

International Journal of Applied Business and Economic Research

ISSN : 0972-7302

available at <http://www.serialsjournals.com>

© Serials Publications Pvt. Ltd.

Volume 15 • Number 24 • 2017

Dimensions and Outcome of Guest Experience in Malaysian Resort

M. Shobri Nor Diyana, Lennora Putit and Amily Fikry@Aziz

Lecturers of Faculty of Business and Management, Universiti Teknologi MARA, Malaysia

Abstract: Recently, research on customer experience has been extensively conducted in the hospitality and tourism field. However, there is still no mutual exclusive on customer experience dimensions because previous researchers applied different dimensions based on their interest. Therefore, the main objective of this study is to propose new dimensions of customer experience by blending functional and emotional experience with Experience Economy concept and assess its influence on guest loyalty in Malaysian resort setting. To achieve this research objective, questionnaires were distributed to 500 guests of beach and island resorts in Malaysia using quota sampling technique. A partial least squares based structural equation modeling (PLS-SEM) was subsequently applied to examine the hypotheses. Findings in this study reveal that service environment, service employee, esthetic experience and escapism experience are good predictors of guest loyalty. Thus, it could help make further understanding on customer experience in tourism and hospitality literature. This study also hopes to contribute to the resort industry by providing a detailed analysis of how guests' experience is formed and its influence on guests' loyalty behavior.

Keywords: Customer experience, functional and emotional experience, Experience Economy, resort.

I. INTRODUCTION

1.1. Background

Managing customer experience is important to businesses nowadays because it could increase and sustain business' competitive advantage (Hosany & Witham, 2010). Further, Pine and Gilmore (1998) assert that providing a memorable and satisfactory experience to the customers is the key success factor to businesses. This is because experience is a different economic offering just like products and services. Thus, it develops a unique value to the customers, difficult to imitate by the competitors and strongly influence positive behavior among customers (Pine & Gilmore, 1999).

Due to that, many industry begin to focus on managing and delivering superior customer experience (Knutson, Beck, Kim & Cha, 2006) including tourism. Tourism is viewed as an experience-intensive industry.

This is because tourists nowadays are much concerned on their travel and visit experience (Ali & Omar, 2014). This is due to the fact that they are looking for a unique, individualized, hedonistic, integrated and outstanding-quality of hospitality experience (Bharwani & Jauhari, 2013). In a discussion to understand experience in tourism context, Quan and Wang (2004) suggest that when tourists choose travel as an alternative to experience different culture, at the same time they are also demand for a better service quality mainly for food and accommodation. Thus, they proposed that tourists experience involve the integration of peak experience and supporting consumer experience.

Peak experience is refers to where tourist travels to a specific destination to experience on the art, cultural activities and heritage. Whereas supporting consumer experience refers to while traveling, tourists are also involve in accommodation, transportation, entertainment and shopping experience. For instance, a newlywed couple may have their honeymoon on a beach holiday, in which the beach is view as the peak experience. The holiday is also compliment with superior service quality provided by the beach resort which known as a supporting consumer experience. Quan and Wang (2004) conclude that both dimensions (peak experience and supporting consumer experience) are important in enhancing tourists' experience. Therefore, due to that, customer experience is considered as extremely relevant to tourism industry (Cetin & Dincer, 2014).

Even though this subject has received huge attention from researchers in recent years, creating, measuring and managing customer experiences still remain unclear because literature on customer experience may be considered as complex and very subjective. Hence, this exhibits the inadequate aspect on the dimension of customer experience. Without a clear direction on customer experience items, a firm may not succeed in managing their customer experience (Cetin & Dincer, 2014). Thus, the purpose of this article is to propose new dimension of customer experience in the context of a resort and assess it influence on guest loyalty. The discussion in this article begins with the description of literature review. The following section discuss on the methodology adopted, followed by the discussion and conclusion on the research findings. The last section presents the limitations of the study and future research directions.

II. LITERATURE REVIEW

2.1. Guest Experience

Holbrook and Hirschman (1982) define customer experience as an emotional arousal from fantasies, feeling and fun. On the other hand, Gentile, Spiller and Noci (2007: p 397) describe customer experience as “the customer experience originates from a set of interactions between a customer and a product, a company, or part of its organisation, which provoke a reaction”. Meanwhile, Meyer and Schwager (2007: p 118) described customer experience as customers response to any direct or indirect contact with a company. Direct contact generally occurs during a product or service purchase and usage stage, whereas indirect contact most often involves unexpected interactions with representatives of a company's products or service.

Holbrook and Hirschman (1982) were among the pioneers who introduced the concept of customer experience. In their experiential consumption concept, these authors suggest that during consumption, customers are involved in fantasies, feelings and fun. Later, Pine and Gilmore (1998) developed an economic experience concept. This concept emphasizes the evolution in economic progression from commodities

to goods and services and end up with customer experience. It proposes a comprehensive model to make businesses recognize the importance of managing customer experience.

Schmitt (1999) conceptualize an experiential marketing. This concept highlighted to the marketers on the importance of creating the most favorable environment to cultivate customer experience. Thus he proposes five strategic experiential modules: sensory experience (sense), affective experience (feel), creative cognitive experience (think), physical experiences, behaviours and lifestyle (act) and social experiences related to reference group and culture. Realizing the importance of retaining existing customers in this highly competitive environment, Mascarenhas, Kesavan and Bernacchi (2006) proposed a concept of total customer experience. According to these authors, marketers should focus on both functional and emotional attributes of a product or service. By combining both functional (e.g. hotel facilities) and emotional attributes (e.g. employees and customer interaction), it enables a firm to generate lasting customer loyalty.

To make further understanding on experience in tourism context, Walls Okumus, Raymond and Kwun (2011) illustrate it as multidimensional construct consists of both internal and external factors that influence tourists experience if the individual is willing and able to participate. They further assert that these factors involve a blend of both business and customer's perspectives of experience (Figure 2.1). It involves a combination of physical experience elements (e.g. fresh-smelling hotel environment), human interaction elements (e.g. body posture) individual characteristics (e.g. individual reaction to a fast food experience) and situational factor (e.g. purpose of travel).

From business perspectives, creating customer experience should connect both physical environment dimensions and emotional/human interaction dimensions. Thus, the connection will cultivate a memorable experience and hence will influence consumption values, satisfaction and repeat patronage.

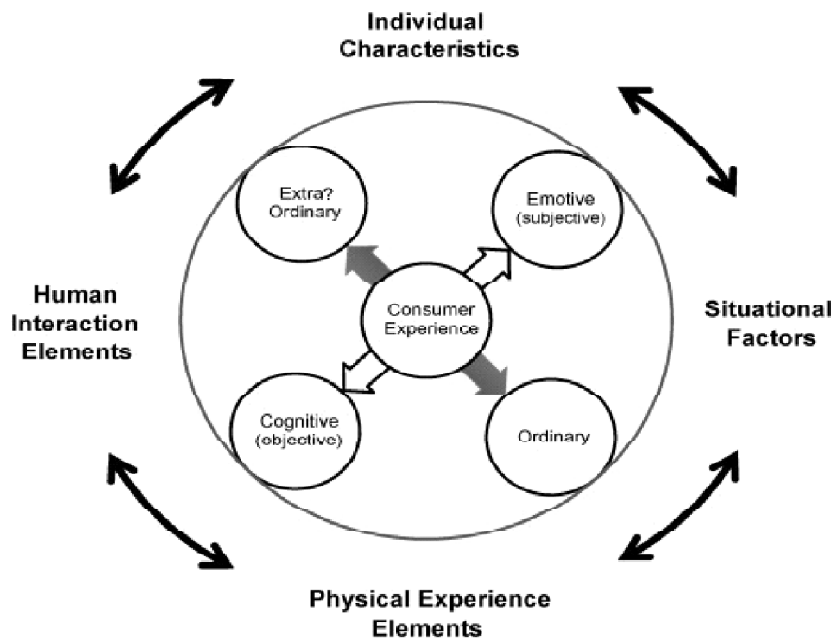


Figure 2.1: Physical Experience Elements

Source: Walls *et al.*, (2011)

Due to that, researchers begin to conceptualize and conduct empirical studies to examine customer experience dimensions (Table 1). For instance, the first attempt on examining the dimension of customer experience was conducted by Thorne (1963). The study aims to explore the concept of ‘peak’ experiences and asked the respondents to describe the most exciting experience in their lives. The findings reveals that experience can be classify to six categories: sensual, emotional, cognitive, conative, self-actualization and climax peak experience. Knutson *et al.*, (2006) intend to identify the dimensions of guest experience in the context of hotel. Using a web-based survey, the result reveals that the hotel guest experience can be divided to four dimensions that are benefits, convenience, incentives and environment.

Table 1
Dimension of Customer Experience in Past Studies

<i>Authors (s)</i>	<i>Context</i>	<i>Dimensions</i>	<i>Concept</i>
Holbrook and Hirschman (1982)	Concept	Fantasies, feelings and fun	
Bitner (1992)	Concept	Serviescape	
Carbone and Heackal (1994)	Concept	Sensory	
Pine and Gilmore (1998)	Concept	Educational, escapist, esthetic and entertainment	
Schmitt (1999)	Concept	Sensory, affective, creative cognitive, physical, behaviors and lifestyle, social-identity	
Mascarenhas, Kesavan, and Bernacchi (2006b)	Concept	Physical moments, emotional moments and value chain moments	
Crosby and Johnson (2003)	Concept	Rational motivation and emotional motivation	
Meyer and Schwager (2007)	Concept	Direct contact and indirect contact with a firm	
Berry and Carbone (2007)	Concept	Functional, humanic and mechanic	
Gentile et al., (2007)	Concept	Sensorial, emotional, cognitive, pragmatic and lifestyle	
Knutson et al., (2006)	Concept	Benefit, convenience, incentive, environment	
Oh, Fiore and Jeoung (2007)	Bed and breakfast	Educational, escapist, esthetic and entertainment	Experience economy
Bigné, Mattila and Andreu, (2008)	Leisure and tourism	Disconfirmation and emotion	Cognitive and Emotional
Hosany and Witham (2010)	Cruise service	Educational, escapist, esthetic and entertainment	Experience economy
Quadri-felitti and Fiore (2012)	Wine tourism	Educational, escapist, esthetic and entertainment	Experience economy
Drengner, Jahn and Gaus* (2012)	Collective Hedonic Service	Emotional experience	Emotional
Wong (2013)	Casino	Service environment, service employee, service convenience and hedonic service.	Functional and emotional

contd. table 1

<i>Authors (s)</i>	<i>Context</i>	<i>Dimensions</i>	<i>Concept</i>
Han and Jeong (2013)	Upscale restaurant	Emotional experience	Emotional
Nasermoadeli, Ling and Maghnati (2013)	Cinema	Sensory, emotional and social experience	Emotional, sensory and social
Ali, Hussain and Ragavan (2014)	Resort	Educational, escapist, esthetic and entertainment	Experience economy
Chauchan and Manhas (2014)	Airline	Hedonism, novelty, safety, recognition and comfort	Functional and emotional
Singh Manhas and Tukamushaba (2015)	Hotel	Service quality, service delivery, hotel ambience, quality of staff and amenities, experience quality and quality of aesthetic	Functional and emotional
Amoah and Elizabeth (2016)	Guesthouse	Hedonics, peace of mind, recognition and involvement	Emotional
Keiningham <i>et al.</i> (2017)	Concept	Cognitive, emotional, physical and sensorial and social elements	

Source: Developed for this research

Oh, Fiore and Jeoung (2007) investigate customer lodging experience with rural bed and breakfast. Data was gathered from the guests who stay at 95 B&B operators in a Midwestern state of the United States. Based on 419 usable questionnaires, they found that lodging experience dimension ranging from esthetic and educational experience. Similarly, Hosany and Witham (2010) investigate this issue in cruise industry. Based on 169 completed surveys from cruise passengers who on two-weeks cruise vacation, they found that cruise experience are derived from four dimensions (education, entertainment, escapist and aesthetic). A study, (Ali, Hussain & Ragavan, 2014) aims to make further understanding on how experience economy concept work on guest memories and loyalty behavior. Based on 450 completed questionnaires from resorts guests, the findings confirmed that all four dimensions explained experience in resort context.

A study by Ladeira, Costa, and Santini (2013) examine the dimension of customer experience in Brazilian hotel. These authors proposed that physical environment and social environment are among the hotel's consumption experience. A recent study by Fernandes and Cruz (2016) analyse this issue in wine tourism destination. Data were gathered from visitors of three Port wine cellars in Portugal. Based on 290 usable responses, these authors found that there are six dimensions that arouse visitors' experience. The dimensions are environment, service providers, learning, entertainment, functional benefits and trust.

In this research context, the researchers view that there is a need to look at both concepts in order to further understand experience in resort context. This is because, while travelling to a resort, besides looking for accommodation, dining, and facilities, an individual also will engage their sensory with the environment (e.g. nature walk, visiting museum and heritage site, diving, snorkeling and bird watching). This can be supported by Seebaluck, Ramseook-Munhurrun, Naidoo, and Gopaloodoo (2013) view. They mentioned that tourism consumption involve the integration of travel, accommodation, leisure, and food and beverages. In addition to that, Quan and Wang (2004) also agreed that besides tourists experiencing different art, culture and heritage, they also demand for supporting experience such as food, accommodation and transportation. They further argue that both elements are important to stimulate tourists' experience.

In addition to that, this article views the concept of functional and emotional experience is different with experience economy concept. Functional and emotional experience is view as attribute that focus more on customer service delivery aspect. This concept emphasize on what creates an experience to the customers. For instance, in resort setting, providers offer spacious room (functional experience) and trained their staff to show personal care, recognizing guests and being friendly to their guests (emotional experience). On the other hand, Experience Economy concept is view as an experience that is cultivating from the interaction between customer and the environment. In other words, this concept is focus on what the experience can do to the customer rather than what can creates an experience. This is consistent with Mehmetoglu and Engen (2011) claim. They mentioned that the concept of experience economy explicate the level of customer involvement and connection with the environment. For instance, when visiting island resort, people will spend their time on doing activities such as snorkeling, diving, mangrove tour, nature walk, listening to the ocean waves and watching sunset.

However, based on the extensive literature review, it is obvious that none of the above studies integrate the concept of functional and emotional experience with Experience Economy concept. Thus, this present study will integrate both concepts to make further understanding on customer experience and provide more robust description on different experiential dimensions and examine it influence on loyalty behavior. Following this, next section will discuss in detail on both concepts.

2.1.1 Experience Economy Concept

Experience Economy concept was developed by Pine and Gilmore (1998) and this model received huge attention among researchers in examining consumption experience. According to them, there are four dimensions of experience namely entertainment, education, escapist and estheticism (Figure 2.1). They describe entertainment experience as an individual being aroused with feelings of fun, pleasure and relaxation. This will happen when the individual is involved in any sort of activities, such as listening to music (Oh *et al.* 2007).

In an educational-based experience, these authors explain that an individual will engage their mind to enhance their knowledge and skills. This dimension allows a customer to engage their mind in learning new things. In the tourism literature, it is suggested that the factor that encourages an individual to travel is because they wanted to “consume something extraordinary” (Hosany & Witham, 2010). For instance, Quadri-felitti and Fiore (2012) posited that in wine tourism, the common educational activity that can increase tourist knowledge and skills include wine testing and home winemaking seminars.

As for esthetic experience, individuals will stimulate their senses by enjoying the destination environment. They will show their appreciation on the nature of the destination (Oh *et al.*, 2007). Quadri-felitti and Fiore (2012) suggest that the motivational factor of tourist to visit a particular place is because they wanted to experience the pleasure and uniqueness of a landscape which differs from the modern, urban and suburban life.

The last dimension proposed in Experience Economy concept is escapist experience. This dimension refers to an individual’s desire to escape from their daily routine stressfulness at home and office. Tourism offers diverse opportunities for escapist experience and requires active participation. Escapist experience is substantiated in the resort setting as well. For instance, guests will enjoy listening to the nature sounds and

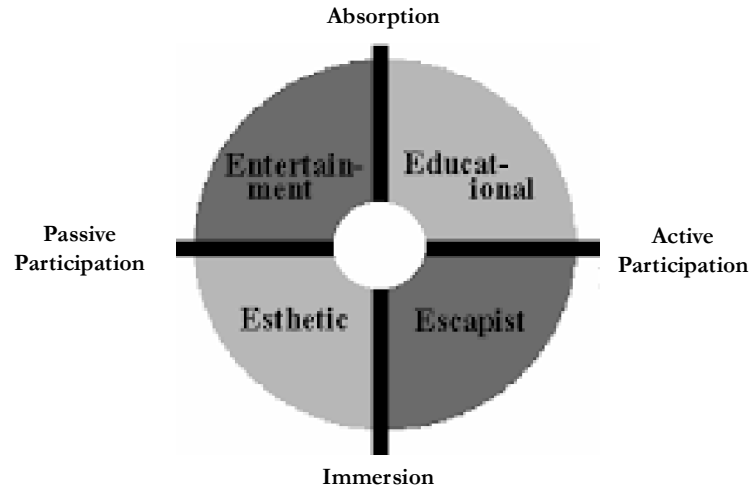


Figure 2.1: Four Realms of Experience Economy

Source: Pine and Gilmore, 1998

ocean waves from their room. This could give greater sleeping experience to the guest and in turn lead to the feeling of relaxation and rejuvenate.

2.1.2. Functional and Emotional Experience

To create customer experience, Mascarenhas *et al.* (2006) suggest it should involve a combination of both functional and emotional attributes. Functional attributes is being described as tangibility or actual function of products or services (e.g. guest room and amenities) whereas emotional attributes refers to the sensorial aspect that stimulate customers' experience such as sound, smell, sight, taste and environment (Berry, Carbone & Haeckel, 2002). In a similar framework, Wall and Envick (2008) also suggest that functional attribute is one of the customer experience enhances. However, they argued that in a service setting, besides functional cues, humanic cues (behavior and appearance of service providers) is also important indicator to customer experience. Therefore, based on the above suggestion, numerous studies have indicated that functional and emotional attributes is important to stimulate experiences.

For instance, based on survey data from 274 respondents in casino service throughout the state of Macau, Wong (2013) found that customer experience dimensions involve four elements that are service environment, employee service, service convenience and hedonic service. Another study by Han and Jeong (2013) examined customer emotional experience in a sample of 324 upscale restaurant customers. They found that customer experience in restaurant fall into four dimensions namely comfort, annoyance, stimulation and sentimentality. Another study (Cetin and Dincer, 2014) found that physical environment and social interactions are crucial dimensions that could arouse hotel stay experiences.

Bagdare and Jain (2013) aims to identify the dimension of customer experience in retail context. They proposed four dimensions of retail customer experience (joy, mood, leisure and distinctive). After thorough analysis, these authors conclude that these four dimensions are relating to retail customer experience. A study by Ladeira, Costa, and Santini (2013) examine the dimension of customer experience in Brazilian hotel. They found that physical environment and social environment are among the hotel's consumption

experience. A recent study (Amoah & Elizabeth, 2016) confirmed that all four dimensions (hedonic, peace of mind, recognition and involvement) is applicable to guesthouse context.

Importance of dimensions in Experience Economy concept and functional and emotional experience on customer behavior has been demonstrated in several past studies (Ali & Omar, 2014; Ali *et al.* 2014; Radder & Han, 2015; Huang & Hsu, 2015). These studies reveal that customer experience is positively related to customer satisfaction, encourage customers to spend more, having intention to purchase and recommendation behavior. Following this, the next section briefly explains on guest loyalty.

2.5. Guest Loyalty

Oliver (1999:p.34) defined customer loyalty as “a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future. This leads to “repetitive same-brand or same brand-set purchasing despite situational influences and marketing efforts having the potential to cause switching behavior”. Customer loyalty construct consists of both customer’s attitude and behaviors. Behavioral loyalty explains loyalty based on several criteria such as customer re-purchasing intentions, switching intention and purchasing intention (Khan, Humayun, & Sajjad, 2015).

On the other hand, attitudinal approach explained loyalty based on a long-term gradual relationship and positive feelings with a firm or brand (Khan et al., 2015). It has been conceptualized based on customer’s strength in feelings toward a brand, willingness to recommend the company to others as well as shows a commitment to the company by refusing to switch to other competitors (Yoo & Bai, 2013). For the purpose of this study, guest loyalty was assessed using both approaches. Following this, the next section discuss on the development of the hypotheses tested in this study.

2.6. Effects of Guest Experience on Guest Loyalty

The first dimension of guest experience proposed in this study is service environment. Wong (2013) refers service environment as a servicescape (e.g. ambient condition space, signs, symbols, and artifacts) that provides tangible cues to the quality of a service. He further posits that service environment has a direct effect on customers’ affect, which in turn influences customers’ behaviors in the service encounter. In a resort setting, Ali and Amin (2014) in their study reported that service environment is very much influence on customer satisfaction and behavioral intentions. In addition to that, Chen, Chen and Lee (2013) also agreed that in a hospitality industry, physical surroundings can influence the customers’ behavior and the extent of their patronage. Therefore, based on the supported findings, the following hypothesis is proposed:

Hypothesis1: Service environment is positively associated with guest loyalty.

The second dimension of guest experience is service employee. This dimension can be described as customers’ experience while interacting with the employees (Wong, 2013). This author further argues that employees are a crucial component in delivering positive customer experiences, and they should be empathetic and responsive to customer need. A number of scholars have supported the influence of service employees in determining customer experience (Ali et al. 2014; Ali & Amin, 2014).

For example, Ali and Omar (2014) conducted an empirical study to understand customer experience in Malaysian resort hotel. The study listed staff attention and care to guest, friendly, clean, well-organized,

provide quick and prompt service and have adequate technical and product knowledge were recognized as service employees' attribute that shape customer experience. The findings of this study confirm that service employee is related to customer satisfaction and revisit intention to the resort. Based on the above empirical findings, service employee is expected to be positively related to guest loyalty. Thus, the following hypothesis is proposed:

Hypothesis 2: Service employee is positively affects guest loyalty.

The third dimension of guests experience proposed in this study is escapism experience. Escapist experience refers to an individual desire to feel escape during their consumption experience for instance feeling of relaxation and peacefulness (Pine & Gilmore, 1998). In addition to that, Hirschman (1985) suggests that escapism experience will help the consumers to temporarily break away from their unpleasant condition. Escapism experience can take in a different forms based on the type of consumption activities. For instance, in a hill resort experience, guests disconnect with their routines of daily life by engaging themselves with activities such as hiking, cycling, and tour by horse.

Several past studies reported that escapism experience does not relate to consumer behavior. For instance, Oh *et al.* (2007) investigate customer lodging experience within rural bed and breakfast. They found that escapism experience were not influence on guest satisfaction, arousal and memory. Radder and Han (2015), in their study on museum visit experience reported that escapism experience do not relate with overall visitors satisfaction and revisit intention. However, Ali *et al.* (2014) in their study on Malaysian resort reveal that escapism experience is highly influence on guests memories and loyalty behavior. This may due to the fact that the nature surroundings of the resort will likely enhance guest stay experience and in turn lead to revisit intention. Consequently, the following hypothesis is posited:

Hypothesis 3: Escapism experience is positively affects guest loyalty.

The last dimension of guest experience proposed in this study is esthetic experience. Pine and Gilmore (1998) refers esthetic experience as the atmosphere and the mood of the surroundings. These elements might include decoration, space, color, lighting and signs. As Oh *et al.* (2007) claims, esthetic experience, will stimulate individual senses by enjoying the environment. They will show their appreciation on the nature of the environment. For instance, guests who visit resort will enjoy the nature sound and ocean wave from their room.

A number of previous studies recognize the role of esthetic experience in consumer behavior (e.g. Hosany & Witham, 2010; Mehmetoglu & Engen, 2011; Ali *et al.*, 2014; Radder & Han, 2015; Huang & Hsu, 2015). For instance, Hosany and Witham (2009) in their study on cruise holiday reported that esthetic (e.g. shipscape) was the main contributor towards satisfaction and intention to recommend among the cruisers. Similarly, Radder and Han (2015) conclude that the interior design, diverse culture, pleasant physical environment and harmony of a museum highly related to visitors satisfaction and favorable behavioral intention. Thus, the following hypothesis is posited:

Hypothesis 4: Esthetic experience is positively affects guest loyalty.

Based on the above discussion, the following research model has been developed for the purpose of this study.

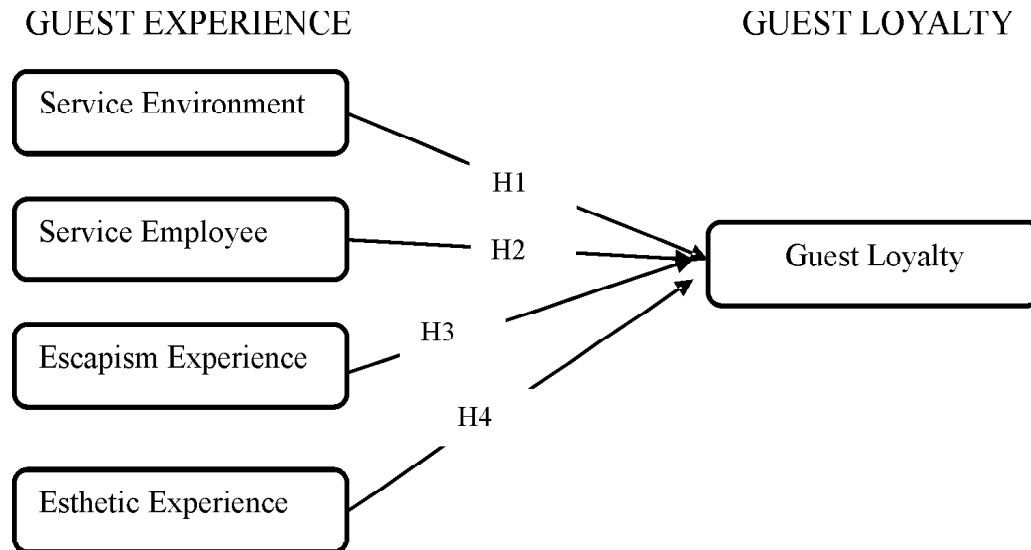


Figure 2.2: Research Model

III. RESEARCH METHODS

3.1. Research Instrument

The main objective of this study is to examine how guest experience dimensions influence guest loyalty in resort setting. The items were deduced from the literature review. After intensive review of past literature, 23 items were found to be related to guest experience. The measurement for service environment and service employee are adapted from Wong (2013) and Donnelly (2009) and consist of 5 items and 11 items respectively.

The escapism experience consists of 5 items adapted from the work of Cetin and Dincer (2014), Ali *et al.*, (2014) and Xu Jing (2010). The measures for esthetic experience consists of 3 items adapted from Oh *et al.* (2007) and Ali *et al.*, (2014). The measures for guest loyalty consists of 6 items and adapted from Ali *et al.* (2014) and Donnelly (2009). The seven-point Likert scale was utilized in this study ranging from one (strongly disagree) to seven (strongly agree). Following the above, the next section then explains the sample design and the adopted data collection method in greater detail.

3.2. Sample Design and Data Collection

The target population for this study were domestic and international tourists who are at least 18 years old and above. They are currently stayed at any beach and island resort located in several popular tourists destination in Malaysia (Penang Island, Langkawi Island, Port Dickson Beach, Tioman Island, Perhentian Island, Desaru Beach, Pangkor Island) at least for one night. A quota sampling technique was drawn for the survey and personally administered questionnaire was employed to collect data. Questionnaires were distributed to the respondents at different times of the day over the period of four months.

Eight student helpers were recruited and trained to approach and administer questionnaires to the respondents. They were briefed on the research objectives and guided to understand the research constructs

of interest. Possible problems they might encounter during the data collection were discussed and several solutions were suggested. During the data collection, two screening questions were then asked to the respondents to ensure that the respondents were qualified to answer the questionnaires.

Upon completion, small souvenir was given to the respondents as a token of appreciation. A total of 500 questionnaires were distributed based on the sample size general rule emphasized by Hair et al (2010) for SEM models, in which the preferred sample size should be 100 or larger. At the end of the data collection, 500 questionnaires were collected. However, only 435 usable questionnaires were used for further data analysis.

3.3. Data Analysis Methodology

For the purpose of this study, hypotheses were tested using Partial Least Square equation model method (PLS-SEM) version 3.0 (Ringle, Wende & Becker, 2015). The reason of choosing this approach is due to fact that the multivariate normality result in this study reveals the data is not normal. Thus this approach is more appropriate to conduct data analysis since it one of it advantage is does not require normal-distributed input data. Besides that, this approach is an established technique path coefficient and has become popular in marketing research recently due to its ability to model latent construct (Hair, Hult, Ringle & Sarstedt, 2017).

The PLS algorithm procedure was employed the significance level of loadings, weight and path coefficient. In addition to that, we also applied the Bootstrapping (5000 resample) to test the hypotheses developed in this study. Following the recommendation from Anderson and Gerbing (1988), we examined the measurement model first (validity and reliability of the measure) followed by assessing the structural model (testing the hypothesized). Following this, the next section presents the research findings in this study. The discussion highlights on the demographic profiles of the respondents, followed by the discussion on the measurement and structural model.

IV. RESEARCH FINDINGS

4.1. Demographic Profile of the Respondents

Based on the analysis, majority of the respondents are female (N=276; 63.4%) followed by male respondents (N=157; 36.1%). In terms of marital status, more of the respondents were married (N=248; 57%) followed by single (N=171; 39.3%) and the remaining were other (N=16, 3.7%). Majority of the respondents held undergraduate level (N=179; 41.1%), 134 respondents held higher school or diploma level or lower qualification while only 122 (28%) of the respondents held postgraduate level.

Based on the world continents, the analysis reveal that the country of origin of the respondents can be categorized into four continents. The largest number of respondents came from Asia countries (N=373; 85.7%), followed by Europe countries (N=47; 11%). The remaining of the respondents were from Australian and Oceania (N=9; 2%), North America (N=4; 0.9%) and lastly from Africa countries (N=2; 0.4%). Based on the number, the respondents were breakdown into two categories, to which domestic and international tourists. The analysis reveal that majority of the respondents were domestic tourists (N=327; 75.2%) followed by international tourists (N=108; 24.8%).

4.2. Measurement Model

The first step that requires in PLS-SEM is to examine the convergent validity. In this study, convergent validity was tested through composite reliability (CR), factor loadings and average variance extracted (AVE). As illustrated in Table 2, it can be observed that the composite reliability exceed the suggested values of .70 (Hair *et al.* 2017). On the other hand, the result also indicates that all indicator loadings are above .70 except As for average variance extracted, the result indicates that the values for all construct are well above the required minimum level of .50. (Hair *et al.* 2017). This reveals that, on average the construct explains more than half of the variance of its indicator.

Table 2
Summary of Validity and Reliability for the Constructs

	<i>Outer Loading</i>	CR	<i>AVE</i>
Service Environment		.917	.688
SE1	.757		
SE2	.852		
SE3	.834		
SE4	.835		
SE5	.865		
Service Employee		.936	.620
SEM1	.727		
SEM2	.864		
SEM3	.847		
SEM4	.726		
SEM5	.748		
SEM6	.821		
SEM7	.813		
SEM8	.802		
SEM9	.726		
Escapism Experience		.930	.727
ECE1	.841		
ECE2	.902		
ECE3	.878		
ECE4	.803		
ECE5	.835		
Esthetic Experience		.902	.755
ESE1	.897		
ESE2	.865		
ESE3	.843		
Guest Loyalty		.958	.793
GL1	.898		
GL2	.892		
GL3	.903		
GL4	.895		
GL5	.887		
GL6	.869		

The next step involve in measurement model is to test the discriminant validity. In this study, Heterotrait-Monotrait ratio (HTMT) is employed to assess discriminant validity. HTMT is the ratio of the between-trait correlations to the within-trait correlations (Hair *et al*, 2017). As shown in Table 3, the result indicates that the value for all key constructs is clearly lower than the threshold value of .85 (Henseler, Ringle & Sarstedt, 2015). Thus, this indicates that distinctiveness is exist between the constructs.

Table 3
Summary of Discriminant Validity Result

	<i>SE</i>	<i>SEM</i>	<i>ECE</i>	<i>ESE</i>	<i>GL</i>
Service Environment		.691	.653	.615	.699
Service Employee			.618	.554	.649
Escapism Experience				.652	.753
Esthetic Experience					.707

4.3. Structural Model

Once the construct measures are confirmed reliable and valid, the next step is the researchers need to assess the structural model result. The first step that involve in structural model is to assess the coefficient of determination (R^2). This assessment is use to examine how well the exogenous latent variables influence on endogenous latent variable. As shown in Table 4, the R^2 value for guest loyalty is .618. This clarifies that the modeled variables can explain 61.8 percent of the variance of the respective endogenous variables.

Table 4
Summary of R^2 Value of Endogenous Constructs

<i>Endogenous Constructs</i>	<i>R² Value</i>
Guest Loyalty	.618

The next assessment in the structural model is to test the path coefficient. The purpose of conducting this test is to examine the structural model relationship in which it represents the hypothesized relationship among constructs. To reiterate, there are four hypotheses were developed in this study. As illustrated in Table 5, all four hypotheses were supported.

Table 5
Significance Testing Result of the Structural Model Path Coefficient

<i>Hypothesis</i>	<i>Relationship</i>		<i>Path coefficient</i>	<i>t Values</i>	<i>Decision</i>
H1	Service Environment				
	Guest Loyalty	→	.152	3.144	Supported
H2	Service Employee		.188	2.914	Supported
	Guest Loyalty	→			
H3	Escapism Experience		.362	7.991	Supported
	Guest Loyalty	→			
H4	Esthetic Experience		.248	4.509	Supported
	Guest Loyalty	→			

V. DISCUSSION AND CONCLUSION

The emphasis on customer experience in business environment may act as a source of competitive advantage (Hosany & Witham, 2010). Besides that, it has also been supported in numerous studies that customer experience positively influences behavioral intention among customers such as purchase intention, satisfaction, loyalty and recommendation behavior (Berry & Carbone, 2007; Hosany & Witham, 2010; Choon Ling, Teck Chai & Hoi Piew, 2010; Jeong & Shawn, 2011; Cetin & Dincer, 2014; Han & Jeong, 2013; Shin, 2014; Chahal & Dutta, 2015).

Previously, the concept of customer experience was applied to make further understanding on consumer behavior in product setting, mobile commerce, service environment, online shopping, entertainment environment and tourism as well as hospitality and tourism setting. This concept was applied in those settings to investigate issues on the dimensions or classification of customer experience (Thorne, 1963; Knutson *et al.* 2006; Hosany & Witham, 2010; Poria, Reichel, & Brandt, 2011; Ladeira *et al.* 2013), antecedents of customer experience (Berry *et al.* 2002; Wall & Envick 2008; Grewal, Levy, & Kumar, 2009; Rose, Hair & Clark, 2011; Joshi, Bhatia, Majumdar & Malhotra, 2014) and consequences of customer experience (Shin, 2014; Hamza & Saidalavi 2014; Han & Jeong 2013; Ali *et al.*, 2014).

Even though this subject has received huge attention from researchers in recent years but creating, measuring and managing customer experiences is still remain unclear (Cetin & Dincer, 2014) specifically for the hospitality and tourism industry. Hence, this exhibits the inadequate aspect on the dimension of customer experience. Thus, this study intends to propose new dimension of customer experience in the context of a resort and examine it influence on guest loyalty.

As Pine and Gilmore (1998) suggest, lasting memorable experience occur when businesses applying five key experience-design principles that is: 1) visualize a theme to stimulate experience; 2) create customers impressions with positive cues; 3) eliminate negative cues; 4) mix in memorabilia and 5) engage all customers' five senses. When businesses practice these five principles, the more customers engage in experience, the more memorable it be, thus in turn lead to customer positive behavior.

As such, the findings in this study emphasize that the four dimensions of guest experience (service environment, service employee, esthetic experience and escapism experience) are good predictors of guest loyalty in resort context. From a theoretical perspectives, the significant relationship in this study indicate that in overall most guests had a pleasant and memorable stay experience at the resort which in turn encourage them to coming back to the resort for their next return stay. This explains that the guests may have an unforgettable stay when they experienced with a friendly staff, comfortable room, truly unique dining experience and inspiring natural environment.

These findings are consistent with several past studies in hospitality and tourism literature. For instance, Cetin and Dincer (2014) reveal that customer experience with five-star hotel physical environment and social interaction in Istanbul has significant relationship with recommendation behavior (word-of mouth recommendation) and loyalty behavior. A study in Malaysian resort context provides evidence of the relationship between customer experience and memories (Ali *et al.* 2014). This study reports that when guests had a favorable experience (escapism experience, educational experience, esthetic experience and entertainment experience) during their stay at resort, this will develop memories in the guests' mind and in turn, influence their loyalty behavior. In a more recent study, Lebrun, Su, Lhéraud, Marsac and Bouchet

(2017) found that greater and unique experience offered by protected natural parks could enhance the visitors' extraordinary and memorable experience.

Also, the finding in this study was found corroborated previous studies in different contexts. For instance, Shin (2014) concludes that smart phone companies that delivered a positive experience to their customers by offering diverse, useful application and enjoyable services could lead to high customer satisfaction and in turn demonstrates likelihood to repurchase among customers. Another study (Hamza & Saidalavi, 2014) provides evidence that positive online shopping experience derived from convenience, wider selection and lower price products or services has a significant influence on customer satisfaction.

In sum, the significant relationship between guests' experience (service environment, service employee, esthetic experience and escapism experience) and guest loyalty indicate that the integration of two concepts as dimension of experience (functional and emotional experience with Experience Economy) is relevant. In addition to that, based on the findings, it can be argued that all four dimensions are important antecedents of guest loyalty. As indicate by the findings, escapism experience has the strongest influence on guest loyalty formation.

This reveal that the main reason that encourage the guests to revisit a resort is because they found that the resort provide a place where they can rest, rejuvenate and escape from daily life routine. Thus, resort providers should develop stimulating environment (e.g. beautiful private beach and greenness landscape) with attractive recreational activities (e.g. cycling tours, tour by horse or carriage, nature walk and snorkeling) to arouse their guest escapism experience. The next section discusses on the limitation of this study and several directions for future research.

VII. LIMITATIONS AND FUTURE RESEARCH

In ensuring the precise representation of the concept in this study, the present study has identified two limitations. Firstly, this study has its limitation in terms of the customer experience dimensions. The dimensions of customer experience in this study was designed from only two (esthetic experience and escapism experience) out of four dimensions of Experience Economy (esthetic experience, educational experience, entertainment experience and escapism experience). In addition to that, only two dimensions of functional and emotional experience (service environment and service employee) in Wong's (2013) study were utilized in this study. In view of this, future research should utilized all four dimensions of Experience Economy (Pine and Gilmore, 1998) and other functional and emotional experience dimensions such as service convenience and service hedonic (Wong, 2013). Such measurement could thus be verified its applicability as a direct criterion of customer experience in other research context.

Finally, this study limits its research boundaries by only looking at the sample that stays at Malaysian beach and island resorts only. Consequently, generalizations from the findings of this study to all type of resorts in Malaysia cannot be made. Following this, future research should replicate this study using sample from other type of resort such as eco resort, spa resort, hill resort, lake resort and theme park resort. This could be a fruitful attempt to confirm a robust conclusion of the findings.

BIBLIOGRAPHY

- Ali, F., & Amin, M. (2014), The influence of physical environment on emotions, customer satisfaction and behavioural intentions in Chinese resort hotel industry. *Journal for Global Business Advancement*, 7(3), 249-266.
- Ali, F., Hussain, K., & Ragavan, N. A. (2014), Memorable customer experience/ : Examining the effects of customers experience on memories and loyalty in Malaysian resort hotels. *Procedia - Social and Behavioral Sciences*, 144, 273- 279.
- Ali, F., & Omar, R. (2014), Determinants of Customer Experience and Resulting Satisfaction and Revisit Intentions/ : PLS-SEM Approach towards Malaysian Resort Hotels. *Asia-Pacific Journal of Innovation in Hospitality and Tourism*, 3(2), 175–193.
- Amoah, F., & Elizabeth, P. (2016), Experience quality dimensions and customer perceptions/ : A case study of guesthouses in Ghana. *African Journal of Hospitality, Tourism and Leisure*, 5(4), 1–21.
- Bagdare, S., & Jain, R. (2013), Measuring retail customer experience. *International Journal of Retail and Distribution Management*, 41(10), 790–804.
- Berry, L. L., Carbone, L. P., & Haeckel, S. H. (2002), Managing the total customer experience. *MIT Sloan Management Review*, 43(3), 85–89.
- Berry, L.L. and Carbone, L.P. (2007), Build loyalty through experience management. *Quality Progress*, 40(9), 26-33.
- Bharwani, S., & Jauhari, V. (2013), An exploratory study of competencies required to co-create memorable customer experiences in the hospitality industry. *International Journal of Contemporary Hospitality Management*, 25(6), 823–843.
- Bigné, J. E., Mattila, A. S., & Andreu, L. (2008), The impact of experiential consumption cognitions and emotions on behavioral intentions. *Journal of Services Marketing*, 22(4), 303–315.
- Bitner, M. J. (1992), Servicescapes/ : Impact of physical surroundings on customers and employees. *Journal of Marketing*, 56(2), 57–71.
- Carbone, L. P. & Haeckel, S.H., (1994), Engineering customer experience. *Marketing Management*, 3(3), 8-19.
- Cetin, G., & Dincer, F. I. (2014), Influence of customer experience on loyalty and word-of-mouth in hospitality operations. *Anatolia: An International Journal of Tourism and Hospitality Research*, 25(2), 181–194.
- Chahal, H., & Dutta, K. (2015), Measurement and impact of customer experience in banking sector. *Decision*, 42, 57–70.
- Chauhan, V., & Manhas, D. (2014), Dimensional analysis of customer experience in civil aviation sector. *Journal of Service Research*, 14(1), 75–98.
- Chen, C. M., Chen, S. H., & Lee, H.T. (2013), Interrelationships between physical environment quality, personal interaction quality, satisfaction and behavioural intentions in relation to customer loyalty: The case of Kinmen's bed and breakfast industry. *Asia Pacific Journal of Tourism Research*, 18(3), 262–287.
- Choon Ling, K., Teck Chai, L., & Hoi Piew, T. (2010), The effects of shopping orientations , online trust and prior online purchase experience toward customers'online purchase intention. *International Business and Management*, 3(3), 63–77.
- Crosby, L. A., & Johnson, S. L. (2003), Beyond Brand Awareness. *Marketing Management*, 12(3), 10–11.
- Donnelly, M. (2009), Building Customer Loyalty/ : A Customer Experience Based Approach in a Tourism Context Research. Unpublished dissertation. Waterford Institute of Technology, Ireland.
- Drengner, J., Jahn, S., & Gaus, H. (2012), Creating loyalty in collective hedonic services: The role of satisfaction and psychological sense of community. *Schmalenbach Business Review*, 64(1), 59–76.
- Fernandes, T., & Cruz, M. (2016), Dimensions and outcomes of experience quality in tourism/ : The case of Port wine cellars. *Journal of Retailing and Consumer Service*, 31, 371–379.
- Gentile, C., Spiller, N., & Noci, G. (2007), How to Sustain the Customer Experience. *European Management Journal*, 25(5), 395–410.
- Grewal, D., Levy, M., & Kumar, V. (2009), Customer experience management in retailing/ : An organizing framework. *Journal of Retailing*, 85(1), 1–14.

- Hamza, V. K., & Saidalavi, K. (2014), A study on online shopping experience and customer satisfaction. *Advances in Management*, 7(5), 38–43.
- Hair, J. F., Black, W.C., Babin, B. J., & Anderson, R. E. (2010), *Multivariate Data Analysis*, 7th Edition. New Jersey: Prentice Hall.
- Hair, J. F., Hult, G.T. M., Ringle, C. M., & Sarstedt, M. (2017), *A premier on Partial Least Square Structural Equation Modeling*, 2nd Edition. Thousand Oaks: SAGE Publications.
- Han, H., & Jeong, C. (2013), Multi-dimensions of patrons' emotional experiences in upscale restaurants and their role in loyalty formation: Emotion scale improvement. *International Journal of Hospitality Management*, 32, 59–70.
- Henseler, J., Ringle, C. M. & Sarstedt, M. (2015), A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43(1), 115-135.
- Hirschman, E.C. (1985), Sexual identity and the acquisition of rational, absorbing, escapist, and modeling experiences. *Journal of Social Psychology*, 125 (1), pp. 63-73.
- Hosany, S., & Witham, M., (2010), Dimensions of cruisers' experiences, satisfaction, and intention to recommend. *Journal of Travel Research*, 49(3), 351–364.
- Holbrook, M. B., & Hirschman, E. C. (1982), The experiential aspect of consumption: Consumer fantasies, feelings, and fun. *The Journal of Consumer Research*, 9(2), 132 – 140.
- Huang, J., & Hsu, C. H. C. (2015), The impact of customer-to-customer interaction on cruise experience and vacation satisfaction. *Journal of Travel Research*, 49(1), 79–92.
- Jeong, E., & Shawn, S. (2011), Restaurant experiences triggering positive electronic word-of-mouth (eWOM) motivations. *International Journal of Hospitality Management*, 30(2), 356–366.
- Joshi, S., Bhatia, S., Majumdar, A., & Malhotra, A. (2014), Engineering a Framework for Enhancing Customer Experience for the Indian DTH Industry. *International Journal of Marketing and Technology*, 4(5), 35–54.
- Keiningham, T., Joan, B., Helen L, B., Alexander, B., Julija, D., Linda, N., Yi-Chun, O. & Mohamed, Z. (2017), The interplay of customer experience and commitment. *Journal of Services Marketing*, 31(2), 148-160.
- Khan, M. T., Humayun, A. A., & Sajjad, M. (2015), Customer loyalty- attitudinal and behavioral aspects (A Review). *International Journal of Information, Business and Management*, 7(2), 163–176.
- Knutson, B. J., Beck, J. A., Kim, S. H., & Cha, J. (2006), Identifying the dimensions of the experience construct. *Journal of Hospitality & Leisure Marketing*, 15(3): 31–47.
- Ladeira, W. J., Costa, G., & Santini, F. D. O. (2013), Background and dimensions of consumption experience in Brazilian hotels. *Tourism and Hospitality Research*, 12(4), 215–227.
- Lebrun A.M., Su, C. J., Lhéraud, J. L., Marsac, A., & Bouchet, P. (2017), Experiential Context and Actual Experiences in Protected Natural Parks: Comparing France Versus Taiwan. In Alain Decrop , Arch G. Woodside (ed.) *Consumer Behavior in Tourism and Hospitality Research (Advances in Culture, Tourism and Hospitality Research, Volume 13 p. 97-118)*. Emerald Publishing Limited.
- Mascarenhas, O. A., Kesavan, R., & Bernacchi, M. (2006), Lasting customer loyalty/ : A total customer experience approach. *Journal of Consumer Marketing*, 23(7), 397–405.
- Mehmetoglu, M., & Engen, M. (2011), Pine and Gilmore's Concept of Experience Economy and its dimensions/ : An empirical examination in tourism. *Journal of Quality Assurance in Hospitality & Tourism*, 12(4), 237–255.
- Meyer, C., & Schwager, A. (2007), Understanding Customer Experience. *Harvard Business Review*. February, 117-126.
- Nasermoadeli, A., Ling, K. C., & Maghnati, F. (2013), Evaluating the impacts of customer experience on purchase intention. *International Journal of Business and Management*, 8(6), 128 – 138.
- Oh, H., Fiore, A. M., & Jeoung, M. (2007), Measuring Experience Economy concepts/ : Tourism applications. *Journal of Travel Research*, 46, 119–132.

- Oliver, R. L. (1999), Whence Consumer Loyalty? *Journal of Marketing*, 63 (Special Issue 1999), 33–44.
- Pine, B. J., & Gilmore, J. H. (1998), Welcome to the Experience Economy. *Harvard Business Review*, 97–105.
- Pine, B. J., & Gilmore, J. H. (1999), *The experience economy*. Boston, MA: Harvard Business School.
- Poria, Y., Reichel, A., & Brandt, Y. (2011), Dimensions of hotel experience of people with disabilities/ : An exploratory study. *International Journal of Contemporary Hospitality Management*, 23(5), 571–591.
- Quadri-felitti, D., & Fiore, A. M. (2012), Experience economy constructs as a framework for understanding wine tourism. *Journal of Vacation Marketing*, 18(1), 3–15.
- Quan, S., & Wang, N. (2004), Towards a structural model of the tourist experience/ : An illustration from food experiences in tourism. *Tourism Management*, 25, 297–305.
- Radder, L., & Han, X. (2015), An examination of the museum experience based on Pine and Gilmore's experience economy realms. *The Journal of Applied Business Research*, 31(2), 455–470.
- Ringle, C. M., Wende, S., & Becker, J.-M. 2015. SmartPLS 3. SmartPLS GmbH, Boenningstedt, <http://www.smartpls.com>.
- Rose, S., Hair, N., & Clark, M. (2011), Online customer experience/ : A review of the business-to-consumer online. *International Journal of Management Review*, 13, 24–39.
- Seebaluck, N. V., Ramseook-Munhurrun, P., Naidoo, P., & Gopaloodoo, R. (2013), Assessing tourism based leisure activities. In *Global Conference on Business and Finance Proceedings*. 22. Institute for Business and Finance Research, 8, 365–377.
- Schmitt, B. H. (1999), Experiential Marketing. *Journal of Marketing Management*, 15(1), 53–57.
- Shin, D. H. (2014), Effect of the customer experience on satisfaction with smartphones/ : Assessing smart satisfaction index with Partial Least Squares. *Telecommunications Policy*, 1–15.
- Singh Manhas, P., & Tukamushaba, E. K. (2015), Understanding service experience and its impact on brand image in hospitality sector. *International Journal of Hospitality Management*, 45, 77–87.
- Thorne, F.C. (1963), The clinical use of peak and Nadir experience reports. *Journal of Clinical Psychology*, 19(2), 248–250.
- Wall, E., & Envick, B. R. (2008), Business plan development for service ventures/ : Integrating. *The Entrepreneurial Executive*, 13, 117–126.
- Walls, A. R., Okumus, F., Raymond, Y., & Kwun, D. J. (2011), An epistemological view of consumer experiences. *International Journal of Hospitality Management*, 30(1), 10–21.
- Wong, I. A. (2013), Exploring customer equity and the role of service experience in the casino service encounter. *International Journal of Hospitality Management*, 32, 91–101.
- Xu Jing, B. (2010), Luxury Hotel Brand Equity , Customer Experience , and Their Antecedents/ : A Study of Business Travellers in Hong Kong. Unpublished dissertation, The Hong Kong Polytechnic University, Hong Kong.
- Yoo, M., & Bai, B. (2013), Customer loyalty marketing research/ : A comparative approach between hospitality and business journals. *International Journal of Hospitality Management*, 33, 166–177.