

CUSTOMER SATISFACTION AS A DETERMINANT OF BUSINESS PERFORMANCE IN HOTEL ENTERPRISES

Danijela M. Andjelković^{1*}, Ana S. Liberakos²

¹University of Economics Academy in Novi Sad, Faculty of Economics and Engineering Management, Republic of Serbia,
e-mail: andjelkodani@gmail.com

²Second Economic School, Belgrade, Republic of Serbia,
e-mail: ana.liberakos@gmail.com



Abstract: It is clear that in the future, hotel enterprises will rely on the development of artificial intelligence, new technologies, and knowledge. However, hotel industry strategies cannot be viewed in isolation from consumer satisfaction as service users and its impact on business performance and the competitive position of enterprises. The purpose of this paper is to determine the direction of the relationship between two variables: service user satisfaction and the business performance of hotel enterprises. A descriptive empirical study was conducted based on a sample of respondents using the statistical program SPSS 20. From the perspective of research direction, the results indicate that financial goals and financial performance in the hospitality industry are necessarily conditioned by other limiting factors that do not necessarily have financial characteristics. In terms of the thematic area of this study, it presents a new approach to marketing relationships with consumers, emphasizing consumer satisfaction as a fundamental determinant in the hotel industry. In this context, it is necessary to examine the interdependence and connection between these factors, as well as their impact on the sustainable growth and development of the hotel industry. The hypothesis is thus confirmed: on one hand, the quality of the offer package should be considered in terms of ensuring service user satisfaction, and on the other, satisfaction represents a crucial determinant of the business performance of hotel enterprises. Based on empirical research, key variables influencing guest satisfaction have been identified. The value of the results obtained in this study lies in the fact that they can serve as a basis for designing and implementing explicitly defined actions, making important management decisions, and formulating strategies to enhance service user satisfaction. This type of marketing relationship with consumers, as service users, in return ensures long-term profitability for hotel enterprises.

Keywords: hotel enterprises, service quality, satisfaction, business performance.

Field: Social Sciences and Humanities

1. INTRODUCTION

In the current phase of developing a modern structure for the tourism market and the hotel industry, which is an inseparable part of this market, a clear strategy and development policy for the hotel industry in the future is necessary. Hotel enterprises are undergoing restructuring to adapt to the new needs of service users, requiring a new package of hotel products. This transformation changes the way business is conducted and how offers in the hotel industry are presented, all under the influence of meeting user needs and, in that context, ensuring customer satisfaction (Librianty & Yuliarto, 2019; Gligorijević & Veljković, 2022). The focus is on creating and ensuring value for consumers or service users. It aligns with a key market component related to consumer demand, which is directly linked to customer satisfaction in the hotel industry (Ivkov-Andjelković, 2013:173). As a result, the future of the hotel industry will be shaped by various innovations and trends in its offerings, as well as other factors influencing its development. The main objective of this study is to explore new trends in the creation of hotel industry service packages, including non-financial information. This involves determining customer satisfaction with hotel services and identifying the most important components of the value offered by hotels. On this basis, the concept of service quality and consumer satisfaction is a necessary condition for positive business results in the hotel industry and for strengthening its competitive power (Marinković, 2023).

The importance of this approach lies in the fact that the research results can lead to concrete actions, important business decisions, and the formulation of strategies for establishing long-term relationships with hotel service users, thereby increasing their satisfaction and loyalty (Marnovita, 2020). Andjelković-Vujić (2019) points out that "this concept is at the core of many domestic and especially foreign theoretical and empirical studies, which acknowledge that the structure and high level of quality of the components of a hotel service package have positive implications for customer satisfaction, and consequently, for the business performance of hotel enterprises and their competitive advantage" (p. 414). Recent research on consumer satisfaction and its impact on business performance also supports

*Corresponding author: andjelkodani@gmail.com



this (Manzano, 2021; Temitope & Federal, 2024; Wijayanti, 2019). Wibawo (2022) provides a detailed review of “literature illustrating the determinants that define consumer satisfaction” (p. 683), which can also apply to hotel service users. Research is based on the concept that consumer satisfaction is linked to service quality. From this, the hypothesis is formulated that the strongest influence on consumer satisfaction comes from “hotel staff,” while the weakest influence on service user satisfaction comes from “hotel supplementary facilities.” Consequently, aside from price as an economic category, hotel staff represents a crucial determinant of hotel business performance. Maričić et al. (2012) emphasize that meeting service users’ needs in modern business management is a necessary condition for increasing competitive advantage and enterprise profitability. To test the stated hypothesis, a research model was developed to measure individual components of the value package offered by hotel enterprises and their impact on meeting consumer needs. To verify this hypothesis, a research model has been developed for the empirical verification of the impact of various components of hotel service package value on guest satisfaction. This approach involves applying methods and models for measuring consumer satisfaction derived from variables related to the value components of hotel service packages.

2. METHODOLOGY

For the purposes of this study, primary data were collected using a structured survey questionnaire, applying the survey method (Andjelković, 2001:133). Through personal communication, the questionnaire was distributed in printed form to hotel guests. The questionnaire was designed and structured to follow the service user’s cycle in the hotel (guest), from arrival to departure. The study of service quality and its impact on customer satisfaction is widely present in relevant literature (Librianty & Yulianto, 2019; Mulyadi, 2020; Novia et al., 2020). The questionnaire was designed with statements directed at respondents, who expressed their opinions using a seven-point Likert scale. The respondents evaluated these statements with the lowest rating representing “absolute dissatisfaction” and the highest indicating “absolute satisfaction.” A total of 265 respondents were included, using the convenience sampling method. The survey was conducted in 2023 across seventeen hotels in the Republic of Serbia. In the literature, whether in theoretical works or empirical research, certain limitations are associated with the generalization of results, particularly regarding sample size, the geographical area covered by the sample, and other characteristics of sample representativeness. Therefore, to ensure greater validity of the research results and their more explicit expression, this study included an optimal number of structured surveys based on geographical area, the time of research implementation, seasonality in hotel operations, and other criteria. This approach aimed to ensure that the sample more accurately reflected the target population from which it was drawn, significantly increasing its representativeness. A convenience sampling method was used in this study. When it comes to the methodological approach, the relevant literature mentions an inductive approach (Ali et al., 2016). The research methodology in this study is based on descriptive statistical analysis (Ivkov & Andjelković, 2013:126). The data analysis was conducted using the SPSS 20 software package. For each statement, appropriate statistical values were determined to identify which statements respondents agreed with the most and the least, as well as which statements resulted in the most homogeneous or heterogeneous opinions among respondents.

3. RESULTS AND DISCUSSION

Table 1, illustrates the indicators obtained through descriptive statistics, where the corresponding statistical values were calculated. The highest statistical values among respondents were observed for the statement: “During your stay at the hotel, how satisfied were you with the friendliness and helpfulness of the staff?” where the mean (M) was the highest (7.22). The least favorable opinions were related to the statement: “During your stay at the hotel, how satisfied were you with the SPA center facilities (pool, sauna, etc.)?”, where the mean (M) was the lowest, at 6.19. Regarding the homogeneity of respondent opinions within the subsample, the most homogeneous opinions among guests from Serbia are present in the statement “During your stay at the hotel, how satisfied were you with the cleanliness and maintenance of the hotel?”, as it has the lowest standard deviation (0.81). On the other hand, the most heterogeneous opinions are found in the statement “During your stay at the hotel, how satisfied were you with the SPA center facilities (pool, sauna, etc.)?”, due to the highest standard deviation value (1.97).

Table 1. Descriptive Statistical Analysis Results – R. Serbia

No.	Statement	Mean (M)	Standard Deviation (SD)
During your stay at the hotel, how satisfied were you with:			
1	Hotel location	7.1618	1.30211
2	Visual appearance of the hotel (building, lobby, reception)	7.0201	1.34231
3	Neatness of employees	7.1099	1.02631
4	Kindness of employees	7.2231	1.15292
5	Helpfulness of employees	7.1507	1.05152
6	Speed of check-in and check-out	7.0701	1.02638
7	Accuracy of reservation	7.1221	1.01923
8	Availability of reserved/assigned room type	7.1218	1.11243
9	Cleanliness of the room upon arrival	7.1678	1.00592
10	Room appearance and design	6.7621	1.22340
11	Quality of furniture and room equipment	6.6512	1.21613
12	Comfort of the bed (pillow, mattress, linens)	6.7321	1.21621
13	Room comfort	6.9091	1.16741
14	Room amenities (mini-bar, phone, TV, internet, coffee/tea maker)	6.7941	1.23341
15	Internet speed	6.8649	1.28892
16	Bathroom cleanliness	7.1512	1.21893
17	Bathroom amenities (soap, shampoo, shower gel, hairdryer)	7.1193	1.23914
18	Functionality of room devices (lighting, TV, air conditioning)	7.1534	0.99653
19	Cleanliness and maintenance of the hotel during the stay	7.1420	0.81162
20	Visual appearance of the restaurant and bar	6.9488	1.16121
21	Cleanliness of the restaurant and bar	7.0904	1.01802
22	Variety of food and drinks	7.1180	1.25071
23	Quality of food and drinks (appearance, taste, freshness)	7.1202	1.16075
24	Equipment and design of the conference/congress hall	6.9580	1.36530
25	SPA center facilities (pool, sauna, etc.)	6.1970	1.97341
26	Other amenities (parking, stores, children's playroom, recreation programs)	6.8217	1.76295
Your overall opinion about the hotel stay:			
27	Overall, how satisfied are you with the quality of services in this hotel compared to the expected (desired) service?	6.6390	1.2730
28	How satisfied are you with the value for money you paid?	6.8340	1.2410
29	The hotel has more favorable prices compared to competitors.	6.5562	1.1070
30	How satisfied are you with the overall offer compared to your expectations?	6.9173	1.1790
Express your opinion and rate the following statements:			
31	I have a positive opinion about the hotel.	7.1012	1.14280
32	The hotel has a recognizable name (brand).	6.9160	1.33160
33	The hotel has a better reputation compared to other hotels in the area.	6.7502	1.39120
34	I would gladly recommend this hotel to friends and acquaintances.	6.8201	1.31240
35	I am willing to visit this hotel again in the future.	6.6880	1.37610
36	This hotel is always my first choice.	6.7250	1.62720

Source: Andjelković

In descriptive statistical analysis, for the purpose of reliability assessment of statements, it is necessary to form new variables from existing statements to conduct further analyses and test hypotheses. In situations where a certain variable is measured through multiple statements, it is crucial to determine whether the given variable is reliable, meaning whether the statements used to measure it are internally consistent. For this analysis, the Cronbach's alpha coefficient is calculated, which ranges from 0 to 1. Statements are internally consistent, meaning the variable is reliable if the coefficient value is 0.7 or higher. The results of the reliability analysis are shown in Table 2.

Table 2. Results of reliability analysis and descriptive analysis for the variables formed

Variable	Cronbach's alpha	Mean (M)	Standard Deviation (SD)
Hotel	0,880	6,4960	0,97621
Staff	0,895	7,1172	0,94230
Reception	0,912	7,0770	0,91470
Room	0,980	6,8630	0,93740
Restaurant & Bar	0,901	7,1055	0,95470
Hotel Facilities	0,920	6,3540	1,42211
Price	0,954	6,7570	1,21059
Image	0,915	6,5312	1,13930
Satisfaction	0,961	6,7320	1,10252
Loyalty	0,940	6,8031	1,34134

Source: Andjelković

As observed in Table 2, all formed variables are internally consistent. The lowest Cronbach's alpha coefficient value was recorded for the variable Hotel, but since the value is still greater than 0.7, this variable is considered internally consistent by definition. This result indicates that all variables are consistent and can be further included in the analysis of satisfaction in relation to the observed variable dimensions. Additionally, Table 2 illustrates that respondents were particularly satisfied with the hotel staff, where the mean (M) was the highest (7.11), followed by the restaurant and bar services (7.10) and the reception desk (7.07). However, respondents expressed dissatisfaction with the entertainment programs offered within the hotel, where the mean (M) was relatively low (6.35). Regarding the homogeneity of respondents' opinions, it was most pronounced for the reception desk, where the standard deviation was the lowest. This was followed by the room variable and then the staff. On the other hand, the most heterogeneous opinions were observed for the Hotel Facilities variable, where the standard deviation was the highest. For further analysis, multiple regression analysis was conducted using the mentioned software package. This allows for measuring the components of the hotel's service package and their impact on service users while also identifying multicollinearity in multiple regression analysis based on the Variance Inflation Factor (VIF). A necessary prerequisite for further analysis, specifically determining the impact of independent variables (derived from the hotel's service package) on service user satisfaction as the dependent variable, is the prior empirical illustration through descriptive statistical analysis.

4. CONCLUSIONS

The research model is structured according to the primary objective and the hypothesis set at the beginning of the study, identifying various components of the hotel's service offer that influence customer satisfaction. The research model was developed in accordance with the main purpose and the initial hypothesis of the study by identifying various components of the hotel service offering that could influence consumer satisfaction as service users. The most significant variables determining service quality and impacting guest satisfaction, and consequently, the business performance of hotel enterprises were identified. The findings indicate that respondents expressed the most favorable opinions regarding the statements "During your stay at the hotel," particularly those related to "employee friendliness" and "employee service," where the arithmetic mean (M) recorded the highest value (7.22). On the other hand, the least favorable opinions were related to the SPA center, as the mean value (M) was the lowest (6.19). Respondents' opinions regarding "hotel cleanliness and maintenance" showed high homogeneity, as the standard deviation recorded the lowest value (0.81). The study results also indicate that all variables formed for the research model are internally consistent, confirming that the examined variables can be included in the analysis of satisfaction and its impact on hotel business performance. Based on the descriptive statistical analysis results, it can be concluded that hotel guests are most satisfied with "staff service" (M = 7.11) and "restaurant and bar services" (M = 7.10). It can be concluded that "hotel staff" has the strongest influence on consumer satisfaction as hotel service users. Hotels must ensure not only competitive pricing as an economic factor but also guest satisfaction through non-price factors if they aim to achieve sustainable competitiveness in the market. A significant influence on guest satisfaction is linked to hotel staff. Restaurant and bar services also have a strong impact on guest satisfaction, as they represent a primary service that guests expect. These factors can significantly affect the hotel's image, which in turn influences guest satisfaction. The research findings confirm the initial hypothesis that "hotel staff" has the most substantial impact on consumer satisfaction (M = 7.11), while "hotel's additional facilities" have the least impact on service user satisfaction (M = 6.35). This further supports

the conclusion that, beyond pricing as an economic factor, hotel staff has a significant impact on hotel business performance.

The value of the research results lies in their practical application, allowing for specific actions to be taken and strategies to be formulated to enhance satisfaction, which directly influences the improvement of hotel business performance. The insights gained from this research provide hotel managers with essential knowledge about the key components of the hotel service package that affect consumer satisfaction. By doing so, the research results make a crucial contribution to establishing and developing long-term relationships with hotel service users and ensuring their retention. This marketing approach to consumer relations ultimately leads to the creation of superior value for consumers as hotel service users while simultaneously ensuring long-term profitability for hotel enterprises. On this basis, the value components of the hotel service offering, as a function of consumer satisfaction, represent a key factor in achieving long-term profitability and growth for hotel businesses.

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