

Analysis Of Service Quality Improvement, Customer Satisfaction And Customer Loyalty In The Hotel Industry In Serang Banten Using The Sem-Pls Method

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Abstract :

The research objectives to analyze the effect of reliability, responsiveness, assurance, empathy and physical evidence on customer satisfaction at Four Star Hotels in Serang City. They know the factors causing the decreasing customer satisfaction level and improvements which may grew customer satisfaction with the services of Four Star Hotels in Serang City. The population in this study are customers from four-star hotels, namely customers who stay and use four-star hotel facilities, with a total sample of 100 respondents. In this research, the data analysis method using Structural Equation Model-Partial Least Square (SEM-PLS) in the early stages of confirmatory factor analysis test on formative constructs carried out by testing the value of outer collinearity VIF, the significance of outer weight and construct reliability. The next step is to extract scores. Latent variables using the IPMA method help expand the findings of the PLS-SEM preliminary results. The results in this research, indicate that the five factors that make up Service Quality can increase Consumer Satisfaction and Loyalty. Several indicators which need improvement in Service Quality are: (a) Attitude, (b) Speed of Employees in Serving, (c) Troubleshooting, (d) Courtesy, and (e) Concern. All components of Service Quality have been in exemplary implementation and need to be maintained. This result can provide benefits for developing the ability of writers to write scientific papers, especially in the field of industrial engineering

Keywords: Service Quality, Customer Satisfaction, Customer Loyalty, IPMA, SEM PLS

1. Introduction

The growth of the Indonesian tourism industry is currently speedy. Many factors cause the movement of the tourism industry to increase. One of the factors influencing this growth is the existence of strategic and coordinated efforts to encourage the development of the tourism industry, such as very aggressive efforts to market Indonesia as a tourist destination through vigorous and sustainable promotion. This is supported via way of means of coverage reforms to draw overseas funding and boom the promoting and improvement of strategic traveler locations outdoor Bali as opportunity tourism, certainly considered one among that is Banten Province. Since the program was implemented in 2015, the

tourism industry has experienced significant growth, with indicators of increasing economic activity and creating new jobs, as well as increasing state income and equitable development both in the regions and at the centre.

Before the Covid-19 outbreak broke out, annually, the amount of tourist foreigner coming to Banten Province continued to grow, as did the movement of local tourists. This rise wishes to be balanced with a growth within the delivers of hotel rooms and other accommodations not to create a gap between demand and supply of rooms/accommodations. To provide the best service related to accommodation services to tourists, it is need to properly plan the construction or increase the number

of hotel rooms and other accommodations. Based on BPS data, the Room Occupancy Rate (TPK) for Banten star hotels in May 2021 reached 34.10 per cent or decreased by 7.73 points compared to the previous month, which was 41.83 per cent, while compared to the same month last year, it increased by 15.53 points. The combined average length of stay (RLMT) of guests (foreign and Indonesian) at five-star hotels during May 2021 reached 1.63 days or decreased by 0.08 points compared to the previous month, which was recorded at 1.71 days, compared to the same month last year. The combined RLMT rose by 0.42 points.

From 2020 to 2021, the development of TPK over the past year displays conditions that are still declining until May 2021. This is due to the Eid al-Fitr holiday, but the government set PSBB and banned travelling outside the region. In addition, it is also possible that other causes are related to the decline in the TPK in May 2021. The prediction of the TPK in the months ahead in 2021 is estimated to decrease due to the lack of available holidays. In line with that, it is also necessary to be alert to improving the quality and quantity of employees in lodging, especially professionals in hotels and tourist areas, as well as the boom in the flow of tourists who come and stay at lodging centres. For this reason, up-to-date accommodation data is needed according to conditions in the field. This has further increased hotel costs during a reasonably high level of competition, especially in Banten Province, a relatively new province. To aid the tourism software in Banten, numerous centers had been organized via way of means of the nearby authorities in collaboration with the personal sector. One of the supporting facilities is lodging or hotels and restaurants. The following is data on the number of inns, hotels, and restaurants in Banten Province in 2022.

Serang City is the Banten capital province

which supported by Serang Regency which had 128 hotels/inns and 69 restaurants, meanwhile the amount of the visiting tourist before the pandemic COVID-19 was 8.5 million with the occupancy hotel rates from 50%. However, after the pandemic occurred, the occupancy rate and tourist arrivals fell to only 15-20% for both one-star and four-star hotels. The rapid development of the hotel business causes high competition, this is the main concern of the management to provide the best service for hotel guests so that guests feel satisfied and are willing to come back when visiting Serang City. The hotel industry is a kind of service industry which combines services and products itself. If previously rooms or lodgings were the main product or service for tourists' needs, now it is developing to emphasize the importance of the quality of service desired by customers, which is not only limited to rooms to stay. The building design, the interior and exterior of the hotel room as well as the atmosphere built in hotel room, restaurant, food and beverages were sold within all the whole facilities which examples of the products sold. While the services that are sold are the hospitality and ability of employees while serve the customers. Services are activities or blessings presented via way of means of one celebration to any other which are basically intangible and do now no longer bring about any ownership (Kotler and Armstrong 2012).

Customer satisfaction is one of the organisation's factors of successes; the company must satisfy its customers by providing quality services. Customers tend to compare the products or services of a company with other companies. If they dissatisfied with the services or products of a company, they will more easily switch to other products or services. Service quality measures the extent to which the services can meet consumer expectations (Evianti et al., 2022). Agree with the opinion of quality

service. Based on Cesariana et al. (2022), quality service is the level of excellence or consumer expectations to fulfil consumer desires. If the company provides the best service, it can be in the form of a quick response to consumer complaints, by what consumers expect. Consumers will feel satisfied with the services provided, and it becomes where consumers go to make purchases.

Customer satisfaction structures had been utilized in psychology, marketing, business, economics, housing, and tourism research (Jiang et al., 2017; Kim et al., 2017). Satisfaction relates to the net positive experience which arises of the customer's perception of the service provider's terms concerning their service foresight (Marinkovic and Kalinic, 2017). Quantitatively it could be expressed as the total amount or percentage of clients who have excessive experience with a company or product and service exceeding the level expectation of satisfied (Gilboa et al., 2019). As a client evaluation of a provider product's usual superiority or superiority. It is simply "the level of products quality and services to customers" and satisfaction service" (Kim, 2021). It is "the comparison result" between the perceptions of consumers' of perceived and expected services and functional relationships between variables like quality technic, available quality, and figure" (Prentice and Kadan, 2019).

The rapid development of the hotel business causes high competition; this is the primary concern of the management to provide the best service for hotel guests so that guests feel satisfied and are willing to return to the hotel when visiting Serang City. Data showing the decreasing number of guests staying in 2021 is a severe concern for hotel management. The need for improvement and service quality improvement so that the number of room occupancy continues to increase yearly. The construction of new hotels in Serang City can also allegedly affect the number of room occupancy. The

emergence of competitors will force companies to improve their services to compete. Otherwise, consumers will choose hotels that provide the best service.

Several studies have similar discussion topics, namely the first research conducted by Uzir et al. (2021) with the title "The consequences of service quality, perceived value and trust in-home delivery service employees on customer satisfaction: Evidence from a growing country." this study focuses on investigating the effect of home delivery employee's service quality and perceived value on customer satisfaction, with faith playing an intervention role. Second, research carried out by Dewi et al. (2021) under the title "The effect of service quality and customer satisfaction toward customer loyalty in the service industry", the research concentrates on knowing the effect of quality service and customer satisfaction on the loyalty of customer in laundry industry in Indonesia. Third, the research conducted by Ali et al. (2021) under the title "Hotel Service Quality: The Impact of Service Quality on Customer Satisfaction in Hospitality" focuses on revealing the impact of service quality on customer satisfaction. Fourth, the research conducted by Muharam et al. (2021) under the title "E-Service Quality, Customer Trust & Satisfaction: Market Place Consumer Loyalty Analysis", this study focuses on investigating the relationship between electronic quality service, faith, loyalty, and satisfaction as a mediator stay to be explored. Fifth, research conducted by Dam and Dam (2021), the research focuses on empirically examining the relation of quality service, brand image, customer satisfaction, and customer loyalty. Sixth, the research conducted by Ali et al. (2021), under the title "Impact of Service Quality on the Customer Satisfaction: A case study at Online Meeting Platforms", focuses on determining the impact of technical and functional quality service on loyalty and satisfaction of customer. Seventh, the research conducted by Li et al. (2021) under the title "Customer

satisfaction with bank services: The role of cloud services, security, e-learning and service quality", this study focuses on examining the factors which influence satisfaction of customer on customers with e-banking services. Eighth, the research conducted by Supriyanto et al. (2021) under the title "Effects of quality service and customer satisfaction on the loyalty of bank customers" focuses on testing how quality service, and satisfaction of customer, affect bank loyalty of customer and examines it systematically. Simultaneous effect of quality service and satisfaction of customer on loyalty of customer. Ninth, studied by Khawaja et al. (2021) under the title "The mediating effect of customer satisfaction in a relationship with service quality, corporate social responsibility, perceived quality and brand loyalty", this study focuses on empirically testing the mediating of satisfaction between quality service, perceived value of customer, corporate social responsibility, and brand loyalty in private Lebanese universities. Tenth, the studied by Chuenyindee et al. (2022) under the title "Public utility vehicle service quality and customer satisfaction in the Philippines during the COVID-19 pandemic", the research focuses on tracing the quality of Public Utility Vehicle (PUV) services in Indonesia. The Philippines, during the COVID-19 pandemic, took advantage of the SERVQUAL dimension. Based on the background and research above, the study is related to the Analysis of Service Quality Improvement, Customer Satisfaction and Customer Loyalty, so this research is more focused on improving Quality Service and Satisfaction of Customer for Hotel Customer Loyalty. The study is essential so that Four Star Hotels in Serang City know the factors that cause the decreased level of customer satisfaction with services and what improvements may increase customer satisfaction of Four Star Hotels in Serang City.

2. Literature Review

2. Customer Satisfaction

Satisfaction is a feeling of satisfied or unhappiness which comes from assessment among his impact of a product's performance (or outcome) and his hope (Verawaty et al., 2022). The company will successfully obtain many customers if it can provide customer satisfaction. When clients are satisfied, there may be a harmonious courting among manufacturers and clients, making a reasonable foundation for repeat purchases and forming word-of-mouth tips which would be an advantage of company (Gong & Yi, 2018; Nisa & Suhartono, 2018). According to Nisa & Suhartono (2018), customer satisfaction is "customers' perception that their expectations have been met or exceeded". Meanwhile, Kotler and Armstrong (2012) reveal which client satisfaction is "the degree to which the perceived performance of the product matches the buyer's expectations". Based on these two theories, customer satisfaction lies in customer expectations of a product. Customers will feel satisfied if the product they consume is following what the customer wants for the product.

2.2 Service Quality

Service quality is the desired degree of perfection and manage over that perfection to maximize client needs. In different hands, two important elements have an effect on quality service: expected service (expended service) and perceived service. The implication is that excellent or horrific quality service relies upon at the capacity of service providers to continually meet customer expectations (Rahardjo & Yulianto, 2022). The phrase quality contains some amounts of meanings and definitions due to different people would interpret differently, including conformity to demands or necessity, suitability for use,

loose from harm or rejects, fulfilment of client needs, and doing the whole thing happy. Quality is one of the keys to triumphing the opposition in the market. When the organization has furnished such a quality product, it has constructed one of the foundations for making customer satisfaction. The quality service may be interpreted as the level of satisfaction from customers (Putrana et al., 2022). Quality service is the predicted degree of excellence and manage over that degree of excellence to satisfy customer hopes for (Palelu et al., 2022).

2.3 Customer Loyalty

Based on Muhtarom et al. (2022), Customer Loyalty states that loyal customers not only buy our products repeatedly but are also committed and show an attitude with positivity about the company. Sihotang et al. (2022) states that loyalty as a deeply held dedication to shop or re-aid a favored products or services withinside the destiny no matter conditional affects and marketing efforts having the capability to purpose clients to change. Based on Sarboini et al. (2022), loyal consumers will usually purchase the brand despite they face variety of other brands of competing products which provide advanced product traits from numerous angles.

2.4 Structural Equation Modeling - Partial Least Square (SEM - PLS)

Structural Equation Modeling (SEM) is a method that allows for simultaneously testing the dependent relationship among the measured variable and latent constructs and the relationship between latent constructs. The SEM combines two multivariate methods, analysis factor and multiple regression analysis (Hair et al., 2017). A structural Equation Model (SEM) combines two different statistical techniques, such as analysis factor improved in psychometrics, psychology and simultaneous equation modelling improved in econometrics (Ghozali, 2008). SEM-PLS

is meant for causal-predictive evaluation with excessive complexity and low theoretical support (Ghozali, 2014). PLS aims to discover the most fulfilling predictive linear relationship withinside the data. Even though PLS can also be used to confirm the theory, it can also be used to explain whether or not there is a relationship between latent variables. According to Wold in Ghozali (2014), PLS is a effective analytical approach as it isn't always primarily based totally on various of assumptions or situations, which includes normality and multicollinearity tests. This approach has its benefits, amongst others: the data does now no longer have a multivariate normal distribution. Even indicators with categorical, ordinal, interval to ratio data scales may be used. The other benefit is that the sample size does now no longer ought to be significant.

2.5 Importance-Performance Map Analysis (IPMA)

IPMA, or importance-performance matrix analysis, is a technique used to identify product or service attributes or instruments that require improvisation and improvement to improve service quality (Minta & Stephen, 2017). IPMA not only measures an indicator's performance but also measures the level of importance of the indicator in a service dimension (Hwa et al., 2017).

3. Methodology

In this study is performed to use the SERVQUAL approach advanced with the aid of using Zeithaml, Parasuraman and Berry to decide the satisfaction level according to perceptions of service performance. The design used is descriptive research according the objective of study to explain the traits of a situation to obtain a systematic picture with the proper interpretation accompanied by accurate facts as well as to express in an abstract, general and universal manner. The descriptive approach is used to have a look at thoughts or products of human notion

which have been contained in print media, each withinside the shape of number one and secondary manuscripts, with the aid of using engaging in a vital take a look at of them.

In this study, the data uses primary data with data processing, namely data from observations and interviews with hotel customers and employees and secondary data which obtained by authors of many sources in the form of data on current hotel

competition conditions. The population in this study are customers from four-star hotels with the sample used, namely having criteria for customers who stay and use hotel facilities—collecting data from 100 respondents using a questionnaire conducted in a four-star hotel environment in the city of Serang using a Likert scale of 1-5. According to the literature review on SERVQUAL, the attributes for this study were obtained below.

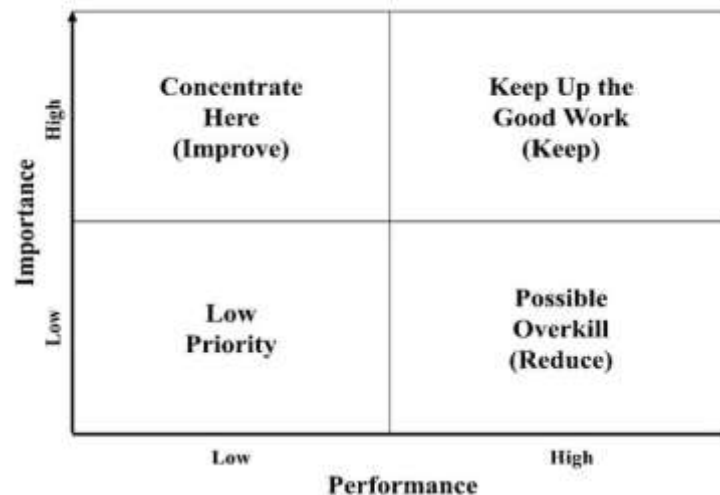
Table 1. Research Instruments

Variable	Indicator	code
Service Quality	1. Tangibel	X1.1
	2. Reability	X1.2
	3. Responsiveness	X1.3
	4. Assurance	X1.4
	5. Emphaty	X1.5
Customer Satisfaction	1. Satisfaction of choosing to stay at the hotel	Y1.1
	2. Expectation	Y1.2
	3. The joy of staying at the hotel	Y1.3
Customer Loyalty	1. Desire to return to hotel	Y2.1
	2. Desire to recommend to others	Y2.2

Data analysis is performed with SEM-PLS, namely Evaluation of the Measurement Model (Outer Model); convergent validity, discriminant validity, and reliability. There are some other tests, like the Evaluation of the Structural Model (Inner Model), conducted with find the values of R-square (R²), Q-square and model Fit. And the final test is hypothesis testing done by resampling bootstrap method, and the statistic test using t-statistic to see the direct and indirect relationship.

The main traits of the PLS-SEM technique

is the lineage in the scores of latent variable. The IPMA helps expand the looking of the PLS-SEM baseline results through scores of latent inconsistent (Hair et al., 2014). Hair et al. (2014) defined the IPMA evaluation became measured primarily based totally on a structural model in which the import value became acquired from the overall impact acquired through the construct, and the overall performance value became acquired from the score of latent variable. This is significant enough to be considered in improving a management activity.



Picture 1. Research Model

The description of the relationship between the level of importance and performance in the IPMA analysis is separated to four quadrants which are interpreted in Quadrant I (“Keep Up The Good Work”), Quadrant II (“Possible Overkill”), Quadrant III (“Low Priority”), Quadrant IV (“Possible Overkill”) Concentrate Here”).

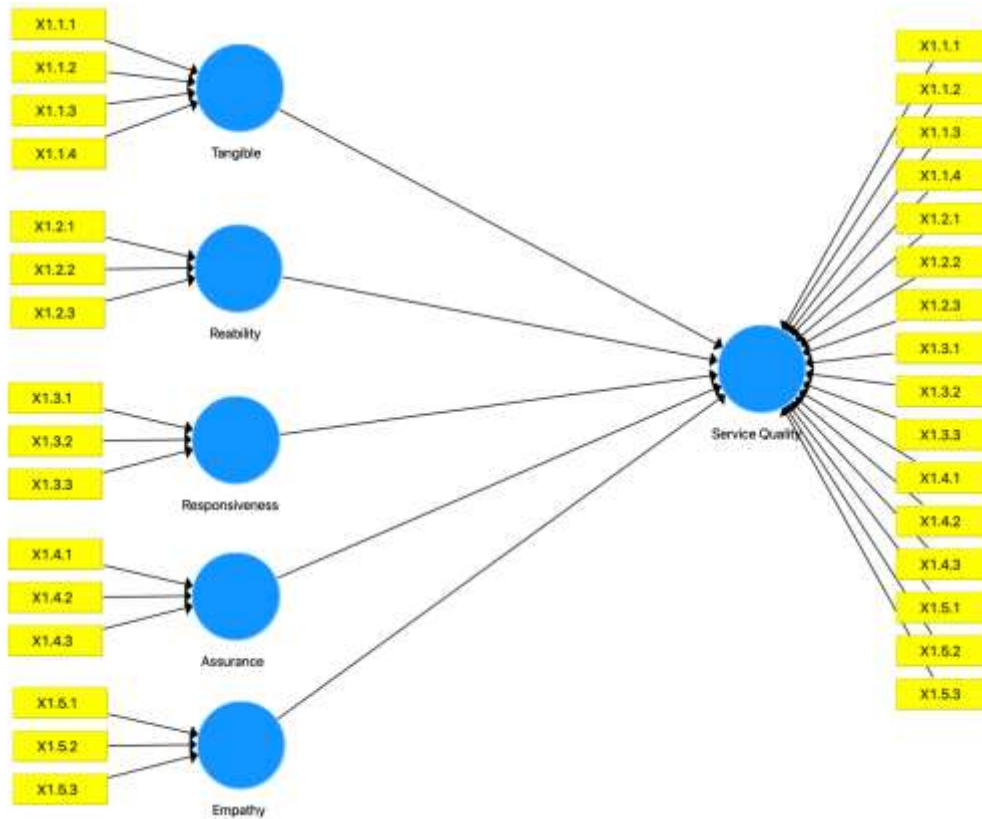
4. Result

The model design in this study uses a hierarchical component approach with a reflective-reflective measurement model consisting of three lower-order constructs (preventive maintenance, predictive maintenance, and reactive maintenance) and three higher-order constructs (RCM

implementation, equipment downtime, and productivity). In this study the data analysis using the PLS-SEM method.

4.1 Evaluation of the CFA Two-Level Construct (Second Order Construct)

The first step of factor analysis is completed with the aid of using summarizing the records withinside the original (initial) variable into a set of new dimensions or variate (element) via information summarization or information reduction. The confirmatory factor analysis test on formative constructs tests the value of outer collinearity VIF, the significance of outer weight and construct reliability.



Picture 2. Construct Model of Formative-Formative HCMs

In formative measurement, there should be no multicollinearity between indicators or other terms between indicators that are independent of each other. After the

multicollinearity test is completed, it can be continued with the outer weight significance examination.

Table 2. Outer Weight Significance Test

	Outer Weights	P Value - Outer Weights	Outer Loadings	P Values - Outer Loadings
X1.1.1 -> Tangible	0.348	0.003	0.875	0.000
X1.1.1 -> Service Quality	0.105	0.003	0.739	0.000
X1.1.2 -> Tangible	0.199	0.100	0.851	0.000
X1.1.2 -> Service Quality	0.060	0.097	0.719	0.000
X1.1.3 -> Tangible	0.256	0.064	0.873	0.000
X1.1.3 -> Service Quality	0.077	0.062	0.737	0.000
X1.1.4 -> Tangible	0.344	0.005	0.880	0.000
X1.1.4 -> Service Quality	0.104	0.005	0.744	0.000
X1.2.1 -> Reability	0.473	0.000	0.936	0.000
X1.2.1 -> Service Quality	0.111	0.001	0.788	0.000
X1.2.2 -> Reability	0.151	0.220	0.821	0.000
X1.2.2 -> Service Quality	0.035	0.224	0.691	0.000
X1.2.3 -> Reability	0.469	0.000	0.924	0.000
X1.2.3 -> Service Quality	0.110	0.000	0.778	0.000
X1.3.1 -> Responsiveness	0.326	0.004	0.876	0.000
X1.3.1 -> Service Quality	0.073	0.005	0.737	0.000
X1.3.2 -> Responsiveness	0.293	0.005	0.856	0.000
X1.3.2 -> Service Quality	0.066	0.006	0.720	0.000

	Outer Weights	P Value - Outer Weights	Outer Loadings	P Values - Outer Loadings
X1.3.3 -> Responsiveness	0.498	0.000	0.931	0.000
X1.3.3 -> Service Quality	0.112	0.000	0.783	0.000
X1.4.1 -> Assurance	0.535	0.000	0.924	0.000
X1.4.1 -> Service Quality	0.113	0.000	0.715	0.000
X1.4.2 -> Assurance	0.266	0.021	0.796	0.000
X1.4.2 -> Service Quality	0.056	0.020	0.616	0.000
X1.4.3 -> Assurance	0.350	0.005	0.840	0.000
X1.4.3 -> Service Quality	0.074	0.006	0.651	0.000
X1.5.1 -> Empathy	0.524	0.000	0.918	0.000
X1.5.1 -> Service Quality	0.123	0.000	0.770	0.000
X1.5.2 -> Empathy	0.316	0.025	0.877	0.000
X1.5.2 -> Service Quality	0.074	0.024	0.735	0.000
X1.5.3 -> Empathy	0.284	0.035	0.849	0.000
X1.5.3 -> Service Quality	0.066	0.040	0.712	0.000

Based on the outer weight significance test, it can be seen that there are still some items that have a p-value outer weight > 0.05, such as items X1.1.2, X1.1.4, X1.2.2, X1.4.2 and X1.5.3. When checking the outer loading, the values of the things X1.1.2, X1.1.4, X1.2.2, X1.4.2 and X1.5.3 were already above the threshold of 0.5, so they were still used. Based at the results test of second-order confirmatory analysis factor (stage), which identified the dimensions of a structure and decide to what extent every dimension may describe every variable, the whole lower-order construct form the higher-order construct found the t-statistics value higher than 1.96. and the p-value is

beneath 0.05, and it is able to be concluded which every lower order dimension constructs are components of the higher order variable constructs.

4.2 Measurement Model Analysis (Measurement Model)

The next stage after doing factor analysis is to analyze the measurement model to see convergent validity, discriminant validity and construct reliability on the overall model. The test starts with viewing in values of outer loadings and AVE to see convergent validity.

Table 3. Significance Test Outer Loadings and Weights Test

Item	Outer Loadings	P Values - Outer Loadings	Outer Weights	P Values - Outer Weights
X1.1.1 -> Tangible	0.889	0.000	0.398	0.006
X1.1.1 -> Service Quality	0.677	0.000	0.085	0.254
X1.1.2 -> Tangible	0.827	0.000	0.123	0.416
X1.1.2 -> Service Quality	0.630	0.000	-0.076	0.233
X1.1.3 -> Tangible	0.908	0.000	0.401	0.011
X1.1.3 -> Service Quality	0.691	0.000	0.118	0.196
X1.1.4 -> Tangible	0.834	0.000	0.217	0.139
X1.1.4 -> Service Quality	0.635	0.000	-0.036	0.589
X1.2.1 -> Reability	0.930	0.000	0.448	0.002
X1.2.1 -> Service Quality	0.742	0.000	-0.012	0.891
X1.2.2 -> Reability	0.820	0.000	0.154	0.260
X1.2.2 -> Service Quality	0.654	0.000	0.062	0.359

Item	Outer Loadings	P Values - Outer Loadings	Outer Weights	P Values - Outer Weights
X1.2.3 -> Reability	0.930	0.000	0.492	0.000
X1.2.3 -> Service Quality	0.742	0.000	0.135	0.108
X1.3.1 -> Responsiveness	0.879	0.000	0.343	0.010
X1.3.1 -> Service Quality	0.764	0.000	0.134	0.197
X1.3.2 -> Responsiveness	0.906	0.000	0.446	0.000
X1.3.2 -> Service Quality	0.788	0.000	0.271	0.002
X1.3.3 -> Responsiveness	0.884	0.000	0.333	0.021
X1.3.3 -> Service Quality	0.768	0.000	-0.002	0.981
X1.4.1 -> Assurance	0.936	0.000	0.581	0.000
X1.4.1 -> Service Quality	0.725	0.000	0.174	0.066
X1.4.2 -> Assurance	0.770	0.000	0.212	0.165
X1.4.2 -> Service Quality	0.597	0.000	-0.006	0.926
X1.4.3 -> Assurance	0.839	0.000	0.349	0.005
X1.4.3 -> Service Quality	0.650	0.000	0.092	0.239
X1.5.1 -> Empathy	0.916	0.000	0.518	0.000
X1.5.1 -> Service Quality	0.787	0.000	0.171	0.074
X1.5.2 -> Empathy	0.903	0.000	0.432	0.002
X1.5.2 -> Service Quality	0.777	0.000	0.191	0.042
X1.5.3 -> Empathy	0.813	0.000	0.167	0.172
X1.5.3 -> Service Quality	0.699	0.000	0.029	0.694
Y1.1 <- Customer Satisfaction	0.889	0.000	0.387	0.000
Y1.2 <- Customer Satisfaction	0.900	0.000	0.360	0.000
Y1.3 <- Customer Satisfaction	0.907	0.000	0.366	0.000
Y2.1 <- Customer Loyalty	0.917	0.000	0.565	0.000
Y2.2 <- Customer Loyalty	0.906	0.000	0.532	0.000

According to the results, it may be visible that the whole measuring items have met the test necessities for the outer loadings and weights values, wherein it may be concluded that the measuring matters have proper measurement validity. In addition, with using (AVE) should be higher than 0.5. It is more suggested; this ratio means the latent variable has accounted more than 50% of the variance of the reflective indicator. AVE is only relevant for reflective measurement models. When inspecting the loading of reflective indicators, it's miles appropriate to see higher loadings in a narrow range which indicates all items explaining the underlying latent construct (i.e., convergent validity; Chin, 2010).

The AVE results show that all measuring/indicator items, which are

representations of each valid latent variable, can measure and approve the intended latent variable construct. Next a bootstrapping procedure with a re-sample of 5000 was run to get a confidence interval (CI) value of less than or equal to 1.00 to identify no problems with discriminant validity (Henseler et al., 2015). This study found that the confidence interval (CI) of both 2.5% and 97.5% of every dimension of the variable was less than or equal to 1.00. The results of the Construct Reliability test show the composite reliability test show whole latent variable values of 0.70, and Cronbach's alpha and rho_A have a value of 0.60.

4.3 Structural Model Analysis (Structural Model)

Following the estimated model meets the

standards of the measuring model (outer model), the afterward stage is to check the structural model (inner model). Ghozali (2015) states the assessment of structural model (inner model) goals to are expecting the connection among latent variables. Hair et al. (2017) in Ramayah et al. (2017) recommend to looking at the coefficient of determination (R²), the value of effect size (f²), model fit and predictive relevance (Q²) to evaluate the structural (inner model). The coefficient of determination test has been carried out, the R-Square value or the coefficient of determination of the Customer Loyalty construct is 0.421 (42%), and the Customer Satisfaction construct is 0.438 (43%). Meanwhile, the coefficient of determination of Service Quality construct is 0.984 (98%). Following analyze in the value of the coefficient of determination, in addition evaluation is performed when viewing the effect size, in which the consequences display that each paths have a value range of 0.057 to 3.417. It was found that seven relationships have a large (strong) influence, and one other relationship has a

moderate effect. Predictive relevance (Q²) for structural model measures how nicely the located values are generated; in this study, all deals show values above 0.000, so it is able to be conclud that the model has a applicable predictive value. Meanwhile, the assessment of the model fit on this observe became performed the usage of three models test, including Chi², standardized root mean square residual (SRMR), normal fit index (NFI), which shows the model on this observe has a good fit as it has a SRMR value is under or equal to 0.1 (0.096). But, the opposite GoF standards isn't always raised with SmartPLS 3.0 software, due to the fact in this observe makes use of a repeated-indicators model, so a few GoF standards aren't defined.

4.4 Hypothesis Testing Analysis

When testing the hypothesis that proposed, we can see from the path coefficients, the T-Statistic value through the bootstrapping procedure and the p-value.

Table 4. Direct Effect Hypothesis Test

	Original Sample (O)	T Statistics (O/STDEV)	P Values
Customer Satisfaction -> Customer Loyalty	0.243	2.606	0.009
Service Quality -> Customer Loyalty	0.462	5.550	0.000
Service Quality -> Customer Satisfaction	0.662	15.393	0.000

Direct Effect

Test results in direct effect of Service Quality on Customer Satisfaction, the path coefficient value is 0.662, which close to the +1 value, the T-Statistic value is 15.393 (> 1.96), and the p-value is 0.000 (<0.05). The direct effect of Service Quality on Customer Loyalty, the path coefficient value is 0.462,

which close to the +1 value, the T-Statistic value is 5.550 (> 1.96), and the p-value is 0.000 (<0.05). The direct effect of Customer Satisfaction on Customer Loyalty, the path coefficients value is 0.243, which close to +1, the T-Statistic is 2.606 (> 1.96), and the p-value is 0.000 (<0.05).

Table 5. Indirect Effect Hypothesis Test

	Original Sample (O)	T Statistics (O/STDEV)	P Values
Service Quality -> Customer Satisfaction -> Customer Loyalty	0.161	2.467	0.014

Indirect Effect

Based on the test results on the indirect effect of Service Quality on Customer

Loyalty through Customer Satisfaction, the path coefficient value is 0.161, close to a +1 value, and the T-Statistic value is 2.467 (>

1.96). The p-value is 0.000 (<0.05).

4.5 Importance-Performance Map Analysis (IPMA)

The next stage is to extract latent variable scores using the IPMA method, which helps expand the findings of the PLS-SEM

preliminary results with the scores of latent variable (Hair et al., 2014). Hair et al. (2014) stated the analysis of IPMA measured on model structural which the import value was acquired from the total effect by the construct and the value performance from the score of latent variable. Here are the results of IPMA testing on the ServQual construct:

Table 6. IPMA Component Path Coefficients Test Results ServQual

	Service Quality
Assurance	0.211
Empathy	0.234
Reability	0.234
Responsiveness	0.224
Tangible	0.301

According to path coefficient in IPMA test, the Tangible component has the highest importance level, with a coefficient of 0.301. Afterward, the next level is followed

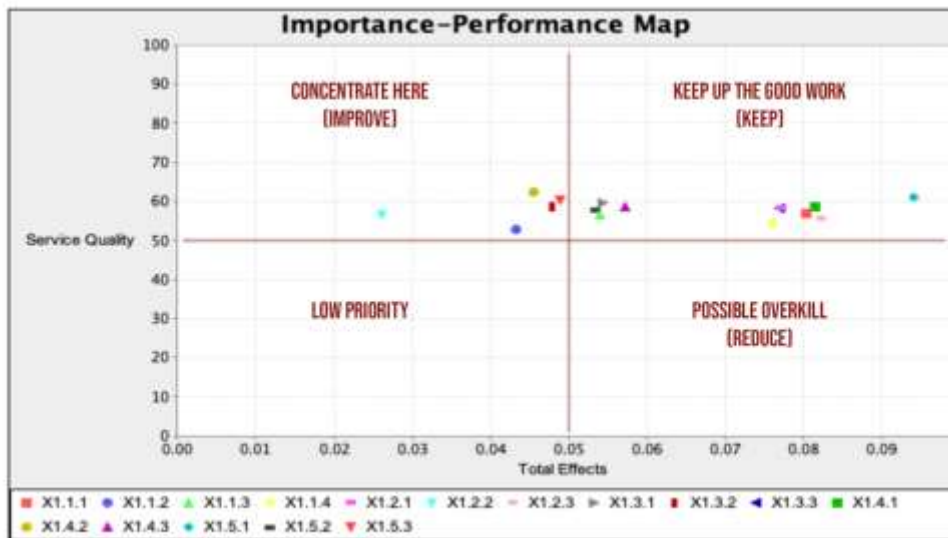
by the Empathy and Reliability components of 0.234 to every aspect. In the next component there is Responsiveness of 0.224 and Assurance of 0.211.



Picture 3. IPMA ServQual Component Test Results

Based on the importance-performance diagram on the IPMA test, from the 56 exogenous latent variables that effect customer satisfaction from their importance and performance, all components are in the

first quadrant, namely, keep up the excellent work. It can be concluded that all these components are very important in increasing customer satisfaction.



Picture 4. IPMA Test Results ServQual Indicator

Meanwhile, the path coefficient test for each indicator in the IPMA test, of all indicators measuring ServQual, five hands are in the

second quadrant (concentrate here), and other indicators are in the first quadrant (keep up the good work).

Table 7. IPMA Path Coefficients Test Recapitulation ServQual Indikator Indicator

Indikator	Item	Kode	Path Coefficients	Kuadran
Tangible	Convenience	X1.1.1	0.105	I
Tangible	Facility	X1.1.3	0.077	I
Tangible	Kondisi	X1.1.4	0.104	I
Reliability	Employee Concern for Guests	X1.2.1	0.111	I
Reliability	Zero Accident	X1.2.3	0.110	I
Responsiveness	Service Promise Compliance	X1.3.1	0.073	I
Responsiveness	Service	X1.3.3	0.112	I
Assurance	Security in Transaction	X1.4.1	0.113	I
Assurance	Soft Skill	X1.4.3	0.074	I
	Readiness of Hotel Employees	X1.5.1	0.123	I
Empathy	During Operational Hours	X1.5.2	0.074	I
Empathy	Priority	X1.5.2	0.074	I
Tangible	Attitude	X1.1.2	0.060	II
Reliability	Employee Speed in Serving	X1.2.2	0.035	II
Responsiveness	Problem solving	X1.3.2	0.066	II
Assurance	Politeness	X1.4.2	0.056	II
Empathy	Concern	X1.5.3	0.066	II

When considered of the recapitulation of the path coefficients of every indicator withinside the test of IPMA, customers determine that comfort, facilities, conditions, employee care for guests, zero accidents, conformity with service promises, service, security in transactions, soft skills, the readiness of hotel personnel in the course of working hours and priorities

is an object that desires to be preserved. Meanwhile, Attitude, Speed of Employees in Serving, Problem Solving, Politeness and Caring need to be considered and improved.

5. Discussion

The hypothesis test shows all hypotheses are accepted from a total of four hypotheses tested. In addition, IPMA testing was

carried out to see efforts to improving the system of service quality. The Service Quality factor find that to have a positive and significant effect on Customer Satisfaction. Therefore the higher the Service Quality applied in the Hotel, the higher the Customer Satisfaction. In addition, Service Quality has a positive and significant influence on Customer Loyalty. This research also finds that Customer Satisfaction can influence Customer Loyalty and mediate the relationship between Service Quality and Customer Satisfaction. To be able to identify the causes of the decline in the level of customer satisfaction and loyalty, this study uses the IPMA tool, which finds that several indicators cause the decrease in service quality, such as (1) Attitude; (2) Speed of Employees in Serving; (3) Troubleshooting; (4) Courtesy; and (5) Concern. The findings in this study indicate that the overall components of Service Quality are considered to have had a good influence on influencing customer satisfaction and loyalty. The result supports that Service Quality is found to have a positive and significant effect on Customer Satisfaction and Customer Loyalty. Additionally, the result of IPMA's indicate the five existing components which well implemented by the management hotel and advised to keep them.

6. CONCLUSION

This study found that the five factors that make up Service Quality may improve Customer Satisfaction and Loyalty. This study found few indicators which need improved in Service Quality, particularly: (a) Attitude, (b) Speed of Employee in Serving; (c) Troubleshooting; (d) Courtesy, and (e) Concern. This study found that all components of Service Quality have been in exemplary implementation and need to be maintained. The researcher suggests that further research should add other exogenous variables considering that service quality can explain customer satisfaction by 42.1%. Meanwhile the customer satisfaction and service quality may describe customer

loyalty by 42.1%. 1. The researcher suggests to the hotel management to pay attention to the Service Quality factor, especially on several indicators, namely: (a) Attitude; (b) Speed of Employees in Serving; (c) Troubleshooting; (d) Courtesy; and (e) Concern.