

Prioritizing Service Quality Levers in a Business Hotel: Empirical Evidence from SERVQUAL

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ARTICLE INFO	ABSTRACT
<p>Keywords: service quality; customer satisfaction; servqual</p> <p>Received: 18 Apr 2025 Accepted: 20 Jun 2025 Published: 30 Jun 2025</p>	<p>This study investigates whether the SERVQUAL dimensions tangibles, reliability, responsiveness, assurance, and empathy—explain customer satisfaction in an independent full-service hotel and identifies the most influential levers. A cross-sectional survey of 100 staying guests recruited via accidental (intercept) sampling was administered using validated Likert-scale items. Construct validity and reliability were established prior to hypothesis testing. Multiple regression with standardized coefficients was employed to estimate the partial effects of each dimension and to assess their relative importance. Results indicate that all dimensions exhibit positive associations with satisfaction; empathy emerges as the strongest predictor, followed by assurance, reliability, and responsiveness, while tangibles show the weakest effect. These findings highlight the primacy of human-contact factors—attentiveness, credibility, and individualized care in shaping satisfaction within hospitality settings, while signaling improvement opportunities in physical cues and facilities. Managerially, the hotel should sustain strengths in empathy and assurance (e.g., staff sensitivity, clear guarantees, consistent fulfillment of promises) and systematically uplift tangibles through visible quality cues, facility upkeep, and amenity standards. The study contributes firm-level evidence to the hospitality literature by clarifying the relative weights of SERVQUAL dimensions for satisfaction and by underscoring that people-centric capabilities remain decisive even when tangible attributes lag.</p>

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1. INTRODUCTION

In the current era of industrial revolution, products or services that compete in one market are increasingly numerous and diverse due to market openness and the rapid development of information technology. This causes competition between producers to be able to meet consumer needs and provide maximum customer satisfaction, because basically the goal of a business is to create customer satisfaction. Customer satisfaction is a feeling of pleasure or disappointment that arises after comparing the performance (results) of a product that is thought against the expected performance (or results) (Kotler and Keller, 2009: 177; Lee et al., 2016; Pizam et al., 2016). One of the actions to satisfy consumers is by providing services to consumers as well as possible. Sunarsi et al. (2020) and Zeithaml et al. (1990) states that service quality can be defined as an effort to fulfill the needs and desires of consumers and the accuracy of their delivery in balancing consumer expectations. Service quality can be known by comparing consumers' perceptions of the services they receive or obtain with the services they expect or want against the service attributes of a company.

Good service quality in a company will create satisfaction for its customers. After consumers are satisfied with the product or service they receive, consumers will compare the services provided. If



consumers feel completely satisfied, they will repurchase and give recommendations to others to buy at the same place. Therefore, companies must start thinking about the importance of customer service more carefully through service quality, because it is now increasingly realized that service (customer satisfaction) is a vital aspect in order to survive in business and win the competition (Lu et al., 2015). Grönroos et al. (2014), reveals that service quality is a way of working for companies that strive to make continuous quality improvements to the processes, products and services produced by the company. According to Yousapronpaiboon (2014) and Minh et al. (2015), there are five important aspects that must be considered in service quality, namely tangibles, reliability, responsiveness, assurance, and empathy.

Hotel is an accommodation service business in which there are elements of service, comfort, and lodging facilities needed for those who want lodging facilities for family and vacation purposes (Arasli., 2021; Siwek et al., 2022; Lvov & Komppula, 2024). In the service business sector, the hotel business is also experiencing very rapid development. But in its development, competition in the hotel business turned out to be very competitive, ranging from five-star hotels to specialty jasmine class lodging. The competition in question could be the factor of cheaper room rates, satisfactory service to consumers, strategic location, hotel facilities provided and other factors that are able to convince consumers or customers to use these hotel services.

To survive during intense competition, they are competing to offer more value that can attract consumers (Cusumano et al., 2015; Kumar & Reinartz, 2016; Kaleka & Morgan, 2017). From a variety of food, entertainment, and other facilities that characterize the eyes of consumers. In addition, there are also various ornamental equipment and facilities to support comfort so that guests feel at home in the hotel. Hotel consumers in choosing a place to stay have various criteria. With the differences in hotel selection criteria, management is required to always try to improve services and innovate continuously. For this reason, hotels need to conduct research to evaluate what consumers want in terms of service quality.

Losari Beach Hotel Makassar in its work seeks to be different from the existing hotels in Makassar, so that its strategic location in front of the Losari Beach Anjung. Losari Beach Hotel Makassar is one of the hotels that still stands strong with a high occupancy rate thanks to the cooperation and support of employees and hotel management. On the other hand, hotel management needs to make efficiency and effectiveness in carrying out its activities in addition to quite vigorous promotion. Hotel activities are renting out rooms, selling food, drinks and providing supporting services that are commercial in nature. These supporting facilities are intended to increase the attractiveness for guests, so that guests are expected to be satisfied with the services provided so that they feel at home and stay long at the hotel.

Quality improvement is one of the marketing strategies that emphasizes the fulfillment of customer desires. To create high service quality, a hotel must offer services that customers are able to receive and feel in accordance with or exceed what customers expect. The higher the quality of service felt compared to expectations, the more satisfied the customer will be. The satisfaction felt by customers will have a positive impact on the hotel, including encouraging the creation of customer loyalty and the hotel's reputation will be more positive in the eyes of the community in general and customers. Therefore, every hotel needs to try to understand the values that customers expect and, on that basis, then try to fulfill these expectations as much as possible.

Efforts to realize complete customer satisfaction are not easy, so that it is not reality if a company expects no dissatisfied customers. But of course, every company must try to minimize customer dissatisfaction by providing services that are getting better every day. And at the same time the company also needs to pay attention to consumers who feel dissatisfied. The number of competitors does not prevent the Makassar Gapura Beach Hotel from surviving, even being able to grow rapidly until now. Providing satisfying service for customers is the vision of Losari Beach Hotel Makassar to continue to exist in the world of hospitality.



Losari Beach hotel Makassar customers experience ups and downs or fluctuations every year, this is because in certain months agencies use hotels a lot, besides that there are also many events held in certain months which make hotel services very much needed. The events held are the Makassar International Eight Festival (F8) which is an annual international agenda in Makassar and is held in September, then the Female on the Move event which is the biggest fashion event in Eastern Indonesia which is held in April, and many more events. Apart from that, the number of Losari Beach Hotel Makassar customers is quite a lot. However, this does not guarantee that customers will always be loyal to Losari Beach Hotel Makassar.

Losari Beach Hotel Makassar has opportunities and challenges like hotels in general. Customers will compare the service and support provided by Hotel Pantai Gapura Makassar with the service and support they expect. If the customer is satisfied, the customer will return to Hotel Pantai Gapura Makassar and become a loyal customer and will tell others about this experience. This will have a positive impact, especially in restoring or maintaining customer loyalty and in creating new customers. But if the customer is dissatisfied, then the customer will complain about his dissatisfaction with the hotel. If that happens, it will have a negative impact on the hotel, especially in an effort to maintain customer loyalty and the public's image as potential customers. Therefore, customer complaints or dissatisfaction must be responded to properly by the hotel by taking appropriate steps, for example by immediately providing the right solution according to their needs. Thus, customers will feel satisfied with the service and support provided by the hotel.

Based on this background and seeing how important service quality is in order to achieve customer satisfaction, a study was conducted on the determinant factors that determine customer satisfaction at Losari Beach Hotel Makassar. In this study, customer satisfaction is based on Parasuraman's theory (1985) and will be measured through 5 dimensions (tangible, reliability, responsiveness, assurance, empathy).

2. METHOD

2.1 Descriptive Analysis

Sugiyono (2017: 14) says that descriptive analysis is used to analyze the data that has been collected by describing or describing the object under study through samples or populations as it is without conducting analysis and making general conclusions which include analysis of the characteristics of respondents consisting of gender, age, region of origin.

2.2 Multiple Linear Regression Analysis

Multiple linear regression analysis is a method used to determine the prediction accuracy of the influence that occurs between the independent variable (x) on the dependent variable (y) where this analysis is to analyze the effect of service quality on customer satisfaction at the Makassar Gapura Beach Hotel by using the formula quoted from Sugiyono's book (2010: 277), namely:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e$$

2.3 Test t (Partial Test)

The t test is used to test the significant level of the effect of the independent variable partially on the dependent variable. The test is carried out by comparing the significance value (sig.) of the t test with the tolerated error rate of 5% (0.05).

2.4 F Test (Simultaneous Test)

The F test is used to test whether the regression equation has a significant effect by comparing F count with F table. If $F \text{ count} > F \text{ table}$ means that overall, the attitude variables and subjective norms have a significant relationship and influence on the behavioral interest variable. However, if $F \text{ count} < F$

table, it means that overall, the attitude variables and subjective norms do not have a significant relationship and influence on the purchasing decision variable.

2.5 Coefficient of Determination (R^2)

This multiple linear models, it will be seen the results of the contribution to the independent variables together on the dependent variable by looking at the coefficient of determination (R^2). If (R^2) obtained is close to 1 (one), it can be said that the stronger the model explains the relationship between the independent variable and the dependent variable. Conversely, if (R^2) is closer to 0 (zero), the weaker the influence of the variables on the dependent variable.

3. RESULTS AND DISCUSSION

3.1 Results

Analysis of Multiple Linear Regression

Multiple linear regression analysis was used in this study with the aim of proving the hypothesis regarding the effect of service quality dimensions variables (tangible, reliability, responsiveness, assurance, and empathy) partially or individually or simultaneously or together on customer satisfaction variables at Goods delivery services in Makassar City. Statistical calculations in multiple linear regression analysis used in this study are with the help of a computer program using the SPSS 21 application. The results of data processing using the complete SPSS program are contained in the appendix to this study and are further explained in Table 1 below:

Table 1. Result of Multiple Linear Regression Analysis

Model		Coefficients ^a			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	1,750	1,220		1,434	,155
	TOTALX1	,032	,054	,037	,600	,550
	TOTALX2	,129	,062	,125	2,079	,040
	TOTALX3	,082	,048	,108	1,704	,092
	TOTALX4	,336	,088	,283	3,826	,000
	TOTALX5	,658	,095	,524	6,934	,000

a. Dependent Variable: TOTALLY

Source: Data processed, 2025

The regression equation model that can be written from these results in the form of a regression equation is as follows: $Y = 1,750 + 0,032 X_1 + 0,129 X_2 + 0,082 X_3 + 0,336 X_4 + 0,658 X_5 + e$. The regression equation can be explained as follows: 1) The regression coefficient of the physical evidence variable (tangible) has a positive direction in its influence on customer satisfaction. 2) The reliability variable regression coefficient has a positive direction in its influence on customer satisfaction. 3) The regression coefficient of the responsiveness variable has a positive direction in its influence on customer satisfaction. 4) The regression coefficient of the assurance variable has a positive direction in its influence on customer satisfaction. 5) The regression coefficient of the care variable (empathy) has a positive direction in its influence on customer satisfaction.



From the results of the multiple regression coefficients described in the description above, hypothesis testing will then be carried out partially or simultaneously. Meanwhile, the results of simultaneous regression calculations can be seen in Table 2 below:

Simultaneous Regression Test

Table 2. Results of Simultaneous Regression Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	238,484	5	47,697	48,593	,000 ^b
	Residual	92,266	94	,982		
	Total	330,750	99			

a. Dependent Variable: TOTALY

b. Predictors: (Constant), TOTALX5, TOTALX1, TOTALX2, TOTALX3, TOTALX4

Source: Data processed, 2025

Testing the effect of independent variables together on the dependent variable is done using the F test. The results of statistical calculations show the value of F count = 48,593 with a significance of 0.000 < 0.05. With a significance value below 0.05, it shows that together physical evidence, reliability, responsiveness, assurance and care have a positive and significant influence on customer satisfaction.

Furthermore, the coefficient of determination is used to determine how much influence the independent variables have on the dependent variable. The coefficient of determination is determined by the R square value.

Coefficient of Determination

Table 3. Coefficient of Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,849 ^a	,721	,706	,991

a. Predictors: (Constant), TOTALX5, TOTALX1, TOTALX2, TOTALX3, TOTALX4

Source: Data processed, 2025

The results of the regression calculation can be seen that the coefficient of determination (R^2) obtained is 0,721. This means that 72,1% of customer satisfaction is influenced by physical evidence, reliability, responsiveness, assurance, and care, while the remaining 27,9% of customer satisfaction is influenced by other variables not examined in this study.

3.2 Discussion

This study aims to determine the effect of service quality with tangible, reliability, responsiveness, assurance, and empathy dimensions on customer satisfaction using the services of Losari Beach Hotel Makassar. In general, this study shows that the results of service quality are quite satisfactory. The results of the descriptive analysis show that the quality of services provided by Losari Beach Hotel Makassar is generally good. This can be shown from the number of respondents' high satisfaction responses to the conditions of each research variable. Vijaya & Rahayu (2021) argues that service quality can be



interpreted as an effort to fulfill consumer needs and desires and the accuracy of their delivery in balancing consumer expectations. Based on the expert opinion, the hotel hopes to be able to balance consumer expectations and provide satisfaction to consumers through good service quality.

The results of this study indicate that there is a significant influence between service quality variables in its five dimensions (tangible, reliability, responsiveness, assurance, empathy) on customer satisfaction (Prakoso et al., 2017; Pakurár et al., 2019; Setiono & Hidayat, 2022). The three dimensions of service quality show a positive and significant effect on customer satisfaction, while the other two dimensions show a positive but not significant effect (Janahi & Al Mubarak, 2017; Gong & Yi, 2018; Sugiarto & Octaviana, 2021).

The results of the F test show that service quality in all five dimensions as a whole has a positive and significant impact on customer satisfaction. In the context of this study, the provision of high-quality services in terms of tangibles (physical factors related to services), reliability (service reliability), responsiveness (service responsiveness), assurance (consumer confidence and trust in services), and empathy (empathy to consumer needs) will contribute to the level of consumer satisfaction.

The results of the coefficient of determination test show that service quality in the dimensions of tangible, reliability, responsiveness, assurance, and empathy together has an influence of 72.1% on customer satisfaction. This means that the variables in service quality examined in this study explain about 72.1% of the variation in customer satisfaction. The remaining 27.9% is influenced by other factors not examined in this study.

These results show the importance of paying attention to service quality in its five dimensions to achieve a high level of customer satisfaction. Providing good service in terms of tangibles, reliability, responsiveness, assurance, and empathy can provide a positive experience to consumers, which in turn will increase their level of satisfaction. However, there are other factors that were not examined in this study which can also affect consumer satisfaction, so further research is needed to understand these factors.

In business practice, the results of this study can provide guidance for service providers to improve the quality of their services in the five dimensions that have been studied. By paying attention to tangibles, reliability, responsiveness, assurance, and empathy, service providers can optimize the customer experience and increase their customer satisfaction levels. In addition, this research also shows the need to pay attention to other factors that can affect consumer satisfaction, so that more comprehensive strategies and actions can be developed to better meet consumer expectations and needs.

Previous research that is relevant to the findings in this study is a study conducted by Fu et al. (2018) which investigated the relationship between service quality and customer satisfaction in the context of the service industry. Their research found that service quality in the dimensions of tangible, reliability, responsiveness, assurance, and empathy has a significant influence on customer satisfaction. This finding is consistent with the results of research conducted by Wu et al. (2021) in their study of the effect of service quality on customer satisfaction in the hospitality industry. They found that service quality in the same dimension has a positive and significant effect on customer satisfaction.

Another relevant research is a study conducted by Magasi et al. (2022) regarding the SERVQUAL service quality model. They identified five dimensions of service quality, namely tangibles, reliability, responsiveness, assurance, and empathy, which collectively contribute to customer satisfaction. In addition, previous research by Gautam (2015) is also related to the findings in this study. Grönroos put forward the concept of "service quality gap" which highlighted the importance of matching between consumer expectations and their perceptions of the quality of services provided. In the context of this study, the finding that the three dimensions of service quality have a positive and significant impact on customer satisfaction can be interpreted as a refinement of understanding of this concept.



Considering previous studies that have been conducted, the findings of this study provide additional contributions that are consistent with previous results. This strengthens the understanding that service quality in the dimensions of tangible, reliability, responsiveness, assurance, and empathy plays an important role in achieving customer satisfaction in various service industry contexts.

4. CONCLUSIONS AND RECOMMENDATIONS

The results of the analysis show that the variables physical evidence (X1) and physical evidence (X1) have a positive and not significant effect on customer satisfaction (Y). While reliability (X2), assurance (X4) and concern (X5) have a positive and significant effect on customer satisfaction (Y). Based on the above conclusions about service quality on satisfaction at the goods delivery services in Makassar City then, the researcher provides several suggestions, namely: Suggestions for Companies to further improve service quality variables, namely physical evidence (tangible) by adding facilities such as waiting rooms, adding warehouses so that goods are not scattered or lost; reliability by providing training to employees who focus more on time management so that what is promised is reliable and done without errors; responsiveness by increasing interaction with customers so that the response or alertness of employees in serving customers can be improved; assurance by increasing special service offers so that goods sent are prioritized because of the contract; and care (empathy) by providing ways for customers to provide feedback, improving employees' ability to read customers.

For further research that takes the same theme, it is recommended to add other independent variables related to service quality apart from the five dimensions, namely physical evidence (tangible), reliability, responsiveness, assurance, and care (empathy) which of course can affect the dependent variable of customer satisfaction, for example the price factor, product, place, or how to promote a product in the form of services to better complement this research which might affect customer satisfaction.

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