

# DETERMINANTS OF HOTELS' CUSTOMER LOYALTY DURING THE COVID-19 PANDEMIC IN THAILAND

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## ABSTRACT

*This study identifies the determinant factors of hotels' customer loyalty during the COVID-19 pandemic in Thailand. The determinants comprise prices, facilities, services and mediating effect of customer satisfaction. The self-administered online survey was distributed through convenience sampling from 220 hotel customers in Thailand. The data were analyzed using PLS-SEM for hypothesis testing. The results reveal that prices, facilities and services significantly influence customer satisfaction and turn it into customer loyalty. Services have the highest predictive power over facilities and prices on customer satisfaction and indirectly influence customer loyalty. Only services have a direct influence on customer loyalty. The implication could be applied to any service company to improve customer satisfaction with services, prices and facilities to enhance customer loyalty. The recommendation is to increase sampling to cover more areas to explain the relationship phenomenon better. The researchers should consider more variables in quantitative research. This study employed quantitative research and may not cover insight results. Further qualitative study, such as interviews and focus groups, is also recommended.*

**Keywords:** Hotel Customer Loyalty; Customer Satisfaction; Prices; Facilities; Services.

## INTRODUCTION

### Background of the Study

The spread of COVID-19 and large-scale travel restrictions continue to wreak havoc on the hospitality industries, especially the tourism sector, worldwide (Jiang & Wen, 2020). Also, the COVID-19 outbreak has significantly affected Thailand's tourism industry. For instance, foreign visitors cancelled their travel plans, and the government-imposed flight restrictions to protect public health (Kanyama et al., 2022; Vithayaporn, 2021). Furthermore, hotels are particularly susceptible to decreased tourism and travel and a slowdown in economic activity (Jiang & Wen, 2020). Hence, it is challenging for the hotels to survive this COVID-19 crisis (Japutra & Situmorang, 2021). Several determinants of marketing strategies and strategic plans have been implemented to attract and satisfy the customers, such as perceived value (El-Adly, 2019), perceived price (Chiang & Jang, 2007), perceived enjoyment (Mohamad et al., 2021), and perceived service quality (Malik et al., 2020). Moreover, it is widely recognised in the hotel industry that customer satisfaction is critical to sustaining revenues because loyal customers are the profit drivers. Providing high levels of comfort reduces the price sensitivity of business

customers (Prasad et al., 2014). Therefore, it is critical to investigate the factors that keep customers and consistently exceed their needs and expectations. Prices, facilities, and services are the variables considered in this study. Furthermore, customer satisfaction is considered a mediator between the three factors and customer loyalty in hotels during the COVID-19 pandemic in Thailand.

### **Research Objective**

This study identifies the determinant factors (prices, facilities, services) and the mediating effect of customer satisfaction in a Partial Least Square Equation Model (PLS-SEM) to explain hotel customer loyalty during the COVID-19 pandemic in Thailand.

### **Research Question**

What are the significant determinants predicting hotels' customer loyalty in a PLS-SEM during the COVID-19 pandemic in Thailand?

## **LITERATURE REVIEW**

### **Hotel Industry during COVID-19 Pandemic in Thailand**

The hospitality industry is a multibillion-dollar industry that includes a wide range of activities, the most important of which are hotel operations, tourism services, event planning, and transportation (Ali et al., 2021). The hospitality industry, especially the tourism and hotel sectors, is a critical pillar of the Thai economy. It generated THB 301 trillion in revenue in 2019, making it Thailand's economic backbone. However, tourism businesses and other services in Thailand have been closed since March 2020 due to government policies and emergency measures to prevent COVID-19 (Pongsakornrungrsilp et al., 2021). As a result of COVID-19, hotel and travel businesses have been closing and incurring losses. The crisis has undoubtedly impacted workers in the tourism industry by going unpaid or losing their jobs. This crisis has affected the entire tourism supply chain, including international business partners who collaborate on inbound tourism (Ngoc Su et al., 2021; Pongsakornrungrsilp et al., 2021). Therefore, given the importance of the hospitality industry to the Thai economy and other countries that rely heavily on this sector, it is critical to study the hotel industry during the COVID-19 pandemic in Thailand.

### **Customer Loyalty in Hotels**

The hospitality industry recognises that superior service quality is a crucial factor under its control that can add value to its product (services) and, as a result, increase customer loyalty (Al-Rousan & Mohamed, 2010). Enhancing service quality at all levels of service delivery has become critical for organisational survival, regardless of internal or external changes. By contrast, hotels that attempt to increase market share through price reductions run a significant risk of negatively impacting the hotel's medium- and long-term profitability. As a result, rather than price, the ability of a hotel to differentiate itself from competitors and earn customer loyalty has shifted to service quality (Lee et al., 2003). Loyal customers have a favourable opinion of the business, commit to purchasing the product or service in the future, and recommend the product or service to others (Bowen & Chen, 2001). Therefore, hotel customer loyalty in this study is

concerned with sharing positive things about the hotel's preventive COVID-19 protocols, encouraging friends and relatives to use the hotel, considering the hotel to be their first choice and recommending the hotel to others.

## Customer Satisfaction

Satisfaction is the level of a person's feelings of pleasure or disappointment due to comparing the perceived performance of a product or service to expectations (Sanny & Daulay, 2022). Similarly, customer satisfaction is a state of mind demonstrated by customers when they realise that their needs and desires have been met as expected and satisfactorily (Torres & Kline, 2013). Customer satisfaction remains the goal of all business organisations because it determines survival, growth, and reputation (Rajan, 2021). Customer satisfaction is significantly related to perceived service quality, which results in positive customer loyalty in the hotel industry (Rashid, 2013). The findings also confirmed that customer satisfaction has a significant and beneficial partial mediating effect on service quality and customer loyalty in rural tourism in Malaysia. The findings imply that the relationship between service quality, customer satisfaction, and customer loyalty will affect the profitability of rural tourism operators (Osman & Sentosa, 2013). Therefore, customer satisfaction in this study refers to an individual's feelings of disappointment or pleasure regarding the determinants (prices, facilities, and services) from hotels in Thailand.

## Determinant Factors of Hotels' Customer Loyalty

The business organisation must consider several factors to retain customers and continuously satisfy their expectations (Lysenko-Ryba & Zimon, 2021). A primary responsibility of businesses in any industry, including the hospitality industry, is to pay attention to all aspects of the business, such as updating infrastructures and facilities, appointing skilled employees and providing continuous training, improving timely services, implementing new strategies, changing or simplifying processes, and modifying the ways of doing routine business (Ali et al., 2021; Rajan, 2021). In the hotel industry, common service-related factors refer to staff and their attitudes and service. Room facility-related factors refer to room cleanliness or dirtiness, bed, bathroom, and room size (Kim et al., 2016). Therefore, it is critical to investigate the factors that retain customers and consistently exceed their expectations. The factors in this study include prices, facilities, and services. Moreover, customer satisfaction is considered the mediator between factors and customer loyalty in hotels.

## Prices

Price refers to the total amount exchanged by the customer to benefit from the product or service (Cristo et al., 2017). In the hospitality industry, price significantly impacts customers' quality perceptions because lodging guests expect a higher level of service when they pay more (Mattila & O'Neill, 2003). Zakaria et al. (2014) identified the relationships between loyalty programmes, customer satisfaction and customer loyalty in the retail industry. It was confirmed that special prices significantly influenced customer satisfaction. Furthermore, Raji & Zainal (2016) examined the impact of perceived value on customer satisfaction in upscale Malay restaurants in terms of emotional responses, monetary prices, behavioural prices, and reputation.

It found that monetary prices had a significant positive relationship with customer satisfaction. Radojevic et al. (2015) also supported that price had a significant positive relationship with customer satisfaction. Furthermore, Anuwichanont (2011) investigated the impact of price perception on customer loyalty in the airline context. Price perception was significantly apparent solely in the relationship between brand affect and loyalty constructs. Lee (2013) and Dimyati & Subagio (2016) also confirmed a relationship between prices and customer loyalty. Moreover, Lie et al. (2019) investigated the influence of service quality, price, and consumer trust in consumer loyalty to user-based transport applications. The price had a negative but not significant impact on customer satisfaction but a positive and significant impact on consumer loyalty.

***H<sub>1</sub>:*** *Prices significantly influence hotel customer satisfaction during the COVID-19 pandemic.*

***H<sub>2</sub>:*** *Prices significantly influence hotel customer loyalty during the COVID-19 pandemic.*

## Facilities

The competition in the hotel business is robust in large cities with extended coverage of lodging facilities. Hence, the management of hotel facilities is critical to maintaining their high efficiency, competitiveness, and good reputation in the hotel services market (Kobyak & Lvovna, 2015). Hotel facilities include a lobby, a meeting room, a laundry, a restaurant, a pool, and a sports field, as well as facilities provided in hotel bedrooms such as a television, a safe deposit box, a coffee table, a refrigerator, and a couch (Nurcahyo et al., 2017). Marković & Raspor Janković (2013) investigated the relationship between service quality and customer satisfaction. Facilities and materials affected overall customer satisfaction. Nurcahyo et al. (2017) examined the impact of facilities and service quality on customer satisfaction and loyalty at the Borobudur Hotel in Jakarta. It was confirmed that facilities significantly influenced customer satisfaction. Abrudan et al. (2020) also confirmed that hotel facilities significantly influenced customer review scores to express customer satisfaction. Sitio & Ali (2019) investigated the effect of service quality and facilities on patient satisfaction and patient loyalty in the health industry. The facility had no significant effect on patient loyalty. Soliha et al. (2021) investigated the influence of experiential marketing and location on customer loyalty. Cafe's location positively and significantly affected customer loyalty.

***H<sub>3</sub>:*** *Facilities significantly affect hotel customer satisfaction during the COVID-19 pandemic.*

***H<sub>4</sub>:*** *Facilities significantly affect hotel customer loyalty during the COVID-19 pandemic.*

## Services

Service performance refers to the perceived amount of service attributes the outcome received, including core service performance. Services include comfortable and clean accommodation, a dependable reservation system, efficient check-in and check-out, and service encounter performance. Also, efficient service, extra attention, and meeting customer needs are essential (Han et al., 2011). Customer retention has been a significant focus for service providers (Han & Back, 2008). Dimyati and Subagio (2016) investigated the effect of service quality, price, and brand image on customer satisfaction. Customer satisfaction was significantly

influenced by good service quality that met customer expectations. Furthermore, Siripipathanakul & Nyen Vui (2021) confirmed that dental staff services significantly influenced patient satisfaction. Minh et al. (2015) investigated the relationship between service quality and customer satisfaction in Vietnamese hotels. It was confirmed that good service quality had a significant impact on customer satisfaction. Rita et al. (2019) also confirmed that e-service quality positively impacted customer satisfaction. Furthermore, Fida et al. (2020) investigated the impact of service quality on customer loyalty and customer satisfaction using the SERVQUAL model for four main Islamic banks in the Sultanate of Oman. There was a significant relationship between services and customer loyalty. Lee (2013) also confirmed a relationship between services and customer loyalty.

*H<sub>5</sub>: Services significantly affect hotel customer satisfaction during the COVID-19 pandemic.*

*H<sub>6</sub>: Services significantly affect hotel customer loyalty during the COVID-19 pandemic.*

### **The Mediating Effect of Customer Satisfaction between Determinants (Prices, Facilities, and Services) and Customer Loyalty**

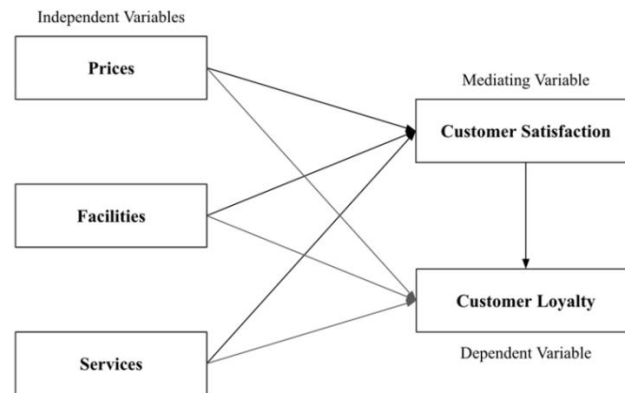
The relationship between a customer's perception, customer satisfaction and customer loyalty has long been studied in various sectors of the service industry (El-Adly, 2019). Nurcahyo et al. (2017) investigated the impact of facilities and service quality on customer satisfaction and loyalty at the Borobudur Hotel in Jakarta. Customer satisfaction had a significant effect on customer loyalty. Liat et al. (2014) also confirmed that customer satisfaction significantly impacts corporate hotel image and customer loyalty. Furthermore, Han & Ryu (2009) demonstrated that customer satisfaction mediates in the physical environment (decor and artefacts, spatial layout, ambient conditions), price perception, and customer loyalty. Priyo et al. (2019) confirmed a significant mediation effect of customer satisfaction on the relationship between service quality (SERVQUAL) and customer loyalty. Moreover, Siripipathanakul and Nyen Vui (2021) confirmed that services, prices and facilities indirectly affected customer loyalty through the mediating effect of customer satisfaction. Javed & Cheema (2017) also confirmed that satisfaction had a positive and significant impact on customer loyalty and explained the variable service quality, which included the speed of restaurant service, restaurant facilities in a modern, attractive building, good quality cuisine, and a variety of food product innovations.

*H<sub>7</sub>: Hotel customer satisfaction significantly influences hotel customer loyalty during the COVID-19 pandemic.*

*H<sub>8</sub>: Hotel customer satisfaction is a significant mediator between determinants (prices, facilities, services) and hotel customer loyalty during the COVID-19 pandemic.*

### **Conceptual Framework**

Conceptual framework of the study has been provided in details in Figure 1.

**FIGURE 1****CONCEPTUAL FRAMEWORK****RESEARCH METHODOLOGY****Research Methods**

This study used closed-end questionnaires (Likert's Rating Scale) for data collection. The questionnaire items were developed by the researchers based on previous research. In the reliability of the measurements, the alpha coefficients of Cronbach are needed to overcome all constructs of 0.70 (Jandawapee et al., 2022; Kaewnaknaew et al., 2022). The main variables were all measured using a five-point Likert Scale, with the following classifications: strongly agree with a value of 5, agree with a value of 4, neutral with a value of 3, disagree with a value of 2, and strongly disagree with a value of 1 (Limna et al., 2022; Limsangpetch et al., 2022). The respondents' demographics were derived from the study conducted by Sithipon et al. (2022) and Napawut et al. (2022). The questionnaire items in prices, facilities, services, customer satisfaction, and customer loyalty constructs were based on Siripipatthanakul & Nyen Vui (2021).

**Population and Sample**

The population were the hotel customers in Thailand. The sample was hotel customers over 18 years old who had experienced hotel customers during the COVID-19 pandemic in Thailand. According to Si Dah et al. (2022), the general guideline is to have a minimum of five participants per one question item (5:1). The researchers determined the sample size from 21 question items multiplied by five, equal to 105 required participants. The study's sample was 225, over a minimal sample size of 100 through convenience sampling by recommendation of (Taherdoost, 2016).

**Data Collection**

The researchers collected the data using self-administered questionnaires and employed convenience sampling to collect data from five regions of Thailand (Northern, Eastern, Northeastern, Central and Southern-Western). The study's purpose was explained to the

respondents before the online questionnaire distribution to participate. The data collection duration was between March 15<sup>th</sup> and April 10<sup>th</sup>, 2022.

## Data Analysis

The completed data set was coded and analysed using SPSS Version 27. The hypotheses were analysed using Partial Least Square Structural Equation Model; PLS-SEM. The respondents' demographics were analysed using descriptive statistics for frequency and percentage. The mean and standard deviation analyses were used to compute the results of each variable and questionnaire item. Cronbach's Alphas were set at 0.7; factor loadings were set at 0.7; average variance extracted (AVE) was set at 0.5 and SRMR was set at 0.08 following the recommendation of Hasanzadeh et al. (2019).

## RESULTS

Two hundred and twenty-five (225) participants completed online questionnaires. The results revealed that most respondents were female (60.0%), held bachelor's degrees (74.2%), hotels settings in Southern and Western parts of Thailand (34.7%), aged between 26 and 30 (45.7%), single (77.7%), and earned a monthly income between 20,001 and 30,000 baht (36.0%). The demographic profile was represented as the hotels' customers during the COVID-19 pandemic in Thailand (Table 1).

<b>Table 1</b> <b>DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS (N=225)</b>			
<b>Demographics</b>		<b>Frequency</b>	<b>Percentage</b>
<b>Gender</b>	Female	135	60.0%
	Male	90	40.0%
<b>Region</b>	Northern	31	13.8%
	Eastern	62	27.5%
	North-eastern	33	14.7%
	Central	21	9.3%
	Southern and Western	78	34.7%
<b>Age</b>	18-25 years old	53	23.6%
	26-30 years old	103	45.7%
	31-35 years old	45	20.0%
	36-40 years old	13	5.8%
	41 years old or over	11	4.9%
<b>Status</b>	Single	175	77.7%
	Married	50	22.3%
<b>Education</b>	Diploma	11	4.9%
	Bachelor's Degree or Lower	167	74.2%
	Master's Degree	39	17.3%
	Doctorate Degree or Higher	8	3.6%
<b>Monthly Income</b>	Less than 10,000 THB	28	12.4%
	10,001-20,000 THB	58	25.8%
	20,001-30,000 THB	83	36.9%
	30,001-40,000 THB	19	8.4%
	40,001-50,000 THB	8	3.6%
	More than 50,000 THB	29	12.9%
<b>Total</b>		<b>225</b>	<b>100%</b>

## PLS-Sem Results

Outputs from the partial least square structural equation model (PLS-SEM) analysis mentioned in Tables 2-5.

<b>Table 2</b> <b>ITEM LOADINGS, CRONBACH'S ALPHA AND AVERAGE VARIANCE EXTRACTED (N=225)</b>			
Items	Factor Loadings	Mean	SD.
<b>Prices</b> <b>Cronbach's Alpha=0.8399, AVE=0.7567</b> During the COVID-19 pandemic, <ul style="list-style-type: none"> <li>The cost of rooms and services is not high.</li> <li>The cost of room and services are reasonable</li> <li>The cost of room and services are related and relevant to the quality provided.</li> </ul>	0.894 0.839 0.876	4.64 4.61 4.58	0.674 0.595 0.637
<b>Facilities</b> <b>Cronbach's Alpha=0.8832, AVE=0.6829</b> During the COVID-19 pandemic, <ul style="list-style-type: none"> <li>The hotel provides up-to-date facilities.</li> <li>The hotel offers clean and safe facilities.</li> <li>The hotel offers a comfortable room.</li> <li>The hotel location was easy to access</li> <li>The temperature in the hotel room was comfortable.</li> </ul>	0.831 0.844 0.882 0.783 0.787	4.58 4.72 4.64 4.73 4.68	0.651 0.582 0.604 0.52 0.54
<b>Services</b> <b>Cronbach's Alpha=0.9149, AVE=0.7465</b> During the COVID-19 pandemic, <ul style="list-style-type: none"> <li>The hotel staffs are always willing to help the customers.</li> <li>The hotel staffs work together in the customers' best interest.</li> <li>The hotel staffs give customers personal attention.</li> <li>The hotel staff provides prompt service to customers.</li> <li>The hotel staff responds to what the customers need.</li> </ul>	0.853 0.832 0.895 0.854 0.883	4.66 4.64 4.67 4.62 4.6	0.576 0.575 0.567 0.638 0.627
<b>Customer Satisfaction</b> <b>Cronbach's Alpha=0.8734, AVE=0.7249</b> During the COVID-19 pandemic, <ul style="list-style-type: none"> <li>My feeling toward the prices is positive.</li> <li>My feeling towards the facilities is positive.</li> <li>My feeling towards the services is positive.</li> <li>I feel good about visiting the hotel.</li> </ul>	0.827 0.844 0.871 0.863	4.71 4.68 4.71 4.74	0.545 0.595 0.537 0.507
<b>Customer Loyalty</b> <b>Cronbach's Alpha=0.8828, AVE=0.7399</b> During the COVID-19 pandemic, <ul style="list-style-type: none"> <li>I share positive things about the hotel's preventive COVID-19 protocols with others.</li> <li>I encourage friends and relatives to use the hotel.</li> <li>I consider the hotel to be my first choice.</li> <li>I recommend the hotel to others.</li> </ul>	0.869 0.886 0.858 0.826	4.68 4.7 4.6 4.75	0.564 0.555 0.626 0.518



**Table 3**  
**R-SQUARED (N=225)**

Construct	Coefficient of Determination ( $R^2$ )	Adjusted $R^2$
Customer Satisfaction	0.7927	0.7899
Customer Loyalty	0.8035	0.8000

**Table 4**  
**EFFECT OVERVIEW (N=225)**

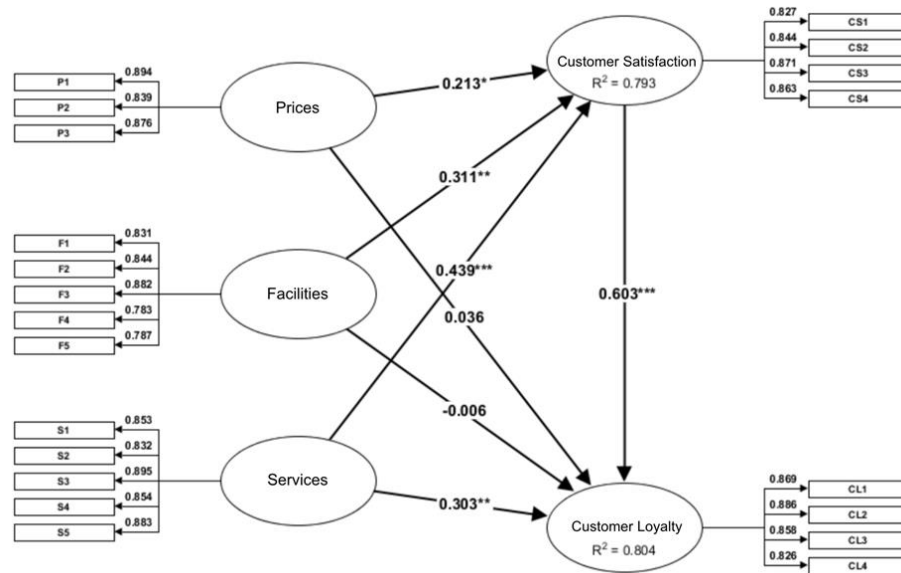
Effect	Beta	Indirect Effect	Total Effect	Cohen's $f^2$
Prices → Customer Satisfaction	0.2130		0.2130	0.0756
Prices → Customer Loyalty	0.0363	0.1285	0.1647	0.0022
Facilities → Customer Satisfaction	0.3107		0.3107	0.1150
Facilities → Customer Loyalty	-0.0064	0.1874	0.1809	0.0000
Services → Customer Satisfaction	0.4394		0.4394	0.3215
Services → Customer Loyalty	0.3034	0.2650	0.5683	0.1223
Customer Satisfaction → Customer Loyalty	0.6030		0.6030	0.3836

**Table 5**  
**TOTAL EFFECTS INFERENCE (N=225)**

Effect	Original Coefficient	Standard Bootstrap Results					Percentile Bootstrap Quantiles		
		Mean Value	Standard Error	t-Value	p-Value (2-Sided)	p-Value (1-Sided)	0.5%	2.5%	97.5%
P → CS	0.2130	0.2161	0.0861	2.4750	0.0135	0.0067	0.0248	0.0577	0.3957
P → CL	0.1647	0.1594	0.1366	1.2064	0.2280	0.1140	-0.1963	-0.1000	0.4180
F → CS	0.3107	0.3254	0.1046	2.9703	0.0030	0.0015	0.0582	0.1127	0.5336
F → CL	0.1809	0.1911	0.1256	1.4405	0.1500	0.0750	-0.1725	-0.0607	0.4237
S → CS	0.4394	0.4217	0.0854	5.1485	0.0000	0.0000	0.1590	0.2350	0.5681
S → CL	0.5683	0.5627	0.1055	5.3868	0.0000	0.0000	0.2623	0.3420	0.7653
CS → CL	0.6030	0.5926	0.0810	7.4486	0.0000	0.0000	0.3634	0.4388	0.7467

P = Prices, F = Facilities, S = Services, CS = Customer Satisfaction, CL = Customer Loyalty

Prices can predict customer satisfaction at  $\beta=0.213$ ,  $p<0.05$  (Two tails at 0.0135 and one tail at 0.0067). Facilities can predict customer satisfaction at  $\beta=0.311$ ,  $p<0.01$  (Two tails at 0.0030 and one side at 0.0015). Services can predict customer satisfaction at  $\beta=0.439$ ,  $p<0.001$  (Two tails at 0.0000 and one side at 0.0000). Prices cannot predict customer loyalty at  $\beta=0.036$ ,  $p>0.05$  (Two tails at 0.2280 and one side at 0.1140). Facilities cannot predict customer loyalty at  $\beta=-0.006$ ,  $p>0.05$  (Two tails at 0.1500 and one side at 0.0750). Services can predict customer loyalty at  $\beta=0.303$ ,  $p<0.001$  (Two tails at 0.0000 and one side at 0.0000). Customer satisfaction can predict customer loyalty at  $\beta=0.603$ ,  $p<0.001$  (Two tails at 0.0000 and one side at 0.0000). The mediator role of customer satisfaction can be explained by 79.3% ( $R^2=0.793$ ). Overall, the relationship phenomenon predicting hotel customer loyalty can be explained by 80.4% ( $R^2=0.804$ ) (Figure 2).



**FIGURE 2**  
**PLS-STRUCTURAL EQUATION MODEL OF THE STUDY (SRMR=0.0558)**

### Assumptions

Hypothesis results are interpreted in Table 6.

<b>Table 6</b> <b>SUMMARY OF HYPOTHESIS TESTING</b>		
<b>Hypotheses</b>	<b>Results</b>	<b>Actions</b>
H <sub>1</sub> : Prices → Customer Satisfaction	$\beta=0.213$ (at $p<0.05$ )	Accepted
H <sub>2</sub> : Prices → Customer Loyalty	$\beta=0.036$ (at $p>0.05$ )	Rejected
H <sub>3</sub> : Facilities → Customer Satisfaction	$\beta=0.311$ (at $p<0.01$ )	Accepted
H <sub>4</sub> : Facilities → Customer Loyalty	$\beta=-0.006$ (at $p>0.05$ )	Rejected
H <sub>5</sub> : Services → Customer Satisfaction	$\beta=0.439$ (at $p<0.001$ )	Accepted
H <sub>6</sub> : Services → Customer Loyalty	$\beta=0.303$ (at $p<0.001$ )	Accepted
H <sub>7</sub> : Customer Satisfaction → Customer Loyalty	$\beta=0.603$ (at $p<0.001$ )	Accepted
H <sub>8</sub> : Customer satisfaction is a significant mediator between determinants (prices, facilities, services) and customer loyalty.	$R^2=0.793$ (at $p<0.05$ )	Accepted Overall, the relationship phenomenon predicting hotel customer loyalty can be explained by 80.4% ( $R^2=0.804$ ).

### DISCUSSION

The results reveal that prices, facilities and services significantly influence hotel customer loyalty through the mediating effect of customer satisfaction. Services have the highest

predictive power over prices and facilities on customer satisfaction and indirectly influence customer loyalty. The findings supported the previous research of Raji & Zainal (2016); and Radojevic et al. (2015) that prices significantly influenced customer satisfaction. The findings also supported by Lie et al. (2019) that prices positively and significantly impacted consumer loyalty. However, prices in this study had no direct impact on customer loyalty significantly. The findings supported the previous research of Marković & Raspor Janković (2013); and Nurcahyo et al. (2017) that facilities significantly impacted customer satisfaction. It also confirmed with Soliha et al. (2021) that location positively and significantly affected customer loyalty. However, facilities in this study had no direct impact on customer loyalty significantly. The findings supported the previous research of Minh et al. (2015); and Rita et al. (2019) that services significantly influenced customer satisfaction. The findings supported the previous research of Fida (2020); and Lee (2013) that services had a significant impact on consumer loyalty. The findings supported the previous research of Han & Ryu (2009); and Liat et al. (2014) that customer satisfaction significantly influenced customer loyalty. The findings supported the previous research of Javed & Cheema (2017) that satisfaction was positively and significantly related to customer loyalty and service quality. The findings supported Siripipatthanakul & Nyen Vui (2021) that services, prices and facilities indirectly affected customer loyalty through the mediating effect of satisfaction.

## CONCLUSION

The findings revealed that customer satisfaction with services has the most significant influence on hotel loyalty, followed by facilities and prices. Only services have a powerful direct effect on customer loyalty, but prices and facilities do not. Furthermore, hotels could improve services by hotel staff giving customers personal attention. Hotels could develop facilities by providing up to date facilities, clean and safe facilities, and comfortable rooms with suitable temperatures. Hotels should be considered prices for their reasonable, not high prices and provide good quality compared to the prices. Customer satisfaction could be evaluated using satisfaction with services, facilities and services. Customer loyalty could be evaluated using considering the hotel to be the first choice and recommending the hotel to their friends and relatives. Finally, hotel customer loyalty could be incurred by improving satisfaction with prices, facilities and services.

## RESEARCH IMPLICATIONS

This research may benefit hotel managers, business owners, and other industry businesses to improve their marketing strategies to respond to customers' needs and expectations and increase customer loyalty by enhancing customer satisfaction with prices, facilities and services. Moreover, the implication could be applied to any service company to improve customer satisfaction with services, prices and facilities to enhance customer loyalty.

## LIMITATIONS AND RECOMMENDATIONS

The results could give a more explanation in general. Thus, more sampling should be conducted in a variety of businesses. Also, this study is a self-administered questionnaire. Qualitative research, such as interviews and focus groups, is recommended for further research.

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