

THE INFLUENCE OF SERVICE QUALITY AND HOTEL IMAGE ON THE SATISFACTION AND LOYALTY OF TOURISTS STAYING AT ARTOTEL GROUP HOTEL BALI

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ABSTRACT

In this comprehensive study, the focus revolves around delineating the intricate dynamics between service quality, hotel image, tourist satisfaction, and loyalty within the context of Artotel Group Hotel Bali. The pivotal role of service quality emerges as a central theme, elucidating that the realization of good service quality hinges upon the proficiency of human resources. The study underscores the significance of competent personnel in achieving maximum service values, which is further augmented by the presence of well-equipped infrastructure and facilities. Drawing on the theoretical framework of satisfaction, the researchers employ a quantitative descriptive method to delve into the nuances of these interconnections. Unveiling the outcomes of their investigation, the study propounds that both service quality and the hotel image wield a positive and statistically significant impact on tourist satisfaction during their sojourn at Artotel Group Hotel Bali. This illuminates a direct correlation wherein heightened service quality and a positive hotel image contribute to an elevated level of satisfaction among tourists residing at Artotel Group Hotel Bali. Consequently, the study not only underscores the critical importance of service quality and hotel image but also establishes a concrete link between these factors and the overall satisfaction of tourists, providing valuable insights for enhancing the hospitality experience at Artotel Group Hotel Bali.

Keywords: Artotel Group Hotel Bali, Service Quality, Satisfaction, Tourist Loyalty.

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INTRODUCTION

The high level of competition in the hotel industry is evidenced by the many well-known and international class brands based on hotel groups. Each brand has a highlighted value and uniqueness so that it can be distinguished from one hotel to another. Major hotel brands that have five-star hotels such as Accor, Hilton Worldwide, Best Western, Four Seasons, Hyatt, Intercontinental, Kempinski, Mulia, Radisson, are brands that already have a positive image for foreign or Indonesian travelers. In addition, there are also several local brands that continue to move forward to reach the international level such as, Artotel Group, Swiss-bel, Santika, Dafam, and Ibis.

Artotel Group is built on the passion of promoting local arts and creativity in the hospitality industry. With various hotel, event, and merchandise brands, Artotel Group focuses its services on pleasure seekers, smart travelers, and artsy personas who value the values of their experience. Artotel Group features a unique design by collaborating with local artists in various parts of Indonesia. Art, design, tradition, and taste, inspire every space and dynamic social scene woven with local communities for well-traveled enriching experiences and providing memorable experiences to overnight travelers based on originality and authentic hospitality.

Since establishing its first property in 2013, Artotel Group has now grown to become one of Indonesia's leading boutique hotel operators by offering a unique hospitality experience for

travelers. Through a blend of hospitality, creativity, relaxation and lifestyle, Artotel Group has created a dynamic brand by creating high-quality stay experiences for international and international tourists. Artotel Group offers four integrated business pillars: hospitality, food and beverage, branding, creative content and event management, and artsy merchandising.

The spread of the Covid-19 virus that has hit the world has made the tourism industry, especially the hotel business, no longer run well as before the Covid-19 pandemic. Despite being affected by the Covid-19 pandemic, Artotel Group is optimistic that Indonesia's hotel industry will continue to grow post-pandemic because the growth of the domestic middle class and Indonesia's tourism attractiveness in the international arena is very strong. This optimism is proven when the Indonesian hotel industry is experiencing a crisis, Artotel Group actually makes large investments to prepare for better business growth of the company in the future, by focusing on expanding the hotel network geographically and improving the quality of service to tourists in the technology-based Artotel Group network. Artotel Group successfully secured Series B funding from Indies Capital Partners and Benson Capital with a large investment. The proceeds will be used to encourage the expansion of Artotel Group's hotel chain throughout Indonesia. This is expected to create customer satisfaction and provide a unique experience for tourists. Increasing business diversification, digitalization of operations, employee training, and property expansion, it is expected that Artotel Group will become a leading hotel company in Indonesia that is able to create satisfaction and provide a unique experience for tourists who choose to stay at Artotel Group hotels.

Major changes occurred in the hospitality industry when the Covid-19 pandemic hit the entire world. Hotels in the world are no longer just competing in expanding the market with the aim of increasing profits, but the main focus is to find ways to survive during the Covid-19 pandemic so as not to experience losses or even to the point of having to close hotels. Thousands of hotels around the world are taking steps to temporarily close or even have to close their hotel businesses due to the Covid-19 pandemic. The Covid-19 pandemic or also known as the Corona virus, has had a huge negative impact on the tourism sector. This happened in early 2020 after the Covid-19 outbreak was found in Wuhan, China, until it spread throughout the world, including Indonesia. The tourism industry in Indonesia was severely hit during the Covid-19 pandemic, the impact was also felt by Bali (Wirawan et al., 2020).

The island of Bali, which is the prima donna of Indonesian tourism and the main destination for foreign tourists, has been supported by places to stay such as varied hotels, such as Budget Hotel lodging to 5-star hotels with excellent facilities. This is because the economic turnover on the island of Bali mostly relies on the tourism sector and tourism has a significant impact on the economic life of its people (Anoma et al., 2020). It was found that many hotels and other tourism businesses were unable to run their businesses during the pandemic such as hotels, restaurants, or spas due to the absence of income received due to restrictions on human movement around the world.

Based on data from the Central Bureau of Statistics of Bali Province, the number of foreign tourists (tourists) and domestic tourists (vishnus), the number of visits shows a very significant increase. In 2018, the number of foreign tourists visits was 9,757,991 with a growth percentage of 11.70% from the previous year, while foreign tourist visits in 2018 amounted to 6,070,473 with a growth percentage of 6.54%. In 2019, the number of foreign tourist visits was 6,275,210 with a growth percentage of 3.37% and guest visits were 10,545,039 with a growth

percentage of 8.07% (Hudiyanti et al., 2019). The year 2020, which was the beginning of the spread of the Corona virus, had an impact on decreasing the number of tourist visits aimed at traveling on the island of Bali. In the January-August 2020 period, foreign tourists visited Bali only 1,050,161, a decrease of 74.18%. When viewed from the average length of guests staying at the hotel in August is only 1.66 days. The occupancy rate of rooms in star-rated hotels for the August period was also only 3.68% (Kristina, 2020).

For almost two years facing challenges due to the Covid-19 pandemic, there is hope when foreign tourists and local tourists are allowed to travel with several conditions such as someone has received two doses of vaccine, or has done an antigen swab test or PCR (Polymerase Chain Reaction). Hotels that are still surviving during the Covid-19 pandemic must adjust to new circumstances set by the government such as checking body temperature, providing hand sanitizers and hand washing stations, and tourists are required to use masks when traveling. This is becoming the new standard for every hotel to attract tourists. Tourists who travel also adapt to this situation, so of course choosing hotels where to stay becomes more attentive to the values of cleanliness and health protocols applied by the hotel to be addressed.

The benchmark for whether or not a hotel is chosen by tourists to stay is the satisfaction of these tourists. Tourist satisfaction will encourage hotel tourists to be loyal to the chosen hotel. Hotels that have been established must compete to highlight the advantages of each hotel in order to attract tourists to stay at the hotel, especially excellence in service quality and brand image that will be taken into consideration in making decisions (Fyall et al., 2019).

Good service quality can be realized with competent human resources in order to realize values in maximum service, and supported by adequate infrastructure or facilities. The combination of the competence of the staff and supported by good infrastructure is expected to be able to realize excellent service, namely service that is able to provide satisfaction to tourists. This will lead to the assumption "good service is service that is in accordance with tourist expectations" (Tjiptono, 2004a).

Satisfied travelers will have a positive impact on hospitality management in terms of profitability, repeat purchases, loyalty, and positive word of mouth (Angelova & Zekiri, 2011) (Al-Msallam, 2015). Hotels that do not pay attention to the quality of their service may face problems such as dissatisfied travelers, lack of loyalty from tourists, and lack of competitive advantage (Dedeoğlu & Demirer, 2015). According to (WHDP, 2014), by providing quality services, hotels can achieve customer trust and thus gain a competitive advantage. Meanwhile, according to (Rao & Sahu, 2013), hotel operators are now focusing on maintaining better quality to meet the basic needs and expectations of customers. Service quality is a vital aspect in order to maintain business and win the competition (Tjiptono, 2004b).

During the Covid-19 pandemic, Artotel Group experienced challenges that other hotels also experienced, namely the lack of revenue due to restrictions on tourist movement. One of the hotels managed by Artotel Group located in Bali, Artotel Sanur Bali, took steps to temporarily close the hotel in August 2020 to stabilize expenses so that Artotel Sanur Bali does not experience sustainable losses. In September 2020, Artotel Sanur Bali resumed operations with several adjustments related to operations, such as laying off some employees who work, minimizing electricity costs, and offering promos or special prices to prospective tourists who will stay at Artotel.

In addition, when Artotel Sanur Bali resumed operations in October 2020, the hotel implemented new adaptations along with all hotels managed by Artotel Group. Hotels managed by Artotel Group simultaneously implement regulations set by the government related to health protocols to limit the spread of the Corona virus in the area of hotels managed by Artotel Group. Checking body temperature, providing hand sanitizers, providing special places for hand washing and checking back tourists who attend must have received at least two types of vaccines provided by the government. This new thing is also accompanied by training provided to Artotel employees so that each employee has sufficient knowledge related to the new adaptations applied.

Artotel Sanur Bali and Artotel Haniman Ubud are four-star hotels that are able to compete to attract tourists with other hotels by relying on the uniqueness of the product, positive image of the brand, and good service quality. The strength of Artotel hotel image makes it easier for tourists to choose a hotel depending on the area they want to stay in. Both hotels are also located in strategic places in each area where the Arkotel hotel stands. The location close to the beach is also an attraction for tourists to choose Artotel Sanur Bali as a place to stay. Likewise, if tourists choose to stay at Artotel Haniman Ubud, the lush environment allows tourists to breathe fresh air in the morning. In addition, the distance to tourist destinations such as Ubud Monkey Forest and Ubud Traditional Art Market only takes less than 10 minutes from Artotel Haniman Ubud.

Tourist satisfaction is the attitude that tourists produce towards a product or service after tourists have acquired and used it thoroughly (Mowen & Minor, 2002). If the quality contained in a destination is not as expected by tourists, as a result tourists will experience emotional dissatisfaction. Traveler satisfaction includes the difference between expectations and perceived performance or results (Kristianto, 2011). Quality, expectations and satisfaction have a relationship to determine how much the level of tourist satisfaction with a product or service.

In addition, tourist satisfaction can also be interpreted as the level of a person's feelings after comparing performance between two or more tourist destinations that have been visited (Kotler & Keller, 2007) (Kotler et al., 2012). (Tang & Jang, 2009), revealed that in a destination there are mixed elements that are interdependent and each of these elements is useful for creating a satisfying vacation experience or in this study is the satisfaction of tourists in choosing accommodation where to stay. Although there are many definitions of tourist satisfaction, in general the understanding leads to three main components (Giese & Cote, 2000), namely:

a. Response: type and intensity

Consumer satisfaction is an emotional response as well as a cognitive one. The intensity of the response ranges from being very satisfied and liking the product or service to an apathetic brush towards a particular product or service.

b. Focus

Focus on the performance of tourist destinations adjusted to certain standards. The value of this standard is directly related to products, consumption, shopping decisions, sellers and stores.

c. Response time

The response occurs at a specific time, among others: after consumption, after the selection of products or services based on accumulative experience. The duration of satisfaction refers to how long the satisfaction response lasts.

Referring to the notions that have been deciphered, it can be concluded that, quality, expectations, and satisfaction have a relationship to determine how much the level of tourist satisfaction with a product or service. This interdependent nature makes every element must be fulfilled. In general, in tourism research the elements are attractions, facilities, infrastructure, transportation, and hospitality.

One important aspect in the scope of tourism is attractions. Attractions have a role to attract the desire of tourists to visit by creating experiences that will accompany travel satisfaction. Attractions consist of two universal attributes, first is climate and natural scenery which is basically the main definition of an attractive tourist destination. Second, everything that is unique to the destination. In addition to leading tourists to have an interest in visiting a tourist destination, another characteristic of attractions is that it provides the needs of visitors regarding recreation. Attractions make tourists know a destination well also provide a destination for tourists to visit tourist destinations.

Facilities are the next element that has a role to complement the uniqueness of a destination or attraction. When an attraction is able to provide motivation for tourists to travel and visit a destination, the element of facilities that provide for the needs of tourists in the destination. Facilities have a sense as everything that is intended to serve the needs of tourists and serves to make tourists feel comfortable and safe while visiting tourist destinations. If tourists feel less safe in tourist destinations, then what happens is that tourists will not visit (Tang & Jang, 2009). In a tourist destination, facilities play a role in supporting attractions in the form of lodging or resting places, foods and beverages, supporting industries such as souvenir sellers, or other things that can make tourists want to spend longer at a destination.

Next (Tang & Jang, 2009) revealed that infrastructure is another important thing in tourist destinations. The uniqueness of tourist attractions and facilities will not be accessible to tourists if there is no infrastructure. Infrastructure is everything that is built under or on the land of a destination, including water systems, communication networks, health facilities, resources, drainage, roads, and security systems. That is, the development of good tourism cannot be separated from the importance of building good infrastructure that directly stimulates development. The role of local government is very large and the most responsible for infrastructure development.

The availability of good transportation will affect the number of tourist visits to tourist destinations (Tang & Jang, 2009). It is conceivable if a destination that has good infrastructure, unique attractions, qualified facilities in supporting the expectations of tourists, but is located far enough from settlements, certainly requires the availability of good transportation to support the hope of a destination to have a large number of visitors. Tourists certainly think about cost, time, and distance. This element is related to the availability of public transportation to tourist attractions, terminals that connect between modes of transportation, and also convenient supporting technology for purchasing tickets and so on.

The next element is hospitality which has an understanding as a general feeling received by tourists when in the destination. This relates to how services are provided and received by

tourists who visit tourist destinations. Good service will directly provide satisfaction for tourists. Good service also gives tourists the possibility of having the intention to revisit.

Tourist satisfaction is defined as overall satisfaction with all elements of tourism that have been described, or in the form of overall responses about satisfaction with the total elements of products and services. (Basiya & Rozak, 2012) Revealing the quality of service affects customer satisfaction, trust, then customer resilience and ultimately brings profit to the tourist destinations intended by tourists.

A company needs to provide goods and services that accommodate a certain level of perceived value of tourists in order to achieve traveler satisfaction. Tourist satisfaction is a reflection of the cumulative impression of tourists' feelings on the company's service performance. (Lovelock & Wirtz, 2007), By defining satisfaction as an emotional state, post-purchase reactions can result in anger, dissatisfaction, neutrality, joy, or pleasure. (Kotler & Armstrong, 2008) (Kotler & Keller, 2009), Expressing satisfaction is a feeling of pleasure or disappointment, which arises after comparing between perceptions of the performance or results of a product and its expectations.

According to Gil, et al (2006), Satisfaction is an important tendent in driving traveller retention because it can influence travellers to continue relationships with companies (Ndubisi, 2007). According to (Tjiptono, 2008) (Tjiptono, 1995) (Tjiptono & Chandra, 2012) (Adriana et al., 2008), The attributes of satisfaction shaper consist of:

1. Match Expectations

The level of conformity between product performance expected by tourists and perceived by tourists, including:

- a. The product obtained matches or exceeds what is expected.
- b. Service by employees obtained in accordance with or exceeded what was expected.
- c. Supporting facilities obtained are in accordance with or exceed expected

2. Willingness to Recommend

Travelers' willingness to recommend products they have tasted to friends or family include:

- a. Advise friends or relatives to buy the products offered because of satisfactory service.
- b. Advise friends or relatives to buy the products offered because the supporting facilities provided are adequate.
- c. Advise friends or relatives to buy products offered because of the value or benefits obtained after consuming a service product.

3. Interest in Revisiting

Tourists' willingness to revisit or repurchase related products, including:

- a. Interested in visiting again because the service provided by employees is satisfying.
- b. Interested in visiting again because of the value and benefits obtained after consuming the product
- c. Interested in visiting again because the supporting facilities provided are adequate.

The focus of this study is to analyze the effect of service quality and hotel image on the satisfaction and loyalty of tourists staying at Artotel Group Hotel Bali. The scope of variables studied includes service quality (X1), hotel image (X2), satisfaction (Y1), and loyalty (Y2). These variables are formed by each indicator measured by the Likert scale. The data obtained to analyze the effect of service quality and hotel image on satisfaction and loyalty involves

tourists staying at Artotel Group Hotel Bali with special criteria (purposive sampling). These criteria include (1) Staying at Artotel Sanur Bali and Artotel Haniman Ubud when the research was conducted; (2) Have stayed at least once at Artotel Sanur Bali and Artotel Haniman Ubud; (3) Be at least 17 years old when the research was conducted at Artotel Sanur Bali and Artotel Haniman Ubud; (4) Be willing to be given a questionnaire and participate as a respondent in this study. The data is obtained through questionnaires that will be distributed to tourists who match the criteria to analyze the effect of service quality and hotel image on the satisfaction and loyalty of tourists staying at Artotel Sanur Bali and Artotel Haniman Ubud. Sugiyono (2014) revealed that the concept framework is a relationship that will theoretically connect between research variables, namely independent variables with dependent variables that will be observed or measured through research to be carried out.

Referring to the phenomena faced by Artotel Sanur Bali and Artotel Haniman Ubud that have been described, further research is needed to analyze the effect of service quality and hotel image on the satisfaction and loyalty of tourists staying at the two brands owned by Artotel. Based on this phenomenon, there is a question about how the influence of service quality and hotel image on the satisfaction of tourists staying at Artotel Group Hotel Bali? Then how does satisfaction affect the loyalty of tourists staying at Artotel Group Hotel Bali? The quality of service and hotel image owned by Artotel has an important role in providing satisfaction and loyalty, as well as increasing the number of tourist visits who choose to stay at Artotel through recommendations given by tourists who feel satisfied and become loyal to Artotel Sanur Bali and Artotel Haniman Ubud.

METHOD

This study was conducted to analyze the effect of service quality and hotel image on satisfaction and loyalty using a quantitative approach. The quantitative approach used will answer each problem formulation that has been described. The research model used is the Structural Equation Model (SEM). In addition, this study refers to related theories and concepts as well as studies from previous research that are in line with the research to be carried out.

In this study using service quality (X1) and hotel image (X2) as latent variables that influence and are measured through the indicators of each variable. The latent variables affected are tourist satisfaction and traveler loyalty. These two variables are also measured through indicators defined with reference to relevant concepts. In this study, respondents who are tourists staying at Artotel Group Hotel Bali will be given a questionnaire that has been prepared to analyze the effect of service quality and hotel image on the satisfaction and loyalty of tourists staying at Artotel Group Hotel Bali. After the data is collected, the data is processed with the help of the SmartPLS application.

This study used two types of data sources, namely primary data sources and secondary data sources. These two types of data sources are expected to achieve the purpose of this study, namely analyzing the effect of service quality quality and hotel image on the satisfaction and loyalty of tourists staying at Artotel Group Hotel Bali. Primary data was obtained by conducting interviews with management from Artotel Sanur Bali and Artotel Haniman Ubud as well as tourists staying at Artotel Sanur Bali and Artotel Haniman Ubud. In addition, primary data was also obtained through the distribution of questionnaires given to tourists staying at Artotel Group Hotel Bali. While secondary data are data obtained through previous research,

books relevant to the research to be conducted, mass media, the official website of a company, and other sources from the internet. Award documents are also attached to it to support the selection of research sites.

The collection of data necessary for the study was carried out in several ways. Observation is one way to collect data. Observation at the research location was carried out to find out directly the conditions that occurred at the research site. This observation was made at the research site with the hope that it can help provide information about the behavior of tourists who stay at Artotel Group Hotel Bali as well as employees who work at Artotel Group Hotel Bali who provide services to tourists who choose Artotel Group Hotel Bali where to stay.

Data collection was also conducted by interviewing domestic tourists and management from Artotel Sanur Bali and Artotel Haniman Ubud to obtain related information. Information such as company profiles, tourist profiles, motivations in choosing Artotel Sanur Bali and Artotel Haniman Ubud, as well as other more detailed information that will later be outlined in this study. The interview is conducted by asking questions that have been prepared so as to produce structured and directed answers according to research needs. This study will also provide questionnaires addressed to domestic tourists staying at Artotel Group Hotel Bali. The questionnaire distributed will use two ways, namely, providing a questionnaire leaflet or providing a google form link to fill out the questionnaire.

According to Sitorus (1998), quantitative data analysis is data collected matching a symptom with a predetermined standard category, as well as questionnaire answers. Quantitative data analysis also standardizes respondents' experiences into standard categories summarized in a study. The nature of quantitative data is systematic, standardized, and easily presented in a concise formation. In this study, data analysis techniques use quantitative descriptive techniques that are adjusted to the variables to be studied. Actual problems and phenomena that occur are formed in a research result in the form of numbers that have meaning.

Activities in qualitative descriptive data analysis are carried out interactively and continue continuously until the data reaches saturation (Miles and Huberman in Sugiyono, 2017). New information that is no longer obtained is called saturation. The stages in analyzing data with qualitative descriptive techniques, among others:

1. Data reduction, where this stage focuses on the important things and reads patterns to describe the responses that have been given by the informant accurately.
2. Presentation of data, data obtained are displayed and connected in the form of narrative of each response given by the informant. Graphs, tables and figures are parts of the presentation of data.
3. Drawing conclusions and verification, which at this stage is expected to be able to sort and focus on data that can provide answers in order to achieve research objectives.

RESULTS AND DISCUSSION

This study aims to determine the effect of service quality and hotel image on the satisfaction and loyalty of tourists staying at Artotel Group Hotel Bali. In this section will be discussed about the results of calculations that have been done using SmartPLS. Testing is carried out based on research models and research hypotheses that have been prepared.

1. The Effect of Service Quality on Satisfaction

Based on the results of SmartPLS analysis, it shows that service quality has a positive and significant effect on satisfaction with a path coefficient of 0.439 and $p\text{-value} = 0.000$, $p = 0.05$, meaning that good service quality will be able to increase the satisfaction of tourists staying at Artotel Group Hotel Bali. Service is one of the factors to satisfy customers. The results of this study prove that good service quality can encourage customer satisfaction. Thus, the management of Artotel Group Hotel Bali must consider the services provided to tourists, because of how important the quality of service is to satisfy tourists staying at Artotel Group Hotel Bali. In addition, service quality is also an important aspect in surviving in the business world in winning the competition.

Service quality variables based on processed data show that the lowest average score (mean) is found in the indicator that states "Artotel Group Hotel Bali has quality facilities" with a mean value of 4,486. This is because tourists' expectations of Artotel Group Hotel Bali facilities are not obtained during tourists' stay. However, this does not reduce tourist satisfaction with the quality of service provided by employees during the lodging process at Artotel Group Hotel Bali. While the highest average score (mean) is found in the indicator that states "Artotel Group Hotel Bali employees serve with respect, courtesy, and friendliness" with a mean value of 4,762. This indicates that the quality of service that is considered the best by tourists who stay is the service of Artotel Group Hotel Bali employees who are polite and friendly in serving tourists.

2. The Effect of Hotel Image on Satisfaction

Based on the results of SmartPLS analysis, it shows that hotel image has a positive and significant effect on satisfaction with a path coefficient of 0.509 and $p\text{-value} = 0.000$, $p = 0.05$, meaning that a good hotel image will be able to increase the satisfaction of tourists staying at Artotel Group Hotel Bali (Evita & Farochi, 2017). The image of the hotel is one of the factors to satisfy customers. The results of this study prove that the image of Artotel Group Hotel Bali encourages the satisfaction of tourists who stay. According to (Sovani et al., 2016), Having a good and good brand image will certainly make consumers make purchases. All consumers who have a good view of a brand, will have more intention to make a purchase. A good brand image will be a guarantee of tourist satisfaction with the quality of services provided by Artotel Group Hotel Bali, because tourist satisfaction will make Artotel Group Hotel Bali have a positive image.

The hotel image variable is in accordance with the results of the study with processed data showing that the lowest average score (mean) value is found in the indicator that states "Artotel Group Hotel Bali brand is famous" with a mean value of 4,333. This is because there is no promotion or advertisement of Artotel Group from influencers or famous people, so tourists consider Artotel Group Hotel Bali not too famous. But this does not reduce the image of Artotel Group Hotel Bandung according to tourists who stay. While the highest average score (mean) is found in the indicator that states "Artotel Group Hotel Bali brand can be trusted" with a mean value of 4,590. This indicates that the image of the hotel that is considered the best by tourists who stay is about tourist trust in Artotel Group Hotel Bali.

3. The Effect of Hotel Image on Loyalty

Based on the results of SmartPLS analysis, it shows that hotel image does not have a positive and significant effect on loyalty with a path coefficient of 0.290 with a $p\text{-value} = 0.000$, $p = 0.05$, meaning that tourist satisfaction can mediate the relationship between hotel

image and tourist loyalty. The results of this study show that there is an indirect influence between the image of the hotel on tourist loyalty through tourist satisfaction. This indicates that the loyalty of tourists staying at Artotel Group Hotel Bali is influenced by the image of the hotel which is also supported by tourist satisfaction when staying at Artotel Group Hotel Bali, but the image of the hotel directly does not have a significant effect on tourist loyalty, so it is necessary to involve a mediator variable, namely tourist satisfaction to create tourist loyalty to Artotel Group Hotel Bali.

The results of this study are in accordance with previous research conducted by (Fasha & Madiawati, 2019), With the results of the study showing that brand image variables affect loyalty through satisfaction variables as mediation variables. This indicates that a positive brand image with good consumer satisfaction will increase consumer loyalty to the products / services used.

4. Theoretical Implications

- a. This research theoretically produces findings that the quality of service and image of the hotel is able to shape the satisfaction of good tourists, tourists staying at Artotel Group Hotel Bali.
- b. This research resulted in findings that the quality of service and image of the hotel were not able to shape the loyalty of tourists staying at Artotel Group Hotel Bali. The results of this finding need to be tested more deeply to tourists staying at Artotel Group Hotel Bali or other hotels to corroborate the results of this finding.
- c. This research also results that tourist satisfaction can mediate the relationship between service quality and hotel image to the loyalty of tourists staying at Artotel Group Hotel Bali. So that tourist loyalty can be formed by the quality of service and the image of the hotel if tourists feel satisfied staying at Artotel Group Hotel Bali.

5. Practical Implications

Satisfaction and loyalty are benchmarks to explain whether the selection of places to stay has been done by tourists appropriately or not. Tourists who have satisfaction with the quality of service and hotel image of a hotel will be able to form loyal tourists, so that these tourists will return to stay at the hotel, even loyal tourists will invite colleagues or family to stay at the hotel. Thus, improving service quality and forming a positive hotel image is an effort that must be done by the hotel, so that tourists who have stayed at the hotel will one day stay again at the hotel, and also recommend the hotel to friends or family.

CONCLUSION

Based on the results of research and discussion on the influence of service quality and hotel image on the satisfaction and loyalty of tourists staying at Artotel Group Hotel Bali, it can be concluded that the quality of service and hotel image has a positive and significant effect on the satisfaction of tourists staying at Artotel Group Hotel Bali. This shows that the better the service quality and image of Artotel Group Hotel Bali, the more satisfied tourists who stay at Artotel Group Hotel Bali. The quality of service and image of the hotel do not have a positive and significant effect on the loyalty of tourists staying at Artotel Group Hotel Bali. This shows that the quality of service and image of Artotel Group Hotel Bali is not a reason for tourists to make tourists loyal to the hotel. Tourist satisfaction has a positive and significant effect on the loyalty of tourists staying at Artotel Group Hotel Bali. This shows that the better the satisfaction

of tourists, the more loyalty will create tourists who stay at Artotel Group Hotel Bali. The quality of service and the image of the hotel have a positive and significant effect on tourist loyalty through the satisfaction of tourists staying at Artotel Group Hotel Bali. This shows that the better tourist satisfaction with the quality of service and the image of the hotel owned by Artotel Group Hotel Bali, it will create loyalty of tourists who stay at the hotel.

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