

Examining Linkage of Service Marketing Mix on Customer Satisfaction and Customer Loyalty: Hotel and Tourism Study

Mashur Razak*

¹ *Department of Management, STMIK Handayani Makassar, Indonesia*

Abstrak: This study aims to analyze the effect of the service marketing mix on customer satisfaction and loyalty at Hotel Claro Makassar. This research can be classified as experimental causal research, where this research analyzes the influence and relationship between one variable and another. Data was collected through questionnaires and documentation. The population in this study is customers who have used Makassar hotel services. Data were analyzed using descriptive analysis techniques and Structural Equation Modeling (SEM). The results show that the product has an effect either directly or through satisfaction on customer loyalty of Hotel Claro Makassar customers. The price has an impact either directly or through satisfaction on the customer loyalty of Hotel Claro Makassar customers. The promotion has a positive and insignificant impact either directly or through satisfaction with customer loyalty on customers of Hotel Claro Makassar. The place affects happiness and does not affect commitment but indirectly impacts loyalty through customer satisfaction. Employees have an effect both presently and through satisfaction on customer loyalty of Hotel Claro Makassar customers. Physical evidence has an impact both directly and through satisfaction with the customer loyalty of Hotel Claro Makassar customers. The process affects both directly and through customer loyalty customers of Hotel Claro Makassar.

Keywords: Service Marketing Mix, Customer Satisfaction, Customer Loyalty.

I. Introduction

The development of the economy, especially the service sector in Indonesia, is also progressing rapidly. One of Indonesia's mainstay sectors is the tourism industry, which is one of the industries that can promise rapid economic growth. With the increase in the tourism industry, the development of hospitality is increasing, and new hotels have sprung up in various areas that have the potential to absorb hotel service users. The hotel has a significant role in developing the tourism industry as one of the accommodation facilities. It functions as a place to stay for tourists who come during their travels (Wilson et al., 2008). The rapid development of the hospitality industry has resulted in intense competition.

Moreover, considering that free trade was enacted in 2003, many luxury hotels under foreign management will enter the hospitality industry in Indonesia to attract guests to stay and take advantage of other facilities available at the hotel. Developments in the world of hospitality, which are growing, have forced hotels to carry out strategies in marketing the products and services offered. One of them is to create a marketing strategy that involves the marketing mix. The marketing mix is the elements of the company's organization that the company can control in communicating with guests and satisfying guests. However, since the beginning of 2020, many industries have not run according to the initial target. The hotel industry is an industry that has been hit hard and has had a tremendous impact from this pandemic. Many hotels were forced to close because no more guests were arriving, and the food and meeting businesses were no longer filled. The Indonesian Hotel and Restaurant Association noted that 1,642 hotels throughout Indonesia had been forced to close due to the Covid-19 outbreak. The general chairman of the Indonesian Hotel and Restaurant Association (PHRI) said that of the 1,642 hotels, the hotels that closed the most were in West Java with 501 hotels, followed by Bali with 281 hotels and Jakarta with 100 hotels. With the closure of these hotels, the tourism industry has the potential to lose revenue of up to tens of trillions. From foreign tourists, the potential loss can be up to Rp. 60 trillion, while from foreign tourists who come to the hotel, it can be up to Rp. 30 trillion.

With the Covid-19 pandemic, management in the hotel industry must force themselves to make various efforts to maintain the company's viability. Data obtained from the Chair of the South Sulawesi Indonesian Hotel and Restaurant Association (PHRI Sulsel) said hotel occupancy in the Makassar City area is only 25 percent. This phenomenon shows that the hotel industry is currently experiencing a significant decline in revenue, so appropriate steps are needed to restore this condition. However, before the onset of COVID-19, it was believed that the hotel sector in Indonesia would continue to live, especially in Makassar City. The indication is clear, the number of tourist visits and business people continues to show an increasing trend. Tourists who come to Makassar have various purposes. However, the main goal for tourists to enter Makassar City is business. Business destinations are higher than tourist destinations, as can be seen from the results of data reported by the Central Statistics Agency (BPS) in 2018 that the purpose of businesspeople entering

Makassar is around 57.55%, tourism is 24.35%, and others around 17.10%. . The hospitality industry supports business activities by providing complete facilities as an economic support provider for tourists who want to do business in South Sulawesi. One of the sources of income from hospitality in Makassar City comes from marketing services for room occupancy rates prepared for consumers; therefore, achieving the aims and objectives of the company requires several strategies to support this achievement, one of which is in the field of marketing hotel services.

Marketing is one of the main activities carried out by companies to maintain their survival. However, the marketing paradigm has changed a lot in modern marketing like this. Companies must make transactions to achieve marketing success and establish relationships with customers to create customer satisfaction and loyalty (Igreja et al., 2021). Good marketing management in a company can be likened to a path to business success. With good marketing management, companies can win the competition in market share through the company's ability to meet customer needs and desires, including in the hotel industry. During a reasonably sharp match, every company, including hotels, that wants to get a positive perception or a good image in the eyes of the public, the company must be able to convince consumers that their company is indeed superior to others. For the company to maintain and protect this image, the company must be more able to provide and pay attention to all consumer desires. This can affect old consumers to remain loyal customers of the company.

In principle, a hotel is a form of trade in services. In the service industry, every hotelier will try to serve their guests. In other words, the strength of this business is how business actors offer the best services to their guests. Each hotel, motel, or other form of lodging will try to provide different added value to the products and services and the services provided to their guests. This added value makes one hotel different from others, which ultimately causes why people have their reasons for choosing that hotel over other hotels. The difference between the costs incurred to prepare products and services and to provide added value is the price that guests must pay to enjoy the products and services offered and, at the same time, the income for the hotel. Good service is something that service companies must consider. Excellent and quality service will positively impact the company because a good and quality service process can make consumers loyal customers, undoubtedly adding many benefits to the company. Moreover, vice versa if the company does not consider and pay attention to the quality of service to its customers, it is possible that consumers will turn to use the company's services again and refer to other service companies. Because consumers are kings, a consumer will always expect to get special treatment following what they expect.

Customer satisfaction is a crucial means or a key performance indicator in measuring a hotel's performance in the hotel industry. If the hotel can provide satisfaction for its customers, the hotel can get more excellent benefits in addition to short-term profits. Suppose the customer is satisfied with the product or service provided by a hotel. In that case, the visitor will not hesitate to return to using the hotel's services and can be a good informant for other potential customers. This customer satisfaction can be achieved by implementing appropriate marketing strategies, including the marketing mix. The marketing mix, as reflected in the optimization strategy of product/service elements, price, location, and promotion, has a positive and significant influence on customer satisfaction which is reflected in efforts to recommend to others or the desire to recommend to others, and this indicates that an increase in the marketing mix will result in an increase customer satisfaction and marketing performance in hotels (De Pelsmacker et al., 2018; Nguyen & Malik, 2021).

Likewise, in the activity of the hotel industry, one aspect that must receive good attention and management is marketing activities, better known as the marketing mix. Along with marketing developments, the marketing mix, which previously consisted of 4Ps, has now developed into 7Ps, including product, price, place, promotion, people, physical evidence, and process (Bacile et al., 2018). Furthermore, according to Meliana et al. (2013), the service marketing mix (7P) consists of products, namely goods or services offered to consumers. Prices, namely the cost consumers must pay if consumers consume goods or services sold by the company. Distribution is where consumers can buy company products. Promotion is advertising carried out by the company so that consumers can get to know the company's products and are interested in consuming company products; the process is how the company designs an excellent approach to minimize failures in the process of serving consumers, physical evidence is how the company creates its buildings so that consumers are interested in entering the company, and humans, namely how employees serve consumers so that consumers feel comfortable because they are done well.

The company will control the 7P concept to increase consumer attention and interest, impacting customer satisfaction and loyalty. The marketing department of Hotel Claro Makassar must be able to manage the service marketing mix (7P) satisfaction to the guests as consumers. It will even have an impact on guest loyalty. Guests expect products that meet their needs, affordable prices, easily accessible places, correct and effective promotions, excellent and fast employ extraordinary good and complete physical evidence quick, and fast and precise processes. Customer satisfaction is an evaluation of obtaining products and consuming experiences. Expectations of feelings are related to the experience of consuming and then affect the state of psychological

satisfaction. Customer satisfaction is also a consuming status; the degree of customer satisfaction reflects the emotional structure and involves the perception structure (Bhardwaj et al., 2021).

The role of the marketing mix today is not only to deliver products or services to the hands of consumers but also to how these products or services provide satisfaction to consumers by generating profits. The goal of the marketing mix is to attract consumers by promising superior value, setting attractive prices, distributing products efficiently, promoting effectively, and retaining existing customers while maintaining the principle of customer satisfaction. A company must formulate the right marketing mix to create customer satisfaction in consuming the products or services offered by the company. Consumer satisfaction is an emotional response to evaluating the consumption experience of a product or service (Tegambwage & Kasoga, 2022). If consumers are satisfied, consumers will believe in the company. They will make purchases again, but if they are not satisfied, consumers will make purchases with competing companies.

Based on the results of interviews with the Claro hotel management that before the pandemic, namely in 2019, the Claro Hotel occupancy rate was dominated by business people; the highest Claro Hotel occupancy rate was business activities at 70.10%, beating tourism which was only 20.50%, and others around 9, 40%. This is due to the location of Hotel Claro in the heart of Makassar City, which is the business center. Thus, to maintain these conditions in the coming years, the marketing mix strategy needs to be continuously improved to increase customer satisfaction, which will impact customer loyalty. The sound management principle will provide an excellent opportunity for Claro Hotel to dominate the market because the highest level of hotel visit population in Makassar City is business activity. Hotel Claro Makassar is a hotel service business in Makassar City, including one of the 4-star hotels. It is one of the tourism facilities business that provides lodging services, meeting rooms, restaurants, and other services intended for the public to stay for a while and is managed commercially. This hotel has a strategic location for both business and tourism. Considering that the competitors faced by Hotel Claro Makassar are not only companies that have the same facilities and services, Hotel Claro Makassar must also have a strategy for meeting customer satisfaction. In addition to selling its products in the form of rooms with promised facilities, Hotel Claro Makassar also adds value-added services that make customers feel comfortable staying and encourage customers to come back in the future. Currently, the marketing of hotel services at Claro has implemented a new technology that is fast and able to reach consumers globally in a short time, where the hotel implements a marketing method using cheaper electronic media, namely the internet, so that companies can reduce marketing costs and can increase sales volume. (FAIZAL, 2018).

Several previous studies show that the marketing mix has a positive and significant effect on customer satisfaction, namely (Kewas et al., 2020), (Juniardi et al., 2018), and Dwi Geno (2015). The results of the study which show that the marketing mix has a positive and significant effect on customer loyalty are (Alif et al., 2020) and (Mubarak, 2019), while the results of the study which show that the marketing mix has a negative and insignificant effect on customer satisfaction and loyalty are Motyka et al. (2016), and Fatimah, (2013) as well as research by Tijang & Rahmawati (2021) which states that the marketing mix does not directly affect customer satisfaction. Every company is always required to recognize, understand and fulfill customer needs and desires better than its competitors. Likewise, Claro Hotel, as an industry engaged in the service sector, must recognize, understand, and fulfill the needs of its guests because if the needs and desires of the guests are achieved, the basic expectations of guests as customers have been met. When these expectations are compared with the perceived performance of the services obtained, the customer will experience satisfaction or dissatisfaction.

Customer satisfaction has become part of the goals of most companies because, in addition to obtaining the maximum profit or profit as well as so that the company can face increasingly fierce competition to maintain its survival of the company. According to Lupiyoadi & Hamdani (2013), customer satisfaction is the level of feeling where someone states the results of a comparison of the performance of the product or service received and expected. Satisfaction cannot be created if customers feel that the services they get have not been able to touch the limits of their desires; on the contrary, the level of satisfaction can be created if the services provided by the company are felt to have fulfilled what the customer wants. In line with that, implementing the service marketing mix strategy will be essential to provide more satisfaction to customers. It will be an added value for the company itself. Companies need to monitor the factors that affect customer satisfaction and look for ways and innovations to increase customer satisfaction. The higher the level of customer satisfaction, the greater the possibility that customers will be loyal or loyal. Every company must pay attention to the main factors that can affect customer satisfaction, such as product quality and the price that must be sacrificed to get the product (Kartajaya et al., 2004).

The creation of customer satisfaction can provide benefits, including harmonious relations between the company and customers, providing a reasonable basis for repeat purchases and creating customer loyalty, and forming a word of mouth recommendation that is profitable for the company (Mashur et al., 2019). Customer loyalty is one of the consumer behavior desired by marketers. Loyalty is a deeply held commitment to buy or re-

support a preferred product or service in the future, even though the influence of the situation and marketing efforts has the potential to cause customers to switch (Murali et al., 2016).

An assumption arises regarding customer satisfaction if it is positive (customers are satisfied), then these customers will prefer to return to using the same company's services when they need services again; otherwise, dissatisfied customers tend to leave the company and switch to a competitor. When customers assess satisfaction, it can be said and realized that customers have different assessments in defining the satisfaction they feel. With the achievement of customer satisfaction, it is expected that the company's revenue will increase, customers will be loyal, and in the long term, the company can continue to grow in line with the confidence of loyal customers. Several research results state that customer satisfaction affects customer loyalty (Kotler, 2012; Muñoz-Leiva et al., 2021; Vredeveld, 2018). Meanwhile, research that recommends that satisfaction has a negative and insignificant effect on customer loyalty is Gupta (2008).

The increasingly fierce competition in the hospitality business has made every company more aware of the importance of customer loyalty to ensure their business continuity. Competitive pressures that lead to changes in customer loyalty also cannot be ignored. A loyal customer becomes a precious asset for the company. Maintaining loyal customers can reduce the effort to find new customers, which means giving positive feedback to the company. Companies can make more cost savings by retaining old customers rather than finding new customers (Murali et al., 2016). Customer loyalty will be the key for companies that want to win the competition, including in the highly competitive hotel industry and the Claro Hotel in Makassar City as part of the hospitality industry must be able to make various efforts to improve the service marketing mix. The intense competition also motivates the Claro Hotel management to provide the best service to its customers. The latest ideas and innovations will continue to be developed to get satisfied customers with the services of Hotel Claro Makassar so that customer loyalty will increase. Various previous studies on the marketing mix of services, customer satisfaction, and customer loyalty have been carried out. The similarities and differences in previous studies lie in the variables, indicators, empirical basis, objects, and research locations.

II. Literature Review

A hotel is a type of service product. This service product is expected to benefit customers, namely as a comfortable place to stay, meet consumer needs, and satisfy consumers. Lupiyoadi & Hamdani (2013) stated that one of the main factors companies must consider is product quality. Customers will feel satisfied if their evaluation results show that their products are of high quality. Thus, quality products have an essential role in shaping customer satisfaction. The higher the quality of the product provided, the greater the satisfaction felt by the customer. A price is the amount of money charged for a particular product. Determining the right price following the services and performance offered by the company can create customer satisfaction.

Shen et al. (2017) put forward the equilibrium price theory that the supply price will determine the asking price. Thus, price is one of the critical variables in marketing, where the price can affect customer satisfaction for various reasons. Economic reasons will show that low prices or prices that are always competitive are one of the essential triggers. However, psychological reasons can show that price is an indicator of the quality of a product. Promotion of a product or service helps in the best way to build a relationship with the customer because everyone is looking for the best deal that suits them. Interesting product information, for example, discounts and other special offers on products, can increase customer satisfaction. Kotler and Armstrong (2008) state that the purpose of sales promotion is very diverse, one of which is to increase the number of people who visit and encourage purchases, which in the short term but in the long term will bring customer satisfaction for the services or products provided by the company where the promotion is designed correctly and adequately will strengthen the product's position in building long-term relationships with customers. Place or location is a factor that can affect consumer satisfaction because a good location will make it easier for consumers to obtain the product they need. A good location ensures quick access, can attract many consumers and is strong enough to change consumer buying and shopping patterns.

The theory of strategic position, commonly called the stand-up strategy theory, was proposed by Ingerick et al. (2010). Products and services are represented by the strategic position or location in market activities. A product and service to customers cannot be separated from the role of a team member. For service organizations, employees have the task of providing services and selling services through good, fast, friendly, thorough, and accurate service; they can create company satisfaction and loyalty. The theory presented by Hasler et al. (2006) is that employees are the key to the concept of marketing products and services because talented and professional employees in service marketing will generate profits for the company. The more professional employees are in marketing their service products, the more they are needed by customers because it will impact customer satisfaction. Physical evidence can determine consumers' to use services where physical evidence shows a privileged opportunity for companies to send a consistent and strong message regarding the organization's efforts, targeted market segments, and service characteristics. Customer satisfaction is also

influenced by the physical evidence of a company. Physical evidence following consumer expectations will provide satisfaction for consumers. Tjiptono (2008) states that the marketing of products and services in the form of physical evidence is needed to support the ease and smoothness of using various tools, equipment, buildings, and machines used to provide services to customers. The more fulfilled the physical evidence of providing products and services, the easier it is for customers to use and access the available products and services so that it can have an impact on increasing customer satisfaction.

Processes are all the actual procedures, mechanisms, and flow of activities used to deliver services. This processing element has the meaning of a company's effort in carrying out and carrying out its activities to meet the needs and desires of its consumers in order to be able to increase customer satisfaction. Riswanto et al. (2019) state that the process is all the actual procedures, mechanisms, and flows of activities used to deliver services. This processing element means a company's effort to carry out its activities to meet customer satisfaction. Customers who are satisfied with good product quality and according to their expectations will give an upbeat assessment of the product to increase customer loyalty. Keller (2015) that the product is anything that can be offered to the market to satisfy a customer's desire or need that will impact customer loyalty.

The value of products and services depends on the price; the higher the price set to get a product and service will make consumers rethink whether the price given follows the benefits to be obtained if the price obtained follows the benefits obtained by the customer, the customer will feel satisfied. Hentschel & Weydt (2017) states that customers will be loyal if the company sets product prices proportional to the value of the benefits provided to customers. Promotion is a form of marketing communication. Promotion is a marketing activity that seeks to disseminate information, influence/persuade, and remind the company's target market and its products to be willing to accept, buy, and be loyal to the products offered

. Dissemination of information or introduction of a product and service because of the strong impression of products and services between customers. Customers are one of the potential subjects of a strong and mutually influencing promotion to introduce and inform about products and services. Service locations are used in supplying services to customers where location relates to decisions made by the company about where its operations and staff will be located. The theory of strategic position, commonly called the stand-up strategy theory, was proposed by Ingerick et al. (2010). Product and services are represented by the strategic position or location in market activities. Actors play an essential role in the presentation of services that can influence customer perceptions; the main element of people is employees who are tasked with providing services

. The cooperation theory put forward by Mncayi & Dunga (2016) states that collaboration is an opportunity to market products and services to consumers. Relationship between Physical Evidence and Customer Loyalty Physical evidence is all the facilities owned by the company for service products that customers can enjoy. Lovelock (2005) states that physical evidence provides clues about service quality and influences customers in assessing these services. Hence, it is necessary to think about the nature of physical evidence for customers. The more robust supporting physical evidence will indicate the level of service quality to give a positive impression to consumers. That can create the basis for creating consumer loyalty and making repeat purchases. Processes are related to procedures, tasks, schedules, mechanisms, activities, and routines by which products are delivered to customers. Opondo (2019) states that the product and service process scenario is a series of prerequisites, stages, or activities passed to produce products and services that can be standardized to meet customer products and services offered by manufacturers to increase customer loyalty. Departing from the grand theory proposed by Kotler and Keller (2008:138), which states that satisfaction is a person's feeling of pleasure or disappointment that arises from comparing the product's perceived performance (or outcome) against their expectations. If performance fails to meet expectations, customers will be dissatisfied. If performance matches expectations, customers will be satisfied. If performance exceeds expectations, the customer will be very satisfied or happy. Customer assessment of product performance will depend on many factors, especially the loyalty relationship that customers have with a brand. Consumers often form more favorable perceptions of a product with a brand they already perceive as positive.

The theory of loyalty put forward by Kotler and Keller (2009:138) reveals that loyalty is a deeply held commitment to buy or re-support a preferred product or service in the future even though the influence of the situation and marketing efforts has the potential to cause customers to switch. Lovelock et al. (2010:76) state that companies must focus carefully on loyal and desirable customers in selected customers and then seek to build and maintain their loyalty through a well-designed relationship marketing strategy. Furthermore, Lovelock et al. (2010:76) state that the basis for customer loyalty lies in customer satisfaction. Where service quality is the primary input, delighted customers or even those who enjoy service tend to be loyal supporters of the company. Pin-Fenn Chou (2014) conducted research under the research title An Evaluation of Service Quality, Trust and Customer Loyalty in Home-Delivery Service. This study shows a positive relationship between service quality and trust in consumer loyalty, and there is a positive relationship between service quality and consumer trust.

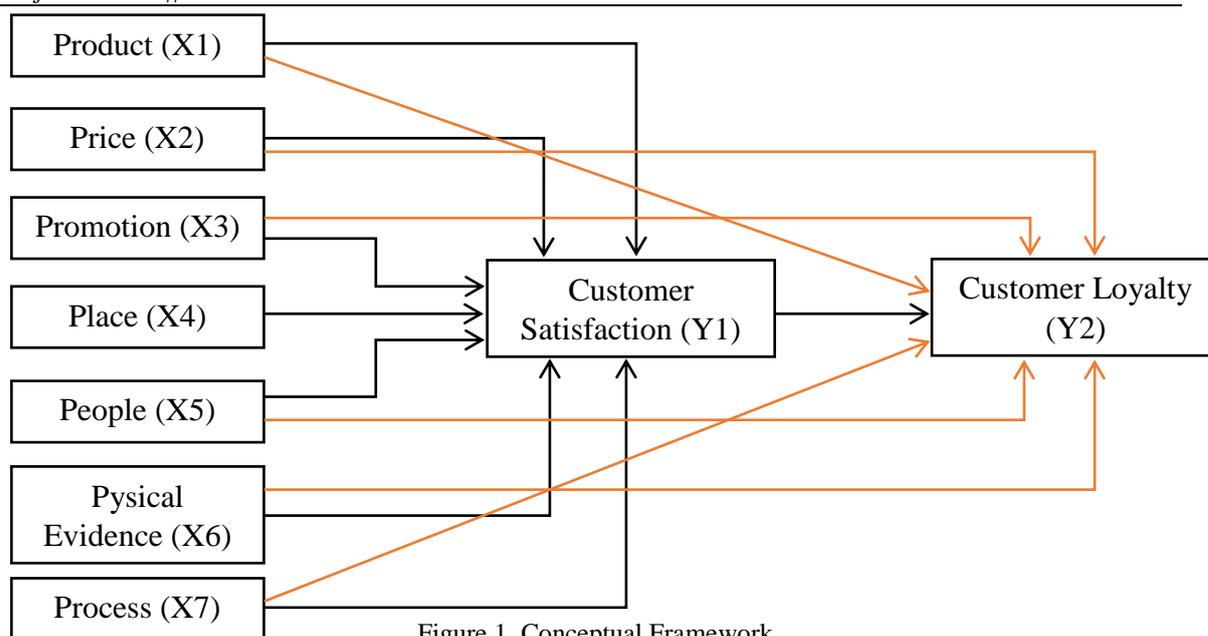


Figure 1. Conceptual Framework

Hypotheses are statements about concepts that can be judged true or false if they point to a phenomenon that has been observed and tested empirically. Based on previous theory and research, the researcher proposed the following hypotheses:

- H1: Products affect customer satisfaction.
- H2: Price influences customer satisfaction.
- H3: Promotion influences customer satisfaction.
- H4: Place influences customer satisfaction
- H5: Employees influence customer satisfaction.
- H6: Physical Evidence influences customer satisfaction.
- H7: Process influences customer satisfaction.
- H9: Products affect customer loyalty.
- H10: Price affects customer loyalty.
- H11: Promotion affects customer loyalty.
- H12: Places influence customer loyalty.
- H13: Employees influence customer loyalty.
- H14: Physical Evidence affects customer loyalty.
- H15: Process affects customer loyalty.
- H16: Products influence loyalty through customer satisfaction.
- H17: Price affects loyalty through customer satisfaction.
- H18: Promotion affects loyalty through customer satisfaction
- H19: Place affects loyalty through customer satisfaction
- H20: Employees affect loyalty through customer satisfaction
- H21: Physical evidence affects loyalty through customer satisfaction
- H22: Process affects loyalty through customer satisfaction customers.
- H23: Satisfaction affects customer loyalty.

III. Research Method

3.1. Research Sample

This type of research is quantitative research with a hypothesis. Quantitative research is a form of scientific research that examines a problem from a phenomenon and looks at the framework of the relationship or relationship between variables in the problem specified (Gozali, 2004). The aim to be achieved by using quantitative research is to obtain management of the magnitude of the significance of the hypothesized model as an answer to the problem that has been formulated. Nine variables are used: product price, promotion, place, employees, physical evidence, process, hotel customer satisfaction, and loyalty. Furthermore, the determination of the instrument based on the research variables is then carried out to determine the number of samples. It is collecting data using questionnaires, interviews, and documentation. This research was carried out for eighteen

months, namely from March 2021 to March 2022, covering the implementation of a preliminary survey, preparation of proposals, and research to implement the dissertation exam. The object of this research is the company engaged in the hotel sector; this research will choose a hotel located in Makassar, namely Hotel Claro. The reason for choosing the object of this research is that it raises issues that are very relevant to the research object.

3.2. Procedure and Measurement

The indicators in this study are 27 indicators; referring to the third point, the minimum sample size is 5×27 or 135 samples, and the maximum sample size is $10 \times 27 = 270$ samples, so the sample of this study is 152 people, this is because at the time the questionnaire was prepared as many as 200. However, the questionnaires were filled out entirely and could be processed only 152. In this study, the sampling technique used was non-probability sampling, whereas the method chosen was purposive sampling. Purposive sampling is a technique with specific considerations (Sugiyono, 2008: 200). The considerations for determining the sample are as follows: Customers who have used lodging services at the Claro Makassar hotel; The age of the customer is more than 18 years; Willing to be a respondent. To analyze the data, achieve the research objectives, and test the proposed hypothesis, the data obtained will then be processed according to the needs of the analysis. The technique used is descriptive statistical analysis technique and inferential statistics. Descriptive analysis is intended to describe the research variables to obtain an overview of the condition of the research variables in hospitality in the city of Makassar. The data that has been collected will then be tabulated in tabular form and will be discussed descriptively. The descriptive measure is the provision of numbers both in the number of respondents (people) and in the form of frequency and percentage.

Statistical analysis uses inferential statistics to test the independent and dependent variables' effects. The data analysis method used in this study is structural equation analysis or Structural Equation Modeling (SEM) to determine the causal relationship between the latent variables contained in the structural equation. To analyze the data, interpret the research results, and test hypotheses, the overall model, is used. The structural model testing and the related testing of the observed variables are used. Several statistical application programs are used to facilitate the analysis process, including SPSS (Statistical Package for Service Solution) and AMOS (Moment of Structure Analysis), which are packages in the SEM program. This measurement model involves indicators and variables (constructs). In this study, five constructs are measured: service quality, trust, perception of information technology, satisfaction, and loyalty. Measurement model testing is carried out to determine whether the measurement model is compatible (suitable) or not for use. Therefore, in the test, the Confirmatory Factor Analysis (CFA) method is used in the form of the goodness of fit. The goodness of fit tests the model's suitability through a study of various goodness of fit criteria. There are several conformity indices and cut-off values to test whether a model can be accepted or rejected, namely: X^2 - Chi-Square statistic, where the model is considered excellent or satisfactory if the Chi-Square value is low. The smaller the value of X^2 , the better the model, and it is accepted based on probability with a cut-off value of > 0.05 or > 0.10 . RMSEA (The Root Mean Square Error of Approximation) shows the goodness of fit expected when the model is estimated in the population. The RMSEA value, which is less than or equal to 0.08, is an index for the acceptance of the model, which shows a close fit of the model based on the degrees of freedom. GFI (Goodness of Fit Index) is a non-statistical measure that has a range of values between 0 (poor fit) to 1.0 (perfect fit). A high value in this index indicates a "better fit." AGFI (Adjusted Goodness of Fit Index), where the FI level has a value equal to or greater than 0.90. CMIN/DF is The Minimum Sample Discrepancy Function divided by the Degree of Freedom. CMIN/DF is nothing but a chi-square statistic; X^2 divided by DF is called relative X^2 . If the relative X^2 value is less than 2.0 or 3.0, it indicates an acceptable fit between the model and the data. TLI (Tucker Lewis Index) is a cumulative index that compares a tested model against a baseline model. The recommended value as a reference for accepting a model is 0.95, and a value close to 1 indicates a perfect fit. CFI (Comparative Fit Index), where close to 1, indicates the highest level of fit, and the recommended value is CFI 0.95. The operational definition is an element of research that tells how to measure a variable or can be said to be a kind of implementation guide on how to measure a variable, as shown in Table 1.

Tabel 1. Definisi Operasional

Variabel Laten	Variabel Observe	Defenisi	Indikator
Bauran Pemasaran	Produk (X1)	Hasil produksi berupa jasa yang ditawarkan pada pelanggan hotel	<ul style="list-style-type: none"> • Keterkenalan Hotel • Variasi jenis layanan • Kesesuaian layanan dengan harapan pelanggan hotel
	Harga (X2)	Ketepatan harga dengan kualitas jasa yang ditawarkan pada pelanggan hotel	<ul style="list-style-type: none"> • Harga kamar yang ditawarkan kompetitif dibandingkan dengan hotel lain • Harga sesuai dengan kualitas layanan • Paket event
	Tempat (X3)	Media yang digunakan untuk memasarkan jasa kepada pelanggan hotel	<ul style="list-style-type: none"> • Kemudahan jangkauan transportasi • Kemudahan memperoleh informasi • Kondisi Lingkungan
	Promosi (X4)	Wujud pengenalan jasa pada pelanggan hotel	<ul style="list-style-type: none"> • Informasi diketahui dari media online • Informasi jasa pelayanan dikemas dengan menarik dan mudah • Informasi yang didapatkan sesuai dengan kenyataan yang ada
	Karyawan (X5)	Orang yang dipekerjakan untuk menjamin kelancaran aktivitas pemberian layanan pada pelanggan hotel	<ul style="list-style-type: none"> • Pengetahuan karyawan terhadap semua jenis layanan yang ditawarkan • Kemampuan karyawan memberikan solusi atas keluhan yang dihadapi • Kemampuan karyawan melayani sepenuh hati
	Bukti Fisik (X6)	Sarana dan prasarana yang digunakan	<ul style="list-style-type: none"> • Lahan parkir yang luas • Interior hotel • Kemampuan fasilitas dalam menunjang pelayanan
	Proses (X7)	Kegiatan atau aktivitas dalam pemberian layanan pada pelanggan hotel	<ul style="list-style-type: none"> • Kemudahan layanan • Kesesuaian prosedur • Kecepatan layanan
Kepuasan Pelanggan	Perasaan senang atau kecewa pelanggan yang dihasilkan atas pengalamannya setelah membandingkan pemasaran jasa, melalui produk, harga, promosi,tempat, karyawan, bukti fisik, dan proses	<ul style="list-style-type: none"> • Kepuasan terhadap pelayanan yang terima secara langsung • Kepuasan terhadap pelayanan jasa secara menyeluruh • Memenuhi harapan pelanggan 	
Loyalitas Pelanggan	Kesetiaan pelanggan untuk menggunakan layanan hunian hotel claro makassar dan akan tetap menggunakan layanan dimasa yang akan datang tanpa adanya paksaan dari pihak lain, tetapi timbul dari dirinya sendiri	<ul style="list-style-type: none"> • Akan menggunakan kembali • Akan merekomendasikan • Terus menjadi pilihan utama 	

IV. Result and Discussion

4.1. Result

This study describes the characteristics of respondents who are customers who have stayed at the Claro Hotel Makassar City obtained through a questionnaire. In distributing the questionnaires to the respondents, 200 questionnaires were given, but 152 questionnaires deserved to be processed. The characteristic in question is the

identity of the respondent, which consists of; 1) gender, 2) age, 3) education level, 4) occupation, and 5) several stays. Briefly, the characteristics of the respondents can be seen in Table 6 as follows:

Table 2. Composition of Respondents by Gender, Age, Education Level, Occupation and Number of Stays

No	Characteristics of respondents	Frequency (Person)	Percentage (%)
1	Gender		
	Male	91	59,9
	Woman	61	40,1
2	Age (Year)		
	21 - 30	41	27,0
	31-40	91	59,9
	>40	20	13,2
3	Level of education		
	Senior High School	22	14,5
	Diploma	23	19,7
	Bachelor	60	39,5
	Magister	38	25,0
	Doctoral	2	1,3
4	Profession		
	General employees	62	40,8
	Civil servant	42	27,6
	Self-employed	48	31,6
5	Number of stays		
	1 time	52	34,2
	2-3 times	22	14,5
	>3 times	78	51,3

Table 2 shows that the characteristics of the respondents according to gender, as seen in this sample, are primarily male, as many as 91 people or 59.9%. The remaining 61 people, or 40.1%, are women. Characteristics of respondents based on age seen in this sample the age of most respondents were between 31-40 years, as many as 91 people or 59.9% then followed by ages between 20-30 years as many as 41 people or 27% while the remaining 20 people or 13.2% are those aged 40 years and over. Characteristics of respondents based on education level can be seen in this sample. The education level of most respondents is S1, as many as 60 people or 39.5% then, followed by S2 education level as many as 38 people or 25% then with Diploma education level as many as 23 people or 19.7% then with SMA education level is 22 people or 14.5% while the remaining two people or 1.3% are with S3 education level. Characteristics of respondents based on occupations seen in this sample, most of the respondents' occupations were private employees, as many as 62 people or 40.8% then, followed by self-employed jobs as many as 48 people or 31.6%. At the same time, the remaining 42 people, or 27.6%, had jobs as civil servants. Characteristics of respondents based on the number of stays at the Claro Makassar hotel seen in this sample the number of stays of the most respondents was more than three times as many as 78 people or 51.3% then, followed by the number of stays one time as many as 52 people or 34.2% while the remaining 22 people or 14.5% stay 2-3 times.

Validity is the validity that shows how a tool can measure what is being measured. An instrument is said to be valid if the Pearson correlation coefficient $> r$ table ($\alpha = n-2$) where n is the number of samples. If the sample of the number of validity tests is 152, then $152-2 = 150$ is obtained so that the r table is 0.207. For more details, the results of the validity of each variable are as follows:

Table 3. Validity and Reliability Test Results for Product, Price, Promotion, Place, Employee, Physical Evidence, Process, Satisfaction and Customer Loyalty Test Results

Variables	Question Items	r-estimated	r-calculated	Cronbach Alpha	Information
Product (X1)	X1.1	0,207	0,849	0.806	Valid and Reliable
	X1.2	0,207	0,892		
	X1.3	0,207	0,818		
Price (X2)	X2.1	0,207	0,849	0.866	Valid and Reliable
	X2.2	0,207	0,929		
	X2.3	0,207	0,887		

Variables	Question Items	r-estimated	r-calculated	Cronbach Alpha	Information
Promotion (X3)	X3.1	0,207	0,814	0.704	Valid and Reliable
	X3.2	0,207	0,774		
	X3.3	0,207	0,800		
Place (X4)	X4.1	0,207	0,919	0.899	Valid and Reliable
	X4.2	0,207	0,938		
	X4.3	0,207	0,878		
Employees (X5)	X5.1	0,207	0,819	0.729	Valid and Reliable
	X5.2	0,207	0,801		
	X5.3	0,207	0,813		
Physical Evidence (X6)	X6.1	0,207	0,803	0.724	Valid and Reliable
	X6.2	0,207	0,806		
	X6.3	0,207	0,812		
Process (X7)	X7.1	0,207	0,829	0.806	Valid and Reliable
	X7.2	0,207	0,855		
	X7.3	0,207	0,868		
Customer Satisfaction (Y1)	Y1.1	0,207	0,890	0.823	Valid and Reliable
	Y1.2	0,207	0,879		
	Y1.3	0,207	0,815		
Customer Loyalty (Y2)	Y2.1	0,207	0,840	0.694	Valid and Reliable
	Y2.2	0,207	0,845		
	Y2.3	0,207	0,711		

Table 3 shows that the validity test results for all variables in this study are declared valid where all statement items have r-calculated results greater than r-estimated. Analysis of research results using a structural equation model (Structural Equation Model / SEM) with confirmatory factor analysis (CFA) AMOS 21.0 (Analysis of Moment Structure, Arbuckle, 1997). The critical ratio (CR) shows the predictive power of observation variables both at the individual level and at the construct level is seen through the critical ratio (CR). If the critical ratio is significant, these dimensions will be helpful to for predicting latent constructs or variables. This study's latent variables (construct) consist of product, price, promotion, place, employees, physical evidence, process, customer satisfaction, and customer loyalty. Using the structural equation model from AMOS, the fit model indicators will be obtained. The benchmark used in testing each hypothesis is the critical ratio (CR) value on the regression weight with a minimum value of 2.0.

The criteria used are to test whether the proposed model is compatible with the data or not. The model fit criteria consist of 1) the degree of freedom must be positive and 2) the non-significant Chi-square required ($p < 0.05$) and above the accepted conservative ($p = 0.10$) (Hair et al., 2006), 3) incremental fit above 0.90, namely GFI (goodness of fit index), Adjusted GFI (AGFI), Tucker Lewis Index (TLI), The Minimum Sample Discrepancy Function (CMIN) divided by degree of freedom (DF) and Comparative Fit Index (CFI), and 4) low RMSEA (Root Mean Square Error of Approximation). Confirmatory factor analysis examines the variables that define a construct that cannot be measured directly. The analysis of the indicators used gives meaning to the labels given to latent variables or other confirmed constructs.

a) Evaluation of the Fulfillment of the Normality Assumption in the Data

Univariate and multivariate normality of the data used in this analysis was tested using AMOS 21. The analysis results are attached in Appendix 7 regarding the Assessment of normality. The critical measure for testing normality is cr which is influenced by the sample size and its skewness in its calculation.

By referring to the value in column cr in Appendix 7, if in column cr there is a score greater than 2.58 or less than -2.58 (normality distribution at 1 percent alpha), there is evidence that the data distribution is not normal. On the other hand, the data is usually distributed if the CR value is below 2.58 or greater than - 2.58. Using the criteria above, it can be concluded that of the 27 indicators, four indicators are generally not distributed, whose cr value is more significant than 2.58, and the remaining 23 indicators are typically distributed.

However, the assumption of normality in SEM analysis is not too critical if the observation data reaches 100 or more. Based on the Central Limit Theorem from a large sample, sample statistics close to the normal distribution can be generated (Solimun, 2002:79). Because this study used 152 observational data (Appendix 7), the data can be assumed to be expected. The computational results show that the data used in this study is free

from univariate outliers because there is no variable with a z-score above this limit. The minimum z-score limit is -4.72687 (Zscore X4.1), and the maximum z-score limit is 1.79827 (Zscore X5.1).

b) Product, Price, Promotion, Place, Employees, Physical Evidence and Process.

One of the SEM tests is model testing; based on Table 4, the evaluation of the model shows that out of the eight goodness of fit indices criteria, it seems that there are already two that meet the criteria, considering that the indicators and samples in this study are still small, so there needs to be more proof whether there is conformity. Between the model and the data, through the fulfillment of the goodness of fit indices criterion value, a modification of the model is carried out by doing a correlation between the error indicators according to the instructions from the modification indices on the condition that the modification is carried out without changing the meaning of the relationship between variables. The results of the analysis after the final model are as follows:

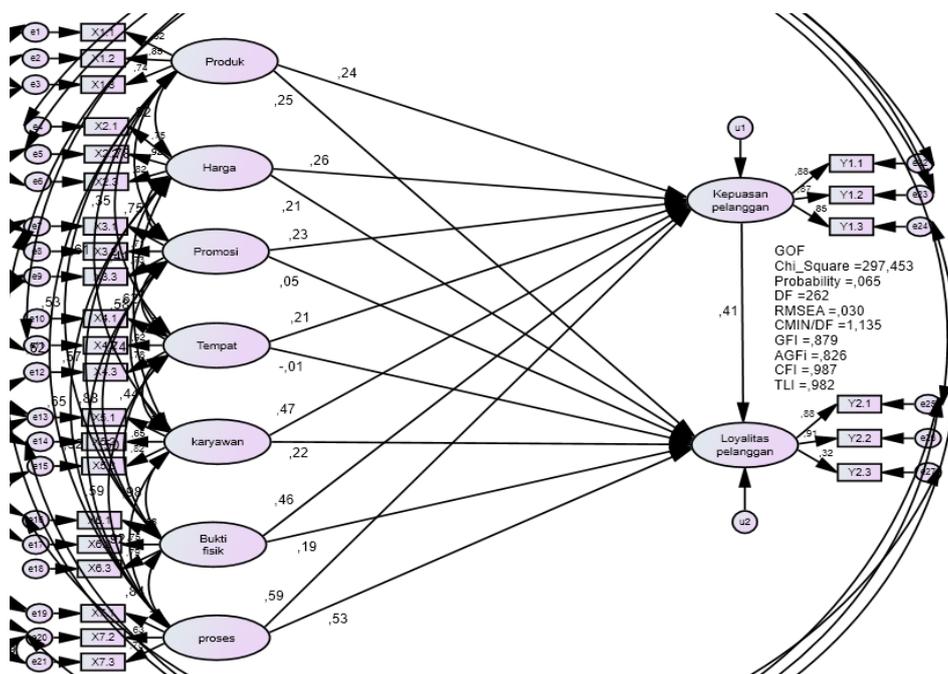


Figure 1. Measurement of Variable Relationship Model

The results of the model test presented in Figure 2 above are evaluated based on the goodness of fit indices in table 4, along with the model criteria and critical values that have data suitability presented.

Table 4. Evaluation of criteria for Goodness of Fit Indices Overall Model

Goodness of fit index	Cut-off Value	Hasil Model	Keterangan
Chi_square	Expected small	297,453 < (0,05:262 = 300,755)	Good
Probability	≥ 0,05	0,065	Good
CMIN/DF	≤ 2,00	1,135	Good
RMSEA	≤ 0,08	0,030	Good
GFI	≥ 0,90	0,879	Marginal
AGFI	≥ 0,90	0,826	Marginal
TLI	≥ 0,94	0,982	Good
CFI	≥ 0,94	0,987	Good

Based on Table 4, the evaluation of the model shows that of the eight goodness of fit indices criteria, six have met the criteria, so the overall model can be said to be following the data and can be analyzed further. Table 4 shows that the product, price, promotion, place, employee, physical evidence, and process measurement model shows that the model criteria have shown a fit model or suitability between the data and the model. The eight existing fixed criteria evidence this, only one does not meet the criteria, but the value is close. Thus the exogenous CFA model shows a good level of acceptance. Therefore it can be concluded that the model is acceptable. Furthermore, to determine the variables that can be used as indicators of products, prices,

promotions, places, employees, physical evidence, and processes, it can be observed from the loading factor value or lambda coefficient (λ) and its significance level, which reflects each variable as a product indicator, price, promotion, place, employees, physical evidence and process are shown in table 5.

Table 5. Loading factor (λ) Measurement of product factors, prices, promotions, places, employees, physical evidence and processes

Variable Indicator	Loading Factor (λ)	Critical Ratio	Probability (p)	Information
Product				
X1.1	0,837	Fix	< 0.001	Significant
X1.2	0,840	12,474	< 0.001	
X1.3	0,736	8,863	< 0.001	
Price				
X2.1	0,781	10,324	< 0.001	Significant
X2.2	0,886	14,348	< 0.001	
X2.3	0,858	Fix	< 0.001	
Promotion				
X3.1	0,508	6,111	< 0.001	Significant
X3.2	0,716	Fix	< 0.001	
X3.3	0,699	8,404	< 0.002	
Place				
X4.1	0,891	15,725	< 0.001	Significant
X4.2	0,922	Fix	< 0.001	
X4.3	0,786	12,928	< 0.001	
People				
X5.1	0,654	Fix	< 0.001	Significant
X5.2	0,646	7,197	< 0.001	
X5.3	0,792	8,404	< 0.001	
Physical Evidence				
X6.1	0,609	7,456	< 0.001	Significant
X6.2	0,747	9,029	< 0.001	
X6.3	0,758	Fix	< 0.002	
Process				
X7.1	0,772	9,935	< 0.001	Significant
X7.2	0,613	8,621	< 0.001	
X7.3	0,774	Fix	< 0.002	

Loading factor (λ) measurement of the product, price, promotion, place, employee, physical evidence, and process variables in Table 5 shows the test results of the product, price, promotion, place, employee, physical evidence, and process variable measurement model of each indicator that explains constructs, especially latent variables (unobserved variables) so that all indicators are included in the next test and are considered significant. Based on the empirical model proposed in this study, it is possible to test the proposed hypothesis through path coefficient testing on the structural equation model. Table 6 is a hypothesis testing by looking at the p-value; if the p-value is less than 0.05, the relationship between the variables is significant. The test results are presented in the following table.

Table 6. Hypothesis Testing

HIP	Independent Variable	Dependent Variable	Direct Effect			
			Standardize	CR	p-value	Info
H1	Product	Customer Satisfaction	0,238	2,396	0,020	Support
H2	Price	Customer Satisfaction	0,262	2,311	0,023	Support
H3	Promotion	Customer Satisfaction	0,228	1,284	0,195	UnSupport
H4	Place	Customer Satisfaction	0,212	2,605	0,008	Support
H5	People	Customer Satisfaction	0,469	2,530	0,012	Support
H6	Physical evidence	Customer Satisfaction	0,465	2,389	0,021	Support
H7	Process	Customer Satisfaction	0,594	2,861	0,004	Support
H8	Product	Customer Loyalty	0,249	2,252	0,025	Support

HIP	Independent Variable	Dependent Variable	Direct Effect			
			Standardize	CR	p-value	Info
H9	Price	Customer Loyalty	0,212	1,983	0,048	Support
H10	Promotion	Customer Loyalty	0,045	0,228	0,819	UnSupport
H11	Place	Customer Loyalty	-0,011	-0,118	0,909	UnSupport
H12	People	Customer Loyalty	0,219	2,040	0,040	Support
H13	Physical evidence	Customer Loyalty	0,192	1,981	0,048	Support
H14	Process	Customer Loyalty	0,533	3,193	< 0,001	Support
H15	Customer Satisfaction	Customer Loyalty	0,410	3,884	< 0,001	Support
Indirect Effect						
HIP	Independent	Dependen	Intervening	Koefisien	p-value	Info
H16	Product	Customer Loyalty	Customer Satisfaction	0,098	0,041	Support
H17	Price	Customer Loyalty	Customer Satisfaction	0,107	0,047	Support
H18	Promotion	Customer Loyalty	Customer Satisfaction	0,093	0,223	UnSupport
H19	Place	Customer Loyalty	Customer Satisfaction	0,087	0,031	Support
H20	People	Customer Loyalty	Customer Satisfaction	0,192	0,034	Support
H21	Physical evidence	Customer Loyalty	Customer Satisfaction	0,191	0,042	Support
H22	Process	Customer Loyalty	Customer Satisfaction	0,244	0,021	Support

Based on Table 7, there are twelve significant and three insignificant paths of the fifteen hypothesized direct paths. There are six significant and one insignificant effect among the seven indirect influence paths. The interpretation of Table 7 can be explained as follows:

1. The product significantly affects customer satisfaction with $P = 0.020 < 0.05$ with a coefficient value of 0.238. This coefficient indicates that the customer feels that the better the impression of the service product, the better customer satisfaction will be.
2. Price has a significant positive effect on customer satisfaction with $P = 0.023 < 0.05$ with a coefficient value of 0.262, this coefficient indicates that the more appropriate the price paid with the expectation of benefits obtained by customers, customer satisfaction will also be better
3. Promotion has no significant positive effect on customer satisfaction with $P = 0.195 > 0.05$ with a coefficient value of 0.228; this coefficient indicates that the promotion does not encourage the creation of customer satisfaction.
4. Place has a significant effect on customer satisfaction with $P = 0.008 < 0.05$ with a coefficient value of 0.212. This coefficient indicates that the better the location and arrangement of the hotel design, the better customer satisfaction.
5. Employees have a significant positive effect on customer satisfaction with $P = 0.012 < 0.05$ with a coefficient value of 0.469, this coefficient indicates that the better the appearance and service provided by employees, the better customer satisfaction will be
6. Physical evidence has a significant positive effect on customer satisfaction with $P = 0.021 < 0.05$ with a coefficient value of 0.465. This coefficient indicates that the better the physical evidence or supporting facilities for hotel services, the better customer satisfaction.
7. The process has a significant positive effect on customer satisfaction with $P = 0.004 < 0.05$ with a coefficient value of 0.594. This coefficient indicates that the better the service felt when using hotel services, the more customer satisfaction created.
8. The product has a significant positive effect on customer loyalty with $P = 0.025 < 0.05$ with a coefficient value of 0.249, this coefficient indicates that the better the product is perceived, the better consumer loyalty will be
9. Price has a significant positive effect on customer loyalty with $P = 0.048 < 0.05$ with a coefficient value of 0.212, this means that the better the level of suitability of the price paid with the benefits felt by the customer, the customer loyalty will also be better
10. Promotion has no significant positive effect on customer loyalty with $P = 0.819 > 0.05$ with a coefficient value of 0.045; this coefficient indicates that the promotion cannot encourage the creation of customer loyalty.
11. Place has an insignificant negative effect on customer loyalty with $P = 0.909 > 0.05$ with a coefficient value of -0.011; this coefficient indicates that if the place/location and hotel arrangement design cannot directly create customer loyalty

12. Employees have a significant positive effect on the loyalty of customers with $P = 0.040 < 0.05$ with a coefficient value of 0.219, this coefficient indicates that good service and appearance of employees can increase customer loyalty
13. Physical evidence has a significant positive effect on customer loyalty with $P = 0.048 < 0.05$ with a coefficient value of 0.192. This coefficient indicates that physical evidence or good supporting facilities will encourage the development of customer loyalty.
14. The process significantly affects customer loyalty with $P = 0.000 < 0.05$ with a coefficient value of 0.533. This coefficient indicates a good impression felt by customers during the service process so that that impression will encourage the development of customer loyalty.
15. Customer satisfaction has a significant positive effect on customer loyalty with $P = 0.000 < 0.05$ with a coefficient value of 0.410, this coefficient indicates that the better customer satisfaction, the better customer loyalty.
16. Products affect customer loyalty through customer satisfaction, with $P = 0.041 < 0.050$ with a coefficient value of 0.098. This means that the better-perceived service products will encourage increased customer satisfaction, which ultimately impacts better customer loyalty.
17. Price affects customer loyalty through customer satisfaction, with $P = 0.047 > 0.050$ with a coefficient value of 0.147. This means that the better the level of compliance with the price paid by customers with the benefits provided, the more customer satisfaction will increase, impacting better customer loyalty.
18. Promotion does not affect customer loyalty through customer satisfaction, with $P = 0.223 < 0.05$ with a value coefficient of 0.093. This means that the promotions carried out cannot be directly benefited customers, so they do not create customer satisfaction and customer loyalty
19. Place affects customer loyalty through customer satisfaction with $P = 0.031 > 0.05$ with a coefficient value of 0.087; this coefficient shows that the better the location and arrangement of the hotel design, the better customer satisfaction and ultimately impact on customer loyalty
20. Employees affect customer loyalty through customer satisfaction with $P = 0.034 < 0.05$ with a coefficient value of 0.192, this coefficient indicates that service and appearance are good both employees will create a sense of customer satisfaction so that it has an impact on customer loyalty
21. Physical evidence affects customer loyalty through satisfaction with $P = 0.042 < 0.05$ with a coefficient value of 0.191. This coefficient indicates that there is evidence that Good physical or supporting facilities will create a sense of customer satisfaction to encourage the development of customer loyalty.
22. The process affects customer loyalty through customer satisfaction with $P = 0.021 < 0.05$ with a coefficient value of 0.244. This coefficient indicates that a good impression felt by customers during the service process will create a sense of satisfaction, which encourages customer loyalty.

4.2. Discussion and Conclusion

This discussion focuses on decisions resulting from hypothesis testing, as an effort to answer the formulation of research problems. The results of the analysis of hypothesis testing are described as follows:

1. The Effect of Products on Customer Satisfaction

The results of hypothesis testing indicate that the product has a positive and significant effect on customer satisfaction. This indicates that the positive and significant effect occurs because the product variable can be appropriately applied to achieve customer satisfaction. The positive and significant influence that occurs is the result of the contribution of the product variable indicators that a good product presentation starting from the hotel's popularity, providing a variety of services, and providing services following customer expectations will determine customer satisfaction Claro Makassar hotel service, users. The indicator of the product variable that has the highest average is the variety of types of services provided by the Hotel Claro Makassar. The hotel provides very varied services. The product has a positive and significant effect on customer satisfaction. This shows that the better the product, the better customer satisfaction. The customer in deciding to use hotel services is very considerate of the quality of the product from the hotel in question. The main factor affecting customer satisfaction is the quality of products and services and services and sales. The relevance of this theory with the research conducted shows that one of the supporting factors to increasing customer satisfaction is presenting quality products. Apart from that, factors that affect customer satisfaction are product and service features; in this case, customer satisfaction with products or services is influenced by customer evaluations of service or product features. Thus, quality products have an essential role in shaping customer satisfaction. The higher the quality of the product provided, the higher the satisfaction felt by the customer.

2. The Effect of Price on Customer Satisfaction

The results of hypothesis testing indicate that price has a positive and significant effect on customer satisfaction. This indicates a significant positive effect because the price variable can be appropriately applied to achieve customer satisfaction. The positive and significant effect that occurs is the result of the price variable indicator's contribution that reasonable pricing starts from competitive room prices compared to other hotels, prices according to service quality, and the existence of special prices for event packages according to customer expectations will determine satisfaction—customers who use Claro Makassar hotel services. Price has a positive and significant effect on customer satisfaction. This shows that price is one aspect that customers consider when customers buy services. How well the price offered will be the choice that suits customer needs. Pricing is an important matter where the price is the main factor determining the position and must be decided according to the target market, product mix, service, and competition. Pricing is a critical point in the service marketing mix because price determines the revenue of a business. Pricing decisions are very significant in determining the value/benefit provided to customers. Each hotel, including Claro Makassar, sells goods and services and sets specific prices for the products they have produced. Usually, these prices vary. The price of the rooms sold can vary from time to time depending on the type, time, and facilities provided. There are also prices for food and drinks provided in restaurants and prices for other hotel facilities, which are set based on existing standards. This shows that the more reasonable the price paid with the expectation of the benefits obtained by the customer, the better customer satisfaction will be. This finding is in line with the theory put forward by Kotler (2016), which states that price is the amount of money charged for a particular product. Determining the right price following the services and performance offered by the company can create customer satisfaction. Another theory supporting this research is the theory of price-quality from Steband (2010), which states that price quality is determined by pricing according to the products (goods/services) offered. Furthermore, Friedman (2013) put forward the theory of price balance that the supply price will determine the asking price. Thus the price is one of the critical variables in marketing, where the price can affect customer satisfaction for various reasons. Economic reasons will show that low prices or always competitive prices are one critical trigger. However, psychological reasons can show that price is an indicator of the quality of a product.

3. The Effect of Promotion on Customer Satisfaction

The results of hypothesis testing indicate that promotion has a positive but not significant effect on customer satisfaction. This means that all promotional indicators, which consist of general information from online media, and service information, are packaged attractively and efficiently, and the information obtained follows the existing facts. It has been going well, so it has a positive influence on customer satisfaction, but the contribution of this promotion is not significant to customer satisfaction. This little reason occurs because this promotional activity is not directly enjoyed by customers, meaning that promotional activities carried out by Hotel Claro are to provide information to customers regarding the types of hotel services, hotel programs, facilities available, types of hotel rooms, and services offered. To attract customers to use existing services, customer satisfaction will be felt after buying or using the service. Thus, direct promotion does not significantly affect customer satisfaction.

The indicator of the promotion variable that has the highest average is service information packaged in an attractive and easy way where the Claro Makassar hotel presents promotional materials for hotel services through brochures, magazines, and website pages as well as promo broadcasts, Claro hotels also maintain good relations with travel agents and other industries such as Traveloka, Pegi-Pegi, Blibli, Tiket.com through special offer programs for travel agents and other exciting programs, other promotions carried out by Claro are providing stay vouchers for parties who have collaborated, presenting specific programs such as "Shanghai in Love" on every Valentine's Day, credit card discount promos for rooms and restaurants, as well as regular promotions even though there are no events still carried out in the media, usually twice a month at Tribun and Fajar, as well as promotions with using electronic media such as local radio or television stations, such as: Makassar TV and Fajar TV then the second indicator, namely the information obtained in accordance with the existing reality, is one of the attractions to make Claro the customer's choice and the promotion indicator that has the lowest average is information that is known from online media, this is important to be a concern for parties Claro hotel management to be improved considering that online media is currently the most quickly accessed information center by the entire community wherever it is located, one of which is by updating the web site regularly so that the information presented is the latest information. Understanding the description above, it is known that direct promotion has a positive and insignificant effect on customer satisfaction, so it becomes a consideration to improve and fix promotions through the use of online media, service information is packaged attractively and efficiently, and the information obtained is following the existing reality, so that the contribution is significant to customer satisfaction because the promotion does not encourage the creation of customer satisfaction. Based on the discussion above, the effect of promotion on customer satisfaction needs support to

improve the positive and insignificant effect into a positive and significant effect using the theory according to Khan et al. (2012), explaining promotion as a different form of activity to attract and get attention. Through personal selling, public relations, sales promotion, and advertising, customers buy products or services. Promotion of a product or service helps in the best way to build a relationship with the customer because everyone is looking for the best deal that suits them. Interesting product information, for example, discounts and other special offers on products, can increase customer satisfaction. Another theory from Kotler and Armstrong (2008) states that the purpose of sales promotion is very diverse, one of which is to increase the number of people who visit and encourage purchases which in the short term but in the long term will bring customer satisfaction for the services or products provided by the company. Promotions that are appropriately designed and correctly will strengthen the product's position in building long-term relationships with customers.

4. The Effect of Place on Customer Satisfaction

The results of hypothesis testing indicate that the place has a positive and significant effect on customer satisfaction. This indicates that the positive and significant influence occurs because the location variable is the Claro hotel, with a very strategic location to achieve customer satisfaction. The positive and significant influence that occurs is the result of the contribution of the place variable indicator that the location of the Claro hotel, which is strategic, ranging from ease of transportation coverage, ease of obtaining information, and environmental conditions greatly determine customer satisfaction of Claro Makassar hotel service users. The indicator of the place variable that has the highest average is the ease of transportation coverage where the location of the Claro Makassar hotel, which is in the center of Makassar city, with a distance from the airport, is quite close to a 45 minute drive time, in terms of the location of the Claro Makassar hotel it is categorized as "City Hotel" because it is located in the middle of the city. The location is very strategic because it is close to the business center. Furthermore, the second indicator, namely the ease of obtaining information, is one of the attractions to make Claro the choice of customers. The place's lowest average indicator is environmental conditions—hotel users. The place has a positive and significant effect on customer satisfaction. This shows that location or place can contribute to the success of a hotel industry because customers will be significantly helped by an easily accessible location, considering that a strategic location can be used as a competitive advantage. Determining the right location will minimize the burden of investment costs and long-term and short-term operations so that the hotel industry can increase its competitiveness. The location of the Claro Makassar hotel is one of the factors that can affect customer satisfaction. This is because the strategic location makes it easier for consumers to go to the location and feel comfortable while in the location. This research implies that to increase customer satisfaction, the Claro Makassar hotel, through its location, is to maintain environmental conditions around the hotel so that visitors feel safe and comfortable while enjoying hotel services.

5. The Influence of Employees on Customer Satisfaction

The results of hypothesis testing indicate that employees have a positive and significant effect on customer satisfaction. This indicates that the positive and significant effect occurs because the Claro hotel employee variable has employees with good knowledge and service abilities. The positive and significant influence that occurs is the result of the contribution of employee variable indicators that Claro hotel employees are qualified in their fields, such as employees knowing all types of services offered, employees can provide solutions to complaints faced, and employees always serve wholeheartedly greatly determine customer satisfaction Claro Makassar hotel service, users. The indicator of employee variables that have the highest average is the ability of employees to provide solutions to complaints faced wherein the organizational structure of the Claro Makassar hotel; there is a Front Office which is one of the important divisions that handle guests directly moving one division with Public Relations which has the main task is to handle all relationships from guests checking in to guests checking out. The task of accommodating criticism, suggestions, and complaints from all guests is handled at the Claro Makassar hotel. Overall, Claro Makassar Hotel has a Front Office Manager who is in charge of handling all forms of relationships made to guests in detail, including resolving complaints from each guest. Hotel Claro Makassar, as a service provider business, of course, really hopes to provide the best for its guests. However, no matter how much the hotel does, there must be something that guests feel is lacking and becomes a separate complaint; the Claro Makassar hotel makes a special section that can handle every need or complaint to be better for getting the satisfaction of the guests. Claro Makassar hotel guests who come from various regions also influence the attitude of all guests who come. This will undoubtedly impact requests submitted by guests regarding satisfaction, or their responses are also possible regarding things that are considered unsatisfactory for them. Front Office Manager is also one of the divisions concerned about this. When submitting a complaint, everything cannot be resolved with the unilateral wishes of the guest but must be adjusted to company policy. The policy is contained in the SOP (Standard Operational Procedure) for handling complaints carried out through a gradual process. Each stage must be carried out properly and

precisely because in dealing with or solving problems, not only required solutions but completion so as not to have an impact on the values possessed by the hotel. The second indicator, namely the ability of employees to serve wholeheartedly, is one of the attractions to make Claro the choice of customers. The indicator of employees who have the lowest average is employee knowledge of all services offered. Employees have a positive and significant effect on customer satisfaction. This shows that the responsiveness and speed in handling incoming complaints can increase customer satisfaction. It remains the hotel of choice for guests in addition to handling complaints quickly and coupled with a service quality assessment system on the travel agent page that has collaborated with the hotel. Claro Makassar will make it easier for guests to convey, view, choose and assess how the services received guests are. For companies that provide services to customers, such as the Claro Makassar hotel, employees are a vital element in the service marketing mix because both the service production process and the delivery of services to customers require a human element whose attitudes and behavior have a direct impact on customer perceptions of the output received. From a service provider. Employees play a role in providing good service while delivering services to customers, thereby creating trust and satisfaction for customers. Employees have a positive and significant effect on customer satisfaction. This shows that the better the appearance and service provided by employees, the better customer satisfaction. This finding aligns with the marketer theory put forward by Assauri (2001), which states that the subject of marketing activities for products and services lies with the marketer. Good marketers are easy to market their products and services because they understand their work. Another theory that supports this research is the theory of attraction (interesting) by Norton (2006) is one theory that supports the appearance of employees in marketing their products and services. Another theory presented by Thompson (2006) is that employees are the key to the concept of product and service marketing because talented and professional employees in service marketing will generate profits for the company. The more professional employees are in marketing their service products, the more they are needed by customers because it will impact customer satisfaction.

6. Effect of Physical Evidence on Customer Satisfaction

The results of hypothesis testing indicate that physical evidence has a positive and significant effect on customer satisfaction. This suggests that the positive and significant impact occurs because of the physical evidence variable where the Claro hotel has complete, modern, and luxurious facilities. The positive and significant influence that arises is the result of the contribution of the physical evidence variable indicators that Claro hotel facilities are good, complete, modern, and luxurious such as a large parking area, hotel interior, and the ability of facilities to support services greatly determine customer satisfaction of Claro Makassar hotel service users.

The indicator of the physical evidence variable that has the highest average is the ability of facilities to support services where the Claro Makassar hotel has various facilities that can be used by hotel service users ranging from comfortable rooms with luxurious interiors, a large parking area equipped with with different other types of services such as the number of rooms available is 333 rooms where all rooms are equipped with controlled air conditioners, telephone lines, safe deposit boxes, TV, IDD and DLD telephone lines, smoke detectors and spraying systems, electronic control panels, connection high speed internet, child care, mini bar, coffee and tea maker, various restaurants ranging from international, carita restaurant, Exlo, Legend and Chinese restaurant (Sunachi), available sports and leisure facilities such as: swimming pool, fitness center, Martha Tilaar salon and spa, fitness, Jacuzzi, sauna & steam, and butler massage services, there are 13 meeting rooms with a capacity of 10 – 200 people, a Mini Bar Room (Jasmine Hall) with a capacity of 200 – 300 people and the largest room, namely the Convention Hall with a total of 3,500 - 8000 people as well as a performance and entertainment room with a performance building area of 400 M², there are various kinds of entertainment available such as Redtros, D & Liquid & study 33, so it is called One Stop Entertainment and various other facilities, then the second indicator, namely the interior of the hotel, is one of the attractions to make Claro the choice of customers and an indicator of physical evidence that has an average The lowest point is the large parking area, this is an essential concern for the Claro hotel management to pay attention to, especially with regard to parking facilities that are more organized and neat. However, the Claro hotel parking lot is equipped with security (24 hours), and there is CCTV in every corner of the parking lot so that visitors can safely leave their vehicles. Finding a parking space is also easy, because of the large parking area. The officers also helped in the search and provided solutions for a comfortable parking area.

Physical evidence has a positive and significant effect on customer satisfaction. This shows that physical evidence plays a vital role in providing convenience, smoothness, speed, and quality of service because physical evidence in the form of various facilities at the Claro Makassar hotel is maintained in quality to ensure the realization of quality products and services so that it will have an impact on increasing customer satisfaction. The Claro Hotel uses physical evidence for the provision of different services with the aim that customers can distinguish between Claro hotels and other hotels so that in the end, it will give a distinct impression to its

customers that Claro hotels are very concerned about the services provided to their guests, which various international class facilities support to achieve maximum guest satisfaction. Physical evidence has a positive and significant effect on customer satisfaction. This shows that the better the physical evidence or supporting facilities for hotel services, the better customer satisfaction. This finding is in line with the theory put forward by Tjiptono (2008), which states that the marketing of products and services in the form of physical evidence is needed to support the ease and smoothness of the use of various tools, equipment, buildings and machines used to provide services to customers. The more fulfilled the physical evidence of delivering products and services, the easier it is for customers to use and access the available products and services so that it can have an impact on increasing customer satisfaction. Another theory that supports this research is Zeithaml et al. (2009). Physical evidence is something that can determine consumers to use services where physical evidence shows a unique opportunity for companies to send consistent and robust messages regarding the organization's efforts, targeted market segments, and service characteristics. Physical evidence of a company also influences customer satisfaction. Physical evidence following consumer expectations will provide satisfaction for consumers.

The results of research on the effect of physical evidence on customer satisfaction are supported by a previous study conducted by Didik Pianto Hertiana Ikasari (2013), recommending that physical evidence has a positive and significant effect on customer satisfaction. The similarity with this research lies in the variables studied and the object under study, namely the hospitality industry, while the difference lies in the analytical tools used. Previous studies used multiple regression analysis, while this study used SEM analysis.

7. Effect of Process on Customer Satisfaction]

The results of hypothesis testing indicate that the process has a positive and significant effect on customer satisfaction. This suggests that the positive and significant impact occurs because of the process variable where the Claro hotel provides hotel services with ease of service, clear procedures, and fast and precise service processes. The positive and significant influence that occurs is the result of the contribution of the process variable indicators that the service procedures provided by the Claro hotel already have internationally accepted standards such as ease of service, clarity of operations, and fast service, which significantly determines customer satisfaction of users of Claro Makassar hotel services. The indicator of the process variable that has the highest average is the speed of service. The Claro Makassar hotel is committed to providing assistance quickly and precisely according to consumer needs consistently and being able to compete in this era of globalization. A fast service process can improve the image of a hotel business because the speed of service is the main factor desired by customers. Therefore, customers always want a fast process from check-in to check out. Customers who get service with a quick process will feel satisfied and give positive opinions when telling their experiences to others. The attraction to making Claro the customer's choice and the process indicator with the lowest average is the suitability of this procedure. This shows that the process involves every activity needed to provide products or services with the best service to consumers where methods that can be understood by customers and following what they want will also determine customer satisfaction where the service process at the hotel begins to be provided to guests on when checking in to checking out where hotel guests are involved in the production of services. Hence, the hotel needs to understand the essential nature of the process faced by its customers. The hotel prepares procedures for transactions that are pretty simple and do not harm the mind, time, or energy so that customers will feel satisfied. The process has a positive and significant effect on customer satisfaction. This shows that the better the service is supposed to be when using hotel services, the more it will encourage the creation of customer satisfaction.

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