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Research paper

Services Quality and Hotel System are an Important Determinant for the Customers' Satisfaction Towards Customers' Loyalty for EDC Hotel in North State of Malaysia

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Abstract

The study purposes to investigate consistency in previous literacy regarding Services Quality and Hotel System influencing the customers' loyalty throughout the customers' satisfaction for EDC Hotel Malaysia. Also, this paper aims to identify areas for service improvement by providing more explanation for these factors affecting customers' satisfaction comparing to the previous researches in this area. The methodology used in the study was survey questionnaire was distributed to 300 respondents, the sample size was 231 respondents which ready for analysis and the sample technique was convenience sample sampling. A non-parametric test using analysis of variance (ANOVA) to analysis satisfaction scores of respondents using SPSS 24TH. The results of the study found that on average, respondents were quite satisfied with hotel services. Also, hotel system effect on customer's satisfaction directly. Also, the result revealed that components of service's quality provided by hotel were the main differences in the results were provided by the previous researches. The mean significant of the study is to conduct customer' satisfaction surveys as a tool for identifying areas for service's improvements and ensuring that it remains responsive to help in justifying resources and improving the services. Hence, there is a need for hotel management to understand the customer needs and satisfy these needs. In order to support in an ongoing services providing. The study provides literature on customers' loyalty and satisfaction.

Keywords: *Service Quality, Hotel System, Satisfaction, Customers' Loyalty, Malaysia.*

1. Introduction

The study showed the investigation of the customer's satisfaction towards the EDC Hotel. The customer's satisfaction can influence the EDC Hotel performance level. Moreover, these satisfaction which are regarding the pricing, services quality, and ICT. Thus, the previous studies showed that customer's satisfaction as a business philosophy which tends to anticipating, and managing customers' expectations to create customers' value. Then demonstrate abilities and responsibilities to satisfy customers' needs. Service quality and customer satisfaction were critical factors that determine business' succession Also, service's quality and customer's satisfaction as important factors to obtain competitive advantage and customers' retention (1).

EDC Hotel and Resort Sintok are located "48km north of Alor Setar Kedah and just 10KM from the Malaysian-Thailand border town of Bukit Kayu Hitam. EDC Hotels & Resorts Sintok has 88 guestrooms consisting of 2 VIP Suites, 4 Executive Suites, 6 Deluxe, 74 Standard Twin, and 2 Standard Twin Disable". It's also offers flexible and tailor-made package with entire range of very specialized services to meet variety of functions.

Hotels provided facilities for meetings' transaction and conferences, relaxation and enjoyment activities. Beautiful greenery lush from tropical rainforest surround EDC Hotel which provides warming and relaxing experience for guests. The customers can be experiencing of comfort, tranquillity, good Malay traditional food and interesting environment places for family vacation.

EDC Hotels in Sintok offers accommodations with free Wi-Fi and a restaurant. Guests can enjoy on-site restaurant. Free private parking is available. There is a kettle in the room. There are 24 hour front desk, room service, ticket service and a gift shop at the property which mean their service quality was good. Also can play Ping-Pong and golfing at hotel. Hotel also provides bike rental. The nearest airport is Sultan Abdul Halim Airport, 30.6 km from the property. The hotel management expected that the customer will be satisfied and back again to stay in the hotel which will enhance the hotel revenue and profit. However, there is decline for the revenue and profit of the recent years which urgent for investigating the factors that causing the decline in hotel revenue. The table **1** showed that there is no improvement in the earning and gross profit in past three years.

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Table 1. Hotel Statement

For the year $(000)	2017	2016	2015
Revenue earnings before interest, taxation	51208	56687	75280
Depreciation and amortization	21702	24747	19488
Gross profit	26001	30004	29178
Net profit attributable	9642	11178	2893
Finance cost	3003	3627	5124
Cash from operation	15132	14709	17501
Capital expenditure	10165	24549	14022

Therefore, there is necessity to investigate the factors that affecting customers' satisfaction and loyalty at hotel to enhance and stop decreasing of hotel's revenue.

Several studies conducted on different aspects of hotel's services practices as an antecedent for employee performance but not deep explanation for services quality and hotel system have been studied in the surface level by majority of the researchers in organizational behaviour discipline. For instances, Ability of the staffs to anticipate customers' needs and Information about services there are lot of problems behind the low performance of employees such as poor system, evaluation system (2). Moreover, and promotion in the hotel are clear and accurate and the booking system technology is friendly use in any website (3). Thus, inconsistency exists in determining the aspect impacted on customers' satisfaction. Besides, majority of the studies have been done in the developed countries which might not be applicable in the developing context like Malaysia. Because the findings of the study of developed economy sometime bring adverse consequences in developing nations due to the differences in culture, perceptions, socioeconomic background, education level and so on (4)

2. Literature Review:

2.1 Customer Loyalty

According to Gremler et al. (5) in marketing literature, theoretical framework for factors that affecting customer loyalty yet identified clearly (6). However, many authors agreed on customers' satisfaction and service quality were determinants for loyalty (5). In addition, study conducted by Selnes (7) mentioned that psychological factors, switching barriers and economic factors are determinants of loyalty. Also, switching barriers influences customer loyalty by reduce customers' expenses and difficulty throughout switching to another supplier.

Churchill (8) mentioned that Customers' satisfaction is the important objective in marketing activities, due to that it centre the relation between marketing processes and purchasing and consumption (9). Besides that, the study by Cronin & Taylor (10) which focused on service quality's conceptualization and measurement. The study found strong relation among service quality, purchase intentions and customers' satisfaction. Also, purchase intentions significantly affected by customer satisfaction. Besides that, patients' satisfaction and service quality significantly influences intention to purchase. Also, hospital patients, linked which found that customer satisfaction, service quality effecting intention behaviour.

"Managing customer value by creating quality and service that customers can see now is considered a critical component of companies' strategic marketing. Customer value is what builds loyalty". Besides that, the study conducted by Cronin & Taylor (11) mentioned that Marketing strategic such as commitment to meet customers' expectation, customers' retention orientation and continual customers' contact were based on factors other than merely product attributes and economic assessment. "Loyalty usually implies satisfaction, but satisfaction is not loyalty".

Also, Cronin & Taylor (11) argued that customers could be satisfied from the purchased services while staying in the hotel, however, it does not mean that customer will repeat his visiting to the same hotel which was recommended by his friends. Also, transient tourists usually not return to the same hotel. However, some customers prefer staying in different hotels depending on the types of their trips (family or business trips). Loyal customers create more value for hotel than satisfied customers, because price sensitivity of Loyal customers very low which prevent changing service providers, they have strong preference to buy services against competitors and they identify the brand with themselves. Also, it is important keeping customers satisfied (12).

2.2 Customer Satisfaction

According to the study was conducted by Chevers & Spencer (13) which found customers' satisfaction leads to customers' loyalty, that could achieved with maintaining high service's standard. Besides that, if the customers satisfied from hotel's services, they tend to repeat the usage and recommend hotel' services to their friends. And that will affect hotel's performance positively.

In saturated market, Customers 'satisfaction considered most important property in business (14). Also, in marketing concept, customers' satisfaction is the central concerned in satisfying demands and needs of consumers, gaining profits highly depends on customers' satisfaction levels. Besides that, customer who is satisfied, tends to be lower price's sensitivity and lower influenced by competitors' attacks (15).

According to the study by Woodside et al.(16) which defined customers' satisfaction as: "a construct, customer satisfaction has been noted as a special form of consumer attitude; it is a post-purchase phenomenon reflecting how much the consumer likes or dislikes the service after experiencing it". Also, According to Iacobucci et al.(17) in some cases quality's terms seen as similar or synonyms to satisfaction. However, there are significant differences between these two concepts. "Service quality's concept develops by time and related with customer expectations, while satisfaction' concept is a short-term and transaction-based measurement of personal and emotional reaction to a service".

Acceding to the study conducted by Vavra (18) Customer satisfaction can also be defined as satisfaction based on an outcome or a process. outcome definition of customer satisfaction characterizes satisfaction as the end-state resulting from the experience of consumption. This end state may be a cognitive state of reward, an emotional response to an experience or a comparison of rewards and costs to the anticipated consequences. Vavra also puts forth a definition of customer satisfaction based as a process, emphasizing the perceptual, evaluative and psychological processes contributing to customer satisfaction (1997). In this definition, assessment of satisfaction is made during the service delivery process.

Pizam (19) stated that satisfaction is not a universal phenomenon and not everyone gets the same satisfaction out of the same hospitality experience. The reason is that customers have different needs, objectives and past experiences that influence their expectations. To a student on a limited budget, a lunch composed of fast food items at the crowded and noisy school cafeteria may be a highly satisfying experience, while the same experience may be perceived as totally dissatisfying to an affluent executive discussing a business transaction. The same customer may also have different needs and expectations on different meal occasions, or at different times of the day (19). The student in our previous example will not be highly satisfied when his college friends take him out for a ``birthday" meal celebration at the school cafeteria. Therefore it is important to gain a clear idea of the customer needs and objectives that correspond to different kinds of satisfactions. This necessitates the segmentation of the market, because no service or product can offer everyone the same degree of satisfaction.

2.3 Price

According to Mattila, and O'Neill (20) which mentioned that hotel's customers use price as indicator for quality's levels at price range (high and low), while expectations determine their

satisfaction at average level. In another wards, if the customers paid high price they will expect service quality must be high or at acceptable range, and that will stimulate their satisfactions.
According to Azhar (21) which defined Price as "the money that customers pay in exchange for goods and services". Also, the study by Akaegbu (22), which mentioned that "The seller considered price as the return of goods or services and the buyers considered price as the value that is assigned to the satisfaction of needs and wants". From hotel service prospective, price as equivalence for the satisfaction that hotels intended to offer for their customers. Whereas, from customers' prospective, price is commensurate for the satisfaction they gained. Also, payments methods such as discount, credit terms, mode of payment, payment period and allowance influence Hotel's pricing plans and policies.
According to Akaegbu (22), "hotel pricing could be set at a higher or low rate. The policy of setting high or low prices for their products and services is extensively used by hotels as a competitive tool. Pricing is therefore a major theme in many product and services delivery categories. Lower prices can aid for mass patronage. On the other hand, high prices, also known as the "premium pricing policy" also have a purpose. This is usually differentiated from lower prices by the phrase "class-versus-mass". Hotel room pricing is a difficult subject within the larger school of revenue management and as such it has garnered much study over the years. At the heart of any pricing discussion is the balance between healthy average daily rate and high occupancy, the metric representing this balance is revenue per available room".
According to the study conducted by Gumussoy & Koseoglu (23) which mentioned that the important predictors for customers' loyalty influenced are Customers' satisfaction and perceived value. Also, service quality-reliability and price fairness has an influence customers' loyalty. Besides that, service quality has an influence on the perception of value with the hotel experiences. Moreover, Price fairness "involves a comparison of a price or procedure with a pertinent standard, reference, or norm". there are many factors can affect price's perception of fairness such as the actual price fairness, information about the price, previous experiences and general knowledge about the service provider. It is reasonable to expect that the perception about the price fairness improves the satisfaction with the service.
Consuegra (24) which found that fairness customers' satisfaction and loyalty influenced by perceived price. The analysis also suggested that customers' satisfaction and customers' loyalty important predictors for price's acceptance.

2.4 Service Quality

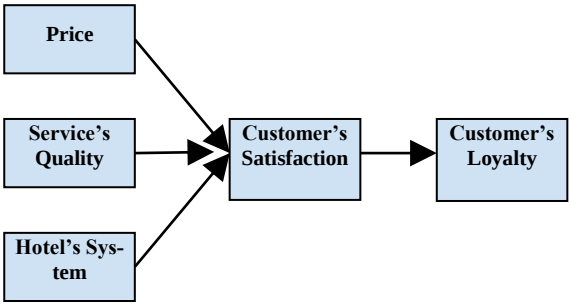
According to Duffy et al. (25) which defined service's quality as meeting consumers' expectations. Another definitions in the study was conducted (1,26) service' quality refer to gap between service's perceptions and consumer's expectations. Lewis (27) defined service's quality as it focused on meeting customers' needs and wants and who this services match customers' expectation. However, some authors used the term convenience usage and conformity to specifications to describe this concept. "American National Standards Institute", "American Society for Quality" defined quality's standardized as: "The totality of features and characteristics of a product or service that impact its ability to satisfy given needs" (28).
According to Fullerton (29) which defined service's quality in related to intention to behaviour, service's quality refers to attitudinal structure towards intention to behave. Also, Dortyol (15) defined Service's quality as "an attitude form which includes a global judgment related to the superiority of service". According to the study was conducted by Sureshchandar et al.(30) which mentioned that in order to develop service's quality, the quality in to be measured. Service's providers who know how consumer is evaluating the service provided to him, they will be more successful in directing the services offered to the customers and gaining their satisfaction.
According to the study by Juwaheer & Ross (31) that Customers experience the interactions with hotel's staffs and menageries while they stay in the hotel and consume or purchase the services were offered by the hotel. These interactions make the customers put their judgments on the hotel depending on the service's quality and their satisfaction. Therefore, hotel's menageries and staffs need to excellent manner in these interactions in order to deliver positive experience to their customers.
Understanding the basic variables that influence consumers' needs and the way to meet their demands will create impression and satisfaction among the customers in the first visit for the hotel that will determine the success of the firm in retaining customers to stay with it (31). Also, according to Eraqi (32) that tourism's companies which is customers' orientation need to allocate the needs of their target customers in order to improve their services' processes accordingly. According to Dortyol (15), hotel managers who try to focus on quality dimensions to determine critical service's quality dimensions, will improve the process of service delivery with high-quality's services. That was due to these dimensions change over time.

2.5 Hotel System

The study was conducted by Omanyo (33) which established relation between ICT's integrations and operational performances of Kenya's hotels. The study found that ICT integration has strong positive relation with performance among Kenya's hotels. Booking, reservation, marketing and payment online technologies influences quality of goods and services and cost reduction significantly. Also, the study recommended that hotels need to update, upgrade and integrate external and internal information and communications technologies in order to improve tourism and business's operations. Finally, ICT's integration in tourism will benefit customers and service's providers and other stakeholders.
ICT considered as strategic assets that could enhance customer's satisfaction and provides competitive advantage (34). According to Bethapudi (35), ICT provides opportunities for individuals to access hotels' products and services from anywhere at any time. Also, by using mobile computers and Web technologies, hotel's management could reach targeted customers across the world by clicking on a keyboard. Besides that, hotels increased customers' satisfaction by customized tourism products and services throughout ICT (36). Hence, it is posited that the ICT adoptions in hotel industry could improve service's quality, customers' satisfaction, decision-making, and increase revenue. Also, hotels which failed to invest in ICTs risk in being not enable to compete with their advanced competitors (37).
Using different channels such as backend information system and customer's facing systems (system of front office, email and call centre) which installed with hotel's system could enable the hotel to collect customers' services orders and customers' information. Then hotel's information system could distribute these orders to department within the hotel. Information's amount that collected by hotel affected by information channels' types, the critical issue was that every channel for collecting these information has it database which causing barrier for sharing for the knowledge on preferences and customer's behaviour (9). It implied that maybe each system has personalization's competences that separately provide guest's profiles, however, it did not support data cross-analysis.
Moreover, the study conducted by Ham et al.(38), mentioned that in the past time hotels used traditional manual systems to operate their functions such as hotel occupancy, customers' departures and customers' expenditure. However, in present hotels used ICT in all their functions to improve hotel's efficiency and effectiveness. Also, ICT's applications facilitated overall hotel's operations such as emails, room reservation electronic transactions, and inventory.

2.6 Research Framework

Study of customer satisfaction towards EDC Hotel



2.7 Research Hypothesis.

H1: Price has positive influence on customers' loyalty.
H2: Service quality has significant influence on customers' loyalty.
H3: Hotel's system has significant influence on customer's loyalty.
H4: There is mediating affect for Customer's satisfaction between independent variables and customers' loyalty.

3. Methodology

The study's purpose is establishing cause/effect relation between variables. In addition, researcher want to know whether the variable will make another variable to change. The researcher want to know if the price, service quality, and hotel systems influence the satisfaction of customer towards EDC Hotel. Thus will lead to customer loyalty that increasing the profit to the EDC Hotel. For the study setting, the researcher chose to conduct in the natural environment among the customer who visiting EDC Hotel where work proceeds normally which is non-contrived setting. The interference in the area of research is minimal interference. This is because, the researcher interrupt the flow of the working operation in EDC Hotel and distribute the questionnaire randomly to the customer who visit EDC Hotel. For the research strategy, the researcher conduct the survey by distribute questionnaire. Other than that, researcher want to have more information on how EDC Hotel can improve themselves in order to generate more profit and to attract more customer. For the population of this research, the unit analysis is individual as the data will have to be collected from each individual which is customer that come to EDC Hotel. The sample technique is convenience sample sampling. Besides, the time horizon that conducted in this research is cross-sectional study. The questionnaire distributed to the customer in one place which is at the information counter of EDC Hotel.

3.1 Response Rate

From the research, there are about 210 questionnaires distributed to the respondents. All of the questionnaire were returned back to the researches. While analysing the data, there are missing values and outlier were found.

Table 2: validity and reliability

Variable	Reliability	Number of items	Items	Factors loading	Deleted items
Price	.852	5	Price1	.813	0
			Price2	.850	
			Price3	.705	
			Price4	.812	
			Price5	.785	
Hotel System	.765	5	HS1	.618	0
			HS2	.605	
			HS3	.834	
			HS4	.833	
			HS5	.718	
Service Quality	.804	5	SQ1	.694	0
			SQ2	.639	
			SQ3	.849	
			SQ4	.753	
			SQ5	.812	
Customer Satisfaction	.795	5	ST1	.798	0
			ST2	.770	
			ST3	.683	
			ST4	.797	
			ST5	.650	
Customer loyalty	.853	5	CL1	.772	0
			CL2	.807	
			CL3	.812	
			CL4	.813	
			CL5	.773	

According to the table **2** validity and reliability, the table showed that the factors loading for price variable are between (.705 - .850) from the five items and all the items loading in the same variable. Also, the factors loading for Hotel System are between (.639 - .849) for all the items used. The factor loading for Service Quality are between (.639 - .849) and all the items loading in the same variable. Also, the factor loading for Customer Satisfaction are between (.650 - .798) which loading in the same variable. Last, the factor loading for Customer loyalty are between (.772 - .813) which loading in the same variable.
Besides that, according to the AlHaderi (39) and AlHaderi & Ahmed (40) have indicated that Cronbach's Alpha value (0.7) is reliable and acceptable. However, sometimes lower threshold were used in the literatures. According to table **[2]** validity and reliability, the table showed Cronbach's Alpha values were between (.765 - .853) which are > (.70) that means a set of questions that return a stable response, then your variable is said to be reliable.

3.2 Correlations

Table 3: correlation Analysis

	Price	HSYSTEM	Squality	Satisfaction	Cloyalty
Price	1				
HSYSTEM	. 442**	1			
SQUALITY	.598**	.591**	1		
SATISFAC-TION	.544**	.606**	.707**	1	
CLOYALTY	.507**	.554**	.659**	. 702**	1

**. Correlation is significant at the (.01) level (2-tailed).

The Table **3**: showed Pearson correlation result among variables. The findings showed price, hotel system, service's quality and customer's satisfaction were positively correlated with customer's loyalty (EDCCL). The result indicated that the correlation value for each variable ranged from (. 442 to .707). And the significant value was (p=.01). And that means all correlation values between the variable are significant (p=.000) (3, 41). The table above also included the significant values to determine whether the variables significant or not which based on the level of significant P-value= (.01).

3.3 Regression

First step is analyzing the liner regressions between independent and dependent variables variable directly.

Table 4: Model Summary**.**

Model	R	R square	Adjusted R square.	Std. Error of the estimate.
1	.699a	.489	.481	1.83134
a. Predictors.:(constant), SQUALITY, HSYSTEM, Price				

Table 5: ANOVA.

Model		Sum of squares	DF	Mean square	F	Sig.
1	regression	660.548	3	220.183	65.652	.000b
	residual	690.881	206	3.354		
	Total	1351.429	209			
a. Dependent variable.: CLOYALTY						
b. Predictors:(constant), SQUALITY, HSYSTEM, price						

Table 6: Coefficient

Model		Unstandardized coefficient		Standardized coefficients	t	Sig.,
		B	Std. Error	Beta		
1	(constant)	3.233	1.126		2.872	.005
	Price	.141	.061	.144	2.288	.023
	HSYSTEM	.247	.066	.233	3.739	.000
	SQUALITY	.447	.072	.435	6.243	.000
a. Dependent variable: CLOYALTY						

Based on the Table **4**: Model Summary Table above, it showed the summary of R Square or coefficient of determination on table above is 0.489. The variation in customers' loyalty explained (48.9 %) by the variation in hotel's system, service's quality and price which indicated a very good relation. Also, multiple linear regression was performed for determining best set of predictors' variables in explaining customer's loyalty (EDCCL). The table **5** ANOVA showed the F-statistics (65.652) was large and P-value (.000) was highly significant and lower than alpha value (0.05). This indicated that there was linear relation between customer's loyalty (EDCCL) and predictors' variables Service's Quality (EDCSQ), Hotel's System (EDCHS) and Price (EDC Price). Also, Based on Coefficient table **6**, all predictor variables which are price (p= .023), hotel system (p=0.000 < alpha) and service quality (p= 0.000 < alpha) were found to be of significance in explaining intention to gain customer loyalty. The largest beta coefficient is found service quality (beta=.435) and followed by hotel system (beta=.233), than price (beta=.144). It means that service's quality made the strongest contributions in explaining Customer's Loyalty (EDCCL). It suggested that increasing one standard deviation in service's quality followed by (.447) increasing in standard deviation in customer's loyalty. Hotel's system was the second highest indicated that it made the lower contributions than service's quality.

Mediating Effects:

Table 7: Model Summary.

Model	R	R square.	Adjusted R square.	Std. Error of the estimate.
1	.754a	.568	.562	1.52963
a. Predictors.:(constant), SQUALITY, HSYSTEM, Price				

Table 8: ANOVA,

Model		Sum of squares	DF	Mean Square.	F	Sig..
1	Regression.	634.463	3	211.488	90.388	.000
	Residual	481.994	206	2.340		
	Total	1116.457	209			
a. Dependent variable.: satisfaction						
b. Predictors: (constant), SQUALITY, HSYSTEM, price.						

Table 9: Coefficient.

Model		Unstandardized coefficients,		standardized Coefficients,	t	Sig.,
		B	Std. Error	Beta		
1	(constant)	3.410	.940		3.626	.000
	Price	.135	.051	.151	2.626	.009
	HSYSTEM	.258	.055	.268	4.687	.000
	SQUALITY	.427	.060	.458	7.138	.000
a. Dependent variable.: satisfaction						

Based on model summary' table **7** which showed that R square or coefficient of determination on table above is (.568). It indicated that 56.8 % of customer's satisfaction variation was explained by the variation in hotel's system, service's quality and price. Also, the table **8** ANOVA showed that F-statistics (90.388) was large and P-value (.000) was highly significant and lower than alpha value (.05). It indicated and confirmed that there was linear relation between customers' satisfaction and predictors' variables Service's Quality (EDC SQ), Hotel's System (EDC HS), and Price (EDC Price). Also, Based on Coefficient table **9**, all predictors' variables which are price (p=.009 < alpha), hotel system (p=0.000 < alpha) and service quality (p= 0.000 < alpha) were found to be of significance in explaining customers' satisfaction towards customer loyalty. The largest beta coefficient is found service quality (beta=.458) and followed by hotel system (beta=.268) than price (beta=.151). It means that service's quality made the strongest contributions in explaining Customers' satisfaction (EDC CS). It suggested that increasing one standard deviation in service's quality followed by (.427) increasing in standard deviation in customers' satisfaction. Hotel's system was the second highest indicated that it made the lower contributions than service's quality.

Result for whole model: Independent Variables, Mediating Variable, & Dependent Variable.

Table 10:model summary,

Model	R	R square	Adjusted R square.	Std. Error of the estimate.
1	.748a	.559	.551	1.70432
a. Predictors.: (constant), SATISFACTION, Price, HSYSTEM, SQUALITY				

Table 11: ANOVA,

Model		Sum of squares	DF	Mean square.	F	Sig.,
1	Regression.	755.967	4	188.992	65.064	.000
	Residual	595.461	205	2.905		
	Total	1351.429	209			
a. Dependent variable.: CLOYALTY						
b. Predictors.: (constant), satisfaction, price, HSYSTEM, SQUALITY						

Table 12: Coefficient.

Model		unstandardized coefficient		Standardized coefficient.	t	Sig.,
		B	Std. error	Beta		
1	(constan.)	1.716	1.081		1.588	.114
	Price	.081	.058	.082	1.387	.167
	HSYSTEM	.132	.065	.124	2.040	.043
	SQUALITY	.257	.075	.250	3.454	.001
	Satisfaction	.445	.078	.404	5.732	.000
a. Dependent Variable: CLOYALTY						

Based on the Model Summary Table **10**, it showed R Square or coefficient of determination on table above is (.559). This shows that customer's loyalty variations explained 55.9 % by the variations in the customer satisfaction, hotel system, service quality and price. Also, multiple linear regression was performed for determining best set of predictors' variables in explaining customer's loyalty (EDCCL). The table **11** ANOVA showed F-statistics (65.064) was large and P-value (.000) was highly significant, it indicated that there was linear relation between customer's loyalty (EDCCL) and predictors' variables (Customer Satisfaction (EDCST), Service Quality (EDCSQ), Hotel System (EDCHS), and Price (EDCPrice)). Finally, Based on Coefficient table **12**, three predictors' variables which are hotel system (p=0.043 < alpha) and service quality (p= .001 < alpha) customer satisfaction (p= 0.000 < alpha) were found to be significance in explaining customer loyalty. Meanwhile, price not able to show any significant result which are (p= 0.167 > alpha). The largest beta coefficient was found customer's satisfaction (beta=.404), followed by service's quality (beta=.250) than hotel system (beta= 0.124). It means that customer's satisfaction made the strongest contribution in explaining Customer's Loyalty (EDCCL). It suggested that increasing one standard deviation in customer's satisfaction was followed by (.445) increasing in standard deviation on customer's loyalty. Service's quality was the second highest indicated that it made the lower contributions than customer's satisfaction than hotel system the lowest.

3.4 Hypothesis Evaluation

According to the table of coefficient in table **[9]**, customers' satisfaction has mediate the relation between hotel price, hotel

system and service quality P-value = (.009), P-value = (.000) and P-value = (.000) respectively, which are significant and the hypothesis was accepted. That means there is mediating effect for customers' satisfaction between hotel price, hotel system and service quality and customers' loyalty. In consistent with by Chevers & Spencer (13) which discovered that hotel guest satisfaction can lead to guest loyalty, but it is critical that hotels maintain a consistently high service standard

Also, According to the table of coefficient in table **[12]**, hotel price not effecting on customers' loyalty p-value = (0.167) as it showed that is insignificant, and that means the hypothesis was rejected. It is found not consistent with the research of (20,22), hotel's price could be set in higher or lower rate. Therefore, Price considered an important aspect in many products and services offering categories. That was due to customers see the price for each room offered in this hotel is not reasonable or not wreath the money paid as fee for the rooms or maybe due to that the price of the additional activities offered at this hotel is not reasonable.

Hotel system has positive effect on the customers' loyalty P-value = (.043) which was significant ($p <$ alpha = .05), and that means the hypothesis was accepted. Besides that, service quality has positive effect of customers' loyalty p-value = (0.001) which significant and that the hypothesis was accepted. Moreover, the hypothesis of customers' satisfaction has effect on the customers loyalty was accepted p-value = (0.000) which is significant. This result consistent with the previous result in (15,19,36).

As a result, hotel price has direct effect on customers' loyalty but it did not have effect on the customers' loyalty throughout the mediating effect of customers' satisfaction. Also, there were direct and indirect effect from hotel's system and Services' quality on customers' loyalty throughout mediating effect of satisfaction.

4. Discussion

Based on statistical results of tests was conducted to address the researcher's objectives in this study which exploring and examining independent variables influences on customer's loyalty. This study explored how Price, Service's Quality, Hotel System, Customer's Satisfaction are related to Customer Loyalty to stay at EDC Hotel. The result indicated that overall all variables are related to Customer's Loyalty. This mean that the better Price, Service's Quality and Hotel System, the higher customer's satisfaction towards customer's loyalty to stay at EDC Hotel. In this study, all the variables show the positive correlation which is significant with the customer loyalty to stay in EDC Hotel except the price variable.

This study has presented information on the customers' loyalty in that if the customer has to decide, he will choose to stay in this particular hotel again. Also, the customers put in their consideration while deciding which hotel to stay in, the people positive opinion about this hotel. Customer intended to speak highly about the well services of this hotel to his colleagues and friends. The customer has a trust towards this hotel that cause customer to be loyal to stay in this hotel whenever they have the chance to do so.

It is difficult to achieve customers satisfaction in terms of the price, that was due to people are varied in their evaluation for the value set in products or services offered for them. Some customers see the price for room they got are wreath, however most of them think the price of food and drink is not reasonable or the price of the additional activities offered at this hotel is not reasonable.

For the hotel system, if the information is accessible from counter receptionist that will cause the customers to be satisfied from the hotel system. Also, Reliable of Internet/Wi fi, the booking system technology is friendly use in any website, Information about services and promotion in the hotel are clear and accurate and online payment services can create satisfaction among customers which lead customers to be loyal for the hotel.

Service quality is the important predictor for the customers' loyalty that was due to the ability of the staffs to anticipate the customers' needs. Also, Timeliness of check in and out, Cleanliness of room, Comfort of room and bed and Bathroom facilities playing important role in evaluating service's quality provided by hotel.

4.1 Practical Implications

The research was conducted to investigate the consistency in the previous literacy regarding Services Quality and Hotel System influencing the customers' loyalty throughout the customers' satisfaction for EDC Hotel Malaysia. Also, to identify areas for service improvement by providing more explanation for these factors affecting customers' satisfaction comparing to the previous researches in this area. This research is important to the academic literacy, which it reinventing the wheel of academic research in business area by providing more explanation for two important variables that affecting the customers' loyalty researcher themselves which are Services Quality and Hotel System.

Also, for the industry implication, if management provides a good trained for their staff emphasis on working team to improve service quality to benefit their customers, the hotel's runs will be more smoothly, as a result, customers' satisfaction will be greater. The constant's goal in the staff's mind should be centred on customer's satisfaction. Customers in hotels' industry are influenced by reputation for complaints and high expectations. If the staff were given well training in managing complaints, they would do better overall in the services provided. Good hotel's management and staff recognized, providing adequate and expected services and even offering some extra options that customers may not think about. Beside swimming pool, hotel might offer seaside activities such as games. Besides that, convention hotel which focussing primarily for business may offer by first classes amenities such as trustworthy internet (Wi-Fi), visionaries conferences' equipment such as (Visio), and excellent audio system.

From managerial perspective, this study provided valuable inputs for customers' service and hotel system. There are key aspects that hotel management should seek audience from the hotel' customers and visitors on what the hotel's management should provide, that will help the management for strategy integration to provide the necessary services and facilities to meet the customers need and expectations.

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