

THE EFFECT OF SERVICE QUALITY AND PRICE ON THE LEVEL OF GUESTSATISFACTION OF PRIME PLAZA HOTEL KUALANAMU

Abdul Mujib¹, Fahmi Sulaiman^{2*}

^{1,2}Sekolah Tinggi Ilmu Manajemen Sukma

ARTICLE INFO

Keywords: Service Quality, Price, Guest Satisfaction, Conducted, Questionnaire, Marketing

ABSTRACT

This study was conducted to see empirically the relationship between service quality and hotel price rates on the level of guest satisfaction staying at Prime Plaza Hotel Kualanamu. Researchers use an associative approach to analyze the influence between variables. The subjects of this study were guests who stayed at Prime Plaza Hotel Kualanamu between June to August 2022. From a total population of 4,368 guests, researchers observed as many as 175 samples of respondents who were previously selected through purposive sampling techniques. The research data was collected by researchers through questionnaire media which was then processed and analyzed to prove the hypothesis. The results of the data analysis show that the quality of service and hotel price rates simultaneously have a positive and significant effect on the level of guest satisfaction of Prime Plaza Hotel Kualanamu. It can be seen from the value of the coefficient of determination (adjusted R²) of 0.951 which if interpreted means 95.10% of guest satisfaction of Prime Plaza Hotel Kualanamu can be explained by the quality of guest service and hotel price rates while the remaining 4.90% is explained by other indicators that are not included in the research variables.

E-mail:
mujiba031@gmail.com¹
fahmisulaiman1990@gmail.com²

Copyright © 2023 Economic Journal. All rights reserved.
is Licensed under a [Creative Commons Attribution-NonCommercial 4.0 International License \(CC BY-NC 4.0\)](https://creativecommons.org/licenses/by-nc/4.0/)

1. INTRODUCTION

Prime Plaza Hotel Kualanamu is one of the four-star hotels operating in Deli Serdang District. Prime Plaza Hotel Kualanamu has approximately 140 rooms. This hotel has been equipped with various facilities that are very adequate including meeting rooms, fitness centers, and swimming pools. One of the advantages of this star-rated hotel is its location which is quite close to Kualanamu International Airport. It is estimated that over the past 3 months, as many as 310 people have stayed there. The increase in the number of guests (*occupancy*) staying at Prime Plaza Hotel Kualanamu in fact is still not in line with the ability to fulfill guest wishes properly. This situation is caused by complaints from guests regarding the length of service, dirty eating and drinking utensils, expensive food, hot rooms, lack of clean toilets, so that the price set is considered not as expected by guests to stay.

(Cardia, 2019) In his research revealed that product quality has a positive and significant effect on customer loyalty. On the other hand, the quality of service and facilities is thought to have a positive influence on customer satisfaction (Irfan & Muhammad, 2019). Customer satisfaction is described as a measure of feelings that arise from customers towards whether or not their expectations are appropriate after utilizing products or services (Walukow & Et, 2019). Meeting customer needs is the desire of every entrepreneur (Gofur, 2019). Satisfied customers certainly buy back products or services repeatedly in the future. This phenomenon shows satisfaction as a key factor in making repeated transactions which can further contribute to significantly increasing business *income*.

The success of the company's business is also assessed from the profit from the sale of products or services (Herawati et al., 2018). In this context, pricing rates become an important indicator in whether or not sales increase. Price is a measure of the exchange rate for a product or service expressed in currency. (Diasari, 2016) explains how price has an indirect effect on customer loyalty through customer satisfaction. Moving on the above exposures, it was driven by the desire to conduct research on the relationship between service quality and hotel price rates to guest satisfaction, empirical studies at Prime Plaza Hotel Kualanamu.

2. METHOD

Quality of Service

(Krisnawati, 2016) Describe service quality as the ability of entrepreneurs to meet the wishes of each customer and service in accordance with these desires. The quality of service that is perceived in an organized manner certainly creates satisfaction for customers. Quality of service will increase customer commitment in using certain products or services. Commitment and loyalty in turn will increase the *brand* or value of the company. Therefore, satisfied customers become one of the various important factors in retaining customers in the market.

Price

Price is literally defined as the currency value that consumers must pay to producers for the products or services they want to buy (Paradila, 2023). Similarly, (Jamarnis & Susanti, 2019) explained that price is a number of values provided by customers after consuming products or services. Generally, prices are determined by producers (providers of products or services). But in the context of buying and selling transactions, producers and consumers can negotiate until an agreement is reached between them. Price is also one of the determining indicators of the success of a company in running its business. Success is seen from how far the entrepreneur earns profit after setting the price of the product or service.

Guest Satisfaction

Guest satisfaction by Widiyanti & Hyacintha in (Prakoso, 2020) is explained as an emotional response from the results of consumer evaluation after consuming products or services. Similarly, Kotler & Keller in (Priansa, 2017) explain satisfaction as an expression of pleasure or disappointment that arises from consumers after comparing expectations before and after utilizing products or services. When consumers are satisfied, they tend to repurchase the product or reuse the same service at a later date. Supported by Nasution in (Nugraha et al., 2020) which states that consumer satisfaction is highly dependent on consumer perceptions and expectations. Guest satisfaction is thought to be influenced by various factors and indicators. (Indrasari, 2019) outlines several factors that affect guest satisfaction as follows:

1. Product quality
Product quality refers to the extent to which a product meets customer expectations and needs.
2. Quality of service
Quality of service includes the interaction between service providers and customers and the extent to which services meet customer expectations.
3. Emotional factors
Emotional factors refer to the emotional experiences that customers gain after benefiting from a product or service.
4. Price
Price is the amount of value paid to get the product or service he wants. Price can affect customers' perceived value of products and services as well as their purchasing decisions. Price is considered to influence customer decisions in choosing products or services.
5. Cost
Costs reflect the amount of money a company has to spend in producing goods and providing services to customers. Costs can affect a company's pricing and profits.

Customer Loyalty

(Kotler & Keller, 2018) Seeing loyalty from consumers as a consumer desire in increasing the value of certain product brands. This means that loyal consumers have a preference for a particular brand and tend to choose that brand consistently. Meanwhile, (Griffin, 2016) explained loyalty focuses on sustainable buying patterns. This behavior is certainly created by the initiative of consumers themselves, where they consistently buy products or utilize services from a company. Loyalty that involves the process of repeated transactions will certainly contribute to an increase in company revenue.

Price and Customer Loyalty

Price plays an important role in the realization of *income*, satisfaction, and loyalty (Išoraitė, 2016). Price is defined as the value of a product or service so it is crucial for companies to adopt a price management strategy. In price management, companies must certainly set prices that are in accordance with the quantity and quality of products marketed. Price also plays an important role in building customer satisfaction and loyalty. In this context, companies need to consider the right pricing strategy to meet each customer's expectations and build a long-term relationship with them.

Promotions and Customer Loyalty

(Rosalina et al., 2019) states that promotions have a significant influence on consumer loyalty. Intensive promotion can increase consumer perception and understanding of the product or service being promoted. A better understanding of the product or service certainly shapes preferences that can influence their decision to buy and choose the product in the long run. Therefore, effective promotions can contribute to building consumer loyalty.

Research Framework

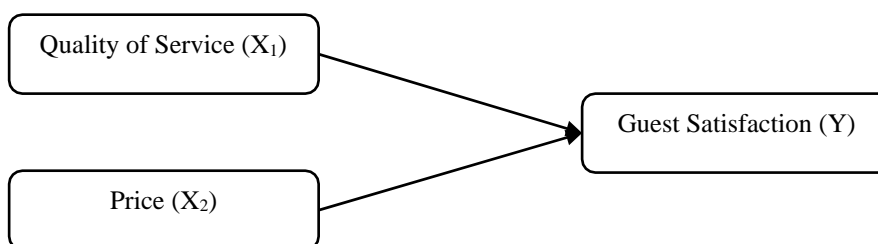


Figure 1. Research Framework

Research methods

Quantitative research is used to see the causality of guest service quality and hotel price rates on the satisfaction of staying at Prime Plaza Hotel Kualanamu through testing research hypotheses. Samples were taken randomly, while data was collected through instruments designed by researchers. This research is categorized as causal research developed from existing models based on literature reviews.

Population and Research Sample

Population refers to the generalization of objects or subjects with characteristics set to be studied (Imron, 2019). However, researchers are not always possible to collect data from the entire object. Therefore, sampling is chosen as a representation of the entire population. Meanwhile, the sample is some of the characteristics of the population. Prime Plaza Hotel Kualanamu guests with an unknown total number were the population in the study. From this population, researchers selected a number of guests to be used as research samples. Sampling using *purposive* sampling method based on the sampling design set by the researcher. Samples were taken for the distribution of questionnaires among guests of Prime Plaza Hotel Kualanamu. Researchers plan to collect at least 120 samples of respondents who have been over 18 years old and have visited Prime Plaza Hotel Kualanamu more than 1 time in a period of 1 year

Data Collection Methods and Procedures

The data collection procedure is carried out using questionnaires. Questionnaire is a medium to obtain data in the form of a series of questions for respondents to answer (Lili, 2018: 38). Research questionnaires are distributed directly to guests at Prime Plaza Hotel Kualanamu shortly after *they check in*. The *Likert* scale was used by researchers to answer various questions asked on questionnaires. The *Likert* scale is generally combined to build an assessment score that reflects an individual's knowledge or behavior (Setyawan et al., 2018). With the *Likert* scale, research variables will be broken down into variable indicators. Each answer choice is scored from 1 to 5 with their respective categories as follows:

Table 1. Likert Scale

Information	Score
Strongly agree (SS)	5
Agree (S)	4
Neutral (N)	3
Disagree (TS)	2
Strongly Disagree (STS)	1

Data Analysis Techniques

The analysis technique used in this study is multiple linear regression. This analysis is used to measure the effect of more than one independent variable on the dependent variable. In this context, regression analysis measures the causality of service quality and hotel price rates on the level of satisfaction of guests staying at

Prime Plaza Hotel Kualanamu. The regression equation is formulated as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + s \dots \dots \dots (1)$$

Remarks :

- Y = guest satisfaction
- X₁ = quality of service
- X₂ = harg a rate
- α = constant
- β₁₋₂ = koeficient
- s = error of term

3. RESULTS AND DISCUSSION

Validity Test

Validity test was conducted for research with questionnaires. Valid in this case means that the instrument is suitably used to measure variables. The validity test ensures whether or not the data obtained to measure variable indicators are valid. Validity testing is carried out separately the number of samples. Researchers took 40 samples of guests who had stayed at Prime Plaza Hotel Kualanamu as respondents to the validity test. The criteria for validity testing with SPSS version 23 program are as follows:

1. If, $r \geq 0.30$, the questionnaire question items are considered valid.
2. If, $r \leq 0.30$, then the question items are considered invalid.

The validity test of the study was carried out separately from the number of samples. Special questionnaires for validity and reliability testing were distributed to 40 separate guest respondents.

Table 2. Validity Test Results

Question items	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
KP1	65,966	60,884	0,695	0,858
KP2	65,663	63,765	0,637	0,863
KP3	65,754	67,370	0,306	0,874
KP4	65,754	64,382	0,597	0,864
KP5	65,480	66,780	0,457	0,869
KP6	65,583	67,049	0,283	0,875
KP7	65,389	69,423	0,231	0,875
H1	65,874	61,076	0,578	0,864
H2	66,371	57,131	0,703	0,857
H3	65,583	67,049	0,283	0,875
H4	65,686	64,585	0,474	0,868
H5	65,846	63,235	0,630	0,862
H6	65,709	64,265	0,610	0,864
KT1	65,874	61,076	0,578	0,864
KT2	66,371	57,131	0,703	0,857
KT3	65,583	67,049	0,283	0,875
KT4	65,686	64,585	0,474	0,868

Information:

- KP = quality of service H
- = price rate
- KT = guest satisfaction

Based on the validity test table above, the amount of r value is calculated (Corrected Item- Total Correlation) > r_{table} (0.148). Thus, the questionnaire instrument has been declared valid and can proceed to reliability testing.

Reality Test

Reliability is a test used to measure whether the answer items to questionnaire questions are performed consistently. According to (Sugiyono, 2019). Reliability tests are performed to see how far the measurement

results with the same object will produce the same data. Reliability tests are measured by *Cronbach's Alpha* value. If, this is $Cronbach's Alpha \geq 0.50$ states a

reliable instrument, while it is $Cronbach's Alpha < 0.50$ states that it is unreliable.

Table 3. Reliability Test Results

<i>Cronbach's Alpha</i>	<i>Cronbach's Alpha</i> Standardized	Number of question items
0,874	0,872	17

It can be seen that *Cronbach's Alpha* value is standardized (0.872) $> r_{\text{tabel}}$ (0.148). Thus, it is concluded that the research instruments are reliable in aggregate.

Linear Regression Analysis

Multiple linear regression analyzes the causality of more than one independent variable (X) on its bound variable (Y) in a linear equation (Ghozali, 2018). Multiple regression in this study looked at the prediction of service quality value (X_1) and hotel price rate (X_2) on guest satisfaction (Y).

Table 4. Multiple Linear Regression

Model	β	T_{hitung}	Sig.
Constant	1,553	3,376	0,000
Quality of Service (X_1)	-0,157	-8,253	0,000
Price Rate (X_2)	0,766	53,900	0,000

Based on the table above, the following equation can be presented:

$$Y = 1,553 - 0,157X_1 + 0,766X_2 + s \dots\dots\dots (2)$$

A constant value () of 1.553 is interpreted as a variable value of guest satisfaction (Y) staying at Prime Plaza Hotel Kualanamu of 1.553 when the quality of service (X_{α_1}) and the price rate (X_2) are 0. The value of the service quality coefficient β (1) of -0.157 shows how the service quality variable (X_1) negatively affects guest satisfaction. This means that an increase in service quality variables by one unit then decreases the level of guest satisfaction at Prime Plaza Hotel Kualanamu by -0.157 assuming other variables remain. Meanwhile, the value of the hotel price rate coefficient β (2) of 0.766 shows that the price rate variable (X_2) has a positive effect on hotel guest satisfaction. This means that an increase in the price rate by one unit will increase guest satisfaction at Prime Plaza Hotel Kualanamu by 0.766 assuming other variables remain.

Hypothesis Testing

1. Coefficient of Determination Test (*Adjusted R²*)

The coefficient of determination looks at the extent to which the regression model's ability to explain the variance of the dependent variable.

Table 5. Test Coefficient of Determination (R^2)

Type	R	R^2	<i>Adjusted R²</i>	<i>Std. Error Terestimasi</i>
1	0,977	0,955	0,954	0,531

Based on the summary of the table above, the coefficient of determination (*Adjusted R²*) is 0.954. This means that guest satisfaction (Y) is explained by service quality variables (X_1) and hotel rates (X_2) by 95.4 0% while the remaining 4.6 0% is attributed to other variables outside the model.

2. Test t (Partial Test)

The t test looks at the extent to which the causality of each independent variable is significant to the

dependent variable (Ghozali, 2018) The test criteria are as follows:

1. If, $t_{hitung} \leq t_{table}$ then H_0 is accepted while H_a is rejected.
2. If, $t_{hitung} > t_{table}$ then H_0 is rejected while H_a is accepted.

Hypothesis testing can be done by looking at the *Sig.* value in the regression result table. *Sig* value test criteria. to a significance level of 5%. If, *Sig.* ≤ 0.05 then H_0 is accepted while H_a is rejected.

Table 6. Multiple Linear Regression

Model	β	T_{hitung}	Sig.
Constant	1,553	3,376	0,000
Quality of Service (X_1)	-0,157	-8,253	0,000
Price Rate (X_2)	0,766	53,900	0,000

From the summary table above, it is known that the quality of service has a calculated t value of -8.253. Thus the value of $t_{calculate} (-8.547) \geq t_{table} (1.974)$ with the value $Sig. = 0.000 \leq 0.05$. It is interpreted that the quality of service to guests (X_1) has a negative and empirically significant effect on guest satisfaction (Y) Prime Plaza Hotel Kualanamu. The better the quality of service offered, of course, the more positive it will have a positive impact on the level of guest satisfaction of staying. The conclusion taken, H_0 is rejected while H_a is accepted

Hotel rates have a calculated t value of -53.900. Thus the value of $t_{calculate} (53.900) \geq t_{table} (1.974)$ with the value $Sig. = 0.000 \leq 0.05$. It is interpreted that price (X_1) has a positive and empirically significant effect on guest satisfaction (Y) of Prime Plaza Hotel Kualanamu. The suitability of the price of the stay with the facilities has a positive impact on the level of guest satisfaction during the stay. The conclusion taken, H_0 is rejected while H_a is accepted.

3. F Test (Simultaneous Test)

The F test is used to see to what extent the independent variable in the model has a simultaneous effect on the dependent variable. In the research model, the simultaneous test aims to see how the independent variable of guest service quality and hotel price rates in the model have a simultaneous effect on guest satisfaction variables.

Table 7. Simultaneous Test (Test F)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1026,282	2	513,141	1816,984	0,000
Residual	48,575	172	0,282		
Total	1074,857	174			

Based on the ANOVA table above, the calculated F hypothesis testing value of 1816.984 is greater than the F value of the table (3.05) with *Sig.* of $0.000 \leq 0.05$. This shows that the variables of guest service quality and hotel price rates in the model have a significant effect simultaneously on guest satisfaction of Prime Plaza Hotel Kualanamu.

Discussion

The value of the coefficient of determination in *adjusted R²* is obtained 0.954. This value can mean that the independent variables of service quality (X_1) and hotel price rates (X_2) are able to explain the variance in the guest satisfaction level of Prime Plaza Hotel Kualanamu (Y) of 95.40%. The remaining 4.60% is explained by various factors beyond those described in the regression model such as transportation, hotel infrastructure and facilities, guest needs, etc.

The F test results show a calculated F value of 1816.984 \geq a table F value of 3.05 or *Sig.* = $0.000 \leq 0.05$. It can be concluded that the quality of service (X_1) and the price of hotel (X_2) have a simultaneous and significant effect on guest satisfaction (Y) staying at Prime Plaza Hotel Kualanamu. This finding corroborates research conducted by Dharmawan & Kristianingsih (2018) which states the causality of service quality, including hotel rates, has a positive and significant effect on the satisfaction of guests staying there.

The results of the t test show that the quality of service has a calculated t value of -8.253 \geq a table t value (1.974) with a *Sig.* of $0.000 \leq$ a significance level of 0.05. This means that the causality of service quality (X_1) hypothetically has a negative and significant effect on guest satisfaction (Y) of Prime Plaza Hotel Kualanamu.

Therefore, it is interpreted that the better the quality of service has a greater effect on guest satisfaction. Service is an effort made by a company in order to meet the needs of its customers. The quality of service provided by management is considered to affect customer satisfaction. In the context of this study, every hotel manager is obliged to provide the best service in accordance with the expectations and desires of visitors in order to create a positive perception after the stay. When visitors get good service, of course they will feel satisfied. Supported by (Permanawati & Yulianeu, 2018) which states that service is partially positive and significantly affects hotel guest satisfaction.

The results of the hypothesis test also show that the price of staying has a calculated t value of 53,900 \geq a table t value of 1.974 with a $Sig.$ value of $0.000 \leq 0.05$. This means that the hotel price rate (X_2) hypothetically has a positive and significant influence on guest satisfaction (Y) at Prime Plaza Hotel Kualanamu. Pricing that matches the facilities offered certainly has a positive impact on how satisfied guests are during their stay. Consistent with research (Diasari, 2016) which reveals that hotel prices have a direct influence on hotel guest satisfaction.

4. CONCLUSION

Based on the explanation of the results of the analysis accompanied by the discussion above, the researcher reached conclusions (1) The results of simultaneous tests show that the regression model of guest service quality and hotel price rates has a positive and significant effect simultaneously on guest satisfaction of Prime Plaza Hotel Kualanamu. (2) The results of the hypothesis test show that service quality has a negative and significant effect on guest satisfaction at Prime Plaza Hotel Kualanamu. Meanwhile, hotel rates have a positive and significant effect on guest satisfaction. (3) The coefficient of determination in *adjusted R²* shows almost 95% of guest satisfaction explained by the quality of service and hotel rates. The remaining 5% may be explained outside the research model.

REFERENCES

- [1] Cardia. (2019). The Effect of Product Quality, Price and Promotion on Customer Loyalty. *Journal of Management*, 8(67), 62–81.
- [2] Diasari. (2016). The effect of price, product and service quality on customer satisfaction and loyalty. *Journal of Management Science and Research (JIRM)*, 5(12).
- [3] Ghozali, I. (2018). *Aplikasi Analisis Multivariate Dengan Program SPSS 23* (B. P. U. Diponegoro. (ed.)).
- [4] Gofur, A. (2019). Pengaruh Kualitas Pelayanan dan Harga Terhadap Kepuasan Pelanggan. *Jurnal Riset Manajemen Dan Bisnis*, 4(1).
- [5] Griffin, J. (2016). Customer loyalty, growing and maintaining customer loyalty. *Journal Management*.
- [6] Herawati, Niken, Hidayat, A., & Suwarsito. (2018). Analysis of the Effect of Service Quality and Price on Customer Satisfaction. *Journal of Management Partners*, 2(5), 22–35.
- [7] Imron. (2019). *Analisa Pengaruh Kualitas Produk Terhadap Kepuasan Konsumen Menggunakan Metode Kuantitatif Pada CV. Meubele Berkah Tangerang*. 5(1), 19–28.
- [8] Indrasari, D. M. (2019). PEMASARAN DAN KEPUASAN PELANGGAN. *Scientific Journal of Management Science Surabaya*.
- [9] Irfan, & Muhammad, A. (2019). The Effect of Service Quality, Price and Facilities Provided by Kenari Waterpark Bontang on Customer Satisfaction. *Al-Infaq: Journal of Islamic Economics*, 9(2), 82.
- [10] Işoraitè, M. (2016). Marketing Mix Theoretical Aspects. *International Journal of Research Granthaalayah*, 4(6), 2394–3629.
- [11] Jamarnis, S., & Susanti, F. (2019). Price influence and advertising through the internet on the purchase decision of Lux brand soap products at STIE “KBP” Padang students. *Jurnal Theoretical and Applied Management*, 2(1), 1–10.
- [12] Kotler, P., & Keller, K. L. (2018). *Manajemen Pemasaran, Edisi Ketiga Belas*. In *Jilid 1*. PT Gelora Aksara Pratama.
- [13] Krisnawati. (2016). Analysis of the Effect of Service Quality on Customer Satisfaction of Gas Station No. 64,751. 15 Samarinda. *Journal of Business Administration*.
- [14] Nugraha, Muhyar, & Sumadi. (2020). The Effect of Service Quality and Price Perception on Patient Satisfaction in Type C Hospital Kebumen Regency. *Scientific Journal of Today's Global Economy*, 11.
- [15] Paradila, H. (2023). Analysis of the Effect of Product Quality, Price and Location on Customer Purchasing Decisions at PT. Carsurindo Siperkasa. *JIKEM: Journal of Computer Science, Economics and Management*,

3(1), 29–38.

- [16] Permanawati, R. R., & Yulianeu, A. (2018). Sistem Pakar Untuk Menentukan Suatu Peluang Usaha Dengan Menggunakan Metode Smarter Dan Oreste. *Jumantaka*, 1(1), 31–40.
- [17] Prakoso, A. P. (2020). The Effect Of Work System And Service Quality Toward Guest Satisfaction At Front Office Departmen In Bwalk Hotel, Du, Malang. *Journal of Economic Appreciation*, 8(2).
- [18] Priansa, D. J. (2017). *Business Organization Behavior*. Alfabeta.
- [19] Rosalina, M., Qomariah, N., & Sari, M. I. (2019). The impact of promotion, price and product quality on consumer loyalty of Oppo smartphones. *Journal of Science and Technology Research*, 4(2), 161–174.
- [20] Setyawan, Ari, R., & Walter, F. (2018). Roof. Usability measurement of Sambal Nyoss e- commerce website using Likert scale method. *Journal Compiler*, 7(1).
- [21] Sugiyono. (2019). *Metode Penelitian Kuantitatif, Kualitatif, Dan R&D* (C. Alfabeta (ed.)).
- [22] Walukow, D. N., & Et, A. (2019). Relationship Between Quality Of Health Services And Patient Satisfaction At Puskesmas Pineleng Minahasa Regency. *Journal of Kesmas*, 8.