

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

As today, customer satisfaction, and service quality are largely determined its organization. Maximize profit by increasing sales and minimize costs is the principal objectives of every organizations. In hospitality, customer satisfaction is the key of a successful when competing to other Hotel. To improve customer satisfaction, hotel has to be creative and innovative. Happy customer will return and there will be repeat purchase from the company. Competition among hospitality industry is very complicated and difficult because of many developments in every aspect of life that support by globalization.

According to Fandy & Gregorius (2016:113), *“Kualitas layanan memberikan kontribusi signifikan terhadap penciptaan diferensiasi, positioning, dan strategi bersaing dari setiap organisasi pemasaran, baik perusahaan manufaktur dan penyedia layanan.”*

The definition can be explained as: service quality contributes significantly to the creation of differentiation, positioning, and competitive strategy of every marketing organization, both manufacturing companies and service providers.

If the perceived service is as expected, the quality of the service is perceived as good and meet customers expectations. If the service received exceeds consumer expectations, then the quality of the service is perceived as very good and qualified. Conversely, if the service received is lower than expected than the quality of the service is perceived poorly. Nowadays, in Hospitality industry Front office is one of the most important departments in the hotel because front office is the face of the hotel and also as the representatives of the hotel from the first time customer arrived. Front Office plays an important role for a hotel because it is the center of hotel activities.

Grand Aston City hall Medan is one of the five-star hotels in Medan that competes in hospitality industry. Grand Aston Cityhall Medan Hotel and Serviced Residence is ideally located in the heart of Medan, exactly the zero kilometres of Medan City and just 60 minutes from Kuala namu International Airport by car and five minutes away from the Railink Station to Kuala Namu International Airport. The hotel offers rooms and suites with dramatic views of the city skyline.

Grand Aston Cityhall Medan gives the best quality service that also gives the heritage vibes. Every hotel has its special identity that given to the customers through the service performance and how customer experience the service. In Grand Aston Cityhall Medan, they implement their vision as to be preferred as a five stars hotel in Medan by providing innovative service excellence and value for money. There are some issues that may occur in front office department, such as lack of product knowledge, long check in and check out process, slow response to guest and lack of communication.

Table 1.1 The Percentage of Total Room Night In Hotel Grand Aston Medan Year 2018

Month	Room Available	Room Sold	Room Occupancy (%)	ARR
July	7,250	5,995	82.69%	692,521
August	7,750	6,073	78.36%	692,143
September	6,750	4,797	71.07%	708,226
October	7,000	5,866	83.80%	711,525
November	6,750	5,509	81.61%	700,510
December	7,500	5,767	76.89%	701,638

Source : Grand Aston Cityhall Medan (2019)

From the table 1.1 it can be seen that the rooms filled of Hotel Grand Aston Medan is not very good, as evidenced by the lowest rooms filled in September with the achievement of only 71.07% with 4,797 room sold.

To find the solution about how to increase the customer visit each month, the writer did distribute questionnaires to find out what are the positive and the negative about the hotel Front Office itself. Currently Grand Aston Cityhall Medan needs to have increasing number of customers which will increase popularity and revenue. Because of that reason, Grand Aston Cityhall will do some innovation to increase customer satisfaction.

Based on the problem above, the writer interested to make the final paper with the title of **“THE INFLUENCE OF SERVICE QUALITY OF FRONT OFFICE STAFF TOWARDS CUSTOMER SATISFACTION AT GRAND ASTON CITYHALL MEDAN ”**

1.2 Problem Limitation

Due to the time limitation, ability and knowledge and also the width of the topic , the writer will only focus on examining the effect of service quality of front office staff toward customer satisfaction at Grand Aston Cityhall Medan. According to Hasan (2016: 68) Customer satisfaction indicators, namely: Overall customer satisfaction, Dimensions of customer satisfaction, Confirmation of expectations, Interest in repurchasing, Willingness to recommend.

According to Tjiptono (2018: 95) There are five main dimensions of service quality arranged in the order of their relative importance as: reliability, responsiveness, assurance, empathy and tangibles. The writer will limit her research by using survey and conducting interview, as well as analyze the data given from company from the period July-December 2018.

1.3 Problem Formulation

According to the background of the study, this research will reveal some problems such as :

1. Does service quality of front office staff influence customer satisfaction at Grand Aston Cityhall Medan?

1.4 Objective of The Research

The objective of the research is to help to solve the problem that have been found, which is :

1. To analyze the influence of service quality of front office staff toward customer satisfaction at Grand Aston Cityhall Medan.

1.5 Benefit of The Research

The benefits of this study are divided into two, namely theoretical and benefits practically.

1.5.1 Theoretical Benefit

Theoretically, The researcher expects to increase the knowledge of hospitality management and bring a fresh ideas about hotel performance especially in front office, customer and level of satisfaction that aims to build a good reputation and popularity for the hotel. The researcher expects that this research will be useful for future research in order to be reference.

1.5.2 Practical Benefit

Practical of this particular research are:

1. This study aims to make the researcher to more understand about service quality of front office staff and customer satisfaction at the hotel.
2. This study wants to give advices according to the research on improving sevice quality of front office staff.
3. The researcher expects that this research will be useful for future research in order to be reference.

1.6 Systems of Writing

In the systematics of writing, the author will briefly describe the chapter by chapter in sequence. The order of writing the chapter to be presented is as follows:

Chapter I : Introduction

It is the outline, the direction of purpose, and the encouraging research grounds the authors do research and include: Background of the study, Problem limitation, Problem formulation, Objective of the research, Benefit of the research (Theoretical and Practical benefit) and Systems of writing

Chapter II : Literature Review and Hypothesis Development

Explaining further about the theory on which the author is based, which cover: Theoretical background, Previous research, Hypothesis Development, Research model and Framework of thinking

Chapter III : Research Methodology

Describe about: Research design, Population and sample, Data collection method, Operational variable definition and variable measurement, Data analysis method.

Chapter IV : Data Analysis and Discussion

Describe about: General view of “Research Object”, Data analysis (Descriptive statistic, Result of data quality testing and Result of the hypothesis testing), Discussion

Chapter V : Conclusion

Describe about: Conclusion, Implication and Recommendation.

