Customer Satisfaction Model: Identify the Determinants of Budget Hotel

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ABSTRACT

In the service industry, one of the main challenges is to provide customer satisfaction. Though the number of budget hotel in Bangladesh is increasing, but customer satisfaction of these hotels are still ignored. The aim of the study is to identify the determinants that satisfy the customers in these hotels. The research targeted a total of 350 selected respondents from different budget hotels in Bangladesh. The descriptive analyses were conducted by using Amos SPSS 24. Findings reveal that price is the ultimate preference for budget hotels along with products and service quality for satisfying customers. Customers are unconcerned with the services provided by the hotel staff and the location of the hotel as well.

KEYWORDS

Budget Hotel, Customer Satisfaction, Price, Product, Service Quality

1. INTRODUCTION

Tourism has emerged as a major contributor to the economy of the nation, as many new destinations have opened, and investment in tourism development has resulted in socioeconomic progress, job creation and infrastructure development. The Euromonitor (2018) country report illustrates that Bangladesh has robust economic growth and is possible to continue to do so, as strong consumption supports the economy. There is a shift in concentration in the last several years from luxury to midmarket budget hotels with respect to service quality and customer loyalty. This trend has created a new opportunity for the development of the hospitality industry (Hospitality India, 2014). By 2024, international tourist arrivals are forecasted to 611,000 generating expenditure of BDT 15.5 billion. Travel and Tourism's contribution to total national investment will rise from 1.5% in 2014 to 1.6% in 2024 (Sanjay & Mallika, 2015).

Many of these tourists undertake thrill-laden journeys throughout the year. Online-savvy backpackers are looking for fresh experiences and are interested in unexplored locations. They obtain

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tour-related guidelines from social media. On the other hand, domestic tourists specially the ordinary middle class people are mostly remained home centered; high expenditures also discourage many from visiting many expensive places (The Financial Express, 2018).

Xie & Chaipooipirutana (2014) emphasize that the vital to a hotel's accomplishment is tourists' satisfaction. Therefore, budget hoteliers need to promote their hotels as well as their products and services and improve local tourists' satisfaction. Additionally, many tourists are anxious about their budget and saving their money. They prefer to "use less to enjoy more" (Tan, 2014). As there are no statistical (either government or private) data available on how many budget hotels there are in Bangladesh, the researcher cannot share an exact number. Although five-star hotels in Bangladesh draw many loyal customers, budget hotels cannot yet to do so. They cannot even fully satisfy their customers. As the number of budget hotels grows, hoteliers face more competition to satisfy their customers, especially domestic tourists, who now have many options from which to choose. According to Jana & Chandra (2016), customer satisfaction has turn into a significant aspect of the hotel industry. Unlike other industries, the hotel industry success depends on customer retention. If customers are not satisfied by the services they get from the hotel, they will look for better services somewhere else (Jana & Chandra, 2016).

Though a growing concentration on budget hotels has been roused among domestic tourists, but the significant factors for the success of this area in Bangladesh were still to find like China (Wen et al., 2009). To fill this research gap, the researcher tries to find the factors that affect customer satisfaction in budget hotels in Bangladesh. A literature review was performed as part of this procedure; primary data has been collected from 350 respondents in different budget hotels in Bangladesh. Analysis of the primary data was performed by using SPSS version 24. We identified the measurement and conceptual models of this study by using structural equation modeling (AMOS 24.0 software). Furthermore, the research will contribute expressively to the hospitality industry; the outcome can be used to improve the service quality of budget hotels in Bangladesh, as their customers expect less service quality and more price-related offers. This study aims to provide practical contributions to the budget hotels and other tourism sectors. Domestic and international companies can benefit from the results generated from its results.

Very few studies have been performed to identify the factors that are necessary to satisfy the customer in a budget hotel. No specific components were identified in this regard. Hence, through this research, the author sets the following objectives for this study:

- Which determinants (product, price, place, people, service quality) satisfy the customers in budget hotels in Bangladesh?
- What is the significant relationship between price and customer satisfaction in budget hotels in Bangladesh?

2. LITERATURE REVIEW

2.1. Budget Hotel

The budget hotel is a contemporary idea that changes the demand in the tourism industry. As the typical full service hotels have so many facilities, budget hotels always provide basic services for the visitors with no extra facilities. (Yu, 2012; Abu Khalifeh & Al Battat, 2015). The idea of budget hotel was found in 1920s in US (Shen, 2006). Though the budget hotel has been established globally and the terms "budget", "limited service" and "economy" are frequently used all over the hospitality industry, there is no uniform, broadly known characterization of this sector (Fiorentino, 1995). Fiorentino defined it as a small hotel that is funded by one person or a small group, and its managers are most of the time its titleholders. In the UK, the budget hotel has some basic operational characteristics: extensive geographic coverage of the hotel network, ease of access, a central reservation system, uniform guest

room facilities, fixed or promotional adjustable room rates, limited service, and extremely price-based (Brotherton, 2004). It is an alternate for the customers, those need a modest room with a bed and shower (Colbu & Scutariu, 2008). The facilities offered by a budget hotel in Malaysia may be superior than a one-star hotel (UkEssay, 2015). The characteristics of a budget hotel are the low price, the small number of staff because of the smaller capacity, and near location to a city so that it is easy to find all types of transportation connections. It is a new type of hotel that establishes a new idea in the tourism market; it is unlike the traditional full-service hotel (Scott, 2012). Xiao et al. (2012) specified that a budget hotel is a hotel that targets customers such as middle-sized, small enterprise businesspeople and leisure and self-help tourists. Though the word “budget” means “cost” but it does not make any sense of “cheap”. However, there are some common features that differentiate budget hotels from other hotels. These features are as follows: 1-lower operating expenses, 2- simple design, 3-either situated in highway in center of the town or airports, 4-24 hours’ services provided by managers and desk clerks, 5- small rooms, 6-standarized size and design of the hotel rooms, 7- fixed room rates with some seasonal discounts, 8-limited service, 9-high value for money, and 10-easily found and within accessible locations (Zeglat, 2008).

2.2. Product

Budget hotels emphasis is on basic products in the hotel business like the hotel room bed. The definition proposed by (Ren et al., 2016) attempts to set a standard zero to two- or three-star hotels, generally with a minimum of 50 rooms, and patented by a major chain. Few budget hotels might have a multi cuisine room and minibar (Zervas et al., 2017). The types of services offered that attract customers to the hotels include regular category of accommodations, clean bathroom facilities and a bar for visitors (Geronikolas, 2012).

2.3. Price

The accommodation fee constitutes a common tourism costs for tourists (“Budget Hotels”, 2013). Fair Price is a significant measurement to increase customer satisfaction (Al-Msallam, 2015). According to Parasuraman et al., (1991); visitors expect more services when they pay more. Price awareness has a direct effect on customer satisfaction (Matzler et al., 2006). Zeithaml (1988) determined that clients normally consider whether they received value for their money before they choose to come back to buy from a similar service provider. Thus, price is the important marketing strategy; it not only performs as a weapon to respond to competitors but also confirms the survival of the organization. The price to stay at a budget hotel is exceptionally modest in contrast with that of a lavish hotel. For Asian travelers and in many cases Western tourists, satisfaction is largely resulting from the value factor, specifically price (Tat and Raymond, 2000; Wai-Ching and Kevin, 2005). Cho (2006) applied an effective pricing strategy that helps the visitors to see intangible services based on an offered price. Customer satisfaction is influenced positively by fair price (Herrmann et al., 2007). Poor pricing will generate a negative impact on overall satisfaction (Hellstrand, 2010).

2.4. Service Quality

The budget hotel aims to improve its service offers to satisfy the customer within a price range. The main product of budget hotels is linked with room hygiene and bed comfort, but extra services are also influencing the guest experience. Other supplementary features, like bed and breakfast, high-speed internet connectivity and transport facilities will also have an influence on the total experience (Samy, 2016). Earlier research indicates that the scopes of service quality have several forms across economy, mid-priced and luxury hotels. There is no doubt that today’s environment will drive budget hotels to improve their service packages beyond the basic elements (Peng et al.,2015). In budget hotel, safety concerns deal with the effects of accidents, hazardous materials, and fire, while security concerns include such matters as theft and violent crime (Enz, 2009; Rittichainuwat, Chakraborty,

2012; Rittichainuwat, 2013). The customer looks at both price and service quality to define his overall satisfaction (Steiner, Siems, Weber & Guhl, 2014).

2.5. Customer Satisfaction

Customer satisfaction is defined by objective causes like product and service attributes and can be determined by subjective reasons like emotions and customer needs (Markovic et al., 2010). Actually, satisfaction plays an important role in creating value for customers (Tanackovic, 2013). Zablah et al. (2016) define customer satisfaction as a post-purchase assessment, where the expectations were met or exceeded before purchase by the performance of products and services. If the performance cannot meet or exceed expectations, then dissatisfaction happens. Satisfaction is defined as “an overall evaluation of performance based on all prior experiences with a firm” (Jones et al., 2000). According to Homburg and Giering (2001) satisfaction is a “a post-purchase evaluative judgment concerning a specific buying decision” (2001). On the basis of confirmation-disconfirmation paradigm, customers become satisfied by comparing their real experiences with their expected one (Oliver, 1980). A customer will be satisfied when his experiences indicate a sentiment of fulfilment compared with expectations (Nash et al., 2006). The main aim of budget hotels is to deliver comfortable accommodation with the least price. The gradually opening procedures on travel and accommodation creates a need for budget hotels more than the luxury hotels. The situation will definitely create more interest to invest into the budget sector and ultimately create larger market share with more profitability. Hospitality management is all about relationship between service product and customer satisfaction focusing on hotel quality.

From the above literature review, the following hypotheses can be developed:

- H1:** Product has a positive influence on the customer satisfaction of budget hotels in Bangladesh.
- H2:** Price has a positive influence on the customer satisfaction of budget hotels in Bangladesh.
- H3:** Place has a positive influence on the customer satisfaction of budget hotels in Bangladesh.
- H4:** People have a positive influence on the customer satisfaction of budget hotels in Bangladesh.
- H5:** Service quality has a positive influence on the customer satisfaction of budget hotels in Bangladesh.

3. METHODOLOGY

3.1. Data Collection Procedure and Sample

A self-administered questionnaire was used in a quantitative survey to collect data about the constructs recommended in the theoretical model. These constructs are product, price, place, people, service quality and satisfaction. These constructs were operationalized by multi-item measures using 5-point Likert type scale. The instruments included questions measuring the anticipated constructs and demographic questions. A pilot survey was performed to make sure that the transparency of the language and relevance of the questions. Received suggestions were included into the final questionnaire. Through this pretest, it was found that customers of budget hotels were not affected by physical evidence, process or promotion when they choose a budget hotel. Thus, these constructs were not included in the final questionnaire. Data were gathered from different budget hotels in Bangladesh. The purpose of the study was described to every respondent by attaching a copy of the research information with the questionnaire. Questionnaires were given to the guests during their check in, and the guests were requested to return it to the front desk officer when they checked out. In total, 450 questionnaires were distributed to the guests and among them 350 were used for data analysis. To maintain the privacy of all participants, names or contact details were not required.

Figure 1. Conceptual Model

3.2 Scale Development

The questionnaire was established using a 5-point Likert type scale, where for product, price, place, people and service quality, the author used strongly agree to strongly disagree (1= strongly disagree to 5 = strongly agree). Excluding the demographic questions, the questionnaire comprised of 25 items focusing on the constructs available in this study. These items were: 4 for each of product, price, place, people and service quality and 5 for customer satisfaction. To get a higher response rate, it is essential to start with the most significant questions and end with the demographic or delicate questions. Such as, questions linked with age or income can be uncomfortable to the respondents at the starting of a survey (Malhotra, 1996). The language used was simple so that it became easy for the researcher to communicate with all the customers, even those who have minimum proper education. Questions are clear, answerable, unbiased, and appropriate to the hotel context. As suggested by Frazer and Lawley (2000), it is necessary to understand the words used in the questionnaire, so that it will motivate respondents to complete the questionnaires.

3.3. Respondent Profile

Samples were chosen on the basis of who had traveled and went to a budget hotel in between 6 months to 1 year. The results specify the variations in the demographics of the guests, including gender, age and occupation, purpose of the stay, nationality and number of nights stayed at the hotel. Out

Table 1. Demographic characteristics

Characteristics	Frequency	Percentage (%)
Age		
19-24	56	16
25-34	170	48
35 and above	129	36
Gender		
Female	125	36
Male	225	64
Occupation		
Student	67	19
Service holder	90	26
Businessman	170	49
Unemployed	23	06
Purpose of stay		
Office tour	74	21
Adventure Leisure	191	54
Busiesss	85	25
Length of stay		
1-3 nights	260	74
4-6 nights	75	22
More than 6 nights	15	04
TOURIST		
foreign	39	11
DOMESTIC	311	89

of 350 respondents, the analysis of the final sample profile indicated that male (225) respondents were higher than females (125), demonstrating a ratio of 64% and 36%, respectively. Only 11% were foreign tourists, among them 9% were foreign backpacker tourists. The mean age of the guests was within the range of 25-34 years. In regard to the guests' employment, most of the guests were employed in business (almost 49%); a certain portion of them were service holders (almost 26%), and a small portion (19%) were students. In terms of time length of stay, 74% of the guests stayed in the range of 1-3 nights, only 4% stayed 5 or more nights. Regarding the purpose of their visit, 25% were conducting business, 54% of guests were seeking leisure, and 21% were on an office tour (respondents could specify more than one visit purpose) (see Table 1).

4. RESULTS

Several methods can be applied for measuring convergent and discriminant validity: factor analysis, correlation, and CFA (Confirmatory Factor Analysis) existing in SEM (Structural Equation Modelling). For this research, convergent and discriminant validity have been measured by executing CFA. The final items (not counting the deleted items) were those items whose factor loading is .40 or greater (Hair et al., 1995). Besides, Fornell and Larcker (1981) present a method for assessing the discriminant validity of two or more factors. Here, a researcher compares the AVE of each construct with the shared variance between constructs. If the AVE for each construct is greater than its shared variance with any other construct, discriminant validity is supported.

In this study, reliability was first measured by using Cronbach's (Nunnally and Bernstein, 1994) alpha coefficient. Anderson and Gerbing (1988) extended the scale development technique by including confirmatory factor analysis (CFA) for adapting construct reliability (CR). Bagozzi and Yi (1988) suggested that CR ought to be equal to or greater than .60 and that AVE ought to be equal

to or greater than .50. Moreover, if items removal meaningfully increased the alpha coefficient, then those items were also excluded from further analysis. Following these steps, one item (PHYPRO2) and a construct (place) were deleted from further analysis (Table 2). After deleting those elements, all the measures were then unidimensional.

In Table 3, where inter- correlations between the constructs were estimated, it can be determined that the discriminant validity did not exist between the scale measuring place and price or between the scale measuring place and satisfaction. The remaining constructs (except for place) were significantly different from 1, and the variance between any two constructs (i.e., the square of the inter correlation) was less than the average variance described in the items by the construct (Fornell & Larcker, 1981; Van de Vijver & Leung, 1997).

Table 4 shows the results developed from the estimation of the CFA model. Due to the weakness of the chi square test to measure the fit of models in large samples, other indices were used to measure the adjustment of models (Bagozzi & Yi, 1988; Joreskog and Sorbom, 1989). Here, all the fit indices were within the conventional cut-off values, and the model was measured acceptable (Vandenberg & Lance, 2000).

5. DISCUSSION

As this model showed the correlation between the constructs, structural equation modeling was used by applying the maximum likelihood (ML) method (Amos version 24.0). The relationships projected in the model were observed in Table 5 and Figure 2.

H1: The results show that the correlation between the product or accommodation in a budget hotel and the customer satisfaction was significantly positive (0.11; 2.54, $p < 0.011$) (shown in Table 5), providing support for H1. In other words, in a budget hotel, customers were satisfied if they obtained a moderate room with a reasonable price. As most of the customers of a budget hotel mainly belong to the lower-middle income or middle-income group, adventurous young backpackers from both domestic and foreign tourists or those who travel for an official purpose, do not prefer a standardized room; they can easily be satisfied with a bed and a shower. Moreover, the size of the room is very important to the young generation, as some of the backpackers prefer to share three or four in the same room so that it can be cost effective for them.

H2: As predicted by H2 (0.84; 12.74, $p < .000$) (shown in Table 5), a budget hotel is all about price. Price is the ultimate preference and satisfaction tool for customers who visit these kinds of hotels. As customers don't want to spend a good amount of money for accommodation purpose, therefore budget hoteliers need to ensure that the amount offered to the consumers is always cheap and maintains the industry standard. All of the fees charged must be clearly listed to avoid any unpleasant situation with the customer, as customers normally become dissatisfied with hidden costs. As these price sensitive customers choose budget hotels; the hoteliers should value every penny of their customers. Although the room price is low, the customers still prefer a range of prices for available hotel rooms so that they can choose a room according to their capabilities. As there are no Airbnb facilities in Bangladesh, the foreign tourist prefers to stay in budget hotels than other expensive ones. The hoteliers can emphasize on promoting and establishing the concept "tourism for all".

H3: As place cannot become a valid or reliable construct in this study, H3 did not support it; thus, place is not included in the measurement and structural model. The customers already know that hotels near tourist locations are costlier than are hotels farther away. Most customers only prefer transportation facilities near their hotel (nearby bus, train station or launch ghaat), but this item alone can't be enough to make a construct reliable and valid. For official tours, hotels are mainly booked by the respective offices. In that case, the customers stay near to the office or the destination.

Table 2. Measures of the constructs and descriptive statistics

Items	Standardized Loading	Cronbach Alpha (α)	CR	AVE	Deleted Items
Product: Comfortable guest room (PRO1)	.943	.96	.98	.61	
Standardized guest room (PRO2)	.140				PRO2
Choice of room type for customers (PRO3)	.977				
Simple room with bed and shower (PRO4)	.779				
Price: Reasonable price (PRI1)	.672	.75	.91	.54	
Value for customer paid (PRI2)	.670				
Good price range for guest room (PRI3)	.808				
Fair price (PRI4)	.777				
Place: Convenient location (PLA1)	.253	.49	.54	.27	Place
Geographic coverage of hotel network (PLA2)	.588				
Convenient transportation facilities (PLA3)	.814				
Near shop, restaurant and other facilities (PLA4)	.192				
People: Well-motivated (PEO1)	.61	.72	.84	.50	
Small in number (PEO2)	.781				
Staff have clean, neat uniforms (PEO3)	.75				
Hotel staff are polite and friendly (PEO4)	.698				
Service Quality: Limited service (SQ1)	.812	.74	.89	.51	
Daily room service (SQ2)	.749				
24-hour service by manager or desk clerk (SQ3)	.608				
Safety and security (SQ4)	.679				
Customer Satisfaction: I am satisfied with the guest room (STSFC1)	.711	.77	.94	.53	
I am satisfied with the price (STSFC2)	.729				
I am satisfied with the location (STSFC3)	.772				
I am satisfied with the staff (STSFC4)	.708				
I am satisfied with the service (STSFC5)	.623				

Sources: Samy, H. (2016), Colbu & Scutariu, (2008), Brotherton, (2004), Zeglat (2008), Ahmed. et.al. (2018), Yu.Y (2012) Al-Msallam, (2015) Brotherton, (2004), Ukessay (2015), Ren, Qiu, Wang and Lin (2016), Zeglat (2008), Ahmed. et.al. (2018), Yu.Y (2012) Brotherton (2004), UkEssay (2015), Zeglat (2008), Samy, H. (2016), Ahmed. et.al. (2018), Yu.Y (2012) UkEssay (2015), Marketing and the 7 P's (2012), Bill et al., 2007; Tat and Raymond, 2000; Yuksel et al., 2008), Samy, H. (2016), Ahmed. et.al. (2018), Yu.Y (2012) Ren, Qiu, Wang and Lin (2016), Yu, (2012), Abu Khalifeh & AlBattat, (2015), Shen (2006), Brotherton (2004), Zeglat (2008), Samy, H. (2016) Matzler, Wurtele, & Renzl, (2006), Zeithaml (1988), Marketing and the 7 P's (2012), Parasuraman et al (1985), Ahmed. et.al. (2018), Yu.Y (2012), Cronbach's Alpha (α) (Cronbach, 1951)

$$Composite\ Reliability\ (CR) = \frac{\sum_{i=1}^k \lambda_i^2}{\sum_{i=1}^k \lambda_i^2 + \sum_{i=1}^k Var(e_i)} \quad (Bagozzi, 1980)$$

$$AVE\ (Average\ Variance\ Extracted) \quad (Fornell\ \&\ Larcker, 1981)$$

Table 3. Correlation between constructs

Construct	1	2	3	4	5	6
Service quality	0.717					
Product	0.156	0.790				
Price	0.322	0.251	0.721			
Place	0.286	0.391	0.702	0.750		
People	0.669	0.196	0.113	0.121	0.884	
Customer Satisfaction	0.373	0.376	0.447	0.1011	0.211	0.782

Table 4. Modification indices of constructed model

Fit Indices	Results
χ^2 (Chi-square) P value	203.835 P=.000
Degree of freedom(df) Chi-square/df	79 2.580
Goodness of fit index (GFI)	.914
Adjusted goodness of fit index (AGFI)	.870
Root-mean-square error of approximation (RMSEA)	.075
Tucker-Lewis index (TLI)	.931
Comparative fit index (CFI)	.948
Incremental fit index (IFI)	.949

H4: In case of the construct People, path coefficients were insignificant and negative, contradicting hypothesis H4 (-.06; -1.41, $p < .158$) (shown in Table 5). Although every customer specifically, the foreign tourists, prefer to have polite, clean and neat staff, these hotel customers do not expect to be served by the staff as they are small in number.

H5: The relationship between the service quality and the satisfaction of the customer was significantly positive (.16; 4.23, $p < 0.000$) (shown in Table 5), providing support for H5. Most of the customers travel via local transportations and due to the heavy traffic or delay in schedule timetable, a good number of customers cannot reach their hotel at a predictable time period; as a result, they prefer

Table 5. Hypothesis relationships

Hypothesis Relationship		Estimate	t Value	P
H1	Product → Satisfaction	.114	2.536	.011**
H2	Price → Satisfaction	.842	12.742	.000**
H3	Place → Customer Satisfaction	not valid	not valid	not valid
H4	People → Customer Satisfaction	-.065	-1.413	.158*
H5	Service Quality → Customer Satisfaction	.158	4.229	.000**

Notes: * indicates $P > .05$, ** indicates $P < .05$

Figure 2. Hypothesized final model

to have 24-hour reservation system. This reservation system also helps the backpackers and makes their booking procedure smooth and tension free. Other than that, tourists with family and foreign tourists don't want to compromise in safety and security issues in the hotel.

6. FINDINGS

This research gives a detailed idea about the hotel customers' main concern in the budget hotel. The findings indicate that for a sustainable business plan, budget hotel operators must address the key finding of this research and offer a price to that effectively attracts an emerging niche group including domestic middle-class tourists and young backpackers (foreign and domestic). This untapped segment of Bangladeshi tourists is overlooked by large hotel groups thus far despite their potential business profitability. Correspondingly, understanding these target segment's expectations and the guiding criteria behind their purchases will open opportunities for SME hotel owners to utilize their limited resources cost-effectively and still enjoy revenue and growth. Currently, the lack of any strong brand presence in this target segment offers a favorable gap for the budget hotelier. Moreover, competition on price might be a short-term strategy for a top-class hotel to attract tourists in the off season, but affordable pricing is the unparalleled option for budget hotels to attract their middle-class tourists at any time of the year. Likewise, Airbnb facilities in Bangladesh are not yet authorized by the government

for various policy reasons. Notably, adopting the result of this study in developing a marketing mix can safeguard budget hotels' revenue and growth by attracting the target group by offering service with a basic infrastructure and lower overhead costs.

7. MANAGEMENT IMPLICATIONS

Some management implications are mentioned below:

1. Small budget hotels can create USP by using this paper to combat competition;
2. Hoteliers with limited budget will be guided by this research to use their resources in more effective way;
3. This research reveals target customers' insights that ultimately help the hoteliers to make strategic decisions for sustainable growth of their business;
4. Foreign backpackers, as well as, interested middle income foreign tourists can get an idea about the budget hotels in Bangladesh and their offerings.

8. CONCLUSION

Budget hotels play a vital role in today's tourism industry. Though a very good number of budget hotels are developed in Bangladesh, still these hotels provide basic facilities and focus on domestic customers only. As foreign backpackers are now interested to stay in budget hotels, these hotels need to offer more services like cleaner hotel rooms with more amenities, more trained staff, geographical network coverage and above all, safety for the tourists both domestic and foreign. If hotels can promote with intensive marketing via social media like, Hotel website, Facebook, Twitter, Instagram and many others, then not only local customers or foreign backpackers but also the middle-income foreign tourists will come and prefer to stay in these hotels, which will ultimately strengthen our national economy.

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APPENDIX 1

Questionnaire

Please check the degrees that best describe of agree or disagree with each statement in the following, based on the budget hotel that you stay. Please check(Ö)in one of the boxes below in the following scale: 1=strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree in this questionnaire five scale like technique is used where 1= strongly disagree, 2= disagree, 3= neither or nor, 4=agree, 5=strongly agree.

Please respond to these questions by ticking (✓) in the boxes provided for each statement.

Q1: Are you?

- ☐ Male
- ☐ Female

Q2: To which of the following age groups do you belong?

- ☐ 19- 24
- ☐ 25-34
- ☐ 35+

Q3: How many nights you plan to stay at this hotel?

- ☐ 1-3
- ☐ 4-6
- ☐ Above 6

Q4: What is the purpose of staying in this hotel?

- ☐ Leisure
- ☐ Adventure
- ☐ Company office tour
- ☐ Conference

Q5: What is your occupation?

- ☐ Businessman
- ☐ Service holder
- ☐ Student
- ☐ Unemployed

Thank you very much for your time!!!

APPENDIX 2

Table 6. Questionnaire

No.	Statement	1	2	3	4	5
1	Comfortable guest room	☐	☐	☐	☐	☐
2	Standardized guest room	☐	☐	☐	☐	☐
3	Choice of room type for customers	☐	☐	☐	☐	☐
4	Simple room with bed and shower	☐	☐	☐	☐	☐
5	Reasonable price	☐	☐	☐	☐	☐
6	Value for customer paid	☐	☐	☐	☐	☐
7	Good price range for guest room	☐	☐	☐	☐	☐
8	Fair price	☐	☐	☐	☐	☐
9	Convenient location	☐	☐	☐	☐	☐
10	Geographic coverage of hotel network	☐	☐	☐	☐	☐
11	Convenient transportation facilities	☐	☐	☐	☐	☐
12	Near shop, restaurant and other facilities	☐	☐	☐	☐	☐
13	Well-motivated staff	☐	☐	☐	☐	☐
14	Small in number	☐	☐	☐	☐	☐
15	Staff have clean, neat uniforms	☐	☐	☐	☐	☐
16	Hotel staff are polite and friendly	☐	☐	☐	☐	☐
17	Limited service offer	☐	☐	☐	☐	☐
18	Daily room service	☐	☐	☐	☐	☐
19	24-hour service by manager or desk clerk	☐	☐	☐	☐	☐
20	Guest safety and security	☐	☐	☐	☐	☐
21	I am satisfied with the guest room	☐	☐	☐	☐	☐
22	I am satisfied with the price	☐	☐	☐	☐	☐
23	I am satisfied with the location	☐	☐	☐	☐	☐
24	I am satisfied with the staff	☐	☐	☐	☐	☐
25	I am satisfied with the service	☐	☐	☐	☐	☐

Table 7. Descriptive statistics and normality assessment

Items	Mean	Standard Deviation	Skewness	Kurtosis
Product				
Comfortable guest room	4.39	.587	-.347	-.703
standardized guest room	4.29	.527	.167	-.583
Choice of room type for customers	4.37	.589	-.318	-.688
Simple room with bed and shower	4.29	.511	.298	-.581
Price				
Reasonable price	4.32	.512	.271	-.885
Value money for customer paid	4.37	.595	-.346	-.676
Good price range for guest room	4.34	.570	-.163	-.690
Fair price	4.32	.530	.129	-.726
Place				
Convenient location	4.18	.452	.701	.635
Geographic coverage of hotel network	4.42	.562	-.293	-.857
Convenient transportation facilities	4.49	.567	-.544	-.709
Near shop, restaurant and other facilities	4.21	.580	-.493	2.592
People				
Well motivated	4.05	.785	-.654	.476
Small in number	4.36	.556	-.608	1.105
Staff has clean, neat uniforms	4.35	.560	-.611	1.132
Hotel staffs are polite and friendly	4.38	.541	-.037	-.946
Service Quality				
Limited service	3.96	.792	-.925	1.607
Daily room service	4.26	.560	-.008	-.427
24 hours service by manager or desk clerk	4.38	.572	-.474	.667
Guest safety and security	4.33	.561	-.104	-.692
Satisfaction				
I am satisfied with the guest room	4.39	.582	-.339	-.723
I am satisfied with the price	4.34	.517	.217	-.950
I am satisfied with the location	4.33	.528	.130	-.820
I am satisfied with the staff	4.20	.443	.869	.344
I am satisfied with the service	4.52	.554	-.572	-.755

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