

# **THE EFFECT OF QUALITY OF SERVICE AND FACILITIES ON CUSTOMER SATISFACTION AND CUSTOMER LOYALTY IN LUMINOR HOTEL MANGGA BESAR JAKARTA BARAT**

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## **Abstract**

*This study aims to analyze and describe how much influence the quality of service and facilities on customer satisfaction and loyalty. The strategy used in this study is an associative research strategy, which is a research strategy used to determine the relationship between two or more variables. The population in this study is Luminor Hotel customers aged 17 years and over, with a minimum of 2 stays. The research sample of 100 respondents. The data collection tool uses a questionnaire which is then used as a tabulation score of each variable studied. The method of analysis in calculating data uses SmartPLS 3.0. The results showed that service quality has a significant effect on customer satisfaction and customer loyalty. the facility has a significant effect on customer satisfaction and customer loyalty. customer satisfaction has a significant effect on customer loyalty.*

**Keywords :** *Service Quality and Facilities Against Customer Satisfaction and Loyalty.*

## **I. INTRODUCTION**

### **1.1. Research Background**

The hotel industry plays an important role as one of the supporting sectors for tourism. The success or failure of the hotel business depends on the management of each hotel. Managing a hotel is an easy job if the management is implemented correctly (Soendoro, 2014: 177).

Service quality can be expressed as a comparison between the service expected by consumers and the service received. According to Kotler and Keller (2016: 155) service is any action or activity that can be offered by one party to another, basically intangible and does not result in any ownership. According to Kotler and Keller (2016: 156), service quality is the totality of features and characteristics of a product or service that depends on the ability to satisfy stated or implied needs.

Facilities are physical resources that exist before a service can be offered to consumers (Tjiptono and Chandra 2016: 91). The better the facilities provided by the company, it can affect the level of customer satisfaction.

Hotel Luminor is one of the industries engaged in hotel services, located on Jalan Mangga Besar, West Jakarta. The rapid growth of the hospitality industry has made competition in the hospitality industry very fierce. This makes Luminor

hotels always pay attention and provide the best in quality services and facilities offered.

Customer satisfaction is a feeling of pleasure or disappointment after comparing the performance (results) of the product in mind against the expected performance (or results) (Kotler and Armstrong 2016: 150),

In maintaining customer loyalty, the customer or consumer will come back to use the service regardless of outside influences. In addition, these customers can notify relatives or friends to use these services. Therefore, it can be directly analyzed the future of a company if it has loyal customers, which will increase in various ways, especially in financial terms (Lupiyoadi, 2014: 11).

## **1.2. Formulation of the problem**

Based on the background of the problem above, the formulation of the research problem is:

1. Does service quality have a direct influence on customer satisfaction at Hotel Luminor Mangga Besar, West Jakarta?
2. Does the facility have a direct influence on customer satisfaction at Hotel Luminor Mangga Besar, West Jakarta?
3. Does service quality have a direct influence on customer loyalty at Hotel Luminor Mangga Besar, West Jakarta?
4. Does the facility have a direct influence on customer loyalty at Hotel Luminor Mangga Besar, West Jakarta?
5. Does customer satisfaction have a direct influence on customer loyalty at Hotel Luminor Mangga Besar, West Jakarta?
6. Does service quality have an indirect effect on customer loyalty through customer satisfaction at Hotel Luminor Mangga Besar, West Jakarta?
7. Does the facility have an indirect effect on customer loyalty through customer satisfaction at Hotel Luminor Mangga Besar, West Jakarta?

## **1.3. Research purposes**

Based on the formulation of the problem above, this study aims to provide empirical evidence as follows:

1. To determine the direct effect of service quality on customer satisfaction at Hotel Luminor Mangga Besar, West Jakarta.
2. To determine the direct effect of facilities on customer satisfaction at Hotel Luminor Mangga Besar, West Jakarta.
3. To determine the direct effect of service quality on customer loyalty at Hotel Luminor Mangga Besar, West Jakarta.
4. To determine the direct effect of facilities on customer loyalty at Hotel Luminor Mangga Besar, West Jakarta.
5. To determine the direct effect of customer satisfaction on customer loyalty at Hotel Luminor Mangga Besar, West Jakarta.
6. To determine the indirect effect of service quality on customer loyalty through customer satisfaction at Hotel Luminor Mangga Besar, West Jakarta.
7. To determine the indirect effect of facilities on customer loyalty through customer satisfaction at Hotel Luminor Mangga Besar, West Jakarta.

#### **1.4. Benefits of Research**

##### **1. For the Company**

The company obtained information to encourage the company to provide optimal service quality and complete facilities at Hotel Luminor Mangga Besar, West Jakarta.

##### **2. For the Community**

It is expected to produce information about hotels that can be used as a complete and reliable reference material.

##### **3. For Researchers**

Researchers can apply the knowledge that has been obtained during lectures, especially in the fields of marketing and consumer behavior. In addition, researchers obtained more information about the influence of service quality and facilities.

##### **4. For Further Researchers**

This research is expected to contribute more to more positive insights regarding service quality and facilities. It is hoped that it will become a foothold for further researchers.

## **II. Literature review**

### **2.1. Previous Research Review**

1. The research was conducted by Risma Nur Maulidya, Ahmad Mulyadi Kosim, Abrista Devi with the title "The Influence of Business Ethics and Service Quality on Customer Satisfaction and Loyalty in Islamic Hotels in Bogor". Faculty of Islamic Studies, Ibn Khaldun University, Bogor. This research was conducted with the aim to determine the effect of Islamic business ethics and service quality on customer satisfaction, and to determine the effect of satisfaction on customer loyalty in Islamic hotels in Bogor.
2. The research was conducted by Eka Kesuma, Amri, M. Shabri with the title "The Influence of Service Quality and Trust on Customer Satisfaction at Sulthan Hotel Banda Aceh". Master of Management, Postgraduate Program, Syiah Kuala University, Banda Aceh, Faculty of Economics, Syiah Kuala University. The purpose of this study was to determine the effect of service quality and trust both simultaneously and partially on customer satisfaction of Sulthan Hotel Banda Aceh.
3. The research was conducted by Nurmalita Sekar Smardhana, and Harrie Lutfie with the title "The Effect of Service Quality and Physical Facilities on Customer Satisfaction at The 101 Hotel Bandung Dago". Faculty of Applied Sciences, Department of Management, Telkom University. This study aims to determine how the quality of services and physical facilities can influence customer satisfaction at The 101 Hotel Bandung Dago. This study also aims to determine the quality of services, physical facilities and customer satisfaction at The 101 Hotel Bandung Dago.
4. The research was conducted by Ni Luh Sili Antari, I Putu Santika, Gusti Putu Eka Mahardika with the title "The Role of Service Quality in Increasing Customer Satisfaction and Loyalty". Faculty of the Triatma Mulya College of Economics. Scientific Journal of Management &

Accounting. This study focuses on the role of service quality in increasing customer satisfaction and loyalty at The Santi Residences and Resorts Bali.

5. The research was conducted by Sartika Moha, and Sjendry Loindong with the title "Analysis of Service Quality and Facilities on Customer Satisfaction at Hotel Yuta in Manado City" Faculty of Economics and Business, Management Department of Sam Ratulangi University Manado. The purpose of this study was to analyze the effect of service quality and facilities on customer satisfaction at Hotel Yuta in Manado city.
6. The research was conducted by Bambang Purwoko with the title "The Effect of Service Quality and Customer Satisfaction and Loyalty Trust of Foreign Tourists Visiting Tourist Attractions in East Java, Indonesia" Department of Master of Management, Postgraduate School, WR Diversity. Supratman, Indonesia. *European Journal of Business and Management*. This study aims to analyze whether service quality and customer satisfaction and loyalty affect the trust of foreign tourists to visit tourist attractions in East Java.
7. The research was conducted by Rianto Nurcahyo, Annisa Fitriyani, and Irma Nur Hudda with the title "The Effect of Facilities and Service Quality on Customer Satisfaction and their Impact on Customer Loyalty at Hotel Borobudur in Jakarta. *International Business Management, School of Business Management, Bina Nusantara University*1,2,3. *Business Overview*. The hotel development is currently growing very rapidly. The emergence of new hotels increases competition in the hotel industry. This study aims to determine the effect of facilities, service quality on customer satisfaction and their effect on customer loyalty at Hotel Borobudur in Jakarta.
8. The research was conducted by Marcelitha T. Monotalu with the title "The Impact of Service Quality and Price on Customer Satisfaction and Customer Loyalty at Swiss-BelHotel Maleosan Manado". Faculty of Economics and Business, International Business Administration Program (IBA), Sam Ratulangi University, Manado. This study aims to analyze the effect of service quality and price on customer satisfaction, service quality and price on customer loyalty and customer satisfaction on customer loyalty.

## **2.2. Theoretical Basis**

### **2.2.1. Definition of Service Quality**

Tjiptono and Chandra (2016: 157) argue that service quality is a measure of how good the level of service provided is able to be realized according to customer expectations. Meanwhile, according to (Lupiyoadi, 2014: 7) service quality is any action or activity that can be offered by one party to another, basically intangible and does not result in any transfer of ownership.

### **Service Quality Indicators**

Service quality is an assessment factor that reflects consumer perceptions of 5 (five) specific indicators of service performance. The five indicators of service quality are described by Tjiptono and Chandra (2016: 137) as follows:

1. Tangibles, with regard to the attractiveness of the physical facilities, equipment and materials used by the company, as well as the appearance of employees.
2. Reliability (Reliability), related to the company's ability to provide accurate service from the first time without making any mistakes and delivering services according to the agreed time.
3. Responsiveness, regarding the willingness and ability to help customers and process their requests, as well as informing when services will be provided and then providing services quickly.
4. Assurance, with regard to employee behavior is able to foster customer trust in the company and the company can create a sense of security for customers.
5. Empathy (Empathy), means that the company understands customer problems and acts in the interest of customers, as well as giving personal attention to customers and having comfortable operating hours.

### **2.2.2. Definition of Facility**

According to Tjiptono and Chandra (2016: 184), a facility is a physical form or atmosphere formed by the exterior and interior provided by the company in building a sense of security and comfort for customers. Tjiptono and Chandra (2016: 91), facilities are physical resources that exist before a service can be offered to consumers. Facilities are everything that makes it easy for consumers to use the company's services.

### **Facility Indicators**

According to Tjiptono (2016: 46) in realizing the facility there are six indicators to evaluate this, namely:

1. Spatial Planning

Relating to elements of distance, location, shape and size. This is closely related to the use of time.

2. Space Planning

Factors that include interior planning and architecture, such as the placement of furniture and fixtures in the room

3. Equipment

As a complementary instrument that can offer comfort, as a decoration or as a supporting infrastructure in the use of customer goods,

4. Light and Color System

Setting the light and color of the room according to the activities carried out and the atmosphere that you want to build in the room.

5. Instructions conveyed graphically

Visual appearance, placement, determination of physical form, color selection, lighting, and selection of the shape of the symbol that you want to use for a specific purpose.

### **2.2.3. Definition Customer Satisfaction**

According to Lupiyoadi (2014: 228), customer satisfaction is the level of feeling where a person states the results of the comparison of the performance of

the service product received with the expected. Meanwhile, according to Kottler and Keller (2016: 153), emphasizing in general that satisfaction is the feeling of pleasure or disappointment of someone resulting from comparing the performance of the product (or results) that are felt with expectations.

### **Customer Satisfaction Indicators**

According to Tjiptono (2014: 150) suggests that there are several indicators that can measure customer satisfaction. These indicators are:

1. Conformity of expectations

Is the level of conformity between product performance expected by consumers and perceived by consumers. Such as services by employees obtained in accordance with or exceeding expectations.

2. Interest in returning to visit

It is the customer's willingness to return to visit or make re-purchases of related products. For example, they are interested in visiting again because the services provided by the employees are satisfying and are interested in visiting again because the supporting facilities provided are adequate.

### **2.2.4. Definition Loyalty Customer**

Loyal customers will not buy products that are considered of no value to them. Therefore, it doesn't matter what the price is. So it can be defined that loyalty is loyalty, determination and ability to obey, carry out and practice something accompanied by full awareness and responsibility (Hery 2018: 31). Meanwhile, according to Kotler and Keller (2016: 138) defines customer loyalty as a commitment that is held deeply to buy or support a preferred product or service in the future, even though the influence of the situation and marketing efforts have the potential to cause customers to switch. It is concluded that consumer loyalty is an attitude that encourages behavior to purchase products or services from a company that includes the feeling aspect in it, especially those who buy regularly and repeatedly with high consistency, but not only repurchase goods and services, but also have a commitment and positive attitude towards the company that offers the product / service.

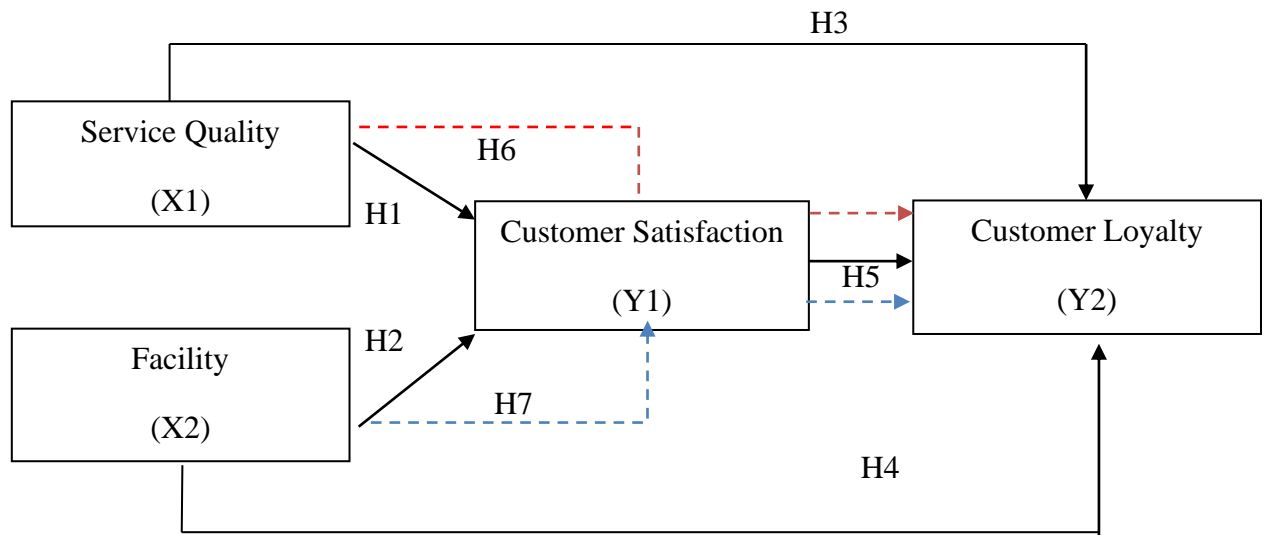
### **Customer Loyalty Indicators**

Indicators of customer loyalty according to Kotler & Keller (2016: 57) are:

1. Repeat, loyalty to product purchases).
2. Retention, resistance to negative influences on the company).
3. Referrals, referencing the company's total resistance).

### 2.3. Research Framework

**Gambar 2.1. Research Framework**



#### **Quality of Service (X1)**

According to Tjiptono (2014: 268), Service Quality focuses on efforts to meet the needs and desires of consumers as well as the accuracy of their delivery to compensate for consumers.

#### **Facilities (X2)**

According to Kotler (2016: 45), facilities are everything that is physical equipment provided by the service seller to support consumer convenience.

#### **Customer Satisfaction (Y1)**

According to Kottler and Keller (2016: 153), generally emphasizing that satisfaction is the feeling of pleasure or disappointment of a person resulting from comparing perceived product performance (or results) with expectations.

#### **Customer Loyalty (Y2)**

According to Kotler and Keller (2016: 138), customer loyalty is a deeply held commitment to buy or support a preferred product or service back in the future, even though the influence of the situation and marketing efforts has the potential to cause customers to switch. Based on the above definition, it can be concluded that consumer loyalty is an attitude that encourages behavior to purchase products or services from a company that includes a feeling aspect in it, especially those who buy regularly and repeatedly with high consistency, but not only repurchase goods and services, but also have a positive commitment and attitude towards the company that offers the product / service.



### III. Research methods

#### 3.1 Method of collecting data

1. Primary data is data that is obtained directly from the object under study. According to Sugiyono (2016: 223), primary data is data that is directly obtained by researchers. In this study, primary data originated from distributing questionnaires directly to respondents related to the variables studied.
2. Secondary data is data obtained indirectly from the object under study. According to Sugiyono (2016: 223), secondary data is a source that does not directly provide data to data collectors. In this study, secondary data came from articles, theses, theses, journals, relevant books and other sources related to the variables studied.

#### 3.2 Data Analyst Method

The path diagram consists of two structural equations, where X1, X2, are exogenous variables and Y and Z are endogenous variables as follows:

1. Structural formula

The first structural equation:

$$Z = \beta_{(X_1 Z)} X_1 + \beta_{(X_2 Z)} X_2 + \epsilon_1 \dots \dots \dots (3.2)$$

Second structural equation

$$Y = \beta_{(X_1 Y)} X_1 + \beta_{(X_2 Y)} X_2 + \beta_{(Z Y)} Z + \epsilon_2 \dots \dots \dots (3.3)$$

Information:

$\beta$  = Effect of exogenous variables on endogenous variables

X1 = Quality of Service

X2 = Facilities

Z = Customer Satisfaction

Y = Customer Loyalty

2. Regression analysis

- 1) Direct Influence

To see the magnitude of the influence of the variable corporate image and service quality on direct customer satisfaction and the influence of the variable corporate image and service quality on customer loyalty, the beta number or Path Coefficient is used directly.

Stage 1

Sub-structure equation path analysis 1

$$Y_1 = \rho_{Y_1 X_1} X_1 + \rho_{Y_1 X_2} X_2 + e_1$$

Information:  $\rho$  = path coefficient

Y1 = Customer Satisfaction

Y2 = Customer Loyalty

X1 = Quality of Service

X2 = Facilities



2) Indirect influence

To see the magnitude of the influence on the corporate image variable, service quality on the process of customer loyalty through customer satisfaction, the beta number is used in the Indirect Effect table of the SmartPLS.3.0 calculation. and the following indirect influence path diagram:

Stage 2

Structural Equation 2:

$$Y2 = \rho_{y2x1}X1 + \rho_{y2x2}X2 + Y1 + e2$$

Information:  $\rho$  = path coefficient

Y1 = Customer Satisfaction

Y2 = Customer Loyalty

X1 = Quality of Service

X2 = Facilities

e = Error

3. Path coefficient testing

This hypothesis test is used to measure the significant influence of perceived service quality and facilities on customer satisfaction and customer loyalty. In this case, hypothesis testing is carried out on the regression coefficient partially and simultaneously. The hypothesis in this study is

1) Direct hypothesis testing

a. Testing X1 against Z

Ho:  $\rho_{1.23} = 0$  (Partially service quality has no significant effect on customer satisfaction at Hotel Luminor Mangga Besar, West Jakarta).

Ha:  $\rho_{1.23} \neq 0$  (Partially service quality has a significant effect on customer satisfaction at Hotel Luminor Mangga Besar, West Jakarta).

Testing X1 against Y

Ho:  $\rho_{1.23} = 0$  (Partially service quality does not significantly affect customer loyalty at Hotel Luminor Mangga Besar, West Jakarta)

Ha:  $\rho_{1.23} \neq 0$  (Partially service quality has a significant effect on customer loyalty at Hotel Luminor Mangga Besar, West Jakarta).

c. X2 testing against Z

Ho:  $\rho_{2.13} = 0$  (Partially facilities do not significantly influence customer satisfaction at Hotel Luminor Mangga Besar, West Jakarta).

Ha:  $\rho_{2.13} \neq 0$  (Partially facilities have a significant effect on customer satisfaction at Hotel Luminor Mangga Besar, West Jakarta).

d. Testing X2 against Y

Ho:  $\rho_{2.13} = 0$  (Partially facilities do not significantly influence customer loyalty at Hotel Luminor Mangga Besar, West Jakarta).

Ha:  $\rho_{2.13} \neq 0$  (Partially facilities have a significant effect on customer loyalty at Hotel Luminor Mangga Besar, West Jakarta).

The test criteria, with the real level  $\alpha$  ( $5\% = 0.05$ ) are as follows:

$H_0$  is rejected, if the significance  $t < 0.05$  and

$H_0$  is accepted, if Significance  $t > 0.05$

2) Indirect hypothesis testing

a. Effect of X1 on Y through Z

$H_0: \beta_{(Y Z X_1)} = 0$  (There is no significant indirect effect of service quality on customer loyalty through customer satisfaction)

$H_a: \beta_{(Y Z X_1)} \neq 0$  (There is a significant indirect effect of service quality on customer loyalty through customer satisfaction)

b. Effect of X2 on Y through Z

$H_0: \beta_{(Y Z X_2)} = 0$  (There is no significant indirect effect of facilities on customer loyalty through customer satisfaction)

$H_a: \beta_{(Y Z X_2)} \neq 0$  (There is a significant indirect effect of facilities on customer loyalty through customer satisfaction)

To test the indirect effect of exogenous variables and endogenous variables, the P-value is compared with the real level ( $\alpha$ ) 5% (0.05), with the following criteria:

$H_0$  is rejected if the P-value  $< 0.05$  and

$H_0$  is accepted if the P-value is  $\geq 0.05$

or

$H_0$  is rejected if T-statistic  $> t$  table

$H_0$  is accepted if T-statistic  $\leq t$  table

## IV. RESEARCH RESULTS AND DISCUSSION

### 4.1. Respondent Data

**Table 4.1 Based on Age**

Age	Number Of respondents	Persentase (%)
20-30	18	18%
30-40	59	59%
>40	23	23%
Total	100	100%

**Table 4.2 Based on Gender**

Gender	Number Of respondents	Persentase (%)
Laki laki	55	55%
Perempuan	45	45%
Total	100	100%

**Table 4.3 Based on Number of Times Stay**

Number Of Times Stay	Number Of respondents	Persentase (%)
3 Kali	52	52%
4-5 Kali	35	35%
>6 Kali	13	13%
Total	100	100%

**Table 4.4 Based on Occupation**

Occupation	Number Of respondents	Persentase
Pegawai Negeri	48	48%
Pegawai Swasta	23	23%
Wirausaha	21	21%
Lainnya	8	8%
Total	100	100%

## 4.2. Data Description

**Table 4.5. Average Variance Extracted (AVE)**

Construct	Average Variance Extracted (AVE)
Kualitas Pelayanan	0.599
Fasilitas	0.606
Kepuasan Pelanggan	0.747
Loyalitas Pelanggan	0.613

### 1. Convergent Validity

Convergent validity of the measurement model using reflective indicators based on loading factor indicators that measure the construct. The rule of thumb that is usually used to assess convergent validity is that the loading factor value must be more than 0.7 for confirmatory research and a loading factor value greater than 0.6 or 0.7 for exploratory ones is still acceptable and the AVE value (Average Variance Extracted) must be greater than 0.5. The following is the result of the outer loading value.

**Table 4.6. Outer Model**

	<b>Service Quality</b>	<b>Facilities</b>	<b>Customer Satisfaction</b>	<b>Customer Loyalty</b>
X1.1	<b>0.790</b>			
X1.2	<b>0.788</b>			
X1.3	<b>0.711</b>			
X1.4	<b>0.741</b>			
X1.5	<b>0.781</b>			
X1.6	<b>0.755</b>			
X1.7	<b>0.757</b>			
X1.8	<b>0.798</b>			
X1.9	<b>0.811</b>			
X1.10	<b>0.799</b>			
X2.1		<b>0.784</b>		
X2.2		<b>0.792</b>		
X2.3		<b>0.752</b>		
X2.4		<b>0.781</b>		
X2.5		<b>0.796</b>		
X2.6		<b>0.740</b>		
X2.7		<b>0.796</b>		
X2.8		<b>0.793</b>		
X2.9		<b>0.785</b>		
X2.10		<b>0.772</b>		
X2.11		<b>0.773</b>		
Y1.1			<b>0.907</b>	
Y1.2			<b>0.848</b>	
Y1.3			<b>0.836</b>	
Y2.1				<b>0.776</b>
Y2.2				<b>0.775</b>
Y2.3				<b>0.795</b>
Y2.4				<b>0.761</b>
Y2.5				<b>0.809</b>

In this study, there are 4 variables with indicators totaling 29, consisting of 10 indicators for Service Quality, 11 Facility indicators, 3 indicators of Customer Satisfaction and 5 indicators of Customer Loyalty. based on figure 4.1 and table 4.6 can be explained as follows:

- a. The construct or variable of Service Quality is measured by the indicators X1.1-X1.10. All indicators have a loading factor above 0.5 and an AVE (Average Variance Extracted) value of 0.599

- b. Construct or Facility variables are measured by indicators X2.1-X2.11. All indicators have a loading factor above 0.5 and an AVE (Average Variance Extracted) value of 0.606
- c. Construct or variable Customer Satisfaction is measured by indicators Y1.1-Y1.3. All indicators have a loading factor above 0.5 and an AVE (Average Variance Extracted) value of 0.747
- d. Construct or variable Customer Loyalty measured by the indicator Y2.1-Y2.5. All indicators have a loading factor above 0.5 and an AVE (Average Variance Extracted) value of 0.613

The conclusion is that the AVE value has more than 0.5 for each variable, while the outer loading of each indicator for each variable is more than 0.5-0.7, which means that the overall convergent validity is fulfilled.

2. Discriminant Validity

Discriminant validity is reflexive which can be seen cross loading and its constructs or by comparing the square root of AVE (Average Variance Extracted) for each construct of correlation between constructs and other constructs in the model. Discriminant validity if the AVE of the construct is greater than the correlation between constructs and other constructs, which is > 0.5 in one variable.

**Table 4.7. Discriminant Validity**

	<b>Facilities</b>	<b>Service Quality</b>	<b>Customer Satisfaction</b>	<b>Customer Loyalty</b>
Facilities	0.779			
Customer Satisfaction	0.387	0.864		
Service Quality	0.173	0.413		
Customer Loyalty	0.513	0.628	0.774	
			0.567	0.783

Based on Table 4.7, it can be concluded that the value of the Discriminant validity of the Service Quality construct is 0.779, the Facility construct is 0.864, the Customer Satisfaction construct is 0.774, and the Customer Loyalty construct is 0.783. Then the test of the discriminant validity as a whole has been fulfilled.

**Table 4.8 Construct Reliability**

	<b>Cronbachs Alpha</b>	<b>Composite Reliability</b>
Service Quality	0.926	0.937
Facilities	0.935	0.944
Customer satisfaction	0.831	0.898
Customer Loyalty	0.842	0.888

Based on Table 4.8, the reliability test in this study shows that in general the measurement variables used in this study can be declared reliable, because they show Cronbach alpha and composite reliability 0.8.

According to Jr. et al, (2017) the criteria in the structural modeling process are referred to as recommendations, namely evaluating the value of  $R^2$ , assessing the path coefficient and reporting significant relationships in the structural model, and predicting predictive model revelations based on  $Q^2$  ( $Q^2 \geq 0$  indicates the predictive behavior of the model) and GoF (goodness of Fit).

**Research on Endogenous Construct Variants ( $R^2$ ) and path coefficients**

$R^2$  value is presented in the price range 1-0, the more  $R^2$  value approaches the number 1, the better it will be.

**Table 4.9. R-Square Value**

	<b>R Square</b>
Customer Satisfaction	0.273
Customer Loyalty	0.499

Table 4.9 above states that the value of Service Quality and Facilities is able to explain the construct of endogenous variables, namely Customer Satisfaction with a value of 27.3% with the remaining 72.7% which is explained in other constructs not explained in this study. And customer loyalty of 49.9% with the remaining 50.1% which is not included is explained in the study.

**Predictive Relevance Research ( $Q^2$ )**

$Q^2$  Predictive Relevance is an antesis and cross-validation function that has been tested using a blindfolding procedure and the  $Q^2$  model is greater than zero which is considered to have predictability. If the  $Q^2$  value obtained is 0.02 is considered small, 0.15 is considered moderate and 0.35 is considered large. This can only be done for endogenous constructs with reflective indicators (Hair et a, 2014: 178). Predictive relevance  $Q^2$  for structural models to measure how well the observed value is generated by the model and its parameter estimates. The formulas for testing include:

$$Q^2 = 1 - (1 - R^2_1) (1 - R^2_2) \dots \dots \dots (4.1)$$

$$Q^2 = 1 - (1 - 0.273) (1 - 0.499)$$

$$Q^2 = 1 - (0.727) (0.501)$$

$$Q^2 = 1 - 0.635773$$

$$Q^2 = 0.364227$$

The calculation result shows the predictive relevance  $Q^2$  value of 0.364 or the relevant predictive value of the model is 14%. The predictive relevance value of 14% is a predictive value in the category considered moderate because the index value of  $V$  is considered small if the value of 0.2 is considered moderate if the value exceeds 0.15 and the value of 0.35 is considered large (Hair et al, 2014: 129).

**Goodness Of Fit Assessment**

In particular, the GoF value can be created based on the following formula:

$$GoF = \sqrt{(R^2 \times AVE)} \dots \dots \dots (4.2)$$

Where R2 is the variant of the endogenous construct, the percentage change in the dependent variable in relation to the independent variable. Meanwhile, AVE is the average value of distraction. According to Ghazali, 2015: 83) the GoF index values are 0.1 (small), 0.25 (simple) and 0.36 (large).

**Table 4.10. Goodness Of Fit value**

<b>Construct</b>	<b>Average Variance Extracted (AVE)</b>	<b>AVE x R-Square</b>
Service Quality	0,599	0,29
Facilities	0,606	0,30
Customer satisfaction	0,747	0,37
Customer Loyalty	0,613	0,31
Average GoF		0,25

Based on table 4.10 the average GoF results for the study are 0.25 these results indicate that the GoF value of this study is in the simple category.

**4.3. Hypothesis**

After making sure that the model used both the outer model and the inner model, this research conducts hypothesis testing. In this study, hypothesis testing was carried out by processing data through the bootstrapping method in the SmartPLS (Partial Least Square) 3.2.6 application. This test is done to minimize the abnormal distribution of research data. The bootstrapping results can be seen as follows in table 4:11 below.

**Table 4.11. Direct effect results**

	<b>Original Sample (O)</b>	<b>Sample Mean (M)</b>	<b>Standard Deviation (STDEV)</b>	<b>T Statistics ( O/STDEV)</b>
Service Quality -> Customer Satisfaction	0.356	0.369	0.088	4.036
Service Quality -> Customer Loyalty	0.493	0.497	0.065	7.627
Facilities -> Customer Satisfaction	0.326	0.334	0.093	3.516
Facilities -> Customer Loyalty	0.428	0.440	0.067	6.350

**Effect of Service Quality on Customer Satisfaction**

The results showed that service quality has a positive influence on customer satisfaction. This shows that the quality of service provided by Luminor Hotel Mangga Besar West Jakarta is good and is able to create satisfaction in the minds of customers. The results of the direct effect calculation in table 4:10 show that the original sample value of the service quality variable is 0.356 and this indicates a positive influence. Then the T-statistic value of the service quality variable is 4.036, this value is greater than the t table, namely 1.98 and the P value



of 0.000, this value is less than 0.05. Then service quality has a significant effect on customer satisfaction and it can be concluded that hypothesis 1 is accepted. These results are supported in research by Risma Nur Maulidya, Ahmad Mulyadi Kosim, and Abrista Devi (2016) which show that service quality variables have a positive and significant effect on customer satisfaction.

#### **Effect of Facilities on Customer Satisfaction**

The results showed that the facility has a positive influence on customer satisfaction. This shows that the facilities provided by Luminor Hotel Mangga Besar West Jakarta are good and able to create satisfaction in the minds of customers. The direct effect calculation results in table 4.10 show that the original sample value of service quality variables is 0.326 and this indicates a positive influence. Then the T-statistic value of the service quality variable is 3.516, this value is greater than the t table, namely 1.98 and the P value of 0.000, this value is less than 0.05. Then the facility has a significant effect on customer satisfaction and it can be concluded that hypothesis 2 can be accepted. This result is supported in research by Sartika Moha and Sjendry Loindong (2016) which shows that facility variables have a positive and significant effect on customer satisfaction.

#### **Effect of Service Quality on Customer Loyalty**

The results showed that service quality has a positive influence on customer loyalty. This shows that the quality of service provided by Luminor Hotel Mangga Besar West Jakarta is good and is able to create loyalty in the minds of customers. The calculation of the direct effect in table 4.10 shows that the original sample value of the service quality variable is 0.493 and this indicates a positive influence. Then the T-statistic value of the service quality variable is 7.627, this value is greater than the t table, namely 1.98 and the P value of 0.000, this value is less than 0.05. Then service quality has a significant effect on customer loyalty and it can be concluded that hypothesis 3 can be accepted. These results are supported in research by Ni Luh Sili Antari, Putu Santika, and Gusti Putu Eka Mahardika (2017) which show that quality variables have a positive and significant effect on customer loyalty.

#### **Effect of Facilities on Customer Loyalty**

The results showed that the facility has a positive influence on customer loyalty. This shows that the facilities provided by Luminor Hotel Mangga Besar West Jakarta are good and able to create loyalty in the minds of customers. The direct effect calculation results in table 4.10 show that the original sample value of the service quality variable is 0.428 and this indicates a positive influence. Then the T-statistic value of the service quality variable is 6.350, this value is greater than the t table, namely 1.98 and the P value of 0.000, this value is less than 0.05. Then the facility has a significant effect on customer loyalty and it can be concluded that hypothesis 4 is accepted. These results are supported in research by Nurmalita Sekar Smardhana, and Harrie Lutfie (2017) which shows that facility variables have a positive and significant effect on customer loyalty.

## **V. CONCLUSIONS AND SUGGESTIONS**

### **5.1. Conclusion**

Based on the results of research that has been carried out and data analysis as described in the previous chapter, the following conclusions are presented from the research results as follows:

1. Based on the results of hypothesis testing, it shows that there is a direct influence of service quality variables on customer satisfaction.
2. Based on the results of hypothesis testing, it shows that there is a direct effect of the facility variable on customer satisfaction.
3. Based on the results of hypothesis testing, it shows that there is a direct influence of service quality variables on customer loyalty.
4. Based on the results of hypothesis testing, it shows that there is a direct influence of service quality variables on customer loyalty.

### **5.2. Suggestion**

Based on the results of existing conclusions, try to make the following suggestions:

1. We recommend that the quality of service at Luminor Hotel Mangga Besar should be able to be maintained because service quality affects customer satisfaction and customer loyalty.
2. It is better if the facilities at the Luminor Hotel Mangga Besar should be paid more attention because the facilities influence customer satisfaction and customer loyalty.
3. To improve customer satisfaction at Luminor Hotel Mangga Besar, West Jakarta, the hotel management must pay attention to the quality of services and facilities.
4. To increase customer satisfaction, Luminor Hotel Mangga Besar, West Jakarta, by making service procedures that are not complicated and have complete service supporting facilities and infrastructure.

### **5.3. Limitations of further research and development**

In this research, efforts are made to the maximum extent possible in accordance with the aims and objectives of the study, but there are still limitations and weaknesses that cannot be avoided, among others:

#### **1. For the Company**

It is better if hotel companies continue to improve themselves by following the existing digital economy era. So that competition is not only between hotel companies, but it is hoped that hotel companies will be able to compete with other businesses. And prioritizing services to branches that are owned to increase sales.

#### **2. For Further Researchers**

The variables used for this study are very few, namely only two variables, therefore in future studies can add other variables related to customer satisfaction and loyalty. so that it can provide a broader picture of what affects customer satisfaction and loyalty besides the quality of service and facilities.

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