



Investigating the Factors Influencing Contemporary Customer Satisfaction in the Hotel Industry: Implications for Service Improvement

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Abstract

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Customer satisfaction plays a crucial role in business success. Hoteliers have a difficult task in ensuring high customer satisfaction levels due to stiff competition and the complexity of meeting ever-changing contemporary customer needs, tastes, and preferences. This study's main purpose was to determine the factors that influence the satisfaction of contemporary customers in the hotel industry.

A quantitative research approach, following the descriptive research design, was used to conduct the study. A questionnaire-based survey methodology was used to collect data. One hundred and ten (N = 110) customers provided feedback by filling out the questionnaire and submitting it on time. Data analysis involved descriptive statistics in establishing the degree of impact of several factors on customer satisfaction.

Value, money, and service quality are the leading factors that influence customer satisfaction. Location and price have a minimal but considerable impact on customer satisfaction. The quality of food and related services, including the availability of complementary services and staff attitude and behavior, affects customers' perceptions of service quality.

Value for money and service quality are the primary factors influencing customers' satisfaction in the hotel industry. Hoteliers should invest in delivering optimal value to customers through high-quality services while meeting customer needs holistically.

Keywords: *customer satisfaction, hotel industry, service quality, SERVQUAL, value for money*



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Introduction

One of the most significant factors that influences success in the hotel industry is customer loyalty. Customer loyalty guarantees repeat business and referrals, leading to consistently high sales volumes (Das, Chawla & Ray, 2017). However, to achieve customer loyalty, an organisation must first ensure high levels of customer satisfaction. According to Janakiram (2019), existing theories indicate that customer satisfaction is a product of the value that they obtain from the brand. Hence, given that brand value has several components, several factors within the organisation influence customer satisfaction. Understanding the factors that influence customer satisfaction can help organisations determine the best ways to achieve customer loyalty and consistently high sales volumes (Gnanapala, 2014). This report presents research findings on the factors influencing satisfaction among contemporary customers in the hotel industry. The study's findings have significant practice implications for modern hotel organisations.

Background of Study

Currently, Customer Relationship Management (CRM) is a common theme in business management discourse. Business managers have recognised the value of quality CRM practices in achieving high customer satisfaction levels that ensure consistently high sales volumes. CRM's significance is emphasised in the hotel industry, a service sector that involves direct contact and interaction with customers (Gnanapala, 2014). Currently, organisations in the hotel industry recognise the significance of customer satisfaction in driving sales and ensuring high performance and operational efficiency levels (Das et al., 2017). Effective CRM acts as the foundation for achieving high customer satisfaction scores. CRM contributes to the value that consumers obtain from the brand (Gnanapala, 2014). Through the CRM concept, organisations endeavor to meet all customers' needs to ensure customer satisfaction and brand loyalty (Gnanapala, 2014).

However, it is important to note that CRM encompasses a broad range of factors that the

organisation must address to achieve high customer satisfaction. Recognising and understanding these factors can help organisations devise strategies to deliver optimal value that ensures high customer satisfaction levels (Janakiram, 2019). However, given changing market dynamics, including shifts in customer tastes, preferences, and needs, the CRM concept has continually evolved. (Radojevic, Stanisic & Stanic, 2015) assert that organisations face a significant hurdle in meeting the needs of contemporary customers, whose characteristics and overall consumer predispositions differ from those of conventional consumers. Therefore, given the significance of CRM at the organisational level and the challenges posed by changing market dynamics, the present study sought to identify the factors influencing customer satisfaction in the hotel industry.

Problem Statement

Modern consumers are significantly different from conventional consumers. The digital space and increased utilisation of technology have led to considerable changes in market dynamics, including shifts in consumer demand, needs, tastes, and preferences (Li, Ye & Law 2013). As a service sector, the hotel industry has been the most affected by the changes in market dynamics. Organisations in this industry face the formidable challenge of adjusting their strategies, business models, and operations to appeal to and meet contemporary consumers' needs (Janakiram, 2019). Failure to meet these needs leads to lower customer satisfaction levels, which can be detrimental to the hotel brand's attractiveness and the organisation's overall success. Australia is one of the markets that have seen significant shifts in consumer behaviour over the last few decades. Consumption, purchasing behaviour, and other consumer trends have significantly changed (Radojevic et al., 2015). As mentioned above, organisations must embrace CRM as the cornerstone of understanding and effectively responding to the changing customer needs (Das et al., 2017). Low customer satisfaction reduces customer loyalty, leading to inconsistent sales.

Successful organisations exhibit highly consistent

sales volumes attributable to repeat business and business referrals (Gnanapala, 2014; Weng, 2016). Therefore, organisations need to deliver high satisfaction among contemporary consumers. Nevertheless, this cannot be achieved without a proper understanding of the factors that influence modern consumers' satisfaction. Thus, the study builds on the knowledge and practice gaps to investigate the factors influencing satisfaction among contemporary customers in Australia. The specific focus is on Sydney, where the hotel industry is booming (Radojevic et al., 2015). The study is significant because the findings can help inform a hotel's strategy and overall business model to deliver optimal customer satisfaction. Moreover, the study's findings significantly contribute to the existing body of knowledge on CRM and customer satisfaction in the hotel industry.

Research Purpose

This research aims to identify the factors influencing the satisfaction of contemporary customers in the hotel industry. The study was conducted at predetermined star-rated hotels in Sydney, Australia. In doing this, the researcher also sought to determine the specific ways through which the organisations, through the CRM component, can improve customer satisfaction scores.

Research Questions

What are the factors that influence the satisfaction of contemporary customers in the hotel industry?

How can organisations in the hospitality industry adjust their service delivery model through CRM to appeal to contemporary consumers' needs?

Literature Review and Summary

Customer satisfaction in the hotel industry is paramount. Amidst growing competition and demand for more than traditional services for travelers, the industry faces unprecedented pressure to meet customer expectations. Customer satisfaction has been linked to improved financial performance and customer loyalty. It has also been custom linked to industry success, with many top performers attributing their success to customer loyalty. However, irrespective of its

advantages, achieving and maintaining customer satisfaction in the industry can be challenging. Most hotels strive to understand the factors that affect customer satisfaction and their implications for improvement (Janakiram, 2019).

High-quality service is one of the factors attributed to customer satisfaction in the hotel industry. Hotel ambiance, location, and pricing have also been cited as factors contributing to customer satisfaction in the sector. Understanding these factors, among others, and the way they contribute to customer satisfaction is instrumental. The industry can use various customer satisfaction metrics to understand better the factors that affect contemporary customer satisfaction and use the data to improve practice.

This literature review examines factors affecting customer satisfaction in the hotel industry and their implications for practice and quality improvement. It summarizes the factors that contribute to customer satisfaction in the hotel industry. The conceptual framework for this study is also involved in this review.

The Impact of Service Quality on Customer Satisfaction

The results highlight that service quality is one of the factors instrumental to contemporary customer satisfaction in the hotel industry. In the hotel industry, service quality is the measure of the extent to which service providers meet customers' expectations. The results further indicate that service quality is paramount in the hotel industry, as it has become a strategic factor for many hotels to differentiate their products and services from competitors'. During growing competition and rising demand for services, the quality of service is becoming an instrumental factor in increasing customer satisfaction (Li et al., 2013). The empirical studies highlight that meeting customer satisfaction entails meeting customer needs, and customers measure the value of services provided based on the quality of service. If customers perceive greater value in the service, they are likely to have higher satisfaction and a more positive perception of the hotel. The perceived quality of the service relative to its price measures

perceived value. Thus, if customers receive high-quality service at a relatively lower price, they will likely experience enhanced customer satisfaction (Lu et al., 2015).

The study by Radojevic, Stanisic and Stanic (2017), based on a multilevel analysis of factors affecting customer satisfaction in the global hotel industry, notes that the service encounter is a key factor in customer service experience. A service encounter involves factors such as staff behavior and cleanliness. Other factors that influence the customer's perception of quality include rudeness among staff, long queues at reception, an unpleasant attitude from staff, and inexperienced staff who are not service-oriented. If staff are rude, customers will likely associate the hotel with poor service quality, thereby lowering customer satisfaction. Service quality in the industry is also measured by how well customers' needs are met. Service quality is an important measure of star ratings.

According to Radojevic et al. (2015), it also reflects the degree of hotel luxury. Lu et al. (2015) determined that cleanness and convenience significantly affected service quality. Women attributed quality to feelings and emotions. Descriptions such as "feeling well" or "comfortable" were attributed to service quality. Li et al. (2013) suggest that responses relating to the front office, room service, responsiveness to customer needs, and the creation of customer value are all important determinants of service quality in the hotel industry. Other factors that determine customer perception of quality include staff behaviour, employees' interactions with customers, and cleanliness and maintenance.

Pricing Strategy as a Determinant of Customer Satisfaction

Price is also a determinant of customer satisfaction. It plays a significant role in shaping customers' perceptions. Customers perceive pricing in relation to the quality of service they are likely to receive. Therefore, a higher price is associated with a high level of service. In a study to determine factors affecting customer satisfaction in the hotel industry in Andhra Pradesh, Janakiram (2019) identified hotel pricing strategy as one of these factors. In

the survey, most customers identified hotel pricing strategy as a determinant of customer satisfaction. One hotel in the study received twelve points for its pricing strategy, indicating that it is a factor customers consider important for their satisfaction with the hotel. Gnanapala (2014) also established that customer satisfaction is determined by the value they get for their money.

In his study on the Sri Lankan hotel industry, Gnanapala (2014) reported that pricing policies and practices were key factors in customer satisfaction. Thus, factors such as reasonable pricing are instrumental. Customers also value convenience; thus, effective payment methods were identified as instrumental to customer satisfaction. The same study also revealed that price discrimination practices used as a marketing strategy in tourist hotels affected customer satisfaction. Discrimination occurred in that different customer groups paid different prices for similar hotel services. The study found that price discrimination led to dissatisfaction among tourists.

Hotel's Physical Location

The results show that the hotel's physical location was also an instrumental factor in contemporary customer satisfaction. Customers regarded a hotel's physical location and environment as instrumental to their experience. A good and attractive physical environment was associated with positive customer emotions, which enhanced customer satisfaction and loyalty. According to Ali and Amin (2014), the physical environment is a significant determinant of customer satisfaction and subsequent behavioural intentions in the hotel industry. Drawing on evidence from Chinese resort hotels, the authors found that various dimensions of the physical environment, including hotel layout, interior and exterior design, decoration, and aesthetic appeal, substantially influence guests' overall satisfaction.

Specifically, environmental attributes such as a comfortable ambient temperature, cleanliness, distinctive architectural design, and harmonious color coordination were positively associated with higher levels of customer satisfaction. These physical cues also elicited favorable emotional

responses among guests, including enthusiasm, delight, and excitement, thereby contributing to a more memorable hospitality experience and increasing the likelihood of positive behavioural intentions, such as repeat patronage and favorable word-of-mouth recommendations.

The results show that customer satisfaction with the physical environment was also attributed to behavioural intentions such as expressing a desire to revisit the resort, choosing it as a first choice, spreading positive word of mouth about the resort, and recommending it to friends and others. The study by Gnanapala (2014) also established that the hotel's location was an instrumental factor in determining customer satisfaction in the industry.

Factors such as the convenience and ease of access to the hotel, the hotel's scenery and views, ease of access to complementary facilities and services such as beaches, shopping areas, and attractions, a relaxing atmosphere, and climatic conditions were instrumental in determining the level of customer satisfaction. Janakiram (2019) also determined that the hotel's location was an instrumental factor in determining customer satisfaction in their empirical study.

Value for Money

The value for money customers get from the service was also an instrumental factor in their satisfaction. Li et al. (2013) found that value for money is an important factor customers consider when booking both luxury and budget hotels. Customers attribute the value for money in the hotel industry to value in the room pricing and value in food and beverage quality. Customers who get value for money are likely to be return clients. Radojevic et al. (2015) echo these sentiments, noting that value for money is instrumental in influencing customer satisfaction. The customer perceives value for money if the product and service they pay for meet their satisfaction. Customers also perceive value for money if the quality of service or product is what they get for the price paid.

Other factors highlighted by Janakiram (2019) and Gnanapala (2014) that were identified as instrumental in influencing customer satisfaction include transportation convenience, convenience

to tourist destinations, the quality of food and beverage, cleanliness and maintenance, safety and security, air conditioning, and access to free Wi-Fi (Li et al., 2013; Radojevic et al., 2015; Radojevic et al., 2017; and Gnanapala, 2014). Hotel promotion and responsible promotion are also factors that influence customer satisfaction.

Summary

Customer satisfaction is crucial in the hotel industry, directly influencing financial performance and loyalty. Key factors affecting satisfaction include service quality, which encompasses meeting customer expectations through high-quality service, cleanliness, and attentive staff behaviour. Pricing strategies also impact perceptions of value, with reasonable pricing and effective payment methods being vital. The hotel's physical location plays a significant role, with attributes such as ambiance and accessibility enhancing overall satisfaction. Additionally, customers seek value for money, connecting quality with their spending. Overall, understanding these factors is essential for boosting customer satisfaction and loyalty in the competitive hotel sector.

Theoretical Model

The SERVQUAL model was used to measure customer satisfaction by examining how specific variables moderate the customer experience. These variable factors include reliability, assurance, tangibles, empathy, and responsiveness. SERVQUAL is a robust tool for measuring customer satisfaction in the hotel industry. Responsiveness was measured by the hotel industry's responsiveness to customers' needs, including service efficiency. Tangibles include variables such as the physical environment, the hotel's location, accessibility, and how these factors influence customer preferences.

Conversely, reliability involves how much customers find the hotel reliable in terms of the services provided, that is, service quality. Willingness to listen to customers is also a key factor in how reliable customers find the hotel. On the other hand, empathy encompasses service performance, including how staff treat customers. Above all, assurance was determined by how much

the hotel guaranteed customers' safety. These five factors are recognised as “moderating variables” because they directly influence customer experiences. Thus, this study's dependent variable is customer satisfaction, while the independent variables are pricing, hotel location, service quality, and customers' perception of value for money. The conceptual framework below summaries the relationship between the independent, moderating, and dependent variables.

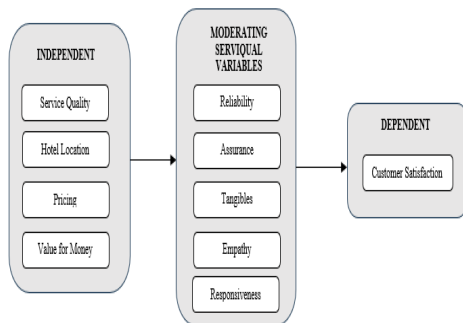


Figure 1 : Conceptual Framework

Research Methodology

The research utilised a quantitative approach to collect data and answer the research questions. The quantitative research approach involves collecting and analysing numerical data to make predictions, examine causal relationships, and find patterns that can be generalised to the wider research population. A descriptive research design, following a survey methodology, was employed to analyse the research findings. Markedly, descriptive research seeks to systematically and accurately describe a specific situation, research phenomenon, or population. Thus, this type of study answers “how, where, when, and what” research questions. This research design cannot be used to answer “why” research questions. In this study, the descriptive design was useful for collecting quantitative data and tabulating it on a numerical continuum while describing how specific factors influence customer satisfaction in the hotel industry.

The Research Population

This study focuses primarily on the factors influencing customer satisfaction in the hotel

industry. Thus, the target population comprised of hotel customers in Australia. Mainly, the researcher targeted the customers of a large multinational hotel based in Sydney. The hotel is star-rated and recognised nationally as one of the most luxurious brands in the industry. Details of how the participants were recruited are provided in the section below.

Sampling Strategy and Research Participants

The researcher utilised convenience sampling to select participants in the study. Convenience sampling is a non-probability sampling strategy that involves selecting participants based on their availability and accessibility during the research period. This selection method is not a simple random sample because the only selection criteria are the participant's consent and willingness to participate in the study. After organising and obtaining the necessary consent, the researcher distributed questionnaires to customers via email. Guests already booked at the hotel were given hard copies of the questionnaire to fill out at their convenience within one week.

The entire survey process adhered to the “post-service customer satisfaction survey” protocol to collect customer feedback. A total of 150 questionnaires were distributed among the clients. After one week, the researcher had obtained feedback from 110 customers (73% feedback rate). Among the 110 customers, 45 completed the hard-copy questionnaires, while 65 provided feedback via email. Sixty participants were female, while 50 were male. Only 30 participants were non-locals, while the rest were domestic visitors. 56% of the participants were above 35, while the rest (44%) were between 18 and 34. Other identifiers such as race, ethnicity, religion, and occupation were excluded from the study.

Data Collection and Survey Instrument

The data collection process followed the post-service customer satisfaction survey protocol. Mainly, customers were asked to provide feedback on their experiences and report their satisfaction levels before, during, and after the service encounter. This survey methodology is justifiable because it is practical for large samples

and provides detailed data. Furthermore, it is easy to execute and generates straightforwardly quantifiable data. During the process, the researcher first obtained informed consent from the organisation to access customer email contacts. The entire survey was explained as significantly beneficial to the organisation in improving quality and achieving higher customer satisfaction scores. Once the contact list was retrieved, customers were emailed the questionnaire, along with details and the survey's purpose. Customers were asked to provide feedback voluntarily within one week. Guests already booked at the hotel were given hard copies of the questionnaire to fill out.

The questionnaire was divided into two main sections (See Appendix One). The first section detailed the customers' demographic details, including gender, age, and country of origin. As mentioned earlier, other identifying information such as names, religion, ethnicity, race, and occupation was excluded from the survey. The second section of the questionnaire included six-question items detailing the various factors affecting the customer experience and overall satisfaction with a hotel brand. A Likert scale was used to measure the extent to which each variable affects customer satisfaction with the hotel brand. The Likert scale included five choices ranging from "strongly agree" to "strongly disagree."

Data Analysis

Because the research was non-experimental and did not test any causal relationships, descriptive statistics were used to analyse the collected data. Descriptive statistics mainly involve measures of spread and measures of central tendency. Measures of spread included the range and standard deviation, while measures of central tendency included the mean, mode, and median. The researcher calculated the average scores on each variable to determine the degree to which each of the four variables influenced customer satisfaction. Further analysis of the data focused on how the scores were distributed by age, gender, and country of origin. The descriptive summaries generated from each calculation were used to answer the research questions. From the

findings, the researcher provides several practical recommendations for hotels to improve customer satisfaction.

Findings

This chapter presents the findings from the data analysis process. The findings are presented in three sections. The first section presents participants' demographic details, while the second presents findings on the factors influencing customer satisfaction in the hotel industry. The third section highlights the findings on the best strategies to improve customer satisfaction based on the data analysis.

The Participants' Demographic Details

The researcher received feedback from 110 of the 150 participants to whom the questionnaires had been distributed. The feedback rate was 73%. A breakdown of the participants' specific demographic details is provided (see Table 1).

Table 1. Demographic Results

	Austra- lian	Non-Aus- tralian	Male	Female	18- 34	>35
Strongly Agree	69	20	40	49	31	58
Agree	9	6	8	7	12	3
Neutral	2	2	1	3	3	1
Disagree	0	1	1	0	1	0
Strongly Disagree	0	1	0	1	1	0

Factors that Influence the Satisfaction of Contemporary Customers in the Hotel Industry

This section's results include an analysis of the extent to which each variable influences customer satisfaction, presented as a pie chart. Further distribution of the data by demographic characteristics is also presented in tabular form (see Table 1).

Table 2. Hotel Location Influences Customer Satisfaction

Identifiers					
Citizenship		Gender		Age	
Australian	Non-Australian	Male	Female	18-34	35 and above
80	30	50	60	48	62
73%	27%	45%	55%	44%	56%

The Quality of Service

The participants were asked to rate the degree to which they agree that service quality influences their satisfaction and customer experiences. The findings are presented in the pie chart. Furthermore, the data distribution and demographic details are provided (see Figure 1).

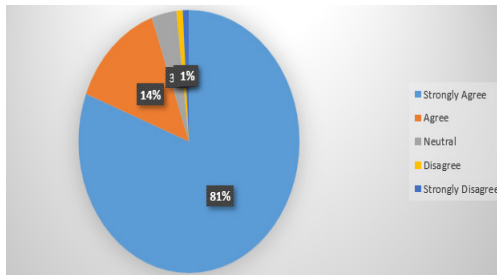


Figure 1. Quality of Service Influences Customer Satisfaction

Hotel Location

The participants were asked to rate the degree to which they agree that the hotel location influences their satisfaction with the hotel brand. The findings indicate that most participants neither agree nor disagree with this assertion, as shown in the pie chart (see Figure 1). However, most non-Australians (60%) agree that a hotel's location influences their satisfaction with the service encounter and hotel brand.

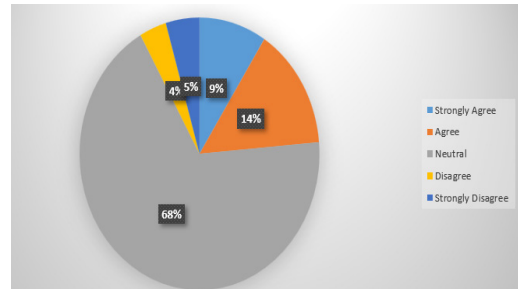


Figure 2. Hotel Location Influences Customer Satisfaction

Product and Service Prices

Participants were asked to rate the importance of product and service prices in determining their satisfaction with a hotel brand. Although the responses are varied, most participants (46%) agree that price influences their satisfaction with a hotel brand. Primarily, the number of participants who agree or strongly agree with the assertion is greater than the number who are neutral, disagree, or strongly disagree. Nevertheless, most non-Australian participants (58%) agree that price influences their satisfaction with a hotel brand. Furthermore, more men than women also agree that price significantly influences their satisfaction with a hotel brand (see Figure 2).

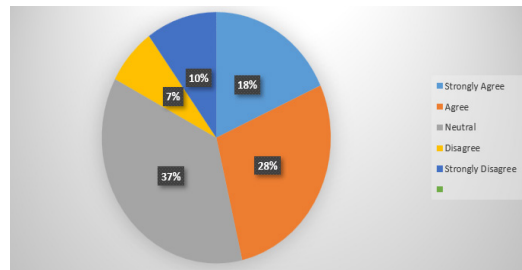


Figure 3. Product and Service Prices Influence Customer Satisfaction

Value for Money

Value for money was defined as the customer's perception of what a product package is worth compared to possible alternatives. Therefore, value for money includes the customer's perception of how the amount spent on the product package is proportionate to the benefits they receive. Hence,

participants were asked to rate their agreement with the assertion that value for money influences their satisfaction with a brand. Most of the participants (93%) agreed that value for money affects satisfaction with the service encounter and the overall hotel brand. There were no significant differences in responses across demographic groups.

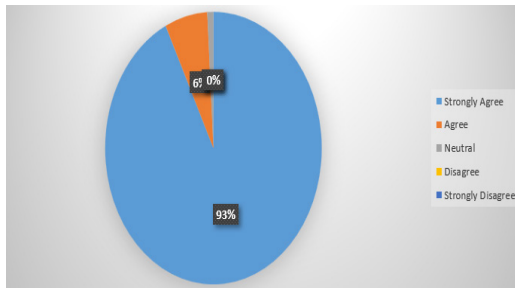


Figure 4. Value for Money Influences Customer Satisfaction

Appealing to Contemporary Consumers' Needs

To determine how hotel brands can enhance customer satisfaction, customers were asked to identify the factors that most influence service quality and to rate their satisfaction with the hotel brand. From these findings, it would be easy to identify focus areas in quality improvement initiatives at the organization.

Factors that Influence the Customers' Perception of Service Quality

Participants were asked to choose one among five factors that influence their perception of service quality. The findings are presented in the pie chart below.

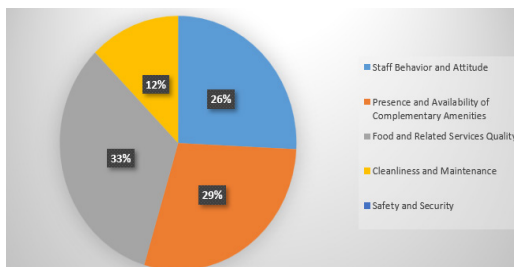


Figure 5. Factors that Affect Customers' Perception of Service Quality

Customer Satisfaction with Hotel Brand

Participants were asked to rate their satisfaction with the hotel brand. The findings are presented in the pie chart below.

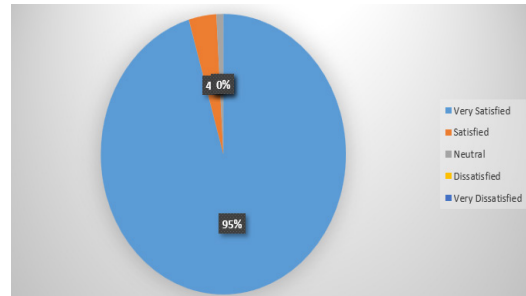


Figure 6. Customer Satisfaction with the Hotel Brand

Discussion

This study's findings affirm that value for money has the biggest impact on customer satisfaction in the hotel sector. However, the quality of service also significantly influences customer satisfaction. As mentioned earlier, value for money is defined as the customer's perception of what a product package is worth compared to possible alternatives. Therefore, value for money encompasses the customer's perception of how the amount spent on the product package is proportionate to the benefits they receive (Das et al., 2017). According to the SERVQUAL model, value for money and service quality constitute "reliability." Besides, service quality can be categorised under "empathy considering that customers are concerned with how the staff treats them during the service encounter. Location and product prices are important factors in determining customer satisfaction (Ali & Amin, 2014). However, survey participant feedback indicates that hotel location and pricing have minimal impact on customer satisfaction.

Markedly, the SERVQUAL model emphasises the role of brand "responsiveness" in influencing customer satisfaction. Das et al. (2017) note that responsiveness can be equated to how well the product and service package meets customer needs efficiently. Hence, being responsive to customers' needs extends to understanding their budget concerns and offering pocket-friendly

prices. Similarly, “assurance” involves ensuring that customers are safe and have access to complementary amenities, which affirms the hotel location’s role in enhancing customer satisfaction (Li et al., 2013). Importantly, non-Australian customers acknowledge that a hotel’s location significantly influences their satisfaction with a hotel brand. Mainly, foreigners may be concerned about the ease of access to a hotel and the presence and availability of amenities that match their holiday, vacation, leisure, and business travel needs.

Regarding the factors that influence service quality, most participants identified food and related service quality as the main influencers. However, the staff’s behaviour and attitude, as well as the presence and availability of complementary amenities, also significantly influence service quality. Previous studies have found that the quality of food and related services directly influences the customer’s experience and satisfaction with the brand (Radojevic et al., 2017). The quality of food includes a wide variety of items on the menu and timely service delivery. Moreover, customers understand the need for complementary services such as a swimming pool, proximity to the beach and the main transport system, a children’s park, conference facilities, air conditioning, free Wi-Fi, and Internet access. The participants in this study do not consider safety and security or the hotel’s cleanliness to have a major impact on the quality of service (Weng, 2016). Above all, customers surveyed report being very satisfied with the hotel brand. Regardless, there are major practical recommendations worth noting from the study’s findings.

Conclusion

This study examined the factors influencing contemporary customer satisfaction in the hotel industry, with particular emphasis on customers of star-rated hotels in Sydney, Australia. The findings demonstrate that value for money and service quality are the most influential determinants of customer satisfaction. Customers are more satisfied when they perceive that the quality of services received justifies the price paid and when

hotels consistently deliver reliable, responsive, and customer-orientated services. Among the dimensions of service quality, food and beverage quality, staff behaviour and professionalism, and the availability of complementary amenities emerged as the strongest contributors to positive customer experiences.

Although hotel location and pricing influence customers’ perceptions, they were found to have a comparatively smaller impact on overall satisfaction than service quality and value for money. These findings reinforce the importance of adopting a customer-centred approach to service delivery, consistent with the SERVQUAL framework, by focusing on reliability, responsiveness, empathy, assurance, and tangible service attributes.

The study contributes to the growing body of hospitality management literature by providing contemporary evidence on the factors that shape customer satisfaction in an increasingly competitive hotel environment. From a managerial perspective, hotel operators should prioritise investments in service quality improvement, employee training and development, food and beverage excellence, and the provision of value-added services that enhance guests’ perceptions of value for money. Such initiatives are likely to strengthen customer satisfaction, encourage repeat patronage, generate positive word-of-mouth, and improve long-term organisational competitiveness.

While the findings provide valuable insights, they should be interpreted within the context of the study’s limitations, including the relatively small sample size and the focus on a single hotel in Sydney. Future research should employ larger and more diverse samples across different hotel categories and geographical regions to improve the generalisability of the findings and explore emerging factors influencing customer satisfaction in the evolving hospitality landscape.

Limitations

This study identifies two major limitations: a small sample size of 110 customers and data collected from a single hotel in Sydney, which restricts generalisability. Future research should focus on larger and more diverse samples. The findings

indicate that value for money and service quality significantly influence customer satisfaction. Recommendations for hoteliers include being responsive to customer needs, improving food quality and service amenities, and investing in staff training to enhance professionalism and create a welcoming atmosphere.

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