A Case Study Of The Serbian Hotel Industry Researching The Impact Of Hotel Service Quality On Guest Loyalty And Satisfaction

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Abstract
The purpose of the study is to identify the important elements of Total Hotel Service Quality that have a substantial impact on customer happiness and loyalty, as well as to analyze the implications of THSQ on these two metrics. The analysis was carried out in light of the respondents' national traits (Hofstende's aspects of national cultures) and the needs of contemporary tourists. 175 hotel guests made up the participants in the empirical study. The findings support the validity of the premise that THSQ has a notably beneficial impact on customer satisfaction and loyalty. Assurance, tangibility, and empathy also show up as the three main aspects of quality that matter when gauging customer loyalty and happiness. Utilizing the Dufour Monte Carlo Simulation test process, the acquired results were confirmed.

Key words: Dufour test process, satisfaction, loyalty, and service quality

INTRODUCTION
The quality of service seems to be a must for hotel firms' success, given the heightened level of competition in the industry and the increasingly sophisticated nature of potential visitors. The hotels' focus on raising the standard of service stems from their aim to give their patrons a distinctive travel experience and to enhance the fundamental values of hotel services. Hotels that are able to meet the expectations of their visitors with sufficient responsiveness offer quality service. Aspects of quality include the way service providers appear, how they treat customers, how quickly they can reply to requests, and how they handle requests to modify bedding (Cheng and Rashid (2013). As a guest's impression of the functional, symbolic, and experiential benefits they receive while visiting the hotel shapes the hotel's image, it should be noted that strong corporate and functional quality can make up for any inadequacies in the service's tangible components. In contrast to a less than comfortable bed, a courteous staff that attends to the needs of the guest whenever possible will make a stronger impression. Since interpersonal relationships are an intangible aspect of the service that cannot be replicated or standardized, they are an essential differentiator against competitors. Reaching a high level of service quality need to be a means of obtaining the contentment and devotion of the visitors. The degree to which a guest is satisfied with the services provided by the hotel affects how he behaves while returning.

It is particularly likely that the excellent service offered at the hotel will boost patron loyalty if, after multiple stays, the establishment has been able to meet the needs and expectations of the visitor. The hotel's most valuable asset is its satisfied and devoted clientele, who bring returns in the form of steady profitability and a competitive edge over time. Big hotels must therefore pay close attention to the level of service, patron happiness, and loyalty, particularly in large communities where there is a deluge of hotel options.

Meeting every requirement for service quality is a very difficult and costly task, especially regarding three- and four-star hotels, since they cater to customers with less disposable income. Because of this, it's critical to identify the essential quality aspects that matter to this kind of visitor. In light of the fact that national cultural traits have a substantial impact on visitor attitudes, values, and behaviors, it is crucial to comprehend which aspects of a country's culture are relevant to specific hotel guest needs with regard to the caliber of those services.

Therefore, the goal is to investigate the aspects of hotel service quality in light of the distinctive features of various national visitor cultures.

The structure of the paper is as follows: The introduction is covered in the first section. The research methodology used in the paper's second section was offered. The final empirical study and the results presentation are located in section four. The conclusions are summed up in the last section.

REVIEW OF THE LITERATURE
Notion of quality services
Recently, scholars, managers, and practitioners have focused more attention on service quality (Seth and Deshmukh, 2005). In fiercely competitive industries like the hotel business, it has emerged as a critical success component. In this sector, visitor attitudes shape how well a service is perceived (Cheng and Rashid, 2013). The evaluation of a customer's overall excellence or superiority in service is what Zeithaml et al. (1990) define as the perceived quality of services. According to Ladhari (2009), the quality of services is a multifaceted phenomenon rather than a singular one. Quality is a strong foundation that keeps clients loyal, draws in new business, and improves the hotel's standing and revenue. As per UNVTO (2015), the quantity of Even without the global categorization standards, a hotel's star rating is a reliable reflection of the caliber of its services. The number of stars and the hotel's features ought to be related in a causal way.

As a result, the hotel's category indicates its level of dedication and the caliber of its services. The most widely used and easily accessible metric for assessing hotel quality is its classification.

The cost of hotels meeting the criterion of quality increases with hotel category. Hotels that provide more value may also be able to charge more (Mohsin and Lengler, 2015). Furthermore, in their examination of the factors influencing price elasticity, Bolton and Myers (2003) came to the conclusion that service quality had an impact on price elasticity. The outcomes results of the study have demonstrated that clients who obtain less appropriate services are more price sensitive than users who receive more appropriate services.

Customer expectations and perceptions of the service are taken into consideration when evaluating the quality of the service from the perspective of the customer. This includes the feelings of the guests before, during, and after utilizing the service (Gallarza et al., 2019). Customers believe and anticipate that they will obtain services that are appropriate in quality. Customers' expectations are influenced by a number of elements, including past experiences, recommendations from friends and acquaintances, marketing initiatives, and the service provider's reputation (Cheng and Rashid, 2013). In contrast to what one may anticipate, perception is the emotion that a user creates both during and after using the assistance. Only when the service's perceived performance meets or surpasses the customer's expectations will it be considered high quality in the context of expectations and perceptions. A service is of lesser quality when the expectations of the customer exceed perception or actual experience (Gallarza et al., 2019).

The ability to deliver services of predetermined quality is severely hampered by a consumer-driven approach to determining service quality (Ristova Maglovska, 2020).

It also begs the question of whether customers base their ultimate judgment of quality on the experience as a whole or on specific aspects of service excellence. Achieving excellence in every facet of service is vital to meet the demands of diverse visitor profiles.

The preceding conversation demonstrates that the caliber of The service is a multifaceted, intricate idea with many different facets. Since services are characterized as intangible, diverse, and interdependent, it is challenging to evaluate their quality objectively. Estimating many service dimensions leads to the final customer assessment of the level of service quality. The SERVQUAL model serves as the foundation for measuring service quality in a large number of research articles (Zeithaml et al., 1990). This multifaceted approach views quality as the culmination of five essential dimensions: assurance, tangibility, reliability, responsiveness, and empathy. The disparity between the perceived and expected level of services served as the foundation for the development of the model. This methodology evaluates both the guest's perception and actual performance in terms of service. regarding the caliber of the services and the readiness to suggest the business (Zeithaml et al., 1990). According to Boulding et al. (1993), readiness to promote a service and service quality are positively correlated. In a study on the hotel sector, Saleh and Rian (1991) identified five aspects of service quality—socializing, tangibles, assurances, eschewing sarcasm, and empathy—that differ from those in the SERVQUAL model.

According to Batista et al. (2014), there is a widely held belief that customer happiness and service quality are positively correlated. Theorists also believe that customer satisfaction and service quality can influence loyalty. Apart from its direct influence on customer satisfaction, the quality of service also has an indirect effect on customer loyalty, according to Vujić et al. (2019). For instance, some writers contend that customer happiness is the only factor that influences the connection between the intent behind behavior and the caliber of the service. According to their research, a key factor influencing customer loyalty is the sense of quality and satisfaction (Khudri et al., 2015., Bihamta et al., 2017).

The impact of service quality at China's three- and five-star hotels was examined by Luo and Qu (2016). They discover that because services have distinct qualities, they are more challenging to identify, quantify, and control than manufacturing items. Hotels need to keep raising the bar on customer satisfaction since it encourages loyalty. In 2018, Keshavarz and Jamshidi conducted research on travelers who spent at least one night in hotels with In Kuala Lumpur, four and five star hotels. They come to the conclusion that a customer's loyalty is contingent upon their level of satisfaction with the quality of service provided. A small effect on customer satisfaction and loyalty has been discovered by certain researchers (Hultman et al., 2015, Park and Jang 2014).

Notion of client satisfaction

Despite being one of the most crucial components of a successful business, research on the effectiveness of hotel operations frequently overlook the importance of visitor pleasure. According to Anderson and Fornell (2000), a guest's perspective of what they expected from a product or service is known as their level of satisfaction. Expectations are linked to how customers view the caliber of service they should anticipate from the hotel. In the evaluation phase, the client assesses how satisfied or dissatisfied they are with the level of service provided in comparison to their expectations. Furthermore, expectations (before to buy) and received performance (after purchase) influence satisfaction. It is a notion from Oliver's (1990) paradigm of disconfirmation of expectations. If the customer is not happy, that is, if the service is a negative disconfirmation when the product is well below the expectations of the customer. Customer satisfaction or neutral disconfirmation is achieved when service performance meets or exceeds guest expectations. When a guest's expectations are greatly exceeded by the performance, positive disconfirmation occurs. Because it reflects the highest level of happiness, which may be converted into loyalty, this scenario is the most advantageous (Heesup et al., 2018).

For a hotel, contented patrons represent the greatest return on investment, with favorable outcomes anticipated over the

medium to long term (Crotts and Magnini, 2010). Significant resources must be committed in order to start the process of ensuring visitor happiness. These resources will be used to gather information about guests' perceptions, analyze that information, and determine, comprehend, and satisfy the demands of the guests. of visitors. The future revenue and profit that a hotel will earn is largely dependent on how content its guests are, as unsatisfied guests make it difficult for hotels to outperform their rivals (Gao and Lai, 2015). In order to meet their own interests, hotels must thus give careful consideration to a thorough examination of customer satisfaction in order to pinpoint their strengths and shortcomings as well as the actual wants and demands of the visitors.

According to Johnson and Weinstein (2008), a customer's immediate experience following the purchase and utilization of goods or services constitutes their level of satisfaction. A sensation known as satisfaction arises during the assessment phase following the purchase and use of the goods be illustrated in a variety of ways. First of all, it might be interpreted as verification that a high-quality good or service has been acquired. Second, it might be interpreted as contentment with the way the good or service that was purchased performed. Furthermore, if the product's features beyond the expectations of the customer, satisfaction can also be described as delight (Gao et al., 2015). Total satisfaction with various product and service components can be used to measure this position (Bastič and Slavka, 2012). It's an emotional response to what happened compared to what was expected. According to Wong (2004), emotional and cognitive responses come together to form contentment. According to Anderson and Fornell (2000), consumer satisfaction is determined by comparing perceptions of quality with predicted quality after consumption, whereas the A comprehensive evaluation of the delivery of hotel services is connected to the quality of services.

There are many degrees of satisfaction that hotel visitors can encounter. When standard hotel services are provided satisfactorily, guests reach the first degree of satisfaction. When a guest is content with their stay at the hotel, they reach the second degree of enjoyment. Excitation reaches its third stage when the visitor is pleasantly surprised and has an exceptional experience. When a service is provided that makes it possible to resolve a delicate situation and results in satisfaction, the fourth level is relief (Torres and Kline, 2006).

Although it was long believed that happy customers are devoted consumers, a new study calls into question the veracity of this assertion (Gallarza et al., 2019; an & Shin (2019). According to Skogland and Siguav (2004), loyal clients are not always necessary when they are satisfied. Although it's not a guarantee of retention, customer satisfaction is a critical component in keeping happy consumers (Torres and Kline, 2006). There isn't always a direct correlation between loyalty and satisfaction. Customers should anticipate repurchasing the same product or service from a certain firm or shifting their loyalty to other brands if they are pleased with a particular product or service. Nevertheless, this isn't always the case because a customer may be happy with a good or service up until a rival offering that more closely matches his needs doesn't hit the market. Consequently, A happy customer might still influence the business. Over time, a service company's performance may deteriorate or increasing expectations may cause a reduction in customer satisfaction. This is particularly valid for the travel and hotel sectors. For instance, a customer may like to try something different and stay at a different hotel or destination even though he is happy with his stay at the current one. Some shoppers will search for the best deal since they value pricing more than anything else, while others who don't mind switching hotels may search for the most value for their money. Numerous researches discover that customer happiness and service quality are equivalent. One team of writers discovers that the caliber of of service is a requirement for raising satisfaction, the other contends that raising satisfaction is a requirement for raising the quality of service, and still others stress the independence of quality and satisfaction (Gallarza et al., 2019; Heesup et al., 2018; Chew Ging and Shi-Min, 2019). The prevalent perspective in the literature is that customer satisfaction is directly impacted by service quality, and that consumer intent to purchase is significantly impacted by satisfaction (Chew Ging and Shi-Min, 2019, Miletic et al. 2020).

Consumer excitement in the hotel business has received extra attention in recent years. In particular, it is unclear how the visitor will respond if their needs and expectations are met. According to one perspective, surpassing expectations can to excitement; in contrast, the second perspective regards enthusiasm as a distinct entity (Chew Ging and Shi-Min, 2019). According to the majority of studies in the most current literature, client enthusiasm and customer satisfaction are two different things (Chew Ging and Shi-Min, 2019; Gayane, 2019; Cakici et al, 2019). Crotts and Magnini (2010) questioned if a consumer must be surprised in order to be delighted. It has been discovered that surprise plays a crucial role in generating excitement and has a high correlation with customer loyalty. The best degree of experience that hotel guests may have is determined by their passion as customers. Those visitors who had an exceptional hotel experience and left with unforgettable memories are considered delighted guests.

The notion of patronage definition of loyalty is the dedication to a product, service, or brand that is founded on a resolutely optimistic outlook and manifested in recurrent acquisitions (Gursoy et al., 2018). This definition draws attention to two crucial factors—attitude and behavior—that form the foundation of loyalty (Oly Ndubisi, 2007). It is obvious that a customer will not be loyal if he has a distinct attitude and shows no preference for a specific product brand. Unresponsive behavior suggests that a customer is only seldom purchasing a product, while a poor attitude suggests that the customer has no buying habit. If a customer has powerful behavior but a weak mentality, there is dubious loyalty. In this case, despite frequently purchasing a specific product, the customer does not feel strongly about it, hence in the for too long, a hotel cannot rely on this customer. On the other hand, the customer can act insensitively and with a strong attitude. This indicates that when a customer has a strong viewpoint but chooses not to purchase a specific product, there is latent

loyalty. Potential customers choose not to stay at these hotels despite having a strong opinion of them due to the high costs of the services that are specific to certain hotel brands. A consumer who exhibits strong positive attitude and responsive behavior in relation to purchasing a specific product or service is said to have strong loyalty to a particular brand of that product. Studies abound that demonstrate patrons who were pleased with the hotel service in the past will utilize it again (Gao and Lai, 2005). The probability that a customer will use, repurchase, and return for goods and services from a certain business, as well as tell their friends and acquaintances about their favorable experiences, is known as loyalty. Loyal customers help a business maintain operational stability and generate more revenue, both of which improve the business's capacity to compete in the marketplace. Because they are a consistent source of demand and profit-generating continuity, loyal customers aid service organizations in achieving market leadership (Mohsin and Lengler, 2015).

Increasing customer loyalty and preserving a long-term relationship with them is one of the primary goals of marketing initiatives (Gursoy et al., 2018). There is Paret's rule in theory. It states that 20% of the company's customers account for 80% of its revenue. This suggests that keeping an identified existing customer is far less expensive than acquiring a new one (Gursoy et al., 2018). Meeting client expectations is one of the fundamental objectives of the hotel and restaurant industries, albeit this isn't always the case in real life. Thus, the decision to utilize a certain service or not is directly influenced by their degree of pleasure, and over time, it also influences the development of higher levels of guest loyalty (Ndubisi, 2007). Guest loyalty affects revenue growth because of recurring business as opposed to traditional sales. when the payment for or delivery of a good or service interrupts connection with the customer (Kotler et al., 2009, Marcetic, 2016).

These days, a lot of hotel businesses provide their devoted patrons with a variety of rewards under a loyalty program that vary based on how often they stay. Guests who return to the hotel earn points that can be used for various services, such as complimentary nights, usage of a room with extra amenities, personal butler service, and resort packages. Every euro spent at the hotel is worth one point in this reward and benefit scheme. A lot of programs assign rankings based on how many services a guest uses. Lower costs and other perks are available to those at the top of the list (Rauyruen and Miller, 2007). Loyalty programs are often used by hoteliers to provide visitors with bonuses based on their spending (Gursoy, 2018). These kinds of programs may be regarded as restricted since they provide less chances for building personalized marketing relationships with each visitor, which decreases the possibility of creating strong loyalty.

Research methodology
The Republic of Serbia's three- and four-star hotels are the subject of this study. The survey approach was employed to gather primary data for the study. Eight three-star and five four-star hotels received questionnaires at their addresses. In 2019, empirical study was carried out from July to October. A total of 184 respondents completed the questionnaire throughout the observation period, 175 of them filled it out incorrectly. Three-quarters of the responders overall are female, and sixty-five percent are male. The respondents' educational backgrounds are as follows: 30% have completed secondary education, 10% have a high school diploma, and 60% have a college degree. All of the responders belong to the so-called baby boom generation and are from the former Yugoslavian nations.

Earlier This field's research was explored to craft appropriate statements for the questionnaire. There are four sections to the questionnaire. 22 statements make up the first section of the questionnaire, which evaluates respondents' expectations on several aspects of service quality. 22 findings are listed in the second section to evaluate how service quality dimensions are perceived. Two remarks are included in the third section to gauge how satisfied and devoted the visitors are. The identification of the respondents' demographic features is the subject of the questionnaire's final, fourth section. With some adjustments made to meet the requirements of this study, the SERVQUAL model served as the basis for the questionnaire's design. Likert's five-point scale, which ranges from 1 (I totally disagree) to 5 (I absolutely agree), was used to measure all of the findings. Participants were requested to round this field's research was explored to craft appropriate statements for the questionnaire. There are four sections to the questionnaire. 22 statements make up the first section of the questionnaire, which evaluates respondents' expectations on several aspects of service quality. 22 findings are listed in the second section to evaluate how service quality dimensions are perceived. Two remarks are included in the third section to gauge how satisfied and devoted the visitors are. The identification of the respondents' demographic features is the subject of the questionnaire's final, fourth section. With some adjustments made to meet the requirements of this study, the SERVQUAL model served as the basis for the questionnaire's design. Likert's five-point scale, which ranges from 1 (I totally disagree) to 5 (I absolutely agree), was used to measure all of the findings. Participants were requested to round

2. Findings and conversation
Cronbach's Alpha was used to confirm the variables' dependability for additional measurements. Cronbach's Alpha for some variables needs to be more than 0.6 in order to be considered reliable. All of the examined variables in Table 1 have Cronbach's Alpha values between 0.721 and 0.940, indicating their reliability for more observations.

Table 1: Cronbach's Alpha

Hotel Service Quality dimensions	Cronbach's Alpha	No. of items
Tangibility (E)	.721	4
Reliability (E)	.760	5
Responsiveness (E)	.750	4
Assurance (E)	.740	4
Empathy (E)	.814	5
Tangibility (P)	.860	4
Reliability (P)	.902	5
Responsiveness (P)	.867	4
Assurance (P)	.894	4
Empathy (P)	.895	5
Satisfaction	.915	2
Loyalty	.940	2

Source: Authors` calculation

Principal Component Analysis (PCA) was employed in the study in addition to the Cronbach's alpha coefficient to confirm the variables' reliability. Since PCA was conducted with the presumption that the data was interval data, the assumption of normal distribution was satisfied. This is significant since the PCA method uses the maximum likelihood technique to evaluate the parameters. It is significant to remember that respondents who took part in the study on variable validation were not involved in gathering information about how factors affected loyalty and satisfaction. Thus, an attempt was made to prevent bias in the answers. Up to 120 respondents took part in the analysis of the variables' validity. Generally speaking, a researcher should at least requires ten to fifteen people for each item. The likelihood that the correlation coefficients between items in one sample will differ from those in other samples increases with sample size (Field, 2009). The Kaiser-Meyer-Okin measure of sampling adequacy (KMO) was employed in the paper to assess the sufficiency of the sample size, which in this case is 120.

Promax rotation (with Kaiser normalization), which again spins the orthogonally rotated solution and permits correlations between components, was utilized to find primary factors. Five main components of service quality were determined based on this rotation. The percentage of variance explained by the retrieved components is provided in Table 2. It is evident that the five elements that were kept in place correlate to the previously mentioned aspects of quality of service account for roughly 88.267% of the variance overall.

Table 2. Number of extracted factors and total variance explained

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings
	% of Variance	Cumulative %	Total	Total	% of Variance	Cumulative %	Total
1	26.518	30.747	30.747	26.518	30.747	30.747	15,736
2	6.007	18.888	49.635	6.007	18.888	49.635	14,656
3	5.329	17.504	67.139	5.329	17.504	67.139	12,272
4	5.029	14.889	82.028	5.029	14.889	82.028	10,197
5	4.793	6.240	88.268	4.793	6.240	88.268	15,245

Source: Authors` calculation

Nevertheless, a review of the component matrix 4 reveals a notable degree of item mixing in factors 2, 4, and 5. Because of this, factor analysis was utilized to compute the scores that were used in the subsequent study rather than the original items.

Table 3 displays the discrepancies between expectations and perceptions for the overall level of service as well as for each of the five service quality criteria. All aspects of service quality as well as the overall level of service quality are negatively impacted by the discrepancy between perception and expectation. When it comes to the dimensions of assurance (M = 4.6425), responsiveness (M = 4.4975), and reliability (M = 4.484), the visitors have the highest expectations. Some guests' lower expectations have the aspects of tangibility (M = 4.2625) and empathy (M = 4.104). Following their stay, the visitors gave Assurance (M = 4.1825), Responsiveness (M = 4.0775), and Reliability (M = 4.054) the best ratings for quality, while Tangibility (M = 3.9725) and Empathy (M = 3.912) received the lowest ratings for

determinants. The dimensions of concrete and empathy had the lowest negative gap, while the dimensions of security had the largest, followed by responsibility and dependability. The overall service quality score is -0.3584, which is bad.

Table 3. Hotel service quality dimension gap and Total Service Quality Gap

Hotel service quality dimension	Perception (P)	Rank	Expectations (E)	Rank	Total service quality gap (P-E)
Tangibility	3.9725	4	4.2625	4	-0.29
Reliability	4.054	3	4.484	3	-0.43
Responsiveness	4.0775	2	4.4975	2	-0.42
Assurance	4.1825	1	4.6425	1	-0.46
Empathy	3.912	5	4.104	5	-0.192
Total service quality gap	4.0397		4.3981		-0.3584

Source: Author's calculation

The following stage was selecting between parametric and non-parametric correlation by running Kolmogorov-Smirnov and Shapiro-Wilk tests on the normal distribution data. Since the results of these two tests show that the data are not normally distributed, the nonparameters of the Spearman's coefficient of correlation method are applied in this instance. The significant values of these tests (sig <0.05). If, on the other hand, sig>0.05 indicates that the data have a normal distribution, the parametric correlation method Pearson's coefficient of correlation is utilized. Table 4 shows that all of the variables' sig values are less than 0.05, indicating that the data are not normally distributed. As a result, the following stage calls for the Spearman's coefficient of correlation.

Table 4. Normality tests

Variables	Kolmogorov-Smirnov		Shapiro-Wilk	
	Statistic	Sig	Statistic	Sig
Tangibility (P-E)	0.198	0.000	0.918	0.000
Reliability (P-E)	0.165	0.000	0.888	0.000
Responsiveness (P-E)	0.192	0.000	0.931	0.000
Assurance (P-E)	0.195	0.000	0.872	0.000
Empathy (P-E)	0.177	0.000	0.898	0.000
Total Hotel Service Quality (P-E)	0.088	0.002	0.948	0.000

*Note: *,**,*** indicate significance on 1%, 5% and 10% respectively.*
Source: Author's calculatio

Since the distribution of these data is non-normal, Table 5 displays the findings of the correlation study performed using the Spearmans' coefficient of correlation. All observed independent and dependent variables exhibit positive correlation, as indicated by sig<0.01 for all variables and positive Spearmans' coefficient values. The Spearman's correlation coefficient indicates that there is a positive association between all hotel service quality categories and customer satisfaction and loyalty (sig<0.01; 0.3<coef correl<0.5). The overall quality, satisfaction, and loyalty of hotel services are positively correlated (sig<0.01; 0.5<coef correl<0.9).

Table 5. Spearmans' coefficient of correlation

Hotel Service Quality dimensions	Satisfaction	Loyalty
Tangibility (P-E)	.420**	.365**
Reliability (P-E)	.474**	.444**
Responsiveness (P-E)	.485**	.461**
Assurance (P-E)	.525**	.461**
Empathy (P-E)	.443**	.478**
Total Hotel Service Quality (P-E)	.753**	.729**

*Note: *,**,*** indicate significance on 1%, 5% and 10% respectively.*
Source: Author's calculation

The impact of Total Hotel Service Quality on customer satisfaction and loyalty has been examined using the simple regression analysis method (Table 6). Customer satisfaction is significantly, favorably, and strongly impacted by total hotel service quality (sig<0.01; B=.767). R^2 =.588 indicates that 58.8% of the variability in customer satisfaction can be explained by this model (Model 1). Total hotel service quality has a significant, positive, and powerful impact on customer loyalty, according to Model 2 (sig <0.01; B =.734). 53.9% of changes in customer loyalty can be explained by Model 2 (R^2 =.539). Neither multicollinearity (VIF<10) nor autocorrelation (du < Durbin-Watson < 4-du) present issues for

Models 1 or 2.

Table 6. *Simple regression analysis (dependent variables: customer satisfaction –Model 1 and loyalty – Model 2)*

Variable	Model 1 (Satisfaction)				Model 2 (Loyalty)			
	Beta	R2	VIF	Durbin-Watson	*Beta*	R2	VIF	Durbin-Watson
Total Hotel Service Quality	**.767****	.588	1.000	2.154	**.734****	.539	1.000	2.110

Note: *,**,*** indicate significance on 1%, 5% and 10% respectively.
***Source:** Author's calculation*

The common impact of all five service quality aspects on customer loyalty and satisfaction was then simultaneously tested using the multiple regression analysis method (Table 7). Based on the analysis, it can be concluded that only three dimensions—assurance (B =.356; sig <0.01), tangibility (B =.216; sig <0.01), and empathy (B =.192; sig <0.05)—have a significant and beneficial impact on guests' pleasure (Model 3). There are no notable implications from the remaining two dimensions, responsiveness and reliability. This model's R Square is 0.492, meaning that variations in the five service quality parameters account for 49% of the variability in satisfaction. In Model 4, when patronage is contingent. The only characteristics with substantial positive consequences on the variable are Assurance (B =.309; sig<0.01), Empathy (B =.283; sig<0.01), and Tangibility (B =.201; sig<0.01). With regard to this model, R2 = 0.495 indicates that variations in five observable service quality variables account for 49% of the variability in visitor loyalty. Multicollinearity (VIF<10) and autocorrelation (du < Durbin-Watson < 4-du) are not issues for Models 3 or 4.

Table 7. *Multiple regression analysis (dependent variables: customer satisfaction –Model 3 and loyalty – Model 4)*

Hotel Service Quality dimensions	Model 3 (Satisfaction)				Model 4 (Loyalty)			
	Beta	R2	VIF	Durbin-Watson	*Beta*	R2	VIF	Durbin-Watson
Tangibility	**.216****		1.672		**.201****		1.672	
Reliability	.022		2.400		.048		2.400	
Responsiveness	.040		2.804		.025		2.804	
Assurance	**.356****	.492	2.920		**.309****	.495	2.920	
Empathy	**.192***		2.316	2.077	**.247****		2.316	2.125

Note: *,**,*** indicate significance on 1%, 5% and 10% respectively.
***Source:** Authors` calculation*

In the paper, the Dufour (2006) Monte Carlo testing technique was used to verify the validity of estimates of model parameters 1, 2, 3, and 4, as the application of OLS estimators in linear regression models is dubious when it comes to ordinary data (for more details see Radivojevic et al, 2019). The Monte Carlo test approach, which Dufour (2006) devised, made it possible to determine the null distribution of tests in an infinite sample environment for statistics. One major benefit of the method is that it can produce reliable tests based on any statistics, even if their finite sample distribution is unmanageable but simulated (Malecka, 2014). 10,000 simulations with a sample size equal to the real sample (N = 175) were used to run the process. The Dufour Monte findings in Table 8, the Carlo test process is displayed.

Table 8. *The results of the Dufour Monte Carlo test procedure*

	Model 1	*Model 2*	*Model 3*	*Model 4*
Coefficient (beta)	*p-value*	*p-value*	*p-value*	*p-value*
Total Hotel Service Quality	*.034***	*0.042***	**/**	**/**
Tangibility	*/*	*/*	**.013****	**.018****
Reliability	*/*	*/*	.059	.091
Responsiveness	*/*	*/*	.072	.106
Assurance	*/*	*/*	**.009****	**.002****
Empathy	*/*	*/*	**.021***	**.051****

Note: *,**,*** indicate significance on 1%, 5% and 10% respectively.
***Source:** Authors` calculation*

The outcomes support the hypothesis that just those three factors significantly and favorably impact visitor happiness and loyalty. The outcomes support the hypothesis that just those three factors significantly and favorably impact visitor happiness and loyalty. The findings of Bulchand-Gidumal et al. (2013), Smith (2014), Heo and Hyun (2015), Tribe and Mkono (2017), Zaid and Law (2019), and others are in line with this outcome. Regardless of the hotel category, the findings of these investigations demonstrate that these three dimensions are statistically significant. The findings of González-Mansilla (2019), Ahani et al. (2019), An and Shin (2019), and Gallarza et al. (2019), however, do not align

with the conclusions of this investigation. The quality dimension's importance varies according on the type of hotel. Studies by Kang and Gong (2019) and Kim et al. (2016), for example, have examined the dimensions of quality in the context of service appropriations; however, no studies have interpreted the aforementioned results in the context of national cultural dimensions.

It should be noted that the results obtained are consistent with expectations when examined in light of the respondents' national characteristics (the four Hofstede dimensions of national culture). Specifically, the people who live in the nations that resulted from the breakup of Yugoslavia are distinguished by their strong feeling of independence, high levels of uncertainty avoidance, and women's values. a sense of community (collectivism). A high degree of uncertainty avoidance indicates that visitors from these nations prefer to feel safe in hotels, secure in their interactions with the hotel, informed by hotel staff about the precise time when services will be provided, etc., rather than taking chances. All of these things apply to Assurance. It follows that the identification of assurance as a crucial component of hotel service quality is not surprising. It is possible to link women's ideals to empathy, collectivism, and the same principle. Caring for others, respecting the group spirit, and having a strong sense of belonging are traits shared by citizens of countries that uphold strong feminine values. In different Put another way, this indicates that visitors from these nations enjoy it when hotel staff members pay them individual attention, are aware of their unique needs, are eager to assist them, are never too busy to attend to requests from customers, etc. The fact that visitors from these nations closely identify with the hotel is influenced by a sense of belonging. It is therefore not unexpected that empathy has been highlighted as a crucial component of hotel service excellence, as all of these factors determine empathy. People who live in countries where women's values are highly valued display feelings for aesthetics, cleanliness, neatness, hygiene, comfortable surroundings, and similar things. Therefore, it can be said that this aspect of culture has an impact on the recognition of tangibility as a crucial aspect of the standard of lodging service. This may be explained, though, by the fact that hotel products are intangible, and since customers used those parts of the service, they were able to evaluate the quality of the hotel's offerings. Keeping the foregoing in mind, it can be said that the significance of various aspects of hotel service quality is greatly influenced by the national culture. This suggests that the aspects of hotel service quality should be prioritized based on the national culture of the customers.

CONCLUSION AND DISCUSSION

In today's business environment, providing high-quality services is crucial to staying ahead of the competition and enhancing hotels' overall financial performance. In the tourism industry, there has been a noticeable shift in demand lately for higher-quality goods and services. In the tourism sector, among the various demands of today's consumers, the quality of service is becoming more and more acknowledged as a crucial success factor. Consumers are great information sources for coordinating and overseeing the delivery of high-quality services. The provision of an optimal service offer that completely satisfies the needs and expectations of the guests is the foundation for service quality. The rise in the quality of services will be indicative of the successes attained in this area. quantity of devoted and contented visitors. It is very likely that visitors who are pleased with the hotel, its offerings, and its general cooperation will stick around. A rise in the number of pleased and devoted customers who are prepared to pay more for the hotel's new offerings and services, as well as their propensity to recommend the establishment to friends and family and offer helpful advice on how to improve certain aspects of its services, will have a substantial positive impact on hotels. A key factor in optimizing earnings is the steadfastness of the clientele. As a result, maintaining a foundation of devoted customers is far less expensive than finding new ones. Thus, the Guest loyalty, contentment, and service quality are growingly significant components of successful hotel businesses' business strategies.

Strong justifications for assessing guest satisfaction with service delivery are provided in this paper's discussion, which will help hotels track operational effectiveness and decide how best to manage their offerings going forward. After conducting an analysis of several elements that influence visitor loyalty, it has been determined that there is a positive correlation between the quality of the service process, guest loyalty, and loyalty-related behavior. It has also been demonstrated that the intangible components of supply diversity and quality are the primary predictors of guest loyalty.

The outcomes the first hypothesis H1a of the research is supported by the empirical research, which suggests that the contemporary and comfortable furniture, the appealing exterior and interior of the hotel, the easily understandable and picturesque nature of the materials related to hotel services, and other tangible elements of the service positively influence the satisfaction and the intention of the guest to visit the hotel again.

Establishing an environment where visitors feel secure and fully trust hotel transactions also enhances the caliber of services provided. This finding allows for the acceptance of the H1d theory. adjusting the working hours to accommodate visitors' demands, considering each visitor's unique requirements and preferences, and being open to receiving concerns of each visitor and to express regret for errors made are just a few of the empathy's aspects that the visitors have given high marks for. This suggests that the H1e theory is validated. The incredibly low values of the standardized beta coefficient and the values sig>0.05 rule out the acceptance of the H1b and H1c theories.

The impact of Total Hotel Service Quality, which is a synthesis of five variables, on customer satisfaction and loyalty was examined using the basic regression analysis method. The outcomes show how crucial whole hotel service quality is for raising client happiness and loyalty.

Regression research with an applied approach demonstrates that total hotel service quality is a crucial predictor of customer happiness and loyalty, but in total The impact of Hotel Service Quality, Assurance aspects, Tangibility, and Empathy is very noteworthy. In modern times, non-material components of hotel services seem to receive more attention than tangible ones like the comfort of the accommodations, the lobby's appearance, the food and beverages, the entire outside and interior, etc. The reason for this is the presumption that all hotels in the same category have material elements that are comparable or at the same level. The aspects of assurance and empathy were given special attention in this paper, suggesting that evaluating the level of service provided by a hotel is heavily influenced by the staff's skill, friendliness, and readiness to always accommodate the needs of the customer. The hotel administration possesses the duty of providing seminars and training to employees in order to advance their training and guarantee the superior quality of the service process. Furthermore, the enhancement and sustenance of service quality are predicated on the ongoing refinement of interactions with visitors and the determination of the aspects of quality that are most significant to them when they are lodging at the hotel.

There are a few issues with the research that was done that can be fixed in later investigations. The study was completed quickly, involving a variety of responders, and had a modest sample size. To assess the effects more precisely, future research in this area should track the behavior of the same guests over longer periods of time and include more guests. Consequences of hotel service quality on visitor behavior, particularly in the area of loyalty. Further statistical analysis techniques must also be used in order to get a better understanding of the relationships between the variables. While the implementation of the SEM model would allow the discovery of direct and indirect links between the observed variables, factor analysis should be employed to confirm the validity of the statements used to characterize the chosen parts of the quality of hotel services.

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