

Examine the Effect of Guest Satisfaction on Guest Loyalty at Four Star Hotel in Jakarta

¹Levyda, ²Dwi Kartini, ²Faisal Afiff and ²Popy Rufaidah

¹Department of Management, Universitas Sahid, Jakarta, Indonesia

²Department of Business and Management, Universitas Padjadjaran, Bandung, Indonesia

Abstract: Guest satisfaction and guest loyalty is key to the success of the hotel but there is no consensus on the definition and measurement of these concepts. For satisfaction, this study uses the affective and cognitive approach as measured by 13 indicators. For the concept of loyalty, attitudinal approach was used and measured with 4 indicators. The study was conducted on 357 guests staying in 7 four star hotels in Jakarta. The conceptual model was tested by using PLS. Although, all valid and reliable indicators to predict satisfaction but cognitive indicators have the highest impact.

Key words: Guest satisfaction, loyalty, four star hotels, indicators, Jakarta

INTRODUCTION

Jakarta is very important for hotel businesses in Indonesia. Total 9.9% of hotels are in Jakarta. The number of hotels and hotel rooms increased significantly for 10 years. However, the room occupancy rate of <60%. In conditions of over-supply, guests have higher bargaining position, so that likely to be less loyal (Kandampully and Suhartanto, 2000). In these circumstances, so that guest satisfaction is a top priority for hotels.

On previous studies satisfaction suggest that satisfaction is cognitive and affective responses. Today more and more research that considers the satisfaction of cognitive and affective response. The responses are very variety due to the variety of products, time and place, so the satisfaction study is needed in accordance with the hotel setting. The purpose of this study is to identify affective responses and cognitive which reflects a four star hotel guest satisfaction. Guest satisfaction is important but does not always make loyal guests (Shoemaker and Lewis, 1999), so the effect of the guest satisfaction on guest loyalty should be examine.

This study is organized as follows. First, review the concept of satisfaction and establishes definitions and operationalization of the concept of guest satisfaction. Second, review the concept definition and operationalization of the concept of guest loyalty. Next, describe the research findings and discuss the results. Last is limitations and suggestions for future research.

Guest satisfaction: Satisfaction is an important concept in marketing because as antecedents of customer loyalty

(Fornell *et al.*, 1996; Caruana, 2002); patronage intention/repurchase intention (Cardozo, 1965; Dabholkar and Thorpe, 1994; Anderson and Sullivan, 1993); intention to recommend the store to the other (Cardozo, 1965; Oliver and Swan, 1989; Dabholkar and Thorpe, 1994), customer complaint (Fornell *et al.*, 1996). However, there is no agreement in the definition and measurement of customer satisfaction.

At the beginning, satisfaction concept is considered as a cognitive assessment or affective assessment. Satisfaction as a cognitive assessment based on the expectation disconfirmation theory. Satisfaction is defined as the ratio between expectations and performance (Oliver, 1980; Churchill and Surprenant, 1982; Spreng *et al.*, 1996; Szymanski and Henrad, 2001). Issues on cognitive models are factors that form consumer expectations. Consumer expectations may be based on norms, marketing communication or the ideal standard of product.

Since, satisfaction should be incorporated aspects of emotion (Westbrook, 1987), some studies using affective approach (Westbrook, 1987; Westbrook and Oliver, 1991). They examined the types of emotions that affect satisfaction by using some theories of emotion such as DES which proposed by Izard (Westbrook, 1987; Westbrook and Oliver, 1991), PDA from Mehrabian and Russell and PANAS proposed by Watson, Clark and Tellegen.

Growing of the hedonic perspective in 1980s as a complement to the traditional perspective on consumer behavior causing more and more researchers are using affective and cognitive approach to explain customer satisfaction (Cronin *et al.*, 2000; Yu and Dean, 2001; Burns and Neisner, 2006; Del Bosque and Martin, 2008).

To understand the whole concept of customer satisfaction Liljander and Strandvik (1997) suggested to use a cognitive and affective approach, therefore, this study used the approach. Guest satisfaction is an affective outcome because attachment between guests and hotels are relatively short (Dabholkar, 1995). Satisfaction research using cognitive and affective approaches are still needed because the emotions felt by the customer at a different hotel in a shopping in sport events, in tourist site or elsewhere. With respect emotion theory, we assume the kinds of emotions expressed by Barsky and Nash (2002) is more appropriate for the hotel guests which measured by with 9 indicators namely feel comfortable, respected, relaxed, welcome, proud, practical, secure, fascinated, delight. Room rates of four star hotels are relatively expensive, so that guest satisfaction is also a cognitive outcome. Cognitive satisfaction constructed based on the theory of disconfirmation thus reflected by comparing the expectations of the guest experience. Discussion also questioned whether the concept of satisfaction overall satisfaction measured or measured at each stage of the transaction (transaction specific). The average length of stay is relatively short, so satisfaction measured with an overall satisfaction. Based on the arguments, guest satisfaction is defined as the outcome affective and cognitive evaluation and measured.

Guest loyalty: Study of loyalty can be approached in three ways namely behavioral approach, attitudinal approach and a combination of both approaches (Lichtle and Plichon, 2008). Attitudinal approach is more emphasis on the decision-making process and do not measure the results of such decisions while the actual purchase only behavioral approach emphasizes attention to measurable things (Bennett and Bove, 2002). Approach attitudinal loyalty is measured by commitment, intention to (re) purchase and customer attachment while behavioral loyalty is measured by the proposition of purchases for a given brand or retention rate, purchases equences, purchase probability, empirical RFM (recency, frequency, monetary value) (Lichtle and Plichon, 2008).

This research uses attitudinal approach. The reason is the duration of use of the hotel services is relatively short and the frequency of use of hotel services is relatively low. Another reason is that customers who are loyal to one of the 4 star hotels in Jakarta, they will not stay again (repeat purchase) when they are no longer visit to Jakarta. Based on studies conducted by Williams and Soutar (2009), Tam (2004) and Yang and Peterson (2004), guest loyalty is measured by four indicators namely; I really want to stay at this hotel again, I prefer at this hotel than other hotels, I would recommend this hotel, I'll tell you good things about this hotel.

Previous studies concluded that customer satisfaction has positive effect on customer loyalty (Cronin *et al.*, 2000). Based on these studies, the hypothesis of this study is that guest satisfaction has positive effect on guest loyalty.

MATERIALS AND METHODS

The questionnaire was designed based on the results of the literature review. Instruments to measure guest satisfaction are 13 statements and instruments to measure guest loyalty is 4 statement. The scale of measurement used in each statement is the Agung six point likert scale (Agung, 2011). Agung six point likert scale can classify the answers to the two groups of answers expressly so easy to draw conclusions. The field survey was conducted in April to September 2013 in seven four-star hotels in Jakarta. This study used purposive sampling. Primary data that can be used are 357. The data be processed by using Partial Least Square (PLS) with the help of software XLSTAT 2011.

RESULTS AND DISCUSSION

Variable of guest satisfaction that reflected by 13 indicators. Loading factor of each indicator is >0.7 (Chin, 1998). The t-value of each indicator is also greater than the t-table. It can be concluded that all indicators are valid indicator as a measurement of guest satisfaction. Construct validity measured by Average Variance Extracted (AVE). AVE should be >0.5 (Hair *et al.*, 2014). The results showed that guest satisfaction as a valid construct. Composite reliability must be is $>0.6-0.7$ (Hair *et al.*, 2014). Composite reliability of guest satisfaction is relatively high so it is reliable (Table 1).

Loading factor of guest satisfaction indicators is >0.5 (Straub in Urbach and Ahlemann, 2010). It indicated that all the indicators reflect the guests' satisfaction. Affective indicators as important as cognitive indicators in reflecting guest satisfaction. So, it is recommended that both be used to measure guest satisfaction. The results of this study differ from Yu and Dean (2001) that in education, aspects of emotion is better to predict customer satisfaction than cognitive aspects. The results of this study is the same with Burns and Neisner (2006) in which the cognitive aspects determine customer satisfaction in retail settings. Although, the study did not examine differences in the influence of affective aspects/emotional and cognitive aspects of the satisfaction but from the loading factors can be concluded that both have the same role. In the hospitality, business is usually more emphasis affective aspects such as

Table 1: Validity and reliability of guest satisfaction

Indicators	Loading factor	R ²	Variance error	t-value	t-table	Conclusion
Feel comfortable	0.847	0.718	0.282	52.096	1.649	Valid
Feel respected	0.818	0.669	0.331	38.560	1.649	Valid
Feel relaxed	0.820	0.672	0.328	34.409	1.649	Valid
Feel welcome	0.789	0.623	0.377	29.666	1.649	Valid
Feel proud	0.727	0.528	0.472	22.513	1.649	Valid
Feel practical	0.791	0.626	0.374	32.371	1.649	Valid
Feel secure	0.833	0.693	0.307	49.255	1.649	Valid
Feel fascinated	0.679	0.461	0.539	20.047	1.649	Valid
Feel delighted	0.788	0.620	0.380	31.442	1.649	Valid
Overall I am satisfied to stay at this hotel	0.804	0.647	0.353	37.553	1.649	Valid
Staying at this hotels was the right decision	0.816	0.666	0.334	38.040	1.649	Valid
My experience at this hotel as I expected	0.868	0.754	0.246	54.089	1.649	Valid
No complaints during staying at this hotel	0.795	0.631	0.369	30.491	1.649	Valid
Average variance extracted	-----	0.958-----	-----	63.147	1.649	Valid
Composite reliability	-----	0.639-----	-----	15.662	1.649	Reliable

Table 2: Validity and reliability of guest loyalty

Indicators	Loading factor	R ²	Variance error	t-value	t-table	Conclusion
Want to staying again at this hotel	0.870	0.757	0.243	58.466	1.649	Valid
Prefer this hotel than others	0.849	0.721	0.279	36.278	1.649	Valid
Would recommend this hotel	0.895	0.800	0.200	72.774	1.649	Valid
Will tell positive things about this hotel	0.803	0.645	0.355	31.435	1.649	Valid
Average variance extracted	-----	0.916-----	-----	42.889	1.649	Valid
Composite reliability	-----	0.731-----	-----	20.171	1.649	Reliable

comfort and pleasure. The results of this study, cognitive aspects have an important role to predict satisfaction. Hotelier should improve marketing communications that guests expectations are not excessive, hold the promise to consumers and execute standards and procedures strictly.

Test results indicated that all indicators of guest loyalty are valid. Construct of guest loyalty are valid and reliable. All indicators can reflect guest loyalty (Table 2).

By using the student t-test, the results show t-value is higher than t-table so it is concluded that guest satisfaction effect on guest loyalty. Coefficient of determination (R² value) show how big the effect. R² value is 0.623 that means that effect guest satisfaction is quite high on guest loyalty.

CONCLUSION

This study confirms previous research that guest satisfaction effect on guest loyalty. Managerial implication of this study is that the hotelier should give greater attention to those aspects of cognitive. Contribution of this study is on the affective indicators according to the hotel setting.

LIMITATIONS

Limitations of this study are only using the confirmation method. A research should be preceded by the method of exploration, especially the exploration of

emotions guests in the hotel setting. Exploratory studies can be conducted by qualitative research using data available in the guest comments hotel web or online distributors web.

This study does not separate cognitive and affective satisfaction in two variables that can not be recognized which is the most powerful to predict satisfaction, satisfaction and cognitive influences on affective satisfaction or vice versa.

RECOMMENDATIONS

For further research suggested that examines guest satisfaction in five star or three star hotel to see if there are differences in the strongest indicators that predict satisfaction. Research satisfaction with cognitive and affective approach can also be done at the guests who stay for business and for leisure.

REFERENCES

- Agung, I.G.N., 2011. Cross Section and Experimental Data Analysis Using Eviews. 1st Edn., John Wiley and Sons (Asia) Pte Ltd., New York, ISBN-13: 978-0470828427, pp: 42.
- Anderson, E.W. and M.W. Sullivan, 1993. The antecedents and consequences of customer satisfaction for firms. Market. Sci., 12: 125-143.
- Barsky, J. and L. Nash, 2002. Evoking emotion: Affective keys to hotel loyalty. Cornell Hotel Restaurant Admin. Q., 43: 39-46.

- Bennett, R. and L. Bove, 2002. Identifying the key issues for measuring loyalty. *Aust. J. Market Res.*, 9: 27-44.
- Burns, D.J. and L. Neisner, 2006. Customer satisfaction in a retail setting: The contribution of emotion. *Int. J. Retail Distrib. Manage.*, 34: 49-66.
- Cardozo, R.N., 1965. An experimental study of customer effort, expectation and satisfaction. *J. Market. Res.*, 2: 244-249.
- Caruana, A., 2002. Service loyalty: The effects of service quality and the mediating role of customer satisfaction. *Eur. J. Market.*, 36: 811-828.
- Chin, W.W., 1998. Commentary: Issues and opinion on structural equation modeling. *MIS Q.*, 22: 7-16.
- Churchill, Jr. G.A. and C. Surprenant, 1982. An investigation into the determinants of customer satisfaction. *J. Market. Res.*, 19: 491-504.
- Cronin, Jr. J.J., M.K. Brady and G.T.M. Hult, 2000. Assessing the effects of quality, value and customer satisfaction on consumer behavioral intentions in service environments. *J. Retailing*, 76: 193-218.
- Dabholkar, P.A. and D.L. Thorpe, 1994. Does customer satisfaction predict shopper intentions? *J. Consum. Satisfaction Dissatisfaction Complaint Behav.*, 7: 1617-1621.
- Dabholkar, P.A., 1995. The convergence of customer satisfaction and service quality evaluations with increasing customer patronage. *J. Consum. Satisfaction Dissatisfaction Complain. Behav.*, 8: 32-43.
- Del Bosque, I.R. and H.S. Martin, 2008. Tourist satisfaction a cognitive-affective model. *Ann. Tourism Res.*, 35: 551-573.
- Fornell, C., M.D. Johnson, E.W. Anderson, J. Cha and B.E. Bryant, 1996. The American customer satisfaction index: Nature, purpose and findings. *J. Market.*, 60: 7-18.
- Hair, J.F., G.T.M. Hult, C.M. Ringle and M. Sarstedt, 2014. *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. Sage Publication, Inc., Thousand Oaks.
- Kandampully, J. and D. Suhartanto, 2000. Customer loyalty in the hotel industry: The role of customer satisfaction and image. *Int. J. Contemp. Hospital. Manage.*, 12: 346-351.
- Lichtle, M.C. and V. Plichon, 2008. Understanding better customer loyalty. *Recherche Applic. Marketing*, 23: 121-140.
- Liljander, V. and T. Strandvicik, 1997. Emotion in service satisfaction. *Int. J. Service Ind. Manage.*, 8: 148-169.
- Oliver, R.L. and J.E. Swan, 1989. Consumer perceptions of interpersonal equity and satisfaction in transaction: A field study approach. *J. Market.*, 53: 21-35.
- Oliver, R.L., 1980. A cognitive model of the antecedents and consequences of satisfaction decisions. *J. Market. Res.*, 17: 460-469.
- Shoemaker, S. and R.C. Lewis, 1999. Customer loyalty: The future of hospitality marketing. *Int. J. Hosp. Manage.*, 18: 345-370.
- Spreng, R.A., S.B. MacKenzie and R.W. Olshavsky, 1996. A reexamine of the determinants of customer satisfaction. *J. Marketing*, 60: 15-32.
- Szymanski, D.M. and D.H. Henrad 2001. Customer satisfaction: A meta analysis of the empirical evidence *J. Acad. Market. Sci.*, 29: 16-35.
- Tam, J.L., 2004. Customer satisfaction, service quality and perceived value: An integrative model. *J. Marketing Manage.*, 20: 897-917.
- Urbach, N. and F. Ahlemann, 2010. Structural equation modeling in information systems research using partial least squares. *J. Inform. Technol. Theory Applic.*, 11: 5-40.
- Westbrook, R.A. and R.L. Oliver, 1991. The dimensionality of consumption emotion patterns and customer satisfaction. *J. Consumer Res.*, 8: 84-91.
- Westbrook, R.A., 1987. Product/consumption-based affective responses and postpurchase processes. *J. Marketing Res.*, 21: 258-270.
- Williams, P. and G.N. Soutar, 2009. Value, satisfaction and behavioral intentions in an adventure tourism context. *Ann. Tourism Res.*, 36: 413-438.
- Yang, Z. and R.T. Peterson, 2004. Customer perceived value, satisfaction and loyalty: The role of switching costs. *Psychol. Market.*, 21: 799-822.
- Yu, Y.T. and A. Dean, 2001. The contribution of emotional satisfaction to consumer loyalty. *Int. J. Ser. Ind. Manage.*, 12: 234-250.