
The Effect of Room Prices and Hotel Facilities on Customer Satisfaction

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Abstract

The hospitality industry in Indonesia has experienced rapid development, driven by the increasing growth of tourism activities and competitive market dynamics. Hotel managers are therefore required to maintain appropriate pricing strategies and provide adequate facilities to ensure customer satisfaction. This study aims to examine the influence of room price and hotel facilities on customer satisfaction at Wayame Bay Hotel Ambon, representing the hospitality sector in an island-based regional context. This research employed a quantitative explanatory design with 100 respondents selected using purposive sampling. Data were collected through a Likert-scale questionnaire, observations, and brief interviews, and analyzed using multiple linear regression with SPSS version 25. The results revealed that both room price ($p = 0.017$) and hotel facilities ($p = 0.044$) significantly and positively affect customer satisfaction, either partially or simultaneously. The coefficient of determination ($R^2 = 0.647$) indicates that 64.7% of satisfaction variance is explained by the two independent variables. The findings emphasize that price fairness and facility quality are crucial factors influencing satisfaction. This study contributes to hospitality literature by offering empirical evidence from Eastern Indonesia and suggests that balanced pricing and continuous facility improvement are vital strategies for enhancing customer satisfaction in regional hotel markets.

Keywords: Room Price, Hotel Facilities, Customer Satisfaction, Hospitality Industry

INTRODUCTION

The hospitality industry has become one of the most dynamic sectors in Indonesia's economic growth, driven by the continuous expansion of domestic and international tourism. Hotels are no longer perceived merely as accommodation providers but as integral components of tourism experiences serving as spaces for recreation, business activities, and reflections of regional service quality. Increasing market competition compels hotel managers to implement effective strategies in pricing and facility management to sustain customer satisfaction and maintain competitiveness (Kotler & Keller, 2016; Zeithaml et al., 2020).

In this context, Wayame Bay Hotel in Ambon City, Maluku, represents a developing hospitality enterprise in Eastern Indonesia. Despite offering a variety of room types and facilities at different price levels, customer feedback indicates several service quality issues, including

inconsistent facility maintenance, cleanliness, and timeliness of service. Such discrepancies between customer expectations and perceived performance highlight the critical need to evaluate determinants of satisfaction in mid-range island-based hotels, where infrastructure and accessibility often differ from major tourism destinations. For instance, recent observations at Wayame Bay Hotel reveal several service inconsistencies, such as unstable Wi-Fi connections in some rooms, air conditioners that do not cool effectively, and the absence of a designated parking area that forces guests to park along the roadside. These empirical indications, supported by fluctuating occupancy rates and customer feedback, further emphasize that the issue is not merely conceptual but reflects tangible challenges that significantly affect customer satisfaction.

Over the past five years, numerous studies have examined the impact of price and facilities on customer satisfaction in the hospitality industry; however, the results remain inconclusive. Putra and Dewi, (2020) reported that pricing significantly affects satisfaction among hotel guests in Bali, whereas Rohmah and Setiawan, (2021) found no significant relationship when brand loyalty mediates the pricing–satisfaction link. Similarly, Sari, Utami, and Nugroho, (2022) highlighted that facilities particularly digital-based ones such as online reservation systems and self-check-in services strongly influence satisfaction. Nonetheless, research focusing on how pricing and facilities jointly shape customer satisfaction in Eastern Indonesia, particularly in Maluku Province, remains limited.

Moreover, most previous studies have concentrated on luxury or star-rated hotels in major metropolitan areas such as Jakarta, Surabaya, and Bali (Andika & Hasan, 2019; Lestari et al., 2021). Consequently, there exists a research gap regarding the determinants of satisfaction among customers of mid-scale hotels in island and peripheral regions, where market behavior, purchasing power, and service perceptions are contextually distinct.

This study aims to address this gap by empirically analyzing the influence of room price and hotel facilities on customer satisfaction at Wayame Bay Hotel Ambon. The study introduces a contextual approach grounded in island-based hospitality management, emphasizing how local economic conditions, perceived value, and geographic constraints moderate customer perceptions of service quality.

The novelty of this research lies in extending the conventional service satisfaction framework into an island-based market setting, offering a localized understanding of pricing and facility effects in a developing tourism economy. Unlike previous studies conducted in major tourism destinations such as Bali or Jakarta where, for example, ambient conditions in five-star hotels in Bali showed a significant positive influence on guest satisfaction (Adi et al., 2024) and a study in Jakarta found that facility and service quality variables significantly affected guest satisfaction and loyalty at a capital-city hotel (Nurcahyo et al., 2022) this research explores a less-developed island context, where limited transportation networks, fluctuating service quality, and constrained resources may alter how customers perceive value and satisfaction. The study contributes both theoretically, by enriching hospitality literature with evidence from under-explored regional markets, and practically, by providing insights for hotel managers to design pricing and facility strategies that align with the expectations and behavioral tendencies of customers in geographically unique environments such as Eastern Indonesia.

LITERATURE REVIEW

Price

Price represents the monetary value that consumers are willing to exchange for obtaining products or services and the benefits associated with them. According to Kotler and Keller, (2016), price plays a critical role as both a marketing signal and a psychological cue that shapes consumer perception of value. In the hospitality industry, price does not merely reflect cost but also communicates the perceived quality of the service (Zeithaml et al., 2020).

Several studies emphasize that appropriate pricing strategies influence customer satisfaction and loyalty. Nguyen and Simkin, (2021) argue that perceived fairness of pricing positively affects customer satisfaction in service sectors, particularly in competitive markets such as hotels. Similarly, Putra and Dewi, (2020) found that competitive and transparent pricing practices increase customer trust and repeat purchasing intentions in the hotel industry. Conversely, price inconsistency and hidden fees tend to diminish perceived value and satisfaction (Rohmah & Setiawan, 2021). Therefore, in the context of hotel services, price serves as a multidimensional construct that encompasses economic, emotional, and relational values influencing overall customer experience.

Facilities

Facilities refer to all physical and non-physical elements that support customer comfort, accessibility, and satisfaction when consuming a service (Tjiptono, 2014). In the hospitality sector, facilities include tangible aspects such as room design, cleanliness, amenities, and technological services, as well as intangible aspects like staff responsiveness and digital convenience (Sari et al., 2022).

Recent research demonstrates that hotel facilities have evolved beyond traditional infrastructure toward digital and sustainable features. For example, Kim, Kim, and Park, (2021) observed that digital transformation in hotel facilities such as smart rooms, online reservation systems, and mobile check-in significantly enhances customer satisfaction and operational efficiency. Similarly, Rahman and Reynolds, (2020) reported that facility quality, particularly in the areas of hygiene, comfort, and Wi-Fi connectivity, has become a dominant determinant of customer satisfaction in post-pandemic hotel management. Hence, the provision of modern and adaptive facilities has become a strategic differentiator in achieving long-term competitiveness and customer loyalty within the hospitality industry.

Customer Satisfaction

Customer satisfaction is generally defined as a consumer's cognitive and emotional response that arises after comparing perceived performance with prior expectations (Irawan, 2019; Oliver, 2015). In service industries, satisfaction plays a vital role in determining repeat purchase behavior, positive word-of-mouth, and customer retention (Han & Hyun, 2018).

In hotel management, satisfaction emerges from the alignment between service delivery and customer expectations regarding price fairness, facility quality, and staff professionalism. Ali, Kim, and Ryu, (2019) assert that emotional satisfaction can mediate the relationship between perceived service quality and customer loyalty. Furthermore, Lestari et al., (2021) found that satisfaction functions as a key mediator linking service attributes (such as price and facilities) to loyalty intentions. Thus, understanding satisfaction as a multidimensional construct covering

functional, emotional, and symbolic components is essential to achieving a holistic view of customer behavior.

Previous Research

Several empirical studies have examined the influence of price and facilities on customer satisfaction within the hospitality context. Yunni Rusmawati, (2019) found that room price and facilities significantly affect customer satisfaction at Shangri-La Hotel Surabaya. This finding aligns with Andika and Hasan, (2019), who reported that price fairness and facility quality were strong predictors of satisfaction in luxury hotels in Jakarta.

Similarly, Sari et al., (2022) highlighted that digital facilities, such as mobile booking and self-check-in systems, enhance customer satisfaction by improving perceived convenience and efficiency. On the other hand, Nguyen et al., (2020) found that the relative impact of facility quality on satisfaction tends to be higher than price effects in the mid-range hotel segment.

However, a limited number of studies have been conducted in the eastern Indonesian hospitality context, such as Ambon or Maluku. Most existing research focuses on major tourist destinations like Bali, Jakarta, and Surabaya. Therefore, this study seeks to fill the research gap by analyzing how room price and facilities influence customer satisfaction at Wayame Bay Hotel Ambon, representing the hotel industry in island-based and developing regional markets.

METHOD

This study employed a quantitative explanatory design to empirically examine the relationship between room price, hotel facilities, and customer satisfaction at Wayame Bay Hotel, Ambon. Using purposive sampling, data were collected from 100 customers who had stayed at the hotel between 2024–2025 and met the criteria of having firsthand service experience. The research utilized a structured Likert-scale questionnaire validated by academic experts and tested for reliability through a pilot study. Three main constructs were analyzed price, facilities, and customer satisfaction each measured by 4–5 indicators adapted from previous hospitality studies.

Data were processed using multiple linear regression to assess both partial and simultaneous effects of the independent variables on customer satisfaction. Prior to regression, classical assumption tests (normality, multicollinearity, and heteroscedasticity) were conducted, followed by t-tests, F-tests, and R^2 evaluations for model significance. Reliability and validity were confirmed with Cronbach's Alpha values above 0.70 and factor loadings exceeding 0.50. Statistical analyses were performed with IBM SPSS Statistics 25 at a 0.05 significance level. Ethical standards were upheld through informed consent, confidentiality, and voluntary participation to ensure data integrity and respondent protection.

RESULTS AND DISCUSSION

Results

The results of the data analysis demonstrate that all measurement items for the variables room price (X_1), hotel facilities (X_2), and customer satisfaction (Y) fulfilled the validity and reliability requirements. All item total correlations exceeded the critical value ($r > 0.30$), indicating that the indicators were valid in measuring their respective constructs. The Cronbach's Alpha coefficients for all variables were above 0.70, confirming the internal consistency and reliability of the measurement scales (Hair et al., 2021).

The multiple linear regression analysis produced the following findings:

- The room price (X_1) variable had a significant positive effect on customer satisfaction (Y), with a *p-value* of 0.017 ($p < 0.05$).
- The hotel facilities (X_2) variable also exhibited a significant positive effect on customer satisfaction, with a *p-value* of 0.044 ($p < 0.05$).
- The F-test confirmed that the two predictors jointly have a statistically significant influence on customer satisfaction ($p < 0.05$).
- The coefficient of determination (R^2) was 0.647, meaning that 64.7% of the variance in customer satisfaction can be explained by the combined effects of room price and hotel facilities, while the remaining 35.3% is influenced by other variables not included in the model, such as service quality, brand image, and customer experience.

These results empirically support the hypothesis that both price and facilities play substantial roles in shaping customer satisfaction within the hospitality industry context.

Discussion

The findings indicate that room price has a statistically significant and positive relationship with customer satisfaction, suggesting that customers perceive the price of Wayame Bay Hotel as fair and proportional to the quality of services received. This aligns with Kotler and Keller's (2016) theoretical framework, which posits that perceived price fairness strongly influences perceived value and satisfaction.

The results are consistent with previous empirical studies, such as Nguyen and Simkin, (2021) and Putra and Dewi, (2020), who found that transparent and competitive pricing enhances customer trust and satisfaction in hotel service contexts. Conversely, studies by Rohmah and Setiawan, (2021) emphasize that price sensitivity may differ among customers with varying loyalty levels indicating that perceived fairness rather than absolute price is the key determinant of satisfaction. In the context of Ambon, where hotel competition is less saturated compared to metropolitan cities, customers tend to evaluate satisfaction not merely based on price level, but on the value-for-money experience they receive.

Similarly, the facilities variable shows a significant positive effect on customer satisfaction. This finding supports Tjiptono's, (2014) assertion that tangible and intangible facilities directly influence the service experience and overall satisfaction. The result also resonates with Sari et al., (2022), who demonstrated that digital and physical facilities such as Wi-Fi quality, room cleanliness, and technological convenience significantly improve customer satisfaction levels. Furthermore, Kim, Kim and Park, (2021) found that the integration of smart technologies in hotel facilities contributes to perceived service innovativeness, which subsequently enhances customer satisfaction and loyalty.

The combined contribution of price and facilities ($R^2 = 0.647$) underscores their joint importance in shaping customer experience in the hospitality sector. This is in line with the Service Quality and Value Theory (Zeithaml et al., 2020), which explains that customer satisfaction results from the perceived balance between service benefits and the sacrifices made, particularly monetary costs. The relatively high explanatory power (64.7%) indicates that Wayame Bay Hotel's customers largely base their satisfaction judgments on the hotel's ability to deliver commensurate quality relative to its pricing and facility standards.

From a managerial perspective, these findings suggest that maintaining an equilibrium between pricing strategy and facility enhancement is essential to achieving sustainable customer satisfaction. Hotels operating in regional markets like Ambon should emphasize value creation—

for instance, by improving cleanliness, providing comfortable room conditions, and ensuring affordable yet transparent pricing policies.

The results also fill a research gap identified in previous hospitality literature, which predominantly focused on urban and luxury hotel markets (Andika & Hasan, 2019; Lestari et al., 2021). By examining a mid-range hotel in eastern Indonesia, this study contributes to the growing body of knowledge on customer satisfaction in island-based hospitality markets, offering new insights into how contextual factors such as geographic isolation and customer expectations shape satisfaction outcomes.

Finally, the findings reinforce the proposition that customer satisfaction is a multifactorial construct, influenced by not only service quality but also economic and experiential dimensions. Future research should integrate other variables such as perceived service quality, emotional engagement, and digital service interaction to provide a more comprehensive understanding of customer satisfaction dynamics in the post-digital hospitality era.

CONCLUSION AND RECOMMENDATIONS

Conclusion

This study concludes that room price and hotel facilities exert a meaningful and positive influence on customer satisfaction at Wayame Bay Hotel Ambon. Customers perceive the room pricing policy as fair and appropriate in relation to the quality of services received, which contributes to a higher level of overall satisfaction. This finding indicates that pricing strategies aligned with customer expectations and perceived value play a crucial role in shaping positive evaluations of hotel services.

In addition, hotel facilities are shown to be a key determinant of customer satisfaction. The availability of well-maintained, functional, and adequate facilities enhances guest comfort and reinforces favorable perceptions of the hotel. Collectively, room price and hotel facilities constitute strategic components of the hotel's service delivery system that significantly shape customer satisfaction. These results support customer satisfaction theory, particularly the notion that satisfaction emerges from the alignment between perceived value and service performance, and extend its applicability to the context of an island-based hospitality industry with distinct service conditions and customer expectations.

Managerial Implications

The findings offer several practical implications for hotel managers and practitioners in the hospitality industry: *First*: Pricing Strategy Optimization. Managers should adopt value-based pricing strategies, ensuring that price reflects both tangible and perceived quality. Transparent and competitive pricing will strengthen customer trust and perceived fairness, which are key drivers of satisfaction and loyalty; *Second*: Facility Improvement and Maintenance. Continuous improvement of physical and digital facilities (e.g., Wi-Fi reliability, cleanliness, comfort, and online service systems) is essential for sustaining satisfaction. Investments in smart hotel technologies and eco-friendly designs can enhance service appeal and operational efficiency. *Third*: Service Differentiation for Island-Based Markets. Considering the geographical uniqueness of Ambon, hotels should focus on authentic service experiences, emphasizing local hospitality, cultural aesthetics, and personalized interactions as competitive differentiators; *Fourth*: Customer Experience Management. Managers should systematically collect and analyze customer feedback

to monitor satisfaction trends and address service gaps promptly, thereby maintaining consistency between customer expectations and actual performance.

Limitations and Future Research Directions

Although this study offers valuable insights, several limitations highlight important directions for future research. First, the study was conducted at a single hotel in Ambon, which may limit the generalizability of the findings. Future research is encouraged to conduct comparative analyses across multiple hotels or regions, such as Bali, Makassar, or Papua, to better capture regional variations in the determinants of customer satisfaction. In addition, the current research model explains 64.7% of the variance in customer satisfaction, indicating that other influential factors such as service quality, customer experience, brand image, and emotional engagement may also play a significant role. Incorporating these variables in future studies would help develop a more comprehensive and holistic model of customer satisfaction.

From a methodological perspective, this study employed multiple regression analysis; however, future research could benefit from using structural equation modeling (SEM) to examine more complex relationships, including mediating and moderating effects among service attributes, satisfaction, and customer loyalty. Furthermore, considering the evolving hospitality landscape in the post-pandemic era, subsequent studies should explore the influence of digital transformation, health and safety perceptions, and sustainable practices on customer satisfaction and loyalty. Addressing these aspects will contribute to the development of a more comprehensive and contextually relevant understanding of customer satisfaction within the hospitality industry, particularly in emerging and geographically diverse markets.

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