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Research Article

Does Quality Assurance of Hotel Horison GKB Gresik East Java Matters Affecting Customer Loyalty?

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Abstract: In the era of increasingly competitive hospitality industry, the implementation of Quality Assurance has become a strategic factor in ensuring the quality of hospitality services in line with the company's quality management standards. This study aims to analyze the effect of Quality Assurance on customer loyalty mediated by customer satisfaction at the Horison GKB Hotel in Gresik, East Java. This study uses a quantitative approach. The research variables are Quality Assurance, Customer Satisfaction, and Customer Loyalty. Data collection uses communication techniques and observation techniques with survey tools and direct observation at the Horison GKB Hotel in Gresik. In this study, a sample size of 153 was used, obtained from users of the Horison GKB Hotel in Gresik, East Java, who have met the criteria as determined in purposive sampling. Data analysis uses Structural Equation Modeling with SmartPLS4 tools. The results show that Quality Assurance has a positive and significant effect on customer satisfaction and customer loyalty both directly and indirectly. This finding confirms that Quality Assurance has a strategic role in building customer loyalty in the hospitality industry.

Keywords: Customer Loyalty; Customer Satisfaction; Hospitality Industry; Quality Assurance; SEM-PLS.

1. Introduction

The development of the hotel industry is driven by various factors, including the volume of tourist arrivals, average length of stay, room occupancy rates, and increasing hotel numbers (Goeltom, T, et al., 2020). Despite the wide variety of accommodation options, tourists show a higher tendency to choose star-rated hotels over non-star-rated hotels (Yuliasti, N & Cyasmoro, V, 2023). This choice is driven by perceptions of superior service quality, complete supporting facilities, guaranteed security and comfort, strict implementation of cleanliness standards, and a variety of culinary options that can improve safety, security, comfort, and the overall stay experience (Goeltom, V. A. H, et al, 2000; Zhao, L & Wang, S, 2021; Anabila, P, et al, 2022; Sugiarto & Herawan. Tutut, 2022; Sugiarto, 2023a; Sugiarto, 2023b).

Quality service has become a standard for star-rated hotels to satisfy visiting customers, thus generating loyal customers (Zhang, Y & Xu, J, 2018; Gursoy, D, et al, 2019a; Gursoy, D, et al, 2019; Vo, N. T, et al, 2022). In the increasingly competitive hospitality industry, the effective implementation of Quality Assurance is crucial (Priyo, J. S, et al, 2019; Kabadayi, S, et al, 2020; Wang, X, et al, 2021; Perdomo-Verdecia, V, 2024). Horison Hotels Group, as one of the leading hotel chains in Indonesia, has implemented a standardized Quality Assurance system through self-assessment and corporate assessment mechanisms. This system allows each hotel unit under the Horison Hotels Group to conduct periodic performance evaluations to identify areas that require improvement and ensure compliance with service standards across the hotel network (Nyagadza, B, 2022; Metropolitan Golden Management,

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2024). Thus, Quality Assurance functions not only as a quality control tool, but also as a means of building a quality culture oriented towards customer satisfaction and loyalty (Wang, X, et al, 2021; Bachtiar, Y, et al, 2023; Albar, M. A., & Wadud, M, 2024).

Horison Hotels Group implements this quality service system across its various operational areas. In the 2024 national Quality Assurance assessment, the Horison GKB Gresik hotel, under the auspices of Horison Hotels Group, consistently ranked fifth out of 70 hotels under the Horison Hotels Group network (Metropolitan Golden Management, 2024). While normatively, the effective implementation of the Horison GKB Gresik hotel's Quality Assurance system should be accompanied by an increase in the quality of the hotel guest experience (Cronin & Taylor, 1992; Caruana, A., 2002; Fida, B. A., et al, 2020; Wang, S, et al, 2021), so far no research has been conducted to gather empirical data from the field regarding the effectiveness of superior Quality Assurance implementation in relation to increasing both customer satisfaction and loyalty. On the other hand, Horison GKB Gresik's efforts to maintain and continuously improve service quality still face various challenges. Dynamic changes in customer preferences and increasingly intense industry competition (Nguyen, T. T., et al., 2021; Wardhana, A, 2022; Wardhana, A & Pradana, M, 2024) encourage Horison GKB Gresik hotel to continuously innovate and make improvements. This study attempts to explore empirical data support that can be used to identify whether the implementation of the Quality Assurance system at the Horison GKB Gresik Hotel that has been carried out so far has had a significant impact on building satisfaction and growing loyalty from its customers (Woyo, E., & Slabbert, E, 2020a, 2020b; Wiwekananda, G., 2023).

The hospitality industry is an experience-based sector (Paulina, Lo & Sugiarto, 2021; Paulina, Lo, et al, 2023a; Paulina, Lo, et al, 2023b), where customer perception of service quality is key to long-term success. Quality Assurance not only functions as an internal quality control instrument but also as a managerial strategy to build customer trust and strengthen brand equity (Wang, X., Li, J., & Zhang, L., 2021; Lesmana, Henky & Sugiarto, 2021). The right strategy is crucial for hotel resilience and sustainability (Paulina, Lo & Sugiarto, 2021; Paulina, Lo, et al, 2023a; Paulina, Lo, et al, 2023b). This research is important because the results can be used as a reference in developing strategies for continuous service quality improvement, especially to ensure that the customer experience always meets the promised quality standards. The urgency of this research lies in the need to empirically understand the extent to which the implementation of Quality Assurance can drive customer satisfaction and loyalty amidst increasingly fierce competition in the hospitality industry. This study also seeks to provide empirical evidence regarding the role of customer satisfaction as a mediating variable in the relationship between Quality Assurance and customer loyalty, a topic rarely studied in the context of the Indonesian hospitality industry.

2. Preliminaries or Related Work or Literature Review

Quality Assurance

In the hospitality industry, Quality Assurance is a series of planned and systematic activities aimed at ensuring that every product and service meets established quality standards (Hacquebord, H & Van den Berg, P. H, 1980; Burakoff, R. P & Demby, N. A, 1985; Dahlgaard, J. J, et al, 2019). Quality Assurance plays a vital role in ensuring consistent service quality in hotels, building customer trust, and creating a satisfying stay experience (Gursoy, D, et al, 2019; Chen, H & Chen, Y, 2020). In the hospitality sector, customer satisfaction is greatly influenced by the experience of staying at a hotel (Li, Y, et al, 2021). Customers appreciate it when they feel comfortable, safe, and certain of low risk, so the role of quality assurance is very high (Lesmana, Henky & Sugiarto, 2021; Lesmana, Henky, et al, 2022; Lesmana, Henky, et al, 2023; Paulina, Lo & Sugiarto, 2021; Sugiarto & Herawan. Tutut., 2022; Sugiarto, 2023b; Sugiarto et al, 2024b). The implementation of this concept is a key differentiating factor between one hotel and its competitors because it reflects a commitment to quality and guest satisfaction (Li, Y, et al, 2021; Perdomo-Verdecia, V, 2024).

Customer satisfaction

Customer satisfaction is the result of a customer's evaluation of the product or service they have received, by comparing it to their prior expectations (Cardozo, 1965; Oliver, 1980; Kotler, P & Armstrong, G, 2021). In the hospitality industry, customer satisfaction is influenced by various factors, including the physical quality of existing facilities, the quality of services provided, and the price offered (Agustin, C., 2018; Nyagadza, B., et al, 2022; Vo, N. T., et al, 2022; Wardhana, A & Pradana, M, 2024). In the hospitality industry, customer satisfaction measurements are based on dimensions relevant to the implementation of Quality

Assurance, such as aspects of room cleanliness and service, the quality of food and beverages served, and the speed and friendliness of hotel human resources. Customer satisfaction can also be viewed as a response, both emotional and cognitive, that arises after customers use a service (Li, Y, et al, 2021; Woyo, E & Slabbert, E, 2020a, 2020b; Zhao, L & Wang, S, 2021).). Giese & Cote (2000) suggest that customer satisfaction has three main components: an emotional or cognitive response, a focus on expectations or the product itself, and the specific moment when the evaluation is made. In the hospitality sector, this means that satisfaction can be measured after the customer has completed their stay, taking into account the entire experience from the reservation process to check-out (Marso, & Sri Gunawan, 2019; Wardhana, A, 2022; Wiwekananda, G, 2023).

Customer loyalty

Customer loyalty refers to a strong commitment or tendency of customers to continuously choose and utilize certain products or services from a company over a significant period of time (Jacoby & Kyner, 1973). Customer loyalty is considered a very valuable asset for a company, because loyal customers will generally make repeat purchases, provide positive recommendations to others, and have a higher lifetime value for the company. Loyalty can be said to be formed when a customer shows a regular pattern of purchasing behavior or is in a condition that encourages them to make purchases at least twice in a certain period of time (Griffin, 2005). Agustin (2018) and Nyagadza, B, et al (2022) defines customer loyalty as a positive perspective regarding customer attitudes towards a company and its products and services, which ultimately creates an attraction for them to continuously return to the company.

Hypothesis Formulation

Effective implementation of Quality Assurance increases positive customer perceptions of service quality (Hacquebord, H & Van den Berg, P. H, 1980; Parasuraman, et al., 1988). This improved perception directly contributes to customer satisfaction. The better the implementation of Quality Assurance, such as in terms of room cleanliness, staff friendliness, and timeliness of service, the higher the level of customer satisfaction with the service provided (Marso & Sri Gunawan, 2019). Improved Quality Assurance performance will positively impact customer perceptions regarding the value they receive from hotel services (Parasuraman, et al., 1988). Zhao and Wang (2021) examined Quality Assurance practices in the hospitality industry and their impact on customer satisfaction. The results showed that guaranteed service quality contributes significantly to guest satisfaction (Pan, B & Ha, S, 2021). Therefore, Hypothesis 1 is formulated as follows:

H1: Quality Assurance has a positive effect on customer satisfaction.

The higher the level of customer satisfaction, the more likely the customer is to become loyal (Oliver, 1997). Anderson and Mittal (2000) found that customer satisfaction not only influences loyalty but also impacts company profitability. This customer loyalty can be manifested in various forms, such as repeat purchases, recommendations to others, or maintaining a long-term relationship with the hotel. Therefore, Hypothesis 2 is formulated as follows:

H2: Customer satisfaction has a positive effect on customer loyalty.

Marso and Sri Gunawan (2019) found that good service quality directly contributes to customer satisfaction, which ultimately strengthens loyalty through customers' willingness to return and recommend the hotel to others. Good quality assurance will increase customer satisfaction, and high customer satisfaction, in turn, will drive customer loyalty (Marso & Sri Gunawan, 2019). Homburg and Giering (2001) found that product and service quality contribute to customer loyalty. High levels of satisfaction, as explained by Oliver (1997), strengthen customer loyalty by building trust and commitment to the brand. Quality assurance will not only directly increase customer satisfaction but will also positively impact long-term customer behavior, namely loyalty (Nyagadza, B., et al., 2022; Campos, D.F., 2024). Therefore, Hypothesis 3 is formulated as follows:

H3: Quality assurance has a positive effect on customer loyalty through customer satisfaction as an intervening variable.

Based on these research hypotheses, a research model was formulated as shown in Figure 1.

Figure 1. Research model.

Notes:
Quality Assurance = QA
Kepuasan Pelanggan= Customer Satisfaction = KP
Loyalitas Pelanggan= Customer Loyalty= LP

3. Materials and Method

Research Location

This research was conducted at the Horison GKB Gresik Hotel, which operates in an industrial area in Gresik, East Java. Indonesia. The hotel's dominant customer segment is business travelers and visitors with industry-related needs. The location's primary appeal to customers is easy access to various companies in the industrial area and the availability of business-supporting facilities, such as meeting rooms and representative workspaces. Customers at this hotel generally have longer stays than leisure customers (Metropolitan Golden Management, 2024). This is because they often stay at the Horison GKB Gresik Hotel while on assignments from multinational companies. As a result, their expectations are more focused on comfort for extended stays, ease of access to various business support services, and guaranteed stability and consistency of service to support their professional activities.

Operationalization of Variables

Table 1 below explains the operationalization of the research variables.

Table 1. Operationalization of variables.

Variables	Definition	Indicator	References
Quality Assurance	A system designed to ensure that products or services provided to customers consistently meet established quality standards.	QA1: The hotel room where the customer stayed was clean. QA2: Room service responded quickly. QA3: Room service was responded to promptly. QA4: The available facilities are functioning well. QA5: Completeness of facilities in the room according to customer needs. QA6: The quality of the food taste is consistent. QA7: The food menu choices offered are varied. QA8: The variety of food available meets customer tastes. QA9: Food is served with an attractive appearance. QA10: Neat food arrangement. QA11: Clean food preparation. QA12: The employees are friendly. QA13: Employees are polite QA14: Employees interact pleasantly. QA15: Employees provide service quickly. QA16: The service process is running smoothly.	Hacquebord, H & Van den Berg, P. H, (1980) Parasuraman, A; Zeithaml, V. A & Berry, L. L. (1988) Zhao, L & Wang, S. (2021). Wang, X; Li, J & Zhang, L. (2021). Perdomo-Verdecia, V. (2024) Metropolitan Golden Management. (2024).

		QA17: Employees show concern for customer needs. QA18: Employees are proactive in offering assistance when needed..	
Variables	Definition	Indicator	References
Customer satisfaction	Emotional response to the service consumption experience, which is heavily influenced by the interaction between the customer and the service provider.	KP1: The price that customers pay is in accordance with the quality of the facilities that customers get. KP2: The hotel rates are commensurate with the quality of service provided. KP3: The overall service performance received by customers who stayed was in line with expectations. KP4: The quality received meets customer expectations according to the promotion given. KP5: The type of services provided is suited to the needs of the customers staying there. KP6: In general, customers feel that the quality of service provided is adequate. KP7: Every complaint is responded to promptly by the staff. KP8: Hotel staff provided a quick solution. KP9: The check-in process at the hotel is easy. KP10: The check-out process at the hotel is easy. KP11: Customers find it easy to place orders. KP12: Customers find it easy to make transactions other than check-in and check-out.	Cardozo (1965) Oliver (1980; 1997) Priyo, J. S., Mohamad, B., & Adetunji, R. R. (2019b). Kotler, P & Armstrong, G, (2021) Pan, B & Ha, S. (2021). Vo, N. T; Hung, V. V; Tuckova, Z; Pham, N. T & Nguyen, L. H. L. (2022).
Variables	Definition	Indicator	References
Customer Loyalty	A deeply held commitment to rebuy or reuse a particular product/service consistently, despite situational influences or competitors' marketing efforts that have the potential to cause switching behavior.	LP1: Customers have a strong desire to stay at this hotel again in the future. LP2: This hotel is the main choice for customers if they need accommodation again. LP3: Customers would be happy to recommend this hotel to others. LP4: Customers are willing to give positive reviews to this hotel. LP5: Customers tend to still choose this hotel even though there are offers from other hotels. LP6: Customers do not easily switch to other hotels even though they offer promotions. LP7: Customers are attracted to this hotel's loyalty program.	Gursoy, D; Chi, C. G & Karadag, E. (2019a). Chen, H & Chen, Y. (2020). Woyo, E & Slabbert, E. (2020b). Vo, N. T; Hung, V. V; Tuckova, Z; Pham, N. T & Nguyen, L. H. L. (2022). Tania, Y & Tambrin. (2024).

	LP8: Customers feel that this hotel loyalty program provides significant benefits to customers.

Types of Data and Data Collection Techniques

Types of Data

This study uses primary and secondary data, along with various data collection techniques, including communication and observation techniques, to produce objective and representative data (Sugiarto, et al., 2023a; Sugiarto, et al., 2023b). Primary data were collected directly from customers who had stayed at the Horison GKB Gresik Hotel through questionnaires, interviews, and direct observations at the research location to verify the quality of services provided, the hotel's physical environment, staff-customer interactions, and the condition of various facilities provided. Before distributing the questionnaire, a pilot test was conducted with a small group of respondents to ensure that each question indicator was well understood by the respondents and that no ambiguity or unclear interpretation of the answers was present. Direct observations were conducted at various times, covering various aspects of service and staff-customer interactions, while adhering to ethical research principles and ensuring that the observations would not disrupt hotel operations or reduce customer comfort while at the hotel. Secondary data in this study were obtained from the company's monthly reports, published articles, and various other relevant sources

Sampling Technique

The population in this study included all customers who had stayed at the Horison GKB Hotel in Gresik, East Jawa, Indonsia. The sample consisted of customers who met the criteria of having stayed at least one night and who expressed their willingness to complete the research questionnaire.

The sampling technique applied in this study was purposive sampling. The sample size was determined in the initial stages of this study based on the guidelines proposed by Hair et al. (2019), with a target sample size of between 5 and 10 times the maximum number of indicators per latent variable. The final sample size was determined based on the sample size requirements of Sugiarto & Kiswantoro, Amin (2025), which are between 5 and 10 times the sum of all latent variable indicators used in the study. This aims to ensure sufficient data for statistical analysis and ensure the validity of the results. This study used a sample size of 153 customers of the Horison GKB Hotel in Gresik, East Java. The sample is customers who meet the criteria of having stayed at least once and who have met the criteria as determined in purposive sampling.

Analysis Tools

To analyze the influence between the research variables, which are latent variables, Structural Equation Modeling was used with the Smart-PLS4 tool (Sugiarto, & Soeroso, Amiluhur, 2024; Sugiarto & Kiswantoro, Amin, 2025).

Assessment of Measurement Models and Structural Models

This study used a reflective measurement model. The assessment of the reflective measurement model was conducted through the following steps (Sugiarto & Kiswantoro, Amin, 2025):

1. Conduct an examination of the indicator loadings with a value of ≥ 0.708.
2. Assess internal consistency reliability using composite reliability. Composite reliability values between 0.70 and 0.90 indicate "satisfactory to good" internal consistency reliability (Nunnally & Bernstein 1994).
3. Evaluate the convergent validity of a construct using the average variance extracted (AVE) for all indicators in each construct. An acceptable average variance extracted value is ≥ 0.50.
4. Assess discriminant validity, which indicates the extent to which a construct is empirically different from other constructs in the structural model, using measures from Fornell & Larcker (1981), heterotrait-monotrait ratio (HTMT) of correlations (Hair, J. F., et al, 2019).

Once a satisfactory measurement model assessment has been obtained, the next step is to conduct a multicollinearity check using the Variance Inflation Factor (VIF) to ensure that the collinearity check results do not bias the results. All VIF values obtained are well if the VIF value is below the threshold of 5.0. After obtaining a satisfactory VIF assessment, the next step is to examine the structural model. In this test, a significance level of 0.05 was used, so according to Hair et al. (2019), a relationship is considered significant if it has a t-statistic value ≥ 1.96 and a p-value ≤ 0.05. Standard assessment criteria to be considered include the coefficient of determination (R2), the cross-validated Q2 redundancy measure based on blindfolding, and the statistical significance and relevance of the path coefficients. The standard assessment criteria used refer to the limits set by Hair et al. (2019) with detailed criteria limitations as stated in Table 10 for the Model fit testing and Table 11 for the Bootstrapping Test Results limitations.

4. Results and Discussion

Respondent Description

Table 2. Respondent Characteristics.

Characteristics		Frequency	Percentage
Gender			
	Male	82	53.59%
	Female	71	46.41%
Age Group			
	<25	64	41.83%
	25–34	55	35.95%
	35–44	22	14.38%
	45–54	8	5.23%
	≥55	4	2.61%
Education			
	High School / Equivalent	113	73.86%
	Bachelor	36	23.53%
	Postgraduate	4	2.61%
Occupation			
	Civil servant	1	0.65%
	Private sector employee	105	68.63%
	Professional	4	2.61%
	Housewife	6	3.92%
	Students	31	20.26%
	Others	6	3.92%
Purpose of Visit			
	Tour	74	48.37%
	Family needs	41	26.8%
	Business	38	24.83%
Frequency of Visits			
	1 time	19	12.42%
	2-3 times	77	50.33%
	>3 times	57	37.25%

Information from the Table 2 provides the following description. From the gender side, it can be seen that male hotel users occupy a larger portion than females, but the portion of both is not much different. The age range of hotel users illustrates that hotel users are in the productive age group. From the education side, it can be seen that all hotel users are educated. From the occupation side, it can be seen that the majority of hotel users work as private sector employees. From the purpose of visit, it is found that the dominance of customers whose needs for using hotel rooms is for tours but is also found for family needs and business

purposes. From the frequency of use, it can be seen that the dominance of users who have reused as much as 87.58% indicates that the majority of users are loyal users.

Reflective Measurement Model Test Results

After several stages of data analysis, results were obtained that met the requirements of the reflective measurement model as shown in Figure 2 and Table 3.

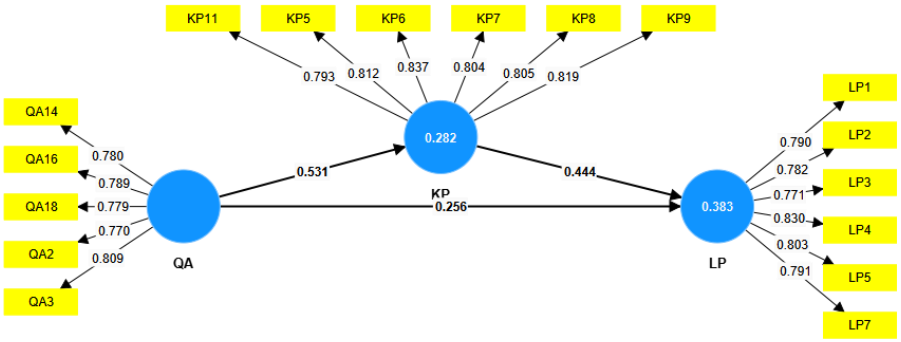

Figure 2. Hybrid Model.

Table 3. Outer loading test results.

Variables	Indicator	*Outer loading*
Customer Satisfaction	KP5: The type of services provided is suited to the needs of the customers staying there.	0.812
Customer Satisfaction	KP6: In general, customers feel that the quality of service provided is adequate	0.837
Customer Satisfaction	KP7: Every complaint is responded to promptly by the staff	0.804
Customer Satisfaction	KP8: Hotel staff provided a quick solution	0.805
Customer Satisfaction	KP9: The check-in process at the hotel is easy.	0.819
Customer Satisfaction	KP11: Customers find it easy to place orders.	0.793
Customer Loyalty	LP1: Customers have a strong desire to stay at this hotel again in the future	0.790
Customer Loyalty	LP2: This hotel is the main choice for customers if they need accommodation again.	0.782
Customer Loyalty	LP3: Customers would be happy to recommend this hotel to others.	0.771
Customer Loyalty	LP4: Customers are willing to give positive reviews to this hotel.	0.830
Customer Loyalty	LP5: Customers tend to still choose this hotel even though there are offers from other hotels	0.803
Customer Loyalty	LP7: Customers are attracted to this hotel's loyalty program.	0.791
Quality Assurance	QA2: Room service responded quickly.	0.770
Quality Assurance	QA3: Room service was responded to promptly.	0.809
Quality Assurance	QA14: Employees interact pleasantly	0.780
Quality Assurance	QA16: The service process is running smoothly	0.789
Quality Assurance	QA18: Employees are proactive in offering assistance when needed.	0.779

Notes:

Quality Assurance = QA

Customer Satisfaction = KP

Customer Loyalty= LP

From Table 3, it can be seen that the outer loading of all Service Quality, Customer Satisfaction, Customer Loyalty variable indicators has a value above the threshold of 0.708, so it is declared valid and meets the criteria of convergent validity. The Customer Satisfaction (KP) construct has a loading value between 0.793–0.837, indicating that these indicators contribute strongly in reflecting the level of customer satisfaction. The Customer Loyalty (LP)

variable indicators also show consistent loading values (0.771–0.830) which confirms that the customer loyalty indicators are able to reflect the Customer Loyalty variable. The Quality Assurance (QA) variable indicators show an outer loading value between 0.770–0.809 indicating that the Quality Assurance variable indicators are able to describe and reflect the Quality Assurance variable convincingly. The results of the examination of the indicator loadings of the research variables found that the indicator loads of all research variables have a value ≥ 0.708, thus Stage 1 of the Assessment of the reflective measurement model has been completed.

The results of the Composite Reliability and Cronbach's Alpha tests, as shown in Table 4, show values above 0.70 for all research variables, thus fulfilling the Stage 2 test of the reflective measurement model assessment regarding internal consistency reliability. This proves that all constructs have high internal consistency and can be relied upon to measure the latent variables studied.

Table 4. Construct Reliability.

Variables	Cronbach's Alpha	Composite Reliability (ρa)	Composite Reliability (ρc)	Criteria (≥ 0.70)	Explanation
Customer Satisfaction	0.897	0.901	0.921	≥ 0.70	Reliable
Customer Loyalty	0.883	0.887	0.911	≥ 0.70	Reliable
Quality Assurance	0.845	0.847	0.890	≥ 0.70	Reliable

Regarding the Phase 3 testing of the reflective measurement model assessment, Table 5 displays information for evaluating the convergent validity of a variable using the average variance extracted for all indicators in each construct. An acceptable AVE is ≥ 0.50.

Table 5. Average Variance Extracted (AVE).

Variables	AVE	Explanation
Customer Satisfaction	0.659	Valid (meets AVE requirements)
Customer Loyalty	0.632	Valid (meets AVE requirements)
Quality Assurance	0.617	Valid (meets AVE requirements)

The information in Table 5 shows that the AVE of all research variables is in the range of 0.617 to 0.659, thus exceeding the threshold of 0.50 so that it can be stated that all research variables have met the convergent validity criteria.

Table 6. Results of the Heterotrait–Monotrait Ratio (HTMT) Test.

Variable pairs	HTMT	Criteria (≤ 0.90)	Explanation
LP ↔ KP	0.644	≤ 0.90	Valid (fulfilled)
QA ↔ KP	0.602	≤ 0.90	Valid (fulfilled)
QA ↔ LP	0.563	≤ 0.90	Valid (fulfilled)

Notes:
Quality Assurance = QA
Customer Satisfaction = KP
Customer Loyalty= LP

The Heterotrait–Monotrait Ratio (HTMT) values listed in Table 6 are below the threshold of 0.85, thus indicating a strong construct separation between latent variables. The test results indicate that the measurement model meets the criteria for discriminant validity and can be declared valid.

Table 7. Results of the Fornell–Larcker Criterion Test.

Variables	KP	LP	QA
KP	0.812		
LP	**0.580**	0.795	
QA	**0.531**	**0.491**	0.785

Notes:
Quality Assurance = QA
Customer Satisfaction = KP
Customer Loyalty= LP

The square root value of AVE as seen on the diagonal of Fornell–Larcker Criterion Test table is higher than the correlation between constructs in the same row and column (KP = 0.812, LP = 0.795, QA = 0.785). Thus, the research variables are more correlated with their own indicators than with other variables, so that each latent variable is unique and conceptually separate.

The Cross-Loading Test is used to assess discriminant validity by comparing the indicator's loading value on its original construct with its loading on other constructs. According to Hair et al. (2019), discriminant validity is met if each indicator has the highest loading value on the construct it measures compared to the cross-loading value on other constructs.

Table 8. Cross Loading Test Results.

Indicator	KP	LP	QA	Explanation
KP11	**0.793**	0.394	0.363	Valid
KP5	**0.812**	0.470	0.416	Valid
KP6	**0.837**	0.478	0.535	Valid
KP7	**0.804**	0.499	0.440	Valid
KP8	**0.805**	0.451	0.368	Valid
KP9	**0.819**	0.517	0.439	Valid
LP1	0.434	**0.790**	0.342	Valid
LP2	0.430	**0.782**	0.401	Valid
LP3	0.434	**0.771**	0.432	Valid
LP4	0.552	**0.830**	0.400	Valid
LP5	0.466	**0.803**	0.426	Valid
LP7	0.434	**0.791**	0.334	Valid
QA14	0.395	0.389	**0.780**	Valid
QA16	0.437	0.438	**0.789**	Valid
QA18	0.391	0.322	**0.779**	Valid
QA2	0.412	0.388	**0.770**	Valid
QA3	0.446	0.382	**0.809**	Valid

The results of the cross-loading test on all indicators, as shown in Table 8, show the highest loading value for the corresponding latent variable. No indicator had a higher loading value for any other variable. This indicates that the indicator more strongly reflects the variable it is supposed to measure than other variables, thus preventing overlap between research variables. Thus, discriminant validity between variables is declared fulfilled.

Structural Model Test Results (Inner Model).

Table 9. Collinearity Statistics (VIF).

Indicator	VIF	Indicator	VIF	Indicator	VIF
KP11	2.075	LP1	1.995	QA14	1.731
KP5	2.116	LP2	1.944	QA16	1.727
KP6	2.248	LP3	1.821	QA18	1.832
KP7	1.995	LP4	2.259	QA2	1.708
KP8	2.109	LP5	1.983	QA3	1.869
KP9	2.107	LP7	2.043		

Based on the test results as shown in Table 9, all indicators at the Horison GKB Hotel in Gresik, East Java, have Variance Inflation Factor (VIF) values between 1.708 and 2.259. All VIF values obtained are well below the threshold of 5.0. This indicates there are no symptoms of multicollinearity between indicators in each variable. The relatively low VIF values also indicate that each indicator makes a unique contribution to the variable it measures without excessive redundancy.

Table 10. Model fit testing.

R-Square				
Variables	*R-Square*	*R-Square Adjusted*		Explanation
Customer Satisfaction	**0.282**	**0.277**		**Weak – approaching moderate**
Customer Loyalty	**0.383**	**0.375**		**Moderate**
f^2				
Relationship Between Variables	f^2			Explanation
KP → LP	**0.229**			**Moderate effect**
QA → KP	**0.393**			**Big effect**
QA → LP	**0.076**			**Small effect**
Q^2				
Variables	SSO	SSE	Q^2 (1–SSE/SSO)	Explanation
Customer Satisfaction	**918.000**	**754.048**	**0.179**	**Moderate predictive effect**
Customer Loyalty	**918.000**	**702.726**	**0.235**	**Moderate predictive effect**
Quality Assurance	**765.000**	**765.000**	**0.000**	**Does not include dependent constructs**
Indicator	*Saturated Model*	*Estimated Model*		Explanation
SRMR	**0.059**	**0.059**		**The fit model is very good (≤ 0.10)**
d_ULS	**0.534**	**0.534**		**Low model distance (good fit)**
d_G	**0.198**	**0.198**		**The model distance is very small (good fit)**
Chi-square	**176.619**	**176.619**		**Good model fit**

Variables	*R-Square*	*R-Square Adjusted*	Explanation
NFI	**0.876**	**0.876**	**Adequate fit model (≥ 0.80)**

Notes:

Quality Assurance = QA

Customer Satisfaction = KP

Customer Loyalty= LP

The results of the goodness of fit test as shown in Table 10 with interpretation for each indicator state that the research model has shown adequate model fit so that the analysis can proceed to the next stage.

Hypothesis Testing Results

Path Coefficient Analysis is used to test the magnitude of the influence between constructs in a structural model (inner model). The path coefficient value (Original Sample/O) indicates the direction and strength of the relationship between latent variables, while the t-statistic and p-value are used to determine the level of significance. According to Hair et al. (2019), a relationship is considered significant if it has a t-statistic value ≥ 1.96 and a p-value ≤ 0.05.

Table 11. Bootstrapping Test Results.

Relationship Between Variables	Original Sample (O)	T-Statistics	P-Values	Explanation
KP → LP	0.444	6.311	0.000 < 0.05	Significant
QA → KP	0.531	8.784	0.000 < 0.05	Significant
QA → LP	0.256	3.740	0.000 < 0.05	Significant

Notes:
Quality Assurance = QA
Customer Satisfaction = KP
Customer Loyalty= LP

Based on the results of the path coefficient analysis, it was found that all relationships between constructs in the model have a positive and significant influence. The path coefficient of Customer Satisfaction to Customer Loyalty is (0.444), followed by Quality Assurance to Satisfaction (0.531), and Quality Assurance to Loyalty (0.256). These findings indicate that in Gresik hotels, customer satisfaction is a key factor determining the level of customer loyalty, while service quality plays an important role as a factor forming satisfaction. The higher the quality of service provided, the higher customer satisfaction which ultimately strengthens customer loyalty. This emphasizes the importance of managing service quality as a primary strategy in maintaining and increasing customer loyalty in the Horison Hotels Group network.

The indirect effect test is conducted to determine whether a mediating variable can exert an indirect influence between the independent and dependent variables. In this study, Customer Satisfaction was tested as a mediating variable for Quality Assurance and Customer Loyalty. The test was conducted using a bootstrapping procedure by examining the t-statistic and p-value. According to Hair et al. (2019), a mediating effect is considered significant if the t-statistic is ≥ 1.96 and the p-value is < 0.05.

Table 12. Results of the Mediation Effect Test.

Relationship Between Variables	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	Explanation
QA -> KP -> LP	0.236	0.239	0.045	5.228	0.000 < 0.05	Significant Mediation

Notes:

Quality Assurance = QA
Customer Satisfaction = KP
Customer Loyalty= LP

The test results showed a strong mediation effect, with a coefficient of 0.236, a t-statistic of 5.228, and a p-value of 0.000. These findings indicate that Customer Satisfaction is a significant mediator that strengthens the relationship between Quality Assurance and customer loyalty. The higher the quality assurance provided, the higher the customer satisfaction, which in turn significantly drives customer loyalty.

Overall, the mediation test results at both hotels indicate that Customer Satisfaction serves as a significant mediator between Quality Assurance and Customer Loyalty. This confirms that quality assurance not only directly influences customer loyalty but also indirectly through increased customer satisfaction. Therefore, increasing customer satisfaction resulting from service quality is a key strategy in building customer loyalty within the Horison Hotels Group network.

Discussion of Research Results

The results of the structural model test indicate that Quality Assurance has a positive and significant effect on Customer Satisfaction. Quality Assurance is significantly reflected by the indicators of Room service responded quickly, Room service responded appropriately, Employees interact pleasantly, The service process takes place appropriately, Employees are proactive in offering assistance when needed. The characteristics of speed and accuracy in service accompanied by how Employees interact pleasantly and proactively in offering assistance are highly appreciated by hotel users. This indicates that the better the implementation of the Quality Assurance system, the higher the level of customer satisfaction. Increasing Quality Assurance performance can mitigate emerging risks and increase customer perceived value, thereby increasing customer satisfaction, as found in research by Sugiarto, et al (2024a; 2024b). The findings of this quantitative study were corroborated by field observations. Given that the respondents were hotel users who had stayed more than one night, the quality of service provided by the hotel was confirmed to meet guest needs. The quality assurance indicators that were proven to be significant in reflecting quality assurance were validated in the field as indicators considered important by hotel users, based on their age range, occupational characteristics, and demographics.

Customers who experience reliable and standardized service tend to rate their stay experience positively. This finding is in line with the Service Quality Model concept of Parasuraman, et al (1988), which emphasizes the importance of the dimensions of reliability, responsiveness, assurance, empathy, and tangibles in shaping customer perceptions of service quality. In the context of the Horison Hotels Group, Quality Assurance elements such as service speed, accuracy, and staff friendliness directly improve customer perceptions of service quality. Furthermore, Total Quality Management theory supports these findings, stating that consistently maintaining quality through a Quality Assurance system will increase customer trust in the brand (Kotler & Keller, 2016). Quality Assurance also reflects an organization's commitment to continuous improvement, which forms the basis for long-term customer satisfaction. These findings support research by previous researchers (Pan, B., & Ha, S, 2021; Mariam, S, et al, 2021; Nadia Yuliasti & Cyasmoro, V, 2023) which shows that Quality Assurance and service consistency have a significant influence on customer satisfaction in the hospitality industry. These similar findings reinforce Quality Assurance's position as a determinant of satisfaction in the service sector, particularly in the hospitality industry.

Customer Satisfaction is significantly reflected by the indicators The type of service provided matches the needs of customers who stay. In general, customers feel the quality of the service provided is adequate, Every complaint is responded to immediately by staff, The check-in process at the hotel is easy, Customers find it easy to make reservations. These indicators of customer satisfaction are directly a response to the quality of service which includes speed of service, accuracy of service, and friendliness of staff directly increase customer perceptions of the quality of service provided.

The analysis results show that Customer Satisfaction has a significant effect on Customer Loyalty. Customer loyalty is significantly reflected by the indicators of Customers having a strong desire to stay again at this hotel in the future (intention to revisit), This hotel

is the customer's main choice if they need accommodation again (intention to revisit), Customers will be happy to recommend this hotel to others (intention to recommend), Customers are willing to provide positive reviews of this hotel (positive word of mouth), Customers tend to continue choosing this hotel despite offers from other hotels (intention to revisit) and Customers are interested in this hotel's loyalty program (intention to revisit). The research findings found forms of customer loyalty that include intention to revisit, intention to recommend, positive word of mouth. Satisfied customers tend to have the intention to stay again and recommend the hotel to others. This finding is in line with the customer loyalty model developed by Oliver (1999), which explains that loyalty is formed through four stages of cognitive, affective, conative, and action loyalty, all of which are influenced by previous satisfaction experiences. Satisfied customers tend to demonstrate repurchase intention and recommend the service to others. Meanwhile, Kotler & Keller (2016) and Kotler, P & Armstrong, G (2021) emphasize that customer satisfaction is the foundation of ongoing loyalty. In the context of the Horison Hotels Group, guests who are satisfied with the quality of service demonstrate a strong desire to stay again, recommend the hotel to family or colleagues, and provide positive word of mouth.

For hotel management, these results demonstrate that building customer loyalty requires more than just promotions or incentives, but also through ongoing satisfaction management. Service responsiveness and personalized service must be enhanced to strengthen emotional connections with customers and reduce the likelihood of switching to competitors.

Service quality assurance has also been shown to have a direct influence on Customer Loyalty. Indirect effect tests indicate that Customer Satisfaction significantly mediates the relationship between Quality Assurance and Customer Loyalty. The findings of this study are in line with the findings of Tania, Y., & Tambrin. (2024). This mediation is partial, meaning that Quality Assurance still has a direct influence on Customer Loyalty, but the majority of its influence is channeled through increased Customer Satisfaction.

These results support the Service Quality–Satisfaction–Loyalty Chain (Parasuraman et al., 1988; Oliver, 1999; Priyo, J. S., et al, 2019a; 2019b), which states that service quality increases satisfaction, and satisfaction fosters customer loyalty. In the context of the Horison Hotels Group, Quality Assurance serves as the initial foundation, Customer Satisfaction as the emotional catalyst, and Customer Loyalty as the end result of a consistent and positive customer experience.

Overall, these research findings confirm that improving service quality is key to creating customer satisfaction and loyalty within the Horison Hotels Group network which can be used as a competitive advantage for the hotel (Quaye, D. M., et al, 2022). The findings of this study confirm the normative view with empirical data that quality services produced by the Quality Assurance program are indeed an important determinant of hotel user satisfaction which then fosters hotel guest loyalty.

5. Research Conclusion

Quality Assurance has a positive and significant effect on Customer Satisfaction at the research location. This means that the better the implementation of a quality assurance system in a hotel, the higher the level of customer satisfaction.

Customer Satisfaction has a positive and significant effect on Customer Loyalty. Customers who are satisfied with the service they receive are more likely to stay again and recommend the hotel to others.

Quality Assurance has a direct effect on Customer Loyalty, and Customer Satisfaction has been shown to act as a significant mediating variable between Quality Assurance and Customer Loyalty. This means that some of Quality Assurance's influence on Customer Loyalty is channeled through increased customer satisfaction.

Overall, the research results confirm that the implementation of an effective Quality Assurance system can increase customer satisfaction and ultimately build customer loyalty. This aligns with the Service Quality–Satisfaction–Loyalty Chain concept, which positions service quality as a key factor in building long-term relationships between customers and service providers.

Theoretical Implications

This study provides empirical support for the SERVQUAL theory (Parasuraman et al., 1988) and the concept of Total Quality Management (TQM), which emphasizes that service quality is the primary foundation for customer satisfaction and loyalty. The results reinforce the Service Quality–Satisfaction–Loyalty Chain model (Oliver, 1999), where improved service quality leads to increased satisfaction, which in turn drives customer loyalty.

Furthermore, this study extends the application of this theory to the context of the national hotel industry, specifically the Horison Hotels Group. These empirical findings confirm that the implementation of Quality Assurance not only impacts perceived quality but also shapes repeat customer behavior (repeat purchase intention).

Practical Implications

The findings of this study confirm that the effective implementation of Quality Assurance has a significant impact on customer satisfaction and loyalty. For the management of Horison Hotels Group, these results demonstrate the importance of strengthening the Quality Assurance system as a primary strategy in increasing customer satisfaction and loyalty. Management needs to ensure consistent service standards across all hotel units, including cleanliness, speed of service, staff friendliness, and facility maintenance. Furthermore, a more responsive customer feedback system needs to be developed so that customer complaints or suggestions can be responded to promptly as part of the continuous quality improvement process. By maintaining consistent service quality, hotels can strengthen customer loyalty, enhance brand image, and maintain long-term business sustainability.

Research Limitations

This study has several limitations that should be considered. First, the study was conducted only at hotels within the Horison Hotels Group network, so the results are not fully representative of the entire Horison customer population in Indonesia. Second, the data used is cross-sectional, so it cannot yet describe changes in customer perceptions over time. Third, the study used a quantitative approach, so it did not delve deeply into the emotional aspects or subjective experiences of customers. These limitations are expected to be considered by future research to expand the scope and depth of the analysis.

Suggestion

Based on the limitations and findings of this study, several recommendations can be made, including:1. Future research can be conducted on more hotel units within the Horison chain and other hotel chains to obtain more general results. 2. A mixed-methods approach is recommended to explore customer perceptions and experiences more comprehensively.3. Longitudinal research can be conducted to observe changes in customer satisfaction and loyalty over a period of time following the implementation of a new quality policy or service innovation.

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