

Unveiling the Drivers of Customer Satisfaction in the Hotel Industry

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ABSTRACT

Customer satisfaction represents the foremost determinant in fulfilling the requirements of consumers, with factors conducive to achieving consumer contentment encompassing service quality and pricing. Certainly, the hotel sector has emerged as a worldwide phenomenon, featuring a diverse array of customers and providers spanning the globe. els and related services have become an integral part of many people's lifestyles. Delivering top-notch services is crucial for attracting and retaining customers, while ensuring fairness in pricing enhances this appeal. Therefore, the current study aims to examine the influence of service quality and price fairness on the satisfaction of customers. For this quantitative study, data were collected from 92 hotel visitors in the Thamel area. The research design used in the study consists of descriptive, relational and casual research designs. The data were analysed using SPSS along with various tools, such as the mean, median, standard deviation, correlation, regression, etc. The study revealed that both service quality and price fairness positively impact customer satisfaction in this context. This finding underscores the importance for hotels to focus on both delivering excellent service and ensuring fairness in pricing to enhance overall customer satisfaction and, potentially, loyalty.

Keywords: Customer satisfaction, service quality, price fairness

1. Background of the problem

Customer satisfaction is widely acknowledged as a fundamental, if not optimal,

measure of a company's effectiveness in generating profits. Customer satisfaction has become a central focus in marketing, notably within the hotel sector, where competition

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significantly influences offerings such as expanded options, improved affordability, and elevated service standards (Fornell, 1992). The increasing global competition in today's hotel industry has led to its recognition as a worldwide sector, encompassing producers and consumers dispersed across the globe (Susanti, 2019). The use of hotel facilities such as rooms, restaurants, bar nightclubs or health clubs is no longer considered a luxury. For many, hotel services have become an integral part of their lifestyle (Kandampully & Suhartanto, 2000), and consequently, they are often intricately tied to the quality of service provided (Kaura, Prasad, & Sharma, 2014).

According to Wong and Perry (1991), service quality is defined as the perception of the assessment of the results of the evaluation process in which consumers compare their expectations with the services, they perceive they will receive. Service quality is considered one of the main driving factors of customer satisfaction and is recognized as a reality. Lovelock and Wright (2002) defined the quality of service into the following five characteristics: certainty, tangibility, responsiveness, assurance, and empathy. On the other hand, Rust and Oliver (1994) proposed three dimensions of service quality: functional, technical and environmental. Service quality is known to be based on multiple dimensions (Grönroos, 1984), but there is no general agreement about the dimensions (Brady & Cronin, 2001). Quality service lays the foundation for customer satisfaction in the hospitality industry, and price fairness has emerged as a crucial aspect that shapes consumer satisfaction.

In the service context, customers' perceptions of price have been studied in terms of price

fairness (Bolton, Warlop, & Alba, 2003). According to Zeithaml (1988), price is defined as the value that is encoded by the consumer. Fairness is defined as a judgement of whether an outcome and/or the process to reach an outcome is reasonable, acceptable or just (Susanti, 2019). Conceptually, price fairness is defined as consumers' assessments of whether a seller's price can be reasonably justified (Xia, Monroe, & Cox, 2004). Consumers tend to rely on several reference points, such as past prices, competitor prices and the cost of goods sold, when inferring price fairness to make comparisons (Bolton, Warlop, & Alba, 2003). In addition, if hidden charges are encountered by customers during service purchases, then they are also considered unfair prices.

Numerous studies have explored the multitude of factors that influence customer satisfaction. In this regard, Kaura, Prasad, and Sharma (2014) observed a positive impact of service quality and price fairness on customer satisfaction in the banking sector. Similarly, (Octaviani, Rizan, & Rivai P, 2021) identified the influence of price fairness on customer satisfaction on online shopping sites in Indonesia. These discoveries aligned with the outcome of Tuan (2012), which was conducted within the framework of student contentment. Although a significant amount of previous research has endeavoured to ascertain the impact of service quality and price fairness on customer satisfaction across various sectors, comparatively less research has focused on the hotel industry, particularly within the context of Nepal. Consequently, this study has sought to fill this research void, aiming to shed light on this overlooked aspect within the hotel industry, particularly

in the Nepalese context. Therefore, this research strives to address the following research questions:

- Is there any association between service quality, price fairness and customer satisfaction in the hotel industry?
- Do service quality and price fairness affect customer satisfaction in the hotel industry?

2. Objectives of the study

The hospitality industry, particularly in Nepal, is undergoing significant transformation due to globalization, technological advancements, and changing consumer preferences. With increasing globalization and competition in the hotel industry, there is a growing emphasis on understanding and enhancing customer satisfaction to maintain competitiveness and ensure long-term profitability. Given the unique characteristics of the Nepalese hospitality market, including cultural factors, economic conditions, and tourist preferences, it is essential to investigate how service quality and price fairness impact customer satisfaction in this specific context. Therefore, building upon the insights gathered from the literature review, this study has attempted to address the following objectives:

- To examine the relationships among service quality, price fairness and customer satisfaction in the hotel industry.
- To identify the impact of service quality and price fairness on customer satisfaction in the hotel industry.

3. Literature survey

Oliver (1980) conceptualized the disconfirmation of expectations paradigm, which states that disconfirmation is positively related to consumer satisfaction. Positive disconfirmation (perceived performance above the expectation) increased consumer satisfaction, while negative disconfirmation (perceived performance below the expectation) decreased consumer satisfaction. Thus, in this theory, the customer's perception of overall satisfaction results from a comparison between expectation and outcome performance. Therefore, expectations and actual performance outcomes are critical variables that can impact the assessment of satisfaction levels. Consequently, as customer satisfaction significantly influences the prediction of purchase behavior, it becomes essential to prioritize understanding and improving satisfaction levels.

Customer satisfaction can influence customers' future intentions and lead to profitability, market share and returns on investment (Anderson & Sullivan, 1993). The world has been shifting from a manufacturing-based to a service-based economy (Grönroos, 1984), with a growing emphasis on customer satisfaction. Moreover, Sapri, Kaka, and Finch (2009) noted that customers are the lifeblood of any organization and that customer satisfaction with a company's products or services is the key to a company's success and long-term competitiveness. According to Kim, Park and Jeong (2004), customer satisfaction is a customer's reaction to the state of satisfaction and a customer's judgment of the satisfaction level. Additionally, customer satisfaction

is very important in today's business world, as according to Deng et al. (2009), the ability of a service provider to create a high degree of satisfaction is crucial for product differentiation and developing strong relationships with customers. Since a satisfied customer is the core concern of any organization, paying close attention to the factors that influence it is necessary (Hanif, Hafeez, & Riaz, 2010).

Consumers' satisfaction can be significantly influenced by the high standard of service quality provided by a business. Similarly, consumers are most concerned about the quality of service (Arlen, 2002) because it plays an important role in customer satisfaction. Similarly, enhancing the quality of service decreases marketing expenses by retaining consumers; thus, the quality of service holds significance for marketing managers. On the other hand, a favourable outcome arises when the quality of service is correlated with customer satisfaction (Bhatta & Durgapal, 2016). In this regard, numerous studies have aimed to explore the impact of service quality on customer satisfaction, and a study by Hearth, Cooray, and Perera (2016) revealed that service quality is the most influential determinant of customer satisfaction in the tourist hotel industry in northern Colombo. Furthermore, Tuan (2012) identified various dimensions of perceived service quality and found that they have positive impacts on customer satisfaction within academic satisfaction. Aligned with the reviewed literature, this study is oriented towards the following hypothesis:

Service quality does not have an impact on customer satisfaction among residents of the Thamel area.

In addition to service quality, the fairness of pricing also significantly influences customer satisfaction, emphasizing the importance of both aspects in shaping the overall customer experience. Furthermore, consumers use the price as a consideration in determining the purchase of a product/service, when the purchase should be made and how much the need for products/services purchased in accordance with the ability of consumer purchasing power (Haq., 2018). Kadir, Jayar, and Astruni (2022) stated that price is the only element of the marketing mix that provides income for the company, while the other three elements (product, distribution, and promotion) cause costs (expenses). Pricing is determined through price affordability, discounts/rebates, and payment (Simatupang, Candra, & Grace, 2021). The price of ownership remains the most influential decision driver. Additionally, price alone does not significantly impact satisfaction; however, the fairness of pricing plays a crucial role in determining overall satisfaction. According to Kaura, Prasad, and Sharma (2014), the fairness of pricing hinges on reflecting the value perceived by the customer from their purchase. Octaviani, Rizan, and Rivai (2021) discovered that fair pricing can positively and significantly affect consumer satisfaction (Susanti, 2019; Octaviani, Rizan, & Rivai P, 2021; Tuan, 2012). Several previous studies have shown that price fairness influences customer satisfaction. In relation to the reviewed literature, this study aims to investigate the following hypothesis:

Price fairness does not have an impact on customer satisfaction among residents of the Thamel area.

The literature review suggests that service quality plays a significant role in customer satisfaction within the hotel industry, particularly in cases where hotels are positioned as lifestyle necessities rather than luxury amenities. Furthermore, customers base their satisfaction judgments on the fairness of pricing in relation to the services they receive. Thus, this study proposes a research framework as in *Figure 1*. Moreover, the study takes customer satisfaction as the dependent variable extracted from (Hearth, Cooray, & Perera, 2016; Msallam, 2015; He, Li, & Lai, 2011; Octaviani, Rizan, & Rivai P, 2021; Susanti, 2019) and service quality and price fairness as the independent variables from (Hearth, Cooray, & Perera, 2016; Msallam, 2015; Kaura, Prasad, & Sharma, 2014). This study aimed to determine the impact of selected variables, namely, service quality and price fairness on customer satisfaction in the hotel industry.

According to ISO 9000:2000, quality is defined as “the degree to which a set of inherent characteristics fulfils requirements”. In line with this, service quality was defined as what the customer gets out and was willing to pay for rather than what the supplier puts in. Therefore, service quality could be seen as the gap between the expected service and the actual perceived service. Hence, service

quality was measured by quick response, hygienic lodging, food and beverage use and extra services. Czepiel (1990) defined service quality as a customer’s perception of how well a service meets or exceeds their considered key factor in enhancing customer satisfaction expectations.

Similarly, Kotler and Armstrong (2010) characterized price as the amount of money or goods needed to acquire a combination of another good and its accompanying services. One of the most important issues that leads to satisfaction was price fairness. According to the study, a lower monetary price or perceived price does not guarantee greater satisfaction. Consumers usually judge price and service quality by the concept of equity and then generate their satisfaction or dissatisfaction (Oliver, 1980). The price fairness itself, the way it is fixed and offered, has a great impact on satisfaction. Therefore, according to (Msallam, 2015), price fairness is measured by reasonable pricing, acceptability and guarantees of monetary prices, which lead to greater satisfaction.

Kotler (1997) described satisfaction as a person’s feeling of pleasure or disappointment resulting from comparing a product’s perceived performance or out-of-come in relation to his or her expectations. Customer satisfaction is usually defined as

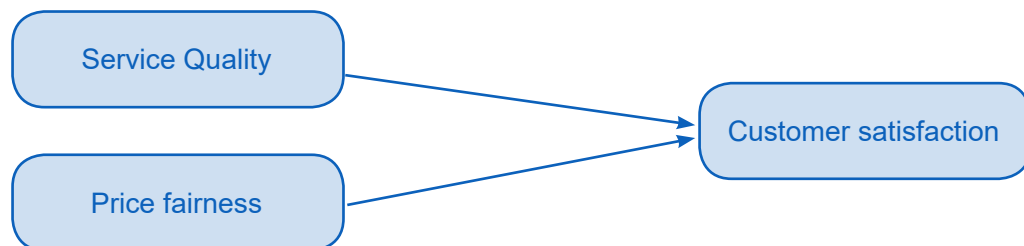


Figure 1. Research framework of the study

a post consumption evaluative assessment of a particular product or service (Susanti, 2019). Additionally, satisfaction is the result of an evaluative process that distinguishes prepaid expectations from perceptions of performance during and after the consumption experience. Oliver (1980) proposed the widely accepted concept of consumer satisfaction, disconfirmation expectations. The theory also noted that consumers at the affective stage develop a positive attitude toward the brand or link the brand as a result of satisfactory repetitive usage over time. The current study embraced viewpoints measured through overall evaluation and proper service quality

4. Research methodology

The methodology employed in this study adopts a quantitative approach, specifically concentrating on the investigation and assessment of customer satisfaction within the hotel sector. By utilizing a descriptive research design, this study seeks to delineate the features of the population or phenomenon under scrutiny. Through descriptive research, a comprehensive portrayal of variables pertinent to customer satisfaction in the hotel industry is furnished. These variables encompass aspects such as service quality, fairness of pricing, and levels of customer satisfaction, facilitating a deeper comprehension of their existing conditions or states without intervention or alteration.

Relational research, alternatively referred to as correlational research, seeks to ascertain whether there exists a connection between two or more variables. In the context of this study, relational research was employed to investigate the associations between service quality, price fairness, and customer satisfaction. Through the examination of

correlations among these variables, this study endeavoured to elucidate the impact of fluctuations in service quality and price fairness on levels of customer satisfaction. Additionally, correlational analysis was carried out to investigate the relationships between the variables used in the study.

Furthermore, causal research was conducted to identify the extent and nature of cause-and-effect associations between variables and to evaluate the repercussions of particular changes on established norms and processes. Through the manipulation of independent variables (service quality and price fairness), the study aimed to discern the effects of these changes on the dependent variable (customer satisfaction). The adoption of a causal research design was deemed suitable because it aligns with the overarching research objectives and hypotheses. Regression analysis was conducted to uncover the causal relationships between the variables.

The study employed a self-administered and structured questionnaire to gather information from the respondents chosen on a convenience basis. The questionnaire comprised two sections: a general section designed to collect personal information such as age, gender, and stay period and an empirical inquiry section focused on gathering data relevant to the study's research objectives. The items for the variables were adapted from previous research. The questionnaire employed a five-point Likert scale, where respondents could indicate their level of agreement on a scale from 1, representing "strongly disagree," to 5, signifying "strongly agree." Additionally, other question formats, such as yes/no queries and rank-in-order inquiries, were included. The population selected for

this study was the entire resident population from the Thamel area of Kathmandu city. Thamel was chosen as the study area due to its proximity and feasibility to the researcher's location. The study utilized a convenience sampling method to determine the required sample size. Data collection was facilitated in a convenient way, with a total of 105 questionnaires distributed within a three-day span from November 27, 2022, to November 29, 2022.

For the data analysis, the survey data were initially entered into MS Excel and then evaluated using several statistical techniques. SPSS 20.0 software was used for coding, data recording, and processing tasks. The mean, median, frequency, percentage, standard deviation, variance, etc., were used in the analysis. Descriptive analyses were conducted to present the students' basic information and average independent and dependent variable scores. Correlation analysis was performed to determine the relationships between independent and dependent variables. Multiple regression analysis was performed to investigate whether the two predictors, i.e., customer satisfaction, service quality, and price fairness. The respondents' profiles are extracted from those who participated in the survey on the strata of gender, age group and stay period. In the survey questionnaire, the respondents were asked to respond in multiple ways: yes or no, ranking, multiple, and Likert scale options. To collect the

perceived importance of determinants, a 5-point Likert scale was used, where five was the most important (strongly agree) and one was the least important (strongly disagree). The responses received from the respondents were arranged, tabulated, and analysed to obtain various descriptive statistics and correlation and regression test results. This study has the subsequent simple regression models to examine the causal relationships between variables:

$$Y = a + b_1x_1 + e$$

$$Y = a + b_2x_2 + e$$

Where,

Y = Customer satisfaction

a = Intercept

x₁ = Service quality

x₂ = Price fairness

b₁ = Coefficient of service quality

b₂ = Coefficient of Price fairness

e = Error term

5. Presentation and analysis of data

Table 1 outlines the respondents' profiles based on gender categories. There was an uneven distribution of participants in terms of gender, with 92 respondents in total. Of these, 47 were male, and the remaining 45 were female. The results indicate a lower number of female participants than male participants in the sample. Specifically, the majority, accounting for 51.10% of respondents, were male, while the remaining 48.90% were female.

Table 1
Gender of respondent

| Gender | Frequency | Percent | Cumulative Percent |
|--------|-----------|---------|--------------------|
| Male | 47 | 51.10 | 51.10 |
| Female | 45 | 48.90 | 100.00 |
| Total | 92 | 100 | |

Table 2
Age group of the respondents

| Age Group | Frequency | Percent | Cumulative Percent |
|--------------|-----------|---------|--------------------|
| Less than 22 | 32 | 34.80 | 34.80 |
| 22to28 | 33 | 35.90 | 70.70 |
| 28 or above | 27 | 29.30 | 100.00 |
| Total | 92 | 100 | |

Table 3
Stay period of respondents

| Stay period | Frequency | Percent | Cumulative Percent |
|----------------|-----------|---------|--------------------|
| Weekly | 27 | 29.30 | 29.30 |
| Monthly | 26 | 28.30 | 57.60 |
| Once in a year | 39 | 42.40 | 100.00 |
| Total | 92 | 100 | |

Table 2 presents the respondents' profiles based on age group categories. Of the total respondents, 32 were less than 22 years old, 33 were between the ages of 22 and 28, and 27 were above 28 years old. *Table 2* indicates that 34.80% of the participants were less than 22 years old, 70.70% were between the ages of 22 and 28, and 100% were over the age of 28.

Table 3 illustrates the profile of the respondents based on their duration of stay at the hotel. According to *Table 2*, the highest percentage of participants represented were those who stayed once a year (42.4%), followed by those who stayed monthly (28.3%), and the intermediate percentage represented those who stayed weekly (29.3%).

Table 4 summarizes the results of the descriptive statistics for the variables under study. The table includes the mean, median, mode, standard deviation, and variance of the variables for all sample respondents.

Table 4 shows the descriptive statistics for the entire sample. The mean for the independent variable "service quality" is the highest among the other variables, with a mean of 3.95, followed by "customer satisfaction", with a mean of 3.64, and "price fairness", with a mean of 3.60. Similarly, the mode values for "service quality" and "customer satisfaction" are equal, both with a value of 4. The median values for "price fairness" and "customer satisfaction" are equal, both with a value of 3.67, while "price fairness" has a median value of 0.83. The standard deviation and variance are found to be highest for "price fairness," with a standard deviation of 0.83 and a variance of 0.69.

Table 5 shows that the correlation analysis for the variables under study conducted on the entire sample reveals significant and positive relationships. The correlation coefficient between service quality and customer satisfaction is 0.297, which is significant at the 99 percent confidence

Table 4
Descriptive statistics

| Statistics | N | Mean | Median | Mode | Std. Deviation | Variance |
|-----------------------|----|------|--------|------|----------------|----------|
| Service quality | 92 | 3.95 | 4.00 | 4.00 | 0.72 | 0.52 |
| Price fairness | 92 | 3.60 | 3.67 | 3.67 | 0.83 | 0.69 |
| Customer satisfaction | 92 | 3.64 | 3.67 | 4.00 | 0.66 | 0.44 |

Table 5
Correlational analysis

| Variables | | Service quality | Price fairness | Customer satisfaction |
|-----------------------|--|-----------------|-----------------|-----------------------|
| Service quality | Pearson Correlation Sig. (2-tailed) | 1 | | |
| Price fairness | Pearson Correlation Sig. (2-tailed) | .283** 0.006 | 1 | |
| Customer satisfaction | Pearson Correlation Sig. (2-tailed) | .297** 0.004 | .272** 0.009 | 1 |

** Correlation is significant at the 0.01 level (2-tailed).

Table 6
Impact of service quality on customer satisfaction

| Coefficients ^a | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | F | Sig. | Adjusted R ² |
|---------------------------|-----------------------------|------------|---------------------------|-------|-------|-------|-------|-------------------------|
| | B | Std. Error | Beta | | | | | |
| (Constant) | 2.56 | 0.374 | | 6.849 | 0.001 | 8.702 | 0.004 | 0.078 |
| Service quality | 0.274 | 0.093 | 0.297 | 2.95 | 0.004 | | | |

a Dependent Variable: Customer satisfaction

level. Similarly, between price fairness and customer satisfaction, the correlation coefficient is 0.272, which is also significant at the 99 percent confidence level.

As shown in *Table 6*, customer satisfaction is treated as the dependent variable, while service quality is the independent variable. Upon including all variables under study, customer satisfaction is positively and significantly influenced by service quality at the 99 percent confidence level, with a

coefficient of 0.274. The F value of 8.702 is significant at a level below 0.04, suggesting that the regression model fits the data well. The adjusted R-squared value of 0.078 from the regression analysis indicates that service quality explains 7 percent of the variance in customer satisfaction, demonstrating a limited but significant impact.

In *Table 7*, customer satisfaction is the dependent variable, and service quality is the independent variable. After including

Table 7
Impact of price fairness on customer satisfaction

| Coefficients ^a | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | F | Sig. | Adjusted R2 |
|---------------------------|-----------------------------|------------|---------------------------|-------|-------|-------|-------|-------------|
| | B | Std. Error | Beta | | | | | |
| (Constant) | 2.863 | 0.3 | | 9.558 | 0.001 | 7.166 | 0.009 | 0.063 |
| Price fairness | 0.217 | 0.081 | 0.272 | 2.677 | 0.009 | | | |

a Dependent Variable: Customer satisfaction

all variables in the study, customer satisfaction shows a positive and significant impact at the 99 percent confidence level. The confidence level for price fairness on customer satisfaction is 0.081. The F value is 7.16, and the significance level is less than 0.09, indicating that the regression model is a good fit. The adjusted R-squared value of 0.06 suggests that service quality explains 6 percent of the variance in customer satisfaction, indicating a modest but statistically significant impact.

6. Findings and discussion

The primary goal of the study is to examine the relationship and impact of independent variables, such as service quality and price fairness, on the dependent variable, customer satisfaction, among residents in the hotel industry of the Thamel area. The analysis of the data yielded several significant findings, which are as follows:

The relationship between service quality and customer satisfaction is positive and significant at the 99 percent confidence level, with a correlation coefficient of 0.297, which means that customer satisfaction influences service quality. The relationship between price fairness and customer satisfaction is found to be positive and significant at the 99 percent

confidence level, with a correlation coefficient of 0.272, indicating that the home environment positively influences the development of children.

The impact of recognition is found to be positive and significant at the 99 percent confidence level, which shows that service quality influences customer satisfaction. The impact of price fairness is found to be positive and significant at the 99 percent confidence level.

According to the purpose of the study, this research identifies the factors influencing customer satisfaction and, in this respect, the variables of service quality and price fairness. The results obtained from the data analysis show that service quality and price fairness have a beneficial impact on customer satisfaction for visitors in the Thamel area of Kathmandu. By making the customers believe in the hotel, the customers are assured that the hotel will give them the best service, and as a result, they will return to purchase the hotel's service. In addition, by giving a variation in the hotel's service/product/program, customers will not feel bored while staying at the hotel. This will affect the profit of the hotel since they will recommend the hotel to their friends and family to stay at the same hotel or even join the loyalty program

membership. The association between service quality and price fairness constructs was found to be stronger than the direct link between service quality and loyalty (Rather & Sharma, 2017). The findings were in line with the results of (Kaura, Prasad, & Sharma, 2014; Octaviani, Rizan, & Rivai P, 2021; Susanti, 2019). Customers are anticipated to be treated fairly in the service recovery process, and if they perceive unjust treatment, it may lead to negative responses affecting their satisfaction and future behavior.

7. Conclusion

The study's findings reveal several key insights into the factors influencing customer satisfaction within the examined context. First, it suggests that higher levels of service quality are associated with increased customer satisfaction. This indicates that when customers perceive the service they receive as high in quality, they are more likely to be satisfied with their overall experience. Similarly, the analysis highlights the importance of price fairness in influencing customer satisfaction. Customers tend to be more satisfied when they perceive the prices they pay for goods or services as fair and reasonable. Furthermore, the study underscores the positive impact of recognition on customer satisfaction, suggesting that the acknowledgement of good service can contribute to overall satisfaction levels. Overall, these findings emphasize the significance of both service quality and fair pricing in shaping customer satisfaction, highlighting the importance of these factors for businesses aiming to enhance customer experiences and loyalty.

The analysis of the data revealed that service quality is the most influential

determinant of customer satisfaction in the tourist hotel industry. Surprisingly, tourists are not inclined to select a hotel service provider based solely on fame, reputation, or recommendations. Instead, hotel service firms can attract customers by focusing on improving service quality to retain existing customers. Although all the independent variables explored had a significant influence on consumer satisfaction, service quality emerged as the most influential factor in the tourism industry. These findings offer valuable insights for investors and regulatory bodies in developing policies and marketing strategies for the industry. Moreover, this research provides important theoretical and managerial insights into tourism and hospitality settings.

8. Implications of the study

The results of the study revealed that data service quality is the most influential determinant of customer satisfaction in the tourist hotel industry. The study revealed that tourists are unlikely to select a hotel service provider because the provider is famous and reputable or is recommended by others. Hotel service firms may attract existing customers to use their services. Although all the independent variables were found to have a significant influence on consumer satisfaction, service quality had the greatest influence on consumer satisfaction in the tourism industry. The variables provide better insights for both investors and authorized bodies in developing policies and marketing strategies in the hotel industry. Several important theoretical and managerial insights into the tourism and hospitality setting were extracted from this study. The findings highlight several actionable implications for businesses in the hospitality industry. This finding underscores the importance of

prioritizing both service quality and price fairness as integral components of customer satisfaction and loyalty-building strategies. Businesses should strive to maintain high standards of service while ensuring that their pricing is perceived as fair by customers. Similarly, there is a need to invest in training and resources to ensure that employees are equipped to handle service recovery situations effectively and fairly. This includes providing guidelines and protocols for handling customer complaints and

disputes in a manner that upholds fairness and minimizes negative customer responses. Additionally, businesses should regularly solicit feedback from customers to gauge their perceptions of service quality and pricing fairness, allowing for continuous improvement efforts. Overall, the action implications of the findings emphasize the importance of a balanced approach to service delivery and pricing strategies to enhance customer satisfaction and foster long-term loyalty.

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