

Research on the Impact of Customer Experience Value on Satisfaction in Mid-range Hotels: A Case Study of JI Hotel

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ABSTRACT

With the advent of the experience economy era, an increasing number of consumers have begun to pay attention to the experience during the consumption process, especially in the hotel industry where homogenization is severe. Experience value, as a key factor of differentiated competition elements in the service industry, has rarely been deeply studied to explore its influence mechanism on satisfaction, especially in the mid-range hotel market. Therefore, this study takes the JI Hotel as an example and conducts an in-depth analysis of the relationship between experience value and customer satisfaction based on the S-R theory. This study collected data through a questionnaire survey. By analyzing 254 valid data using Smart-PLS software, the following conclusions were drawn: First, functional value, emotional value, and situational value have a positive and significant impact on satisfaction. Second, social value has a significant negative impact on satisfaction. Thirdly, economic value has no impact on satisfaction. Based on this conclusion, this study puts forward relevant suggestions for mid-range hotel managers, which have practical guiding significance for the high-quality development of the industry and academic value for the extended application of the "stimulation-response theory" and the customer satisfaction theory.

KEYWORDS

JI Hotel; Experience value; Customer satisfaction

1 Introduction

With the advent of the experience economy era, consumers' demands for hotels have shifted from "having a place to stay" to "staying well", which has greatly raised people's requirements for the experience value of hotels. The interactive experience between hotels and customers has become an important determinant of satisfaction. This transformation requires systematic research. In the highly homogeneous hotel market, experience value has become a key element of differentiated competition.

Exploring the factors that affect customer satisfaction has direct commercial application value.

From a theoretical perspective, the current academic research in the hotel industry mainly focuses on aspects such as consumer behavior characteristics and hotel marketing strategies. However, there are relatively few studies that divide the experience value into five dimensions based on the experience value and explore customer satisfaction from the perspective of mid-range hotels.

As a representative of mid-range hotels in China, JI Hotel is confronted with a wide customer base and diverse customer demands.

Therefore, this study takes JI Hotel as the research object and conducts research on the "experience - satisfaction" relationship, which can expand the theoretical framework of the experience value of mid-range hotels and promote more detailed and comprehensive research and analysis of customer behaviors in the segmented market.

2 Literature review and hypothesis development

2.1 Experience Value

Holbrook (1982) et al. were the first to propose the "experience value", arguing that consumption experience triggers the value of experiential consumption.

Unlike traditional economic value, experiential value places more emphasis on consumers' subjective feelings and emotional resonations in specific situations (Triviño, 2024).

The theoretical research results of experience value have been applied in multiple fields, such as tourism, retail, healthcare and digital services, etc. Ramadhani et al. (2024) proposed a tourism destination management strategy based on experience value by analyzing tourists' behavior patterns.

Based on the current situation of the hotel industry's development and the consumption value model proposed by scholars such as Sheth, Newman, and Gross, this study divides the experience value into five dimensions: (1) functional value (2) economic value (3) emotional value (4) social value (5) situational value. These five dimensions profoundly reflect the level of consumers' demands.

2.2 Customer Satisfaction

Customer satisfaction is usually defined as the difference between a customer's actual experience of a product or service and their expectations. Customer satisfaction is a key indicator for measuring the quality of enterprise services, product performance and customer experience, directly affecting customer loyalty and enterprise profitability (Zhang, 2022).

Especially in fields such as e-commerce, the hotel industry and the catering industry, the research on customer satisfaction is of great significance for enhancing the competitiveness of enterprises (Zhang, 2021).

In the hotel industry, research shows that service quality, customer value and trust have a significant positive impact on customer satisfaction, and satisfaction further drives the improvement of customer loyalty (Joviando, 2022). At present, the research on tourism satisfaction mainly focuses on aspects such as expectations for tourist destinations, tourism services, and price perceptions.

However, few studies have conducted in-depth analyses of the influence mechanism of customer experience value in mid-range hotels on satisfaction.

2.3 Hypothetical Development

2.3.1 Functional value has a positive and significant impact on satisfaction

Functional value refers to the subjective value that a product's functions, features, quality, etc. bring to customers, and it is the core component of experience value.

The quality of a product or service can reflect its functional value. Consumers' perception of the functional value of products has a significant positive impact on their satisfaction, and this impact is particularly important in the marketing strategies of developing countries (Slack et al., 2020). Research has found that when tourists feel the practicality of the product or service, their overall satisfaction will increase significantly (Saragih et al., 2022). Based on this, the following hypotheses are proposed.

H1: Functional value has a positive and significant impact on satisfaction.

2.3.2 Economic value has a positive impact on satisfaction

Economic value is the measure of the benefit an economic actor earns from a product or service. In the field of tourism, some scholars have pointed out that there is a positive correlation between personal economic benefits obtained through tourism and perceived value and life satisfaction, which in turn affect the feelings towards specific tourist destinations (Lv et al., 2018).

In the hotel industry, both economic and social satisfaction have been proven to be extremely important in business transactions, and customers' positive responses to economic benefits can enhance their satisfaction (Wen et al., 2024). Based on this, the following hypotheses are proposed.

H2: Economic value has a positive and significant impact on satisfaction.

2.3.3 Emotional value has a positive and significant impact on satisfaction

Emotional value refers to the fact that while providing accommodation services, hotels create unique experiences and environments to meet customers' emotional needs, thereby establishing positive emotional connections in their hearts. Research indicates that when consumers feel an emotional connection with the service or brand, their satisfaction is often higher (Li et al., 2024).

Yuliana et al. (2024) further confirmed through research the crucial role of emotional value in influencing user satisfaction. Based on this, the following hypotheses are proposed.

H3: Emotional value has a positive and significant impact on satisfaction.

2.3.4 Social value has a positive and significant impact on satisfaction

Social value usually refers to the non-economic benefits that individuals obtain in social interactions, such as social recognition, a sense of belonging and emotional support. When social values fail to meet expectations, it may lead to a decline in satisfaction (Hsieh, 2020).

Jiang et al. (2019) pointed out that on the Airbnb platform, customer participation and the value promotion of the platform jointly created the perceived value of customers, thereby improving satisfaction. Based on this, the following hypotheses are proposed.

H4: Social value has a positive and significant impact on satisfaction.

2.3.5 Situational value has a positive and significant impact on satisfaction

For the hotel industry, situational value refers to the comprehensive value perceived by guests during the interaction process between specific hotel scenarios and services, which goes beyond the functions and prices of the products or services themselves. Situational value also affects satisfaction through emotional resonance. Consumers' emotional experiences of products or services (such as pleasure and security) in specific situations will directly affect their satisfaction (Sharma et al., 2023). In the tourism and hotel industry, contextual value significantly enhances consumer satisfaction through perceived value and service innovation (El-Adly et al., 2023). Based on this, the following hypotheses are proposed.

H5: Situational value has a positive and significant impact on satisfaction.

3 Methodology

3.1 Study site and questionnaire design

This study selected the JI Hotels Group's Genway Hotel as the research site, with one of the key reasons being its strong brand influence and extensive market coverage. As a well-known brand under Huazhu Hotels Group, the JI Hotel has established its presence in major cities across China and even in some overseas regions, boasting a vast customer base and high brand recognition. Its mature brand operation model and market strategies hold significant reference value for the development of the entire hotel industry.

This study draws on the mature scales developed by Yin Weihua (2023) and Prebensen & Rosengren (2015) to measure experiential value and customer satisfaction respectively, with appropriate adjustments made to the measurement items based on the actual circumstances of the JI Hotel. The study employs a 5-point Likert scale to measure 22 items, where 1 represents "strongly disagree" and 5 indicates "strongly agree."

The questionnaire consists of three sections. The first section comprises screening questions, which precisely identify the target population for this study through two items: "Have you ever stayed at a JI Hotel?" and "Are you 18 years of age or older?" The second section involves statistical information about the tourists, including gender, age, marital status, income level, education level, occupation, as well as the frequency and purpose of staying at JI Hotel, and the channels through which they learned about and booked the hotel. The third section aims to assess the impact of JI Hotel's experiential value on customer satisfaction.

3.2 Sample collection

This study utilized the online survey platform Wenjuanxing (<https://www.wjx.cn/>) for questionnaire distribution and data collection.

The survey was conducted online via social media platforms and offline through physical distribution from August 7 to August 21, 2024, collecting a total of 283 samples. After excluding 29 invalid responses, 254 valid questionnaires were obtained, yielding an effective rate of 89.75%.

Among the valid samples, males accounted for 40.16%, while females made up 59.84%. The majority of participants were aged between 18-24 years (76.77%), unmarried (83.46%), held a bachelor's or associate degree (77.17%), and had a monthly income ranging from 3001-5500 RMB (41.73%).

Students constituted 55.91% of the sample, which was expected as JI Hotels, being a mid-range economy hotel chain, is the preferred choice for student travelers. Most consumers were first-time guests at JI Hotels (31.89%) and stayed primarily for leisure purposes (44.49%).

They learned about the hotel through the internet (73.23%), with the majority booking via third-party apps such as Meituan and Ctrip (82.68%).

4 Results

4.1 Reliability and Validity Analysis

According to the data shown (as in Table 1), the factor load and descriptive statistical analysis results of each measurable item, in which the PLS factor loading value of each item is greater than 0.7.

Table 2 shows that Cronbach's alpha and CR values of all variables are greater than 0.7, and AVE values are greater than 0.5, which shows that the structure has strong reliability and validity (Hair et al., 2010).

In addition, the square root of the AVE of each construct is larger than its construct correlation, according to the results of the Fornell-Larcker criterion data (Fornell & Larcker, 1981), indicating the discriminant validity of the scale.

Table 1 Descriptive statistics and factor loadings

Construct	Abbreviation	Mean	Standard deviation	Factor loading
Functional value	FUV1	4.198	0.878	0.94
	FUV2	4.203	0.859	0.957
	FUV3	4.113	0.881	0.928
	FUV4	4.149	0.87	0.947
Economic value	ECV1	4.054	0.924	0.956
	ECV2	4.108	0.863	0.96
	ECV3	4.077	0.905	0.962
Emotional value	EMV1	4.122	0.885	0.951
	EMV2	4.063	0.918	0.954
	EMV3	4.027	0.944	0.943
Social value	SOV1	3.617	1.235	0.936
	SOV2	3.667	1.173	0.959
	SOV3	3.658	1.219	0.927
	SOV4	3.941	0.996	0.881
Situational value	SIV1	3.955	1.008	0.935
	SIV2	3.928	0.997	0.911
	SIV3	4.09	0.921	0.929
	SIV4	4.108	0.909	0.923
Customer satisfaction	CUS1	4.104	0.941	0.955
	CUS2	4.117	0.913	0.959
	CUS3	4.144	0.914	0.96
	CUS4	4.099	0.934	0.948

Table 2 Reliability and validity Analysis

Variable	Cronbach's α	CR	AVE	Fornell-Larcker Criterion					
				FUV	ECV	CUS	EMV	SIV	SOV
Functional value(FUV)	0.958	0.97	0.889	0.943					
Economic value(ECV)	0.957	0.977	0.921	0.857	0.959				
Customer satisfaction(CUS)	0.968	0.968	0.913	0.874	0.857	0.955			
Emotional value(EMV)	0.945	0.945	0.901	0.859	0.885	0.9	0.949		
Situational value(SIV)	0.943	0.944	0.855	0.866	0.857	0.934	0.902	0.925	
Social value(SOV)	0.945	0.956	0.857	0.641	0.732	0.701	0.769	0.78	0.926

4.2 Regression analysis

Functional value has a positive impact on satisfaction ($\beta=0.131$, $p<0.05$), indicating that higher functional value leads to higher customer satisfaction; economic value has no effect on satisfaction ($\beta = 0.080$, $p= 0.434$), meaning that regardless of whether economic value is high or low, it does not influence customer satisfaction; emotional value has a significant positive impact on satisfaction ($\beta = 0.243$, $p<0.05$), showing that higher emotional value results in higher customer satisfaction; social value has a significant negative impact on satisfaction ($\beta=-0.112$, $p<0.05$), demonstrating that higher social value leads to lower customer satisfaction; situational value has a significant positive impact on satisfaction ($\beta=0.621$, $p<0.001$), indicating that higher situational value results in higher customer satisfaction.

5 Conclusion and suggestion

5.1 Conclusion

5.1.1 Functional value, emotional value, and situational value have a positive and significant impact on satisfaction

In terms of functional value, the research data results indicate that functional value has a positive impact on satisfaction. This aligns with the findings of scholars such as Yuliana (2024). In certain cases, the functional value of a product or service can even exceed customer expectations, delivering additional surprise and satisfaction. Such beyond-expectation experiences significantly enhance customer satisfaction and loyalty. In terms of emotional value, the research data results indicate that emotional value has a significant positive impact on satisfaction, which is consistent with the findings of scholars such as Wen (2024). During the process of using services, customers continuously accumulate

emotional experiences. When these experiences are predominantly positive and favorable, customers develop a higher perception of emotional value toward the brand or product. This cumulative effect fosters stronger psychological dependence and trust in the brand or product, thereby enhancing their satisfaction. In terms of situational value, the research data results indicate that situational value has a significantly positive impact on satisfaction, which aligns with the perspectives of scholars such as Creusen (2007). Certain services can trigger customers' emotional resonance in specific contexts, such as holiday gifts or anniversary surprises. This emotional resonance can deepen customers' positive impressions of products or services, thereby enhancing satisfaction. Products or services with high situational value often create unique consumption experiences, enabling customers to derive distinctive pleasure in specific scenario. Such unique experiences become memorable highlights for customers, further boosting their satisfaction.

5.1.2 Social value has a significant negative impact on satisfaction.

In terms of social value, social value has a significant negative impact on satisfaction, which differs from the research findings of scholars such as Evelina (2020) and Jiang (2019). This is somewhat related to the brand positioning of the JI Hotel. In fact, adding excessive social attributes to JI Hotel may contradict customers' inherent perceptions and habits, thereby reducing their satisfaction. There are significant differences in how much customers prioritize social value. For patrons of mid-range economy hotels, social value may not be a primary consideration in their hotel selection.

5.1.3 Economic value has no impact on satisfaction.

In terms of economic value, economic value has no impact on satisfaction, indicating that whether economic value is high or low, it does not affect customer satisfaction, which differs from the viewpoint of Xu Wei et al. (2008). This result stems from the following points: First, customer psychological expectations. When choosing the JI Hotel, most customers focus on the overall stay experience, service quality, and hotel environment rather than just economic value. This means that even at reasonable prices, if the perceived service quality, hygiene, etc., do not meet expectations, satisfaction may still be low. Therefore, the role of economic value in customer satisfaction is marginalized. Second, market positioning. As a mid-range brand, the JI Hotel's target customer group may prioritize cost-performance ratio and experience over price alone. Finally, the competitive environment. In an increasingly competitive hotel market, economic value may have become a basic entry threshold, with customers becoming less sensitive to price and more willing to pay reasonable fees for high-quality accommodation experiences. Thus, in highly competitive markets, customer satisfaction becomes less dependent on economic value.

5.2 Suggestion

5.2.1 Enhance functional value, emotional value, and situational value

First, enhance functional value. According to our research findings, customers place high demands on service consistency in chain hotels. Therefore, hotel groups should consider standardizing service processes and establishing a comprehensive service system. Simultaneously, segment the needs of different customer groups and provide customized functionalities tailored to each group's requirements. Second, elevate emotional value. Personalized service is an effective means to enhance customer loyalty. Establish and maintain detailed customer profiles, recording guests' preferences, habits, and special requests to offer tailored services during subsequent stays. JI Hotel can design diverse activities around holidays or special events, allowing customers to experience joy and a sense of belonging through participation. Third, strengthen situational value. The enhancement of a hotel's environmental value relies on optimizing elements such as ambiance, service, and culture. Create uniquely designed service rituals or cultural touchpoints by incorporating local cultural elements into services, offering customers distinctive experiences and amplifying cultural value within the context. Increase employees' emotional engagement and personalized interactions during service delivery. Train staff to practice empathy when handling complaints, proactively anticipate customer needs, and deliver solutions that exceed expectations.

5.2.2 Optimizing social value

First, maintain "moderate service." The hotel should adhere to the service philosophy of "natural, moderate, and comfortable," seeking balance in service—neither overly disturbing guests nor failing to meet their needs promptly. Hotel staff must undergo professional training to understand how to provide just the right level of service while respecting guests' privacy, ensuring every guest feels the warmth and comfort of home. Second, prioritize privacy protection. Hotel staff must strictly comply with privacy protection regulations when providing services, avoiding unnecessary intrusion into or disclosure of guest information. Conduct privacy protection training for all employees to enhance their awareness

of privacy safeguards.

5.2.3 Avoid getting involved in a "price war"

Refine positioning and customer market segmentation. By segmenting the market, JI Hotel has clearly identified its target customer group—consumers who pursue high quality but have limited budgets. As a result, JI Hotel can focus on enhancing service quality and customer satisfaction, avoiding the quagmire of price wars. Catering to the needs and preferences of different groups, JI Hotel can offer personalized services and customized products.

About the Author

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