



The Effect Of Facilities, Price, And Service Quality On Customer Satisfaction At Formosa Hotel Batam

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Abstract: This study aims to determine the effect of facilities, prices and service quality on Formosa Hotel Batam customer satisfaction. In this study the population is all customers in Formosa Batam Hotel in June 2018 which amounted to 1455 customers. The sampling technique used is Probability Sampling, where sampling is calculated using Slovin formula with a problem level of 5% and get the results of 314 respondents and used as a sample in this study. Data collection techniques in this study used a questionnaire. The data collected were analyzed using multiple linear regression analysis with the help of SPSS (Product and Service Solution) calculation tool version 21. The results in this study indicate that from the results of the T-test, it is known that for independent variables namely facilities significantly influence customer satisfaction, prices have a significant effect on customer satisfaction, and service quality has a significant effect on customer satisfaction. The F test results of 27.482 are greater than f table of 3.02 with a significant value of 0.000 which is smaller than the value of α 0.05 indicating that facility variables, price variables and service quality variables jointly influence customer satisfaction.

Keywords: Facilities, Price, Service Quality, Customer Satisfaction.

INTRODUCTION

The hospitality industry plays a pivotal role in supporting economic growth, tourism development, and regional competitiveness, particularly in rapidly growing destinations such as Batam, Indonesia. Hotels are required not only to provide accommodation but also to deliver memorable service experiences that meet or exceed customer expectations. In this context, customer satisfaction becomes a key performance indicator that determines repeat visits, positive word-of-mouth, and long-term profitability (Kotler & Keller, 2016; Han & Hyun, 2018). As competition among hotels intensifies, especially in urban business–leisure hubs, managers must carefully manage multiple determinants of satisfaction, including facilities, price, and service quality.

Customer satisfaction is generally understood as the evaluative judgment of a service experience arising from the comparison between expectations and perceived performance (Oliver, 2015; Zeithaml et al., 2018). In the hotel context, satisfaction is formed through a holistic evaluation of tangible and intangible elements such as room comfort, cleanliness, aesthetics,



pricing fairness, employee responsiveness, and reliability of services delivered (Ladhari, 2009). When these elements align with or surpass expectations, guests are more likely to display loyalty behaviors, including revisiting the hotel and recommending it to others (Han et al., 2009; Kandampully et al., 2018). Conversely, dissatisfaction may lead to complaints, negative reviews, and a shift of customers to competing properties.

Facilities represent a fundamental tangible dimension of hotel offerings. They include physical attributes such as room layout, furniture quality, lighting, air circulation, lobby design, security facilities, and supporting amenities (Ryu et al., 2012; Ladhari, 2012). Well-designed and well-maintained facilities can enhance functional value and emotional comfort, thereby reinforcing positive perceptions of service performance. Prior studies in the hospitality sector have reported that facility quality has a significant and positive effect on guest satisfaction and perceived value (Yoon et al., 2016; Lumentut & Palandeng, 2014). In contrast, inadequate or poorly maintained facilities—such as cramped spaces, insufficient security areas, or uncomfortable staff workspaces—may reduce customer comfort and undermine satisfaction levels.

Price is another critical factor influencing customer satisfaction in hotel services. From the consumer's perspective, price is not evaluated in isolation but rather in relation to perceived quality and benefits received, often conceptualized as price fairness and value for money (Zeithaml, 1988; Monroe, 2003). Customers tend to be satisfied when the room rates and ancillary charges are perceived as reasonable, transparent, and commensurate with the quality of facilities and services provided (Chandra & Tielung, 2015; Gulla et al., 2015). In price-sensitive segments, such as domestic tourists and young travelers, even modest price differences can influence booking decisions and post-purchase evaluations. Empirical evidence from the hotel and transportation sectors indicates that appropriate pricing strategies significantly contribute to customer satisfaction and loyalty (Apriyadi, 2017; Surbakti, 2017).

Service quality has been widely recognized as one of the most influential determinants of customer satisfaction in services marketing and hospitality research. The SERVQUAL framework proposed by Parasuraman et al. (1988) conceptualizes service quality through five dimensions: tangibles, reliability, responsiveness, assurance, and empathy. In the hotel industry, high service quality is reflected in employees' ability to respond promptly to guest requests, provide accurate



information, demonstrate courtesy and professionalism, and offer individualized attention (Masloman et al., 2014; Moha & Loindong, 2016). Numerous studies confirm that service quality exerts a strong and direct effect on guest satisfaction and behavioral intentions such as revisiting and recommending the hotel to others (Kuo, 2007; Choi & Chu, 2001; Kandampully & Suhartanto, 2000).

Formosa Hotel Batam operates in a competitive environment where various hotels offer similar core products but differentiate themselves through facilities, pricing schemes, and service quality. Preliminary observations suggest that Formosa Hotel Batam still faces several challenges in these areas. Some facilities, such as security rooms and staff offices, are constrained by limited space, inadequate lighting, and thermal discomfort, which may impact both employee performance and guest perceptions. In addition, issues related to frontline service, such as the absence of staff to guide guests to their rooms or limited assistance from security personnel in handling customer belongings, may diminish perceived service quality. These operational conditions may reduce customer satisfaction and weaken positive word-of-mouth, which is crucial for attracting new guests and retaining existing ones.

From a theoretical perspective, the relationship between facilities, price, service quality, and customer satisfaction is supported by expectancy–disconfirmation theory and perceived value theory. Guests arrive with certain expectations regarding what a hotel should offer at a given price point. When physical facilities, room rates, and service interactions jointly meet or exceed these expectations, positive disconfirmation occurs, leading to satisfaction (Oliver, 2015; Zeithaml et al., 2018). Conversely, mismatches across these components—such as high prices coupled with poor facilities or unfriendly service—are likely to result in negative disconfirmation and dissatisfaction. Investigating these relationships in a specific local context, such as Formosa Hotel Batam, provides empirical evidence that can guide managerial decisions and resource allocation.

Although previous studies have examined the effects of facilities, price, and service quality on customer satisfaction in various hospitality settings (Arianto & Mahmudah, 2014; Lumentut & Palandeng, 2014; Gulla et al., 2015; Chandra & Tielung, 2015), there is still limited empirical evidence focusing on middle-class city hotels in rapidly developing border regions such as Batam. The unique characteristics of Batam as an industrial, commercial, and tourism hub—frequented



by both domestic and international guests—may shape customer expectations and satisfaction determinants differently compared to other regions. Moreover, local evidence is needed to support hotel management in formulating context-specific strategies for improving competitiveness.

Therefore, this study aims to analyze the effect of facilities, price, and service quality on customer satisfaction at Formosa Hotel Batam. Specifically, it examines (1) the partial effects of facilities, price, and service quality on customer satisfaction, and (2) the simultaneous contribution of these three variables to explaining variations in guest satisfaction. The findings are expected to enrich the hospitality and services marketing literature and provide practical recommendations for hotel managers seeking to enhance customer satisfaction through strategic improvements in facilities, pricing, and service delivery.

METHOD

Research Design

This study adopts an *associative (causal–correlational) research design*, which aims to examine the relationship between multiple independent variables and a single dependent variable (Sugiyono, 2017; Sekaran & Bougie, 2019). Through this design, the research seeks to determine whether facilities, price, and service quality significantly influence customer satisfaction at Formosa Hotel Batam. Associative research is appropriate for this study because it allows empirical testing of linear relationships rather than merely describing phenomena. By applying this approach, the study is able to identify the magnitude and direction of influence of each service-related variable, thereby providing managerial insights for hotel quality improvement.

Operational Variables

The variables in this study consist of one dependent variable and three independent variables. The dependent variable is customer satisfaction (Y), measured through two behavioral indicators: (1) willingness to recommend the hotel to others and (2) intention to reuse hotel services. These indicators reflect attitudinal and loyalty-based outcomes widely used in hospitality research (Kotler et al., 2017).

The independent variables include Facilities (X1), Price (X2), and Service Quality (X3). Facilities (X1) are operationalized through indicators related to space planning, furniture or



equipment, and lighting and color. These aspects are essential components of the servicescape and physical environment, which have been shown to influence guest comfort and satisfaction (Ladhari, 2012).

Price (X2) is measured using indicators of affordability, appropriateness relative to service quality, and price competitiveness. These reflect customers' perceived fairness and value for money, which are critical determinants of satisfaction in the hotel industry (Zeithaml et al., 2018).

Service Quality (X3) adopts the SERVQUAL dimensions developed by Parasuraman et al. (1988): reliability, responsiveness, assurance, empathy, and tangibles. SERVQUAL is widely recognized as a robust framework for evaluating perceived service performance in hospitality settings because it captures both functional and interpersonal service attributes.

Population and Sample

The population for this study consists of all customers staying at Formosa Hotel Batam in June 2018, totaling 1,455 individuals. The sampling method used is probability sampling. To determine the minimum required sample size, the Slovin formula with a precision level of 5% was applied. The calculation resulted in a sample size of 314 respondents. The use of probability sampling ensures that each customer has an equal opportunity to be selected, thereby enhancing the representativeness of the sample and the generalizability of the findings (Malhotra, 2010; Sekaran & Bougie, 2019).

Data Collection and Analysis Procedures

Data were collected using a structured questionnaire consisting of 22 items distributed across all variables. Respondents provided their evaluations using a Likert scale. Data analysis was conducted using SPSS version 21.0, with the primary analytical technique being multiple linear regression, which is suitable for assessing both simultaneous and individual effects of the independent variables on customer satisfaction (Hair et al., 2019).

Data Quality Testing

Before regression analysis, instrument quality was assessed through validity and reliability tests.

Validity was tested using item-total correlation, where each item must exceed the critical r-table value to be considered valid. All items met this requirement. Reliability testing employed



Cronbach's Alpha, with a threshold of >0.60 indicating internal consistency. All variables demonstrated Cronbach's Alpha values exceeding the threshold, confirming instrument reliability (Ghozali, 2018; Hair et al., 2019).

Classical Assumption Tests

To meet the assumptions of the ordinary least squares (OLS) regression model, several diagnostic tests were conducted.

1. Normality Test

The normality of residuals was evaluated using histogram distribution and P-P plot visualization. A bell-shaped curve and data alignment along the diagonal line indicated that the residuals were normally distributed, satisfying the regression requirement.

2. Multicollinearity Test

Multicollinearity was assessed using the Variance Inflation Factor (VIF) and tolerance values. VIF values below 10 and tolerance values above 0.1 confirmed the absence of multicollinearity among the independent variables, allowing them to be included simultaneously in the regression model (Ghozali, 2018).

3. Heteroscedasticity Test

Heteroscedasticity was tested through regression of absolute residual values against each independent variable. Significance values exceeding 0.05 indicated no heteroscedasticity, suggesting that the residuals had constant variance across observations.

Hypothesis Testing Procedures

To determine the extent of influence of the independent variables on customer satisfaction, several statistical methods were performed:

1. Multiple Linear Regression

This method estimates the linear relationship between facilities, price, service quality, and customer satisfaction.

2. Coefficient of Determination (R^2)

The R^2 statistic was used to determine the proportion of variance in customer satisfaction that can be explained collectively by the independent variables.

3. t-Test (Partial Test)



This test examined the individual significance of each predictor variable. A variable is considered significant if the $t\text{-value} > t\text{-table}$ and the significance level ($p < 0.05$).

4. F-Test (Simultaneous Test)

This test assessed whether all independent variables jointly influence customer satisfaction. A significant F-value indicates a strong simultaneous effect (Hair et al., 2019).

RESULT AND DISCUSSION

Respondent Characteristics

Of the 314 respondents, the number of respondents seen from gender was dominated by men, 173 people, and the rest were women, 141 people. The distribution of respondents based on age can be categorized into an age range of < 20 years as many as 25 people, an age range of 21-24 years as many as 135 people, an age range of 25-29 years as many as 73 people, an age range of 30-34 years as many as 48 people and an age range of > 34 years as many as 33 people. Based on the description above, it can be concluded that respondents based on age are dominated by the 21-24 year age range with a total of 135 people and the fewest respondents are in the < 20 age range, as many as 25 people. The distribution of respondents based on occupation can be categorized as 77 people as students, 104 people as private employees, 57 people as self-employed, 48 people as civil servants, and 28 people as other occupations. Based on the description above, it can be concluded that respondents based on their occupations are dominated by private employees with a total of 104 people and the fewest respondents are in other occupations with a total of 28 people.

Descriptive Statistical Test Results

Data collection was carried out by distributing questionnaires to all respondents, totaling 314 people. The questionnaire contains 22 statements with each variable consisting of 4 statements for the facility variable (X1), 3 statements for the price variable (X2), 12 statements for the service quality variable (X3), and 3 statements for the customer satisfaction variable (Y). From the results of the frequency test of respondents answers, it can be seen that the highest number of respondents answers was for the facilities variable with the statement "The placement of furniture and equipment in the room is well arranged". The lowest answer was for the facilities variable with the statement "The design concept of the Formosa Hotel Batam room layout is orderly".



Item	Correlation Coefficient (r)	r table	Information
X1_1	0.766	0,361	Valid
X1_2	0.595		Valid
X1_3	0.668		Valid
X1_4	0.682		Valid

Table 1. Facility Validity Test Results (X1)

Item	Correlation Coefficient (r)	r table	Information
X2_1	0.858	0,361	Valid
X2_2	0.712		Valid
X2_3	0.539		Valid

Table 2. Price Validity Test Results (X2)

Item	Correlation Coefficient (r)	r table	Information
X3_1	0.749	0,361	Valid
X3_2	0.846		Valid
X3_3	0.773		Valid
X3_4	0.810		Valid
X3_5	0.847		Valid
X3_6	0.842		Valid
X3_7	0.679		Valid
X3_8	0.841		Valid
X3_9	0.759		Valid
X3_10	0.757		Valid
X3_11	0.824		Valid
X3_12	0.879		Valid

Table 3. Results of Service Quality Validity Test (X3)

Item	Correlation Coefficient (r)	r table	Information
Y_1	0.795	0,361	Valid
Y_2	0.846		Valid
Y_3	0.855		Valid

Table 4. Results of Customer Satisfaction Validity Test (Y)

Variable	Cronbach's Alpha value	Criteria	Information
Facilities	0,765	> 0,60	Reliable
Price	0,778	> 0,60	Reliable
Service	0,777	> 0,60	Reliable
Quality			
Customer Satisfaction	0,839	> 0,60	Reliable

Table 5. Reliability Test Results

Validity and Reliability Test Results

The results of the validity test in this study can be seen in table 1, table 2, table 3, and table 4. Based on the table, it can be seen that the correlation coefficient value for each item in each



indicator has a higher value than the r table. So it can be concluded that all statement points are declared valid. To see the results of the reliability test, see table 5. Based on the table, it can be seen that the Cronbach's Alpha value for each variable has a value > 0.60 . So it can be concluded that the instruments in the research are said to be reliable.

Classical Assumption Test Results

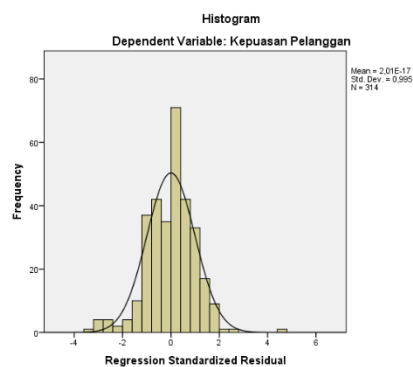


Figure 2. Results of Normality Test With Histogram Curve

Normality Test

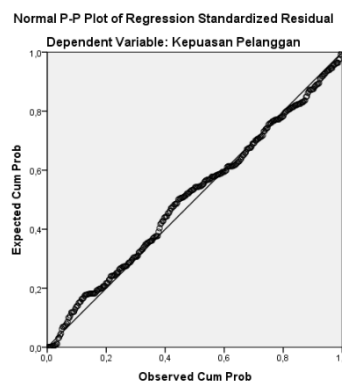


Figure 3. Results of the Normality Test using the P-P Plot method

The results of the normality test in this study can be seen in Figure 2 and Figure 3. Based on the image, it can be seen that the curve resembles a bell and the data is spread right around the diagonal line. So it can be concluded that this data model is normally distributed.



Multicollinearity Test

Coefficients ^a		
Model	Collinearity Statistics	
	Tolerance	VIF
Facility	.954	1.048
Price	.836	1.196
Service Quality	.837	1.195

Table 6. Multicollinearity Test

The results of the multicollinearity test in this study can be seen in Table 6. Based on the table, it can be concluded that the model does not have multicollinearity between independent variables because the VIF value of each variable is <10 and the tolerance value of each variable is >0.1.

Heteroscedasticity Test

The results of the heteroscedasticity test in this study can be seen in table 7. Based on the table, it can be concluded that the probability or significance level of each variable is 1,000, so it can be ensured that the model does not experience heteroscedasticity symptoms, in other words, the correlation of each variable with its residual value produces a value greater than alpha.

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error				
1	(Constant)	1,002 E-013	.843	.000	1.000	
	Total		.000	.000	1.000	
	X1	.000	.37	.000	1.000	
	Total	.000	.000	.000	1.000	
	X2	.000	.54	.000	1.000	
	Total	.000	.000	.000	1.000	
	X3	.000	.16	.000	1.000	

Table 7. Heteroscedasticity Test Results

a. Dependent Variable: Unstandardized Residual

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			



(Constant)	3.316	.871		3.807	.000
1 Facility	.107	.038	.147	2.839	.005
Price	.152	.056	.149	2.701	.007
Service Quality	.09	.01	.323	5.85	.00
	9	7		2	0

Table 8. Multiple Linear Regression Test Results

a. Dependent Variable: Customer Satisfaction

Multiple Linear Regression Analysis Test Results

The results of the multiple linear regression test can be seen in table 8. Based on the table, the results of the test can be described as follows:

1. The constant value obtained is 3.316, meaning that if the facility variables (X1), xprice (X2), and service quality (X3) have a value of zero, then customer satisfaction (Y) has a value of 3.316.
2. The facility variable (X1) has a regression coefficient of 0.107, meaning that if the value of the other independent variables remains constant or does not change, then every 1 point or 1% increase in the facility variable will increase customer satisfaction by 0.107. The coefficient of the facility variable (X1) has a positive value, meaning that there is a positive relationship between the facility (X1) and customer satisfaction (Y), meaning that the higher the value of the facility (X1), the higher the customer satisfaction (Y).
3. The price variable (X2) has a regression coefficient of 0.152, meaning that if the value of the other independent variables remains constant or does not change, then every 1 point or 1% increase in the price variable will increase customer satisfaction by 0.152. The coefficient of the price variable (X2) has a positive value, meaning that there is a positive relationship between price (X2) and customer satisfaction (Y), meaning that the higher the price value (X2), the higher the customer satisfaction (Y).
4. The service quality variable (X3) has a regression coefficient of 0.099, meaning that if the value of the other independent variables remains constant or does not change, then every 1 point or 1% increase in the service quality variable will increase customer satisfaction by 0.099. The coefficient of the service quality variable (X3) has a positive value, meaning that there is a positive relationship between service quality (X3) and customer satisfaction



(Y), meaning that the higher the value of service quality (X3), the higher the customer satisfaction (Y).

Model Summary ^b					
Model	R	R Square	Adjusted R Square	R Estimate	Std. Error of the Estimate
1	.458 ^a	.210	.202		1.68930

Table 9. Results of the R Determination Coefficient Test

a. Predictors: (Constant), Service Quality, Facility, Price

b. Dependent Variable: Customer Satisfaction

Results of the R Determination Coefficient Test

The results of the coefficient of determination R test can be seen in table 9. Based on the table, the R² figure can be seen as 0.210 or 21%. This means that the customer satisfaction variable (Y) can be explained by the facility variables (X1), price (X2), and service quality (X3) by 21%, while the remaining 79% is influenced by other variables outside this study.

Partial Test Results (t)

The results of the t-test can be seen in table 10 below. Based on the table, it can be seen that the t-test results for facilities (X1) have a significance of 0.005 which is smaller than 0.05 and the calculated t is higher than the t table where the calculated t is $2.839 > t \text{ table } 1.965$. The t-test results for price (X2) have a significance of 0.007 which is smaller than 0.05 and the calculated t is higher than the t table where the calculated t is $2.701 > t \text{ table } 1.965$. The results of the t-test for service quality (X3) have a significance of 0.000 which is smaller than 0.05 and the calculated t is higher than the t-table where the calculated t is $5.852 > t\text{-table } 1.965$.

So it can be concluded that partially there is a significant influence between the facility variable (X1) on the customer satisfaction variable (Y), partially there is a significant influence between the price variable (X2) on the customer satisfaction variable (Y), and partially there is a significant influence between the service quality variable (X3) on the customer satisfaction variable (Y). Partially there is a significant influence between the facility variable (X1) on the customer satisfaction variable (Y), partially there is a significant influence between the price variable (X2) on the customer satisfaction variable (Y), and partially there is a significant influence between the service quality variable (X3) on the customer satisfaction variable (Y).



Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.316	.871		3.807	.000
	Facility	.107	.038	.147	2.839	.005
	Price	.152	.056	.149	2.701	.007
	Service Quality	.099	.017	.323	5.852	.000

Table 10. Partial Test Results (t)

a. Dependent Variable: Customer Satisfaction

Hasil Uji Simultan (f)

ANOVA^a				
Model		F		Sig.
1	Regression	27,482		.000 ^b
	Residual			
	Total			

Table 11. Simultaneous Test Results (f)

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Customer Satisfaction, Facility, Price

The results of the f test can be seen in table 10. Based on the table, the calculated f value is 27.482 and the significance value is 0.000, because the calculated $f > f$ table (3.02) and the significance value $< \alpha$ value 0.05, then the conclusion is that there is an influence of the independent variable: facilities (X1), price (X2) and service quality (X3) which are able to explain the diversity of the dependent variables: customer satisfaction (Y). This means that the variables of facilities, price, and service quality together have a significant influence on customer satisfaction at Formosa Hotel Batam.

Facilities (X1) influence Customer Satisfaction (Y)

The results of the t-test for facilities (X1) have a significance of 0.005 which is smaller than 0.05 and the calculated t is higher than the t-table where the calculated t is $2.839 > t$ -table 1.965, so H1 is accepted, namely that facilities (X1) have a significant and positive effect on customer satisfaction (Y). This research is in line with research conducted by (Lumentut & Palandeng, 2014) and (Arianto & Muhammad, 2018). Where in these studies it was found that the facility variable has a significant influence on customer satisfaction. So it can be concluded that the facilities at Formosa Hotel Batam must be further improved to please the visitors who come.



Price (X2) has an influence on Customer Satisfaction (Y)

The t-test results for Price (X2) have a significance of 0.007 which is smaller than 0.05 and the calculated t is higher than the t table where the calculated t is $2.701 > t \text{ table } 1.965$, so H2 is accepted, namely price (X2) has an effect on customer satisfaction (Y). This research aligns with research conducted by Gulla et al. (2015) and Apriyadi (2017), which found that price significantly influences customer satisfaction. Therefore, it can be concluded that prices at Formosa Hotel Batam must be more affordable to attract all levels of society, whether on vacation or business trips.

Service Quality (X3) influences Customer Satisfaction (Y)

The results of the t-test for service quality (X3) have a significance of 0.000 which is smaller than 0.05 and the calculated t is higher than the t-table where the calculated t is $5.852 > t\text{-table } 1.965$, so H3 is accepted, namely that price (X3) has an effect on customer satisfaction (Y). This research is in line with research conducted by (Moha & Loindong, 2016), (Lumentut & Palandeng, 2014), (Arianto & Muhammad, 2018), (Gulla et al., 2015), (Noviyanti, 2018) and (Masloman et al., 2014). Where in these studies it was found that the service quality variable has a significant influence on customer satisfaction. So it can be concluded that the better the service provided by the company, the higher the customer satisfaction will be, so Formosa Hotel Batam must continue to improve its service to increase customer satisfaction, because it is a measure of success in achieving its goals.

Facilities, Price, and Service Quality simultaneously influence Customer Satisfaction.

The results of the f test show that the calculated f value is 27.482 and the significance value is 0.000, because the calculated $f > f \text{ table } (3.02)$ and the significance value $\alpha < \alpha \text{ value } 0.05$, then the conclusion is that there is an influence of the independent variable: facilities (X1), price (X2) and service quality (X3) which are able to explain the diversity of the dependent variables: customer satisfaction (Y). Thus, H4 is accepted, namely that facilities, price, and customer satisfaction simultaneously have a significant effect on customer satisfaction at Formosa Hotel Batam. The test results on the variables of facilities (X1), price (X2) and quality of service (X3) obtained an R Square (R²) value of 0.210 or 21%. The results of this test statistically prove that facilities, price and quality of service together have a significant effect on customer satisfaction by



21% and the remaining 79% are other factors not included in this study. So it can be concluded that facilities, price and quality of service are three factors that can jointly influence customer satisfaction. Therefore, Formosa Hotel Batam must pay attention to these three factors to increase customer satisfaction to achieve the goals that Formosa Hotel Batam has set.

CONCLUSION

The results of this study clearly demonstrate that facilities, price, and service quality each exert a significant and positive influence on customer satisfaction at Formosa Hotel Batam. The empirical findings indicate that improvements in physical facilities, affordability of pricing, and the reliability and responsiveness of service delivery meaningfully enhance customers' overall evaluation of their stay. When assessed simultaneously, these three variables collectively explain a substantial proportion of customer satisfaction, although 79% of the variance remains attributable to other factors not included in this model, such as staff competence, digital service features, brand image, and personalized service experiences. These findings confirm that customer satisfaction in the hospitality sector is multidimensional, shaped by both tangible and intangible service attributes that interact to form guests' overall impressions.

Based on these findings, several strategic recommendations can be proposed to strengthen service performance at Formosa Hotel Batam. First, enhancing the quality and availability of facilities—particularly those reported as inadequate, such as poorly lit staff offices, overheated rooms, and limited security space—should be prioritized to improve comfort and operational effectiveness. Second, pricing strategies must be continuously evaluated to ensure affordability and fairness across customer segments, as perceived price appropriateness plays a pivotal role in satisfaction and purchasing decisions. Third, service quality improvements are essential and can be achieved through comprehensive staff training focused on hospitality skills, communication, and guest assistance, including guiding guests to rooms and ensuring proper handling of luggage. Strengthening these areas will help build consistency in service delivery and reduce customer complaints.

Recognizing that customer satisfaction is influenced by factors beyond facilities, price, and service quality, future research is encouraged to explore additional determinants such as



promotional activities, digital service integration, employee competence, and customer experience design. Incorporating such variables will provide a more holistic understanding of satisfaction drivers and offer deeper insights to enhance managerial decision-making within the hospitality industry. Collectively, the findings and recommendations presented in this study are expected to support Formosa Hotel Batam in improving service excellence, increasing customer loyalty, and sustaining competitiveness in an increasingly dynamic market environment.

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