

## **Abstract**

Loyalty of a firm's customer has been recognized as the dominant factor in a business organization's success. This study help us extend our understanding of the relationship between customers' loyalty, switching behavior, perceived quality, customers' satisfaction, and image. This is of considerable interest to both practitioners and academics in the field of hospitality management. The objective of this research is to identify the factors of switching behavior, perceived quality, customer satisfaction, and image that are positively or negatively related to customer loyalty in the hotel industry. Data collected form 200 melati hotels consumers in Yogyakarta. The sample was drawn by a purposive sampling technique. Data analyses were conducted by means of structural equation modeling with a program application of AMOS. The results of model evaluation with several criteria of Goodness of Fit Indices showed the model was accepted. The finding of the research verified the model indicating the relationship between customer loyalty, switching behavior, perceived quality, customer satisfaction, and image. The results illustrated that a) image has both direct and indirect (through satisfaction) positively effects on customers' loyalty, b) perceived quality positively affects consumers' loyalty through customers' satisfaction, and c) customers' satisfaction direct positively effects on loyalty and negatively effects on switching behavior, but indirect (through switching behavior) not effects on customers' loyalty. Consumers' perceptions about perceived quality, customer satisfaction, and image are almost equally important to build up their loyalty. The findings of this study contribute to the growing body of knowledge in service management and hospitality management. This study could be replicated in independent hotels, in chain restaurants and/or in other service sectors. We suggest that managers consider image, perceived quality, and consumer satisfaction as the foundations to build up loyalty and competitive advantage. Keywords : customer loyalty, switching behavior, perceived quality, customer satisfaction, and image