

# The Influence of Service Quality Toward Customer Loyalty at Five-star Hotel in Bali

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*Abstract: The growth of five-star hotels has increased and developed in the Province of Bali, which is the number one foreign exchange contributor from the tourism sector, therefore, leads to increasingly heavy competition in the service sector. This study aims to discover the influence of service quality on customer loyalty at five-star hotels in Bali Province. This study uses quantitative research methods with hypothesis testing. The demography refers to domestic tourists or Indonesian citizens who have stayed at five-star hotels in Bali Province. The data that collected from questionnaire using Likert scale. The number of samples taken was 161 respondents with a convenience sampling technique, non-probability sampling technique. Techniques for analyzing data are descriptive analysis, data quality testing, and hypothesis testing using validity, reliability, classic assumption, correlation coefficient analysis, determination coefficient analysis, and multiple regression analysis, and t-test. Based on the research results gained through SPSS, it shows that the value of Sig.0.000 < 0.05 and the t-count value is 6,862 > the t-table value is 1,975, be concluded that the Service Quality (X) variable influences the Customer Loyalty (Y) variable*

**Keywords** — service quality, customer loyalty, Bali, five-star hotel, SPSS, convenience sampling

## I. INTRODUCTION

The world has been dealing with the transmission of Coronavirus Disease (COVID-19) since early 2020. The emergence of the COVID-19 case was firstly detected in Wuhan, China, more or less at the end of December 2019 (WHO). The hospitality industry is highly vulnerable to epidemics, natural disasters, and terrorist attacks (Chen et al., 2007; Jiang & Wen, 2020). When the COVID-19 pandemic spreads globally, it has severely impacted the tourism and hospitality sectors (Gössling et al., 2021; Zenker & Kock, 2020). This industry has been severely affected due to the impact of the COVID-19 pandemic, as stipulated through the United Nations World Tourism Organization and the World Health Organization prohibiting travel activities, closing borders, and instructions for quarantine. COVID-19 has caused businesses in the tourism and hospitality industry to shut down their operations temporarily. Therefore, it is essential to understand the COVID-19 pandemic to take steps and actions to face future challenges in the tourism sector (Morrish & Jones, 2020; Ritchie & Jiang, 2019).

Indonesia is the largest developing country among other developing countries. The nation has a rapid level of economic growth and has a tourist destination with great potential that can attract both foreign and domestic tourists (Yuniawati & Finardi, 2016). Developing the tourism and hospitality industry in Indonesia can make a significant contribution. Because it creates many jobs, creates incomes, and foreign exchange for the country (Situmorang et al., 2019; Sofyan et al., 2013). In addition, from the side of business owners, many layoffs are because there are no sources of income from various sectors, and closures come from critical or essential sectors. Procedures for dealing with COVID-19 and revitalizing the tourism sector are a few of the biggest challenges facing Indonesia. Indonesia has gone through two of the worst waves during the pandemic, resulting in the government taking severe steps to minimize the transmission of COVID-19.

Data from the Central Statistics Agency (BPS) for 2019 regarding the tourism statistics show that the five provinces with the highest number of accommodations. The first most number of accommodations was the Province of Bali, and the other four came from the island of Java, namely DKI Jakarta, West Java, East Java, and Central Java. As for the Province of Bali, the economy is heavily reliant on the tourism sector, then supported by the large number of local communities involved in tourism activities, gradually increasing the welfare status of the community. The province of Bali is one of the best tourist destinations globally from 2018 to 2021, which was released by TripAdvisor through the travel planning and booking site in the traveler's choice awards category, among the 25 best destinations globally. For the hotel category, the same Marriott International Group chain ranks in the top 25 best hotels in the whole world, namely The Ritz-Carlton Reserve, Mandapa. Data through the Central

Statistics Agency (BPS) (2019), Bali Province contributed 40% of foreign exchange in the tourism sector of the total 17,6 billion (USD), which was 7,04 billion (USD) for Bali Province and 30% of foreign exchange from DKI Jakarta Province or 5,28 billion (USD). The province of Bali is the best foreign exchange contributor to the tourism sector for Indonesia because it has a strategy for developing and developing the tourism sector and the local government of the Province of Bali. The Bali Provincial Tourism Office participates as a facilitator and regulator in holding cultural performances involving the participation of local communities by conducting coaching for tourism-aware groups to increase awareness of tourism development in each potential area.

Data released in 2019 by the Bali Province BPS regarding the growth of Gross Regional Domestic Product (GRDP) in 2018 at Constant Prices (ADHK) was worth 154,15 Trillion and experienced an increase in 2019 8,63 Trillion and a total GRDP of 162,78 Trillion. In 2021, the value of the ADHK GRDP of the Province of Bali was 147,55 Trillion, meanwhile out of these three years, the lowest GRDP is in 2020, having a difference of 15,23 Trillion from the previous year. The decline in GRDP in 2020 was very significant due to the entry of the COVID-19 pandemic, which shaped the affected economy. Contribution to GRDP, respectively, in 2019 and 2020 was dominated by the first category, namely the provision of accommodation and food and drink. For 2019, the contribution made is 23,26%, and in 2020 it is 18,37%. Even though there was a decline in donations, the loosening of regulations that allow traveling during the Christmas and New Year holidays leading to 2021 boosted the economy of the Bali Province. It encourages domestic tourists to visit for holidays as stipulated in Circular Number 3 (three) of 2020 Regarding Travel Health Protocols for People During the Christmas Holidays and the New Year 2021 During the Corona Virus Disease 2019 (COVID-19) Pandemic. The circular letter, valid from December 19th, 2020, to January 8th, 2021, regulates domestic tourists who will travel to the island of Bali using air, land, and sea transportation.

Developments over the last three years have experienced ups and downs, and the growth of five-star hotels is particularly from Badung Regency, Kuta, and Nusa Dua areas. According to BPS (2021), in Bali Province in 2019, in Badung district, four five-star hotels had just been established in the region; however, it experienced a rapid decline in 2020 from 62 five-star accommodation businesses to a total of 47 hotels. Meanwhile, in the Nusa Dua area, the growth of five-star hotels in the Nusa Dua area is one of the best tourist destination developments globally to date, by having 19 hotels within the five-star rating with two Meeting, Incentive, Convention and Exhibition (MICE) facilities internationally, making the home of various international events, including UN Climate Change 2007, APEC 2013, Bali Democratic Forum, and Miss World 2013. The impact of the COVID-19 epidemic resulted in many accommodation businesses going out of business because they were unable to survive. The Indonesian Hotel and Restaurant Association (PHRI) noted developments related to hotels in Indonesia that we cannot survive due to the impact of the COVID-19 pandemic of as many as 1,642 hotels.

Room Occupancy Rate (TPK) from the 2016 to 2020 period has increased and decreased. In comparison between 2018 and 2019, there was a decrease of around 6,36% and a drastic decline in 2020. The decline in the Room Occupancy Rate (TPK) over the last five years is a sign that for tourists who have visited Bali, not all of them return to Bali on vacation again (Astuti et al., 2019). This shows that the measurement of tourist loyalty is crucial to know the factors that influence them to visit (revisit). According to (Prebensen et al., 2013), the strategy of successful destination marketing satisfies tourists, influencing the choice of destinations and lodging accommodations and decisions to make purchases. Therefore, loyalty can be seen from repeated visits and recommendations to potential customers, which are determined by customer satisfaction. In the tourism industry, the perceived benefits of customer loyalty to companies are that consumers who are satisfied with the goods and services used tend to repurchase through the same service provider, satisfaction as a factor that channels positive word of mouth communication (Word-of-Mouth), and consumers who are pleased with the services provided will consider using the same accommodation service provider as the first consideration when there is a desire to use a service (Zhang et al., 2014).

The COVID-19 pandemic has resulted in a change in people's mindsets. People have a sense of worry about virus transmission when interactions occur outside the home or places that have the opportunity to transmit anxiety about sanitation and hygiene from service providers. Negative perception that the hotel is not safe due to the possibility of carrying the virus. Talking about sanitation and hygiene, closely related to the services provided, the public's perception of whether the hotel guarantees is not a cluster of COVID-19 spread (assurance), which has an impact on decreasing people's attention to stay at the hotel due to distrust and feeling less secure from the consumer's perspective. COVID-19 spreads easily airborne. It is essential to build pleasing cooperation between the government and business actors in setting strategies so that potential consumers or loyal consumers have a sense of trust and security. When in an environment where the virus transmission rate is fast, every business must have a CHSE (Clean, Health, Safety & Environment) certified sign. Previously the United Nations World Tourism Organization (UNWTO) in May 2020 issued guidelines regarding the Global Guidelines To Restart Tourism, which was then implemented in Indonesia through the Indonesian Ministry of Health with the issuance of a Decree Minister of Health of the Republic of Indonesia Number Hk.01.07/Menkes/382/2020 concerning Health Protocols for the Community in Public Places and Facilities in the Context of Prevention and Control of the 2019 Corona

Virus Disease (COVID-19). The Minister's decision regulates the implementation of the CHSE protocol, which has been in place since October 2020 as a strategy for stakeholders in facing a period of adaptation to new habits in the tourism sector and the creative economy. Having a CHSE certification indirectly forms the perception of potential consumers that a hotel has implemented health protocols properly, so it is safe to use these accommodation services. Service industries that apply high sanitation practices will lead to repeat patronage, customer loyalty, and recruiting new customers by increasing the company's good name (Abidin, 2007). Maintaining customer loyalty during the pandemic is the most important thing. Therefore, building loyalty is when customers feel connected to the business, so buying and using the product becomes part of their routine. The key to surviving and growing in the global market is to focus on quality service to consumers.

A survey conducted by PHRI and Horwath HTL (2020) regarding the Sentiment of the Hotel & Restaurant Market in Indonesia Against the Effect of the COVID-19 Outbreak reveals that 70 percent of respondents answered that the impact of the COVID-19 outbreak was much worse on the performance of the hotel and restaurant market, compared to SARS in 2003 and H5N1 in 2016. The meaning of customer loyalty refers to the relationship between consumer attitudes and repurchase, which is disclosed as commitment. It is persistently strong to stay subscribed to the preferred product or service continuously (Dick & Basu, 1994; Oliver, 2010).

According to (Hikkerova, 2014), loyalty can be built with a sense of trust to the company for products and services that have been perceived (perceived service quality) by consumers because consumers get a positive and valuable experience. Thus, fulfilled expectations will satisfy customers because their needs are met and create loyalty.

According to (Ramadania et al., 2018), superior service quality can increase beneficial behavioral intentions for consumers and reduce harmful behavioral intentions. The influence of high service quality, especially in the hospitality industry, becomes a more attractive attraction. Many consumers stay longer because they feel more satisfied, and it cannot be denied that service quality is a factor that can encourage the achievement of customer satisfaction through service providers (Saudi et al., 2019; Syaquirah & Faizurrahman, 2014). According to (Rahman & Kamarulzaman, 2012) increasing competition in the service industry encourages companies to acquire and retain consumers and create consumer loyalty. Research from (Dinçer & Alrawadieh, 2017) with the title "Negative word of a mouse in the hotel industry: A content analysis of online reviews on luxury hotels in Jordan." Using User-Generated-Content (UGC) travel via the TripAdvisor website, the study found that the most frequent complaints at luxury hotels were about service quality, hotel facilities, cleanliness, and hygiene.

In conclusion, customer loyalty plays a significant role in the sustainability of the hotel business or leisure hotel. Thus, researchers conducted research in Indonesia to examine the effect of Service Quality on Customer Loyalty in five-star hotels in Bali Province. The research we adopted from (Kartikasari & Albari, 2019), "The influence of product quality, service quality and price on customer satisfaction and loyalty," there are three variables that influence customer loyalty, namely service quality, product quality, and price. Furthermore, research on five-star hotels conducted in eastern countries related to customer loyalty. Therefore, the researcher decided to examine the variables driving customer loyalty to become independent variables, namely service quality as (X) and customer loyalty as the dependent variable (Y). It can identify the effect of the independent variable on the dependent variable. Based on the phenomena described in the background section of the problem, the researchers are encouraged to conduct research with the research title, namely: So the title of this research is: "The Influence of Service Quality Toward Customer Loyalty at Five-Star Hotel In Bali."

## II. LITERATURE REVIEW

### A. Service Quality

Service quality is an action offered by service providers, and services provided to consumers are intangible, but customers can feel it for pleasure and comfort (Kotler & Keller, 2009). According to (Palmer, 1995), service is known as every action of certain activities that do not always produce tangible products but can be in the form of intangible products and quality. It is defined as comparing consumer expectations and the services provided (Parasuraman et al., 1988). Quality is defined as the characteristics of a product or service, namely having the skills to meet consumer expectations (Kotler et al., 1998). Because of the services provided, service quality is often used as the final assessment from the guest's point of view of the quality of the service provider's services. Overall, service quality compares guest expectations with perceived service quality (Parasuraman et al., 1988). Service quality needs to be measured because measuring service quality can help to improve perceived service quality, make a difference in terms of providing service quality with competitors, gain a competitive advantage. It increases hotel profits by maintaining a different quality of service from competitors as a strategy to gain and maintain customer loyalty. Therefore, service quality is essential because every consumer prefers service quality and has different expectations and desires (Ounsri & Thawesaengskulthai, 2019).

Service quality in a company is classified as successful if a company can position itself from consumers' perspectives and see the situation from their point of view (Whittle & Foster, 1989). By placing from the consumer's point of view, a business can gain insight into how consumers view the company. Hence, it provides

an advantage for the company as it helps review the services provided, especially for labor-intensive companies that offer relationships with consumers, accompanied by skill-based knowledge and the use of human labor. Ensuring quality products and services is a way to stay competitive in the hospitality industry by training employees to increase professionalism, which leads to improved service quality so that employees make fewer mistakes than before and the results of their work will be better (Claver et al., 2006).

A research study conducted on hotels in China by (Kuo et al., 2013) confirms the importance of service quality for customer loyalty. Research from (Cheng & Rashid, 2014) on hotels in Malaysia, guests ensure that if the perceived service quality meets their expectations, it is likely that consumers will be loyal. The feelings experienced by consumers through the services provided by the hotel shape perceptions of service quality and shape their experience of the services offered (Gale, 1994). Apart from that, customers whose needs are met will benefit the company. The creation of loyalty to the company, where consumers do not compare product prices with competitors, offer high service quality. Companies can charge higher prices (Adeleke & Aminu, 2012), long duration of stay at the same hotel, so the impact is felt in the long term, namely making repeat purchases (repurchase). The influence of high service quality, especially in the hospitality industry, attracts more consumers who will stay longer because they feel more satisfied, and it cannot be denied that service quality is a factor that can encourage the achievement of customer satisfaction through service providers (Saudi et al., 2019; Syaquirah & Faizurrahman, 2014). One of the characteristics of services is that they are intangible. Service quality cannot be included as an investment but can be maintained with the consistency of employee performance. According to (Kotler & Keller, 2016), service quality identifies customer needs, knows customer expectations, ensures customer desires are met, and keeps in touch with customers after completing the deal.

There are obstacles in achieving good service quality due to inconsistencies in maintaining service quality. Meanwhile, good service quality has the potential to gain customer loyalty (Kandampully & Suhartanto, 2000, 2003). Service quality is an essential parameter in customer loyalty; therefore, service quality is an essential point that hotels must consider. Service providers in service quality are the waiters or waitresses of the hotel itself. Hotels must train and adjust the Standard Operational Procedure (SOP). That applies to waiters or waitresses to provide and provide good service to hotel customers and try their best to meet the expectations of every hotel customer through customer satisfaction in seeking to create customer loyalty.

Research from (Qin et al., 2010; Samen et al., 2013) researched service quality in service marketing and business development. The Service Quality model, known as SERVQUAL, is used to see the difference between reality and consumer expectations for the services received by consumers. The SERVQUAL model has become a well-known instrument and is the right measuring tool for the hotel business (Carrillat et al., 2007). The service quality measurement model proposed by (Parasuraman et al., 1988) has been tested in several fields; one of them is in the banking service industry. The test results with the SERVQUAL Model are reliable and accurate on reliability and validity tests. The indicators of the SERVQUAL measurement model, according to (Parasuraman et al., 1988), are as follows:

1) Assurance

Assurance shows employees' competence, knowledge, courtesy, and ability to build trust with customers (Parasuraman et al., 1985). This indicator covers the ability of employees to provide friendly, confidential, courteous, and competent service. A hotel needs to prove that it can be trusted and that consumers feel comfortable when using services that are different from competitors and guaranteed to feel safe during their stay.

2) Empathy

Empathy is an ability to convey a form of concern, such as individual attention to consumers. In addition, empathy is formed through communication; forward information to customers in sentences that are easy to understand and listen to from the customer's side and understand customers, especially for repeated guests, VIPs, or loyal guests (anticipate their needs before being asked or identify the customer by calling their name when passing through the Front of House (FOH) area).

3) Reliability

Reliability reflects the ability of a service provider to perform services reliably and accurately and do it right (Parasuraman et al., 1991).

4) Responsiveness

Responsiveness is the willingness of personnel to provide services and assistance responsively to consumers and promptly. We need to make sure customers that they get service quickly. Customers judge an employee's responsiveness by how long it takes to wait for an answer or solution. It is crucial to respond to all consumer requests because requests can turn into complaints if not responded to by the hotel.

5) Tangibility

Service quality that is real and has its form is a physical representation and image of the service that customers will use to assess service quality. Tangible assets refer to its personnel's physical facilities, equipment, and appearance. Tangibility refers to the cleanliness of rooms, restaurants, and other areas, clean and proper uniforms used by employees, such as disposable gloves, especially during the COVID-19 pandemic.



**B. Customer Loyalty**

Loyalty is the extent to which customers describe repurchase behavior, have a favorable position on the company, and consider using the company when there is a need for a product or service (Gremler & Brown, 1996). (Dick & Basu, 1994; Oliver, 2010), revealing the meaning of customer loyalty refers to the relationship between consumer attitudes and repurchase, which is described as a strong commitment on an ongoing basis to stay subscribed to the preferred product or service on an ongoing basis. In addition, customer loyalty is one of the main facilitators of service quality. Customer loyalty occurs when there are indications of repeated purchases from the same customer and the availability of consumers to recommend products to potential customers, which ends in repeat purchases to realize positive and measurable financial results for the company (Duffy, 2003). According to (Yap et al., 2012), customer loyalty is identified as a driving factor for the success of a business. Monitoring customer loyalty is an important focus for all managers in the hospitality industry because service companies that fail to recognize the power of customer satisfaction, especially consumer sentiment, can destroy the power of customer retention and loyalty (Yu & Dean, 2001).

Customer loyalty (Dick & Basu, 1994) reveals two attitudinal and behavioral loyalty scales. Attitudinal loyalty refers to a psychological commitment to a brand or business, including attitudes, namely beliefs, feelings, and intentions to repurchase (Repurchase intention) (Rauyruen & Miller, 2007). Meanwhile, behavioral loyalty measures the frequency of repeat patronage and reflects customer buying behavior. Eight factors influencing customer loyalty are customer satisfaction, product quality, brand image, perceived value, trust, customer relationships, switching costs, and dependability (Hasan, 2014). According to Griffin (Sukesi, 2009), consumers can be loyal if the customer shows buying behavior in a structured manner or in conditions requiring consumers to buy twice within a certain period.

Loyalty is considered a willingness to repurchase the product (customer willingness to repurchase) and continue the relationship with the company. According to (Ariff et al., 2013), it is necessary to ensure that loyal customers, must be ensured that they are satisfied with the perceived service. It is proven through previous research that customer satisfaction has a positive and significant effect on customer loyalty (Amin, 2016). Customers who are satisfied with the service are not necessarily loyal. However, loyal customers are satisfied with the services provided. (Dick & Basu, 1994) indicate four forms of loyalty based on relative attitudinal strength and repeat purchase behavior

Based on the theoretical explanation and the results of the previous research above, the formulated hypothesis is as follows.

H0 = There is no significant influence between Service Quality Toward Customer Loyalty.

Ha = There is a significant influence between Service Quality Toward Customer Loyalty.

**III. METHOD**

**A. Research Design**

This study uses quantitative research methods with hypothesis testing to test whether the independent variable affects the dependent variable. The subjects in this study were the consumers or domestic tourists who stayed at five-star hotels in Bali Province. The time horizon that used in this study was cross-sectional studies. The population is especially for Indonesian citizens (WNI) who have stayed at five-star hotels in Bali Province. The characteristic for the sample size was for those aged 20 – 24 years. The sampling technique used is non-probability sampling. With convenience sampling, the method of determining the sample used from the theory of (Sekaran & Bougie, 2016) was the number of research instruments multiplied by the number 10.

**B. Variable Measurement**

In this study, the references used by researchers to design questionnaire questions addressed to respondents were based on data obtained in previous research, which refers to (Rousan & Mohamed, 2010) using a scale of 6 levels of alternative answers (Likert, 2019), namely: strongly agree – totally disagree.

**Table 1 Service Quality and Customer Loyalty Indicators**

Assurance (X1)	(1) Hotel employees are always polite to me as a guest while in the hotel area. (2) As a guest, I feel safe when making transactions that assisted by hotel employees
Empathy (X2)	(1) Employees understand the customer's requirements (2) The

	employees listened carefully when you complain
Reliability (X3)	(1) Employees keep their promises with the time that has been determined (2) Employees provide services as promised
Responsiveness (X4)	(1) The employees are willing to help guests (2) The time it took to check in or check out is not too long
Tangibility (X5)	(1) The appearance of hotel employees looks clean and tidy (2) The physical building of the hotel looks attractive and modern
Attitudinal loyalty (Y)	(1) I consider choosing this hotel as my first choice when I need accommodation (2) I recommend this hotel to my family, friends, and co-workers
Behavioral loyalty (Y)	(1) I intend to continue to use this hotel (2) If I like the services of a hotel, I will use other services from that hotel

Source: (Rousan & Mohamed, 2010)

### C. Data Analysis Method

Data were analyzed using SPSS software. In analyzing the data, using validity, reliability, classical assumption test, multiple correlation coefficient analysis, coefficient of determination analysis, multiple linear regression analysis, hypothesis testing t-test, and f-test.

## IV. RESULT AND DISCUSSION

The analyses of the collected data were carried out through various statistical techniques such as factor analysis, validity analysis, and multiple regressions. The data were compiled and analyzed using the Statistical Package for the Social Science (SPSS 26) for IOS.

Table 2 shows the demographics of the respondents. As can be seen from Table 2, the gender distribution was 56,5% female and 43,5%, male. The highest proportion of the respondents (72,7%) fell into the 20 – 24 age group, followed by the 25 – 29 year age group (13,7%). The majority of respondents were living in JABODETABEK (66,5%). The question on the educational level of customers showed that (75,2%) of the respondents had a bachelor's degree, followed by a diploma (21,7%). A variety of monthly spending rates from the highest frequencies was > Rp6500000 (28,6%), while the lowest rate was Rp4500000 – Rp5500000 (13%).

**Table 2 Profile of The Respondents (N = 161)**

	Category	Frequency	Percent
Gender	Male	70	43,5
	Female	91	56,5
Age	20 – 24	117	72,7
	25 – 29	22	13,7
	30 – 34	6	3,7
	35 – 39	5	3,1
	40 – 44	5	3,1
	>45	6	3,7
Domicile	JABODETABEK	107	66,5
	Kalimantan	1	0,6
	Papua	16	9,9
	Sulawesi	10	6,2
	Sumatera	3	1,9
	Overseas Indonesians	24	14,9
Education	D3 (Diploma)	35	21,7

	S1 (Bachelor)	121	75,2
	S2 (Master)	4	2,5
	S3 (Doctor)	1	0,6
Monthly spending rate	< Rp3500000	29	18
	Rp3500000 – Rp4500000	35	21,7
	Rp4500000 – Rp5500000	21	13
	Rp5500000 – Rp6500000	30	18,6
	>Rp6500000	46	28,6

Source: Primary Data

The second part was the open-ended and technical questions. Table 3 shows the area where the respondents have stayed, and the last one, respondents should write the name where they stayed. As can be seen from Table 3, the respondents who stayed at a five-star hotel in Bali were 100%. The area where respondents have stayed is divided into four regions. Most respondents remained at the Nusa dua area (49,7%), while (14,3%) respondents stayed at the Seminyak area. The distribution of hotel names where respondents stay is divided into 29 hotels. From 29 list hotels, the majority are dominated by respondents who have been remained at The Apurva Kempinski hotel (11,8%), then Hard Rock hotel (6,8%), and St. Regis and The Mulia hotel each (6,2%).

**Table 3 Open-ended and Technical Questions (N = 161)**

	Category	Frequency	Percent
Have been stayed at five-star hotel in Bali	Yes	161	100
	Area		
	Jimbaran	28	17,4
	Kuta	30	18,6
	Nusa Dua	80	49,7
	Seminyak	23	14,3
Name	Anantara	5	3,1
	Anvaya	6	3,7
	Apurva	19	11,8
	Ayana	6	3,7
	Conrad	2	1,2
	Discovery Kartika Plaza	2	1,2
	Double Six	2	1,2
	Four Seasons	9	5,6
	Grand Hyatt	9	5,6
	Hilton	5	3,1
	Hard Rock	11	6,8
	Indigo	2	1,2
	Intercontinental	3	1,9
	Laguna	1	0,6
	Legian	2	1,2
	Mövenpick	2	1,2
	Mulia	10	6,2
	Nusa Dua	1	0,6
	Novotel	3	1,9
	Raffles	4	2,5
	Rimba by Ayana	4	2,5
	Ritz-Carlton	8	5
	Sheraton	9	5,6
	Sofitel	4	2,5
	St.Regis	10	6,2
	The Heaven	2	1,2
	The Trans	5	3,1
	W	7	4,3
	Westin	8	8

Source: Primary Data

From the results of the validity test in Table 4, it is known that the question reference indicator reaches the corrected-item total correlation or an r-count value greater (>) than the r-table value, which is 0.129 for a significance of five percent (0.5). Based on the decision-making for the validity test, if the r-count value is greater than the r-table value, it is declared valid so that all test indicators are declared valid. For Cronbach's alpha, the service quality variable is 0.881, and the customer loyalty variable is 0.795. Both have a value more excellent (>) than (0.60). Therefore, it can see that the reliability test in this study related to the influence of service quality on customer loyalty at five-star hotels in Bali Province is reliable and consistent.

**Table 4 Validity and Reliability**

Variable	R-count	R-table	Decision	Cronbach's Alpha
(X1) Assurance	0,705	0,129	VALID	0,881 (Reliable)
(X2) Empathy	0,699	0,129		
(X3) Reliability	0,712	0,129		
(X4) Responsiveness	0,746	0,129		
(X5) Tangibility	0,716	0,129		
(CL1) AL	0,572	0,129		0,795 (Reliable)
(CL2) AL	0,633	0,129		
(CL3) BL	0,608	0,129		
(CL4) BL	0,611	0,129		

Source: Primary Data

Table 5 shows the classical assumption test on the Kolmogorov-Smirnov normality test, multicollinearity, heteroscedasticity, Durbin-Watson autocorrelation, and linearity. All of the tests fulfill the requirements of classical assumptions. Therefore, it can conclude that the regression equation obtained is consistent and unbiased

**Table 5 Classical assumption tests**

Tests	Result	Decision
One-Sample K-S	0,200 > 0,05	Normal
Multicollinearity	Collinearity tolerance value > 0,1	No collinearity
Heteroscedasticity	Significant value number > 0,05	No heteroscedasticity
Autocorrelation (D-W)	1,807 < 1,990 < 2,193	No autocorrelation
Linearity	0,718 > 0,05	Service quality linear to customer loyalty

Source: Primary Data

Pearson correlation shows that the correlation coefficient between x and y is 0.887. The relationship between variables is a very strong correlation between 0.80 – 1000. While the coefficient of determination analysis is 78.7%, which means that the service quality variable directly affects customer loyalty by 78.7%. While the remaining 21.3% is influenced by other variables outside than the multiple regression equation

**Table 6 Multiple Correlation and Determination Analysis Result**

	Model	R	R <sup>2</sup>	Adjusted R Square
Multiple correlation	1	.887 <sup>a</sup>	.787	.780
Determination analysis	1	.887 <sup>a</sup>	.787	.780

Source: Primary Data

Based on Table 6, the constant number ( $\alpha$  / customer loyalty) is 3,743, which is a condition when the customer loyalty variable hasn't been influenced by other variables, namely assurance, empathy, reliability,



responsiveness, and tangibility variables. There are no changes if the independent variable (service quality) doesn't have a dependent variable (customer loyalty)

$$Y = 3.743 + 0.169 + 0.262 + 0.312 + 0.306 + 0.513$$

Hypothesis testing with t-test aims to test the partial (individual) impact of variables X1 to X5 toward the dependent variable (Y). With a significant level of  $<0.05$ , it has a relevant effect. The output of SPSS shows a significance value of X1 to X5  $<0.05$ , which means it has a significant influence. Therefore, it can be concluded that the service quality variable significantly affects customer loyalty. The t-count value of 6.862 is  $>$  (more significant) than the t-table value of 1.975.

Aside from the t-test, and f-test was performed. It is known that the F-count value is 114,580  $>$  F-table 2.27 and the significance value is 0.000  $<0.05$ . Therefore, it can conclude that the Assurance (X1), Empathy (X2), Reliability (X3), Responsiveness (X4), and Tangibility (X5) variables have a simultaneous effect on the Customer Loyalty variable.

**Table 7 Multiple regression results with f and t-test**

t-test	unstandardized B	t
(constant)	3,743	6,862
X1	,169	2,174
X2	,262	3,497
X3	,312	3,838
X4	,306	3,743
X5	,513	6,601
f-test	mean square	F
Regression	264,540	114,580

Source: Primary Data

## V. CONCLUSION

This study aims to examine whether there is an influence between service quality toward customer loyalty in five-star hotels in Bali. The data processing and analysis results with SPSS show that the regression coefficient value of the tangibility indicator (0.513) on service quality has the highest value. Therefore, it can be seen that:

- 1) Assurance has a significant and positive influence on customer loyalty at five-star hotels in Bali.
- 2) Empathy has a significant and positive influence on customer loyalty at five-star hotels in Bali
- 3) Reliability has a significant and positive influence on customer loyalty at five-star hotels in Bali.
- 4) Responsiveness has a significant and positive influence on customer loyalty at five-star hotels in Bali.
- 5) Tangibility has a significant and positive influence on customer loyalty at five-star hotels in Bali.

Based on the results obtained through the questionnaire, suggestions and input are expected to positively assist the company's development in facing all challenges so that the company can be more advanced, increase profits, and be as reference material for further research. Therefore, suggestions and input are as follows:

- 1) The research results on the service quality variable on the assurance indicator, the lowest regression coefficient value (0.169), is related to the two questions that represent the assurance indicator. The first question is "Hotel employees are always polite to me as a guest while in the hotel area." and "As a guest, I feel safe when making transactions that hotel employees assist." Assurance has an essential role in establishing credibility when handling guests to feel guaranteed and trusted because the staff knows manners and security. Assurance relates to three elements: competence, which means the ability and knowledge possessed by employees. Then the next element is politeness (courtesy), namely the hospitality employees possess. The next element is credibility, namely, customer trust in the company. Therefore, suggestions can be offered so that employees can be polite and safe in dealing with guests and improve security around the hotel, such as increasing operating hours and patrolling around the hotel environment. In addition, the hotel also makes other efforts to strengthen assurance, namely by providing training to employees so that they have knowledge, skills, honesty, and can behave following applicable regulations.
- 2) There are limitations to this study. The research only focuses on the service quality variable as an independent variable. The customer loyalty variable is the dependent variable with the title of research on the effect of service quality on customer loyalty in five-star hotels in Bali Province. In the customer loyalty variable, there are other antecedents besides service quality. So, to continue this research, it is recommended to enlarge the scope of the study by adding other variables or using other variables other than the service quality variable to determine the magnitude of the influence on the customer loyalty variable. This research is conducted explicitly on five-star hotels in the Province of Bali. This research is specific to five-star hotels in Bali

Province. This research hopes it can discuss the influence of service quality on customer loyalty at other five-star hotels to compete in the hospitality industry and improve the economy because the level of spending by loyal consumers is higher than the regular one.

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