

CHAPTER I

INTRODUCTION

1.1 Background of Study

Hospitality sector is a wide category fields of service industry which sells a fusion between products and services. Hospitality is where the guest-host relationship works, or the exercise of being friendly. Hospitality is also defined as the work of kindly giving care, respect and courtesy to those in need. Nowadays, the industry has become one of the fastest growing field in the world.

In general the hospitality industry contributes itself to entrepreneurship. Each estate, has its own particular market segment whether a restaurant or a hotel that are assessed by its location and the services offered. Rooms, restaurants, bars, nightclubs, or health clubs are no longer considered as luxury in the hotel facilities.

Expansion of infrastructure in hospitality industry or tourism, especially in hospitality industry is likely to develop more ease the advancement of tourism industry. The competitiveness of this industry naturally have a sharp increase in the number of hotels, it is one of the reason for hotel continue to look for new approaches to improve the services, as well as planning to ensure guests have an unforgettable stay with the conveniences availability. Hence, with the ever-expanding hotel sector, hotel must keep updated on current and future trends to satisfy the demands and needs of extremely specialized hotel guests effectively. Hotels have obligation supply creative and innovative service elements that meet the expectations of hotel guests in order maintaining competitive advantage in the

hospitality industry, therefore the satisfaction of guests will be a profitable corporate image and strengthen customer loyalty.

Currently one of the main challenges for its management team in the hospitality industry is to offer and preserve guest satisfaction. Based on the forming factors, satisfaction of the quality of a service can be seen from the guest perception, while the perception of service quality is a guest assessment of the quality of the service they receive. Furthermore, guest satisfaction can supply benefits such as repeat purchases and the creation of customer loyalty and form a word of mouth recommendation that is profitable for the company. Because of deep rivalry in service sectors, relationship between customers and service providers has been increased.

It is very nature that relationship between guest satisfaction and service quality has received more attention in the marketing services. Because of the similarities between the two forms, researchers curious whether evaluations of service quality and guest satisfaction are identical. Satisfaction and quality are highly interrelated because quality perception is one of the core determinants of overall satisfaction. It is genuine that the key to advantage lies in providing high quality services which in turn will lead to satisfied customers.

The main aims of this study are to examine the relationship between service quality and guest satisfaction, and how the service quality afterwards has effect the guest satisfaction in Adimulia Hotel Medan. Adimulia Hotel Medan is a four-star

leisure and business hotel which is managed by Topotels. Initially, the author determines Adimulia Hotel Medan as the research object.

The hotel stated with confidence that their superiority compare to other luxury hotels are because Adimulia Hotel located in the heart of Medan's business and shopping district and known as a luxury hotel that has successfully attracted guests with the elegance touch of design and affordable prices. They also have incredible facilities such as infinity pool, high ceiling gym, private spa room, wider outdoor garden space, and large cozy function room with distinctive characteristics colors.

Despite all the excellences, the author gets curious to conduct this research because of recent issue about the service quality at Adimulia Hotel which is not as expected as the luxury title that they have. Writer have experienced the services in their restaurants and found that the services are not well established, so writer would like to know whether guest will comprehend even though they are lacking in some terms. Based on the description, author decided to conduct research on Adimulia Hotel Medan and done interviews directly with the Human Resource Manager, with title:

“Effect of Service Quality on Guest Satisfaction at Restaurants of Adimulia Hotel Medan.”

1.2 Problem Limitation

In this study the author wants to limit the problem by focused on discussing service quality of food and beverage department that will affect guest satisfaction.

Therefore, author collects information from respondents who had experienced the service quality at the Restaurant of Adimulia Hotel Medan. However, due to hotel's policy, internal and confidential information such as hotel performance and room occupancy are not provided in this journal.

1.3 Problem Formulation

Based on the background of study, the problem formulation has intention to describe and analyzes the service quality at Adimulia Hotel Medan to improve guest satisfaction, therefore, this research attempts to answer the following questions:

1. How is the service quality at Adimulia Hotel Medan?
2. How is the guest satisfaction at Adimulia Hotel Medan?
3. How is the relationship between service quality and guest satisfaction at Adimulia Hotel Medan?

1.4 Objective of the Research

The purpose of the research to achieve by author is to analyze role of service quality in affecting guest satisfaction as the significant variables, following:

1. To indenify the service quality at Adimulia Hotel Medan.
2. To identify satisfaction of the guest of Adimulia Hotel Medan
3. To find out whether the service quality has effect on guest satisfaction at Adimulia Hotel Medan or not.

1.5 Benefit of the Research

This research is expected to provide theoretical as well as practical benefits:

1.5.1 Theoretical Benefit

Theoretically, the results of this study will be used as material to broaden the study of hospitality and as references in the field of hotel services, especially about service encounter quality that is expected to influence customer or guest satisfaction.

1.5.2 Practical Benefit

The results of this study are expected to supply company a program as input or suggestions for Adimulia Hotel Medan in determining service strategies that are oriented to guest satisfaction as well as view for entrepreneurs in the hospitality sector.