

**Influence of Service Quality on Customers Loyalty in Hotel Industry:
With Special Reference to Batticaloa District**

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The rationale of this study is to look at the association between services quality of Hotel Industry in Batticaloa Urban Area and to scrutinize the cause on customer loyalty. With the increased competition hotels find it difficult to retain the existing customers and attract new customers. A total of 150 customers of hotels participated from urban areas in Batticaloa district in this study. Research questions and objectives were set. Descriptive statistics comprising the simple percentage and tables were used for data presentation and analysis. Pearson correlation coefficient and regression analysis were employed in testing impact of Service Quality and levels of Customer Loyalty and validity and the reliability of the measurement scales were tested against the survey data. The study reveals that as Service Quality positively impact on Customer Loyalty. According to the findings dimension of Empathy (0.411) Responsiveness (0.656) Reliability (0.975) Assurance (0.843) Tangibles (0.981) on Service Quality significantly positively correlated with Customer Loyalty and by 74.7% Service Quality impact on Customer Loyalty concluded by recommending that hotels should focus more attention on Service Quality, because of its effects on Customer Loyalty. It is also recommended that hotels should welcome suggestions from customers and more programs should be designed to measure Service Quality and Customer Loyalty. The findings provided a useful tool for Service Quality improvement in Hotel Industry in Sri Lanka.

Keywords: *Customer, Service Quality, Customer Loyalty, Hotel Industry*