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RESEARCH ARTICLE

THE IMPACT OF PRICE FAIRNESS AND SERVICE VALUE ON HOTEL PRICE SATISFACTION AND CUSTOMER SATISFACTION

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ABSTRACT

Malaysia's tourism industry is deeply wounded following several unfortunate incidents in recent years. As a result, hotels across Malaysia are poorly performing compared to how they have performed in the past years. Although previous researchers confirm the influential roles of price fairness and service value in predicting customer satisfaction and hotels' performance, previous researchers have failed to establish how well price fairness and service value increase price satisfaction and customer satisfaction. Thus, this study explores the extent to which customers' price fairness and service value affects price satisfaction and customer satisfaction in the Malaysian hotel industry. A total of 166 responses have been collected from leisure tourists that come to Malaysia from across the world. The findings reveal that price fairness and service value are useful predictors of hotel price satisfaction and customer satisfaction. The study also offers potential research avenue for future researchers.

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INTRODUCTION

Satisfaction has been measured fairly widely across the service industry (Voss, Parasuraman and Grewal, 1998). Intangible and perishable nature of the service industry encourage customers to compare price-performance of services they receive for the price they pay which eventually influence their satisfaction level (Voss *et al.*, 1998). To measure satisfaction, various attributes have been identified (Saeed, Niazi, Arif and Jehan, 2011; Voss *et al.* 1998; Matzler, Renzl and Rothenberger, 2006; Matilla and Choi, 2008). However, the linkage between these attributes to customer satisfaction has not been clearly described and applied by past researchers (Pontevia, 2006). The author further points out that managers assume there is always a linear relationship between other attributes and customer satisfaction (Pontevia, 2006). This gap in the past studies encourages this study to explore the potential existence of non-linear relationships between price fairness, service value and customer satisfaction. This study adds body of knowledge to the customer satisfaction literature by validating causal links between price fairness, service value, hotel price satisfaction and customer satisfaction. In addition, the findings also helps hotel managers to consider their pricing decisions to increase price satisfaction and customer satisfaction.

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Research Problem

Leisure travelers are price sensitive market segments as their main purpose is to travel around a place (Capiez and Kaya, 2008). As a result, these travelers will more likely reduce their spending on hotel rooms (Capiez and Kaya, 2008). Beldona and Namasivayam (2008) argue that price sensitive customers prefer purchasing when the demand is low (off-peak) because the price will be lower. Contrarily, when the demand is high (peak season), they will not make purchases (Beldona, and Namasivayam, 2008). Furthermore, Jones (1999) also argues that different market segments may have different spending patterns. This is due to different needs whereby a business traveler may look for business centers to work on important tasks, while a leisure traveler may seek different restaurants to try out new food (Jones, 1999). Thus, given that leisure travelers are unwilling to pay higher prices compared to business travelers (Capiez and Kaya, 2008), leisure traveler segment is an interesting segment to study. There are many tourism related places in Malaysia such as Johor, Kelantan, Penang, Pahang, Kuala Lumpur and Kedah which are much popular tourism destinations in Malaysia (Kasim, 2004; Kasim, 2007; Hassan, 2009). Hassan identifies Malaysia's crucial efforts in developing the country's tourism and lodging sectors after Asian Financial Crisis in 1998. The author pinpoints that the country's total number of hotel rooms have increased tremendously after the crisis. In addition, the number

of visitors to Malaysia have increased four times in just 10 years post financial crisis (Hassan, 2009). The reason behind this is the development of urban tourism in Malaysia which attracts international visitors (Hassan, 2009). Moreover, Malaysia seems to have used tourism as a recovery strategy after Asian Financial Crisis 1998 (Sausmarez, 2007). Local visitors have been targeted to spend on Malaysian holiday destinations with local airlines offering tickets at affordable prices (Sausmarez, 2007). Consequently, local tourism has increased approximately 89.9% (Sausmarez, 2007). This shows that the commitment from local people is overwhelming even during the times of crisis. As leisure travelers are seen as a sensitive market segment when it comes to price, their trips are much affected during crisis times (McWhirter, 2012). These leisure travelers then opt for a cheap flight and cheap accommodation to stay (McWhirter, 2012). Thus, it is important to explore the extent to which price fairness affects Malaysian leisure travelers' service value perceptions, price satisfaction and satisfaction.

Research aim

The aim of this study is to explore the impacts of leisure travelers' price fairness and service value on price satisfaction and customer satisfaction in the Malaysian hotel context.

Research Objectives

The following objectives have been built to achieve the research aim.

- To explore the relationship between price fairness and service value.
- To determine the relationship between price fairness and hotel price satisfaction.
- To evaluate the relationship between price fairness and customer satisfaction.
- To investigate the relationship between service value and price satisfaction.
- To discover the relationship between service value and customer satisfaction.

To explore the relationship between hotel price satisfaction and customer satisfaction.

Literature Review

This section reviews the relevant literature on price fairness, service value, price satisfaction and customer satisfaction.

Price Fairness

Perceived unfairness refers to the point where customers perceive the price they pay for a specific room as unfair (Kimes, 2002). Hotel revenue management (RM) is deeply linked with perceived fairness/unfairness of customers because of the inconsistent pricing system (Kahneman, Knetsch, and Thaler, in 1986a; Kahneman, Knetsch, and Thaler, in 1986b, as cited by Capiez, and Kaya, 2008). The authors also find that customers who perceive a hotel as being unfair unlikely return to the same hotel in the future. According to Kimes, (2002), customers will avoid staying in a hotel they perceive unfair to them. Although differential pricing method could benefit in short-run, hotels will struggle in long-term (Kimes, 2002). Kimes and Wirtz (2003) find that customer loyalty is

determined by perceived fairness. In her earlier study, Kimes find that differential pricing (revenue management) will not promise loyal customers in the long run while in the next study, the authors have identified that perceived fairness leads to loyalty. This contrasting findings raise questions if price fairness is properly researched. 'Consumers' decisions to purchase a product/ service and the value they place on it largely depend on price of that product/ service (Diaz and Cataluna, 2011). Surprisingly, the authors have found that price is not given importance by customers who are loyal to a brand because loyalty hinders sensitivity towards price (Diaz and Cataluna, 2011). Value of a product/ service is determined by the price offered to get it (Cronin, Brady and Hult, 2000). Morganosky (1988) have found that price represents value and manufacturers with established brands should choose outlets to sell their products wisely to avoid customer dissatisfaction. From the service context, Kimes (2002) argues that customers who are charged with higher price for the same service he/she received previously will find way to churn or will probably never return. Sinha, and Batra in 1999, as cited by Taylor, and Kimes (2009) link perceived unfairness to customer dissatisfaction. Thus, it is important to further explore the relationship between price fairness, service value, price fairness and customer satisfaction.

H1: Price fairness positively influences service value.

H2: Price fairness has a positive relationship with hotel price satisfaction.

H3: Price fairness has a positive relationship with customer satisfaction.

Service Value

The concept of value has been widely used in pricing literature (Liljander and Strandvik, 1993; Matzler, Renzl and Rothenberger, 2006). Perceived value is the total benefits customers get over the price they pay for a service or a product (Liljander and Strandvik, 1993). Wong and Kim (2012) have found that customers who wish to fulfill their needs give importance to price while customers who seek value for a service or a product do not care about the price they pay. The authors further clarify that value seekers are frequent buyers compared to customers who seek a certain service or a product just to fulfill their needs (Wong and Kim, 2012). Two important service value dimensions include utilitarian value and hedonic value. Holbrook and Hirschman, in 1982 as quoted by Irani, and Hanzae, (2011) describe utilitarian value as the value that is related to certain objectives while hedonic value refers to feelings or fulfillment of pleasure. Both utilitarian, and hedonic shopping values have been found to influence satisfaction (Irani and Hanzae 2011; Eroglu, Machleit and Barr 2004). However, more research is warranted to validate the relationship between service value and satisfaction.

Many authors have studied the relationship between perceived value and customer satisfaction (Hellier, Geursen, Carr and Rickard, 2003; Fornell, Johnson, Anderson, Cha and Bryant, 1996; Cronin, Brady and Hult, 2000; Patterson and Spreng, 1997; McDougall, Ryu, Lee and Kim, 2012; Levesque, 2000). Similarly, Ismail and Khatibi (2004) argue that value is considered even by price-sensitive customers when they find a cheaper product or service is problematic or not in a satisfactory condition. This will then affect customers' satisfaction (McDougall, Ryu, Lee and Kim, 2012; Levesque,

2000). Furthermore, there are also ample of evidences that show the influence of value on future purchases (Hellier, Geursen, Carr and Rickard, 2003; Fornell, Johnson, Anderson, Cha and Bryant, 1996). However, the unclear link between service value and price satisfaction is a much undermined relationship (Voss, Parasuraman, and Grewal, 1998; Hallowell, 1996; Cronin, *et al.*, 2000). Thus, this gives an idea to establish possible relationships between service value, price satisfaction and customer satisfaction.

H4: *Service value has a positive relationship with hotel price satisfaction.*

H5: *Service value has a positive relationship with customer satisfaction.*

Hotel Price Satisfaction

According to Kimes, and Chase, in 1998, as cited by Noone and Mount, (2007), pricing is a strategic tool in revenue management. Zeithaml, *et al.*, (1993), point out that price is a measuring agent for quality and higher price represents high quality while lower ones represent lower quality. For instance, Matzler, Renzl and Rothenberger (2006) find that loyalty is strongly influenced by price satisfaction compared to service satisfaction. Meanwhile, Matzler, Wurtele and Renzl (2006) find price-quality, price fairness, relative prices, transparency of prices and reliability of prices have higher impact on consumer price satisfaction. In another study, Mattila and Choi (2008) identify that hotel pricing policies should be informed to guests in order to increase satisfaction. The authors have found that guests seem to understand price instability when reservation agents provide information about pricing (Mattila and Choi, 2008). Thus, given the influential role of different determinants of hotel price satisfaction, it is essential to explore the extent to which price fairness perceptions affect price satisfaction as well as customer satisfaction.

Taylor and Kimes (2009) identify that customer satisfaction could act as a motive to increase price. When customers are willing to pay more for a room, they will expect better services. Stock (2005) argues that customers are willing to pay more for higher satisfaction. This is consistent with several studies (Wong, *et al.*, 2009; Taylor, and Kimes, 2009) whereby the authors have also identified that higher expectation is expected when customers have higher willingness to pay. Noone and Mount (2007) on the other hand find that hotel price has direct relationship with return intentions. Meanwhile, when customers perceive price of a hotel room as higher than competitors', they might churn (Noone and Mount 2007). Furthermore, price has also been found to positively affect customer loyalty (Virvilaite, Saladiene and Skindaras, 2009). As evidences suggest that service firms give utter importance to customer satisfaction in order to compete with others (Jones and Sasser 1995; Noone and Mount 2007), it is important to further explore the extent to which price affects satisfaction in the hotel sector.

H6: *There is a positive relationship between hotel price satisfaction and customer satisfaction.*

Customer Satisfaction

Customer satisfaction studies have been done by many researchers (He, Li and Lai, 2011; Jiang and Zhao, 2010; Cobanoglu, Berezina, Kasavana and Erdem, 2011; Ledden,

Kalafatis and Mathioudakis, 2011). In a case study conducted in a hotel in Sicily, Italy, Dominici and Guzzo (2010) have found that service standardisation constraints satisfaction because customers are not able to customise their services. According to the authors, higher customer satisfaction could be achieved through customisation in services (Dominici and Guzzo 2010). Chand (2010) also argues that human resources practices help improve customer satisfaction and eventually performance of hotels. Similarly, Pugh, Dietz, Wiley and Brooks (2002) have focused their study on employees and have found a positive relationship between customer satisfaction and employee satisfaction. The authors have verified that satisfied employees are able to increase customer satisfaction (Pugh, Dietz, Wiley and Brooks 2002). Beatson, Coote and Rudd (2006) have also revealed that customers in hotels achieve higher satisfaction when they receive personal service from hotel employees compared to self-service technology where they have to self-serve themselves. This shows that hotel industry needs to give utter importance to value of the service delivered to customers in order to satisfy them. Besides that, this gives an idea that hotel customers prefer service received from hotels rather than 'doing it themselves'.

Service value is created through satisfaction where customers attempt to satisfy their needs (Dominici, 2010). He, *et al.*, (2011) have found that employee commitment and work facilitation increase customer satisfaction in hotels. The authors have concluded that service value is important and it should be explained well to all employees so that they are committed in their work to provide outstanding services in order to improve satisfaction (He, *et al.*, 2011). In another study, Jiang and Zhao (2010) argue that value is one of the important attributes to satisfy hotel customers. According to Cobanoglu, Ryan, and Beck, in 1999 as cited by Cobanoglu, *et al.*, (2011), guest satisfaction can be increased by enhancing technology related amenities as value-added services. 'Added-value' differentiates a hotel with its competitors and is considered a plus point to promote and to build better customer satisfaction and loyalty (Cobanoglu, *et al.*, 2011). Further evidence on perceived value and student satisfaction is presented by Ledden, *et al.*, (2011). However, past studies show that the link between service value and satisfaction needs to be clarified (Matzler, *et al.*, 2006; Jiang and Zhao, 2010). Thus, it is crucial to explore the relationship between service value and customer satisfaction.

Theoretical Framework

The following figure shows the theoretical framework established from the developed hypotheses.

MATERIALS AND METHODS

A 7-point Likert Scale has been employed to measure all the variables. To measure price fairness, questions have been adapted from previous research by Mattila, and Choi (2008) and Martin-Consuegra, Molina and Esteban (2007). Questions from studies by Matzler, Renzl and Rothenberger (2006) and Zielke (2008) have been adapted to measure price satisfaction. To measure service value, questions from studies by Akbar, Som, Wadood and Alzaidiyeen (2010), Zhang, Lam and Chow (2009), and Cronin, Brady and Hult (2000) have been adapted. Finally, questions from Martin-Consuegra, Molina and Esteban (2007), Matzler, Renzl and Rothenberger (2006), and

Cronin, Brady and Hult (2000) have been adapted to measure customer satisfaction. The questionnaire is shown in appendix 1.

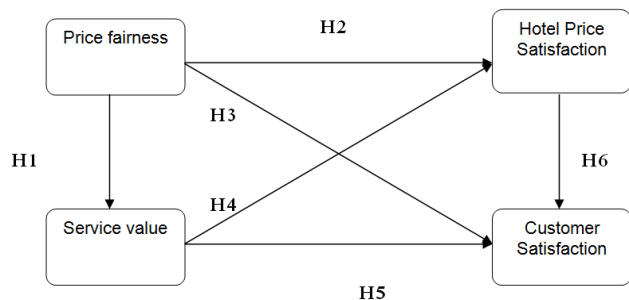


Figure 1. Theoretical Framework

81.48% visited a hotel in the past six (6) months, whereas 15 respondents or 18.52% did not visit any hotel. Thus, 15 responses have been excluded from the analysis and 166 responses have been used in the analysis.

Descriptive Statistics

Table 1 represents descriptive statistics of the study. Accordingly, mean value for 18 variables are above 4.0, whereas for the variable 'sameroomdiffpricefair', the mean value is below 4.0. Normal distribution has been seen as scatter plots and box plots have revealed normal data distribution. α value was more than .70 for all the dimensions under study.

Table 1. Descriptive Statistics

	N	Mean	Std. Deviation	Variance	Skewness	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
Fairpolicy	166	4.60	1.33	1.78	-.755	.295
Fairservice	166	4.87	1.23	1.50	-.454	.295
Pricefairness	166	4.68	1.50	2.25	-.616	.295
Ethicalpricingpolicy	166	4.27	1.40	1.95	-.228	.295
Acceptpricepolicy	166	4.88	1.18	1.40	-.735	.295
sameroomdiffpricefair	166	3.41	1.73	2.98	.094	.295
Pricesatis	166	4.54	1.35	1.82	-.545	.295
Cheapsatis	166	4.88	1.44	2.08	.218	.295
Expsatis	166	4.90	1.57	2.45	-.043	.295
Pricevaluesatis	166	4.68	1.33	1.76	-.406	.295
Satisbuild	166	5.30	1.30	1.69	-.417	.295
Demofurniamesatis	166	5.18	1.37	1.87	-.488	.295
Servicevalue	166	4.91	1.24	1.53	-.728	.295
Abilitytosatis	166	4.47	1.31	1.73	-.267	.295
Conve	166	4.82	1.26	1.60	-.495	.295
Overallservice	166	4.82	1.26	1.60	-1.014	.295
Purchasedecision	166	4.71	1.33	1.78	-.694	.295
Wisedecision	166	4.60	1.42	2.03	-.320	.295
Serneed	166	4.77	1.26	1.59	-.643	.295

Table 1. Results of Correlation Analysis

		pricefairness variables	Hotel price satisfaction	Service value variables	Customer satisfaction variables
pricefairnessvariables	Pearson Correlation	1	.805**	.714**	.769**
	Sig. (2-tailed)		.000	.000	.000
	N	166	166	166	166
Hotelpricesatisfaction	Pearson Correlation	.805**	1	.883**	.847**
	Sig. (2-tailed)	.000		.000	.000
	N	166	166	166	166
Servicevaluevariables	Pearson Correlation	.714**	.883**	1	.843**
	Sig. (2-tailed)	.000	.000		.000
	N	166	166	166	166
Customersatisfactionvariables	Pearson Correlation	.769**	.847**	.843**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	166	166	166	166

** . Correlation is significant at the 0.01 level (2-tailed).

Questionnaires have been created on internet-based survey polls such as Survey Monkey, Freeonline surveys, dotSurvey and have been posted on Facebook. The questionnaire [Appendix 1] contains 23 questions which measures demographic details, price fairness, service value and customer satisfaction.

Analysis

54.32% of total respondents were males while 45.68% represents female respondents. Next, a total of 184 respondents were Malaysians who represent 77.78% while 18 respondents were non-Malaysians which represent 22.22%. Out of all the respondents from the sample, 166 respondents who represent

Correlation Analysis

Correlation analysis has supported all the hypotheses whereby positive correlations have been found between all the variables. Correlation between price fairness and service value is .769 with a p value <.01 which supports H1. The correlation between price fairness and hotel price satisfaction is 0.805 which indicates that there is a strong, and positive correlation between price fairness and price satisfaction. This supports H2. H3 is also supported whereby a positive relationship is found between price fairness and customer satisfaction which is significant at .769. H4 is also supported as service value is found to affect hotel price satisfaction positively with a significant p value of .883. Next, H5 is also supported with a

positive relationship found between service value and customer satisfaction which has a p value of .843. Finally, hotel price satisfaction is positively affecting customer satisfaction which supports H6. The p value is .847.

Regression

Simple Linear Regression tests have been conducted between dependant and independent variables to evaluate how well a dependant variable can predict an independent variable. The test results are as follow.

Table 2. Model Summary of price fairness and hotel price satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.714 ^a	.698	.656	2.34428

a. Predictors: (Constant), pricefairnessvariables
 b. Dependent Variable: Servicevaluevariables

Price fairness explains 69.8% of service value with a p value= $<.01$. This shows that there is a positive relationship between price fairness and service value. Thus H1 is supported.

Table 4. Model Summary of price fairness and hotel price satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.805 ^a	.648	.643	2.11627

a. Predictors: (Constant), pricefairnessvariables
 b. Dependent Variable: Hotelpricesatisfaction

Model summary reveals that R² score 64.8% of the variation in price fairness data is explained by hotel price satisfaction. This shows that price fairness is a strong predictor of hotel price satisfaction. Coefficient result shows p value 0.000 > 0.05 and $\beta = 0.441$ which shows a positive correlation between the variables which supports H2.

Table 3. Model Summary of price fairness and customer satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.769 ^a	.592	.585	2.25102

a. Predictors: (Constant), pricefairnessvariables
 b. Dependent Variable: Customersatisfactionvariables

Model summary shows about 59.2% of price fairness variables explain customer satisfaction. In addition, the p value= 0.000 which supports H3.

Table 6. Model Summary of service value and hotel price satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.883 ^a	.780	.777	1.67319

a. Predictors: (Constant), Servicevaluevariables
 b. Dependent Variable: Hotelpricesatisfaction

About 78.0% of service value variables predict hotel price satisfaction variables. The p value which is 0.000, and $\beta = 0.638$ suggest that there is a positive correlation between the variables thus supports H4.

Table 7. Model Summary of service value and customer satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.843 ^a	.710	.706	1.89603

a. Predictors: (Constant), Servicevaluevariables
 b. Dependent Variable: Customersatisfactionvariables

R²value of 71.0% indicates service value as a strong predictor of customer satisfaction. Besides, p value 0.000 suggests that H5 is accepted ($0.000 < 0.05$). The relationship between the variables is positive because β value is 0.601.

Table 4. Model Summary of service value and customer satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.847 ^a	.701	.696	1.6789

a. Predictors: (Constant), Hotelpricesatisfaction
 b. Dependent Variable: Customersatisfactionvariables

Evidently, hotel price satisfaction explains 70% of customer satisfaction. The p value is significant at $<.010$. This supports H6 that there is a positive relationship between hotel price satisfaction and customer satisfaction.

Correlation between Tested Variables

The following figure summarises all the results from correlation and regression analysis.

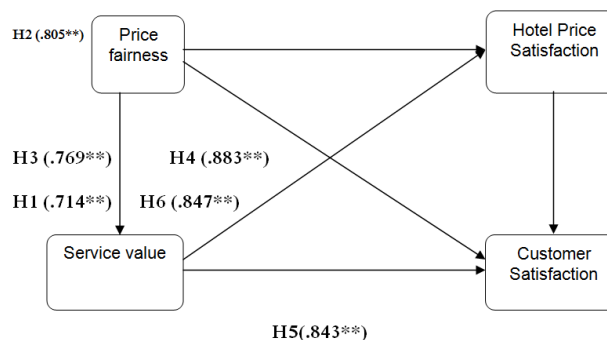


Figure 2. Correlation between tested variables

DISCUSSION

H1 is supported whereby the p value is 0.714 which confirms a positive relationship between price fairness and service value. His finding is consistent with several past studies (Morganosky, 1988; Kimes, 2002; Liljander, and Strandvik, 1993; Wong, and Kim, 2012). Thus, it is evident that customers’ perceive higher service value if they find the price they are paying for a service is fair. Next, price fairness is also found to positively affect hotel price satisfaction which supports H2. The p value is 0.805 whereby a strong and a positive correlation has been found between the two. The R²value confirms that price fairness explains 64.8% of price satisfaction. This finding is consistent with past studies (Matzler, et al 2006; Matzler, Renzl, and Faullant, 2007). Thus, it can be concluded that price fairness increases customers’ price satisfaction. H3 is also supported whereby a positive relationship between price fairness and customer satisfaction have been found. The p value is 0.787 which is

consistent with past studies by Consuegra, Molina and Esteban (2007); Bolton and Lemon, (1999); and Hanif, *et al.*, (2010). This shows that leisure travelers in Malaysia are satisfied when they perceive the price they pay for hotel rooms as fair. Next, a positive correlation has been found between service value and price satisfaction which supports H4. The p value for this relationship is 0.739 which suggests a positive relationship between the variables. This finding is consistent with some previous studies (Voss, Parasuraman, and Grewal, 1998; Hallowell, 1996; Cronin, *et al.*, 2000). Therefore, it can be concluded that, when service value is high, customers' satisfaction towards the price they pay will be higher as well. Next, there is also a positive relationship between service value and customer satisfaction with a p value of .843 which supports H5.

The regression result shows that sprapproximately 71.0% of service value explains customer satisfaction. This also shows that service value is also a strong and useful predictor of customer satisfaction among Malaysian leisure travelers. This finding is consistent with previous studies (Cronin, *et al.*, 2000; Morganosky, 1988; Ledden, *et al.*, 2011). Therefore, it can be concluded that Malaysian leisure travelers get higher satisfaction when they perceive services they receive as of high value. Finally, there is also a positive and strong relationship found between hotel price satisfaction and customer satisfaction. The p value is 0.847 which supports H6. This confirms that when hotel price satisfaction increases, customer satisfaction also increases. This result is consistent with the study conducted in banking industry by Lymperopoulos, and Chaniotakis, (2008) whereby the authors have found a positive relationship between price satisfaction and customer satisfaction. This study hence confirms that price satisfaction does affect customer satisfaction in the hotel industry.

Conclusion

Customer satisfaction in service industry has been extensively researched by many scholars and various attributes have been identified to satisfy customers (Miremadi, 2012; Brady *et al.* 2012; Chrzan, and Kemery, 2011; Brady, Voorhees, and Brusco, 2012). Service quality, perceived value, and price are among several common attributes that satisfy customers. As the service has greater heterogeneity customers do not always get the same experience every time they stay in a hotel (Wall, Okumus, Wang, and Kwun, 2011). Based on this factor, scholars have paid extra attention to customer satisfaction in the services industry.

As a result, service quality attributes, perceived value, price, physical environment, and human interaction dimensions have been identified as important indicators of customer satisfaction in the past years. However, this study has explored some of the deprived antecedents of customer satisfaction such as price, service value and price satisfaction. The findings of this study explain that service value has the strongest relationship with customer satisfaction compared to other variables. Meanwhile, price fairness is the best predictor of price satisfaction. Another crucial finding is that price fairness positively influences service value. When price fairness is ignored by hoteliers, it would lead to price dissatisfaction and later to customer dissatisfaction. Similarly, when service value is ignored, customer satisfaction is deeply affected. Thus, to ensure greater customer satisfaction, it is crucial to give

importance to price fairness so that it does not affect service value customers receive and satisfaction dimensions.

Limitations and future research

Though the test results have signified some similar findings with previous studies, few limitations were present in the research setting. The sample size for the study was only 166. Thus, a larger sample should be used in future studies. Next, this study has only focused on the hotel sector in Malaysia. This limits the generalizability of the findings. Hence, it is crucial to replicate this study in other sectors and in other settings. Finally, only correlation and regression analysis have been conducted in this study which limits detailed exploration into the investigated variables. Thus, future researchers should apply structural equation modelling to investigate the extent to which all the measured variable affect each other.

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APPENDIX

Appendix 1 Questionnaire Survey]

This questionnaire is designed to identify the relationship between hotel price, and value, with price satisfaction, and customer satisfaction. The collected data will be kept confidential and will be only used for statistical purposes.

Age 20-29 30-39 40-49 over 50

Gender Male Female

Nationality Malaysian Non-Malaysian

Have you stayed in any hotel in the past six (6) months?

Yes No

(Please proceed to the next question). (Thank you for your participation).

	Strongly Disagree	Disagree	Agree	Strongly Agree							
1. I consider the hotel's pricing policy and practice as fair.					1	2	3	4	5	6	7
2. I consider the hotel's overall service as fair.					1	2	3	4	5	6	7
3. I paid a fair price for the hotel room.					1	2	3	4	5	6	7
4. I consider the hotel's pricing policy as ethical.					1	2	3	4	5	6	7
5. I consider the hotel's pricing policy as acceptable.					1	2	3	4	5	6	7
6. When my friend and I book the same type of hotel room on the same day but have paid different prices, I consider it as fair.					1	2	3	4	5	6	7
7. I am satisfied with the hotel's price.					1	2	3	4	5	6	7
8. If I am booking a hotel room, and the room price level is very cheap, I feel satisfied.					1	2	3	4	5	6	7
9. If I am booking a hotel room, and the room price level is very expensive, I feel dissatisfied.					1	2	3	4	5	6	7
10. The value I receive at the hotel for the price I pay is satisfying.					1	2	3	4	5	6	7
11. I am satisfied with the hotel building.					1	2	3	4	5	6	7
12. I am satisfied with the hotel decoration, furniture, and amenities.					1	2	3	4	5	6	7
13. Overall, the value of this facility's services to me is satisfying.					1	2	3	4	5	6	7
14. Compared to what I had to give up, the overall ability of this facility to satisfy my wants and needs is high.					1	2	3	4	5	6	7
15. Overall, the convenience I get in the hotel is satisfying.					1	2	3	4	5	6	7
16. I am satisfied with the hotel's overall service.					1	2	3	4	5	6	7
17. I am satisfied with my purchase decision.					1	2	3	4	5	6	7
18. My choice to purchase this service was a wise one.					1	2	3	4	5	6	7
19. This facility is exactly what I needed for this service.					1	2	3	4	5	6	7

END OF QUESTIONNAIRE

THANK YOU
