

## **THE EFFECT OF SERVICE EXCELLENCE AND PRICE ON CUSTOMER LOYALTY AT VILLA AIR BALI BOUTIQUE RESORT AND SPA**

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### **ABSTRACT**

This research is motivated by the writer's curiosity towards customer response of Villa Air Bali Boutique Resort and Spa in terms of customer loyalty. This is because Villa Air Bali Boutique Resort and Spa has customers who are loyal to the services provided although in Bali, especially Seminyak area there are also many resort villas that offer good service at a cheaper price. The purpose of this study was to determine the effect of excellence service and price on customer loyalty. Sampling technique using non probability sampling with purposive sampling type. Respondents in this study up to 100 respondents. The analysis used in this research is quantitative analysis using SPSS software version 17.0 for Windows, where previously tested the validity, reliability, multiple regression analysis, t test, F test, coefficient of determination and multiple correlation analysis first. The results of this study indicate that the excellence service (X1) and price (X2) partially or simultaneously affect customer loyalty (Y).

Keywords: service excellence, price, loyalty.

### **INTRODUCTION**

At the era of globalization, technology continues to be useful to help all human activities. This rapid technological development is supported by good utilization by humans to bring benefits in every use of the technology. With the enormous influence of technology today, more and more companies are using it to win the competition that occurred in the market. Profit-oriented companies, whether short-term profits in terms of material profits and long-term benefits. The company's long-term goal of course is the need for the company to have a place in the eyes of consumers and calculated in the competition with the competitors.

In order to obtain the long-term goal, the company is vying to improve its services to consumers and offers a variety of advantages owned by the company. Improved services performed not solely to pursue profit for a moment but further is to obtain consumer satisfaction which is expected to increase customer loyalty to services offered by the company.

Service in particular in the field of tourism each year experiences increasingly competitive competition with the rampant emerging new competitors and also new

innovations that focus on the fulfillment of consumer needs. Today, service companies, especially in the tourism sector, not only compete in marketing products, services and prices, but improvements in terms of providing the best service to customers are also a matter of note to achieve customer loyalty in the long run.

Competition in the tourism industry, especially accommodation is getting tougher. Companies are required to provide excellence service to customers and also competitive prices to customers. The excellent service provided by the company will increase the customers' trust.

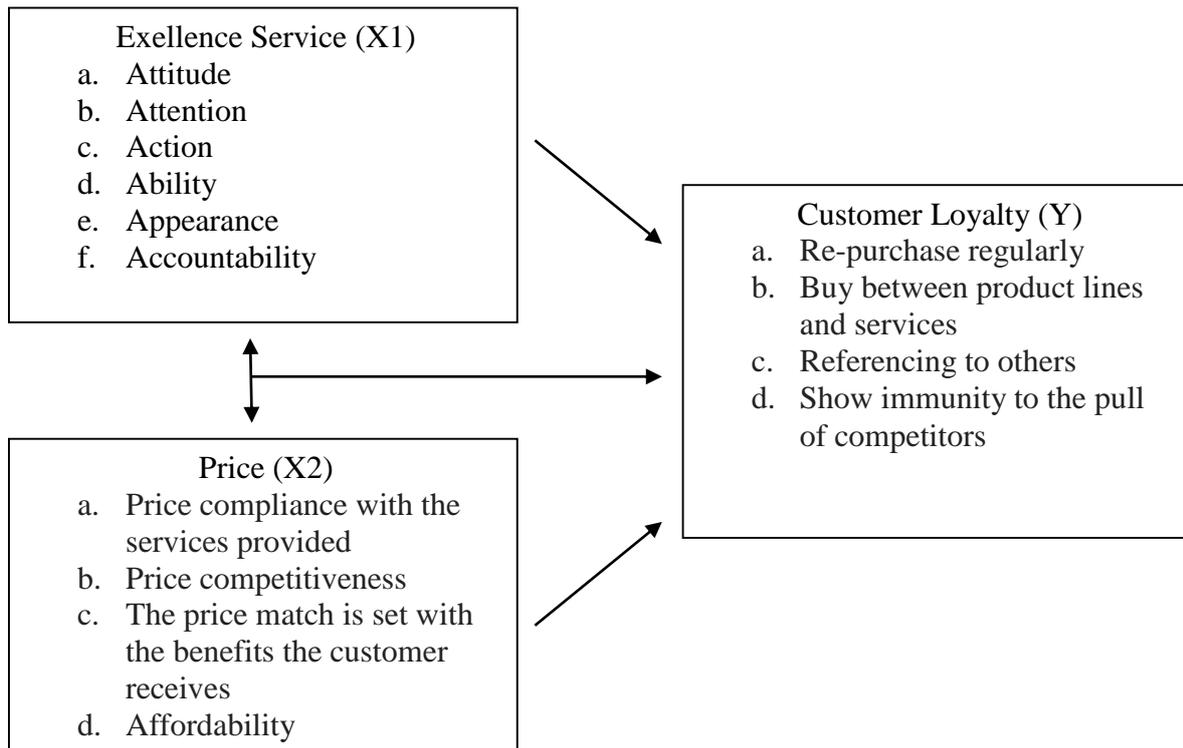
Excellence service provided by the company is expected to be able to meet customer expectations and satisfy customers. The professional ability of the service providers is also tested so that the services produced and also the price offered must match the customer's expectations. Customers are entitled to assess quality by comparing what is received and expected.

As other accommodation companies, Villa Air Bali Boutique Resort and Spa also wants the company to retain the old customers who are the source of revenue and provide better service to attract new customers. Villa Air Bali Boutique Resort and Spa is expected to provide better service by improving the quality of service and price offered in order to compete to get customer loyalty.

In connection with the background that has been described above, then formulated the problem as follows: Is there any influence of excellence service to customer loyalty of Villa Air Bali Boutique Resort and Spa? Is there any influence of price on customer loyalty of Villa Air Bali Boutique Resort and Spa? Is there any influence of excellence service and price to customer loyalty of Villa Air Bali Boutique Resort and Spa?

The hypothesis are: Excellent service has a positive effect on customer loyalty of Villa Air Boutique Resort and Spa; Price adjustment has a positive effect on customer loyalty of Villa Air Boutique Resort and Spa; Excellent service and price adjustment have positive effect to customer loyalty of Villa Air Bali Boutique Resort and Spa.

The research framework is as follows.



## RESEARCH METHOD

The method used for sampling using non probability sampling. Non-probability sampling technique according to Ridwan (2008: 61) that is, sampling technique that does not provide opportunities or opportunities on each member of the population to be sampled research. Non probability sampling technique used is purposive sampling.

According to Ridwan (2008: 63), purposive sampling is a sampling technique used by researchers if researchers have certain considerations in sampling or determining the sample for a particular purpose. The samples or objects that become the source of data are the tourists who stay more than 1x in Villa Air Bali, the customer who ever recommend the services of Villa Air Bali Boutique Resort and Spa and customers who already believe in the reliability of services provided by the Villa Air Boutique Resort and Spa.

This study population is not limited, therefore, the number of samples of 100 respondents with a period of data collection for 3 months. Determination of the number of samples determined based on the opinion of Solimun (2005) suggests that for multivariate analysis the size of the sample is between 100 to 200 with a minimum of 50, and equal to the number of parameters in the research model.

The analysis used in this research is quantitative analysis using SPSS software version 17.0 for Windows, where previously tested the validity, reliability, multiple regression analysis, t test, F test, coefficient of determination and multiple correlation analysis

## RESULT AND DISCUSSION

The results of this study answer the hypothesis formulated by testing the correlation and regression analysis, T test and F test by using SPSS ver 17. Test results in this study can be explained as follows.

No.	Hypothesis testing	Correlation	Result t count	F test	Hypothesis Description
1	Excellent service affects customer loyalty	0,081	4,988	-	H1 accepted
2	Price affects customer loyalty	0,240	2,637	-	H2 accepted
3	Excellent service and price affects customer loyalty	0,497	-	33,935	H3 accepted

It can be seen that the results of testing t test shows that the entire value of t count of each variable > t table (1.984). F test results show that there is influence between independent variables together against customer loyalty with F count > F table (3.09).

In this study, the excellent service has a significant influence on customer loyalty. This can be proven from the results of t test with the result that t arithmetic 4.988 > t table 1.98472 so that the first hypothesis that there is influence of excellent service to customer loyalty accepted. Thus, this shows that the better or improved service provided by Villa Air Bali Boutique Resort and Spa to its customers will also increase customer loyalty of Villa Air Bali Boutique Resort and Spa.

The price has a significant influence also on customer loyalty. This can be proved from the results of t test with the result that t arithmetic 2.637 > t table 1.98472

so that the second hypothesis that there is influence between price and customer loyalty accepted. Thus, this shows that the better price conformity rate provided by Villa Air Bali Boutique Resort and Spa will also increase customer loyalty of Villa Air Bali Boutique Resort and Spa.

From the results obtained, excellent service and price offered by Villa Air Bali Boutique Resort and Spa include good in the eyes of the customers. This is supported by the coefficient of determination indicating that the influence of excellent service and price together to customer loyalty is equal to 41,2%. Thus, there is still the remaining non-determination coefficient of 58.8%, which means that 58.8% of variations affecting customer loyalty variables are caused by variables outside the variable of excellent service and price.

## CONCLUSIONS AND SUGGESTIONS

It can be concluded that the excellence service affects customer loyalty, price affects customer loyalty, and excellent service and price affects customer loyalty.

As for suggestions given related to this research is the need for better employee training in order to be able to provide optimal prime services from the attitude, attention, action, ability, appearance, and accountability. Particularly in terms of appearance and accountability because customers still feel less than the aspect of clean and neat appearance presented by the officer while serving the customer and the lack of cheerful attitude shown by the officer. In addition, officers are still not able to meet customer demand and also have not been able to provide alternative solutions if customer demand is not met.

Another thing is to make Villa Air Bali Boutique Resort and Spa do a review of the price offered to customers given that the price range offered is more expensive compared with other competitors such as villas located in the area of Seminyak like The Ahimsa Villa which offers prices ranging from Rp. 2.300.000 - Rp.7.500.000 per night because the customers pay a certain amount of money and they get the service in accordance with the amount of money they have spent.

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