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CUSTOMER PERCEPTION TOWARDS STAYING AT CAPSULE HOTEL IN MALAYSIA

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LIST OF SYMBOLS AND ABBREVIATIONS

Symbols

r	Pearson Correlation Coefficient
<	Less than
%	Percent
n	Frequency
α	Alpha

Abbreviations

CAGR	Compound Annual Growth Rate
SPSS	Statistical Package for Social Science

ABSTRACT

This study focuses on customer perceptions towards staying at capsule hotels in Malaysia. The study examines the relationships among Servicescape, price, and location on customer perception towards staying at capsule hotels in Malaysia. Quantitative research is used in this study in order to accomplish this research. Convenience sampling is used, and responses from 384 respondents are collected in this research. To analyze all the data, descriptive analysis, reliability testing and Pearson correlation are used. The results support all the variables. This research contributes to understanding customer perception towards staying at capsule hotels in Malaysia. This research and data can be used as reference materials for industry stakeholders to design a better environment to facilitate customer's experience toward staying at capsule hotels in Malaysia.

Keywords: Servicescape, price, location, customer perception, capsule hotel.

ABSTRAK

Kajian ini memberi tumpuan kepada persepsi pelanggan terhadap penginapan di Hotel Kapsul di Malaysia. Kajian ini meneliti hubungan antara landskap perkhidmatan, harga dan lokasi terhadap persepsi pelanggan terhadap peniginapan di Hotel Kapsul di Malaysia. Satu penyelidikan kuantitatif telah digunakan untk mencapai penyelidikan ini. Persampelan mudah telah digunakan dalam kajian ini dan saiz sampel untuk kajian ini iaitu respons daripada 384 responden telah dikumpulkan. Analisis deskriptif, ujian kebolehpercayaan dan kolerasi pearson telah digunakan untuk menganalisiskan semua data. Pada akhir kajian ini, kajian dan data ini boleh digunakan sebagai rujukaan bagi pemegang kepentingan industri. Hasilnya juga menyokong semua pembolehubah.

Kata Kunci: landskap perkhidmatan, harga, lokasi, persepsi pelanggan, hotel kapsul.

CHAPTER 1

INTRODUCTION

1.1   INTRODUCTION

The first chapter consists of an introduction to this article. After that, followed by several sections like the background of the study, problem statement, research objectives, and research questions. In this chapter, also will be discussed about the definition of terms that are used in this study.

1.2   BACKGROUND OF THE STUDY

The hospitality industry is one of the highly demanding sectors in the world, encompassing a wide variety of service industries such as food and drink services, lodging, transportation, service planning, and others (Legrand, 2016). This sector gradually increases, which is individual traveling from one region to another for various purposes such as business activities, tourism, traveling, and others. The hotel sector has become one of the vital parts of the hospitality industry. The hotel industry provides various facilities for tourists ranging from business transactions, lodgings, recreation, and entertainment

services (Sharma, 2014). Besides, Nuchilek (2012) has proven that the supply of rooms increased by 9.52% a year, while hotel clients increased by only 4.83%. At the international level, the hotel sector comprises more than 8% comprising direct and indirect employment. This indicates an increasing emphasis on the industry in the modern world (Bustamam, 2014).

Capsule hotel is one of the popular hotels rising among the tourists. The idea of a capsule hotel can be described as a small room compartment roughly a single size of the bed made from fiberglass, plastic, wooden, steel, or any rigid fabric. Morrison (2016) states that capsule hotels feature a large number of extremely small rooms intended to provide cheap and basic overnight accommodation for guests, not requiring the services offered by more conventional hotels. The beds can either be inserted in a metal frame structure or placed directly above and next to another. According to Geoffrey (2016), a capsule hotel is made for guests who are looking for an affordable room without any extra facilities. The interior of the capsule is fully occupied with an air conditioner and power sockets; some even have a small television. A capsule hotel is made for a guest who is seeking out an affordable room without any extra facilities stated by (Geoffrey, 2016). As explained by Drescher (2016), capsule hotels were first introduced in Osaka in late 1970 as a solution to a problem in Japan where workers need a place to stay before starting their new days. As Japan is understood for practicality and performance, capsule hotels reflect that image well for its size and functions. According to Drescher (2016) also stated that in fact, capsule hotels are filling the gap in the hospitality industry where it is good because of their location, affordability, and style without compromising too much privacy. In addition to the shower and bathing facilities, most capsule hotels in Japan also have attached saunas that provide massage services for an additional cost, and which are open to the public well

stated by (Xu, 2011).

A lot of customers favor staying in an accommodation with basic facilities to spend less money. Business tourists also come to be the first preference to live in capsule hotels to limit the travel expenses rather than spending on luxury hotels. The target groups of this trend towards creative tourism are teenagers and young adults, especially backpackers. They are likely to focus on outside activities rather than spending their time in the hotel and saving their budget for accommodation to extend their length of stay (Markward, 2008). However, this study emphasizes the customers' perception of staying at capsule hotels in Malaysia.

1.3   PROBLEM STATEMENT

Malaysia is an Asian country that is the focus of tourists from all over the country. Based on the online news of Awani, 2018, stated that Malaysia still holds the record of the ten best tourist destinations in the world. According to (Mohamddin, 2018), The tourism industry is the largest contributor to Gross National Income worth RM73.3 billion. Therefore, the growing tourism in the country requires facility services, especially in terms of accommodation. The hotel is one of the lodgings that is a priority for every traveler. But lately, various types of hotels are the focus, and one of them is the hotel capsule. Hotel capsules are rapidly being established in most countries, but various perceptions exist on hotel capsules in Malaysia.

Every guest who wants to choose accommodation such as staying in a hotel

will want ample space for comfort, especially family guests. According to (Tsai, 2011), small room size measurements can affect customer comfort. Not only that, spacious room space is very important in an individual making a hotel selection. One study (Chen et al., 2020), stated that capsule hotels have significant differences from budget hotels. The most noticeable difference is the space, and the room size for the hotel capsule is 1300 millimeters, equivalent to 4.27 feet for the width of a room. While the length of a hotel capsule is 2000 millimeters, equivalent to 6.57 feet. This means that a capsule hotel can only accommodate one guest. According to (Xu, 2011), in China and Taiwan, capsule hotels are known as "space hotels," "lattice hotels," or "energy-saving youth hostel" because each room unit has a space of about 200 cm 100 cm wide, and height of 125 cm with the design of capsule hotel.

The capsule hotel only provides space for sleeping because services such as the bathroom need to be shared in the bath provided as well as personal items need to be stored in a special locker for each guest. One of the capsule hotels that exist in Malaysia is Riccarton Capsule Hotel, located in Kuala Lumpur, which has a choice of room size types, whether single, double, or triple room space. But the customer mentality in Malaysia thinks that the hotel is only suitable for individuals such as backpackers because the small room space cannot accommodate the whole family. Not only that, customers think that individuals who do not have privacy, especially in the matter of cleaning themselves, need to share a bathroom with other guests. Community perception also calls hotel capsules dormitory in schools because of the room space as in the dormitory (Xu, 2011). But the fact is, the hotel still provides space for family room size. Undoubtedly most of the guests who come to the hotel capsule are backpackers. Therefore, customers in Malaysia prefer budget hotels over capsule hotels because each

facility is provided in one room compared to hotel capsules that need to be shared. According to (Rogers, 2016), a capsule hotel is like a morgue because the design of the hotel is like a coffin and can only accommodate one individual. A small room space can cause security issues that are less secure and less comfortable for guests.

In a capsule hotel, the space of the room is only enough for a bed compared to other hotels that have enough space for a desk, dining table, bed, and so on in the room. This might make the customer feel restricted by space limitations to do various actions, including moving around and standing up. Small room sizes can affect tourists' comfort, and customers might decide not to stay here because of their unfamiliarity with this kind of hotel (Amornpornwiwat & Kapasuwan, 2018). According to (Nagasayu et al., 2013), customers who perceive a large room will be more comfortable than customers who perceive a small room. Therefore, customers who have a higher budget will prefer a larger room than the pods of capsule hotels. This was supported by (Lockyer & Robert, 2009), who stated travelers with higher budgets tend to choose a larger room for their comfort. There is no denying that capsule hotels always serve small rooms to their customers compared to other budget hotels. There is limited study on customer perception towards staying at capsule hotels in Malaysia. Therefore, the research aims to analyse whether the Servicescape, price and location will influence customers to stay at capsule hotels in Malaysia and identify the more significant determinants that contribute to customers' perception of staying at capsule hotels in Malaysia.

1.4 RESEARCH OBJECTIVES

The main objective of this research is to investigate the customer perception toward staying in the capsule hotels in Malaysia. The research objectives are as follow:

1. To identify the relationship between Servicescape and customer perception towards staying at capsule hotels in Malaysia.

2. To identify the relationship between price and customer perception towards staying at capsule hotels in Malaysia.

3. To identify the relationship between location and customer perception towards staying at capsule hotels in Malaysia.

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1.5   RESEARCH QUESTION

There are some important questions posed in this study on Servicescape, price, and location in identifying customer perception towards staying at a capsule hotel in Malaysia:

1. Is there any relationship between Servicescape among customer perception staying at capsule hotels in Malaysia?
2. Is there any relationship between price among customer perception staying at capsule hotels in Malaysia?
3. Is there any relationship between location among customer perception and staying at capsule hotels in Malaysia?

1.6   SIGNIFICANTOF STUDY

This finding of this research could provide useful information on the customer perception toward staying at capsule hotels in Malaysia. This study will benefit many parties where it can help the group of researchers, hospitality industry, and tourists about the customer perception toward staying at capsule hotels in Malaysia

1.6.1 To the Group of Researcher

This research paper will help the researchers explore how Servicescape, price, and location influence customers to stay at capsule hotels in Malaysia. This research would benefit the group of researchers and the people as a recommendation for other similar research to those who would take this research as their references. This research will also give a piece of useful information to help them uncover critical areas that some researchers might be able to explore.

1.6.2 To the Hospitality Industry

This research believes that it can benefit the hospitality industry to promote the capsule hotel to customers. This is because the capsule hotel was not very popular among customers, so this research can help a little bit for this hotel to become more well-known among customers in Malaysia, especially backpackers.

1.6.2 To the Tourists

Besides that, this research also provides useful information based on customer perception toward staying at capsule hotels in Malaysia toward tourists. Tourists may benefit from the research topic since the research guides to understanding customer perception toward

staying at capsule hotels in Malaysia thoroughly. This research hopes that it can benefit the tourist to help them as their guide or recommendation to those who intend to stay at a capsule hotel in Malaysia.

1.7   DEFINITION OF TERMS

TERMS	DEFINITION
Customer Perception	Customer perception defined as the way that customers generally view or experience about certain services and products. Perception is defined as the large creativeness that humans create of their thoughts and interpret that image as a larger significant picture Raji and Zainal, (2016). However, the consumers create a picture of that product primarily based on the value of the product. Therefore, Amini, Falk, and Schhmitt (2014) state that the customer perception has been generated at the first appearance about the product, but the customer created a judgment approximately the price of a product at once before buying.
Location	Location defines the new hotels position in geographic, and product area conforms to the positions of present locales Urtasun and Gutierrez (2006)

Price	Dodds, Monroe, and Grewal (1991) state that price is a quantity of money that needs to be used at the same time as a customer purchases a products or service.
Servicescape	Booms and Bitner (1981) explained Servicescape is the physical environment in which a service process takes vicinity.

1.8 SUMMARY

In conclusion, chapter 1 discusses the reason by presenting the research objectives. The findings discussion will answer the research questions. This research is to study customer perception of staying at the capsule hotel in Malaysia. The research questions seek to identify the relationship between Servicescape, price, and location among customer perception staying at capsule hotel in Malaysia. The next chapter will explore the existing literature on the relationship between Servicescape, price, and location among customer perception staying at capsule hotel in Malaysia.

CHAPTER 2

LITERATURE REVIEW

2.1   INTRODUCTION

This chapter will discuss the literature review. The purpose of this literature review is to provide the reader with customer perceptions towards staying at capsule hotels in Malaysia. The independent variables (IV) and dependent variable (DV) will be defined and explained in this study. Also, this chapter will explain the framework of the investigation, which will serve as the conceptual framework of this study. A conceptual framework was proposed to determine the relationship between IV and DV. The development of hypotheses will also be discussed. This chapter ends with a chapter summary.

2.2   CAPSULE HOTEL

The capsule hotel is a different accommodation than any other accommodation. Capsule hotels were first established in Japan in 1979. In terms of price, capsule hotel

offer cheaper prices than regular hotels (Morrison, 2016). According to (Leslie, 2006), capsule hotels are said to be different from existing hotels in the accommodation industry in terms of space of small size and smaller than budget hotels. The capsule hotel only offers a minimum of one bed and can only accommodate one guest. The hotel is constructed according to the features of Japanese urbanization and the hotel is usually located in a metropolitan area. One of the reasons the hotel was established was to provide convenience to business people and not just to tourists or backpackers (McNeil, 2008). This is because the hotel is close to the city center and close to facilities such as trains, shopping malls, the food and beverages industry, and so on.

According to (Liberty Times, 2015), the hotel capsule industry is also gaining ground and is becoming known throughout the country including China, Malaysia, Singapore, western countries, and several other countries. According to (Lam, 2017), the capsule hotel industry is growing, the global market of the hotel has recorded a market value of US $ 167.07 million in 2017 and the forecast estimates to continue to grow with a Compound Annual Growth Rate (CAGR) of 6.3% from 2018 to 2020 with an estimated value of 226 million USD at the end of 2022.

In Malaysia, hotel capsules are also increasingly known and widely established in urban areas. In 2020, a report from the official websites (Tourism Malaysia, 2020) recorded that the country received 4.23 million international tourist visits in the first quarter of this year despite a decrease of 36.8% compared to 2019 due to the covid-19 season.

However, Malaysia faces problems in terms of accommodation because it receives many tourists to the point of lack of accommodation industry (Zhiying, 2020). Therefore,

the concept of a capsule hotel was introduced in Malaysia to accommodate a large number of tourists.

2.2.1   Independent Variable

Independent variables used variables conducted for experiments or studies (Robert, 2006). Independent variables are also related to dependent variables to study why presumed cause and response to independent variables (Robin et al., 2010).

2.2.2   Servicescape

Servicescape was selected as an independent variable in studying customer perceptions of hotel capsules in Malaysia. According to (Bitner, 1992), Servicescape inspires many researchers in completing every study. According to (Booms, 1981), Servicescape is interesting to be an independent variable study because Servicescape explains in great detail the external factors in determining the determinants of a study.

Researchers have examined the determinants in Servicescape used to study customer perceptions of hotel capsules. The determining factor in the independent studies Servicescape study is focused on environmental factors. Environmental factors have had a huge impact on the perception of customers who want to stay at the hotel capsule. According to (Kim & Perdue, 2013), most hotels begin to examine environmental factors in terms of design as opportunities and advantages that are different from other hotels. The proof is, the hotel capsule is very unique because its design is very different from the existing hotel.

Therefore, customers will experience an unforgettable experience while staying at the hotel capsule. According to (Harris & Goode, 2010), there are several dimensions of attraction to influence customer perception namely aesthetic attraction, layout, and so on. This dimension is an important factor in Servicescape services in ensuring that the physical environment in the capsule hotel is the customer's perception of the hotel. Environmental factors at the hotel capsule usually provide a quality experience for every customer who stays in the hotel Jang (2015).

2.2.3   Price

Price perception has directly influenced customers toward staying at capsule hotel in Malaysia. According to Edwards (2010), price is the most important factor in a consumer's hotel choice to decide which hotel to stay and more tend to select a hotel that offers the lowest price. This is further supported by Rao & Monroe (2013) who stated that the important factor in product quality assessment that is often viewed by consumers is the price. Lu & Shiu (2011) mentioned that consumer's willingness to buy or to stay depends on their perception of the values of the hotel. According to Chun (2018), the mentioned price is defined as the physiological price in the consumer's mind and represents the consumer's relative evaluation of the pricing. Moreover, Faith and Agwu (2014) reported that price perception greatly affects a consumer's decision to purchase a product. Besides that, perception of price also provides deep meaning for the consumers which explains information about a product or service (Kotler & Keller, 2016). The past research by Komaladewi & Indika (2017) indicated that customers tend to consider price as an important factor that influences their purchase decisions.

Normally, guests prefer to pay more to expect a higher level of service of the hotel. However, in consumer perception, customers will prefer to book a room at a lower price that can influence customer satisfaction in the hotel (Thompson, 2005).

Additionally, some researchers proved that price fairness is an important assessment in price perception that helps to develop customer satisfaction whether the offer's price is acceptable, reasonable, and justifiable (Al-Msallam, 2015). Moreover, price transparency also can provide the customer's information about the honest, open, and complete price that is needed for their purchasing decisions (Urban, 2003). According to Matzler (2006), customer search and evaluation costs can be lowered by high price transparency that can lead to higher satisfaction. Thus, knowledge of price is very important because the customer can have dissatisfied with the purchase experience if the knowledge of price is low or limited (Estelami & Bergstein, 2006)

2.2.4 Location

Location is one of the factors in influencing customer perception to stay at the capsule hotel. Capsule hotels are usually located in the city center and close to various facilities such as public transport, restaurants and more. According to (Lockyer, Edwards et al 2013), location is an important factor in decision making and guests tend to choose the location of the hotel near various facilities. Indirectly can save time and energy especially for non-domestic guests. In a previous study, (Chan & Wong, 2006) explained that strategic location influences guest perception to make choices because location close to convenience provides comfort to customers.

Researchers have examined the determinants in customer perceptions of hotel capsules

in terms of location selection to use a theoretical model. Model theory is indeed used in making choices about hotel locations. For example, the location of the hotel capsule is usually located in the city center. According to (Yang et al., 2014), this theory encompasses the geographical position of hotel location selection. According to (Yang et al., 2010), this theory covers the geographical position of hotel location selection. This is because customer perceptions of hotel capsules are usually more concentrated in urban areas. There has never been a hotel capsule location in the suburbs because model theory helps the construction of the hotel more suitable to be developed in the city center and strategic hotel locations are always in high demand accommodation Lockyer (2005). Customers' perceptions of hotel capsules are established in the city and equipped with various facilities that make it easy for every guest to move, especially the urban tourism structure Rogerson (2012). For example, Riccarton Hotel Kuala Lumpur is located in a very strategic location in Titiwangsa and is the most popular area in the city. Not only that, the Riccarton Hotel is close to the city center and the airport. Based on model theory, the geographical location of the hotel location is one of the unmatched locations because the location is truly prestigious in the city of Kuala Lumpur. According to Shoval (2011), a strategic location can influence the movement of tourists in a city to stay in a hotel capsule
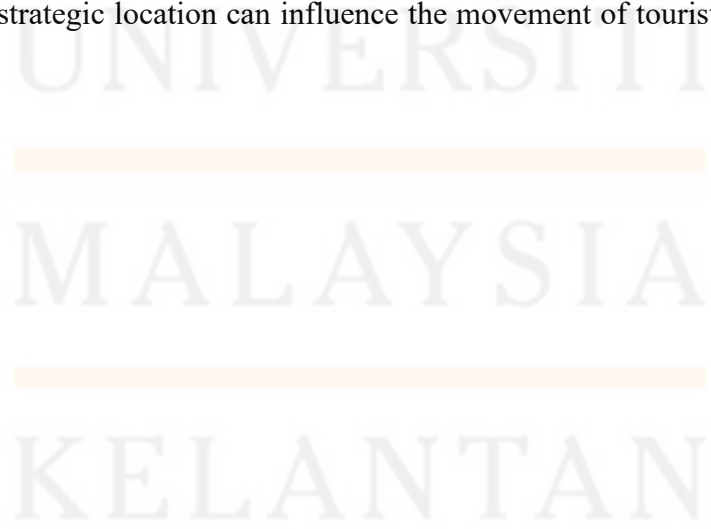
2.2.5 Dependent Variable

Dependent variables are measurable variables. This variable is expected to give results to the study conducted which is the expected effect (Robin et al., 2010). This is to study the perception of customers in Malaysia towards staying at capsule hotels.

2.2.6 Perception Staying at Capsule Hotel in Malaysia

Hotel capsules are growing like other accommodations but the hotel is less known among Malaysian customers because the hotel is better known among backpackers. (Goli, 2011) give the impression of the hotel capsule as a hostel because it provides beds only for guests and does not provide facilities in the room. Similarly, (Rogers, 2016) gives the impression of a hotel capsule like a morgue because the room size space is like a coffin.

In Japan, it also gives the perception of hotel capsules as outer space because the shape of the hotel is like outer space (Xu, 2011). Undoubtedly the hotel can be set up with a variety of designs. According to one of the Malaysian bloggers (Hasif, 2017) gave the perception of a capsule hotel like being in a UFO ship because the design of a capsule hotel room has various types of designs, one of them is like a UFO ship, a capsule hotel.

But it is different from the perception in Malaysia because visitors in that country always survey something before making a decision. Similarly, the selection of hotels usually guests from Malaysia will survey accommodation to sleep even within a few hours only. This is because customers in Malaysia prefer comfort. Therefore, the research surveyed acceptance and customer perception of staying at capsule hotel in Malaysia. This study also aims to study and identify customer perceptions of staying at the capsule hotel especially guests in Malaysia .

2.3   HYPOTHESES

Based on the article, there is a relationship between the customer's perceptions of the capsule hotel. Various attractions and push factors influence customers to decide to spend their night at capsule hotels or not.

This study will examine customer's perceptions towards staying at the capsule hotel. Based on the article that has been reviewed, the hypothesis of this study can be summarized in the following way:

H1: There is a relationship between Servicescape among customer perception of staying at capsule hotel.

H2: There is a relationship between price among customer perception of staying at capsule hotel in Malaysia.

H3: There is a relationship between location among customer perception of staying at a capsule hotel in Malaysia.

2.4 CONCEPTUAL FRAMEWORK

Figure 2.1 shows the conceptual framework of this study. It is adopted from Amornpornwiwat and Kapasuwan (2018). This study adapted customer perceptions towards staying in capsule hotels in Malaysia.
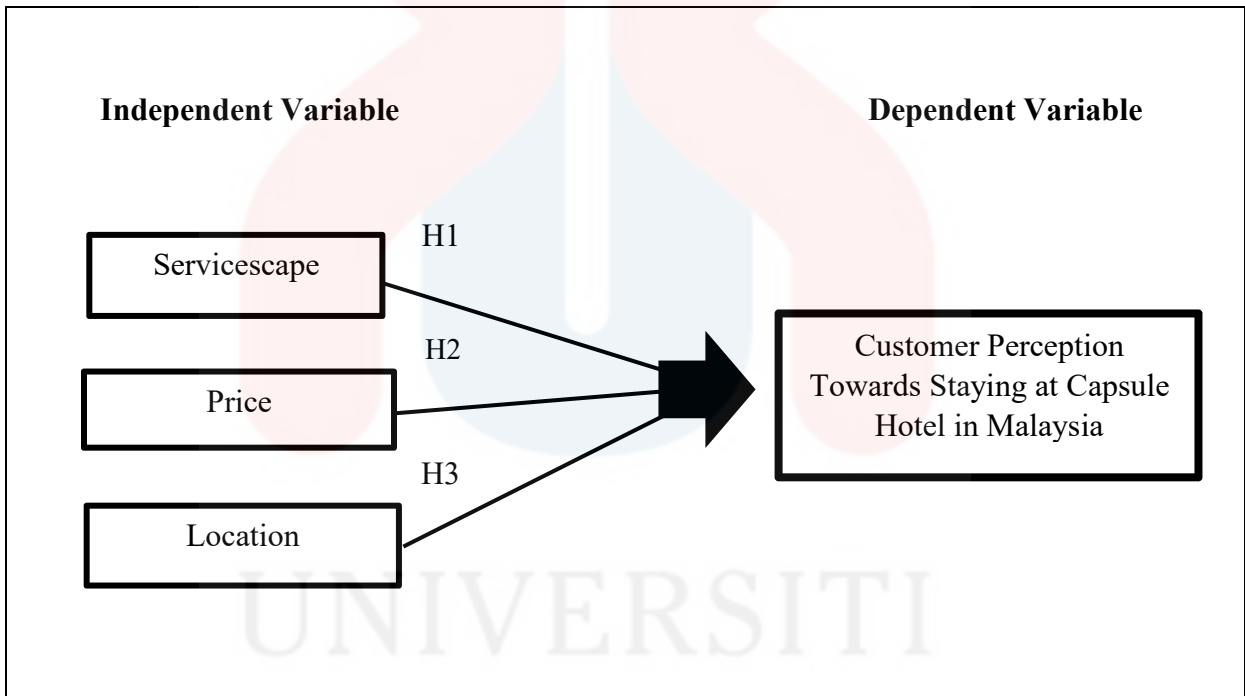
Figure 2.1: Conceptual Framework of the Study adopted from Amornpornwiwat and

Kapasuwan (2018)

The framework is intended to determine empirical data from actual residential coaching conditions and real customers by marketing theories. A conceptual framework is a tool that analyses some context and variations. It is a picture that contains an overview

of DV and IV. Three independent variables are Servicescape, price, and location, while dependent variables depend on the customer perception towards staying at capsule hotels in Malaysia.

2.5   SUMMARY

In conclusion, this chapter explains how each variable is formed using the relevant studies and past research. Two types of variables which are independent variables and dependent variables have been identified in a framework research study. It covered the literature reviews on Servicescape, price, and location that will lead to customer perceptions towards staying at capsule hotels in Malaysia. The next chapter will discuss the methodology that will be applied in this study.

CHAPTER 3

METHODOLOGY

3.1 INTRODUCTION

The third chapter is about research methodology. This chapter focuses more on the research methods used in completing the study and focusing on the procedures found in the research. This chapter consists of a research design, target population, sample size, sampling procedure method, data collection, study instrument design and research instrument, and final data analysis. In summary, this chapter covers each statistical process and method used to test the hypothesis. To research the research hypothesis, the researcher will survey collecting information and applying analytical techniques to determine the data pattern. In this chapter, the study will determine what methods are most suitable to be used in collecting data.

3.2 RESEARCH DESIGN

Research design is a framework of research methods and techniques chosen by researchers to ensure that researchers use research methods appropriate to the topic. Research design is the main determinant in determining which research methods should be used in the study. The design of the study chosen is to apply different components that are how, when, and where the study is conducted coherently, along with logic in answering each research

question. Based on the study design, quantitative research has been selected for use in this study. This is because there are several advantages in using this type of method, which can be tested and checked if there are errors in the study. The approach of using this method is easier to trust and less open to subjective errors. This method is also faster and saves time, and even researchers can get information in a short period.

Bryman (2012) defines quantitative research as a research strategy that emphasizes quantification in data analysis collection. One is to find a sample and determine the target population in helping to answer all research questions. Besides, Duff and Arnold (2007) explained at the methodology study method is an immature study; therefore, collecting data and information is needed to strengthen the study. This study includes study design, quantitative study, justification of selecting study methods, and data analysis strategies used in the study.

This research method allows researchers to identify the determinants of customer perceptions of staying at a capsule hotel in Malaysia. The purpose of the quantitative method used in this study is because this method focuses on aspects of social behaviour that influence customers' perceptions of staying at capsule hotels. This method is suitable for use because it uses more calculation data than writing, especially for a large population.

3.3   POPULATION

The population can be explained as a comprehensive group of individuals, institutions, objects, and so forth which have common characteristics that are of interest to the researcher. The population for this research is people in Malaysia. The study will conduct some questions to get the correct and appropriate sample for this project. This is due to the common characteristics and accessibility of the population suitable for this study's findings.

3.4   SAMPLE SIZE

The sample size is the number of observations being selected from a population for research purposes. The size of the sample may be determined by four elements which are how much sampling error can be tolerated, population size, how varied the population is with respect to the characteristics of the interest, and the smallest subgroup in the sample for which estimates are needed Salant & Dillman (1994).

For this research, the researchers focus on customer perception toward staying at capsule hotel in Malaysia to answer the research objectives. Krejcie and Morgan's (1970) table has been used as a good way to determine the adequate number of research respondents. The table showed the sample size based on the given total population (Table 3.1). According to Krejcie & Morgan (1970), with more than 1000000 the required sample is 384.

Table for Determining Sample Size of a Known Population									
N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384

Note: N is Population Size; S is Sample Size   Source: Krejcie & Morgan, 1970

Table 3.1: Determining sample size of a known population. Source and adapt from

Krejcie and Morgan (1970)

3.5   SAMPLING METHOD

Sampling methods are divided into two main types which are probability and non-probability sampling (Hamed, 2016). According to (Kumar et al., 2013), each of these techniques has a broad category and has various sampling techniques. Non- probability sampling was selected by the researcher because the sample frame is no available in this study. This also can save time and costs while allowing close investigation of the syndrome. Convenience sampling is used in this study, where it is probably the most common of all

sampling techniques to be used. According to (Etikan et al., 2016), convenience sampling was used to collect information from participants who are easily accessible to the researcher.

In convenience sampling, there were no other criteria that were needed except the people who are willing to participate and available have a big chance of being chosen as the subject of the sample for this study. The target population for this research is the customers in Malaysia who are interested in staying at the capsule hotel. In brief, the population is 32.7 million in Malaysia, and the sample size would be 384 persons based on the rule of thumb proposed by Krejcie & Morgan (1970). The questionnaire will distribute equally to the entire chosen sample respondent in Malaysia.

3.6   DATA COLLECTION PROCEDURE

It is important to attain accurate and credible information on the condition of the research when managing the field study (Kim et al., 2020). The process of gathering records from all the applicable sources to discover answers to the research problem, test the hypothesis and evaluate the outcomes is known as data collection. There are two categories of data collection which are primary and secondary methods.For this study, the researcher will use a questionnaire and secondary data to collect data. A questionnaire consists of a set of questions that suggest gathering the information from a respondent (Kumar et al., 2013). The questionnaire will be separated into three sections which might be sections A, B, and C. The questionnaires will be distributed to 384 respondents who meet the characteristics of the respondents and the objectives of the study.

Questionnaires could be provided to the respondents in a dual language which is English and Malay. Our questionnaire respondents are to the Malaysian public, which is to identify what are the perceptions towards capsule hotels in Malaysia. Moreover, questionnaires are answered by the respondent, and the data will be collected. Researchers will collect personally to secure the information obtained.

3.6.1 Pilot Test

When the questionnaire is involved in the study, a pilot study is a must step to do. According to Singh (2007), this is because the error of the questionnaire gets deducted with the help of the pilot study. By carrying out a pilot test, the researcher gets to test the level of understanding of respondents towards the questionnaire before distributing it to the study samples. A pilot test will be conducted with 30 selected respondents from a customer in Malaysia to test the validity of the questionnaire in this study. Mistakes and misleading info and questions were fixed once after these 30 respondents returned the questionnaire.

3.7 RESEARCH INSTRUMENT

To analyze the data collected, a quantitative approach will be used in this study. The quantitative was a survey conducted at the start and end of the focus group meeting. Quantitative research is the process of collecting and analyzing numerical data. It can be used to find patterns and averages, make predictions, causal test relationships, and generalize results in wide populations (Pritha Bhandari, 2020).

The questionnaires will be distributed to target respondents in Malaysia. Respondents are required to answer all the questions in the questionnaire to collect the information needed. There will be three sections in the questionnaire: Section A, Section B and Section C. Close-ended questions with alternatives will be given to respondents to choose from by answering the questionnaire.

Respondents will answer questions about the demographic profile in section A, such as gender, age, race, income, and employment status. A nominal scale is used for the placement of data into categories without any numerical value. The nominal scale also called the categorical variable scale, is defined as a scale used for labeling variables into distinct classifications and does not involve a quantitative value or order.

The Likert Scale will be used in Section B and Section C. Dawes, J. (2008) defined Likert scales use numerical descriptors in which the respondent selects an appropriate number to denote their level of agreement. Section B questions related to independent variables like Servicescape, price, and location. For section C, there is seven-question related to the dependent variable.

3.7.1 Research Instrument Design

A questionnaire will be used for this project. An online questionnaire was designed on Google's platform. The questionnaire contained three sections. Section A contains the demographic item. Then, Section B contains independent variables such as Servicescape, price, and location. Section C contains the dependent variable customer perception. Acroyd & Hughes (1981) said, using questionnaires can make large amounts of information can be

collected from a large number of people in a short period and in a relatively cost-effective way. According to Malhotra (1996), the term questionnaire is defined as a formalized set of questions to obtain information from respondents. The questionnaire is one of the most widely used data collection techniques widely in business and management research for descriptive or explanatory (Saunders et al., 2009).

The research instrument used 5 points Likert-type scales adapted from previous studies (Saleh & Ryan, 1992; Wu, 2006; Edwards, 2010; Reimann et al., Quintal et al., 2010; Zaim & Purwanegara, 2013). Price was rated from 1 (dislike very much) to 5 (like very much). For Servicescape, location and customers' perception were assessed, ranging from 1 (Strongly Disagree) to 5(Strongly Agree). The Likert scale from 1 implies 'Strongly Disagree' to 7, which implies 'Strongly Agree.' The researcher uses a Likert scale for this study because respondents can choose the best option that supports their opinion. It also can be used to measure someone's attitude by measuring the extent to which they agree or disagree with a particular question or statement. The researcher disseminated the survey through a google form, and the survey will be updated in the researchers google form system.

Sections	Variables	Item	Authors
A	Demographic profile	5	Li & Jing (2013)
B	Servicescape	7	Kim & Perdue (2013)
	Price	7	Kotler & Keller, 2012
	Location	7	Chu & Choi (2000); Edwards, (2010)
C	Customers Perception	7	Chu & Choi (2000)

Table 3.2: Overview of Research Instrument

3.8 DATA ANALYSIS

Data analysis is a process of using a statistics practice to organize, describe, represent, evaluate, and interpret the data. There are three types of data analysis which are descriptive analysis, reliability analysis, and inferential analysis (Pearson's Correlation Coefficient). In this research, descriptive analysis is the most frequent method used in a quantitative method. The tool used in this study to analyze the data is the Statistical Package for Social Science (SPSS) version 26. SPSS is software that is able to explain the relationship between independent variables and dependent variables in terms of descriptive analysis and correlation. SPSS can process the data collected from respondents into useful information and help researchers perform complex statistical analysis. Therefore, reliability analysis would help in data analysis and it is useful for the researchers,

3.8.1 Descriptive Analysis

Descriptive analysis was used to describe the data in the research. It helps the researcher to find the pattern and summarize the data collected. Before the descriptive analysis is applied, the researcher needs to have a clear mind on a research question and what to show. The descriptive analysis will be used to analyze the frequency of the demographic of the respondent. It is also to see the frequencies of the questions answered by the respondents.

To analyze and represent the data collected, mean, median, and mode can be used on all levels of measurements. To show how respondents react to the item states in a questionnaire, standard deviation and inter quartile range can be used. It is useful to summarize the respondent's profile in section A where respondents will answer background information such as age, gender, and working status. Thus, it can be used to identify and analyze the factor of customer perceptions toward staying at a capsule hotel in Malaysia.

3.8.2 Reliability Analysis

Reliability analysis is a way of estimating the quality of the measurement procedure used to collect data in research. According to Malhotra & Peterson (2006), the purpose of conducting reliability analysis is to find out the stability and consistency of research data. Reliability analysis is concerned about how far the question is used in a survey which is the same kind of information each time the respondent has been asked. The researcher used

Cronbach's Alpha Coefficient as measurement tool in this study. Based on Matkar (2012), Cronbach's Alpha Coefficient is ranged from 0 to 1. When a variable has a higher value, it shows the higher the reliability of the item. However, it will be examined as unreliable when variables less than the value of 0.6.

Tables 3.4: Rules of thumb of Cronbach's Alpha Coefficient range

Alpha coefficient range	Strength of association
= 0.9	Excellent
0.8 to < 0.9	Very good
0.7 to < 0.8	Good
0.6 to < 0.7	Moderate
< 0.6	Poor

Sources: (Matkar, 2012)

3.8.3 Pearson Correlation Coefficient

From this research, data analysis will be caused by the Pearson Correlation Coefficient. Pearson correlation analysis will investigate the relationship between two variables in statistical terms. Pearson correlation is used when it is believed there is a linear

relationship in data. In this research, the Pearson correlation coefficient (r) was used to measure the significant relationship between Servicescape, price and location, and customer perception toward staying at the capsule hotel in Malaysia. Thus, correlation analysis can be used to test the mutual influence between two variables for the study.

According to Mukaka (2012), a perfect linear relationship was formed when the correlation coefficient is -1 or +1. However, when there is no linear relationship between independent and dependent variables, the correlation coefficient is zero. The table below shows the rule of thumb of correlation coefficient size.

Table 3.5: Pearson's Correlation Coefficient

Correlation	Value
Perfect positive correlation	+1
No correlation	0
Perfect negative correlation	-1

Sources: Adopted from Mukaka (2012)
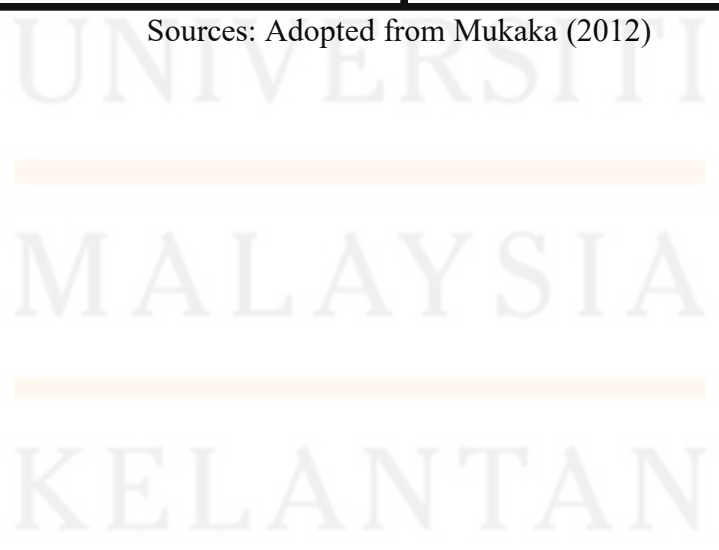
3.9   SUMMARY

A clear methodology is very helpful to researchers in completing this study. This is because the researcher makes the right decision to decide the type of research design, target population, sample size, sampling method, data collection, research instrument, and data analysis. In terms of questionnaires and how questionnaires are applied to respondents are also explained in this chapter. Clear research methodology methods can produce systematic research results and have value to the study studied. Finally, the researchers have decided to use quantitative methods in terms of the questionnaire in this study. The method is more straightforward and more accurate as well as suitable for short study periods.

CHAPTER 4

RESULTS AND DISCUSSION

4.1   INTRODUCTION

Chapter 4 will discuss the research findings and focus on the results of data analysis that will be analyzed in relation to the research objectives and research problem. After collecting the data, the researchers studied the levels of the independent and dependent variables. A total of 384 sets of questionnaires were distributed to respondents about customer perceptions of staying at capsule hotels in Malaysia. Other than that, the findings of descriptive analysis and univariate analysis were also shown in this chapter. Descriptive analysis was used to describe the demographic of the respondents, such as frequency and percent. Univariate analysis was used to study the relationship between Independent Variables (IV)s and Dependent Variables (DV)s. Univariate analysis was used to study the relationship between Independent Variables (IV)s and Dependent Variables (DV)s. The Statistical Package for Social Science (SPSS) version 26 was used to analyse the results. In this research, there were four types of data analysis used: Reliability Analysis, Descriptive Analysis, Univariate Analysis, and Pearson Correlation Analysis.

4.2   RESULTS OF RELIABILITY ANALYSIS (PILOT TEST)

Table 4.1 presents the results of reliability Cronbach's Alpha for the variable

Table 4.1: Results of reliability Cronbach's Alpha for the variables.

Variables	Number of Items	Cronbach's Alpha
Servicescape	7	0.932
Price	7	0.936
Location	7	0.932
Customers Perception	7	0.919

Table 4.1 shows the Cronbach's Alpha values of the questionnaire were between the range of low acceptance level (0.919) to very high acceptance level (0.936). A total number of three independent variables has been tested using Cronbach's Alpha. The first and third independent variables Servicescape and Location, are found to be high in correlation (7 items; α = 0.932). Then, the second independent variable, Price, was also found the most reliable among all the independent variables (7 items; α = 0.936). Furthermore, the dependent variables, Customer Perceptions found to be highly reliable too (7 items; α = 0.919). Therefore, the result shows the reliability is excellent too. Hereby, it can be concluded that all the variables carried out for this study were good and excellent. Therefore, the data were considered suitable for further analysis.

4.3 RESULTS OF DESCRIPTIVE ANALYSIS

Descriptive analysis was conducted based on the data collected from the 384 respondents on section C for background information summaries in the respondent's demographic profile.

4.3.1 Gender

Table 4.2 presents the gender distribution of a total of 384 respondents collected from the data collection.

Table 4.2: The Gender of Respondents.

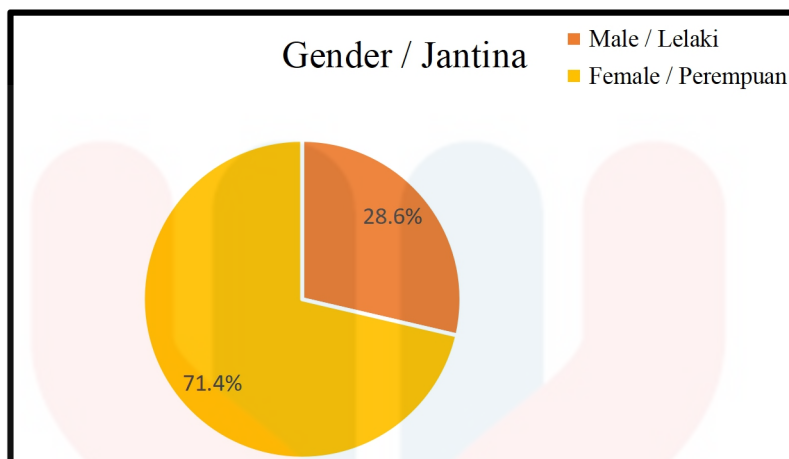| Gender	Frequency	Percent (%)
Male	110	28.6
Female	274	71.4
Total	384	100 .0

Figure 4.1: The Percentage of Gender

Based on Figure 4.1 above, the pie chart shows the gender distribution of a total of 384 respondents. The pie chart above clearly shows that female respondents were 71.4 percent (n=274) more than male respondent 28.6 percent (n=110). The reason why female respondents were more than male respondents was because female was more willing to answer the questionnaire compared to males. Females were easier to approach and willing to spend time to answer the questionnaire during the data collection.

4.3.2 Age

Table 4.3 presents the age distribution of a total of 384 respondents collected from the data collection.

Table 4.3: The Age of Respondents.

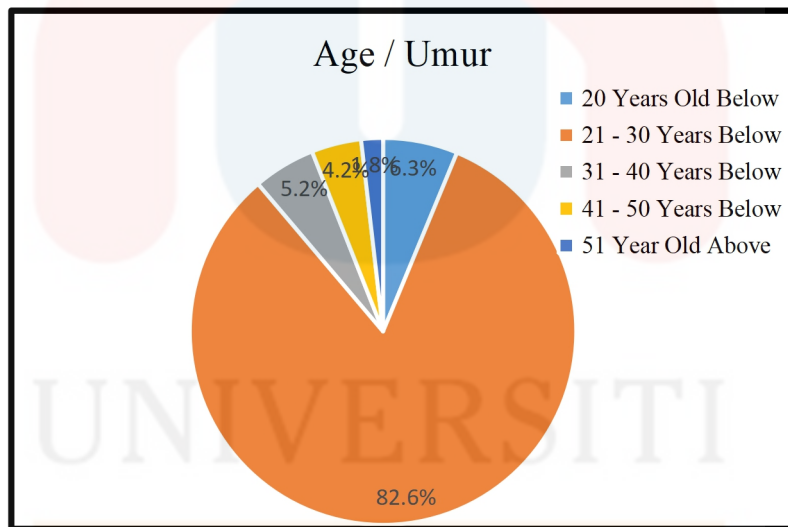| Age	Frequency (n)	Percent (%)
20 Years Old Below	24	6.3
21 - 30 Years	317	82.6
31 - 40 Years	20	5.2
41 - 50 Years	16	4.2
51 Years Old Above	7	1.8
Total	384	100.0

Figure 4.2: The Percentage of Age

Figure 4.2 shows the age distribution of 384 respondents. Among these five age groups, the highest number of respondents were from 21 to 30 years old below with 82.6 percent (n=317). The second-highest number of respondents age was from 20 years old below with 6.3 percent (n=24). Following by 5.2 percent (n=20) respondents from the age group of 31 to 40 years old. Next, the middle age group 4.2 percent (n=16) respondents. While, the lowest number of

respondents were from the age of 51 years old and above with 1.8 percentage (n=7).

Respondents aged from 21 to 30 years old below had the highest number because people in this age range have more time to answer the questionnaire and knowledge about Capsule Hotel compared to other age groups. Meanwhile, the respondents of 51 years old above had the lowest number of respondents because people in this age group don't have enough knowledge and information about the Capsule Hotel in Malaysia.

4.3.3   Race

Table 4.4 presents the race distribution of a total 384 of respondents collected from the data collection.

Table 4.4: The Race of Respondents.

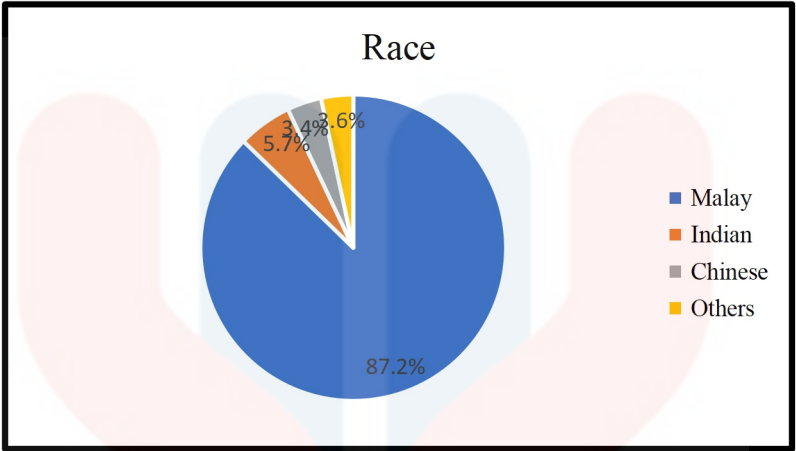| Race	Frequency (n)	Percent (%)
Malay	335	87.2
Chinese	14	3.6
Indian	22	5.7
Others	13	3.4
Total	384	100.0

Figure 4.3 The Percentage of Race

Figure 4.3 above shows that the percentage of race among the respondents. The highest race, which Malay respondents were 87.2 percent (n=335). The second highest respondent was from Indians with 5.7 percent (n=22). There was just a slight difference between the lowest and the second-lowest race group in which Chinese respondents were 3.6 percent (n=14) and others respondents were 3.4 percent (n=13). Malay respondents were the highest because they are most communities in Malaysia compared to other communities. Meanwhile, respondents in the others group had the lowest rate because they are the least community compared to other communities in Malaysia.

4.3.4 Income

Table 4.5 presents the income distribution of a total of 384 respondents collected from the data collection.

Table 4.5: The Income of Respondents.

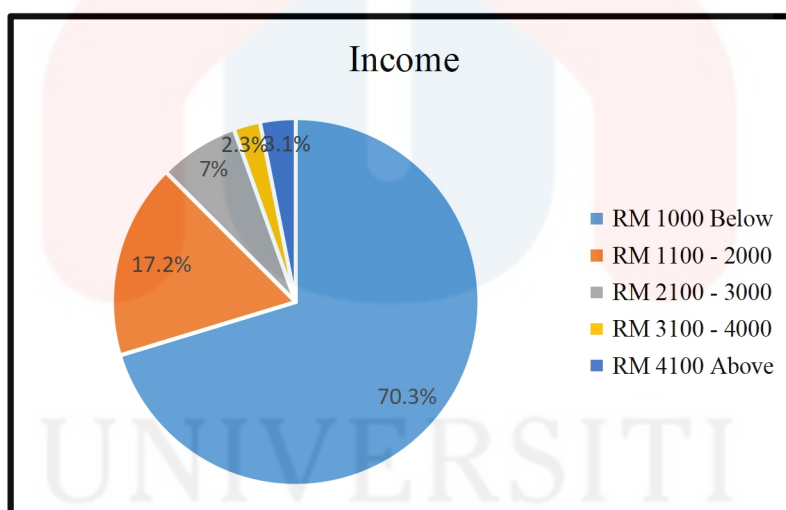| Income	Frequency (n)	Percent (%)
RM 1000 Below	270	70.3
RM 1100 - 2000	66	17.2
RM 2100 - 3000	27	7.0
RM 3100 - 4000	9	2.3
RM 4100 Above	12	3.1
Total	384	100.0

Figure 4.4: The Percentage of Income.

Figure 4.4 above shows the income distributions of the 384 respondents, which had been classified into five continents. The chart and table above show that RM 1000 below has the largest percentage with 70.3 percent (n=270) compared to RM 3100 - 4000 income, which is the lowest with 2.3 percent (n=9). Following with RM 1100 - 2000 income 17.2 percent (n=66); RM 2100 - 3000 income 7 percent (n=27) and RM 4100 above 3.1 percent (n=12) in between.

Most respondents are from RM 1000 below income because most of the respondents from UMK students. Meanwhile, RM 3100 - 4000 income was the lowest among respondents because they are not interested in spending their time by answering the questionnaire.

4.3.5 Employment

Table 4.6 presents the employment status distribution of a total of 384 respondents collected from the data collection.

Table 4.6: The Employment Status of Respondents.

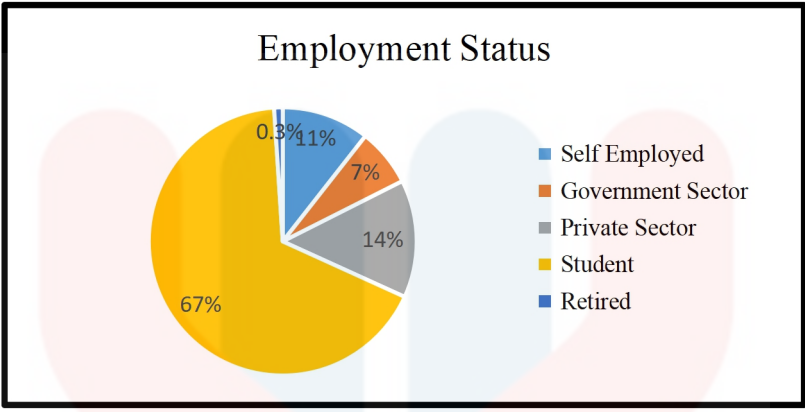| Employment	Frequency (n)	Percent (%)
Self Employed	41	10.7
Government Sector	27	7.0
Private Sector	55	14.3
Student	260	67.7
Retired	1	0.3
Total	384	100.0

Figure 4.5: The Percentage of Employment Status

Figure 4.5 shows the occupation of 384 respondents. The highest percentage of occupation was student 67.7 percent (n=260). The second highest occupation group was the private sector with 14.3 percent (n=55). Following with self-employed 10.7 percent (n=41); government sectors 7.0 percent (n=27) and retired respondent 0.3 percent (n=1). The reason why the students had the highest percentage was that they were interested in experiencing something new lifestyle, while the retired group was the lowest percentage group among the respondents because they might be not interested in staying in capsule hotels due to health reasons.

4.4   RESULTS OF UNIVARIATE ANALYSIS

This section presents the results of the univariate analysis conducted on the items for each variable reported in a frequency distribution, mean and standard deviation. All the Independent Variable items were measured using five (5) Likert scales which values: Strongly Disagree (SD), Disagreed (D), Neutral (N), Agreed (A), and Strongly Agreed (SA).
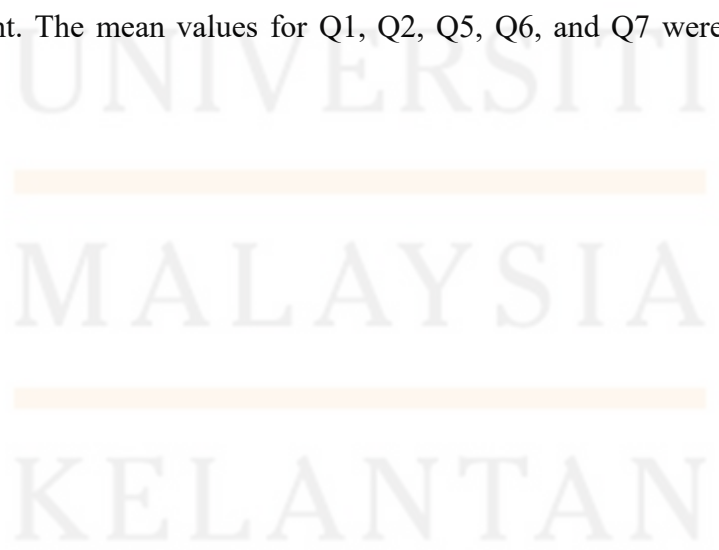
4.4.1 Servicescape

Table 4.7 presents the descriptive statistics for the Servicescape collected from 384 respondents.

Table 4.7: Descriptive Statistics for Servicescape

	Item	Frequency					Mean	S.D.
		SD	D	N	A	SA		
Q1	I like the capsule hotel room, which is a bit privacy.	4 1%	11 2.9%	57 14.8%	152 39.5%	160 41.8%	4.18	0.862
Q2	I love staying in capsule hotels because of the aesthetic environmental factors.	3 0.8%	10 2.6%	66 17.1%	158 41.3%	147 38.2%	4.14	0.844
Q3	I love the unique hotel capsule environmental factor design.	1 0.3%	4 1%	57 14.8%	155 40.3%	167 43.6%	4.26	0.764
Q4	The capsule hotel's personal space is very comfortable.	5 1.3%	27 7%	94 24.4%	128 33.2%	130 34%	3.92	0.990
Q5	The capsule hotel's personal space ensures my privacy.	6 1.6%	15 3.9%	95 24.7%	135 35.1%	133 34.8%	3.97	0.945
Q6	I was interested	4	14	101	145	120	3.95	0.902

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							Mean	SD
	with the comfortable communal space in the capsule hotel.	1%	3.6%	26.2%	37.9%	31.2%		
Q7	I love the facilities provided at the capsule hotel.	2 0.5%	13 3.4%	98 25.5%	130 33.8%	141 36.9%	4.03	0.898

Table 4.7 shows the frequency, mean and standard deviation for the items used to measure the Servicescape. There were seven (7) questions measured, with one (1) of the items having the highest mean 4.26 for item Q3 on statements `I love the unique hotel capsule environmental factor design.' A total of 332 respondents (83.9%) strongly agreed and agreed on item "Q3," 'I love the unique hotel capsule environmental factor design.' Meanwhile, Q4 was the item with the lowest mean, 3.92 on the statement `The capsule hotel's personal space is very comfortable. There was a total of 32 respondents (8.3%) who strongly disagreed and disagreed with the statement. The mean values for Q1, Q2, Q5, Q6, and Q7 were 4.18, 4.14, 3.97, 3.95, 4.03.

4.4.2   Price

Table 4.8 presents the descriptive statistics for the price collected from 384 respondents.

Table 4.8: Descriptive Statistics for Price

	Item	Frequency					Mean	S.D.
		SD	D	N	A	SA		
Q1	The price of a capsule hotel is affordable.	1 0.3%	4 1%	58 15.1%	194 50.6%	127 33%	4.15	0.725
Q2	The low costs influenced me to stay in the capsule hotel.	1 0.3%	8 2.1%	35 9.1%	195 50.9%	145 37.7%	4.23	0.721
Q3	Capsule hotel prices are lower than budget hotels.	7 1.8%	21 5.5%	133 34.8%	119 30.9%	104 27%	3.76	0.973
Q4	Decrease in price in capsule hotel make it more valuable.	1 0.3%	2 0.5%	80 20.8%	176 46%	125 32.5%	4.10	0.753
Q5	The price of capsule hotel is correct and complete.	2 0.5%	1 0.3%	76 19.7%	188 49.1%	117 30.4%	4.09	0.744
Q6	The amount I paid is reasonable and worth the staying	1 0.3%	7 1.8%	57 14.8%	195 50.9%	124 32.2%	4.13	0.742

	Item	Frequency					Mean	S.D.
		SD	D	N	A	SA		
	experience.							
Q7	Price offers on social media influenced my attention to stay at the capsule hotel.	1 0.3%	5 1.3%	52 13.5%	200 51.9%	126 33%	4.16	0.719

Table 4.8 shows the frequency, mean and standard deviation for the items used to measure the price. There were seven (7) questions measured with one (1) of the items had the highest mean 4.23 for item Q2 on statements ` The low costs influenced me to stay in the capsule hotel '.There were a total number of 340 respondents (88.6%) who strongly agreed and agreed on item "Q2," The low costs influenced me to stay in the capsule hotel with. Meanwhile, Q3 was the item with the lowest mean 3.76 on the statement `Capsule hotel prices are lower than budget hotels'. There was a total of 28 respondents (7.3%) who strongly disagreed and disagreed with the statement. The mean values for Q1, Q4, Q5, Q6, and Q7 were 4.15, 4.10, 4.09, 4.13, and 4.16.

4.4.3 Location

Table 4.9 presents the descriptive statistics for the location collected from 384 respondents.

Table 4.9: Descriptive Analysis for Location

	Item	Frequency					Mean	S.D.
		SD	D	N	A	SA		
Q1	The location of the capsule hotel is	1 0.3%	1 0.3%	45 11.7%	208 54.3%	129 33.5%	4.20	0.667

							Mean	Std. Dev
	close to various facilities.							
Q2	Location influence customers to decide to stay in a capsule hotel.	1 0.3%	0 0%	38 9.9%	201 52.2%	144 37.7%	4.27	0.654
Q3	Capsule hotel is located at strategic place.	1 0.3%	1 0.3%	55 14.3%	196 51.2%	131 34%	4.18	0.695
Q4	Capsule hotel located at a tourist attraction place.	2 0.5%	6 1.6%	62 16.1%	177 46.2%	137 35.6%	4.15	0.779
Q5	Information about capsule hotel easy to find in social media.	1 0.3%	4 1%	53 13.8%	191 49.9%	135 35.1%	4.18	0.721
Q6	Capsule hotel is located at a well-secured place.	2 0.5%	5 1.3%	71 18.4%	176 46%	130 33.8%	4.11	0.782
Q7	Capsule hotel is located close to public transport.	0 0%	3 0.8%	77 20%	177 46.2%	127 33%	4.11	0.741

Table 4.9 shows the frequency, mean and standard deviation for the items used to measure the location. There were seven (7) questions measured, with one (1) of the items had the highest mean 4.27 for item Q2 on the statement ` Location influence customers to decide to stay in a capsule hotel'. There was a total of 345 respondents (86.2%) chose strongly agreed and agreed on item Q2.  Meanwhile, the lowest mean items Q6 and Q7 with 4.11 on the statements ` Capsule hotel located at well-secured place' and ` Capsule hotel is located close to the public transport. A

total number of 7 respondents (1.8%) chosen strongly disagreed and disagreed on item Q6. The

mean values for Q1, Q3, Q4, and Q5 were 4.20, 4.18, 4.15, and 4.18.

4.4.4 Customer Perception Towards Staying at Capsule Hotel.

Table 4.10 presents the descriptive statistics for the customer perception collected from
384 respondents.

Table 4.10: Descriptive Statistics for Customer Perception

	Item	Frequency					Mean	S.D.
		SD	D	N	A	SA		
Q1	Social media influenced me to stay at capsule hotel.	2 0.5%	13 3.4%	39 10.1%	183 47.8%	147 38.2%	4.20	0.792
Q2	I stay at capsule hotel because of my close friends and family.	6 1.6%	19 4.9%	63 16.4%	187 48.8%	109 28.3%	3.97	0.886
Q3	High speed internet influenced me to stay at a capsule hotel.	3 0.8%	18 4.7%	53 14%	171 44.4%	139 36.1%	4.10	0.867
Q4	Promotion in social media attracted me to stay in capsule hotel.	3 0.8%	7 1.8%	41 10.6%	176 46%	157 40.8%	4.24	0.776
Q5	I love to experience something new in a capsule hotel	1 0.3%	12 3.1%	65 16.9%	170 44.2%	136 35.6%	4.11	0.813

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	compared to an ordinary hotel.							
Q6	Customer reviews on social media influenced me to choose a capsule hotel.	2 0.5%	10 2.6%	43 11.2%	195 50.9%	134 34.8%	4.17	0.765
Q7	I get unique and memorable experiences in a capsule hotel.	2 0.5%	5 1.3%	49 12.7%	182 47.5%	146 37.9%	4.21	0.750

Table 4.10 shows the frequency, mean and standard deviation for the items used to measure the customer perception. There were seven (7) questions measured, with one (1) of the items had the highest mean 4.24 for the item Q4 on the statement ` Promotion in social media attract me to stay in capsule hotel'. There was a total of 332 respondents (86.8%) who strongly agreed and agreed with statement Q4. Meanwhile, Q2 was the item with the lowest mean of 3.97 on the statement `I stay at capsule hotel because influenced by close friends and family. A total of 25 respondents (6.5%) strongly disagreed and disagreed with the statement. The mean values for Q1, Q3, Q5, Q6, and Q7 were 4.20, 4.10, 4.11, 4.17, and 4.21.

4.5   PEARSON CORRELATION ANALYSIS

Table 4.11 shows the result of correlation analysis of customer perception of Servicescape, price and location toward staying at capsule hotels in Malaysia.

Table 4.11: Results of Pearson Correlation Analysis.

	Servicescape	Price	Location	Customer Perception
Servicescape	1			
Price	0.640**	1		
Location	0.584**	0.741**	1	
Customer Perception	0.588**	0.645**	0.667**	1

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4.11 shows that Servicescape and customer perception were significantly correlated at r = 0.588, p < 0.01. Based on Matkar (2012), the correlation coefficient shows a weak correlation between Servicescape and customer perception.

There was a statistically significant correlation between price and customer perception with r = 0.645, p < 0.01. The correlation coefficient shows a moderate association between price and customer perception.

There was a statistically significant correlation between location and customer perception with r = 0.667, p < 0.01. The correlation coefficient shows a moderate strength of correlation between location and customer perception.

In conclusion, Servicescape, price, and location were significantly correlated with customer perception but there were moderate and weak relationships.

4.6   DISCUSSION BASED ON RESEARCH OBJECTIVES

Table 4.12: shows the summary for hypothesis in this study.

Table 4.12: Summary for hypothesis testing.

	Hypothesis	Pearson's Correlation Results	
H$_1$	A positive relationship exists between Servicescape and customer perception toward staying at capsule hotel in Malaysia.	r = 0.588, p < 0.01	Supported
H$_2$	The price has a positive impact between customer perception toward staying at capsule hotel in Malaysia.	r = 0.645, p < 0.01	Supported
H$_3$	There is a positive relationship between location and customer perception toward staying at capsule hotel in Malaysia.	r = 0.667, p < 0.01	Supported

Based on table 4.12, Pearson's correlation analysis was used in testing the relationship between hypothesis on a significant relationship such as Servicescape, price and location with customer perception' relationship. The result shown all hypotheses stated were accepted at 0.01 significant level.

4.7   SUMMARY

In essence, this chapter discusses each data analysis used by researchers to analyse demographic, independent variables, and dependent variables. Data were collected by researchers using reliability analysis, descriptive analysis, univariate analysis, and Pearson correlation analysis. The independent variables were found to be statistically significant and have a positive linear correlation. Further, all the H1 hypothesis: A positive relationship exists between Servicescape and customer perception toward staying at a capsule hotel in Malaysia, H2: The price has a positive impact between customer perception toward staying at a capsule hotel in Malaysia, and H3: There is a positive relationship between location and customer perception toward staying at a capsule hotel in Malaysia. Finally, all the results of this study are very encouraging and the respondents have answered all the research question through these findings and results.

CHAPTER 5

CONCLUSION

5.1   INTRODUCTION

This chapter will discuss key findings based on the result discussed in the previous chapter. This study's main hypothesis is to focus on customer perception towards staying at capsule hotels in Malaysia. Based on discussions, the hypothesis is made to solve the questions mentioned earlier in the first chapter of this study. This chapter includes a summary of the findings, limitations, recommendations for future research, and a conclusion.

Below are the research objectives of this study:

1. To identify the relationship between Servicescape and customer perception towards staying at capsule hotels in Malaysia.
2. To identify the relationship between price and customer perception towards staying at capsule hotels in Malaysia.
3. To identify the relationship between location and customer perception towards staying at capsule hotels in Malaysia.

Following with the research questions for this study:

1. Is there any relationship between Servicescape among customer perception staying at capsule hotels in Malaysia?

2. Is there any relationship between price among customer perception staying at capsule hotels in Malaysia?

3. Is there any relationship between location among customer perception and staying at capsule hotels in Malaysia?

5.2 RECAPITULATION OF FINDINGS

5.2.1 Servicescape

Table 5.2.1: Research Objective 1 & Research Question 1

No	Research Objective	Research Question
1.	To identify the relationship between Servicescape and customer perception towards staying at capsule hotels in Malaysia.	Is there any relationship between Servicescape among customer perception staying at capsule hotels in Malaysia?
H1	A positive relationship exists between Servicescape and customer perception toward staying at capsule hotel in Malaysia.	

According to the results of Pearson Correlation analysis in Table 4.12, the first

hypothesis predicted a positive and significant relationship between Servicescape of customer perception towards staying at capsule hotels. Based on the result, a moderate positive correlation relationship between independent variable 1 (Servicescape) and dependent variable (customer perception) at r = 0.588 <0.01 is shown.

Based on a previous study reviewed by Lu and Shiu (2011), a positive correlation occurred between Servicescape and customer perception. In terms of environmental factors, Servicescape shows the willingness of customers to stay in the hotel depends on the customer's perception to give value to the picture of the hotel capsule. Due to the customer's perception, Servicescape found that the space provided is less comfortable; therefore, the risk of customers choosing the hotel capsule is lower because customers prefer comfort and satisfaction even though the fees offered are higher. Kim and Perdue (2013) also supported this past study, explaining customer perceptions not only in terms of food provided or luxury brands but customer perceptions are the effective comfort provided.

Based on the result, this research objective, which is 'To identify the relationship between Servicescape and customer perception towards staying at capsule hotels in Malaysia', is achieved. While the research question 'Is there any relationship between Servicescape among customer perception staying at capsule hotels in Malaysia?' also answered through this research.

5.2.2 Price

Table 5.2.2: Research Objective 2 & Research Question 2

No	Research Objective	Research Question
2.	To identify the relationship between price and customer perception towards staying at a capsule hotel in Malaysia.	Is there any relationship between price among customer perception staying at a capsule hotel in Malaysia?
H2	The price has a positive impact between customer perception toward staying at capsule hotel in Malaysia.	

The result of this study shows the positive relationship between price and customer perception toward staying at capsule hotels in Malaysia. According to Pearson Correlation analysis in table 4.12 the price moderately correlates with customer perception of staying at capsule hotels in Malaysia. Based on the result, a moderate positive correlation between price and customer perception is shown at $r = 0.645$, $p < 0.01$. Other studies also prove that customer perception is affected by price directly, where customers will examine the price to determine overall perception toward staying at capsule hotels (Steiner, Siems, Weber & Guhl, 2014).

In Malaysia, people tend not to spend much on accommodation but at a reasonable price. Therefore, capsule hoteliers have to make sure that the price offered to customers must always be reasonable. All of the fees charged must be listed down clearly to make the customer feel satisfied with the cost and avoid any unpleasantness with the cost of the customer.

In conclusion, the research objective, which is 'To identify the relationship between price and customer perception towards staying at capsule hotels in Malaysia' is achieved, and the research question of this study 'Is there any relationship between price and customer perception staying at capsule hotels in Malaysia?' also answered in this study.

5.2.3   Location

Table 5.2.3: Research Objective 3 & Research Question 3

No	Research Objective	Research Question
3.	To identify the relationship between location and customer perception towards staying at capsule hotels in Malaysia.	Is there any relationship between location among customer perception and staying at capsule hotels in Malaysia?
H3	There is a positive relationship between location and customer perception toward staying at capsule hotel in Malaysia.	

According to the results of Pearson Correlation analysis in Table 4.12, the third hypothesis predicted a positive and significant relationship between the location of customer perception towards staying at capsule hotels. Based on the result, a moderate positive correlation relationship between independent variable 1 (location) and dependent variable (customer perception) at r = 0.667 <0.01 is shown.

Finally, a positive correlation occurred between location and customer perception. According to one of the previous studies, Zaim and Purwanegara (2013) stated that location is

one of the most important factors for customers to make decisions. Edwards (2010) also supported this past study, explaining that customers are more likely to choose a location that is close to the various facilities provided, such as infrastructure, food and beverages needs, and various other facilities. This is to make it easier for customers to get nearby facilities in the same area to save travel time.

Based on the result, this research objective, which is 'To identify the relationship between location and customer perception towards staying at capsule hotels in Malaysia', is achieved. While the research question 'Is there any relationship between location among customer perception and staying at capsule hotels in Malaysia?' also answered through this research.

5.3   LIMITATIONS

There are still a few limitations discovered in this study, although many efforts have been contributed to ensuring effectiveness while conducting this study. It is also important to acknowledge and learn from the limitation in order to have continuous improvement to meet the quality of research.

This study is about customer perceptions toward staying at capsule hotels in Malaysia. The limitation of this study is the process of data collection where it is impacted by the length of data collected. In this study, the duration of collecting data is more than what researchers have scheduled. As a result, researchers have to drag more time for processing data collection before proceeding to data analysis.

Moreover, primary data of this study was collected by using an online questionnaire using a google form to distribute questionnaires. By using this method, researchers cannot identify the

truthfulness of respondents while answering this questionnaire because respondents read questionnaires in different ways based on their own understanding for each question. Some respondents may answer questionnaires randomly without reading the question carefully. Besides that, respondents have answered the questionnaire multiple times and made it a problem for researchers to get the actual data from targeted respondents in this study.

Although there are some limitations to face while conducting this study, it was not affected overall. This might be harder for future researchers in order to produce better research in future.

5.4   RECOMMENDATIONS

5.4.1   Theoretical Recommendations for Future Research

The research examines the customer perception toward staying in a capsule hotel in Malaysia. This research shows that the variables that are customer perception (dependent variable) and Servicescape, price, and location (independent variable) were significantly correlated with the dependent variable and a highly positive correlation relationship.

As for recommendations, future research can use other variables such as reliability, assurance, and tangibles as their independent variable, which can provide better richer insights in affecting customer satisfaction towards capsule hotels.

5.4.2 Methodological Recommendations for Future Research

There is some recommendation for future research that can be used to improve this study. They can consider other methods such as in-depth interviews, which are qualitative methods to clarify more on the social media strategies. This survey of interviews can be conducted at some capsule hotels which are famous in Malaysia to find out what customer perception towards staying in the capsule hotel.

In addition, this research also can use overseas tourists who travel in Malaysia as the sample respondents. This is because, in this research, the data was collected from local people. Based on the result of the data, it can be used for capsule hotel owners to improve the structure or facilities in their hotels to satisfy their customer needs.

5.4.3 Practical Recommendation for Future Research

The knowledge about the customer perceptions towards staying in a capsule hotel in Malaysia. Based on this study, the researcher can clarify the real perception of customers towards staying in a capsule hotel in Malaysia. There are some recommendations for future research that can be used to improve this study.

Moreover, Servicescape, price, and location have been recommended for all customers to visit the capsule hotel in Malaysia. This element is more important because customers would like to experience something new in a new environment at a reasonable price, a good location, and great services. The capsule hotel investigated in this study was the perceptions of the respondents were based on experience, pictures, and descriptions of it as specified in the

questionnaire.

Future research might further investigate traveler perceptions of additional hotel attributes and make comparisons among capsule hotels and hostels. The capsule hotels and hostels are inexpensive accommodation selected by tourists and limited budgets. Lastly, it would be interesting to research whether specific travel aims influence perceptions of and intentions to stay at capsule hotels. Thus, these are the ways that can look for future researchers to improve in the future study.

5.5 SUMMARY

It can be summarized that the researchers delivered the aim of this study based on the matter discussed. Based on the result, it's shown that Servicescape, price, and location have a relationship with the customer perception towards staying at capsule hotels in Malaysia. Thus, this study may become a reference for those in the industry, especially in the hotel industry to consider Servicescape, price and location elements in their hotel business to gain more profit. Additionally, the limitation of this study can be used as a reference to produce a better study.

This research data, was collected using the quantitative method. In addition, the research framework was developed and supported according to literature that had been viewed. Meanwhile, there were 384 respondents who took part in this study through the Google Form. The data were collected and analyzed by SPSS software version 26 supported reliability test, descriptive analysis, univariate analysis, and correlation analysis. Therefore, the results shown were reliable, and it was accepted during this study. Finally, all the variables are related to each other affecting customer perception of staying at capsule hotels in Malaysia.

APPENDIX

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Dear respondent,

We are currently a Degree student at University Malaysia Kelantan, Pengkalan Chepa, Kelantan. As a part of the partial fulfilment to complete our Final Year Project, we are researching Customer's Perception towards staying at Capsule Hotel in Malaysia. You have been selected to receive the enclosed survey about Customer's Perception of Capsule Hotel in Malaysia. If you believe another individual would be better suited to complete this survey, please forward it to the other person.

RESPONDENT CONSENT

The study aims to study the customers' perception towards staying at capsule hotels in Malaysia. The survey should not take more than 13 minutes to complete. Your answer is confidential. No individuals or institutions will be specifically named in the dissertation findings.

Your sincerely,

DURRGA THARANI A/P M. GANESAN	H18B0103
NUR SYAFIRA AMALINA BINTI NOR AHMAD	H18A0771
NURUL AMELIA SHUHADA BINTI ZULKIPLY	H18A0472
UMMI SYUHADA BINTI ZAMREE	H18A0654

PART 1: DEMOGRAPHIC

BAHAGIAN 1: DEMOGRAFIK

Please tick (✔) the related statement about yourself

Tandakan (✔) pada kenyataan yang berkenaan tentang diri sendiri

Question in Section A: Demographic

Please the (✔) in the answer below.

1.   **Gender**

Male   ☐

Female   ☐

2.   **Age**

18 – 28   ☐

29 – 39   ☐

40 – 50   ☐

51 – 60 above   ☐

3.   **Races**

Malay   ☐

Chinese   ☐

Indian   ☐

Others   ☐

4. Income

Below RM1000.00

RM1000.00 – RM2900.00

RM3000.00 – RM4900.00

RM5000.00 – RM6900.00

RM7000.00 Above

5. Employment Status

Self-employed

Government Sector

Private Sector

Student

Retired

Question in Section B: INDEPENDENT VARIABLE

Table 3.3 Questions to be used in in section B of the questionnaire

Part A:						
This part is about relationship between Servicescape among customer perception staying at capsule hotel in Malaysia.						
A1	I like the capsule hotel room which has a bit of privacy.	1	2	3	4	5

A2	I love staying in capsule hotels because of the aesthetic environmental factors.					
A3	I love the unique hotel capsule environmental factor design.					
A4	The capsule hotel's personal space is very comfortable.					
A5	The capsule hotel's personal space ensures my privacy.					
A6	I was interested in the comfortable communal space in the capsule hotel.					
A7	I love the facilities provided at the capsule hotel.					

Part B:						
This part is about relationship between price among customer perception staying at capsule hotel in Malaysia.						
B1	The price of a capsule hotel is affordable.					
B2	The low costs influenced me to stay in the capsule hotel.					

B3	Capsule hotel prices are lower than budget hotels.					
B4	Decrease in price in capsule hotels make it more valuable.					
B5	The price of the capsule hotel is correct and complete.					
B6	The amount I paid is reasonable and worth the staying experience.					
B7	Price offers on social media influenced my attention to stay at the capsule hotel.					

Part C:

This part is about relationship between location among customer perception staying at capsule hotel in Malaysia.

C1	The location of the capsule hotel is close to various facilities.					
C2	Location influences customers to decide to stay in a capsule hotel					
C3	Capsule hotel located at a strategic place?					
C4	Capsule hotel located at a tourist attraction place.					
C5	Information about capsule hotels is easy to find on social media.					
C6	Capsule hotel located at a well secured place.					
C7	Capsule hotel is located close to the public transport.					

Question in Section C: DEPENDENT VARIABLE

	This section is about customer perception.					
D1	Social media influenced me to stay at a capsule hotel.					
D2	I stayed at capsule hotel because of my close friends and family.					
D3	High speed internet influenced me to stay at a capsule hotel.					
D4	Promotion in social media attracted me to stay in a capsule hotel.					
D5	I love to experience something new in a capsule hotel compared to an ordinary hotel.					
D6	Customer reviews on social media influenced me to choose a capsule hotel.					
D7	I get unique and memorable experiences in a capsule hotel.					

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APPENDIX