

# Link Between Customer Loyalty and Customer Service in Tourist Hotels

## Relación entre la Lealtad del Cliente y el Servicio al Cliente en Hoteles Turísticos

Leopoldo ARIAS-Bolzmann 1; Karina Patricia BRAVO-Falcón 2; Patricia Ethel MENDOZA-Cabrera 3

Received: 30/04/2018 • Approved: 12/06/2018

#### Contents

- 1. Introduction
- 2. Literature Review
- 3. Methodology
- 4. Results
- 5. Conclusions

Bibliographic references

#### **ABSTRACT:**

The purpose of this study is to identify if service quality is an important causal factor in generating loyalty. Both, service quality and loyalty are important for the success of tourist hotels. It is also important to assess whether customer service actually originates attitudes of loyalty. For that purpose, four-star hotel companies in the Peruvian developing economy, which relies heavily on tourism, were studied. The methodology identified the three major service quality factors valued by customers. Research results stated that the quality of service provided by four-star hotels is highly valued by customers; however, it generated loyalty at low levels of significance. **Keywords:** Customer service, Loyalty, Quality of

**Keywords:** Customer service, Loyalty, Quality of service, Four-star hotels.

#### **RESUMEN:**

El propósito de este estudio es identificar si la calidad del servicio es un factor causal importante para generar lealtad. Tanto la calidad del servicio como la lealtad son importantes para el éxito de los hoteles turísticos. También es importante evaluar si el servicio al cliente en realidad origina actitudes de lealtad. Para ello, se estudiaron empresas hoteleras de cuatro estrellas de la economía en desarrollo peruana, que depende en gran medida del turismo. La metodología identificó los tres principales factores de calidad del servicio valorados por los clientes. Los resultados de la investigación indicaron que la calidad del servicio prestado por los hoteles de cuatro estrellas es muy valorada por los clientes; sin embargo, generó lealtad a bajos niveles de significancia.

**Palabras clave:** Servicio al cliente, Lealtad, Calidad de servicio, Hoteles de cuatro estrellas

## **1. Introduction**

According to the Business Monitor International (BMI) database, investment in hotels and restaurants for international tourism in Latin America has increased from 2016 to 2017 by 7.63 billion dollars and, investment for the following year is expected to be favorably higher.

The importance of service quality and customer loyalty is important to be studied for the success of tourist hotels.

According to Carlos Canales (2014), President of the National Chamber of Tourism in Peru, hotel services are becoming increasingly prominent. More than US\$2 billion in investments is expected over the next three years, encouraged by favorable expectations of international tourism. Peru is a developing economy which relies heavily on tourism, especially historical and archaeological heritages. The Peruvian market already has international hotel chains (such as Swissôtel, Marriott, Hilton, etc.) that—besides having more financial backing—have the know-how related to business structure and management. The four-star and five-star hotels—targeting the segment with the highest purchasing power—are geographically concentrated, with more than 60% found in Miraflores, Lima. This market shows high levels of competitiveness with respect to the services provided, which begs the question whether the actions taken by the hotel companies with regard to the provided services increase and/or decrease their market share.

Several studies have explained the impact of service quality on the generation of loyalty. An & Noh (2009) investigated the impact of the in-flight service on airline customer loyalty. Lee, Back & Park (2016) confirmed a nonlinear relationship between customer satisfaction and brand loyalty. Hau & Thuy (2011) found that service value and satisfaction are proved as two mediating constructs in the impact of service personal values on customer loyalty.

Studies have been conducted in a variety of sectors, including banking, supermarkets and telephony. For the hotel service sector, Gracia & Grau (n.d.) conducted an empirical study of 116 hotels and tourist restaurants in Spain, concluding that a positive perception of the service quality induced loyalty to the hotel or the restaurant. It was also noted that each attribute of the service quality had a different influence on the customer decision whether or not to be loyal. The most frequent attributes associated with loyalty were the tangibles and the reliability.

On the other hand, Gracia & Grau (n.d.) and, Zamora et al. (2008), evaluated the process of loyalty development among hotel guests, using the methodology proposed by Vasquez-Párraga & Alonso (2000), in three types of hotels in Chile. They demonstrated that "commitment" is the most important construct to explain loyalty. This commitment is the result of the trust developed between the hotel service provider and its client.

Nowadays, hotel customers are not satisfied with a hotel that simply offers a range of services; they prefer a hotel that offers personalized services. Hotels are required to formulate new and innovative customer retention strategies, since it is becoming increasingly difficult to ensure client loyalty. According to Viada-Stenger et al. (2010), hotel customer loyalty is crucial and one of the aspects that make for the continued success or spectacular failure of a project is the human factor. As Calero (2008) mentioned, "The greatest treasure that a hotel can have is a group of good employees."

One of the main purposes of this study is to identify whether the service quality perceived in four-star hotels located in the district of Miraflores (Lima, Peru) is highly related to customer loyalty. The rapid development of the hotel companies in the Peruvian market justifies this research. In that sense, this study aims to provide further knowledge of the main variables that contribute to the creation of loyalty in four-star hotels in the District of Miraflores. "Customer loyalty" was considered as the dependent variable in the research, and "the perception of the service quality in the hotels" as the independent variable. The five attributes of Parasuramán et al. (1985), adapted to the hotel sector, were also taken into account: (a) tangibles: physical facilities, equipment, and appearance of the personnel; (b) reliability: accuracy in performing the service; (c) responsiveness: willingness of employees to provide good service to the customers; (d) guarantee: knowledge and courtesy of the personnel and their ability to inspire confidence and security; and (e) empathy: personalized assistance that the company offers to the customer. The following assumptions were considered in this research: (1) the customer defines his preference for a particular service based on his experience and not on the price; (2) only the customer perceptions are considered, his expectations are excluded since they are subjective; (3) the customer has a degree of loyalty to one or several hotel companies and, moreover, he has attitudes that are the result of his experiences; and (4) the influence of the participants' culture is not

considered, because it is a complex and multidimensional social phenomenon. The research was limited to the study of a single category of hotels in a specific area; hence, the results cannot be generalized to other categories. The guests were surveyed only when they checked-out, due to budget and time management factors. In addition, the authors did not have access to the databases of the hotels.

# **2. Literature Review**

Quality of service refers to "the judgment of the consumer on the excellence and superiority of a product" (Parasuraman, Zeithaml & Berry, 1988, p. 3), also it refers to "an overall judgment or attitude related to the superiority of the service" (Parasuraman, Zeithaml & Berry, 1988, p. 3).

The assessment of the service quality goes beyond the specific attributes of the consumed product. It requires a relatively high level of abstraction, because the consumer will always compare the perceived experience with two or more similar goods or services or substitutes. For these reasons, the quality perceived in the market of intangible goods requires a different approach and concept, than the tangible goods market (objective measurement). Because of its own nature, the 'intangibility" causes goods to be subjectively perceived to a greater extent (Grönroos, 1994).

Lewis & Booms' theory (1983), introduced the subjectivity issue in services and the concept of service quality as the adjustment of the service, in order to meet the consumers' expectations.

In addition, Grönroos (1994) argued that the perceived quality of the service depends on the comparison between the expected service and the perceived service, i.e., it uses perception as an analysis tool. On the other hand, Rust & Oliver (1994) stated that satisfaction judgments are the result of the difference between the customer's expectations and his/her perceptions of the actual result.

Service quality also considers two conceptualization models:

1. The Nordic model, developed by Grönroos (1984), identified two dimensions: (a) the technical quality, focused on what the customer directly receives as a result of the process, and (b) the functional quality, focused on 'how' the service is provided. In this model, according to Serrano & Lopez (2008), the factors that affect the technical quality dimension would be the machines, the information technology, the technical skills of the employees, the technical solutions, and the knowledge. The factors of the functional quality dimension are accessibility, appearance, attitudes, predisposition to service, behavior, internal relationships, and contact with the client.

2. The American model, developed by Parasuraman et al. (1985), considered that the service quality concept is based on the disconformity paradigm, centered on the difference between the expected service level and the customer's perception about the service level. Five dimensions are considered in the service quality experience: reliability, responsiveness, security, empathy, and tangibles. These are also influenced by four variables: word-of-mouth communication, personal needs, past experience, and external communication. They all should be evaluated before the expected service and after the provided service.

There are two concepts that do not have a clearly delimited definition: quality of service and satisfaction. Both concepts operate similarly and the starting point is the evaluation process, where the consumers compare their expectations with the service experience. However, many authors affirmed that service quality and satisfaction are different concepts. According to Viada-Stenger et al. (2010), the Majestic Hotel case study showed that the efficient implementation of a quality management system—based on the Q Tourist Quality Standard— could benefit the organizations. Similarly, service quality is the level of customer's satisfaction perceived when interacting with the service provider and when using the service. Many authors stated that service quality and satisfaction are different concepts because they use different comparison standards (Parasuraman et al., 1985; Zeithaml et al., 1996). There is also a debate over the causal relationship between the two concepts: Some authors indicated that satisfaction is a precedent of the perceived service quality, while others stated

otherwise. Hence, due to this dilemma, satisfaction was not measured in this paper.

In reference to the measurement methods, the most used instrument in the academic environment is SERVQUAL, which is the basis of the new measurement scales. The SERVQUAL model was created by Parasuraman et al. (1985), and it refers to a multiple-scale of values that identifies the difference between the customers' expectations and perceptions. The latest version has these two aspects: expectations and perceptions. It uses a 7-point Likert scale, with 22 items that collect aspects that customers consider when evaluating a service. The authors also used this information weighted with the five dimensions of quality. They obtained two types of scores: (a) a simple average score, and (b) a weighted average score. The operation of this model has been criticized; however, it is still the quintessential quality measurement instrument.

Another model called SERVPERF, developed by Cronin & Taylor (1992), focuses only on measuring the service quality construct. The SERVPERF model uses the 22 items with a 7-point Likert scale of the SERVQUAL model, but without the expectations column. These authors stated that the SERVQUAL model was very limited, because it had little theory and/or empirical evidence.

The main studies on hotel quality range from 1990 to 2000. Santoma & Costa (2007), classified the quality studies on the hotel sector into three groups according to their nature: (a) studies that conducted a theoretical analysis of the concept; (b) quality management studies; and (c) studies that measured the quality of the service. The latter group had the largest number of research studies. The majority used the SERVQUAL model to measure the service attributes that affected the customers' expectations and perceptions. The survey was the main tool used to obtain the data. The results of the most referenced research studies are detailed below.

The main studies that used the SERVQUAL model are the following:

- Quality of service in the tourism industry (Fick & Ritchie, 1991): The researchers used the SERVQUAL scale in several businesses such as airlines, restaurants, hotels and ski resorts. The scale was adapted to each sector, according to the type of market. This study confirmed the attributes of the model. The main ones were reliability (customers' trust in the basic promise of the service) and security (focused on the confidence that workers transmit to the customer). The tangible elements were responsiveness and empathy.

- Quality of service in the hotel industry (Saleh & Ryan, 1991): The authors began their study by identifying three service quality components: physical quality (technical and visible part of the facilities), interactive quality (functional, how the service is provided), and the hotel image (combination of the previous components in addition to the commercial and communication actions). Although they consider physical quality as necessary, interactive quality is the key to customer perception.

Customer perception was evaluated using the SERVQUAL scale. The perception that the hotel management had about the customer's expectations was also evaluated. The obtained results showed an overestimation of the hotel managers about the customers' expectations, except from the 'provision of service' attribute, which had congruence between both of them. When performing a factor analysis to validate the quality of service attributes in the SERVQUAL model, a remarkable difference was demonstrated: only sociability explained 62.82%, tangibility 6.95% and the other attributes had a very weak presence.

Additional studies found are based on the SERVQUAL model and have been adapted for different purposes:

- The LODGSERV Scale (Knutson, Stevens, Wullaert, Patton, & Yokoyama, 1991): This is an index of 26 indicators created to measure customers' expectations at hotel facilities. This questionnaire was designed based on the SERVQUAL model of Parasuraman et al. (1988). The results confirmed the five dimensions of service quality in the SERVQUAL model.

- The LODGQUAL Scale (Getty & Thompson, 1994): In this study, a measurement instrument was developed for the clients' perception about the service quality in the hotel industry, starting with the SERVQUAL model. The results confirmed three attributes of the service quality: tangibility, reliability and contact (responsiveness, security, and empathy).

This model proved to have a high reliability to predict quality from a global perspective.

- The HOTELQUAL Scale (Falces, Sierra, Becerra & Briñol, 1999): The objective of the study was to develop a scale to measure the quality perceived by customers, about the accommodation services based on the SERVQUAL model, but adapted to the hotel industry. The questionnaire was given to a representative sample. The results showed that the five attributes of the SERVQUAL model were not valid, because after the factorial analysis, three factors explained 67% of the common variance: (a) valuation of the personnel providing the service, (b) hotel facilities and (c) perception of the organization of the services.

- The HOLSERV Scale (Mei, Dean & White, 1999) proposed to test the reliability and validity of the SERVQUAL model in the hotel industry, to determine the number of attributes that define the service quality in a hotel, and to identify the dimension that best predicts the overall quality of the service. The authors constructed the HOLSERV model adapting the SERVQUAL model. The results showed that there are three factors that explain the service quality in the hotel industry: (a) employees (speed of service, willingness, confidence, etc.); (b) the tangible elements (image of facilities, infrastructure, cleanliness); and (c) reliability. It should be mentioned that the "employees" factor is the one that best explains the customer's general satisfaction.

Another study used a different model to measure quality. It is known as the critical incident technique.

- The hotel service quality study conducted by Lockwood (1994), lead to a proposal to measure quality through the critical incident technique. The study had the following phases: collection of incidents, prioritization of incidents and proposal for improvement. In the "customer prioritization" phase, incidents were classified into four categories: satisfactory, unsatisfactory, neutral, and critical. Forty-eight interviews were conducted with both clients and employees. The study does not determine the quality of service attributes.

Further research was considered, most of which confirmed two of SERVQUAL's five attributes of service quality (tangible element and reliability). According to Santoma & Costa (2007), all the researchers on the previously mentioned studies concluded that the SERVQUAL scale is a good instrument to measure the quality of service. However, it needs to be adapted to the characteristics of the sector because, in spite of being accepted as a service, it also has the elements of a product (it relies on tangible and intangible elements). The authors concluded that the great areas that affect the hotel service are the tangible elements, the reliability, and the performance of the personnel.

The concept of loyalty has been one of the most covered topics in marketing because it is considered a complex phenomenon. This is why there is not a unified consensus about its measurement and definition. Loyalty studies have mostly focused on consumer behavior toward tangible goods and, to a lesser extent, towards service brands.

There is loyalty in situations where the consumer evaluates several brands of similar category and makes the purchase decision. The internal processes allow distinguishing loyalty from other repetitive purchase behaviors (Bloemer & Kasper, 1995). Two basic approaches describe loyalty according to the research studies: the attitude and the behavior approaches. Three main theoretical orientations were developed based on these two approaches: The behavioral approach, the attitudinal approach, and the mixed attitude-behavioral approach. In contrast, loyalty via customer satisfaction differentiates satisfaction as a goal, but the objective is to build loyalty; consequently, the customer needs to be satisfied in order to build the customer loyalty. However, there are other required factors to build loyalty, since satisfaction is not explained by itself (Reichheld, 1993) and, in this sense, Vasquez-Párraga & Alonso (2000) proposed that to build customer loyalty, a strong commitment—either with the product, service, or the company—is needed. We can conclude that commitment is based on the earned trust, which is built through customer satisfaction.

From the analyzed literature, it can be inferred that it is not enough to have a satisfied customer (because satisfaction can be obtained with other products that are also very competitive). The transcendence consists in developing a long-term relationship.

Some studies relate customer satisfaction and loyalty. An & Noh (2009) investigated the

impact of the in-flight service on airline customer loyalty. Lee, Back & Park (2016) confirmed a nonlinear relationship between customer satisfaction and brand loyalty. Hau & Thuy (2011) found that service value and satisfaction are proved as two mediating constructs in the impact of service personal values on customer loyalty.

The instruments used for measuring loyalty led to a series of proposals that were grouped in two types: behavioral or operational, and attitudinal-behavioral. The first group identifies the degree of loyalty according to the individual's purchase pattern, whereas the latter tries to approach the commitment or the bond developed with the brand.

Colmenares & Saavedra (2007), described behavioral or operational measures as post-action (purchase) measures that show their performance or actual outcome (effects). These measures base loyalty in the continuous choice of the same purchase alternative over time.

The measures are: purchase frequency, purchase intensity, purchase sequence, percentage of purchases, percentage of expenditures, average number of annual purchases, and annual rates of repeat purchase (Ekinci, 1988; Tranberg & Hansen, 1986; Reichheld, 1993; Delgado, 2004).

Other authors have developed probabilistic prediction models based on past purchases (Bayus, 1992; Kalwani & Morrison, 1977), which include the measures of brand recommendation, brand satisfaction, exchange costs, implication, price primacy, consistency of the choice of the brand, zero order models, and the Markov models (Dick & Basu, 1994; Selnes, 1993; Yi, 1990; Zeithaml, 1996). This measure is reinforced by the appearance of a database of consumers and the installation of scanners at the points of sale.

In terms of attitude-behavioral measures (Colmenares & Saavedra, 2007), it is explained that these measured the degree of customer commitment to the brand, which is demonstrated by preference and purchase intention. They were measured through observation, interviews, and attitude scales. Pre-action measures that provide early projection or early warning of performance or results of the individual's behavior were considered. These measures are indicators of cause.

Zeithaml et al. (1996), developed a 13 item-scale to measure loyalty as a behavioral intention. This scale was classified in five dimensions: loyalty, switch, price sensitivity, external, and internal complaints. In relation to loyalty in hotel companies, these studies are based on the critical factors contributing to the generation of positive experiences, to satisfaction, and quality (Ramanathan & Ramanathan, 2011).

# 3. Methodology

The hypotheses developed in this study are based upon the SERVQUAL / HOLSERV/SERVPERF models.

The study hypotheses are the following:

(H1) The service quality perceived in four-star hotels is highly associated with customer loyalty.

(H2) The location of four-star hotels is highly associated with customer loyalty.

(H3) The personalized assistance in four-star hotels is highly associated with customer loyalty

(H4) The performance of internal customers (employees) at four-star hotels is highly associated with customer loyalty.

This paper followed a cross-sectional quantitative study and a non-experimental descriptivecorrelational research. The questionnaire development process had an English and a Spanish version, a double translation protocol was used. The English version of the questionnaire was translated into Spanish by two bilingual faculty. The Spanish version was translated back into English by two different bilingual faculty. The two versions of the questionnaire were examined by the authors and found no significant difference. The data was collected through face-to face interviews, without manipulating the variables that were observed in the natural context. In addition, the questionnaire was composed of two groups: the first group included 25 service quality questions in accordance with the dimensions of the SERVQUAL model of Parasuraman et al. (1988): tangibility, reliability, responsiveness, security, and empathy. Nevertheless, only the respondents' perceptions were evaluated so that the scale became the SERVPERF model proposed by Cronin & Taylor (1992). The second group included 11 loyalty questions based on the behavioral approach, incorporating the measurements subsequent to the purchase. Several items were included in the "behavioral intention" scale developed by Zeithaml et al. (1996), to measure the customer loyalty. Both groups were measured using the five-point Likert scale. At the end, the survey includes questions about age, gender, marital status, nationality, and education level.

The comparative study of service quality scales conducted by Barrera & Reyes (2012) was taken as reference to select the measurement scale. The authors evaluated the SERVQUAL, SERVPERF and " Evaluated Performance" scales for the services sector, and concluded that SERVPERF is a superior method.

Additionally, some variables were adapted for this research study. Variable 1: Quality of service. The six dimensions of the model developed by Parasuraman et al. (1988) were adapted to the hotel market: (a) tangible and technological equipment; (b) accessibility; (c) staff professionalism; (d) security; (d) competitive hotel offer; and (e) empathy.

Variable 2: Consumer loyalty (measured as the intention of behavior). The indicators proposed by Zeithaml et al. (1996) were used: (a) fidelity; (b) change; (c) price sensitivity; (d) external complaint; and (e) internal complaint.

For the sampling, the average number of customers registered in the last 12 months, in the six most representative four-star hotels in Miraflores was consulted in order to determine the population with which the sample size would be calculated. The information obtained by using the simple random sampling formula—with a margin of error of 0.05 and a Z value associated to a normal distribution—resulted in a sample size of 381 subjects (hotel guests).

These subjects were confidentially surveyed when they checked out of the hotels at the end of their stay. We considered people that had been in hotels in Miraflores before. The respondents were persons who, with their own resources and preferences, decided to choose a particular hotel service and, at the same time, were recurring clients of four-star hotels in the district of Miraflores. Therefore, we excluded from the analysis the individuals that were interviewed but it was their first time in one of those hotels. Miraflores was selected because it is the most touristic district of Lima Metropolitan Area and, it has the greatest number of hotels within the studied category.

## 4. Results

The study had 375 surveys that were correctly answered. On average, about 60 people were face-to face interviewed in each hotel facility. The gender of the respondents consisted of 167 men (43.8%) and 211 women (55.4%). The age of the interviewees ranged from 20 to 84 years. The average age was 38 years and the most frequent age was 40. The variation expected from the average was 11.8.

The education level of the respondents was mostly graduate education, representing 63% of the total sample. A 23.1% reported having university studies and 13.1% only completed high-school studies.

According to the country of origin, the sample had a varied participation of foreign visitors from 20 countries. Peru registered the majority of respondents with 21.9% (88 individuals), followed by Chile with 12.9% (49 respondents) and Argentina with 10% (38 respondents). The remaining countries had fewer participants.

## 4.1. Validity and reliability of the measurement instrument

#### Service quality

The validity construct and its dimensionality were studied with an exploratory factorial analysis. The Kaiser-Meyer and Olkin (KMO) test was previously applied, which measures the sample adequacy and indicates how appropriate the factor analysis is. This test yielded a

value of 0.95, which is rated as "excellent" in a range from 0 to 1. Therefore, we can conclude that the sample is appropriate for the factorial analysis.

The Bartlett's test for sphericity was also used to evaluate the applicability of the factorial analysis in the variables. This test yielded a value of 2,290.3 for X2 with a significance level of 0.000, which reflects the significant intercorrelations among the variables justifying the evaluated construct. These results confirmed that it is relevant to use the factor analysis to estimate the validity.

The next step was to conduct the principal component analysis, whose objective is to reduce the dimensionality of a set of observations with a large number of items, retaining as much information as possible through the variance, and to concentrate this information in the smallest number of factors. The three main factors extracted are factor No. 1 (location and personnel professionalism), which explained 50.7% of the service quality total variance; factor No. 2 (comfortable facilities and efficient service), which explained 5.0%; and factor No. 3 (superior hotel offer) which explained 4.8%.

Finally, the extraction of the number of factors comes in conjunction with Varimax orthogonal rotation. "This method maximizes factor variance; each column of the rotated factorial matrix will have high factor loadings with some variables and lows with others, which facilitates interpretation" (Alvarez, R., 1995, p. 237). Results are shown in Table 1

Item	1		
Item			3
19. The personnel are concerned about solving the customers' problems.	.789		
10. The personnel are competent and professional.	.694		
18. The price of the provided services is consistent with the perceptions.	.665		
23. Ease of obtaining information about the different services of the hotel.	.657		
21. Availability of parking areas			
11. Pleasant experience caused by unexpected actions of the hotel service.			
22. Personalized customer service			
20. Good location of the facilities	.556		
8. Quiet location	.555		
25. Safe facilities	.553		
13. Polite and friendly personnel			
9. Fast and effective problem solving			
17. Facilities to carry out complementary and/or recreational activities			
1. Cozy and friendly decoration of the premises			

Table 1Rotated component matrix of the service quality questionnaire

6. Comfortable rooms and facilities	.702	
5. The service was provided according to the agreed terms	.643	
2. No errors during the provision of the service	.623	
7. Accurate and timely information about the terms of service	.615	
4. The customer is the most important thing (the customer's interests come first).	.571	
3. Smart appearances of the personnel	.548	
16. Wide range of additional services offered at the hotel.		.742
15. Guest-room technologies		.730
14. Facilities in good condition		.668
24. Customer service hours adapted to his needs.		.595
12. Fully guaranteed reservations		.524
Rotation method: Varimax with Kaiser normalization.		

The Cronbach's Alpha coefficient was used to verify the service quality reliability. The three extracted factors were highly reliable (a > 0.80). These were: "Location and personnel professionalism"—which was the factor that obtained the highest reliability (a: 0.93)—followed by "Comfortable facilities and efficient service" (a: 0.89) and finally "Superior hotel offer" (a: 0.85)

#### Loyalty

For the "loyalty" variable, the dimensionality analysis of the questionnaire and the factor analysis were conducted to validate the instrument. The principal components extraction resulted in: (a) Factor 1 "Behavior - loyalty," which explains 34.39% of the total explained variance; (b) Factor 2 "Behavior - switch", which explains 16.55%; and (c) Factor 3 "Behavior - internal complaint," which explains 11.09%. Varimax orthogonal rotation was used to regroup the items in each extracted factor, in which saturations from 0.62 to 0.86 were obtained. This showed a good representativeness of the items within the corresponding factor. The validity is, therefore, correct. The results are shown in Table 2.

Item	Factors						
	1	2	3				
2. I will recommend this hotel to those who ask for advice.	.833						
3. I will encourage my friends and family to come to this hotel	.817						
1. I will say positive things about this hotel to other people	.772						
4. I will consider this hotel as the first choice when I come back to this place	.765						

Table 2Rotated component matrix of the loyalty questionnaire

7. I would continue coming to this hotel even if the prices increase a little.	.668		
5. I will visit this hotel more in the future.	.608		
8. I would change to another hotel if I have any problem with the service.		.775	
6. I will also visit other hotels that offer better prices when I return here.		.767	
9. I would complain to other customers if I have any problem with the hotel service.		.618	
10. I would complain to the management if I have any problem with the hotel service.			.858
11. I would complain to the personnel if I have any problem with the hotel service.			.787

Rotation method: Varimax with Kaiser Normalization

The item-scale correlations are higher than 0.3 in all cases, which reflects a good relationship among the evaluated items and the construct. The reliability and the internal consistency were also estimated using the Cronbach's Alpha Coefficient (a). The obtained total Alpha coefficient was 0.71, which revealed the internal consistency of the scale and the homogeneity of the items in the loyalty questionnaire, with the following alpha coefficients by factors: 0.85 for "Behavior - loyalty", 0.56 for "Behavior - switch" and 0.62 for "Behavior - internal complaint".

## 4.2. Correlation analysis among the study variables

#### **Goodness of fit Test**

\_

The Kolmogorov-Smirnov test was used to determine if the factors extracted from each of the study variables obeyed or not the normal distribution. Both, the three "service quality" factors and the three "loyalty" factors, did not conform to a normal distribution—and given that each factor evidenced a significance less than 0.05—the Spearman's rho coefficient (r) was used to contrast the correlation hypotheses testing, which is confirmed if p < 0.05. The values were classified from 0.00 to 0.019: very low correlation; 0.2 to 0.39: low correlation; 0.4 to 0.59: moderate correlation; 0.6 to 0.79: good correlation; and 0.8 to 1: high correlation.

### 4.3. Correlation analysis among the factors extracted from the "Service quality and loyalty" variables

The three factors of service quality related to the three factors of loyalty showed lowintensity positive correlation coefficients, less than 0.2 with a confidence level of 99%. Therefore, we can conclude that there is very low correlation (see Table 3).

service quality factors and the loyalty factors					
		Location and personnel professionalism	Comfortable facilities and efficient service	Superior hotel offer	
Behavior - loyalty	r	.214***	.202***	.200***	
	р	0	0	0	

Table 3Spearman's rho coefficient Correlations among the<br/>service quality factors and the loyalty factors

Behavior - switch	r	.128*	.108*	.133**
	р	.0130	.035	.010
Behavior - internal complaint	r	.176**	.123*	.206***
	р	.001	.017	.000

\*\*\* The significance level of the correlation is .001.

\*\* The significance level of the correlation is .01.

\* The significance level of the correlation is .05.

## 4.4. Correlation analysis among the Service items and the Loyalty factors

It is noted that the correlations are generally low and positive. Conversely, several correlations had a significance level of p > 0.05; hence, we reject that service items are related to the loyalty factors. In addition, the following two items showed no correlation with the three factors: "Smart appearances of the personnel" and "the personnel are competent and professional." The service quality items showed different behaviors with each loyalty factor. For instance, factor 2 "Behavior - switch" registered few significant correlations (p < 0.05) in the service quality items, and factor 1 "Behavior - loyalty" demonstrated a higher correlation in their coefficients and significance level (p < 0.01).

# 4.5. Correlation analysis between service quality and loyalty according to the situational variables

Table 4 shows that the correlations, according to situational variables, are located in the range from 0.22 to 0.49. Therefore, none of them achieves an average or moderate correlation. The most significant results, according to the situational variable, with correlations higher than 0.30 with minimum confidence interval of 95%, correspond to the following respondents: (a) from 18 to 25 years old; (b) with high school and undergraduate studies; (c) single and divorced; (d) Peruvian nationality; and (d) coming from Central America and Europe.

	Classification according to the situational variable	Spearman's rho coefficient	Obtained p- value	Percentage of the sample* (%)
Gender	Male	.286	0.000**	44.2%
	Female	.287	0.000**	57.8%
Age	From 18 to 25 years	.487	0.000**	16. 4%
	From 26 to 35 years	.254	0.012***	25.4%
	From 36 to 55 years	.223	0.002**	50%
	From 56 to 84 years	.307	0.093***	8.2%

Table 4Correlations between the overall loyalty and the global service quality,according to the situational variables using the Spearman's rho coefficient

Education level	High school	.421	0.002**	14%
	Undergraduate	.335	0.001**	23%
	Graduate	.229	0.000**	63%
Country of origin	Peru	351	0.001**	21.96%
	South America	.257	0.000**	52.4%
	Central America	.339	0.009**	15.34%
	Europe	.477	0.002**	10.30%
Marital Status	Single	.336	0.000**	44%
	Married	.218	0.004**	45.2%
	Divorced	.347	0.026***	10.8%

\*The used sample was composed of 378 persons.

\*\*The significance level of the correlation is .01.

\*\*\* The significance level of the correlation is .05.

### 4.6. Comparison of the hypotheses

The comparison results of the hypotheses were the following:

• H1: The quality of service perceived in four-star hotels has a high degree of association with consumer loyalty.

The quality of service found has a low correlation coefficient (r: 0.278) with the loyalty variable, within a significance level of .000, with a margin of error of less than 1%, at the 99% confidence interval. Therefore, the quality of service perceived in four-star hotels does not have a high degree of association with consumer loyalty. With this result, the hypothesis is not supported.

• H2: The location of four-star hotels has a high degree of association with consumer loyalty.

The location has a low correlation coefficient (r: 0.248) with the loyalty variable, within a significance level of .000, with a margin of error of less than 1%, at the 99% confidence interval. Therefore, the good location perceived in four-star hotels, does not have a high degree of association with consumer loyalty. With this result, the hypothesis is not supported.

• H3: The personalized attention of four-star hotels has a high degree of association with consumer loyalty.

The personalized attention has a very low Spearman's rho correlation coefficient (r: 0.152) with the loyalty variable, within a significance level of .000, with a margin of error of less than 1%, at a 99% interval of confidence. Consequently, personalized attention in four-star hotels does not have a high degree of association with consumer loyalty. Therefore, the hypothesis is not supported.

• H4: The internal customer (employee) performance of four-star hotels has a high degree of association with consumer loyalty.

The "internal customer" variable, developed from the items related to employee performance, had a low intensity correlation coefficient (r: .204) with the loyalty variable within a significance level of .000, with a margin of error of less than 5%, at the 95%

confidence interval. Consequently, the performance of internal customers (employee) of four-star hotels does not have a high degree of association with consumer loyalty. Therefore, the hypothesis is not supported.

# **5.** Conclusions

If we contrast the general objective of the study and the statistical test results, we could state that, according to the observed sample, there is not a significant relation between service quality and loyalty in the hotel industry.

However, we must take into account the implications this study has for the practical world of hotels, such as, for example, the importance of consumer loyalty, because a higher consumption for these hotels would bring a greater profit. Therefore, the continuous improvement of service quality will be required as a factor to increase consumption. Also, this article serves as an aid for future research that could use the same methodology in other locations and thus be able to compare the results obtained.

We can also identify that the main service items that have higher correlations with loyalty were grouped as follows: (a) The price of the provided services are consistent with the perceptions; (b) hotel: good location, cozy and pleasant facilities; and (c) wide range of additional services offered at the hotel.

The items of the loyalty variable obtained an average approval score of 60% in the Likert scale, showing a medium-high level of loyalty to the visited hotel. The only items of the service quality that registered a score close to 80% in the Likert scale were the following: polite and friendly personnel, facilities in good condition, guest-room technologies, and a wide range of additional services offered at the hotel.

The survey results showed scores higher than 4 in the Likert scale. Customers stated that they were satisfied with the service. However, the correlation with loyalty is low. In this sense, there are investigations that support this dissociation (Hallowell, 1996; Reichheld, 1993; Zamora et al., 2008), which concluded that a satisfied customer is not necessarily loyal.

Similarly, with respect to the attitudinal-behavioral measurements, Martin & Rodriguez (2011) indicated that the commitment, attitude, and repurchase might be influenced by exogenous factors that divert the customer's response. The results confirmed this statement, because the quality attributes only explained the loyalty in less than 30%. It was also noted that the customers believed that the personnel is very friendly and polite; however, the personalized customer service obtained a lower score. Therefore, the personnel should be appropriately trained, highly motivated, and the hotel companies must invest in technical training and develop a harmonious work environment, so that the personnel can provide a high quality service.

The loyalty dimension related to the purchase intent yielded better results; however, each dimension of loyalty showed different correlation behaviors consistent with the previous studies. Therefore, the complex relationship with quality is demonstrated (Bloemer & Kasper, 1995).

Since the results showed a low association between service quality and loyalty, it is important to determine what motivates the clients' willingness to be loyal to the hotel, their repurchase intention, contributions to improvement (in case of complaints), willingness to recommend the hotel, and other possible measurements. All of these are the basis for identifying the causes of loyalty. This shall not be confused with the actions taken by the consumers—such as how many times a year they repurchase—because these are simply the effects of the customer's willingness toward the product and these are not always performed due to a latent and original loyalty. The presence of a hotel membership card could help explain these consumer actions.

According to the sample, a high percentage of recurring four-star hotels guests has pursued graduate studies. The majority are 35 to 40 years old; they also come from other countries with different cultures and experiences. The results showed that their quality perspective is high and demanding.

The study results demonstrated that the actions taken to build loyalty, which are based only on the service quality, are limited. Consequently, it is necessary that companies reconsider their marketing strategies. Since there are different types of customers—in terms of behavior and attitude, age, marital status, level of education, and country of origin—it is essential to manage customized strategies for each group in order to establish strategic and tactical guidelines for each segment. It is also recommended to put a greater emphasis on the internal complaints. The hotels that receive a direct claim from the customer have a valuable opportunity to build customer loyalty, if the personnel knows how to manage and improve their productivity by correcting the service process failures perceived by the customer, and if they have the ability to transmit it. Nevertheless, the results confirmed that is not enough to have personnel who provide good customer service to achieve the service satisfaction. Given that the professionalism valued by the customer is more relevant than just being polite, it is recommended to improve the personnel's work with performance assessments in order to identify the gaps, provide technical trainings and motivational workshops, put an emphasis on the work environment, and provide a continuous feedback.

For future studies, is also recommended to consider the influence of the service quality on loyalty, according to the price of the service. It is likely that service quality influences more in segments with lower prices, whereas its effect might change or decrease if the price is higher. Hence, it is also advisable to conduct studies aimed to determine the most relevant variables to build loyalty.

## **Bibliographic references**

An M, Noh Y (2009) Airline customer satisfaction and loyalty: impact of in-flight service quality. Serv Bus 3(3):293–307. doi: 10.1007/s11628-009-0068-4

Barrera J, Reyes MC (2012) Análisis comparado de las escalas de medición de la calidad de servicio en la Universidad de Sevilla. Retrieved from:

http://www.ti.usc.es/lugoxihispanolusas/pdf/06\_COMERCIALIZACION/28\_barrera\_reyes.pdf

Bayus BL (1992) Brand loyalty and marketing strategy an application to home appliances. Marketing Science, 11: 21-38.

Bloemer J, Kasper H (1995) The complex relationship between consumer satisfaction and brand loyalty. Journal of Economic Psychology 16(2):11-329.

Calero R. (2008) La ubicación del hotel es su ventaja más importante. http://www.uhu.es/uhutur/documentos/entrevistas2/RufinoCalero.pdf

Canales C (2014) Sector hotelero planea invertir más de US\$ 2,000 millones en próximos tres años. Commentary in a news set. http://gestion.pe/economia/sector-hotelero-planea-invertir-mas-us-2000-millones-proximos-tres-anos-2116967

Colmenares O, Saavedra J (2007) Aproximación teórica de la lealtad de marca: enfoques y Valoraciones. Cuadernos de Gestión, 7(1): 69-81.

Cronin J, Taylor S (1992) Measuring service quality: A reexamination and extension. Journal of Marketing (56):55-68. Doi: 10.2307/1252296.

Delgado E (2004) Estado actual de la investigación sobre lealtad de marca: Una revisión teórica. Revista de Dirección, Organización y Administración de Empresas, (30), 16-24.

Dick A, Basu K (1994) Customer loyalty: Toward an integrated conceptual framework. Journal of Academy of Marketing Science, 22(2): 99-113.

Ekinci Y (2002) A review of theoretical debates on the measurment of service quality: Implications for hospitality research. Journal of Hospitality & Tourism Research. 26(3): 199-276.

Falces C, Sierra B, Becerra A, Briñol P (1999) Hotelqual: Una escala para medir la calidad percibida en servicios de alojamiento. Estudios Turísticos (139):95-110.

Fick G, Ritchie JR (1999) Measuring service quality in the travel and tourism industry. Journal of Travel Research (30):2-9.

Getty J, Thompson K (1994) A procedure for scaling perceptions of lodging quality.

Hospitality Research Journal 18(2):75-96.

Gracia E, Grau R (2014) Estudio de la Calidad de Servicio como base fundamental para establecer la lealtad del cliente en establecimientos Turísticos. http://www.uji.es/bin/publ/edicions/jfi13/17.pdf.

Grönroos, C (1984) A service quality model and its marketing implications. European Journal of Marketing, 18(4).

Grönroos, C (1994) Marketing y gestión de servicios: La gestión de los momentos de la verdad y la competencia en los servicios. Madrid, España: Díaz de Santos.

Hallowell R (1996). The relationships of customer satisfaction, trust and commitment in customer satisfaction, customer loyalty, and profitability: An empirical study. International Journal of Service Industry Management, (7): 27-42.

Hau LN, Thuy PN (2011) Impact of service personal values on service value and customer loyalty: a cross-service industry study. Serv Bus 6(2):137–155Kalwani M, Morrison DG (1977) A parsimonius description of the Hendry system. Management Science, 23(5): 467-477.

Knutson B, Stevens P, Wullaert C, Patton M, Yokoyama F (1991) Lodgserv: A service quality index for the lodging industry. Hospitality Research Journal (14):277-284.

Lee A, Back KJ, Park J (2016) Effects of customer personal characteristics on the satisfaction-loyalty link: a multi-method approach. Serv Bus 11(2):279–297

Lockwood A (1994) Using service incidents to identify quality improvement points. International Journal of Contemporary Hospitality Management 6(1/2):75-85.

Martin C, Rodríguez A (2011) Tipología y Caracterización de la Lealtad de Marca Universidad de Valladolid, España. Ponencia en el XI Congreso Nacional de ACEDE.

Mei AWO, Dean A, White C (1999) Analysing service quality in the hospitality industry. Managing Service Quality 9(2):136-143.

Parasuraman A, Zeithaml VA, Berry LL (1985) A conceptual model of service quality and its implications for future research. Journal of Marketing (49):41-50.

Parasuraman A, Zeithaml VA, Berry LL (1988) SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. Journal of Retailing (64):12-39.

Ramanathan U, Ramanathan R (2011) Guests' perceptions on factors influencing customer loyalty: An analysis for UK hotels. International Journal of Contemporary Hospitality Management 23(1):7-25.

Reichheld E (1993) Loyalty based management. Harvard Business Review (2):64-71.

Rust RT, Oliver RL (1994). Service quality: New directions in theory and practice. Los Angeles, CA: Sage.

Saleh F, Ryan C (1991) Analysing service quality in the hospitality industry using the servqual model. The Service Industries Journal 11(3):324-343.

Santoma R, Costa G (2007) Calidad de servicio en la industria hotelera: Revisión de la literatura. Revista de Análisis Turístico (3):27-44.

Selnes F (1993) An examination of the effect of product performance on brand reputation satisfaction and loyalty. European Journal of Marketing, 7(9): 19-35.

Serrano A, López M (2008) Modelos de gestión de la calidad de servicio: Revisión y propuesta de integración con la estrategia empresarial. Recuperado de: http://www.researchgate.net/publication/28202543.

Tranberg H, Hansen F (1986) Patterns of brand loyalty: Their determinants and their role of leading brands. European Journal of Marketing, (20): 81-109.

Vasquez-Párraga AZ, Alonso S (2000) Antecedents of customer loyalty for strategic intent. Marketing Theory and Applications, p 82-83.

Viada-Stenger MC, Balbastre-Benavent F, Redondo-Cano AM (2010) The implementation of a quality management system based on the Q tourist quality standard. The case of hotel

sector: Service Business: An international journal 4:177-196.

Yi Y (1990) A critical review of consumer satisfaction in Zeithmal. Review of Marketing AMA Chicago, 68-123.

Zamora J, Vasquez-Párraga AZ, Morales F, Cisternas C (2008) Proceso de formación de la lealtad del huésped: Teoría y prueba empírica. Interamerican Journal of Environment and Tourism 1(1).

Zeithaml V, Berry L, Parasuraman A (1996) The behavioral consequences of service quality. Journal of Marketing (60):31-46.

1. Researcher Professor in CENTRUM Catolica Graduate Business School, Pontificia Universidad Católica del Perú. Ph.D. in Business Administration from Oklahoma State University. MBA from University of St. Thomas. Bachelor's degree in Ciencias Administrativas from Universidad de Lima, Peru. Contact e-mail: lariasb@pucp.pe

2. Ministerio de Producción del Perú. MBA from CENTRUM Católica Graduate Business School, Pontificia Universidad Católica del Perú. Bachelor's degree in Economics from Universidad San Martín de Porres, Perú. Contact e-mail: kpbf@hotmail.com

3. Independent consultant. MBA from CENTRUM Católica Graduate Business School, Pontificia Universidad Católica del Perú. Bachelor's degree in Law from Universidad Peruana de Ciencias Aplicadas, Perú. Contact e-mail: ethelpatriciam@gmail.com

Revista ESPACIOS. ISSN 0798 1015 Vol. 39 (Nº 44) Year 2018

[Index]

[In case you find any errors on this site, please send e-mail to webmaster]

©2018. revistaESPACIOS.com • ®Rights Reserved