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EFFECT OF SERVICE QUALITY ON CUSTOMER LOYALTY: A STUDY OF HOTELS IN ETHIOPIA

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ABSTRACT

Fulfilling customers' expectations is important to prove their loyalty in the market. Therefore, this study is conducted to examine the effect of service quality on customer loyalty at selected Hotels in Hawassa, Ethiopia. The study employed an explanatory research design with a quantitative research approach. The required data were collected from 185 hotel customers by using a convenient sampling technique. The data collected through questionnaire were analyzed using both descriptive (Mean and SD) and inferential statistics (correlation and multiple linear regression) with the help of SPSS software version 26. The findings of the study showed that hotel customers become loyal when hotel employees respond to their requests as expected when hotel employees become active to make customers feel and secure in their transactions when hotel employees give customers individual attention and understand customers' specific needs when employees caring individual attention to customers by having the best interests at heart and having enough attention to the newcomers. Therefore, the study concludes that service quality has a positive and significant effect on customer loyalty. That means service quality variables such as tangibility, responsiveness; reliability, assurance, and empathy have a positive influence on customer loyalty.

Keywords: Assurance, Empathy, Loyalty, Reliability, Responsiveness, Tangibility

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