

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Tourism industry do have the definition of a collection of various fields of industrial business which does not only advertise products and services, but also process, provide, produce, present, fulfill the needs needed by tourists both directly and indirectly in the hope of meeting expectations, pampering tourists and boosting the economy of the surrounding community gradually. Tourism industry sector is an industry which contributes as one of the sustaining factors for a country's economic growth, where tourism industry is the most effective trade to boost a country's foreign exchange. In the past few years, Indonesian tourism industry sector has become a priority for the central government and the community to be intensely developed given the large potential that has made the government optimistic about the upward number of tourists (INDONESIA.GO.ID, 2019).

In Indonesia especially in the city of Medan, North Sumatra, the biggest selling worth in tourism sector appear from the diversity of natural resources as of attraction, recreation, and the appeal of the society themselves. As well as natural tourism destinations, loads of human-made attractions and recreation destinations were built as well in favor of the realization of tourism and economical level. The construction of various

tourism destinations are also carried out at several points which are considered to have a direct impact on the industry, as well as rejuvenation actions and development of existing tourism destinations, and various promotional campaigns.

In big cities where shopping malls are familiar sights, recreational enterprise such as Water Park has been a well-known yet an alternative vacation destination as well as to create a balance atmosphere which may attract and benefit customers and tourists. Water Park offers a variety of attractions and rides which are made following the trends of thrill and modified according to various age levels. The establishment of – in this occurrence – a water park also acts as an alternative choice of destination for visitors who wish for spending the weekend and holiday season in order that it is not merely limited to malls and shopping centers. The construction of a water park in a big city shows a good progress on the government's efforts together with private companies as well to contribute to the tourism industry and the economical level of the region.

Wonders Water World, 6 hectares-wide water park which was established in July 2013, located strategically at *Jl. Padang Golf CBD Polonia, Suka Damai, Kec. Medan Polonia, Medan City*, North Sumatera provides the assistance for its customers in various kinds of water ride, as well as 3 Food and Beverage outlets distributed in the surrounding area of water park that serve numerous food and drinks. Operational hours on weekdays (Tuesday – Friday) are 13.00 – 18.00 with entrance fee IDR

100k; on weekends (Saturday & Sunday) are 10.00 – 18.00 with entrance fee IDR 120k. Mondays are closed for maintenance schedule. Wonders Water World offered 50% discount in entrance ticket in the mean time as one of the promotional strategies.

Below are data of Wonders Water World Medan number of customers in period January 2019 until December 2019.

Table 1.1 Numbers of Customer in 2019 January - December

MONTH	NUMBERS OF CUSTOMER
JANUARY	9693
FEBRUARY	2910
MARCH	3777
APRIL	9087
MAY	3692
JUNE	19927
JULY	6641
AUGUST	3836
SEPTEMBER	4132
OCTOBER	3933
NOVEMBER	5393
DECEMBER	11192
TOTAL	84213

Source: Wonders Water World (2020)

Data above shows most visitors visit Wonders Water World during school holidays in June (19,927), December (11,192) and January (9,693) and the least number of visitors are in February (2,910).

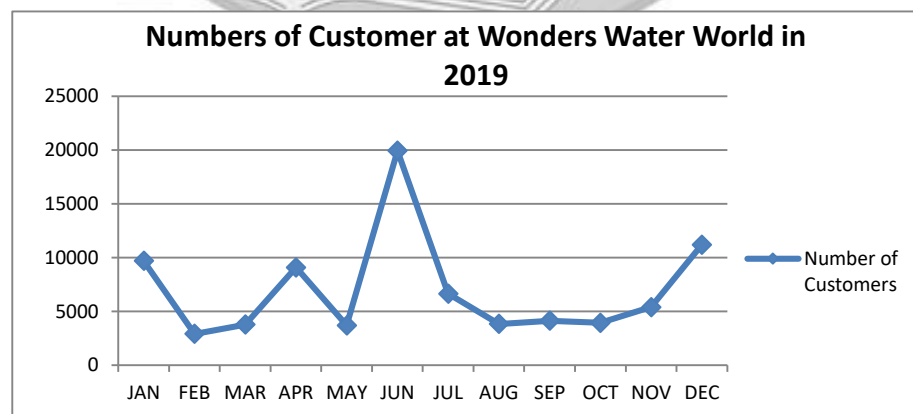


Figure 1.1 Numbers of Customer at Wonders Water World in 2019

Source: Prepared by the Writer (2020)

The graphic illustrates the instability of the number of visitors per month at Wonders Water World, where the most striking increase only occurred in June, December, January, and April (3rd year high school holiday period) to coincide with the long school holidays for students, while in other months the movement of the graph tends constant and does not show a certain significant increase.

According to Pak Jhonny Sihotang (Marketing Manager at Wonders Water World), numbers of visitor in 2016 and 2017 experienced a drastic decrease thus the management intensively carried out effective marketing strategies; one of which was to collaborate with third parties i.e. Online Travel Agent (OTA) and create a promotional campaign in the form of the discount vouchers implementation at Wonders Water World, which results in growth of the numbers of visitor in the following years. Yet this strategy did not present a significant effect seeing numerous of unsatisfactory online reviews about Wonders Water World.

Below are several online reviews of Wonders Water World gathered from Google.com which show dissatisfaction or disappointment of customers.

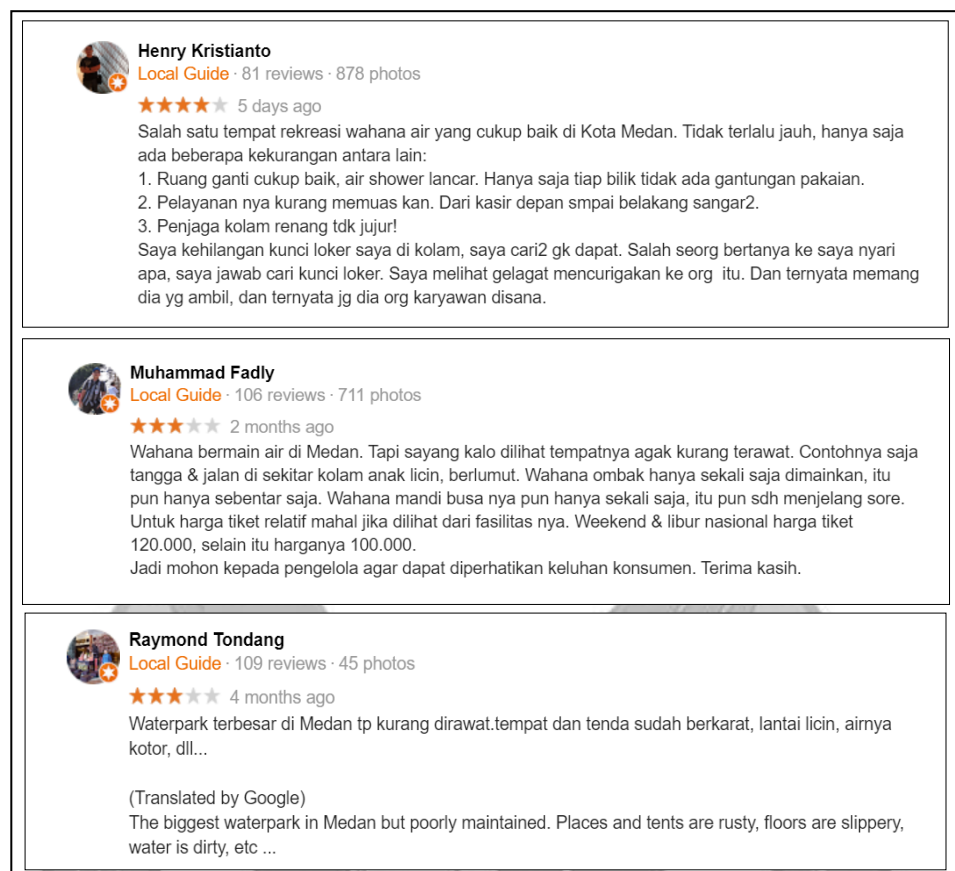


Figure 1.2 Online Reviews of Wonders Water World Medan

Source: Prepared by the Writer (2020)

The most frequent reviews are to criticize the experience of visiting Wonders Water World which does not meet the initial expectations that have been set. Visiting experience is considered lacking or does not reach the level of satisfaction which does not trigger the future revisit intentions of visitors. The statement about and cleanliness of public area and facilities and overpriced water park entrance fee are considered as the major factors or aspects that cause less pleasant customer experience where customer satisfaction is not presented. The number of impressions and feedback that is unpleasant and disappointing is interpreted as an unsuccessful approach of the company to build and create comfortable and positive atmospheres

and provide memorable experiences where customers will be satisfied with their experience. Company may gathers, studies, and evaluates various responses obtained as a phase to rebuild a bad persona.

From direct observation as a customer to Wonders Water World, writer got the similar experience as stated at reviews from Google in which several factors such as: (1) public facilities were less perceived, poorly maintained; (2) water rides provided did not fully operated and upgraded to new and modern versions; (3) safety and security of customers were not prioritized as noticed from the slippery floor tiles and broken tiles inside the pool, and (4) price offered (entrance fee, rental fee, etc.) are not giving fair and equal value compared with the quality presented. The unpleasant experience at Wonders Water World Medan may lead to dissatisfaction on customers towards the company.

The construction of a recreational site – for instance, Wonders Water World – may not succeed immediately in order to draw interest of visiting. Companies need to comprehend the true characteristics of consumers and their behaviors where consumers are the crucial key needed by companies, especially companies that offer services as their main account. Offering a quality and memorable experience, figuring out customer expectations and preferences in the field of recreation is a significant role, which may lead to the achievement of customer satisfaction and will trigger repeat purchases or revisit intention and

recommendations through word-of-mouth, and the stage of customer loyalty will be presented.

As indicated by (Batat, 2019), “Experience can be defined as the acquisition, whether deliberate or not, of the understanding of human beings and things through their practices in the real world, and thus its contribution to the development of knowledge.”

Unpleasantness experienced by customers at Wonders Water World as listed in the online reviews above and observations of writer as a customer, shows that the essential indicators in the customer experience that should be met and realized, are in fact not achieved. Assessments that are stimulated by sensory, emotional, cognitive, behavioral, and relational values derived from indicators of experiential marketing in customer experience – sense, feel, think, act, relate – are not fulfilled, especially in the "Sense" and "Think" indicators which are the main concerns that always gets unsatisfactory feedbacks. "Sense" indicator covers the physical aspects of the object studied, "Feel" indicator covers various aspects which trigger customers' emotional feelings, "Think" indicator covers various aspects that encourage customers in certain way of thinking, "Act" indicator covers various aspects which link customers to the lifestyle and behavior, "Relate" indicator covers various aspects which relate customers to dream figures or brands. Not fulfilling these indicators affect on the level of satisfaction not achieved accurately.

As indicated by Richard L. Oliver in (Tjiptono & Diana, 2019, p. 123), *“Kepuasan pelanggan adalah perasaan senang atau kecewa yang didapatkan dari membandingkan antara kinerja (atau hasil) produk yang dipersepsikan dan ekspektasinya”*, as it is interpreted as: customer satisfaction is a feeling of pleasure or disappointment obtained from comparing the performance (or results) of the perceived product and its expectations.

Companies need to have the ability to be able to provide a remarkable and memorable experience to all customers, in terms of adequate facilities to excellent service and hospitality, as to create customer satisfaction and build intimate relationships between company and customers that will benefit the future. On the contrary, if a company fails to understand or analyze the experience of customers, satisfaction levels will be difficult to achieve, and this will impact on the obstruction of tourism and economic development.

As stated by (Azhari, Fanani, & Mawardi, November 2015), *“Pengalaman memberikan kenangan tersendiri kepada konsumen, jika konsumen mendapatkan kenangan yang positif mereka akan merasa puas dan akan menceritakan pengalamannya kepada orang lain”*, as it is defined as Experience projects certain memories for customers, if customers experience positive and pleasant memories, satisfied emotions will be created and results in Word-of-Mouth sharing with other potential customers.

Based on the description above, customer satisfaction can be achieved through presenting remarkable customers experience at Wonders Water World Medan thus writer is interested in conducting research which may provide significance on identifying the importance of Customer Experience variable which contributes in tourism and recreational enterprises as well as proceeding as guidance in conducting new researches which also serves as cross-reference in providing insight regarding Customer Experience and Customer Satisfaction value, entitled: **“The Effect of Customer Experience towards Customer Satisfaction at Wonders Water World Medan”**.

1.2 Problem Limitation

The research is limited to indicators of customer experience which affects customer satisfaction at Wonders Water World Medan, as well as limited to several problems regarding customer experience variable (public facilities, water rides, safety and security, and price). The indicators of customer experience (Variable X) are Experiential Marketing: sense, feel, think, act, and relate. The indicators of customer satisfaction (Variable Y) are satisfaction towards quality, satisfaction towards value, perceived best, and customer expectation.

The research takes place at Wonders Water World, Jalan Padang Golf CBD Polonia, Suka Damai, Medan, North Sumatera, Indonesia. 50

customers of Wonders Water World Water Park Medan are targeted as samples of the research.

1.3 Problem Formulation

Based on this research, the writer found several problems that need to be observed in this study which are:

1. Does Customer Experience have effect at Wonders Water World Medan?
2. Does Customer Satisfaction have effect at Wonders Water World Medan?
3. Does Customer Experience have effect towards Customer Satisfaction at Wonders Water World Medan?

1.4 Objectives of the Research

The objectives of this research are:

1. To analyze the effect of Customer Experience at Wonders Water World Medan
2. To analyze the effect of Customer Satisfaction at Wonders Water World Medan
3. To identify whether Customer Experience has effect towards Customer Satisfaction at Wonders Water World Medan.

1.5 Benefit of the Research

1.5.1 Theoretical Benefit

The result of this research will act as a pillar base in theoretical aspect for Management study especially in Hospitality Management study. It could be for future academic reference as well as to develop further theory and knowledge about the effect of customers experience towards satisfaction in hospitality industry.

1.5.2 Practical Benefit

1. In this research, the writer can achieve the new academic knowledge about the effect of customer experience towards customer satisfaction.
2. The results of this research can proceed as a guidance and consideration for Wonders Water World Medan on how to expand the operational management and strategy to increase customer satisfaction for the achievement of customer loyalty.
3. The results of this research can become additional references, and assistance for future researchers to perform further study on the topic of the effect of customer experience on satisfaction when visiting a certain tourism and recreational site.