

Evaluating Service Quality in the Libyan Hotel Sector Using the SERVQUAL Model: An Applied Study to Enhance Customer Satisfaction and Loyalty

Ali Bridan

Faculty of Economics, Elmergib University

Ali.Bridan@elmergib.edu.ly

تاريخ النشر: 2024.11.17

تاريخ القبول: 2024.11.10

تاريخ الاستلام: 2024.09.02

Abstract:

This study aims to examine the relationship between the service quality dimensions “reliability, responsiveness, and empathy” and customer satisfaction and loyalty in the Libyan hotel sector. It focuses on understanding the impact of these dimensions on enhancing guest experiences and improving service quality on customer satisfaction and loyalty. The researcher used a quantitative approach to collect data, using a questionnaire distributed to a sample of hotel customers in Libya. The sample was carefully selected using simple random sampling techniques and included 268 participants. The results of the current study indicated a statistically significant relationship between the dimensions of service quality (reliability, responsiveness, and empathy) and customer satisfaction in Libyan hotels. Furthermore, It has been also showed that trustworthiness and empathy had a significant positive effect on customer loyalty, while the responsiveness dimension revealed a slight effect. According to these findings, the researcher recommends a training program for Libyan hotel employees in order to develop more empathetic skills with customers, which can enhance customer experiences and increase their satisfaction and loyalty level.

Keywords: *Service Quality, Customer Satisfaction, Customer Loyalty.*

تقييم جودة الخدمة في قطاع الفنادق الليبي باستخدام نموذج SERVQUAL

دراسة تطبيقية لتعزيز رضا العملاء وولائهم

علي عبد النبي بريدان

كلية الاقتصاد - جامعة المرقب

Ali.Bridan@elmergib.edu.ly

الملخص

تهدف هذه الدراسة إلى استقصاء العلاقة بين أبعاد جودة الخدمة "الموثوقية، والاستجابة، والتعاطف"، ورضا العملاء وولائهم في قطاع الفنادق الليبية. من خلال التعرف على تأثير هذه الأبعاد على تحسين تجارب النزلاء وتعزيز مستوى الخدمة المقدمة. تركز الدراسة في فهم تأثير أبعاد جودة الخدمة على رضا العملاء وولائهم، مما يساهم في تعزيز هذه الخدمة.

استخدم الباحث المنهج الكمي لجمع البيانات، حيث تم تصميم استبيان وزعه على عينة من عملاء الفنادق في ليبيا. تم اختيار العينة بعناية باستخدام تقنية العينة العشوائية البسيطة، وبلغ عدد المشاركين في الدراسة 268 شخصاً.

أكدت نتائج هذه الدراسة على وجود علاقة ذات دلالة إحصائية بين أبعاد جودة الخدمة "الموثوقية والاستجابة والتعاطف"، ورضا العملاء في الفنادق الليبية. كما اوضحت النتائج أن بُعدي الموثوقية والتعاطف لهما تأثير إيجابي كبير على ولاء العملاء، بينما أظهر بُعد الاستجابة تأثيراً ضئيلاً على ولاء العملاء.

بناءً على هذه النتائج، يوصي الباحث بضرورة التركيز على تدريب العاملين في الفنادق على تطوير مهارات التعامل مع العملاء بأسلوب أكثر تعاطفاً، مما يساهم في تحسين تجارب العملاء ورفع مستوى رضاهم وولائهم.

الكلمات الدالة: جودة الخدمة، رضا العملاء، ولاء العملاء.

Introduction:

The hotel sector in Libya has been experiencing a rapid growth in the recent years encompassing with both public and private sectors. The surge in domestic tourism movement between different regions has captured the attention of hospitality managers in these establishments. As the industry becomes increasingly competitive, there has been a growing emphasis on service quality as a critical factor for success and survival in the marketplace (Ghobadian, Speller, & Jones, 1994). In a dynamic business environment, delivering high-quality service has emerged as the key to gaining a sustainable advantage and ensuring customer satisfaction (Shemwell, Yavas, & Bilgin, 1998). The hotel industry, in particular, relies heavily on service quality to attract and retain customers, enhance market share, and improve profitability (Oh, 1999; Shemwell et al., 1998). Therefore, understanding and effectively managing service quality dimensions have become imperative for hotel managers and industry

stakeholders. This study aims to examine the relationship between the service quality dimensions “reliability, responsiveness, and empathy” and customer satisfaction and loyalty in the Libyan hotel sector. It focuses on understanding the impact of these dimensions on enhancing guest experiences and improving service quality on customer satisfaction and loyalty.

The previous research has shown that higher service quality leads to increased customer satisfaction, enhancing customer loyalty. However, there is a lack of empirical evidence specifically addressing this relationship in the context of Libyan hotels.

Through a quantitative research methodology, this study seeks to fill this gap by analyzing how reliability, responsiveness, and empathy influence customer perceptions and behaviours. The findings are expected to provide practical recommendations to hotel managers, enabling them to implement strategies that enhance service quality, ultimately leading to improved customer satisfaction and loyalty.

Literature Review:

The concept of service quality has garnered significant attention in the field of hospitality and tourism research. Numerous studies have highlighted the essential role that service quality plays in the success and competitiveness of the hotel industry. Sureshchandar, Rajendran, and Anantharaman (2002), focused on the relationship between service quality, customer satisfaction and loyalty. The researchers found a positive relationship between the variables of their study, service quality and customer satisfaction in the Indian banking sector.

Kang, Okamoto, & Donovan (2004) , analyzed previous research and identified the key factors that influence customer satisfaction and return intention in hotels. The study found that customer satisfaction positively influences return intention. Khan and Fasih (2014), the study focused on examining the relationship between service quality and customer loyalty in the banking sector in Malaysia. The results revealed a significant impact of service quality on customer loyalty, with dimensions such as reliability, responsiveness, assurance and empathy identified.

According to Allan (2016), measuring the impact of service quality on customer satisfaction and its impact on customer satisfaction in luxury hotels in Ghana. The researcher found a positive relationship between service quality and customer satisfaction. He also confirmed that higher levels of service quality lead to increased customer satisfaction and retention.

Priyo, Mohamad, and Adetunji (2019), examined the relationships between customer loyalty, customer happiness, and service quality in the hotel sector. The study found that enhancing customer loyalty includes service quality and customer happiness. This means that hotels may deliberately use these components to increase customer loyalty.

Varsanis et al. (2019), This study observed the relationship between service quality dimensions and customer satisfaction in luxury hotels. The findings showed that dimensions such as responsiveness, reliability, assurance, empathy, and tangibles significantly influenced customer satisfaction levels.

According to Alketbi, Alshurideh, and Al Kurdi (2020), This study investigated the impact of service quality on customer loyalty in the hotel industry. Researchers found that dimensions of service quality, especially responsiveness and empathy, play a crucial role in enhancing customer loyalty, as customers who perceive high levels of service quality are more likely to exhibit loyalty behaviours.

Research Problem:

The hospitality industry faces significant challenges related to service quality, which directly impacts customer satisfaction and loyalty. Despite the growth of the hotel sector, there remains a noticeable lack of comprehensive studies evaluating the current state of service quality and its various dimensions within Libyan hotels. There is insufficient understanding of how customers perceive service quality in this context, complicating hotel operators' efforts to identify and address areas for improvement. Furthermore, the relationship between key service quality dimensions such as reliability, responsiveness, and empathy and their effects on customer satisfaction and loyalty has not been thoroughly explored in the Libyan setting.

This study examines the relationship between service quality dimensions “reliability, responsiveness and empathy” and customer satisfaction and loyalty to enhance guest experiences and improve service quality in Libyan hotels.

Research Questions

1. What is the relationship between service quality dimensions (reliability, responsiveness, empathy) and customer satisfaction in Libyan hotels?
 - 1.1 What is the impact of reliability on customer satisfaction in Libyan hotels?
 - 1.2 What is the impact of responsiveness on customer satisfaction in Libyan hotels?
 - 1.3 What is the impact of empathy on customer satisfaction in Libyan hotels?
2. What is the relationship between service quality dimensions (reliability, responsiveness, empathy) and customer loyalty in Libyan hotels?
 - 2.1 What is the impact of reliability on customer loyalty in Libyan hotels?
 - 2.2 What is the impact of responsiveness on customer loyalty in Libyan hotels?
 - 2.3 What is the impact of empathy on customer loyalty in Libyan hotels?

Research Hypotheses:

- H1: There is a statistically significant correlation between the service quality dimensions (reliability, responsiveness, empathy) and customer satisfaction in the Libyan hotel sector.
- H1.1: Reliability has a statistically significant positive effect on customer satisfaction in the Libyan hotel sector.
- H1.2: Responsiveness has a statistically significant positive effect on customer satisfaction in the Libyan hotel sector.
- H1.3: Empathy has a statistically significant positive effect on customer satisfaction in the Libyan hotel sector.

H2: There is a statistically significant correlation between the service quality dimensions (reliability, responsiveness, empathy) and customer loyalty in the Libyan hotel sector.

H2.1: Reliability has a statistically significant positive effect on customer loyalty in the Libyan hotel sector.

H2.2: Responsiveness has a statistically significant positive effect on customer loyalty in the Libyan hotel sector.

H2.3: Empathy has a statistically significant positive effect on customer loyalty in the Libyan hotel sector.

Search terms and concepts

Service Quality: "The overall assessment of how well a service meets or exceeds customer expectations. It encompasses various dimensions such as responsiveness, reliability, assurance, empathy, and tangibles". **Customer Satisfaction:** "The degree of fulfilment or contentment experienced by customers with a product or service. It is typically measured through surveys or feedback mechanisms".

Customer Loyalty: "The likelihood or tendency of customers to be engaged in repetitive business, made additional purchases, or recommended a product or service to others. It reflects a long-term commitment and preference for a particular brand or company". **Responsiveness:** "The willingness and ability of a service provider to promptly and effectively address customer needs, inquiries, or requests". **Reliability:** "The consistency and dependability of a service provider in delivering the promised service accurately and consistently over time". **Empathy:** "The attention, understanding, and care that service providers show toward clients' personal needs, concerns, and emotions."

Methodology

The current study relied on the descriptive approach based on collecting information from administrative literature. This method facilitated a comprehensive understanding of the characteristics of the phenomenon under study and allowed for exploring the relationships between different events and the factors affecting them. The study utilized primary data sources to address the research questions. Data was gathered through questionnaires distributed to participants, aimed at capturing insights into their perceptions and experiences regarding service quality.

Population and Sample of the Study

The study population consisted of hotel visitors. The target population size for the study was estimated at approximately 300 individuals. The researcher used a simple random sampling method to select participants in his research, ensuring that each individual in the sample had an equal chance of being included. The total number of valid questionnaires for statistical analysis was 268 questionnaires representing the study population. The sample size was determined according to the recommended guidelines proposed by Sekaran and Bougie (2020), to achieve a sufficient sample size to provide reliable and accurate results that can be generalized to the wider community.

The measurements of the variables in the study are as follows:

Service quality dimensions “reliability, responsiveness, and empathy “are measured using a 5-point Likert scale, where 1 indicates "strongly disagree" and 5 indicates "strongly agree." Each dimension consists of four items, resulting in a total of 12 items to evaluate all three dimensions collectively. Dependent variables: Customer satisfaction and customer loyalty are measured using a 5-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree. The customer satisfaction scale consists of eight items.

Table1: responses based on the specified ranges

Response Category		Scale	Weight Percentage	Agreement Level
Strongly Disagree	1	1.00 - 1.79	Less than 36%	Very Low
Disagree	2	1.80 - 2.59	36% to 51.9%	Low
Neutral	3	2.60 - 3.39	52% to 67.9%	Moderate
Agree	4	3.40 - 4.19	68% to 83.9%	High
Strongly Agree	5	4.20 - 5.00	Greater than 84%	Very High

Table 1 shows responses based on the specified ranges, providing a clear framework for interpreting survey data related to customer perceptions or opinions.

Table 2: Participants’ Responses on Service Quality Dimensions (Reliability, Responsiveness, Empathy)

	Paragraph	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std deviation	Approval grade
RELIABILITY	1. The hotel services and facilities demonstrate high reliability and quality.	8	41	80	131	8	3.34	.878	Moderate
		3.0	15.3	29.9	48.9	3.0			
	2. The hotel consistently fulfils its commitments.	3	89	62	106	8	3.10	.941	Moderate
		1.1	33.2	23.1	39.6	3.0			
	3. The hotel effectively addresses and resolves customer complaints quickly.	4	8	85	147	24	3.67	.743	High
		1.5	3.0	31.7	54.9	9.0			
	4. The hotel offers programs to enhance customer loyalty and encourage repeat visits.	4	49	108	97	10	3.22	.840	Moderate
		1.5	18.3	40.3	36.2	3.7			
	TOTAL RELIABILITY	19	187	335	481	50	3.33	0.850	
RESPONSIVENESS	5. Hotel staff respond promptly to requests and inquiries.	8	56	80	114	10	3.23	.923	Moderate
		3.0	20.9	29.9	42.5	3.7			
	6. The hotel meets customer needs flexibly and efficiently.	3	40	83	131	11	3.40	.831	High
		1.1	14.9	31.0	48.9	4.1			
		3	96	53	106	10	3.09	.971	Moderate

	7. Communication with hotel staff is effective and straightforward.	1.1	35.8	19.8	39.6	3.7				
	8. The hotel responds effectively to customer feedback and works on improving its services based on that feedback.	11	120	70	65	2	2.73	.902	Moderate	
		4.1	44.8	26.1	24.3	0.7				
	TOTAL RESPONSIVENESS	25	312	286	416	33	3.11	0.906		
EMPATHY	9. Hotel staff show understanding and sensitivity to customer needs.	3	56	108	89	12	3.19	.855	Moderate	
		1.1	20.9	40.3	33.2	4.5				
	10. Staff treat customers with politeness and empathy.	3	72	61	90	42	3.36	1.073	Moderate	
		1.1	14.9	34.0	49.3	0.7				
	11. the hotel staff provides emotional support for stress or special needs.	3	40	91	132	2	3.34	.778	Moderate	
		1.1	14.9	34.0	49.3	0.7				
	12. Staff handle problems with sensitivity and understanding.	5	24	131	99	9	3.31	.758	Moderate	
		1.9	9.0	48.9	36.9	3.4				
		TOTAL EMPATHY	14	192	391	410	65	3.30	0.866	

RELIABILITY :The table reveals notable differences in participants' perceptions of the reliability of hotel services. The statement 3 "The hotel effectively addresses and resolves customer complaints quickly" stands out with the highest mean score of 3.67 and a standard deviation of 0.743 .

On the other hand, the statement 2 "The hotel consistently fulfils its commitments" received the lowest mean score of 3.10 and a standard deviation of 0.941. This reflects a more divided perception among respondents, with a substantial percentage remaining neutral .

RESPONSIVENESS :The table illustrates varying perceptions of responsiveness among participants regarding hotel services. The statement 6 "The hotel meets customer needs flexibly and efficiently" received the highest mean score of 3.40, with a standard deviation of 0.831.

In contrast, the statement 8 "The hotel responds effectively to customer feedback and works on improving its services based on that feedback" received the lowest mean score of 2.73 and a standard deviation of 0.902. **EMPATHY** : The table illustrates participants' perceptions regarding empathy in hotel services. The statement 10 "Staff treat customers with politeness and empathy" received the highest mean score of 3.36, indicating that a significant portion of respondents feel positively about the staff's politeness and empathetic treatment. Conversely, the statement 9 "Hotel staff show understanding and sensitivity to customer needs" scored the lowest mean of 3.19.

Table 3: Participants' Responses on customer loyalty in Libyan hotels.

	Paragraph	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std deviation	approval grade
1	Customers feel comfortable returning to this hotel.	2	2	39	195	30	3.93	.592	High
		7.	7.	14.6	72.8	11.2			
2	Customers are willing to recommend this hotel to friends and family.	3	17	89	150	9	3.31	.691	Moderate
		1.1	6.3	33.2	56.0	3.4			
3	Hotel staff are readily available to assist customers when needed.	3	8	70	154	33	3.77	.744	High
		1.1	3.0	26.1	57.5	12.3			
4	Customers trust that this hotel will meet their needs during every visit.	3	10	97	133	25	3.49	.762	High
		1.1	3.7	36.2	49.6	9.3			
5	Customers appreciate the offers and programs provided by the hotel to enhance loyalty.	3	72	91	93	9	3.12	.881	Moderate
		1.1	26.9	34.0	34.7	3.4			
6	Customers have an intention to return to this hotel in the future based on previous experiences.	4	16	116	124	8	3.40	.715	High
		1.5	6.0	43.3	46.3	3.0			
7	The hotel demonstrates significant care for customer satisfaction.	4	9	23	194	38	3.94	.704	High
		1.5	3.4	8.6	72.4	14.2			
8	Customers identify themselves as loyal patrons of this hotel due to the quality of services provided.	3	32	100	125	8	3.29	.758	Moderate
		1.1	11.9	37.3	46.6	3.0			
TOTAL		25	166	625	1168	160	3.53	.730	

According to Table 3, the study found that the overall index for the relationship between service quality dimensions (reliability, responsiveness, empathy) and customer loyalty in Libyan hotels had a mathematical average of 3.53. The standard deviation was 0.730, indicating that the trends of the study sample members were relatively consistent around the average level. Among the

examined paragraphs, paragraph 7, which addresses the hotel’s significant commitment to customer satisfaction, received the highest average score of 3.94. The standard deviation of 0.704 indicates a relatively narrow range of responses, reflecting consistent perceptions among participants. In contrast, paragraph 5, which focuses on customers appreciating the offers and programs provided by the hotel to enhance loyalty, received the lowest average score of 3.12. The standard deviation for this paragraph was 0.881, indicating a wider range of responses compared to paragraph 7.

Table 4: Participants’ Responses on customer satisfaction in Libyan hotels

	Paragraph	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std deviation	Approval grade
1	Overall, the experience at the hotel meets customer expectations.	8	43	79	124	15	3.36	0.917	Moderate
		3.0	16.0	29.4	46.1	5.6			
2	Customers express a high level of satisfaction with the service delivered by the hotel staff.	5	21	93	107	43	3.60	0.845	High
		1.9	7.8	34.6	39.8	16.0			
3	The comfort and cleanliness of the rooms are satisfactory for guests during their stay.	4	38	82	132	13	3.42	0.845	High
		1.5	14.1	30.5	49.1	4.8			
4	The hotel facilities adequately meet customer needs and expectations.	9	33	88	95	44	3.49	1.013	High
		3.3	12.3	32.7	35.3	16.4			
5	The hotel staff demonstrate professionalism and courtesy throughout guest interactions.	8	43	79	126	13	3.35	0.908	Moderate
		3.0	16.0	29.4	46.8	4.8			
6	Any issues encountered during the stay are resolved to the satisfaction of guests.	5	27	96	106	35	3.52	0.908	High
		1.9	10.0	35.7	39.4	13.0			
7	Guests believe that the services provided are worth the price paid.	1	35	82	138	13	3.47	0.794	High
		0.4	13.0	30.5	51.3	4.8			
8	Guests would recommend this hotel to others based on their experience	2	16	128	97	26	3.48	0.780	High
		0.7	5.9	47.6	36.1	9.7			
	TOTAL	42	256	727	925	202	3.46	0.876	

According to Table 4, the study found that the overall index for the relationship between customer satisfaction and customer loyalty in Libyan hotels had a mean score of 3.46. The standard deviation was 0.876, suggesting that the responses from the study sample were relatively consistent at a high level. Among the specific paragraphs analyzed, paragraph 2, which addresses customer satisfaction with the quality of service provided by hotel staff, achieved the highest average score of 3.60. The standard deviation for this paragraph was 0.845, indicating a relatively narrow range of responses. In contrast, paragraph 5, which focuses on the professionalism and courtesy of hotel staff during guest interactions, received the lowest average score of 3.35. The standard deviation for this paragraph was 0.908, reflecting a wider range of responses compared to paragraph .

Table 5: Analysis of the Correlation Between Service Quality and Customer Satisfaction

Correlations			
		service quality	customer satisfaction
service quality	Pearson Correlation	1	.750**
	Sig. (2-tailed)		.000
	N	268	268
customer satisfaction	Pearson Correlation	.750**	1
	Sig. (2-tailed)	.000	
	N	268	268

** . Correlation is significant at the 0.001 level (2-tailed)

The Correlation analysis results in Table 5 show a strong positive correlation between service quality and customer satisfaction, with a Pearson correlation coefficient of 0.750 at a significance level of $p = 0.000$. This positive correlation suggests that as service quality improves, customer satisfaction increases significantly. These findings support the study hypothesis, "H1: There is a statistically significant correlation between the service quality dimensions (reliability, responsiveness, empathy) and customer satisfaction in the Libyan hotel sector."

Table 6: Regression analysis of service quality and Customer satisfaction

Dependent variable	R	R ²	F	Freedom degree	Independent variables service quality dimensions	B	t	Sig
Customer satisfaction	0.762	0.581	122.145	3	Reliability	0.57	6.52	0.00
				264	responsiveness	0.25	2.83	0.00
				267	Empathy	0.59	7.07	0.00

Dependent Variable: Customer satisfaction

Table 6 shows the results of the regression analysis examining the relationship between service quality dimensions and customer satisfaction. The

overall R-value of 0.762 indicates a strong correlation between service quality and customer satisfaction, while the R² value of 0.581 suggests that approximately 58.1% of the variance in customer satisfaction can be explained by the service quality dimensions included in the model.

Among the independent variables, reliability shows a significant positive effect on customer satisfaction with a B value of 0.57 and a t value of 6.52. The significance level (Sig) of 0.00 confirms that this relationship is statistically significant. This supports the study hypothesis that "**H1.1**: Reliability has a statistically significant positive effect on customer satisfaction in the Libyan hotel sector".

Responsiveness also positively influences customer satisfaction, though to a lesser extent, with a B value of 0.25 and a t-value of 2.83. This indicates a comparatively weaker effect. However, the results confirm the hypothesis: "**H1.2**: Responsiveness has a statistically significant positive effect on customer satisfaction in the Libyan hotel sector."

Empathy exhibits a strong positive impact, with a B value of 0.59 and a t-value of 7.07, highlighting its critical role in enhancing customer satisfaction. This finding supports the hypothesis: "**H1.3**: Empathy has a statistically significant positive effect on customer satisfaction in the Libyan hotel sector."

Table 7: Analysis of the Correlation Between Service Quality and Customer loyalty

Correlations			
		service quality	customer loyalty
service quality	Pearson Correlation	1	.792**
	Sig. (2-tailed)		.000
	N	268	268
customer loyalty	Pearson Correlation	.792**	1
	Sig. (2-tailed)	.000	
	N	268	268

** . Correlation is significant at the 0.001 level (2-tailed).

The results in Table 7 show a strong positive correlation between service quality and customer loyalty, with a Pearson correlation coefficient of 0.792 and a significance level of p = 0.000. This suggests that organizations focusing on high service quality are more likely to achieve long-term customer retention. These findings support the study hypothesis, "H2: There is a statistically significant correlation between the service quality dimensions (reliability, responsiveness, empathy) and customer loyalty in the Libyan hotel sector."

Table 8: Regression analysis of service quality and customer loyalty

Dependent variable	R	R ²	F	Freedom degree	Independent variables service quality dimensions	B	t	Sig
customer loyalty	40.8	160.7	221.453	3	Reliability	365	5.36	0.00
				264	responsiveness	-.018	-.260	0.795
				267	Empathy	.846	13.14	0.00

Dependent Variable: customer loyalty

The table displays the regression analysis results examining the relationship between service quality dimensions and customer loyalty. The overall R-value of 0.84 indicates a strong correlation, while the R^2 value of 0.716 suggests that approximately 71.6% of the variation in customer loyalty is explained by the service quality dimensions.

Among the independent variables, reliability demonstrates a significant positive impact on customer loyalty, with a B value of 0.365 and a t-value of 5.36, both statistically significant (Sig. = 0.00). This finding indicates that increased reliability correlates with higher customer loyalty, supporting the hypothesis: "**H2.1**: Reliability has a statistically significant positive effect on customer loyalty in the Libyan hotel sector."

In contrast, responsiveness exhibits a negligible effect, with a B value of -0.018 and a t value of -0.260, resulting in a Sig value of 0.795, which suggests that it does not significantly influence customer loyalty in this context. This does not support the study hypothesis that "**H2.2**: Responsiveness has a statistically significant positive effect on customer loyalty in the Libyan hotel sector

Conversely, empathy exhibits a strong positive effect, with a B value of 0.846 and a t-value of 13.14, both statistically significant (Sig. = 0.00). This underscores the crucial role of empathy in enhancing customer loyalty, supporting the hypothesis: "**H2.3**: Empathy has a statistically significant positive effect on customer loyalty in the Libyan hotel sector."

Results:

- 1) The study's results indicate a strong correlation between service quality dimensions and customer satisfaction, as evidenced by an R-value of 0.762 from the regression analysis. These findings are consistent with previous research conducted by (Sitorus & Yustisia, 2018; Supriyanto, Wiyono, & Burhanuddin, 2021), which confirmed that service quality significantly affects customer satisfaction.
- 2) The reliability dimension disclosed a significant positive effect on customer satisfaction, with a B value of 0.57 and a t value of 6.52 (Sig = 0.00). This result is in line with other research on the effect of reliability as one of the critical determinants of customer satisfaction in service industries (Njoki Chege, 2021; Zygiaris, Hameed, Ayidh Alsubaie, & Ur Rehman, 2022).
- 3) The results of the study presented that the service quality variable "responsiveness" had a positive impact on customer satisfaction, which was reflected in the B value of 0.25 and the t value of 2.83 (Sig = 0.00). However, its effect was relatively weaker than reliability. This result is supported by the study conducted by: (Kumar, 2017; Ye, Dong, & Lee, 2017).

- 4) The results of the study showed a strong positive effect of empathy as one of the dimensions of service quality and customer satisfaction, with a value of B 0.59 and a value of t 7.07 (Sig = 0.00). This finding highlights the importance of empathy in enhancing customer satisfaction, this is in line with the research conducted by (Bahadur, Aziz, & Zulfiqar, 2018; Njoki Chege, Wanjau Kenneth, & Nkirina, 2019) , which emphasized the importance of empathic interactions in service quality.
- 5) According to the study results, the dimensions of service quality and customer loyalty are closely related, and the regression analysis yielded an R-value of 0.84. This is consistent with the findings of research conducted by (Budianto, 2019; Santouridis & Trivellas, 2010). Studies have highlighted the relationship between service quality and customer loyalty.
- 6) The research results showed that the reliability dimension has a significant positive effect on customer loyalty, with a B value of 0.365 and a t-value of 5.36 (Sig. = 0.00). This finding is consistent with the results of previous studies by (Santouridis & Trivellas, 2010), who confirmed that the reliability dimension is a critical factor affecting customer loyalty in service sectors.
- 7) The research results disclosed that responsiveness exhibited a negligible effect on customer loyalty, with a B value of -0.018 and a t value of -0.260 (Sig = 0.795). This is consistent with previous studies by (Santouridis & Trivellas, 2010) , who pointed out that not all service quality affects dimensions of loyalty equally.
- 8) The research results showed that the empathy dimension has a significant positive effect on customer loyalty, with a B value of 0.846 and a t value of 13.14 (Sig = 0.00). These findings are in line with those of the study conducted by (Leninkumar, 2016), his study revealed that empathy has a significant positive impact on customer loyalty.

Recommendations:

- 1) Based on the results of the study, the following proposals can be formulated:
- 2) The study recommends that decision-makers in the hotel sector prioritize improving their reliability by ensuring consistent service delivery. This is done through implementing training programs for employees that focus on quality techniques to reach the best level of service.
- 3) The researcher recommends that policymakers focus on training employees to respond more effectively and quickly to customer inquiries and complaints. By using technology, such as chatbots or mobile phone applications, to facilitate faster communication.
- 4) Attention to training hotel workers to develop skills in dealing with customers in a more empathetic way leads to improved customer experiences.

- 5) The researcher recommends that policymakers should develop effective marketing strategies to attract customers and enhance their loyalty and retention.

Reference:

- Sahakitpichan, C., & Sriboonjit, J. (2011). The Impact of Service Quality on Customer Satisfaction and Customer Loyalty: A Study of Hotel Industry in Thailand. *IUP Journal of Marketing Management*, 10(1), 7-25.
- Thao, N. L. P., & Anh, N. T. K. (2016). The Impact of Service Quality on Customer Satisfaction in the Hotel Industry: Evidence from a Rural Area in Vietnam. *International Journal of Innovation, Management, and Technology*, 7(5), 190-194.
- Imran, M. (2017). The Effect of Service Quality on Customer Satisfaction and Behavioral Intention in Hotel Industry. *Journal of Social Sciences and Humanities*, 23(2), 107-118.
- Abdolvand, N., & Ghasemi, M. (2017). The Effect of Service Quality on Customer Satisfaction and Loyalty in the Hotel Industry in Iran. *International Journal of Business and Management*, 12(5), 1-12.
- Nasurdin, A. M., & Dangi, M. R. M. (2012). Service Quality, Customer Satisfaction, and Loyalty in the Malaysian Hotel Industry. *International Journal of Business and Society*, 13(2), 1-16.
- Chinta, R. (2013). Service Quality, Customer Satisfaction, and Loyalty in Indian Hotels: An Empirical Investigation. *International Journal of Contemporary Hospitality Management*, 25(3), 384-408.
- Khan, S., & Nawaz, M. M. (2014). The Impact of Service Quality on Customer Satisfaction and Loyalty: Evidence from the Hotel Industry in Pakistan. *International Journal of Marketing Studies*, 6(5), 101-111.
- Anh, P. C., & Huan, N. H. (2016). Service Quality and Customer Satisfaction: Evidence from the Hotel Industry in Vietnam. *Asian Social Science*, 12(9), 1-17.
- Alketbi, S., Alshurideh, M., & Al Kurdi, B. (2020). THE INFLUENCE OF SERVICE QUALITY ON CUSTOMERS' RETENTION AND LOYALTY IN THE UAE HOTEL SECTOR WITH RESPECT TO THE IMPACT OF CUSTOMER'S SATISFACTION, TRUST, AND COMMITMENT: A QUALITATIVE STUDY. *PalArch's Journal of Archaeology of Egypt/Egyptology*, 17(4), 541-561.
- Allan, M. M. (2016). The relationship between service quality and customer satisfaction and retention in Ghana's Luxury Hotels. *IUP Journal of Marketing Management*, 15(4), 60.
- Bahadur, W., Aziz, S., & Zulfiqar, S. (2018). Effect of employee empathy on customer satisfaction and loyalty during employee–customer interactions:

- The mediating role of customer affective commitment and perceived service quality. *Cogent Business & Management*, 5(1), 1491780.
- Budianto, A. (2019). Customer loyalty: quality of service. *Journal of management review*, 3(1), 299-305.
- Ghobadian, A., Speller, S., & Jones, M. (1994). Service quality: concepts and models. *International journal of quality & reliability management*, 11(9), 43-66.
- Kang*, S.-S., Okamoto, N., & Donovan, H. A. (2004). Service quality and its effect on customer satisfaction and customer behavioral intentions: Hotel and ryokan guests in Japan. *Asia Pacific Journal of Tourism Research*, 9(2), 189-202.
- Khan, M. M., & Fasih, M. (2014). Impact of service quality on customer satisfaction and customer loyalty: Evidence from banking sector. *Pakistan Journal of Commerce and Social Sciences (PJCSS)*, 8(2), 331-354.
- Kumar, A. (2017). Effect of service quality on customer loyalty and the mediating role of customer satisfaction: an empirical investigation for the telecom service industry. *Journal of Management Research and Analysis*, 4(4), 159-166.
- Leninkumar, V. (2016). The effect of service quality on customer loyalty. *European Journal of Business and Management*, 8(33), 44-49.
- Njoki Chege, C. (2021). Examining the influence of service reliability on customer satisfaction in the insurance industry in Kenya.
- Njoki Chege, C., Wanjau Kenneth, L., & Nkirina, S. (2019). Relationship between empathy dimension and customer satisfaction in the insurance industry in Kenya.
- Oh, H. (1999). Service quality, customer satisfaction, and customer value: A holistic perspective. *International journal of hospitality management*, 18(1), 67-82.
- Priyo, J. S., Mohamad, B., & Adetunji, R. R. (2019). An examination of the effects of service quality and customer satisfaction on customer loyalty in the hotel industry. *International Journal of Supply Chain Management*, 8(1), 653-663.
- Santouridis, I., & Trivellas, P. (2010). Investigating the impact of service quality and customer satisfaction on customer loyalty in mobile telephony in Greece. *The TQM Journal*, 22(3), 330-343.
- Shemwell, D. J., Yavas, U., & Bilgin, Z. (1998). Customer-service provider relationships: an empirical test of a model of service quality, satisfaction and relationship-oriented outcomes. *International journal of service industry management*, 9(2), 155-168.
- Sitorus, T., & Yustisia, M. (2018). The influence of service quality and customer trust toward customer loyalty: the role of customer satisfaction. *International Journal for Quality Research*, 12(3), 639.

- Supriyanto, A., Wiyono, B. B., & Burhanuddin, B. (2021). Effects of service quality and customer satisfaction on loyalty of bank customers. *Cogent Business & Management*, 8(1), 1937847.
- Sureshchandar, G., Rajendran, C., & Anantharaman, R. (2002). The relationship between service quality and customer satisfaction—a factor specific approach. *Journal of services marketing*, 16(4), 363-379.
- Varsanis, K., Belias, D., Kakkos, N., Chondrogiannis, M., Rossidis, I., & Mantas, C. (2019). *The relationship between service quality and customer satisfaction on luxurious hotels so to produce error-free service*. Paper presented at the Strategic Innovative Marketing and Tourism: 7th ICSIMAT, Athenian Riviera, Greece, 2018.
- Ye, J., Dong, B., & Lee, J.-Y. (2017). The long-term impact of service empathy and responsiveness on customer satisfaction and profitability: a longitudinal investigation in a healthcare context. *Marketing Letters*, 28, 551-564.
- Zygiaris, S., Hameed, Z., Ayidh Alsubaie, M., & Ur Rehman, S. (2022). Service quality and customer satisfaction in the post pandemic world: A study of Saudi auto care industry. *Frontiers in Psychology*, 13, 842141.