Physical Evidence And Service Excellence Become Main Factors In Building Customer Loyalty For Tourism Homestays In Situbondo City

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Abstract- Marketing management can also be defined as the art and science of choosing target markets designed to create, build and maintain profitable exchanges to achieve company goals, for that proper marketing management can be improved, especially in the development of the homestay industry in Situbondo Regency. The purpose of this research is to analyze and examine the influence of physical evidence and service excellence in determining customer loyalty with customer satisfaction as an intervening variable. The population in this study were homestays in Situbondo Regency which are located in several tourist destinations in Situbondo Regency. The sampling method was determined by nonprobability sampling with purposive sampling. Data analysis and hypothesis testing in this study used the Structural Equation Model - Partial Least Square (PLS-SEM). The results of direct influence hypothesis testing using the Smart PLS 3.0 application, show that Physical evidence has a significant positive effect on customer satisfaction, Service excellence has a significant positive effect on customer satisfaction, Physical evidence has a negative but not significant effect on customer loyalty, Service excellence has a significant positive effect on loyalty customers, customer satisfaction has a significant positive effect on customer loyalty. The results of the indirect effect hypothesis show that the Physical Evidence variable has a significant positive effect on customer loyalty through customer satisfaction, the service excellence variable has a significant positive effect on customer loyalty through customer satisfaction.

Keywords: Physical evidence, Service excellence, Customer satisfaction, Customer loyalty.

1. INTRODUCTION

The object of this research is a homestay which is located in several tourist sites in Situbondo Regency. Homestay is the development of rural tourism in tourist villages with the concept of low-cost tourism (LCT) which is accessible to all levels of society. The high use of homestay services is in line with the increasing number of tourist visits to the Situbondo area. The main concept of making homestays at tourist objects is to be able to provide more comfort when traveling. People who use this facility can enjoy tours all day long from morning to night. Various facilities are prepared, starting from beds, bathrooms, food ordering services, coffee time, and other facilities like a hotel.

The price offered is also cheap, supported by a very indulgent tourist attraction, social media support encourages many tourists to visit. Excellent service support from homestay waiters both in terms of visitor services during tours, support for regional specialties, as well as adequate support of facilities which are thought to be the main factors of visitor satisfaction. For that in this study using variables that are examined Situbondo, a district located on the north coast of the island of Java. This area is a green district with comfortable weather to visit, the coastal area has a coastline of 150 Km. Some well-known tourist objects are Pasir Putih, Kampung Blecok, Utama Raya, Banongan Tourism, Blik Beach, Kang Kenek and Wisma Rengganis.

This goes back to Situbondo's strategic location which is directly adjacent to the coastline, and the protected forest area which is an attraction for tourists to come. So that the emergence of a homestay business can be an opportunity to be developed.

II. THEORETICAL FRAMEWORK

Marketing Management

Marketing management (marketing management) is the process of planning, executing, implementing, and directing programs planned by marketing management to meet certain goals. The purpose of marketing management is to build, create and maintain the company's implementation in marketing so that the company can achieve its goals. According to Terry in Indrasari (2019: 9) explains that "Management is a process based on planning, organizing, action and control actions carried out with the aim of identifying and achieving given targets by utilizing human resources and other resources". Marketing management (marketing management) is the process of planning, executing, implementing, and directing programs planned by marketing management to meet certain goals. The purpose of marketing management is to build, create and maintain the company's implementation in marketing so that the company can achieve its goals.

Physical Evidence

Zeithaml and Bitner (2000) Situbondo, a district located on the north coast of Java Island, is a green district with comfortable weather to visit. The coastal area has a coastline of 150 Km in Abubakar (2018: 100) suggests "Physical evidence is a tangible form that can affect customer decisions in choosing or buying products and services offered by the company". Meanwhile, according to
Tjiptono (2014: 15) in Hurriyati (2019: 64) suggests "Physical Evidence is an intangible characteristic of service companies which results in potential customers not being able to evaluate services before using them. Physical evidence is an environment in which companies and customers can interact in tangible goods that facilitate performance or communicate services. Physical evidence also tells the real situation that the company has in providing services to customers. Physical evidence according to Umar (2006) in Abubakar (2018: 102), there are 5 indicators, namely:
1) The comfort of the waiting room
2) Room arrangement
3) Cleanliness
4) Logo and nameplate placement
5) Security.

Service Excellence
Service excellence is a service that has a standard of good quality and always follows changes from the needs of customers at any time, continuously and accurately" (Rahmyanty, 2010:18). According to Rahmyanty (2010: 18) explains that "Service excellence is a company service that has quality characteristics". Based on the explanation above, it can be concluded that service excellence is a service that refers to quality and quality characteristics of high service that can exceed customer expectations with the aim of fulfilling customer satisfaction. Rahmyanty (2010: 146), explains five indicators of service excellence, including:
1) Service regulation (Service regulation)
2) Service facilities
3) The role of the steering team (Advisory Team)
4) Easy-cheap-fast-benefit (Simple-cheap-fast-benefit)
5) Service delivery culture

Customer Satisfaction
Satisfaction is a feeling of pleasure/disappointment in a person that arises when the performance/results are considered against the expected performance/results" (Kotler and Keller, 2016: 138). According to Lovelock in Indrasari (2019: 84) "Satisfaction is an emotional condition or post-purchase reaction when the customer gets joy or pleasure." Satisfying customer needs is the desire of all companies. Customers who feel satisfied with services and products will repeat the transaction again, when the same need arises at some point in the future. This shows the importance of the role of satisfaction on customer ratings and expectations. Tjiptono (2014: 101) in Indrasari (2019: 92) in general, customer satisfaction has several indicators, namely:
customers have several indicators, namely:
1) Conformity of expectations
2) Interest to visit again
3) Willingness to recommend

Customer loyalty
Customer loyalty is a firm commitment from customers to buy and subscribe to selected products/services in the future, even though they are influenced by external factors and marketing efforts have the potential to cause customers to turn to other products/services" (Kotler and Keller, 2012: 207). According to Tjiptono (2011: 110) in Hurriyati (2019: 128) "Customer loyalty is a commitment from a customer to a brand, store, supplier based on a positive attitude that is reflected in consistent repurchasing". In general, customer loyalty is a form of loyal customers using a product or service repeatedly, because they feel high satisfaction with the service or product they have used, and customers are also willing to recommend/inform the product or service they have used to prospective customers, so that other people also feel the customer's satisfaction with the product and service. According to Tjiptono in Rahmayanty (2010:14) describes six indicators that can be used in measuring customer loyalty:
1) Repurchase
2) The habit of using the brand
3) Always liked the brand
4) Keep choosing the brand
5) Confident that the brand is the best
6) Recommend the brand to others

Conceptual Framework
Conceptual framework is a relationship or link between one concept and another from the problem you want to study" (Sugiyono, 2019: 128).
**Hypothesis**
The hypothesis is a temporary answer to the research problem formulation, therefore the research formulation can be stated in the form of a question sentence (Sugiyono, 2019:99). So the hypothesis consists of theoretical answers to the research problem formulation, but these answers are not yet empirical. The following is the research hypothesis as follows:

- **H1:** Physical evidence has a significant effect on customer satisfaction
- **H2:** Service excellence has a significant effect on customer satisfaction
- **H3:** Physical evidence has a significant effect on customer loyalty
- **H4:** Service excellence has a significant effect on customer loyalty
- **H5:** Customer satisfaction has a significant effect on customer loyalty
- **H6:** Physical evidence has a significant effect on customer loyalty through customer satisfaction
- **H7:** Service excellence has a significant effect on customer loyalty through customer satisfaction

**III. RESEARCH METHODS**

**Sample**
Homestay customers are the sample in this study using a sampling technique, namely non-probability sampling with purposive sampling. According to "purposive sampling is a technique in determining samples that have certain considerations" (Sugiyono, 2019: 133). This study has criteria for the sample, namely customers who have visited more than once. In this study the population with an error rate of 10%. It is known that the total number of homestay visitors at several tourist attractions in Situbondo totaled 22,250 customers in the last three months. The results of using the slovin calculation formula are \( n = 99.6 \) people. So the sample size in this study is 99.6 or can be rounded up to 100 respondents.

**Data collection technique**
Data collection techniques are important supporting aspects in a study. Data collection techniques in this study were observation, literature study, interviews, questionnaires, and documentation. "Observation is a complex process, as well as a designed process of various biological processes and psychological processes" (Sugiyono, 2019:203). Observations in this study by conducting initial investigations to learn more about the problem occurred, the problem identified will be updated to consider the current problem. "Literary studies are theoretical studies, references and various other things in scientific literature related to culture, values and norms that arise in the social conditions being studied" (Sugiyono, 2019: 198). Data collection techniques are used in literature studies using information obtained through books, articles, and scientific papers from research. This technique collects research data with secondary data types that can be used as a support during the research process.

According to Sugiyono (2019: 195) explains that "Interviews are used as a data collection technique when researchers want to do a preliminary analysis to identify things to be researched, and when they want to learn more about the respondents and the total number of respondents is small." This can be done by interviewing homestay customers at several tourist objects in Situbondo to get the information the researcher wants. "Questionnaire is a technique for collecting data which is carried out by providing a list of questions or written statements to the respondent and then answering them" (Sugiyono, 2019: 199). If there are quite a number of respondents scattered throughout the region, then this questionnaire can be said to be ideal. The data that the researchers wanted to obtain was by giving questionnaires to homestay customers at several tourist objects in Situbondo Regency by giving a score on the Likert scale. Arikunto (2010: 274), "Documentation is a data method by seeking information about problems or variables in the form of notes, transcripts, books, magazines, meetings, agendas, newspapers, minutes, and others." Researchers will use documentation in this research, especially pictures, photos, and data to assist researchers in gathering the information needed in the research.

**Data analysis method**
The method used in this study uses the Structural Equation Modeling (SEM) Analysis method using the Partial Least Square (PLS) analysis tool with Smart PLS 3.0 software to process and analyze the results of the data that has been collected.

Convergent Validity Test
Convergent validity is used to test questions/indicators whether they are valid/according to the research variables or research objects. "This value indicates good convergent validity and indicates that the average latent variable is able to explain more than half of the variation of the indicators" (Ghozali, 2018: 25). It can be said to be valid if the outer loading value exceeds 0.7 and the AVE (Average Variant Extracted) value exceeds 0.5.

Reliability Test
The reliability test is a tool used to assess the consistency of the questionnaire and is an indicator of a variable or designed to determine the size of its use" (Ghozali, 2018: 45). The reliability test is used in testing questions/statements that have consistency with the same answers. If the Cronbach alpha value exceeds 0.7, it can be said to be reliable.

Classic Assumption Test
There are five classical assumptions namely heteroscedasticity, linearity, normality, multicollinearity, and autocorrelation" (Widarjono, 2010:75). The classic assumption test is to test data and variables in research. The following two tests will be used in this study: "This multicollinearity test has the goal of testing whether the regression model has found a correlation between independent variables" (Ghozali, 2018: 107). The multicollinearity test has the objective of determining whether the regression model identifies a relationship between other independent variables. If the VIF value ≤ 5.00 then there is no violation, if the VIF value > 5.00 then there is a violation. "The normality test has the goal of knowing each variable is normally distributed or not" (Ghozali, 2018: 161). The normality test has the objective of ascertaining whether the data from the two studies for each variable are normally distributed or not. If the Excess Kurtosis or Skewness values are in the range of -2.58 to 2.58, it can be said that they do not violate the normality assumption.

Goodness Of Fit Test (GOF)
The Goodness Of Fit (GOF) test has the objective of testing the suitability level of the model with the principle to find out whether the data distribution of the sample conforms to a certain theoretical distribution or not. The goodness of fit (GOF) test uses five sizes of the fit model, namely SRMR (Standardized Root Mean Square Residual), d-ULS (Squared Euclidean distance), d G (geodesic distance), Chi Square, and NFI (Normed Fit Index). This research is said to be fit if it shows that this structural model is in accordance with the facts in the field and the research findings can be received positively.

Determination Coefficient Test
The coefficient of determination test (R2) aims to measure the extent to which the model can explain the variability of the independent variables. The value used in the coefficient of determination is how big it is from zero to one "According to (Ghozali, 2018: 97). The coefficient of determination test aims to test how much influence the independent variables have on the dependent variable. Test the coefficient of determination in this study to determine the R-Square value in the dependent variable. Changes in the value of R-Square are useful for knowing how much influence certain independent latent variables have on the dependent latent variable.

Structural Equation Analysis (Inner Model)
The inner model in Smart PLS 3.0 is evaluated using (R2) for the dependent construct, path values or t-values for each path in the relevance test between constructs in the structural model" (Abdillah and Jogiyanto, 2015: 197). The hypothesized relationship between exogenous and endogenous constructs can be tested using the inner model.

Research Hypothesis Test
"Hypothesis testing is used to determine how much influence the independent variable has on the dependent variable, and to determine the significance of the variable" (Ghozali, 2018:97). The direct effect hypothesis test aims to determine whether the independent variable can affect the dependent variable using regression analysis.

IV. RESEARCH RESULT
Validity and Reliability Test
The results of the outer loading values for each indicator show that the value exceeds 0.7 and is green, it can be stated that the results in this study are valid. Based on the results of all the instruments used in this study, they were declared reliable because the Cronbach's alpha value was greater than 0.7 and was green.

Classic Assumption Test
Multicollinearity test results are based on the VIF value that all variables in this study do not violate the classical multicollinearity assumption., it can be concluded that the overall indicator data is normally distributed.

Goodness of Fit Test (GOF)
Based on the research results, the value of SRMR for Saturated Model and Estimated Model shows a value of 0.075 which is declared to have a good model, for the value of d-ULS to Saturated Model and Estimated Model shows a value of 1.080 which is
declared to have a good model, for the value of $d$ to Saturated Model and Estimated Model shows a value of 0.699 which is declared to have a good model, for values from Chi-Square to Saturated Model and Estimated Model shows a value of 353.890 which is declared to have a good model, and for values from NFI to Saturated Model and Estimated Model shows a value of 0.755 which is stated to have a good model.

**Determination Coefficient Test**

Coefficient of determination (R Square) $Y_1$. Customer satisfaction shows a value of 0.75, then the result is expressed in the form of a percentage multiplied by 100%, which shows that all independent variables (Physical evidence and Service excellence) have an effect of 75% on customer satisfaction, while the remaining 25% is influenced by other variables (outside those studied). Then for the value of R Square $Y_2$. Customer loyalty shows a value of 0.73, then the results are expressed in the form of a percentage multiplied by 100%, which shows that Physical evidence, Service excellence, Customer satisfaction has a 73% influence on Customer loyalty, while the remaining 27% is influenced by variables other (beyond the research).

**Structural Equation Analysis (Inner Model)**

**Structural equation (inner model)**

The following are the results of statistical tests that can be converted into a model in the inner linear model equation:

\[ Y_1 = b_1X_1 + b_2X_2 + e \]  
\[ = 0.401X_1 + 0.511X_2 + e \]  
\[ Y_2 = b_3X_1 + b_4X_2 + e \]  
\[ = -0.001X_1 + 0.369X_2 + e \]  
\[ Y_2 = b_5Y_1 + e \]  
\[ = 0.523Y_1 + e \]

**Hypothesis Testing and Discussion**

Hypothesis 1, Physical evidence ($X_1$) has a significant effect on customer satisfaction ($Y_1$). The results of testing the first hypothesis are based on the original sample value of 0.401 with a positive result, the T-Statistic value is 3.361 with results that are in accordance with the criteria (> 1.964) and the value of the P Value which has a value of 0.001 with results that are in accordance with the criteria (<0.05). The results of the above explanation can be concluded that Physical evidence ($X_1$) has a significant positive effect on customer satisfaction ($Y_1$) or it can also be interpreted that Hypothesis 1 is accepted. It can be concluded that customer satisfaction will experience a significant increase if the company increases physical evidence that suits customer needs, and vice versa. Physical evidence is a facility provided by homestays at several tourist attractions in Situbondo Regency for the convenience of its customers and which can be used directly for the benefits of tourist objects and can be seen by the eye. Availability of adequate physical evidence for homestays in several tourist attractions in Situbondo Regency makes it easier for customers to decide on choosing a sports venue, because customers do not need to go to homestays in other districts, they only need to visit homestays in several tourist attractions in Situbondo Regency which provide various facilities in one place. The results of this study support previous research by Tiara (2020).

Hypothesis 2, Service excellence ($X_2$) has a significant effect on customer satisfaction ($Y_1$). The results of testing the second hypothesis are based on the original sample value of 0.511 with positive results, the T-Statistic value of 4.285 with results that match the criteria (> 1.964) and the value of the P Value which has a value of 0.000 with results that match the criteria (< 0.05). The results of the explanation above can be concluded that Service excellence ($X_2$) has a significant positive effect on customer satisfaction ($Y_1$) or it can also be interpreted that the 2nd Hypothesis is accepted. It can be concluded that Homestay customer satisfaction in Situbondo Regency will simultaneously increase if the company improves Service excellence for its customers, and vice versa. Homestay customers will receive and experience the services provided by employees that exceed customer expectations. For example giving greetings, the speed with which employees handle complaints from customers, employees who provide explanations about various facilities that can be used during their stay. Service excellence that has been provided by homestays at several tourist attractions in Situbondo Regency, customers will be able to feel satisfaction directly at that moment. The results of this study support previous research by Larenza (2021).

Hypothesis 3, Physical evidence ($X_1$) has a significant effect on customer loyalty ($Y_2$). The results of testing the third hypothesis are based on the original sample value of -0.001 with a negative result, the T-Statistic value of 0.010 with results that match the criteria (< 0.05) and the value of the P Value which has a value of 0.992 with results that match the criteria (> 0.05). The results of the explanation above can be concluded that Physical Evidence ($X_1$) has a negative but not significant effect on customer loyalty ($Y_2$) or it can also be interpreted that the 3rd Hypothesis is rejected. It can be concluded that the existence of physical evidence provided by homestays in Situbondo Regency cannot influence customer loyalty to continue using homestays as a place to stay and travel.

Loyal customers must really use and experience the various facilities provided, then customers can assess the satisfaction of their expectations while staying at the homestay. Customers who are not loyal because they do not know the use, benefits and quality offered when customers only use it once or twice. The results of this study support previous research by Sulaksono (2011).

Hypothesis 4, Service excellence ($X_2$) has a significant effect on customer loyalty ($Y_2$). The results of testing the fourth hypothesis are based on the original sample value of 0.369 with positive results, the T-Statistic value of 2.729 with results that match the criteria...
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For Entrepreneurs

some indicators that need to be improved by the homestay at several tourist objects in Situbondo are as follows:

1) The results of this study indicate that one of the indicators possessed by Physical Evidence, namely in setting the room shows the lowest results compared to other indicators, it is necessary to improve the arrangement of the room it has.

2) The results for Service excellence from the Smart PLS 3.0 data processor show that the service delivery culture indicator has the lowest value when compared to other indicators, it is necessary to improve the service delivery culture provided by employees in order to increase the sense of customer satisfaction and customer loyalty.

3) The indicator that has the lowest value in customer satisfaction is the intention to return so efforts are needed to increase it, so that customers have an interest in visiting homestays at several tourist objects in Situbondo more than once by giving discounts at certain times.

4) homestays at several tourist attractions in Situbondo must make efforts to increase customer loyalty, especially in the indicator of the habit of consuming the brand which shows the lowest value in the customer variable. The customer's ability to continue to utilize and use homestay services at several tourist attractions in Situbondo depends on their perception of satisfaction, therefore it is necessary to understand what can achieve this.
It is hoped that the results of this study can be used by homestays in several tourist attractions in Situbondo as material for consideration and reference indicating that physical evidence and service excellence have an important effect on customer satisfaction and customer loyalty to continue using the homestay as a place to stay and travel. According to researchers, customer satisfaction is important in increasing customer loyalty.

For Abdurachman Saleh Situbondo University
The results of this research for universities can become the basis for making a curriculum on Marketing Management, which in turn can increase academic awareness, knowledge, and information about the importance of using Physical Evidence, Service Excellence, and Customer Satisfaction variables in increasing Customer Loyalty.

For Other Researchers
The results of this study should serve as input and reference for other researchers in making the latest research models regarding marketing in service companies that are in line with today's scientific needs.

REFERENCES: