HOSPITALITY SERVICE QUALITY AND TOURIST SATISFACTION: A COMPREHENSIVE REVIEW OF EMPIRICAL EVIDENCE AND THEORETICAL INSIGHTS

Sarmela A/P Renganathan[1]*, Nor'ain Binti Hj. Othman[2] and Zurinawati Binti Mohi[3]

[1]PhD Candidate, Faculty of Business, Lincoln University College, Malaysia
[2]Professor, Faculty of Business, Lincoln University College, Malaysia
[3]Associate Professor, Faculty of Business, Lincoln University, College, Malaysia

ABSTRACT:

This review paper examines the extensive body of literature on the relationship between hospitality service quality and tourist satisfaction, integrating theoretical models and empirical findings across diverse hospitality contexts. Drawing from foundational works such as Expectancy-Disconfirmation Theory and Social Exchange Theory, and based on studies conducted in Malaysia and other global contexts, this review synthesizes common themes, methodological approaches, and contradictory outcomes. The findings underscore the complexity of tourist satisfaction, revealing that service quality is an essential yet not always sufficient predictor of satisfaction. The review concludes with directions for future research and practical implications for hospitality management.

KEYWORDS: Hospitality Service Quality, Innovation, Tourist Satisfaction, DOI, Social Exchange Theory

INTRODUCTION:

The tourism and hospitality sector plays a pivotal role in national economies, especially in emerging markets such as Malaysia. The link between service quality and tourist satisfaction has been widely studied, yet results remain mixed. This review aims to consolidate insights from key studies to highlight the state of knowledge and unresolved questions in the field. One of the most significant observations from the study is that tourist satisfaction is heavily influenced by the emotional and experiential value derived during the stay, particularly in boutique hotel environments. The study highlights that boutique hotels provide a highly personalized service, often perceived as more authentic and intimate compared to standardized chain hotels. This perception positively shapes the emotional response of tourists, aligning with satisfaction theories proposed by Oliver (1997) and supported by Zeithaml, Berry, and Parasuraman (1996), who emphasize that satisfaction arises when perceived service matches or exceeds prior expectations.

Moreover, the study reports that service quality alone does not always guarantee satisfaction. Many boutique hotel guests, especially repeat visitors, expect innovative features in service delivery, such as digital check-in, mobile concierge services, and curated local experiences. These results echo the findings of Ghasemi, Ismail, and Noor (2024), who noted that customer experience acts as a mediator between service innovation and satisfaction. According to the study data, emotional satisfaction stems not merely from efficient service delivery but from a sense of value-added uniqueness that boutique hotels are increasingly offering.

In addition, the study demonstrates that tourists' satisfaction is significantly enhanced by perceived innovation. Features such as eco-friendly practices, room automation, and unique design aesthetics are viewed as reflective of the hotel's commitment to quality and modernization. These findings are consistent with Cabral, Lopes, and Oliveira (2023), who

discussed how digital transformation in hospitality drives customer satisfaction by improving perceived value and experience personalization.

The study also emphasizes that staff responsiveness and service personalization have a stronger influence on satisfaction than traditional SERVQUAL dimensions like tangibility and reliability. Tourists reported higher levels of satisfaction when staff members recognized them by name, offered personalized suggestions, or proactively attended to their needs. This observation aligns with the study by Stylos et al. (2021), which identified emotional engagement and interpersonal interaction as central factors in tourist satisfaction in hotel environments. The study emphasizes that boutique hotels operate within a niche segment of the hospitality industry where the guest experience is highly dependent on personalized services and emotional fulfilment. Unlike standardized hotel chains, boutique hotels in Malaysia often emphasize themes such as cultural immersion, personalized room aesthetics, and interaction with local communities. These features play a vital role in shaping the satisfaction levels of international and domestic tourists, as they align closely with growing demand for authenticity and experiential travel. A recurring theme in the study is the concept of "emotional value," which is described as the intangible benefit guests receive when services exceed mere functionality. The study notes that emotional value is especially relevant in the context of boutique hotels, where the ambiance, staff attitude, and unique service encounters collectively contribute to a memorable stay. This aligns with the findings of Stylos et al. (2021), who argue that customer engagement in hospitality increasingly depends on emotional resonance rather than transactional efficiency.

The Malaysian boutique hotel industry, according to the study, is particularly sensitive to customer feedback and reviews, which are often used as real-time performance indicators. Management tends to prioritize innovation based on customer complaints, social media trends, and online travel agency reviews. This responsiveness contributes positively to satisfaction, as it creates a perception of adaptability and concern for guest needs. Furthermore, the study reveals that tourist satisfaction is not only tied to service quality, but also to destination-related factors, including proximity to cultural landmarks, transportation access, and safety. Guests often rate their entire tourism experience not just the hotel service as a holistic package, which means that satisfaction must be measured as a multi-dimensional construct. This insight supports the idea of integrating destination management strategies with hotel-level service planning to achieve higher satisfaction scores.

Another important point in the study is that the boutique hotel market is particularly reliant on repeat visitors and word-of-mouth promotion. The findings suggest that satisfied tourists are more likely to become brand ambassadors, especially when their experience is unique, emotionally fulfilling, and differentiated from competitors. Therefore, investing in innovative service features that go beyond basic expectations has a compound effect on customer loyalty and long-term profitability.

Finally, the study notes that tourist satisfaction also reflects broader contextual and cultural variables. In the Malaysian context, factors such as cultural warmth, multilingual staff, destination safety, and accessibility were found to significantly contribute to satisfaction. These findings support the view of Andrades and Dimanche (2017), who argued that destination-specific factors, including cultural resonance and competitive service offerings, shape overall tourist satisfaction beyond in-hotel service experiences.

The study emphasizes that service innovation plays a crucial role in shaping tourist satisfaction, particularly within the boutique hotel segment in Malaysia. Tourists increasingly seek differentiated service experiences that go beyond basic lodging, favoring hotels that integrate digital tools, unique design aesthetics, and local cultural elements into their offerings. These innovations help to deliver experiences that are not only efficient but also emotionally engaging and memorable.

The incorporation of digital transformation such as self-check-in kiosks, mobile concierge apps, and real-time guest feedback systems has been shown to contribute positively to perceived service value and guest satisfaction. According to Cabral, Lopes, and Oliveira (2023), such innovations in hospitality allow firms to differentiate their services and enhance the customer journey at every touchpoint.

The study further cites Stylos et al. (2021), who explore how emotional mechanisms of customer engagement are directly influenced by innovative service features in hotel environments. Personalized services, such as customized welcome packages or on-demand local experiences, lead to higher emotional connection and overall satisfaction.

Moreover, recent empirical studies have provided evidence that service innovation not only impacts satisfaction directly but also acts through mediating variables such as customer experience. For example, Ghasemi, Ismail, and Noor (2024) identified customer experience as a significant mediator between service innovation and satisfaction in boutique hotels, emphasizing that innovation must be guest-centric and contextually relevant to be effective.

In the Malaysian context, green and culturally embedded innovations have also been identified as strong influencers of tourist satisfaction. Falatoonitoosi, Ratnasingam, and Kamarulzaman (2022) found that sustainable practices and innovative value creation significantly increase satisfaction and perceived hotel quality, especially among environmentally conscious tourists. The study underscores that tourist satisfaction extends beyond rational evaluation of service performance and includes strong emotional and psychological components. Guests at boutique hotels often evaluate their experiences based on how the service made them feel—whether they felt welcomed, respected, valued, or surprised. This emotional dimension is critical, particularly in boutique hospitality settings where service encounters are less standardized and more personal. As supported by Stylos, Bellou, Andronikidis, and Vassiliadis (2021), customer satisfaction in such environments is directly tied to emotional engagement and the feeling of personal connection with the service provider.

An important component of emotional value identified in the study is aesthetic satisfaction, which arises from unique hotel design, ambiance, and curated guest experiences. These elements contribute to a memorable stay and foster positive emotional responses that feed into overall satisfaction. The study links this with Oliver's (1997) theory that satisfaction includes cognitive and affective dimensions, suggesting that emotional cues significantly influence whether a guest perceives their expectations to have been met or exceeded.

Additionally, the study emphasizes the importance of cultural sensitivity and contextual alignment in enhancing tourist satisfaction. In the Malaysian context, multilingual service delivery, staff friendliness, and respect for diverse cultural norms were found to be especially impactful for foreign tourists. This observation supports the findings of Andrades and Dimanche (2017), who argued that aligning service elements with local cultural and social expectations significantly enhances satisfaction in international hospitality contexts.

Another key aspect discussed in the study is the role of customer loyalty and intention to revisit, which are closely linked to satisfaction. Satisfied guests are more likely to recommend the hotel to others and to return in the future. This behavioral intention is influenced not only by service performance but also by the emotional impression left by the overall experience. Kandampully and Suhartanto (2000) also found that loyalty in the hotel industry is strongly tied to image and satisfaction, particularly when service is perceived as being sincere and emotionally resonant.

Finally, the study discusses how tourist satisfaction must be treated as a multidimensional construct. It is not just a result of one or two variables but rather a holistic evaluation shaped by service quality, emotional engagement, cultural comfort, value-for-money, and innovation. This supports the broader literature which suggests that satisfaction in tourism settings must be understood through a layered, integrative lens rather than a single-factor outcome (Cabral, Lopes, & Oliveira, 2023).

Methodological Trends:

Many studies, such as those by Kandampully & Suhartanto (2000) and Cronin et al. (2000), employed survey-based quantitative approaches, often using SERVQUAL or SERVPERF dimensions (Parasuraman et al., 1988). Common dimensions include tangibility, reliability, responsiveness, assurance, and empathy.

The methodology adopted in the study follows a quantitative research design aimed at examining the relationship between service innovation and tourist satisfaction within the context of boutique hotels in Malaysia. The rationale for using a quantitative approach lies in its ability to test hypotheses, quantify relationships among variables, and produce generalizable findings. The research model is grounded in existing literature and theory, specifically integrating constructs like service quality, emotional value, and customer satisfaction. These constructs were measured using structured questionnaires based on previously validated scales to ensure conceptual consistency and comparability with earlier studies (Oliver, 1997; Zeithaml, Berry, & Parasuraman, 1996).

The study employed a purposive sampling technique to target respondents who had stayed in boutique hotels across Malaysia. Boutique hotel guests were selected due to their direct experience with the service environment under investigation. A total of 300 questionnaires were distributed, of which 263 were returned and deemed usable after data cleaning. This sample size was considered adequate for structural equation modeling (SEM) based on established sample-size guidelines, which recommend a ratio of at least 10 responses per observed variable (Hair, Hult, Ringle, & Sarstedt, 2017). Respondents were screened to ensure that they had stayed at least one night in a boutique hotel within the past 12 months, ensuring relevance and recency of experience.

The questionnaire was divided into three main sections. The first collected demographic data such as age, nationality, income level, and frequency of travel. The second section measured independent variables such as innovation, service responsiveness, and emotional engagement, using Likert scale items adapted from prior studies including Cabral, Lopes, and Oliveira (2023) and Stylos, Bellou, Andronikidis, and Vassiliadis (2021). The third section addressed the dependent variable tourist satisfaction using items developed by Zeithaml et al. (1996) and Oliver (1997). A pilot test was conducted with 30 respondents to assess clarity and reliability. Based on the feedback, minor adjustments were made to improve question wording and layout, which enhanced the content and face validity of the instrument.

The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software. This technique was selected for its suitability in handling small to medium sample sizes and complex structural models. The model testing was conducted in two stages: assessment of the measurement model followed by the structural model. Internal consistency was tested using Cronbach's alpha and composite reliability, while convergent validity was assessed through Average Variance Extracted (AVE). All indicators met or exceeded the recommended threshold values (Hair et al., 2017). For hypostudy testing, path coefficients, t-statistics, and R-squared values were analyzed. The results confirmed that innovation and emotional engagement significantly and positively influenced tourist satisfaction.

Key findings:

The analysis showed a strong positive relationship between service innovation and tourist satisfaction. Guests who encountered technologically advanced, creative, and personalized services in boutique hotels expressed higher levels of satisfaction. Digital conveniences such as mobile check-ins, smart room features, and curated local experiences were especially appreciated, indicating that innovation plays a central role in shaping perceptions of service quality and value (Cabral, Lopes, & Oliveira, 2023). Emotional engagement emerged as a significant contributor to satisfaction. Tourists who felt personally

attended to through gestures like name recognition, culturally appropriate service, or staff empathy reported a stronger sense of loyalty and intention to revisit. The findings suggest that emotional connection enhances the effectiveness of innovation by adding meaning and depth to the service experience (Stylos, Bellou, Andronikidis, & Vassiliadis, 2021).

The statistical analysis using PLS-SEM confirmed that each independent variable innovation, service responsiveness, and emotional value had a significant and positive influence on tourist satisfaction. Path coefficients and significance values supported the strength of these relationships, while R-squared values showed that the model accounted for a meaningful proportion of the variation in satisfaction (Hair, Hult, Ringle, & Sarstedt, 2017). Differences across customer segments were also observed. International tourists were more responsive to design and digital innovation, while domestic tourists emphasized cultural familiarity and personalized service. This supports earlier findings on the need for cultural sensitivity and contextual alignment in hospitality (Andrades & Dimanche, 2017).

Recommended mediating and moderating variables:

Although the original study integrates perceived value as a mediating variable, future research could further enhance theoretical depth by incorporating additional mediators such as emotional engagement or customer experience. Emotional engagement reflects the affective response tourists develop during their stay, influenced by empathy, personalization, and service warmth. Several studies (e.g., Stylos et al., 2021) suggest that emotional engagement can explain how service innovations translate into satisfaction, as tourists may not respond directly to technical features but to the emotional experience those features facilitate.

In addition to mediators, moderating variables such as cultural background, travel purpose, and digital literacy could be introduced to account for variations in how tourists perceive and respond to innovation. For instance, international tourists may be more responsive to novelty and aesthetic differentiation, while local tourists may value familiarity and cultural alignment. This idea is consistent with research by Andrades and Dimanche (2017), who argue that service expectations and satisfaction evaluations are strongly shaped by cultural and contextual factors. Digital literacy is another potential moderator worth exploring, especially in studies focusing on service innovation. A tourist's comfort with technology may influence how effectively they engage with digital innovations such as self-check-in or mobile concierge services. Guests who are less technologically savvy may find such features confusing rather than convenient, which could reduce perceived value or satisfaction. Therefore, accounting for digital literacy can reveal subgroup differences in satisfaction pathways. Lastly, generational identity could moderate the innovation-satisfaction relationship. Younger travelers, such as Millennials and Gen Z, tend to value experiences driven by personalization and technology, while older segments may prioritize reliability and human interaction. Including such demographic factors would allow future studies to develop more targeted service strategies and contribute to the segmentation literature in hospitality.

Emotional and behavioural dimensions and context-specific factors:

Tourist satisfaction is not a singular or uniform response but a combination of emotional and behavioral dimensions. Emotionally, satisfaction arises from feelings of pleasure, comfort, or delight triggered by the service experience. This is especially relevant in boutique hotels, where aesthetic appeal, personalized service, and staff empathy can evoke strong affective reactions. Behavioral dimensions, in contrast, are reflected in actions such as recommending the hotel to others, revisiting in the future, or leaving positive reviews. Research by Stylos et al. (2021) demonstrates that emotional engagement significantly contributes to these behavioral intentions, suggesting that feelings generated during the stay often translate into loyalty-related behaviors.

These dimensions are closely intertwined. An emotionally satisfying experience increases the likelihood of favorable behavioral responses, creating a cycle of guest retention and brand

advocacy. The study reinforces this connection by emphasizing the importance of innovations that not only enhance efficiency but also appeal to the guest's senses and emotions. For instance, design features, ambient atmosphere, and cultural storytelling within the hotel can all create emotional resonance, which ultimately drives satisfaction and repeat patronage. At the same time, context-specific factors significantly influence how tourists interpret and respond to service experiences. These include cultural background, type of trip (leisure vs. business), prior travel experiences, and local service expectations. For example, a service considered innovative in one country may be seen as standard or impersonal in another. Andrades and Dimanche (2017) highlight that tourists' cultural values shape both their expectations and their satisfaction judgments, reinforcing the need for culturally sensitive service strategies. In the Malaysian context, boutique hotels must balance modern design and digital convenience with warm, culturally aligned hospitality in order to satisfy both local and international guests.

The study findings support the view that satisfaction is not solely driven by universal service standards but by how those services are perceived within specific contexts. Tourists interpret experiences based on personal, social, and cultural frames of reference. Therefore, future research and practice should avoid generalizations and instead focus on tailoring service innovations to meet the emotional and contextual needs of diverse tourist segments.

Discussion and future research directions:

The hospitality sector, especially the boutique hotel segment, is undergoing rapid transformation driven by shifting tourist preferences, digital disruption, and heightened expectations for personalized experiences. One of the most prominent emerging trends is the integration of service innovation through technology and design. Boutique hotels are increasingly adopting features such as mobile check-in, AI-assisted concierge services, and immersive digital storytelling to enhance guest experiences. These innovations are not just tools for convenience but have become strategic differentiators in emotionally engaging guests and fostering satisfaction (Cabral, Lopes, & Oliveira, 2023). Another trend shaping the industry is the growing demand for experiential and value-driven tourism. Travelers now seek meaningful, localized experiences that align with their identity, lifestyle, and values. This shift elevates the role of perceived value as a central driver of satisfaction. In this context, service innovation must go beyond functional improvements and resonate with guests at an emotional and cultural level. Hotels that successfully create memorable, emotionally rich encounters are more likely to earn guest loyalty and positive behavioral outcomes (Stylos et al., 2021; Zeithaml, Berry, & Parasuraman, 1996).

The findings discussed in the study suggest that innovation in hospitality services has a significant impact on tourist satisfaction, particularly when mediated by perceived value. However, the relationship is complex and influenced by emotional responses, personal expectations, and contextual factors. Emotional engagement, while not tested as a formal mediator in the study, consistently appears in the literature as a key mechanism through which service elements generate satisfaction. Similarly, demographic and cultural variables likely moderate how innovation is perceived and valued by different tourist segments (Andrades & Dimanche, 2017). These insights indicate that satisfaction is not only a reaction to what is offered but how it is personally and contextually interpreted.

Future research could benefit from extending the existing models by incorporating multi-dimensional mediators such as emotional engagement, customer delight, or service authenticity. Additionally, testing for moderating effects of cultural orientation, digital literacy, or trip purpose would offer a more nuanced understanding of satisfaction across guest profiles. As the industry continues to evolve, longitudinal studies could help capture how satisfaction shifts over time with repeated stays or changing innovations. Mixed-method approaches, combining survey data with qualitative interviews, may also enrich findings by uncovering deeper emotional narratives that cannot be measured by scales alone.

The integration of sustainability practices, wellness offerings, and hyper-personalization may also emerge as powerful predictors of satisfaction in the near future. Scholars should investigate how these evolving trends interact with innovation and value perceptions. Finally, comparative studies between boutique hotels and other accommodation types, such as luxury or budget hotels, could highlight whether these relationships hold across segments or are specific to the boutique hotel experience.

REFERENCES:

Andrades, L., & Dimanche, F. (2017). Destination competitiveness and tourism development in Russia: Issues and challenges. *Tourism Management, 62*, 360–376. https://doi.org/10.1016/j.tourman.2017.05.008

Cabral, J. E., Lopes, J. M., & Oliveira, M. (2023). Innovation and digital transformation in hospitality services: A pathway to customer satisfaction. *Journal of Hospitality and Tourism Technology, 14*(2), 258–274. https://doi.org/10.1108/JHTT-09-2022-0216

Cronin, J. J., Brady, M. K., & Hult, G. T. M. (2000). Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments. *Journal of Retailing, 76*(2), 193–218. https://doi.org/10.1016/S0022-4359(00)00028-2

Dang-Van, T., Nguyen, T. H. H., & Ngo, L. V. (2024). Customer experience and satisfaction in boutique hotels: The role of service innovativeness and responsiveness. *Journal of Travel & Tourism Marketing, 41*(1), 23–40. https://doi.org/10.1080/10548408.2023.2286139

Falatoonitoosi, E., Ratnasingam, J., & Kamarulzaman, N. H. (2022). Green innovation, customer value, and satisfaction in the Malaysian hospitality sector. *Sustainability, 14*(4), 2123. https://doi.org/10.3390/su14042123

Fornell, C., Johnson, M. D., Anderson, E. W., Cha, J., & Bryant, B. E. (1996). The American customer satisfaction index: Nature, purpose, and findings. *Journal of Marketing, 60*(4), 7–18. https://doi.org/10.1177/002224299606000403

Ghasemi, R., Ismail, W. K. W., & Noor, N. M. (2024). The mediating role of customer experience in the relationship between service innovation and customer satisfaction in boutique hotels. *International Journal of Hospitality Management, 113*, 103608. https://doi.org/10.1016/j.ijhm.2023.103608

Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2017). *A primer on partial least squares structural equation modeling (PLS-SEM)* (2nd ed.). Sage Publications.

Kandampully, J., & Suhartanto, D. (2000). Customer loyalty in the hotel industry: The role of customer satisfaction and image. *International Journal of Contemporary Hospitality Management, 12*(6), 346–351. https://doi.org/10.1108/09596110010342559

Oliver, R. L. (1997). *Satisfaction: A behavioral perspective on the consumer*. McGraw-Hill.

Stylos, N., Bellou, V., Andronikidis, A., & Vassiliadis, C. (2021). Exploring the emotional mechanisms of customer engagement in hotels. *Journal of Hospitality and Tourism Management, 48*, 47–58. https://doi.org/10.1016/j.jhtm.2021.05.001

Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1996). The behavioral consequences of service quality. *Journal of Marketing, 60*(2), 31–46. https://doi.org/10.1177/002224299606000203