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CUSTOMER SATISFACTION MEDIATES THE EFFECT OF SERVICE QUALITY AND HOTEL IMAGE ON THE LOYALTY OF HOTEL CUSTOMER IN GORONTALO CITY

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Abstract

The aim of this research is to analyze the effect of service quality and hotel image on customer satisfaction. Customer satisfaction and trust mediate the effect of service quality and hotel image on customer loyalty. The research populations are guests who stay at hotels in Gorontalo City, totaling 671 hotel guests, whereas its research samples are 250 hotel guests. The data analysis technique used is Structural Equation Modeling (SEM). The research finding reveals that the service quality and hotel image own an effect on customer satisfaction. Also, customer satisfaction owns an effect on customer loyalty. Customer satisfaction mediates the effect of service quality and hotel image on customer loyalty. To increase hotel customer satisfaction which ultimately provides loyalty, hotels in Gorontalo must meet customer expectation by providing empathy, such as customers obtaining personal attention from employees and employees apologizing when they make mistakes. In addition, it is necessary to have a good reputation in providing service and always pay attention to the guests.

Keywords: service quality, hotel image, customer satisfaction, customer trust, and customer loyalty

Introduction

The success of tourism industry in Indonesia is strongly affected by various factors, including the existence of hotel which is resting facility for visitors both from abroad and domestic. Hotel industry is an industry in the form of services that are classified as a service industry, and can provide various facilities for business transactions, meetings and conferences, as well as recreation and entertainment (Mantra, 2008:54). One way to maintain its existence, the hospitality industry players require retaining loyal customers. Oliver (2010) reveals that customer loyalty is a customers' commitment to repatronize or rebuy selected products or services consistently in the future. According to customers, companies that perform well are when customers are willing to make the first purchase and are willing to make subsequent purchases repeatedly (Chan, 2003).

To keep customers loyal, hotel management needs to pay attention to the service quality provided. In general, service quality is an attitude or global assessment of the excellence of services. Rous, et al. (2010), Akbar, et al. (2010), Malik, et al. (2012), Bostanji (2013), Poku, et al. (2013) show that service quality significantly predicts hotel customer loyalty. But, different results are shown by Oloughlin and Coenders (2002), Cristobal, et al. (2007) and Normasari, et al. (2013), where they claim that service quality does not affect customer loyalty.

In addition to service quality, to obtain loyal customers, every hotel must create a good image in the customers' view, due to the image that customers have of the hotel will ultimately lead to customer assessment of the hotel existence. Additionally, if the hotel is eager to attract

customers and retain their loyalty, it is pivotal to foster and maintain its strong image as a service organization (Kotler and Keller, 2012: 322). Oloughlin and Coenders (2002), Cai (2009), Malik, et al. (2012), Uttami, et al. (2014) conclude that hotel image affects loyalty. Meanwhile, different results are shown by Beneke et al. (2011) as they discover evidence that image does not affect customer loyalty.

Conducting research on customer loyalty is quite interesting, yet the results of empirical studies on the effect of service quality and image on customer loyalty still create gaps to be reviewed. Therefore, to cover these gaps, a variable that can mediate the effect of service quality and image on customer loyalty is required, and the variable is customer satisfaction.

According to Kotler and Keller, (2012: 322), customer satisfaction is a person's feeling of pleasure or disappointment that derives from a comparison between his/her impression of the performance (result) of certain product and his/her expectation. Meanwhile, satisfaction is the result of customer evaluation of a product by comparing whether the product received is in accordance with expectation. In line with the previous idea, Abdullah and Rozario (2009), Kwornik and Han (2013), Kim, et al. (2013) and Gunarathne (2014) argue that there is an effect of service quality on hotel customer satisfaction.

In addition to service quality, hotel image can contribute to customer satisfaction. Image is a set of beliefs, ideas, and impressions that a person has of an object (Kotler & Keller, 2012:265). Companies that have a good image can generate trust, confidence, and support than companies that have a bad image (Dowling, 2004). Kuo and Tang (2011), Roche (2014) and Ghanian, et al (2014) sum up that image has a significant effect on customer satisfaction.

The satisfaction obtained by customers can affect customer's loyalty. Customer satisfaction contributes to a few crucial aspects, such as creating customer loyalty, increasing company reputation, reducing price elasticity, reducing future transaction costs, and increasing employee efficiency and productivity (Tjiptono, 2007). It is likely that customer satisfaction for marketing is vital due to it will encourage repeat purchases and provide benefits in the form of word-of-mouth publicity. Akbar, et al. (2010), Mohajerani (2013), and Saleem and Raja (2014) indicate that customer satisfaction has an influence on customer loyalty.

The economy in Gorontalo Province is currently developing, even Gorontalo's economic growth has exceeded the national economic growth. The Statistics (BPS) of Gorontalo City noted that economic growth in 2018 was 7.88% compared to 2012 which was only 7.43% (Gorontalo City in Figures, 2018). The economic growth of Gorontalo City has an impact on many entrepreneurs who invest in various fields, including the hospitality sector. Furthermore, the Room Occupancy Rate (ROR) for hotels/other accommodations in Gorontalo Province in January 2017 was 29.525 or decreased 0.60 points compared to ROR in December 2016 which was recorded at 30.12%. Meanwhile, in January 2017, the order of ROR for each district/city is as follows: Gorontalo City ranked highest with a ROR of 32.83%, followed by Boalemo Regency at 16.63%, Gorontalo Utara Regency at 16.13%, Pohuwato Regency is 7.45%, and the lowest is Gorontalo Regency with a ROR of 4.09%.

On the basis of phenomena and previous research, this research attempts to conduct comprehensive research on customer satisfaction that mediates the effect of service quality and hotel image on customer loyalty.

Theoretical Review

Service Quality

Kotler and Keller (2012), service quality is “the entire features and characteristics of a product or service that has the ability to satisfy needs. Quality must start from customer needs and end at customer perception. This means that good quality is not based on the viewpoint or perception of the service provider but based on the viewpoint or perception of the customer. It is solely due to the customers who consume and enjoy the company’s services so that customers must determine the service quality. In addition, the customer perception of quality is a comprehensive assessment of the excellence of service.

Some researchers use the dimensions of hotel service quality referring to the opinion of Parasuraman, et al. (1988), namely tangibles, reliability, responsiveness, assurance, and empathy. For instance, instrument employed by Ramzi and Mohamed (2010) is tangibility where it is associated with hotel’s furniture that is modern and comfortable, the interior and exterior decoration that is attractive, employees that have a neat appearance, hotel facilities that are up-to-date, brochures and pamphlets that are presented visually, and hotel’s environment that is clean. Meanwhile, the reliability dimension includes employees who are accurate in verifying customer requests, check-in or check-out times that are not time-consuming, reservation systems (e.g., telephone or internet reservations) that are easy to use, transportation facilities that are available, and employees that provide error-free records. The responsiveness dimension covers polite employees, employees that pay special attention, employees that adjust service to customer needs, and employees that are willing to help guests. Subsequently, the assurance dimension includes the hotel employees that are polite, friendly, and have sufficient support from the hotel to do the job. Lastly, the empathy dimension includes employees that are quick to apologize when they make mistakes, employees that listen carefully to guests’ complaints, employees that call customers by name, and employees that understand customer needs.

Khattab and Aldehayyat (2011) employ the service quality dimensions with the following instruments; tangible where the instruments are the hotel has modern equipment, physical facilities of the hotel are visually attractive, and the hotel employees are neat; reliability where the instruments used are timely promises, having sincere employees in solving problems, providing services as promised, confirming to customers every time they perform services, and performing error-free services; responsiveness where the instrument used are employees provide quick service, and hotel employees are always willing to help; assurance where the instruments used are employees behavior in instilling customer trust, polite employees, employees that have the knowledge to answer questions, and employees that have comfortable operating hours for all customers; and empathy where the instruments used are hotel employees

have the knowledge to answer questions, employees give personal attention, employees understand specific needs, and employees are competent.

The service quality dimensions used by Bostanji (2013), namely response speed with accuracy instruments in providing services, hotel employees are accurate in providing services, where guests do not wait long to obtain service. Also, the advantage of this hotel is the accuracy of empathy dimension where the instruments used are employees that understand the customer needs, employees that satisfy customer needs, employees that care about customers' special needs, employees that provide individual attention, employees that are always ready to cooperate with customers and eventually the guests that always feel safe and comfortable because of staying at the hotel. In a tangible aspect, the instruments used are the appearance where employees dressed well and neatly, visually attractive physical facilities, hotel employees are qualified to do the work, employees apologize if they make mistakes in providing services, a good administration that supports hotel employees to do work efficiently and internal design & comfortable setting in the hotel.

Image

According to Kotler and Keller (2012:276), the image of company which includes the company's good name, reputation or expertise, is a factor that often affects the buyers' decisions and the service sector compared to the product sector. Kotler and Armstrong (2012:412) reveal that the image is the impression that a person has about an object or item. Meanwhile, Bill Canton (2012) utters that corporate image is the impression, feeling, image of the community or the public towards the company, where it is an impression that is intentionally created from a product or service offered. Meanwhile, the corporate image is the public's perception of the company or its products (Kotler and Keller, 2009: 299).

Harrison (2002:71) conveys that complete information about the company's image includes four elements, including personality, reputation, value, and corporate identity. Milfelner et al. (2011) show that the hotel image is formed by positive opinions about the hotel, and they encompass the employees that are friendly to the guests, the hotel has a unique image, the hotel is popular or famous, and employees that always pay attention to the guests. Jani and Han (2014) use the following hotel image indicators, namely the hotel's reputation is good, and the overall hotel image is good compared to other hotels with the same classification. Liason, et al. (2012) use hotel reputation indicators such as availabilities of information through websites, personal contacts, and physical environment.

Customer Satisfaction

According to Kotler & Keller (2012:164), customer satisfaction is "a person's feeling of pleasure or disappointment that derives from a comparison between his/her impression of the performance (result) of certain product and his/her expectation" in which it means feeling happy or disappointed as a result of comparison between perceived and expected product performance. Clemes, et al. (2009) reveal that the indicators used to measure hotel customer satisfaction are related to the proper choice by staying at a hotel, being able to meet customer needs and desires, satisfaction with staying at a hotel, as a pleasant experience. Taleb and

Kamar (2013) convey that measuring hotel customer satisfaction due to increased satisfaction with this hotel has indicated that the impression of this hotel has improved and guest has a more positive attitude towards the hotel. Additionally, Gunarathne. U. (2014) reveals that the indicators used to measure hotel customer satisfaction are the emergence of plan to keep choosing to stay at the hotel, willingness to recommend this hotel to others, plan to stay at this hotel in the future, satisfaction due to service at the hotel, willingness to encourage friends and relatives to visit the hotel due to a consideration of hotel's good performance, and willingness to consider this hotel as the first choice when in need of hotel services.

Customer Loyalty

Oliver (2010) declares that customer loyalty as follows: "customer loyalty is a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior". Meanwhile, according to Griffin (2002:35), "loyalty is defined as nonrandom purchase expressed over time by some decision-making unit".

Customer loyalty can be measured by indicators of; "the willingness of customers to make the company their first choice, the willingness of customers to purchase the products offered by customers, the willingness of customers to invite others to purchase, and the willingness of customers to tell good things about the company" (Foster and Cadogan, 2000: 135). Meanwhile, indicators of customer loyalty, according to Kotler & Keller (2009:10), are "Repeat Purchase (loyalty to product purchases); Retention (tolerance to negative influences on the company); and referrals (recommending the existence of company)". Nguyen, et al. (2007), reveal that "loyal customers will consider themselves loyal, choose to purchase product as the first choice, have a commitment to go purchasing the product in the future, and willing to promote to family and friends".

Chuang, et al. (2012) state that indicators of measuring loyalty to hotel include the action of promoting the advantages of hotel to others, recommending friends and family to stay at the hotel, willingly to consider the hotel as the first choice, and willingly to come back to the hotel. In the meantime, Liason, et al. (2012) uses the indicators of recommending the hotel to friends and relatives in the future, making the hotel the first choice, recommending the hotel to anyone looking for advice, having possibility to revisit the hotel in the future and conveying only positive things about the hotel to others. Additionally, Jani and Han (2014) applies the following indicators which are intention to make the hotel the first choice, to return to this hotel in the future, to recommend this hotel to friends, and be loyal to the hotel.

Hypothesis Development

According to Kotler and Keller, (2012: 322), person's feeling of pleasure or disappointment that derives from a comparison between his/her impression of the performance (result) of certain product and his/her expectation. Satisfaction is the result of customer evaluation of a product by comparing whether the product received is in accordance with expectations. Abdullah and Rozario (2009), Kwortnik and Han (2013), Kim, et al. (2013) and Gunarathne

(2014) express that there is an effect of service quality on hotel customer satisfaction. Based on the results of previous empirical studies, the following hypothesis is formulated:

H1 - Service quality has a significant and positive effect on customer satisfaction.

Kotler and Armstrong (2012:412) reveal that the image is the impression that a person has about an object or item as a whole. Kuo and Tang (2011), Roche (2014) and Ghanian, et al. (2014) show that company image affects customer satisfaction. Based on the results of previous empirical studies, the following hypothesis is formulated:

H2 - Hotel image has a significant and positive effect on customer satisfaction.

Rous, et al. (2010), Akbar, et al. (2010), Malik, et al. (2012), Bostanji (2013), Poku, et al. (2013) conclude that service quality has an effect on customer loyalty. Based on the results of previous empirical studies, the following hypothesis is formulated:

H3 - Service quality has a significant and positive effect on customer loyalty.

Oloughlin and Coenders (2002), Lu and Cai (2009), Malik et al. (2012) and Uttami, et al. (2014) state that image has an effect on customer loyalty. Based on the results of previous empirical studies, the following hypothesis is formulated:

H3 - Hotel image has a significant and positive effect on customer loyalty.

Akbar, et al. (2010), Mohajerani (2013) and Saleem and Raja (2014) concluded that customer satisfaction has an effect on customer loyalty. Based on the results of previous empirical studies, the following hypothesis is formulated:

H4 - Customer satisfaction has a significant and positive effect on customer loyalty.

Abdullah and Rozario (2009), Kwortnik and Han (2013), Kim, et al. (2013), and Gunarathne (2014) show that service quality affects customer satisfaction, while Akbar, et al. (2010), Mohajerani (2013), and Saleem and Raja (2014) sum up that customer satisfaction has an effect on customer loyalty. Based on the results of previous empirical studies, the following hypothesis is formulated:

H6 - Service quality has a significant and positive effect on loyalty through customer satisfaction.

Kuo and Tang (2011), Roche (2014) and Ghanian, et al. (2014) indicate that company image affects customer satisfaction, while Akbar, et al. (2010), Mohajerani (2013) and Saleem and Raja (2014) conclude that customer satisfaction has an effect on customer loyalty. Based on the results of previous empirical studies, the following hypothesis is formulated:

H7 Hotel image has a significant and positive effect on loyalty through customer satisfaction.

Method

Population and Sample

The research populations are 671 hotel guests in Gorontalo City that are being presented below in table 1.

Table 1. Distribution of Research Population and Sample

No.	Location	Number of Guest	Sample
1	Training Centre Damhil	121	45
2	Grand Q Hotel Gorontalo	110	41
3	Amaris	142	53
4	Maqna Hil	124	46
5	Horison Nayumi	174	65
Total		671	250

In order to make the sample size representative, it is calculated by using Slovin formula with an error rate of 5%. In this case, the research samples selected are 250 hotel customers. The proportional sampling and the details of sample size in each section are shown in Table 1.

After determining the number of samples at each hotel, then sampling is carried out using convenience sampling. To avoid sampling errors, the criteria for members of target population are determined, namely: hotel guests who had stayed at the same hotel at least 5 times in the last year when the research was conducted, and hotel guests who had stayed for one day.

Research Instrument

This present research employs likert scale to measure the variables studied through the responses of respondents where each answer to the question is given weight as follows: strongly disagree is given a weight of 1, disagree is given a weight of 2, neutral is given a weight of 3, agree is given a weight of 4 and strongly agree is given a weight of 5. Research instruments based on variables, indicators and systematically arranged questions are shown in table 2 below:

Table. 2 Identification of Research Variables and Indicators

Variable	Indicator	Question Item	Source
Service Quality (X_1)	Physical Evidence	1. Beautiful decoration design	Parasuraman, et al. (1988) Rousan, Ramzi dan Mohamed (2010), Khattab dan Aldehayyat (2011) Bostanji (2013)
		2. Cleanliness of hotel environment	
	Reliability	3. Providing service as promised	
		4. Confirming to customer in relation to any service provided	
	Responsiveness	5. Time required to obtain the service	
		6. Employees provide a quick service	

	Assurance	7. Obtaining privacy 8. Obtaining tranquility	
	Empathy	9. Personal care by employees 10. Apologizing when making mistakes	
Hotel Image (X ₂)	Personality	11. Hotel can provide pleasant impression 12. Providing accessible services	Harrison (2002:71)
	Reputation	13. Possessing a good reputation in providing service 14. Hotel employees pay frequent attention to guests	
	Value	15. Offering affordable price 16. Offering room rate based on the facility	
	Corporate identity	17. Service provided is in accordance with a procedure 18. Service provided is in accordance with prevailing regulation	
Customer Satisfaction (Y1)	The Service exceeds expectation	19. Hotel meets the expectation compared to other hotels 20. Hotel product/service satisfies the expectation	Zeithaml dan Bitner (2003:86) Madjid (2013)
	Telling only positive things about hotel	21. Telling positive things about hotel to relatives	
		22. Telling positive things about hotel to other people	
	Planning to stay continuously	23. Staying at the hotel as a pleasant experience	
24. Behaving positively to the hotel			
Customer Loyalty (Y3)	The first and foremost option to stay	25. The first option to stay 26. The foremost option to stay	Chuang, et al. (2012) Liason, et al. (2012) Jani dan Han (2014)
	Desire to stay frequently	27. Planning to stay frequently 28. Planning to stay continuously	
	Recommending	29. Providing recommendation to friends 30. Providing recommendation to family	

Data Analysis

The analysis technique employed in this research is Structural Equation Modeling (SEM). The presence or absence of direct effect is tested by t-test with a significance level of = 5%. The criteria for acceptance or rejection of hypothesis testing are as follows: if the probability is < 5%, then H0 is rejected and H1 is accepted; and if probability > 5%, then H0 is accepted and H1 is rejected. Meanwhile, indirect effect is being found out by comparing the total effect with the direct effect. In addition, if the total effect is greater than the direct effect, then the customer satisfaction variable is the variable that mediates the effect of service quality and hotel image on customer loyalty.

Finding

Result of Goodness of Fit SEM Analysis

The theoretical model in the conceptual framework of the study is said to be fit if it is supported by empirical data. The results of goodness of fit overall model test that is in accordance with the results of SEM analysis is used to determine whether the hypothetical model is supported by empirical data, which are presented in Figure 1.

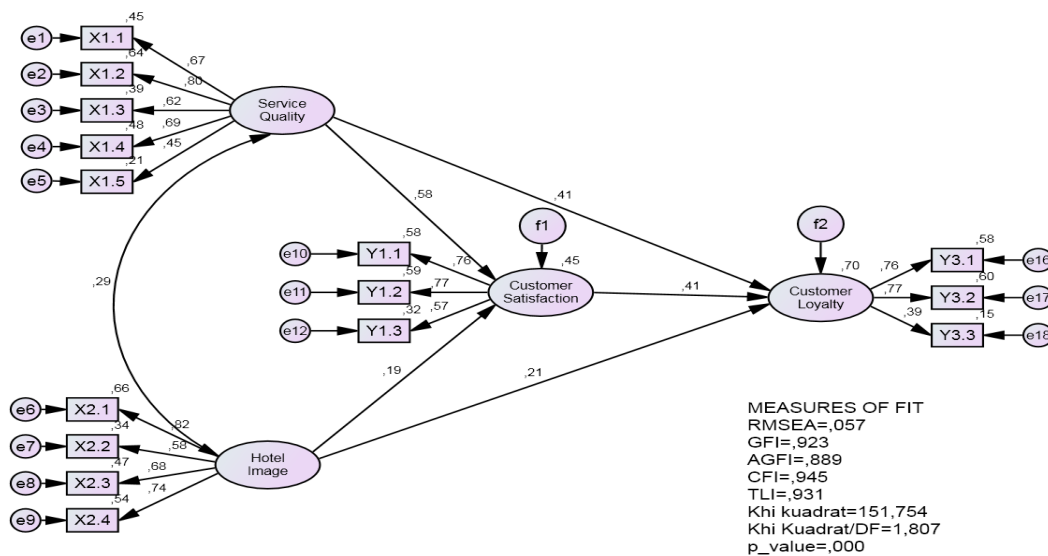


Figure 1. Diagram of SEM Analysis Path Diagram

The results of Goodness of Fit Overall test based on Figure 1 reveal that not all criteria indicate a good model. Although the GFI and AGFI values are still below cut-off value, these values are not far from the cut-off value. Arbuckle and Wothke (1999:617) reveal that the best criteria used as an indication of goodness of the model are the CMIN/DF value which is less than 2, and the RMSEA value is below 0.08. In this study, the CMIN/DF and RMSEA values have met the cut off values, therefore the model can be categorized as suitable and reasonable to use, so that interpretation can be made for further discussion.

Result of Hypothesis Testing

Structural Equation Model (SEM) analysis using AMOS 6.0 is used to test the hypothesis proposed by the researcher. As a basis for testing the hypothesis, the Critical ratio (Cr) from the output regression Weight is used. The research hypothesis will be accepted if the p value < significance of 5%, so that the null hypothesis is rejected. The results of hypothesis testing are presented in Table 3 below.

Table 3. Result of Hypothesis Testing

Correlation			Path Coefficient	C.r.	p-value	Information
Service Quality	--->	Customer Satisfaction	0,584	4,975	0,000	Significant
Hotel Image	--->	Customer Satisfaction	0,195	2,533	0,011	Significant
Service Quality	--->	Customer Loyalty	0,406	3,868	0,000	Significant
Hotel Image	--->	Customer Loyalty	0,207	3,026	0,002	Significant
Customer Satisfaction	--->	Customer Loyalty	0,406	3,772	0,000	Significant

The effect of service quality and image on customer satisfaction generates a p value that is lower than significance level in $\alpha = 5\%$, so that the service quality and image have a significant positive effect on customer satisfaction. Additionally, the effect of service quality and image on customer loyalty generates a p value that is lower than significance level in $\alpha = 5\%$, so that the service quality and image have a significant positive effect on customer loyalty. In addition, the effect of customer satisfaction on customer loyalty generates a p-value that is lower than significance level in $\alpha = 5\%$, so that customer satisfaction has a significant positive effect on customer loyalty.

Indirect effect testing is used from several results of direct effect testing. Overall, the results of the direct effect test are presented in the following table.

Table 4. Result of Hypothesis Testing for Indirect Effect

Correlation			Direct Effect	Indirect Effect through Customer Satisfaction	Total Effect
Service Quality	-->	Customer Satisfaction	0,584	-	0,584
Hotel Image	-->	Customer Satisfaction	0,195	-	0,195
Service Quality	-->	Customer Loyalty	0,406	$0,584 \times 0,406 = 0,237$	0,643
Hotel Image	-->	Customer Loyalty	0,207	$0,195 \times 0,406 = 0,079$	0,286
Customer Satisfaction	-->	Customer Loyalty	0,406		0,406

Based on table 4, it is obvious that the indirect effect of service quality on customer loyalty through customer satisfaction has a total coefficient value of 0.643 and is higher than the direct effect of service quality on customer loyalty for 0.406. These results indicate that the customer satisfaction variable can mediate the effect of service quality on customer loyalty.

In the meantime, the indirect effect of image on customer loyalty through customer satisfaction has a total coefficient value of 0.286 and is higher than the direct effect of image on customer loyalty for 0.207. These results indicate that customer satisfaction variable can mediate the effect of image on customer loyalty.

Discussion

The Effect of Service Quality and Hotel Image on the Customer Satisfaction

The result of hypothesis testing proves that customer satisfaction is directly affected by service quality and hotel image. Furthermore, it can be assumed that hotel customers in Gorontalo City will be satisfied if the service received is of quality and the hotel has a positive image in the customers' view. Therefore, customer satisfaction is obtained from products meeting customer expectations which are affected by reliability, particularly in hotels that provide promised services and employees confirming to customers in performing services.

In other words, hotel guests in Gorontalo City certainly have expectations about the service that will be obtained, and hotels usually make "promises" regarding the service, so it is the hotel's obligation to be able to provide services that match or even more with these promises. In addition, there is one word that any hotels guests do not want to hear when asking is "do not know" so that hotel employees, especially receptionists, must be equipped with complete hotel knowledge and information, and it should not only be about the hotel, but also about the environment around the hotel, such as shopping centers, tourist areas, restaurants, and so on. The main aim is that hotel employees are usually the ones to be asked by guests when looking for hotel-related information.

As illustrated, the hotel image contributes to customer satisfaction due to it specifically gives a pleasant impression and provides easy access to services. This signifies that the satisfaction of guests staying at the hotel is determined by artistic values that can give guests a pleasant feel regardless of arts' uniqueness. Nevertheless, basically, the main point is a matter of beauty, and the beauty is obtained through designing aesthetic aspects of the room construction and through the addition of art objects.

In relation to the effect of service quality on customer satisfaction, these results strengthen the study conducted by Abdullah and Rozario (2009) that presents that there is an effect of service quality on hotel customer satisfaction in Kuala Lumpur, Malaysia. Kwortnik and Han (2013) conclude that service quality has a significant effect on hotel customer satisfaction in China. Also, Kim, et al. (2013) show that service quality has a significant effect on hotel customer satisfaction in America. Likewise, the same result is shown by Gunarathne (2014) that showing that there is a significant correlation between service quality and hotel customer satisfaction in Sri Lanka.

Regarding the influence of hotel image on customer satisfaction, companies that have a good image can generate trust, confidence, and support compared to companies that have a bad image (Dowling, 2004). Kuo and Tang (2011) denote that the company's image has an effect on customer satisfaction with train services in Taiwan. Meanwhile, Roche (2014) conveys that company image affects customer satisfaction in the hospitality sector in Sri Lanka whereas Ghanian, et al. (2014) claim that image has a significant and positive effect on satisfaction with tourism.

Service Quality and Hotel Image Affects Customer Loyalty

Customer loyalty is directly affected by service quality and image, meaning that customers will recommend to others if the service received is of high quality and the hotel has a positive image in the customers' view. In general, service quality is an attitude or global assessment of the excellence of services, although the actual scope of this attitude does not have uniformity of opinion. In addition, service quality is often conceptualized as a comparison of expectations with perceived actual performance of the service (Parasuraman, et al., 1988). Quality must start from customer needs and end at customer perception (Kotler and Keller, 2012: 322). This means that good quality is not based on the viewpoint or perception of the service provider but based on the viewpoint or perception of customer. In this case, customers are the ones who consume and enjoy services so that they should be the ones who determine the quality of the services.

These results corroborate the study conducted by Rousan, et al. (2010) which indicates that service quality dimensions such as empathy, reliability, responsiveness, and tangibility predict customer loyalty in five-star hotels in Jordan significantly. In the meantime, Akbar, et al. (2010) conclude that service quality has a positive effect on hotel customer loyalty in Penang, Malaysia. Also, Malik, et al. (2012) urges that service quality is positively and significantly correlated with the customer loyalty variable. Then, Bostanji (2013) concludes that there is a strong impact of service quality (fast responsiveness, empathy and tangibility) on customer

loyalty in five-star hotels in Riyadh. Subsequently, Poku, et al. (2013) state that customer satisfaction is not only based on hotel rating/classification but also based on service quality which results in customer loyalty at Golden Tulip, a 4-star hotel; Miklin Hotel, a 3-star hotel and Lizzie Hotel, a 2-star hotel in Kumasi, Ghana City. However, different results are shown by Oloughlin and Coenders (2002), Cristobal, et al. (2007) and Normasari, et al. (2013) as their findings confirm that service quality does not affect customer loyalty.

Regarding the hotel image affecting customer loyalty, loyal customers can be obtained if every hotel creates a good image in the customers' view. It is vital due to the image that customers have of the hotel will ultimately lead to customer assessment of the hotel's existence. Fostering and maintaining a strong image is very important for a service organization if the organization is eager to attract customers and maintain their loyalty (Kotler and Keller, 2012: 322). A good company image in the customers' view creates a good company name as well as an image is a perception of the company. If the customers' perception is positive about the company, it will create quality acceptance which continues to value acceptance and the end product is the desire to purchase over and over again.

The results of empirical study conducted by Oloughlin and Coenders (2002) on the effect of image on loyalty conclude that image affects loyalty, as well as Lu and Cai (2009) conclude that image does not affect satisfaction but image does affect loyalty. In addition, Malik, et al. (2012) utter that brand image is positively and significantly correlated with the hotel customer loyalty variable in Pakistan. In the meantime, Uttami, et al. (2014) shows that the hotel image has a positive and significant effect on customer loyalty. However, different results are shown by Beneke et al. (2011) which discover that image does not affect customer loyalty.

Customer Satisfaction Affects Customer Loyalty

Customer satisfaction directly affects hotel customer loyalty, and it can be elucidated that customers will recommend to relatives or other people if the hotel's products/services can meet customer expectations. In this matter, the customer expectations are satisfied due to the hotel has exceeded customers' expectation compared to other hotels, or in other words, the hotel products/ services can meet the expectation.

The findings of this study are in line with research conducted by Abdullah and Rozario (2009), which shows that there is an effect of service quality on hotel customer satisfaction in Kuala Lumpur, Malaysia. Also, it is in accordance with research by Kwortnik and Han (2013) that sum up that service quality has a significant effect on hotel customer satisfaction in China. Kim, et al. (2013) show that service quality has a significant effect on hotel customer satisfaction in America. The same result is shown by Gunarathne (2014) that there is a significant relationship between service quality and hotel customer satisfaction in Sri Lanka.

Customer Satisfaction Mediates the Effect of Service Quality and Hotel Image on the Customer Loyalty

Based on the results of inferential statistical analysis, it signifies that customer satisfaction can mediate the effect of service quality and hotel image on customer loyalty. These results mean that hotel customer satisfaction will increase if hotel products satisfy customer expectations

which are affected by reliability, especially in hotels providing promised services and employees confirming to customers when providing services. The satisfaction exists due to the role of service quality in the form of reliability has an impact on customer loyalty which is manifested in the desire to always stay.

Customer satisfaction mediates the effect of hotel image on customer loyalty. This result means that customer satisfaction will increase if the hotel's image gives a pleasant impression and provides easy access to services. In other words, the satisfaction of guests staying at the hotel is determined by artistic values that can give guests a pleasant feel regardless of arts' uniqueness. Nevertheless, basically, the main point is a matter of beauty, and the beauty is obtained through designing aesthetic aspects of the room construction and through the addition of art objects.

Hotels that are visited provide a pleasant impression and provide easy access to services that can increase customer satisfaction as indicated by services exceeding expectations, especially hotels that meet expectation compared to other hotels. When satisfaction is achieved, customers will be loyal to the hotel they visit, and this customer loyalty is evidenced by the desire always to stay or the intention always to stay.

Conclusion

Service quality and hotel image affect customer satisfaction. These results indicate that hotel customer satisfaction is obtained due to the quality of service provided and the hotel image gives a pleasant impression and provides easy access to services. Customer satisfaction has an effect on customer loyalty. These results indicate that customers who obtain satisfaction after staying at hotels in Gorontalo will remain as customers. Customer satisfaction mediates the effect of service quality and hotel image on customer loyalty. These results indicate that the quality of service provided by the hotel and the perceived good image make customers satisfied, so that it has an impact on the desire to always stay, particularly having the intention always to stay.

To increase hotel customer satisfaction which ultimately provides loyalty, hotels in Gorontalo must meet customer expectations by providing empathy, such as customers obtaining personal attention from employees and employees apologizing when they make mistakes. Besides, it is necessary to have a good reputation in providing service and always pay attention to the guests. For science, the research findings can enrich the references and repertoire of knowledge related to hotel customer loyalty so as not to move to competitors with guidelines on customer satisfaction which is affected by service quality and image. In the meantime, for future researchers, it is necessary to conduct research on customer value in increasing customer loyalty.

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