INTERNATIONAL JOURNAL OF RESEARCH AND INNOVATION IN SOCIAL SCIENCE (IJRISS)
ISSN No. 2454-6186 | DOI: 10.47772/IJRISS |Volume VIII Issue X October 2024

Hotel Quality Ratings and Financially Sustainable Performance in Malaysia

[1]Nursyuhada Mohd Taib, *[2]Mira Susanti Amirrudin, [3]Nooraslinda Abdul Aris

[1]Faculty of Accountancy, Universiti Teknologi MARA, Segamat Campus, 85000 Segamat, Johor, Malaysia

[2]Accounting Research Institute, Universiti Teknologi MARA, 40450 Shah Alam, Selangor, Malaysia

[3]Faculty of Accountancy, Universiti Teknologi MARA, 40450 Shah Alam, Selangor, Malaysia

*Corresponding Author

DOI: https://dx.doi.org/10.47772/IJRISS.2024.8100237

Received: 11 October 2024; Accepted: 17 October 2024; Published: 19 November 2024

ABSTRACT

Background and Purpose: The hotel industry is essential in the wider tourism sector by providing various services. This study investigates the relationship between specific quality ratings and financial sustainable performance among hotels in Malaysia, focusing on Return on Assets (ROA) and Liquidity. The non-financial hotel quality evaluations studied include customer evaluations of hotel cleanliness, location, value for money, sleep quality, hotel service, and room quality.

Methodology: A total of 56 hotels registered with the Malaysian Hotel Association (MAH) were selected based on the annual report from 2020 to 2022. Secondary data was obtained through hotel websites and Datastream, while non-financial performance-related information was obtained from TripAdvisor.

Findings: This study shows that hotel quality ratings based on customer evaluation of hotel services, sleep quality, and location are the main factors influencing the sustainable financial performance of Malaysian hotels. Customer satisfaction is the key determinant of hotel success; focusing on quality service and competitive pricing is essential. Hotels must invest in technology, provide a pleasant atmosphere, and encourage customer feedback. Regular performance evaluations and strategy adjustments are needed to maintain sustainable performance.

Contributions: The findings have significant implications for the hotel and tourism industry, offering valuable insights that can guide strategic marketing and operational planning initiatives to enhance overall performance. Hotels and tourism operators should leverage this information to develop tailored strategies to capitalize on current trends. These findings can shape the development of marketing campaigns aimed at effectively reaching and engaging customers.

Keywords: Hotel and tourism, performance, non-financial indicators, rating, sustainability

INTRODUCTION

The tourism industry, especially the hotel sector, plays an important role in the Malaysian economy specifically in contributing to job creation, stimulating domestic investment, and increasing Gross Domestic Product (GDP). The Ministry of Tourism, Arts, and Culture (MOTAC) of Malaysia presented the National Tourism Policy (NTP) for 2020-2030 in December 2020 to stimulate the further sustainable development of the domestic tourism sector. This policy will increase tourism with sustainable and inclusive growth, adopting digital and innovation while addressing threats like COVID-19, as highlighted by Hamid, Shukur, Marmaya, Khan, and Hashim (2020). The NTP identifies several priority strategic objectives of the government, such as improving governance and accountability, developing an intelligent tourism agenda, encouraging sustainable

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS |Volume VIII Issue X October 2024

and responsible tourism, and increasing the inclusiveness and capacity for crisis recovery (Kumar, Kumar, Bhatt, Kumar, & Attri, 2023; Li, Liu, & Zhang, 2022). Some of the targets include a goal that by 2030, the occupancy rate will be 100 million international tourists in Malaysia, and the sector will earn approximately RM100 billion from the whole industry in the next decade (Ramlan, 2023). Such a goal is facilitated by the increasing concern with the two primary factors – digital technologies and big data for improving tourist experiences and management choices (Kumar et al., 2023). The connectivity of digital platforms is essential to the transition of tourism enterprises to optimize their strategies, especially given the current shift on the part of consumers (Shi, 2023). Moreover, the emphasis on sustainable tourism corresponds to the current tendencies, pointing to the significance of responsible attitudes

According to Muhammad Said et al. (2021), Malaysia welcomed 26.1 million visitors in 2019, which contributed an income of RM86.14 billion from the tourism industry. Establishing a community hotel can elevate living standards while reducing unemployment (Bohdanowicz & Zientara, 2009). The intricacies of the global tourism landscape are shaped not solely by external forces such as globalization, technology advancements, and transportation and communication systems enhancements but also by internal factors, including evolving tourist preferences and adaptable management practices (Dwyer, 2015). The rapid development also brings significant challenges, primarily related to the COVID-19 pandemic, economic policies, and sustainability practices.

The hotel market in Malaysia and developed countries such as Singapore and Australia show significant differences that affect local hotel management. In Malaysia, the hospitality sector is growing rapidly with domestic tourism being the main contributor to demand (Yadegaridehkordi et al., 2020). However, in countries like Singapore, international tourism dominates, with a focus on luxury tourist accommodation and premium services (Muhamad Nor et al., 2021). Another difference is in the marketing strategy. In Australia, digital marketing and the use of social media are more widespread and effective in reaching customers (Ho et al., 2022). On the other hand, hotel managers in Malaysia still rely on traditional methods and local promotions, which may limit their reach (Kapoor et al., 2022).

The COVID-19 pandemic impacted the Malaysian hotel industry’s sustainable performance as tourist arrivals decreased, directly affecting hotel occupancy rates. Travel restrictions and strict health controls have led to a shortage in the number of tourists, especially international tourists, who were previously the hotel's main source of income (Klinsrisuk & Pechdin, 2022). These declines put significant pressure on hotel finances, causing reductions in revenue and profitability and increasing the challenge of maintaining competitiveness (Hesford et al., 2020). Hotels face great challenges in maintaining their operations and competitiveness during this global crisis (Zulkarnain et al., 2022). In response, the Malaysian government launched various initiatives such as the *"Cuti-Cuti Malaysia"* campaign to encourage domestic tourism and support the tourism sector recovery (Chan & Lian, 2023).In addition, Malaysia has also taken steps to promote medical tourism through a public-private strategic plan, involving tourism and health institutions (Zain et al., 2022). However, to ensure the sustainability and competitiveness of the hotel sector, it is important to understand how the hotel quality ratings affect their financial sustainability performance.

The second significant problem is adapting to changing customer needs and expectations. The pandemic has increased awareness of hygiene and safety, forcing hotels to invest in additional measures such as frequent sanitation and social isolation (Teng et al., 2023). These investments add to already stressed hotels' financial burdens, and some hotels struggle to balance the additional costs with declining revenues (Rushmore & O'Neill, 2015). Failure to adapt to this new hygiene standard decreases the hotel's quality rating, affecting customer satisfaction and financial sustainability performance.

Another issue is the ongoing economic uncertainty, which limits hotels' access to financing (Motta & Sharma, 2020). During economic instability, many hotels face difficulties obtaining funding for operations and investments. The lack of access to financing can limit hotels' ability to implement necessary improvements or invest in strategies to improve their competitiveness (Botta, 2019) thus, adversely affecting the hotels' long-term survival and financial performance (Pelaez-Verdet & Loscertales-Sanchez, 2021).

This study seeks to examine the hotel industry's performance, shedding light on the sector's financial health in dynamic market conditions. Specifically, this study evaluates how hotel quality rating factors such as cleanliness, location, value for money, sleep quality, hotel services, and room quality affect financial sustainability performance which includes ROA, ROE, and liquidity. Previous studies show that non-financial factors, such as customer satisfaction and service quality, greatly influence an organization's financial success (Nagy et al., 2011; Muhammad Said et al., 2021). Harris and Mongiello (2001) for instance emphasize the importance of non-financial indicators - competitiveness, product and service quality, and resource utilization in providing feedback on the results of organizational actions, which complement economic indicators (profitability). Kaplan and Norton (1992) asserted that non-financial performance indicators such as customer satisfaction, market share, employee feedback, human resources, and product quality are important in driving future financial performance. The idea was supported by Abdel-Maksoud, Dugdale, and Luther (2005) by proposing a set of non-financial performance measures, including customer satisfaction, product quality, on-time delivery, efficiency and utilization, and employee morale as part of the quality ratings.

Researchers have been using Return on Asset (ROA), Return on Equity (ROE), hazard risk, and Return on Capital Employed (ROCE) to depict financial performance (Alemu, 2020; Ben Aissa & Goaied, 2016; Kalaš et al., 2019). According to their studies, the hotel industry plays a pivotal role in propelling and maintaining the tourism industry throughout the year. Malaysia has witnessed a substantial increase in the number of hotels in recent decades. In addition to enhancing their revenue streams, hotel players experience financial challenges, necessitating support to remain competitive. Therefore, the research question addressed in this study pertains to examining the relationship between a hotel's quality ratings and financially sustainable performance based on information made available on the TripAdvisor website, annual report, and website of hotels registered with the Malaysian Hotel Association (MAH).

This study focused on the impact of hotel quality ratings which is part of non-financial performance indicators towards the financial sustainability of the hotel industry. This assessment is essential to understand how hotel quality ratings affect the hotel's financial sustainability performance. Focus was given to Malaysia as one of the developing countries coping with the pandemic effect which may differ from the tourism sector of developed countries. Finally, it provides insight into the importance of non-financial performance in enhancing the hotel’s financial stability and sustainability.

The rest of the paper is structured as follows. Section 2 offers an overview of the hotel industry in Malaysia and the factors influencing its sustainable performance. Section 3 details the research design, including the population, sample size, and variable measurement. Section 4 presents the analysis and discussion while section 5 concludes the study.

LITERATURE REVIEW

Hotel Industry in Malaysia

The hotel industry offers a variety of products and services. The most significant components supporting tourism are food services and accommodations. Hotels operate using a specialized system that provides supplemental services and products tailored to meet customer needs (Sangaran & Selvanayagam, 2021) in exchange for monetary compensation. Interaction between customers and staff is a key to service delivery. This, in turn, establishes a crucial connection between the hotel as the host and the guest as the service recipient. Hotels must adhere to these guidelines to meet customer demands and ensure satisfaction (Sangaran & Selvanayagam, 2021).

The rooms department provides various housing options for guests away from home. The services and facilities offered include housekeeping and laundry services, ensuring guests feel as comfortable as if they were staying in their own homes. The food service section is responsible for meeting guests' dietary requirements, and the facilities have a wide selection of specialized restaurants, events, and catering services (Kumar & Chachal, 2017). The hospitality industry is complicated by its very nature because it sells both tangible and intangible items to its customers. The tangible products would be the actual products that the guest interacts with, while the intangible products would be the services provided to the guest (Lockyer, 2013). The hotel's product is particularly perishable due to the complexity of the offering. If the room nights are not sold, it cannot recoup the revenue earned by a vacant room on that particular day. Due to this, an environment is created in which the hotel's service delivery to its guests must align with the product delivery (Park & Jeong, 2019). For guests to receive this service, they must stay at hotels of their choosing. However, during the pandemic crisis, hotels were forced to shut down operations (Lai & Wong, 2020).

Malaysia is endowed with its beautiful natural features, coastal areas, history, and diverse people from different cultures. The tourism sector has flourished, making Malaysia an attractive tourist destination, and has experienced significant growth (Sangaran & Selvanayagam, 2021). As a result, Malaysia achieved 26.01 million tourist arrivals and RM86.01 billion in total tourist spending for 2019. The result has also been successfully translated into the hospitality industry. The hospitality industry has changed significantly in 18 years. The hotel industry in Malaysia has been boosted by both the increasing number of tourists and the phenomenon of globalization, which has stimulated the growth of businesses in the service industry (Sangaran & Selvanayagam, 2021).

Tourism Malaysia (2020) affirmed that the number of hotels and rooms has increased significantly, from 1,492 with 124,413 rooms in 2018 to 4,750 with 308,207 rooms in 2020. The hotel had 11,620,709 million international guests and 8,0202,019 million domestic guests during business hours. Furthermore, between 2000 and 2018, the hotel industry saw an average occupancy rate of 60 percent (Tourism Malaysia, 2020). Tourism Malaysia (2021) also stated that because of its geographical location between Thailand and Singapore, Malaysia has developed its potential as a tourist destination. For 2018, Singapore recorded the highest number of tourist arrivals, with 13,272,961 million tourists, and Thailand ranked fourth with 1,780,800 million tourists.

According to Bhuiyan, Siwar, and Ismail (2013), building new roads and other infrastructure in Malaysia is the main reason for tourism growth. The Economic Transformation Plan (ETP) started in 2010 where transportation, healthcare, education, retail, communications, services, and other sectors grew and developed. Such development has enabled Malaysia to meet tourism demand as most tourist spots, especially in cities, have the right infrastructure for tourists (Sangaran & Selvanayagam, 2021). This led to the growth of hospitality and tourism product offerings including the hotel industry (Mosbah & Saleh, 2014).

Hotel Quality Ratings

The hotel quality ratings are regarded as an independent variable in the study, encompassing cleanliness, location, value, sleep quality, services, and rooms. As part of indicators to assess the hotels' performance, non-financial indicators are crucial as they focus on customer satisfaction levels. Customer satisfaction may include cleanliness, comfort, location, services, staff, value for money, and many more. Initially, Nagy, Băbăiłă, & Schneider (2011) identified the origins of the hotel guests, with the majority hailing from Romania, Germany, and Italy, and others from France, Switzerland, and several Eastern European countries such as Hungary, Serbia, and Poland. The study revealed a gap, noting that it only examined four-star hotels in Timisoara with at least 50 reviews. The findings suggest an increasing trend emphasizing customer satisfaction where most hotel guests concurred that 7 out of 8 hotels faced service challenges. These challenges included limited breakfast options, unclear smoking and non-smoking zones, and air conditioning problems. They also pointed out another limitation of the reliance on a single variable to gauge quality rating, which is problematic when hotels do not grant sufficient data access.

Conversely, Alves and Lourenço (2022) suggest that hotel quality ratings are positively correlated with environmental uncertainty perception. Adopting such metrics beyond financial ones appears to promote managerial hostility and decentralization. This supports the argument that small and medium-sized enterprises (SMEs) prioritize hotel quality ratings in situations marked by significant external uncertainty and decentralization. This preference is due to non-financial metrics offering managers a broader range of strategic information across various organizational domains, as noted by Ittner, Larcker, and Randall (2003).

Ham et al., (2004) shows that service quality and customer ratings are closely related to hotel financial sustainability performance. Hotels that receive high ratings in terms of service quality often experience an increase in occupancy rates and better financial results. Additionally, Richardson (2009) found that an increase in room quality and cleanliness ratings was significantly related to higher customer satisfaction, which in turn

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS |Volume VIII Issue X October 2024

improved financial performance. Another study emphasizes that different aspects of hotel quality ratings affect financial performance in different ways. According to Kwortnik and Thompson (2009), evaluations of location and value for money may influence tourism decisions more for short-term stays, while sleep quality and service may have a greater impact on customers staying for longer periods.

Mat Noor et al. (2022), revealed that hotel cleanliness and sanitation positively correlate with customer satisfaction levels. The research aimed to assess guest satisfaction with hygiene and cleanliness at the theme park hotel. The results underscore the importance of maintaining cleanliness and sanitation to enhance guest satisfaction rather than prioritizing hotel financial performance. Data analysis was performed on two hundred responses collected through an online questionnaire using convenience sampling.

Tarurhor and Tarurhor (2022) explore the complex relationship between COVID-19 and non-financial performance (service delivery and customer care) in the hospitality industry. Hotel management may incur additional expenses for safeguarding guests and mitigating the spread of COVID-19, which may negatively impact profitability. The findings suggested COVID-19, and its associated fears have a positive impact on non-financial performance. It is recommended that the government invest in adequate security measures to alleviate potential visitors' concerns, thereby strengthening the tourism and hospitality industry.

On the other hand, Phan et.al (2021), identified service quality, company flexibility, resource utilization, and market orientation as significant determinants that enhance service companies' profitability-based performance. The findings indicated a positive correlation between Vietnam's hospitality companies' performance and service quality, flexibility, and resource utilization. Meanwhile, innovation and market orientation did not affect performance directly but indirectly impacted service quality.

Non-financial performance measures were primarily used to enhance the profitability, productivity, effectiveness, and decision-making of SMEs (Mjongwana & Kamala, 2018). The study found a positive correlation between non-financial and financial performance in SMEs within the hotel industry. Moreover, customer-oriented measures were considered the most effective among the non-financial performance indicators which signifies the importance of non-financial performance measures in enhancing SMEs performance.

Financial Sustainability Performance

Financial sustainability is a concept that refers to the business's ability to ensure continued financial stability and growth in the long term. In the context of the hotel industry, financial sustainability performance includes key metrics such as profitability, ROA, ROE, leverage, and liquidity. Some control variables like asset turnover and company size were normally included in providing a comprehensive picture of the financial strength and resilience of a hotel in the face of economic challenges.

According to Muhammad Said et al. (2021), the ideal study would analyze the financial performance and profitability of Malaysian hotels and evaluate the determinants related to performance between 2010 and 2019. To assess profitability, researchers used leverage, liquidity, net asset turnover, company size, and panel data analysis methods. Furthermore, hotel managers are aware of the importance of improving their financial performance and have developed a better plan for investment to maximize their profitability. Thus, maintaining its operations and developing a recovery plan to avoid default payment problems in the future can bring immense benefit to the hospitality industry. It is recommended that a more comprehensive range of factors influencing the hotels' profitability be investigated in future research. It is also recommended to carry out a geographical or location analysis to understand preferred and popular hotel locations.

Alemu (2020) acknowledges the hotel industry as the leading contributor to economic growth and provides a financial safety net for individuals and businesses against unexpected monetary losses. Since hotel profitability is influenced by various factors, it is crucial to comprehend these factors to mitigate financial risks and ensure a stable financial future. Evidence suggested that excessive leverage could jeopardize a hotel's financial stability in the form of heightened losses, with insurers benefiting most from a lower level of leverage. Profitability and Total Assets were found to be positively correlated and statistically significant with each other. Furthermore, economies of scale significantly influenced the profitability of the country's top four-star hotels. The age of a hotel was found to have a beneficial and significant impact on the revenue. The research posits some limitations stating that not all potential factors affecting hotel industry profitability were considered, and a selection of firm-specific and macroeconomic variables were considered.

In periods of economic crisis, such as the COVID-19 pandemic, Clark et al., (2021) prove that sustainable financial performance is key to a hotel's ability to survive and recover. Hotels with a strong financial foundation, including sufficient liquidity, stable ROA, and effective financial management, can maintain their operations and face the challenges that arise during a crisis. On the other hand, financially weak hotels often face difficulties in maintaining operations, resulting in temporary closures or a lack of competitiveness in the market. Therefore, a strong financial foundation is not only important for short-term stability but also for long-term recovery and success in an uncertain environment.

Theory, Hypothesis, and Conceptual Framework

Signaling Theory is used in this study as it explains how one party (information provider) conveys certain information to another party (receiver) to reduce uncertainty and shape perceptions (Al-Adwan et al., 2022). The signal given by the hotel must be reliable and clear to help the recipient or the visitor to make a better-informed decision. The hotel quality ratings play an important role as a signal to stakeholders, such as customers and investors, about the hotel's performance and service level.

A high rating sends a positive signal to the market about the hotel's ability to provide quality service and meet customer expectations (Ballina et al., 2020). This is especially important in highly competitive industries such as hospitality, where perceived quality is a critical factor influencing customer and investor decisions (Pal, 2021). A high-quality rating acts as a signal to reduce customer uncertainty about the experience at the hotel. Customers tend to make decisions based on these signals, especially if they have never stayed at the hotel before. A study by Wen et al. (2021), shows that online reviews and quality ratings have a direct impact on customer perception, where high ratings increase the customer's probability of choosing the hotel.

From an investor's perspective, quality ratings also serve as signals that reflect the hotel's management performance and long-term profit potential (Pereira-Moliner et al., 2021). Hotels with high-quality ratings are often seen as having a better competitive advantage, as they can attract customers who are willing to pay premium prices, thus generating more stable and sustainable income (Hussain,2020). This reduces investor uncertainty and increases their confidence in potential investment returns.

There is strong evidence that hotels with higher quality ratings tend to achieve sustainable financial performance. For example, a study by Abrate et al. (2021), found that hotels with high ratings can attract more customers and maintain high occupancy rates, which in turn increases profitability. High-quality assessment also serves as a mechanism to maintain the hotel's reputation and image in the long term (Nunkoo et al., 2020).

Based on previous literature, this study proposed the following hypothesis, and the model is depicted in Figure 1.

H1: There is a significant relationship between hotel quality ratings and financial sustainability performance.

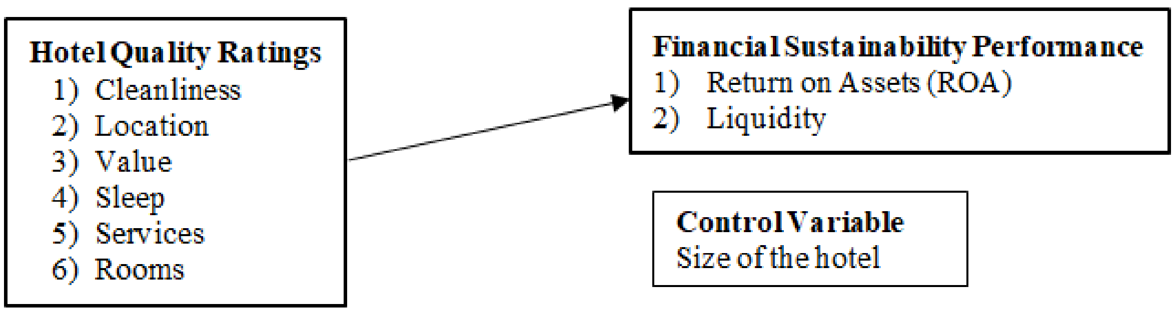

Figure 1: The model for independent variables and dependent variable

INTERNATIONAL JOURNAL OF RESEARCH AND INNOVATION IN SOCIAL SCIENCE (IJRISS)
ISSN No. 2454-6186 | DOI: 10.47772/IJRISS |Volume VIII Issue X October 2024

RESEARCH DESIGN

Population and Sample Size

This quantitative study was based on secondary data. The data for dependent variables and control variables are collected from the annual reports and DataStream. For independent variables, data was collected from the TripAdvisor website to identify the rating for cleanliness, location, value, sleep quality, services, and rooms.

The research conducted by Limberger, Anjos, Meira, and Anjos (2014), in which they used this website to measure the non-financial performance of the hotel industry, supports this data collection procedure. According to Sun and Kim (2013), there is a significant positive correlation between hotel users' level of satisfaction and the industry's financial performance. This suggests that improvements in non-financial aspects of the hotel industry, such as improving service delivery on platforms such as TripAdvisor, can directly impact financial performance (Sun & Kim, 2013). Data is analyzed using the latest Statistical Package for Social Science (SPSS) software, IBM SPSS V27.

The study population consisted of all hotels in Malaysia. It is possible to generalize properties or characteristics more easily by selecting sufficient elements from the total population (Sekaran & Bougie, 2016). As of 31 December 2022, there were 1,035 members of the Malaysian Association of Hotels (MAH), including 54 new members and 5,623 rooms in the hotel. The sample size was determined based on the hotel industry registered under MAH, which published its annual report between 2020 and 2022 through Bursa Malaysia and its website. Thus, only 70 hotel industries provided access to their annual reports, while the remaining 965 did not provide them. The sample must also contain hotel quality rating data, such as ratings on cleanliness, location, value, sleep quality, services, and rooms on the TripAdvisor website. The study was therefore limited to 56 hotels throughout Malaysia as shown in Table 1.

Table 1: Final sample for the study

Sampling Technique	Results
Number of hotels listed under MAH	1,035 hotels
Less: Hotel without annual report	965 hotels
Less: Hotel without non-financial data	14 hotels
Number of Sample size	56 hotels throughout Malaysia
Number of years	3 years - 2020, 2021, and 2022.
Total sample size (No of sample x years)	168

Measurement of variables

The independent variables used in the study are derived from TripAdvisor ratings, including cleanliness, location, value, sleep quality, and services. TripAdvisor enables customers to provide feedback and ratings on a scale of 1 to 5, impacting hotel choices and encouraging high standards in the industry. The dependent variables, financial sustainability performance metrics, are sourced from annual reports and include ROA, ROE, leverage, liquidity, and control variables like net asset turnover and company size. ROA measures profit efficiency, ROE assesses profitability relative to equity, and liquidity indicates how quickly assets can be converted into cash. The measurements are described in Table 2.

Table 2: Variables and description of measurements

Variables	Description of Measurements
Independent variable (IV): Non-Financial Performance	
Cleanliness (CL)	Highlight the cleanliness of rooms, bathrooms, lobbies, and dining areas, including furniture, carpets, and linens, as well as tables, floors, and food preparation facilities.

INTERNATIONAL JOURNAL OF RESEARCH AND INNOVATION IN SOCIAL SCIENCE (IJRISS)
ISSN No. 2454-6186 | DOI: 10.47772/IJRISS |Volume VIII Issue X October 2024

Location (LOC)	Frequently mention convenience, nearby attractions, retail, public transportation, and safety. It also includes the location's accessibility and proximity to tourist spots or popular neighborhoods.
Value (VAL)	Reflect value for money which compares service, amenities, and location to the price, and assess whether the cost aligns with the quality provided.
Sleep Quality (SQ)	Focus on bed comfort which includes mattress firmness and pillow quality, noise levels, room temperature as well as light blocking to assess overall sleep quality.
Services (SERV)	Often highlight staff service, amenities, and overall experience. Common comments include staff friendliness, housekeeping quality, and amenities like pools or spas. Restaurant reviews frequently mention waitstaff politeness, atmosphere, and special touches.
Rooms (RS)	Highlight cleanliness, size, and amenities like mini-bars and Wi-Fi. Comments frequently address room comfort, view, and functionality of amenities. Positive feedback typically emphasizes a clean, spacious room and effective amenities.
Dependent variable (DV): Financial Performance	
Return on Asset (ROA)	Earnings Before Interest and Tax / Total Asset
Liquidity (LIQ)	Current Assets / Current Liabilities
Control variable (control)	
SIZE	Size of the hotel

ANALYSIS AND DISCUSSION

Descriptive statistics

In Table 3, descriptive statistics are presented for the independent variable (IV), dependent variable (DV), and control variable. The IV scoring ranges from 1 to 5.

The result indicates that the score of customers on CL (M=2.5708, SD=1.23911), VAL (M=2.5911, SD=1.311), SQ (M=2.4470, SD=1.12051), and RS (M=2.4899, SD=1.21783) is around the average mean score of 2.5. The highest scores for the customer scoring are SERV (M=3.6030, SD=1.27703) and LOC (M=3.0030, SD=1.20145). Based on the scores, it can be observed that customers rated hotel services and location higher than other factors, indicating a positive relationship between the IV and DV of liquidity and ROA.

The average mean scores for cleanliness, value, sleep, and room suggest that these factors have a more neutral or less significant relationship with the dependent variables. This indicates that customer ratings for these aspects of the hotel experience are neither particularly positive nor negative. They may have a lesser impact on the hotel's overall performance. One potential reason for the higher ratings of hotel services and location could be that these factors are more visible and tangible to customers than cleanliness, value, sleep, and room. Customers may have a better understanding and direct experience of the quality of services provided by hotel staff. In addition, they may experience the hotel's convenience and accessibility. These factors may substantially influence the overall satisfaction and perception of the hotel, leading to higher ratings. Some potential factors influencing customer ratings for hotel services and location could include the quality of customer service, the efficiency, and responsiveness of the hotel staff, the range and variety of amenities and facilities offered, the cleanliness and maintenance of the hotel premises, the proximity to popular attractions and transportation hubs, and the overall convenience and accessibility of the location. These factors can greatly impact the overall satisfaction and perception of the hotel, leading to higher ratings in these areas.

The findings corroborate the notion that service quality is a pivotal factor influencing customer satisfaction and loyalty (Akbaba, 2006). Customers' perception of service quality can greatly affect their satisfaction (Dominici & Guzzo, 2010). Studies show that hotels in or near tourist clusters often perform better than those elsewhere, as evidenced by higher occupancy rates, average daily rates, and revenue per available room (Chikish et al., 2019). Moreover, being close to a cluster and in a city can improve hotel performance (Chikish et al., 2019). This is because urban locations attract tourists, and proximity to a cluster allows better access to amenities. Additionally, urban locations tend to be more attractive to business travellers, who may pay higher rates. Hotels near tourist clusters tend to perform better for several reasons. Firstly, these locations attract a larger number of tourists, resulting in higher occupancy rates and increased demand for hotel rooms. Secondly, being near popular attractions and transportation hubs enhances convenience and accessibility for guests, making the hotel a preferred choice. Lastly, the presence of a tourist cluster creates a vibrant and lively atmosphere, which adds to the overall appeal of the hotel and enhances the guest experience.

To further understand the relationship between a hotel's non-financial indicators and performance, the present study used the correlation coefficient to analyze the correlation between a hotel's non-financial performance indicators, financial performance indicators, and the control variable.

Table 3: Descriptive statistics between the variables

	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
IV						
CL	1.00	5.00	2.5708	1.23911	0.668	-0.714
LOC	1.00	5.00	3.0030	1.20145	0.278	-1.206
VAL	1.00	5.00	2.5911	1.31103	0.559	-0.997
SQ	1.00	5.00	2.4470	1.12051	0.615	-0.584
SERV	1.00	5.00	3.6030	1.27703	-0.516	-1.158
RS	1.00	5.00	2.4899	1.21783	0.472	-0.900
DV						
LIQ	-0.09	9.88	2.3288	2.83923	1.893	2.530
ROA	-1.41	0.29	-0.3885	0.47070	-0.797	-0.603
Control						
SIZE	3.39	8.55	6.1348	1.14540	-0.803	0.278

Correlation analysis

According to Table 4, there is a negative correlation between customer ratings on hotel quality (e.g., cleanliness, location, sleep quality, service, room quality) and liquidity, with coefficients ranging from -0.312 to -0.486. This suggests that higher customer ratings are associated with better liquidity in hotels. Liquidity ratios are crucial for evaluating a hotel's ability to meet short-term financial obligations. Hotels with higher liquidity are better positioned to manage their finances, pay suppliers, and meet operational costs.

Table 4: Correlation analysis

	LOC	**VAL**	**SQ**	**SERV**	**RS**	**LIQ**	**ROA**	**SIZE**
CL	.521**	.544**	.600**	.615**	.363**	-.486**	-0.121	0.013
LOC		.452**	.514**	.466**	.482**	-.312*	0.019	-0.035
VAL			.590**	.580**	.390**	-.342**	-0.001	-0.069
SQ				.503**	.650**	-.390**	-0.085	-0.106
SERV					.458**	-.545**	-.287*	0.094

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS |Volume VIII Issue X October 2024

RS						-.340*	-0.126	-0.118
LIQ							0.262	-0.215
ROA								-.573**

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

*. Correlation is significant at the 0.05 level (2-tailed).

Research by Ryu and Jang (2004) highlights that the hotel sector often has higher liquidity ratios compared to other industries, emphasizing the importance of effective liquidity management. During the COVID-19 pandemic, the hotel industry experienced significant liquidity challenges, reflected in a correlation coefficient of -0.287 between room revenue and liquidity. Factors affecting liquidity include revenue generation from room bookings, expense management, access to credit, and effective asset management.

Customer satisfaction and positive reviews enhance hotel liquidity by driving higher occupancy rates and repeat business. Satisfied customers lead to increased revenue, improving financial stability. Conversely, poor management of expenses and cash flow can lead to liquidity issues. Effective strategies for maintaining liquidity include controlling overhead costs, optimizing procurement, and implementing efficient cash flow management practices. These measures ensure hotels can meet short-term obligations and sustain operations.

Regression analysis

The regression model for this study is specified as follows:

Hotel Performance = β0 + β1(CL) + β2(LOC) + β3(VAL) + β4(SQ) + β5(SERV) + β6(RS) + β7(Control) + ε

Where:

Hotel Performance = Liquidity (LIQ) or Return on Assets (ROA)

CL = Average rating score for hotel cleanliness

LOC = Average rating score for hotel location

VAL = Average rating score for hotel value

SQ = Average rating score for hotel quality of sleep

SERV = Average rating score for hotel services

RS = Average rating score for hotel room services

Control = Size of the hotel

ε = error term

Table 5: Regression analysis

IV	**Model 1: Liquidity (LIQ)**					**Model 2: Return on Asset (ROA)**				
	B	Std. Error	Β	T	Sig	B	Std. Error	β	t	Sig.
(Constant)	0.257	0.348		0.740	0.463	0.257	0.348		0.740	0.463
CL	0.049	0.065	0.129	0.756	0.453	0.049	0.065	0.129	0.756	0.453

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS |Volume VIII Issue X October 2024

LOC	0.103	0.058	0.263	1.775	0.082	0.103	0.058	0.263	1.775	0.082
VAL	-0.026	0.058	-0.073	-0.459	0.649	-0.026	0.058	-0.073	-0.459	0.649
SQ	0.115	0.079	0.275	1.461	0.151	0.115	0.079	0.275	1.461	0.151
SERV	-0.197	0.062	-0.535	-3.202	0.002	-0.197	0.062	-0.535	-3.202	0.002
RS	0.022	0.063	0.057	0.352	0.726	0.022	0.063	0.057	0.352	0.726
SIZE	-0.104	0.049	-0.254	-2.128	0.038	-0.104	0.049	-0.254	-2.128	0.038
F	4.194708354					3.809830951				
Sig	.001[b]					.002[b]				
R2	0.37954803					0.357161367				
Sig	0.001121531					0.002293704				

Table 5 indicates that among all hotel quality rating indicators, the service rating score for the hotel industry is significant in both models, albeit in opposite directions. The standardized regression coefficients, or beta coefficients (β) are derived by standardizing all regression variables before calculating them. This makes them comparable within and across regression models. Consequently, the most influential predictor among the coefficients is the average service rating score for hotels. This is followed by the average rating for sleep quality and then the location rating score for the hotel. The significance of the average service rating score for hotels in both models suggests that this hotel quality rating indicator strongly impacts both the liquidity ratio and the return on assets within the hotel industry. A higher service rating score indicates better customer satisfaction and overall service quality. This, in turn, can lead to improved financial sustainability performance and profitability for hotels.

The R-squared represents the proportion of variance in the dependent variable that is predictable from the independent variables. In Model 1 (LIQ), the adjusted R-squared is 37.9%. The p-value for Model 1 is $p=0.01$ ($p<0.05$), indicating it is below the significance threshold. This suggests that the sample data provide sufficient evidence to assert that variations in the hotel quality rating indicators are correlated with fluctuations in the liquidity ratio within the hotel industry at the population level.

The adjusted R-squared for Model 2 (ROA) is 35.7%. With a p-value of 0.02 ($p<0.05$), which is below the significance threshold, the sample data sufficiently suggest that variations in hotel quality rating indicators correlate with shifts in the ROA within the hotel industry on a population scale.

The significant relationship between hotel quality rating indicators and the liquidity ratio suggests that as hotels' quality rating performance changes, their liquidity has a corresponding impact. This implies that improvements or declines in hotel quality ratings can directly influence a hotel's ability to meet its short-term financial obligations and maintain a healthy financial position.

CONCLUSION

This study shows a significant correlation between hotel quality ratings, liquidity, and ROA. Mjongwana and Kamala (2018) emphasized that customer-focused measures are very effective for evaluating the hotel and tourism sector. Phan et.al (2021) support this showing a positive relationship between service quality, flexibility, resource utilization, and financial performance in the Vietnamese hospitality industry. On the other hand, Alemu (2020) emphasizes that hotel age has a positive impact on income, showing that age is the main driver of income compared to other non-financial indicators.

The theoretical view of this study is consistent with the existing literature, showing that although age affects income positively, other non-financial factors such as service quality, flexibility, and resource utilization have diverse effects on financial success. Azis and Che Ahmat (2022) and Nunkoo et al. (2020) provided evidence that waiting time, customer interaction, and security measures significantly affect customer satisfaction.

Muhammad Said et al. (2021) observed a less significant negative correlation between liquidity and profitability, which was attributed to pandemic restrictions affecting the industry globally.

In practical terms, this study emphasizes the importance of hotel quality ratings and financial sustainability performance metrics in evaluating hotel performance. It suggests that hotels improve their service quality, manage resources efficiently, and consider customer satisfaction factors to improve their financial stability. The government is advised to offer tax incentives and develop holiday packages to support the industry, especially after the COVID-19 pandemic, to increase profits and attract customers (Nataliawati et al., 2022).

The significance of the study lies in its ability to provide in-depth insight into how and what hotel quality ratings affect could be for the hotel industry. This study will help the stakeholders understand the risk-return relationship in investing in hotel quality rating factors. Such understanding may provide insights that can guide strategic marketing and operational planning initiatives to enhance the hotel's overall performance. By implementing strategies that align with the hotel's quality rating indicators, hotels can improve their competitiveness, attract more customers, and improve their financial sustainability performance.

Future studies should explore the impact of government policies and regulations and other external factors on hotel profitability. Alemu (2020) suggests that management quality, efficiency, and productivity are important non-financial factors that affect profitability. Further studies could investigate how different hotel quality rating indicators affect operational performance and how market-oriented strategies can improve service quality and resource utilization. Further studies should incorporate more variables and environmental forces that may impact on performance of hotels. Besides surveys and qualitative interviews, it is possible to expand the understanding of external determinants affecting financial sustainability by adding internal factors, including management quality, staff training, and marketing activities of the hotel.

There are several limitations associated with this study. The study depends on the hotel’s annual report data that are available on Bursa Malaysia or the hotel’s website; some hotels may not have disclosed their annual reports. The number of cases and the ability to generalize must be taken into account since the data is drawn from a large and well-developed hotel sample. The quality ratings of hotels depend only on the guests with experience in these hotels using only the available platforms like Booking.com and TripAdvisor. The customer ratings used may also involve a biased approach to the assessment. In conducting this study, movement restrictions due to COVID-19 pandemic affected the timing of the study and may have influenced the results.

ACKNOWLEDGMENTS

The authors thank the Faculty of Accountancy and Accounting Research Institute (ARI), Universiti Teknologi MARA, for its support.

REFERENCES

1. Abdel-Maksoud, A., Dugdale, D., & Luther, R. (2005). Non-financial performance measurement in manufacturing companies. The British Accounting Review, 37(3), 261–297. https://doi.org/10.1016/j.bar.2005.03.003
2. Abrate, G., Quinton, S., & Pera, R. (2021). The relationship between price paid and hotel review ratings: Expectancy-disconfirmation or placebo effect? Tourism Management, 85, 104314. https://doi.org/10.1016/j.tourman.2021.104314
3. Akbaba, A. (2006). Measuring service quality in the hotel industry: A study in a business hotel in Turkey. International Journal of Hospitality Management, 25(2), 170-192. https://doi.org/10.1016/j.ijhm.2005.08.006
4. Al-Adwan, A. S., Alrousan, M. K., Yaseen, H., Alkufahy, A. M., & Alsoud, M. (2022). Boosting Online Purchase Intention in High-Uncertainty-Avoidance Societies: A Signaling Theory Approach. Journal of Open Innovation: Technology, Market, and Complexity, 8(3), 136. https://doi.org/10.3390/joitmc8030136
5. Alemu, A. A., & Agegnew, A. (2020). Determinants of profitability in hotel industry: A case study in Hawassa City Administration, Ethiopia. International Journal of Hospitality Management, 45(3), 49-54.

6. Alves, I., & Lourenço, S. M. (2022). The use of non-financial performance measures for managerial compensation: Evidence from SMEs. Journal of Management Control, 33(4), 1-37. https://doi.org/10.1007/s00187-022-00337-8
7. Azis, L. A., & Che Ahmat, N. H. (2022). Impact of COVID-19 pandemic on hotel service quality and customer satisfaction. Journal of Tourism, Hospitality & Culinary Arts, 14(2), 69-96.
8. Ballina, F. J., VALDÉs, L., & Del Valle, E. (2020). The Signalling Theory: The Key Role of Quality Standards in the Hotels Performance. Journal of Quality Assurance in Hospitality & Tourism, 21(2), 190–208. https://doi.org/10.1080/1528008X.2019.1633722
9. Ben Aissa, S., & Goaied, M. (2016). Determinants of Tunisian hotel profitability: The role of managerial efficiency. Tourism Management, 52, 478-487. https://doi.org/10.1016/j.tourman.2015.07.015
10. Bhuiyan, M. A. H., Siwar, C., & Ismail, S. M. (2013). Tourism development in Malaysia from the perspective of development plans. Asian Social Science, 9(9), 11-18.
11. Bohdanowicz, P., & Zientara, P. (2009). Hotel companies' contribution to improving the quality of life of local communities and the well-being of their employees. Tourism and Hospitality Research, 9(2), 147–158. http://www.jstor.org/stable/23745392
12. Botta, M. (2019). Financing Decisions and Performance of Italian SMEs in the Hotel Industry. Cornell Hospitality Quarterly, 60(4), 335–354. https://doi.org/10.1177/1938965518816948
13. Chan, J., & Lian, K. (2023). COVID-19 AND THE TOURISM SECTOR-COUNTRY REPORT-MALAYSIA.
14. Chikish, Y., Humphreys, B. R., Liu, C., & Nowak, A. (2019). Sports-led tourism, spatial displacement, and hotel demand. Economic Inquiry. Advance online publication. https://doi.org/10.1111/ecin.12820
15. Clark, J., Mauck, N., & Pruitt, S. W. (2021). The financial impact of COVID-19: Evidence from an event study of global hospitality firms. Research in International Business and Finance, 58, 101452. https://doi.org/10.1016/j.ribaf.2021.101452
16. Dominici, G., & Guzzo, R. (2010). Customer satisfaction in the hotel industry: A case study from Sicily. International Journal of Marketing Studies, 2(2), 2-12.
17. Dwyer, L. (2015). Globalization of tourism: Drivers and outcomes. Tourism Recreation Research, 40(3), 1-14. https://doi.org/10.1080/02508281.2015.1075723
18. Fennell, D. A., & Garrod, B. (2021). Seeking a Deeper Level of Responsibility for Inclusive (Eco)tourism Duty and the Pinnacle of Practice. Journal of Sustainable Tourism, 30(6), 1403–1422. https://doi.org/10.1080/09669582.2021.1951278
19. Ham, S., Hwang, J. H., & Kim, W. G. (2004). Household profiles affecting food-away-from-home expenditures: a comparison of Korean and US households. International Journal of Hospitality Management, 23(4), 363–379. https://doi.org/10.1016/j.ijhm.2004.01.001
20. Hamid, R., Shukur, S. A. M., & Marmaya, N. H. (2021). The Impact of Covid-19 on Malaysia Tourism Industry Supply Chain. International Journal of Academic Research in Business and Social Sciences, 11(16). https://doi.org/10.6007/ijarbss/v11-i16/11213
21. Harris, P. J., & Mongiello, M. (2001). Key performance indicators in European hotel properties: General managers' choices and company profiles. International Journal of Contemporary Hospitality Management, 13(3), 120-128. https://doi.org/10.1108/09596110110388909
22. Hesford, J., Hoffmann, K., Mangin, N., & Turner, M. J. (2020). Financial consequences of competitive set choice. International Journal of Hospitality Management, 86, 102453. https://doi.org/10.1016/j.ijhm.2020.102453
23. Ho, J.-L., Chen, K.-Y., Wang, L.-H., Yeh, S.-S., & Huan, T.-C. (2022). Exploring the impact of social media platform image on hotel customers' visit intention. International Journal of Contemporary Hospitality Management, 34(11), 4206–4226. https://doi.org/10.1108/IJCHM-12-2021-1469
24. Ittner, C. D., Larcker, D. F., & Randall, T. (2003). Performance implications of strategic performance measurement in financial service firms. SSRN Electronic Journal, 28(7-8), 715-741. https://doi.org/10.1016/S0361-3682(03)00033-3
25. Kalaš, B., Mirović, V., & Pavlović, N. (2019). Profitability determinants of hotel industry in AP Vojvodina. In Modern Management Tools and Economy of Tourism Sector in Present Era: 4th International Thematic Monograph. https://doi.org/10.31410/tmt.2019.47
26. Kaplan, R. S., & Norton, D. (1992). The balanced scorecard: Measures that drive performance. Harvard

Business Review, 70(1), 71-79.

27. Kapoor, P. S., Balaji, M. S., Jiang, Y., & Jebarajakirthy, C. (2022). Effectiveness of Travel Social Media Influencers: A Case of Eco-Friendly Hotels. Journal of Travel Research, 61(5), 1138–1155. https://doi.org/10.1177/00472875211019469
28. Khan, M. A. A., & Hashim, H. (2020). The Effect of Covid-19 on Tourism and Hospitality Industry in Malaysia, Resurgence in the Post-Pandemic Era: A Conceptual Criterion. International Journal of Tourism & Hospitality Reviews, 7(2), 54–62. https://doi.org/10.18510/ijthr.2020.726
29. Klinsrisuk, R., & Pechdin, W. (2022). Evidence from Thailand on Easing COVID-19's International Travel Restrictions: An Impact on Economic Production, Household Income, and Sustainable Tourism Development. Sustainability, 14(6), 3423. https://doi.org/10.3390/su14063423
30. Kumar, S., & Chachal, N. (2017). Food Service Quality in IRCTC Food Outlets: A Study of Delhi (NCR) Region. International Journal of Hospitality & Tourism Systems, 10(1).
31. Kumar, S., Kumar, V., Bhatt, I. K., Kumar, S., & Attri, K. (2023). Digital Transformation in Tourism Sector: Trends and Future Perspectives from a Bibliometric-Content Analysis. Journal of Hospitality and Tourism Insights, 7(3), 1553–1576. https://doi.org/10.1108/jhti-10-2022-0472
32. Kwortnik, R. J., & Thompson, G. M. (2009). Unifying Service Marketing and Operations With Service Experience Management. Journal of Service Research, 11(4), 389–406. https://doi.org/10.1177/1094670509333595
33. Lai, I. K. W., & Wong, J. W. C. (2020). Comparing crisis management practices in the hotel industry between initial and pandemic stages of COVID-19. International Journal of Contemporary Hospitality Management, 32(10), 3135-3156.
34. Li, N., Liu, Z., & Zhang, X. (2022). A Study on the Impact of Dynamic Visitor Demand on the Digital Transformation of Enterprises—Considerations Based on the Regional Innovation Environment and the Level of Big Data. Sustainability, 15(1), 261. https://doi.org/10.3390/su15010261
35. Limberger, P., Anjos, F., Meira, J., & Anjos, S. (2014). Satisfaction in hospitality on TripAdvisor.com: An analysis of the correlation between evaluation criteria and overall satisfaction. Tourism & Management Studies, 10, 59-65. https://doi.org/10.1016/j.tourman.2014.01.009
36. Lockyer, L. (2013). Tangible and intangible products in hospitality management: The guest's perspective. Journal of Hospitality and Tourism, Volume
37. Loo, J. T. K., Ali, F., Kiumarsi, S., & Muthuveloo, R. (2020). The effect of scenario planning on non-financial performance in Malaysia hotel industry. International Journal of Services and Operations Management, 36(3), 327. https://doi.org/10.1504/IJSOM.2020.10030274
38. Mat Noor, S., Zakaria, N. A., Salim, A., Hussin, S., Mahat, F., & Rohiat, M. A. (2022). A study on hygiene and cleanliness towards customer satisfaction: A focus on Sunway Lost World of Tambun Hotel. International Journal of Social Science Research, 4(3), 238-252.
39. Mjongwana, A., & Kamala, P. N. (2018). Non-financial performance measurement by small and medium-sized enterprises operating in the hotel industry in the city of Cape Town. African Journal of Hospitality Tourism and Leisure, 7(1).
40. Mohamad Said, N. H., Abdull Rahman, N. L., Abd Mutalib, H., & Badri Shah, N. S. (2021). Profitability performance analysis on Malaysian hotel industry during COVID-19 pandemic. Journal of Academia, 9(2), 84-92.
41. Mosbah, A., & Saleh, A. A. (2014). A review of tourism development in Malaysia. European Journal of Business and Management, 6(5), 1–9.
42. Motta, V., & Sharma, A. (2020). Lending technologies and access to finance for SMEs in the hospitality industry. International Journal of Hospitality Management, 86, 102371. https://doi.org/10.1016/j.ijhm.2019.102371
43. Muhamad Nor, N. S., Syed Mohamad, S. J., & Fikry, A. (2021). Knowledge Management Capabilities and Hotel Performance in Malaysia: The Role of Market Orientation. International Journal of Academic Research in Economics and Management Sciences, 10(3). https://doi.org/10.6007/IJAREMS/v10-i3/10769
44. Nagy, A., Băbăilă, C., & Schneider (Ispas), A. (2011). Non-financial performance measurement of hotel activity. In Recent Researches in Tourism and Economic Development. WSEAS.
45. Nataliawati, R., Fitriyah, R., Qosim, Q., Hakim, B., & Belinda, P. (2022). Tax Incentives to Reinstate Tourism Post the COVID-19 Pandemic. KnE Social Sciences, 134–145.

https://doi.org/10.18502/kss.v7i10.11216

46. Nataliawati, R., Fitriyah, R., Qosim, Q., Hakim, B., & Belinda, P. (2022). Tax Incentives to Reinstate Tourism Post the COVID-19 Pandemic. KnE Social Sciences, 134–145. https://doi.org/10.18502/kss.v7i10.11216
47. Nunkoo, R., Teeroovengadum, V., Ringle, C. M., & Sunnassee, V. (2020). Service quality and customer satisfaction: The moderating effects of hotel star rating. International Journal of Hospitality Management, 91, Article 102414. https://doi.org/10.1016/j.ijhm.2019.102414
48. Pal, D. (2021). Socially responsible investment, ethical rating, and separating contracts: A theoretical exploration in hospitality industry. International Journal of Hospitality Management, 93, 102771. https://doi.org/10.1016/j.ijhm.2020.102771
49. Park, J., & Jeong, E. (2019). Service quality in tourism: A systematic literature review and keyword network analysis. Sustainability, 11(13), 3665.
50. Pelaez-Verdet, A., & Loscertales-Sanchez, P. (2021). Key Ratios for Long-Term Prediction of Hotel Financial Distress and Corporate Default: Survival Analysis for an Economic Stagnation. Sustainability, 13(3), 1473. https://doi.org/10.3390/su13031473
51. Pereira-Moliner, J., Molina-Azorín, J. F., Tarí, J. J., López-Gamero, M. D., & Pertursa-Ortega, E. M. (2021). How do dynamic capabilities explain hotel performance? International Journal of Hospitality Management, 98, 103023. https://doi.org/10.1016/j.ijhm.2021.103023
52. Phan, T. K., Nguyen, T. H. T., Dang, T. H., Tran, V. T., & Le, K. N. (2021). Non-financial factors affecting the operational performance of hospitality companies: Evidence from Vietnam. Problems and Perspectives in Management, 19(4), 48-62. https://doi.org/10.21511/ppm.19(4).2021.05
53. Richardson, S. (2009). Undergraduates' perceptions of tourism and hospitality as a career choice. International Journal of Hospitality Management, 28(3), 382–388. https://doi.org/10.1016/j.ijhm.2008.10.006
54. Rushmore, S., & O'Neill, J. W. (2015). Updated Benchmarks for Projecting Fixed and Variable Components of Hotel Financial Performance. Cornell Hospitality Quarterly, 56(1), 17–28. https://doi.org/10.1177/1938965514538314
55. Ryu, K., & Jang, S. (2004). Performance measurement through cash flow ratios and traditional ratios: A comparison of commercial and casino hotel companies. The Journal of Hospitality Financial Management, 12(1). https://doi.org/10.1080/10913211.2004.10653783
56. Sangaran, G., & Selvanayagam, G. (2021). A review of the current hotel industry situation in Malaysia. Journal of Tourism, Hospitality & Culinary Arts, 13(2), 9-20.
57. Schoemaker, P. J. H. (1991). When and how to use scenario planning: A heuristic approach with illustration. Journal of Forecasting, 10, 549-564. https://doi.org/10.1002/for.3980100602
58. Sekaran, U., & Bougie, R. (2016). Research methods for business: A skill building approach (7th ed.). United Kingdom: John Wiley & Sons Ltd.
59. Shi, J. (2023). Research on the Influence Mechanism of Digital Infrastructure Construction on the Digital Transformation of Tourism Enterprises Based on the “Broadband China” Policy. https://doi.org/10.20944/preprints202312.1979.v1
60. Sun, K. A., & Kim, D. Y. (2013). Does customer satisfaction increase firm performance? An application of American Customer Satisfaction Index (ACSI). International Journal of Hospitality Management, 35, 68-77
61. Tang, C. F., & Lau, E. (2017). Modelling the demand for inbound medical tourism: The case of Malaysia. International Journal of Tourism Research, 19(10). https://doi.org/10.1002/jtr.2131
62. Tarurhor, E., & Eguonor, L. (2022). COVID-19 pandemic and non-financial performance of the hospitality industries in Delta State. Hospitality Journal of Economics and Business Management, 3(1). https://doi.org/10.47310/Hjebm.2022.v03i01.003
63. Teng, C.-C., Cheng, Y.-J., Yen, W.-S., & Shih, P.-Y. (2023). COVID-19 Perceived Risk, Travel Risk Perceptions and Hotel Staying Intention: Hotel Hygiene and Safety Practices as a Moderator. Sustainability, 15(17), 13048. https://doi.org/10.3390/su151713048
64. Tourism Malaysia (2020, 2021) statistics and annual reports via website. https://www.tourism.gov.my/statistics and https://www.tourism.gov.my/annual-reports
65. Wen, J., Lin, Z., Liu, X., Xiao, S. H., & Li, Y. (2021). The Interaction Effects of Online Reviews, Brand, and Price on Consumer Hotel Booking Decision Making. Journal of Travel Research, 60(4),

846–859. https://doi.org/10.1177/0047287520912330

66. Xu, Y., Zhang, Z., Nicolau, J. L., & Liu, X. (2020). How do hotel managers react to rating fluctuation? International Journal of Hospitality Management, 89, 102563. https://doi.org/10.1016/j.ijhm.2020.102563
67. Yadegaridehkordi, E., Nilashi, M., Shuib, L., Hairul Nizam Bin Md Nasir, M., Asadi, S., Samad, S., & Fatimah Awang, N. (2020). The impact of big data on firm performance in hotel industry. Electronic Commerce Research and Applications, 40, 100921. https://doi.org/10.1016/j.elerap.2019.100921
68. Zulkarnain, S. H., Mohd, M. A., Hasan, Z., Mat, M. K., & Nawi, A. S. (2022). Impact of COVID-19 towards hotel industry in Malaysia. Journal of Management Analytical and Solution (JoMAS), 2(3), 1-7. https://doi.org/10.32734/jomas.v2i3.9739