

THE INFLUENCE OF COMPETITORS, MARKET SEGMENTATION, MARKETING STRATEGY, AND BRAND IMAGE ON CUSTOMER SATISFACTION AT HOTEL LUMINOR JEMURSARI SURABAYA

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Abstract: This study aims to analyze the influence of competitors, market segmentation, marketing strategy, and brand image on customer satisfaction at Hotel Luminor Jemursari Surabaya. Using a quantitative approach and survey method, data were collected from 57 respondents through a structured questionnaire. Multiple linear regression analysis revealed that all four independent variables simultaneously have a significant effect on customer satisfaction, with an adjusted R^2 of 77.1%. Partially, competitors have a negative influence, while market segmentation, marketing strategy, and brand image show significant positive effects. These findings offer strategic implications for hotel management in enhancing customer loyalty through service differentiation and brand reinforcement.

Keywords: Competitors, Market Segmentation, Marketing Strategy, Brand Image, Customer Satisfaction.

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1. Introduction

The hospitality industry in Surabaya is experiencing intense competition, marked by the emergence of new hotels offering diverse services and facilities. Hotel Luminor Jemursari Surabaya, as an industry player, faces challenges in maintaining customer satisfaction amid dynamic market conditions. Customer satisfaction is a crucial indicator of business success, directly influencing loyalty and brand perception. This study is motivated by the need to understand the factors affecting customer satisfaction, particularly from the perspectives of competitors, market segmentation, marketing strategy, and brand image. Although previous studies have examined these variables individually, there is a gap in the analysis of their simultaneous impact in the context of local business hotels. The objective of this research is to examine the partial and simultaneous effects of competitors, market segmentation, marketing strategy, and brand image on customer satisfaction. The results are expected to provide practical insights for hotel management in formulating more effective strategies to improve customer satisfaction and loyalty.

Research on customer satisfaction in the hospitality industry has been extensively conducted. However, most prior studies still focus on individual variables or limited combinations of variables, such as service quality, facilities, brand image, or perceived value. Studies by Hasibuan (2020), Hafidudin & Prawoto (2023), and Samsidar (2020) highlight the impact of service quality on customer satisfaction, while research by Gondokusumo and Dewi

(2023) and Yosua & Kusumawidjaya (2024) focus on hotel image, customer experience, and perceived value. Other research examines customer satisfaction through the marketing mix or product quality, but does not address the simultaneous interaction between hotel competition dynamics and market segment characteristics. Although these findings make valuable contributions, there remains a lack of comprehensive research on how external factors, such as the intensity of competition, and internal factors, including market segmentation, marketing strategies, and brand image, collectively influence customer satisfaction, particularly in the context of local hotel businesses in Surabaya. The increasingly competitive hotel industry in Surabaya, characterized by numerous new hotels and diverse services, requires a more comprehensive study to understand how hotels, including Hotel Luminor Jemursari, can sustain customer satisfaction amid these market changes. This research addresses this gap by examining the simultaneous influence of competitors, market segmentation, marketing strategies, and brand image on customer satisfaction, providing a broader understanding for developing effective management strategies.

A company's position in society can be gauged by the level of trust it has built over time. Additionally, market position can be determined by the extent to which consumers recognize the key attributes of the products offered. In other words, a company's strength or weakness largely depends on how effectively it provides the right services to each customer. In the development of modern marketing strategies, customers are placed at the core, making customer satisfaction a primary goal. To achieve this, a company must thoroughly study and understand its consumers. A company can build a positive image in society by providing added value to consumers, thereby fostering loyalty to its products. This leads to the formation of long-term relationships that ultimately boost the company's profitability. By understanding market segmentation, companies should develop effective marketing strategies to continually attract as many customers as possible, thereby improving overall performance.

According to Noor (2021) in his book *Strategi Pemasaran*, marketing includes all activities related to distributing goods or services from producers to consumers. Peter and Olson (2024) state that a marketing strategy is a set of principles that are properly, consistently, and feasibly implemented by companies to reach their target market. Therefore, businesses need to implement optimization strategies in their marketing efforts. Jay Conrad Levinson's (2007) perspective stresses that marketing strategies should also incorporate guerrilla marketing elements—an innovative, low-cost, and creativity-driven approach designed to make a big impact. Levinson emphasizes the importance of understanding consumer behavior, selecting suitable marketing channels, and building long-term customer relationships. According to his theory, marketing strategy involves establishing policies while managing various internal constraints. The goal is to meet corporate objectives by satisfying consumer needs. In other words, a marketing strategy includes a set of goals, policies, and rules that direct a company's marketing efforts. It involves comprehensive, integrated planning, execution, and assessment in marketing, with the ultimate aim of achieving marketing targets.

Peter and Olson (2024) argue that the marketing concept is the most suitable philosophy for conducting business. This concept underscores that organizations should identify and meet consumer needs and desires while maintaining close contact with their target market. This approach ensures that the products and services provided are relevant and used effectively. As technological advancements speed up and consumer preferences diversify—along with the increasing number and variety of competing products—traditional marketing methods are becoming outdated. Therefore, ongoing innovation in marketing strategies is crucial for identifying the most effective techniques to deliver maximum value and enhance revenue

opportunities. Furthermore, Widyaningsih (2024) emphasizes that guest satisfaction in the hospitality industry can be enhanced by improving the quality of services provided by accommodation managers. Supporting this perspective, Suryadharma and Nurchaya (2022) discovered that five service quality dimensions—tangibles, reliability, responsiveness, assurance, and empathy—significantly impact hotel guest satisfaction.

Based on these insights, it can be inferred that Competitors, Market Segmentation, Marketing Strategy, and Brand Image are key variables that may influence purchasing decisions. Therefore, this study aims to examine the relationship between these variables and customer satisfaction at Hotel Luminor Jemursari in Surabaya. The findings are expected to help improve Hotel Luminor Jemursari, especially in increasing customer satisfaction, which could positively affect the organization's overall performance.

2. Literature Review

Competitors are external factors that impact business strategy and customer perception. Kotler and Keller (2016) highlight the importance of competitor mapping to identify market position and service differentiation. Market segmentation involves dividing consumers into distinct groups based on shared characteristics and needs. When done effectively, segmentation enables more targeted and efficient marketing strategies (Kotler & Armstrong, 2018). Brand image, in contrast, reflects how customers view a brand's identity and reputation. A positive brand image builds consumer trust and enhances loyalty (Aaker, 1997). Customer satisfaction is defined as a personal evaluation of whether the consumption experience meets or exceeds expectations, and it is a key factor in customer retention and long-term business success (Oliver, 1997). While previous research has shown that these variables individually affect customer satisfaction, few studies have examined their combined impact within the context of local hospitality businesses. According to Kotler and Armstrong (2018), customer relationship management is a strategy and effort to build relationships with customers and provide satisfying service to them. In developing Customer Relationship Management activities, market segmentation must be considered. Market segmentation, according to Kotler and Armstrong (2018), is the process of dividing a market into groups of buyers with different needs, characteristics, or behaviors. In addition to market segmentation, another essential consideration is product uniqueness. Regarding product uniqueness, companies need to identify the distinctive features of their products that attract customer interest. According to Kartono, as cited in Poli et al. (2019:757), "Product uniqueness refers to suppliers who produce particular products so that the company gains a stronger bargaining position compared to companies offering commodity-type products." Sunyoto (2020:218) states that "Market segmentation is an effort to divide a heterogeneous market into segments that are homogeneous in nature." Assauri (2020), as cited in Hanggarito et al. (2020:47), explains that "Market segmentation refers to the activity of dividing a market into distinct group."



Figure 1. The Relationship between Market Segmentation and Hotel Customer Satisfaction (setuvision.com) as cited in Poli (2015)

3. Research Method

This research employs a quantitative approach using a survey method. The target population includes guests of Hotel Luminor Jemursari in Surabaya. Simple random sampling was used to select 100 participants. The data collection tool was a Likert-scale questionnaire ranging from 1 (strongly disagree) to 5 (strongly agree). To ensure data validity and reliability, both tests were performed. The data were analyzed with multiple linear regression to assess the combined and individual effects of the independent variables on the dependent variable.

The sampling method used in this study is simple random sampling, which ensures that each member of the population has an equal probability of selection (Sugiyono, 2022). This approach is beneficial for producing a sample that accurately represents the overall population. The theoretical basis of simple random sampling is rooted in probability theory, which states that every individual in the population has the same probability of selection. A sample is essentially a subset that mirrors the characteristics of the entire population. When the population size is unknown or too large to count, researchers can rely on sampling techniques. In this study, the sample size was calculated using the Lemeshow formula, which is suitable when the exact population size is unavailable. The Lemeshow formula is as follows:

$$n = \frac{Z^2 \times P(1 - P)}{d^2}$$

$$n = \frac{1,96^2 \times 0,5(1 - 0,5)}{0,13^2}$$

$$n = \frac{0.9604}{0.0169} = 56,8 \approx 57$$

Where:

n = Number of Samples

z = Standard Value

p = Maximum estimate = 50% = 0.5

d = alpha (0.10) or sampling error = 10%

The minimum required sample size for this study is 57 respondents. The Lemeshow formula was used due to the large and fluctuating nature of the target population. Respondents were selected from a customer list obtained from Tripadvisor's customer service, and data were collected via questionnaires distributed to guests of Hotel Luminor Jemursari in Surabaya. The

F-test was used to evaluate simultaneous effects, whereas the t-test assessed individual effects. The adjusted R^2 value reflects the model's ability to explain customer satisfaction.

4. Results and Discussion

The findings from the regression analysis show that competitors, market segmentation, marketing strategy, and brand image all significantly influence customer satisfaction. An adjusted R^2 value of 77.1% indicates that the model effectively explains a large part of the variation in customer satisfaction results.

Normali test

Data measured using scale-type instruments are generally assumed to follow a normal distribution. However, some datasets may not conform to this assumption. To verify the distribution characteristics of the data collected, a normality test must be performed. Therefore, the initial step in the statistical analysis process is to assess the normality of the data.

According to Ghozali (2023), the purpose of the normality test is to evaluate whether the variables within a regression model—both independent and dependent—contribute meaningfully to the analysis. Specifically, this test checks whether the independent variables (Competitors, Market Segmentation, Marketing Strategy, and Brand Image) and the dependent variable (Customer Satisfaction) follow a normal distribution.

There are two main techniques for assessing the normality of residuals: graphical methods and statistical tests, such as the Kolmogorov–Smirnov test. The next section offers a detailed explanation of the procedures and interpretation of the normality test.

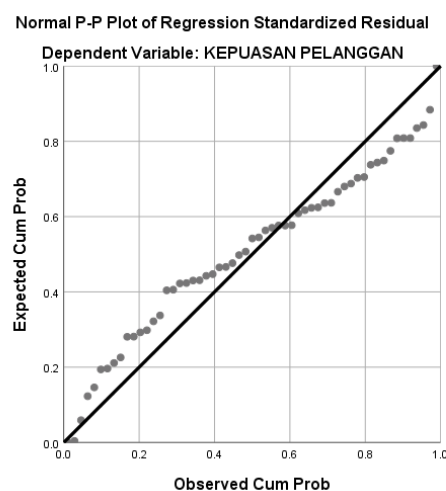


Figure 2. Results of Data Normality Test Graphically
Source: IBM SPSS Data Processing 25, 2025

Graphical normality tests can be misleading if not careful; they may look normal visually, but statistically, the opposite might be true. Therefore, it is recommended to supplement graphical tests with statistical tests (Ghozali, 2023). The results are as follows:

Table 1. Results of Statistical Data Normality Test

		Unstandardized Residual
N		57
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.59528075
Most Extreme Differences	Absolute	.089
	Positive	.053
	Negative	-.089
Test Statistic		.089
Asymp. Sig. (2-tailed)		.200 ^{c,d}

(Source: IBM SPSS Data Processing 25, 2025)

The results of the Kolmogorov–Smirnov test show that all variables have significance values above 0.05, indicating that the data are normally distributed across all variables.

Multicollinearity Test Results

Multicollinearity testing is conducted to assess whether there are intercorrelations among the independent variables in a regression model. This issue can be identified by examining the Tolerance and Variance Inflation Factor (VIF) values, as well as the strength of correlations between the independent variables. The goal of this test is to determine if any independent variables show redundancy or are highly similar to others in the model, which may suggest a strong interrelationship among them.

Table 2. Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Competitor	.314	3.183
	Marketing Strategy	.975	1.026
	Market Segmentation	.955	1.047
	Brand Image	.306	3.264

(Source: IBM SPSS Data Processing 25, 2025)

The table shows that all Tolerance values are above 0.10, and all Variance Inflation Factor (VIF) values are below 10. These results indicate that the multiple linear regression model does not have multicollinearity issues and therefore meets the classical assumptions, making it appropriate for use in this research.

Heteroscedasticity Test Results

The purpose of the heteroscedasticity test is to determine whether the variance of residuals varies across observations within the regression model. Heteroscedasticity occurs when the variability of a variable is inconsistent throughout the dataset. In such cases, the residual errors are not randomly distributed but instead show a systematic pattern related to the magnitude of one or more independent variables. Based on the data analysis, the scatterplot demonstrating this test is shown in the following figure.

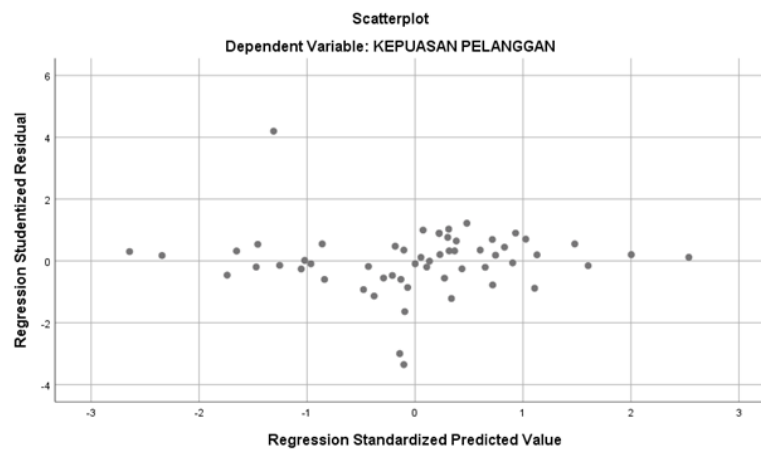


Figure 3. Heteroclassicity Test Results
 (Source: IBM SPSS Data Processing 25, 2025)

In the normal probability plot, the data points are closely clustered around the diagonal line, following its general trend. This pattern suggests that the assumption of normality is satisfied, indicating that the regression model is suitable for this study.

T-Test

Partial hypothesis testing is performed to determine if each independent variable individually has a significant effect on the dependent variable. The results of this test are shown below:

Table 3. Partial t-Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	15.529	1.591		9.759	.000
Competitor	-.823	.092	-1.064	-8.973	.000
Marketing Strategy	.139	.042	.222	3.294	.002
Market Segmentation	.370	.046	.543	7.987	.000
Brand Image	.545	.105	.624	5.200	.000

(Source: IBM SPSS Data Processing 25, 2025)

Referring to the coefficient table, the partial effect of each independent variable on the dependent variable can be interpreted as follows:

- Competitor Influence has a coefficient of -8.973 ($p < 0.001$), indicating statistical significance. However, since the t-value (-8.973) exceeds the critical t-table value (2.003) in absolute terms, the null hypothesis (H_0) is accepted, and the alternative hypothesis (H_a) is rejected. This suggests that Competitor Influence has a significant negative effect on customer loyalty.
- Marketing Strategy shows a t-value of 3.294, which exceeds the t-table value of 1.672. The significance level is 0.002, less than 0.05, indicating that the variable is statistically significant. Therefore, H_a is accepted, and H_0 is rejected, leading to the conclusion that Marketing Strategy has a significant positive impact on Customer Satisfaction.

- Market Segmentation yields a t-value of 7.987, surpassing the t-table value of 1.672. With a p-value of 0.000, this variable is statistically significant. As a result, H_a is accepted, and H_o is rejected, indicating that Market Segmentation has a significant positive impact on Customer Satisfaction.
- Brand Image has a t-value of 5.200, which exceeds the t-table value of 1.672. The p-value is 0.000, indicating statistical significance. Thus, H_a is accepted, and H_o is rejected, leading to the conclusion that Brand Image has a significant positive effect on Customer Satisfaction.

F Test (Simultaneous)

Simultaneous hypothesis testing aims to evaluate the simultaneous influence of independent variables on the dependent variable. The results of this hypothesis test are:

Table 4. F-Test (Simultaneous)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	59.788	4	14.947	43.645	.000 ^b
	Residual	17.808	52	.342		
	Total	77.596	56			

(Source: IBM SPSS Data Processing 25, 2025)

The Analysis of Variance (ANOVA) table shows the results of the F-test, which assesses the combined effect of the independent variables—Competitor Influence, Market Segmentation, Marketing Strategy, and Brand Image on Customer Satisfaction. According to the calculations, the F-value for Model 1 is 43.645. At a 5% significance level, with degrees of freedom $df_1 = 4$ and $df_2 = 52$, the critical F-table value is 3.16. Because the calculated F-value (43.645) is higher than the F-table value (3.16), it can be concluded that these four independent variables have a statistically significant effect on Customer Satisfaction.

Multiple Linear Regression Analysis Results

Multiple linear regression analysis was employed to assess the impact of independent variables on the dependent variable. The results of the multiple linear regression are as follows:

Table 5. Results of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	15.529	1.591	
Competitor	-.823	.092	-1.064
Marketing Strategy	.139	.042	.222
Market Segmentation	.370	.046	.543
Brand Image	.545	.105	.624

(Source: IBM SPSS Data Processing 25, 2025)

Based on the data analysis, the following equation can be derived:

$$Y = 15.529 - 0.823 X_1 + 0.139 X_2 + 0.370 X_3 + 0.545 X_4$$

The regression equation shows a constant of 15.529. If all independent variables (X) are zero, the predicted value of the dependent variable (Y) would be 15.529. However, since this study uses a Likert scale with a minimum value of 1, this constant can be ignored.

The regression coefficient for the Competitor Influence variable is -0.823, indicating a negative correlation with customer satisfaction. This suggests that greater competitive pressure may reduce satisfaction unless service quality and technological capabilities are enhanced to preserve customer loyalty.

The coefficient for Market Segmentation is 0.139, indicating a positive impact on customer satisfaction. Increasing segmentation efforts and customizing services to address specific customer needs can improve comfort and satisfaction levels.

The Marketing Strategy variable has a coefficient of 0.370, showing that stronger marketing efforts positively impact customer satisfaction. This can be achieved through engaging promotional content and responsive social media platforms that effectively meet customer information needs.

The Brand Image coefficient is 0.545, indicating a strong positive effect on customer satisfaction. Building brand identity through consistent service excellence can enhance customer pride, satisfaction, and word-of-mouth, thereby encouraging others to use the services at Hotel Luminor Jemursari in Surabaya.

5. Conclusion

This study concludes that competitors, market segmentation, marketing strategy, and brand image significantly impact customer satisfaction. Competitors negatively affect satisfaction, whereas the other three variables have positive effects.

Practical recommendations for Hotel Luminor Jemursari Surabaya include:

- Conduct regular competitor analysis to create service differentiation strategies.
- Enhancing market segmentation via data-driven customer profiling.
- Enhancing marketing strategies through digital media and targeted promotions.
- Creating a consistent brand image with excellent service and impactful visual communication.

Future research should increase the sample size and examine mediating variables like customer loyalty or perceived value.

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