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SERVICES DELIVERY IN BUDGET HOTELS FOR CUSTOMER SATISFACTION AND LOYALTY

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ABSTRACT: This research aimed to investigate the management of services delivery in budget hotels for customer satisfaction and loyalty under comparison for Poland & Slovakia. The study novelty is in its significance to the budget hotel sector and its continuous growth, success, and sustainability in the hospitality industry. The research focused on classifying the factors influencing customer satisfaction and loyalty, in addition to evaluating their effect. The research adopted a quantitative methodology, where primary data was collected from customers who have visited budget hotels. A total of 271 and 335 respondents were used for Poland and Slovakia respectively. The analysis was conducted using Partial Least Square Structural Equation Modelling (PLS-SEM). The results of the research indicated that core attributes were found to be significant influencers of customers' satisfaction in both Poland and Slovakia. Also, service design was found to significantly influence customer satisfaction as well as customer loyalty. However, auxiliary attributes were found to significantly influence customer loyalty only in Slovakia. The research recommended that core attributes of a budget hotel, which determine the quality of service offered by the budget hotels are important in helping budget hotel managers develop services strategies that would enhance their customers' experience, satisfaction, and the ultimate customer loyalty. Service design factors should be emphasized including developing a culture of delivering services quickly and responsively.

KEYWORDS: *Business growth, enabling environment, female entrepreneurs, local government management, Poland, Slovakia*

JEL CLASSIFICATION: *O14, N70, Z32*

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1. INTRODUCTION

Various factors continue to influence the consumers' choice of hotels in the hospitality industry. The location of the hotel forms the central factor in the consumer choice of hotels. Individuals need to find a place that is easy to reach and saves time and energy in traveling (Dordevic & Jankovic, 2015; Ruetz & Marvel, 2011). The other factors include the services offered, modern amenities, and

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ratings and reviews. However, the aspect of price is the major factor influencing consumer preference of the hotel of choice. Budget hotels continue to be consumer favorites due to their ability to provide minimum amenities and services at lower prices than regular hotels. According to (Fiorentino, 1995), budget hotels provide clean and safe rooms for the customers that meet their basic needs at lower prices. Budget hotels also offer extra amenities similar to those offered at luxury hotels but for lower costs.

The budget hotel sector was established in 1985 in the UK, and it experienced growth over the years in the US and French hospitality industry. The budget hotel industry was developed for the short-stay travelers on low budgets, and it grew to have commercial success in the hospitality industry in various countries (Bačík et al., 2019; Peng et al., 2015). Although there are differences in budget hotels in various hospitality industries, the budget hotels have broad similarities, including low prices for their services compared to the regular hotels, limited range of services, and strategic location such as along major highways (Ruetz & Marvel, 2011; Narangajavana & Hu, 2008). The majority of the budget hotel customers are business travelers and are often concerned with the price, cleanliness of the hotels, and the convenience of the hotel location in making their booking decisions.

The levels of customer satisfaction significantly influence the success of the hotel business. Customer satisfaction and the intention to book a particular hotel are affected by the service quality factors such as reliability, responsiveness, tangibles, and empathy. Customer loyalty in the hotel industry is the sum of the hotel brand that influences the customers' frequency in a particular hotel (Kozicka & Szopa, 2016; Rahimi & Kozak, 2011). The hotel brand on the consumer is influenced by what is seen, heard, and experienced by the customers influencing their increased frequency for the hotel booking and services. Customer satisfaction thus measures the customer's expectations of the hotel product and services, while customer loyalty measures how the products and services influence the hotel customers.

Budget hotel customers are often concerned about the value for money and convenience. In the study by (Ren et al., 2015), the authors found out that most of the budget hotel customers were concerned with the service quality of the rooms and the location of the hotels. Customers favor budget hotels that fulfill their requirements and offer competitive pricing that gives value for their money. Similarly, in the study by (Cherdchamadol & Kawachart, 2013), the research articulates that there are two constructs influencing budget hotel customer satisfaction: room quality and facility. Customers attach satisfaction to physical hotel features such as room quality and room cleanness, and this influences their satisfaction rates.

Customer loyalty in budget hotels is the dominant factor in the hotel business' success. Factors of image and customer satisfaction influence the customers' loyalty in the budget hotel business. The business' image that influences customer loyalty includes intangible business elements, including brand image, perceived value, customer relationship, and satisfaction (Kandampully & Suhartanto, 2000). Businesses with strong brand value are thus likely to have strong customer loyalty.

The hospitality industry plays a significant role in Europe's socio-economic activities. Together with tourism, the hospitality industry represents 5% of Europe's gross domestic product (Ruetz & Marvel, 2011). In Poland, the hospitality industry is dynamic and is linked with tourism. However, unlike most western European countries, the polish hotel industry consists of independent hotels run by individual owners (emerson-evaluation.pl, 2017). The hotel industry in Poland plays a significant role in the country's economy. For instance, in 2018, the tourism and hospitality industry contributed 6% of Poland's GDP (emerson-evaluation.pl, 2017). The demand for budget hotels in

Poland is influenced by location. Poland is situated conveniently at the center of the European continent, and it forms a continent location for tourists hoping to travel east or west on the continent. Traveling customers thus demand Poland's budget hotels that offer value for their money while getting quality services.

In Slovakia, the budget hotel industry has grown over the years, creating greater competitiveness. Among the Slovakian hotel industry drivers include tourism and the impacts of globalization in the hospitality industry (Kot & Kozicka, 2018; Pompurová & Šimočková, 2014). However, although global trends in the hospitality industry continue to grow, the Slovakian hotel industry remains one of Europe's unchartered territories. Most of the hotel businesses in the country involve accommodation establishments such as motels, guesthouses, and budget hotels often used by foreign tourists. According to (Vašaničová et al., 2018), the increase in demand for budget hotels is influenced by the low cost of hotels with high-quality services. Budget hotels cost as low as \$5 per night in Slovakia with no compromises on quality. Similarly, Slovakia is perceived by other countries in Europe, such as Poland and Hungary, as an attractive destination and consequently impacts the demand for budget hotels.

2. LITERATURE REVIEW

Prior research has previously been conducted on the factors that influence budget hotels' customer satisfaction and loyalty. In the research by (Peng et al., 2015), the author highlights the core attributes of budget hotels that influence customer satisfaction and lead to customer loyalty that can be used to manage service delivery. In the study, the author identifies the room as one of the major core attributes of budget hotels. The customers hope to get better rooms at minimal costs in budget hotels. Thus, for the price of a small room in luxurious hotels, customers receive larger rooms in budget hotels (ZhenRu et al., 2017). The other core attribute in budget hotels includes the amenities. Budget hotels are efficient like other hotels, and they offer modern amenities including TV, morning breakfast, a bar, and even swimming pools that can be utilized by customers (Njau et al., 2017). Room facilities are the other core attribute of budget hotels. According to (Mulyana & Prayetno, 2018) budget hotels offer various room facilities that ensure that the customers do not spend their entire budgets on room services. Room facilities are often charged, and they may include coffee-making facilities and swimming pools. Most budget hotels fall under the category of one- and two-star hotels, and thus their services include quality facilities that include showers and housekeeping services (Hossam, 2016). However, services that form the core characteristics of budget hotels vary in cost depending on seasons and level of service.

The success of the budget hotel businesses is based on the ability to offer services that meet the customers' expectations at lower costs. Although the accepted features of budget hotels involve low costs, standardized accommodation, simple rooms, low operation costs, and fewer rooms less than a hundred and fifty, the changes in the hospitality industry continue to necessitate changes in service delivery (Ahmad et al., 2018). According to Teixeira et al. (2012), the budget hotel service is characterized by the aspect of service design in the hotel industry plays a vital role in the planning for the organization of individuals and other infrastructure aimed at improving service delivery. The budget hotels' service design includes the use of empathy. The service designs should share the experiences with those they impact (Kozak & Gürel, 2015). For instance, the services should understand the feelings of the clients that they are offering the services and sharing interactions.

The quality of the budget service design also follows the aspect of reliability. The service design takes into consideration the consistency of service offered to its clients and uses it to create client satisfaction and consequently client loyalty (Dai & Lin, 2008). Similarly, the budget hotels' service

design involves the aspect of responsiveness and assurance. According to (Olorunniwo et al., 2006), responsiveness in budget hotel services involves the willingness and flexibility to help customers. On the other hand, assurance involves the ability to build trust among the customers regarding the hotel's services.

The auxiliary services are increasingly becoming significant in the hospitality industry. The auxiliary services in the hotel industry include services offered in addition to the main business services. For instance, food delivery, meal reservations, and rental car services, among other services. The budget hotel services understand the use of auxiliary services aimed at improving the management of service delivery, while budget hotels try to minimize costs by offering limited services compared to regular hotels, auxiliary services such as WIFI internet are vital in easing up the communication between the guests and the housekeeping staff at the front desk. Offering free WIFI helps strengthen the bond between customers and the hotel business leading to customer loyalty (Sivadsasan, 2015; Wijonarko et al., 2019).

The other common auxiliary services attributed to budget hotels include the provision of breakfast services and transport convenience. According to (Ren et al., 2018), auxiliary services are fast becoming decisive factors in the hotel industry. For instance, the provision of breakfast services by the budget hotels helps in adding the ease and comfort of stay to the guests and helps in improving the overall experience that positively impacts customer satisfaction. (Subramanian et al., 2016) also outlines the importance of transport convenience on budget hotels as it helps improve the client's location satisfaction and consequently improves customer satisfaction and promotes customer loyalty.

Customer satisfaction in the hotel industry involves the client's overall experience after using particular services in the hotel industry. Often, customers assess their levels of satisfaction by comparing actual experiences with the previous experiences and their expectations (Wolniak, 2018; Reyner et al. 2017; Capiiez & Kava, 2004; Colbu & Scutariu, 2008). The aspect of customer satisfaction is vital in the budget hotel industry as it helps in the building of customer loyalty. The customer expectations in budget hotels involve quality services at low costs (Hua et al.2009). The budget hotels can thus influence positive customer satisfaction by offering budget rooms with quality services that equal the memories created by the customers' stay. Ensuring positive experiences is the other way budget hotels promote customer satisfaction and overall satisfaction (Chong et al., 2016). For instance, offering modern amenities such as TV, offering morning breakfast, and bar services, among other amenities, is vital in improving the efficiency of the budget hotels to match the regular hotels while maintaining low costs. The customers' overall satisfaction with the budget hotel services can is then expressed through customer loyalty.

The need to improve the customer experiences continues to be the primary target in the hospitality industry. Customer loyalty involves the continued emotional relationship between the hotel businesses and the customers (Chu & Choi, 2000; Saleem, 2014). Often positive customer loyalty is manifested through the customer's willingness to frequently engage with the business through frequent purchases. Budget hotels can influence positive customer loyalty by focusing on the quality of services offered. (Chen, 2015) articulates that the best marketing for budget hotel services is based on the quality of services offered. Good customer service helps promote the customer's relationship towards customer loyalty.

The aspect of customer loyalty in the budget hotel business is also characterized by the customers' recommendation of other customers to the business regularly (Qiu et al., 2015). Often, most budget hotel services customers are not actively looking for hotel rooms; however, based on a positive referral from satisfied customers. The potential budget hotel customers are likely to book

with particular hotels for as long as they need the services (Atkinson & Brander, 2001; Richard, 2017; Tanford et al., 2012). Making exceptional quality service a part of the budget hotel business improves customer satisfaction and, consequently, customer loyalty.

A conceptual framework was developed with reference to the previous literature. The model is composed of five latent variables namely core attributes of budget hotels, auxiliary attributes of budget hotels, service design of budget hotels, customer satisfaction, and customer loyalty. These variables have their observed variables, on which the data was collected. From the model, the hypotheses model was developed.

The conceptual framework section presents the development of the proposed model that was evaluated to be used in the analysis. The model was developed with reference to Stevenson's conceptual dimensions of entrepreneurial management, and previous studies conducted on the same topic of the study. The model consists of eight independent variables and one dependent variable. The independent variable includes a commitment to opportunity (CO), strategic orientation (SO), commitment to resources (CMR), control of resources (CR), management structure (MS), renewed philosophy (RP), growth orientation (GO), entrepreneurial culture (EC); and the dependent variable is innovation success (IS). From the model, the hypotheses were developed as listed below.

- H1:* Core attributes has a significant effect on customer satisfaction
- H2:* Core attributes has a significant effect on customer loyalty
- H3:* Auxiliary attributes has a significant effect on customer satisfaction
- H4:* Auxiliary attributes has a significant effect on customer loyalty
- H5:* Service design has a significant effect on customer satisfaction
- H6:* Service design has a significant effect on customer loyalty
- H7:* Customer satisfaction has a significant effect on customer loyalty
- H8:* Customer satisfaction mediates effects on core attributes, auxiliary attributes, services design on customer loyalty

3. METHODOLOGY

To evaluate the hypothesis, the study adopted descriptive statistics where the primary data was collected from hotels. The data was collected from budget hotels operating in Poland and Slovakia. The data was collected from the customers who were visiting these hotels within the last two months. The customers were invited through email to voluntarily fill the questionnaire. A total of 700 emails was sent to all the clients in each of the countries. From the emails sent, a total of 271 and 335 respondents were successfully responded and used to conduct the study. The data was collected using a structured questionnaire, which was developed using a 5-point Likert Scale (1 = strongly disagree, 5 = strongly agree).

Several measurement variables were used to evaluate the model. For the core attributes of the budget hotels, the measurement variables that were used include a hotel room, amenities, room facilities, shower, and housekeeping. Three other observed attributes were classified as auxiliary attributes, these variables include internet, breakfast, and transportation convenience. Additionally, the service design attribute was considered for five observed variables which include tangibility, empathy, responsiveness, reliability, and assurance. Customer satisfaction was considered as mediating variable and was evaluated through two factors. These include whether the expectations were being, as well the overall satisfaction of the guests. The dependent variable was customer loyalty, evaluated using repeat buying and recommending others to the budget hotels.

The data analysis was conducted using several techniques. The first technique includes descriptive statistics for the demographic characteristics of the respondents. The second analysis was the evaluation of the proposed model using CFA, reliability, and validity metrics. The hypotheses were evaluated using PLS-SEM adopting Smart-PLS version 3.

4. RESULTS

This section evaluated the descriptive statistics of the respondents' demographic characteristics. The characteristics evaluated included gender, age, and education of the respondents. From the results, the gender with the majority in both countries was males represented by 74% in Poland and 70% in Slovakia. Considering the age variable, the majority were age-group 30-40 years in both countries, represented by 72% in Poland and 73% in Slovakia. For education, the highest category was those with high school and below education level represented by 53.5% in Poland and 57.6% in Slovakia.

Table 1. Descriptive Statistics

		Poland		Slovakia	
		N	%	N	%
Gender	Male	201	74.2	235	70.1
	Female	70	25.8	100	29.9
Age	20-30	37	13.7	48	14.3
	30-40	196	72.3	245	73.1
	40-50	38	15	42	12.5
Education	High school	145	53.5	193	57.6
	Bachelor	117	43.2	133	39.7
	Postgraduate	9	4.3	9	2.6

This section evaluated the suitability of the model, before using it to evaluate the study hypothesis. Three techniques were used, confirmatory factor analysis, reliability analysis, and validity analysis. The results for the countries (Poland and Slovakia) analyzed are presented in the section below.

4.1 Poland Model Evaluation

The evaluation of the model presented in Table 2 shows the results of CFA, which requires that all factor loadings be above 0.7 (Hair et al. 2016). This threshold, as presented in the results has been fulfilled. The validity of the model was evaluated using average variance extracted (AVE), while the reliability was evaluated using Cronbach's alpha and composite reliability (CR). According to Hair et al. (2016), the threshold for AVEE should be 0.5 and above, while the threshold for CR and Cronbach's alpha should be 0.7 and above. From the results presented in Table 2, these thresholds were met. AVE ranged between 0.689 and 0.878, while CR ranged from 0.902 and 0.935, which satisfied the set threshold.

Table 2. Poland Model Evaluation

Latent Variables	Observed Variables	Convergent Validity		Internal Consistency Reliability		
		Factor loadings	Average Variance Extracted (AVE)	Cronbach's Alpha	rho_A	Composite Reliability
Customer satisfaction	C. expectation	0.941	0.878	0.862	0.864	0.935
	O. satisfaction	0.933				
Customer loyalty	R. Others	0.909	0.825	0.788	0.788	0.904
	R. buying	0.908				
Service Design	assurance	0.86	0.704	0.894	0.898	0.922
	empathy	0.808				
	Tangibility	0.841				
	reliability	0.784				
	responsiveness	0.899				
Core attributes	shower	0.862	0.689	0.888	0.892	0.917
	amenities	0.784				
	R. facilities	0.85				
	Hotel room	0.834				
	H. keeping	0.82				
Auxiliary attributes	T. convenience	0.843	0.754	0.837	0.84	0.902
	breakfast	0.862				
	internet	0.900				

In addition to AVE used to evaluate the validity of the research results. This study also adopted the discriminant validity. The discriminant validity was applied to evaluate the measurement variables that should not be related and are actually not related. The Fornell and Larcker (1981) criterion required that the square root of AVE in every latent variable should be more than other correlation values among the latent variables. This threshold was met for all the variables as presented in Table 3.

Table 3. Discriminant Validity

	Auxiliary attributes	Core attributes_	Customer loyalty	Customer satisfaction	Service Design
Auxiliary attributes	0.868				
Core attributes_	0.684	0.83			
Customer loyalty	0.646	0.669	0.908		
Customer satisfaction	0.604	0.687	0.757	0.937	
Service Design	0.649	0.676	0.838	0.735	0.839

4.2 Slovakia Model Evaluation

As for Slovakia, the evaluation of the model presented in Table 4 shows the results of CFA, which requires that all factor loadings be above 0.7 (Hair et al. 2016). This threshold, as presented in the results has been fulfilled. The validity of the model was evaluated using average variance extracted (AVE), while the reliability was evaluated using Cronbach's alpha and composite reliability (CR). According to Hair et al. (2016), the threshold for AVE should be 0.5 and above, while the threshold for CR and Cronbach's alpha should be 0.7 and above. From the results presented in Table 4 below, these thresholds were met. AVE ranged between 0.6195 and 0.8087, while CR ranged from 0.8784 and 0.9282, which satisfied the set threshold.

Table 4. Slovakia Model Evaluation

Latent Variables	Observed Variables	Convergent Validity		Internal Consistency Reliability		
		Factor loadings	Average Variance Extracted (AVE)	Cronbach's Alpha	rho_A	Composite Reliability
Customer satisfaction	C. expectation	0.9018	0.8087	0.7635	0.7638	0.8942
	O. satisfaction	0.8968				
	R. Others	0.8731	0.7833			
Customer loyalty	R. buying	0.8967		0.7239	0.7285	0.8784
Service Design	assurance	0.7511	0.6195	0.8466	0.8508	0.8904
	empathy	0.7742				
	Tangibility	0.8032				
	reliability	0.7515				
	responsiveness	0.851				
Core attributes	shower	0.8343	0.7237	0.8095	0.8108	0.8871
	amenities	0.8559				
	R. facilities	0.8617				
	Hotel room	0.8558	0.7213			
	H. keeping	0.8635				

Auxiliary attributes	T. convenience	0.8377
	breakfast	0.8073
	internet	0.8804

When examining the data for Slovakia, the study also adopted the discriminant validity. The discriminant validity was applied to evaluate the fact that the measurement variables that should not be related are not related. The criterion proposed by Fornell and Larcker (1981) required that the square root of AVE in every latent variable should be more than other correlation values among the latent variables. This threshold was met for all the variables as presented in Table 5.

Table 5. Discriminant Validity

	Auxiliary attributes	Core attributes_	Customer loyalty	Customer satisfaction	Service Design
Auxiliary attributes	0.8507				
Core attributes_	0.638	0.7871			
Customer loyalty	0.5973	0.6323	0.885		
Customer satisfaction	0.6176	0.6634	0.7774	0.8993	
Service Design	0.607	0.646	0.8228	0.719	0.8493

4.3 Hypothesis Results for Poland

After conducting the model evaluation and confirming that the proposed model was acceptable for evaluating the proposed hypothesis, the next step was to evaluate the hypothesis using the PLS-SEM. The technique was used to find out the relationship between the latent variables. The analysis was conducted using two-tailed bootstrapping using a significance level of 0.05 and 500 iterations. The results are presented in Table 6.

Table 6. Hypothesis Results for Poland

	β	Mean	Std Deviation	T-Stat	P-Val
Direct Effects					
Auxiliary attributes -> Customer loyalty	0.0946	0.0983	0.0528	1.7924	0.0737
Auxiliary attributes -> Customer satisfaction_	0.0895	0.0817	0.0737	1.2143	0.2252
Core attributes_ -> Customer loyalty	0.0565	0.059	0.0551	1.0261	0.3054
Core attributes_ -> Customer satisfaction_	0.3096	0.3133	0.0778	3.9783	0.0001
Customer satisfaction_ -> Customer loyalty	0.2564	0.2569	0.064	4.0034	0.0001
Service Design -> Customer loyalty	0.5505	0.5458	0.0542	10.1601	0.000
Service Design -> Customer satisfaction_	0.4674	0.4725	0.0713	6.5562	0.000
Indirect Effects					
Service Design -> Customer satisfaction_ -> Customer loyalty	0.1198	0.1217	0.0371	3.2322	0.0013

Core attributes_ -> Customer satisfaction_ -> Customer loyalty	0.0794	0.081	0.0308	2.5762	0.0103
Auxiliary attributes -> Customer satisfaction_ -> Customer loyalty	0.0229	0.0201	0.0196	1.1705	0.2423

From the results presented in this section, the first six hypotheses were evaluated using the direct effects relationship between the variables. Four relationships were found to be significant and positive while three were not. Core attributes were found to have a positive but non-significant effect on customer loyalty ($\beta = 0.0565$, $p = 0.3054$), hence rejecting H1 of the study. Core attributes were found to have a positive and significant effect on customer satisfaction ($\beta = 0.3096$, $p = 0.0001$), supporting H2. Another relationship was between auxiliary attributes and customer loyalty ($\beta = 0.0946$, $p = 0.0737$) and between auxiliary attributes and customer satisfaction ($\beta = 0.0895$, $p = 0.2252$), which led to rejection of H3 and H4 respectively. Service design was found to have a positive and significant effect on customer loyalty ($\beta = 0.5505$, $p = 0.000$), and a positive and significant effect on customer satisfaction ($\beta = 0.4674$, $p = 0.000$), which led to the acceptance of H5 and H6 of the study. The research also indicated that customer satisfaction has a positive and significant effect on customer loyalty ($\beta = 0.2564$, $p = 0.0001$) hence accepting H7. The last hypothesis evaluated the mediating effect of customer satisfaction. Customer satisfaction was a partial mediator between core attributes and customer loyalty ($\beta = 0.0794$, $p = 0.0103$); full mediator between service design and customer loyalty ($\beta = 0.1198$, $p = 0.0013$); but not a mediator between auxiliary attributes and customer loyalty ($\beta = 0.0229$, $p = 0.2423$). As a result, H7 was partially accepted.

4.4 Hypothesis Results for Slovakia

Table 7 illustrates the results evaluated using the direct and indirect effects relationship between the variables for Slovakia.

Table 7. Hypothesis Results for Slovakia

	β	Mean	Std Deviation	T-Stat	P-Val
Direct Effects					
Auxiliary attributes -> Customer loyalty	0.0393	0.0378	0.0385	1.0197	0.3084
Auxiliary attributes -> Customer satisfaction_	0.1841	0.1817	0.0554	3.3238	0.001
Core attributes_ -> Customer loyalty	0.035	0.0404	0.0465	0.7534	0.4516
Core attributes_ -> Customer satisfaction_	0.2638	0.2715	0.0526	5.0162	0.000
Customer satisfaction_ -> Customer loyalty	0.3555	0.3535	0.053	6.7059	0.000
Service Design -> Customer loyalty	0.5207	0.519	0.0464	11.2175	0.000
Service Design -> Customer satisfaction_	0.4369	0.4316	0.0522	8.3622	0.000
Indirect Effects					
Service Design -> Customer satisfaction_ -> Customer loyalty	0.1553	0.1528	0.0309	5.0254	0.000
Core attributes_ -> Customer satisfaction_ -> Customer loyalty	0.0654	0.0636	0.0201	3.2592	0.0012

Auxiliary attributes -> Customer satisfaction_ -> Customer loyalty	0.0938	0.0962	0.0244	3.8364	0.0001
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Five relationships were found to be significant and positive while two were not. Core attributes were found to have a positive but non-significant effect on customer loyalty ($\beta = 0.035$, $p = 0.4516$), hence rejecting H1 of the study. Core attributes were found to have a positive and significant effect on customer satisfaction ($\beta = 0.2638$, $p = 0.000$), supporting H2 of the study. The results indicated a positive and significant relationship between auxiliary attributes and customer loyalty ($\beta = 0.1841$, $p = 0.001$) which supported H3 of the study. Additionally, the relationship between auxiliary attributes and customer satisfaction was insignificant ($\beta = 0.0393$, $p = 0.3084$), which led to the rejection of H4.

Service design was found to have a positive and significant effect on customer loyalty ($\beta = 0.5702$, $p = 0.000$), and a positive and significant effect on customer satisfaction ($\beta = 0.4369$, $p = 0.000$), which led to the acceptance of H5 and H6 of the study. The research also indicated that customer satisfaction has a positive and significant effect on customer loyalty ($\beta = 0.1553$, $p = 0.000$) hence accepting H7. The last hypothesis evaluated the mediating effect of customer satisfaction. From the results, customer satisfaction was a full mediator between core attributes and customer loyalty ($\beta = 0.0938$, $p = 0.0103$); partial mediator between service design and customer loyalty ($\beta = 0.1553$, $p = 0.000$); and full mediator between auxiliary attributes and customer loyalty ($\beta = 0.0654$, $p = 0.0012$). As a result, H7 was supported by these results.

5. DISCUSSIONS

The purpose of this research was to investigate the management of services delivery in budget hotels for customer satisfaction and loyalty and compare the results for Poland & Slovakia. In this section, the findings are discussed with reference to the previous research. First, the summary of the results hypothesis is presented in Table 8.

Table 1: Summary of the Results Hypothesis

		Poland		Slovakia	
		β	Supported?	β	Supported?
Direct Effects					
H1	Core attributes_ -> Customer satisfaction_	0.3096***	Yes	0.2638***	Yes
H2	Core attributes_ -> Customer loyalty	0.0565	No	0.035	No
H3	Auxiliary attributes -> Customer satisfaction_	0.0895	No	0.1841***	Yes
H4	Auxiliary attributes -> Customer loyalty	0.0946	No	0.0393	No
H5	Service Design -> Customer satisfaction_	0.4674***	Yes	0.4369***	Yes
H6	Service Design -> Customer loyalty	0.5505***	Yes	0.5207***	Yes
H7	Customer satisfaction_ -> Customer loyalty	0.2564***	Yes	0.3555***	Yes
Indirect Effects					
H8	Service Design -> Customer satisfaction_ -> Customer loyalty	0.1198***	Yes	0.1553***	Yes
	Core attributes_ -> Customer satisfaction_ -> Customer loyalty	0.0794**	Yes	0.0654***	Yes

> Customer loyalty				
Auxiliary attributes -> Customer satisfaction_				
-> Customer loyalty	0.0229	No	0.0938***	Yes

From the research, the core attributes were found to be significant influencers of customers' satisfaction in both Poland and Slovakia. The core attributes were considered to be the basic factors that customers consider in budget hotels for them to be comfortable. These factors include housekeeping services, the hotel room size, and structures, the room facilities, amenities, and showers. Considering that the budget hotels offer simple accommodations, these attributes which are majorly related to the room and bed are critical factors for consideration, as far as quality of service, customer experience, and satisfaction is concerned (Brotherton, 2004). However, these attributes were found to not directly influence customer loyalty. This could be argued from the fact that these core attributes were provided by every budget hotel, and therefore, each of them had to go an extra mile to win the loyalty of the customers (Lomanno, 2010). In addition to the core attributes, there were the auxiliary attributes. According to the findings of this article, it was only in Slovakia that they influenced customer satisfaction.

However, they did not influence customer loyalty. The auxiliary attributes are considered to be the factors that determine the competitiveness of the business, and therefore, the budget hotels needed to go beyond the core attributes to compete out. Some of the factors for considerations included providing breakfast offerings, providing free internet in the rooms, and offering easy access to public transportation networks. These attributes are considered to influence the customer experience. For both Poland and Slovakia, service design was found to significantly influence customer satisfaction as well as customer loyalty. The service design included tangibility, assurance, empathy, reliability, and responsiveness. These include the post-purchase evaluation of the customers, where the services provided by the budget hotels are compared to the expectations. If the expectations are reached, then the customers are considered satisfied and vice-versa. Satisfied customers have a higher chance of coming back (Wijonarko et al., 2019; Zablah et al., 2016). The results indicated that customer satisfaction influences customer loyalty, which was supported by the fact that if a customer is satisfied with a budget hotel, there are high chances of coming back or referring others (Ren et al., 2016). This also supports the mediating ability of customer satisfaction between core, auxiliary, service design, and customer loyalty.

The management service attributes examined in this study are important in helping budget hotel managers develop services strategies that would enhance their customers' experience, satisfaction, and the ultimate customer loyalty. The first aspect to consider is the core attributes of a budget hotel, which determine the quality of service offered by the budget hotels. Quality accommodation will create a good atmosphere for the customers and are likely to reserve the hotel for themselves or another person. Regarding this, the service managers in budget hotels should develop service standards for efficient training and performance, to monitor the standards of the hotel rooms. The auxiliary factors are the ones that distinguish the hotels from the competitors. Though the budget hotels are focused on offering low prices accommodation, the management could consider including auxiliary aspects such as transport and internet to boost the experience of the customers. A critical aspect that management should consider is the service design. These are the factors that influence service quality. For instance, management should enhance the reliability of services offered promptly as promised. Developing a culture of delivering services quickly and responsively is also critical. Empathy should also be emphasized, which is the sensitivity to consumers' needs and doing all to assuage their fears.

6. CONCLUSION

This research investigated the entrepreneurial drivers of innovation success from the international business perspective. The research compared results for two countries, Thailand and Indonesia. Considering the increase in the competitive business environment in the global market, and the growing need for business innovation, this study of evaluating entrepreneurial drivers of innovation success was considered paramount. The study adopted the concept of Stevenson's conceptualization of entrepreneurial management. Primary data was applied, which was collected from employees working in various organizations in the two countries. The analysis was conducted using Structural Equation Modeling (SEM) and multi-group SEM analysis.

From the evaluation of the findings of this research, it was found out that several conclusions could be made. The first conclusion is that there are three major categories of factors that influence budget hotels' service delivery. These include the core attributes, the auxiliary attributes, and the service design. The most critical among them is the core attributes as they are the basic requirements of the hotel every customer will be looking for. The second is the service design, which includes the after-sale service factors evaluates to determine his/her satisfaction. These include services tangibility, assurance, empathy, reliability, and responsiveness. The last category is the auxiliary attributes, which, in the case of budget hotels are considered luxury. These attributes are necessary to increase the competitive advantage of the budget hotels. This study also concludes that management of budget hotels should first focus on customer satisfaction, which would eventually build the customers loyalty. There are few limitations that could be highlighted when conducting the study. First, the rate of participants' responses was quite low, because of using the email method of reaching out to them. Future research should consider other techniques such as online platforms. Secondly, though the research is specifically for budget hotels, its generalization to other services in the hospitality induct should be made with this reference.

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