

The Effect of Service Quality on Behavioral Loyalty Through Customer Satisfaction and Attitudinal Loyalty in the 4-Star Hotel in East Java, Indonesia*

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This research was conducted to test and analyze the influence of service quality on behavioral loyalty through customer satisfaction and attitudinal loyalty to 4-Star Hotel in East Java. This research is a survey research. The sampling technique used is non probability sampling. Sample sizes are 200 respondents. The analysis tool used is Structural Equation Model (SEM) Analysis. The result of the research shows that hypothesis proposed in this research is accepted. Academic suggestion submitted is for research that will come dating need to be explored influence of other variables that influence behavioral loyalty. While practical suggestions submitted to business actors is for business actors to pay attention and keep the variables that effect behavioral loyalty. Especially studied in this study they are: service quality, customer satisfaction, and attitudinal loyalty.

Keywords: attitudinal loyalty, behavioral loyalty, customer satisfaction, service quality

Introduction

The hotel industry has become very competitive and is considered to be in the maturity stage in the product life cycle (Daun & Klinger, 2006; Kandampully & Hu, 2007; Shoemaker & Lewis, 1999). Thus, hotel services become commodities (Cai & Hobson, 2004; Mattila, 2006) comparisons offered by each hotel in each class (Bowen & Shoemaker, 2003; Peterson & Iyer, 2006). The general strategy to counter these trends is the development of loyalty programs such as guest-visit programs (Mattila, 2006; Palmer et al., 2000). Early adopters of a loyalty program can obtain a period of competitive advantage, but the opportunity is lost after competitors emulate the program (Palmer, McMahon-Beattie, & Beggs, 2000). Even special loyalty programs can be copied by other hotels (Mattila, 2006). Therefore creating and maintaining brand loyalty with existing customers is very important for the survival of the company in a competitive environment (Heskett, 2002; McMullan & Gilmore, 2008; Mellens, DeKimpe, & Steenkamp, 1996).

Based on the background described, the objectives to be achieved in this study can be formulated to examine and analyze the effect of service quality on behavioral loyalty through customer satisfaction and attitudinal loyalty in 4-Star Hotels in East Java. The theoretical benefits of this research are expected to provide

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knowledge for the scientific community as well as the contribution of ideas about the influence of service quality that contributes to the behavior of customer loyalty in the 4-Star Hotel industry, especially in East Java.

Literature Review

Previous research that has become the reference for this research is the research conducted by So, King, Sparks, and Wang, in 2013 in Australia. The results of the study indicate that customers can identify a particular hotel brand and hotel loyalty still depends on the customer's positive evaluation of factors related to service experience.

The most common definition of service quality is a comparison between expectations and perceptions of services received (Parasuraman, Zeithaml, & Berry, 1988). Quality is a multidimensional concept. Lehtinen and Lehtinen (1982) define three dimensions of service quality, namely, physical quality, interactive quality, and company quality. SERVQUAL instruments still continue to appeal to academics and practitioners although much criticism points to the scale of measurement (Caruana, Ewing, & Ramaseshan, 2000). In recent years, much research has focused on service quality in the hotel industry (Juwaheer, 2004; Ekinci, Prokopaki, Cobanoglu, & 2003; Tsang & Qu 2000; Mei, Dean, & White, 1999).

According to Kotler and Armstrong (2004), customer satisfaction is a feeling of pleasure or disappointment that arises after comparing the performance (results) of the product that is thought of the expected performance (2004, p. 177). The most accepted conceptualization of the concept of customer satisfaction is the expectations put forward in the Confirmed Disc Theory (Barsky, 1992; Oh & Park, 1997; McQuitty, Finn, & Wiley, 2000). The theory proposes that the level of satisfaction is the result of the difference between expected and perceived performance. Satisfaction (positive disconfirmation) is felt when the product or service is better than expected. On the other hand, poor performance of expected results with dissatisfaction (disconfirmation is negative). Yeung, Ramayah, and Shahidan (2002) and Luo and Homburg (2007) concluded that customer satisfaction affects business profitability. The majority of studies have examined the relationship with customer behavior patterns (Söderlund, 1998; Kandampully & Suhartanto, 2000; Dimitriades, 2006; Olorunniwo, Hsu, & Udo, 2006; Chi & Qu, 2008; Faullant, Matzler, & Füller, 2008). Atkinson (1988) found that cleanliness, security, money value, and courtesy of staff determine customer satisfaction. Knutson (1988) revealed space cleanliness and comfort, location comfort, service speed, safety and security, and worker friendliness. Barsky and Labagh (1992) state that employee attitudes, locations, and rooms tend to influence tourist satisfaction. A study conducted by Akan (1995) shows that the main determinants of hotel guest satisfaction are employee behavior, cleanliness, and timeliness. Choi and Chu (2001) concluded that staff quality, room quality, and value are three factors that determine hotel tourist satisfaction.

Oliver (1999) defines loyalty as an intrinsic commitment in the customer to make repeated purchases of preferred products or services on an ongoing basis even under the influence of situational factors or competitor's actions to attract him. Although the definition includes a component of behavior and loyalty attitudes, the existing literature is generally focused on elements of loyalty behavior by ignoring the dimensions of loyalty attitudes and their relationship to other constructs (Chaudhuri & Holbrook, 2001). However, some researchers have made a difference between loyalty attitudes and loyalty behaviors (Dick & Basu, 1994). Loyalty attitudes include: positive word of mouth, desire to recommend to others, and encourage others to use products and services from the company (Zeithaml, Berry, & Parasuraman, 1996). Whereas according to Hussein, Ismail, and Hapsari (2015), the measurement of attitudinal loyalty includes: cognitive, affective, and

conative. Loyalty is cross-sectional with two independent dimensions: behavior and attitude (Jacoby & Chestnut, 1978). Jones and Sasser (1995) show that cases such as government regulations, limit market competition, and high switching costs can cause false loyalty. Whereas according to Hussein et al. (2015) measurements of behavioral loyalty include: always being the first choice, still being chosen when compared to competitors, and willing to spend more money.

Service quality is a strong predictor of customer satisfaction (Cronin & Taylor, 1992; Cronin, Brady, & Hult, 2000; Dabholkar, Thorpe, & Rentz, 1996; Spreng, MacKenzie, & Olshavsky, 1996). Several studies in different industries regarding the relationship between service quality (dimensions) and customer satisfaction include: telecommunications (Woo & Fock, 1999); restaurant (Gilbert et al., 2004); hospital (Andaleeb, 1998); hotel services (Voss et al., 1998); travel agent (Bitner, 1990); internet services (Kim & Lim, 2001; Van Riel et al., 2001); several industries (Bitner et al., 2000). In the dimensions of banking service quality it found a significant predictor of customer satisfaction (Levesque & McDougall, 1996). Various studies have been conducted in the same area, where the dimensions of conventional banking service quality have been tested as predictors of customer satisfaction (Krepapa, Berthon, Webb, & Pitt, 2003; McDougall & Levesque, 2000; Ndubisi & Wah, 2005). Whereas in terms of the dimensions of modern banking service quality, it is also proven that service quality affects customer satisfaction (Al-Hawari & Ward, 2006). Many existing literature illustrates the relationship between customer satisfaction and loyalty. Yap, Ramayah, and Shahidan (2012) stated that satisfaction has a direct and positive effect on loyalty. Thomas (2013) assessed that higher satisfaction will have an effect on higher customer loyalty.

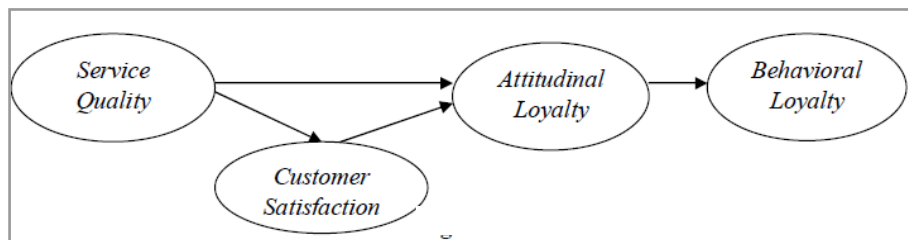


Figure 1. Research model.

Research Methods

This type of research is survey research. This study consisted of one exogenous variable and three endogenous variables: Service Quality (X), Attitudinal Loyalty (Y1), Customer Satisfaction (Y2), Endogen (Y): Behavioral Loyalty (Y3). In this study, the study population refers to all 4-Star Hotel consumers in East Java, and then 200 people were taken for this study.

The sampling technique in this study uses sampling quota because it determines the sample of the population that has characteristics: consumers who have stayed in 4-Star Hotels in East Java and a minimum age of 21 years. The data analysis technique used to discuss the problems in this study is the Structural Equation Model (SEM).

Results and Discussion

Service quality measurements include politeness, communication, understanding customers, speed of service, solutions to problems, accuracy of hotel bookings, and competence of hotel employees. Measurements of attitudinal loyalty are: cognitive, affective, and conative. Customer satisfaction measurement is namely: staff

quality, room quality, and value. Measurement of behavioral loyalty, namely: always is the first choice, still selected when compared with competitors, and is willing to pay more. Based on the results of structural equations, it can be stated that the influence between variables is positive and significant.

Table 1

Hypothesis Testing

Hypothesis	Relations between variables	Loading factor	t-value	Cut-off	Description
1	Service Quality → Attitudinal Loyalty	0.39	2.47	1.96	Significant
2	Service Quality → Customer Satisfaction	0.30	2.54	1.96	Significant
3	Customer Satisfaction → Attitudinal Loyalty	0.52	4.36	1.96	Significant
4	Attitudinal Loyalty → Behavioral Loyalty	0.32	3.11	1.96	Significant
5	Service Quality → Attitudinal Loyalty → Behavioral Loyalty	0.29	2.26	1.96	Significant
6	Service Quality → Attitudinal Loyalty → Customer Satisfaction → Behavioral Loyalty	0.56	3.63	1.96	Significant

Source: Data processed.

Based on the results of hypothesis analysis it proves that the effect of service quality on attitudinal loyalty is strong and significant. While the results of hypothesis analysis prove that the effect of service quality on customer satisfaction is strong and significant, the results of hypothesis analysis prove that the effect of customer satisfaction on attitudinal loyalty is strong and significant. The results of hypothesis analysis prove that the effect of attitudinal loyalty on behavioral loyalty is strong and significant. The results of hypothesis analysis prove that the effect of service quality on behavioral loyalty through attitudinal loyalty is quite strong and significant. While the results of hypothesis analysis prove that the effect of service quality on behavioral loyalty through attitudinal loyalty is quite strong and significant, the results of this study support the results of research conducted by So et al. (2013).

Conclusion

Based on the results of testing the hypothesis and the discussion in the previous chapter using Structural Equation Modeling (SEM), it can be concluded that all hypotheses submitted in the study are accepted.

The results of this study are expected to be a reference for subsequent research. It is hoped that more researchers will carry out research on the variables that affect behavioral intention in the hospitality industry. Consumer behavior in the future after enjoying the goods/services offered by the company must be understood by business actors in order to satisfy the needs and desires of customers and win the competition.

Practical suggestions submitted to the management of 4-Star Hotels in East Java based on each variable examined in this study are as follows: (1) service quality: providing quality services as promised in communication to be trusted by customers; (2) customer satisfaction: Quality of staff, quality of rooms, and value of hotel services delivered to customers are truly considered; (3) attitudinal loyalty: Cognitive, affective, and conative customer loyalty must be maintained by business people, given that this loyalty is proven to form attitudinal loyalty; (4) behavioral intention: The results of this study prove that respondents agree that 4-Star Hotels in East Java: always are the first choice, stay chosen when compared to competitors, and are willing to pay more. Therefore, business actors must pay attention to and maintain the variables that influence it as stated

in previous practical suggestions.

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