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Model of Customer Loyalty: A Empirical Study at 3 Star Hotel in Lampung

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Abstract: The purpose of this research is to know the influence of operation of service excellence, product leadership and customer intimation as well as the trust of customer simultaneously against the loyalty of customer. The methods used in this research is descriptive method and explanatory survey. The unit of analysis in this research is 3-star hotel in the province of Lampung, the observation unit with the customer 3-star hotel after checks out of the hotel with a sample size of 400 customer.

The findings obtained from this research is that the allegiance of customer dominant formed by the dimensions of want to give references hotel to friends and family determined by an increase in customer intimation dominant formed by the dimensions of the hotel efforts in responding to complaints of customer .Similarly trust customer dominant formed by the dimensions of the trust of customer in the integrity of the hotel can increased if customer intimation dominant formed by the dimensions of the hotel efforts in responding to complaints of customer can be improved .

Managerial implication in this research operations are prime financial dimensions dominant formed by officers in clarifying the ability of service, by the support of the leadership of the dominant products formed by dimensions hotel efforts in creating a conducive climate / a sense of security on customer, then strengthened by customer intimation dominant formed by dimensions hotel customer efforts in responding to complaints, as well as the dominant customer trust formed by dimensions trust on the integrity hotel customer can increase loyalty customer dominant formed by dimensions reference hotel would be willing to give to family and friends.

Key Words: Service Operation Excellence, Product Leadership, Customer Intimation, Customer Trust, Customer Loyalty.

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INTRODUCTION

Indonesia is the country with the eighth order visited by 5.064 million tourists with foreign exchange earn USD. 5.7 billion in 2000. In a survey conducted by the World Economic Forum, the Travel and Tourism Competitiveness Report 2009, Indonesia was ranked world number 81. Increased by one level from the ranks of the year 2008 that is 82.

Indonesia's tourism prospects ahead has great opportunities, it can be seen from the figures estimated the number of international travellers, based on estimates of the World Trade Organization (WTO) i.e. 1.046 billion (in 2010) and 1.602 billion people (year 2020), including each of the 438 million and 231 million people located in the East Asia and Pacific region and will be able to create a world income of USD 2 trillion by the year 2020 to Indonesia.

Among the provinces in Indonesia which has a great tourism potential, one of which is the province of Lampung is located on the southern tip of the island of Sumatra. Geographical layout of the Lampung 6 45 '-3 45 ' South latitude and 103 48 '-105 45 ' East longitude, West bordering the Sunda Strait, the East by the Java Sea. The rate of visits of tourists to the province of Lampung in the last five years has continued to experience a significant increase both tourists and foreign tourists archipelago. The tourists require a means of accommodation or a place to stay during their visit during your stay in the province of Lampung, a hospitality service for that role needed by tourists.

Hospitality services in the province of Lampung is also one of the sectors that experienced the highest growth, seen up to quarter II, financial sector/Hotels/Rental Service Company (37.49%) with the contribution of 2.82%, followed by the sectors of the processing industry (15.74% 2.04%), contribution and Transport/ communications (12.12%, the contribution of 0.79%), therefore the hospitality services industry in the province of Lampung became the mainstay sectors to increase the revenue of the original area (PAD) in the year 2013 is , (Bappeda Lampung Prov., 2013).

This growth was marked by a growing number of hotels of the year 2013 in Lampung Province, of the 172 became 184 hotels, spread across several cities and counties, where the majority of the hotels in the city of Bandar Lampung. On the other hand TPK starred hotels in Lampung Province during April 2013 reached 58.53%, up 2.65% compared to March 2013 recorded 55.88%. TPK 5 April 2013 if compared to April 2012 recorded 57.38% increase 1.15%. TPK at the 3-star hotel experience a rise of 8.98% compared to the previous month, while the hotel offers 1, 2, 4 and 5 has decreased. TPK in 1-and 2-star hotel down 13.05% while in the 4-star hotel and 5 of 1.57%. (The Official Statistics News, no. 07-06/18/Th. VII, June 3, 2013).

Based on the data above, Lampung BPS seen that even though the 3-star hotel in the province of Lampung increase TPK, TPK percentage amount but still below the average of 75% of TPK target. This shows there are indications that the trust and loyalty of the customer 3-star hotel in the province of Lampung is still relatively less than optimal, in this case too few compared to the number of tourists coming into the province of Lampung. To obtain a customer loyalty, marketers should focus on the establishment and maintenance of confidence in the relationship with their customers (Zambaldi, et all 2010:65). Look based on data that the low levels of residential hotels (TPK) can be caused by less percayanya customer against a hotel so they are reluctant to make a visit back to the hotel where it shows customer loyal towards the hotel.

Distrust and Infidelity customer allegedly in general because the flavor is less safe and comfortable to stay at the hotel, citing security and service which is relatively less cared for properly.

This condition reflects that the trust and loyalty of the customer at the 3-star hotel is still relatively low, which is also less supported by the effort to approach the hotel customer (customer intimacy). Banwari Akbar and Parvez (2011:375) said that the main core of the relationship is trust. Some other opinions say that "commitment" and "trust", is the central role of relational marketing. (Aborumman et.al, 2011; Henderson at all, 2011). In the statement above, it is clear that there is a relationship between Trust customer hotel and hotel management capabilities in approaching customer (Customer Intimacy) both of which can increase visits to foregn customer or local customer the repeated hotel (Customer Loyalty).

Rineila Putri (2008:76) States customer intimacy is a way to manage and establish rapport with your customer. Customer intimacy is a commitment to provide the best service to customer. Tuominen at all (2011) and Aborumman at all (2011) provides information that the commitment and trust are the two elements to build up kerelasian's customer. Customer intimacy and trust customer will be more easily achieved if the company is able to create Leadership Product (Product Leadership) and provide the best services for customer (Operational excellence) (Cesarotti & Spada, 2011:81).

Based on this statement, it is apparent that the efforts in the hotel are committed to approaching customer and build trust customer loyalty and customer must have a service product that is more valuable than the products offered competitors (Product Leadership), as well as having the best prime operating on customer (Operational excellence). The high level of hospitality service plus competition is not the achievement of business targets TPK is a challenge that must be answered by the hospitality service providers in the province of Lampung, especially in terms of keeping and increasing the loyalty of your customer. The loyalty of customer is divided into 4 phases, namely loyalty (loyalty cognitif) cognitive, affective loyalty (affective loyalty), fidelity konatif (conative loyalty), and Fidelity's actions (action loyalty). The hotel is able to maintain and enhance the four phases of loyalty is expected to win the competition.

Problem Formulations

- 1. What is the effect of service operations excellence on trust?
- 2. What is the effect of product leadership on trust?
- 3. What is the effect of customer intimacy on trust?
- 4. What are the effect of service operation excellence, product leadershi, and customer intimacy simultaneously impact on trust?
- 5. What is the effect of service operations excellence on loyalty?
- 6. What is the effect of product leadership on loyalty?
- 7. What is the effect of customer intimacy on loyalty?
- 8. What is the effect of trust on loyalty?
- 9. What are the effect of service operation excellence, product leadershi, customer intimacy, and trust simultaneously impact on loyalty?

Purposed of Study

- 1. To know the effect of service operations excellence on trust.
- 2. To know the effect of product leadership on trust.
- 3. To know the effect of customer intimacy on trust.
- 4. To know the effect of service operation excellence, product leadershi, and customer intimacy simultaneously impact on trust.
- 5. To know the effect of service operations excellence on loyalty.
- 6. To know the effect of product leadership on loyalty.
- 7. To know the effect of customer intimacy on loyalty.
- 8. To know the effect of trust on loyalty.
- 9. To know the effect of service operation excellence, product leadershi, customer intimacy, and trust simultaneously impact on loyalty.

THEORETICAL REVIEWS

Service Operational Excellence

Cesarotti, et al. (2011:54) suggests that Operational Excellence that is Provide the customer with reliable products or services at competitive prices, delivered with a minimum of difficulty or inconvenience. Hotel sued for being able to give to our customer with quality products and service good, competitive price and excellence service can be delivered to the customer effectively, easily and conveniently.

Service Operational Excellence achieved by product and services provision at the lowest cost and with the least inconvenience by focusing on cost management and operational effectiveness (Mukhopadhyay, 2002: 1309).

Cesarotti & Spada argues that customer satisfaction occurs starting from the moment the first customer come into the lobby of the hotel, how can customer feel convenience of room decor and facilities as well as the reception of the hotel employees (elements of the Ministry) when customer sign in. Maintain Physical Support (physical facilities, equipment, information and communication technology) and Contact Personnel (human resources) to be always in good shape and able to provide the best services on an ongoing basis is a challenge faced by the entire weight of the provider of the hospitality industry to win the increasingly tight competition.

This research took opinion from Cesarotti & amp; Spada (2011:222) that States that the operation of excellence service operates on the sustainability of the physical support and contact personnel to continue to be increased in a long period of time. What kind of strategies in the management of physical facilities, equipment, information and communication technology (physical support) as well as its human resources (contact personnel). This produces a prime indicator of the operations which includes parking, exterior of the building, the interior of the building, design and layout of the space of the room, the computer used, the availability of electronic payments, means of transport, the clarity of the information provided, reservation on line, the attention of the officer, the officer's ability to explain the officer's response, on complaint, hospitality and courtesy.

Product Leadership

Intagliata, ulrich, and smallwood 2011: 15 states that product leadership is aimed at senior managers and executives to help them lead their businesses to profitable product innovation. Leadership of the product is a concept aimed at senior managers and executive to help them in leading business to achieve a product innovation that favorable.

Quality products also can reduce the money, al-rousan *et al.* (2010: 71) said that quality is free. Cost of making quality products much smaller than the cost inflicted if it fails to meet quality standards. The emphasis the cost of because the ability realize the process and quality products will produce competitive advantage of an increase in profit and business growth.

Innovation in a sustainable way will make such products hotel into a product quality and become pempimpin in great competition. Then information from some the concept and the theory of above, konstruk in research is in accordance with the opinion Cooper (2009: 77) saying leadership products can be achieved if it able to do product innovation in an unerring manner.

On this research, leadership of the product is a concept aimed at senior managers and executive to help them in leading business to achieve a product innovation that profitable. Indicators of leadership this product namely introduce brand strong, innovative communication, always diversified services, create conducive climate, as well as speed do innovation in services.

Customer Intimacy

Customer intimacy is a customer's perception of having a very close and valuable relationship with a supplier, characterized by high levels of mutual understanding (Habryn, Blau, Satzger, and Kolmel, 2011: 371). Customer Intimacy is achieved by the cultivation of lasting relationships with customers and striving to satisfy their unique needs (Rineila Putri, 2008).

This research take of opinion Tuominen at.all (2011) found that customer intimacy itself in its implementation is reflected through dimensions of customer intimacy namely professionalism and credulity, attitudes and flexibility, service recovery and service cape. This brought an indicator of customer intimacy which includes knowledge to break customer problems, benefits more to customers, response attendant on customer complaints, ease provide access and adjust to needs customers, give the right solution on the customers, and give positive experience to customers.

Customer Trust

Dongseo and Lee (2010:57) says that the trust of customers to the company implemented the company's credibility and awareness for the company to customers via the company addressed the experience doing performance relationships with customers. Customer trust against the company implemented from the credibility of the company and the company's customer care shown through the company's performance in dealing with customers.

Koufaris and Sosa (2010; 32) argue the trust emphasizes on the relationship between the customer with the company, where companies demonstrate concrete actions either directly or indirectly to the customer as well as the level of the company in realization of its promises of honesty.

This study refers to the opinion of Akbar and Parvez (2011), the trust is considered crucial in improving relations and reducing negative perceptions. It is also the Foundation of trust in interpersonal relationships as the basis for the stability of the relationship in the long run. Trust in the long term this can be formed through attitude of probity (focus to confidence in the integrity and reputation), equity (fair-mindedness, honesty), reliability (reliability and consistency of the products or services provided).

Customer Loyalty

Szczepańska and Gawron (2011), When a customer is loyal, he or she exhibits purchase behavior defined as non-random purchase expressed over time by some decision-making unit.

In this research, customer loyalty is when customers become loyal, then they will have a regular nature in buying our product in a long time. Therefore this study refers to the opinions of Henderson at all (2011) that customer loyalty is measured through the cognitive dimension of loyalty, loyalty, loyalty, cognative affective and action loyalty.

Conceptual Framework

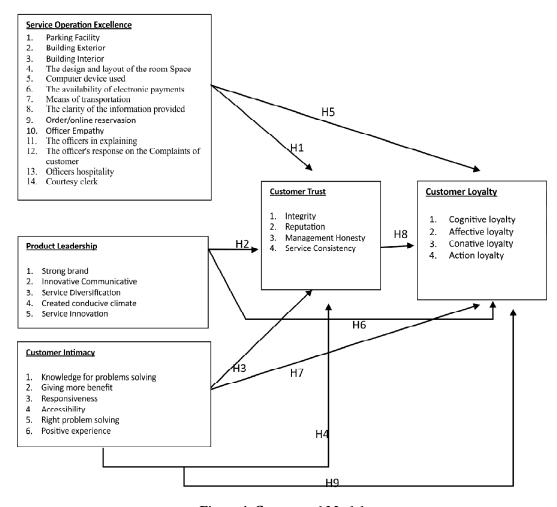


Figure 1: Conceptual Model

Research Hypotheses

- 1. There is effect of service operations excellence on trust.
- 2. There is effect of product leadership on trust.
- 3. There is effect of customer intimacy on trust.
- 4. There are effect of service operation excellence, product leadershi, and customer intimacy simultaneously impact on trust.
- 5. There is effect of service operations excellence on loyalty.
- 6. There is effect of product leadership on loyalty.
- 7. There is effect of customer intimacy on loyalty.
- 8. There is effect of trust on loyalty.
- 9. There are effect of service operation excellence, product leadershi, customer intimacy, and

METHODS

Given the nature of this research is descriptive and verifikatif are implemented through data collection in the field. The unit of analysis in this study is the individual with the customer 3-star hotel in the province of Lampung as a unit of observation. Time horizon in research is crossectional, where research is conducted in one time simultaneously.

Operational definitions of variables aims to give definitions or specifies the activities that are clear to the variables examined so that these variables can be measured, variable described being variable/sub dimensions, indicators, size and scale.

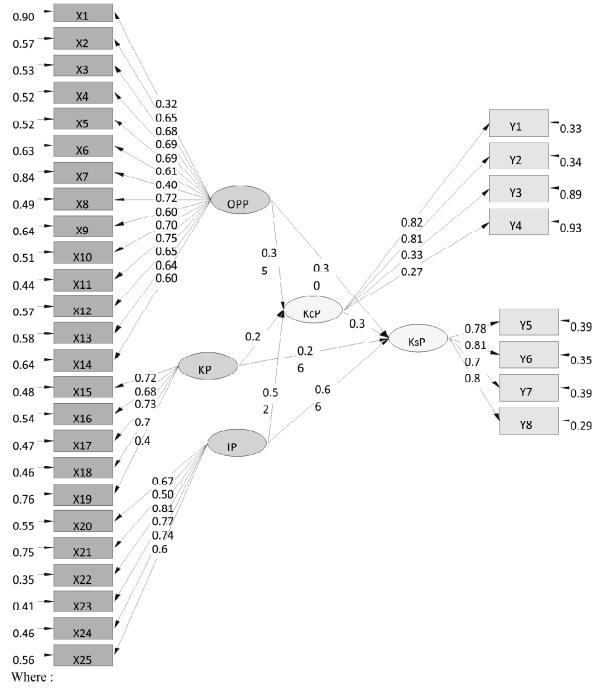
Primary data: For data types such as profile, operations excellence, product Leadership, customer intimacy, customer loyalty and confidence obtained from primary data (via questionnaires). Secondary data: For data types such as (rate of Residential Room, length of customer stay); development of number of hotels; Research institutions (R & amp; D/Internet); Journal (Emerald Library-London); Magazines (Hospitality), the results of the previous research (Dissertation/journal), and others.

In this study there were 33 indicators so that the required minimum sample size of 400 customer hotel (interpolation results between 30 and 35). Considering there are data outliers (Watson, 2011) and the principle of the larger the sample size the better, then the sample size to be taken is as much as 400 customer to the hotel from the 3-star hotel in the province of Lampung. This research was conducted in February until July 2014.

Methods of analysis used in this study is the analysis of SEM (Structural Equation Modelling) using software processing Lisrel 8.30. In the SEM analysis methods, statistical estimation tested individually by using the t-test output path diagram. through a t-statistic value, t test results confirming the Lisrel complete with test set error rate of 5%. In addition to individually, SEM also test the proposed model as a whole, i.e. through the conformity test model (Goodness of Fit Statistics).

RESEARCH RESULT

The transformation of the data obtained from the results of the questionnaire were conducted to raise the scale of ordinal data into intervals. A technique used to increase the data is a method of sequential intervals (successive intervals method). The full model to the equation using LISREL program 8.30 SEM as in Figure 2.



Chi-Square-833.94, df=485, P-value=0.00000, RMSEA=0.010

Figure 2: Full Model (Standardize Coefficient)

Where

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\xi_1 = Service Operation Excellence (OPP)

\xi_2 = Product Leadership (KP)

\xi_3 = Customer Intimacy (IP)
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 η_1 = Customer Trust (KcP)

 η_2 = Customer Loyalty (KsP)

Table 1
SEM Structural Equations

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CT = 0.35*SOE + 0.29*PL + 0.52*CI, Errorvar. = 0.46, R^2 = 0.54 ......(2)
    (0.16)
              (0.12)
                       (0.20)
     2.19
               2.52
                        2.61
CL = 0.35*CT + 0.30*SOE + 0.26*PL + 0.66*CI, Errorvar. = 0.28, R^2 = 0.72 ......(3)
      (0.12)
               (0.08)
                        (0.12)
                                   (0.15)
       3.01
                         2.24
                                   4.29
                3.86
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Source: Output of LISREL 8.30

DISCUSSION

Service operation excellence, leadership of products, and Customer to trust customer intimacy either partially or simutan at the 3-star hotel in the province of Lampung. This section will be done first hypothesis testing on the influence among variables exogenous service operation excellence, the exogenous variable Product of Leadership, and exogenous variables are customer intimacy of the endogenous variable customer loyalty either partially or simultaneous. The results obtained using Lisrel program for structural equation 1.

Based on structural equation 1, seen the magnitude of the direct influence of the variable Service operation excellence, Product leadership, and Customer intimacy against customer trust simultaneously is 54%, while partially when viewed, it turns out that the variable third positive and significant effect on customer trust, but Customer intimacy dominant influence customer trust.

Based on the above equation, it turns out that the value of t from the influence of Service operation excellence against customer trust is of 2.19 > 2, so that it can be said to be significant, so in partial Service operation excellence influential positively and significantly to customer trust, which means the better the Service operation of excellence, then visitors increasingly believe. Likewise, the value of t to influence Product leadership against the customer trust is partially of 2.52, so the Product of influential leadership posiif and significantly to customer trust, meaning that the better Product leadership, then visitors will increasingly believe. Likewise the Customer intimacy positive and significant effect against the customer trusts the visitor (t = 2.61 > 2), it means the better the Customer intimacy is done, then the visitor will increasingly trust.

Simultaneously can be viewed from the value of F in the table 5.7 i.e. of 15.09 > 3.75, so that simultaneous Service operation excellence, Product leadership, and Customer intimacy positive and significant

effect against customer trust, which means the better the Service operation of excellence done, Product leadership, and Customer intimacy, then visitors increasingly believe, with the contribution of the influence of 54%, while 46% were influenced by other factors, such as quality of service, promotion, service officer, physical infrastructure, service of process, delivery services, etc. hypothesis 1, 2, 3, and 4 are accepted.

The above analysis results reinforce the theory advanced by Cesarotti & amp; Spada (2011) stated that there are influences of Service operation excellence against customer trust. But the study results conflicted with Johnston (2010) and Robert. (2010) see that Product leadership of the dominant influence of customer trust. Whereas this research justri on customer intimacy dominant influence customer trust, as well as the results of this analysis reinforces research results Intagliata, Ulrich and Smallwood (2011) that intimasi customers precisely that can enhance customer trust.

Service operation excellence, Product leadership, Customer intimacy, and customer trut to customer loyalty, whether partial or simultaneously in 3-star hotel in the province of Lampung.

This section will do hypothesis testing 5.6 .7 .8, and 9 on the influence among variables exogenous Service operation excellence, the exogenous variable Product leadership, and exogenous variable Customer intimacy as well as endogenous variables customer trust of the endogenous variable customer loyalty either partially or simultaneous. The results obtained using Lisrel program for structural equation model 2.

Based on equation 2 above, seen the magnitude of the direct influence of the variable Service operation excellence, Product leadership, and Customer intimacy, as well as customer trust towards customer loyalty is of 72%, while partially, all variables are positive and significant berengaruh against customer loyalty, Customer intimacy, but the dominant influence customer loyalty.

Furthermore, the influence of variable Service simultaneously operation of excellence, Product leadership, variable Customer intimacy, and customer trust towards customer loyalty is of 72% by 28%, the rest is influenced by other factors, such as quality of service, promotion, service officer, physical infrastructure, process service, delivery service, customer satisfaction, service value, and so on. Thus customer loyalty can be concluded positively influenced by Service operation excellence, Product leadership, Customer intimacy, and customer trust.

As a result the above analysis supported a theory put forward by Cooper (2009) found that customer loyalty can be increased through service operation excellence and product leadership. Li (2010) said that intimasi customers it dominant increase customer loyalty. Habryn, Blau, Satzger, Kolmel (2011) illustrate that service operation excellence and customer intimacy can increase customer loyalty.

CONSLUSION

- 1. Service operation excellence proved positive and significant effect against the customer trust. Customer trust is increased when the Service operation excellence well done. The dominant dimension, namely the ability of officers to explain the service.
- 2. Product leadership proved to be influential in a positive and significant on customer trust. Product leadership can enhance customer trust. The dominant dimension, namely the efforts of hotel in creating a conducive climate/sense of security on the visitors

- 3. Customer intimacy proved positive and significant effect against customer trust. Customer intimacy is good can enhance customer trust. The dominant dimension, namely the effort in responding to the complaints of hotel visitors.
- 4. Service operation excellence, Product leadership, and Customer intimacy proved positive and significant effect simultaneously against the customer trusts the visitor. Customer trust is increased when the Service operation excellence done well through Product leadership, by means of the appropriate approach with visitors. Customer intimacy became the main factor to increase customer trust. The influence of contributions amounting to 54%, while 46% were influenced by other factors.
- 5. Service operation excellence proved positive and significant effect against customer loyalty. Customer loyalty increases in Service operation excellence well done.
- 6. Product leadership proved to be positive and significant effect against customer loyalty. Product leadership can improve customer loyalty.
- 7. Customer intimacy proved positive and influential sgnifikan against customer loyalty. Customer intimacy became the main factor to boost the customer loyalty.
- 8. Customer trust proven have had a positive impact and significant impact on customer loyalty. Customer trust hotel can increase customer loyalty.
- 9. Service operation excellence, product leadership, customer intimacy, and customer trust proved influential jointly positive and significantly to customer loyalty. Increased customer loyalty if service operation excellence well done through product leadership proper, by means of approach it with visitors. Customer intimacy to be the chief factor to increase customer loyalty. The contribution of the influence of as much as 72 %, while 28 % influenced other factors.

Managerial Implication

- 1. Service operation excellence dominant formed by dimension in explaining the officers service, backed by product leadership dominant formed by dimensions the hotel in creating conducive climate / safety on visitors, and strengthened by customer intimacy dominant formed by dimensions the hotel in response to complaints visitors can improve customer trust visitors dominant formed by the customer trust on integrity hotel.
- 2. Service operation excellence the dominant formed by the dimensions of the ability of officers in clarifying service, by the support of product leadership dominant formed by dimensions hotel efforts in creating a conducive climate / a sense of security on visitors, then strengthened by customer intimacy the dominant formed by dimensions hotel efforts in responding to complaints visitors, as well as terbangunnya customer trust that dominant formed by dimensions customer trust on the integrity hotel able to increase customer loyalty dominant formed by dimensions want to give hotel reference to family and friends.

Recomendation for Future Research

1. There are still many other factors that influence customer loyalty, such as quality of service, promotion, service officer, physical infrastructure, process service, delivery service, customer satisfaction, service

- value, and so on in order to be examined further, because it is possible that other factors in addition to the existing research has a dominant influence in increasing customer loyalty, given epsilon there are still 28% more.
- 2. This study uses the variable customer trust as variables between (intervening), so further research would likely produce different findings, when variable customer trust are used as variables in moderation (moderating).
- 3. The results of this research can also be applied to Hotel Star 1, 2, 4, and 5, or hotels that exist in other provinces, as well as on other business institution.

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