

## Customer Satisfaction at Hotel ABC BEKASI: The Role of Service Quality, Corporate Image, and Location

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### ABSTRACT

The study explores the impact of service quality, corporate image, and location on patron satisfaction at the ABC Hotel in Bekasi City. Results reveal a significant link between service quality and customer happiness, denoted by a substantial 0.550 coefficient of effect, supported by a p-value below 0.05. Similarly, corporate image wields influence, showing a p-value of 0.003, signifying its importance. Location also plays a role, with a 0.522 coefficient of effect on consumer satisfaction, backed by a p-value less than 0.05. These findings stem from a quantitative approach employing regression analysis, ensuring the accuracy of the data and statistical methods applied. Notably, service quality characteristics exhibit a strong impact on customer satisfaction, with a 0.550 coefficient of effect, while corporate image attributes influence it by 0.293 with a p-value of 0.003.

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## INTRODUCTION

In the current landscape of the hospitality industry, numerous transformations are taking place. Hotels offer a range of service products, including room accommodations, MICE (Meeting, Incentive, Convention, Exhibition) facilities, restaurants, swimming pools, fitness centers, and wedding services. As indicated by [www.seputar-indonesia.com](http://www.seputar-indonesia.com), the hotel and restaurant sector in Indonesia was predicted to experience an approximate 8% growth in 2020 due to the increasing number of both international and domestic tourists who are incorporating hotel and restaurant services into their journeys. In the context of Bekasi City, where a multitude of hotels is available, it becomes essential to devise plans for enhancing the quality of services provided, taking into consideration the gap between anticipated and experienced services.

Hotels need service-oriented adjustments to improve consumer satisfaction and competitiveness. Customer satisfaction is an individual's satisfaction with a product or service's performance compared to their expectations (Kotler & Armstrong, 2008). Product or service satisfaction strongly influences customer buying behavior. Marketing must match consumer wants to satisfy customers (Kotler & Keller, *Marketing Management*, 2012). Customer satisfaction can affect purchase behavior (Qomariah, *Marketing Adactive Strategy*, 2016). Service quality, corporate image, and location affect consumer happiness. Qomariah, Cahyono, & Sutrisno (2010), Mulyawan & Rinawati (2016), and Setyawati, Sasmito, & Rifa'i (2018) found a link between service quality and customer satisfaction.

Customer satisfaction is the outcome of comparing the performance of received products or services against expectations. Customer satisfaction or dissatisfaction can significantly impact customer behavior toward a product. Marketing activities aimed at fulfilling and satisfying consumer needs can lead to customer satisfaction. Factors influencing customer satisfaction encompass service quality, corporate image, and location.

Corporate image signifies the perception of the general public regarding a company's identity. The strategic selection of a location can provide convenience for customers to access a company's products or services. However, the process of choosing a location requires careful consideration of factors such as accessibility, visibility, traffic, ample parking space, expansion prospects, environmental aspects, competition, and government regulations.

Building upon prior research and existing theories, the purpose of this study is to examine the influence of service quality, corporate image, and location on customer satisfaction at Hotel ABC Bekasi.

## THEORETICAL REVIEW

### *Service Quality*

According to Lupiyoadi (2013), quality can be understood as a set of traits and characteristics of a product or service that either meets predetermined needs or possesses latent qualities. (Lupiyoadi, 2013). Goetsh and Davis describe quality as a dynamic state linked to products, services, people, processes, and environments that either meet or exceed consumer expectations

(Goetsch, 2000) (Tjiptono Fandy, 2006). Quality as an endeavor to satisfy customers (Mowen, 2001).

Kotler asserts that quality is a fundamental business strategy that yields goods and services explicitly and implicitly fulfilling the needs and satisfaction of both internal and external customers (Kotler & Keller, Marketing Management, 2012). According to Kotler and Armstrong, quality encompasses the overall attributes and characteristics of a product or service that influence its ability to meet desired or implied needs. This definition centers on the consumer, empowering producers to deliver quality when their offerings meet or surpass customer expectations (Kotler & Armstrong., Principles of Marketing (12th ed.), 2008).

Meanwhile, service entails intangible activities that are inherently hard to define and aren't necessarily tied to the sale of other products or services. Service quality, as elucidated by Lupiyoadi (Lupiyoadi, 2013), refers to the extent of the gap between the reality and the consumer's expectation of the service received or obtained.

#### *Corporate Image*

To establish a favorable image within the sights of their target audience, an organization must comprehend the concept of image accurately and undertake the necessary management endeavors. According to Kotler , an image represents a collection of beliefs, ideas, and impressions held by individuals toward a particular entity (Kotler & Keller, Marketing Management, 2012). This comprehension is pivotal for an organization to delineate a suitable strategy for achieving the desired image and prioritize its execution.

The image of a business is comprised of more than just how people feel about its products and services; it also includes how people feel about the company as a whole (Tjiptono & Fandy, 2006). Several factors contribute to the formation of this corporate image, including the company's long and illustrious history, its solid financial footing, its successes in international trade, its friendly industrial partnerships, its reputation as a major creator of jobs, its dedication to scientific inquiry, and its acceptance of its social responsibilities. The incorporation of these positive features has the potential to improve the company's image and aid in the development of a positive impression among the target audience.

#### *The Significance of Location*

Location, in the context of business, signifies the specific geographic point where a company conducts its operational activities and endeavors to produce goods and services, all while meticulously evaluating the economic variables at play (Kotler, 2007). The spatial arrangement of a business wields a profound influence on its ability to entice consumers to visit and engage in shopping activities, (Lupiyoadi, 2013) . This physical space also functions as a visual platform for exhibiting merchandise and addressing the needs of consumers, as emphasized by the insightful (Qomariah , Marketing Adactive Strategy, 2016).

According to the scholarly work of (Tjiptono Fandy, 2006), location encapsulates the physical realm in which a company carries out its operations, encompassing the production of goods and services. The extent to which consumers can be served by sellers is significantly contingent upon the geographical positioning of the business. The farther the distance from the seller's location, the less inclined consumers are to make purchases due to the escalating transportation costs.

In the realm of commerce, the judicious selection of a business location wields the potential to mold its destiny, potentially leading to either triumph or downfall, as prophesied by the visionary Alma (Alma, 2003).

#### *Customer Satisfaction: Crafting Contentment*

Customer satisfaction is a gauge of an individual's sentiment after evaluating the performance of a received product or service against their expectations, as posited by Kotler (Kotler & Keller, Marketing Management, 2012) The contentment or discontentment experienced by consumers towards a product constitutes the culmination of the sales process and profoundly influences their subsequent behavior towards the product. The attainment of customer satisfaction stands as the pinnacle of marketing endeavors, given that the ultimate goal of marketing is to meet and satisfy the multifaceted needs of consumers. Among the myriad ways to showcase customer satisfaction, one poignant expression lies in the act of purchase an act that encapsulates a consumer's contentment, serving as a vivid reflection of their overall experience.

## **METHODOLOGY**

The quantitative method was used to collect data, analyze it, and draw conclusions about the correlations between the variables. The research process starts with a preliminary inquiry into the study subject to establish the presence of problems. Next, we conduct a literature review to lay the groundwork for our theory and draw inspiration from the empirical results of prior research. The next step is to conduct interviews and field observations, gather data using questionnaires, and analyze the results (Sugiyono, 2010).

To provide a clear overview, definition, and boundaries of the variables used in this study, the identification of research variables is outlined as follows:

Differences between customers' actual experiences and their expectations of the given services constitute Hotel ABC Bekasi's service quality (X1). Physical proof (intangibles), dependability, responsiveness, assurance, and empathy are all indications of service quality.

The corporate image (X2) represents the company as a whole, not just its products and services. Positive aspects of a company that contribute to its image include its long and successful history, its financial success, its export achievements, its good relations with its workers, its reputation as an employer of choice, its social responsibility, and its research efforts. Personality, reputation, value, and corporate identity are all ways to gauge a company's public standing.

Consider economic factors in evaluating location (X3), which is defined as the site where the company's operations or activities produce goods or services. Visibility, foot traffic, parking availability, and ambience are all important markers of a desirable location.

The level of customer satisfaction (Y) is indicative of how well the actual performance of a product or service meets the customer's expectations. Price, place, service, infrastructure, and environment are all factors of customer satisfaction.

One hundred Hotel ABC Bekasi patrons are surveyed using questionnaires to compile the data for this analysis. In order to provide correct information on the state of the subject or model used in the validity test, measuring instruments must first undergo validity and reliability testing before they can be used.

The data is analyzed using the path analysis technique, which allows for the examination of both the direct and indirect relationships between independent and dependent variables. The coefficients of each path displaying a causal relationship can be used to calculate the impact. Path analysis is applied here to investigate how X1 and X2 affect Y. Building a theory-based model that is founded in the problem formulation and is supported by theory and solid reasoning logic is an integral part of the path analysis procedure.

## RESULTS

### *Normality Test*

In this study, a graphical approach was employed to examine the assumption of data normality. The primary objective of this normality test was to assess the distribution pattern of errors. One of the techniques employed involved observing the error histogram, which displays a bell-shaped distribution (normal distribution), and utilizing the Normal P-P plot.

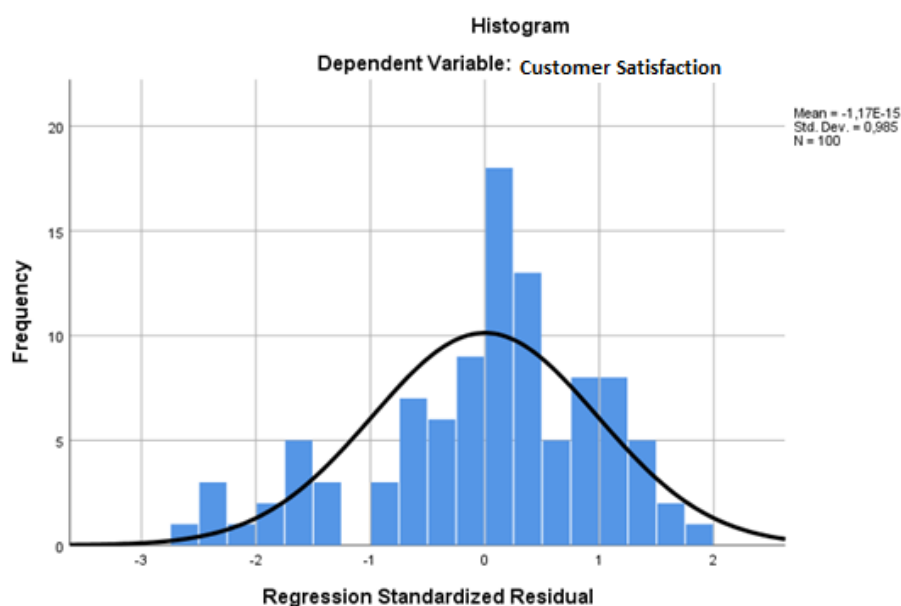


Figure 1. Histogram

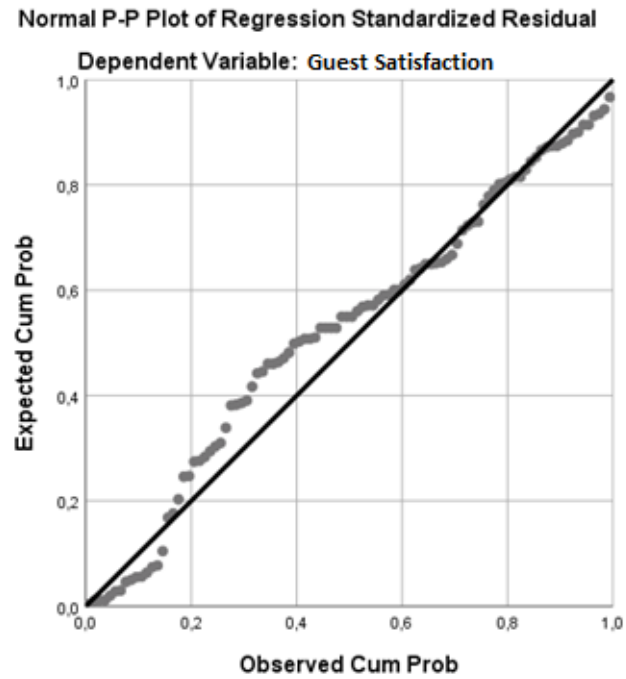


Figure 2. Normal Pp-Plot

*Multicollinearity Test*

Multiple techniques exist for evaluating the existence of multicollinearity, with one approach involving the utilization of tolerance and VIF (Variance Inflation Factor) values. Tolerance is a metric used to quantify the degree of multicollinearity present in a regression equation. A tolerance value below 0.10 indicates the presence of multicollinearity in the regression equation, according to conventional guidelines. Furthermore, the Variance Inflation Factor (VIF) can be utilized to detect the existence of multicollinearity in a regression model. The threshold frequently employed for the Variance Inflation Factor (VIF) is 10. If the calculated VIF value surpasses this threshold, it can be inferred that there exists multicollinearity within the regression model under examination.

Table 1. Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Service Quality	,740	1,352
	Corporate Image	,824	1,213
	Location	,629	1,589

*Autocorrelation Test*

Upon data analysis using SPSS, the obtained Durbin-Watson (D-W) value was 2.201. Based on the predefined range of values, specifically between 1.74 and 2.26, it can be concluded that the test results indicate the absence of autocorrelation in the examined regression model.

Table 2. Autocorrelation Test

Model	R	R Square	Durbin-Watson
1	,570 <sup>a</sup>	,325	2,201

*Heteroskedasticity Test*

A heteroskedasticity test was run in order to evaluate the homogeneity among the residual data of observations. One of the methodologies employed entailed the utilization of a graphical approach.

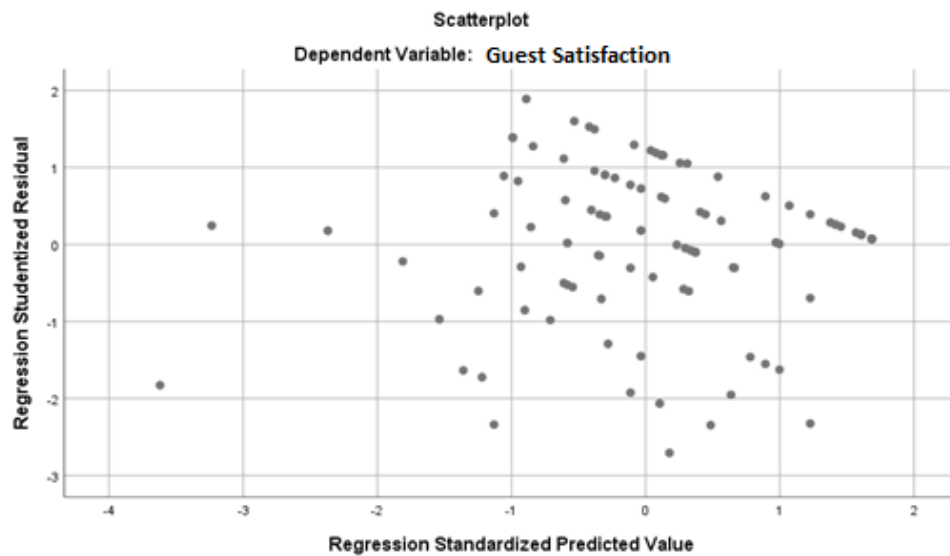


Figure 3. Residual Std Scatter Diagram with Std Predicted

The graph given here shows that there is no regularity in the distribution of residuals among the observed data. Because of this, we can conclude that the regression equation displays heteroskedasticity rather than homoskedasticity.

*Multiple Linear Regression*

The purpose of this analysis is to comprehend the impact of independent variables on the dependent variable. This study employs three independent variables, namely Service Quality, Corporate Image, and Location, as factors influencing the dependent variable - Customer Satisfaction. The regression model used can be formulated as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Where:

Y = Customer Satisfaction

X1 = Service Quality

X2 = Corporate Image

X3 = Location

a = Constant

b1 - b3 = Regression Coefficients

e = Error Term

In conducting the multiple linear regression calculations, IBM-SPSS version 25.0 software was employed. After processing the data using SPSS, the obtained results are as follows:

Table 3. Multiple Regression Analysis of Service Quality, Corporate Image, and Location on Customer Satisfaction

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,570 <sup>a</sup>	,325	,304	1,872	2,201
a. Predictors: (Constant), Location, Company Image, Service Quality					
b. Dependent Variable: Customer satisfaction					

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	162,240	3	54,080	15,435	,000 <sup>b</sup>
	Residual	336,350	96	3,504		
	Total	498,590	99			
a. Dependent Variable: Customer satisfaction						
b. Predictors: (Constant), Location, Company Image, Service Quality						

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5,176	2,049		2,526	,013
	Service Quality	,550	,106	,406	3,571	,000
	Company Image	,293	,096	,281	3,042	,003
	Location	,522	,149	,369	3,497	,001

From the presented table, it is evident that as a whole, the variables Service Quality, Corporate Image, and Location exert a significant influence on the dependent variable, as indicated by the F-test significance value (Sig = 0.000) being smaller than the established significance level of 0.05. Furthermore, on an individual basis, all three variables also exhibit significant results (sig < 0.05). Consequently, the regression equation resulting from the aforementioned calculations can be formulated as follows:

$$Y = 5,176 + 0,550 X_1 + 0,293 X_2 + 0,522 X_3$$

Correlation between Service Quality, Corporate Image, and Location with Customer Satisfaction can be observed from the correlation coefficient value of 0.570. Meanwhile, the coefficient of determination (R Square) indicates that 32.5% of the changes in the Customer Satisfaction variable can be collectively explained by Service Quality, Corporate Image, and Location.

## DISCUSSION

### *Influence of Service Quality on Customer Satisfaction*

The provision of services from one party to another falls under the category of service quality. Good service encompasses attributes such as friendliness, fairness, swiftness, accuracy, and ethical behavior, thereby fulfilling the needs and satisfaction of service users. Hotel ABC Bekasi has implemented aspects of service quality like Tangibles, Reliability, Responsiveness, Assurance, and Empathy, which have positively impacted customer satisfaction. In this study, the test results reveal that the coefficient of the influence of service quality on customer satisfaction is 0.550, with a p-value  $< 0.01$ . This signifies a significant and positive influence between service quality and customer satisfaction. In simpler terms, the better the service quality, the higher the satisfaction of service users at Hotel ABC Bekasi.

### *Influence of Corporate Image on Customer Satisfaction*

Corporate image is a comprehensive portrayal of an organization, encompassing not only the image of products and services but also other facets like history, finances, exports, industrial relationships, social responsibility, and research commitment. These positive aspects can enhance the overall corporate image. However, research findings indicate that the coefficient of the influence of corporate image on customer satisfaction is 0.293, with a p-value of 0.03, which is significant as it's smaller than 0.05. This result rejects the hypothesis that corporate image has a significant and positive impact on customer satisfaction. Nonetheless, customers still remain satisfied with the products and services offered by Hotel ABC Bekasi and are influenced by the corporate image. Therefore, the corporate image continues to significantly affect customer satisfaction.

### *Influence of Location on Customer Satisfaction*

Location selection is a pivotal factor in business success as it's linked to consumer purchasing decisions. A company can yield more profits if situated in a place with low operational costs. Vital aspects in location selection include visibility, traffic, parking availability, and the surrounding environment. The research demonstrates that the location variable significantly influences customer satisfaction with a coefficient of 0.522 and a p-value  $< 0.01$ . The research results support hypothesis 3, which states that location positively and significantly impacts customer satisfaction. The more strategic and accessible a hotel's location, the more service users are likely to visit and feel satisfied with the provided services.

## **CONCLUSIONS AND RECOMMENDATIONS**

In this study, the impact of service quality, company image, and location on customer satisfaction at ABC Hotel in Bekasi City was thoroughly investigated. The research involved a quantitative approach, utilizing data collected from 100 respondents and analyzed through regression analysis. The key findings and conclusions drawn from this research are as follows:

1. **Service Quality:** The study found a significant and positive influence of service quality on customer satisfaction at ABC Hotel Bekasi. Customers who experienced higher service quality were more satisfied with their stay. The coefficient of influence for service quality on customer satisfaction was 0.550, with a p-value of  $< 0.05$ .
2. **Corporate Image:** While the corporate image of a hotel encompasses various positive factors, including history, financial success, and social responsibility, the study showed a significant but relatively weaker influence on customer satisfaction. The coefficient of influence for corporate image on customer satisfaction was 0.293, with a p-value of 0.003.
3. **Location:** The research indicated that the strategic selection of a hotel's location significantly impacts customer satisfaction. Hotels with more accessible and convenient locations tend to have more satisfied customers. The coefficient of influence for location on customer satisfaction was 0.522, with a p-value of  $< 0.05$ .
4. **Correlation and Explained Variance:** The study showed that the combined impact of service quality, corporate image, and location accounted for 32.5% of the variance in customer satisfaction. This indicates that these factors collectively play a substantial role in shaping customer satisfaction levels at ABC Hotel Bekasi.

Based on the study's findings, the following recommendations are provided for ABC Hotel Bekasi:

1. **Enhancing Service Quality:** The hotel should continue to focus on improving service quality. This can be achieved through ongoing employee training, maintaining and upgrading facilities, and ensuring that customer expectations are consistently met or exceeded.
2. **Managing Corporate Image:** While the corporate image had a significant but relatively weaker impact on customer satisfaction, it is essential to continue managing and promoting a positive corporate image. This can include highlighting the hotel's history, financial stability, and commitment to social responsibility in marketing efforts.
3. **Strategic Location:** ABC Hotel should consider location-related factors as a competitive advantage. Ensuring good visibility, accessibility, ample parking space, and a pleasant surrounding environment can contribute to higher customer satisfaction. Additionally, considering the location preferences of their target market can be beneficial.
4. **Customer Loyalty and Feedback:** The hotel should actively engage with customers to gather feedback and monitor satisfaction levels. Building

customer loyalty programs and actively seeking input can help in maintaining and improving customer satisfaction over the long term.

### **FURTHER STUDY**

Future research could expand on this study by considering additional variables such as pricing, service accessibility, and customer demographics. Comparing the findings with other hotels in the region could also provide valuable insights into the hospitality industry in Bekasi City.

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