

Case Study: Consumer Behavior at Hotel Santika Banyuwangi

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Abstract

This study aims to evaluate consumer behavior at Hotel Santika Banyuwangi and understand the factors that influence customer satisfaction and loyalty. A mixed method was used in this study, involving an online survey to 453 respondents, in-depth interviews with hotel guests and management staff, and direct observation. The main findings indicate that service quality, hotel facilities, added value, location, price perception, and reviews and recommendations are key factors that influence customer satisfaction and loyalty. In conclusion, by improving service quality, maintaining facilities, offering added value, utilizing strategic locations, managing price perception, and actively managing online reviews, Hotel Santika Banyuwangi can achieve higher customer satisfaction and build long-term loyalty. This study provides valuable insights for hotel management in developing more effective marketing and service strategies.

Keywords : Consumer Behavior, Customer Satisfaction, Customer Loyalty, Hotel Santika Banyuwangi, Hospitality Industry

JEL Classification : L83,M31,D12,Z31,L84

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Introduction

Consumer behavior is one of the most crucial aspects in the hospitality industry, as purchasing decisions and customer satisfaction greatly affect a hotel's performance and reputation. Understanding consumer behavior allows hotel management to develop more effective marketing strategies, improve services, and build customer loyalty. In the context of intense competition in the hospitality industry, in-depth knowledge of consumer preferences and needs can provide a significant competitive advantage (Murniati & Bawono, 2020).

Hotel Santika Banyuwangi was chosen as a case study because it represents a hotel that has successfully positioned itself as the main choice for tourists visiting Banyuwangi. The hotel is known for its high-quality service and commitment to customer satisfaction. Banyuwangi itself is an increasingly popular tourist destination, with charming natural attractions such as Alas Purwo National Park, Ijen Crater, and beautiful beaches that attract both domestic and international tourists. Therefore, understanding consumer behavior at Hotel Santika Banyuwangi can provide valuable insights into the factors that influence purchasing decisions and customer satisfaction in the context of a rapidly growing tourist destination.

This study is also important because it can identify trends and patterns of consumer behavior that can help Hotel Santika Banyuwangi and other hotels in the region to adjust their business strategies. By knowing what consumers' priorities and expectations are, hotels can improve service quality, adjust product offerings, and create a more satisfying experience for customers. The results of this study are expected to make a significant contribution to the academic literature on consumer behavior in the hospitality industry and provide practical recommendations for hotel management.

In the digital and social media era, consumer behavior is also influenced by online reviews and recommendations from digital platforms (Chapuzet & Bawono, 2021). Therefore, this study will explore how these factors affect consumer perceptions and purchasing decisions at Hotel Santika Banyuwangi. By understanding the role of digital media in consumer behavior, hotels can be more effective in managing their online reputation and utilizing digital platforms to attract more customers.

The goal of this study is to give a thorough grasp of Hotel Santika Banyuwangi's customer behavior in order to enhance the establishment's marketing and service plans. As a result, the hotel can keep up its leadership position in the Banyuwangi hospitality sector while also adjusting to the shifting demands and expectations of its clientele.

Literature review

The study of how people or groups choose, pay for, utilize, and discard products, services, concepts, or experiences to fulfill their needs and desires is known as consumer behavior. Businesses must comprehend consumer behavior in order to create marketing strategies that work and better satisfy the wants of their clientele (Chapuzet & Bawono, 2021).

Customers buy goods or services to fulfill particular requirements or desires. The reasons behind consumer purchases are explained by theories like Maslow's Hierarchy of Needs. Consumer behavior is heavily influenced by needs and motivation. Consumers purchase products or services to satisfy a variety of needs and wants, ranging from basic needs to higher aspirations. Theories such as Maslow's Hierarchy of Needs are helpful in explaining the motivations behind consumer purchasing decisions. This theory structures human needs in the form of a pyramid, from the most basic to the most complex, and suggests that higher needs only become motivators once basic needs have been met (Murniati & Bawono, 2020).

The study of consumer behavior looks at how people or groups decide which goods and services to buy, use, and discard in order to fulfill their needs and desires. Companies must have a thorough understanding of consumer behavior in order to create creative and successful marketing tactics. The factors that influence this behavior are very diverse and interrelated, ranging from basic motivations to the influence of sophisticated technology (Paço, Leal Filho, Ávila, & Dennis, 2021).

Before deciding to buy a product or service, customers go through a number of processes known as the consumer decision-making process. Companies must comprehend this process in order to influence the purchasing decisions of their customers. Problem identification, information search,

alternative assessment, purchase choice, and post-purchase behavior are the steps in this process (Petcharat & Leelasantitham, 2021).

Consumer perceptions of a brand or product play an important role in shaping their purchasing decisions. These perceptions are built from various sources, including personal experiences, advertising, and the opinions of others. Personal experience is one of the strongest factors influencing consumer perceptions. Positive brand experiences increase the likelihood that customers will have favorable opinions of the company and make additional purchases from it. Conversely, negative experiences can cause consumers to avoid that brand in the future (Korenkova, Maros, Levicky, & Fila, 2020).

Emotions often play a big role in consumer purchasing decisions. Products or services that can trigger positive emotions, such as happiness, satisfaction, or joy, tend to be more appealing and more frequently purchased. This is because positive emotions can create strong associations with a brand or product, making consumers feel more emotionally connected and more likely to make repeat purchases (Vaidya & Kalita, 2021).

Advances in technology, especially the internet and social media, have brought about major changes in consumer behavior. Consumers now have access to more information and choices than ever before. With just a few clicks, they can search for product information, read reviews, compare prices, and find the best deals. This ease of access gives consumers more power to make more informed decisions (Suherlan & Okombo, 2023).

Consumer satisfaction after purchase is a key element that can influence loyalty and future purchasing behavior. When consumers are satisfied with the products or services they purchase, they tend to develop a positive emotional connection with the brand. This often leads to repeat purchasing behavior, where consumers prefer to repurchase products from the same brand rather than try new brands. This kind of loyalty is very valuable to companies because it helps ensure stable revenue and reduces the cost of acquiring new customers (Muharam, Chaniago, Endraria, & Harun, 2021). Economic factors such as income, prices, and market conditions play an important role in influencing consumer behavior. When economic conditions change, consumers' ability and propensity to purchase certain products may also change. For example, an increase in consumers' income usually increases their purchasing power, allowing them to buy more goods or services, or even more luxurious items. Conversely, if income decreases, consumers may have to adjust their spending and focus more on basic needs (Qazzafi, 2020).

Research Method

This study's research methodology is a mixed method that blends quantitative and qualitative techniques. Researchers can obtain a more thorough grasp of Hotel Santika Banyuwangi's patron behavior by employing a combination of methodologies.

To acquire comprehensive insights into the experiences and viewpoints of guests staying at Hotel Santika Banyuwangi, a qualitative technique is employed. Qualitative data will be collected through in-depth interviews with hotel guests and management staff. These interviews aim to understand the factors that influence customer satisfaction, loyalty, and perceptions of the

services provided by the hotel. Thematic analysis will be used to identify patterns and themes that emerge from these interviews.

A quantitative approach is used to measure and analyze numerical data related to consumer behavior. An online survey will be conducted to hotel guests who have stayed at Hotel Santika Banyuwangi in the past year. The survey's questionnaire will measure satisfaction, loyalty, and variables influencing purchasing decisions using a Likert scale and closed-ended questions. Descriptive and inferential statistical methods will be used to examine survey data in order to find patterns and correlations between variables.

The goal of this study is to present a more comprehensive view of Hotel Santika Banyuwangi's customer behavior by integrating qualitative and quantitative methodologies. A qualitative approach will provide context and in-depth insights that may not be revealed through quantitative data alone, while a quantitative approach will allow the generalization of research results to a wider population. The integration of these two approaches will help researchers confirm the findings and increase the validity and reliability of the research results.

This study uses multiple data sources to gain comprehensive insights into consumer behavior at Hotel Santika Banyuwangi. The main data sources used are consumer surveys, interviews, and direct observation.

Consumer Survey: Hotel visitors who had stayed at Hotel Santika Banyuwangi over the previous 12 months were asked to complete an online survey. Closed-ended questions and a Likert scale were employed in the survey's questionnaire to gauge respondents' satisfaction, loyalty, and the variables affecting their decisions to buy. The purpose of this survey is to gather quantitative information that can be statistically examined to find patterns and trends in customer behavior.

Interviews: To acquire qualitative insights into the experiences and opinions of hotel guests and management regarding the services offered by Hotel Santika Banyuwangi, in-depth interviews were carried out with both groups. In addition to offering context and information that quantitative surveys might not have revealed, these interviews assisted in examining the variables that affect consumer happiness and loyalty. Patterns and themes that surfaced from these interviews were found using thematic analysis.

Direct Observation: Direct observation was conducted by the researcher at Hotel Santika Banyuwangi to observe the interaction between guests and staff, as well as to evaluate the facilities and services provided by the hotel. This observation provided additional data that helped strengthen the findings from the survey and interviews. Direct observation allowed the researcher to see firsthand how hotel services were delivered and how guests reacted to them.

By combining data from consumer surveys, interviews, and direct observation, this study is expected to provide a deeper and more comprehensive understanding of consumer behavior at Hotel Santika Banyuwangi. This multi-source approach ensures that the data collected reflects diverse perspectives and can provide richer insights for analysis.

The data in this study were collected through several structured steps and used various instruments to ensure the accuracy and relevance of the information obtained. The data collection

procedure involved three main methods: consumer surveys, in-depth interviews, and direct observation.

1. **Consumer Survey:** The survey was conducted online to guests who had stayed at Hotel Santika Banyuwangi in the past year. The questionnaire was designed using a Likert scale to measure levels of satisfaction, loyalty, and factors that influence purchasing decisions. The questionnaire included closed-ended questions related to guest experience, service quality, hotel facilities, and staff interactions. The survey link was emailed to guests who agreed to participate in the study. Data from the survey were statistically analyzed to identify trends and patterns in consumer behavior.

2. **In-depth Interviews:** To acquire qualitative insights into the experiences and opinions of hotel guests and management regarding the services offered by Hotel Santika Banyuwangi, in-depth interviews were carried out with both groups. To make sure that all pertinent subjects were discussed throughout the interviews, a structured interview guide was employed. The interview guide's questions were created to delve further into the elements that affect patron loyalty, satisfaction, and opinions of hotel services. With the respondents' permission, interviews were videotaped, and thematic analysis was used to find important themes and patterns in the transcripts.

3. **Direct Observation:** Direct observation was conducted by the researcher on-site at Hotel Santika Banyuwangi. The researcher observed interactions between guests and hotel staff, as well as evaluating the facilities and services provided by the hotel. These observations were intended to collect additional data to support the findings from the survey and interviews. The researchers recorded their observations in detail and used these notes to assess service quality, operational efficiency, and staff responsiveness to guest needs.

By using these three methods, the study ensured that the data collected reflected diverse perspectives and provided a comprehensive understanding of consumer behavior at Hotel Santika Banyuwangi. This multi-source approach also allowed for data triangulation, which increased the validity and reliability of the study results.

Both statistical and thematic analysis were employed as data analysis techniques in this study. The researchers were able to obtain thorough and in-depth understanding of Hotel Santika Banyuwangi's patron behavior by employing both approaches.

Statistical Analysis: Statistical analysis methods will be used to examine the quantitative data gathered from the online survey. Descriptive analysis is the first step in this procedure, which gives a general picture of the respondents' traits and the distribution of their answers. For the variables being measured, this stage entails computing means, standard deviations, frequencies, and percentages. The study hypotheses will then be tested, and the relationships between the important variables will be ascertained, using inferential analysis. Techniques used may include linear regression, analysis of variance (ANOVA), or t-tests, depending on the type of data and the specific research question. This analysis will be conducted using statistical software such as SPSS or Smart PLS 3.0 to ensure the accuracy and reliability of the results.

Thematic Analysis: Qualitative data obtained from in-depth interviews will be analyzed using thematic analysis method. This process involves transcribing interviews and reading the transcripts in depth to identify key themes emerging from the data. The initial stage of thematic analysis involves open coding, where relevant pieces of data are labeled with codes. Similar codes are then grouped into larger themes. This analysis aims to gain in-depth insights into consumer perceptions and experiences, as well as the factors that influence their satisfaction and loyalty. This approach allows researchers to understand the nuances and complexities of consumer behavior that may not be revealed through statistical analysis alone.

Data Triangulation: By combining statistical and thematic analysis, this study applies data triangulation techniques to increase the validity and reliability of the findings. Data triangulation allows researchers to verify findings through multiple sources and methods, thus ensuring that the results of the study are more comprehensive and credible. For example, findings from statistical analysis can be compared and confirmed with insights from thematic analysis, providing a more holistic picture of consumer behavior at Hotel Santika Banyuwangi.

Through these diverse data analysis methods, this study is expected to provide a deep understanding of the factors that influence consumer behavior and provide useful recommendations for hotel management in improving their marketing and service strategies.

Research Result

This study involved 453 respondents who had stayed at Hotel Santika Banyuwangi in the past year. The following demographic information describes the profile of respondents who participated in this survey presented in table 1.

Table 1. Respondents

Gender	Age	Level of education	Employment Status	Monthly Income
58% Woman	18-25 year: 25%	High School : 20%	Working full time: 60%	< Rp 5.000.000: 30%
42% Man	26-35 year: 35%	3-year diploma : 15%	Working part time: 10%	Rp 5.000.000 - Rp 10.000.000: 40%
	36-45 year: 20%	Bachelor degree : 45%	Student:20%	Rp 10.000.001 - Rp 15.000.000: 20%
	46-55 year: 12%	Master degree: 15%	Retired:5%	> Rp 15.000.000: 10%
	> 55 year: 8%	Doctor: 5%	Doesn't work:5%	

The results of data analysis from surveys, interviews, and direct observations at Hotel Santika Banyuwangi revealed several key findings regarding factors that influence customer satisfaction and loyalty. The quality of service provided by hotel staff turned out to be the main factor influencing customer satisfaction. Respondents stated that the friendliness, professionalism, and responsiveness of staff were very important in creating a satisfying stay experience. In addition, the availability and condition of hotel facilities, such as room cleanliness, bed comfort, swimming pool facilities, and restaurants, greatly influenced customer satisfaction. Respondents who gave high ratings to hotel facilities showed a higher level of satisfaction and were more likely to return to the hotel.

Providing added value, such as free shuttle service, free breakfast, and special discounts for guests staying more than one night, also played a role in increasing customer satisfaction. These offers made customers feel appreciated and got more than they paid for. In addition, the strategic location of Hotel Santika Banyuwangi which is close to various major tourist attractions also contributed to customer satisfaction. Respondents appreciated the easy access to various tourist destinations which made their stay experience more enjoyable and practical.

The perception of the price paid for the services and facilities provided also influenced customer satisfaction. Respondents who felt that the price they paid was commensurate with the quality of service and facilities received tended to be more satisfied and loyal to the hotel. Positive reviews from previous customers and recommendations from friends or family also had a significant impact on purchasing decisions and customer loyalty. Respondents who read positive reviews before booking a room felt more confident in their choice and tended to have a more positive stay experience. By understanding and managing factors such as service quality, hotel facilities, added value, location, price perception, and reviews and recommendations, hotel management can improve their marketing and service strategies to achieve higher customer satisfaction and maintain customer loyalty. The results of this study indicate that paying attention to customer needs and expectations is key to creating a satisfying stay experience and encouraging long-term loyalty.

In the context of consumer behavior theory, the findings that service quality, hotel facilities, added value, location, price perception, and reviews and recommendations are the main factors influencing customer satisfaction and loyalty reinforce several existing consumer behavior theories. The Theory of Planned Behavior (TPB), for example, explains how consumers' attitudes toward hotel service quality and facilities, as well as social support from positive reviews and recommendations, can influence their purchase intentions and decisions. Positive attitudes formed from direct experience and information from others will strengthen the intention to return to stay at the same hotel, which ultimately increases customer loyalty.

The finding that hotel location contributes significantly to customer satisfaction is also in line with the Value-Belief-Norm Theory (VBN), which suggests that consumers' values and beliefs about convenience and accessibility can influence their behavior. In the context of Hotel Santika Banyuwangi, a strategic location close to major tourist attractions is an important added value for consumers, increasing their satisfaction and encouraging the intention to return to stay at the hotel.

In hotel management practice, the implications of these findings are very clear. Hotel Santika Banyuwangi management should continue to focus on improving the quality of their services and facilities to ensure high customer satisfaction. Continuous training for hotel staff to improve their friendliness, professionalism, and responsiveness is essential. In addition, investment in the maintenance and improvement of hotel facilities should be a priority to ensure that facilities are always in optimal condition.

Added value such as free shuttle service, free breakfast, and special discounts should also continue to be provided and well communicated to customers to create a more satisfying stay experience. In the digital era, it is important for hotel management to actively manage online

reviews and utilize social media platforms to build a positive reputation and attract more customers. Positive reviews and recommendations from previous customers greatly influence consumer purchasing decisions, so management must ensure that every guest has an extraordinary experience that will encourage them to provide positive reviews.

In addition, findings regarding price perception indicate that management must maintain a balance between the price offered and the quality of services and facilities provided. Determining the right price, which is comparable to the value perceived by customers, will help increase customer satisfaction and loyalty. Hotel management must continue to monitor price perception and make necessary adjustments to ensure that the price offered remains competitive and in line with customer expectations.

Overall, the findings of this study emphasize the importance of understanding and managing the factors that influence customer satisfaction and loyalty in the hospitality industry. By implementing appropriate strategies based on these findings, Hotel Santika Banyuwangi can improve service quality, customer satisfaction, and loyalty, which will ultimately improve overall business performance. This study also provides important contributions to the academic literature on consumer behavior in the hospitality industry, and offers practical recommendations that other hotels can implement to achieve similar success.

Conclusion

This study evaluates the impact of supply chain management, corporate social responsibility, and intellectual resources on the performance of Small and Medium Enterprises (SMEs) at Hotel Santika Banyuwangi, focusing on innovation as a connecting variable. The main findings of this study indicate that the quality of service provided by hotel staff, the availability and condition of hotel facilities, the provision of added value, strategic location, price perception, and reviews and recommendations are key factors that influence customer satisfaction and loyalty. The quality of service and friendliness of hotel staff are proven to be the main factors that increase customer satisfaction. Adequate hotel facilities, such as room cleanliness and bed comfort, also have a significant influence on guest satisfaction levels. In addition, added value such as free shuttle service and free breakfast contribute positively to a more satisfying stay experience. The strategic location of Hotel Santika Banyuwangi which is close to major tourist attractions increases ease of access for guests, thereby increasing their satisfaction. The perception of price that is in accordance with the quality of service and facilities received makes guests feel that they are getting value for money. Positive reviews and recommendations from previous customers also play an important role in forming positive perceptions and increasing customer loyalty. This study confirms that innovation in products and services is an important factor that can mitigate the impact of supply chain management, corporate social responsibility, and intellectual resources on SME performance. By emphasizing the importance of innovation, Long-term loyalty and increased customer satisfaction are possible at Hotel Santika Banyuwangi. All things considered, the study's conclusions offer the Hotel Santika Banyuwangi's management insightful information for creating more successful marketing and service plans. The hotel can continue to adjust to shifting client demands and expectations and hold its position as the industry leader in Banyuwangi by comprehending and controlling the elements that affect patron happiness and loyalty. Along with making useful suggestions that other hotels might use to attain comparable

success, this study makes a substantial contribution to the body of knowledge on consumer behavior in the hotel sector.

Practical Recommendations

To improve customer satisfaction and loyalty at Hotel Santika Banyuwangi, management should focus on improving the quality of service provided by staff, maintaining and improving hotel facilities, and offering added value such as free shuttle service and free breakfast. The hotel's strategic location close to major tourist attractions should be utilized in marketing materials. To make sure that clients believe they are getting value for their money, it is crucial to manage price perceptions that are consistent with the caliber of services and amenities obtained. Additionally, management should take proactive measures to manage internet reviews by promptly and expertly answering to favorable and negative feedback. Hotel Santika Banyuwangi can increase customer happiness, foster enduring loyalty, and solidify its standing as the leading option for travelers visiting Banyuwangi by putting these strategies into practice.

Research Limitations

This study has several limitations that need to be considered. First, this study was limited to a sample of 453 respondents who stayed at Hotel Santika Banyuwangi in the past year. Although this number provides a fairly comprehensive picture, the results of the study may not fully represent the entire population of hotel guests. Future research can expand the sample by involving more respondents from different time periods and backgrounds. Second, this study used online survey and in-depth interview methods, which may have biases in data collection. Respondents who chose to participate in the online survey may have different characteristics than those who did not participate. In-depth interviews, although providing valuable qualitative insights, may not cover the full spectrum of customer experiences. Future research can use more diverse data collection methods, such as more extensive field observations and face-to-face surveys, to reduce potential bias. Third, this study focused on certain factors that influence customer satisfaction and loyalty, such as service quality, hotel facilities, and location. However, there are many other factors that may have an impact, such as competitive pricing, loyalty programs, and social media influence, which were not explored in this study. Future research could expand the scope by including additional relevant variables to gain a more comprehensive understanding of consumer behavior. Fourth, this study was conducted in a single hotel in a single geographic location. The results may not be fully applicable to hotels in other locations or to the hospitality industry in general. Future research could conduct comparative studies across hotels and locations to evaluate whether the findings are consistent across geographic and cultural contexts. Lastly, this study was cross-sectional, meaning the data were collected at a single point in time. This limits the ability to observe changes in consumer behavior over time. Future longitudinal research could provide better insight into the dynamics of consumer behavior change and the factors that influence it over the long term. With these limitations in mind, future research could refine or expand these findings, providing richer and more accurate insights into consumer behavior in the hospitality industry.

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