The Effect of Customer Satisfaction Mediation for the Relationship Between Service Quality and Customer Loyalty

Ana Francisca Flores[1], Estanislau de Sousa Saldanha[2], Manuel Florencio Vong[3]
Graduate School Dili Institute of Technology, Timor-Leste
Email: anafransisca1018@gmail.com, estanislausaldanha@yahoo.com, manuelvong@gmail.com

ABSTRACT

The economic sustainability of a hotel can be determined by its service quality, satisfaction, and customer loyalty. The level of customer satisfaction can be increased if the hotel offers good quality service, and this can retain customer loyalty. This research aims to study the influence of service quality on customer loyalty and test the mediation effect of customer satisfaction on this relationship for the *rooms division* of hotels in Dili, Timor-Leste. Respondents for this research were hotel customers, and the research questionnaire adopted items from previous research. SMART-PLS 3.0 was used to test the hypothesis. The findings show that service quality and customer satisfaction do not significantly influence customer loyalty. Moreover, customer satisfaction does not mediate the relationship between service quality and customer loyalty. This research contributes to the theory of service quality, customer satisfaction, and customer loyalty. At a practical level, this research can help hotel managers develop strategies to retain their customers through improved service quality. This research also provides data to government on the level of customer satisfaction of hotels in Timor-Leste. This data can be used to develop the government's human capital training policy so that service quality in hotels and other service industries can be improved.

Keywords: Service quality, customer satisfaction, customer loyalty, hotel.

1. Introduction

Nowadays the intensity of competition in the hotel sector is increasing. The growing number of hotels threatens the economic sustainability of the sector. Hotels can remain competitive and sustainable (Tongshinen, Alam ai and Chinyere, 2018) by improving their service quality (Gupta *et al.*, 2019). Service quality is the difference between customers' expectations and experience of a service (Annamdevula and Bellamkonda, 2016; Spyridou, 2017). Service quality is related to satisfaction and customer loyalty (Drosos *et al.*, 2019).

Customer satisfaction is an evaluation from customers about a product/service according to their expectations or positive responses towards a product/service (Parasuraman, Zeithaml and Berry, 1994). Hence, customer satisfaction becomes a key factor to increase the attainment of a product/service (Meesala and Paul, 2018) because the quality of a product and service for products/services are based on the expectations of customers (Mbama and Ezepue, 2018).

Chien & Chi (2019) state that customer satisfaction is influenced by service quality. Therefore, businesses seek to make investments in order to increase service quality based on the desire of the customers (Tongshinen, Alamai and Chinyere, 2018). Many studies confirmed that service quality has a positive and significant influence on customer satisfaction (Chandra *et al.*, 2019; E. de S. Saldanha *et al.*, 2019).

Service quality and customer satisfaction are antecedent to customer loyalty. (Parasuraman, Zeithaml and Berry, 1994). Customer loyalty refers to customers who always buy products/services from the same organization (Meesala and Paul, 2018), and also promote it to other people (Dedeoğlu and Demirer, 2015). When customers feel that a product/service is valuable to them, they will come back to buy and recommend to other people (Kaura, Prasad and Sharma, 2015).

A successful company grows its customer base (Ishak and Ghani, 2010), and service quality is a key factor for companies to preserve and increase the number of customers. Service quality can ensure customer satisfaction with products/services from an industry. Thus, they can come back to buy and recommend to other people. Hence, it is needed to conduct a study to find out attitudes customer (satisfaction and loyalty) when serving in an industry and in a country. Unfortunately, there are limited studies on service quality, satisfaction, and customer loyalty in the context of hotels for the time being in post-conflict countries. This study is an approach to analyze service quality and customer satisfaction as prior to customer loyalty in hotel industry context to fill the limitation of the empirical study in Timor-Leste.

The objectives of this research are: (1) to test and explain the influence of service quality and customer satisfaction at the hotels in Dili, Timor-Leste; (2) customer

satisfaction; for customer loyalty (3) to test and explain the influence of service quality on customer loyalty; (4) To test the effect of mediation of customer satisfaction for the relationship between service quality and customer loyalty.

2. Theoretical Framework

2.1. Service Quality

Service quality is an evaluation by customers of the service that they receive (Parasuraman et al., 1994). Hence good service quality will benefit customers (Arima et al., 2018), increase loyalty, and attract new customers. Service quality can differentiate and position a product/service of a company in a market (Akroush *et al.*, 2016).

Parasuraman et al. (1988) developed a five dimension scale with 22 items to measure service quality. The dimensions are: (1) Tangibility - the quality of a business's equipment, physical facilities, materials, and personnel. (2) *Reliability* refers to the capacity of the service to work according to the promised standard. (3) *Responsiveness* refers to the desire to work rapidly and willing to help customers. (4) *Assurance* refers to politeness and knowledge of staff or servers' capacity to transmit trust to the customers. (5) *Empathy* can be expressed in various ways: knowing the names of customers, needs and preferences (Chandra *et al.*, 2019). These five dimensions are implemented in this study.

2.2. Customer Satisfaction

Customer satisfaction means customer perceptions about product performance or service performance which is based on customer expectations and level of satisfaction which depends on level of expectations (Dominici and Guzzo, 2010). Therefore, customer satisfaction is their decision after buying and using a product/service (Jiang and Zhang, 2016). According to Kasmir (2018), level of normal satisfaction can be found in customers who compare their experience of using the same product/service. So customer satisfaction becomes the first key indicator for business. Hence, companies have to pay more attention towards the needs of the customers in order to create a loyal customer (Durga Ranabhat, 2018).

The satisfaction of customers can make themselves want to buy more products, promotion to other people trough mouth to mouth so that the company can get profit. When customers are satisfied, it will result into loyalty as companies' targets.

According to Fraering & Minor (2013), The first satisfaction of customers is in the cognitive and affective variable. The cognitive step involves confirmations and expectations, and other indicators are equity and performance (Oliver R. L, 1980). Fairness (Oliver and Swan, 1989). Realization is needed (Oliver, 1995).

Willingness to pay, (Myung Soo Kang, 2008). Parasuraman et al. (1988), to develop indicators in order to measure service quality which is related to customer satisfaction. According to Čater & Čater, (2009), Model of concept for customer satisfaction which is related to seven elements as follows; (1) Direct product costs, (2) Product quality, (3) Delivery performance, (4) Knowing how to serve, (5) Time-to-market, (6) Service support, and (7) Personal interaction.

2.3. Customer Loyalty

Customer loyalty is a positive behavior which businesspeople do to prevent customers from moving to other products/services from other companies (Durga Ranabhat, 2018). According to (Özkan *et al.*, 2019), Customer loyalty means the success of supplier to establish relationship with customers in a long term. Joudeh & Dandis, (2018) argue that consumer loyalty includes important attributes which can serve what customers want or their needs, this is the time we use to present the quality based on its expectation. According to Ishak & Ghani, (2010), customer loyalty is a good approach to compare businesses of competitors, from different things with the function to attract customers.

Loyalty is related to the steps of buying again or buying repeatedly, and the frequency of buying steps (Mellens, DeKimpe and Steenkamp, 1996). Level of loyalty is related to different varieties, high loyalty can be predicted when lots of things are sold or becomes high (Singh, Ehrenberg and Goodhardt, 2008). Customers who are loyal will offer profit to an organization. Customers who always buy products and think positively are those who are loyal to a company (Dick and Basu, 1994). Loyalty is not only measured by total number of customers who come, but also those customers who are loyal to use the attributes or facilities prepared by the hotel (Nobar and Rostamzadeh, 2018).

According to Japarianto et al. (2007), factors that influence customer loyalty are; (1) Caring. Customers' care will satisfy the company and they will buy again, then at the end they will be loyal to the company. (2) Trust occurs from a long process until customers have the confidence on the company, till both parts trust one another. If the trust is established between customers and the company, then it will be easy to increase satisfaction. (3) The company has to protect its customers, as quality of products, good service, respond to customers' complaints, so that they can believe that the company really gives maximum attention to them. (4) Overall satisfaction is all the value from buying and consuming the products and the service in a certain period.

According to Joudeh and Dandis (2018), customer loyalty refers to consumer evaluation about the quality or price. Kang, Alejandro, and Groza (2015) state that

customer loyalty is influenced by five factors namely; (1) Satisfy in negotiating with the company. (2) Ready to establish relationship with the company. (3) Ready to buy more. (4) Willing to recommend to other people, and (5) Do not change to other products.

Customer loyalty is an important factor for customer satisfaction, in facts customers behavior and attitude are related to good products and good work, when customers positive behavior is for the service holder and it is considered that these customers are loyal (Abdullah *et al.*, 2012). Khadka & Maharjan, (2017) state that there are two types of customer loyalty such as: (1) Based on attitudes and emotional loyalty for properties and good service. Behavioral loyalty refers to frequency of buying in a particular retailer and emotional loyalty also refers to customer's concern based on previous experience and attitudes. (2) Emotion, satisfaction needs to be added in order to increase customer loyalty. If customers are not satisfied, they will have options to claim and they will move to other competitors. So there must be other factors

apart from satisfaction which has an impact on customer loyalty.

3. Conceptual Framework and Hypothesis

This research is a study to test the relationship of people's attitudes about a product or a service. Accordingly the model of this research is developed from an empirical study(Berry, Parasuraman and Zeithaml, 1988; Parasuraman, Zeithaml and Berry, 1994) about service quality, customer satisfaction and customer loyalty as people's perceptions and reasons about products or services from a profit or non-profit organization. This concept is afterward developed to make the indicators compatible with other types of industries (Özkan et al., 2019; Quoquab et al., 2019; Subrahmanyam, 2017). In this research, indicators of service quality are adopted from previous research (Chandra et al., 2019; Parasuraman et al., 1988 & 1994; Rauch et al., 2015; Subrahmanyam, 2017).
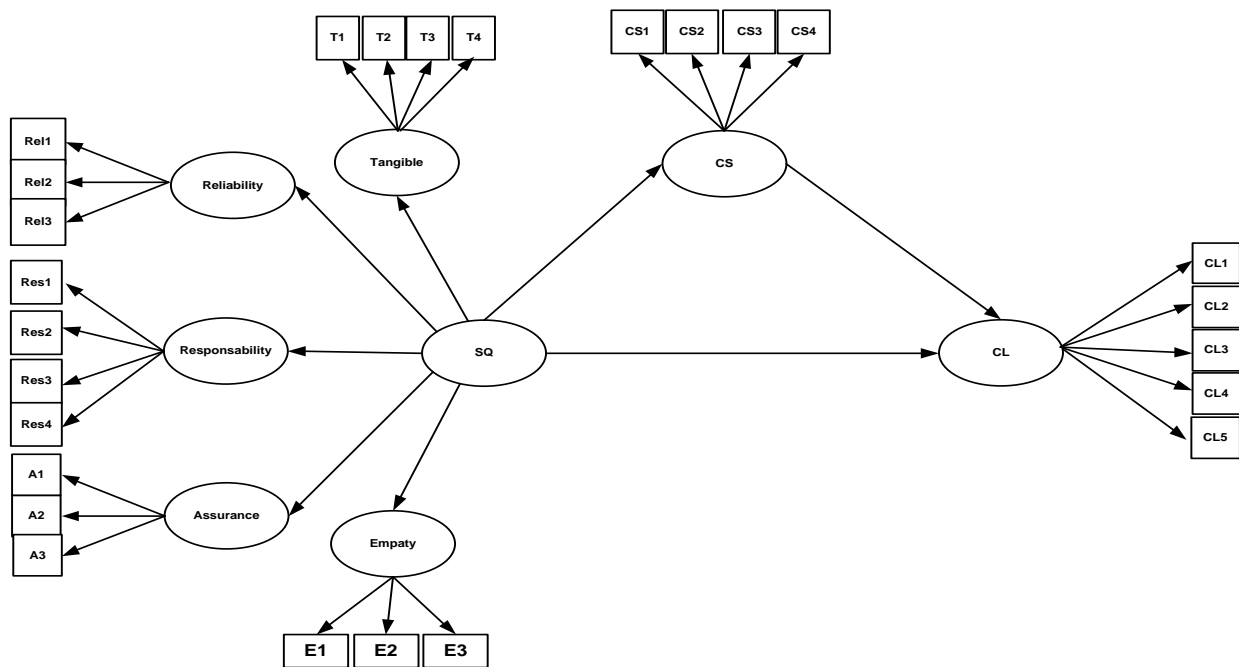
Figure 3.1. Conceptual Model

3.1. Service Quality and Customer Satisfaction

A good product/service can be sold at markets when it is valuable to customers. A product/service is valuable when customers want to buy because they like the product/service. However, service quality becomes a determinant factor for valuing customers about goods or a service. To secure customer satisfaction, companies seek for improving the service quality. This is because service

quality is related to customer satisfaction and loyalty (Boonlertvanich, 2019). A number of empirical studies show that service quality has a positive and significant influence for customer satisfaction (Boonlertvanich, 2019; Chandra *et al.*, 2019). Hence, the hypothesis of this research can be formulated as follows:

H$_1$: Service quality influences customer satisfaction positively and significantly.

3.2. Customer Satisfaction and Customer Loyalty

Generally, customer satisfaction is antecedent to customer loyalty. Khan (2012), his research shows that customer satisfaction is significant to customer loyalty when customers are satisfied with the products or services from a company, they will return and buy and recommend their friends through mouth-to-mouth promotion (Tanford and Jung, 2017). Therefore, customer satisfaction has a positive and significant relationship between customer loyalty (Chandra et al., 2019). The hypothesis of this research can be formulated as follows:

H_2: Customer satisfaction has a positive and significant influence on customer loyalty.

3.3. Service Quality and Customer Loyalty

The key to a successful business is to seek for securing customer loyalty to support the performance and sustainability of the company (Özkan et al., 2019), it means that the company tries to improve its service quality. Service quality has a direct connection with customer loyalty (Izogo, 2017). Therefore, the hypothesis of this research can be formulated as follows:

H_3: Service quality has a positive and significant influence on customer loyalty.

3.4. Service quality, customer satisfaction, and customer loyalty.

The connection of service quality, customer satisfaction and customer loyalty become important factors for a company. Customer satisfaction can be raised because of good service quality which finally influences can also influence customer loyalty. Customers who are satisfied and loyal will influence financial performance of the company (Izogo, 2017). Empirical studies show that customer satisfaction has a significant impact on service quality and customer loyalty (Özkan et al., 2019). According to Kandampully and Hu (2007), a good service quality can bring a satisfied results to customers, and service quality has a significant relationship for final satisfaction which can give significant impacts for customer loyalty. Therefore, in this research the hypothesis can be formulated as follows:

H_4: Customer satisfaction has a significant effect for the relationship between service quality and customer loyalty.

4. Research Methods

4.1. Population and Sample

A population is the total of the objects or subjects that have the quality or characteristics which the researcher is studying (Sugiyono, 2014). This research seeks to determine the service quality, satisfaction and customer loyalty of the room division, and so the population for this research is the customers who use the rooms in Timor Plaza Hotel, Hotel of Novu Turizmu Resort & SPA, and Golgota Hotel in Dili. In 2019 there were in total, 8,586 customers using these hotels.

A sample is a subset of the population (Sugiyono, 2014). A sample is determined because of the time and financial limitations. It depends on the margin error we want in the research. The total sample of this research is counted by using the following Slovin formula, margin error (10%). It is Margin error 10% because this is an exploratory research, and because of time difficulties and limited mobilization in the field since the state of emergency in Timor-Leste that makes the author finds it difficult to get more respondents. Sloven formula is used for the calculation of sample and the distribution of sample for each hotel as presented in the table above. The total number of sample is 99, which is more than minimum sample to be used as instrument analysis of SMART-PLS 3.0. According to Hair et al. (2014), the minimum sample of using SMART-PLS is 30. Accidental sampling method is applied in this research. According to Sugiyono (2014), "*accidental sampling method*" is the technique of determining sample of any customers whom we meet in the research area.

4.2. Technique of Data Collection

Questionnaire will be used to collect data in this research. The questionnaire is developed from literature review. Therefore it is adopted from instruments used by previous authors to do research in the area of service quality, customer satisfaction and customer loyalty (Kaura et al., 2015; Özkan et al., 2019; Parasuraman et al., 1988 & 1994; Subrahmanyam, 2017). Thus the validity and reliability of these research instruments do not have to be tested again. The form of this questionnaire consist of five (5) scales ranging from 1 (strongly disagree or SD) to 5 (strongly agree or SA).

This research uses descriptive quantitative method and inferential. In this research, the descriptive method will present the data about demographic characteristics of respondents and distribution of respondent frequency about indicators from variables in this model of research. The unit of measurement is the distribution of frequency (%) with mean value. SPSS will be used as a type of instrument to analyze the data.

4.3. Technique of Data Analysis

To measure the inferential quantitative method, SMART-PLS 3.0. will be used as an instrument to analyze the data. This instrument is used because it can be used for small sample which can test multivariable, reflective or formative indicators, and it has been used for research of business and management(Hair et al, 2014; Saldanha et al., 2019). The inferential test which uses SMART-PLS 3.0 is divided into two steps as follows:

First, to test the relationship between indicators and variables (*outer model measurement*). Here, it will test the reliability which will use *Cronbach alpha* (CA) parameter with minimum value 0.7 and *composite reliability* (CR) with minimum value 0.7. But exploratory researches can use the value of CA above 0.6 with CR value above 0.6 (Hair et al., 2014), (Hair *et al.*, 2017). The validity test uses *convergent validity* and *discriminant validity* parameter. *Convergent validity* uses outer loading (OL) parameter with minimum value 0.7 and average variance extracted (AVE) with minimum value 0.5 (Hair et al, 2017; Saldanha et al, 2019). D*iscriminant validity* test uses *Fornell-Larcker criterion* and *heterotrait-monotrait* (HTMT) with maximum value 0.85 (Hair et al., 2017; Henseler, Ringle, and Sarstedt, 2015).

Second, to measure the relationship between variables (*inner model measurement*). This test is to see the significant relationship between variables in this model of research. Hence, if the test uses parameter of T value and P value which T value is bigger than 1.96 with P value smaller than 0.05 (Hair et al., 2017; Saldanha et al., 2019).

5. Results and Discussions

5.1. Results

5.1.1. Reliability and Validity Test

Reliability test is to see the consistency of inner relationship between indicators and variables in this model of research. Normally reliability test uses two parameters such as *cronbach alpha* (CA) and *composite reliability* (CR) (Abdillah and Jogiyanto, 2015). Table 5.1 shows the results of reliability test using SMART-PLS 3.0 Algoritm, CA value and CR value are bigger than 0.7. According to Hair *et al.*, (2017), an indicator is reliable when the CA value and CR value are bigger than 0.7. Therefore it can be concluded that all indicators in this model are reliable to measure the *inner mode.*

The validity test is done to know the accurate instruments which are used in this model. There are two types of validity test, one is convergent validity and the other one is discriminant validity. Convergent validity uses outer loading (OL) parameter and average variance extracted (AVE). On the other hand, discriminant validity

uses Fornell-Larcker (FL) Criterion parameter and heterotrait-monotrait (HTMT) (Hair et al., 2014).

Table 5.1. Reliability and validity using SMART-PLS

Items	CA	CR	AVE
Ass.	0,776	0,871	0,693
CL	0,903	0,932	0,774
CS	0,831	0,899	0,748
Emp.	0,882	0,927	0,809
Rel.	0,752	0,859	0,670
Res.	0,877	0,916	0,733
Tang.	0,806	0,873	0,634

From Convergent validity, the results of the test show that outer loading (OL) value is higher than 0.7 (Figure 5.1), and average variance extracted (AVE) is higher than 0.5 (Table 5.1). It can be concluded that all indicators in this model are valid as seen from discriminant validity to test the inner model when OL is bigger than 0.7, and AVE is bigger than 0.5.

Validity is also seen from *discriminant validity* that uses parameter value of *Fornell-Larcker* (FL) (Hair et al., 2014), and *heterotrait-monotrait* (HTMT). Table 5.2 shows that the root square AVE from an item to its own item is bigger than other values. This shows that from the FL criterion, all items are valid.

Discriminant validity is also measured by *heterotrait-monotrait* (HTMT) parameter. Table 5.3. shows that all *heterotrait-monotrait* (HTMT) values are smaller than 0.85, except reliability and responsibility.

Nevertheless, the parameter of other validity tests for these two items are valid, so all indicators are valid to test the inner model based on the criteria of Henseler, Ringle and Sarstedt (2015).
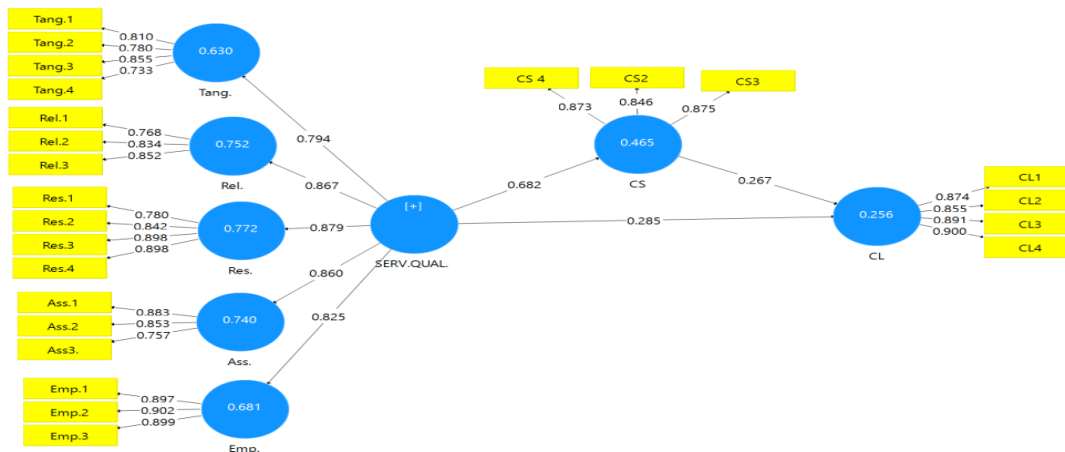
Figure 5.1. Outer Loading for Convergent Validity Test

Table 5.2. Fornell-Larcker Criterion

	Ass.	CL	CS	Emp.	Rel.	Res.	Tang.
Ass.	0,833						
CL	0,380	0,880					
CS	0,487	0,461	0,865				
Emp.	0,647	0,399	0,621	0,899			
Rel.	0,733	0,378	0,626	0,603	0,819		
Res.	0,758	0,405	0,496	0,678	0,686	0,856	
Tang.	0,577	0,361	0,558	0,508	0,618	0,665	0,796

Table 5.3. Heterotrait-Monotrait (HTMT)

	Ass.	CL	CS	Emp.	Rel.	Res.
CL	0,449					
CS	0,598	0,526				
Emp.	0,767	0,441	0,727			
Rel.	0,955	0,458	0,788	0,732		
Res.	0,921	0,454	0,572	0,760	0,844	
Tang.	0,729	0,421	0,681	0,599	0,794	0,786

5.1.2. Results of Hypothesis Test

The first test of hypothesis looks at the influence of service quality (SQ) variable for customer satisfaction (CS). The results of SMART-PLS 3.0 test show that T value (10.597) and P value (0,000). T value is bigger than 1.96, and P value is smaller than 0.05. This shows that service quality influences customer satisfaction significantly. Therefore, H_1 is significant.

Table 5.4 Test of Direct and Indirect Effect (Hypothesis Test)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Note
SERVQUAL. -> CS	0,682	0,690	0,064	10,597	0,000	Significant
CS -> CL	0,267	0,248	0,140	1,907	0,057	Not Significant
SERVQUAL -> CL	0,285	0,315	0,188	1,516	0,130	Not Significant
SERVQUAL. -> CS -> CL	0,182	0,171	0,101	1,811	0,071	Not significant

In this research, the second hypothesis test is the influence of the quality of customer satisfaction (CS) variable for customer loyalty(CL). The results of SMART-PLS 3.0 test show that the T value (1,907) with P value (0,057) (Table 4.4.1). This shows that T value is smaller than 1.96, and P value is bigger than 0.05. So it shows that customer satisfaction does not influence customer loyalty significantly. Therefore, in this research H_2 is not significant.

In this research, the third hypothesis test is to look at the influence of service quality(SQ) variable for customer loyalty(CL). The results of SMART-PLS 3.0 test show that T value (1,516) which is smaller than the minimum standard of P value 1,96, and P (0,130) which is bigger than 0.05 value as a permitted value according to Hair et al. (2014) (Table 4.4.1). It shows that service quality does not signifiantly influence customer lyalty(CL). Therefore, H_3 is not significant.

The fourth hypothesis test in this research is to look at about the effect of customer satisfaction(CS) mediation for the relationship between service quality(SQ) and customer loyalty(CL). The result of the direct effect test from the bootstrapping SMART-PLS 3.0 (SQ--→CS--→ CL) shows that T value (1,811) with P value(0,071). The T value is smaller than 1.96 and P value is bigger than 0.05 (Table 4.4.1). This shows that customer satisfaction(CS) does not have significant mediation effect for the relationship between service quality(SQ) and customer loyalty(CL). Therefore, H_4 is not significant.

5.2. Discussion

The first objective of this research is to test the variable of service quality for customer satisfaction. The results of this research show that the service quality has a significant correlation with customer satisfaction. This means that the tangible dimension, reliability, responsibility, assurance and empathy have positive and significant influence for customer satisfaction which is reflected by individuals, facilities, prices and service quality in room division of the hotels. This means that good service quality will give a positive impact for customer satisfaction. Factors that contribute significantly to customer satisfaction are

responsiveness, reliability, and assurance. It can be strengthened by descriptive result which shows dimension of responsiveness that gets bigger reception through respondents compare to other dimensions in the service quality. This study confirms previous empirical studies which prove that service quality influences customer satisfaction positively and significantly (Chandra *et al.*, 2019). Nevertheless, the results of this research are not consistent with other empirical studies which show that service quality does not influence customer satisfaction significantly (Meesala and Paul, 2018).

The second objective of this research is to test the influence of customer satisfaction to customer loyalty. The research result shows that customer satisfaction does not influence customer loyalty. This means that when customer satisfaction increases, it will not raise the level of customer loyalty. This research confirms the results of some previous researches which show that customer satisfaction does not influence customer loyalty significantly (Jiang and Zhang, 2016). However, the result of this research is different with some results of previous researches which show that customer satisfaction customer satisfaction influences customer loyalty significantly (Chandra *et al.*, 2019).

The third objective of this research is to test and explain about the influence of service quality to customer loyalty. The result of this research shows that service quality does not influence customer loyalty significantly. The result of this research also reveals that when the service quality increases, it will not raise customer loyalty. It can be explained that it is not the service quality that will become preference for a customer to choose a room division in a hotel, but it can be other factors such as price, combination of facilities namely bedrooms, restaurants, bars, gyms, and security. The results of this research confirm some empirical studies that the service quality does not significantly influence customer loyalty (Subrahmanyam, 2017; Famiyeh, Kwarteng, & Asante-Darko, 2018; Chandra et al., 2019). The results of this research is asymmetric with the previous empirical studies which show that the service quality influences customer loyalty positively and significantly (Akroush *et al.*, 2016; Özkan *et al.*, 2019). The

difference of this research results from types, big size, total sample with different cultures (Saldanha et al., 2019).

The fourth objective of this research is to test the effect of mediation variable of customer satisfaction for the relationship between service quality and customer loyalty. The research result shows that customer satisfaction does not have significant effect on the relationship between service quality and customer loyalty. This means that the satisfaction cannot help to raise the level of customer loyalty, even though the service quality has been increased. The result of this research is asymmetric with the results of previous empirical studies which show that customer satisfaction does not have significant mediation effect on the relationship between service quality and customer loyalty (Amegbe, Hanu and Mensah, 2019). Nonetheless, the result of this research confirms some previous empirical studies which show that service quality can raise customer loyalty through customer satisfaction (Kaura, Prasad and Sharma, 2015; Khoo, Ha and McGregor, 2017; Meesala and Paul, 2018).

6. Conclusions and Implications

Marketing studies show service quality, customer satisfaction and customer loyalty are determinate factors in any business. A number of empirical studies show that test results on the relationship between variables are not consistent. Thus, some results are significant, but others are not significant.

The results of this research show inconsistency in the relationships between service quality, customer satisfaction and customer loyalty. These findings show that service quality influences customer satisfaction positively and significantly, but it is not significantly related to customer loyalty. This confirms that customers are not loyal and have many options to choose from because the number of customers is small compare to rooms offered by the hotels (low occupancy rate). Hence, service quality does not significantly influence customer loyalty.

The results of this research also show that customer satisfaction is not a significant mediator of the relationship between service quality and customer loyalty. This result indicates that even though customers are satisfied with the service quality, this quality does not strengthen customer loyalty for a hotel.

7. Limitation and Future Research

The research has some limitations as follows:
1) This research only focuses on customer satisfaction as mediation of relationship between service quality and customer loyalty. On the contrary, variables are the trust, intimacy, customer commitment, price and quality of the products can also influence customer loyalty for a hotel, a product or a service. This research only looks at costumer behavior such as reception, customer satisfaction and loyalty, but it does not relate to customer behavior for the competitiveness and the performance of an organization.
2) The sample of this research is 99. It really needs bigger sample to make a better generalization. To make it well generalized, the author recommends to add more hotels, and the number of sample.
3) This research uses questionnaire as an instrument which fully depends on answers from the respondents. Sometimes the answers are bias because there is no instrument of collecting other data to control the validity of respondents' answers.

This research only uses periodical data to observe the changes of period for customer behavior about service quality, customer satisfaction and customer loyalty. A continuous observation is better to compare the data even better in order to make a better generalization.

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