitors’ preferences for certain aspects of service interactions are based on cultural background. In particular, nationality, ethnicity and languages spoken seem to influence perceptions but nationality seems to exert the strongest influence as reported in other studies (Pizam and Sussmann, 1995; Master and Prideaux, 2000; Manzur and Jogaratnam, 2006).

Services are often inextricably entwined with their human representatives (Brady and Cronin, 2001). Service quality is produced in the interaction between a customer and elements between the service organizations (Parasuraman et al., 1985). Since services are an essential or permanent attribute and characterized as being inseparable, therefore the interpersonal two way flow that takes place during the service delivery often have the greatest impact on the service quality perceptions (Brady and Cronin, 2001). These interactions are identified as the employee-customer interface and the key to element in a service exchange. In fact, Ting et al., (2013) stated that this trend is significant enough in which the hotels should add interactivity features to better serve the travelers browsing their Web-sites. However, hotels are generally not utilizing the opportunity to interact with travelers through social media channels (Phelan et al., 2013). Moreover it was argued that personal commitment derived from high interaction quality with a key service personnel may be of greater value than commitment to the service provider’s organization (Rylander et al., 1997). According to (Duncan and Moriarty, 1998; Sharma and Patterson, 1999), they concurred with their inspection and consider such interaction and information exchange not only forms an integral part of building trust but also underpins the level of overall interaction quality between banks and their premium customers. In service settings, interaction quality is largely a function of the service personnel’s attitudes, behaviors,
and role competencies (Howcroft et al., 2003) and this can be directly attributable to personal contact between the firm and the customer.

### 2.1.3 Outcome quality

Service outcome refers to the outcome of the service act and what the customer is left with after service delivery is completed (Grönroos, 1984). According to Brady and Cronin (2001), Grönroos (1982, 1984), and Kang and James (2004) stated that outcome quality represents the customer’s perception of the superiority of service experience. Jamel and Naser (2002) also found that the core aspects of service quality are directly linked to customer satisfaction. Similarly, Hsieh and Hiang (2004) demonstrated that there was a significant relationship between the perceived quality of service outcome and customer satisfaction across various types of services. Also, Hsieh and Hiang (2004) noted that customer perceptions of service outcome quality, which is critical in forming an evaluation of service delivery. Perceptions of physical environment quality will have a significant positive effect on customer satisfaction. Three factors influence the perceived quality of the physical environment: ambient conditions, facility design, and social factors. For outcome quality Consumer usually evaluates a service encounter performance in two ways. These two ways are technical quality and functional quality. The technical quality describes what the customer receives of a service encounter significantly affects customer perceptions of service quality (Arasli, Ekiz and Katircioglu, 2008; Grönroos, 1984).

Moreover, Brady and Cronin (2001) reported that technical outcome is referred to as the “actual” service and posit that it is a determinant in assessing the quality of a service encounter, and also they further reported that the service outcome is referred to as the “service product” and suggest that it is the relevant feature customers evaluate after service delivery. Therefore the three factors influence the perceived quality of the outcome quality: waiting time, tangible elements, and valence. According to Grönroos (1982, 1990), the outcome quality dimension represents to the result of the service transaction which is related with what the customer actually receives from the service transaction or, conversely, what is provided by the service provider. Brady and Cronin,(2001) stated that in face-to-face service
encounters interaction quality which is conceptualized as comprising three factors, are called customer perceptions related to: employee behavior; their attitude; and role-related competencies. High interaction quality manifested through relationship managers therefore may temper any potential distrust in the firm by providing added value and/or greater perceived utility in the relationship.

2.1.4 Customer satisfaction

Customers are either satisfied or disappointed based on a comparison made between their perception and service outcome expectation (Kotler and Keller, 2006). Homburg and Giering (2001) reckoned that customer satisfaction is a critical issue in the marketing field since satisfied customers turn into loyal customers and ensure profitability, which is crucial for most businesses. In other words, customer satisfaction is considered to be an effective response to products or services (Yuan and Jang, 2008). According to Johnson (2001), customer satisfaction can be conceptualized in two ways: satisfaction following a specific transaction or the consumer’s overall satisfaction based on all previous experiences with the firm. Similarly, customer satisfaction is defined as the perception of a person which can be satisfaction or dissatisfaction about the result from comparing perceived performance with his or her desire of a product by (Kotler, 2003). According to Yi (1990), customer satisfaction is a judgment based on a series of customer interactions. Thus, firms understand customer satisfaction to be an important determinant of the level of loyalty exhibited by their customers toward their employees and toward the firm (Reynolds and Arnold, 2000).

According to Churchill and Surprenant (1982), customer satisfaction is the customer’s overall response of desire toward a product or service utilization based on his or her perception, assessment and psychological response. Customers will be satisfied if the performance of a product or service is equal to their desire (Bowden and Dagger, 2011). Satisfaction refers to an emotional state resulting from a customer’s interactions with a service provider over time (Crosby et al., 1990). Also, Oliver (1980) defined satisfaction as a function of a cognitive comparison of expectations prior to consumption with the actual experience. Moreover, Oliver
(1999) defined satisfaction as a customer’s judgment that the consumption of a product or service is providing a pleasurable level of fulfillment of the customers’ needs, desires, and goals.

Furthermore, customer satisfaction is considered a function of the perceived performance relative to consumer’s prior expectations (Tse and Wilton, 1988), where customer satisfaction is determined based on the experiential process aspects of the service from the consumer’s perspective (Iacobucci and Ostrom, 1995). Oliver (1981) proposed that customer satisfaction plays an important role as one part of marketing filed, and every business is also concerned more on fulfilling customers’ need and wants properly because of the increase of challenging competition and customer awareness of product quality these days. Similarity, Johnson et al. (2001) viewed customer satisfaction as the most reliable feedback which affects business excellence. Kotler (2000) defined satisfaction as the sum of a product or service attributes, while Zairi (2000) defined satisfaction as the feeling of pleasure due to fulfillment of expectation; also, is a product or service can satisfy the customer, they will become loyal to the product, service, or brand. In other words, customer satisfaction refers to products or service which can fulfill customer’s expectations in terms of quality.

There is no doubt that consumer satisfaction is vital to the existence of any business. Consumer satisfaction is regarded as determinant of post-buy attitude and reflects as a constructive or contrary result, which got from buyer individual encounters. In advanced, consumer satisfaction was additionally found as the best frame to lead behavioral expectations, which noted as the best method for firm’s advertisement (Zenithal et al., 1996, Baker and Crompton, 1990). There are two important concepts correlated to customer satisfaction: a transaction specific concept and cumulative concept. A transaction specific concept is the judgment customers made after purchasing certain goods or experiencing services. The second concept is called cumulative concept in which customer give a rating to the brand or service which they had encounter a couple times in their life (Boulding et al., 1993).

According to Oliver (1981), satisfaction is a pre-used standard by which individuals feel contended. According to Maiyakai (2011), customer satisfaction additionally shows linkage between present and future behavioral intensions. If a customer is satisfied the service or product that they received, it is clear that they will purchase repetitively. Because of cost of satisfying
existing customer is less than attraction new customers, customer satisfaction can be very effective for the firms undeniably (Moorman, 1993). The creation of satisfied consumers has become one of the most critical priorities in management (Veloutsou et al., 2005). In principle, satisfaction is a fulfillment response/judgement, centred on a good or service, evaluated for one-time consumption or ongoing consumption (Oliver, 1999) or the contentment of the customer with respect to his or her prior purchasing experience with a given provider (Anderson and Srinivasan, 2003; Christodoulides and Michaelidou, 2011). Albinsson (2004) described satisfaction as an overall customer attitude towards a service provider or an emotional reaction to the difference between what customer’s anticipate and what they receive, regarding the fulfillment of some need, goal or desire.

2.1.5 Trust

Trust is a complicated term on which most researchers have conflicts on understanding of the meaning. Trust is major key in developing the relation between customers and the service firms. Because of the marketing theory, it is acknowledged as sustaining long term relationship with others (Crosby et al., 1990). Also, trust is important for the organization to build mutual beneficial relationship with customers on the basis of trust factor (Dayal et al., 2001). Generally, trust is an essential element for a successful relationship (Moorman et al., 1993; Morgan and Hunt, 1994; and Berry, 1995). Furthermore, Morgan and Hunt (1994) explained that trust exists if one group has the confidence to engage themselves with the other party who is also trustworthy. While Moorma (1992) represented his idea based on just one line that trust is willingness to engage in partnership. Further, trust is defined as confidence or expectation behavior which reflects partners trust, this involves the elements of uncertainly (Moorman, 1993).

In terms of marketing, Rousseau (1998) defined trust as a psychological state of mind to accept everything based on your expectations. In general terms, Mouraman (1993) stated that trust as the courage to buy the same thing again and again and rely on the exchange partner is for good trust. Furthermore, Gwinner, Gremler, and Bitner (1998) found out that psychological benefit of confidence and trust to be more important than special treatment or social benefits in
consumer relationships with service firms. In business, trust is viewed as one of the most relevant antecedents of stable and collaborative relationships. Many researchers have identified trust as an important contributory factor for service quality and customer satisfaction. Trust is considered to be an important element of consumer perceptions about brands and companies (Aaker, 1997). Further, Reichheld and Schefter (2000) commented that to gain the loyalty of customers’, organization must first gain their customer’s trust. Researchers have established that trust is essential for establishing and sustaining long-term relationships (Rousseau et al., 1998; Singh and Sirdeshmukh, 2000).

Moorman et al. (1993) defined that trust as a willingness to rely on an exchange partner in whom one has confidence. For Rousseau et al. (1998, p. 395) stated that trust deals with “the intention to accept a vulnerability based upon positive expectations of the intentions or behaviors of another”. Trust emerges from integrity and certainty, in which mutual trust results in positive behavioral intentions towards the other party. Trust encourages both parties to work towards preserving the investment in the relationship. A mutual cooperation is encouraged by increasing the resistance to attractive short-term alternatives; instead, preference is given to long-term benefits in the belief that parties will not act opportunistically (Morgan and Hunt, 1994). Trust and commitment are important to ensuring a long-term perspective to the relationship, reducing the perceived opportunistic-behavior risk (Erdem et al., 2002).

2.1.6 Customer loyalty

Firstly, Loyalty has been defined in a several different ways alternately from probability of frequent purchase to proportion of purchase by Dick and Basu (1994). According to Oliver (1997), Customer loyalty is defined as a profoundly held commitment to repeated purchase or patronizes a preferred product or service in the future. Jacoby and Chestnut (1978) stated that customer loyalty includes both behavioral and attitudinal dimensions. The behavioral measurement of customer loyalty has been presented as a type of repeat purchasing behavior directed towards a specific product or service, while the attitudinal dimension of customer loyalty includes a degree of positive attitude in level of some interesting value associated with a specific item or service. Moreover, customer loyalty is an attitude that demonstrates the
relationship between the customer and the business or firm. Moreover, Bowen and Chen (2001) stated that customer loyalty as a customer’s commitment to repurchase the product or service in the future toward the product and somehow the customer will recommend the same product to others.

Secondly, loyalty has been widely recognized as important for businesses survival by (Zeithaml, 2000). And also, customer loyalty is crucial for success as attracting new customers is considerably more expensive than retaining existing ones (Reichheld and Schefter, 2000). As indicated by Reichheld (1996) studied about how loyal customers help businesses by buying more; being less price sensitive, attracting new customers through positive word-of-mouth (Ganesh et al., 2000) and by showing a greater resistance to competitor strategies (Akbar and Parvez, 2009). Furthermore, loyalty has been addressed from a behavioral standpoint, being evaluated as a repeated purchase, by the sequence in which the product was purchased and by the proportion of shopping expenses dedicated to the product (Homburg and Giering, 2001).

Thirdly, customer loyalty can be divided into two main approaches: behavioral approach and attitudinal approach. Behavioral approach is a behavior of the customers which is demonstrated by purchasing the same brand repetitively and recommending this brand to others. Attitudinal approach is an attitude of the customer, which is the internal affect and perception component of customer loyalty. Customer may exhibit repurchase behavior due to limited choice available or inertia (Bloomer and Kasper, 1995). Also, Lovelock (2011) presented his idea on customer loyalty as willingness of customer to shop from the same firm repetitively and recommend it to other friends and family members.

Undoubtedly, customer loyalty is considered to obtain the most important role for the success and strong survival of firms. It is also undeniable that customer loyalty brings a lot of benefits to the firm which improves the profit levels of the firm by a reduction in the total cost of targeting new customers (Reicheld and Sasser, 1990). Loyalty is defined as “an intention to perform a diverse set of behavior that signal a motivation to maintain a relationship with the focal firm, including allocating a higher share of the category wallet to the specific service provider, engaging in positive word of mouth, and repeat purchasing” (Sirdeshmukh et al., 2002, p. 20). Many researches have found a link between customer satisfaction and customer loyalty
(Anderson and Sullivan, 1993; Bolton and Drew, 1991; Caruna, 2002; Fornell, 1992; Hart and Johnson, 1999; Taylor and Baker, 1994).

Oliver (1999) defined customer loyalty as “a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts have the potential to cause switching behavior”. Customer loyalty appears to consist of both behavioral and attitudinal dimensions (Jacoby and Chestnut, 1978). In one of the early attempts to conceptualize, loyalty was often seen as the customers’ tendency to continue, over time, to exhibit similar behaviors in situations to those previously encountered (Reynolds et al., 1974). There are two dimensions to customer loyalty: behavioral and attitudinal. Behavior dimension refers to a customer’s behavior on repeat purchases and indicates a preference for brand or service. Attitudinal dimension refers to a customer’s intention to repurchase and recommend, which are good indicators of loyal customers (Dick and Basu, 1994).

2.2 Related Literature Review

2.2.1 The related literature review of service quality and interaction quality

According to the Brady and Cronin (2001), service quality is an emphasized assessment that reflects the customer’s feeling of service such as interaction quality, quality of atmosphere and outcome quality. Moreover, interaction quality (Grönroos, 1982, 1984) refers to the customers’ perception of the manner in which the service is delivered during service encounters (Lemke et al., 2011). In addition, interaction quality concerned with the dimensions of attitude, behavior and expertise of the customers and salesperson. In many service fields, a person is perceived to be the service. Moreover, service quality is produced in the interaction between a customer and elements between the service organizations (Parasuraman et al., 1985). Since services are an essential or permanent attribute and characterized as being inseparable, therefore the interpersonal two way flow that takes place during the service delivery often have the greatest impact on the service quality perceptions (Brady and Cronin, 2001). These interactions are identified as the employee-customer interface and the key to element in a service exchange.

In particular, in the hospitality industry, interaction quality has a significant impact on perception of service quality (Lin et al., 2001) because customers may have difficulty accurately
evaluating outcome quality. Interaction quality is also related to customers’ perception of the interactions with service providers (e.g. employees, staff, etc.) during service delivery (Brady and Cronin, 2001; Grönroos, 1982, 1984). Many research suggested that interpersonal interactions have a critical impact on customer perception of service quality (Bitner et al., 1994; Surprenant and Solomon, 1987). Furthermore, according to the Lu et al. (2009) and Bitner et al. (1994), interaction quality is the most significant impact on service quality perception.

Since, many researchers have investigated the influence of outcome quality and interaction quality on service satisfaction (Babakus and Mangold, 1992; Donabedian, 1980, 1982; Kovner and Smits, 1978; Gaur et al., 2011). In this relationship, both customer and service provider must make conscious efforts to interaction to ensure that the appropriate service is delivered to customers (Ennew and Binks, 1999). In particular, for credence goods, such as medical treatments, interaction quality has a significant impact on perception of service quality (Lin et al., 2001) because customers may have difficulty accurately evaluating outcome quality. Furthermore, interaction quality is also related to customers’ perception of the interactions with service providers (e.g. employees, staff, etc.) during service delivery (Brady and Cronin, 2001; Grönroos, 1982, 1984). Many researches suggested that interpersonal interactions have a critical impact on customer perception of service quality (Bitner et al., 1994; Surprenant and Solomon, 1987).

### 2.2.2 The related literature review of Service Quality and Outcome Quality

Several recent studies have shown that service quality evaluation involves both outcome and process quality attributes of service delivery (e.g. Baker and Lamb, 1993; Grönroos, 1982, 1990; Mangold and Babakus, 1991; Richard and Allaway, 1993). Also, many studies also showed that the outcome quality component of service quality is a significant determinant of the overall service quality assessed by the consumer and that the addition of the outcome quality component into the measurement scale significantly improves the explanatory power and predictive validity. Additionally, service outcome refers to the outcome of the service act and what the customer is left with after service delivery is complete (Grönroos, 1984). Outcome quality reflects the customer’s perception of the superiority of service experience (Brady and
Cronin, 2001; Grönroos, 1982, 1984; Kang and James, 2004). Additionally, outcome quality (i.e. “what” part of service delivery), which over the years has come to be recognized conceptually as a vital component of service quality, has largely been missing from the scale.

On the other hand, with a large scale induction of technology in the financial services sector (Bitner et al., 2000; Li et al., 2003; Mittal and Gera, 2012) and service delivery process becoming increasingly more automated and standardized, placing thrust on functional quality alone cannot help retaining and building the customer base. Beside of that, in view of its coveted role highlighted in various service sectors, such as retailing (Dabholkar et al., 1996), fast food, photograph developing, amusement parks, dry cleaning (Brady and Cronin, 2001), health resort (Ferguson et al., 1999), telecommunications (Kang and James, 2004), fast food restaurants (Powpaka, 1996; Jain, 2008), professional advisory services (Sharma and Patterson, 1999), sports (Yoshida and James, 2010; Theodorakis et al., 2013), motels (Clemes et al., 2010) and healthcare (Choi and Kim, 2013), outcome quality appears to be holding immense potential to influence favorably on to customer perceptions and gaining thereby their patronage in the banking sector too.

2.2.3 The related literature review of interaction quality and customer’s satisfaction

Gerrard and Cunningham (2001) suggested that staffs who deliver services play an important role in making customer satisfied. In a similar point of view, Jamel and Naser (2002) speculated that relational quality, which refers to quality of interactions between employees and customers, has a direct influence on customer satisfaction, and also Jap (2001) suggested that employee’s efforts and personal interactions intended to build and maintain the relationship with customers are antecedents of customer satisfaction. Hence, it is likely that the key elements of interaction quality, such as politeness, friendliness, sensitivity, and empathy, are considered critical in driving customer satisfaction. Patients who are well-informed about their conditions and treatment options, and cared through their interaction with service employees may have a lower degree of uncertainty regarding their conditions, which is likely to lead to high customer satisfaction (Gaur et al., 2011). This shows that there exists a positive relationship between interaction quality and customer satisfaction.
It is true about that the ability to offer high-quality service is a key source of competitive advantage for any service organization. In an interpersonal service context, the service interaction quality (SIQ) between the service provider (SP) and the customer assumes paramount importance (Oliver, 1980; Spreng et al., 1996). Interpersonal service interaction (SI) can be defined as “a period of time where a consumer directly interacts with a service provider” (Shostack, 1985, p. 243). Extant research has extensively studied several aspects related to the interpersonal service interaction by (Pollack, 2009), for example, passion for service, service orientation, the efforts and competencies of service providers, frequency of interaction and the extent of the job satisfaction (Mittal and Lassar, 1996; Schneider et al., 1992; Doney and Cannon, 1997; Dagger et al., 2009). For all the valuable contributions made by extant research, there is still a paucity of shared understanding about the impact of service interaction quality on key marketing objectives. Also, Ganesh et al. (2000) confirmed that a positive effect for service interaction quality influences on consumer satisfaction, consumer loyalty and other behavioral outcomes (e.g. positive word-of-mouth [WoM]). Furthermore, service interaction quality has been conceptualized as a one-way delivery process and as interplay between the service providers and customers (Brady and Cronin, 2001b; Grönroos, 1984; Hennig-Thurau and Klee, 1997). Moreover, mixed outcomes such as trust–distrust, satisfaction–dissatisfaction and attraction–repulsion have also been demonstrated (Crosby et al., 1990; Hennig-Thurau et al., 2002).

2.2.4 The related literature review of outcome quality and customer’s satisfaction

Service outcome refers to the outcome of the service act and what the customer is left with after service delivery is complete (Grönroos, 1984). Outcome quality reflects the customer’s perception of the superiority of service experience (Brady and Cronin, 2001; Grönroos, 1982, 1984; Kang and James, 2004). Similarly, Hsieh and Hiang (2004) demonstrated that the perceived quality of service outcome positively influences customer satisfaction across three types of services (i.e. photograph developing shops, banks, and hospitals). These services are characterized, respectively, by search, experience, and credence attributes. According to Hsieh and Hiang (2004) noted that customer perceptions of service outcome quality, which is critical in
forming an evaluation of service delivery (Rust and Oliver, 1994) which leads to customer satisfaction. Because of this relationship, the researchers posited that there exists a positive relationship between outcome quality and customer satisfaction in a hospitality services and also found out that where a higher (lower) level of outcome quality is expected to increase (decrease) customer satisfaction.

An expert who is familiar with a product is able to acquire a great deal of useful and usable information in a less structured environment (Brucks, 1985; Su et al., 2008) by being more selective in acquiring information (Johnson, 1998; Shanteau, 1992; Su et al., 2008). Extending the previous research, the researchers argued that the impact of outcome quality on customer satisfaction depends on the level of customers’ familiarity with a service provider, particularly for credence types of service such as hospitals services (Darby and Karni, 1973). New patients often have difficulties judging the quality of outcome because they are not familiar with the way things happen in hospitals, whereas patients who are more familiar with services offered by hospitals are likely to form better developed schema about the outcome of services based on previous experience. As a result, it is likely that patients who have had experiences in a hospital and hence, are familiar with a hospital will be more satisfied when outcome quality is perceived high. This, however, is not expected for patients who are not familiar with hospitals as they may not be able to assess outcome quality properly and hence, the link between outcome quality and satisfaction is less likely. Therefore, it is anticipated that familiarity serves as a moderator between outcome quality and customer satisfaction.

2.2.5 The related literature review of service quality and customer’s satisfaction

There are so many empirical evidences which are supporting the impact of perceived service quality on customer satisfaction are investigated and found out by many researchers. Cronin and Taylor (1992) revealed that service quality appears to be an antecedent of customer satisfaction derived from an investigation on the conceptualization and measurement of service quality perception. Furthermore, the testing of a modified satisfaction/service quality model (Oliver, 1993) exposed that perceived service quality performs as a predictor of satisfaction (Spreng and Mackoy, 1996). Moreover, DeRuyter et al. (1997) stated that customer satisfaction
degree will increase correspondingly, while the level of service quality increases. The perception of service quality and expectations may lead to satisfaction or dissatisfaction credited to Oliver (1989).

As such, customer satisfaction and retention are crucial for the service providers: their survival depends on their service quality. Customer satisfaction is considered to be an effective response to products or services (Yuan and Jang, 2008). According to Johnson (2001), customer satisfaction can be conceptualized in two ways: satisfaction following a specific transaction or the consumer’s overall satisfaction based on all previous experiences with the firm. Although satisfaction is considered to be closely related to service quality, they are distinct constructs (Lovelock and Wright, 2004). Service quality is an overall service evaluation, while satisfaction corresponds to an emotional reaction to performance. A number of empirical studies indicated that there is a link between service quality and satisfaction (Fornel, 1992; Taylor and Baker, 1994). Extant research in this area showed that the proper implementing and dispensing of the core service quality features may justifiably increase customer satisfaction (Grönroos, 1984; Parasuraman et al., 1988; Walker et al., 2006).

The service quality research literature is consistent with the notion of perceived quality models. For example, Parasuraman et al. (1985) stated that a conceptual service quality model highlights that the match between service quality standards and customers’ standards may decrease service performance gap and increase customer perceived value about the quality systems. Consequently, it may lead to higher customer satisfaction. However, despite the similarity, service quality is distinct from customer satisfaction in that service quality is dependent on the factor under the control of management, whereas customer satisfaction is determined based on the experiential process aspects of the service from the consumer’s perspective (Iacobucci and Ostrom, 1995).

2.2.6 The related literature review of Customer Satisfaction and Customer Loyalty

Many studies have found that customer satisfaction plays a mediating role in the customer satisfaction and customer loyalty relationship. Most of the marketing researches try to figure out the antecedents of loyalty, and amongst them the significant predictors are customer
satisfaction and trust (Fornell, 1992; Anderson and Sullivan, 1993; Oliver, 1999; Hes and Story, 2005). Loyal customers are reported to have higher customer retention rates, commit a higher share of their category spending to the firm, and are more likely to recommend others to become customers of the firm (Reichheld and Sasser, 1990). Loyalty is the commitment of a current customer in respect to a particular store, brand and service provider, when there are other alternatives that the current customer can choose instead (Shanker et al., 2003). Reicheld (2003) suggested that the most superior evidence of customer loyalty is the proportion amount in percentage of current customers who are having lots of enthusiasm to recommend a specific good or service to their friend. Furthermore, many researches have shown that there is a link between customer satisfaction and customer loyalty (Anderson and Sullivan, 1993; Bolton and Drew, 1991; Caruana, 2002; Fornell, 1992; Hart and Johnson, 1999; Taylor and Baker, 1994).

Pearson (1996) has defined customer loyalty as a mindset of the customers who hold favorable attitudes towards a company, commit to repurchase the company’s product or service, and recommend the product or service to others. Customer satisfaction is viewed as the cumulative experience with a certain product or service as satisfaction with a single transaction barely leads to long-lasting customer loyalty (Fornell, 1992). Caruana (2002) found out that a positive effect of customer satisfaction exhibits a strong influence on customer loyalty. The positive relationship between satisfaction and loyalty has been supported in many empirical studies (Bigne et al., 2008). Selnes (1993) argued that satisfaction will only have a direct effect on loyalty when customers are able to evaluate product quality through their experience with the product or service.

Customer satisfaction is recognized as an organizational performance measure; i.e., a satisfied customer becomes a loyal customer. Satisfaction in various contexts translates into loyalty when satisfaction is really high in various contexts (Harris and Goode, 2004; Chandrashekaran et al., 2007; Han et al., 2008; Christodoulides and Michaelidou, 2011). Many research studies have shown that customer satisfaction is a leading factor in determining loyalty. In other words, the degree to which customers are satisfied with their experience plays a central role in their loyalty to the service firms. However, there are also studies that suggest trust is more important than satisfaction in ensuring loyalty (Ranaweera and Prabhu, 2003; Caceras and
Paparoidamis, 2007). Studies have shown that customer satisfaction is correlated with loyalty, and satisfaction has been claimed to be a leading factor in determining loyalty (Ehigie, 2006).

2.2.7 The related literature review of customer satisfaction and trust

Ravalld and Grönroos (1996) proposed that trust is an aggregate evaluation at some higher level than satisfaction, and that satisfaction in fact is an important source for trust. Several studies advocated that customer satisfaction is important for developing customer trust and commitment (Kantsperger and Kunz, 2010). Many researches have also discovered that trust is the most significant determinant of customer satisfaction (Pavlou and Fygenson, 2006; Ribbink et al., 2004; Kim et al., 2008). Trust was also found by Hsu (2007) to have a positive effect on loyalty and it helps to attract new customers and later can retain existing ones besides influencing overall satisfaction. In turn, satisfaction has been linked to users’ trust development, this being a relationship that is supposed to be recursive. Thus, although some authors thought of trust as an antecedent of satisfaction (Thong et al., 2006), most researchers believed that it is satisfaction which should be considered as the antecedent of trust (Shiau and Chau, 2012).

Trust is found to be an important driving factor of customer satisfaction and its lack or absence makes them reluctant to deal with that particular organization (Gummerus et al., 2004) which consequently dampens customers’ intention to use its service (Gambetta, 2000). Further, Gummerus et al. (2004) found a significant positive relationship between trust and customer satisfaction. They also concluded that trust is the strongest predictor of customer satisfaction. In their opinion, just as the manufacturer’s market orientation can influence the distributor’s trust in his supplier, the trust affected by that orientation can be expected to be positively linked to the distributor’s satisfaction with his relationship with the manufacturer. Indeed, the literature on relationships in the channel points to trust as one of the causes of intra-channel satisfaction (Dwyer, 1980). The distributor’s satisfaction with the relationship will be greater in those cases in which the supplier inspires trust.

Siguaw et al. (1998) and Baker et al. (1999) discovered that a direct relationship between the distributor’s satisfaction with the final results and the level of trust in his supplier. Specifically, the effect of trust on long term orientation and satisfaction is greater than the direct
effect of any other variable. Furthermore, the effect of economic results on satisfaction and on long term orientation is almost completely dependent on trust (Child, 2001). In this sense, Geyskens et al. (1998) conclude that trust is a highly effective means of increasing satisfaction and long term orientation. Dwyer et al. (1987), suggest that satisfaction with the relationship (which develops in the short term and is a report of past interaction) positively influences trust (which takes relatively longer to develop and has a more expectational quality to it).

2.2.8 The related literature review of trust and customer loyalty

Homburg and Giering (2001) claimed that customer satisfaction is a critical issue in the marketing field since satisfied customers turn into loyal customers and ensure profitability, which is crucial for most businesses. Researchers suggest that it is necessary to look beyond satisfaction, at variables such as trust, to predict loyalty (Szymanski and Henrad, 2001; Han et al., 2008). Trust has been recognized as an important factor which influences on customer commitment and hence on loyalty (Morgan and Hunt, 1994; Gremler and Brown, 1999), especially during and after periods of crisis, where trust can even enhance brand loyalty (Hegner et al., 2014). As indicated by Garbarino and Johnson (1999) also suggested that trust is one of the key mediators between component attitudes and future intentions for high relational customers and that it is influencing loyalty both directly and indirectly, through satisfaction (Harris and Goode, 2004).

Ranaweera and Prabhu (2003) argued that trust is a stronger emotion than satisfaction and that it may therefore better predict loyalty. Hsu (2007) posited that trust has a positive effect on loyalty and it helps to attract new customers and later can retain existing ones besides influencing overall satisfaction. Hart and Johnson (1999) have asserted that the condition beyond satisfaction that ensures true customer loyalty is total trust. Trust is proposed as another important antecedent of loyalty (Reichheld et al., 2000). In a recent study, for example, Corbitt et al. (2003) suggest a strong positive effect of trust on loyalty to online firms, but theoretical foundations as well as empirical confirmations are lacking (Anderson and Srinivasan, 2003; Grabner-Kräuter and Kalusha, 2003). Trust appears to be especially important for creating loyalty when the perceived level of risk is high (Anderson and Srinivasan, 2003).
Accordingly, Zeithaml and Bitner (2000) stated that a customer whose preference for a brand of product remains unchanged exhibits loyalty to the brand. Singh et al. (2000) believed that customer loyalty was the act of maintaining a positive relationship between customer satisfaction and the existing service providers. In the structure of a relationship, after customers purchase a company’s products or services, their evaluation of corporate trust will have a positive impact on their loyalty to the service providers. Several studies supported that trust played the role of a loyalty antecedent (Garbarino and Johnson, 1999; Orth et al., 2009; Singh and Sirdeshmukh, 2000; Sirdeshmukh et al., 2002).

2.3 Previous Studies

Moreira and Silva (2015) studied about the trust-commitment challenge in service quality-loyalty relationship in order to build up and practically test a model to observe service quality, satisfaction, trust and commitment as loyalty antecedents in a private healthcare service. In this research, the researchers used an ease sample and interviewed with cardiology patients directly for collecting data. Out of 175 responses, the majority of the participants were female with 66.5 percent and, the rest percent were male and the average age of within 25 to 45 years and among them, the half of participants were using health insurance plan and also graduated from university. Also, the researchers pointed out that service quality had affect on patient satisfaction and also the result expressed that there was a positive relationship between patient satisfaction and patient trust. Additionally, the researchers found out that patient trust had effect on patient commitment while there was a connection between patient trust and loyalty. Thus, the researchers stated that satisfaction and trust have directly impact on loyalty and these three factors are linking and supporting to each other while there is no direct effect between satisfaction and commitment on loyalty.

Hwang and Wen (2009) studied about the effect of perceived fairness toward hotel overbooking and compensation practices on customer loyalty. The purpose of this paper was to find out the effect of hotel overbooking and compensation practices on customers’ perceptions of fairness and loyalty and examine the effects of customer gender, reservation time, membership status, length of stay, payer source, and reservation channel on perceived fairness toward
overbooking. In this study, the researchers gave survey participants as a $3.00 gift card to the grocery store as an incentive for participation. In total, 291 individuals participated in the study. Out of the 291 participants who completed the survey, 167 participants (58.8 percent) were female and 117 participants were male (41.2 percent). Participants ranged in age from 19 to 87, with an average age of 47. On average, participants stayed at a hotel 13.02 times last year, and 20.1 percent reported having been walked at a hotel due to overbooking. According to research, the researchers found that participants’ sex significantly affected perceptions of fairness toward the overbooking; meanwhile females were more likely than males to perceive overbooking as unfair. Also, membership status also was found to significantly affect participants’ loyalty levels with higher levels of loyalty found among non-members. Surprisingly, no significant differences were found between participants’ perception of fairness toward overbooking for any of the other factors.

Choi and Kim (2013) studied about the impact of outcome quality, interaction quality, and peer-to-peer quality on customer satisfaction with a hospital service, according to create superior customer satisfaction has been considered one of the vital things to the firm’s success. Also, another reason of this paper was to recommend and test a theoretical model of the relationship among outcome quality, interaction quality, peer-to-peer quality, and customer satisfaction as well as these variables’ impacts on customer loyalty. In this research, the researchers surveyed 296 patients from one of the largest hospitals in Korea. The researchers distributed 500 samples and there were 296 usable responses which were collected with a 59.20 percent usable rate. The majority of the participants were female and the rest were male and also most of the respondents (81 percent) were between 21 and 50 years old. In this research, the researchers found out that outcome quality, interaction quality, and peer-to-peer quality perceptions significantly influence customer satisfaction, in term customer satisfaction also greatly influences customer loyalty. Furthermore, the researchers proved that outcome quality, interaction quality, and peer-to-peer quality should be considered critical components in creating customer satisfaction and that customer satisfaction should be delighted as a strategic variable to enhance customer loyalty.

Yan and Lau (2015) studied about “LuXurY” hotel loyalty – a comparison of Chinese Gen X and Y tourists to Macau. The objective of this study was to investigate generational
disparities of Chinese Generation (Gen) X and Y tourists by examining their loyalty determinants in a luxury hotel setting. A convenience sampling method was used to collect the data at the border gates and major tourist attractions in Macau. In this survey, only qualified respondents were invited to participate and 285 usable questionnaires were collected. The result revealed that the effects of the perceived hotel quality on satisfaction and loyalty intention are significant. Besides, The results indicated that top quality rooms and services are high on the agenda of both generations, while Generation X places more weight on convenience and food and Gen Y on security; satisfaction does not induce loyalty, whereas value fully or partially mediates the quality-loyalty relationship; and Gen X is value-centered in building loyalty, yet Gen Y exhibits both value consciousness and stronger demands for upscale quality features. Additionally, the results indicated that perceived hotel quality only has a direct impact on loyalty intentions for the younger generation.

Wu and Wang (2012) studied about satisfaction and zone of tolerance: the moderating roles of elaboration and loyalty programs. In this research, the researchers tried to understand how detail and loyalty programs have impact on the relative importance of satisfaction and the zone of tolerance (ZOT) in the way of customer loyalty to an airline service provider. According to frequently ascending of customer expectations and also airlines have been among the pioneers in creating the ongoing relationship with their clients, the researchers decided to choose the airline industry as the focus of the analysis in this study. The population of the study was international airline passengers and total of 800 self-reported surveys were distributed and 489 responses were returned, which represented a 61.13 percent response rate, and after eliminating 35 incomplete responses the sample size was 454. Out of 454 surveys, 56.6 percent of participants were male and, the rest were female and also the average ages of participants were between 31 to 40 years. According to result, the researchers showed that there was the relationship between the relationship length and customer loyalty while the effect of satisfaction on customer loyalty was significant and positive. Meanwhile, the researchers also investigated that loyalty program had positive effects on customer loyalty.

Mohsin and Lockyer (2010) studied about customer perceptions of service quality in luxury hotels in New Delhi, India. The study aimed to assess the service quality perception of customers of luxury hotels, New Delhi in India and to help the hotel management identify areas
that need attention to meet and exceed customer expectations. Furthermore, the main objectives of this study are evaluate about (1) general expectations and factors of importance for guests who stay in various luxury hotels in New Delhi, India, (2) guest actual experience and evaluation from the stay which is derived from how did the hotel perform against a perception of importance of relevant factors, and (3) disparity between the specific and overall components of importance and actual stay experience. In this survey the researcher used the convenience sample which comprised of Indian respondents and a usable sample of 271 participants resulted with a large majority being male were collected and also the largest number (35.4 per cent) being in the age group 31-40 years old followed by those aged 41-50 years (31.5 per cent). The importance-performance analysis shows that, for responses relating to front office, room service and in-house cafe’/restaurant, the importance score is statistically significant to and higher than the performance rating. Overall, the results indicate significant difference between expectations of the guests and actual experiences, thus highlighting managerial implications.

Pollack (2009) studied about linking the hierarchical service quality model to customer satisfaction and loyalty in order to reconsider the properties of the hierarchical service quality model (HSQM) which analyzes service quality as a three-tiered concept with interaction quality, outcome quality, and physical environment quality as initial sub-dimensions. In this research, the researcher decided to collect the data from convenience samples of 250 customers of hairdresser/barber services and 300 customers of local phone service subscribers and also these services were selected because they differ in their respective delivery processes. Local telephone services are more equipment-based (e.g. are delivered primarily via a technical telecommunication infrastructure) and continuously provided, so this service is standardized across customers or it usually does not involve person-to-person interaction. To contrast, hairdresser/barber services are people-based (e.g. are delivered primarily by a person) and delivered in distinct transactions. Hence, this service is usually modified in a person-to-person service delivery setting. In this research, the researcher confirmed that service quality is an antecedent to satisfaction, positive word-of-mouth, and re-purchase behavior. Additionally, the researcher pointed out that the HSQM as predictor of satisfaction and loyalty. Although, the results suggest that the significance of various service quality dimensions differs depending on the type of service.
Kayaman and Arasli (2007) studied about customer based brand equity: evidence from the hotel industry. This study aimed to explore interrelations of the four brand equity components; brand awareness, brand loyalty, perceived quality and brand image in hotel industry and improve the conceptualization of customer-based hotel brand equity. At the end of the data collection period, a total number of 345 questionnaires were personally retrieved with a response rate of 82.1 percent from the tourists at the time of their departure in Ercan Airport. Respondents were requested to fill out the questionnaires in a self-administered manner. The present study used a sample of 345 actual customers from 11 different countries whose accommodation in North Cyprus hotels. According to research, the researchers pointed out that two of the five dimensions of service quality; tangibles, responsiveness have significant and positive impact on brand loyalty. In addition, the tangible dimension has a greater relative influence on brand loyalty than on responsiveness dimensions. Meanwhile, the analysis depicts that three of the five service quality dimensions, which are tangibility, reliability and empathy have a significant indirect effect on brand image. Moreover, reliability dimension has a greater relative impact on brand image on both, tangibles and empathy cues. Brand loyalty was found to have a significant positive impact on brand image. These results depicted that the effect of perceived service quality is partially mediated through brand loyalty.

**Table 2.1: Summary of previous studies**

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<th>Articles</th>
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<td>The trust-commitment challenge in service quality-loyalty relationship.</td>
<td>Moreira and Silva (2015)</td>
<td>- The direct way to personal interviews. Data analysis was carried out using SPSS and AMOS.</td>
<td>- The service quality had impact on customers’ satisfaction and also there was a positive relationship between customers’ satisfaction and customers’ trust. - Satisfaction and trust have directly impact on loyalty and these three</td>
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<tr>
<td>Study</td>
<td>Methodology</td>
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<tr>
<td>Hwang and Wen (2009)</td>
<td>One-way ANOVA was used to measure - Gave survey participants as a $3.00 gift card to the grocery store as an incentive for participation</td>
<td>Participants’ gender mainly females significantly affected perceptions of fairness toward the overbooking - Also, membership status also was found to significantly affect participants’ loyalty levels with higher levels of loyalty found among non-members.</td>
<td></td>
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<tr>
<td>Choi and Kim (2013)</td>
<td>Distributed 500 samples - Self-administered data for data analysis.</td>
<td>Outcome quality, interaction quality and peer-to-peer quality perceptions significantly influence customer satisfaction, which is also significantly, influences customer loyalty. - These three qualities should be considered critical components in creating customer satisfaction and that customer satisfaction factors are linking and supporting to each other.</td>
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The effect of perceived fairness toward hotel overbooking and compensation practices on customer loyalty

The impact of outcome quality, interaction quality, and peer-to-peer quality on customer satisfaction with a hospital service.
<table>
<thead>
<tr>
<th>Study</th>
<th>Authors</th>
<th>Methodological Procedures</th>
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<tr>
<td>“LuXurY” hotel loyalty – a comparison of Chinese Gen X and Y tourists to Macau.</td>
<td>Yan and Lau (2015)</td>
<td>- Collect the data at the border gates and major tourist attractions in Macau.</td>
<td>- The effects of the perceived hotel quality on satisfaction and loyalty intention are significant. Top quality rooms and services are high on the agenda of both generations, while Generation X places more weight on convenience and food and Gen Y on security; satisfaction does not induce loyalty.</td>
</tr>
<tr>
<td>Satisfaction and zone of tolerance: the moderating roles of elaboration and loyalty programs.</td>
<td>Wu and Wang (2012)</td>
<td>- A total of 800 self-reported surveys were distributed. - Hierarchical moderated regression analysis was used to test the hypotheses.</td>
<td>- The researcher showed that there was the relationship between the relationship length and customer loyalty while the effect of satisfaction on customer loyalty was significant and positive.</td>
</tr>
<tr>
<td>Customer perceptions of service quality in Mohsin and Lockyer (2010)</td>
<td>Mohsin and Lockyer (2010)</td>
<td>- Used a survey and interview technique - To accumulate</td>
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<tr>
<td>Luxury hotels in New Delhi, India.</td>
<td>Information for analysis using SPSS version 12 and was conducted at different four- and five star hotels in New Delhi.</td>
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<tr>
<td>Linking the hierarchical service quality model to customer satisfaction and loyalty.</td>
<td>Pollack (2009) - The data for empirically re-assessing the scale’s properties - For testing the proposed hypotheses were collected from convenience samples - Service quality is an antecedent to satisfaction, positive word-of-mouth, and repurchases behavior. - The significance of various service quality dimensions differs depending on the type of service.</td>
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<tr>
<td>Customer based brand equity: evidence from the hotel industry</td>
<td>Kayaman and Arasli (2007) - The sample of the study included customers who stayed in five-star hotels in North Cyprus - A total number of 345 questionnaires were personally retrieved - Two of the five dimensions of service quality; tangibles, responsiveness have significant and positive impact on brand loyalty. - Brand loyalty was found to have a significant positive impact on brand image. - The effect of perceived service quality is partially mediated through brand loyalty</td>
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CHAPTER 3

RESEARCH FRAMEWORKS

In this chapter, the researcher shows four parts which include the theoretical framework, conceptual framework, research hypotheses, and operationalization of the variables. At first, Theoretical framework comes from the concepts and theories of the researchers which were drawn from the literature review and followed by conceptual framework, which is developed, based on the theoretical framework and the main framework for this study. All those hypotheses in the research focus on the relationship between different variables in the framework. Operationalization of the table is also provided and explained in this chapter.

3.1 Theoretical Frameworks

A theoretical framework is an explanation of an academic perspective, which supports a basic approach to understand relationships of collected variables. In this part the researcher has applied four research models to develop the conceptual framework. The first research model was developed by Moreira and Silva (2015) studied about the trust-commitment challenge in service quality-loyalty relationship. The objective of this paper is to build up and practically test a model to observe service quality, satisfaction, trust and commitment as loyalty antecedents in a private healthcare service. The second research model was developed by Choi and Kim (2013) studied about the impact of outcome quality, interaction quality, and peer-to-peer quality on customer satisfaction with a hospital service. The objective of this paper is to recommend and test a theoretical model of the relationship among outcome quality, interaction quality, and customer satisfaction as well as these variables’ impacts on customer loyalty. The third research model was developed by Wu and Wang (2012) studied about Satisfaction and zone of tolerance: the moderating roles of elaboration and loyalty programs. The researcher investigated how detail and loyalty programs have impact on the relative importance of customers’ satisfaction and tolerance in the way of customer loyalty to an airline service provider. The last research was developed by Pollack (2009) studied about to reassess the properties of the hierarchical service quality model.
(HSQM) – a previously introduced service quality assessment tool. The study aims to apply HSQM to two new service contexts and to further investigate the relationship between service quality and satisfaction and customer loyalty. The HSQM views service quality as a three-tiered concept with interaction quality, outcome quality, and physical environment quality as initial sub-dimensions. All detail will be presented as follow:

**Figure 3.1**: The research model of the trust-commitment challenge in service quality-loyalty relationships


Moreira and Silva (2015) studied about the trust-commitment challenge in service quality-loyalty relationship. The objective of this paper was to build up and practically test a model to observe service quality, satisfaction, trust and commitment as loyalty antecedents in a private healthcare service. The researcher used an ease sample which contained individuals attending a private healthcare cardiology unit and also this study was carried out during five weeks, two times a week, to fully cover the service. The researcher used the direct way to personal interviews with
cardiology patients for collecting data. Out of 175 responses, the majority of the participants were female with 66.5 percent and, the rest percent were male and the average age of within 25 to 45 years. Additionally, the half of participants were using health insurance plan and also had graduated from university. According to the research, the researchers showed that the service quality had impact on patient satisfaction and also the result demonstrated that there was a positive relationship between patient satisfaction and patient trust. Furthermore, the researchers found out that patient trust had effect on patient commitment while there was a connection between patient trust and loyalty. Thus, the researchers stated that satisfaction and trust have directly impact on loyalty and these three factors are linking and supporting to each other while there is no direct effect between satisfaction and commitment on loyalty.

**Figure 3.2**: The search model of the impact of outcome quality, interaction quality, and peer-to-peer quality on customer satisfaction with a hospital service.


Choi and Kim (2013) studied about the impact of outcome quality, interaction quality, and peer-to-peer quality on customer satisfaction with a hospital service. The purpose of this paper was to
create superior customer satisfaction has been considered one of the vital things to the firm’s success. Another objective of this paper was to recommend and test a theoretical model of the relationship among outcome quality, interaction quality, peer-to-peer quality, and customer satisfaction as well as these variables’ impacts on customer loyalty. In this research, the researchers distributed 500 samples and out of 500, there were 296 usable responses which were collected with a 59.20 percent usable rate. The majority of the participants were female and total of 39.9 percent of the sample was male. Most of the respondents were between 21 and 50 years old (81.08 percent). Patients without any prior hospitalization experience accounted for 34.1 percent and the rest (65.9 percent) of the respondents were hospitalized at least once. The researchers found out that outcome quality, interaction quality, and peer-to-peer quality perceptions significantly influence customer satisfaction, which is also greatly influences customer loyalty. Also the researchers showed that outcome quality, interaction quality, and peer-to-peer quality should be considered critical components in creating customer satisfaction and that customer satisfaction should be delighted as a strategic variable to enhance customer loyalty.
Figure 3.3: The search model of satisfaction and zone of tolerance: the moderating roles of elaboration and loyalty programs


Wu and Wang (2012) studied about satisfaction and zone of tolerance: the moderating roles of elaboration and loyalty programs. This study looked to understand how detail and loyalty programs have impact on the relative importance of satisfaction and the zone of tolerance (ZOT) in the way of customer loyalty to an airline service provider. The researcher decided to choose the airline industry as the focus of the analysis in this study according to frequently ascending of customer expectations, and also airlines have been among the pioneers in creating the ongoing relationship with their clients. The population of the study was international airline passengers and total of 800 self-reported surveys were distributed and 489 responses were returned within two months of distribution, which represented a 61.13 percent response rate, and after eliminating 35 incomplete responses the sample size was 454. Out of 454 surveys, 56.6 percent...
of participants were male and, the rest were female and also the average ages of participants were between 31 to 40 years. According to the survey, more than half of participants had above $17,000 as annual income and above 60 percent of the participants had long term relationship (more than 10 years) with an airline service provider. Because of the result, the researchers found out that the relationship between customers’ satisfaction and customer loyalty was significant and positive. Meanwhile, the researchers also investigated that loyalty program had positive effects on customer loyalty. In addition, the researcher suggested that not only loyalty programs can decrease the effect of customer satisfaction on loyalty, but also cannot increase the strength of the relationship between the zone of tolerance and customer loyalty.

**Figure 3.4:** The research model of the hierarchical service model to customer satisfaction and loyalty.

Pollack (2009) studied about linking the hierarchical service quality model to customer satisfaction and loyalty. The objective of this study was to reconsider the properties of the hierarchical service quality model (HSQM). The HSQM analyzes service quality as a three-tiered concept with interaction quality, outcome quality, and physical environment quality as initial sub-dimensions. The study aims to apply HSQM to two new service contexts and to further investigate the relationship between service quality and, satisfaction and customer loyalty. For empirically re-assessing the scale’s properties and for testing the proposed hypotheses, the researcher decided to gather the data from convenience samples of 250 customers of hairdresser/barber services and 300 customers of local phone service subscribers and also these services were selected because they differ in their respective delivery processes. Local telephone services are more equipment-based (e.g. are delivered primarily via a technical telecommunication infrastructure) and continuously provided. Therefore, the delivery of this service is standardized across customers or it usually does not involve person-to-person interaction. To contrast, hairdresser/barber services are people-based (e.g. are delivered primarily by a person) and delivered in distinct transactions. Hence, this service is usually modified in a person-to- person service delivery setting. Because of the research, the researcher confirmed that service quality is an antecedent to satisfaction, positive word-of-mouth, and re-purchase behavior. Additionally, according to the result the researcher pointed out that the HSQM as predictor of satisfaction and loyalty. Although, the results suggest that the significance of various service quality dimensions differs depending on the type of service.

3.2 Conceptual Framework

Based on the previous four theoretical frameworks from Figure 3.1 to Figure 3.4 the researcher developed the conceptual framework to study the factors affecting on customer loyalty at Sedona Hotel in Yangon, Myanmar. According to (Kotler and Keller, 2006) customers are either satisfied or disappointed based on a comparison made between their perception and service outcome expectation. Sirdeshmukh (2002) found out that trust is directly linked to loyalty in the way of patients must believe that the healthcare provider will care about their wellbeing and employ the best available treatments. Hsu (2007) found out that trust have a positive effect on loyalty and it helps to attract new customers and later can retain existing ones besides
influencing overall satisfaction. Therefore, the researcher applied outcome quality and trust and loyalty are three which related to each other from the first theoretical framework. Hsieh and Hiang (2004) demonstrated that the perceived quality of service outcome positively influences customer satisfaction across three types of services and also Jamel and Naser (2002) posited that relational quality, which refers to quality of interactions between employees and customers, has a direct influence on customer satisfaction, and also Jap (2001) suggested that employee’s efforts and personal interactions intended to build and maintain the relationship with customers are antecedents of customer satisfaction. Then, the researcher created that interaction quality, outcome quality and customer satisfaction to be part of the framework from the second theoretical framework. Taylor and Baker (1994) stated that customer satisfaction is a key determinant of repurchase intent, which is an indicator of customer loyalty. Therefore, the researcher conducted the relationship of customer satisfaction and customer loyalty to be a part of conceptual framework from the third theoretical framework. According to Brady and Robertson (2001), Cronin and Taylor (1992), Frazer Winsted (2000), Spreng and Mackoy (1996), satisfaction and service quality are distinct constructs and that service quality is an antecedent of the broader concept of customer satisfaction. Therefore, from the fourth theoretical framework, the researcher considered that service quality as a factor which is related to customer’s satisfaction.
Figure 3.5: The modified conceptual framework of the factors influencing on customer loyalty towards Sedona Hotel in Yangon, Myanmar.

3.3 Research Hypotheses

Hypothesis 1

H1o: Interaction quality and outcome quality are not influenced on service quality towards Sedona Hotel in Yangon.

H1a: Interaction quality and outcome quality are influenced on service quality towards Sedona Hotel in Yangon.

Hypothesis 2

H2o: Interaction quality, outcome quality and service quality are not influenced in customer’s satisfaction towards Sedona Hotel in Yangon.

H2a: Interaction quality, outcome quality and service quality are influenced in customer’s satisfaction towards Sedona Hotel in Yangon.
Hypothesis 3

H3o: Customer’s satisfaction is not influenced on trust towards Sedona Hotel in Yangon.

H3a: Customer’s satisfaction is influenced on trust towards Sedona Hotel in Yangon.

Hypothesis 4

H4o: Customer’s satisfaction and trust are not influenced on customer loyalty towards Sedona Hotel in Yangon.

H4a: Customer’s satisfaction and trust are influenced on customer loyalty towards Sedona Hotel in Yangon.

3.4 Operationalization of Variables

Davis and Cosenza (1993) stated that before taking place, a concept must be defined first. A concept is a generalized idea about a class of objects, attributes, occurrence or process. Without concept, there can be no theory. Conceptual definition is a verbal explanation of the meaning of a concept. It defines what the concept is and what it is not. Concepts must be made operational in order to be measured. An operational definition gives measuring to a concept by specifying the activites or operation necessary to measure.

Table 3.1 Operational Components of influencing Variables are as follow:

<table>
<thead>
<tr>
<th>Concept</th>
<th>Conceptual definition</th>
<th>Operational component</th>
<th>Measurement scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interaction quality</td>
<td>Interaction quality refers to the customers’ perception of the manner in which the service is delivered during service encounters (Grönroos, 1982, 1990)</td>
<td>-I’d say that the quality of interaction from the firm’s employees is excellent.</td>
<td>Interval scale</td>
</tr>
</tbody>
</table>
employees is high.
- I can count on the employees taking actions to address my needs.
- The employees are able to answer my questions quickly.

Service quality

Nitecki and Hernon (2000) defined service quality as the overall excellence of services that customers received from services providers, including employees who are well-dresses, and also provide impressive services to customers.

Service quality is considerations that refer to the customer’s feeling of the service such as Employee’s behavior, quick service, and etc. (Zeithamal, 1988).

Interval scale

Outcome quality

Service outcome refers to the outcome of the service act and what the customer is left with after service delivery is complete (Grönroos, 1984).

Outcome quality reflects the customer’s perception of the superiority of service experience (Brady and Cronin, 2001; Grönroos, 1982, 1984; Kang and

- I would say they provide superior service.
- Hotel rooms were clean and fully furnished
- Employees provided prompt and quick service
- Employees made me feel comfortable in dealing with them

Interval scale
<table>
<thead>
<tr>
<th><strong>Customer’ s satisfaction</strong></th>
<th>Customer satisfaction is among the most extensively researched constructs owing to its importance to business success. Conceptually, it has been defined as the feeling consumers experience from their purchase (Westbrook and Oliver, 1991). Yi (1990) defined that customer satisfaction is a function of the different between a customer’s prior expectation and his or her perception regarding the purchase.</th>
<th>-I am satisfied with the competence of staffs of the hotel. -I am satisfied with the service quality of the hotel. -I am satisfied with the relationship with the hotel. -I am satisfied with the services are offered by the hotel. -I think that Sedona Hotel’s services match with my expectation.</th>
<th>Interval scale</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trust</strong></td>
<td>Mouraman (1993) defined trust as the courage to buy the same thing again and again and rely on your exchange partner for good trust. Rousseau (1998) defined trust as a psychological state of mind to accept everything based on your expectations.</td>
<td>-I believe that this hotel service plays a good role as compared with other five star hotels. -I have no doubt that this hotel service is competent in the hotel industry. -I believe that this hotel service is an overall capable and proficient hotel service. -I believe that its worth to pay for their good services.</td>
<td>Interval scale</td>
</tr>
<tr>
<td><strong>Customer loyalty</strong></td>
<td>Loyalty has been addressed from a behavior standpoint, being evaluated as a repeated purchase</td>
<td>-I will continue to revisit that hotel in the future. -I believe that this is my</td>
<td>Interval scale</td>
</tr>
</tbody>
</table>
Blomqvist at al. (2000) defined that customer loyalty is a customer who over time engage one company to satisfy entirely, or a significant part, of his or her needs by using the company’s product or services.

favorite hotel
-I will never switch to another hotels
-I will recommend that hotel and its service to others.
CHAPTER 4
RESEARCH METHODOLOGY

This chapter provides an overview of the methodology which used in conducting this research. The researcher will present about used research methodology as the general approach. Therefore, the aim of this chapter is to discuss about the research design of the empirical study. It describes the type of research and methods, as well as research instruments in this research. Furthermore, it describes the target population and sample size. Basically, this chapter is divided into five main sections, which consist of the research method used, respondents and sampling procedures which contains the target population, sample unit, and sampling procedures; research instruments, collection of data and statistical treatment of data. Furthermore, it includes the research instruments and the characteristic of the questionnaire as it relates to the conceptual framework. Moreover, there is also an explanation about the pretest of questionnaire, the collection of data and the procedure for gathering information. In the last part of this chapter are the details of the statistical treatment of data for this study.

4.1 Methods of Research Used

First of all, research is the process of gathering, analyzing, and deducing data in order to understand a phenomenon (Leedy and Ormrod, 2001). The process of research is systematic in order to define the objective, managing the data, and communicating the findings occurs within established frameworks and in accordance with existing guidelines. The purpose of this research is to examine the related factors of outcome quality, interaction quality, customers’ satisfaction, service quality and trust which have effects on customer loyalty towards Sedona Hotel in Yangon, Myanmar.

There are three common methods to conducting research namely quantitative, qualitative, and mixed methods. Researchers typically select the quantitative approach to respond the research questions requiring numerical data, the qualitative approach for research questions requiring textural data, and the mixed methods approach for research questions requiring both numerical and textural data.
In conducting the research, the researcher has selected a quantitative approach, which refers to the collection of data so that information can be measured and further analyzed for statistical treatment in order to support or refute “alternate knowledge claims” (Creswell, 2003). Quantitative research includes data collection that is typically numeric and the researcher tends to use mathematical models as the methodology of data analysis. Quantitative research employs strategies of inquiry such as experimental and surveys, and collect data on predetermined instruments that yield statistical data (Creswell, 2003). Quantitative research can be identified in three ways: descriptive, experimental and causal (Leedy and Ormrod, 2001).

In this research, the researcher has selected descriptive research, which is a basic research method that examines the situation, as it exists in its current state. Descriptive research involves identification of attributes of a particular phenomenon based on an observational basis, or the exploration of correlation between two or more phenomena. Descriptive research can be identified as analysis of factors to construe the collection of data and build view points by elaborating patterns and hypothesis (Krishnawamy, Sivakumar and Mathirajan, 2009). The descriptive survey research designs are the best applied preliminary and exploratory studies to allow researchers to gather information and construct summary, depict and interpret data for the clarification purpose (Orudha, 2003).

In descriptive research method, there are consisting of correlational, developmental design, observational studies, and survey research. These research methods may also be used in various degrees with experimental and causal comparative research. In this research, the researcher adopted survey method which was used to collect data to process it further using statistical tools in this study. Pinsonneault and Kraemer (1993) stated survey is the meaning of gathering information about the characteristics, actions or opinions of a large group of people”. Survey can also be used for getting information about attitudes where in cases it is difficult to measure using observational techniques (Mcintyre, 1999). A survey is a method of conducting research which could collect information from the sample people by using questionnaire as a tool to gather information (Zikmund, 2003). Schutt (2011) also stated that the survey owes its popularity to its efficiency, versatility, and flexibility. The advantages of survey method are providing a fast, cheap, effective and accurate means of assessing information about a population (sheatsley, 1974). In this research, the questionnaire was the tool used for survey to collect the
information from the visitor or customers who had experience at Sedona Hotel in Yangon, Myanmar.

The researcher distributed the questionnaires using self-administered technique to collect the primary data. According to Trochim (2006), self-administered questionnaires can be defined as a questionnaire which is completed by a respondent on his/her own. This survey consists of two parts, which are the factors influencing customer loyalty toward Sedona Hotel in Myanmar and the demographic profile. In this study, the questionnaires were translated into English and Myanmar to avoid any possible misunderstanding due to language transliterations and to support participants to feel more comfortable and relaxed when completing the questionnaire, since the questionnaires were distributed in Yangon, Myanmar.

4.2 Respondents and Sampling Procedures

4.2.1 Target Population

Burns and Grove (1997) stated that the target population can be defined as “the entire combination of respondents, which can meet the circumstance of the research”. Black (1999) defined target population as the total group of people who share opinions which are related to the researcher. Conzensa and Davis (1988) implied the population is a whole set of items of analysis beneath examination. In addition, Malhotra and Birks (2003) stated that target population is the way that researcher group the information required into component set. According to the Malhotra and Bricks (2006), population is the target people who are used to conduct and justify the result of research. Population is also defined as a complete group of entities sharing some common set of characteristics (Zikmund, 2003). Moreover, the definition of the population to be sampled is central to the initial formulation of the exploration study (Eberhardt and Thomas 1991; Pennock 2004).

The objective of this study is to examine the relationship between interaction quality, outcome quality, service quality, customer satisfaction, and trust towards customer loyalty of Sedona Hotel in Yangon, Myanmar. In this study, target population were both female and male
customers in different age groups, education level and income level who had experience at Sedona Hotels more than 2 times in Yangon, Myanmar. Because loyalty is built in customer’s mind when customers use service or product more than once. Keller (1993) suggested that loyalty is presented when favorable attitudes for the brand of services or products are manifested in repeated purchasing behavior. The objective of selecting the target populations from the Sedona Hotel is to find out what kinds of factors are influencing the customer loyalty toward the Sedona Hotel. In Yangon, there have few famous hotels and apart from others the researcher chose Sedona Hotel for this research because it is one of the most well-known for not only foreigners but also local people and also one of the biggest hotel. In this research, the researcher has focused to gather information from Sedona Hotel’s customers in order to understand customer loyalty towards the hotel.
Myanmar is a country in Southeast Asia, also known as Burma and it’s also called the Golden Land. With an area of 676,578 km² the country is almost twice the size of Germany or slightly smaller than the U.S. state of Texas. Myanmar is bordered in North and Northeast by China, in East by Laos and Thailand, in south by the Andaman Sea and the Bay of Bengal and in West by Bangladesh and India. Main rivers are the Chindwin and the Irrawaddy (Ayeyarwady) river. Myanmar has a population of around 54 million people (2016 census). Yangon previously known as Rangoon is the largest city, former capital, and the economic center of Myanmar and the government changed to Naypyitaw as capital city since March, 2006. The entire country is
comprised with seven states and seven divisions. Myanmar has officially seven main national races and 135 sub ethnic groups but mainly spoken language is Burmese language. (http://www.nationsonline.org/oneworld/myanmar.htm, retrieved on 2\textsuperscript{nd} March 2016).

Figure 4.2: The location map of Yangon, Myanmar.

Source:https://www.google.co.th/maps/place/Yangon,+Myanmar+(Burma)/@17.1110759,96.0243664,10.75z/data=!4m2!3m1!1s0x30c1949e223e196b:0x56fbd271f8080bb4, retrieved on 25\textsuperscript{th} March, 2016

Yangon, more commonly known as Rangoon is the former capital city of Myanmar (Burma) and capital of Yangon region. The military government of Myanmar has officially
relocated the capital of Myanmar from Yangon to Naypyitaw since March, 2006. However, Yangon is still the largest city and commercial center of Myanmar with a total population of over 5 million. Compared to other major cities in the Southeast Asia region, Yangon's infrastructure is considered the least developed. However, it was a former capital city of Myanmar, it is developing very fast in recent years and the living standard of individuals from Yangon is generally high compared to different other cities and provinces in the country. Meanwhile many commercial and high-rise residential buildings have been constructed or renovated throughout downtown and Greater Yangon since the country’s economy has opened to globalization.

**Figure 4.3: The location map of Sedona Hotel in Yangon, Myanmar.**

Source:https://www.google.co.th/maps?q=sedona+hotel+yangon&um=1&ie=UTF8&sa=X&ved=0ahUKEwirr83RtbDLAhXRCI4KhcUfDi8Q_AUICCgC, retrieved on 25th March, 2016
Figure 4.4: The front view of Sedona Hotel, Yangon, Myanmar.

Sedona Hotels and Suites presents a suite of luxury serviced apartments and 5 star deluxe hotels in Asia, which is managed by Keppel Land Hospitality Management and located in the most alluring locations from the legendary Golden Land of Myanmar to the Land of the Dragon in Vietnam, be awed by the mystical sights of these exotic destination.

The name Sedona is derived from the pure white Dendrobium Sedona orchid, which was bred for the first time in 1984 at the Singapore Botanic Gardens. Under the careful nurturing of its breeders, it finally bloomed in 1994 and was unveiled at the launch ceremony of Sedona Hotels and Suites. The Dendrobium Sedona exemplifies the same warmth, graciousness and personable hospitality the Sedona brand strives to offer every visitor. The font for the SEDONA logo was specifically created to reflect both the brand’s timeless elegance and modern luxury.
offerings. The classic serif in the first two letters of the logo (‘S’ and ‘E’) reminds one of Sedona’s cultural wealth and immersion in tradition. The san-serif letters (‘D’, ‘O’, ‘N’ and ‘A’) that follow represent Sedona’s contemporary comfort and ability to meet the modern traveller’s needs.

4.2.2 Sampling unit

Sampling unit is the basic unit containing the elements of the population to be sampled. According to Salant and Dilman (1994), sample selection base on the population size, its homogeneity, the sample media and its cost of use and the degree of precision required. Pinsonneault and Kraemer (1993) stated that the population selected were at random, who had the equal chance of being selected. According to Malhotra (2000), the sampling unit is an element, or a unit containing the element, that is available for selection at some stage of the sampling process. Frey et al. (2000) defined a sample as a subgroup of a population which can be obtained by selecting a representative of the population, and utilizing the gathered data as the research information. The aim of sampling is to guess some unknown characteristic of population for researchers. In this study, the sampling unit is individual who includes each customers or visitors of both males and females in different age’s group, education level, income level and also who have experienced to visit at least 2 times to Sedona Hotel in Yangon who were respondents to the questionnaires.

4.2.3 Sampling Size

For this research the sample size is determined by estimating the population. According to the McClave (2006), sample size is defined as the number of participants who refer to the whole population. Sample size is the number of people who should be investigated according to Kotler (2003). The target sample size is the number of observations in a sample (Evans et al., 2000). And also, Sample size defined as the quantity of perceptions or cases assigned by the estimated fluctuation of the population, the magnitude of acceptable error, and the confidence
level (Zikmund, 2003). Furthermore, Burns and Bush (2013) expressed that the precision of sample size was a measurement of how it approximately represented to the truthful estimations of the population. Additionally, Churchill (1999) described that deciding the sample size involves numbers of qualitative and quantitative considerations and it is a complex process.

The required sample size depends on an assortment of variables, including whether the purpose of survey is to just expose population characteristics or to test for differences in specific properties of interests by subgroups within the population. Malhotra (1999) also mentioned that the sample size has vital effect on the research and the sample size for qualitative researches is distinctively small and the larger sample size is required for descriptive researches. Also larger sample size is required if the data are collected for several number of variables and by using larger number of samples, it can help to reduce the cumulative impacts of sampling errors across variables. The researcher reports ought to expose estimated procedure of the sample size including the influence of potential nonresponse. A top to bottom discussion sample size is that readers are encouraged to allude to the excellent existing writing on this point (Heney, 1990 and Cohen, 1988). The researcher looked at five previous studies as a reference to decide the sample size of this study.

For the first one, Moreira and Silva (2015) studied about the trust-commitment challenge in service quality-loyalty relationship. The objective of this paper is to build up and practically test a model to observe service quality, satisfaction, trust and commitment as loyalty antecedents in a private healthcare service. The researcher used a convenience sample comprising individuals attending a private healthcare cardiology unit and data were collected using personal interview with cardiology patient while they are waiting for their medical appointment, generating 175 valid responses.

The second previous research was conducted by Choi and Kim (2013) studied about the impact of outcome quality, interaction quality, and peer-to-peer quality on customer satisfaction with a hospital service. The purpose of this paper is to create superior customer satisfaction has been considered one of the vital things to the firm’s success. The researcher surveyed 296 patients from one of the largest hospitals in Korea. The researcher distributed 500 samples and out of 500, there were 296 usable responses.
Thirdly, Wu and Wang (2012) studied about Satisfaction and zone of tolerance: the moderating roles of elaboration and loyalty programs. This study looks for to understand how detail and loyalty programs have impact on the relative importance of satisfaction and the zone of tolerance (ZOT) in the way of customer loyalty to an airline service provider. The researcher distributed 800 self-reported surveys to passengers at service counters by salespeople working for travel agencies and a total of 489 responses were returned, and after excluding 35 incomplete responses the sample size was 454.

The last research was undertaken by Pollack (2009) studied about linking the hierarchical service quality model to customer satisfaction and loyalty. The objective of this study is to reconsider the properties of the hierarchical service quality model (HSQM). The data were collected from convenience samples of 250 customers of hairdresser/barber services and 300 customers of local phone service subscribers.

Samples are helpful in explaining the entire population as well as the researcher to know the study results in a short period of time. Accordingly to Saunders (2009), the decision of a proper sample size is important influencing the research. Based on the previous studies above, the ranges of sample sizes are between 175 and nearly 500 respondents (McClave et al. (2005) recommended that the sample size should be bigger in order to make it reliable and efficiency. However, to ensure the sample size will be sufficient to make the data more reliable and decrease the deviation, the research finding should round up the value upward (McClave et al., 2004) Therefore, the researcher has decided to target 400 respondents in order to obtain more reliability in data analysis.

4.2.4 Sampling Procedure

There are two standard categories of the methods which are called probability and non-probability sampling. Zikmund (1997) mentioned that probability sampling is a technique in which every member of the population will have a known nonzero probability of selection. Non-probability sampling is depending on the judgment of the researcher than a chance to select sample elements or it is a sampling technique in which units of the sample are selected on the
basis of personal judgment or convenience. According to Kumar (2014), non-probability sampling technique is better used when the number of items in population is either unknown or cannot be individually identified. On the other hand, probability sampling is each individual of population has possibility of chance to be selected Malhotra (2004). In this research, the size of the population was unknown. Therefore, this research used non-probability sampling which consists of various methods including “judgment sampling” and “convenience sampling”. This study adopts judgment sampling and convenience sampling to obtain the desired number of respondents. The detailed explanations of all chosen methods are as follow:

**Stage 1: Judgmental Sampling**

At first, in this research the researcher used judgment sampling for investigating what kinds of perceived quality sustain customer loyalty from the customers who have visited Sedona Hotel in Yangon, Myanmar more than twice. Judgment sampling is also called purposive involves choosing objects or samples that are believed will give accurate results. Malhotra (2002) stated that judgmental sampling is one the method of non-probability sampling technique in which the researcher select the respondents upon his/her experience of belief that they will meet the necessities of the study. Similarly, Hair et al. (2000) described judgmental sampling as a technique in which sample is selected based on researcher’s judgment and all of samples judgments are based on the features which is required for members of the sample. Sekaran (1992) defined judgmental sampling as a non-probability sampling where the right to select the sample is based on individuals. Kumar (2014) explained that the fundamental consideration in judgment sampling is the researchers’ judgment as to who can provide the best information to attain the objective of their research. Firstly, the reason why the researcher chose the Sedona hotel beyond the other hotels is because Sedona Hotel is one of the most famous hotels for not only Myanmar people but also foreigners in Yangon, Myanmar. Secondly, there are two branches of the Sedona Hotel in Myanmar, one is in Yangon and the other is in Mandalay. The researcher chose the Sedona Hotel in Yangon because Yangon is former capital city and commercial city of Myanmar and also the foreigners who come to visit to Myanmar mostly they are going to visit Yangon first and the purchasing power of people in Yangon are higher than in Mandalay. Therefore, the researcher thought that to collect the data and distribute the questionnaires are more convenience and more effective in Yangon than in Mandalay.
Stage 2: Convenience sampling

The convenience sampling procedure is one of the types of non-probability sampling. In this study, the researcher has freedom to collect the data from the ones who are easily available and use the any inexpensive ways. Convenience sampling refers to the sampling procedure implemented to achieve those units or individuals who are around and most helpfully accessible when the researcher gather the information (Zikmund, 2003). A convenience sample results when the more convenient elementary units are chosen from a population for observation (Mugo, 2011). According to Cohen et al (2000), a convenience sampling involves using the most convenient or most readily available group of subjects for the sample. The researcher adopted this sampling technique because of its provision of simple access to the respondent.

Aaker et al. (1989) expressed that convenience sampling method is gathering the data from the respondents who are mostly convenient and easy. Correspondingly, Hair et al. (2000) presented that the researcher mostly used convenience sampling method in exploratory and descriptive research to collect large number of questionnaires when the time and cash are basically imperatives. The surveys were distributed to participants face to face to face. Thus, the time to response the questionnaires for respondents can be reduced and the respondents have an opportunity to ask for clarification in any part of questionnaires. Additionally, it can help to reduce the communication error since the researcher can give an explanation or express until the respondents are understood well about the questionnaires and it also can minimize any unusable and void questionnaires. The researcher will use convenience sampling by collecting the information from the respondents who are in the hotel lobby at any point of time. Around 400 questionnaires will distribute at Sedona Hotel in Yangon, Myanmar.

4.3 Research instrument/questionnaire development

Self–administered questionnaire is the research instrument in this study. The research instrument has been distributed to visitors who have been experienced at Sedona Hotel in Yangon, Myanmar. The researcher has designed the questionnaires based on the conceptual framework in order to examine the factors affecting on customer loyalty at Sedona Hotel, Yangon. In this study, the two languages of questions: Myanmar and English were used by the researcher. Since the questionnaires were distributed in Myanmar and it was needed to
understand clearly by respondents, Myanmar translated questionnaires were designed by the researcher.

According to Malhotra (2004) questionnaire can be defined as interview or measuring research instrument, which is a proper set of questions to collect information from respondents. The questionnaire has been created with 10 parts. In this research, the researcher used five points Likert scale to measure the variables. Rensis (1932) developed the Likert scale and stated that it is the most popular method for measuring attitudes and simple to administer, details included in questionnaires are as follow:

Part 1: Screening Questions

The screening questions were designed and utilized to obtain the qualified target population for participating in the whole questionnaire, and to screen out some respondents who did not meet the required characteristics of the target. The first part of questionnaire included two questions; the first one is fixed-alternative question and the second question is filter or contingency question. The simple category scale or dichotomous scale which is providing two mutually exclusive response alternatives, is a beneficial method usually applied to demographic questions (Krosnick and Presser, 2010). Question number one will ask “Have you ever visited to the Sedona Hotel?”. The “Yes” or “No” are used to answer this question. If the respondent marks “No”, they will be skipped to continue further, if “Yes” the customer will proceed towards question number 2. On the question number 2, the customer will asked “How many times have you visited the Sedona Hotel?”. If it is “Less than 2 times”, the questionnaire will be returned to the researcher. Reichheld (2003) stated that loyalty leaders grow and repurchase is more than once as fast as the industry average across a wide variety of industries. In this study, the researcher is conducting factors affecting on customer’s loyalty at Sedona Hotel, Yangon.

Nominal scale is a scale in which the numbers or letters allocated to objects serve as names for identification or classification; a measurement scale of the simplest type (Zikmund, 2003).
For part 2, part 3 and part 4, the researcher designed five points Likert scale which was developed by Rensis (1932) to measure the total of 35 items in this study. Five points Likert scale is defined as the most famous method for measuring attitudes and simple to administer (Rensis, 1932). Zikmund (2003) stated that Likert scale is an attitude measuring method which allowed the participants to show how deeply their agreement and disagreement with the constructed statements which range from very positive from very negative toward attitude object.

**Part 2: Outcome quality and Interaction quality**

This part includes independent variables questions for this study. There have two independent variables: outcome quality and interaction quality. The first variable which is outcome quality has 4 questions and the second variable which is restaurant image has 4 questions. A total of 8 questions were asked to respondents based on the five points Likert scale- where strongly disagree = 1, slightly disagree = 2, moderate = 3, slightly agree = 4, strongly agree = 5. It represents the degree from very positive to very negative.

**Part 3: Service quality and Customer satisfaction**

This part includes intervening variables questions for this study. There have two intervening variables in this study: service quality and customer satisfaction. The first variable which is service quality has 4 questions and the second variable which is customer satisfaction has 4. A total of 8 questions were asked to respondents by using five points Likert-scale- where strongly disagree = 1, slightly disagree = 2, moderate = 3, slightly agree = 4, strongly agree = 5. It represents the degree from very positive to very negative.

**Part 4: Trust and Customer loyalty**

This part includes dependent variables questions for this study. There have two dependent variables: trust and customer loyalty. The first variable which is trust has 4 questions and the second variable which is customer loyalty which has 4 also. A total of 8 question were asked to respondents by using five points Likert-scale- where strongly disagree = 1, slightly disagree = 2, moderate = 3, slightly agree = 4, strongly agree = 5. It represents the degree from very positive to very negative.
Part 5: Demographic Profile of the Respondents

The last part of the questionnaire focuses on collecting the general personal data of the respondents. This part emphasized demographic detail of the respondents, including gender, age, occupation, income per month, and education level. Additionally, fixed alternative with determinant-choice questions were also applied in this part, where Check and Schutt (2012) suggested that the fixed-alternative or the closed-ended questionnaires are primarily utilized in most surveys of a large number of people by providing respondents specific response alternatives. Furthermore, the simple category scale, and the category scale were also applied in this part. The question of gender was generated with simple category scale or dichotomous scale since Krosnick and Presser (2010) suggested that this type of response scale offers two absolutely opposite alternative that respondents do not have an opportunity to answer the question with his or her neutral attitude or option. Moreover, the questions of age, occupation, income per month, and education level were designed with the category scale providing multiple-choice in order to obtain only a single answer from multiple options, according to Barker et al. (2005).
Table 4.1: Summary of Research Instrument Design

<table>
<thead>
<tr>
<th>Part</th>
<th>Variable</th>
<th>Number of items</th>
<th>Measurement Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part 1</td>
<td>Screening question</td>
<td>2</td>
<td>Simple category scale and category scale</td>
</tr>
<tr>
<td>Part 2</td>
<td>Interaction quality</td>
<td>4</td>
<td>Likert scale</td>
</tr>
<tr>
<td></td>
<td>Outcome quality</td>
<td>4</td>
<td>Likert scale</td>
</tr>
<tr>
<td>Part 3</td>
<td>Service quality</td>
<td>4</td>
<td>Likert scale</td>
</tr>
<tr>
<td></td>
<td>Customer satisfaction</td>
<td>4</td>
<td>Likert scale</td>
</tr>
<tr>
<td>Part 4</td>
<td>Customer loyalty</td>
<td>5</td>
<td>Likert scale</td>
</tr>
<tr>
<td></td>
<td>Trust</td>
<td>4</td>
<td>Likert scale</td>
</tr>
<tr>
<td>Part 5</td>
<td>Gender</td>
<td>1</td>
<td>Simple category scale or Dichotomous scale</td>
</tr>
<tr>
<td></td>
<td>Age</td>
<td>1</td>
<td>Category scale</td>
</tr>
<tr>
<td></td>
<td>Education Level</td>
<td>1</td>
<td>Category scale</td>
</tr>
<tr>
<td></td>
<td>Occupation</td>
<td>1</td>
<td>Category scale</td>
</tr>
<tr>
<td></td>
<td>Monthly Income</td>
<td>1</td>
<td>Category scale</td>
</tr>
</tbody>
</table>

4.4 Pretest

According to Endo (2003), the most favorable number of the questionnaires is 50-70 questionnaires to be done as model pretest and should be implemented on at least 30 respondents. Churchill (1999) stated that the questionnaire pretest is vital. It is the use of questionnaire on trial basis in a small study to determine how reliable and valid the questionnaire is. According to Malhotra (2007), the researcher found that pretesting is the test of questionnaire by distribution to a small group of respondents from the same population in order to recognize and get rid of major problems of that questionnaire. Also Churchill (1996) stated that in questionnaire, each question should be inspected to make sure none of them is confusing or
offensive to the respondent and easy to answer. Thus, the researcher pre-distributed questionnaires during the month of June, 2016 via online for the purpose of examining the questions in the questionnaire before widely distributing as final. Pre-test is crucial to examine whether the questions are irrelevant or bias to the research being conducted. For this research, the researcher decided to distribute 50 sets of questionnaires to respondents. The objective of pretest is to prevent the errors in questionnaires’ structure and indicates respondents’ understanding of the questions.

The data from the pretest were analyzed by the Statistical Package for Social Sciences (SPSS) program in order to find out the reliability value of this research questionnaire using the Likert scale. Pretest is an experiment operation with a group of the participants for the purpose of qualification problems in the questionnaire instructions or design (Zikmund, 2003). According to Sekaran (2000), all questions were needed to be tested for reliability of such concept by “Cronbach’s coefficient Alpha scale”. In this research, Cronbach’s Alpha and the Statistical Package Social Science or SPSS were used to test the reliability. Hatcher (1994) stated that “Cronbach's alpha is an index of reliability associated with the variation accounted for by the true score of the "underlying construct." Construct is the hypothetical variable that is being measured” Cronbach alpha is utilized the internal consistency of the measurement and each scale is tested by the Statistical Package for Social Sciences (SPSS) program to compute alpha value (Santos, 1999).
### Table 4.2 Summary of reliability analysis

<table>
<thead>
<tr>
<th>Variables</th>
<th>Alpha (α-test)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interaction quality</td>
<td>.902</td>
</tr>
<tr>
<td>Outcome quality</td>
<td>.932</td>
</tr>
<tr>
<td>Service quality</td>
<td>.857</td>
</tr>
<tr>
<td>Customer satisfaction</td>
<td>.944</td>
</tr>
<tr>
<td>Trust</td>
<td>.898</td>
</tr>
<tr>
<td>Customer loyalty</td>
<td>.887</td>
</tr>
</tbody>
</table>

According to Ikeda (1971), the variables are consistent and reliable when the result from Alpha test is above 0.6 or equal. It means the variables questions are suitable to for this study as research instrument. Furthermore, Sekaran (2000) stated that the value of reliability alpha value is considered to be reliable, when it was equal to 0.6. On the other hand, if the value of alpha is less than 0.6, then variable is considered to be unreliable. Table 4.3 shows the values of each variable after reliability test using Cronbach’s Alpha test. The Cronbach’s Coefficient Alpha values of interaction quality (0.828), service quality (0.791), outcome quality (0.878), customer satisfaction (0.860), trust (0.864) and customer loyalty (0.893) are all greater than 0.60 and which means all the questions for each variable are reliable and can be used as research instrument for this study.
4.5 Collection of Data/ Gathering Process

Primary and secondary data are being used in this study. Malhotra and Birks (2000) defined the primary data is collecting the information for a specific purpose by researchers and also it takes time consuming and expensive. Also, Malhotra and Birks (2000) examined the secondary data is all the information collected for purpose other than this study’s objective. It could be obtained easy, fast and cheap. Secondary data were obtained from several sources as marketing textbooks, journals, website, newspaper, other previous research that are related to the study and Sedona official websites. Withe et al. (2000) stated the data collection methods as behavioral inspections, surveying through questionnaires and direct interviewing methods. In this study, the researcher has applied both primary data and secondary data.

Churchill (1999) mentioned primary data as the data obtained by collecting and accumulating particularly for the analysis project at hand. Similarly, Cooper and Schindler (1998) described that primary data are gathered and congregated specifically for the projects which are at hand and it is also can be said as the researchers’ indigenous work or raw data which cannot be stated as an assertion officially. In any form of study or research, the primary data are always the first source which the researcher gathers from the respondents through questionnaires, interviews or other methods. A total 400 sets of questionnaires were distributed at the Sedona Hotel in Yangon, Myanmar to collect the data. As the target population and respondents for this research conducted are Myanmar and also foreigners, the researcher prepared questionnaires into both Myanmar and English languages for the better understanding and to be clearer about the questionnaires for the respondents. The researcher collected the primary data from the visitors who were coming to stay and staying in the hotel lobby before they went outside on week days, (Monday to Friday), from 9.00am to 2.00pm and on weekend days, (Saturday and Sunday), from 1.00pm to 6.00pm. For distributing of the questionnaires, the researcher used face to face approach for each respondent and continuously distributed until the required number of sample size was attained and also the duration of data collection was specifically within two months, from September 2016 to October 2016. After data collecting process, all of the primary data was analyzed by utilizing Statistical Package for Social Science (SPSS) program, version 21.
Crouch and Housden (2003) defined that secondary data are the information gathered from a research that someone formerly has conducted and it is already published at any particular time, the secondary data can be obtained from any of the existing sources which can be internet web databases, journals and magazines, etc. Also, Aaker et al. (2000) described that secondary data are the data which are accumulated from journals, magazines, books, research articles, etc. instead of the one that at hand. In this study, the researcher gathered the secondary data from research articles, academic textbooks, magazines, journals and internet, etc. to develop a conceptual framework of the research systematically and theoretically in order to achieve the research objective.

4.6 Statistical Treatment of Data

After data collection, the completed and returned the questionnaires were coded into symbolic form and test the hypotheses by using the SPSS program (Statistical Package for Social Science). Vanishbancha (2003) stated that SPSS is distinctive software solution for the particular implementation in which the survey analysis system is completely integrated. The appropriate statistical methods used in this study are Descriptive Analysis; which is used to transform the raw demographics data by summarizing, categorizing, rearranging and interpreting into the more understandable form. Simple Linear Regression and Multiple Linear Regression Analysis (MLR); for testing of the relationship and difference between two or more variables.

4.6.1 Descriptive Analysis

Saunders (2009) also indicated that descriptive analysis refers to the transformation process of raw data into a form that descriptive the basic characteristic, for instance, trend, distribution and variability. Hair et al. (2000) stated descriptive analysis as the procedure of collection, classifying, summering and presenting data. Also Malhotra and Birks (2003) defined the descriptive analysis as the interpreting process of raw data into an easily understandable form. Aaker et al. (2000) mentioned that in descriptive analysis, the statistics may indicate in the use of percentage, frequency table, bar chart, graphical design, histogram or tabular forms and it may be the clearer and understandable illustration of the collected data summarization.
In this research, the descriptive analysis was used to interpret the demographic profile of respondents in term of gender, age, marital status, monthly income, education level and occupation. Descriptive analysis is a statistical treatment technique used to analysis the demographic information from the collected raw data of respondents to explain into an easily understandable form in terms of mean, standard deviation, percentage and frequency. In this research, the calculation of average mean, percentage and frequency distribution will be principally use of descriptive tools for analyzing the demographic profiles.

4.6.2 Inferential Statistics for Hypotheses Testing

Inferential statistics refers to generalizing from a sample to the population from which it was chosen (Peck, Olsen and Devore, 2008). Sekeran (2003) claimed that inferential analysis exhibits how variables relates to each other or whether there is any difference between two or more groups. Additionally, Trochim (2002) indicated that, with inferential statistics, we are attending to reach conclusions that that extend further than the immediate data alone. In this study, the researcher has applied Multiple Linear Regression analysis to test three hypothesis and Simple Linear Regression Analysis to test one hypothesis. These two analyses are discussed in detail as follows:

Simple Linear Regression Analysis

McDonald (2014) defined a linear regression as one of the statistical methods which is applied in order to study about the relationship between an independent variable and a dependent variable; also generally, the researcher can obtain the answer to the question about the best predictor from regression. Similarly, Anderson et al. (2000) mentioned that the relationship between two factors or variables can be analysed by utilizing linear regression models; additionally, the independent variables refers to the factors used to forecast the value of the dependent variable, which is the factor being predicted. Moreover, a bivariate regression or simple linear regression analysis is viewed as the easiest form of a regression analysis applied on one independent variable and one dependent variable; additionally this model consists of a
straight line estimating the relationship between the independent variable and the dependent variable (Anderson et al., 2003). The equation for simple liner regression is as follow:

\[ Y = a + bX \]

Where,

- \( Y \) = dependent variable
- \( a \) = \( Y \) intercept for regression line, or a constant
- \( b \) = slope
- \( X \) = independent variable

Also, the simple linear regression equation can be developed to another form with an error as the estimated simple linear regression equation as shown below.

\[ Y = a^* + b^*X + e \]

Where,

- \( Y \) = dependent variable
- \( a^* \) = estimated \( Y \) intercept for regression line, or a constant
- \( b^* \) = estimated slope
- \( X \) = independent variable
- \( e \) = error, or difference between actual value and value predicted by regression line
Multiple Linear Regression analysis (MLR)

Multiple linear regressions (MLR) refer to a technique utilized to model the linear relationship between a dependent variable and one or more independent variables by fitting a linear equation to explore data. It is a statistical technique that uses several explanatory variables to estimate the result of a response variable. The objective of multiple linear regressions is to demonstrate the relationship between the explanatory and response variables. In this linear regression model, every value of the independent variables is associated with a value of the dependent variables (Draper et al., 1981)

According to Zikmund (2003), multiple regressions analysis is an expansion of bivariate regression analysis which allows for simultaneous investigation of the impact of two or more independent variables on a sole interval scaled dependent variable. In this research, the multiple linear regressions were used to test three hypotheses (H1, H2 and H4). The multiple linear regressions model is proposed as:

\[ Y(\hat{\text{X}}) = a + b_1X_1 + b_2X_2 + b_3X_3 + \ldots + b_nX_n \]

Where:

- \( Y(\hat{\text{X}}) \) = Dependent variable
- \( a \) = Constant term, or Y-axis intercept
- \( b_1-b_n \) = regression coefficient to be estimated
- \( X_1 \) = First independent variable
- \( X_2 \) = Second independent variable
- \( X_3 \) = Third independent variable
- \( X_n \) = nth independent variable
4.7 Summary of Statistical Tools Used in Testing Hypotheses

The researcher applied simple linear regression analysis, and multiple regression analysis as the statistical used in testing hypotheses in order to test and explore the relationship between dependent and independent variables in this study, which was demonstrated in Table 4.3 as follows:

Table 4.3: Summary of Statistical Tools Used to Test Hypotheses

<table>
<thead>
<tr>
<th>No.</th>
<th>Hypotheses</th>
<th>Statistical Technique used</th>
</tr>
</thead>
</table>
| 1.  | H1o: Interaction quality and outcome quality are not influenced on service quality towards Sedona Hotel in Yangon.  
H1a: Interaction quality and outcome quality are influenced on service quality towards Sedona Hotel in Yangon. | Multiple Linear Regression          |
| 2.  | H2o: Interaction quality, outcome quality and service quality are not influenced in customer’s satisfaction towards Sedona Hotel in Yangon.  
H2a: Interaction quality, outcome quality and service quality are influenced in customer’s satisfaction towards Sedona Hotel in Yangon. | Multiple Linear Regression          |
| 3.  | H3o: Customer’s satisfaction is not influenced on trust towards Sedona Hotel in Yangon.  
H3a: Customer’s satisfaction is influenced on trust towards Sedona Hotel in Yangon. | Simple Linear Regression            |
| 4.  | H4o: Customer’s satisfaction and trust are not influenced on customer loyalty towards Sedona Hotel in Yangon.  
H4a: Customer’s satisfaction and trust are influenced on customer loyalty towards Sedona Hotel in Yangon. | Multiple Linear Regression          |
CHAPTER 5
PRESENTATION OF DATA AND CRITICAL DISCUSSION OF RESULTS

This chapter shows the analysis of the data which were gathered for this research. The purpose of this chapter is to analyze the general information by using the descriptive analysis and analyze all hypotheses by using inferential analysis. After analyzing the data, the researcher interpreted the results to be clear and easy to understand.

5.1 Descriptive Analysis

Descriptive analysis is used when the researcher wants to describe specific behavior of a target population as it occurs in the environment (Zikmund, 2004). In this section, all the general information on the collected valid samples is analyzed in terms of gender, age, education level, monthly income, employment category, purpose of staying at Sedona Hotel, customer loyalty level, customers’ spending per visit so as to identify the objective features of Sedona Hotel’s customers in Yangon.

5.1.1 Descriptive analysis of general information

In this research, the researcher has applied descriptive analysis in order to present a demographic and general information of the respondents. According to Malhotra and Briks (2003), descriptive analysis is the conversion of raw data into a form that helps describe, show or summarizes data in a meaningful way. Also, Saunders (2009) defined descriptive analysis as the procedure to collect, summarize, classify and present data. Zikmund (2013) presented that descriptive analysis refers to the transformation process of raw data into a form that describes the basic characteristics, for example, trend, distribution and variability. Descriptive statistics are used to present the basic features of the data in a study and it provides simple summaries about the sample and measures together with simple graphics analysis (William, 2006). In this study, frequency distribution of descriptive statistic is used to state the demographic factors of Myanmar customers who had experience in Sedona Hotel in Yangon, Myanmar. Eight variables of general information were collected from the respondents: gender, age, education level, occupation, monthly income, purpose of staying, customer loyalty level and customer spending
per visit. A total of 400 respondents participated in this research and the result of the data will be presented as follows:

Table 5.1: The analysis of gender using frequency and percentage

<table>
<thead>
<tr>
<th>Genders</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid male</td>
<td>242</td>
<td>60.5</td>
<td>60.5</td>
<td>60.5</td>
</tr>
<tr>
<td>female</td>
<td>158</td>
<td>39.5</td>
<td>39.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 5.1 shows the descriptive analysis of gender using frequency and percentage of the participants. From this table, the researchers found that the highest percentage of gender was 60.5% (242) of male and the percentage of female was 39.5% (158), respectively.

Table 5.2: The analysis of age using frequency and percentage

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid 20 to 30</td>
<td>46</td>
<td>11.5</td>
<td>11.5</td>
<td>11.5</td>
</tr>
<tr>
<td>31 to 40</td>
<td>143</td>
<td>35.8</td>
<td>35.8</td>
<td>47.3</td>
</tr>
<tr>
<td>41 to 50</td>
<td>118</td>
<td>29.5</td>
<td>29.5</td>
<td>76.8</td>
</tr>
<tr>
<td>above 50</td>
<td>93</td>
<td>23.3</td>
<td>23.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 5.2 shows the descriptive analysis of age using frequency and percentage of participants. From this table, the researcher found that the highest percentage of respondent’s age was 35.8% (143) of 31 to 40 and the others were 29.5% (118) of the 41 to 50, 23.3% (93) of the above 50 and 11.5% (46) of 20 to 30, respectively.
Table 5.3: The analysis of education using frequency and percentage

<table>
<thead>
<tr>
<th>Education</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>below bachelor degree</td>
<td>54</td>
<td>13.5</td>
<td>13.5</td>
<td>13.5</td>
</tr>
<tr>
<td>Bachelor degree</td>
<td>147</td>
<td>36.8</td>
<td>36.8</td>
<td>50.3</td>
</tr>
<tr>
<td>Master degree</td>
<td>167</td>
<td>41.8</td>
<td>41.8</td>
<td>92.0</td>
</tr>
<tr>
<td>Doctoral degree</td>
<td>32</td>
<td>8.0</td>
<td>8.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 5.3 shows the descriptive analysis of education, using the frequency and percentage of participants. From this table, the researchers found that the highest percentage of the respondent’s education level was 41.8% (167) having a master degree and the others were 36.8% (147) having bachelor degree, 13.5% (54) were below bachelor degree and 8% (32) having doctoral degree, respectively.

Table 5.4: The analysis of occupation by using frequency and percentage

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
<td>17</td>
<td>4.3</td>
<td>4.3</td>
<td>4.3</td>
</tr>
<tr>
<td>Employee</td>
<td>121</td>
<td>30.3</td>
<td>30.3</td>
<td>34.5</td>
</tr>
<tr>
<td>Owner/proprietor</td>
<td>175</td>
<td>43.8</td>
<td>43.8</td>
<td>78.3</td>
</tr>
<tr>
<td>non-working</td>
<td>6</td>
<td>1.5</td>
<td>1.5</td>
<td>79.8</td>
</tr>
<tr>
<td>Other</td>
<td>81</td>
<td>20.3</td>
<td>20.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 5.4 shows the descriptive analysis of the occupation using frequency and percentage. The results indicate that the highest percentage of the participant’s occupation was 43.8% (175) being
owner/propeietor and the others were 30.3% (121) of employee, 20.3% (81) of others, 4.3% (17) of student and 1.5% (6) of non-working, respectively.

Table 5.5: The analysis of monthly income by using frequency and percentage

<table>
<thead>
<tr>
<th>monthly income</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid less than 500,000</td>
<td>6</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>500,001 - 1,000,000</td>
<td>22</td>
<td>5.5</td>
<td>5.5</td>
<td>7.0</td>
</tr>
<tr>
<td>1,000,001 - 2,000,000</td>
<td>87</td>
<td>21.8</td>
<td>21.8</td>
<td>28.8</td>
</tr>
<tr>
<td>more than 2,000,000</td>
<td>285</td>
<td>71.3</td>
<td>71.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 5.5 indicates the analysis of monthly income by using frequency and percentage. From this table, the researcher found that the highest percentage of respondents’ monthly income were 71.3% (285) of the more than 2,000,000 Kyat. The others were 21.8% (87) of 1,000,001-2,000,000 Kyat, 5.5% (22) of the 500,001-1,000,000 and 1.5% (6) of the less than 500,000 Kyat, respectively.

Table 5.6: The analysis of purpose of staying at Sedona Hotel using the frequency and percentage

<table>
<thead>
<tr>
<th>Purpose of stay</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>For business</td>
<td>219</td>
<td>54.8</td>
<td>54.8</td>
<td>54.8</td>
</tr>
<tr>
<td>For pleasure</td>
<td>181</td>
<td>45.3</td>
<td>45.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Table 5.6 indicates the analysis of purpose of staying at Sedona Hotel using frequency and percentage. From this table, the researcher found that the highest percentage of respondents’ purpose was 54.8% (219) of staying for business and the percentage of staying for pleasure was 45.3% (181), respectively.

Table 5.7: The analysis of customer loyalty level using frequency and percentage

<table>
<thead>
<tr>
<th>Customer loyalty level</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Less than two times</td>
<td>157</td>
<td>39.3</td>
<td>39.3</td>
<td>39.3</td>
</tr>
<tr>
<td>Three to five times</td>
<td>178</td>
<td>44.5</td>
<td>44.5</td>
<td>83.8</td>
</tr>
<tr>
<td>Above five times</td>
<td>65</td>
<td>16.3</td>
<td>16.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 5.7 indicates the analysis of customer loyalty level by using frequency and percentage. From this table, the researcher found that the highest percentage of respondents’ answer was 44.5% (178) of three to five times. The others were 39.3% (157) of less than two times and 16.3% (65) of above five times, respectively.

Table 5.8: The analysis of customers’ spending per visit by using frequency and percentage

<table>
<thead>
<tr>
<th>Customer spending per visit</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Less than $500</td>
<td>187</td>
<td>46.8</td>
<td>46.8</td>
<td>46.8</td>
</tr>
<tr>
<td>Between $500 and $1,000</td>
<td>172</td>
<td>43.0</td>
<td>43.0</td>
<td>89.8</td>
</tr>
<tr>
<td>More than $1,000</td>
<td>41</td>
<td>10.3</td>
<td>10.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Table 5.8 indicates the analysis of customers’ spending per visit using frequency and percentage. From this table, the researcher found that the highest percentage of respondents’ spending per visit was 46.8% (187) of less than $500. The others were 43% (172) of between $500 and $1000 and 10.3% (41) of more than $1000, respectively.

Table 5.9: Summary of general information using frequency and percentage

<table>
<thead>
<tr>
<th>Factors</th>
<th>Frequency (f)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Male</td>
<td>242</td>
<td>60.5</td>
</tr>
<tr>
<td>- Female</td>
<td>158</td>
<td>39.5</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 20 to 30</td>
<td>46</td>
<td>11.5</td>
</tr>
<tr>
<td>- 31 to 40</td>
<td>143</td>
<td>35.8</td>
</tr>
<tr>
<td>- 41 to 50</td>
<td>118</td>
<td>29.5</td>
</tr>
<tr>
<td>- above 50</td>
<td>93</td>
<td>23.3</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Below bachelor degree</td>
<td>54</td>
<td>13.5</td>
</tr>
<tr>
<td>- Bachelor degree</td>
<td>147</td>
<td>36.8</td>
</tr>
<tr>
<td>- Master degree</td>
<td>167</td>
<td>41.8</td>
</tr>
<tr>
<td>- Doctoral degree</td>
<td>32</td>
<td>8.0</td>
</tr>
<tr>
<td>Occupation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Student</td>
<td>17</td>
<td>4.3</td>
</tr>
<tr>
<td>- Employee</td>
<td>121</td>
<td>30.3</td>
</tr>
<tr>
<td>- Own proprietor</td>
<td>175</td>
<td>43.8</td>
</tr>
<tr>
<td>- non-working</td>
<td>6</td>
<td>1.5</td>
</tr>
<tr>
<td>- Other</td>
<td>81</td>
<td>20.3</td>
</tr>
<tr>
<td>Monthly income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- less than 500,000</td>
<td>6</td>
<td>1.5</td>
</tr>
</tbody>
</table>
5.2 Descriptive Analysis of Variables

In this part, the researcher has measured the mean and standard deviation of each of the variables which is being used in the study. According to Sanders (2000), the average mean is a frequency used as a measure of tendency and standard deviation is the most important measure of dispersion for each group of data. And also, Zidmund et al. (2013) stated that descriptive statistics include the mean which describes a measure of the central tendency of the data being collected, and the standard deviation which describes a measure used to quantify the amount of variation or distribution of a set of data values. The variables processed in this descriptive statistical technique include interaction quality, outcome quality, service quality, customer satisfaction, trust and customer loyalty towards Sedona Hotel in Yangon, Myanmar.
Independent variables

Table 5.10: The analysis of the independent variables in term of outcome quality using mean and standard deviation

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I always have an excellent experience.</td>
<td>400</td>
<td>3.55</td>
<td>.784</td>
</tr>
<tr>
<td>I feel good about services what they provide to their customers.</td>
<td>400</td>
<td>3.64</td>
<td>.782</td>
</tr>
<tr>
<td>I believe they know what type of experiences the customers want.</td>
<td>400</td>
<td>3.69</td>
<td>.844</td>
</tr>
<tr>
<td>I believe they try to give me a good experience.</td>
<td>400</td>
<td>3.59</td>
<td>.812</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>400</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on the results of table 5.10, the researcher found that the highest mean was “I believe they know what type of experiences the customers want” which was equal to 3.69 and the lowest mean was “I always have an excellent experience” which was equal to 3.55.

For the standard deviation, the lowest standard deviation was “I feel good about services what they provide services to their customers” which was equal to .782 and the highest standard deviation was “I believe they know what type of experiences the customers want” which was equal to .844.
Table 5.11: The analysis of the independent variables in term of Interaction quality using mean and standard deviation

<table>
<thead>
<tr>
<th>Description</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I’d say that the quality of interactions from the firm’s employees is excellent.</td>
<td>400</td>
<td>3.40</td>
<td>.753</td>
</tr>
<tr>
<td>I would say that the quality of my interactions with the employees is high.</td>
<td>400</td>
<td>3.47</td>
<td>.762</td>
</tr>
<tr>
<td>I can count on the employees taking actions to address my needs.</td>
<td>400</td>
<td>3.35</td>
<td>.751</td>
</tr>
<tr>
<td>The employees are able to answer me questions quickly</td>
<td>400</td>
<td>3.59</td>
<td>.796</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>400</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on the results of table 5.11, the researcher found that the highest mean was “The employees are able to answer me questions quickly” which was equal to 3.59 and the lowest mean was “I can count on the employees taking actions to address my needs.” which was equal to 3.35.

For the standard deviation, the lowest standard deviation was “I can count on the employees taking actions to address my needs” which was equal to .751 and the highest standard deviation was “The employees are able to answer me questions quickly.” which was equal to .796.
Table 5.12: The analysis of the intervening variables in term of Service quality by using mean and standard deviation

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I would say they provide superior service</td>
<td>400</td>
<td>3.47</td>
<td>.762</td>
</tr>
<tr>
<td>Hotel rooms were clean and fully furnished</td>
<td>400</td>
<td>3.45</td>
<td>.731</td>
</tr>
<tr>
<td>Employees provided prompt and quick service</td>
<td>400</td>
<td>3.64</td>
<td>.782</td>
</tr>
<tr>
<td>Employees made me feel comfortable in dealing with them</td>
<td>400</td>
<td>3.47</td>
<td>.762</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>400</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on the results of table 5.12, the researcher found that the highest mean was “Employees provided prompt and quick service” which was equal to 3.64 and the lowest mean was “Hotel rooms were clean and fully furnished,” which was equal to 3.45.

For the standard deviation, the lowest standard deviation was “Hotel rooms were clean and fully furnished” which was equal to .731 and the highest standard deviation was “Employees provided prompt and quick service” which was equal to .782.
Table 5.13: The analysis of the intervening variables in term of customer satisfaction by using mean and standard deviation

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am satisfied with the</td>
<td>400</td>
<td>3.39</td>
<td>.755</td>
</tr>
<tr>
<td>competence of staffs of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>the hotel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am satisfied with the</td>
<td>400</td>
<td>3.46</td>
<td>.748</td>
</tr>
<tr>
<td>service quality of the</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>hotel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am satisfied with the</td>
<td>400</td>
<td>3.47</td>
<td>.765</td>
</tr>
<tr>
<td>relationship with the</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>hotel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am satisfied with the</td>
<td>400</td>
<td>3.47</td>
<td>.762</td>
</tr>
<tr>
<td>services are offered by</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>the hotel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I think that Sedona Hotel’s</td>
<td>400</td>
<td>3.54</td>
<td>.840</td>
</tr>
<tr>
<td>services match with my</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>expectation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>400</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on the results of Table 5.13, the researcher found that the highest mean was “I think that the services from Sedona Hotel match with my expectation” which was equal to 3.54 and the lowest mean was “I am satisfied with the competence of staffs of the hotel” which was equal to 3.39.

For the standard deviation, the lowest standard deviation was “I am satisfied with the service quality of the hotel” which was equal to .748 and the highest standard deviation was “I think that Sedona Hotel’s services match with my expectation” which was equal to .840.
Table 5.14: The analysis of the dependent variables in term of trust by using mean and standard deviation

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I believe that this hotel service plays a good role as compared with other five star hotels</td>
<td>400</td>
<td>3.64</td>
<td>.754</td>
</tr>
<tr>
<td>I have no doubt that this hotel service is competent in the hotel industry</td>
<td>400</td>
<td>3.61</td>
<td>.765</td>
</tr>
<tr>
<td>I believe that this hotel service is an overall capable and proficient hotel service</td>
<td>400</td>
<td>3.69</td>
<td>.844</td>
</tr>
<tr>
<td>I believe that its worth to pay for their good services</td>
<td>400</td>
<td>3.59</td>
<td>.812</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>400</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on the result of Table 5.14, the researcher found that the highest mean was “I believe that this hotel service is an overall capable and proficient hotel service” which was equal to 3.69 and the lowest mean was “I believe that its worth to pay for their good services” which was equal to 3.59.

For the standard deviation, the lowest standard deviation was “I believe that this hotel service plays a good role as compared with other five star hotels” which was equal to .754 and the highest standard deviation was “I believe that its worth to pay for their good services” which was equal to .812.
Table 5.15: The analysis of the dependent variables in term of customer loyalty by using mean and standard deviation

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I will continue to revisit that hotel in the future</td>
<td>400</td>
<td>3.27</td>
<td>.728</td>
</tr>
<tr>
<td>I believe that this is my favorite hotel</td>
<td>400</td>
<td>3.39</td>
<td>.760</td>
</tr>
<tr>
<td>I will never switch to another hotel</td>
<td>400</td>
<td>3.59</td>
<td>.767</td>
</tr>
<tr>
<td>I will recommend that hotel and its service to others</td>
<td>400</td>
<td>3.32</td>
<td>.720</td>
</tr>
</tbody>
</table>

Based on the result Table 5.15, the researcher found that the highest mean was “I will never switch to another hotel” which was equal to 3.59 and the lowest mean was “I will continue to revisit that hotel in the future” which was equal to 3.27.

For the standard deviation, the lowest standard deviation was “I will continue to revisit that hotel in the future” which was equal to .728 and the highest standard deviation was “I will never switch to another hotel” which was equal to 0.767.

5.3 Reliability Test

This section contributes reliability testing using statistical analysis software to verify the reliability of questions for each variable. Sekaran (2000) stated that all questions of each variable are required to be tested for reliability and may use Cronbach’s coefficient Alpha scale. Furthermore, Zikmund et al. (2013) stated that when the coefficient result is less than 0.60, the scale has low reliability and to be considered unreliable. Thus, if the result of the calculation of Alpha Test is above 0.6 or equal to 0.6, all questions are consistent and reliable to be applied as the research instrument for this study.
Table 5.16: The Summary of Reliability Test

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach’s Alpha Values</th>
<th>No. of Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcome quality</td>
<td>.860</td>
<td>4</td>
</tr>
<tr>
<td>Interaction quality</td>
<td>.875</td>
<td>4</td>
</tr>
<tr>
<td>Service quality</td>
<td>.807</td>
<td>4</td>
</tr>
<tr>
<td>Customer satisfaction</td>
<td>.947</td>
<td>5</td>
</tr>
<tr>
<td>Trust</td>
<td>.839</td>
<td>4</td>
</tr>
<tr>
<td>Customer loyalty</td>
<td>.787</td>
<td>4</td>
</tr>
</tbody>
</table>

Based on the outcome of the test of reliability shown in Table 5.16, the Cronbach’s alpha for outcome quality was 0.860, Cronbach’s alpha for interaction quality was 0.875, Cronbach’s alpha for service quality was 0.807, Cronbach’s alpha for customer satisfaction was 0.947, Cronbach’s alpha for trust was 0.839 and Cronbach’s alpha for customer loyalty was 0.787. According to the results, the Cronbach’s alpha values of all the variables were greater than 0.6. Thus, all questionnaires are consistent and reliable to utilize in this research.

5.4 Inferential Analysis

The researcher used inferential analysis to make judgement of the probability that an observed difference between groups is a dependable one or one that might have happened by chance in this study. Thus, the researcher used inferential analysis to make inferences from the data to more general conditions. According to Zikmund (2003), inferential statistics are applied to make an analysis about the population on the basis of the sample. Also, Inferential analysis describes the relationship of variables to each other or the differences between two or more groups (Sekaran, 2003). Moreover, inferential analysis could help the researcher to build better conclusions about the population on the basis of data obtained from the samples. It includes the analysis of the hypothesis statements.
5.4.1 The Results of Hypotheses Testing

Table 5.17: R-value and Measure the Strength of Association

<table>
<thead>
<tr>
<th>R-value</th>
<th>The Strength of Association</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.81 to 0.99</td>
<td>Very strong positive relationship</td>
</tr>
<tr>
<td>0.61 to 0.80</td>
<td>Strong positive relationship</td>
</tr>
<tr>
<td>0.41 to 0.60</td>
<td>Moderate positive relationship</td>
</tr>
<tr>
<td>0.21 to 0.40</td>
<td>Weak positive relationship</td>
</tr>
<tr>
<td>0.01 to 0.20</td>
<td>Very weak positive relationship</td>
</tr>
<tr>
<td>0</td>
<td>No relationship</td>
</tr>
<tr>
<td>-0.01 to -0.20</td>
<td>Very weak negative relationship</td>
</tr>
<tr>
<td>-0.21 to -0.40</td>
<td>Weak negative relationship</td>
</tr>
<tr>
<td>-0.41 to -0.60</td>
<td>Moderate negative relationship</td>
</tr>
<tr>
<td>-0.60 to -0.80</td>
<td>Strong negative relationship</td>
</tr>
<tr>
<td>-0.81 to 0.99</td>
<td>Very strong negative relationship</td>
</tr>
</tbody>
</table>


Hypothesis 1: Analysis of the influence of Interaction quality and Outcome quality on Service quality

H1o: Interaction quality and outcome quality are not influenced on service quality towards Sedona Hotel in Yangon.

H1a: Interaction quality and outcome quality are influenced on service quality towards Sedona Hotel in Yangon.
Based on Table 5.18, the Correlation Coefficient (R) is equal 0.915, which means that there is a very strong positive relationship between interaction quality, outcome quality and service quality or the researcher can conclude that interaction quality, outcome quality and service quality move in the same direction. Also, strength association ($R^2$) is equal to $(0.915)^2$, which is equal .838. It means that if interaction quality and outcome quality increase, it will affect to service quality to increase by 8.38%.

As indicated in Table 5.19, the result from the ANOVA of Regression Table showed that the sig. is equal to .000 , which is less than .05 (.000<.05). It means that null hypothesis was rejected and it can be considerrd that at least one independent variable will influence on service quality at the significance level of 0.05.
Table 5.20: Coefficient summary for Regression Model of Hypothesis 1

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.319</td>
<td>4.360</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>MeanOQ</td>
<td>.257</td>
<td>11.040</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>MeanIQ</td>
<td>.655</td>
<td>27.224</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: MeanSQ

Based on Table 5.20, the result from the Regression Coefficient table, the t-statistics showed that interaction quality and outcome quality were sig. at .000 which were less than 0.05 and it means that both variables: outcome quality and interaction quality are influenced on service quality at the 0.05 significant level. Additionally, the betas of unstandardized coefficient of outcome quality and interaction quality were equal to 0.257 and 0.655, respectively.

Hypothesis 2: Analysis of the influence of Interaction quality, Outcome quality and service quality on customer satisfaction

H2o: Interaction quality, outcome quality and service quality are not influenced in customer’s satisfaction towards Sedona Hotel in Yangon.

H2a: Interaction quality, outcome quality and service quality are influenced in customer’s satisfaction towards Sedona Hotel in Yangon.

Table 5.21: Regression Model summary of Hypothesis 2

Table 5.21: Regression Model summary of Hypothesis 2

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.738</td>
<td>.545</td>
<td>.541</td>
<td>.47646</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), MeanSQ, MeanOQ, MeanIQ

Based on the Table 5.21, the Correlation Coefficient (R) is equal 0.738, which means that there is a strong positive relationship between interaction quality, outcome quality, service quality and
customer satisfaction or the researcher can conclude that interaction quality, outcome quality, service quality and customer satisfaction move in the same direction. Also, strength association ($R^2$) is equal to $(0.738)^2$, which is equal to .545. It means that if interaction quality, outcome quality and service quality increase, it will affect to customer satisfaction to increase by 5.45%.

Table 5.22: ANOVA Table for Regression Model of Hypothesis 2

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>107.654</td>
<td>3</td>
<td>35.885</td>
<td>158.073</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>89.897</td>
<td>396</td>
<td>.227</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>197.551</td>
<td>399</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), MeanSQ, MeanOQ, MeanIQ
b. Dependent Variable: MeanCS
CS= customer satisfaction

As indicated in Table 5.22, the result from the ANOVA of Regression Table showed that the sig. is equal to .000, which is less than .05 (.000<.05). It means that null hypothesis was rejected and it can explain that at least one independent variable will influence on customer satisfaction at the significance level of 0.05.

Table 5.23: Coefficient summary for Regression Model of Hypothesis 2

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.340</td>
<td>.146</td>
<td></td>
<td>2.325</td>
</tr>
<tr>
<td>MeanOQ</td>
<td>.327</td>
<td>.052</td>
<td>.314</td>
<td>6.306</td>
</tr>
<tr>
<td>MeanIQ</td>
<td>.252</td>
<td>.080</td>
<td>.234</td>
<td>3.175</td>
</tr>
<tr>
<td>MeanSQ</td>
<td>.306</td>
<td>.098</td>
<td>.263</td>
<td>3.121</td>
</tr>
</tbody>
</table>

a. Dependent Variable: MeanCS
Based on Table 5.23, the result from the Regression Coefficient table, the t-statistics illustrated that outcome quality was sig. at .000, while interaction quality and service quality were sig. at .002 which were less than 0.05 and it means that all three variables: outcome quality, interaction quality and service quality were influenced on customer satisfaction at the 0.5 significant level. Therefore, the null hypothesis was rejected. Additionally, the betas of unstandardized coefficient of outcome quality, interaction quality and service quality were equal to 0.327, 0.252 and 0.306, respectively.

**Hypothesis 3: Analysis of the influence of customer satisfaction on trust**

H3o: Customer’s satisfaction is not influenced on trust towards Sedona Hotel in Yangon.

H3a: Customer’s satisfaction is influenced on trust towards Sedona Hotel in Yangon.

Table 5.24: Regression Model summary of Hypothesis 3

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.649a</td>
<td>.421</td>
<td>.420</td>
<td>.49663</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), MeanCS

Based on Table 5.24, The correlation coefficient (r) is equal to .649, which means that there is strong positive relationship between customer satisfaction and trust or the researcher can conclude that two variables move in the same direction. Also, the Strength of association (R^2) is equal (.649), which is equal 0.421. It means that if the customer satisfaction increases, it will affect the trust to increase 42.1%.
Table 5.25: ANOVA Table for Regression Model of Hypothesis 3

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>71.452</td>
<td>1</td>
<td>71.452</td>
<td>289.696</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>98.165</td>
<td>398</td>
<td>.247</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>169.617</td>
<td>399</td>
<td>399</td>
<td>399</td>
<td>399</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), MeanCS
b. Dependent Variable: MeanT
T=trust

As indicated in Table 5.25, the result from the ANOVA of Regression Table showed that the sig. is equal to .000, which is less than .05 (.000<.05). It means that null hypothesis was rejected. Then, customer satisfaction influences on trust.

Table 5.26: Coefficient summary for Regression Model of Hypothesis 3

<table>
<thead>
<tr>
<th>Coefficients^a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>--------</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: MeanT

As indicated in Table 5.26, the result from the Regression Coefficient table, the t-statistics demonstrated that customer satisfaction was sig. at .000, which is less than .05 (.000<.05). It means that null hypothesis was rejected. Then, it can be concluded that customer satisfaction is influenced on trust the .05 significant level, and the beta of unstandardized coefficient of customer satisfaction was equal to .601
Hypothesis 4: Analysis of the influence of customer satisfaction and trust on customer loyalty

H4o: Customer satisfaction and trust are not influenced on customer loyalty towards Sedona Hotel in Yangon.

H4a: Customer satisfaction and trust are influenced on customer loyalty towards Sedona Hotel in Yangon.

Table 5.27: Regression Model summary of Hypothesis 4

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.835a</td>
<td>.697</td>
<td>.695</td>
<td>.32078</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), MeanT, MeanCS

Based on the Table 5.27, the Correlation Coefficient (R) is equal 0.835, which means that there is a very strong positive relationship between customer satisfaction and trust or the researcher can conclude that customer satisfaction and trust move in the same direction. Also, strength association ($R^2$) is equal to $(0.835)^2$, which is equal .697. It means that if customer satisfaction and trust increase, it will affect to customer loyalty to increase by 6.97%.

Table 5.28: ANOVA Table for Regression Model of Hypothesis 4

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>93.901</td>
<td>2</td>
<td>46.950</td>
<td>456.264</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>40.852</td>
<td>397</td>
<td>.103</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>134.753</td>
<td>399</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), MeanT, MeanCS
b. Dependent Variable: MeanCL

CL= customer loyalty

As indicated in Table 5.28, the result from the ANOVA of Regression Table showed that the sig. is equal to .000 , which is less than .05 (.000<.05). It means that null hypothesis was rejected
and it can explain that at least one independent variable will influence on customer loyalty at the significance level of 0.05.

Table 5.29: Regression Model summary of Hypothesis 4

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unstandardized</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.600</td>
<td>.095</td>
<td>6.319</td>
<td>.000</td>
</tr>
<tr>
<td>MeanCS</td>
<td>.401</td>
<td>.030</td>
<td>.485</td>
<td>13.361</td>
</tr>
<tr>
<td>MeanT</td>
<td>.387</td>
<td>.032</td>
<td>.434</td>
<td>11.939</td>
</tr>
</tbody>
</table>

a. Dependent Variable: MeanCL

Based on Table 5.29, the result from the Regression Coefficient table, the t-statistics showed that customer satisfaction and trust were sig. at .000 which were less than 0.05 and it means that both variables: customer satisfaction and trust were influenced on customer loyalty at the 0.5 significant level. Therefore, the null hypothesis was rejected. Additionally, the betas of unstandardized coefficient of customer satisfaction and trust were equal to 0.401 and 0.387, respectively.
Table 5.30: Summary of the results from Hypotheses Testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Statistical Analysis</th>
<th>Level of Significance</th>
<th>Beta Coefficient Values</th>
<th>Correlation coefficient</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1a: -Interaction quality -Outcome quality affect on service quality</td>
<td>Multiple Regression</td>
<td>.000</td>
<td>.257</td>
<td>.838</td>
<td>Reject H1o</td>
</tr>
<tr>
<td></td>
<td></td>
<td>.000</td>
<td>.655</td>
<td></td>
<td>Reject H1o</td>
</tr>
<tr>
<td>H2a: -Interaction quality -outcome quality -service quality affect on customer satisfaction.</td>
<td>Multiple Regression</td>
<td>.002</td>
<td>.252</td>
<td>.545</td>
<td>Reject H2o</td>
</tr>
<tr>
<td></td>
<td></td>
<td>.000</td>
<td>.327</td>
<td></td>
<td>Reject H2o</td>
</tr>
<tr>
<td></td>
<td></td>
<td>.002</td>
<td>.306</td>
<td></td>
<td>Reject H2o</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H3a: Customer satisfaction affects on trust.</td>
<td>Simple Regression</td>
<td>.000</td>
<td>.601</td>
<td>.421</td>
<td>Reject H3o</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H4a: -Customer satisfaction -Trust affect on customer loyalty.</td>
<td>Multiple Regression</td>
<td>.000</td>
<td>.401</td>
<td>.697</td>
<td>Reject H4o</td>
</tr>
<tr>
<td></td>
<td></td>
<td>.000</td>
<td>.387</td>
<td></td>
<td>Reject H4o</td>
</tr>
</tbody>
</table>
CHAPTER 6
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter discusses and summaries the findings of from hypotheses testing as well as providing recommendations and suggestions for future studies. This chapter is divided into four sections. The first section shows summary of general information and hypotheses testing results of the study. The second section illustrates the conclusions of the study which explained the statement of the problems in chapter one. The third section discusses the recommendations that the researcher to deal with the hypotheses result. Finally, the researcher offers suggestions and ideas for further study.

6.1 Summary of the Findings

The researcher aimed to search factors influencing customer loyalty towards Sedona Hotel in Yangon, Myanmar by emphasizing the factors tending to influence customer loyalty, including service quality, interaction quality, outcome quality, customer satisfaction and trust. The purpose of this study is to measure the influence of interaction quality and outcome quality on service quality, the influence of service quality, outcome quality and interaction quality on customer satisfaction, the influence of customer satisfaction on trust and the influence of customer satisfaction and trust on customer loyalty. The researcher has collected primary data by distributing questionnaires to the respondents who had experience staying at Sedona Hotel in Yangon, Myanmar.

6.1.1 Summary of General Information

The researcher distributed 400 questionnaires to customers of Sedona Hotel in Yangon, Myanmar. The questionnaires includes eight general information questions such as gender, age, education, occupation monthly income, purpose of staying at Sedona Hotel, customer loyalty level and spending per time at the hotel. Dealing with the demographic factors of this study, the
results indicated that out of 400 respondents, 60.5% were males and 39.5% were male. The highest respondents groups of the visitors who came to Sedona Hotel were aged between 31-40 years old, which were 35.8%. Furthermore, 41.8% of the respondents hold a master degree as the highest percentage. 43.8% respondents of the study were owner/proprietor. Additionally, monthly incomes of 71.3% of the participants were more than 2,000,000 Kyats. Based on the information, for the purpose of staying at Sedona Hotel, majority group of visitors: 54.8% of visitors who came to visit Sedona Hotel for business, 44.5% of visitors came to Sedona Hotel between 3 to 5 times during last a year and 46.8% of visitors spent less than $500 for each time when they stayed at Sedona Hotel.

Table 6.1: Summary of the results from Demographic Factors

<table>
<thead>
<tr>
<th>General information</th>
<th>Majority group</th>
<th>Percentage and numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Genders</td>
<td>Male</td>
<td>60.5%(242)</td>
</tr>
<tr>
<td>Age</td>
<td>31-40 years old</td>
<td>35.8%(143)</td>
</tr>
<tr>
<td>Education</td>
<td>Master degree</td>
<td>41.8%(167)</td>
</tr>
<tr>
<td>Occupation</td>
<td>Owner/proprietor</td>
<td>43.8%(175)</td>
</tr>
<tr>
<td>Monthly income</td>
<td>More than 2,000,000Kyat</td>
<td>71.3%(285)</td>
</tr>
<tr>
<td>Purpose of staying</td>
<td>For business</td>
<td>54.8%(219)</td>
</tr>
<tr>
<td>Customer loyalty level</td>
<td>3 to5 time within a year</td>
<td>44.5%(178)</td>
</tr>
<tr>
<td>Spending rate per time</td>
<td>Less than $500</td>
<td>46.8%(187)</td>
</tr>
</tbody>
</table>

6.1.2: Summary of Hypotheses Testing Results

In this study, based on the collected data, four hypotheses have been analyzed by using Multiple Linear Regression and Simple Linear Regression. After analyzing the hypotheses, all null hypotheses were rejected. All hypotheses’ value was less than 0.05 at the confidence level of 95 percent and all and the results of hypotheses testing are shown as follows.
Hypothesis one: Service quality is influenced by interaction quality and outcome quality. The result showed interaction quality and outcome quality have a significant influence on service quality.

Hypothesis two: Customer satisfaction is influenced by service quality, interaction quality and outcome quality. The result revealed that service quality, interaction quality and outcome quality have a significant influence on customer satisfaction.

Hypothesis three: Trust is influenced by customer satisfaction. The result indicated that customer satisfaction has a significant influence on trust.

Hypothesis four: Customer loyalty is influenced on customer satisfaction and trust. The result showed that customer satisfaction and trust have a significant influence on customer loyalty.

6.2: Discussion and Implication of Hypotheses Testing

The researcher studied the factors influencing factors customer loyalty toward Sedona Hotel in Yangon, Myanmar. In this study the findings were gathered from the analyses of four hypotheses with six variables, which contain interaction quality, outcome quality as the independent variables, service quality, and customers’ satisfaction as the intervening variables, trust and loyalty as the dependent variables. In this research, the researcher also utilized eight general information questions to the respondents consisting of gender, age, education, occupation, monthly income, purpose of staying, customers’ loyalty level and spending per visit. The researcher applied Multiple Linear Regression and Simple Linear Regression methods to analyze the correlation of each hypothesis in this study. Moreover, the researcher developed four hypotheses and the detailed of discussions and implication of this study are as follows;
Hypothesis 1 tested the influence of interaction quality and outcome quality on service quality. The result found out that outcome quality is the strongest influencing factor on service quality with the Beta value of 0.485, followed by interaction quality with the Beta value of 0.327, respectively. Service quality is an emphasized assessment that reflects the customer’s feeling of service such as interaction quality, quality of atmosphere and outcome quality (Brady and Cronin, 2001). Moreover, interaction quality can be defined as the customers’ perception of the manner in which the service is delivered during service encounters (Lemke et al., 2011). Interpersonal interactions have a critical impact on customer perception of service quality (Bitner et al., 1994; Surprenant and Solomon, 1987). In a similar way, Jamel and Naser (2002) concluded that relational quality, which means to interaction quality between employees and customers, has a direct effect on customer satisfaction. It can be concluded that the more interaction quality and outcome quality of hotel is great, the more service quality can be affected; it means that service quality of a hotel is directly linked to outcome quality and interaction quality which has been supported by many researchers. Similarly, many studies supported that service outcome refers to the outcome of the service act and what the customer is left with after service delivery is completed (Grönroos, 1984). Brady and Cronin (2001), Grönroos (1982, 1984), and Kang and James (2004), all revealed that outcome quality represents the customer’s perception of the superiority of service experience.

Based on the results of hypothesis two, the researcher discovered that interaction quality, outcome quality and service quality are influenced on customer satisfaction. The result found that outcome quality has the highest influence factors on customer satisfaction with the beta of 0.327, followed by service quality with the beta value of 0.306, while interaction quality with the beta value of 0.252. According to the results, it can be concluded that when the customers received the high quality of the interaction, outcome and service from the hotel and those good quality will lead the customer to be satisfied about services towards the Sedona Hotel will be higher also. The result is supported by many researchers, Mohsin and Lockyer (2010) stated because of the existing competitive situation, where most hotels have similar facilities, the survival of hotels mainly depends on delivery of service quality which is affecting on customer satisfaction. Moreover, Rust and Oliver (1994) identified that service quality as one of the vital element for business sustainability and also it’s essential for firms’ accomplishment.
Additionally, DeRuyter et al. (1997) who studied about merging service quality and service satisfaction, the researcher posited that when the level of service quality increases, customer satisfaction degree will increase respectively.

In addition, the result of hypothesis two is supported by Gerrard and Cunningham (2001) who suggested that staffs who deliver services play an important role in making customer satisfied. In a similar point of view, Jamel and Naser (2002) speculated that relational quality, which refers to quality of interactions between employees and customers, has a direct influence on customer satisfaction, and also Jap (2001) suggested that employee’s efforts and personal interactions intended to build and maintain the relationship with customers are antecedents of customer satisfaction. Hence, it is likely that the key elements of interaction quality, such as politeness, friendliness, sensitivity, and empathy, are considered critical in driving customer satisfaction. This shows that there exists a positive relationship between interaction quality and customer satisfaction. Also, Hsieh and Hiang (2004) noted that customer perception of service outcome quality, which is critical in forming an evaluation of service delivery (Rust and Oliver, 1994) leads to customer satisfaction. Because of this relationship, the researchers posited that there exists a positive relationship between outcome quality and customer satisfaction in hospitality services and also found out that where a higher (lower) level of outcome quality is expected to increase (decrease) customer satisfaction.

According to the results of hypothesis three, the researcher found out that there is a relationship between customer satisfaction and trust. Various studies about the relationship between trust and customer satisfaction have supported the result of this hypothesis. Among them, Moreira and Silva (2015) who studied about the trust-commitment challenge in service quality-loyalty relationship and the researchers stated that the service quality had impact on customer satisfaction and also the result demonstrated that there was a positive relationship between customer satisfaction and cusotmer trust. Ravald and Grönroos (1996) proposed that trust is an aggregate evaluation at some higher level than satisfaction, and that satisfaction in fact is an important source for trust. Several studies advocated that customer satisfaction is important for developing customer trust and commitment (Kantsperger and Kunz, 2010). Thus, the researcher believed that customer satisfaction is one of the vital factor for trust and the level of customer satisfaction is higher, there also the level of customer trust will be higher.
Furthermore, from the findings of hypothesis four which is examined the relationship between customer satisfaction and trust towards customer loyalty. The result indicated that customer satisfaction has the highest influence on customer loyalty with the beta of 0.401, followed by trust with the beta value of 0.387 respectively. Homburg and Giering (2001) claimed that customer satisfaction is a critical issue in the marketing field since satisfied customers turn into loyal customers and ensure profitability, which is crucial for most businesses. Researchers suggest that it is necessary to look beyond satisfaction, at variables such as trust, to predict loyalty (Szymanski and Henard, 2001; Han et al., 2008). Trust has been recognized as an important influence on customer commitment and hence on loyalty (Morgan and Hunt, 1994; Gremler and Brown, 1999), especially during and after periods of crisis, where trust can even enhance brand loyalty (Hegner et al., 2014). As indicated by Garbarino and Johnson (1999) who also suggested that trust is one of the key mediators between component attitudes and future intentions for high relational customers and that it is influencing loyalty both directly and indirectly, through satisfaction (Harris and Goode, 2004).

Ranaweera and Prabhu (2003) argued that trust is a stronger emotion than satisfaction and that it may therefore better predict loyalty. Hsu (2007) stated trust had a positive effect on loyalty and it helps to attract new customers and later can retain existing ones besides influencing overall satisfaction. Many studies have found that customer satisfaction plays a mediating role in the customer satisfaction and customer loyalty relationship. Most marketing researches try to figure out the antecedents of loyalty, and amongst them the significant predictors are customer satisfaction and trust (Fornell, 1992; Anderson and Sullivan, 1993; Oliver, 1999). Customer satisfaction is viewed as the cumulative experience with a certain product or service as satisfaction with a single with a single transaction barely leads to long-lasting customer loyalty (Fornell, 1992). Caruana (2002) found out that a positive effect of customer satisfaction exhibits a strong influence on customer loyalty.

6.3: Conclusions

The objective of the research is to find the factors influencing customer loyalty towards the Sedona Hotel in Yangon, Myanmar. The research focused on different factors, including
interaction quality, outcome quality, service quality, customer satisfaction, trust, and customer loyalty. A total of four hypotheses were tested utilizing statistical analysis software and the researcher collected the data by applying close ended questions, along with five-point Likert scale. In this study, hypotheses one, two and four were tested by multiple linear regression method and only hypothesis three was tested by simple linear regression method.

Based on the descriptive analysis of the general information about respondents in this study, most of the customers of Sedona Hotel were males 60.5%, aged between 31 and 40 years 35.8%, most of them held a master degree 41.8% followed by bachelor degree 36.8%, mostly they were working as owner/proprietor 43.8%, more than two thirds of respondents had an income above 2,000,000 kyats per month 71.3%. More than half of the respondents 54.8% came to stay at Sedona Hotel for the purpose of business. In order to determine the loyalty level of customer, nearly half of respondent 44.5% are mostly coming to Sedona Hotel between three and five times per year, and then 46.8% of respondents spent less than $500 per visit, followed by 43.0% spent between $500 and $1000 per time. Therefore, it is an important fact the management team and managers have to take care and pay more attention to this group to increase the customer loyalty of the Hotel. Moreover, the final results from general information analysis in this study can improve in better understanding about the right group of customers. As a consequence, owners and managers need to analyze these groups of customer’s need and wants in order to make them more satisfied and generate more loyal customers.

Based on the result of hypothesis one tested by multiple linear regression method, the researcher found that interaction quality and outcome quality influence on service quality at the .05 significant levels. Therefore, the null hypothesis was rejected. By considering the beta coefficient, it indicated that interaction quality and outcome quality have a positive influence on service quality towards Sedona Hotel.

Based on the result of hypothesis two analyzed by multiple linear regression method, the researcher found that interaction quality, outcome quality and service quality influence on customer satisfaction at the .05 significant levels. Therefore, the null hypothesis was rejected. By considering the beta coefficient, it indicated that interaction quality, outcome quality and service quality have positive influence on customer satisfaction towards Sedona Hotel.
According to the result of hypothesis three analyzed by simple linear regression method, the researcher found that customer satisfaction influences on trust at the .05 significant levels which means null hypothesis was rejected. From the beta coefficient, it indicated that customer satisfaction has a positive influence on trust towards Sedona Hotel.

Based on the result of hypothesis four analyzed by multiple linear regression method, the research found that customer satisfaction and trust influence on customer loyalty at the .05 significant levels which means null hypothesis was rejected. From the beta coefficient, it indicated that customer satisfaction and trust have a positive influence on customer loyalty towards Sedona Hotel.

6.4 Recommendations

According to the results, the statistical analysis utilized in this research can help the management teams of Sedona Hotel not only to understand and promote the potentials factors which stimulate customer’s loyalty towards Sedona Hotel in Yangon, Myanmar but also to create more effective and efficient marketing plans by improving the quality of services to satisfy customers with good experience in order to catch the customers’ attention. Regarding to the research findings’ result, the researcher would like to recommend some suggestions as follow:

According to hypothesis one, the result indicated that interaction quality and outcome quality have a statistically significant effect on service quality. Based on the results of beta coefficient which the researcher got from multiple linear regression analysis, both interaction quality and outcome quality have a positive influence on service quality and interaction quality had the highest beta value which is equal to .655 which means interaction quality of hotel’s staff is strongly affected by service quality, followed by outcome quality with the beta value of .257. Therefore, the researcher would like to provide some recommendations based on the hypothesis results.

Customer interaction quality is a perception link generated by two or more people who interact with others to achieve a common goal through their reactions (e.g., language or emotion). Additionally, Schutz (1966) pointed out that customer interaction quality is demanded
by customers and has three types of requirements: acceptance, control, and emotion. Thus, it means the hotel’s employees need to be well-trained for the purpose of interacting with customers very kindly, try to fulfill the kinds of services customers need and want, also if customers complain about services or others necessities they have to handle professionally and work until customer are satisfied. So, the researcher suggests that the hotel management team should focus on training and improving interaction skill of their employees because hotel services they are mostly deal with customers and also every service firms need to keep a good relationship with customers is very important. It is also supported by so many researches, Reichheld and Sasser (1990) stated that the most important intangible asset of a business is the customer relationship.

According to Grönroos (1982, 1990), the outcome quality dimension refers to the result of the service transaction. It is concerned with what the customer actually receives from the service transaction or, conversely, what is delivered by the service provider. The process quality dimension, on the other hand, refers to the manner in which the customer receives the service from the service provider. Also, many studies also showed that the outcome quality component of service quality is a significant determinant of the overall service quality assessed by the consumer and that the addition of the outcome quality component into the measurement scale significantly improves the explanatory power and predictive validity. Thus, the researcher would like to suggest the hotel management team should focus on providing hotel services qualities which such as, well-displayed traditional accessories likewise in the hotel lobby, clean and well-arrangement hotel rooms, provide delicious, nutritious foods, prompt services, transportation services for foreign visitors, that can affect the customer satisfaction and to feel they get their expected outcome from the hotel.

According to hypothesis two, the result indicated that service quality, interaction quality and outcome quality are influenced on customer satisfaction. The researcher recommends that the management team of Sedona should keep improving service quality for the better and also needs to maintain current good services in order to capture customer satisfaction by targeting on the process of service quality, including training the staff to be willing to help customers, to provide prompt, quick, and correct service and also to be neat and well dressed. Additionally, they should try to keep providing good service quality; in the case of maintaining the existing customers. From that point of view, employees need to be trained in order to serve with effective
customer service techniques which can affect improving service quality. Moreover, they should expand their service quality by giving more profound and more stunning customer services utilizing encounters and should put more resources in different service ranges also. As highlighted by Ryu and Jang (2008), service quality is begun from the employee-customer interaction through the ability to serve the guaranteed benefit reliably and precisely, employees’ caring and thoughtfulness regarding each customer, employee’s knowledge, obligingness and capacity to rouse trust and confidence.

Gerrard and Cunningham (2001) suggested that staffs who deliver services play an important role in making customer satisfied. In a similar point of view, Jamel and Naser (2002) speculated that relational quality, which refers to quality of interactions between employees and customers, has a direct influence on customer satisfaction, and also Jap (2001) suggested that employee’s efforts and personal interactions intended to build and maintain the relationship with customers are antecedents of customer satisfaction. Therefore, there researcher would like to suggest the management team of Sedona should train their staff to work under any conditions because the key elements of interaction quality, such as politeness, friendliness, sensitivity, and empathy, are considered critical in driving customer satisfaction.

Based on the hypothesis three, customer satisfaction has a statistically significant affect on trust. Based on the results of beta coefficient which the researcher received from simple linear regression analysis, customer satisfaction has a positive influence on trust and had beta value which is equal to .601 which means trust towards Sedona Hotel is strongly affected by customer satisfaction. Therefore, the researcher would like to provide some recommendations according to the result of the hypothesis three. In today’s competitive environment, it’s not really easy to get customer trust. Therefore, having a good relationship or customer satisfaction which relates with a product or service firm is assumed as the one of the important alternatives to build a trust with customers. Similarly with the result of this study, it also can’t be undeniable that customer trust towards Sedona Hotel was derived from customer satisfaction. Moreover, many researches supported the finding, according to Ravald and Grönroos (1996) proposed that trust is an aggregate evaluation at some higher level than satisfaction, and that satisfaction in fact is an important source for trust. Also, customer satisfaction is important for developing customer trust and commitment (Kantsperger and Kunz, 2010). In order to capture trust from the customers, the
hotel should keep improving and providing good services quality including interaction quality and outcome quality in order to fulfill customers’ expectation and turn it into satisfaction. In other words, customer satisfaction happens from equality of expected quality and received quality.

According to the hypothesis four, customer satisfaction and trust have a statistically significant affect on customer loyalty. This means customer satisfaction and trust play a significant role in influencing customer loyalty. Based on the results of beta coefficient which the researcher received from multiple linear regression analysis, customer satisfaction and trust have a positive influence on customer loyalty and customer satisfaction had the highest beta value which is equal to .401 which means customer loyalty towards Sedona Hotel is strongly affected by customer satisfaction, followed by trust with the beta value of .387. Therefore, the researcher would like to provide some recommendations based on the hypothesis four results. Various studies stated that trust is one of the vital factors for loyalty. As indicated by Garbarino and Johnson (1999) who also suggested that trust is one of the key mediators between component attitudes and future intentions for high relational customers and that it is influencing loyalty both directly and indirectly, through satisfaction (Harris and Goode, 2004). Trust had a positive effect on loyalty and it helps to attract new customers and later can retain existing ones besides influencing overall satisfaction (Hsu, 2007). Therefore, the researcher would like to suggest in terms of developing customer trust, the hotel management team need to attract customer are willing to use hotels services while giving the best and enjoyable services compared to other hotels.

There is no doubt that customer loyalty today has become one of the most important strategic objectives in the service industry and it directly relates to a firm’s revenues. Therefore, establishing customer loyalty is a really important matter for Sedona Hotel. In order to keep maintaining and increasing customer loyalty, Sedona Hotel management teams and managers should focus on satisfaction. To the purpose of improving customer satisfaction, they need to understand customers’ needs and wants so that conducting surveys is the best way to know the customer’s mindset. For instance, they can conduct surveys by using social networks like Facebook which is the most used social network in Myanmar. After conducting surveys, they should examine all customers’ feedback. The researcher posits that it is not enough only to keep improving the qualities that can affect customer satisfaction, but also they should support with
customer loyalty programs to maintain current customers because customer loyalty programs allow them to collect customer data and target effective marketing tactics to improve customer retention or customer loyalty. They can use several ways of rewarding customers, which can encourage customers to be constantly engaged for example, give a reward privilege member card or discount to customers to long term customers to get access special offers from the hotel.

6.5 Further Study

This study was designed to understand the factors affecting customer loyalty towards Sedona Hotel in Yangon, Myanmar. The following are the recommendations from the researcher that pointed out reference for future studies that would help other researchers to make improvement in the future research scenarios.

Firstly, the researcher focused on only five variables such as service quality, interaction quality, outcome quality, customer satisfaction and trust to know the influential factors towards customer loyalty of Sedona Hotel in Yangon because of the limited time frame and cost in this research. However, in the future, there might be other independent variables which may affect or have greater influence on customer loyalty such as perceived quality, brand reputation, brand awareness, word of mouth and etc.

Secondly, in this study the researcher collected 400 data from only Sedona Hotel in Yangon, Myanmar. Further studies could study another Sedona Hotel branch located in Mandalay, in which factors may affect customer loyalty differently. And also, other researchers should use larger sample size because a larger sample size would speak to more noteworthy assorted qualities of customers that would help to researcher to recognize the distinctions various areas.

Thirdly, for further studies the qualitative method should be used to get a much deeper inside understanding and to explore the causal relationship among variables by using other research techniques such as observation, in-depth interviews and focus group. This will reduce the misunderstanding of the people when interpreting the questions in the questionnaire.
Finally, should explore other 5 stars hotels in Myanmar as well and a study should conduct examining how the consumers’ loyalty vary on others hotels in order to get insight understanding of influencing factors. Also, should emphasize on researching about individual services (hotel room services, foods and beverages, event organizing, and etc.) of the hotel in order to know which kinds of services may lead customers to be satisfied and can enhance the level of customers’ loyalty.
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Appendix A: Questionnaire

(English Version)
**Questionnaire**

This questionnaire is developed to obtain information as partial fulfillment of the requirements for my Master of Business Admiration degree at Assumption University, Thailand. It would be very helpful if you could answer the questionnaires for my survey. Please kindly complete the questionnaires in order to obtain accurate data for this analysis. Thank you for your co-operation in this research.

In this study, researcher designed to have 5 parts. Part 1 is screening question. Part 2 is Independent variable question, Part 3 is intervening variables questions, Part 4 is dependent variables questions, and the last part is demographic factors. All details are as followed.

**Part 1: Screening question**

Q1: Have you ever visited to Sedona hotel in Yangon?

☐ Yes  ☐ No

*If you answered “NO” in Q1, Please stop filling the rest of questions.

Q2: How many times have you visited to Sedona hotel in Yangon?

1. Not more than 2 times  2. More than 2 times

*if you answered not more than 2 times, Please stop filling the rest of questions.

It is because the loyalty is built in customer’s mind when customers use services or products more than one time. According to Keller (1993) suggested that loyalty is presented when favorable attitudes for the brand of services or products are manifested in repeated purchasing behavior. Blomqvist at al. (2000) defined that customer loyalty is a customer who over time engage one company to satisfy entirely, or a significant part, of his or her needs by using the company’s product or services.

If you answered “Yes” to the questions above, please proceed to answer the following questions by marking “✓” in the space given below and answer all questions as completely and truthfully as possible. The researcher design 5 points Like scale for all questions (1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree and 5 = strongly agree.)
Part 2: Independent Variables questions

In this part, there are three independent variables that the research has used to conduct this study namely interaction quality, and outcome quality.

<table>
<thead>
<tr>
<th>Outcome quality</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I always have an excellent experience.</td>
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<td>2. I feel good about services what they provide to their customers.</td>
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<td>3. I believe they know what type of experiences the customers want.</td>
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<td>4. I believe they try to give me a good experience.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Interaction quality</th>
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<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. I’d say that the quality of interaction from the firm’s employees is excellent.</td>
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<td>6. I would say that the quality of my interactions with the employees is high.</td>
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<td>7. I can count on the employees taking actions to address my needs.</td>
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<td>8. The employees are able to answer my questions quickly.</td>
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</table>

Part 3: Intervening Variables questions

In this part, there are three intervening variables that the research has used to conduct this study namely service quality and customer satisfaction.

<table>
<thead>
<tr>
<th>Service quality</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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</thead>
<tbody>
<tr>
<td>9. I would say they provide superior service.</td>
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<tr>
<td>10. Hotel rooms were clean and fully furnished.</td>
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<tr>
<td>11. Employees provided prompt and quick service.</td>
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<tr>
<td>12. Employees made me feel comfortable in dealing with them.</td>
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</tbody>
</table>
### Part 4: Dependent Variables questions

In this part, dependent variables are trust and customer loyalty.

<table>
<thead>
<tr>
<th>Customer satisfaction</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>13. I am satisfied with the competence of staffs of the hotel.</td>
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<td>14. I am satisfied with the service quality of the hotel.</td>
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<tr>
<td>15. I am satisfied to make the relationship with the hotel.</td>
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<tr>
<td>16. I am satisfied with the services are offered by the hotel.</td>
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<tr>
<td>17. I think that Sedona hotel’s services match with my expectation.</td>
<td></td>
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<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Trust</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>18. I believe that this hotel service plays a good role as compared with other five star hotels.</td>
<td></td>
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<tr>
<td>19. I have no doubt that this hotel service is competent in the hotel industry.</td>
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<tr>
<td>20. I believe that this hotel service is an overall capable and proficient hotel service.</td>
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<tr>
<td>21. I believe that its worth to pay for their good services.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Customer loyalty</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>22. I will continue to revisit that hotel in the future.</td>
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<tr>
<td>23. I believe that this is my favorite hotel.</td>
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<tr>
<td>24. I will never switch to another hotels.</td>
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<tr>
<td>25. I will recommend that hotel and its service to others.</td>
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</tbody>
</table>
Part 5: General Informations

1. Genders
   - Male
   - Female

2. Age
   - 20 to 30
   - 31 to 40
   - 41 to 50
   - Above 50

3. Education
   - Below bachelor degree
   - Bachelor degree
   - Master degree
   - Doctoral degree

4. Occupation
   - Student
   - Employee
   - Own proprietor
   - Non-working
   - Other
5. Monthly income

- Less than 500,000 kyats
- 500,001- 1,000,000 kyats
- 1,000,001- 2,000,000 kyats
- More than 2,000,000 kyats

6. What is the purpose of staying in Sedona hotel?

- For business
- For pleasure

7. How frequently do you visit to Sedona Hotel?

- Less than 2 times
- Three to five times
- More five times

8. How much do you use for your personal spending for one trip?

- Less than $500
- Between $500 to $1000
- More than $1000
Appendix B: Questionnaire

(Myanmar Version)
ဤေမးခြန္းမ်ားမွရရွိေသာအခ်က္အလက္မ်ားသည္ ထိုင္းႏို္ငံရွိ Assumption ေျခဳခ်ဳ ြိ  Master of Business Administration ဗိုလ်ားတွင္ ဆိုင္ရာက်စားလျှင္အချင့္အရာရဲ႔၀င္ာင္းအက်ေစ လိုအပ္ခ်းမ်ားျဖစ္ပါသည္။ လူၾကီးမင္းအေနနဲ႔ survey ေမးခြန္းမ်ားကို ၀ဆိုေပးႏုိင္မည္ဆိုေျဖရွိရန္ အလြန္အေထာက္အကူျပဳပါေသာေၾကာင့္ ေက်းဇူးျပီးမွန္ကန္ေသာအခ်က္အလက္မ်ားရရွိႏိုင္ရန္ ေမးခြန္းမ်ားကို ေျဖၾကားေပးပါရန္ ေလးစားစြာျဖင့္ေမတၱာရပ္ခံအပ္ပါသည္။ ထိုသို႔ပါဝင္ေျဖဆိုေပးမႈအတြက္ ေက်းဇူးအထူးတင္ရွိပါသည္။

ေမးခြန္းမ်ားတြင္ အပုိင္း 5 ပိုင္းပါဝင္ပါသည္။

အနက်ပေါင်း (1)

Q1. Sedona ဗိုလ်ားတယ္ ဗိုလ်ားတယ္လိုတော့မ်ားလာပါလိုတော့မ်ား?

☐ ဗိုလ်ားတယ္မ်ားလာပါတယ္
☐ ဗိုလ်ားမ်ားလာပါတယ္

အကယ္၍ “ဗိုလ်ားတယ္မ်ားလာပါတယ္” ဗိုလ်ားတယ္မ်ားလာပါတယ္ ဗိုလ်ားတယ္မ်ားလာပါတယ္ ဗိုလ်ားတယ္မ်ားလာပါတယ္ျဖင့္ဆက္လက္ေျဖဆိုရန္ မလိုေတာ့ပါ။

Q2. Sedona ဗိုလ်ားတယ္ ဗိုလ်ားတယ္လိုတော့မ်ားလာပါလိုတော့မ်ား?

☐ ဗိုလ်ားတယ္မ်ားလာပါတယ္
☐ ဗိုလ်ားတယ္ (ဗိုလ်ား) ဗိုလ်ားတယ္မ်ားလာပါတယ္

*အကယ္၍ “ဗိုလ်ားတယ္မ်ားလာပါတယ္” ဗိုလ်ားတယ္မ်ားလာပါတယ္ ဗိုလ်ားတယ္မ်ားလာပါတယ္ ဗိုလ်ားတယ္မ်ားလာပါတယ္ ဗိုလ်ားတယ္မ်ားလာပါတယ္”ျဖင့္ဆက္လက္ေျဖဆိုရန္ မလိုေတာ့ပါ။

“ဗိုလ်ားတယ္ (ဗိုလ်ား) ဗိုလ်ားတယ္မ်ားလာပါတယ္” ဗိုလ်ားတယ္ ဗိုလ်ားတယ္မ်ားလာပါတယ္ ဗိုလ်ားတယ္မ်ားလာပါတယ္ ဗိုလ်ားတယ္မ်ားလာပါတယ္ ဗိုလ်ားတယ္မ်ားလာပါတယ္ ဗိုလ်ားတယ္မ်ားလာပါတယ္ ဗိုလ်ားတယ္မ်ားလာပါတယ္ျဖင့္ဆက္လက္ေျဖဆိုရန္ မလိုေတာ့ပါ။

အနက် 5 မိုဘီး

1= ဗိုလ်ားတယ္မ်ားလာပါတယ္, 2= ဗိုလ်ားမ်ားလာပါတယ္, 3=မ်ားလာပါတယ္, 4=မ်ားလာပါတယ္, 5=မ်ားလာပါတယ္
(2)

ေမးခြန္းအပိုင္း

Sedona ဟုိတယ္၏ ရရွိလာေသာအရည္အေသြး၊ ဆက္ဆံမႈအရည္အေသြးတို႔ပဲျဖစ္ပါတယ္။

(3)

Sedona ဟုိတယ္၏ ဝန္ေဆာင္မႈအရည္အေသြးႏွင့္ အသံုးျပဳသူ nguyệnစိတ္ေက်နပ္မႈတို႔ပဲျဖစ္ပါတယ္။

<table>
<thead>
<tr>
<th>အမွှေးအရာလေး ၁ ၂ ၃ ၄ ၅</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. အရာမြင္းသောအခြေ ၏ အိမ္ေရာက္ချင့္မ်ားျဖင့္</td>
</tr>
<tr>
<td>2. ပျပ္သစ္ေဆာင္မႈတို႔၏ အခြေစိုးတိုင္းမ်ားျဖင့္</td>
</tr>
<tr>
<td>3. သင္ငူးအေသြး အခြောက်စွဲမ်ားသည္ ရရွိသည်မ်ားျဖင့္</td>
</tr>
<tr>
<td>4. အေရးအစိုးရမ်ား၏ အသံုးမ်ားသည္ ရရွိသည်မ်ားျဖင့္</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>အမွှေးအရာလေး ၁ ၂ ၃ ၄ ၅</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ဝန္ေဆာင္မႈအရည္တစ္ျဖစဴေဆာင္မႈမ်ား ဝန္ေဆာင္မႈျဖင့္</td>
</tr>
<tr>
<td>2. ဝန္ေဆာင္မႈတို႔၏သင့္အားဆက္ဆံေရးသည္ေကာင္းမြန္ပါသည္။</td>
</tr>
<tr>
<td>3. ဝန္ေဆာင္မႈမ်ားသည္ သင္လုိအပ္သည္မ်ားကိုခ်က္ခ်င္းေဆာင္ရြက္ေပးသည္္။</td>
</tr>
<tr>
<td>4. ဝန္ေဆာင္မႈမ်ားသည္ သင္သိလုိသည္မ်ားကိုမူလက္ခ်င္းေျဖၾကားေပးသည္္။</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>အမွှေးအရာလေး ၁ ၂ ၃ ၄ ၅</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ဟိုတယ္မွေကာင္းဆံုးဝန္ေဆာင္မႈမ်ားျဖင့္ ဝန္ေဆာင္မႈေပးပါသည္။</td>
</tr>
<tr>
<td>2. ဟုိတယ္မွ အခန္းမ်ားသည္ သန္႔ရွင္းၿပီး ပရိေဘာဂပစၥည္းမ်ားအစံုပါဝင္ပါသည္။</td>
</tr>
<tr>
<td>3.</td>
</tr>
<tr>
<td>4.</td>
</tr>
<tr>
<td>အပိုင်း</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>1. ဟိုတယ္မွဝန္ထမ္းမ်ား၏လုပ္ရည္ကိုင္ရည္သည္</td>
</tr>
<tr>
<td>2. ဟုိတယ္ဝန္ေဆာင္မႈအရည္အေသြးကိုစိတ္ေက်နပ္သည္</td>
</tr>
<tr>
<td>4. အခ်ဳပ္အားျဖင့္မွရရွိေသာ</td>
</tr>
<tr>
<td>5. သင္ေမ်ာ္လင့္ေသာဝန္ေဆာင္မႈႏွင့္ဟုိတယ္မွေပးေသာ</td>
</tr>
</tbody>
</table>
ဗိုလ်ချ် (5)

စိုက်/ခံ

☐ စိုက်

☐ ခံ

အဆို

☐ 20 နှစ်မှ 30 နှစ်အထိ
☐ 31 နှစ်မှ 40 နှစ်အထိ
☐ 41 နှစ်မှ 50 နှစ်အထိ
☐ 50 နှစ်မျှစွာ

မိန့်ခေါင်း

☐ အထက်တန်းတစ်ချက် (၅) အထက်တန်းအထိမ်းချင်း
☐ အထက်တန်းအထိမ်းချင်း
☐ အချိန်များ
☐ ပြောင်းလဲ
☐ ပြင်သတ်
အလုပ်အကိုင်

- အကူအညီ/အောင်
- အောင်မြင်
- ကောင်းသား/သူ
- ဝန်ထမ္းကိုယ်ပိုင်လုပ်ငန်းလုပ်ကိုင်သူ
- အလုပ်မလုပ်ရေသီ
- အောက်ပါအတွက်

အမှန်တွင်

- 500,000 က်ပီတာအထိ
- 500,001 က်ပီတာ 1,000,000 က်ပီတာအထိ
- 1,000,001 က်ပီတာ 2,000,000 က်ပီတာအထိ
- 2,000,000 က်ပီတာအထိ

အောက်ပါအတွက်

- စာအကျိုးအရေး
- အလုပ်လုပ်သူ

အားနည်းအပြုလုပ်ခြင်းအရေး

- J စာအကျိုးအရေး
- ကမ္ဘာ့စာအကျိုးအရေး
- ယူနိုင်ငံစာအကျိုးအရေး
ဝန်ထမ်းရေးအရေအတွက်
- $၁၀၀၀ အတွက်
- $၃၀၀၀ ပါင် $၃၀၀၀ လပ်
- $၃၀၀၀ အတွက်

ဆိုးရိမ်များမှာ စီးပွားရေးနှင့် စီးပွားရေးနှင့် သိပ္ပံပရိုဂျာ အတွက်
Appendix C: Reliability Test
Outcome quality (4)

<table>
<thead>
<tr>
<th>Reliability Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach's Alpha</td>
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<td>.932</td>
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Interaction quality (4)

<table>
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Service quality (4)

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<tbody>
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Customer's satisfaction (5)

<table>
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Trust (4)

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Customer loyalty (4)

<table>
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