The Effect of Hotel Service Satisfaction on Loyalty: The Role of Gender

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ABSTRACT:
This study aims to analyze the effects of hotel services satisfaction on three aspects: service product, service delivery, and service environment as well as on the loyalty. There are 210 respondents employed as the sample who visited the hotel in the past month. The analysis technique used is the Structural Equation Model with Partial Least Square. The results showed that all satisfaction variables for hotel services significantly influenced loyalty in both groups of genders. Based on gender difference, it shows that male groups are more interested in service environment satisfaction and service delivery satisfaction towards loyalty, while female groups are more interested in service environment satisfaction and service product satisfaction towards loyalty.

Keywords: Service product satisfaction, service delivery satisfaction, and service environment satisfaction, loyalty

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1. INTRODUCTION

The hotel sector in Indonesia is part of the tourism industries and its position in the national economy is important because it accelerates the tourism consumption. Some researchers argue that the unexpected economic situation in the world has forced hospitality companies to change their strategies to increase the competitiveness. The current economic crisis is an example of such situation: international tourism operators, as well as the small and medium national tourism agents, are investigating new ways to stimulate the tourist arrivals. Many hotels have concentrated on providing satisfaction with the quality of service, which often complements visitors’ stay and can support the hotel’s financial condition. This approach requires greater emphasis on satisfaction with service quality. Studies have found several factors that give the hotel the competitiveness of its competitors in the industry, such as service quality, customer satisfaction, and customer loyalty (Shahin & Dabestani, 2010; Lee, Cho, & Ahn, 2012). Service quality and customers’ past experiences with the hotel’s services play a vital role in influencing customer loyalty (Liat, Mansori, & Huei, 2014).

Loyal customers have now become a must for success. Further, it is also the ultimate goal for many businesses (Olsen, Chung, Graf, Lee, & Madanoglu, 2005; Lam, Shankar, Erramilli, & Murthy, 2004; Shoemaker & Lewis, 1999). There are numbers of literatures on customer loyalty for hospitality and service businesses. Antecedents of loyalty have been demonstrated, such as satisfaction and service quality (Saleem, 2014; Liat, Mansori, & Huei, 2014). Service quality, in this study, uses three quality factors: service product, service delivery, and service environment (Rauch, Collins, Nale, & Barr, 2015). Although service quality satisfaction namely service product, service delivery, and service environment are the main mechanisms for building the loyalty, hospitality research has not focused on the role of this antecedent in building the loyalty based on gender groups. So, even though the researchers focused on developing a "true" loyalty formation model, there is limited knowledge about how this process works for the customer's gender group and their commitment to satisfaction with the service quality of each group. Previous studies have suggested that variances in gender affect human behaviors, including their perception toward service quality (Lin, Chiu, & Hsieh, 2001). One of the aims of this study, therefore, is to scrutinize the gender differences in the effect of hotel service satisfaction on loyalty.

A review of previous literature shows that abundant research has been conducted on service quality, customer satisfaction, and customer loyalty in the hospitality industry. However, the academic research on these variables uses a limited integration model, especially in the context of the hotel industry in Indonesia. Given the lack of research, this study aims to examine the relationship between hotel service satisfaction (service product satisfaction, service delivery satisfaction, and service environment satisfaction), gender roles, and loyalty. The results of this study will provide insight for the service marketing researchers and hotel operators who are interested in analyzing better hotel customer satisfaction in the concept of hotel services. In addition, this finding will produce valuable information for hotel operators in developing effective service marketing strategies, by not only surviving in competition, but also increasing the long-term loyalty of their customers.

To answer the research gap on hotel loyalty, this study explores the role of satisfaction on hotel services and gender as well as its impact on the loyalty of hotel visitors in Indonesia. The choice of location is in Indonesia since this country has many tourist attractions as well as the range of hotels offers. This study has two objectives: (1) to determine the effect of hotel
service satisfaction factors and their impact on loyalty and (2) to determine gender differences in the effect of hotel service satisfaction on loyalty. This study advances the latest knowledge about hotel customer experiences, then is organized as follows; the next section represents literature about the study variables and theories as well as the hypotheses development. Then, data collection and the measurement were demonstrated on the next section. Finally, the results and discussion as well as the managerial implications are provided by also demonstrating the limitations and future research.

2. LITERATURE REVIEW

2.1 Hotel Customer Loyalty

Customer loyalty is the goal of every company (Kandampully, 1997). Customer loyalty is a key variable relating to returning customers, making business referrals, providing information from strong word-of-mouth, and providing references and publications (Bowen & Shoemaker, 1994). It shows that although loyalty can be defined in various ways, there are two main approaches in consumer loyalty: behavioural and attitude loyalties (Dick & Basu, 1994). Customer loyalty is described as repeated customers who visit or repeated buying behavior; emotional commitment or expression of good attitude towards service providers (Yoo & Bai, 2013; Noyan & Gölb, 2014). Loyal customers influence the profitability and overall success of an organization in three different ways: (a) repeated purchases of products or services that generate revenue for the organization, (b) reduced marketing, advertising, and operating costs, and (c) deliver news and service recommendations to other people (Liat et al., 2014). In this study, consumer loyalty is the attitude of consumers towards hotel services and their behaviours to revisit and recommend to others.

A loyal customer will repurchase in the future and withstands the marketing efforts of competitors (Suhartanto, Gan, Sarah, & Setiawan, 2019). In the hotel context, hotel loyalty literature presents service quality as an important antecedent to loyalty, which may include quality staff, personalization, speedy service, interaction quality, physical environment quality, and outcome quality (Clemes, Gan, & Ren, 2011). There is an effect of hotel customer satisfaction on loyalty (Kandampully & Suhartanto, 2000). Different hotels offer different benefits and the perceived benefits play an important role in motivating loyalty and strengthening relationships between companies and customers (Lo, Im, Chen, & Qu, 2017). Previous studies have shown that hotel types affect consumer attitudes towards reward programs and loyalty processes (Tanford, Raab, & Kim, 2012). Travelers who are rewarded by program members then should have developed a certain level of commitment to their program sponsor. Manifestations of commitment may have different implications for loyalty behavior (Berezan, Raab, Tanford, & Kim, 2015). Some of the previous studies show that there are differences in perceptions of loyalty. That is caused by factors that influence loyalty and different contexts of research conducted.

2.2 Satisfaction with Hotel Services

Customer satisfaction is an important element of marketing activities that determine the buying and consumption process with the phenomenon of post-purchase (Ha & Jang, 2009). Satisfaction is a direct response to consumption, while service quality is interpreted as an overall impression of the customer's assessment of the services provided (Hussain, Nasser, & Hussain, 2014). Satisfaction is also related to happy or disappointed feeling of the customers that resulted from comparing the performance and expectations (Ilieska, 2013).
When investigating the determinants of customer satisfaction, especially in the hospitality industry, it was found that customers considered service quality as one of the most important factors of customer satisfaction (Abbasi, Khalid, Azam, & Riaz, 2010). If the consumers feel satisfied with the quality of the service, or if the quality of service is getting better, it will affect the satisfaction then the consumers become loyal (Kulsum, Yanuar, & Syah, 2017; Sharma, 2017; Barshan, Elahi, & Aghaei, 2017; Izogo, 2015; Kiumarsi, 2015). Internal factors (company services) and external (customer conditions) can affect customer loyalty (Yoo & Bai, 2013). One of the relationships between internal and external factors is being satisfied with the service. In addition, satisfaction with service quality influences customer loyalty (Demir, 2015).

When customers receive good quality service, they declare it as a good value and pay a higher price because the high-quality service leads to perceived value superior. In addition, providing superior service quality is a strategic tool for customer satisfaction (Hussain et al., 2014). Customers will be satisfied with the services of a company if they consider services that offer high quality (Izogo, 2015). There are three components to measure customer rational decisions: product quality, distribution quality, and service quality. These factors significantly influence satisfaction and loyalty (Elsäßer & Wirtz, 2017). There are three dimensions in the service quality that are also used in this study and this three-factor model can serve as an appropriate framework in which customers assess the quality of hotel services (Rust & Oliver, 1994). Other research supports the three-factor model, such as physical products, service experience, and food and beverage services; underlying these three factors are components of service quality (Rauch et al., 2015).

H1: Service product delivery satisfaction positively impacts to customer loyalty

H2: Service delivery satisfaction positively impacts to customer loyalty

H3: Service environment satisfaction positively impacts to customer loyalty

2.3 Gender and Hotel Service Satisfaction

Studies examining service quality in the hotel marketing management literature have given little consideration to identify gender differences in evaluating the hotel service quality. Previous studies of the effect of gender on customer perceptions of service quality have shown different results. For example, there are significant differences in the evaluation of service quality between male and female customers. Male customers prefer fairness and higher quality services compared to female customers whose results are different (Snipes, Thomson, & Oswald, 2006). Other examples in the marketing literature show that female customers tend to underestimate service quality when comparisons are made based on gender (Lin, Chiu, & Hsieh, 2001; Snipes et al., 2006; Tan & Kek, 2004). Researches on hotel tablet applications show differences in the use of different functions between males and females (Jungsun, 2016). The level of involvement is higher in female travelers than in male travelers (S. Lee & Kim, 2018).

There are gender differences in consumer buying behaviour. The proposed model contributes more variation in motivation and intention between males and females. Female consumers are not influenced by the emotional components, but are strongly driven by cognitive factors (attitudes and perceived self-efficacy) (Chen, Phelan, & Jai, 2016). Several studies show that customer characteristics, such as gender, have a big impact on the level of customer satisfaction. Gender has a significant difference in consumer dissatisfaction (Salleh,
Said, Bakar, Ali, & Zakaria, 2016). Gender moderated the relationship between hotel customer satisfaction and room design style. In this case, male customers prefer rooms decorated in masculine colours, while women are equally satisfied with masculine or feminine colour schemes (Bogicevic, Bujisic, Cobanoglu, & Feinstein, 2018). In terms of consumer behaviour, the relationship between satisfaction and repurchase behaviour is stronger for men (Mittal & Kamakura, 2001). Homburg & Giering (2001) on the moderation effect revealed that males who are satisfied with a product are more likely to buy it back than females. Given this evidence, gender may represent an imperative role in influencing the satisfaction and the loyalty.

H4: Gender moderates the relationship between service product satisfaction and customer loyalty
H5: Gender moderates the relationship between service delivery satisfaction and customer loyalty
H6: Gender moderates the relationship between service environment satisfaction and customer loyalty

3. METHODS

This quantitative research focuses on analyzing the effect of hotel service satisfaction (service product satisfaction, service delivery satisfaction, and service environment satisfaction) towards loyalty. The sample in this study was 210 consumers who visited the hotel in Indonesia last month. Sample collection used an accidental sampling technique. The instrument used in this study was a questionnaire which is distributed directly to hotel customers. Before collecting the data, the instrument content validity (questionnaire) was established by experienced academics in marketing research who examined and found no problems with the instrument. The questionnaire developed in English has also been tested in prior to a group of consumers to ensure that the questionnaire can be understood and interpreted clearly. The questionnaire consisted of two parts: the first part is about questions related to research variables and the second part presents the questions related to the respondent’s demographic profile. The Likert scale is used to get the answers one by one from the survey questions. The scale ranges from 1 (very dissatisfied) to 5 (very satisfied) for satisfaction with hotel services in this study. Questions about gender and age were also included.

This study has modified several instruments used in previous studies by adjusting the objectives of this study. Customer loyalty is measured using parameters such as customer intention to buy in the future and buying behaviour (Noyan & Gölba, 2014). This study uses two indicators in measuring hotel customer loyalty such as their intentions in revisiting the hotel and recommending the hotel. Rust & Oliver (1994) propose a service quality factor structure with three factors. This three-factor model can serve as a framework in which customers assess service quality in hotels. Three factors include 1) service products, 2) service delivery, and 3) service environment. These three factors were used in this study because these factors might be more clearly described by the hotel customers. Rauch et al., (2015) conduct research that supports the three-factor model, which includes the physical product, service experience, and food and beverage services; underlying these three higher-level factors were seven service quality components. Thus, these three factors (service delivery, product service, and service environment) are defined as follows. First, service product is the actual service itself, such as actual accommodation and hotel facilities. Second, service...
delivery is defined as the aspects of the service experience that involve direct interaction between customers and service providers. Third, service environment refers to the condition of the facility. The analytical procedure is carried out as follows. First, descriptive analysis is brought to describe the condition of the respondents based on gender and age. Second, an outer model analysis is conducted to test the validity and reliability of the measurement model. Third, the structure model of satisfaction is examined with hotel services and loyalty based on the hotel visitor’s gender.

![Conceptual Model](image)

**Figure 1.** Conceptual Model

4. RESULTS AND DISCUSSION

4.1 Respondents Characteristics

Structured interviews and questionnaires are distributed to domestic customers after they check out from the selected hotel. Hotel customers are well invited to participate in research. Before data collection, the participants received an explanation of the study, and the permission from the hotel manager was also obtained. Interviews were mostly occurred at the hotel lobbies. After conducting in-depth interviews, researchers distribute questionnaires to respondents to support the answers of interviews with respondents.

In the first step, descriptive statistical analysis was used to analyse respondents’ basic demographic characteristics. Based on the results of the distribution questionnaires to respondents, a total of 210 questionnaires can be used for data analysis. Forty-eight percent of respondents (n = 101) were male visitors while fifty-two percent of respondents were female visitors (n = 109). Then, based on age, there was fifty-nine percent of respondents (n = 123) aged 21-30 years. Twenty-eight percent of respondents (n = 58) were 31-40 years old while twelve percent of respondents (n = 25) were less than 20 years old. Two percent of respondents (n = 4) were > 40 years old. This indicates that the number of respondents is evenly distributed among men, whereas based on age, respondents are dominated by 21-30 years of age.
4.2. Research Model Analysis

The analysis technique in this study uses the PLS-SEM method through two stages of analysis: outer model analysis and inner model analysis (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014). Outer model analysis is done to check the validity and reliability of the measurement indicators that are used as the measurements. The inner model examines the structural model that is formed as well as the relationships between the variables in the model. The results of the outer model analysis of this research model are summarized in Table 1 where the outer model has been proven to have good reliability and validity.

Table 1. Construct Validity and Reliability

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Item</th>
<th>Loading factor</th>
<th>Cronbach Alpha</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Product Satisfaction</td>
<td>Room facilities</td>
<td>0.749</td>
<td>0.672</td>
<td>0.801</td>
<td>0.503</td>
</tr>
<tr>
<td></td>
<td>Restaurant</td>
<td>0.658</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Parking</td>
<td>0.663</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Supporting facilities</td>
<td>0.761</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Delivery Satisfaction</td>
<td>Employee courtesy</td>
<td>0.812</td>
<td>0.816</td>
<td>0.878</td>
<td>0.644</td>
</tr>
<tr>
<td></td>
<td>Employee appearance</td>
<td>0.840</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fast service</td>
<td>0.806</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reservation Accuracy</td>
<td>0.748</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Environment Satisfaction</td>
<td>Facilities cleanliness</td>
<td>0.803</td>
<td>0.624</td>
<td>0.798</td>
<td>0.569</td>
</tr>
<tr>
<td></td>
<td>Toilet cleanliness</td>
<td>0.754</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Environment cleanliness</td>
<td>0.703</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loyalty</td>
<td>will re-visit the hotel</td>
<td>0.879</td>
<td>0.729</td>
<td>0.880</td>
<td>0.786</td>
</tr>
<tr>
<td></td>
<td>recommend the hotel</td>
<td>0.895</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on the results of construct validity and result reliability, it can be stated that all loading scores are above 0.5. So, there are no indicators that need to be eliminated from the research model. Discriminant validity can be evaluated by looking at AVE scores that must be above 0.5. Table 1 shows that all AVE scores have acceptable values. It can be said that discriminant validity is good. After testing the outer model, the next step is to test the direct effect between variables and the indirect effects as shown in Table 2.

Table 2. Direct effect on the loyalty

<table>
<thead>
<tr>
<th>Variable</th>
<th>Path Coefficient</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>T Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Product Satisfaction -&gt; Loyalty</td>
<td>0.267</td>
<td>0.267</td>
<td>0.087</td>
<td>3.060*</td>
</tr>
<tr>
<td>Service Delivery Satisfaction -&gt; Loyalty</td>
<td>0.197</td>
<td>0.196</td>
<td>0.070</td>
<td>2.826*</td>
</tr>
<tr>
<td>Service Environment Satisfaction -&gt; Loyalty</td>
<td>0.384</td>
<td>0.382</td>
<td>0.066</td>
<td>5.840**</td>
</tr>
</tbody>
</table>

Note. Significance **0.01; *0.05

Table 3 Direct effect on loyalty based on gender

<table>
<thead>
<tr>
<th>Variable</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Path Coefficient</td>
<td>T Statistics</td>
</tr>
<tr>
<td>Service Product Satisfaction -&gt; Loyalty</td>
<td>0.154</td>
<td>1.787</td>
</tr>
<tr>
<td>Service Delivery Satisfaction -&gt; Loyalty</td>
<td>0.408</td>
<td>5.066**</td>
</tr>
<tr>
<td>Service Environment Satisfaction -&gt; Loyalty</td>
<td>0.347</td>
<td>3.781**</td>
</tr>
</tbody>
</table>

Note. Significance **0.01; *0.05
Based on the testing result, the direct effect shows that service product satisfaction significantly influences loyalty (0.267), service delivery satisfaction (0.197), dan emotion value (0.563). Then, the results of direct influence based on gender show that service environment satisfaction influences loyalty in the male group (0.347) and the female group (0.435). While in the service product satisfaction, only the female group had a significant effect on loyalty (0.371). Service delivery satisfaction variable on the male group only had a significant effect on loyalty (0.408). Based on the results of the analysis, it showed that all satisfaction variables for hotel services significantly influence the loyalty in both groups of genders. However, based on gender differences, it shows that male group prefers service environment satisfaction and service delivery satisfaction towards loyalty, while the female group prefers service environment satisfaction and service product satisfaction towards loyalty.

5. DISCUSSION

This study provides insights that were not previously available about the effect of satisfaction on hotel services, such as service product satisfaction, service delivery satisfaction, and service environment satisfaction on hotel visitor loyalty which divides respondents’ groups based on gender. Developing loyalty among hotel customers is very important for hotel operators. The results showed that there was an influence of satisfaction with hotel services such as service product satisfaction, service delivery satisfaction, and service environment satisfaction on hotel visitor loyalty. Based on gender differences, it shows that service environment satisfaction and service delivery satisfaction influence loyalty in the male group. While in the female group, service environment satisfaction and service product satisfaction influence loyalty. This indicates that male visitors choose comfort in the environment and satisfaction in service delivery. It is obviously in contrast to women who prioritize satisfaction with the environment and satisfaction with production facilities.

Satisfaction with the service environment plays an important role in influencing hotel visitor loyalty. Facilities such as restaurants, bars, clubs, and fitness centres are no longer seen as luxury goods, but as necessities since these facilities can meet different needs among customers. Therefore, hotel managers must understand the factors that influence customer needs to promote hotels, attract new customers, and retain loyal customers (United Nations World Tourism Organization (UNWTO), 2011). The intangible items associated with service delivery, such as the courtesy and efficiency of the staff, may become the differentiating elements upon which service quality is evaluated by consumers in a high-end hotel environment. In mid-scale properties, where service environment and service product items may fail to consistently meet customer expectations or provide value, these dimensions of service quality may play a more important role in defining how consumers evaluate the service quality provided by the hotel (Rauch et al., 2015). These results illustrate that the service environment, product service, and service delivery complement each other in providing services to hotel customers.

There are many components related to the hotel experience, such as physical facilities, furniture, staff friendliness, booking accuracy, and so on. Consumers may not consider all these attributes separately when evaluating the service experiences at a hotel that meets their expectations or when comparing hotels to make selection decisions or recommendations. Instead, customers assess the overall picture of hotel facilities in areas that are important to them. Hotel operators need to understand how consumers cognitively combine the attributes associated with hotel products and services to evaluate the quality of
consumer experience. These results confirm that the three-factor model is the right framework for measuring the service delivery satisfaction into three factors: service product satisfaction, service delivery satisfaction, and service environment satisfaction. These three factors have different results on two gender groups.

It is important to ensure the consistency of hotel service standards in the hotel service chain. However, it should be noted that customers value services that pay attention to hotel environmental factors that are consistent as well as on the facilities and service delivery. Therefore, the ideal service for customers is consistent service which is supported by the services of trained hotel personnel who aim to ensure and increase customer satisfaction. The availability of supporting facilities is also needed to attract customers back to the hotel. Customers who are satisfied with hotel services may end up as loyal customers.

6. ACKNOWLEDGEMENTS

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