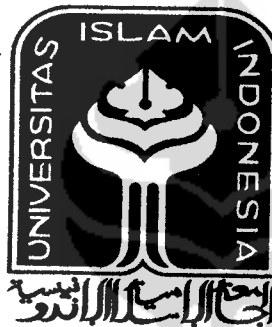


**THE ANALYSIS OF THE INFLUENCE OF HOTEL IMAGE AND
CUSTOMER SATISFACTION ON CUSTOMER LOYALTY:
A CASE STUDY OF PAKUMAS HOTEL YOGYAKARTA**

A THESIS

**Presented as Partial Fulfillment of the Requirements
To Obtain the Bachelor Degree in Management Department**



By

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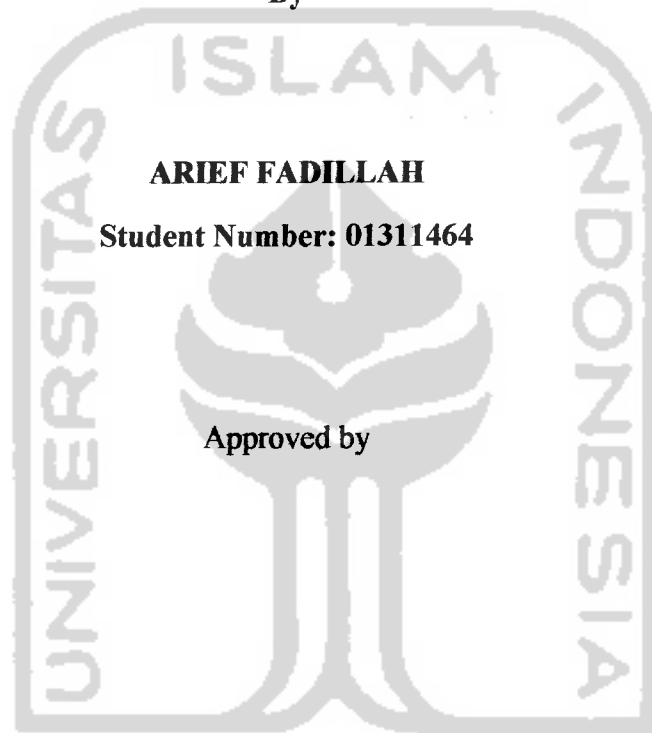
**DEPARTMENT OF MANAGEMENT
INTERNATIONAL PROGRAM
FACULTY OF ECONOMICS
UNIVERSITAS ISLAM INDONESIA
YOGYAKARTA**

2006

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PAKUMAS HOTEL YOGYAKARTA**

A BACHELOR DEGREE THESIS

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December 6, 2006

**The Analysis of the Influence of Hotel Image and Customer Satisfaction
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By

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Defended before the Board of Examiners
On December 28, 2006
And Declared Acceptable

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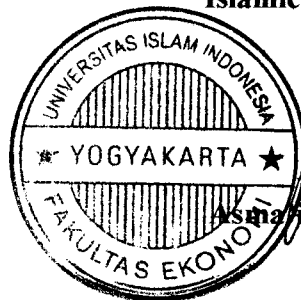


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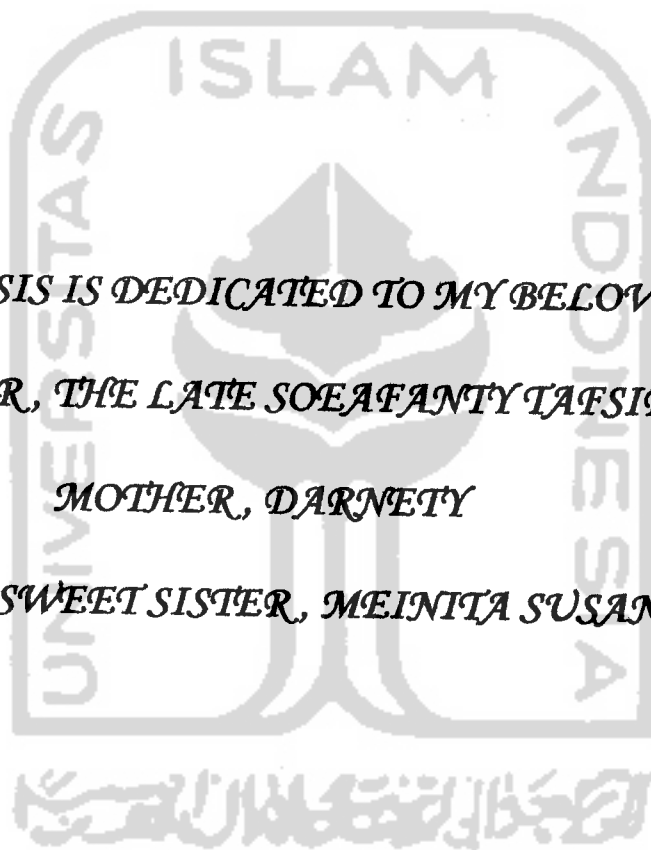
DEDICATION

THIS THESIS IS DEDICATED TO MY BELOVED:

FATHER, THE LATE SOEAFANTY TAFSIR

MOTHER, DARNETY

AND MY SWEET SISTER, MEINTIA SUSANTI



ACKNOWLEDGEMENTS

In the name of Allah, the Most Beneficent, the Most Merciful

All the praises and thanks be to Allah, the Lord of 'Alamin (mankind, jinns and all that exists), and Salam (peace) and Shalawat (Blessing of Allah) be upon the last (end) of Allah Prophets and Messengers, Muhammad ibn Abdullah SAW, the trustworthy to whom was revealed the Divine Inspiration (the Qur'an and Sunna) in the plain Arabic language.

The completion of this thesis, with the title of "The Analysis of the Influence of the Hotel Image and Customer Satisfaction on Customer Loyalty: A Case study of Pakumas Hotel Yogyakarta", would not have been possible without the support and guidance from a great number of people, to whom I am deeply indebted. They are:

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Finally, I hope this thesis will be a worthy contribution to the tireless efforts of academicians, and professionals to forte the changes into being the best. The writer aware that this thesis is not perfect yet, therefore all critiques, suggestions and positive recommendations from the readers are welcome.

Yogyakarta, December 2006

Arief Fadillah

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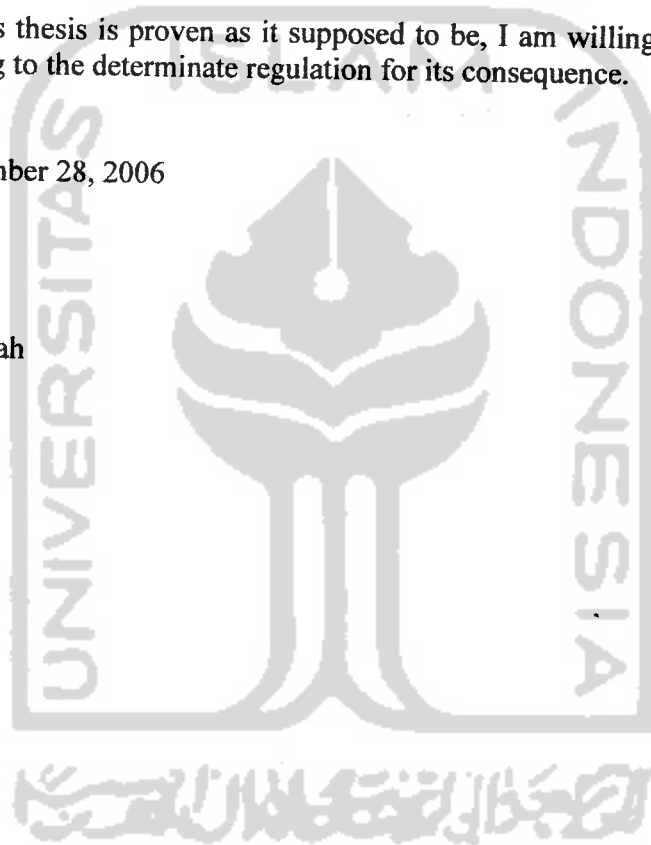
STATEMENT OF FREE PLAGIARISM

Herein I declare the originality of this thesis; there is no other work which has ever presented to obtain any university degree, and in my concern here is neither one else's opinion nor published written work, except acknowledged quotation relevant to the topic of this thesis which have been stated of listed on the thesis bibliography.

If in the future this thesis is proven as it supposed to be, I am willing to accept any sanction complying to the determinate regulation for its consequence.

Yogyakarta, December 28, 2006

Arief Fadillah



ABSTRACT

Earthquake disaster happened in Yogyakarta on May 27th, 2006 has caused the slackness of tourism industry in Yogyakarta. Many tourists cancel their plans to come to Yogyakarta. It impacts on the decrease of earning in the hotel industry. The condition encourages the hotel management to do extra works to increase the service quality, to create good image and finally to create the customer satisfaction. Those solutions will make the customers to use again the services from the hotel. One of hotels facing the problem is Pakumas Hotel Yogyakarta. Pakumas Hotel must compete with star hotel that have better image and quality and also more professional than Pakumas Hotel.

The objective of this research is to identify and extend our understanding of the relationship between customer satisfaction, image, and customer loyalty, and the factors of image and customer satisfaction which are positively related to customer loyalty especially in hotel industry. Pakumas Hotel as a hotel on jasmine level is appropriate to be the subject of this research because the characteristics owned by Pakumas hotel are suitable with the research. Beside, because most researchers that have done before are focused on star hotels, this research will provide different information and be a valuable contribution. With the Pakumas Hotel's uniqueness and the service served, the hotel has had a good image and loyal customers.

By using the data gained from the customers of Pakumas Hotel through questionnaires, the researcher analyzes the research variables which are hotel image, customer satisfaction and customer loyalty. As a result, the researcher finds that hotel image and customer satisfaction can influence the customers whether they will use the service of the hotel again, and create words of mouth to other people.

ABSTRAK

Bencana alam yang telah menimpa Yogyakarta pada tanggal 27 Mei 2006 mengakibatkan lumpuhnya industri pariwisata di kota Yogyakarta. Banyak wisatawan yang mengurungkan niatnya untuk berwisata ke kota Yogyakarta. Ini berdampak pada lesunya pendapatan di dunia jasa perhotelan di kota Yogyakarta. Situasi tersebut mendorong manajemen hotel untuk dapat meningkatkan kualitas servis, membentuk citra yang baik dan menciptakan kepuasan konsumen. Dengan itu, konsumen diharapkan akan kembali menggunakan jasa yang diberikan hotel. Salah satu hotel yang mengalami dampak tersebut adalah Hotel Pakumas Yogyakarta. Hotel Pakumas Yogyakarta harus bersaing dengan hotel-hotel berbintang yang citra dan kualitasnya lebih baik dan lebih profesional dibanding Hotel Pakumas.

Penelitian ini bertujuan untuk meneliti dan memperdalam pengertian tentang hubungan antara kepuasan konsumen, citra hotel, dan loyalitas konsumen, serta faktor-faktor dari citra hotel dan kepuasan konsumen yang secara positif mempengaruhi loyalitas konsumen dalam perusahaan jasa khususnya hotel. Hotel Pakumas Yogyakarta sebagai hotel berkelas melati sangat tepat sebagai subjek dalam penelitian ini karena karakteristik yang dimiliki Hotel Pakumas sesuai dengan variabel penelitian. Disamping itu, karena kebanyakan penelitian terdahulu yang memfokuskan penelitian pada hotel-hotel berbintang, sehingga penelitian ini memberikan informasi yang berbeda dan dapat menjadi masukan yang berguna. Dengan keunikan dan servis yang diberikan, Hotel Pakumas telah memiliki citra yang baik dan konsumen yang loyal terhadap hotel Pakumas Yogyakarta.

Dengan menggunakan data yang diperoleh dari para konsumen Hotel Pakumas Yogyakarta melalui penyebaran kuesioner, peneliti menganalisa variabel-variabel penelitian yang telah ditentukan antara lain: citra hotel, kepuasan konsumen, dan loyalitas konsumen. Dari analisa tersebut, peneliti menemukan bahwa citra hotel dan kepuasan konsumen dapat mempengaruhi konsumen untuk kembali menggunakan jasa hotel dan menciptakan *word's of mouth* atau merekomendasikan hotel kepada orang lain.

CHAPTER I

INTRODUCTION

1.1 Background of the study

Nowadays, people live in the globalization era where changes happen in all sectors that result a competition. High level of competition has brought significant changing in the world of business, especially in a service industry. Competition has major implications for customer, providing: increased choice, greater value for money, and augmented levels of service (Kandampully and Suhartono, 2000). In this case, it is imperative for service the industry to gain a competitive advantage, like developing customer loyalty by providing unique benefits to the customers.

Customer loyalty in the service industry has become attention in marketing management theory and practice. Customer loyalty does not only explain about customer's satisfaction but also focuses on how to make customer loyal with the products or services. Customer loyalty will give the company benefit in advertising. When the customers get satisfy, they will give information to other customers or people about their experience with products and services. Having a loyal customer, can help a company developing and maintaining a good customer relationship in the future. Based on Shoemaker and Lewis (1999), loyalty is illustrative of the emotional aspects of loyalty, as compared to the frequency of loyalty-related actions.

They state that loyalty occurs when the customers feel that a company can best meet their relevant needs that a competition is virtually excluded from the

consideration set; these customers but almost exclusively from the company referring to the company as their restaurant or their hotel. Developing customer loyalty in a service industry is a challenge because there are three characteristics especially for service business, they are: intangibility, heterogeneity, and inseparability (Parasuraman, Zeithaml, and Berry, 1988). Because of that, the result will be various, this will be difficult to standardize a service.

Competitive challenge in a hospitality industry also causes problems that must be answered. Competitions rise because there are more choices and varieties for customer to be chosen in service firm. To face the tight competitions in markets, an effort that a company can do is by giving better service as customers wish and wants to make them satisfy. Customers' satisfaction then will be a requirement to arise customers' loyalty. However, the customer' satisfaction depends on the service quality of a company. So the service quality and customers' satisfaction can be a measurement tool to determine the superiority of competitive company. The better the service quality is given to the customers, the more a company will be different from its competitors and get the customers' loyalty.

In general, satisfaction is a personal feeling of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) with his or her expectations. If the performance falls short of experience, the customer is dissatisfied. If the performance matches the expectations, the customer is satisfied. If the performance exceeds expectations, the customer is highly satisfied or delighted. (Kotler, 2003). Based on the definition, it is clear that customer satisfaction have

important meaning for a company. Customer is the main factor for a service company existence. Customer orientation is an absolute requirement that must be owned by a company. Customer satisfaction is considered to be one of the most important outcomes of all marketing activities in a market-oriented firm. The obvious need for satisfying the firm's customer is to expand the business, to gain a higher market share, to earn customer loyalty, to gain a higher market share, and to acquire repeat and referral business. All of which lead to improved profitability (Barsky and Labagh, 1992). Feeling satisfied will improve the customer's behavior, very likely to repurchase and tell the positive information about a company service to the other people around them about spread a good word of mouth about company.

One of Industries that need to uphold the customer's satisfaction is hotel industries. The hotel industries today have been recognized as a global industry and mature, hence, it is facing on tight competition and limited chance to develop. The situation of hotel business in Indonesia from eight years ago has declined. It is because the economic crisis in Indonesia has an impact on the decrease of society earning. The situation results consequences for middle and lower society to manage their outlay. Moreover, the earthquake disaster befell Yogyakarta at May 27, 2006 aggravated the tourism in Yogyakarta. That impact on the decrease of customers staying at hotel and also hotel profit. In this condition, it is important for each hotel to gain a competitive advantage. There are two strategies most commonly used by hotel managers in order to gain a competitive advantage, they are: low cost leadership

through price discounting and developing customer loyalty by providing unique benefits to customers (Kandampully and Suhartono, 2000).

In competitive hotel industries, the hotels try to improve their market share by discounting price. However, this will result a serious risk of having a negative impact on the hotel's medium and long term profitability. Then, quality of service is chosen rather than price that has become the key of a hotel's ability to differentiate itself from competitors and to gain customer loyalty (Kandampully and Suhartono, 2000). Because of that, it is important for the hotel industry to develop customer loyalty, as opposed to relying solely on pricing strategies. Researchers have shown that a 5% increase in customer loyalty can produce a profit increase of 25% to 85% (Reichald and Sasser, 1990).

Heung et. al., (1996), in their study on hotel brand loyalty in the free independent traveler's market, found hotel image to be an important factor, and to maintain a relatively high score rating among loyal customer. Customer satisfaction and image are two factors that are already identified as important thing in influencing customer perception to purchase the product or service. Until now, there are still limited studies on the influence of customer satisfaction towards costumer behavior in hotel industries especially in Indonesia (Suhartono, 2001). Hence, it is rarely known the factors of customer satisfaction influencing customer loyalty in hotel industries. By considering the statement above, the researcher would like to conduct a research entitled "*The Analysis of Image and Customer Satisfaction in the Influence on Customer Loyalty: A Case Study in Pakumas Hotel Yogyakarta*".

1.2. Problem Identification

Customers who have stayed in a hotel will have their own perception about hotel's image and hotel's service factors influencing customer loyalty. This is the fact that has to be realized and shows us the importance of image and customer satisfaction factors for customers reasons why they choose the hotel. The main problem of this study is whether hotel image factors and customer satisfaction have significant influence on customer loyalty.

1.3. Problem formulation

The aims of this research is to test the correlation between customer loyalty towards two variable regulations, they are: customer satisfaction and image in the hotel. Therefore, the problem formulations in this research are:

1. Is the image of a hotel affecting customer loyalty of a hotel?
2. Is customer satisfaction affecting customer loyalty of a hotel?

1.4. Research Objective

The objectives of this research that will be obtained are:

1. To measure the influence of image towards customer loyalty in a hotel.
2. To measure the influence of customer satisfaction that is positively related to customer loyalty in a hotel.

1.5. Limitation of Research area

Limitation of research is need for easiest in analyst and preparing everything that will be needed to solve the problem. The aim is researcher will directed and focus, and it will not spread from aim of problem. This thesis will replicate research from Kandampully and Suhartono (2000) in title "*Customer loyalty in hotel industry: the role of customer satisfaction and image*" and based on *Model of relationships between hotel image, customer satisfaction and customer loyalty*. This model identified two variables that influence customer behavior to loyal for service providing. In order to reduce difficulties in finding appropriate data, limitation of research are stated as follows:

1. In this research, loyalty that will be measured is *attitudinal* loyalty, which reflects to the real loyalty in service.
2. The research is limited on hotel image that consist of *image attributes* and *Holistic image*. For variable image in hotel will measure from customer perception of location, facilities, interior design, price, goods and services, staff, atmosphere and lay out.
3. The research for customer satisfaction is limited to customer satisfaction at receptionist service, satisfaction with food and beverage, satisfaction with house keeping, and satisfaction with price.
4. Hotel that will be use as an object of study is Pakumas hotel in Yogyakarta.

The reason to choose Pakumas hotel Yogyakarta is because Pakumas hotel have respondents characteristics that appropriate with the aim of research, and

only Pakumas hotel give permission for researcher to conduct the research at that hotel. Moreover with researcher experience, there are many researches in star hotel but rarely in low price hotel, so researcher try in level of jasmine hotel to get a different from this research than previous research. Beside of that, because limited factor of funds, times and place of researcher live is in Yogyakarta, Researcher choose Yogyakarta as a place to conduct a research.

5. This research limited for customer that spent the night more than one day and has used the facilities in Pakumas hotel.

1.6. Research Contribution

1. For the Hotel

Giving the information for marketing in making decision in manner to maintain and increases the customer loyalty.

2. For researcher

This research will give the knowledge for the researcher in term to applying between the theoretical framework and reality comparison.

3. For Others

The result of this research can be used as references for the other researcher who takes a similar subject on customer loyalty.

CHAPTER II

LITERATURE REVIEW

2.1 Service

2.1.1. Service Definition

Service is always faces complex phenomena. The knowledge is growing more and more, therefore people more need service that can handle some problem, and service become main part in marketing. In economic society, service or serve is one of manner that effective for differentiation and make relationship with their customer.

A service is a time perishable, intangible experience performed for a customer acting in the role of co-producer (Fitzsimmons, 2001). Most authorities consider the services sector to include all economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced, and provides added value in forms (such as convenience, amusement, timeliness, comfort or health) that are essentially intangible concerns of its first purchaser.

Definition service based on Kotler (2003) is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to physical product. Zeithaml and Bitner (1996) also give a definition of service that service is deeds, processes, and performances. In addition, a service is an activity or series of activities of more or less intangible nature that normally, but not necessarily, take place in interactions between customer and service employees and/or physical resources or

goods and/or systems of the service provider, which are provided as solutions to customer problems (Gronroos, 1990).

From the above definitions, service is an activity in a form intangible and time perishable, more be feeling than be owned, also customer more be active participation in process consume the service. Customers must experience the intangible service to really know it. Intangibility makes services more difficult for customer to imagine and desire than goods.

In marketing, the definition of service must be watch closely, because the definition more different with a product in kind of goods. A companies offering to the marketplace often includes some service. The service component can be a minor or a major part of the total offering. Kotler (2003) define categories of service mix, five categories of offerings can be distinguished:

1. Pure tangible good

The offering consists primarily of a tangible good such as soap, toothpaste or salt. No service accompanies the product.

2. Tangible good with accompanying service

The offering consists of a tangible good accompanied by one or more service. Levitt observes that “the more technologically sophisticated the generic product (e.g., cars and computers), cars producer not only sell the cars, the more dependent are its sales on the quality and availability of its accompanying customer service.”

3. Hybrid

The offering consists of equal parts of goods and service. For example, people patronize restaurants for both food and service

4. Major service with accompanying goods and services

The offering consists of a major service along with additional service or supporting goods, for example, airline passengers pay for transportation service. The trip includes some tangibles, such as food and drinks, a ticket stub, and airline magazine. The service requires a capital-intensive good-an airplane-for its realization, but the primary item is a service.

5. Pure service

The offering consists primarily of a service, for examples include baby-sitting, psychotherapy, and massage.

2.1.2. Characteristic of Service

According to Kotler (2003) service has four characteristics that are greatly designed for marketing programs, which are:

1. Intangibility

Unlike physical product, service cannot be seen, tasted, felt, heard, or smelled before they are bought. Because of that, service cannot be saved and will impact on service demand that cannot be controlled.

2. Inseparability

Service is typically produced and consumed simultaneously. Customer will see the production process. This condition builds relationship between customers as long as the service is running.

3. Variability

Because they depend on who provides them and when and where they are provided, services are highly variable. Service buyers are aware of this variability and often talk to others before selecting a service provider.

4. Perishability

Service cannot be stored. The perish ability of service is not a problem when demand is steady. When demand fluctuates, service firms have problems. For example, public transportation companies have to own much more equipment because of rush-hour demand than if demand were even throughout the day.

Characteristic of service is important to understand for each manager because by understanding the characteristic of service, it is expected that a company can anticipate and do strategy when there is change and implication.

2.2. Customer Satisfaction

2.2.1. Definition of Customer Satisfaction

Already be a common trust, customer satisfaction is considered to be one of the most important outcomes of all marketing activities in a market oriented firm. The increase of strict competition, where many producers are involved in fulfilling the customers' needs and willingness, has forced a company to place its customer satisfaction as the priority and main objective. This is reflected in the commitment of customer satisfaction in the mission statement, advertisement, and public relation release. Recently, it is more believable that the major key for winning the competitions is by giving the score and satisfaction to the customer through providing quality product and services in the competitive price.

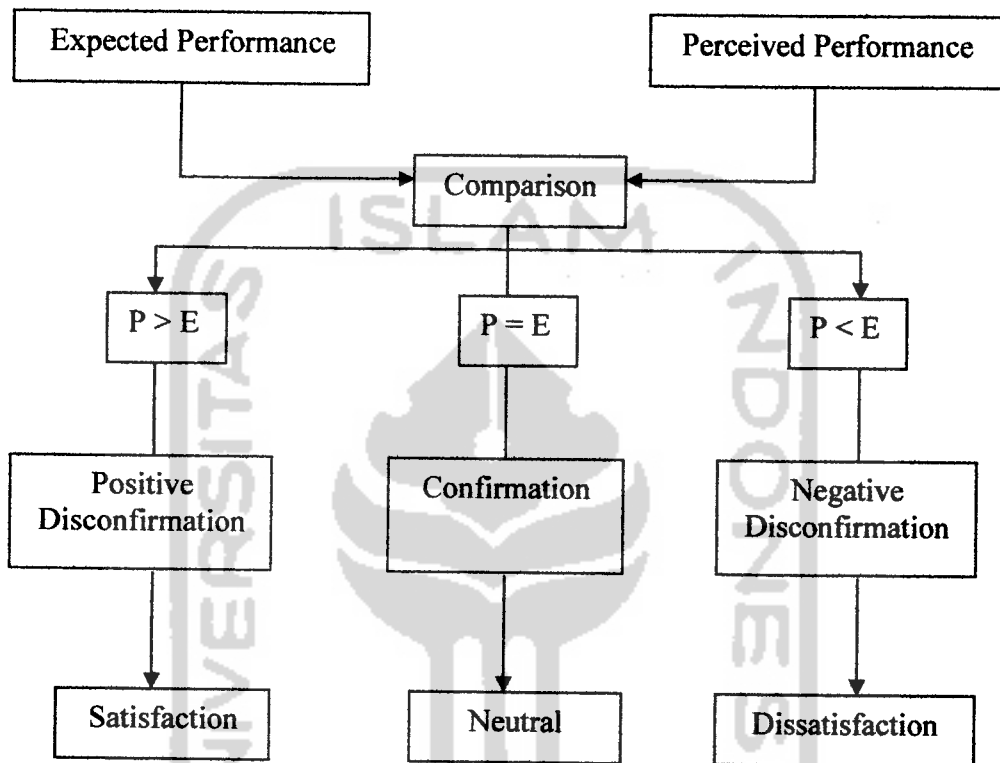
The more producers offer the product and service, the more customers take their references. So, the customer's bargaining power is greater. Their right begin to receive more attention especially for the aspect of safety in using certain goods or service. Many customers' activities appear to struggle the customers, business ethic, and awareness and love for their environment. According to Schanars (Tjiptono, 2001), basically a goal of a business is for creating the customer's feeling of satisfaction. The creation of customer satisfaction can give some benefits, for example the relationship between companies and their customers become harmonious in giving good principle for repurchasing and the creation of customer loyalty and formulating a word of mouth recommendation benefiting the company.

There are some experts who give definition on the customer satisfaction or dissatisfaction as the customer response to the inappropriate evaluation (disconfirmation perceived between norms) and the actual performance of product perceived after using willied Tjiptono (2001) defined satisfaction as an emotional response on the evaluation to the experience of consuming of product or service. Engel, et al (1995) state that the customer satisfaction is the post purchase evaluation where the alternative chosen is at least the same or exceed the customer expectation.

According to Kotler (2003), in general, satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in reaction to his or her expectation. If performance falls short of expectations, the customer is dissatisfied. If the performance matches the expectations, the customer is satisfied. If the performance exceeds expectations, the customer is highly satisfied or delighted.

From all of the definition above, there is a similar meaning that customer satisfaction is a feeling and emotional evaluated from customers or users of the goods or service where their hope and need are fulfilled. Researchers generally agree that costumer satisfaction (goods or services) is resulted from a subjective comparison of expected and perceived attribute levels. The key elements have been described, with considerable conceptual and empirical support, by the disconfirmation model on figure 2.1. This model holds that customer satisfaction is related to both the size and direction of disconfirmation, with three potential outcomes: negative disconfirmation, positive disconfirmation, and confirmation.

Figure 2.1.
The Disconfirmation Model of Customer Satisfaction

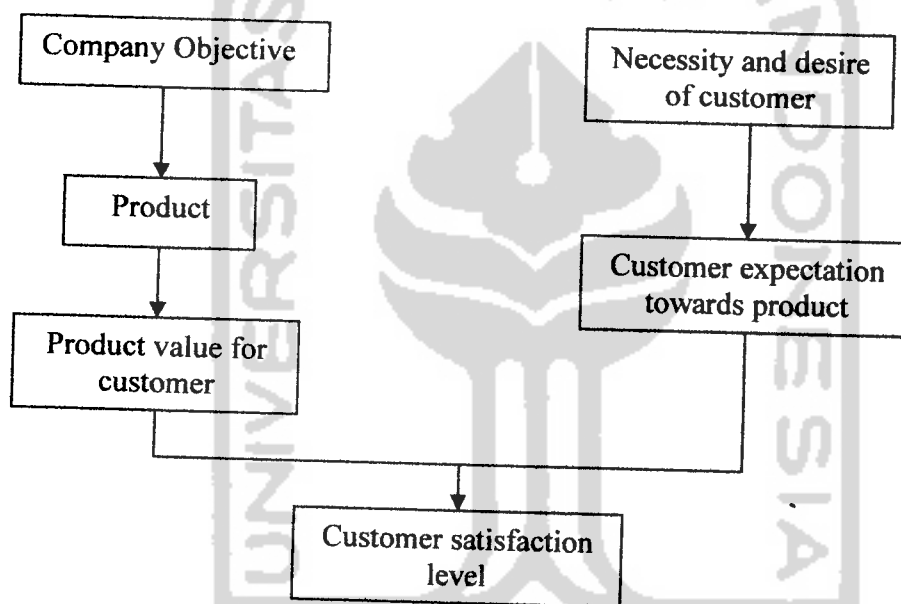


(Source: Walker J.L., "Service encounter satisfaction: Conceptualized" *The Journal of Service Marketing*, 1995)

As explained on the figure 2.1 above, if customers feel what they already get less than their expectation (negative disconfirmation) then the customers will not be satisfied. On the other hand, if the customer gets more than what they have expected (positive disconfirmation) then the customers will feel satisfied. In the situation where the expectation that the consumers get is the same with their expectation, then disconfirmation will be the same with zero (confirmation) and it means that the customers not feel satisfied or disappointed.

According to Tjiptono (2001), from the various definitions above, it can be concluded that basically measurement of customer satisfaction includes differentiation between expectation and the outcome that can be felt.

Figure 2.2.
Customer Satisfaction Concept

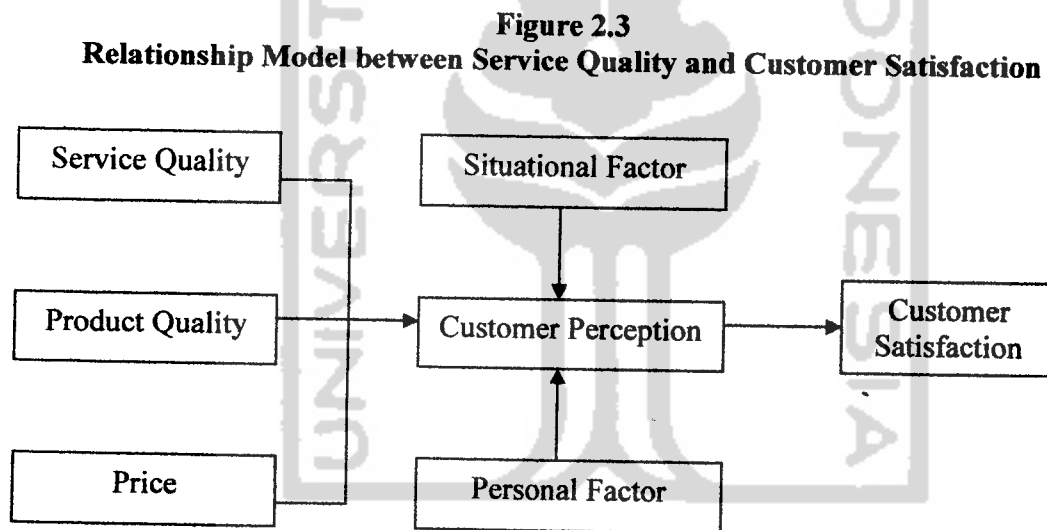


(Source: Tjiptono F., Manajemen Jasa, 2001)

Because customer satisfaction directs to return to purchase and referral, a company that is able to satisfy its customers has a big chance on decreasing purchase promotion aimed to attract new customers. If the consumers have been satisfied, then the company will have little complain and decrease the cost for handling any failure.

2.2.2. Factors Formed Customer Satisfaction

Zeithmal and Bitner (1996) propose that satisfaction is a large concept than just appraise customer satisfaction, but also influence by another factor. As seen at figure 2.3, customer satisfaction is influenced by customer perception towards service quality, product quality, price, and by situational and personal factors of the customer.



(Source: Zeithaml, V.A. and Bitner, M.J., *Service Marketing*, 1996)

As shown in figure 2.3 about, customer satisfaction concept, then the factors will be defined as follows:

a. Service Quality

A company running in service sectors is dependent on service quality provided. Zeithaml and Bitner (1996) suggest that customers do not perceive quality as an undimensional concept that is customer's assessments of quality include perceptions of multiple factors. To illustrate, research on perceptions of quality in automobile has shown that quality is assessed on six dimensions: reliability, serviceability, prestige, durability, functionality and ease of use.

Zeithaml and Bitner (1996) have a certain opinion that customer considers five dimensions in their assessments of service quality. They are: *Reliability*, *Responsiveness*, *Assurance*, *Empathy* and *Tangibles*. *Reliability* is ability to perform the promised service dependably and accurately. *Responsiveness* is willingness to help customers and provide prompt service. *Assurance* is employee's knowledge and courtesy and their ability to inspire trust and confidence. The fourth dimension, *Empathy* is caring individualized attention given to customer, to be a special individualized. And the last dimension, *Tangibles* is appearance of physical facilities, equipment, personal, and written materials.

b. Product Quality

For industries that run a service sector, service is the product that the company sells. But for service firms, some of them do not only sell a service. In several service firms like hotel for example, beside service the hotel usually serves their products like

food and beverage. A research that observes various service industries finds the important factor of product to influence customer's satisfaction (Kandampully and Suhartono, 2000). Better or not the quality of product service and service is depending on the ability and consistency of producer in fulfilling customer expectation. A customer who feels satisfied directly will create loyalty, and support mouth to mouth recommendation that can create a positive image for the company. A customer's experience with the products and services is considered to be the most important factor that influences customer's mind regarding the image. Because of that, product quality must be the main focus of a company in running its business.

c. Price

Price is one factor influencing customer's satisfaction (Gunderson, Heide and Olsson, 1996). The price of the service can also greatly influence perceptions of quality, satisfaction, and value. Because services are intangible and often difficult to judge before purchasing, then price is frequently relied on as a substitute indicator that will influence quality expectations and perceptions. If the price is very high, customers are likely to expect high quality, and their actual perceptions will be influenced by these expectations. If the price is too low, customers may be doubtful of the organization's ability to deliver quality. The price change will also figure greatly into customer's assessment whether the benefits they receive are worth the cost of the service. Because price is such an important variable to determine customer's expectations and perceptions of service, Zeithaml and Bitner (1996) state that price can have a strong impact on customer perception of service.

d. Situational Factor and Personal Factor

Situational or environmental factor and individual factor influence the level of persons satisfaction towards good or service that they consume. Situational factor defined as service performance conditions that customers view as beyond the control of the service provider. And personal factor is those states or conditions essential to the physical or psychological well being of the customer, one pivotal factors that shape the level of desired service. Personal need can fall into many categories, including physical, social, psychological, and functional.

e. Customer Satisfaction

Customer satisfaction can be defined as post consumption evaluates judgment concerning a product or service (Yuksel and Rimmington, 1998). Same researchers also write, satisfaction is notably more complex and that the measurement issues are numerous. Researchers have developed various competing theories of and measurement approaches for satisfaction, most notably the expectancy disconfirmation paradigm and its variants. Expectancy disconfirmation, which is a derivative of adaptation level theory, states that customers compare actual product and service performance with their prior expectations. If expectations are met exceeded, the consumer is satisfied. If perceived performance falls short of expectations, on the other hand, dissatisfaction results.

Based on the above definition, the researcher can conclude that to develop customer satisfaction is the main goal to achieve long time profitability. Satisfactor

is differentiation between expectation and effort that the customer feel. When the effort of company is high, the customer will be more satisfied and also to other way.

2.2.3. Measurement on the Customer Satisfaction

Monitoring and measuring the customer satisfaction has become the very essential thing for each company. If it is caused by the step of giving feed back for needs of development and implementation of strategy to increase customer satisfaction. Kotler (2003) identifies four methods for measuring the customer satisfaction.

a. Systems of Complain and Request

Organization centering on the customers (Customers centered) gives the extended opportunity to the customers for conveying suggestion and complain, for example by repairing request kit, comments card, and customer hotline. This information can give ideas as well as income for the companies and make them to react readily and quickly for overcoming the problems happen. This method is focusing more on the problem identification and request collection.

b. Ghost Shopping

One of obtaining the description on the customer satisfaction is by employing some people (ghost shoppers) for taking a role or participating as the potential buyers to the companies' products and competitors. Then they report their findings on the strengths and weaknesses of the company products and their experiences in buying

the product. Beside this, ghost shoppers can also deserve the way of holding each claim, either by the concerned companies or the competitors.

c. Lost Customers Analysis

Companies should contact the customer who has stopped buying their product or who has change to other suppliers in order to understand why it happens. Customer loss rate shows the companies failure in satisfying the customers.

d. Customers Satisfaction Survey

Through the survey, companies will get responses and feedback directly from the customers and show the positive signal that the companies give the special attention to customers.

2.3. Image

2.3.1. Definition of Image

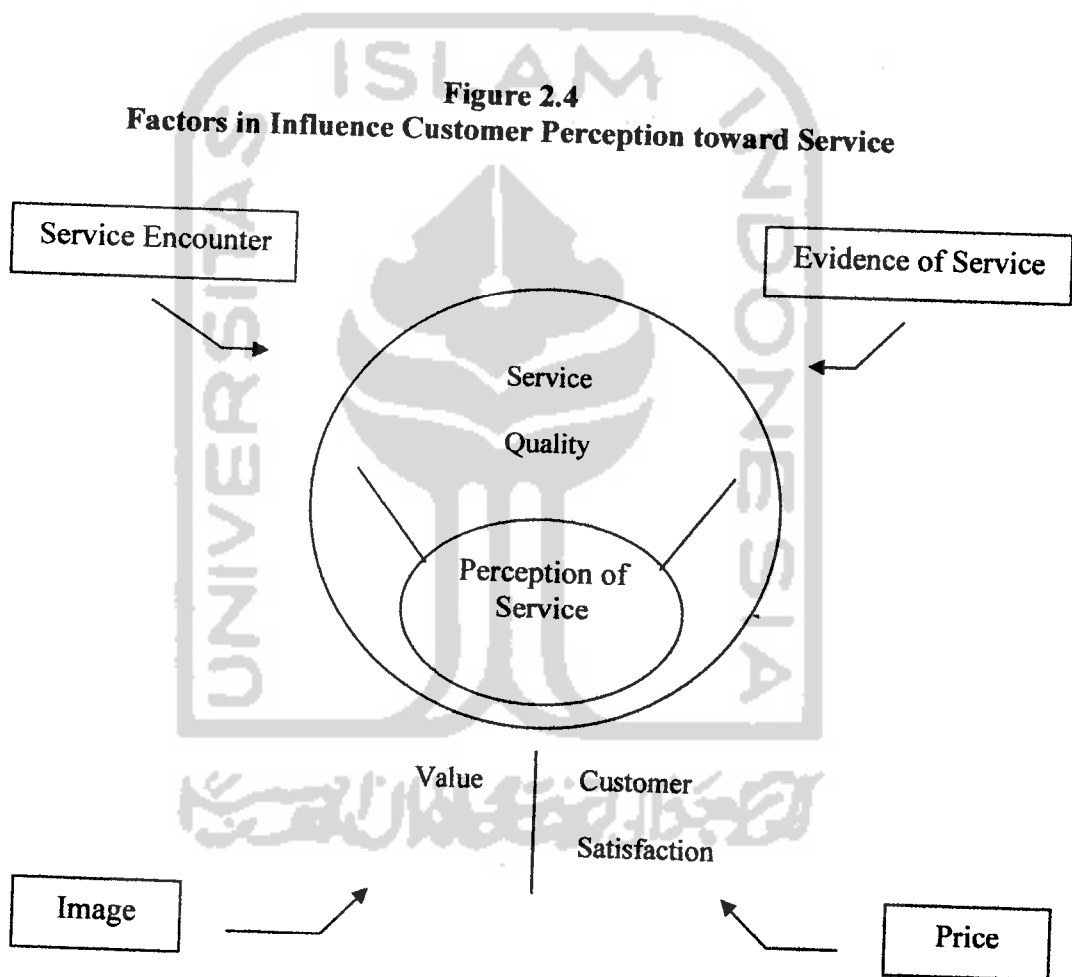
An organization's image is an important variable that positively or negatively influences marketing activities. Image is considered to have the ability to influence customers' perception of the goods and service offered. Thus, image will have an impact on customers' buying behavior (Kandampully and Suhartono, 2000). Service literature identifies a number of factors that reflect image in the customer's mind. Image is considered to influence customer's minds through the combined effects of advertising, public relations, physical image, word of mouth, and their actual experience with the goods and services. According to Kotler (2003) image is society perception towards company or their product.

Image has intangible character but the form of image can be felt with value, like respect from public around there or view of large society towards a company as a firm, trusted, professional and can be mainstay in giving a good service. Keaveney (1985), on the research argued that if brand equity is increased with power from the brand itself, then the image of the store will positive correlate to the store brand. Because of that, the power in increasing store brand, will be the foundation of store image.

A favorable and well known image is an asset for any firm, because image has an impact on customer perceptions of the communication and operation of the firm in many respects. With the importance of image, image can influence customer in several manners (Gronroos, 1990): First, *Image communicates expectations* together with external marketing campaigns such as advertising and personal selling and word of mouth communication. Here we consider only customer relationships, but image works in a similar manner in relation to other publics as well. Image has an impact of its own on expectations. Moreover, it helps people screening information, market communication as well as word of mouth. A positive image makes it easier for the firm to communicate effectively, and it makes people more perceptive to favorable word of mouth.

Second, as shown in figure 2.4, image, price, evidence of service and service encounter are factors in influencing a customer perception toward service. Image can influence customer perception because *Image is a filter* which influences the perception of the operations of the firm. Technical quality and especially functional

quality are seen through this filter. If the image is good, it becomes a shelter. Minor problems, even occasional larger troubles of a technical or functional quality nature, are easily considered less fatal. Because of that, image can support or demolish customer perception about value, quality, satisfaction, and loyalty.



(Source: Zeithaml, V.A. and Bitner, M.J., *Service Marketing*, McGraw-Hill, 1996)

Third, as briefly mentioned already, the *image is a function of the experiences as well as of the expectations of customers*. When customers develop expectations and experience reality in the form of a technical and functional quality of the service, the resulting perceived service quality changes the image. If the perceived service quality meets the image or exceeds it, image is reinforced and even improved. If the firm performs below image, the effect will be the opposite. Also, if the image is not very clear or well known to customers, it is developed and given distinct features by customer experiences.

There is fourth effect of image which is important to management. *Image has an internal impact as well*. The less clear and distinct the image is, *the more this may affect employee attitudes* toward the organization as employer. This, in turn, may have a negative influence on the performance of the employees and thus on customer relationships and quality. On the other hand, a positive clear image, say, of a firm with excellent service, communicates clear values internally and may thus strengthen positive attitudes toward the business among its employees. Such firm more easily attracts good employees, too.

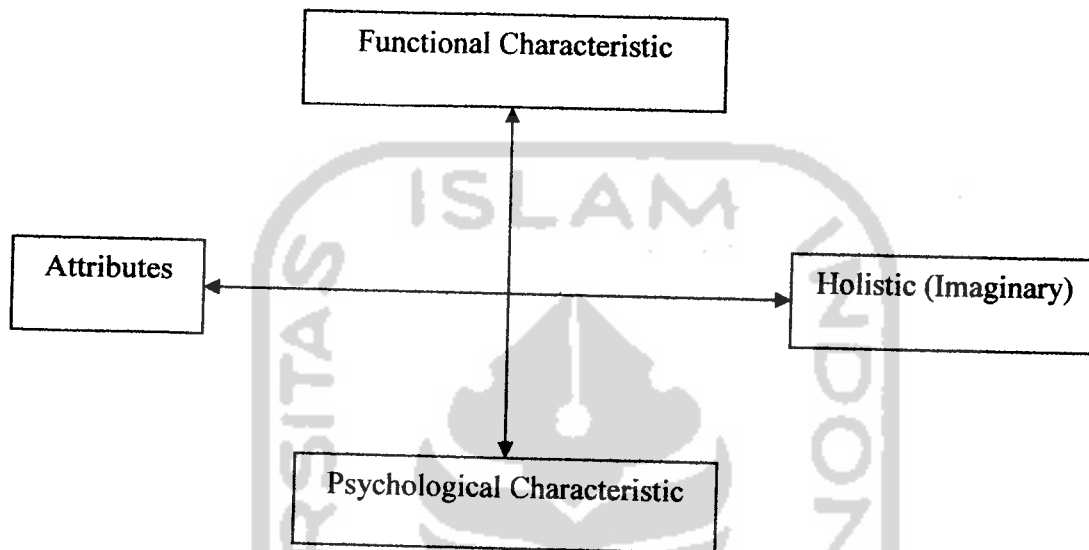
2.3.2. Image Dimensions

In completing the image measuring technique, Echtner and Ritchie (1993) suggest a framework of image consisting of two dimensions: attribute dimension and holistic dimension. As shown in figure 2.5, Echtner and Ritchie (1993) present a unique two dimensional models, which separates image into two components (attribute base and holistic). Each component has items that can have functional or psychological characteristics, and each characteristic can reflect common or unique features (holistic). Furthermore, the split line between functional and psychological characteristic cannot be defined clearly. For example, it is difficult to classify a hotel cleanliness

According to Ectner and Ritchie (1993), attribute holistic, is based on the idea that image is composed of specific attributes (such as good restaurants, expensiveness, and receptiveness of the people) and mental pictures holistic (such as people dancing on the beach or couples having dinner in a romantic setting). The functional psychological continuum divides perception of image into measurable characteristic (such as price and layout) and none intangible or psychological characteristic (such as fame, mood, friendliness, ets).

Holistic dimension has shown a picture of person mental about phenomena as all of differentiation with grouping stimulus' independent only (Zeithaml and Bitner, 1996). In other words, holistic element or imaginer from an image comprised total impression and feeling about phenomena that come from part or all of sense.

Figure 2.5
Elements of Image



(Source: Echtner, C. and Ritchie, J.R.B., "The measurement of destination image", *Journal of Travel Research*, pp.3-13, 1993)

2.4 Customer Loyalty

2.4.1 Customer Loyalty Definition

The underlying goal of studying customer loyalty is to understand customers' needs and wants, in order to secure repeat purchase of particular brand and products targeted by marketers in the service industry, research reporting customer loyalty is abundant. Scholar has adopted a variety of approaches to address problems and issues surrounding customer loyalty. Taylor (1998) determined that likelihood to recommend a product or service to other, likelihood to purchase a product or service again, and overall satisfaction, constituted good indices of assessing customer loyalty.

Hepworth and Mateus (1994) state that the loyalty indicators, including intention to buy same product, intention to buy more product and willingness to recommend the product to other customers, helped predict customer loyalty. Bloemer et. al. (1998), in their examination of the structure relationships among brand loyalty, image of product, service quality, and satisfaction, conclude that there is an indirect relationship between image and loyalty, via perceived quality, and a direct relationship between loyalty and service quality via satisfaction. Indeed customer loyalty requires the development of a mutually beneficial relationship between the business and customers. In other words, loyal customers must perceive that the service provider is committed to them and meanwhile they are treated importantly implied that enhancing customer loyalty is relationship marketing.

Furthermore, Peppers and Rogers (1998) disclose that to gain customer loyalty, service providers should become a one to one marketing that gathers information about each individual's preferences and further utilizes that information to win customer loyalty by rendering tailored product and service.

Selnes (1993) defined customer loyalty as an activity that shows and wants something related to products or service. This case comprised willingness to purchase in future or continue. This is in line with the definition stated by Brown (1946) about loyalty. According to Brown (1946) customer loyalty is actually the result of an organization creating a benefit for a customer so that they will maintain or increase their purchase from the organization. True customer loyalty is created when the customer becomes an advocate for the organization, without incentive.

Even though the definitions above have various perspectives, but all of them show that loyalty is a positive long term relationship between service providers and customers. Because of that, this research focuses on consumer behavior towards service provider, and then loyalty will be viewed from customer's point of view. For the purpose of this study, it is assumed here that a loyal customer is a consumer that always repurchases or continues purchasing from the same provider or the service firm and those who continue to recommend or keeping positive behavior toward the service provider in future.

2.4.2 Advantages of Customer Loyalty

Developing and maintaining customer loyalty, as a part of a long term relationship company program, have proven to give the advantage for customers and organization. For organization, there are four main advantages related to customer loyalty (Zeithaml and Bitner, 1996).

Firstly, loyalty improves customer's purchasing. Reichheld and Sasser (1990) show that customer dispose to purchase more every year from one provider that has a special relationship with the customers. When the customers perceive product value and service provider in high level, they incline to repurchase from the same service provider to avoid problems and risks that are possible if they change to another service provider.

Second, customer loyalty decreases the cost that company bears to serve the customer. An organization put out several early costs on their business to attract new

customers; advertising cost, operational cost, and installing cost of a new system. In short term, these costs often exceed revenue that gets from the customer. Because of that, getting customer loyalty means to support the decrease of the cost related to selling product or service on that company, to produce higher profit margin.

Third, customer loyalty increases positive word of mouth communication. The satisfied customers and loyal customers have big probability in giving positive recommendation word of mouth about the relevant company (Zeithaml and Bitner, 1996). The construct of this communication can help new customers evaluating the risk on purchase decision. Because of that, a recommendation has a function as a marketing instrument and support in decreasing expending of company to attract new customers.

The fourth advantage from customer loyalty is employee retention. Employees in business firms often influence their daily interaction with customers. Because the employees inclined work with the organizations that have satisfied and loyal customers, then companies with loyal customers and high satisfaction level customers inclined has low level keep on changing (Zeithaml and Bitner, 1996).

2.4.3 Loyalty Dimensions

Loyalty as multidimensional construct consists of two dimensions, they are behavioral and attitudinal dimensions (Kandampully and Suhartono, 2000). The behavioral dimension and attitudinal dimension of customer loyalty's character are consistent with the operation of *Loyalty Company* Factors on the structure of

behavioral and expectation (Zeithaml et. al., 1996). Five items that they use to measure loyalty, which are:

1. Develop talking positive thing about company.
2. Recommended the company to other people.
3. Support another person to doing the business with that company.
4. Consider the company as the first choice for net time, and
5. Do more business with that company in next future.

2.4.3.1 Behavioral Dimension

The behavioral dimension refers to a customers' behavior on repurchasing, indicating a preference for brand or a service over time (Bowen and Shoemaker, 1998). Even though repurchasing is an important issue for several marketers, but the interpretation of loyalty that is only based on purchase behavior is not enough. This problem happens because repurchase behavior does not always motivate the customers to purchase (Gremler and Brown, 1997). As the customer maybe repurchase from the same service provider because of another reason from their positive individual feeling toward a company. For example, a hotel customer maybe will stay again in a hotel because customers does not care about the hotel chosen, familiar factor (already know the location), fact that the hotel may be considered as the best choice between several alternatives in tourism destination, the influence of promotion and choices that taken from someone beside the customers themselves (Gremler and Brown, 1997). Because of that, it is not a guarantee if someone will

repurchase purchase the same service provider, even though they have a chance for the next time. Behavioral dimension can be concluded as, continue in purchasing product or service, purchase in large amount or purchase another product or service from that company, and recommend the company to another people.

2.4.3.2 Attitudinal Dimension

Attitudinal dimension, on the other hand, refers to a customer's intention to repurchase and recommend, which is a good indicator for a loyal customer (Kandampully and Suhartno, 2000). Loyal customers in attitudinal dimension have deep commitment in relation to service provider. The customer may be not yet consumed the product because there are problems like time and expense, but they will consume the product if they already overcome the problems. Research about loyalty by Gremler and Brown (1997) gives evidence about the existence of attitudinal dimension, there are: willingness to repurchase and or to purchase additional product or service from the same company, willingness to recommend the company to other people and commitment's company for not changing to another competitor.

2.4.4 The Influence of Image toward Loyalty

Image as a perception of an organization reflected in the associations held in consumer memory (Zeithaml dan Bitner, 1996). These associations can be very concrete, such as hours of operation, number of flights per day, length of time in business, ease of access. Or they can be less concrete and even emotional, such as

excitement, trustworthiness, tradition ingenuity, fun, reliability. The associations can relate to the service experience itself, the company, or the user of the service.

Organization's image is an important variable that positively or negatively influences marketing activities. Image is considered to have the ability to influence customers' perception of the goods and services offered (Zeithaml and Bitner, 1996). Organizational image serves as a filter that influences customer perceptions of the service organizations. A very positive image will serve as a buffer against incidents of poor service. In other words, if a customer has an overall very positive image of the organization, one bad experience will likely not be fatal. However, further bad experiences will erode the positive image, removing its protection. This filtering function of organizational image of an organization image can work in the opposite way as well. When consumer have an unfavorable image of an organization they are likely to be very angry and dissatisfied when things go wrong. And it will likely multiple good experience to begin changing the overall poor image. Thus, image will have an impact on customers' buying behavior.

Several researches have already been done. They are about the relationship between organization images that can influence consumers' behavior and how the image can always be remembered by the consumer's. One of the researches about image conducted by Heung et. al. (1996), in study on hotel brand loyalty in the free independent traveler's market, it is found that hotel image is an important factor, and to maintain a relatively high score rating among loyal customers.

Mazanec (1995) finds image to be positively associated with customer satisfaction and customer preference (a dimension of customer loyalty) in luxury hotels. This indicates that a desirable image leads to customer satisfaction and customer preference, thus the customer will be loyal and will do positive recommendation. While an undesirable image may lead to dissatisfaction.

Based on the literatures above, the researchers conclude that there is positive relation between image and customer loyalty. Thus, this research creates first hypothesis:

H1: Hotel image is positively correlated to customer loyalty.

2.4.4 The Influence of Customer Satisfaction toward Loyalty

Customer satisfaction is considered to be one of the most important outcomes of all marketing activities in a market-oriented firm. Customer satisfaction is very definite from service quality that an organization serves, then it can be said that guarantee of service quality and customer satisfaction become a key from a company to distinguish a company from its competitor, and also to get higher loyalty from customer.

There are a lot of researches to test the relationship between customer satisfaction and customer loyalty. Hallowell (1996) on his research indicates that customer satisfaction, customer loyalty and profitability have connected to each other. Even though customer satisfaction is a prerequisite for customer loyalty, but

the relationship cannot be seen clearly, because satisfied customers or dissatisfied customers can be disloyal to the company and can be loyal to company.

The obvious need for satisfying the firm's customer is to expand the business, to gain a higher market share, and to acquire repeat and referral business, all of which lead to improve profitability. Studies conducted by Cronin and Taylor in service sector such as banking, pest control, dry cleaning, and fast food found that the customer satisfaction has a significant effect on purchase intentions in all four sector. McAlexander, et. al. (1994) find that patient satisfaction and service quality have a significant effect on purchase intentions.

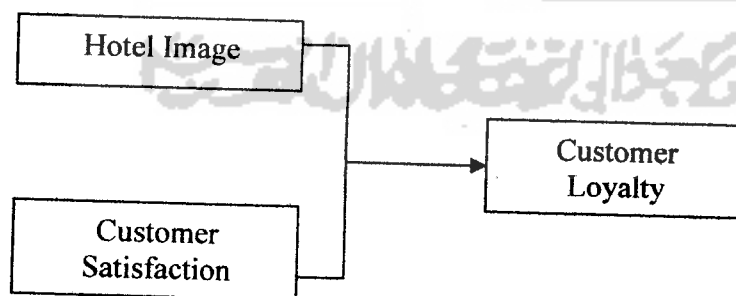
All of studies above support and summarize that customer satisfaction has a positive relationship with customer loyalty. When level of customer satisfaction toward what a company serves is high, customers to repurchase or recommend to other people have bigger probability. Other way, when customers are dissatisfied, probability that the customers to repurchase and recommended will decrease. Hence, it can be concluded that there is a positive relationship between customer satisfaction and customer loyalty, and the hypothesis is:

H2: Customer satisfactions with reception, house keeping, food and beverage and price is positively related to costumer loyalty.

2.5. The Proposed Model

Based on the two hypotheses, a model is proposed in figure 2.6. This model predicts that customer satisfaction and image directly influence on customer loyalty. Reception, food and beverage, and the housekeeping department of a hotel represent the operation necessary to satisfy the basic needs of hotel guests (Gunderson, et. al. 1996). Hence, two arrows in the left sight figure assume that the two independent variables are having free intercorelated. For the purpose of this research, customer satisfaction is measured according to the performance of these three departments of the PakuMas hotels. As price or value is similarly considered as an important factor that influences and assists in the development of customer satisfaction, price is also included as a measurement factor.

Figure 2.6
Model of Relationships between hotel Image, Customer Satisfaction and Customer Loyalty



(Source: Kandampully, J. and Dwi Suhartono, "Customer Loyalty in The Hotel Industry: Role of Image and customer Satisfaction", 2000)

CHAPTER III

RESEARCH METHODOLOGY

3.1. Research Methodology

3.1.1. Type of Study

This research can be categorized as correlational analysis. Correlational analysis is when the researcher interest in mutual influence of one variable to another. The method used in this research is survey method by using questionnaires to subject of the research.

3.1.2. Source of Data

Data source used in this research is primary data. Primary data is the initial data collected first hand, for subsequent analysis to find solutions to the problem being researched. Respondents that are appropriate with the research characteristics will be asked their willingness to be respondents or research sample.

3.1.3. Data Collection Method

Data collection method in this research is survey method by giving the questionnaires to respondents. The respondents will be asked to fulfill the questionnaires that show research variables, which are, loyalty, customer satisfaction, and image. The variables used in this research will be measured using *Likert Scale*.

The likert scale is designed to examine how strong the subjects agree or disagree with the statements on a four point scale with the following anchors:

1	2	3	4
Very Dissatisfied	Dissatisfied	Satisfied	Very satisfied

Researcher not using neutral scale as point scales because neutral is not influential factors to examine the respondents' statements.

3.2. Research Subject

3.2.1. Population

A population is defined as the entire group of people, events, or things that the researcher desires to investigate (Sekaran, 2003). The population on this research is hotel customers that stay at least one night or more at the hotel and have used the service of the hotel's restaurant.

3.2.2 Sample Collecting Method

Sample design used in this research is *purposive sampling*. Purposive sampling is a nonprobability sampling design in which the required information is gathered from special or specific targets or groups of people on some rational basis. Here, the sampling is confined to specific types of people who can provide the desired information, either because they are the only ones who possess it, or conform to some criteria set by the researcher (Sekaran, 2003). The reason to use the purposive sampling because this technique is relevant to this research. Beside that,

this technique also makes the sample choosing easiest because it will be focused on certain service.

The sample criteria on this research, first, the respondents which are customers of Pakumas hotel Yogyakarta. This criterion is included because the object of this research is customer's loyalty based on customer satisfaction from Pakumas hotel services and Pakumas hotel image. So, it is relevant if the customers that stay in Pakumas hotel become the respondents.

Second, the customers already stay at least one night or more at the Pakumas hotel. This criterion is included because this research will measure *attitudinal* loyalty of that hotel. So, it will be relevant if the respondents have ever stayed at least one night or more to become the samples. The respondents with the criterion are considered as the respondents who have really felt the service of the hotel. The experience of staying in the hotel overnight will create the customers' satisfaction, perception of image, willingness to come in the hotel again in the future, and willingness to recommend the hotel to other people.

Third, the respondents have ever eaten a meal in restaurant or use food and beverages service. This criterion is included because this research measures customer's satisfaction on the service of food and beverages.

In this research, to design the amount of sample that will be uses the researcher is referred to Roscoe (Sekaran, 2003). Roscoe proposes the following rules of thumb for determining sample size:

1. Sample sizes larger than 30 and less than 500 are appropriate for most research.
2. Where sample are to be broken into sub samples (males/females, juniors/seniors, etc.), a minimum sample size of 300 for each category is necessary.
3. In multivariate research (including multiple regression analysis), the sample size should be several times (preferably 10 times or more) as large as the number of variable in the study.
4. For simple experimental research with tight experimental controls (matched pairs, etc.), successful research is possible with samples as small as 10 to 20 in size.

This research uses multiple regression analysis with three variables, consist of one dependent variable and two independent variables. Based on *rules of thumb* suggested by Roscoe (Sekaran, 2003) above, this research uses usable sample as much as 100 samples. The researcher collects the data from actual customers in a realistic setting. Those who agree to participate in the study are asked to complete and return the survey directly to the data collectors.

3.3. Research Setting

This research will be conducted in PakuMas Hotel in Yogyakarta during October until November 2006. Criteria of the sample are customers from PakuMas hotel Yogyakarta. It is relevant if the customers that stay at least one night or more at

the hotel and have used the facilities in Pakumas hotel are the respondents, because the object of this research is customers' loyalty which is based on customer's satisfaction in Pakumas hotel and image of Pakumas hotel. The questionnaires distributed are translated into *Bahasa Indonesia* to alleviate target research in understanding the questions within the instrument.

3.4. Operational Variables

This study uses variables which are image, customer satisfaction and customer loyalty. Image and customer satisfaction are independent variables, while customer loyalty is dependent variable. The research is replicated and adapted from the previous research from Jay Kandampully and Dwi Suhartono (2000), "Customer Loyalty in the hotel Industry; the role of customer satisfaction and image", *International Journal of Contemporary Hospitality management*, pp.346-351. The questionnaires are derived from that research in which English language is used. However, questionnaires are translated into Indonesian language to ensure the understanding of the respondents towards the questions. Furthermore, a pre-test is conducted prior the distribution of the questionnaire. The pre-test is aimed to identify the respondents' difficulty to understand the statements and the questions.

3.4.1. Dependent Variable

A dependent variable is the variable of primary interest to the researcher. (Sekaran, 2003). The dependent variable in this study is customer loyalty.

Measurement of loyalty variable on this research is based on attitudinal aspect, that is the willingness to promote or to recommend, and the willingness to use the service again, which are good indicators of loyal customer (Getty and Thompson, 1994).

The researcher develops customer loyalty indicators based on the previous research done by Kandampully and Suhartono (2000) with three items of question.

3.4.2. Independent Variable

An independent variable is one that influences the dependent variable in either a positive or a negative direction (Sekaran, 2003). The independent variables in this study are:

a. Image

1) Image attributes

Attribute dimension of image can be defined as all facilities and environment that create and influence a hotel. There are six variables of attribute dimensions that will be measured as follow:

1. Hotel image from the customer perception in Pakumas Hotel
2. Physical facilities.
3. Interior design.
4. Price.
5. The quality of the goods and services provided, and
6. Staff performance.

2) Image Holistic

Image holistic is a person perception about the hotel in all aspects. The operational of the holistic dimension of hotel image is based on the customer's perception of the hotel's atmosphere, reputation, external appearance, and the layout.

b. Customer Satisfaction

On this research, customers' satisfaction is consumers' evaluation output after using the hotel service during their stay at the hotel. Customer's satisfaction measured is related to price aspect, service aspect on receptionist, food and beverages and housekeeping.

1) Reception service

Receptionist is a department that functions to introduce a hotel to customers. In the receptionist area the customer usually do check in and check out.

This variable is measured by the customer's perception of the receptionist's willingness and ability to provide service, the physical appearance of the reception area and its ambience.

2) Food and beverages

Satisfaction with the food and beverage is operational according to the guest's perception on the willingness and ability of the personnel to provide service, the opening hours of the restaurant or bar, the ambience of the food and beverage area, and the quality of the food and beverage.

3) House keeping

Satisfaction with house keeping is operational according to the guest's perception of the staff's willingness and ability to provide service, room amenities, and room comfort.

4) Price

The price paid for accommodation, food and beverage, and other services provided is considered to be the operational of customers' satisfaction with the price variable.

3.5. Research Instrument and Data Collection

The survey method as a part of data collection will be adopted to obtain the primary data in this study. The survey is taken in order to derive consumers' opinion toward customers' satisfaction and images that directly influence the customers' loyalty. Reception, food and beverage, and the housekeeping department of a hotel represent the operation is necessary to satisfy the basic needs of hotel's guests. Hence, for the purpose of this research, customer satisfaction is measured according to the performance of these three departments of the PakuMas hotels. As price or value is similarly considered as an important factor that influences and assists in the development of customer satisfaction, price is also included as a measurement factor.

The survey is conducted in two phases: the pre-test and the main study. A pre-testing phase is conducted to collect data from a small number of samples, for example five respondents. Thus, a small scale pre-test study provides an advance

opportunity to the researcher to check the data collecting form to minimize errors due to improper design elements. The data resulted from the pre-test is then used to test validity and reliability of the questionnaire. Once validity and reliability test has been done, the results will be employed in main study questionnaire. The instruments for the research are stated as follows:

3.5.1. Validity

Basically, the function of validity test is to measure and analyze whether each element of instruments really explains the indicator researched or not. Validity is the measurement that refers to the level of validity of measurement tool. In the other words, a high measurement tool is identical with the high level of validity. A measurement tool is claimed valid, if it is able to measure what it wants to. The high and low level of validity of measurement tool respectively shows how far the collected data do not stray from the path of description in the direction of the tested variables. If $r_{test} > r_{table}$ means the measurement tool is valid and the opposite.

The formula as follows:

$$r_{xy} = \frac{N \sum xy - (\sum x)(\sum y)}{\sqrt{[N \sum x^2 - (\sum x)^2][N \sum y^2 - (\sum y)^2]}}$$

Where r : correlation coefficient between x variable and y variable

N : total sample

X : value of x variable ;

Y : value of y variable.

3.5.2. Reliability

Reliability test is designed to find out the consistency of measurement tool and it could give the result which is relatively consistent if there is a re-measurement in the same subject. Reliability refers to the reliable and appropriate measurement tool to be used to collect the data. A reliable and appropriate measurement tool tends to direct respondents to answer the questions on the way of path expected. A reliable measurement tool will provide reliable result also, and if the data is really relevant to the reality condition, the result of any measurements conducted in the next period will always be the same.

Reliability test is done with SPSS by putting all questions in SPSS to be analyzed. It uses alpha coefficient from Cronbach to find the value of alpha Cronbach for each type of questionnaires that shows its reliability. If the result of alpha Cronbach (α) ≥ 0.6 , thus the measurement tool (questionnaire) of the research is claimed reliable to use. The *Alpha Cronbach* formula as follows:

$$r_{11} = \left(\frac{k}{k-1} \right) \left(1 - \frac{\sum \sigma_b^2}{\sigma_t^2} \right)$$

Where r_{11} : instrument reliability

k : total item of questionnaire

σ_t^2 : total variance

$\sum \sigma_b^2$: the sum of total variance

3.6. Technique of Data Analysis

The quantitative data analysis method that will be used to test those two hypotheses in this research is multiple regression models. To find out whether there is a significant relationship between one dependent variable and independent variable, a multiple model should be employed. By using this model as well, the beta coefficients that determine the weight of significances of each sub dependent variable of role mode over the independent variables.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_i X_i + e$$

Where:

β = Vector of coefficient	Y = Dependent Variable
β_0 = intercept	X_1 = Image
β_1 = the coefficient of X_1	X_2 = Customer satisfaction
β_2 = the coefficient of X_2	e = Error

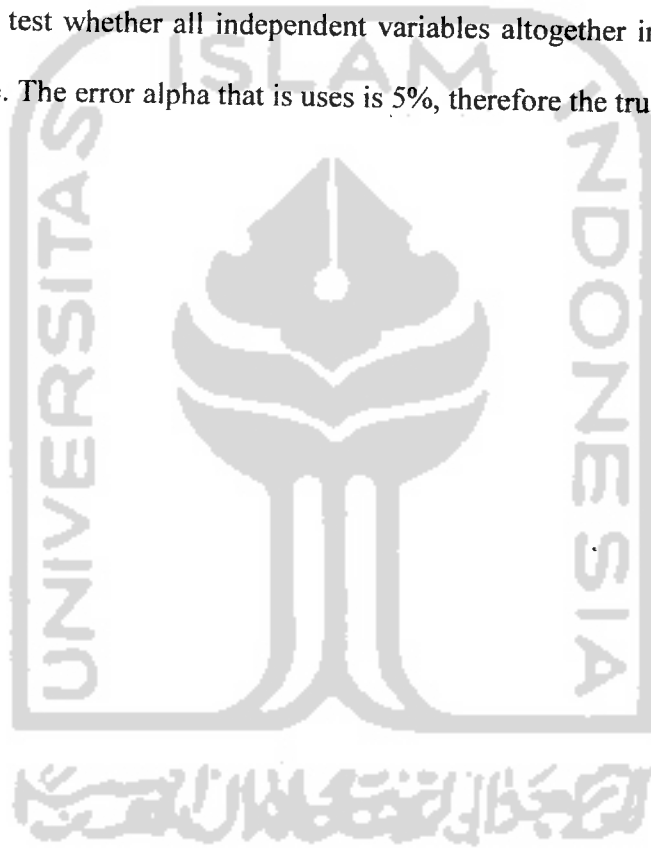
The testing of effect significance from each dependent variable is using T-Test and F-Test. And if the p-value from statistic $Pvalue < \alpha$, then the effect of independent variable that be tested is obviously asserted as significant.

3.6.1. T test

T test is to whether each independent variable significances influence the dependents variable. The error that will be use is 5 %, therefore the trust level is 95%.

3.6.2. F test

F test is to test whether all independent variables altogether influence on the dependent variable. The error alpha that is uses is 5%, therefore the trust level is 95%.



CHAPTER IV DATA ANALYSIS

4.1. Research Description

Research description will show the detail of the respondent's characteristics getting from the questionnaires which are distributed to the respondents.

4.1.1. The Gender of Respondents

Respondents' description based on the gender is shown on table 4.1 below:

Table 4.1
Respondents' Data Based on Gender

No.	Gender	Total	Percentage (%)
1.	- Male	55	55
2.	- Female	45	45
Total		100	100

Source: Primary data, 2006 (see appendix of frequencies test).

According to the respondents' distribution based on the gender table 4.1 above, from 100 respondents, 55 respondents (55%) are male and 45 respondents (45%) are female. Then, it can be concluded that the respondents are mostly male.

4.1.2. The Age (years) of Respondents

Respondents' description based on the age can be seen on table 4.2 below:

Table 4.2
Respondents' Data Based on Age

No	Age (years)	Total	Percentage (%)
1	- < 25 years	12	12
2.	- 25 – 35 years	26	26
3.	- 36 – 45 years	32	32
4.	- 46 – 55 years	19	19
5.	- > 55 years	11	11
Total		100	100

Source: Primary data, 2006 (see appendix of frequencies test).

The respondents' distribution based on the age shown on table 4.2 above is that amongst 100 respondents, 12 respondents (12%) are less than 25 years of age, 26 respondents (26%) are in the 25-35 age group, 32 respondents are in 36-45 age group, 19 respondents (19%) are in the 46 – 55 age group, and 11 respondents (11%) are more than the age of 55. Then, it can be concluded that mainly respondents used in this research are hotel customers in the 36-45 age group.

4.1.3. The Purpose of Respondents' Visit to the Hotel

Respondents' description based on the purpose of their visit to the hotel is shown on table 4.3 below:

Tabel 4.3
Respondents' Data Based on the Purpose of Their Visit to the Hotel

No.	Purpose of Visit the Hotel	Total	Percentage (%)
1.	- Business	35	35
2.	- Pleasure	47	47
3.	- Other	18	18
Total		100	100

Source: Primary data, 2006 (see appendix of frequencies test).

According to the respondents' distribution based on their purpose to visit the hotel that can be seen on table 4.3 above, amongst 100 respondents, 35 respondents (35%) visit the hotel because of business reason, 47 respondents (47%) stay at the hotel for pleasure, and 18 respondents (18%) have other purposes. Then, the researcher can conclude that the large number of respondents used in this research visits and stays at the hotels for pleasure.

4.1.4. Customers' Experience

Respondents' description based on the experiences of the customers to stay at the hotel is shown on table 4.4 below:

Table 4.4
Respondents' Data Based on Customers Experiences to Stay at the Hotel

No.	Customers, Experience	Total	Percentage (%)
1.	- Ever stayed	73	73
2.	- Never before	27	27
	Total	100	100

Source: Primary data, 2006 (see appendix of frequencies test).

Based on the table 4.4 above about the customers' experiences to stay at the hotel, the researcher finds that among 100 respondents, 73 respondents (73%) have ever stayed at the hotel. While 27 respondents have not had any experience to stay at the hotel before. Then, researcher can conclude that the most of respondents used in this research is hotel customers that already have experiences to stay at the hotel Pakumas Yogyakarta.

4.1.5. Frequencies of Visiting the Hotel

Table 4.5
Respondents' Data Based on Customers' Frequencies Visiting the Hotel

No.	Frequencies of Stayed	Total	Percentage (%)
1.	- Less than 5 times	28	28
2.	- 6 – 10 times	52	52
3.	- More than 10 times	20	20
	Total	100	100

Source: Primary data, 2006 (see appendix of frequencies test).

The table 4.5 above shows the respondents' distribution on their frequencies of visiting the hotel. Between 100 respondents, 28 respondents (28%) have stayed at the hotel less than five times, 52 respondents (52%) have stayed for 6-10 times, and 20 respondents (20%) have stayed more than 10 times. Then, the researcher can conclude that mostly respondents' used in this research are hotel customers that have ever stayed between 6-10 times at the Pakumas Hotel Yogyakarta.

4.2. Validity Test

The validity test of each data input was acquired by applying the correlation matrix. The value of corrected item total correlation (r) showed the value of the significance of the correlation of the data. The variables were considered valid when r -value shows 0.3 or greater. Otherwise, the item was deleted or discarded when the r -value was less than 0.3, and it was considered as not valid. Only valid data were processed for further computation.

Table 4.6
Test result of Validity Instrument of Customer Loyalty

Variable	Questionnaires	<i>r</i>	Status
Customer Loyalty	CL 1	0,784	Valid
	CL 2	0,836	Valid
	CL 3	0,757	Valid

Source: Primary data, 2006 (see appendix of validity test)

From the table 4.6 above, all variables that were included in questionnaire about the customer loyalty variables are valid. They showed that the *r*-values were more than 0.3. Means that questionnaire about customer loyalty is valid to use for this research.

From the table 4.7 below, the variables of hotel image attributes are valid. They show that the *r*-values are more than 0.3, and thus all variables can be used to measure the impacts of hotel image towards customer loyalty.

Table 4.7
Test result of Validity Instrument of Hotel Image

Variable	Questionnaires	<i>R</i>	Status
Image	I 1	0,504	Valid
	I 2	0,597	Valid
	I 3	0,565	Valid
	I 4	0,612	Valid
	I 5	0,684	Valid
	I 6	0,546	Valid
	I 7	0,648	Valid

Source: Primary data, 2006 (see appendix of validity test)

Table 4.8
Test result of Validity Instrument of Customer Satisfaction

Variable	Quetionaires	R	Status
Customer Satisfaction	CS 1	0,519	Valid
	CS 2	0,563	Valid
	CS 3	0,571	Valid
	CS 4	0,389	Valid
	CS 5	0,528	Valid
	CS 5	0,617	Valid
	CS 7	0,633	Valid
	CS 8	0,647	Valid
	CS 9	0,370	Valid
	CS 10	0,589	Valid
	CS 11	0,627	Valid
	CS 12	0,559	Valid
	CS 13	0,569	Valid
	CS 14	0,527	Valid
	CS 15	0,569	Valid
	CS 16	0,520	Valid
	CS 17	0,380	Valid

Source: Primary data, 2006 (see appendix of validity test)

All variables of customer satisfaction attributes at table 4.8 are valid. They show that the *r*-values are more than 0.3, and thus all variables can be used to measure the impacts customer satisfaction towards customer loyalty.

4.3. Reliability Test

The data of the survey were evaluated by using the software tool of SPSS version 11.0. Item selection used internal consistency approach that is *corrected Item-total correlations*. Based on Crocker and Algina (Azwar, 1997), the minimum reliability instruments is 0,200 with the reason item selection for aspect non cognitive

can use item validity as $\geq 0,200$. It means that each item coefficient $\geq 0,200$ is reliable, and if item coefficients $< 0,200$ is not reliable.

Reliability means consistency or can be trusted. Reliability test on this research used *Cronbach's Alpha of thumbs* to test the reliability of instruments. Criteria of *Cronbach's Alpha*, based on Sekaran (2003), if the value result of *Cronbach's Alpha* is less a 0,60 it means bad, 0,70 can be accepted and more than 0,80 is good. Reliability test is shown on the table 4.9 below have resulted customer satisfaction variable enter to good level.

Table 4.9
Test result of Reliability Instrument of Customer Satisfaction

Variable	Questionnaires	Corrected Item-Total Correlation	Alpha Cronbach
Customer Satisfaction	CS 1	0.4325	0.8495
	CS 2	0.4858	
	CS 3	0.5001	
	CS 4	0.2997	
	CS 5	0.4351	
	CS 5	0.5349	
	CS 7	0.5601	
	CS 8	0.5688	
	CS 9	0.2684	
	CS 10	0.5016	
	CS 11	0.5493	
	CS 12	0.4715	
	CS 13	0.4850	
	CS 14	0.4421	
	CS 15	0.4864	
	CS 16	0.4528	
	CS 17	0.3074	

Source: Primary data, 2006 (see appendix of reliability test)

Table 4.10
Test result of Reliability Instrument of Image

Variable	Questionnaires	Corrected Item-Total Correlation	Alpha Cronbach
Image	I 1	0.3590	0.7255
	I 2	0.4251	
	I 3	0.4122	
	I 4	0.4474	
	I 5	0.5288	
	I 6	0.3813	
	I 7	0.4772	
	I 8	0.3145	

Source: Primary data, 2006 (see appendix of reliability test)

From the 4.10 above, each corrected item-total correlation more than 0,200 and have reliability coefficient values *Alpha Cronbach's* more than 0,7, so it can conclude that all questionnaire item reliable.

Table 4.11
Test result of Reliability Instrument of Customer Loyalty

Variable	Questionnaires	Corrected Item-Total Correlation	Alpha Cronbach
Customer Loyalty	CL 1	0.4802	0.7025
	CL 2	0.5847	
	CL 3	0.5046	

Source: Primary data, 2006 (see appendix of reliability test)

Based on the analysis is shown at the table 4.11, the all variable on the questionnaire customer loyalty have value of *Corrected Item-Total Correlation* more than 0,2 and have reliability coefficient values *Alpha Cronbach's* more than 0,7, so it can conclude that all questionnaire item is reliable. So, all variables on the questionnaire from customer satisfaction is valid and reliable.

4.4. The Variable Research Description

Variable description is to explain respondents' perception towards research variable, to know if the grouping of respondents' perception has included very good, good, and bad.

4.4.1. Customer Satisfaction Variable

The data about customer satisfaction variable is got from the distribution of questionnaires to the customers' hotel with 17 item questions. Score used at the questionnaires uses likert scale with the range score from 1 to 4. Each lower and high range times to 17 of the questions. From the argument before, then the researchers finds the probability to get the minimum score of the respondent is 17 and the maximum is 68.

$$\begin{aligned}\text{Mean ideal} &= \frac{1}{2} (\text{maximum score} + \text{minimum score}) \\ &= \frac{1}{2} (68 + 17) = 42,5 \\ \text{Standard deviation} &= \frac{1}{6} (\text{maximum score} - \text{minimum score}) \\ \text{ideal} &= \frac{1}{6} (68 - 17) = 8,5\end{aligned}$$

To categorize customer satisfaction variable, it is diverse into three categories, they are high, medium and low. To find where position of the variable is, the researcher uses the formula from Azwar (1997). There categories are based on the standard deviation and mean ideal. The categories about the customer satisfaction variable will be shown on table 4.12 below.

Table 4.12
Categorized Score of Customer Satisfaction Variable

No	Formula	Score	Category	Freq.	%
1.	$\mu + 1\sigma \leq x$	$51 \leq x$	High	74	74
2.	$\mu - 1\sigma \leq x < \mu + 1\sigma$	$34 \leq x < 51$	Middle	26	26
3.	$x < \mu - 1\sigma$	$x < 34$	Low	0	0

Exp: μ = Mean ideal

σ = Standard deviation ideal

Category above shows that there is no respondent having low perception about customer satisfaction variable. 26 % subjects have middle perceptions and 74% respondents have high perceptions. Then, this can be concluded that the majority respondents in this research have high perception to customer satisfaction variable at the Pakumas hotel.

4.4.2. Image Variable

The data about image is collected from the distribution of questionnaires to the customers' hotel that consists of 8 item questions. Score used at the questionnaires is using likert scale with the range score from 1 to 4. Each lower and high range times to 8 of the questions. From the argument before, then the researcher find the probability to get the minimum score of the respondent which is 8 and the maximum is 32.

$$\begin{aligned} \text{Mean ideal} &= \frac{1}{2} (\text{maximum score} + \text{minimum score}) \\ &= \frac{1}{2} (32 + 8) = 20 \end{aligned}$$

$$\begin{aligned} \text{Standard deviation} &= \frac{1}{6} (\text{maximum score} - \text{minimum score}) \\ \text{ideal} &= \frac{1}{6} (32 - 8) = 4 \end{aligned}$$

To categorize image variable, it is diverse into three categories, they are, high, medium, and low. This category is based on the standard deviation and mean ideal. The categorized image variable can be seen on table 4.13.

Table 4.13
Categorized Score of Image Variable

No	Formula	Score	Category	Freq.	%
1.	$\mu + 1\sigma \leq x$	$24 \leq x$	High	84	84
2.	$\mu - 1\sigma \leq x < \mu + 1\sigma$	$16 \leq x < 24$	Medium	16	16
3.	$x < \mu - 1\sigma$	$X < 16$	Low	0	0

Exp: μ = Mean ideal
 σ = Standard deviation ideal

Category above shows that there is no respondent having low perception about image variable. 16 % subjects have middle perceptions and 84% respondents have high perceptions. Then, it can be conclude that the majority of respondents in this research have high perception to image of Pakumas hotel.

4.4.3. Customer Loyalty Variable

The data about customer loyalty is collected from the distribution of questionnaires to the customers' hotel that consist of 3 item questions. Score used at the questionnaires uses likert scale with the range score from 1 to 4. Each lower and high range times to 3 of the questions. Based on the argument before, then the researcher find the probability to get the minimum score of the respondent which is 3 and maximum is 12.

Mean ideal = $\frac{1}{2}$ (maximum score + minimum score)
= $\frac{1}{2}$ (12 + 3) = 7,5

Standard deviation ideal = $\frac{1}{6}$ (maximum score – minimum score)
= $\frac{1}{6}$ (12 – 3) = 1,5

Table 4.14
Categorized Score of Customer Loyalty Variable

No	Formula	Score	Category	Freq.	%
1.	$\mu + 1\sigma \leq x$	$9 \leq x$	High	85	85
2.	$\mu - 1\sigma \leq x < \mu + 1\sigma$	$6 \leq x < 9$	Medium	15	15
3.	$X < \mu - 1\sigma$	$X < 6$	Low	0	0

Exp: μ = Mean ideal
 σ = Standard deviation ideal

Category above at table 4.14 shows that there is no respondent having low perception about customer loyalty variable. 15% subjects have middle perceptions and 85% respondents have high perceptions. Then, this can be concluded that the majority of respondents in this research have high customer loyalty willingness to Pakumas hotel Yogyakarta.

4.5. Hypothesis Test

Hypothesis test used in this research is the quantitative analysis. Quantitative analysis is the applying analysis with statistical test support. This research uses multiple regression analysis technique. The purpose of multiple regression analysis is

to identify the influence of independent variables, they are customer satisfaction toward customer loyalty and the influence of image toward customer loyalty.

4.5.1. The Influence of Customer Satisfaction on Customer Loyalty

To know the influence of each independent variable toward dependent variable, then the researcher did the individual parameter significant test or T test. If $T_{\text{account}} > T_{\text{table}}$ with the probability $< 0,05$ then the regression coefficient is significant, or in other word there is a significant influence between customer loyalty variable and customer loyalty variable.

The first hypothesis on this research is assumed that customer satisfaction (X₁) is positively influence on loyalty (Y). The hypothesis formula is:

H₀ : $b_2 = 0$, Satisfaction (X₂) has no positive correlation toward loyalty (Y)

H_a : $b_2 \neq 0$, Satisfaction (X₂) has positive correlation toward loyalty (Y)

Based on the result of t test from SPSS, then the result can be seen at the table 4.16 below.

Table 4.15
T Test Result

Model	Unstandardized coefficient	Standardized Coefficient	t	Sig
	Beta	Beta		
Image	0,223	0,442	4,689	0,000
Satisfaction	0,06253	0,243	2,573	0,012

Source: Primary data, 2006 (see appendix of regression test)

To interpret the T test, the researcher used the standardized coefficient. The benefit in using standardized beta is that it can eliminate the difference unit of complementary measurement.

Based on the table 4.15 above, coefficient β on the satisfaction variable is 0,243 with the probability of significance is 0,012. This value shows that satisfaction variable have positive correlation with loyalty.

The Significance influencing the satisfaction toward loyalty can be seen from T test. If T account $>$ T table then H_0 is rejected. Based on table 4.15, the value of T account is 2,573 with the probability 0,012, while the value of T table with α 5% = 1,6602. So, the researcher can conclude that T account $>$ T table, and significancy probability $<$ 0,05, then satisfaction is positively correlated with loyalty.

The first hypothesis result on this research shows that customer satisfaction is positively correlated with customer loyalty. Loyalty of customers can be raised because the customers satisfy from what they receive by the service. Same with the PakuMas hotel, if the hotel customers feel satisfied from the hotel service, the hotel customers will recommend the hotel to other people and continually they will use the service of Pakumas hotel.

This result is appropriate with the research by Cronin and Taylor (1992), Selnes (1993) and Kandampully and Suhartono, (2000). The analysis result supports the first hypothesis that is any positive correlation between customer satisfaction and customer loyalty.

4.5.2. The Influence of Image on Customer Loyalty

The second hypothesis on this research predicts that image (X_1) is positively correlated with loyalty (Y). The hypothesis formula is:

$H_0 : b_1 = 0$, Image (X_1) has no positive correlation toward loyalty (Y)

$H_a : b_1 \neq 0$, Image (X_1) has positive correlation toward loyalty (Y)

Based on the table 4.15 above, β coefficient on image variable is 0,442 with the significance probability is 0,000. That value is showing that image variable is positively correlated with loyalty.

Significance of image in influencing loyalty can be seen from the T test. If T-account $>$ T table then H_0 is rejected and H_a is accepted. Based on the table 4.15, the T account value is 4,689 with the probability of 0,000, while T table value with the α 5% = 1,6602. Then researcher can conclude that T account $>$ T table, and the significance $<$ 0,05, then H_0 is rejected.

The result of the second hypothesis in this research shows that image is positively correlated with customer loyalty. Maybe, this is because the PakuMas hotel already has image as a good hotel in the level of jasmine hotels. This has a slogan "jasmine hotel with the family nuance". Beside that, the atmosphere of the PakuMas hotel is designed close to Javanese culture and this will make the customers really feel Yogyakarta atmosphere. It makes the customer feel satisfied, enjoy and comfortable staying at PakuMas hotel, eventough they stay in jasmine hotel level and the price is not so expensive but it is not disappointing. That makes the customers have better image about the PakuMas hotel. If they already have good image, they

will recommend the hotel to other people and will be loyal. The analysis result supports the second hypothesis statement, which is image has a positive relationship toward customer loyalty. This research is in line with Mazanec (1995), Heung, et. al. (1996) and Kandampully and Suhartono, (2000).

Based on table 4.16 above, beta value on image variable is larger than customer satisfaction variable. Here, it shows that hotel image has big influence toward loyalty comparing with customer satisfaction, or in other word image influence is more dominant than customer satisfaction. Image has more significant influence than satisfaction. It shows and means that the customers are inclined to choose the hotel based on image that the hotel has. Then, the customers will evaluate the service quality they get from the hotel and compare it with the image from the hotel they choose.

The result of the research shows that image is more influential in the hotel. In the service industry, especially hotels, hotel image is important to attract customers. The positive hotel image will create positive word of mouth that will attract a customer to stay at the hotel. This is because the customer needs the service, comfortability, and enjoyment to make them satisfied when staying at the hotel. Customer will find comfortable hotel with cheap price, but they can get more benefit from the hotel. Therefore, image in the service firm is considered as an important thing for customers to choose the service firm.

4.5.3. Hotel Image and Customer Satisfaction Together Influence to Customer Loyalty

The result or output from the analysis of multiple regressions in influencing customer satisfaction and image toward customer loyalty is shown on table 4.16 below.

Table 4.16
F Test Result

Independent variable	R	R²	Adjusted R²	F	Sig
Customer satisfaction Image	0,604	0,364	0,351	27,790	0,000

Source: Primary data, 2006 (see appendix of regression test)

From the F-test result, the value used is coefficient determination adjusted (Adjusted R²). R² is chosen because the two independent variables or more are better. Many researchers suggest to use the adjusted R² because the value of adjusted R² can increase or decrease when an independent variable is adding on the models (Ghozali, 2005).

The analysis result shows that coefficient determination adjusted is 0,351. It means that the ability of independent variable to explain the information needed to predict the variation of dependent variable is 35,1%. In other word, loyalty variable can be explained by satisfaction and image variable of 35,1%.

Based on significant simultaneous test or F test, the result of F account is 27,790 with the probability of 0,000. Because of probability less than 0,05, then it can be concluded that customer satisfaction and image altogether influence on customer loyalty.

CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusions

The result of the research conducted to the customers of Pakumas Hotel Yogyakarta generally has met the aim of this research, for example to see the influence of customer satisfaction variable and image variable towards customer loyalty.

Based on the multiple regression tests that have done, then the researcher gets the results which are: First, customer satisfaction positively and significantly influences customer loyalty. That statement is in line with Cronin and Taylor (1992) that customer satisfaction has a positive correlation with desire of repurchasing, for sector of service such as bank, pest control, dry cleaning, and fast food. In other word, customer satisfaction is positively correlated with customer loyalty at those four sectors. It is also appropriate with the research done by Selnes (1993) that there is a positive correlation between satisfaction and loyalty. A customer can be called as a loyal customer if they feel satisfied from purchasing the product or service continually. This is supported by Gunderson and Olsson (1996), they said that a customer intends to recommend because of customer perception about customer satisfaction toward price and service quality. In other word, there is a positive relationship between customer satisfaction and customer loyalty at the home stay. Those theories support the first hypothesis on this research.

Second, hotel image is positively correlated with customer loyalty. That statement is appropriate with the research done by Mazanec (1995). He finds image to be positively associated with customer satisfaction and customer preference (a dimension of customer loyalty) in luxury hotels. This indicates that a desirable image leads to customer satisfaction and customer preference. Thus, the customer will be loyal and will do positive recommendation, and appropriate also with the research done by Heung et. al. (1996). In their research, they find that hotel image is the main factor to keep high the value rating of customer loyalty. In other word, image has a positive association with customer loyalty. Those theories support the second hypothesis on this research.

Third, customer satisfaction and image of hotel in together are positively correlated with customer loyalty, with the image variable as a dominant variable in influencing customer loyalty than customer satisfaction. This result is associated with the research done by Kandampully and Suhartono (2000) about the relationship between customer satisfaction and image toward customer loyalty at several hotels in New Zealand. There is a positive correlation between customer satisfactions, hotel image toward customer loyalty at the hotel.

Fourth, the researcher identifies that hotel image is more dominant in influencing customer loyalty than customer satisfaction. This is shown by the customer's tendency to the customers disposed to choose a hotel based on the hotel image. Then, the customers will evaluate the service quality get from the hotel and compare it with the image from the hotel they choose. If the management of Pakumas

Hotel are not able to solve this problem, about how to increase their service quality, it will impact on the decrease on the image and loses their loyal customer. Increasing the service quality to get customer satisfaction will impact on the increase of image and arise the customer loyalty. To maintain the loyal customer is more valuable than to attract new customers. Having loyal customers will impact on positive words of mouth about the hotel, and the loyal customers will recommend using the service of the hotel. Therefore, the management should be aware of their weaknesses and improve their service quality.

5.2. Recommendation for PakuMas Hotel Yogyakarta

Based on the conclusion of this research, the researcher identifies that the hotel image is more dominant in influencing customer loyalty than customer satisfaction. This is showed by the customers likely to choose hotel based on the hotel image, and then customers will evaluate the service quality they get from the hotel and compare with the image from the hotel they choose. Therefore, the management of PakuMas hotel Yogyakarta should improve the good image of the hotel especially in giving the service quality based on the image of the hotel itself and what the hotel want to give for their customers. Like the PakuMas slogan “jasmine hotel with family nuance”, so what the management do must reflect the slogan. In this case, customer satisfaction is the main factor to give satisfaction for customers. To improve customer satisfaction on service quality, PakuMas hotel should pay more attention to the three

main departments at the hotel, they are: receptionist department, food and beverage, and management of the hotel.

On the receptionist department, hotel's management should pay more attention to the receptionist willingness and ability, because from the first service given by the employee, the hotel's customers will evaluate and give their first impression. For example if the receptionist staff gives friendly and willingness impression to give the service and information to customers, the customer will feel satisfied. On the contrary, if the service is disappointing and very slow then this will impact on customers' bad experience. They maybe will not use the service again, or not repurchase the service.

At the food and beverage department, the staff of food and beverage department or restaurant must give their good willingness and ability to serve the customers. By creating enjoyable and comfortable situation at the restaurant and various food and beverage on the menu at the restaurant, this improves the ability to create the quality of food and beverage. Besides, the opening and closing hours of the restaurant which match the time when the customers usually go to the restaurant and the prices of food and beverage which is appropriate with the quality of food and beverages will increase the service quality from food and beverage department.

For the management of PakuMas hotel Yogyakarta, the management must have control their service and must be improved. Control toward customer satisfaction is important because it will give a chance for hotel customers to extend their argument, suggestion, and complaint to the hotel. The obtain information from

customers is useful for the hotel management to give input to the hotel to enhance and reduce unsatisfied customers. This control can be conducted by the PakuMas hotel by giving the system of complaint and suggestion, for example preparing suggestion box, customer service hotline, or customer satisfaction survey. Also management should add more amenities to support the customer necessity and enhance the weaknesses from external appearance of PakuMas hotel.

Based on the research questions, almost all the respondents have stayed at the hotel more than five times. This means that Pakumas Hotel has its own customers. In other word, Pakumas Hotel has captive market for its customers. To make the customers frequently use the hotel service, Pakumas must have the data of its consumer and list them to be a member. For example, make a member card for consumers who have stayed more than five times, and from the member status they will get discount or valuable services than before. Also, it is better for the management hotel to use relationship marketing like gathering information on customer needs to designing services and following up to make sure the customer have satisfied.

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APPENDIX 1

List of Questions



Kepada :

Yth. Tamu Pakumas Hotel Yogyakarta

Di Tempat

Dengan hormat,

Dalam rangka menyelesaikan tugas akhir di Program Sarjana Fakultas Ekonomi, Jurusan Management International dalam konsentrasi Pemasaran di Universitas Islam Indonesia, saya bermaksud mengadakan penelitian mengenai loyalitas konsumen terhadap Pakumas Hotel Yogyakarta. Penelitian ini mengambil judul **"The Analysis of the Influence of Hotel Image and Customer Satisfaction on Customer Loyalty, A Case Study in Pakumas Hotel Yogyakarta"**

Berkaitan dengan hal itu, saya mohon bantuan Bapak/Ibu/Sdr/I untuk meluangkan waktu guna menjawab pertanyaan dalam kuesioner ini. Dalam pengisian kuesioner ini tidak ada penilaian benar atau salah. Bapak/Ibu/Sdr/I, diberi kebebasan penuh untuk memberikan penilaian sesuai dengan pendapat masing-masing. Data yang saya peroleh semata-mata hanya untuk kepentingan penelitian. Identitas Bapak/Ibu/Sdr/I akan dijamin kerahasiaannya sesuai dengan etika penelitian.

Atas kesediaan, partisipasi, dan waktu yang diberikan, saya ucapkan banyak terimakasih.

Hormat Saya,

Arief Fadillah

BAGIAN I

Pertanyaan-pertanyaan pada bagian pertama adalah mengenai data Bapak/Ibu/Saudara sebagai responden penelitian. Data yang anda berikan, sangat dijamin kerahasiaannya.

Petunjuk : Berilah tanda check (\surd) pada kotak yang tersedia atau isilah titik-titik yang tersedia.

Jenis Kelamin:

- Laki-laki Perempuan

Tujuan dari kunjungan ke hotel:

- Bisnis Rekreasi Lain-lain

Usia Anda:

- < 25 th 25-35 th 36-45 th 46-55 th > 55 th

Pernahkah anda menginap pada PakuMas Hotel sebelumnya ?

- Ya Tidak

Jika iya, kira-kira berapa kali anda menginap dalam satu tahun ini ?

- < 5 kali 6-10 kali > 10 kali

BAGIAN II

Pada bagian kedua Bapak/Ibu/Saudara diminta untuk memberikan tanggapan atas beberapa pernyataan tentang **kepuasan konsumen**. Tidak ada jawaban yang salah. Data yang anda berikan, sangat dijamin kerahasiaannya.

Petunjuk :

Mohon diberi tanda check (√) skala SP sampai dengan STP yang menunjukkan keadaan anda saat ini. Kriteria skala yang digunakan adalah sebagai berikut :

SP : Sangat Puas

P : Puas

	SP	P	TP	STP
1. Kesiediaan dan antusiasme resepsionis dalam memberikan pelayanan.				
2. Kemampuan resepsionis untuk memberikan pelayanan.				
3. Penampilan fisik dan interior di area resepsionis.				
4. Suasana area resepsionis.				
5. Kesiediaan dan antusias staf tata graha (housekeeping) untuk memberikan pelayanan.				
6. Kemampuan staf tata graha (housekeeping) untuk memberikan pelayanan.				
7. Kesiediaan dan antusiasme staf penyedia makanan dan minuman untuk memberikan pelayanan.				
8. Kemampuan staf penyedia makanan dan minuman untuk memberikan pelayanan				
9. Suasana restoran				
10. Jam buka dan tutup dari restoran				
11. Variasi / keragaman menu makanan dan minuman				
12. Kualitas makanan dan minuman yang tersedia				
13. Harga makanan dan minuman sesuai dengan servis, rasa dan kualitas yang anda dapat				
14. Kenyamanan kamar hotel				

	SP	P	TP	STP
15 Tarif kamar hotel				
16 Fasilitas-fasilitas tambahan (misalnya: extra bed, air panas) yang ada di dalam kamar hotel.				
17 Tambahan biaya atas pelayanan-pelayanan lain yang diberikan oleh hotel (misalnya: extra bed, swimming pool)				

TP : Tidak Puas

STP : Sangat Tidak Puas

BAGIAN III

Pada bagian ketiga Bapak/Ibu/Saudara diminta untuk memberikan tanggapan atas beberapa pernyataan tentang citra hotel. Tidak ada jawaban yang salah.

Petunjuk :

Mohon diberi tanda check (✓) skala SS sampai dengan STS yang menunjukkan keadaan anda saat ini. Kriteria skala yang digunakan adalah sebagai berikut :

SS : Sangat Setuju

S : Setuju

TS : Tidak Setuju

STS : Sangat Tidak Setuju

	SS	S	TS	STS
1. Hotel ini berada pada lokasi yang nyaman				
2. Fasilitas fisik yang tersedia di hotel ini telah sesuai dengan kelas hotel melati				
3. Hotel ini telah memberikan harga yang masuk akal untuk produk (misalnya makanan) dan servis yang disediakan.				
4. Interior hotel ini secara estetika menyenangkan.				
5. Hotel ini menyediakan produk (misalnya: makanan) dan servis yang berkualitas tinggi secara konsisten				
6. Tata ruang dan penunjuk arah di hotel ini didesain untuk mempermudah pergerakan di dalam hotel				
7. Penampakan luar dari hotel ini menarik				
8. Atmosfer hotel ini membuat saya menginap dengan nyaman				

BAGIAN IV

Pada bagian keempat Bapak/Ibu/Saudara diminta untuk memberikan tanggapan atas beberapa pernyataan tentang **Loyalitas Konsumen**. Tidak ada jawaban yang salah.

Petunjuk :

Mohon diberi tanda check (✓) skala SS sampai dengan STS yang menunjukkan keadaan anda saat ini. Kriteria skala yang digunakan adalah sebagai berikut :

- SS : Sangat Setuju
S : Setuju
TS : Tidak Setuju
STS : Sangat Tidak Setuju

	SS	S	TS	STS
1. Apakah anda merasa puas dengan pelayanan PakuMas Hotel?				
2. Apabila anda merasa puas dengan pelayanan PakuMas Hotel, Setelah menginap di hotel ini, apakah Anda akan merekomendasikan hotel ini pada orang lain?				
3. Jika pada suatu ketika, Anda mengunjungi kota Yogyakarta kembali, apakah Anda juga akan memilih untuk menginap di Pakumas Hotel lagi?				

Questionnaire from the Author

APPENDIX 2: THE QUESTIONNAIRE



QUESTIONNAIRE

This questionnaire consists of four sections: A, B, C, and D. The questions in section A, B, and C concern your experience with this hotel. Think about your current stay at this hotel, and using the scale provided in each section, please circle the number that most reflects your perception for each question.

A: How satisfied are you with the following items?					
	Very Dissatisfied		Neutral		Very Satisfied
1. The receptionist's willingness to offer service.	1		2	3	4 5
2. The physical appearance of the reception area.	1		2	3	4 5
3. The willingness of the food and beverage staff to serve.	1	2	3	4	5
4. The price of food and beverage.	1		2	3	4 5
5. The receptionist's ability to provide service	1	2	3	4	5
6. The ambience of the reception area.	1		2	3	4 5
7. The ability of the food and beverage staff to serve.	1		2	3	4 5
8. The quality of food and beverage on the menu.	1		2	3	4 5
9. The opening and closing hours of the restaurant and bar.	1	2	3	4	5
10. The ambience of the restaurant and bar.	1		2	3	4 5
11. The variety of food and beverage on the menu.	1		2	3	4 5
12. The willingness of the housekeeping staff to serve.	1	2	3	4	5
13. The comfort of your hotel room.	1		2	3	4 5
13. The ability of the housekeeping staff to serve.	1		2	3	4 5
16. The amenities (eg. mini bar) in your hotel room.	1		2	3	4 5
15. The price of accommodation.	1	2	3	4	5
17. The price of other services provided by this hotel.	1		2	3	4 5

Section B: Please circle the number that best represents your perception of each question.

	Definitely Would not	Neutral	Definitely Would
1. After staying at this hotel, would you recommend 5 this hotel to others?	1	2	3 4
2. If your future travels bring you to the area where 5 a hotel "....." is located, would you stay with hotel "....." again?	1	2	3 4

Section C: Circle the number that best reflects your perception of each statement.

	Strongly Disagree	Neutral	Strongly Agree
1. This hotel is conveniently located.	1 2	3	4 5
2. The physical facilities and services of this hotel reflect the "....." rating of this hotel.	1	2 3	4 5
3. This hotel charges reasonable prices for all the goods (eg. food) and services they provide.	1	2 3	4 5
4. The interior of this hotel is aesthetically pleasing.	1	2 3	4 5
5. This hotel provides a consistently high quality of goods (eg. food) and services.	1	2 3	4 5
6. The professionalism of hotel staff reflect the "....." rating of this hotel.	1	2 3	4 5
7. The layout and directions in this hotel are designed to make movement within the hotel easy.	1	2 3	4 5
8. The external appearance of this hotel is attractive.	1	2 3	4 5
9. This hotel group has an excellent reputation in providing high quality service.	1	2 3	4 5
10. The atmosphere of this hotel makes my stay comfortable.	1	2 3	4 5

Section D The questions below relate to personal data. Please tick the boxes applicable to you.

1. Your gender:

Male Female

2. The purpose of your visit to this hotel:

Business Pleasure Other.

3. Your age (years): Under 25 25 - 35 36 - 45 46 - 55 Over 55

4. Have you stayed with hotel "....." before? Yes No

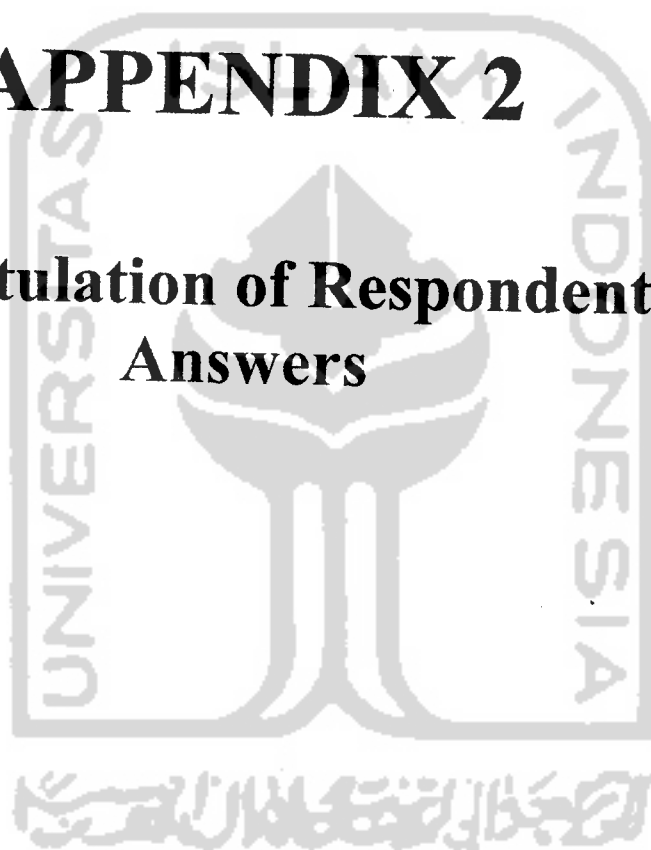
If yes, approximately how many times have you stayed in the past year?

Less than 5 times 6 - 10 times More than 10 times

Your time and cooperation are greatly appreciated. Please check to make sure that you have not skipped any questions. Then, seal the completed questionnaire in the envelope provided and return it to the reception desk. Thank you very much.

APPENDIX 2

Recapitulation of Respondents' Answers



CUSTOMER ROYALTY DATA

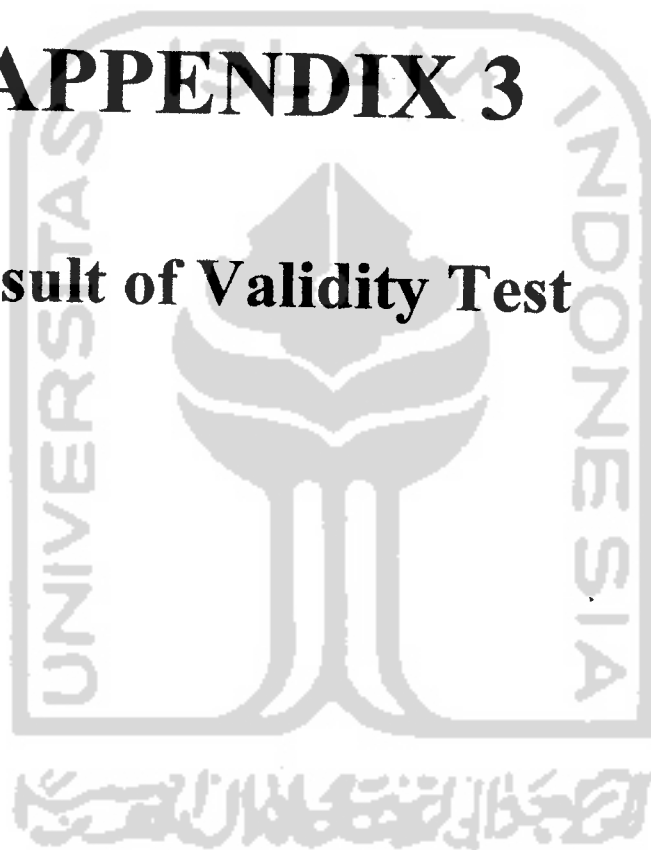
No.	Sex	Tujuan	Age	Pengalaman	Frek.	Customer Satisfaction																	Image								Customer Loyalty									
						cs1	cs2	cs3	cs4	cs5	cs6	cs7	cs8	cs9	cs10	cs11	cs12	cs13	cs14	cs15	cs16	cs17	i1	i2	i3	i4	i5	i6	i7	i8	sum	cl1	cl2	cl3						
1	1	2	1	1	1	3	3	3	4	3	3	3	3	3	3	3	4	3	4	3	4	3	3	3	4	3	55	3	3	3	4	3	3	2	4	25	3	3	3	9
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31	2	2	5	0	2	3	2	3	2	3	2	3	3	3	3	3	3	3	3	3	3	3	3	45	4	4	3	4	4	4	3	2	29	3	3	4	10			
32	2	3	2	1	2	4	4	3	3	3	4	4	3	3	3	3	3	3	3	3	3	3	3	46	3	2	3	3	3	3	2	2	23	3	2	3	8			
33	2	1	4	1	2	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	61	4	3	4	4	4	4	4	4	28	4	4	4	11			
34	1	3	4	1	2	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	62	3	3	4	4	4	4	4	4	29	4	4	4	12			

No.	Sex	Tujuan	Age	Pengalaman	Frek.	Customer Satisfaction																	Image								Customer Loyalty		
						cs1	cs2	cs3	cs4	cs5	cs6	cs7	cs8	cs9	cs10	cs11	cs12	cs13	cs14	cs15	cs16	cs17	i1	i2	i3	i4	i5	i6	i7	i8	sum	cl1	cl2
35	1	2	3	1	2	4	4	4	3	3	4	4	3	3	4	4	4	3	3	60	4	4	4	4	4	4	3	31	3	4	4	11	
36	2	1	2	1	3	4	4	4	3	4	3	3	4	4	4	4	3	3	60	3	3	4	4	3	3	3	27	3	4	3	10		
37	1	1	3	1	4	4	4	3	3	4	4	4	3	3	3	3	3	3	57	3	2	4	3	2	3	2	22	3	4	4	11		
38	2	2	4	1	3	4	4	4	4	4	3	4	4	4	4	4	3	3	62	3	4	4	3	3	2	3	25	4	3	3	10		
39	2	1	2	1	2	4	4	3	4	4	4	4	4	4	4	3	3	3	59	3	3	4	4	4	4	3	29	4	4	4	12		
40	1	2	1	1	3	3	4	4	4	4	3	4	4	4	4	3	3	3	61	3	3	3	3	3	4	2	24	3	3	3	9		
41	1	1	1	1	3	4	4	3	3	2	3	3	2	3	3	2	3	3	50	4	3	4	3	3	4	3	28	4	3	3	10		
42	1	1	3	0	2	4	4	3	3	2	3	4	3	2	3	3	3	3	50	4	3	2	4	4	4	3	23	2	3	3	8		
43	2	1	3	0	1	3	3	3	4	4	4	4	4	4	4	4	3	3	61	3	3	4	4	4	4	4	28	4	3	4	11		
44	2	2	5	1	3	4	4	4	3	4	4	4	4	4	4	4	3	3	58	3	4	4	4	4	3	3	28	4	4	4	12		
45	1	3	2	0	1	3	4	4	3	4	4	4	4	4	4	4	3	3	61	3	3	4	4	4	4	4	28	3	3	3	9		
46	2	1	2	1	2	4	4	4	4	4	4	4	4	4	4	4	3	3	59	3	3	3	4	4	4	4	27	4	3	4	11		
47	1	3	4	0	2	3	4	3	3	4	4	4	4	4	4	4	4	3	60	4	3	4	4	4	4	4	31	4	4	4	12		
48	1	2	3	1	2	4	4	4	4	4	4	4	4	4	4	4	4	3	63	3	4	4	4	4	4	3	28	4	4	4	12		
49	2	1	2	1	1	3	4	4	4	3	4	4	4	4	4	4	4	3	57	3	3	4	3	3	3	3	24	3	3	4	10		
50	1	1	3	1	1	3	4	4	4	3	4	4	4	4	4	4	3	3	61	3	3	4	3	4	3	4	27	3	4	3	10		
51	2	2	2	0	2	4	3	4	3	4	3	3	4	4	4	4	3	3	58	4	4	4	4	4	4	3	28	3	3	3	9		
52	2	1	2	1	3	4	4	4	4	4	4	4	4	4	4	4	3	3	62	4	4	4	4	4	4	4	30	4	3	4	11		
53	1	2	1	1	1	4	4	3	3	4	4	4	4	4	4	3	2	3	59	3	3	4	4	4	4	4	28	3	4	3	10		
54	1	2	1	0	3	4	4	4	4	4	4	4	4	4	4	4	3	3	61	3	3	4	4	4	4	4	29	4	4	4	12		
55	1	2	3	1	2	4	3	4	3	4	4	4	4	4	4	4	4	3	62	3	3	4	4	4	4	4	30	3	4	4	11		
56	1	2	3	1	3	4	3	4	4	4	3	4	4	4	4	4	4	3	59	2	3	3	3	3	4	3	25	4	3	3	10		
57	1	2	5	1	1	4	4	4	4	4	4	4	4	4	4	4	3	3	62	3	3	4	4	4	4	4	27	4	4	4	12		
58	1	3	2	1	2	3	4	4	3	4	4	4	4	4	4	4	4	3	60	3	3	4	4	4	4	4	28	4	4	4	12		
59	2	1	2	0	2	3	4	4	3	4	4	4	4	4	4	4	3	3	61	4	4	4	3	4	4	4	29	4	3	3	10		
60	1	3	4	1	1	3	3	4	4	4	4	4	4	4	4	4	4	3	56	3	2	3	3	3	4	3	24	3	3	3	9		
61	1	2	3	1	2	4	4	4	3	4	4	4	4	4	4	4	4	3	63	4	4	4	4	4	4	4	30	4	4	4	12		
62	2	1	2	1	2	4	3	3	2	4	4	4	4	4	4	4	4	3	60	3	3	4	4	4	4	4	28	4	4	4	12		
63	1	1	3	1	2	3	3	2	2	3	3	3	2	3	3	3	3	3	44	3	3	3	4	3	3	3	26	3	3	3	9		
64	2	2	2	1	2	3	4	4	3	3	4	3	3	4	3	3	3	3	55	3	3	4	3	3	4	3	26	3	4	3	10		
65	2	1	2	0	1	4	4	4	4	3	4	4	4	4	4	4	4	4	62	3	3	4	4	4	4	4	29	4	4	4	12		
66	1	2	5	1	2	4	3	3	4	4	4	4	4	4	4	4	4	3	58	3	2	3	4	4	4	4	26	3	4	4	10		
67	1	2	3	0	2	4	4	4	3	4	4	4	4	4	4	4	4	3	59	3	3	4	4	4	4	4	27	3	3	3	9		
68	2	2	3	1	2	3	3	2	4	4	4	4	4	4	4	4	4	3	59	3	3	3	3	3	4	4	27	3	4	3	10		
69	2	2	3	1	1	4	3	3	4	4	4	4	4	4	4	4	3	3	58	3	3	4	3	4	3	4	26	4	3	4	11		

No.	Sex	Tujuan	Age	Pengalaman	Frek.	Customer Satisfaction																	Image								Customer Loyalty			
						cs1	cs2	cs3	cs4	cs5	cs6	cs7	cs8	cs9	cs10	cs11	cs12	cs13	cs14	cs15	cs16	cs17	i1	i2	i3	i4	i5	i6	i7	i8	sum	cl1	cl2	cl3
70	1	2	5	1	3	3	3	4	3	3	4	3	4	3	4	3	4	3	4	3	3	3	58	3	3	3	4	3	3	26	4	4	3	11
71	1	3	4	1	2	4	3	3	2	3	3	3	3	4	2	4	3	3	49	4	4	4	3	4	3	3	3	28	4	4	3	11		
72	2	1	2	0	3	2	3	2	3	3	4	3	3	4	3	2	3	48	2	3	3	2	2	3	3	2	20	2	3	3	8			
73	1	3	4	1	2	3	2	3	2	3	4	3	4	3	4	3	2	45	3	2	3	2	3	3	3	2	21	3	3	3	2	8		
74	1	2	3	0	2	3	4	4	3	3	4	4	3	4	4	3	2	59	3	4	3	5	3	3	3	2	26	3	3	3	3	9		
75	2	2	2	1	1	3	3	3	2	3	3	3	3	4	4	3	2	54	3	4	3	3	3	4	3	3	26	3	2	3	3	8		
76	1	2	3	0	1	3	4	4	3	3	3	4	3	3	2	3	3	52	3	3	3	4	3	4	4	4	28	3	3	3	3	9		
77	2	2	4	1	1	5	4	3	2	3	3	2	4	4	3	3	2	52	3	2	3	3	3	3	3	3	23	4	4	4	3	11		
78	2	1	2	1	2	3	3	3	2	3	2	2	3	3	3	2	2	43	3	2	3	2	3	2	3	2	20	3	4	4	4	11		
79	1	2	1	1	2	3	3	2	3	3	3	3	4	4	2	2	3	48	3	2	3	3	4	3	3	3	21	3	4	3	3	10		
80	2	2	5	1	2	3	3	4	4	2	3	3	4	3	3	4	2	50	3	3	3	4	3	3	3	4	26	4	4	4	4	12		
81	1	2	3	0	1	3	3	3	3	2	3	4	4	3	4	3	2	50	3	3	3	3	4	3	3	4	24	2	3	3	3	8		
82	1	1	3	1	2	3	3	3	2	3	3	3	2	4	3	3	3	52	3	3	3	4	3	3	4	3	26	4	4	4	4	12		
83	1	2	5	0	2	3	2	3	3	3	3	3	3	3	2	2	2	45	3	2	3	3	2	3	3	3	22	2	3	3	3	8		
84	1	3	4	0	2	3	3	4	2	3	3	3	3	4	4	3	2	48	3	2	3	2	2	2	2	2	19	3	2	3	2	8		
85	2	1	2	1	1	4	3	3	4	4	2	4	3	3	4	3	3	58	4	4	4	3	3	4	3	3	27	4	3	4	3	11		
86	1	3	2	1	3	3	2	3	3	3	3	3	3	4	3	2	3	47	3	2	3	4	3	3	4	3	24	4	3	3	3	10		
87	1	2	3	1	2	3	4	3	3	4	4	3	4	4	3	4	3	56	3	3	3	3	3	3	3	3	24	4	4	4	4	12		
88	2	1	2	1	3	3	4	3	4	4	3	4	4	4	4	4	4	62	2	2	4	3	3	3	3	4	24	3	3	4	4	10		
89	1	1	3	0	1	4	3	3	3	4	3	4	4	4	3	4	3	56	3	2	3	2	2	2	2	3	20	2	2	2	2	6		
90	2	2	4	1	2	4	4	3	3	4	4	3	4	4	4	3	4	61	4	4	4	4	4	3	3	4	30	3	3	4	4	10		
91	2	1	2	0	2	4	3	3	4	4	3	3	2	3	4	4	3	55	3	2	3	2	2	3	3	3	22	2	2	3	3	7		
92	2	2	1	1	2	4	4	4	3	4	4	4	4	4	4	4	4	64	3	4	4	4	3	3	4	4	29	4	4	4	4	11		
93	2	2	5	1	1	4	3	3	2	3	3	4	4	3	3	3	3	53	3	3	3	4	3	3	3	4	26	4	3	4	3	11		
94	1	2	3	0	2	3	3	3	2	3	3	3	3	3	3	2	3	49	4	3	3	3	3	3	3	4	26	4	3	4	3	11		
95	2	1	3	1	2	3	3	3	2	3	4	4	3	4	3	3	3	53	3	3	3	4	3	3	4	2	24	2	3	3	3	8		
96	2	2	5	1	2	3	3	3	4	4	3	3	4	4	3	3	2	53	3	3	4	4	3	4	4	3	28	4	4	4	4	12		
97	2	3	2	1	1	3	4	3	3	4	4	3	3	2	3	3	2	52	4	4	4	4	4	4	4	4	31	4	4	4	4	12		
98	2	1	2	1	3	3	3	3	3	3	4	3	4	3	3	3	4	56	3	3	4	4	3	4	4	3	29	3	4	4	4	11		
99	1	3	4	1	2	4	3	3	3	4	2	3	3	4	3	3	3	53	3	3	3	4	3	3	4	3	25	3	4	4	4	11		
100	1	2	3	0	3	4	3	3	3	4	2	3	3	4	3	3	2	52	3	3	4	4	3	4	4	3	28	3	4	4	4	11		
						4	3	3	4	3	3	2	2	2	3	2	2	46	3	3	3	3	4	3	4	3	24	2	2	3	2	7		

APPENDIX 3

Result of Validity Test



Validity Test for Image

Correlations

	I1	I2	I3	I4	I5	I6	I7	I8	TOTAL
I1 Pearson Correlation	1	.431**	.182	.231*	.192	.245*	.127	.123	.504*
I1 Sig. (2-tailed)	.	.000	.069	.021	.055	.014	.207	.221	.000
I1 N	100	100	100	100	100	100	100	100	100
I2 Pearson Correlation	.431**	1	.330**	.292**	.258**	.238*	.193	.101	.597*
I2 Sig. (2-tailed)	.000	.	.001	.003	.010	.017	.055	.316	.000
I2 N	100	100	100	100	100	100	100	100	100
I3 Pearson Correlation	.182	.330**	1	.100	.357**	.245*	.378**	.118	.565**
I3 Sig. (2-tailed)	.069	.001	.	.323	.000	.014	.000	.243	.000
I3 N	100	100	100	100	100	100	100	100	100
I4 Pearson Correlation	.231*	.292**	.100	1	.341**	.097	.283**	.461**	.612**
I4 Sig. (2-tailed)	.021	.003	.323	.	.001	.339	.004	.000	.000
I4 N	100	100	100	100	100	100	100	100	100
I5 Pearson Correlation	.192	.258**	.357**	.341**	1	.414**	.435**	.158	.684**
I5 Sig. (2-tailed)	.055	.010	.000	.001	.	.000	.000	.117	.000
I5 N	100	100	100	100	100	100	100	100	100
I6 Pearson Correlation	.245*	.238*	.245*	.097	.414**	1	.273**	.101	.546**
I6 Sig. (2-tailed)	.014	.017	.014	.339	.000	.	.006	.316	.000
I6 N	100	100	100	100	100	100	100	100	100
I7 Pearson Correlation	.127	.193	.378**	.283**	.435**	.273**	1	.259**	.648**
I7 Sig. (2-tailed)	.207	.055	.000	.004	.000	.006	.	.009	.000
I7 N	100	100	100	100	100	100	100	100	100
I8 Pearson Correlation	.123	.101	.118	.461**	.158	.101	.259**	1	.519**
I8 Sig. (2-tailed)	.221	.316	.243	.000	.117	.316	.009	.	.000
I8 N	100	100	100	100	100	100	100	100	100
TOTAL Pearson Correlation	.504**	.597**	.565**	.612**	.684**	.546**	.648**	.519**	1
TOTAL Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.
TOTAL N	100	100	100	100	100	100	100	100	100

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

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

Validity Test for Customer Satisfaction

Correlations

	CS1	CS2	CS3	CS4	CS5	CS6	CS7	CS8	CS9	CS10	CS11	CS12	CS13	CS14	CS15	CS16	CS17	TOTAL
S1 Pearson Corr	1	.251*	.344*	.189	.163	.288*	.344*	.133	.114	.255*	.305*	.357*	.352*	.153	.245*	.210*	.044	.519*
Sig. (2-tailed)		.012	.000	.060	.105	.004	.000	.188	.257	.011	.002	.000	.000	.128	.014	.036	.667	.000
N	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
S2 Pearson Corr	.251*	1	.316*	.322*	.182	.287*	.264*	.326*	.308*	.253*	.227*	.260*	.167	.223*	.250*	.298*	.353*	.563*
Sig. (2-tailed)	.012		.001	.001	.070	.004	.008	.001	.002	.011	.023	.009	.096	.026	.012	.003	.000	.000
N	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
S3 Pearson Corr	.344*	.316*	1	.385*	.164	.231*	.303*	.331*	.232*	.347*	.327*	.214*	.185	.226*	.306*	.248*	.190	.571*
Sig. (2-tailed)	.000	.001		.000	.102	.021	.002	.001	.020	.000	.001	.033	.065	.024	.002	.013	.058	.000
N	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
S4 Pearson Corr	.189	.322*	.385*	1	.163	.112	.003	.138	.201*	.030	.086	.105	.062	.276*	.352*	.166	.129	.389*
Sig. (2-tailed)	.060	.001	.000		.104	.269	.973	.170	.045	.766	.392	.300	.542	.006	.000	.099	.202	.000
N	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
S5 Pearson Corr	.163	.182	.164	.163	1	.489*	.385*	.392*	.186	.123	.121	.128	.303*	.236*	.283*	.221*	.247*	.528*
Sig. (2-tailed)	.105	.070	.102	.104		.000	.000	.000	.064	.224	.230	.204	.002	.018	.004	.027	.013	.000
N	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
S6 Pearson Corr	.288*	.287*	.231*	.112	.489*	1	.464*	.331*	.230*	.239*	.197*	.320*	.286*	.336*	.227*	.378*	.191	.617*
Sig. (2-tailed)	.004	.004	.021	.269	.000		.000	.001	.022	.016	.050	.001	.004	.001	.023	.000	.057	.000
N	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
S7 Pearson Corr	.344*	.264*	.303*	.003	.385*	.464*	1	.480*	.202*	.353*	.410*	.292*	.385*	.213*	.335*	.135	.122	.633*
Sig. (2-tailed)	.000	.008	.002	.973	.000	.000		.000	.044	.000	.000	.003	.000	.034	.001	.179	.228	.000
N	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
S8 Pearson Corr	.133	.326*	.331*	.138	.392*	.331*	.480*	1	.017	.384*	.460*	.292*	.438*	.373*	.269*	.289*	.195	.647*
Sig. (2-tailed)	.188	.001	.001	.170	.000	.001	.000		.868	.000	.000	.003	.000	.007	.004	.051	.000	.000
N	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
S9 Pearson Corr	.114	.308*	.232*	.201*	.186	.230*	.202*	.017	1	.019	.043	.099	-.055	.218*	.236*	.274*	.159	.370*
Sig. (2-tailed)	.257	.002	.020	.045	.064	.022	.044	.868		.847	.667	.325	.586	.030	.018	.006	.115	.000
N	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
S10 Pearson Corr	.255*	.253*	.347*	.030	.123	.239*	.353*	.384*	.019	1	.632*	.393*	.342*	.279*	.253*	.216*	.178	.589*
Sig. (2-tailed)	.011	.011	.000	.766	.224	.016	.000	.000	.847		.000	.000	.001	.005	.011	.031	.076	.000
N	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
S11 Pearson Corr	.305*	.227*	.327*	.086	.121	.197*	.410*	.460*	.043	.632*	1	.381*	.420*	.305*	.333*	.260*	.158	.627*
Sig. (2-tailed)	.002	.023	.001	.392	.230	.050	.000	.000	.667	.000		.000	.000	.002	.001	.009	.116	.000
N	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
S12 Pearson Corr	.357*	.260*	.214*	.105	.128	.320*	.292*	.292*	.099	.393*	.381*	1	.430*	.134	.239*	.263*	.149	.559*
Sig. (2-tailed)	.000	.009	.033	.300	.204	.001	.003	.003	.325	.000	.000		.000	.183	.017	.008	.140	.000
N	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
S13 Pearson Corr	.352*	.167	.185	.062	.303*	.286*	.385*	.438*	-.055	.342*	.420*	.430*	1	.225*	.336*	.172	.032	.569*
Sig. (2-tailed)	.000	.096	.065	.542	.002	.004	.000	.000	.586	.001	.000	.000		.024	.001	.086	.750	.000
N	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
S14 Pearson Corr	.153	.223*	.226*	.276*	.236*	.336*	.213*	.373*	.218*	.279*	.305*	.134	.225*	1	.220*	.276*	.149	.527*
Sig. (2-tailed)	.128	.026	.024	.006	.018	.001	.034	.000	.030	.005	.002	.183	.024		.028	.005	.139	.000
N	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
S15 Pearson Corr	.245*	.250*	.306*	.352*	.283*	.227*	.335*	.269*	.236*	.253*	.333*	.239*	.336*	.220*	1	.212*	.111	.569*
Sig. (2-tailed)	.014	.012	.002	.000	.004	.023	.001	.007	.018	.011	.001	.017	.001	.028		.034	.273	.000
N	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
S16 Pearson Corr	.210*	.298*	.248*	.166	.221*	.378*	.135	.289*	.274*	.216*	.260*	.263*	.172	.276*	.212*	1	.365*	.520*
Sig. (2-tailed)	.036	.003	.013	.099	.027	.000	.179	.004	.006	.031	.009	.008	.086	.005	.034		.000	.000
N	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
S17 Pearson Corr	.044	.353*	.190	.129	.247*	.191	.122	.195	.159	.178	.158	.149	.032	.149	.111	.365*	1	.380*
Sig. (2-tailed)	.667	.000	.058	.202	.013	.057	.228	.051	.115	.076	.116	.140	.750	.139	.273	.000		.000
N	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
OTA Pearson Corr	.519*	.563*	.571*	.389*	.528*	.617*	.633*	.647*	.370*	.589*	.627*	.559*	.569*	.527*	.569*	.520*	.380*	1
Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
N	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

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

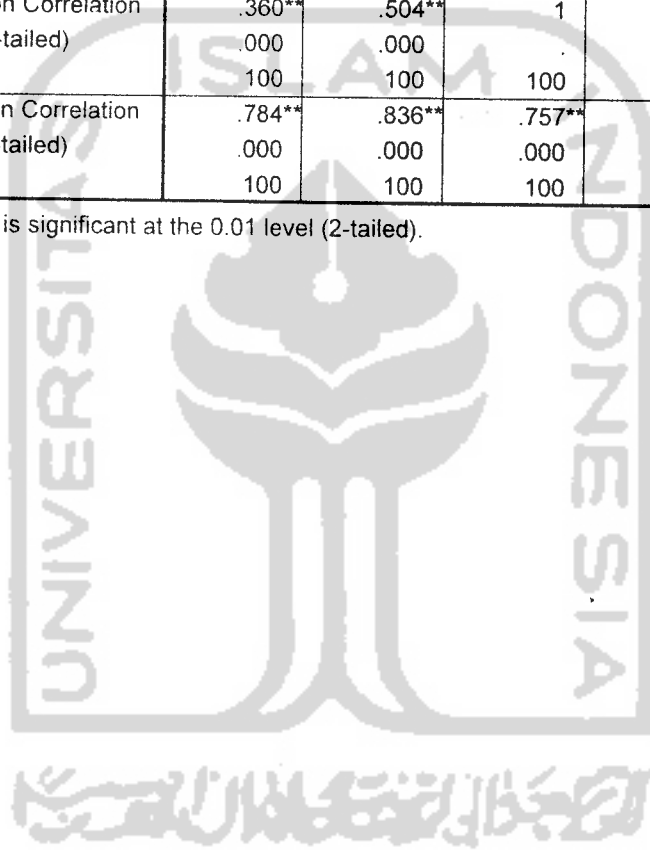
**Correlation is significant at the 0.01 level (2-tailed).

Validity Test for Customer Loyalty

Correlations

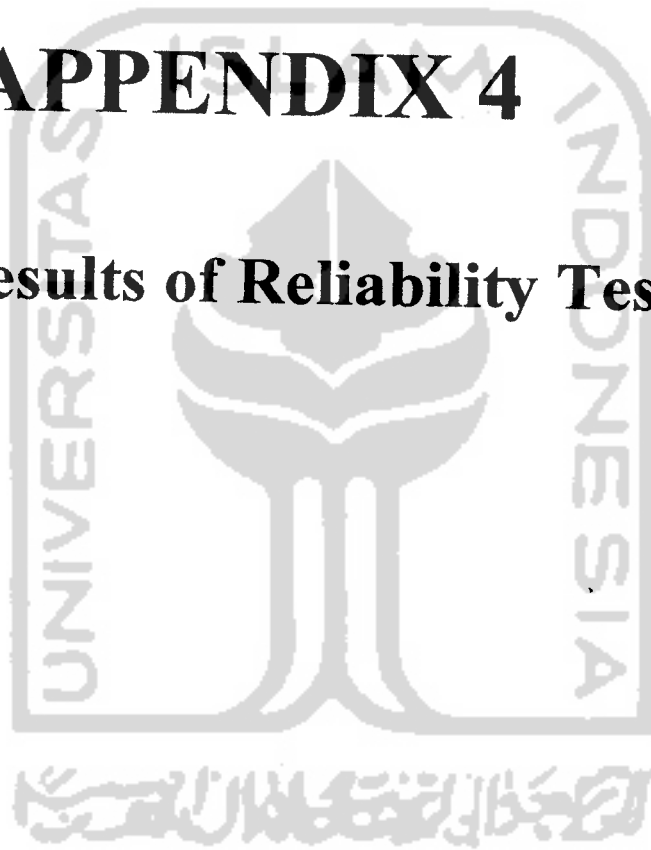
		CL1	CL2	CL3	TOTAL
CL1	Pearson Correlation	1	.465**	.360**	.784**
	Sig. (2-tailed)	.	.000	.000	.000
	N	100	100	100	100
CL2	Pearson Correlation	.465**	1	.504**	.836**
	Sig. (2-tailed)	.000	.	.000	.000
	N	100	100	100	100
CL3	Pearson Correlation	.360**	.504**	1	.757**
	Sig. (2-tailed)	.000	.000	.	.000
	N	100	100	100	100
TOTAL	Pearson Correlation	.784**	.836**	.757**	1
	Sig. (2-tailed)	.000	.000	.000	.
	N	100	100	100	100

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



APPENDIX 4

The Results of Reliability Test



RESULTS OF RELIABILITY TEST OF CUSTOMER SATISFACTION VARIABLES

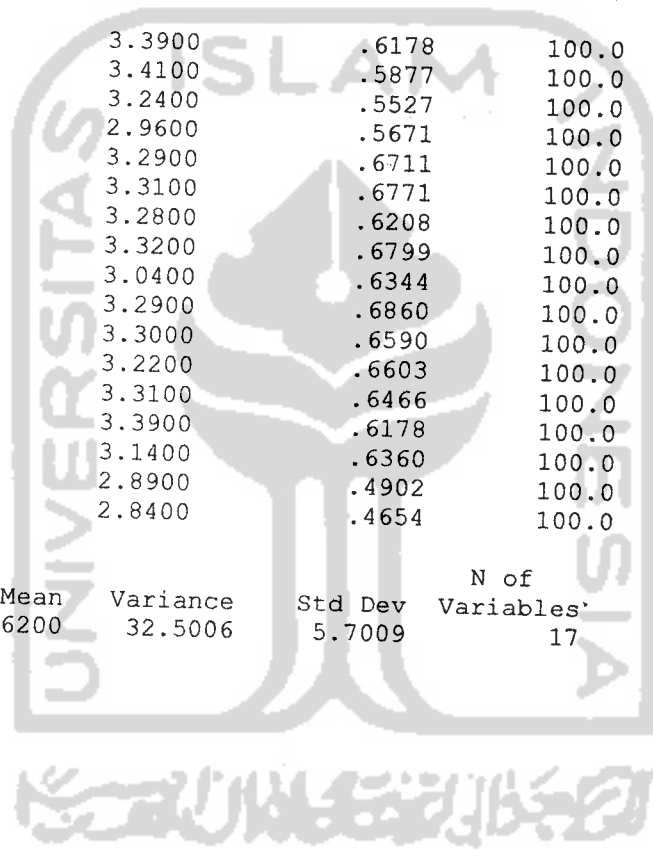
Reliability

***** Method 1 (space saver) will be used for this analysis *****

R E L I A B I L I T Y A N A L Y S I S - S C A L E (A L P H A)

		Mean	Std Dev	Cases
1.	CS1	3.3900	.6178	100.0
2.	CS2	3.4100	.5877	100.0
3.	CS3	3.2400	.5527	100.0
4.	CS4	2.9600	.5671	100.0
5.	CS5	3.2900	.6711	100.0
6.	CS6	3.3100	.6771	100.0
7.	CS7	3.2800	.6208	100.0
8.	CS8	3.3200	.6799	100.0
9.	CS9	3.0400	.6344	100.0
10.	CS10	3.2900	.6860	100.0
11.	CS11	3.3000	.6590	100.0
12.	CS12	3.2200	.6603	100.0
13.	CS13	3.3100	.6466	100.0
14.	CS14	3.3900	.6178	100.0
15.	CS15	3.1400	.6360	100.0
16.	CS16	2.8900	.4902	100.0
17.	CS17	2.8400	.4654	100.0

Statistics for	Mean	Variance	Std Dev	N of
SCALE	54.6200	32.5006	5.7009	Variables: 17



Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
CS1	51.2300	29.2294	.4325	.8428
CS2	51.2100	29.0767	.4858	.8403
CS3	51.3800	29.2077	.5001	.8399
CS4	51.6600	30.3075	.2997	.8487
CS5	51.3300	28.9102	.4351	.8429
CS6	51.3100	28.1959	.5349	.8375
CS7	51.3400	28.4085	.5601	.8365
CS8	51.3000	27.9495	.5688	.8357
CS9	51.5800	30.2259	.2684	.8509
CS10	51.3300	28.3647	.5016	.8394
CS11	51.3200	28.2198	.5493	.8368
CS12	51.4000	28.7273	.4715	.8409
CS13	51.3100	28.7211	.4850	.8402
CS14	51.2300	29.1688	.4421	.8424
CS15	51.4800	28.7774	.4864	.8402
CS16	51.7300	29.8355	.4528	.8423
CS17	51.7800	30.6986	.3074	.8478

-

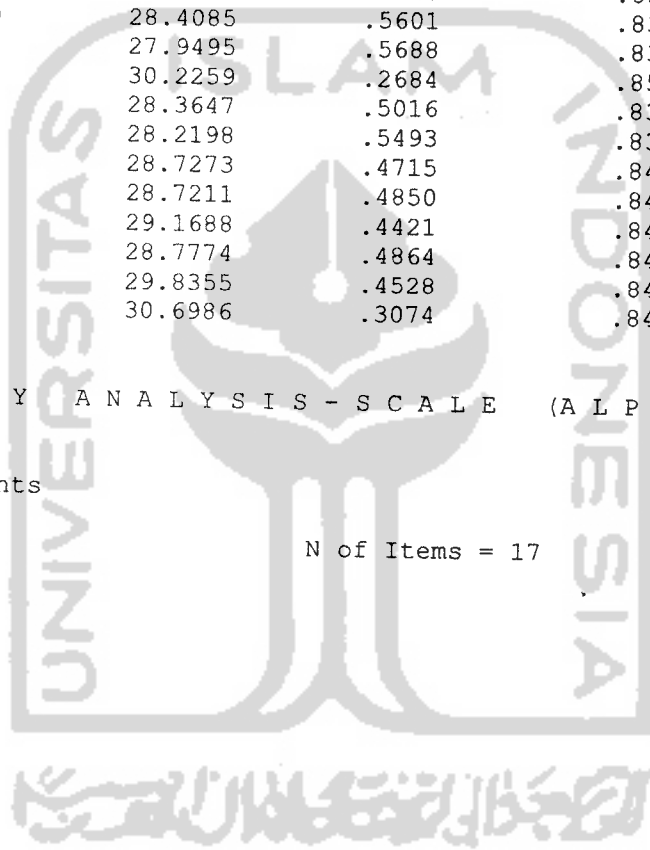
RELIABILITY ANALYSIS - SCALE (ALPHA)

Reliability Coefficients

N of Cases = 100.0

N of Items = 17

Alpha = .8495



RESULTS OF RELIABILITY TEST OF IMAGE VARIABLES

Reliability

***** Method 1 (space saved) will be used for this analysis *****

RELIABILITY ANALYSIS - SCALE (ALPHA)

		Mean	Std Dev	Cases
1.	I1	3.1800	.4795	100.0
2.	I2	3.0800	.6143	100.0
3.	I3	3.4100	.5336	100.0
4.	I4	3.4100	.6046	100.0
5.	I5	3.1200	.6401	100.0
6.	I6	3.3600	.5599	100.0
7.	I7	3.1700	.6522	100.0
8.	I8	3.1200	.6557	100.0

Statistics for	Mean	Variance	Std Dev	N of Variables
SCALE	25.8500	7.7652	2.7866	8

Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
I1	22.6700	6.6476	.3590	.7093
I2	22.7700	6.0981	.4251	.6963
I3	22.4400	6.3701	.4122	.6994
I4	22.4400	6.0671	.4474	.6916
I5	22.7300	5.7344	.5288	.6730
I6	22.4900	6.3736	.3813	.7049
I7	22.6800	5.8360	.4772	.6847
I8	22.7300	6.3001	.3145	.7211

Reliability Coefficients

N of Cases = 100.0

N of Items = 8

Alpha = .7255

RESULTS OF RELIABILITY TEST OF CUSTOMER LOYALTY VARIABLES

Reliability

***** Method 1 (space saved) will be used for this analysis *****

RELIABILITY ANALYSIS - SCALE (ALPHA)

	Mean	Std Dev	Cases
1. CL1	3.3300	.6522	100.0
2. CL2	3.3800	.6479	100.0
3. CL3	3.4000	.5505	100.0

Statistics for SCALE	Mean	Variance	Std Dev	N of Variables
	10.1100	2.1595	1.4695	3

Item-total Statistics	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
CL1	6.7800	1.0824	.4802	.6644
CL2	6.7300	.9870	.5847	.5240
CL3	6.7100	1.2383	.5046	.6350

Reliability Coefficients

N of Cases = 100.0 N of Items = 3

Alpha = .7025

APPENDIX 5

The Results of Regression Analysis



Hypothesis Results

Regression

Descriptive Statistics

	Mean	Std. Deviation	N
Customer Loyalty	10.11	1.470	100
Image	25.85	2.787	100
Customer Satisfaction	54.62	5.701	100

Correlations

		Customer Loyalty	Image	Customer Satisfaction
Pearson Correlation	Customer Loyalty	1.000	.566	.469
	Image	.566	1.000	.513
	Customer Satisfaction	.469	.513	1.000
Sig. (1-tailed)	Customer Loyalty	.	.000	.000
	Image	.000	.	.000
	Customer Satisfaction	.000	.000	.
N	Customer Loyalty	100	100	100
	Image	100	100	100
	Customer Satisfaction	100	100	100

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Customer Satisfaction, Image		Enter

a. All requested variables entered.

b. Dependent Variable: Customer Loyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					Change	F Change	df1	df2	sig. F Change	
1	.604 ^a	.364	.351	1.184	.364	27.790	2	97	.000	1.807

a. Predictors: (Constant), Customer Satisfaction, Image

b. Dependent Variable: Customer Loyalty

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	77.878	2	38.939	27.790	.000 ^a
	Residual	135.912	97	1.401		
	Total	213.790	99			

a. Predictors: (Constant), Customer Satisfaction, Image

b. Dependent Variable: Customer Loyalty

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Confidence Interval for B		Correlations			Collinearity Statistics		
		B	Std. Error				Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF	
1	(Constant)	.668	1.296		.515	.607								
	Image	.233	.050	.412	4.680	.000	.134	.332	.566	.430	.380	.737	1.357	
	Customer Satisf	53E-02	.024	.240	2.573	.012	.014	.111	.469	.253	.208	.737	1.357	

a. Dependent Variable: Customer Loyalty

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	8.02	11.65	10.11	.887	100
Residual	-2.83	2.98	.00	1.172	100
Std. Predicted Value	-2.357	1.733	.000	1.000	100
Std. Residual	-2.393	2.518	.000	.990	100

a. Dependent Variable: Customer Loyalty

APPENDIX 6

The Results of Frequencies Distribution of Respondents' Characteristics

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Results of Frequencies Distribution of Respondents Characteristics

Frequencies

Statistics

	Sex	Purpose	Age	Experienc	Frequency	Customer Loyalty	Image	Customer Satisfaction
N	100	100	100	100	100	100	100	100
Valid	100	100	100	100	100	100	100	100
Missing	0	0	0	0	0	0	0	0
Mean	1.45	1.83	2.91	.73	1.92	10.11	25.85	54.62
Std. Error of Mean	.050	.071	.117	.045	.069	.147	.279	.570
Median	1.00	2.00	3.00	1.00	2.00	10.00	26.00	55.50
Mode	1	2	3	1	2	11	24 ^a	52
Std. Deviation	.500	.711	1.173	.446	.692	1.470	2.787	5.701
Variance	.250	.506	1.376	.199	.478	2.159	7.765	32.501
Range	1	2	4	1	2	6	12	22
Minimum	1	1	1	0	1	6	19	42
Maximum	2	3	5	1	3	12	31	64
Sum	145	183	291	73	192	1011	2585	5462

a. Multiple modes exist. The smallest value is shown

Frequency Table

Sex

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Men	55	55.0	55.0	55.0
Women	45	45.0	45.0	100.0
Total	100	100.0	100.0	

Purpose

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Business	35	35.0	35.0	35.0
Vacantion	47	47.0	47.0	82.0
Etc	18	18.0	18.0	100.0
Total	100	100.0	100.0	

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid < 25 th	12	12.0	12.0	12.0
25 - 35 th	26	26.0	26.0	38.0
36 - 45 th	32	32.0	32.0	70.0
46 - 55 th	19	19.0	19.0	89.0
> 55 th	11	11.0	11.0	100.0
Total	100	100.0	100.0	

Experienc

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 0	27	27.0	27.0	27.0
Yes	73	73.0	73.0	100.0
Total	100	100.0	100.0	

Frequency

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid < 5 times	28	28.0	28.0	28.0
6 - 10 times	52	52.0	52.0	80.0
> 10 times	20	20.0	20.0	100.0
Total	100	100.0	100.0	

Image

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 19	2	2.0	2.0	2.0
20	3	3.0	3.0	5.0
21	2	2.0	2.0	7.0
22	6	6.0	6.0	13.0
23	3	3.0	3.0	16.0
24	17	17.0	17.0	33.0
25	9	9.0	9.0	42.0
26	17	17.0	17.0	59.0
27	9	9.0	9.0	68.0
28	13	13.0	13.0	81.0
29	11	11.0	11.0	92.0
30	5	5.0	5.0	97.0
31	3	3.0	3.0	100.0
Total	100	100.0	100.0	

Customer Satisfaction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	42	1	1.0	1.0	1.0
	43	2	2.0	2.0	3.0
	44	1	1.0	1.0	4.0
	45	4	4.0	4.0	8.0
	46	5	5.0	5.0	13.0
	47	1	1.0	1.0	14.0
	48	4	4.0	4.0	18.0
	49	2	2.0	2.0	20.0
	50	6	6.0	6.0	26.0
	51	1	1.0	1.0	27.0
	52	11	11.0	11.0	38.0
	53	6	6.0	6.0	44.0
	54	2	2.0	2.0	46.0
	55	4	4.0	4.0	50.0
	56	6	6.0	6.0	56.0
	57	4	4.0	4.0	60.0
	58	6	6.0	6.0	66.0
	59	10	10.0	10.0	76.0
	60	6	6.0	6.0	82.0
	61	8	8.0	8.0	90.0
	62	7	7.0	7.0	97.0
	63	2	2.0	2.0	99.0
	64	1	1.0	1.0	100.0
Total		100	100.0	100.0	

Customer Loyalty

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	6	1	1.0	1.0	1.0
	7	3	3.0	3.0	4.0
	8	11	11.0	11.0	15.0
	9	20	20.0	20.0	35.0
	10	20	20.0	20.0	55.0
	11	24	24.0	24.0	79.0
	12	21	21.0	21.0	100.0
Total		100	100.0	100.0	