# THE EFFECT OF SERVICE QUALITY, COMPANY IMAGE, AND SATISFACTION TOWARDS TOURIST LOYALTY

Ni Wayan Bella Astika Dewi<sup>1</sup>, Putu Yudi Setiawan<sup>2</sup>

<sup>1,2</sup>Faculty of Economics and Business

<sup>1,2</sup>Udayana University, Bali, Indonesia

Abstract: This research uses quantitative data types. The sampling technique in this study was purposive sampling, with a total sample of 190 respondents. Data collection techniques in the form of distributing questionnaires to tourists PT. Dedy's Ilham Marina in Bali. The data analysis tool used is PLS ver. 3.0. The results of this study indicate that service quality has a positive significant effect on corporate image and tourist satisfaction, company image has a positive significant effect on tourist satisfaction and loyalty, and tourist satisfaction has a positive significant effect on tourist satisfaction of this research is that this research can be used as a model for evaluating strategies at PT. Dedy's Ilham Marina on service quality, company image, satisfaction, and tourist loyalty. The theoretical implication of this research is that this research can complement the marketing literature and will add new knowledge about evaluating the effect of a variable on other variables based on the strength of the value of the four-variable relationship model (service quality, company image, satisfaction, and tourist loyalty) in the marine services business in the tourism industry at PT. Dedy Ilham Marina and strengthens previous research.

Keywords: tourism, customer satisfaction, customer loyalty.

# I. INTRODUCTION

Tourism is a very important place in the economic development of a region both in social and cultural fields. The main factors in the organization and development of tourism include attractions, facilities, transportation, and hospitality (Roberto, 2019). The main factors in the organization and development of tourism include attractions, facilities, transportation, and hospitality (Roberto, 2019). The types of tourism in Bali based on potential complementarity and tourism motives are cultural tourism, convention tourism, spiritual tourism, nature tourism and agricultural tourism (Nuryasa et al, 2017). The increasing number of tourist arrivals coming to Bali is not always followed by an increase in tourists visiting several tourist attraction areas, one of which is the watersports tourist attraction area of PT Dedy's Ilham Marina, located in Tanjung Benoa. The decline in the number of tourist arrivals visiting PT Dedy's Ilham Marina is caused by several things, one of which is thought to be the cause is the quality of service provided by the company as seen from one of the indicators used as a measure in this study, which is found in the dimensions of physical evidence (tangible) where PT Dedy's Ilham is a watersports company that has been established since 2002, it can be said that the company is quite long when compared to its competitors who have just opened a business in this field. Of course in terms of building infrastructure and facilities inferior to competitors. Another thing that is thought to cause a decrease in the number of tourists is from external factors where in 2018 the Governor of Bali issued a policy of stopping Chinese tourists coming to Bali. This greatly influences the number of Chinese tourists coming to Bali given the market of the watersport in Tanjung Benoa, especially at PT Dedy's Ilham Marina, is a Chinese tourist.

Quality starts from customer needs and thinks on customer perception [7]. The quality of employee services becomes one of the things that is important to the company's image, good or bad a company's image depends on how employees serve their customers (Kennedy, 2013). At the company level, corporate image is defined as the perception of an organization

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that is reflected in the customer's memory. A good image raises the perception of quality products, so that customers easily forgive an error, although not for further mistakes (Freddy, 2002: 34). So that the good and bad image of the company will greatly affect customer satisfaction. According to [9], companies that have a good image will get several benefits including encouraging consumers to buy the products offered, enhance competitive advantage, encourage employee morale and increase customer loyalty. Tourist satisfaction encourages tourists to be loyal to tourist destinations by making a return visit and is willing to recommend tourist destinations to others. Loyalty is explained as the commitment of the customer to stay in depth to re-subscribe or re-purchase selected products or services consistently in the future, even though the influence of the situation and marketing efforts have the potential to cause behavior change (Ratih, 2005).

Based on the survey conducted to 25 respondents there were 16 tourists who expressed dissatisfaction with the quality of services provided by PT Dedy's Ilham Marina, where the quality of the services provided did not match the price. The quality of services complained by tourists such as uncomfortable toilets, the condition of the beach areas that are less clean, and some who feel less satisfied with the appearance of employees who are considered less good. Other respondents, as many as 9 respondents stated that they were satisfied with the quality of services provided by employees, such as their readiness to welcome new tourists, besides that also a large parking area affected tourist satisfaction. Of the 9 respondents 2 of them said that they decided to visit PT Dedy's Ilham Marina because of the good reputation the company had, such as some ratings from tourists who had visited or Electronic Word of Mouth (eWOM) through the website. When the level of satisfaction increases, the tendency to return and recommend increases, and create customer loyalty [4].

#### **II. HYPOTHESES**

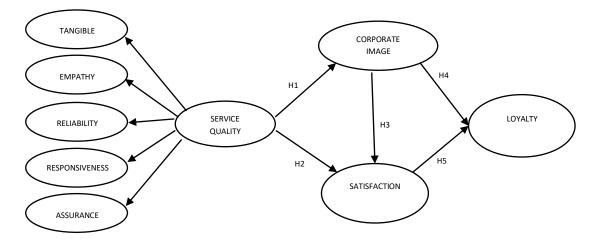
H1: Service quality has a positive and significant effect on company image.

H2: Service quality has a positive and significant effect on tourist satisfaction.

H3: Corporate image has a positive and significant effect on tourist satisfaction.

H4: The company's image has a positive and significant effect on tourist loyalty.

H5: Tourist satisfaction has a positive and significant effect on tourist loyalty.



#### **III. RESEARCH METHODS**

This study uses a causal research design because it aims to obtain causal evidence between research variables consisting of service quality, company image, tourist satisfaction and loyalty. This research uses a quantitative research approach. This study specifically examines the influence of service quality and corporate image in order to increase tourist satisfaction, which is expected through good service quality and company image can increase tourist satisfaction so that it is expected to create tourist loyalty to visit PT Dedy's Ilham Marina. The scope of this research includes the location of this research to be carried out, namely PT Dedy's Ilham Marina which is located in the village of Tanjung Benoa, sub-district of South Kuta, Badung district. In this study the data collection techniques used to obtain data are through questionnaires. The number of samples in this study is the number of indicators multiplied by 5. The number of indicators

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is  $38 \times 5 = 190$ . Based on these calculations the results for a minimum sample of 190 respondents were obtained. The data analysis method used in this study is the SEM-PLS (Partial Least Square) Analysis method with the help of the PLS application version 3.0.

# IV. RESULT AND DISCUSSION

#### Table 1: Value of R Square

Variable	R Square		
Quality of Service	0,997		
Corporate Image	0,771		
Tourist Satisfaction	0,626		
Tourist Loyalty	0,813		

Source: Data processed, 2019

Table 1 shows the R-square value of the service quality variable at 0.997, the corporate image variable at 0.771, the tourist satisfaction variable at 0.626, and the tourist loyalty variable at 0.813. The higher the R-square value, the greater the ability of the exogenous variable can be explained by endogenous variables so that, the better the structural equation. The tourist satisfaction variable has an R square value of 0.626 which means that 62.6% of the tourist satisfaction variables outside the research model. The variable of tourist loyalty has an R-square value of 0.813, meaning that 81.3% of the variables of tourist loyalty can be explained by the variables of service quality, corporate image, and tourist satisfaction.

#### Table 2: Result for Inner Weight

Variable	Original Sample (O)	Sample Mean (M)	Std. Deviation (STDEV)	T Statistic ( O/STDEV )	P Values
Service Quality $\rightarrow$ Corporate Image	0,414	0,428	0,062	6,636	0,000
Service Quality $\rightarrow$ Tourist Satisfaction	0,457	0,451	0,060	7,606	0,000
Corporate Image $\rightarrow$ Tourist Satisfaction	0,483	0,487	0,063	7,667	0,000
Corporate Image $\rightarrow$ Tourist Loyalty	0,309	0,319	0,071	4,328	0,000
Tourist Satisfaction $\rightarrow$ Tourist Loyalty	0,664	0,655	0,068	9,773	0,000

Source: Data processed, 2019

#### Effect of Service Quality on PT Dedy's Ilham Marina's Image

The results of data analysis show that service quality has a positive and significant effect on company image. This means that the better the quality of services provided to tourists, the image of PT Dedy's Ilham Marina is also increasing. The company's image is very closely related to the quality of services that are valued or considered good by consumers. Based on this, so that the quality of service can be used as one of the guidelines in an effort to improve the company's image. Good service quality will affect the company's image [5]. The better the quality of the services provided by the service provider, the better the image of the company, and vice versa. The results of this study are also in line with previous studies conducted by [2] stating that service quality and company image have a positive and significant effect. Research conducted by Wu, et al. (2011) also explained that the service quality of a company had a positive or significant effect on the company's image.

#### Effect of Service Quality on Tourist Satisfaction

The results of data analysis show that service quality has a positive and significant effect on tourist satisfaction. This means that the better the quality of services provided by PT Dedy's Ilham Marina to tourists, the satisfaction of tourists also increases. Consumer satisfaction is closely related to the quality of service that is valued or considered good by consumers. Based on this, so that the quality of service can be used as a tool in increasing tourist satisfaction. Service quality is the expected level of excellence and control over the expected level of excellence and control over the level of excellence to meet customer desires (Wyckof in [3]). This is because, selling expectations in the form of services, the quality of service to tourists from a tourist attraction is very important in tourist satisfaction. The results of this study are in

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line with previous studies conducted by [8] states that the dimensions of service quality that are physical evidence, reliability, responsiveness, assurance, and empathy simultaneously have a significant effect on customer satisfaction. Furthermore, each physical evidence, reliability, responsiveness, assurance and empathy partially have a significant effect on customer satisfaction. Thus, this means in the study that if service quality is improved, tourist satisfaction will also increase.

#### Effect of PT Dedy's Ilham Marina's Image on Tourist Satisfaction

The results of data analysis showed that the company's image had a positive and significant effect on tourist satisfaction. This means that the better image owned by PT Dedy's Ilham Marina, the tourist satisfaction will also increase. Consumer satisfaction is closely related to the quality of service that is valued or considered good by consumers. Based on this, so that the company's image can be used as one of the variables to increase tourist satisfaction. A good image raises the perception of quality products, so that customers easily forgive an error, although not for further mistakes (Freddy Rangkuti, 2002: 34), so that the good and bad image of the company will be very influential before that made by [6] which explains that there is a positive relationship between company image and customer satisfaction. Furthermore, [6] add that when consumers find it difficult to evaluate product quality, company image can be used as a benchmark for customer satisfaction. The results of this study are in line with research. Thus, the company's image has a positive and significant effect on tourist satisfaction [6].

## Effect of PT Dedy's Ilham Marina's Image on Tourist Loyalty

The results of data analysis showed that the company's image had a positive and significant effect on tourist loyalty. This means that the better the image owned by PT Dedy's Ilham Marina, the loyalty of tourists also increases. The company's image is very closely related to the presence of tourist loyalty that is valued or considered good by consumers. Based on this, so that the company's image can be used as a reference to increase tourist loyalty. A good corporate image can increase company sales, increase market share and maintain customer loyalty [1]. The results of this study are in line with previous studies conducted by Suratno et al. (2016) which explains that there is a positive and significant influence between corporate image on customer loyalty. This means that the higher the company's image, the customer loyalty will also increase. In addition, loyalty is the basis for companies to survive in the face of competition. Customer loyalty is influenced by several factors including good image, service quality and customer satisfaction (Bloemer et al., in [1]).

#### Effect of Tourist Satisfaction on Tourist Loyalty

The results of data analysis show that tourism satisfaction has a positive and significant effect on tourist loyalty. This means that the better the level of tourist satisfaction, the loyalty of tourists also increases. Tourist satisfaction is very closely related to the presence of tourist loyalty that is valued or considered good by consumers. Based on this, so that tourist satisfaction can be used as one of the guidelines in an effort to increase tourist loyalty. Tourist satisfaction can encourage tourists to be loyal to tourist destinations by making a return visit and willing to recommend tourist destinations to others (Ratih, 2005). The results of this study are in line with previous research conducted by Walangare et al (2019) which shows that satisfaction factors significantly influence consumer loyalty. This means that every change in customer loyalty is influenced by satisfaction factors. In addition, this research hypothesis is also supported by previous empirical evidence by Karundeng (2013) which shows that satisfaction has a positive and significant effect on tourist loyalty.

#### **Research Limitations**

Research conducted at this time still has shortcomings and limitations, where this study does not make comparisons of similar companies so that it is less reinforced in answering problems / phenomena that occur.

# V. CONCLUSSION AND SUGGESTION

Based on the discussion on the results of the study, it is concluded that service quality has a positive and significant effect on company image. This indicates that the better the quality of services provided to tourists, the better the image of a company in the minds of tourists, which is like a good reputation at PT. Dedy's Ilham Marina. Quality of service has a positive and significant effect on tourist satisfaction. This indicates that the better the quality of services provided to tourists, the better the satisfaction of tourists, that is, as there is a match between the price and quality of services provided by PT Dedy's Ilham Marina. The company's image has a positive and significant effect on tourist satisfaction. This indicates that the better the company's image, the better the satisfaction that tourists receive using PT. Dedy's Ilham

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Marina as a vehicle for playing watersports. The company's image has a positive and significant effect on tourist loyalty. This indicates that the better the company's image, the better the loyalty of tourists to PT. Dedy's Ilham Marina, which is like tourists willing to make a return visit in the future to PT. Dedy's Ilham Marina. Tourist satisfaction has a positive and significant effect on tourist loyalty. This indicates that the better the level of tourist satisfaction, the better the level of tourist loyalty to PT. Dedy Ilham Marina, which is like tourists willing not to move to other watersports when they want to play watersport again. Based on research conclusions about the effect of service quality, company image, and tourist satisfaction on tourist loyalty, it can be suggested for companies, namely PT. Dedy's Ilham Marina pays more attention to the condition of the beach and sea area in order to be cleaner and provides less area for unique photo spots so that tourists are more interested. Thus, this will also be useful in efforts to improve the quality of service from PT. Dedy's Ilham Marina, so as to encourage the level of satisfaction and loyalty, such as repurchase intentions and word of mouth. Future studies can make comparisons in the form of comparative studies such as tourist loyalty to similar products in two different companies or in different demographics.

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