

Can the Customer Satisfaction Mediate the Relationship between Service Innovation on Revisit Intention?: A Study on Hotel Industry

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Abstract

This study aims to determine the effect of service innovation on revisit intention through customer satisfaction as an intervening variable. This research was conducted at the RedDoorz hotel located in Bandung Indonesia. The sample of this research was the hotel visitors at RedDoorz hotel. A total of 261 questionnaires were distributed, and 207 were returned. So that the sample in this study was as many as 207 respondents. The data analysis technique used is structural equation modeling. The results show that there is a positive and significant effect between service innovation on revisit intention, there is a positive and significant influence between service innovation and customer satisfaction, there is a positive and significant influence between customer satisfaction and revisit intention. Customer satisfaction mediates the relationship between service innovation and revisits intention positively and significantly.

Keywords

service innovation; customer satisfaction; revisit intention; hotel industry



I. Introduction

The hotel business is one of the businesses engaged in services. The main source of hotel revenue is from visitors who stay at the hotel. Hotel visitors are a source of income from the industry. Therefore, hotel businessmen must be able to maintain customer satisfaction, so that later hotel visitors come back to stay. The results of research conducted by Adirestuty, (2019) show that there are visitors who will come back if the customer is satisfied with the service they receive. It is very fundamental for hotel managers to understand the relationship between the needs of tourist satisfaction with the facilities of the hotel where they stay, and their intention to return to the hotel. Choi & Chu, (2001) explained that the hotel business is a long-term investment in that they can safeguard consumers, meet consumer needs will be able to survive in their business.

To improve customer satisfaction, good service innovation is needed (Kurniawan et al., 2019). Isa et al., (2020) argued that service quality and emotional experiences are linked to customer satisfaction, which in turn influences the corporate image and customer loyalty. Therefore, satisfaction has a high influence on the possibility and expectations of a visitor's revisit intentions. Mahmoud et al., (2018) In a globally competitive marketplace where consumers seek value in their daily purchases, innovation has become contemporarily essential in both theory and practice. Innovation is now very important for the progress of the company (Siregar et al., 2019b ; Siregar et al., 2019a).

Therefore, this present study aims to :

1. Testing the effect of service innovation on hotel customer satisfaction
2. Testing the effect of service innovation on revisit intention
3. Testing the effect of customer satisfaction on revisit intention
4. Testing the effect of service innovation on revisit intention through customer satisfaction.

II. Review of Literatures

2.1 Revisit Intention

Qu, (2017) defined revisit intentions as the likelihood of visitors to return to a tourist destination in the future. This implies the degree to which a visitor performs or not in returning to a place of attraction in some specified future. Revisit intentions have also been linked to a time limits and the individual's willingness. Baker and Crompton (Baker & Crompton, 2000) refer to revisit intentions as the intentions of visitors to revisit within a year and their willingness to travel to the destination often. Revisit intention refers to tourist willingness or plans to visit the same destination again (Cole & Scott, 2004).

2.2 Service Innovation

Innovative companies have a very important role for business success (Siregar et al., 2021; Siregar et al., 2020 ; Pranowo et al., 2020; Nasution et al., 2021). Mahmoud et al., (2018) cited that innovation is all about offering new or adapted solutions to customer needs or problems in such a way that adds value as defined and used by customers. Mahmoud et al., (2018) also added that the key to remaining competitive and surviving in the market is the firm's ability to provide products tailored to meet the needs of its customers.

Innovation is one of the important factors to achieve success in the market and is also a basic factor that can influence consumer choice in choosing a product so that innovation has a very close relationship with consumer loyalty (Laemonta & Padmalia, 2016).

2.3 Customer Satisfaction

Every businessman is responsible for customer or customer satisfaction. Every company must strive to satisfy customer needs. If customers are satisfied, something better will happen for the company's business in the future(Kurniawan et al., 2019). Customer Satisfaction represents a function of expectations and perceived product or service attributes (Gholipour Soleimani & Einolahzadeh, 2018).

Customer satisfaction in hotels requires many elements. A number of including the atmosphere of the hotel and the friendliness of the facilities provided to consume (Pranata et al., 2019). Kangogo, Musiega, and Manyasi (2013) explain that consumer satisfaction is a psychological concept that includes feelings of satisfaction and pleasure that arise because consumers get what consumers want and expect from a product or service. This is a response to the consumer's shopping experience. Consumer ratings are generated from the expectations that consumers have and the experiences they feel while staying at the hotel.

2.4 Hypotheses Development

Research conducted by Christina, (2020) on Prodia customers who have used digital services. The results of the study show that service innovation has a positive and significant effect on customer satisfaction. Also added to the results of research conducted by Rahman, (2019) shows that innovation has a very important role in increasing customer satisfaction. Research conducted by (YuSheng & Ibrahim, 2019) also shows that there is an influence between service innovation on customer satisfaction. Research conducted by (YuSheng & Ibrahim, 2019) also shows that there is an influence between service innovation on customer satisfaction.

The results of research conducted by (An et al., 2019) shows that customer satisfaction can increase revisit intention. Customer satisfaction is a very important factor in the desire of customers to come back. Previous research by (Khoo, 2020) in his research on Karaoke TV customers showed that there was an influence between customer satisfaction on the desire to visit again. If customers feel that overall satisfaction is high, consumers will tend to do repurchase intentions (Adirestuty, 2019). The satisfaction that travelers experience in a specific destination is a determinant of their revisit intention (Gholipour Soleimani & Einolahzadeh, 2018). Customer satisfaction mediates service innovation. Previous research by (Khoo, 2020) found that service quality was mediated by customer satisfaction on revisit intention.

III. Research Methods

This study uses quantitative methods using Structural Equation Modeling analysis. The sample in this study were visitors to the RedDoorz hotel in the city of Bandung. A total of 261 questionnaires were distributed, and 207 were returned. So that the sample in this study was as many as 207 respondents.

In this study, three variables were observed, namely revisit intention, service innovation, and customer satisfaction variables. The revisit intention variable uses four statement items adopted from (Nguyen Viet et al., 2020) and (Song et al., 2017), customer satisfaction using five statement items is also adopted from (Nguyen Viet et al., 2020). While service innovation uses five statements adopted from Bhat & Sharma, (2021).

Table 1. Construct and Measurements

Variable	Indicator	n item
Revisit Intention (Nguyen Viet et al., 2020) and (Song et al., 2017),	<ol style="list-style-type: none"> 1. I intend to revisit the reddoorz hotel in Bandung in the next 2 year 2. I plan to revisit reddoorz hotel in Bandung in the next 2 years 3. I desire to visit reddoorz hotel in Bandung in the next 2 years 4. I probably will revisit reddoorz hotel in Bandung in the next 2 years 	4
Service Innovation (Bhat & Sharma, 2021)	<ol style="list-style-type: none"> 1. Hotel offers new technological channels for customers to order new services (TI2) 2. Easier to pay bills through E-billing 3. In-room Interactive mirror/wall with a host of applications 4. Self-service check-in and check-out 5. Well developed sophisticated Internet applications 	5
Customer Satisfaction (Nguyen Viet et al., 2020)	<ol style="list-style-type: none"> 1. have really enjoyed the visit and stay in reddoorz hotel in Bandung. 2. I am satisfied with my decision to visit reddoorz hotel. 3. I prefer this hotel to others. 4. I have positive feelings regarding RedDoorz hotel in Bandung 5. This hotel was a pleasant visit 	5

IV. Results and Discussion

4.1. Results

a. Normality Testing

One of the steps that must be taken before testing the hypothesis is to ensure that the research data are distributed normally. In the structural equation modeling, the results of the normality test can be seen from the skewness and kurtosis values. The skewness, kurtosis, and cr of multivariate value must be -2.58 to 2.58 (Schumacker & Lomax, 2010).

Table 2. Assessment of Normality (Group Number 1)

Variable	min	max	skew	c.r.	kurtosis	c.r.
RI4	2.000	5.000	.270	1.586	-.200	-.587
RI3	2.000	5.000	.104	.610	-.411	-1.206
RI2	2.000	5.000	.092	.538	-.489	-1.437
RI1	2.000	5.000	.005	.031	-.514	-1.509
Sat5	2.000	5.000	.288	1.692	-.239	-.702
Sat4	2.000	5.000	.144	.843	-.353	-1.037
Sat3	1.000	5.000	.077	.453	-.270	-.792
Sat2	2.000	5.000	.236	1.384	-.320	-.941
Sat1	2.000	5.000	.087	.511	-.714	-2.097
Seino1	2.000	5.000	.117	.690	-.553	-1.625
Seino2	2.000	5.000	.259	1.521	-.140	-.410
Seino3	2.000	5.000	-.005	-.030	-.459	-1.347
Seino4	2.000	5.000	.109	.642	-.428	-1.257
Seino5	2.000	5.000	.068	.401	-.595	-1.748
Multivariate					5.359	1.821

The value of c.r multivariate is 1.821. This shows that the value is at 2.58 to 2.58. Therefore, it can be informed that the data in this study were distributed normally.

4.2 Goodness of Fit Test

To see the results of the goodness of fit test, it can be seen from the value of Adjusted GFI (AGFI) > 0.90, Goodness_of Fit Index (GFI) > 0.90, CFI > 0.90, TLI > 0.90, RMSEA < 0.08, and RMR < 0.05 (Schumacker & Lomax, 2010). The results of the goodness of fit test in this study can be seen as follows:

Table 3. The Goodness_of Fit Test of the Model

The Goodness of Fit Index	Result	Decision
Adjusted Goodness of Fit (AGFI)	0.864	Marginal Fit
The goodness of Fit Index (GFI)	0.904	Good Fit
Comparative Fit Index (CFI)	0.948	Good Fit
Tucker Lewis Index (TLI)	0.936	Good Fit
Root Mean Square Error of Approximation (RMSEA)	0.073	Good Fit
Root Mean Square Residual (RMSR)	0.033	Good Fit

Table 3 above shows that the model suitability test has been met according to the recommended criteria. Thus, it can be continued with hypothesis testing.

4.3 Hypotheses Testing

a. Hypothesis Testing of Direct Effects between Exogenous Variables on Endogenous Variables

There are three hypothesis testing in this study, namely testing the effect of service innovation on customer satisfaction, testing the effect of service innovation on revisit intention, and testing the effect of customer satisfaction on revisit intention. Hypothesis testing in structural equation modeling is seen from the critical ratio value > 1.96 and a probability level 0.05 (Byrne, 2010).

Table 3. Hypotheses Results

		Standardized Estimate	P-value	Decision
Customer satisfaction	<--- Service Innovation	.719	.000	Supported
Revisit intention	<--- Customer satisfaction	.562	.000	Supported
Revisit Intention	<--- Service innovation	.311	.001	Supported

Based on the results of hypothesis testing as shown in Table 3, shows that all the hypotheses proposed in this study are accepted. This can be seen from the p-value less than 0.05. Thus, it can be informed that there is a positive and significant influence between exogenous variables (service innovation and customer satisfaction) on endogenous variables (service innovation).

b. Hypothesis Testing of Customer Satisfaction Mediates the Relationship Between Service Innovation and Revisit Intention

In this study, it is hypothesized that customer satisfaction mediates the effect of service innovation on revisit intention. Testing is done with the online Sobel Test at <http://quantpsy.org/sobel/sobel.htm>. The results of the Sobel Test show that the t-count value is 4.635 and the p-value is 0.000. It can be informed that customer satisfaction can mediate the relationship between service innovation and revisit intention in a positive and significant way.

4.2 Discussion

This study aims to examine the revisit intention of visitors to the RedDoorz hotel in Bandung, by placing service innovation and customer satisfaction as antecedent variables. Fadhillah (2021) states that Without the trust of the customer, a transaction is unlikely to occur. Therefore, building trust from customers is something that must be done by sellers because without trust, it is difficult for a business to run. (Marliyah, 2021) states that with regard to customer service, currently the concept of e-service quality is a form of service that is given to customers. To get a lot of consumers, one way to do this is to create customer loyalty (Harahap, 2021). The customer value can be triggered by some factors related to association, i.e., marketing and individual environment, which provide support or motivation to use the service as expected (Kusumadewi, 2019). In addition, this study also finds out about the mediating role of customer satisfaction in mediating the relationship between service innovation and revisit intention by visitors to the RedDoorz hotel in Bandung.

The first hypothesis in this study is that there is a positive and significant influence between service innovation on visitor satisfaction at RedDoorz Hotel in Bandung. The results of hypothesis testing indicate that there is an influence between service innovation on visitor satisfaction. This can be seen from the significance value of 0.000 and the CR value of 7.951.

The significance value is less than 0.005 and the CR value is greater than 1.96 ($7.951 > 1.96$). Thus, it can be explained that there is a positive and significant influence between service innovation on customer satisfaction. This means that if service innovation is getting better, visitor satisfaction will also increase. Conversely, if service innovation is low, visitor satisfaction also tends to decrease. The results of the study indicate that the importance of service innovation in increasing visitor satisfaction. The results of this study are relevant to previous research conducted by Mahmoud et al., (2018) which explains that to increase customer satisfaction, good service innovation is needed.

The second hypothesis in this study examines the effect of service innovation on revisit intention by visitors to the RedDoorz hotel in Bandung. The results of hypothesis testing between service innovation and revisit intention show a significant value of 0.001 and a CR value of 3.226. The significance value is less than 0.05 ($0.001 < 0.05$) and the CR value is greater than 1.96 ($3.226 > 1.96$). Thus, it can be explained that there is an influence between service innovation on the revisit intention of visitors to the RedDoorz hotel in the city of Bandung. This means that if service innovation is getting better, then revisit intention will also increase. On the other hand, if service innovation is not good, it will result in a decrease in visitor intentions to come back.

The third hypothesis examines the effect of customer satisfaction on revisit intention. The results of the hypothesis test show a significance value of 0.000 and a CR value of 5.191. The significance value is less than 0.005 and the CR value is greater than 1.96, thus it can be explained that there is an influence between customer satisfaction on revisit intention. This means that if the satisfaction of hotel visitors increases, it will make visitors come back. On the other hand, if hotel visitor satisfaction is low, this will result in low visitor interest in coming back.

The fourth hypothesis shows that hotel visitor satisfaction can mediate the effect of service innovation on revisit intention. Based on the direct and indirect effects, it is known that the direct effect of service innovation on revisit intention is 0.311, while the indirect effect of service innovation through customer satisfaction on revisit intention is 0.404. This means that the indirect effect has a greater contribution than the indirect effect. This means that hotel visitor satisfaction can mediate the relationship between service innovation and revisit intention.

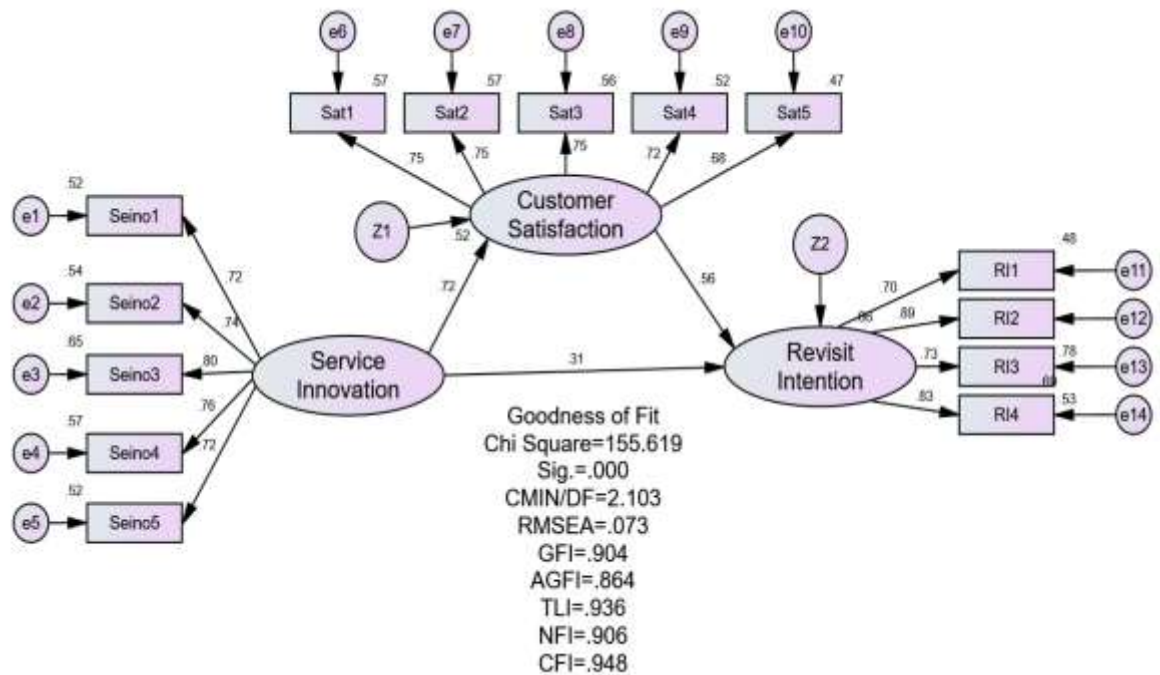


Figure 1. Structural Model

IV. Conclusion

Service innovation and customer satisfaction have a very important role in increasing the interest of RedDoorz hotel visitors in Bandung to come back. Service innovation has a positive influence on revisit intention, customer satisfaction also has a positive influence on revisit intention. Customer satisfaction can mediate the effect of service innovation on revisit intention positively and significantly. We give recommendations for service innovation to continue to be improved. This is necessary so that later customer satisfaction increases. Increased customer satisfaction will certainly increase revisit intention by visitors to come back.

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