An Investigation of the Physical Environment and Employee Performance toward Customer Satisfaction in the Luxury Hotel: A Study in Bandung, Indonesia

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ABSTRACT:

This study aims to investigate the relationships between the physical environment and employee performance toward customer satisfaction in luxury hotels (four-star hotels) and enrich the hoteliers with insight on which attributes of the physical environment and employee performance are most crucial to increase satisfaction. Using a quantitative approach with a large-scale survey to explore customer satisfaction, data were collected through 300 questionnaires and distributed to guests of luxury hotels around Bandung with 260 questionnaires returned. Partial Least Square – Structural Equation Model was used to analyze the data. The main finding showed that customer satisfaction could be explained by the physical environment dimension, with the highest contribution coming from hotel décor. In addition, the result also showed that the employee performance dimension could also explain customer satisfaction. Employee performance has the strongest impact on customer satisfaction compared to the physical environment. In conclusion, it can be said that while service constitutes tangible and intangible aspects, this research shows that the intangible aspect seems to play a more vital role in delivering service in the hospitality industry. This paper will help hoteliers of luxury-hotel to decide which factors they should consider the most to increase the satisfaction of their guests.

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1. INTRODUCTION

Indonesia is one of the most famous tourism destinations in the world. According to Conde Nast Traveler (2021), Indonesia is always in the top ten of the best country to visit from 2019 to 2021; it even ranked as the number one in 2019. Tourism is one of the most promising sectors in Indonesia. It contributes to 4.1% of Indonesia's total Gross Domestic Product (GDP), which amounted to IDR 536.8 trillion in 2017. This sector also fills 10.5% of the country's total employment rate. In 2018, the number of both international arrivals and domestic tourism in Indonesia increased significantly from the previous year by 12.6% (15.8 million international arrivals) and 12% (270.8 million domestic tourism) (Organization for Economic Cooperation and Development, 2020). From many industries in the tourism sector, hospitality plays a vital role in helping the tourism sector in Indonesia's growth (Ali & Amin, 2014). Among the popular destinations in Indonesia, West Java is known to be one of the most visited ones. In 2020, West Java ranked number five in international tourists' arrival with Bali, Jakarta, Surabaya, and Medan (Wulandari, 2020). To capture the ever-growing opportunity, the players in the hospitality industry in West Java must be sure to provide their best by ensuring the satisfaction of tourists, both international and domestic.

Kotler et al. (2014) stated that customer satisfaction has become the most important and demanding of the competition in the worldwide service of marketing. Therefore, a strategy based on management commitment to the continuous development of the quality of service to satisfy consumers should be applied systematically in any company to keep its position in the competitive market (Suhartanto, 2018). The quality of a product or a service as the facility to satisfy the needs and expectations of the customer is decided only by the customer (Zeithaml et al., 2019). Thus, customer satisfaction could be achieved by providing high service quality. Providing satisfaction is necessary for the hospitality industry. Moreover, customer satisfaction refers to the emotional state of the guests after exposure to the opportunity and experience and can lead to repeat purchases (Ibrahim & Gill, 2005). Furthermore, Kotler & Armstrong (2018) mentioned that satisfaction is a person's emotion of desire or dissatisfaction resulting from comparing a product or service's performance with his or her expectation. Consequently, a hotel could obtain a large market share, good reputation over competitors and, at the end of the day, they can increase their profit.

Considering the high opportunity and impact of the tourism sector in Indonesia, the players of the hospitality industry need to offer differentiation, both intangible and intangible aspects. Often, the differentiation in this context could be made by considering the factor of the physical environment as a tangible aspect (Lin & Liang, 2011) and the service given by its employee as an intangible aspect (Nguyen & Leblanc, 2002). According to Bitner (1992), the physical environment is another element that may have a strong impact on customer satisfaction. This argument is supported by Ali & Amin (2014) that the physical aspect had the most powerful impact on customer satisfaction.

During the last decade, customer satisfaction research has been conducted widely including in the hospitality industry (Darini & Khozaei, 2016; Hargreaves, 2015; Kim et al., 2016), by identifying quality factors related to satisfaction levels such as customer service, and customer loyalty. Looking at the importance of the physical environment in the hospitality industry, research-related that matter has also been studied before (Ali & Amin, 2014; Bitner, 1992; Han et al., 2019; Han & Hyun, 2017; Nguyen & Leblanc, 2002). However, research that specifically discusses the physical environment and its impact on customer satisfaction in luxury hotels are scarce. Moreover, this research will be the first one that

examines both tangible and intangible aspects when discussing customer satisfaction in the hospitality industry.

The sustainability of the hospitality industry is very important. Therefore, creating a unique physical environment and ensuring the quality of services given by employees is vital for the hospitality industry. This research aims to understand and measure the physical environment attributes (tangible) and employee attributes (intangible), and whether they affect customer satisfaction in luxury hotels.

2. LITERATURE REVIEW

2.1 Definition of the environment

Kotler & Armstrong (2018) mentioned that the environment consists of those factors, both inside and outside the immediate control of the company, which affect its relationships with its target customers. A study by Oxford University in 1996 (Brotherton, 2012) indicates that the environment is 'physical surroundings, circumstance, etc.' in which people live and work. Additionally, the environment may be thought of as a superset, of which the given system is a separation and may have one or more constraints, physical or otherwise. Thus, the environment is a situation and is unique to each company. Furthermore, in a service context, the environment is a key intangible that helps differentiate the successful from the unsuccessful service organizations (Laroche et al., 2001). Thus, the environment has the potential to influence the part or the whole of the company (Robbin & Coulter, 2016).

2.2 Physical environment

In general, the production and consumption of service take place altogether in a physical environment formed and controlled by the service company. The physical environment part of which may have a strong influence on customer satisfaction (Bitner, 1992). (Lee & Jeong, 2012) said that organization's physical environment includes its overall layout, design, decoration, and aesthetics. Moreover, some researchers have suggested that the physical setting can also influence an employee's satisfaction, productivity, and motivation (Ali & Amin, 2014; Nguyen & Leblanc, 2002).

According to (Bitner, 1992), the physical environment is measured as the packaging of service and has three parts, namely ambient conditions, spatial layout, and decoration & orientation signals. Ambient conditions are a variety of elements such as color, light, temperature, noise, odor, and music, all of which might have an impact on the customer's perception as well as their response to the environment. Furthermore, the spatial layout is the design and arrangement of buildings, equipment, and furniture according to the needs of the service delivery process. Décor and orientation signals are visual symbols used to create a suitable atmosphere and direct customers throughout the service encounter. Additionally, in service industries, the physical environment forms of part the product or service because the customer usually visits the premises to consume the product/service (Nguyen & Leblanc, 2002). Ali & Amin (2014) supported this definition by stating that the physical environment encompasses the environment in which the service occurs (i.e., the place where the company and the customer interact) and any tangible commodities, which facilitate, show, or communicate the service. For example, architecture, lighting, temperature, furnishings, layout, color, and artifacts present in the firm's facilities, all communicate nonverbally to the customer on how the company sees itself and needs the

customer to behave when entering the premises. Therefore, in this sense, a satisfactory physical environment leads to more favorable customers' responses such as perception of comfort and increased positive word of mouth intentions (Ryu et al., 2012).

2.3 Employee Performance

Employees are the people who essentially serve guests in hotels. From the customer's point of view, the employees are essential dimensions of a service company because they are usually the first point of contact in the service encounter. The employees uphold this main role until the completion of the service delivery process. Furthermore, Robbin & Coulter (2016) argued that the performance of employees can be evaluated in three parts: appearance, competence, and behavior. The appearance of the employee is a critical element during face-to-face communication because it has a significant effect on a customer's first impression if the first impressions are lasting (Nguyen & Leblanc, 2002). Additionally, appearance is a mixture of dress, hairstyle, make-up, and cleanliness. Certainly, the result of the service delivery process also depends on the interaction between the customer and employees during the service process. Thus, staff members have a substantial influence on the feelings of comfort experienced by the customer (Choi & Chu, 2001).

2.4 Customer satisfaction

Customer satisfaction is one objective in marketing activity and is a key factor for a company's survival (P. Kotler & Armstrong, 2018). Homburg et al. (2008) said that customer satisfaction has been a crucial issue in the marketing field in the past decades since satisfied customers can offer to the company customer loyalty and continuous profitability. Taylor et al. (2004) have a similar argument about customer satisfaction; they argue that customer satisfaction is the most important criteria for determining the quality delivered to customers via the product or service and supplementary services and has a direct influence on customer loyalty. There have been many definitions given for customer satisfaction. Some researchers believe that customer satisfaction is a component of customer behavior. Lovelock et al. (2004) mentioned that satisfaction is 'an attitude like judgment following a purchase act or series of customer product interactions. In tourism studies, customer satisfaction is the visitor's state of emotion after they experienced tour activities (Sánchez et al., 2006). As a result, providing satisfaction is very important because it will positively affect the next visit thus increasing tourists' loyalty (Oviedo-García et al., 2016; Sosianika et al., 2021). On the contrary, if they are not satisfied, they will decide not to visit (W.-T. Lin & Chen, 2013). Tourist satisfaction is also necessary because it can create visitors' loyalty to make a return to the place (Suhartanto, 2018). Based on the discussion, it can be underlined that tourist satisfaction is very important because it is an evaluation of the overall tourist experience that they have, either met or exceeded their expectations (Wang et al., 2004).

2.5 The concept, types, and categories of hotel

Hotels, as a part of the accommodation sector, have played an essential role by providing facilities for the transaction of business, meetings, conferences, and recreation and entertainment. According to the Eurostat (Statistical Office of the European Union) (2015), a hotel is a unit that provides stays for visitors, typically on a daily or weekly basis, principally

for short stays. Middleton & Clarke (2002) found that accommodation plays a useful role by providing the facilities that make it possible, suitable, and comfortable to travel.

In general, the factors that will be used to classify hotels are service level, price, facilities, and the guest's reason for staying. According to (Gee, 1994) hotel classification is "the assignment of hotels to a categorical rating according to the type of property, facilities, and amenities offered". Moreover, in terms of categories, hotels are divided into full service, economy, all-suite, resorts, and convention hotels (Walker, 2013). Full-service hotels are based on market segment and divided into a luxury hotel, upscale hotel, and basic hotel. In this study, the researcher will focus on luxury hotels, particularly those with a four-star rating.

A luxury hotel is a part of a full-service hotel category providing a wide variety of facilities and amenities including food and beverage outlets, meeting rooms, and recreational activities. Littlejohn (edited by (Brotherton, 2012)) said that 'a luxury hotel is a spectacular service provider, it offers the full range of provision, including well-prepared multi-choice of rooms and meals, value-added facilities like conference and meeting rooms, shopping, entertainment, and sporting amenities and reservation, billing and customer information service, etc.'. Additionally, Walker (2013) states a luxury hotel offers the ultimate in décor, butler service, concierge and special concierge floors, secretarial services, computers, fax machines, beauty salons, health spas, twenty-four-hour room service, swimming pools, tennis courts, valet service, ticket office, airline office, car rental, and doctor/nurse on duty or call. Generally, they offer a signature restaurant, coffee shop, or an equivalent named restaurant; a lounge; a name bar; meeting and convention rooms; a ballroom; and possibly a sophisticated nightspot. Thus, it can be said that a luxury hotel is explained in superlative terms and far exceeds normal expectations in design, level of luxury, service, elegance, and uniqueness.

Models of the relationship among the physical environment, employee, and customer satisfaction are shown in Figure 1. This model predicts that the physical environment (tangibles) and employees (intangibles) can measure customer satisfaction.
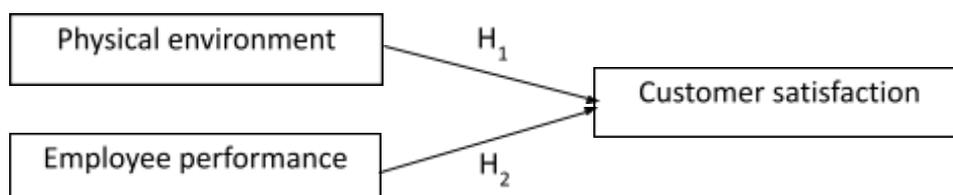

Figure 1. Research Model

2.6 Hypotheses

H_1: Physical environment has a positive effect on customer satisfaction.
H_2: Employee performance has a positive effect on customer satisfaction.

3. METHODS

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The approach used in this study is the quantitative approach. The objective of the quantitative method is to produce much more precise findings in numerical data and the inquiry results should be objective (Johnson & Onwuegbuzie, 2004). In terms to identify the physical environment and the employee, the participants were asked to rate various aspects of their experience using a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). A descriptive analysis was carried out to identify the most important items of tourist perception. To measure tourist experience, 26 attributes were assessed and summarized using descriptive statistics.

The data collection was done through a survey by distributing questionnaires directly and indirectly (online) to the guest who has been staying in luxury hotels around Bandung city. A total four-week (September 2019 - October 2019) is needed to collect the data for this study. A total of 300 questionnaires were distributed with 260 usable questionnaires being returned (87%).

Partial least square structural equation modeling (PLS-SEM) was used to analyze the data and test the hypotheses. In assessing the proposed model, this study uses two-stage testing. The first testing is measurement model testing (outer model) to measure the reliability and validity of the constructs by assessing the value of composite reliability (CR). Meanwhile, to test the validity, the value of average variance extracted (AVE) (Hair et al., 2019). The second step of testing is the structural model or inner model testing. This is done by evaluating the coefficient of determination (R^2), effect size (f^2), the goodness of fit (GoF), and path coefficient (Hair et al., 2011; Rafdinal & Senalasari, 2021; Suhartanto, 2018).

4. RESULTS AND DISCUSSION

4.1 Respondent profiles

The profile of respondents shows that the proportion of females and males are 59% and 41% respectively. The majority (86%) of them, 223 respondents, have visited luxury hotels in Bandung for less than 5 times in their life, and are in the range of 25 – 34 years old (76%) and 17 – 24 years old (18%), reflecting that the guests of a luxury hotel in Bandung are dominated by people who are still in the range of working ages. This statement is supported by the data of sample occupation, which shows only 2 (1%) are unemployed, 125 (48%) are working in the private sectors, followed by 50 (19%) are working in government sectors. In terms of the reason for the visit, 180 (69%) respondents are visiting luxury hotels for vacation, followed by 63 (24%) for business reasons, 11 (4%) for other reasons, and the least 2% are for the reason of the study. Thus, it can be concluded that the sample composition tends to be dominated by highly educated professionals who are often regarded as desirable 'quality guests' in the future.

Table 1. Characteristic of Respondent

Item	Description	Frequency	%
Gender	Male	106	41%
	Female	154	59%
Age	17-24 years old	46	18%
	25 -34 years old	198	76%
	35-44 years old	13	5%
	45-59 years old	3	1%
Occupation	Student	19	7%

Item	Description	Frequency	%
	Entrepreneur	41	16%
	Private sector's employee	125	48%
	Government sector's employee	50	19%
	Housewife	13	5%
	State-owned company's employee	4	2%
	Unemployed	2	1%
	Others	6	2%
Visit frequency	≤ 5 times	223	86%
	5-7 times	26	10%
	> 7 times	11	4%
Visit reason	Business	63	24%
	Vacation	180	69%
	Study	6	2%
	Others	11	4%

4.2 Overall guest perception about the physical environment and employees towards customer satisfaction

Table 2 describes in overall terms that the customers perceived both the physical environment and employees of the luxury hotels were close to good, while they perceived décor of the luxury hotels were good.

Table 2. Descriptive Statistics

Indicator	Min	Max	Mean	Std. Deviation
Physical environment:				
Decoration	1.00	5.00	4.03	0.72
Lighting	1.50	5.00	3.73	0.66
Color	1.00	5.00	3.81	0.70
Furniture	1.00	5.00	3.97	0.75
Exterior design	1.00	5.00	3.81	0.73
Employee performance:				
Appearance	1.00	5.00	3.87	0.84
Competence	1.00	5.00	3.94	0.76
Behaviour	1.00	5.00	3.92	0.83
Customer satisfaction:				
Satisfaction 1	1.00	5.00	3.89	0.81
Satisfaction 2	1.00	5.00	3.99	0.74

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4.3 Construct validity and reliability

Table 3. Outer Model

Construct	Item	Loading Factor	AVE	Cronbach's Alpha	CR
Physical Environment	Decoration	0.880			
	Lighting	0.823			
	Color	0.873	0.731	0.908	0.931
	Furniture	0.851			
	Exterior Design	0.845			
Employee Performance	Appearance	0.861			
	Competence	0.918	0.806	0.880	0.926
	Behaviour	0.913			
Customer Satisfaction	Satisfaction 1	0.883	0.809	0.765	0.894
	Satisfaction 2	0.916			

Based on the results of descriptive analysis, the constructs were developed in this study. As shown in Table 3, it was found that each tested dimension has Cronbach α above 0.6 (Hundleby & Nunnally, 1968) and a Composite reliability value above 0.7 (Hair et al., 2011) means that the tested model is reliable. Furthermore, the value of the loading factor and AVE for each dimension is above the cut-off level of 0.5, which can be translated that all the constructs used in this study are valid (Fornell & Larcker, 1981).

4.4 Structural Model Testing

Inner model, also known as a structural model test, is used to show the relationship between latent variables with other latent variables. We used bootstrapping method to examine the significance of variables and the path coefficients (Hair et al., 2011). Before testing all the hypotheses, the quality of the model has to be assessed by looking at the value of several criteria, namely e coefficient of determination (R^2), effect size (f^2), the goodness of fit (GoF), and path coefficient (Hair et al., 2019). The level of R^2 0.75 is categorized as substantial, 0.50 is moderate, and 0.25 is weak. The result shows the level of R^2 for customer satisfaction is 0.772, which means that this variable is influenced by exogenous variables with substantial levels. The value of f^2 indicates the effect size for each path in the model, with the value of 0.02 is categorized as small, 0.15 is categorized as a medium, and 0.35 as large. As shown in Table 3, both paths are showing the f^2 value of 0.334 and 0.472 respectively. Physical environment and employee performance both have a large effect size on customer satisfaction. Finally, the last criteria used to assess the quality of the model is by evaluating the value of goodness of fit (GoF). The proposed research model is of good quality if it has a GoF value above 0.36 (Daryanto et al., 2010). This study shows a GoF value of 0.772, which means that the model has a good quality.

Table 3. Result of Structural Model

Relationships	Original Sample	T-Stat	R^2	Adj. R^2	f^2	P-Value
Physical environment -> Customer satisfaction	0.426	8.534			0.334	0.000
			0.772	0.771		
Employee performance-> Customer satisfaction	0.507	10.399			0.472	0.000

Table 4. Goodness of Fit

Variables	AVE	R^2
Physical Environment	0.731	
Employee Performance	0.806	
Customer Satisfaction	0.809	0.772
Average	0.782	0.772
GoF = $\sqrt{(AVE \times R^2)}$		**0.777**

Moving to hypotheses testing, the path coefficient is then analyzed. The level of P-Value must be less than the cut-off level of 0.005 to be identified as significant. Meanwhile, the path coefficient is identified by using the original sample value (Hair et al., 2011). As shown in Table 4, both physical environment (p-value = 0.000) and employee (p-value = 0.000) are significantly influencing customer satisfaction in luxury hotels in Bandung, or in other words, both H^1 and H^2 are accepted. Path coefficient is represented by the value of the original sample, which based on the result in this analysis is showing a positive direction. The employee shows a greater value of the original sample (0.507) compared to the physical environment (0.426) towards customer satisfaction. Therefore, it can be concluded that the physical environment and employees individually have a positive influence on customer satisfaction of luxury hotel guests in Bandung, with the highest impact on customer satisfaction coming from the intangible aspect.

The p-value of adjusted R2 is 0.000 (less than the cut of the value of 0.005) with the original value of 0.771. Thus, the physical environment and employees are simultaneously and positively influencing customer satisfaction. 77.1% of customer satisfaction in Bandung could be explained by these two variables, meanwhile, the rest 32.9% are explained by other variables.

5. DISCUSSION

Physical environment and employees are the factors to be considered by management to be competitive in business and have a strong impact on customer satisfaction (Ali & Amin, 2014; Bitner, 1992; Nguyen & Leblanc, 2002). To enlarge understanding of the physical environment and employees, this study has attempted to identify the parts of the physical environment and employees. Unlike previous studies, this study has focused on relationships

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among physical environment, employees, and customer satisfaction as parts of the survival of the business. This section discusses the findings from assessing the physical environment as tangible aspects including decor, lighting, furniture, color, and exterior design, and employees including appearance, competence, and behavior as intangible factors towards customer satisfaction.

5.1 Physical environment

Our findings indicated that the physical environment in luxury hotels plays an important role in customer satisfaction. This finding is in line with the previous research in the hospitality (Ali & Amin, 2014) and restaurant industries (Han & Hyun, 2017; Han & Ryu, 2009; Wu & Liang, 2009). Other studies also found that the physical environment is influencing customer satisfaction, through the mediating role of customer perceived value (Ryu et al., 2012) and guests' emotional well-being (Han et al., 2019). Han & Hyun (2017) added, that among three of the core-quality dimensions that form customer satisfaction, the physical environment is proven to be one of them.

Based on the result of descriptive statistics on this study, among 5 (five) indicators of the physical environment, decoration is the only indicator showing a mean value above 4, which can be translated that the decoration of the luxury hotel is satisfying for the guests. This is also consistent with previous studies that also use the same indicators for the physical environment (Ali & Amin, 2014; Han et al., 2019). It can be concluded that the customers of luxury hotels in Bandung are satisfied with the decoration of the hotel and almost satisfied with other attributes (lighting, color, furniture, and exterior design) of the hotel's physical environment. The quality of the physical environment is especially important for the hospitality industry, specifically for luxury resorts/hotels, because they play an important role in the creation of customers' pleasant feelings. Customer demands a high-quality physical environment for the price they have to pay to be satisfied with the luxury hotels (Han et al., 2019; Han & Hyun, 2017).

5.2 Employee Performance

In a service industry, particularly in a hotel, the employees have important roles to serve the customer and to achieve customer satisfaction. The significance of the employees being linked with customer satisfaction in determining customers to return is likely to be due to the service offered commonly being considered as an essential element (Hargreaves, 2015). A feature of hotel accommodation is that employees perform a support service throughout the stay (check-in to check-out) by also giving information and essential advice to ensure a comfortable stay.

This research found that employees have a positive and strong impact on influencing customer satisfaction. This indication supports H2 (employees have a positive relationship to customer satisfaction). Previous studies (Choi & Chu, 2001; Ha et al., 2014; Han & Hyun, 2017; Namkung & Jang, 2008) are supporting this result, although they used different terms for employees, such as employee behavior, quality of service, reliable service, responsive service, competent employees, and service reliability. In the airlines industry, Suhartanto & Noor (2012) found that the attitude of employees is one of the three factors that are affecting customer satisfaction. Xu & Li (2016) identified the determinants that create

customer satisfaction through online reviews for several types of hotels, where hotel staff that is friendly, helpful, and polite turned out to be one of the most impactful determinants of customer satisfaction. Based on the result from descriptive statistics analysis, among the three indicators of employee used in this study, employee competence is the most impactful indicator for luxury hotel employees.

Consequently, it may be deemed that the knowledge, behavior, and ability of employees to satisfy guests' needs, and the physical performance of employees comprise the most essential features of the hotel operation. Thus, the hoteliers should guarantee that all employees are involved in setting quality standards, and they should understand that maintaining relationships is a part of their job (Hargreaves, 2015; Nguyen & Leblanc, 2002)).

6. CONCLUSION

It is nothing new that customer satisfaction is a crucial factor in all businesses, but all businesses have different determinants to satisfy their customers. For the hospitality industry, specifically in a four-star hotel, when they could not be categorized as "low-class" hotel and not exactly the "highest-class" of the hotel, the physical environment and employee play a significant role in influencing customer satisfaction. When they are combined, a good physical environment and good quality of employees would beneficially impact 76,2% of the satisfaction of 4-star hotel customers.

All indicators used in this study are already representing the variables, therefore hotel management would have a clearer picture of which attributes on physical environment and employees need to be improved. The result of this study indicates that intangible aspects are more crucial to create satisfaction of the guests in luxury hotels compared to tangible aspects. Management should take very serious consideration of improving the quality of both variables, with more emphasis on improving the quality of their employee (appearance, competence, and behavior), to not only have a short-term success in the business, but again, to also survive in the long term.

7. MANAGERIAL IMPLICATIONS

Recently, competition in the hotel industry has increased significantly, in which the customer's demand is higher than ever; and customer satisfaction is a critical point for a company to survive. This research provides some guidelines for hotel management to develop customer satisfaction.

Firstly, this research highlights that having a good physical environment is essential in determining customer satisfaction. Therefore, this research suggests that developing customer satisfaction not only depends on the hotel manager's capacity to improve customer satisfaction but also to establish a favorable physical environment in the hotel. Inappropriate management of any aspect of the physical environment and employees during the hotel's performance can influence negative customer satisfaction.

Secondly, no aspect of the physical environment and employees relating to customer satisfaction can be neglected as they are all important. This research shows that employees are the most important factor in determining customer satisfaction. Thus, this research suggests any efforts towards quality development should focus on ensuring customer satisfaction with the employees. Moreover, the managers should acknowledge the

significance of employees to overall customer satisfaction and focus their resources on improving the comfort of the hotel's performance and the professionalism of the employees.

Finally, the physical environment (i.e., décor, lighting, color, furniture, and exterior design) should also be emphasized as an important factor because it is a highly regarded aesthetic factor in the creation of hotel performance and may also have an impact on the performance of the employees. Thus, it must be designed to satisfy both operational and marketing needs to create a favorable environment that influences customer satisfaction.

8. LIMITATION AND FUTURE RESEARCH

Although the scope of the research on customer satisfaction in the hotel industry is well established, for a region like Bandung city, its relevance has remained untested. The sample in this research reflected the origins of the guests at the time of the fieldwork. As the Indonesian tourism market has matured, the number of tourists visiting Bandung city is likely to increase. Therefore, to generalize the result of customer satisfaction from the guests, future research should be considered for international guests with addressing their expectations and perceptions of the hotel. Since this research has some limitations, it is useful to consider the recommendations of this research in enlarging the existing knowledge base and in giving benefits to the development of customer satisfaction in the hotel industry, and in identifying future research that is still needed.

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