

Service Quality, Satisfaction, and Loyalty in Homestays in Da Lat City, Vietnam

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Abstract – This empirical study aims to identify and evaluate the crucial factors that influence customer satisfaction and loyalty in homestays in Da Lat City. The research utilizes the SERVQUAL framework, and related research suggests seven factors: responsiveness, assurance, empathy, tangibles, satisfaction, and loyalty. A PLS-SEM structural model is used to test hypotheses by evaluating data from 250 residents of Ho Chi Minh City. The finding points out that adolescents' loyalty to homestay services in Da Lat is stimulated directly by empathy and satisfaction and indirectly by responsiveness and assurance. Meanwhile, young people's satisfaction with homestay service is affected by 4 out of 5 factors: responsiveness, assurance, empathy, and tangibles. This study provides insights into homestay services and the key elements influencing young customers' satisfaction levels toward loyalty to the homestay. Homestay managers should use this model approach to restructure and improve their homestay services to meet the demands and desires of their target clients in a competitive marketplace.

Keywords – Satisfaction, loyalty, PLS-SEM model, homestay.

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1. Introduction

Homestay is an accommodation service on a smaller scale than inns, hotels, and resorts; it includes tourist villas, houses with rooms for rent, and tourist flats. Because of the friendliness, intimacy, uniqueness, and particularity, staying in homestays has always been and continues to be one of the hottest tourism trends. Furthermore, homestays are now more than just a beautiful and modern place to stay; they are also places where tourists can gain cultural inspiration from each region. This type of accommodation has enabled customers to return to nature, escape from the hustle and bustle of life, and enjoy the fresh atmosphere inside rooms full of amenities and coziness. Along with the opportunity to be in contact with local inhabitants through homestays, tourists can immerse themselves in a new culture, get along with local people, and be a local person throughout the journey. Visitors will also be introduced to picturesque sites and unique cuisine that only the locals know best. Furthermore, perceived value is higher than the cost tourists have to pay, which helps save more money than other accommodation service forms. In other words, nowadays, young people travel not only to go sightseeing or have fun, but also to learn more about the culture and lifestyle of each region. As a result, homestay culture emerged and flourished in Vietnam's tourist community. According to tourism statistics, at the end of 2019, there were approximately 2.250 tourism accommodation establishments throughout Lam Dong province (an increase of 60% compared to 2018, especially in homestays), with 25.617 rooms in total (a rise of 31.1% compared to 2019) [1]. Conforming to Da Lat city's report, at the end of 2019, Da Lat had more than 730 homestay infrastructures with approximately 5.750 rooms and just about 10.500 beds; a 40% increase in quantity, about 35% of the rooms and 30% of the beds. However, this number has not been reported completely, which means the number in reality can be even higher [1].

Nonetheless, homestay is rapidly expanding these days, posing a significant challenge when there is unfair price competition as well as a lack of quality management of homestay facilities. The Da Lat homestay service system is still limited in terms of equipment and its ability to serve customers, which makes it difficult to build trust and loyalty to continue using this homestay service. Moreover, Da Lat also encounters competition from other holiday destinations such as Nha Trang and Da Nang, cities with high-quality tourism infrastructure, and Sa Pa, a place with the same climate as Da Lat. This requires homestay owners in Da Lat to have amendments and plans to improve tourism services to make homestays evolve even more dynamically.

Most previous investigations of tourism in Vietnam recommended factors based on the SERVQUAL - Service Quality model affecting visitors' satisfaction with tourist attractions without considering the association between fulfillment and loyalty to the sort of tourism service. Hence, the major reason for this investigation is to examine whether five factors—responsiveness, assurance, empathy, tangibles, and reliability—affect tourist satisfaction. The second goal is to evaluate whether six factors influence tourists' loyalty to Da Lat homestay services including: responsiveness, assurance, empathy, tangibles, reliability, and satisfaction.

2. Literature Review

According to Kotler and Armstrong [2], service is the activities and consequences that one can provide another and is mainly invisible with no ownership, including not existing and not addressing relations between distributors and customers or the property of customers with no change of ownership. Products of service can be in or outside the range of physical products [2]. Service is defined as behaviors, processes, and methods to complete a work in order to create usage value while satisfying customers' expectations [3]. The term "service" refers to the range of activities or benefits that an enterprise can provide to customers, aimed at building, strengthening, and expanding relationships and fostering long-term collaborations with them [2].

Different studies and situations might offer different views on what service quality means, but businesses need to think about it. By understanding service quality, businesses can figure out how to make their services better. This not only helps them reach their goals but also shows them where they are doing well so they can highlight those strengths [2]. According to Cronin and Taylor's research, quality of service is directly correlated with customer satisfaction [4].

Service quality refers to the difference between what customer anticipates from a service or product and how well they perceive it meets those expectations [5]. Since then, the SERVQUAL has been designed as a scale for measuring service quality. It consists of 22 variables grouped into 5 components (reliability, responsiveness, tangibles, assurance, and empathy) to assess both expected and perceived quality, applicable to various types of services [6]. The SERVPERF scale is a useful tool to measure how good a service is in terms of customer satisfaction theory [4].

The term Homestay alludes to a sort of accommodation in which guests stay with the host to learn about the host's culture and lifestyle, who is willing to express and convey their culture [7]. The host is someone who provides a place to stay and meals for guests at a fair cost. Homestay is a commercial course of action whereby guests or customers choose to stay in a house where they interact with the host or family [8]. Homestay refers to a type of tourism where travelers reside with local families, allowing for immersive experiences and interaction within the community [9]. The tourism products include the complete experience from the moment tourists leave home until they return; homestay is not just a form of accommodation but also a second home [10]. Nowadays, homestay tourism has received more attention. Therefore, it has become a new niche in the eco-tourism business. Besides, the government creates favorable conditions to help and participates in this field, from which social, political, economic, and ecological issues arising on the campus of local residents become agents of providing services to guests and attracting more and more tourists to visit. Local residents also have a great source of income from providing services to tourists; homestay tourism is increasingly popular and has great significance not only to tourists but also to local people and government officials. Homestay tourism is often formed in areas where there are not enough conditions to build hotels, motels, or restaurants to serve the needs of tourists. Therefore, homestay tourism is especially suitable for multicultural countries like Vietnam.

Customer satisfaction is a measure of how satisfied customers are with the quality of a company's product or service [11]. Bachelet [12] explained that customer satisfaction is how happy a person feels after using a product. It is about how much their experience matches what they were hoping for [13]. In general, researchers believe that satisfaction is the sense of comfort that customers feel when their expectations for products and services are met. Customer satisfaction is the company's presence in the customer's mind when the company's product or service life cycle exceeds or fulfills their expectations [14].

Customer pleasure is a key outcome of marketing activity. In Ho Chi Minh City, customer satisfaction is the most powerful and key element in understanding the loyalty of customers [15]. High customer satisfaction affects the income of most organizations. As an example, when a person receives good service, they will recommend it to about nine to ten of their relatives and friends. However, when a customer receives poor service that leaves them dissatisfied, they will probably tell as many as fifteen or twenty people about it [16]. Customer satisfaction is important and should be measured and taken care of, just like any other valuable physical asset. Customer satisfaction is related to the product offered, the delivery process, and the after-sales services. Customer satisfaction is also influenced by post-purchase services. Customers form their expectations based on previous purchases, recommendations from friends, marketing, promises, and competitors [17].

Improving customer satisfaction leads to greater loyalty, which leads to higher future sales. Many leaders have conducted their businesses in this goal and they have been rewarded by increasing revenue and maintaining positive customer connections. So, businesses need to check how good their services are to attract and keep customers. Keeping customers happy is seen as really important for the company to do well in the long run [18].

Service quality is basically how customers judge how good something is [19]. It is a mix of their feelings and what they get, which comes from comparing what they expect with what they actually experience. Service quality is all about how well the services match up with what customers want [20]. It is like the difference between what customers hope for and what they actually get when they use the service [5]. The consumer's response to the fulfillment of their needs is known as satisfaction [21]. This definition explains contentment as how happy consumers feel when they use a product or service that meets their needs, whether it is just right or even better than expected [22]. Satisfaction is basically how customers feel about a product or service compared to what they expected from it, like whether they agree with its performance after trying it out [22]. Researchers have found that when customers think the service is good, it makes them satisfied, and good service quality might be really important for making customers happy [23].

Parasuraman *et al.* created the SERVQUAL model, which looks at service quality gaps through five criteria: reliability, responsiveness, service capability, empathy, and tangibles [6]. On the other hand, Cronin and Taylor came up with the SERVPERF model, which says that the quality of

service is determined by what customers actually experience, not by comparing it to their expectations like the SERVQUAL model does. This means service quality is basically what customers perceive it to be [4].

Customer loyalty is characterized by a consistent correlation between an individual's behavior and their likelihood of making more purchases from the same provider, as well as rates, synergies, and probabilities [24]. The research on customer loyalty has many different approaches: a behavioral approach [25] and an attitude-based view [26]. Behavioral loyalty is often expressed in an approach based on future repurchase behaviors, the number and frequency of repurchases, and the change of brand each time [27]. Attitude loyalty focuses on the importance of feelings and experiences in loyalty, showing in customers' actions. It is about remaining to use certain brand or group of brands because of past buying habits and preferences [28].

To study customer loyalty, there are three major approaches: the behavioral approach, the attitude-based approach, and the integrated research method [29]. The authors believe that the integrated approach involving both attitudes and behaviors is the most powerful and appropriate approach for the study as it captures the two biggest influences on users' decisions [30]. According to empirical research, customer satisfaction affects a business's bottom line because happy consumers are more likely to remain loyal than dissatisfied ones [31]. Dissatisfaction, on the other hand, can result in customer churn. Such consumer loyalty is positively connected to such satisfaction, while dissatisfaction can lead to consumer desertion. According to the results of these studies, customer loyalty and satisfaction are significantly correlated. They assert that enhanced customer happiness will boost the company's loyalty.

2.1. Responsiveness (RES)

The willingness to serve clients and promptly provide services that meet their needs is referred to as responsiveness. The response here focuses on two important factors: readiness and speed [6]. Therefore, service providers must guarantee that their customer receive services as soon as feasible and without delay. Responsiveness will be determined by the length of time the customer waits for answers or solutions from the service provider [32]. If the homestay service is responsive, it makes customers happier, according to [33]. When customers use the services provided by the enterprise, they will feel satisfied with their requirements; the more positive this response is, the better their perception and satisfaction will be.

H1: Responsiveness has a positive impact on the satisfaction of young people with Da Lat's homestay services.

H2: Responsiveness has a positive impact on the loyalty of young people with Da Lat's homestay services.

2.2. Assurance (ASS)

Assurance is the employees' expertise and civility, as well as their confidence and capacity to inspire [34]. This is the aspect that fosters consumer credibility and trust, and it is felt via professional service, great expertise, a courteous manner and effective communication skills [35]. Thanks to this, customers feel at ease when using homestay services. Customers are served politely and courteously by staff and homestay owners; accommodation contracts are clear and coherent; homestay owners and staff always provide necessary service information and answer customers' inquiries clearly and accurately.

H3: Assurance has a positive impact on the satisfaction of young people with homestay services in Da Lat.

H4: Assurance has a positive impact on the loyalty of young people with homestay services in Da Lat.

2.3. Empathy (EMP)

Empathy is demonstrated by concentrating on customers to assure their care and distinctiveness [6]. Customer service is viewed as a significant aspect that helps satisfy customers psychologically and enhances trust, loyalty, and reliability. If the support personnel lack empathy, the firm may lose customers [32]. The satisfaction of the customers will be positively affected by the homestay guarantee [6], [33]. This shows that the service guarantee of the homestay will make customers rest assured about the service and will make them fulfilled with the benefit given by the company.

H5: Empathy has a positive impact on the satisfaction of young people with homestay services in Da Lat.

H6: Empathy has a positive impact on the loyalty of young people with homestay services in Da Lat.

2.4. Tangibles (TAN)

Tangibles include amenities, equipment, personnel, and written materials [36]. Tangibles consist of external images of the organizational facilities, equipment, machinery, staff behavior, documents, instructions, and communication systems. This factor can be affected generally, by all that they see and hear directly through their eyes and senses: the bank has sufficient infrastructure; it is equipped with

current devices and machines. Anything customers can see and feel directly can affect this factor. For example, a homestay with good facilities, modern equipment, and well-organized spaces can make customers feel good about it.

H7: Tangibles have a positive impact on the satisfaction of young people with Da Lat's homestay services.

H8: Tangibles have a positive impact on the loyalty of young people with Da Lat's homestay services.

2.5. Reliability (REL)

Reliability, also defined as system availability, is the exact technical function of online services [37]. The reliability consists of variables that describe the technical features of the application, where the application is always ready for transactions and works efficiently [38], along with the ability to correctly perform services as agreed, including the stability of the application and the ability to ensure successful transactions.

H9: Reliability has a positive impact on the satisfaction of young people with homestay services in Da Lat.

H10: Reliability has a positive impact on the loyalty of young people with homestay services in Da Lat.

2.6. Satisfaction (SAT)

Satisfaction is how happy or unhappy someone feels after comparing what they got with what they expected to get [17]. This implies that expectations and outcomes will determine the degree of satisfaction. The customer will be unhappy if the real outcome falls short of their expectations; and pleased or extremely satisfied if the actual result meets or surpasses their expectations [39].

Customer satisfaction is basically how customers feel about a service provider. It is their overall attitude or emotional reaction to whether what they got matches what they wanted or expected in order to fulfill their needs, goals, or desires [40]. Thus, it is simple to see that after acquiring and utilizing particular items and services, customers would conduct a comparison between their expectations and reality, expressing pleasure if the true outcome is as expected and dissatisfaction if the real outcome is not as expected.

A pleased consumer is more likely to rebuy a product and tell five to six people about his or her experience [41]. Furthermore, one dissatisfying factor can make customers discontinue doing business with the company even though it has mostly satisfied them [42].

Loyalty rises along with improved customer satisfaction. In fact, a number of previous researchers have discovered that one of the primary factors influencing loyalty is satisfaction [43].

According to Tee *et al.*, loyalty and customer satisfaction have positive relationship [44].

H11: Satisfaction has a positive impact on the loyalty of young people with homestay services in Da Lat.

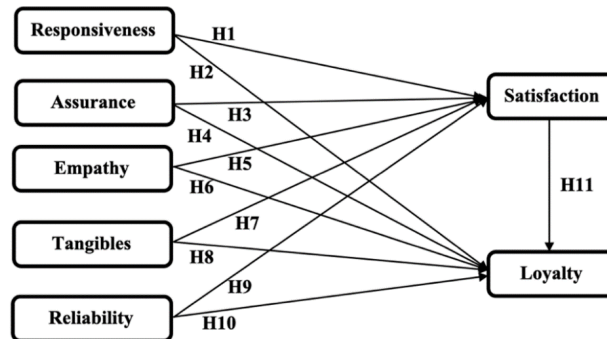


Figure 1. The conceptual framework for this study

3. Methodology

To measure seven mentioned key factors, we made use of 27 measuring item scales that were modified from earlier related investigations and are displayed in the appendix. Also, there is a discussion about adapting and translating the survey to fit the Vietnamese culture and language, which makes it easier for responders to comprehend and answer. Next, a system of questions was created, and five specialists were invited to evaluate and discuss the appropriateness and content validity of the questions. The items were ranked on a Likert scale of 5 points, from "strongly disagree" to "strongly agree". The survey process consisted of two stages. Initially, 50 users were individually interviewed as part of a pilot test to assess the questionnaire's applicability and make any necessary adjustments. Subsequently, the online survey was sent out through Facebook and email.

The online survey was used to get the data sample in Ho Chi Minh City within 3 months, from 27 March 2022 to 31 June 2022. After carefully filtering out low-quality surveys, missing data, or incomplete answers, we ended up with 250 acceptable responses out of the 292 surveys that were sent out for data analysis. To determine the appropriate sample size, an online sample size calculator was used for structural equation models. We considered statistical power levels (0.95), desired probability (0.05), anticipated effect size (0.3), the number of latent constructs (7), and the number of observed items (27). The findings indicated that the minimum sample size needed to detect an impact is 247 answers, while at least estimate required for the

structure is 109. In this manner, our test measure of 250 is regarded acceptable for structural equation models and statistically robust enough to identify any significant impacts.

In our study, we used SmartPLS 4 software—which has gained popularity and significant interest among academicians in recent years—to evaluate the data gathered by PLS-SEM [45]. PLS-SEM can be chosen when sample sizes are small and lack of normality [46]. PLS-SEM analysis consists of two main steps. First, the measurement model is analyzed to examine its reliability and validity. Then, in the second stage, we use ordinary least squares regression to calculate outer weights, loadings, and the connections in the structural model between latent constructs and indicators. Finally, the bootstrap approach was utilized in the study to examine the significance of structural paths. This step will test the hypothesis and the significant model.

4. Results

The sample demographics include 46.4% male and 53.6% female respondents; with 64.4%, the youngest age group is under 20 years old; there are 166 participants with high school and lower degrees. Meanwhile, young people with an income of less than 3 million VND account for the most 44.4%, followed by 3 to 7 million VND, accounting for 36.4%. There are 58% of total responses using homestay in Da Lat City less than three times; under five times and more than five times are the two primary categories of respondents, with percentages of 29.6% and 12.4%, respectively.

Table 1. Measurement dimension

Constructs/Items	Sources
Responsiveness (RES)	[32], [47]
RES1- Homestay provides fast and prompt services.	
RES2- Homestay is ready to respond to your needs.	
RES3- Homestay notifies you exactly when the service will be performed.	
Assurance (ASS)	[34], [35]
ASS1- Homestay owner is reliable and polite.	
ASS2- Homestay owner has knowledge and service skills.	
ASS3- Homestay owner has knowledge and service skills.	
Empathy (EMP)	[32], [33]
EMP1- Homestay’s operating time is convenient for tourists.	
EMP2- Homestay serves you in a most thoughtful way.	
EMP3- Homestay always listens to customers’ needs.	
Tangibles (TAN)	[35], [36]
TAN1- You feel that the environment and scenery around the homestay is fresh and green.	
TAN2- You feel that the rooms at the homestay are clean.	
TAN3- You feel that the homestay’s amenities and equipments are fully furnished.	
TAN4- You feel that the traffic is convenient to commute to the homestay.	
TAN5- You feel that the homestay owner lives neatly and tidily.	
Reliability (REL)	[37], [38]
REL1- You feel that the homestay’s website provides accurate information.	
REL2- You feel the sincerity when the homestay solves problems.	
REL3- You feel that the homestay has fully performed the services committed.	
REL4- The homestay did not let any mistakes happen when serving you.	
Satisfaction (SAT)	[39], [41]
SAT1- You are satisfied with the facilities and scenery at the homestay.	
SAT2- You are satisfied with the homestay’s willingness to serve.	
SAT3- You are satisfied with the homestay’s ability to perform the service as committed.	
SAT4- You feel satisfied with the homestay’s considerate and attentive care.	
SAT5- You feel satisfied with the staff’s behavior at the homestay.	
Loyalty (LOY)	[43], [44]
LOY1- Homestay will be your first choice compared to other options.	
LOY2- You feel that you are a loyal customer of the homestay service.	
LOY3- You want to recommend homestay to others.	
LOY4- If possible, you would like continue using the homestay service.	

Table 2. Demographic distribution of participants

Measure	Item	N	Percentage
Gender	Male	116	46.4%
	Female	134	53.6%
Education	High school and lower	166	66.4%
	Bachelor’s or college	77	30.8%
	Master’s and above	7	2.8%
Age	16 - 20	161	64.4 %
	21 - 25	80	32%
	26 - 30	9	3.6%
	> 30	0	0%
Income (million VND)	< 3	111	44.4%
	3 - <7	91	36.4%
	7 - <14	27	10.8%
	14 - <25	11	4.4%
	> 25	10	4%
Usage period (times)	< 3	145	58%
	3 – 5	74	29.6%
	> 5	31	12.4%

Table 3. The results from the measurement model estimation

Variables	Items	Outer Loading	Cronbach's alpha (CA)	Composite Reliability (CR)	Average Variance Extracted (AVE)
Responsiveness	RES1	0.838	0.804	0.807	0.719
	RES2	0.852			
	RES3	0.852			
Assurance	ASS1	0.808	0.755	0.859	0.671
	ASS2	0.834			
	ASS3	0.814			
Empathy	EMP1	0.871	0.839	0.841	0.756
	EMP2	0.879			
	EMP3	0.858			
Tangibles	TAN1	0.719	0.788	0.862	0.611
	TAN2	0.808			
	TAN3	0.792			
	TAN4	*			
	TAN5	0.804			
Reliability	REL1	0.783	0.816	0.879	0.644
	REL2	0.829			
	REL3	0.840			
	REL4	0.757			
Satisfaction	SAT1	0.755	0.870	0.906	0.658
	SAT2	0.833			
	SAT3	0.822			
	SAT4	0.820			
	SAT5	0.824			
Loyalty	LOY1	0.859	0.861	0.805	0.705
	LOY2	0.813			
	LOY3	0.853			
	LOY4	0.833			

*: items are removed from the constructs

Table 4. Discriminant validity of measurement model (n=250)

	1. RES	2. ASS	3. EMP	4. TAN	5. REL	6. SAT	7. LOY
1. RES	0.848						
2. ASS	0.737	0.819					
3. EMP	0.765	0.760	0.869				
4. TAN	0.545	0.650	0.612	0.782			
5. REL	0.678	0.713	0.680	0.660	0.803		
6. SAT	0.712	0.772	0.760	0.684	0.689	0.811	
7. LOY	0.607	0.646	0.672	0.609	0.630	0.798	0.840

Table 5. Inner VIF value

	1. RES	2. ASS	3. EMP	4. TAN	5. REL	6. SAT	7. LOY
1. RES						2.939	3.006
2. ASS						3.259	3.522
3. EMP						3.209	3.431
4. TAN						2.150	2.309
5. REL						2.650	2.671
6. SAT							3.433
7. LOY							

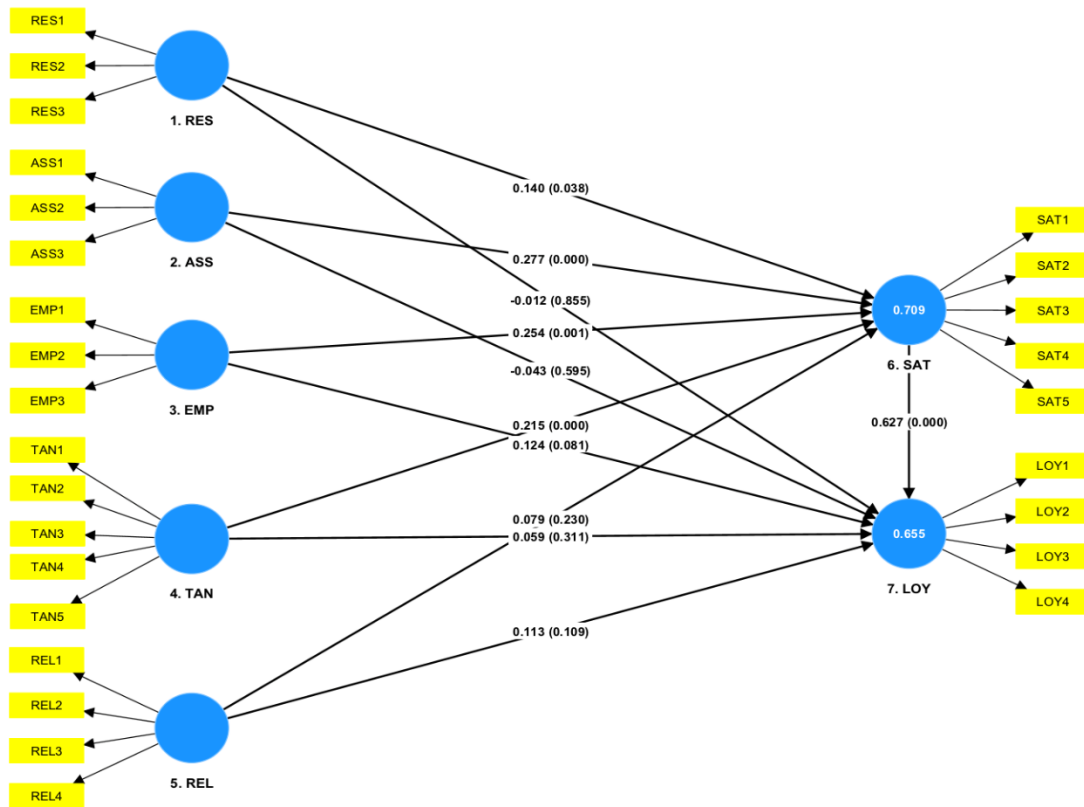


Figure 2. Inner model evaluation

Table 6. Hypotheses testing of structural model (n=250)

Hypothesised	Relationship	Coefficient	f ²	P-Values	Results
H1	Responsiveness → Satisfaction	0.140	0.023	0.038**	Supported
H2	Responsiveness → Loyalty	-0.012	0.000	0.855 ^{ns}	Rejected
H3	Assurance → Satisfaction	0.277	0.081	0.000***	Supported
H4	Assurance → Loyalty	-0.043	0.001	0.595 ^{ns}	Rejected
H5	Empathy → Satisfaction	0.254	0.069	0.001***	Supported
H6	Empathy → Loyalty	0.124	0.013	0.081*	Supported
H7	Tangibles → Satisfaction	0.215	0.074	0.000***	Supported
H8	Tangibles → Loyalty	0.059	0.004	0.311 ^{ns}	Rejected
H9	Reliability → Satisfaction	0.079	0.008	0.230 ^{ns}	Rejected
H10	Reliability → Loyalty	0.113	0.014	0.109 ^{ns}	Rejected
H11	Satisfaction → Loyalty	0.627	0.333	0.000***	Supported

Note: *p < 0.10; **p < 0.05; ***p < 0.01; ns = not significant

Table 7. Indirect effects analysis

Relationship	Coefficient	P-Values	Results
Responsiveness → Satisfaction → Loyalty	0.088	0.036**	Supported
Assurance → Satisfaction → Loyalty	0.174	0.002***	Supported
Empathy → Satisfaction → Loyalty	0.159	0.001***	Supported
Tangibles → Satisfaction → Loyalty	0.135	0.000***	Supported
Reliability → Satisfaction → Loyalty	0.050	0.242 ^{ns}	Rejected

Note: *p < 0.10; **p < 0.05; ***p < 0.01; ns = not significant

In the measurement model, the following aspects to understand the constructs are evaluated: outer loadings of indicators to gauge their reliability; composite reliability to examine internal consistency; average variance extracted (AVE) to verify

convergent validity; and Fornell-Larcker criterion is used to assess discriminant validity.

The outer loadings, which show how well each indicator relates to its latent factor, help us assess the reliability of each indicator.

It is recommended to keep indicators with outer loadings higher than 0.7 [45]. Table 3 displays the measurement model's assessment outcomes, which include outer loading, composite reliability (CR), Cronbach's alpha (CA), and average variance extracted (AVE). For PLS-SEM analysis, each block in the model needs to be unidimensional, meaning that the CA and CR values for each block should be above 0.7 [46]. Table 3 indicates that while CR values vary from 0.805 (loyalty) to 0.906 (satisfaction), CA differ from 0.755 (assurance) to 0.870 (satisfaction), surpassing the required 0.7 threshold. This suggests that all seven constructs achieve internal consistency reliability when assessed using multiple reflecting indicators.

The AVE measures are used to determine convergent validity, and the value must be more than 0.50 [48]. Our AVE ranges from 0.611 (tangibles) to 0.756 (empathy) which are above the acceptable threshold of 0.50. This implies that convergence of validity has been achieved.

Looking at Table 4 to check for discriminant validity, we found that the square of AVE values for each construct is higher compared to the AVE values of other constructs. Additionally, the loadings are also higher than the loadings of other constructs. This thorough comparison confirms the discriminant validity.

When evaluating the structural model, four key points are considered: collinearity issues; the significance and relevance of the relationships within the structural model; and the level of R-squared (R^2). There are no collinearity problems in the model when all inner VIF values in Table 5 are smaller than 5 with significance = 10% [49]. The research model's degree of prediction accuracy increases with a greater R^2 value. As a general rule, endogenous latent variables with R^2 values of 0.75 is substantial, esteem of 0.50 is moderate, and 0.25, can be portrayed powerless [45], [50]. Figure 2's findings account for 65.5% of the variation in loyalty ($R^2=0.655$) and 70.9% of the variance in satisfaction ($R^2=0.709$). This demonstrates that the observational result discoveries that supporting the research model used in this study and it looks strong.

The study also examined the R-squared (R^2) values of the constructs. To gauge the impact of each construct on the model, the effect size using Cohen's f^2 was calculated. This measurement helps us understand how much the R^2 value changes when a particular construct is excluded from the model [49]. An effect size of 0.02, 0.15, or 0.35 is generally considered weak, moderate, or high, respectively [51]. The coefficient f^2 indicates that the reliability factor does not affect the satisfaction and loyalty of teenagers towards homestay services in Da Lat.

The remaining factors have an influence and the factor assurance is the key factor in the satisfaction of teenagers with homestay services in Da Lat. The factor of satisfaction most affects the loyalty of teenagers to homestay services in Da Lat (Table 6).

Table 6 shows the results of testing hypotheses from structural models. All p-values (except for p-value 20% to higher than 10%) are accepted, thus, other than H2, H4, H8, H9, and H10, all remaining hypotheses are statistically significant at different levels. In which the hypotheses H1, H3, H5, H6, H7, and H11 are accepted, which means that four independent variables are responsiveness, assurance, empathy, and tangibles which have a positive impact on satisfaction. The two variables empathy and satisfaction have a positive impact on the dependent variable, which is loyalty to homestay services in Da Lat.

Our study not only examines the impact of structures including responsiveness, assurance, empathy, tangibles, and reliability on satisfaction and then loyalty but also investigates the way in which this process works through satisfaction. Therefore, the indirect effect was calculated and shown in Table 7. As to the indirect effects, Table 7 supports the function of satisfaction as a mediator in the research of homestay service loyalty in Da Lat City, excluding the relationship between reliability and loyalty of teenagers.

5. Conclusion

Previous research has examined the factors such as responsiveness, assurance, empathy, intangibles, and reliability that affect satisfaction when using homestay services, but it has not examined the factors that directly and indirectly affect loyalty to homestay services. Specifically, this research has found that:

Firstly, satisfaction is positively affected by four factors: responsiveness, assurance, empathy, and tangibles. However, there is a finding that contradicts the researcher's expectation that the reliability of homestay services has no impact on the satisfaction of Ho Chi Minh City youth who use homestay in Da Lat. This finding is also consistent with the demographic and behavioral characteristics of young people, mostly aged 16–25.

Secondly, among the six factors suggested to have an effect on youth's loyalty to homestay services, the results show that there are two factors that directly affect loyalty, which are empathy, and satisfaction. The other two factors responsiveness and assurance have an indirect impact on loyalty. The reliability factor does not have significant impact on loyalty.

Thirdly, considering the intermediary role of satisfaction with homestay services, the findings shown in Tables 6 and 7 show that satisfaction functions as an interceding figure within the relationship between the independent variables and the dependent variable, which is loyalty, specifically as follows: satisfaction plays a completely intermediary role in the relationship between Responsiveness - Loyalty; Assurance - Loyalty; Tangibles - Loyalty; and satisfaction plays a partially intermediary role in the relationship between Empathy - Loyalty. And for the relationship between Reliability - Loyalty, satisfaction does not play an intermediary role.

The research results add to the theoretical model SERVQUAL by pointing out the following 4 factors that have an impact on young people's satisfaction with homestay services in Da Lat: assurance (ASS) has the strongest impact coefficient 0.277 (with statistical significance p -value=0.00), followed by empathy (EMP) and tangibles (TAN) with impact coefficients of 0.254 (p -value=0.001) and 0.215 (p -value=0.000), having a positive effect on satisfaction. Responsiveness (RES) has the lowest impact coefficient of 0.140 (p -value=0.038), having the least impact on satisfaction. All four factors explain 70.9% ($R^2=0.709$) of the youth satisfaction who use Da Lat's homestay services

In addition, the research findings confirm the relationship between satisfaction and loyalty towards homestay services in Da Lat. Satisfaction (SAT) has a very large impact coefficient of 0.627 (with statistical significance p -value = 0.000), having a positive impact on loyalty. Next are empathy (EMP), which has an impact coefficient of 0.124 (p -value=0.081), respectively, and has a positive impact on loyalty. On top of that, the study also discovered an intermediary role of satisfaction in the impact of independent variables on loyalty. This means that responsiveness (RES) and assurance (ASS) have an indirect effect on loyalty through satisfaction. These factors explain 65.5% ($R^2=0.655$) of young people's loyalty to homestay services in Da Lat.

The research confirms that in order to increase young people's loyalty towards homestay services in Da Lat, it is necessary to directly increase satisfaction, and empathy, and indirectly increase responsiveness and assurance. To increase young people's satisfaction, it is essential to focus on assurance, empathy, tangibles, and responsiveness of homestay services

The research model has achieved the objectives originally set out. However, the data is collected by a convenient method, so it is not uniform and random, and there is no distinction between groups of subjects based on different incomes and education levels.

In the next study, research scopes, sample size, and survey subjects with many different occupations, incomes, and ages will be expanded. Although SERVQUAL was strong enough to be used in multicultural and multilingual settings [5], the scale still has some differences when translated into Vietnamese, so it is necessary to adjust the scales to suit today's tourism industry in general and homestay services in particular, which are developing in Vietnam.

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