Research Article

Customer Purchase Intention towards Physical Environment of 5 Star Hotels in Kuala Lumpur

Lee May Yin, Mohamad Azrin Jamaludin, Nor Akma Sharmiemie Che Ab Hamid, Nurul Ashikin Al-Azmi & Nor Maizana Mat Nawi
Faculty of Hospitality, Tourism and Wellness, Universiti Malaysia Kelantan
Corresponding email: maizana.mn@yahoo.com

ABSTRACT

The study explores the factors of physical environment that influence the customer purchase intention towards 5 star hotels in Kuala Lumpur. A survey was conducted and 384 respondents completed the questionnaires. The results showed that customers prefer to book for a stay in 5 star hotels based on the physical environment. The development of hotel environment creates a variation of intention to purchase consisting three factors which are ambiance, décor and layout. Quantitative research method was used in collecting all the data and a set of questionnaire was created. Moreover, reliability analysis, descriptive analysis, Spearman's correlation coefficient and mean analysis were used to analyse the data in this research. The results express factors that hotels can rely on in customer purchase intention of physical environment to provide better products and services.

Key Words: Purchase Intention, Physical Environment, Ambiance, Decor, Layout

INTRODUCTION

In the past few years, many customer behavior intention studies have agreed that customer purchase intention can be influenced by the physical environment (Reimer & Kuehn, 2005). Ailawadi, Neslin and Gedenk (2001) defined purchase intentions as customers' willingness to obtain certain products or services. Outcomes in these studies showed that creating more enjoyable and innovative atmosphere contributes to the success of an organization. In fitting to reach the substantially high satisfaction of their purchase, the elements of tangible including physical environments cannot be ignored. According to Ryu and Jang (2007), although there is a significant measure of the study about the effects of physical environment on human psychology and actions, previous research has been conducted to one or more specific physical environmental factors such as lighting and music.

This study aims to investigate the factors that influence customer purchase intention towards physical environment of 5 star hotels in Kuala Lumpur. According to Bitner (1992), physical environment gives an important role for hedonic service to the guest at the hotel. Besides, there are the studies from past researcher mostly focusing on physical environment which are lighting, layout, table setting and service staffs. Besides, there are also a previous study by other researcher about cleanliness, courtesy, security, attractive atmosphere and service setting but there are limited studies conducted on ambiance, décor and layout. Therefore, this study aims to examine the factors that influence customer purchase intention towards physical environment of 5 star hotels in Kuala Lumpur and to analyse the relationship between ambiance, decor as well as layout and customer purchase intention towards 5 star hotels in Kuala Lumpur. There are two objectives of this research:

1.1 To examine the factors that influence customer purchase intention towards physical environment of 5 star hotels in Kuala Lumpur.
1.2 To analyse the relationship between ambiance, decor and layout in influencing customer purchase intention towards 5 star hotels in Kuala Lumpur.

Significance of the Study

Researchers

This research gives good information to a new researchers and new entrepreneurs who are related with this topic. The studies were related to entrepreneurs by giving them knowledge about customer purchase intention and physical environment in hotel industry. The knowledge is useful to be applied in business world. This paper serves as a basic outline on how to conduct a research involving what and how the research was done. This could be used as a reference for future researchers that wishes to study on this issue. Future researchers could do their literature review based on this study to gain an idea on the results on previous research shows.

Hospitality Industry

The hospitality industry focuses on customer satisfaction and providing specific experience for them. It is a unique industry because it depends so intensely on optional salary and free time. It is important that the results of this study will benefit hotels that provide good physical environment such as ambiance, decor and layout for customer. The researcher needs to study how physical environment attracts customers and increases their purpose to purchase the hotel products and services. Physical environment affects the number of guests and a company's goal can be achieved by perfectly meeting the needs and giving good impression to customers.

Consumers

This paper gives the impact to consumer knowledge and guideline to choose the best environment they want during a stay in the hotel. This study allows useful information and gives opinion to customers to make decisions on their own. This research also makes a contribution to the knowledge of consumer's behavioural intention to purchase a product while they observe the physical environment that owner of the hotel provide for them.

LITERATURE REVIEW

Customer Purchase Intention

Customer purchase intention is defined as consumer ability or plan to purchase a specific product or services in the future (Wu, Yeh & Hsiao, 2011). Customer purchase intention has been utilized widely as a main idea in market research to specify customer purchasing intention (Yang & Mao, 2014). Generally, customer satisfaction is described as how customers access to production after consuming a product as well as how they evaluate the services of product by matching it with products from other organization within the same industry. Researchers have proposed six phases of product which are awareness, knowledge, interest, preference, persuading and consumption before purchasing (Kotler & Armstrong, 2010; Kawa, 2013). As stated by Smallman and Moore (2010), the environmental elements affect the decision procedure indirectly, through way of affecting individual factors to purchase the product.

Physical Environment

The significance of the physical environment of the hotel has been underlined by many researchers. Physical environment is characterized as the material surroundings of a place consisting of design, decoration, layout and aesthetics. Since physical environment is described as an outward appearance of the service providers, establishing customer expectations can be critical through preparing the quality of the intangible service through the tangible indication (Berry & Parasuraman, 1991). According to Bitner, 1992, physical environment is one of the crucial elements in distinguishing service organization and shape the nature of customer experiences. Sufficient physical environment in this sense results in more promising customer's responses like the comfort sensitivity and increasing positive verbal trust (Ryu & Han, 2012).

Ambiance

According to Kotler (1973), to produce specific emotional effects in buyers, it is the conscious design of a space that enhances their buying probability. The atmosphere consists of a set of elements like lighting, music, scent, and color.

Furthermore, Mehrabian and Russell (1974) first introduced a theoretical model to explain the impact of environmental stimuli on individual behaviour. Likewise, Ryu and Jang (2000) found that atmosphere such as music, temperature, aroma and appearance of employees had the most important influence on the emotional responses of customers, which in turn affect customers' purchase intentions after purchase. An expensive hotel has soft lighting and peaceful music, as well as a pleasant, relaxing ambiance. Berglund and Halvarsson (2008) stated that environmental background aspects such as lighting, different kinds of noise, music and temperature are the ambient conditions. The ambiance is the quality of the surrounding space that customers perceive.

Décor

Décor plays a huge role as the marketing strategy by influencing customer intention and responses such as satisfaction, behaviour, attitude, emotion, price perception and also value perception (Wall & Berry, 2007; Han & Ryu, 2009; Pullman & Gross, 2004; Pullman & Robson, 2007; Ryu & Jang, 2007). In line with that, Bitner (1992) stated that décor is considered as an attention in research on atmospherics which includes exterior and interior design same goes as the ambient condition of service provision. Decoration may be influenced by the colour schemes, wall or floor covering, furniture, picture or painting, and flower or plant to increase the view quality of an area, catch customer emotion and influence their intention (Ryu & Han, 2011). Moreover, Ryu and Jang (2008), typically classified colours, shapes, style, décor, and artwork, as "facility aesthetics" and describes that physical environment, including the overall layout, decoration, design, and aesthetics (Bogicevic, Bujisic, Cobanoglu & Feinstein, 2018).

Layout

Architectural design books reported that layout factors include the hotel size, standard or hotel range, arrivals and departures pattern, bookings and tour arrangement, seasonality and length of stay (Lawson, 1976; Rutes & Penner, 1985). Spatial layout is the way objects are arranged within the environment such as the machinery, equipment, and furnishings. Thus, the layout in a space practically have a function or useful in needs. The layout can directly affect costumer perceptions of quality, pleasure, excitement, and also indirectly on the repurchase intention. The crowding in the layout should be reduced to give customer a favourable impression. According to Bitner (1992), the accessibility to the layout refers to the organization of furnishings, equipment, passage ways and service areas. Accessibility of the layout should include signage. It is observed in the studies that the dimension of accessibility include clear location signage and noticeably signed fire exits and routes (Robinson & Callan, 2005).

Research Hypothesis

In this study, there are three hypotheses to find out whether there are any correlations or relationship between dependent variables and independent variables:

H1: There is a significant relationship between ambiance and customer purchase intention towards physical environment of 5 star hotels.
H2: There is a significant relationship between decor and customer purchase intention towards physical environment of 5 star hotels.
H3: There is a significant relationship between layout and customer purchase intention towards physical environment of 5 star hotels.
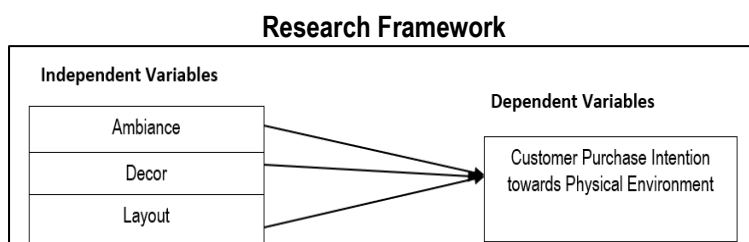
Research Framework

Figure 1: Research Framework of Customer Purchase Intention Towards Physical Environment of 5 Star Hotels In Kuala Lumpur
Adopted from Mary J Bitner(1992)

METHODOLOGY

Research Design

This study used the quantitative method through a questionnaire. The questionnaire except the profile are set in Six-Point Likert Scale and the assigned points are 1 to 6 which ranged from 1=strongly disagree, to 6=strongly agree. Respondents are required to rank their respond based on the questions given by the researcher. From this analysis, respondents might had chosen the different scale while answering for the provided questions. The responses were based on the respondents' experience and knowledge.

Data Collection

In the first stage, the data collection used in this study is primary data only. Burns and Bush (2010) stated that primary data referred to the original data that were collected for the first time and not been published yet. The sources for primary data are survey, interview, questionnaire, and observation through online journal, website, and databases.

The second stage of data collection was a fieldwork. A set of questionnaires was distributed to the population to collect the data from the respondents and online journal to find the literature review. This questionnaire collects the facts or the opinions based on the respondents' opinion related to the topics. The questionnaire had three sections which are section A for demographic data of the respondents, section B for customer purchase intention and C for factors of physical environment. The questionnaire was presented in bilingual language to make sure the respondents understand the research. For the online journal, the researchers used Emerald insight, EBSCO host, Infotrac, ProQuest and other websites. This method is really useful for the collection of data in a large population.

Sampling

The sampling method used in this study was the equation that developed by Krejcie and Morgan (1970) in determining the sample size. Besides, the researchers also referred to the sample size for finite populace which is equivalent to or exceeding 1,000,000, the required sample size is 384. In achieving reliable and valid sample of this study, the researchers used the equation from Krejcie & Morgan (1970) to determine the sample size. The formula is shown below:

$$S = \frac{x^2 Np(1-p)}{e^2(N-1) + X^2 p(1-p)}$$

n = sample size
N = population size
e = the degree of accuracy expressed as proportion (0.05)
x^2 = chi-square of degree of freedom 1 and confidence 95% (3.841)
p = proportion of population (if unknown, 0.5)

Data Analysis

There were three data types of data analysis used in this study were frequency analysis, descriptive analysis and reliability analysis. The data obtained was analysed by using Statistical Package for the Social Science (SPSS).

FINDINGS

Table 1
Profile of Samples

Respondent Profile	Classification	Frequency (N=384)	Percentage (%)
Gender	Male	153	39.8
	Female	231	60.2
Age	21-30 years old	200	52.1

	31-40 years old	95	24.7
	41-50 years old	67	17.4
	50 years old and above	22	5.7
Race	Malay	230	59.9
	Chinese	88	22.9
	Indian	46	12.0
	Others	20	5.2
Working status	Government Servants	114	29.7
	Private Sector	112	29.2
	Self-employed	130	33.9
	Others	28	7.3
Monthly income	RM1500 and below	112	29.2
	RM1501-RM3000	111	28.9
	RM3001-RM4500	106	27.6
	RM4501 and below	56	14.3

Table 1 shows the characterization 384 of the respondents. There 60.2 % male, 52.1% age between 21 to 30 years old, 59.9 % Malay races, 33.9% were self-employed, and had 29.2% of monthly income.

Table 2
Mean, Standard Deviation of Items and Subsections (n=384)

Subsection	Items	Mean	SD
Ambiance	Lighting of the hotel must be interesting.	5.21	0.865
	Music gives a pleasant feeling for guests at the hotel lobby.	4.98	0.983
	Air freshener needs to be prepared to eliminate odor.	5.46	0.725
	Temperature of the hotel lobby must be cool and comfortable for a hotel guest. be	5.31	0.775
	More no smoking sign is required to maintain air quality.	5.47	0.830
	Subsection mean scores	**5.29**	**0.593**
Décor	Choices of the theme colours at the hotel successfully create attention.	5.24	0.825
	The hotel decorations also create the memories presentation.	5.20	0.856
	The style of décor successfully creates confidence to me.	4.93	0.978
	Creative decoration of interior design in the hotel gives an inspiring idea to me.	5.11	0.901
	The color of the furniture and its fabric looks elegant.	4.60	1.152
	Subsection mean scores	**5.02**	**0.705**
Layout	Retail and dining options are nearby and always available to customers.	5.27	0.832
	The signs of airport clearly direct me to services like parking, car rentals, terminals, ATM etc.	5.42	0.740
	Layout is arranged appropriately to avoid crowding of passenger and easy movement.	5.30	0.750
	Layout is designed nicely to cater passengers with specific needs such as disabled, smokers, pregnant women etc.	5.38	0.799
	Baggage trolleys are unavailable and inconveniently located.	5.34	0.740
	Subsection mean scores	**5.34**	**0.621**
Customer purchase Intention	I prefer to change my initial purchase intention after searching relevant information about hotels' physical environment.	4.85	0.992
	The ambience of the hotel influences my purchase intention.	5.20	0.904

The décor of the hotel influences my purchase intention.	4.91	0.992
The layout of the hotel influences my purchase intention.	4.93	0.969
I would like to recommend this hotel to peers or friends after purchase.	5.06	0.916
Subsection mean scores		
	4.99	**0.660**

Table 2 summarises the segment information of the mean score attained as of a descriptive analysis. The overall mean score and standard deviation of variables and sub variables were designed based on 6 point Likert scale (1=strongly disagree to 6=strongly agree). Of the 4 subsections, the subsection "layout" (mean=5.34, standard deviation=0.621) scored the highest, supporting customers' purchase intention towards physical environment of 5 star hotels at Kuala Lumpur. "Ambiance" (mean=5.29, SD=0.593) scored the second highest of customers purchase intention towards physical environment. It can be derived that respondents believe that the environment give impact to the customer behaviour. In addition, the subsection of "decor" (mean=5.02, SD=0.705) scored the third highest of customers' purchase intention towards physical environment. The effective spatial layout of the physical environment is very significant because the physical environment in service settings is to purposely accomplish and satisfy the specific wants and needs of customers (Bitner, 1992). The subsection of "customers' purchase intention" scored the lowest from other subsections of physical environment at 5 star hotels at Kuala Lumpur (mean=4.99, SD=0.660).

Table 3
Relationship Testing and Discussion of Results

Hypothesis	Result	Findings of Data Analysis
H1: There is a significant relationship between ambiance and customer purchase intention towards physical environment of 5 star hotels.	r = 0.507** p = 0.000 Moderate positive (negative)	H1: Accepted
H2: There is a significant relationship between decor and customer purchase intention towards physical environment of 5 star hotels.	r = 0.553** p = 0.000 Moderate positive (negative)	H2: Accepted
H3: There is a significant relationship between layout and customer purchase intention towards physical environment of 5 star hotels.	r = 0.477** p = 0.000 Low positive (negative)	H3: Accepted

Table 3 shows that ambiance (r= 0.507, p-value= 0.000) is significantly related to customer purchase intention towards physical environment of 5 star hotels. Therefore, ambiance factor has a moderate positive relationship that influences customer purchase intention towards physical environment of 5 star hotels in Kuala Lumpur. Hence, H1 which is to measure the relationship between customer purchase intention and ambiance is accepted. From this result, it can be specified that the respondents believe that the environment condition gives impact to customer behaviour. Furthermore, Jani and Han (2014) stated that a comfy ambiance turns to boost customer satisfaction. For example, customers these days are about improving their life quality and enjoying a comfortable hotel environment (Xiao, 2018).This can be supported by Jysmä (2012) in her study that homey and warm ambiance of the hotel other than peaceable place are also essential details to customer.

Table 3 also shows that décor has a moderate relationship with customer purchase intention towards physical environment at 5 star hotels in Kuala Lumpur with (r =0.553, p-value=0.000). Hence, H2 which is to measure the relationship between customer purchase intention and decor is accepted. This can be supported by Freund and Munsters (2005) who found in their study that the experience of a stay at the hotel can be influenced by the design features. In other words, customers will have a different experience every time they stay in a hotel (Nobles & tom, 2001; Rowe, 2003).

Layout factor has a low positive relationship that influences customer purchase intention towards physical environment of 5 star hotels in Kuala Lumpur. It can be clearly seen as low positive relationship with correlation coefficient of 0.477. On the other hand, the significant level of layout and customer purchase intention was 0.000. Hence, H3 which is to measure the relationship between customer purchase intention and layout is accepted. The effective spatial layout of the physical environment is very significant because the physical environment in service settings is purposefully to accomplish and satisfy the specific wants and needs of customers (Bitner, 1992). Correspondingly, Tombs and McColl-Kennedy (2003) claimed that customers' wants and needs affect repurchase intention through effectiveness and cognitive responses linked with the service staffs. Furthermore, Caro (2001) also stated that one of the most common errors in designing a hotel lobby is the front desk is not directly noticeable to arriving customers and traffic flow from the front desk to the elevators is not smooth in layout.

DISCUSSION & RECOMMENDATION

The main hypotheses of this study are focused on exploring the factors of physical environment that influence the customer purchase intention towards 5 star hotels in Kuala Lumpur. Limitations and recommendation aimed at future research and conclusions are all included in this chapter. This study hypothesizes that hoteliers consider targeting high extraverts and high agreeableness individuals at the same time elevating their hotel ambiance with the assurance of satisfying the guest leading into loyalty (Lin, 2010). In other word, the relationship becomes stronger when customers experience favorable hotel ambiance condition (Dev & Han, 2013).

The effective spatial layout of the physical environment is very significant because the physical environment in service settings is purposefully to accomplish and satisfy the specific wants and needs of customers (Bitner, 1992). This is supported by Law and Hsu (2005), who found that guests searching for reservation information as the most important influence, and the most important attribute like room rates, and when guests were looking for high quality accommodations and website quality affected their purchase intentions. The limitation that has been discovered is the lack of previous studies in the research area. Besides, this study only focused on three independent variables which are ambiance, décor and layout as physical environment Thus, it is limited and future researchers could explore other factors. Next, the data collection of distributing questionnaires via Google Form at 5 star hotels only at one place which is Kuala Lumpur. Thus, it causes limitation in this study.

For the recommendation, the researchers recommend several suggestions to further improve the result of this study. Firstly, future researchers could consider the variable of the study to other variables such as social environment and use other variable of physical environment such as service scape and others. Additionally, future researchers could future researches could study about other hotel locations and rating stars because different cities in Malaysia would give different results. For data collection, future researchers could focus on methods like direct approach which is a face to face method in order to to explain about the questions in the questionnaire.

CONCLUSION

In conclusion, this study examines the relationship among determinants of physical environment (ambiance, décor, and layout) and customer purchase intention in five star hotels. A whole amount of 386 questionnaires were collected from the targeted respondents. From 386 questionnaires collected, 384 questionnaires were usable, can be examined and used for analysis. For independent variable which is ambiance, the measurement showed moderate coefficient value of 0.507 while decor scored coefficient value of 0.553. Furthermore, layout gained 0.477 that was the low positive correlation. This study reveals that customer purchase intentions are positively related to physical environment. In addition, the study found that 'decor' is the most important dimension while 'layout' was the least important that influenced customer purchase intention in 5 star hotel. Such results can be foretold about how to defame their physical environment so that customer purchase intention can be more effective. It can therefore be resolved that all physical environment team members need to know the best way to motivate customer purchasing behaviour.

REFERENCES

Ailawadi, K. L., Neslin, S. A., & Gedenk, K. (2001). Pursuing the value-conscious consumer: store brands versus national brand promotions. Journal of marketing, 65(1), 71-89.

Berglund, M., & Halvarsson, Y. (2008). Managing the physical environment in services organizations: a case study of the servicescape's affect on relationships between customers and employees.

Berry, L. and Parasuraman, A. (1991), Marketing Services, The Free Press, New York, NY.

Bitner, M. J. (1992). Servicescapes: the impact of physical surroundings on customers and employees. Journal of marketing, 56(2), 57-71.

Bogicevic, V., Bujisic, M., Cobanoglu, C., & Feinstein, A. (2018). Gender and age preferences of hotel room design. International Journal Of Contemporary Hospitality Management, 30(2), 874-899.

Freund de Klumbis, D. and Munsters, W. (2005). Developments in the hotel industry: design meets historic properties". Retrieved from http://bibemp2.us.es/turismo/turismonet1/

Han, H., & Ryu, K. (2009). The roles of the physical environment, price perception, and customer satisfaction in determining customer loyalty in the restaurant industry. Journal of Hospitality & Tourism Research, 33(4), 487-510.

Jani, D., & Han, H. (2014). Personality, satisfaction, image, ambience, and loyalty: Testing their relationships in the hotel industry. International Journal of Hospitality Management, 37, 11-20.

Jysmä, E. (2012). The physical environment and its relevance to customer satisfaction in boutique hotels; Hotel Haven, Helsinki.

Kawa, L. W., Rahmadiani, S. F., & Kumar, S. (2013). Factors affecting consumer decision-making: a survey of young-adults on imported cosmetics in Jabodetabek, Indonesia. SIJ Transactions on Industrial, Financial & Business Management, 1(5), 175-180

Kotler, P., & Armstrong, G. (2010). Principles of marketing. Pearson education.

Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. Educational and psychological measurement, 30(3), 607-610

Pullman, M. E., & Gross, M. A. (2004). Ability of experience design elements to elicit emotions and loyalty behaviors. Decision sciences, 35(3), 551-578.

Pullman, M.E., Robson, S.K.A., (2007). Visual methods: using photographs to capture customers' experience with design. Cornell Hotel and Restaurant Administration Quarterly 48 (2), 121–144

Reimer, A., & Kuehn, R. (2005). The impact of servicescape on quality perception. European Journal of Marketing, 39(7/8), 785-808.

Robinson, L. S., & Callan, R. J. (2005, April). UK conference delegates' cognizance of the importance of venue selection attributes. In Journal of Convention & Event Tourism (Vol. 7, No. 1, pp. 77-95). Taylor & Francis Group.

Ryu, K., & Han, H. (2011). New or repeat customers: how does physical environment influence their restaurant experience? International Journal of Hospitality Management, 30(3), 599-611.

Ryu, K., & Jang, S. (2008). DINESCAPE: A scale for customers' perception of dining environments. Journal of Foodservice Business Research, 11(1), 2-22.

Ryu, K., & Jang, S. S. (2007). The effect of environmental perceptions on behavioral intentions through emotions: The case of upscale restaurants. Journal of Hospitality & Tourism Research, 31(1), 56-72.

Smallman, C., & Moore, K. (2010). Process Studies Of Tourists'decision-Making. Annals of tourism research, 37(2), 397-422.

Tombs, A., & McColl-Kennedy, J.R. (2003). Social-servicescape conceptual model. Marketing Theory, 3, 447–475.

Wall, E. A., & Berry, L. L. (2007). The combined effects of the physical environment and employee behavior on customer perception of restaurant service quality. Cornell hotel and restaurant administration quarterly, 48(1), 59-69.

Wu, P. C., Yeh, G. Y. Y., & Hsiao, C. R. (2011). The effect of store image and service quality on brand image and purchase intention for private label brands. Australasian Marketing Journal (AMJ), 19(1), 30-39.

Yang, L., & Mao, M. (2014, June). Antecendents of Online Group Buying Behavior: from Price Leverage and Crowd effect Perspectives. In PACIS (p. 89).