DETERMINANTS OF VALUES AND CUSTOMER’S SATISFACTION: IMPLICATIONS ON CUSTOMER’S LOYALTY

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ABSTRACT
The existence of the hotel is a key factor to support industrial activities, either in business or tourism. A hotel provides a service for rest and stays to the guests. Customer’s loyalty is more necessary to increase the guests' interest to revisit to the hotels. Loyalty is a condition should have to achieve by all service business to retain their customer’s. Consumer’s loyalty is essential to develop customer’s retention, their intentions to revisit, as a source to capture new customer’s. The present study focused on evaluating several factors that influencing the level of customer’s loyalty at the four-star hotel with considering the determinant variables — services quality, price perception, website dimension, and hotel image which is proposed as the factors determinants on customer’s satisfaction and customer’s value. The population was 427 guests at 18 four-star hotels in Medan. The research model was evaluated by using structural equation method which was analyzed by using SmartPLS 3.0 program. The empirical evidence indicates that hotel image, service quality, price perception, and website dimension partially had a positive and significant influence on customer’s value and customer’s satisfaction at four-star hotel Medan. Hotel Image and customer value did not have a direct influence on customer loyalty. However, loyalty has a key role to create customer’s loyalty and satisfaction. Customer’s loyalty has an effect on Hotel Image and customer’s value through the customer's satisfaction.

Keywords: Loyalty, Satisfaction, Value, Service Quality, Price, Hotel Image, Website Dimension, Four Star Hotel.


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1. INTRODUCTION

Global business seems to recognize no territorial boundaries of the sovereignty of the nation and the state (Ohmae, 2002). Nowadays, business competition is in a hyper-competition situation. The effects of the case have created new uncertainties which go beyond the ability to anticipate business people (D’Aveni, 2010). Including the travel and tourism sector which is in the spotlight. According to a report released by The Travel & Tourism Competitiveness Index in 2017, the performance of Indonesia's tourism sector tends to continue to improve. Nevertheless, the position of Indonesia's tourism performance is still below Singapore, Malaysia, and Thailand.

One of the main tourism superstructures is the hospitality business. Hotels are considered to have a necessary role in tourism growth. The primary function of the hotel as an accommodation superstructure which provides various facilities for guests. Among the classifications of hotels which are highlighted by the authors are four-star hotels. Four-star hotels include the hotel of choice for most tourists (Jakovic, 2014).

Based on data from the Central Statistics Agency, North Sumatra in 2017, the occupancy rates of Four Star hotels in Medan city tend to fluctuate. There are indications and tendencies for guests who are not classified as loyal customer’s. Scholars such as Yang and Peterson (2004) have emphasized that the primary key to establishing customer loyalty is a company focused on creating satisfaction and perceived value. Also, scholars such as Moiseseu (2006) enclose the method to measure customer loyalty is through their preference for a brand which is related to the corporate's image as a producer. Corporate image is associated with the impression that observed by the prominent outside world to the company, including the views of customer’s, shareholders, the media and the general public, etc. (Schultz and Hatch, 2003).

In addition to the corporate image, customer loyalty and customer satisfaction will be realized if the corporation may deliver quality services and encourage customer’s to build an emotional connection. The consensus of scholars such as (Malik, et al., 2012; Zeithaml et al. 2013) concluded that one of the determinants of satisfaction for hotel guests is the price offered to them, beside to personal factors and situational factors (Zeithaml et al. 2013) Other factors that also affect customer satisfaction is the customer value. Customer value is the difference between the customer benefits and sacrifices (Vioma et al., 2010; Aila et al. 2012); as the key success factors to create competitive advantage (Esfahani et al., 2012).

Hospitality Industry is the most widely adopting the benefit from the internet or online booking system (Caroll and Sileo, 2007). Besides the ease in booking the room, guests can also save their time and facilitate transactions. The website dimension factor as a channel of distribution which is also a determinant of guests' satisfaction. Channel distribution is the path through the goods and services travel from the vendor to the consumer’s or payments for those products travel from the consumer’s to the vendor (Keegan, 2012)

Research on the hospitality industry has been done by scholars who have different findings and conclusions. The gap between the results of several researchers has disclosed opportunities for further study and replication. For instance, in their study Dortyol et al. (2013) have used ten dimensions of service quality including (1) friendly, courteous and helpful employees; (2) room amenities (3) food quality and reliability; (4) interaction with Turkish culture; (5) entertainment opportunities; (6) tangibles; (7) level of prices; (8) transportation; (9) climate and hygiene; and (10) security. The results of the research show that the dimensions of "tangibles" and "interaction with Turkish culture" appear as the two main dimensions that influence to provide the recommendations and the desire to revisit.
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Unlike the results of research conducted by Alexandris et al., (2002) which shows the dimensions of "tangible" is not the most important factor for communication by word of mouth. Furthermore, the results of research by Kheng, et al., (2010) showed that the "tangibles" insignificant effect either on the satisfaction and loyalty of the customer. Keng et al., (2010) believes that the respondent no longer considers the "tangibles" as a critical measurement variable. Based on the description above, researchers consider the corporate's image, service quality, price, and website dimension to the highlighted. For these reasons, encouraging researchers submitted a research topic entitled Determinants of Customer Value and Customer Satisfaction Implications on Customer Loyalty in Four-star hotel.

2. LITERATURE REVIEW

2.1. Corporate Image

Corporate image is the perception inherent in customer retention of the company (Rehman, 2012), even when consumer’s hear the name of the company (Nguyen, 2006; Kabir and Rafe, 2012). Another statement states, a corporate image is anything relates to a company or all information such as perceptions, conclusions, and trust in certain companies (Martenson, 2007). As a company reputation which is a benchmark related to activities that have been finished in the past to design a strategy in the future.

The company's reputation is always attached to the image and its impact on consumer’s expectations on the company's services delivered(Nguyen and Leblanc, 1998). Corporate image is a function of the accumulation of consumer’s experience and has functional and emotional components associated with their feelings and attitudes ( Tang, 2007; Kennedy, 1977). Establishment of a corporate image because of the realization of the experience of acquiring a service and a behavioral process when the service is delivered. Therefore, corporate image is seen as an overall perception that constantly changes in line with consumer’s experience when they receive the services (Gronroos, 1984). The corporate image depends on the beliefs, feelings, ideas, and impressions from individuals who are supported by company information besides their ability and managerial behavior of the company (Gotsi and Wilson, 2001). Consumer’s also assess the operational aspects of the company. Andreassen and Lindestad (1998) have argued, for the purchase of a complex and rarely performed, and the corporate image is considered more influential than customer satisfaction on consumer’s loyalty.

On the other hand, the findings of Hart and Rosenberger (2004) indicates factors of customer satisfaction can mediate the influence of corporate image on customer loyalty. Results of research conducted by Kandampully and Hu (2007) asserts that corporate image has required a positive impression on the customer's perspective to achieve customer loyalty. Generally, a corporate image can be considered as a company's resources and can be valued by consumer’s in different ways compared to the competitors. From this emerged the possibility to increase market share, profits, attract new customer’s and retain old customer’s, maintain competition and to survive in the market (Fombrun and Shanley, 1990; Bravo et al., 2009; Sarstedt et al., 2012; Leuthesser and Kohli, 1997; Van Riel, and Balmer, 1997). Therefore, a corporate image as a result of a process of communication which may deliver to consumer’s that are based on strategic decisions, mission, vision, objectives and corporate identities. By the experts' opinions, it can be understood if the corporate's image is the values adopted by the company and how consumer’s act on these values. The corporate's image contributes to facilitating the consumer’s knowledge of the products or services that are offered by a particular company, and it reduces uncertainty as making purchasing decisions. Consumer’s
are directed to purchase goods and services from a reputable company to reduce their risk (Lin, et al., 2010; Joanna et al., 2009). In this case, the corporate's image has an effect on customer value where a good corporate image can escalate the customer's value.

There is a positive relationship between corporate image and customer satisfaction (Davies, et al., 2003; Lai et al., 2009; Nguyen and Leblanc, 2001; Kandamplully and Hu, 2007; Razavi et al., 2012), if the consumer's support the company's image then it will increase the loyalty to a certain level (Martineu, 1958). A corporate image has a necessary role in shaping and retaining customer’s loyalty (Rehman, 2012). Several previous studies have concluded that the corporate's image has an effect significant to customer’s satisfaction and loyalty (Tu et al., 2013; Ulu, 2012; Selnes, 1993; Davies and Chun, 2002; Razavi et al., 2012).

### 2.2. Service Quality

In the context of services marketing, perception is defined as how consumer’s feel about the service who have received (Parasuraman et al., 1985). For consumer’s, Perceived quality is understood as a comprehensive assessment of the superiority of goods or services (Zeithaml, 1988). The objective quality is to describe the technical advantage of the product. Garvin (1984) revealed that the approach to a quality perspective is appropriate if using a user-based approach. The user-based approach means the underlying idea of the quality depends on the individual who evaluates. In this case, the most satisfactory service of consumer’s preferences is a product of the highest quality. A user-based approach is a subjective and demand-oriented perspective. This perspective explains each consumer’s has different needs and expectations. Therefore, quality for a person is the same as the maximum satisfaction he/she feels. Meanwhile, service quality is a comparison between services expected by consumer’s and the implementation of services that they feel (Lehtinen and Lehtinen, 1982; Lewis and Booms, 1993; Carnana, 2002; Gronnos, 1984; Parauraman et al., 1985,1988). There is a relationship between service quality and customer value (Cronin et al., 2000; Petrick, 2002,2004).

The results of several previous studies indicate that high service quality raises high customer value (Sweeney et al., 1999; Teas and Agarwal, 2003; Milferner et al., 2011); and the relationship between the two concepts is positive. Service quality is one of the key factors that influence customer satisfaction (Malik et al., 2012; Cronin et al., 2000; Yavas et al., 2004). Many quantitative studies result indicate that service quality is a predictor to customer satisfaction (Bitner et al., 1990; Cronin and Taylor, 1992; Ramseok, Munhurrun and Naido 2011; Sudin, 2011; Lee et al., 2015). Service quality has a positive effect on customer loyalty (Aydin and Orer, 2005; Ehigie, 2006; Boulding, 2003; Quoquab, 2013; Izogo, 2014). Other researchers stated that the relationship between service quality and customer loyalty would occur if mediated by customer satisfaction (Kaura et al., 2014; Chao, 2015; Bakti, 2012; Kheng, 2010). There were also studies that show the effect of service quality on customer loyalty, the findings differ from each other, depending on the dimensions of service quality (Prentice, 2012; McCain and Hu, 2005; Anthony et al., 2004).

### 2.3. Price

Price is something which is given in exchange for a good or service (Lamb et al., 2001); and it is the amount of money that consumer’s pay for goods or service or the amount of value which consumer’s exchange for benefits because they use the goods or services (Kotler and Armstrong, 2012); and it is the amount requested by the sellers, and the buyers are willing to pay it (Keegan et al., 1995).

Determining hotel prices or fixed hotel rates must be able to compete with other hotel rates that are considered competing companies. Basically, there are two types of room prices at
hotels, namely the publish-rate. Publish rate is a normal room price for each room. While the special room rates which imposed price varies according to the type of guests, facilities, events, specific days, and so on.

Several researchers who discuss customer intentions to purchase or repurchase have included price variables in their studies, where price variables have been associated with customer value variables (Dodds et al., 1991; Dodds and Manroe, 1985; Manroe and Chapman, 1987; Wahyuningsih, 2012; Oh-Haemoon, 1999). Customer value has been defined as the difference between the total benefits and total sacrifices that have been felt by consumer’s in purchasing goods or services (Monru, 2012; Kotler and Keller, 2016). Costs or prices (monetary costs, time costs, labor costs, psychological costs) are components that contribute to forming customer’s value (Kotler, Keller, 2016), which signify prices have a relationship or influence on customer's value.

Price factors have a direct effect on customer satisfaction (Malik et al., 2012). Price fairness has a positive impact on customer satisfaction, but price perception fairness can be negatively affected by customer vulnerability (Herrman, Xia, Monroe and Huber, 2007). customer’s feel or value prices according to the quality that results in satisfaction or dissatisfaction (Oliver, 1997). Price rationality also has a substantial role in creating customer satisfaction. The reason customer’s switch to other brands is related to price rationality; from where they get the reasonable price their impression goes (Imran, Safwa, Rehman, Afzal, Ali and Ali, 2010). Competitive prices are the factor that influences customer loyalty (Yurn et al., 2010 in Suryati, 2015); Martin-Consuegra et al., 2007; Enggar, 2015 (in Siahaan, 2017).

2.4. Website Dimension

According to Lee and Johnson (2004), the internet is a virtual space or the information super-fast, enabling the transfer of information electronically. The Internet is a global network of computers interconnected where the individuals connected to a computer network can communicate with any of the thousands of other computers if the network is also connected to various networks. Lee and Johnson (2004) also stated that thousands of marketers have turned to the internet as a prospective media to promote the company's brand and transact sales. The internet was fast becoming an effective distribution channel. A website has a share in generating thousands of hotel bookings for each month. Besides accessible for 24 hours, the benefits of internet marketing to make photo products and video products for a company to be real. By using the website menu, can provide a lot of information and at the same time allowing users to access information which is favored. (Kotler and Keller, 2016).

Distribution channels are marketing mix elements that make products available to consumer’s (Wahab, Crampon, and Rothfield, 1996); as a liaison between tourism service producers and their customer’s (Gartner and Bachi, 1994); bridge between supply and demand (Alcazar Martinerz, 2002).

Hotels that have several internet distribution channels can be used to sell rooms, including through websites, global distribution systems and online travel agents (Toh, S, Rex, Raven Piter, De Kay, Frederick, 2011). Use of the online distribution channel influence on the value of customer’s, because of it easy for customer’s to get information about the hotel, they could get a better price by waiting until the last minute to book the room (O’Connor, 2003). customer’s who feel advantaged by their website online system (Lin, 2007) will be satisfied and likely will become loyal customer’s (Casalo et al., 2008).

In recent years, internet business models have experienced rapid growth including storefront virtual, concentration information brokers, transaction brokers, electronic clearing-houses, reverse auctions, digital product delivery, content providers and online service
providers. Internet retailing can also be classified based on two key dimensions: type of product (goods versus services) and fulfillment process (offline and electronic) (Francis & White, 2004). Based on these two dimensions, there were four categories of internet retailing, offline goods, electronic-goods, offline services, and electronic services.

By the internet, organizations development may distribute their products over a distributed network and other direct distribution channels. In the hospitality industry, the use of websites for online reservations may produce expensive and complicated distribution chains, by reason the number of intermediaries involved. As a result, more hotels to consider using internet marketing and websites to save costs (Sanchez & Rondna, 2009). According to Buhalus and Law (2008) managers can use the hotel website as a medium of interaction with their customer’s. It creates a critical component for building customer loyalty and trust.

Furthermore, it was stated that questionnaires, questions, and service delivery might be used to collect customer opinions on hotel services which allow managers to reevaluate their hotel operations and management. In order to effectively fulfill their customer’s need, the hotel website should guide the visitors to solve their problems and ease the process to finalize their travel plans (Peng, Xu in Chen, 2013).

2.5. customer’s Value

According to Anderson et al., (1993) value is the quality obtained for the price that has been paid for something that has been given to consumer’s. Customer value as the ratio between the benefits gained by the customer either in economic, functional and psychological to the resources (money, time, energy, psychological) that are used to obtain these benefits (Schiffman and Kanuk, 2004). Increasing customer value by improving the quality of products and services or through a reduction in price (Setijono and Dahlggaard, 2007). As an overall assessment of consumer’s on the utility of a particular service based on consumer’s’ perceptions of what they have received and given (Zeithaml, 1988). Customer value is a consumer’s perceived preference and evaluation of product attributes, performance attributes and consequences arising from product use. (Woodruff, 1997).

Furthermore, Woodruff (1997) adds, consumer’s value is related to customer satisfaction. Decision makers in the company have understood that this consumer’s value would achieve customer satisfaction, but in general, it has not been implemented comprehensively. Other experts such as Zhilin and Peterson (2004) agreed that the determining factor in providing customer satisfaction is consumer’s value. Furthermore, a high consumer’s value will affect customer satisfaction and an impact on the creation of customer loyalty (Heskett et ah: 1997).

In a note Zeithaml (1998), there are four types of definition of value by consumer’s consisting of: (1) The prices are low, in this type focused on the sacrifices incurred by the consumer’s; (2) All things that consumer’s want in a product or service. Consumer’s will be paying attention to the benefits derived; (3) The quality obtained from the price paid or exchange between the elements of the sacrifice and the benefit; (4) Total benefits over the total sacrifice issued in which all elements are included.

Scholars such as Butz and Goodstein (1996) revealed that consumer’s value is an emotional relationship that is interwoven based on consumer’s experience in using goods or services that have added value. Kanten and Yasioglu (2012) state that consumer’s values are grouped into three factors, consisting of monetary/financial values, prestige factors, and quality factors. High consumer’s value will provide advantages for companies with expectations, the consumer’s re-purchase or in other words the creation of loyalty and easing pressure on finding new customer’s. The study conducted by Lam, (2004) shows that customer satisfaction is a link
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between consumer’s value and consumer’s loyalty. Likewise between customer satisfaction and customer loyalty has a reciprocal effect between each other.

Rintamaki et al. (2007) suggested that the dimensions of customer value include four dimensions among others: (1) Economic value propositions, in which price as a key factor in relation to the concept of customer value; (2) Functional value propositions, in which consumer’s focus on the functional values of a product or service. Products or services that can make consumer’s feel comfortable while shopping. (3) Emotional value propositions in which consumer’s enjoy the time, and the atmosphere of shopping venues. The use of visual display and comfort to the senses of consumer’s is considered as an effective way to create consumer’s value. (4) Symbolic value propositions, in which consumer’s are motivated to consume the product or service that has a concept or a particular symbolic value as the benefits of the service, the values adopted by a company in the production and operational aspects.

Another case with Sweeney and Soutar (2001), which states four dimensions of consumer’s value measurement, among others: (1) Emotional value (2) Social value (3) Quality/performance value (4) Price/value of money. Some previous research has shown that customer’s value associated with customer satisfaction (Johnson, Andreessen, Lervik and Cha, 2001; Te Tu, Lien Hi, Chi Chih, 2013) and customer value also has an effect on customer loyalty (Johnson, Andreesssen, Lervick, and Cha, Te Tu, Lien Hi, Chi Chich, 2001).

2.6. customer’s Satisfaction

Customer satisfaction is the difference between the performance of the products they receive beyond they expect (Zeithaml and Bitner, 2000; Kotler and Armstrong, 2001). Consumer’s who are satisfied will survive with the products or services offered by the company or switch to competitors products depending on the benefits they feel for the services (Oliver, 2001). Consumer’s satisfaction is determined by the benefits of a product or service compared to the standard of performance expected. The process of evaluating between benefits and expectations is called by disconfirmation process (Gardinal, 2002). Disconfirmation process consists of three possibilities, among others: (1) Confirmation occurs if the performance of services in accordance with customer expectations; (2) Negative disconfirmation occurs if the performance of the service is under the expectations of consumer’s (3) Positive disconfirmation occurs if the performance of the product or service is above expectations of consumer’s.

A study conducted by Boone and Kurtz (2007) reveals that consumer’s are satisfied will have an impact on corporate profits directly. In other words, the company can survive if consumer’s satisfied with the services they offer. A scholar such as Tjiptono (2008) describes the consumer’s satisfaction as a stimulus for the creation of positive benefits such as (1) Positive impact on customer loyalty. (2) Effect on repurchases, cross-selling, and up-selling. (3) Reduce the cost of consumer’s transactions in the future, especially the costs of marketing communications, sales, and customer service. (4) Pressing the volatility and risks concerning the prediction of cash in the future. (5) Increase the price tolerance, especially the willingness of consumer’s to pay premium prices, and consumer’s tend to be difficult to switch to a competitor's product. (6) Grow positive word-of-mouth recommendations. (7) Consumer’s tend to be more receptive to the product-line extensions, brand extensions, and a new add-on services offered by the company. (8) Increase the bargaining power of the company with suppliers.

In a note Irawan (2004), consumer’s satisfaction is generally based on product quality, price, service quality, emotional factor, the ease and comfort of services provided by the company. Consumer’s decisions to purchase or refuse the services are based on behavioral
intention. If there is a complaint in their behavior, indicating a negative response to dissatisfaction for the services they receive (Zeithaml et al., 1996). Consumer’s satisfaction is also assessed as a driving factor for the realization of repurchases and their willingness to pay for more expensive prices for goods and services. (Ueltschy et al., 2007). Also, satisfied consumer’s will spread their pleasant experiences when consuming goods and services to the closest people and the general public. This situation is considered to have nine times better effectiveness than traditional promotions (Mazzarol et al., 2007 in Olgun et al., 2013).

How to maintain customer satisfaction and create customer loyalty through relationships with customer’s such as customer care service, membership, rewards points (Sivadas and Baker-Prewitt, 2000). Based on the explanation above, what is meant by consumer’s satisfaction in this study is the perception formed on the results of purchase evaluation, in which the goods or services they have purchased at least provide comparable benefits, or exceed their expectations. Conversely, dissatisfaction occurs when the benefits obtained under their expectations. The results of prior studies have been found the relationship between customer satisfaction and customer loyalty (Bloemer et al., 1999; Cronin et al., 2000; Eggert and Ulaga, 2002; Hellier et al., 2003; Hume and Mort, 2010; Lai et al., 2009, Hame et al., 2004, Liao et al., 2009, Molinari et al., 2008; Oliver, 1999; Pollack, 2009; Roig et al., 2009; Saha and Theingi, 2009; Yang and Peterson , 2004; Razavi et al., 2012).

2.7. customer’s loyalty
Customer loyalty is the commitment of the customer to survive or by repurchasing selected goods or services consistently in the future, even though the influence of the situation and marketing efforts has the potential to cause behavioral changes (Oliver, 1997, 1999). Loyal consumer’s will endeavor and sacrifice what is required to obtain goods or services offered by the company. The study by Reich held (1996) confirms, sacrifice is not just a repurchase, but customer’s are willing to recommend goods and services to anyone. Reich held (1996) also highlighted the form of loyalty which is marked by the establishment of a close relationship between the company and the customer. There are two types of loyalty including loyalty attitudes and behavioral loyalty. Attitude loyalty is the level of commitment from consumer’s regarding the particular value associated with a brand. Through the company's brand may set a higher price than competitors' products because consumer’s assume that the brand has a value which is not owned by competitors. Behavioral loyalty is when consumer’s make a repurchase of brand products or services and convey them to others (Chaudhuri & Holbrook, 2001).

Consumer’s loyalty as the embodiment of positive emotions, evaluative, or response of behavioral tendencies toward a brand, label, alternatively they can sort by a person in his/her capacity as a user, purchase decision maker (Sheth, 1974). There are levels of consumer’s loyalty as described by Oliver (1999), among other cognitive loyalty, affective loyalty, loyalty conative and actions loyalty. Levels of cognitive loyalty are the weakest levels. The reason consumer’s will switch brands to other goods and services are judged when the deals provide more benefits or reduction in expenses. Another case with affective loyalty occurs because consumer’s feel satisfied with the fulfillment of previous expectations. This loyalty is stronger than cognitive loyalty which can easily be changed with opposing arguments or offers, while affect loyalty is more difficult to eliminate. The level of conative loyalty is the consumer’s have solid motivation and intention to repurchase and give references to others. The loyalty of action, at this level, is the result of the union of the three previous levels of loyalty which results in the desire to repurchase regardless of the possibility of obstacles to making a purchase.
On the other hand, Hill (2006) divides consumer’s loyalty over six stages include Suspect; consumer’s generally do not have any information regarding the products/services and companies who pass it. Prospect; consumer’s have made a purchase but they have to know where the company and the services offered through the recommendation of other consumer’s. Customer, at this stage the customer is already doing transactions with the company but he/she did not have positive feelings towards the company and limited to the relationship fulfillment. Clients; customer’s who have made repeat purchases of the products or services offered by the company. Advocates, at this stage, the consumer’s will support the company actively by providing a recommendation to other people to buy goods or services offered by the company. Partner is the highest level of loyalty in which at this stage, there has been a solid and mutually beneficial relationship between the company and the customer’s. Besides, customer’s have been rejecting products or services from other companies. Actually many service providers consider customer’s loyalty as a source of competitive advantage (Woodruff, 1997). An empirical study explained that retain loyal customer’s mean the customer's cost might be up to ten times cheaper than getting the new customer’s (Heskett et al., 1990).

Based on previous research and frameworks, the authors consider to develop the following hypotheses:

| H1 | Hotel image has a positive and significant effect on customer value |
| H2 | Service quality has a positive and significant effect on customer value |
| H3 | Price perception has a positive and significant effect on customer value |
| H4 | Website dimension has a positive and significant effect on customer value |
| H5 | Hotel image has a positive and significant effect on customer satisfaction |
| H6 | Service quality has a positive and significant effect on customer satisfaction |
| H7 | Price perception has a positive and significant effect on customer satisfaction |
| H8 | Website dimension has a positive and significant effect on customer satisfaction |
| H9 | Customer value has a positive and significant effect on customer satisfaction |
| H10 | Hotel image has a positive and significant effect on customer loyalty |
| H11 | Service quality has a positive and significant effect on customer loyalty |
| H12 | Price perception has a positive and significant effect on customer loyalty |
| H13 | Website dimension has a positive and significant effect on customer loyalty |
| H14 | Customer value has a positive and significant effect on customer loyalty |
| H15 | Customer satisfaction has a positive and significant effect on customer loyalty |
| H16 | Hotel image has a positive and significant effect on customer satisfaction through customer value |
| H17 | Service quality has a positive and significant effect on customer satisfaction through customer value |
| H18 | Price perception has a positive and significant effect on customer satisfaction through customer value |
| H19 | Website dimension has a positive and significant effect on customer satisfaction through customer value |
| H20 | Hotel image has a positive and significant effect on customer’s loyalty through value and customer’s satisfaction |
| H21 | Service quality has a positive and significant effect on customer’s loyalty through value and customer’s satisfaction |
| H22 | Price perception has a positive and significant effect on customer’s loyalty through value and customer’s satisfaction |
3. RESEARCH METHODS
The research method used descriptive and explanatory survey. Investigation of this research is causality, which tests the causal relationship of the variables proposed. The research time horizon is cross-sectional. In this study the population used refers to Sekaran (2010) is the guests (groups of people) at 4 Star Hotels in Medan City. The basic idea of sampling refers to Cooper and Emory (2005), whose samples are customer’s of 4 Star Hotels in Medan City with criteria of domestic or foreign customer’s and a minimum of two guests being hotel guests. Determination of the number of samples using proportional stratification and sampling used by accidental sampling (Sugiyono, 2009; Margono, 2004). The Likert scale used in this study (Weijters et al., 2010; Revilla et al., 2013). Research data analysis using Structural Equation Modeling (SEM), software used Smart Partial Least Squares (PLS).

4. RESULTS & DISCUSSION
4.1. Results
4.1.1. Inner Models Analysis
The analysis of inner models on structural models in mediating variables has been conducted by examining the influence among variables in a direct and indirect effect, total effect.
4.1.1.1. Direct Effect

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<th>Standard Deviation (STDEV)</th>
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Determinants of Values and Customer’s Satisfaction: Implications on Customer’s Loyalty

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<tr>
<td></td>
<td>0.330</td>
<td>0.330</td>
<td>0.052</td>
</tr>
</tbody>
</table>

4.1.1.2. Indirect Effect

Table 2 Indirect Effects of Research Variables

<table>
<thead>
<tr>
<th></th>
<th>Indirect effect</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
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<tbody>
<tr>
<td>Hotel Image -&gt; Loyalty</td>
<td>0.037</td>
<td>0.037</td>
<td>0.017</td>
</tr>
<tr>
<td>Hotel Image -&gt; Satisfaction</td>
<td>0.064</td>
<td>0.064</td>
<td>0.023</td>
</tr>
<tr>
<td>Hotel Image -&gt; Value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price -&gt; Loyalty</td>
<td>0.034</td>
<td>0.034</td>
<td>0.016</td>
</tr>
<tr>
<td>Price -&gt; Satisfaction</td>
<td>0.059</td>
<td>0.059</td>
<td>0.018</td>
</tr>
<tr>
<td>Price -&gt; Value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction -&gt; Loyalty</td>
<td>0.049</td>
<td>0.050</td>
<td>0.028</td>
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<tr>
<td>Service Quality -&gt; Loyalty</td>
<td>0.122</td>
<td>0.120</td>
<td>0.029</td>
</tr>
<tr>
<td>Service Quality -&gt; Satisfaction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value -&gt; Loyalty</td>
<td>0.059</td>
<td>0.059</td>
<td>0.031</td>
</tr>
<tr>
<td>Value -&gt; Satisfaction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Website dimension -&gt; Loyalty</td>
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<td>0.054</td>
<td>0.025</td>
</tr>
<tr>
<td>Website dimension -&gt; Satisfaction</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Website dimension -&gt; Value</td>
<td>0.132</td>
<td>0.131</td>
<td>0.032</td>
</tr>
</tbody>
</table>

4.1.1.3. Total Effect

Table 3 Summary of Research Variable Effects

<table>
<thead>
<tr>
<th></th>
<th>Direct Effect</th>
<th>Indirect Effect</th>
<th>Total Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel Image -&gt; Loyalty</td>
<td>-0.001</td>
<td>0.037</td>
<td>0.036</td>
</tr>
<tr>
<td>Hotel Image -&gt; Satisfaction</td>
<td>0.150</td>
<td>0.064</td>
<td>0.214</td>
</tr>
<tr>
<td>Hotel Image -&gt; Value</td>
<td>0.159</td>
<td>-</td>
<td>0.159</td>
</tr>
<tr>
<td>Price -&gt; Loyalty</td>
<td>0.182</td>
<td>0.034</td>
<td>0.216</td>
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<td>0.059</td>
<td>0.194</td>
</tr>
<tr>
<td>Price -&gt; Value</td>
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<td>-</td>
<td>0.149</td>
</tr>
<tr>
<td>Satisfaction -&gt; Loyalty</td>
<td>0.146</td>
<td>-</td>
<td>0.146</td>
</tr>
<tr>
<td>Service Quality -&gt; Loyalty</td>
<td>0.214</td>
<td>0.049</td>
<td>0.263</td>
</tr>
<tr>
<td>Service Quality -&gt; Satisfaction</td>
<td>0.136</td>
<td>0.122</td>
<td>0.258</td>
</tr>
<tr>
<td>Service Quality -&gt; Value</td>
<td>0.304</td>
<td>-</td>
<td>0.304</td>
</tr>
<tr>
<td></td>
<td>Direct Effect</td>
<td>Indirect Effect</td>
<td>Total Effect</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---------------</td>
<td>-----------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Value -&gt; Loyalty</td>
<td>0.037</td>
<td>0.059</td>
<td>0.096</td>
</tr>
<tr>
<td>Value -&gt; Satisfaction</td>
<td>0.400</td>
<td>-</td>
<td>0.400</td>
</tr>
<tr>
<td>Website dimension -&gt; Loyalty</td>
<td>0.302</td>
<td>0.055</td>
<td>0.357</td>
</tr>
<tr>
<td>Website dimension -&gt; Satisfaction</td>
<td>0.163</td>
<td>0.132</td>
<td>0.295</td>
</tr>
<tr>
<td>Website dimension -&gt; Value</td>
<td>0.330</td>
<td>-</td>
<td>0.330</td>
</tr>
</tbody>
</table>

4.1.1.4. Mediation Effect Evaluation

Table 4 Mediation Effect Evaluation

<table>
<thead>
<tr>
<th></th>
<th>Indirect Effect</th>
<th>Total Effect</th>
<th>VAF</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel Image -&gt; Loyalty</td>
<td>0.037</td>
<td>0.036</td>
<td>103%</td>
<td>Full Mediation</td>
</tr>
<tr>
<td>Hotel Image -&gt; Satisfaction</td>
<td>0.064</td>
<td>0.214</td>
<td>30%</td>
<td>Partial Mediation</td>
</tr>
<tr>
<td>Price -&gt; Loyalty</td>
<td>0.034</td>
<td>0.216</td>
<td>16%</td>
<td>Not Mediation</td>
</tr>
<tr>
<td>Price -&gt; Satisfaction</td>
<td>0.059</td>
<td>0.194</td>
<td>30%</td>
<td>Partial Mediation</td>
</tr>
<tr>
<td>Service Quality -&gt; Loyalty</td>
<td>0.049</td>
<td>0.263</td>
<td>19%</td>
<td>Not Mediation</td>
</tr>
<tr>
<td>Service Quality -&gt; Satisfaction</td>
<td>0.122</td>
<td>0.258</td>
<td>47%</td>
<td>Partial Mediation</td>
</tr>
<tr>
<td>Value -&gt; Loyalty</td>
<td>0.059</td>
<td>0.096</td>
<td>61%</td>
<td>Partial Mediation</td>
</tr>
<tr>
<td>Website dimension -&gt; Loyalty</td>
<td>0.055</td>
<td>0.357</td>
<td>15%</td>
<td>Not Mediation</td>
</tr>
<tr>
<td>Website dimension -&gt; Satisfaction</td>
<td>0.132</td>
<td>0.295</td>
<td>45%</td>
<td>Partial Mediation</td>
</tr>
</tbody>
</table>

4.1.1.5. Coefficient of Determination

Table 5 R-Square Final Model.

<table>
<thead>
<tr>
<th></th>
<th>R Square</th>
<th>R Square Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loyalty</td>
<td>0.521</td>
<td>0.515</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>0.662</td>
<td>0.658</td>
</tr>
<tr>
<td>Value</td>
<td>0.595</td>
<td>0.591</td>
</tr>
</tbody>
</table>

4.1.1.6. Hypotheses Tests

Hypothesis testing is done by bootstrap on the model. The path coefficient results and the significance of the path coefficient are presented in Figure 5.33 and Table 5.27.
Determinants of Values and Customer’s Satisfaction: Implications on Customer’s Loyalty

Figure 1: Bootstrap Research Model

Figure 1 shows that the effect of each variable is positive and significant. These results are summarized in Table 6

Table 6 Testing of Research Hypotheses

| Hypotheses | Coefficients | T Statistics (|O/STDEV|) | P Values | Decisions |
|------------|--------------|-----------------|----------|-----------|
| H1         | 0.159        | 3.244           | 0.001    | Accepted  |
| H2         | 0.304        | 4.798           | 0.000    | Accepted  |
| H3         | 0.149        | 4.264           | 0.000    | Accepted  |
| H4         | 0.330        | 6.341           | 0.000    | Accepted  |
| H5         | 0.213        | 4.032           | 0.000    | Accepted  |
| H6         | 0.258        | 4.034           | 0.000    | Accepted  |
| H7         | 0.195        | 4.581           | 0.000    | Accepted  |
| H8         | 0.295        | 6.068           | 0.000    | Accepted  |
| H9         | 0.400        | 6.315           | 0.000    | Accepted  |
| H10        | 0.036        | 0.633           | 0.263    | Rejected  |
| H11        | 0.263        | 3.758           | 0.000    | Accepted  |
| H12        | 0.216        | 5.513           | 0.000    | Accepted  |
| H13        | 0.358        | 6.361           | 0.000    | Accepted  |
| H14        | 0.096        | 1.498           | 0.067    | Rejected  |
| H15        | 0.146        | 2.032           | 0.021    | Accepted  |
| H16        | 0.064        | 2.740           | 0.003    | Accepted  |
| H17        | 0.122        | 4.192           | 0.000    | Accepted  |
| H18        | 0.059        | 3.357           | 0.000    | Accepted  |
| H19        | 0.132        | 4.185           | 0.000    | Accepted  |
| H20        | 0.037        | 2.138           | 0.016    | Accepted  |
| H21        | 0.049        | 1.719           | 0.043    | Accepted  |
Hypotheses | Coefficients | T Statistics (|O/STDEV|) | P Values | Decisions
---|---|---|---|---
H22 | 0.034 | 2.103 | 0.018 | Accepted
H23 | 0.055 | 2.197 | 0.014 | Accepted
H24 | 0.059 | 1.871 | 0.031 | Accepted

### 4.2. Discussion

**4.2.1. Hotel image has a positive and significant effect on customer value**

The empirical findings have proven that the hotel image has a positive and significant effect on customer value with a path coefficient of 0.159 and a significance level of 0.001. Significance values below 5% indicate that statistically, this influence can be generalized to the condition of Four-Star Hotels in Medan City. These findings support prior studies such as Zameer et al. (2015) who studied the effect of the image on customer’s value in the banking sector. Their results indicate that the banking image has a positive and significant effect on perceived value by banking customer’s. In the hospitality sector, Sudarso (2015) examined the effect of hotel image with customer value on five-star hotels in North Sumatra. In his study, the hotel’s image has a positive and significant effect on the customer’s value on a five-star hotel.

A positive hotel image for the public shows a reputable and prestigious hotel. High hotel image will improve the aspects of the consumer’s received value. A hotel which has a good reputation, clean and accepted by the community will support the creation of customer value. Values are unlimited to the benefits that can be perceived directly for services consumption, but it is also associated with long-term benefit in the use.

**4.2.2. Service quality has a positive and significant effect on customer value**

The results of the empirical findings prove that the quality of service has a positive and significant impact on customer value 4-star hotel where the path coefficient 0.304 and 0.000 significance level. These research findings are consistent with previous research (see Sudarso, 2015; Kanten and Yaslioglu, 2012; Zameer et al., 2015). The quality of services provided will be evaluated directly by consumer’s who receive such service provision. Thus, the perceived value of consumer’s directly and at the same time acceptable to the consumer’s when the services rendered. Quality of service is prepared to provide services to the consumer’s according to the standards imposed and accepted by consumer’s. Related to this, the quality of service will provide added value to the consumer’s. The benefits received by consumer’s are at least similar to the sacrifices they should spend.

**4.2.3. Price perception has a positive and significant effect on customer value**

The results of the study provide empirical evidence that the price perception has a positive and significant effect on customer value at the four-star hotel with the path coefficient 0.149 and 0.000 significance level. Significance values below 5% indicate that statistically, this influence can be generalized to the condition of 4 Star Hotels in Medan City. The concept of price studied not refer to nominal should have to paid by the customer when they acquired the services, but customer’s’ perception of the price. The results of the study indicate that if the price is perceived to be getting better by the guest, then the customer value received will be higher — indicators used in connection with price reasonableness and appropriateness of the price of the service. Positive responses indicate that guests feel the price is comparable to the benefits they receive, even the benefits obtained exceed their expectations.
Therefore, the price perception will have a positive impact on customer value. Hotel guests will assess the prices offered classified by the service benefits they receive. These findings are in line with research Chiang, and Jang (2008) that evaluate consumer’s who are faced with an offer of better price would argue that a decline in the quality of service, but the impact on enhancing the value that consumer’s receive and eventually stimulate them to be eager to acquire the services quality. Chiang and Jang (2008) assessed the hotel booking online via a third party to offer low prices need to be reevaluated. The price and value of the customer are in a good category, but it still leaves room for improvisation to a higher stage. Price and service conformity encourage higher value creation to consumer’s. The more appropriate price to the service provided or the better price is assessed impact to the higher the consumer’s perceived value.

4.2.4. Website dimension has a positive and significant effect on customer value

The results of the research indicate that website dimension has a positive and significant effect on customer value in which the path coefficient is 0.330, and the significance level is 0.000. Significance values below 5% indicate that statistically, this influence can be generalized to the condition at Four-Star Hotels in Medan City. For the hospitality industry, considering the method of online reservations by the hotel website which can streamline time costs provided to the guests. The method of conventional distribution channels tends to be more expensive and complicated in acquiring services process. The present study findings agreed on several prior studies such as (Xu et al., 2000; Tan, 2012; Sancherz and Ronda, 2009; Law, 2008). The effectiveness of retail websites will increase the customer's perceived value (Xu et al., 2000). The quality of the hotel website will ease the guests to reserve process. (Tan, 2012). Reservations that using offline distribution channels tend to be more expensive than online (Sancherz and Ronda, 2009). The website features which provide facilities interactive communication and fast respond to the guest's complaints, it will have a positive assessment for the guests (Law 2008), including the provision and pricing information service which is available and reasonable (Peng et al. 2013). Payment information, reservations and service facilities can explain the website quality dimension. Thus, if the hotel can encourage a user-friendly website for hotel guests, it will have an impact on the perceived value for hotel guests who are more increasing.

4.2.5. Hotel image has a positive and significant effect on customer satisfaction

The results of the study provide empirical evidence that hotel image has a positive and significant effect on customer satisfaction at Four-Star Hotels in Medan City with a path coefficient of 0.213 and a significance level of 0.000. The results support the findings of Heartily et al. (2015) who confirms the image of hotels in Malaysia would shape the guests' perceptions of the services received. Consumer’s perception will encourage to create personal satisfaction. The positive hotel image is the conclusion of long-term evaluations which can establish a reputation in the public’s mind (Dominici 2011). Hotel images shape perceptions of hotel attributes and encourage consumer’s behavior and evaluation on the services received. This perception will encourage customer’s to feel satisfied with their preferences to stay at the hotel which is suitable and appropriate. A positive image will shape consumer’s behavior pattern to support the hotel. Nevertheless, to make sure consumer’s satisfied with hotel services as an attempt to retain the existence of the hotel in the consumer’s mind.

4.2.6. Service quality has a positive and significant effect on customer satisfaction

The empirical findings prove that service quality has a positive and significant effect on customer satisfaction at Four-Star Hotels with a path coefficient of 0.258 and a significance
level of 0.000. The basic concept of satisfaction is a comparison between expectations and the services reality which consumer’s received — aspects of services quality provided to ensure the services delivered to the consumer’s by the promise given. In other words, service quality is fulfilled as an effort to ensure the services provided are by consumer’s expectations.

If aspects of service quality are appropriately fulfilled, the services provided will be preferred. The service is getting preferable, consumer’s will evaluate the services experience superior, and those have an impact on customer’s satisfaction. Thus, the quality of services provided is higher; consumer’s will be more satisfied.

This study result supports the findings of previous studies (Mbuta et al., 2013; Tabaku et al. 2016; Kaunna et al. 2015). Service quality will have an impact on customer satisfaction. As regards the quality of service for the local guest house, it has a significant effect on emotional comfort for the guests(Mbuta et al. 2013). Consumer’s perceived service quality has a positive and significant impact on the consumer’s level of satisfaction (Tabaku et al. 2016; Kaunna et al. 2015). Consumer’s require the certainty of services offered along with physical evidence such as parking facilities, comfortable restaurants, and personnel responsive. Thus, the hotel service should give rise to feel pleasure and impression presented will be an exciting experience for the visitors staying at the hotel.

4.2.7. Price perception has a positive and significant effect on customer satisfaction

The findings provide empirical evidence that price perception has a positive and significant effect on customer satisfaction at the four-star hotel in Medan with the path coefficient of 0.195 and 0.000 significance level. This study findings also highlight the price includes two aspects, the appropriate prices, and the reasonable prices. Appropriateness and reasonableness of the prices may shape a positive image for consumer’s on services delivered. Consumer’s who feel satisfied, they will be overriding a nominal price transacted.

Hotel management which provides high prices but is not followed by services which are compatible, they will be rejected by consumer’s. Prices are not always inversely proportional to customer satisfaction. Consumer’s may buy, even services which have high prices if they are worth to pay it. However, high prices will lead to high expectations in the consumer’s minds. Consumer’s satisfaction standards will increase along with the increasing price value. The results of this study agree with what has been stated by previous scholars, such as (Chang and Jang, 2008; Bassey, 2014). Price offered is too low tend to be troubling the consumer’s minds due to the possible loss of service quality (Chang and Jang, 2008). The reasonableness of the price of a service has a positive and significant effect on consumer’s behavior which impacts on satisfaction (Bassey, 2014). Descriptive statistical analyzes indicate that the situation is now considered reasonable perception and appropriate prices for consumer’s. Consumer’s enjoy the services provided, and they are pleased to have been chosen to consume services in the hotel with a sacrifice to pay it. Thus, there is evidence to justify a positive influence on the price perception on consumer’s satisfaction.

4.2.8. Website dimension has a positive and significant effect on customer satisfaction

The results of the study provide empirical evidence that website dimension has a positive and significant effect on customer satisfaction at Four-Star Hotels in Medan City with a path coefficient of 0.295 and a significance level of 0.000. Until now, a hotel website has contributed to organizing hotel activities (Johovic, 2014) unfortunately; not all hotels which have website facilities, some hotel survives by using online website facilities from travel agencies (Toh et al. 2011). Presence of hotel websites helps to deliver information, also as an effective promotional media around hotels (Kotler and Keller, 2012). The results of this study confirm
the presence of a website might be a means of encouraging the achievement of customer satisfaction. The information contained in this website may establish and justify the expectations or the consumer’s’s expectation. The site should provide accurate information in order to assist improve customer satisfaction. Conformity between expectations and reality that consumer’s receive might be achieved through the role of a comfortable website. The information given on the site should include all the information related to the visitor's expectations and their travel plans.

4.2.9. Customer value has a positive and significant effect on customer satisfaction

The results of the study provide empirical evidence that customer value has a positive and significant effect on customer satisfaction at Four-Star Hotels in Medan City with a path coefficient of 0.295 and a significance level of 0.000. These findings agreed that the basic concept of customer value is the difference between the benefits received by the consumer’s to the sacrifice that should be spent to receive these benefits. Besides, the concept of consumer’s value is an abstract and measured by economic, functional, emotional, and symbolic (Rintamaki et al. 2007). Consumer’s’s value is an evaluation of consumer’s perceptions with the service received by consumer’s if compared to the sacrifice that should be paid on the benefits received. This study confirmed the theory. The research result is in line with previous research findings as Heskett et al. (1997) which states a high consumer’s value will have an impact on customer satisfaction. There is a strong positive and significant relationship between consumer’s value and consumer’s satisfaction (Herman, 2014; Mackevičiūtė, 2013). Therefore, the authors state that customer value is related to the level of services quality provided by the hotel and elements of value such as when guests consider staying at the hotel, it will create a sense of prestige for them. Guests who enjoy hotel services are the best and perceive the suitability of services to their expectations; ultimately it will result in a satisfying feeling.

4.2.10. The hotel image does not have a significant influence on customer loyalty.

The empirical findings prove that the hotel image does not have a significant effect on customer loyalty of 4 Star Hotels in Medan City with a path coefficient of 0.036 and a significance level of 0.263. The findings of this study indicate that the hotel image in the consumer’s's minds may not makes consumer’s commit to choosing a similar hotel service in the future. This finding contrasts with the results of previous studies such as Kandampully and Suhartanto (2003) which state that hotel image and customer satisfaction are the key factors in shaping customer loyalty in the future. Nevertheless, there is research finding that has been carried out in similar achieved by Shirazi et al. (2013) in which they revealed that the hotel's image would not merely to make consumer’s believe and loyal. The authors have agreed that hotel guests who commit always to use hotel facilities, even though the information conveyed to them come from other promotional media, the guests are classified as customer’s who have a high loyalty.

4.2.11. Service quality has a positive and significant effect on customer loyalty.

The results of the study provide empirical evidence that service quality has a positive and significant effect on customer loyalty at Four-Star Hotels in Medan City with a path coefficient of 0.263 and a significance level of 0.000. The results of the study also explain that loyal visitors tend to repurchase hotel services. Other criteria emerged is customer’s are willing to recommend to their friends, colleagues and business partners that accompanied by sharing their positive experiences while receiving the service from the hotel and other facilities. Loyal consumer’s behavior is behavior expected, considering the customer retention on the business which is profitable in long-term. The results of this study support prior studies, for example,
The research of Jasinkas et al. (2016) found that in the hotel sector there is an influence of service quality on hotel guest loyalty. Other findings made by Hosseini et al. (2015) who concluded service performance is the actualization of service quality planning that has a role in encouraging the loyalty of hotel guests.

### 4.2.12. Price perception has a positive and significant effect on customer loyalty.

The results of the study provide empirical evidence that price perceptions have a positive and significant effect on customer loyalty at Four-Star Hotels in Medan City with a path coefficient of 0.216 and a significance level of 0.000. The results of the study confirm the literature which explains the appropriate and reasonable price. While prices have been within expectations and perceptions of consumer’s, whether price reasonableness or price appropriate, and consumer’ss will not be affected by the nominal value offered by the company. The company should provide accurate reasons accompanied by excellent services.

Consumer’ss may evaluate price appropriate when they are acquiring the services and facilities they receive. Is the price comparable they are willing to pay for and what they receive? In the concept of consumer’ss behavior, prices may drive consumer’ss behavior. On the basic principle of the law of demand or supply, consumer’ss behavior on the goods quantity requested is determined by price. On the principle of loyalty, consumer’ss may be loyal because the products price perceived by consumer’ss or it is known as price loyalty. The results of this study are in line with several previous research findings such as, Suwandi (2015) which states the perception of prices has a positive and significant effect in shaping consumer’ss loyalty. Malik (2012) who found a strong positive correlation between price perceptions and consumer’ss loyalty.

Furthermore, previous research by Kaura et al. (2015), states that price fairness and the prices perception have a positive and significant influence on consumer’ss loyalty. Therefore, the more evidence that indicates that prices have an essential role in creating consumer’ss loyalty. In simple terms, the influence between price perception and customer loyalty has a positive correlation. If price perception is more appropriate by hotel guests, levels of consumer’ss loyalty will be higher.

### 4.2.13. Website dimension has a positive and significant effect on customer loyalty.

The empirical findings prove that website dimension has a positive and significant effect on the customer value at Four-Star Hotels in Medan City with a path coefficient of 0.330 and a significance level of 0.000. The results support the statement Bilgihan et al. (2014) who concluded that the elements of the website might shape the behavior of consumer’ss e-loyalty. In this study, the appearance and aspects of a good website and helping consumer’ss, it will make consumer’ss like to access the site related to their needs for a certain product. For the hospitality industry, prospective customer’s should be guided in searching for information and planning vacations according to their schedules and expectations. Thus, the completeness of the information on the hotel website will encourage cognitive from consumer’ss, and direct them to loyalty. The presence of the site may give a positive value to the consumer’ss.

### 4.2.14. Customer value does not have a significant effect on customer loyalty.

The results of the study provide empirical evidence that customer value does not have a significant effect on customer loyalty of 4-star Hotels in Medan City with a path coefficient of 0.096 and a significance level of 0.067. Significance values above 5% indicate that statistically, this influence cannot be generalized to the condition of 4 Star Hotels in Medan City. Nevertheless, this influence is significant at the 10% significance level. Customer value is an
abstract and measurement of customer value involves overall benefits such as economic, functional, emotional, and symbolic. Hotels that offer short-term benefits tend to reduce the values offered. As regards, the time specified at check-out may disturb with the quality of rest for them. Besides, the symbolic value, such as prestige only occur in a short time. Because of its temporary nature, the effect of values on loyalty is insignificant. Dependence on the prestige aspect does not guarantee which consumer’s will stay in one preference. Consumer’s may be trying in various hotels as perceived symbolic values, and it does not reflect a loyal consumer’s behavior.

4.2.15. Customer satisfaction has a positive and significant effect on customer loyalty
Empirical evidence indicates that customer satisfaction has a positive and significant effect on customer loyalty of 4 Star Hotels in Medan City with a path coefficient of 0.146 and a significance level of 0.021. Initial key to build loyalty is customer satisfaction. When consumer’s have achieved satisfaction with the services provided, they tend to be loyal. Conversely, if they feel dissatisfied with the services offered, they tend to show disloyalty. In line with the concept, the study provides empirical evidence that customer satisfaction is the primary key to build customer loyalty directly. In line with these findings, Wolfsfold et al. (2010) found that customer’s satisfaction will lead to loyal behavior of hotel guests who visit. Loyalty behavior is reflected satisfaction with the physical attributes of the hotel. The results of the study also support the findings of previous researchers such as Boon-lait and Zabis (2013), who found satisfaction significantly affected the loyalty of hotel guests.

4.2.16. Hotel image has an indirect and significant influence on customer satisfaction through customer value.
Empirical evidence indicates that the hotel image has a positive and significant effect on customer’s satisfaction by forming customer’s values at 4 Star Hotels in Medan City with an indirect effect of 0.064 and a significance level of 0.003. Significance values below 5% indicate that statistically, this influence may be generalized to the condition at 4 Star Hotels in Medan City. The indirect effect of this study explains that the hotel image will establish customer’s values and that values will affect customer’s satisfaction. Thus, the hotel image generates customer’s satisfaction mediated by customer’s value.

4.2.17. Quality of service has an indirect and significant influence on customer satisfaction through customer value.
The results of the study provide empirical evidence that service quality has a positive and significant effect on customer’s satisfaction through the formation of customer’s value at Four-Star Hotels in Medan City with indirect effect 0.122 and a significance level of 0.000. Significance values below 5% indicate that statistically, this influence may be generalized to the condition at 4 Star Hotels in Medan City. The indirect effect of this study explains that service quality will shape customer value, and that value affects customer satisfaction. Thus, service quality results in customer satisfaction with customer value as a mediating variable.

4.2.18. Price perception has an indirect and significant influence on customer’s satisfaction through customer’s value.
The results of the study provide empirical evidence that price perception has a positive and significant effect on customer’s satisfaction through the formation of customer’s value at Four-Star Hotels in Medan City with the indirect effect of 0.059, and a significance level of 0.000.
Significance values below 5% indicate that statistically, this influence may be generalized to the condition at 4 Star Hotels in Medan City. Indirect influence in this study explains that the price perception will shape customer’s value and that value affects customer’s satisfaction. Thus, the price perceptions generate customer’s satisfaction and as mediating variable is customer’s value.

4.2.19. Website dimensions have an indirect and significant influence on customer’s satisfaction through customer’s value.

The results provide empirical evidence that website dimension has a positive and significant effect on customer’s satisfaction through the formation of customer’s values at Four-Star Hotels in Medan City with the indirect effect of 0.132 and a significance level of 0.000. Significance values below 5% indicate that statistically, the influence may be generalized to the condition at Four-Star Hotels in Medan City. The indirect effect of this study explains that website dimensions will shape customer’s value and values affects customer’s satisfaction. Thus, the website dimension generates customer’s satisfaction with the presence of customer’s value as mediation.

4.2.20. Hotel image has an indirect and significant influence on customer’s loyalty through customer’s satisfaction

The study provides empirical evidence that the hotel image has a positive and significant effect on customer’s satisfaction through the formation of values and customer’s satisfaction at Four-Star Hotels in Medan City with indirect effect coefficient (0.037) and a significance level of 0.016. Significance values below 5% indicate that statistically, the influence may be generalized to the condition at Four-Star Hotels in Medan City. Indirect influence in this study explains that the hotel image will shape customer’s value, and values will shape customer’s satisfaction. Loyalty will achieve through the formation of customer’s satisfaction. Thus, the hotel image generates customer’s loyalty with the presence of customer’s value as intermediaries and customer satisfaction. The results indicate that there is not the direct effect of the hotel image on the loyalty of hotel guests. The hotel image will only generate customer’s loyalty if customer’s satisfaction achieved through the hotel image. In this connection, the satisfaction formed in the influence of the hotel image which has a significant role in generating consumer’s loyalty. The hotel should be able to create perceptions which lead to the customer's satisfaction.

4.2.21. Quality of service has an indirect and significant influence on customer’s loyalty through customer's satisfaction

The study provides empirical evidence that service quality has a positive and significant effect on customer’s satisfaction through the formation of values and customer’s satisfaction at Four-Star Hotels in Medan City with indirect effect 0.049 and a significance level of 0.043. Significance values below 5% indicate that statistically, this influence may be generalized to the condition at Four-Star Hotels in Medan City. The indirect effect of this study explains that service quality will shape customer’s value, and values shape customer’s satisfaction. Loyalty achieved through the formation of customer’s satisfaction. Thus, service quality generates in customer loyalty with the presence of customer’s value as intermediaries and customer's satisfaction.

4.2.22. Price perception has an indirect and significant influence on customer’s loyalty through customer’s satisfaction
The study provides empirical evidence that the price perception has a positive and significant effect on customer’s satisfaction through the formation of values and customer’s satisfaction at Four-Star Hotels in Medan City with indirect effect 0.034 and a significance level of 0.018. Significance values below 5% indicate that statistically, this influence may be generalized to the condition at Four-Star Hotels in Medan City. Indirect influence in this study explains that price perception will shape customer’s value and value shapes customer’s satisfaction. Loyalty achieved through the formation of customer’s satisfaction. Thus, the price perception generates in customer’s loyalty with the presence of customer's value as intermediaries and customer's satisfaction.

4.2.23. Website dimensions have an indirect and significant influence on customer’s loyalty through customer’s satisfaction

The study provides empirical evidence that website dimension has a positive and significant effect on customer’s satisfaction through the formation of value and customer’s satisfaction at Four-Star Hotels in Medan City with indirect effect 0.055 and a significance level of 0.014. Significance values below 5% indicate that statistically, this influence can be generalized to the condition at Four-Star Hotels in Medan City. Indirect influence in this study explains that website dimensions will shape customer’s value and value shapes customer’s satisfaction. Loyalty achieved through the formation of customer’s satisfaction. Thus, the website dimension generates customer’s loyalty with the intermediary is customer’s value and customer’s satisfaction.

4.2.24. customer’s value has an indirect and significant effect on customer’s loyalty through customer’s satisfaction

The study provides empirical evidence that customer’s value has a positive and significant effect on customer’s loyalty through the formation of customer’s satisfaction at Four-Star Hotels in Medan City with the indirect coefficient of 0.059 and a significance level of 0.031. Significance values below 5% indicate that statistically, this influence may be generalized to the condition at Four-Star Hotels in Medan City. Indirect influence in this study explains that service quality will shape customer’s value and value affects customer’s satisfaction. Thus, service quality generates for customer’s satisfaction with the presence of customer’s value as intermediaries.

5. CONCLUSION & SUGGESTION

5.1. Conclusion

The hotel image has a positive and significant effect on customer’s value at Four-Star Hotels in Medan City. The hotel image that is more positive, and strong in customer’s minds will higher the formation of customer’s perceived value. The image influences the cognitive of hotel guests in the perception of benefits provided by the hotel on the services delivered. The guests’ perception who is more favorable to the hotel will easier consumer’s feel the value. Service quality has a positive and significant effect on customer’s value. Service quality explained by the aspects of reliability, assurance, tangibility, empathy, and responsiveness which have a role in shaping consumer’s value. Service quality aims the hotel service delivery is optimal. The service optimization provided will increase the benefits perceived by consumer’s. Price perception has a positive and significant effect on customer’s value. This study evaluated the appropriateness and reasonableness of price as the prices charged for the
services the hotel. If the price perception is more appropriate and reasonable for hotel guests that will impact on customer’s value higher. Price element is a sacrifice that should be given to the consumer’s in hotel services. Website dimension has a positive and significant effect on customer’s value. Display and information on the hotel website are prepared to help customer’s resolve travel problems, and various information related to the hotel.

A site is properly arranged that will encourage the benefits felt by hotel guests with various facilities to obtain. Hotel image has a positive and significant effect on customer’s satisfaction. The hotel guests’ perception will affect their satisfaction past service delivered. The image raises perceptions and expectations in consumer’s minds. The image influences the consumer’s perspective on the services offered, and it impacts on satisfaction. Service quality has a positive and significant effect on customer’s satisfaction. Service quality is prepared for optimal services. Services provided as an effort to fulfill consumer’s expectations on services provided. Service optimization will meet expectations and even over hotel guest's expectations. This situation allows the satisfaction of hotel guests. Price perception has a positive and significant effect on customer’s satisfaction. Prices are more appropriate and more reasonable will encourage the hotel guests satisfied. Prices reflect the guest's expectations on the services provided. Price is following the services that will encourage customer’s satisfaction. Website dimension has a positive and significant effect on customer’s satisfaction. The information on the hotel website will help to establish expectations according to the information provided. The truth and accuracy of the information provided is the key to encourage the hotel guests’ satisfaction. Customer’s value has a positive and significant effect on customer’s satisfaction.

The essence of values is the difference between benefit and cost, while a satisfaction is a comparison between reality and consumer’s expectations — higher values related to the greater benefits. That reflects services that are more suitable even over their expectations. The hotel image does not have a role in shaping customer’s loyalty. The perception of hotel guests will not increase customer’s loyalty. Intention to revisit does not achieve through the hotel image alone. Service quality has a positive and significant effect on customer’s loyalty. Hotel guests who feel good service tend to share their experiences with others, and that will foster a desire to revisit. Price perception has a positive and significant effect on customer’s loyalty. Price factors are good considerations in consumer’s behavior. The appropriate and reasonable price of hotel services will foster loyalty behaviors such as re-consumption and reference to others. Website dimension has a positive and significant effect on customer’s loyalty. Hotels that provide website services should have easy to access, provide clear and easy-to-understand information, make hotel guests happy and foster a loyal attitude towards the hotel. Customer’s value does not have a role in shaping customer’s loyalty. The values received by hotel guests does not always mean the guests want to revisit.

Many other factors influence the interest to revisit and re-consumption the services although the benefits received by consumer’s are satisfied. That will only make consumer’s want to recommend and share their experiences with others. Customer’s satisfaction has a positive and significant effect on customer’s loyalty. Consumer’s satisfaction is a key to open the gates of loyal behavior. The hotel guests who feel higher satisfied, it will make hotel guests choose to revisit. Hotel image has a positive and significant effect on customer’s satisfaction. A positive hotel image will encourage the formation of value and contribute to the satisfaction of hotel guests. Service quality has a positive and significant effect on customer’s satisfaction. Services provided to hotel guests will shape perceptions of consumer’s value received by hotel guests. The higher values received will impact on consumer’s satisfied. Price perception has a positive and significant effect on customer’s satisfaction. Price as a reflection of the services provided
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which is a reference in evaluating consumers’ value and value will present satisfaction to hotel guests. Website dimension has a positive and significant effect on customer’s satisfaction through customer’s value.

The conveniences offered through access to hotel website information will help consumers to complete their travel plans. And it has an impact on perceptions of values and expectations that lead to satisfaction. Hotel image has a positive and significant effect on customer’s loyalty through value and customer’s satisfaction. The hotel image directly does not have an effect on consumer’s loyalty. If the image of a hotel may deliver satisfaction, loyalty tends to increase along with the ability of the image to shape the satisfaction of the hotel guests. Loyalty comes from satisfaction which is also influenced by the hotel image. Service quality has a positive and significant effect on customer’s loyalty through value and customer’s satisfaction.

Quality of service is prepared to fulfill consumer’s expectations of services provided. The moment of truth occurs when the service is given. Compatibility between expectations and service experience will lead to satisfaction in consumer’s minds and it will lead to the loyalty of hotel guests. Price perception has a positive and significant effect on customer’s loyalty through value and customer’s satisfaction. Price is a reflection of service that will be a reference in evaluating hotel services. Price is more in line with services which will have an impact on the satisfaction of hotel guests. Satisfied guests will behave positively and lead to loyalty. Website dimension has a positive and significant effect on customer’s loyalty through value and customer’s satisfaction. The presence of the hotel website to help the consumer’s and it will help to shape consumer’s perceptions and expectations. Conformity between services and expectations will form satisfaction and lead to the loyalty of hotel guests. Customer’s value has a positive and significant effect on customer’s loyalty through customer’s satisfaction. Values are related to greater benefits. The benefits received will be the basis of satisfaction and lead to the loyalty of hotel guests.

5.2. Suggestion

Referring to the results of data processing, and descriptive or inferential data analysis, and discussions on research findings, the authors suggested as follow:

The loyalty behavior of consumer’s may still to improve, especially concerning intention to revisit in a hotel that has not been achieved. Therefore, hotel management needs to strive to increase hotel guest loyalty, as loyalty may be a strategic tool to achieve hotel business goals. Loyalty may increase directly through price compatibility, website, and service quality. Indirectly, loyalty may achieve by seeking values and images that lead to consumer’s satisfaction behavior. Technically, the suggestion of each variable will discuss in the next point. Hotel management may improve the hotel image by increasing the impression of safety, comfort, a more attractive order, and renewing the hotel physical facilities. The hotel management needs to give a safe and comfortable impression through the hotel entrance access securities and hotel parts equipped with surveillance cameras. Hotel management needs to survey to find out the attractiveness and impression of the hotel in the views of hotel guests. The hotel guest suggestions are more valuable input to updates the layout and facilities. The service quality provided should have to meet consumer’s expectations. The hotel management should have to implement service excellence in delivering services to hotel guests. Even though currently indicates that the quality of hotel services is quite good, various aspects of service quality may still have sought.

Hotel management should have to willing and may conduct the regular training and evaluation to frontline personnel from hotel services. The workforce in the hotel should have accustomed to empathizing, always polite and responsive to the request for a conference.
Information dissemination and operational standards development are one of the efforts to standardize the quality of hotel services that may apply to hotel management. Prices are a reflection of the services provided. The prices charged should have rational and following the services provided. In this case, increasing hotel service tariffs or imposing hotel tariffs to guests should have clarified by hotel management. Hotel management may evaluate the fairness of hotel rates and convey to consumer’s through the website the facilities received by hotel guests. It reflects the reasonableness and appropriateness of the price. The hotel website has a key role to convey the information and media for hotel promotions to prospective hotel guests. Consumer’s expected accurate information from the hotel website. Therefore, the site should have periodically updated, especially if there are updates to the terms and conditions of services, hotel rates, and other hotel policies. The website should have developed that it is more user-friendly and easy to understand for all. As regards, to achieve it, a web administrator who is competent and able to empathize necessary.

Hotel management needs to increase the value received to consumer’s by making improvements to the aspects of benefits provided to guests. Hotel management should have to ensure the personnel’s skills and capabilities to serve with courtesy, empathy, and competence in their duties. The method may be done by training or recruiting the right person with a particular task. Also, hotel management should have to make changes to retain the status and prestige in the public's mind by conducting a brief survey to hotel guests. Questionnaires should have to prepare in hotel rooms, and guests are willing to fill out the questionnaires. The hotel should be responsive to complaints, suggestions and their opinions who will feel more valued. Hotel management should have received valuable input to increase customer’s value. Hotel management should have answered all promises to consumer’s. Consumer’s are going to satisfy if their expectations may achieve during the services consumption. One indication of satisfaction that may increase even higher is to improve the quality of hotel food, either in health and taste. Hotel management needs to assure the hotel menu which is suitable tastes to hotel guests.

REFERENCES


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