CHAPTER I

INTRODUCTION

1.1   Background of the Study

Internet presence has brought impact to people activities and lives. Indonesia people have a habit on using internet for access video content, chat and social media, as well as online buying and selling activities (Birra, 2019). According to AJPII, the number of internet user in Indonesia at 2020 year has reached to 196,7 millions or 73.7 percent of the population and this number has increased about 25.5 millions compared to 2019 year (Jatmiko, 2020). The number is keep increasing since March 2020, due to pandemic situation, many activities are set to be online such as working from home and home schooling (APJII, 2020).
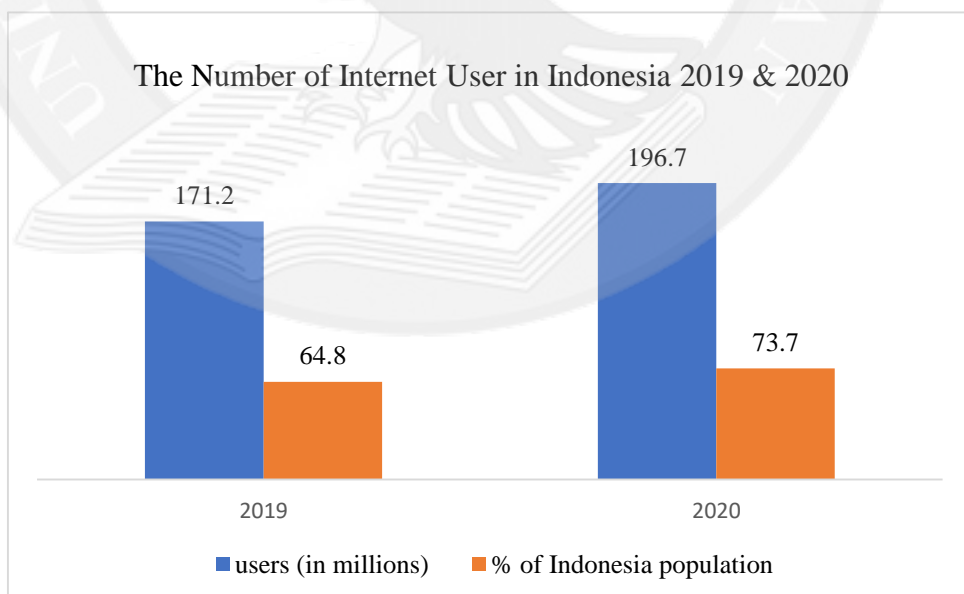

Figure 1.1 The Number of Internet User in Indonesia 2019 & 2020

Source: APJII, (2020)

Nowadays, social media has become a daily necessities because people are more active in playing social media than socializing in the real world (DevianaM, 2019). The development of social media is not only increasing rapidly on developed countries, but also in developing countries such as Indonesia, a lot of social media users have become a substitute for the role of mass media in spreading news and information (Akbar, 2018). According to Hootsuite, the user of social media in Indonesia at 2020 has been reached to 160 millions user and most of the user is from 16 years old to 60 years old, this number of social media user are increasing 12 millions from 2019 or increasing around 8,1%.
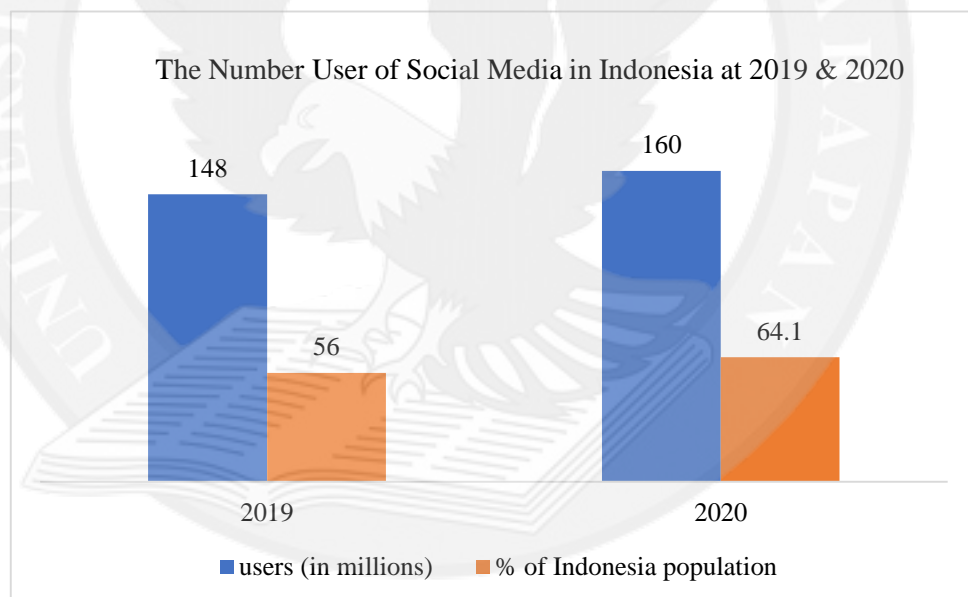

Figure 1.2 The Number User of Social Media in Indonesia 2019 & 2020

Source: Hootsuite (2020)

Below is the statistics data of the most active social media platform from 2019 to 2020 based on the percentage user.
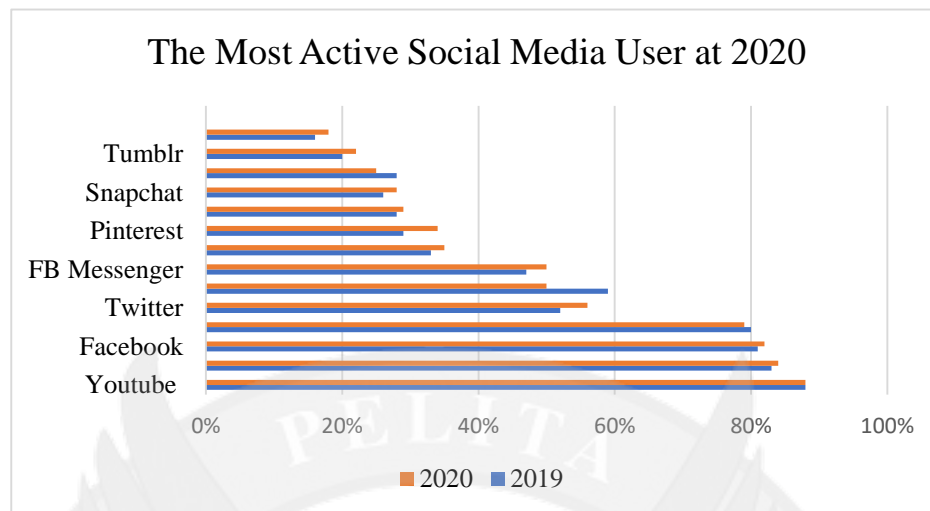
Figure 1.3 The Most Active Social Media User at 2020

Source: Hootsuite (2020)

In social media, people can actively connect with each other and talking about their experience, sharing opininon about product and services that they have tested or even recently heard of (Sofiani, 2020). From business sector perception, social media is an appropriate platform for company to improve business because social media is a global platform where the users are coming from diffferent countries. Therefore, company have more opportunities in expanding their target market and learn about customer preference.

The development of hospitality industry is inseparable from social media marketing strategy. One of the strategies that has implemented is using social media for the hotel marketing. In hospitality industry, hotel marketing strategy is playing an important role because to be able to attract customer's interest, it seen from how many is the hotel customer and what

is the hotel rate (Kukuh et al.,2020) According to Surya et al., (2016) the most factor influencing consumers to decide hotel via online booking are the expert reviewer and customer online review.

Online review is part of the Electronic Word of Mouth (eWOM), where customer can express their own opinion directly (Pricella et al.,2019) and expert reviewer is a person who write the review in cyberspace or internet because they saw the previous reviewer was discussing about the same thing, this kind of reviewer is considered more expertise because they have experienced (Azulmi et.al, 2018).

The characteristics of computer work in Web 1.0 are based on individual recognition of other individuals (human cognition) in a network system, while Web 2.0 is based on how individuals communicate (human communication) in interindividual networks (Mulawarman & Nurfitri, 2017). Based on wikipedia, Web 2.0 term was coined by O'Reilly Media in 2003 and popularized at the first web 2.0 conference in 2004. Web 2.0 is the second generation of web-based services such as social networking sites, wikis, communication tools which emphasizes online collaboration and sharing between users. According to Eleftherios et al.,(2018), costumers are commonly using various web 2.0 channel to searching about hotel information.

The most significant channel that costumer usually use for access picture,videos and hastags that related to the hotel are from the social media platform such as youtube, instagram, twitter, facebook and tripadvisor.

Tripadvisor is a website that mainly focus on hospitality industry and they offered various kind of customer reviews towards business sector such as booking flight ticket, recommendation of restaurant, hotel, attraction place and accomodation. The recommendation is starting from cheap price to the most expensive.

Tripadvisor is one of the world's largest travel sites which helping tourists optimize the potential of every trip, the site offers millions of suggestions from travelers as well as a wide range of travel planning options and features that links to hundreds of website booking tools for finding the best or average hotel prices with 390 million monthly visitors, displays 500 million reviews and opinions of around 6.8 million accommodations, restaurants and tourist attractions (Saragiha, 2019).
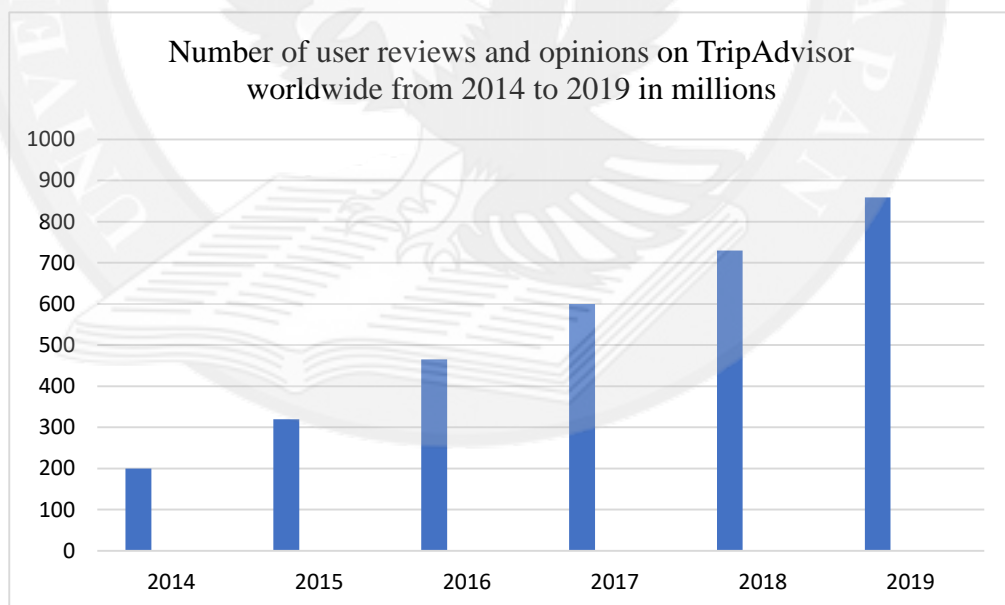

Figure 1.4 Number of user review & opinions on Tripadvisor worldwide

Source: Statista (2020)

The statistics data above is from Tripadvisor worlwide number reviews and opinions from 2014 to 2019. The data is showing that the number keep increasing year by year. According to Sumarsono (2019), Tripadvisor plays the role as a reference of the world hospitality industry in raising the hotel rating. Hotel rating is used to determine the quality of a hotel.

Apart from tripadvisor, there are some social media platforms that can be used as a support channel to find about hotel information and customer reviews such as Facebook, Twitter, and Instagram. Usually, a review from customer to the hotel can be seen on the hotel's story highlight in their profile Instagram account and the customer's instagram story review will be reposted by the hotel management. The good customer review will be put on their highlight story as a evidence of some customer review.

Source: CambridgeHotelMedan (2020)

However, to find a bad review on hotel social media instagram might be difficult. Therefore, tripadvisor is needed as a reference for evaluating customer reviews. Tripadvisor (2017), PhocusWright make a study survey on impact of the review towards customer decision making and from the respondent percentage are showing that 83% make decision through the help of review, 80% make decision after they read the review about 6 to 12 times, 53% will not booking until they saw the review and the same survey was did by (Prashar, 2016) which are showing that, 97.7% of customers read other travelers online review, 92% trust the travel reviews of close family or friends, 77.9% think other travelers online reviews are important for deciding where to stay, 53% will not book a hotel that has no reviews, 42% holiday planners used review websites while planning their holiday and 18% travellers reviews drive more loyalty.

In this study, writer will choose one of a hotel in Medan to do the research and the research will be taken place in Cambridge Hotel Medan. Cambridge Hotel Medan that once known as Grand Swis-bel Hotel was formed at 2008. "The changing of hotel name from Grand Swis-bel Hotel to Cambridge Hotel Medan because their contract with Grand Swis-bel Hotel International is over. The changing is not only in the hotel name but also a little improve such as renovation on the hotel interior especially for the hotel room and the hotel atmosphere." This statement was published on Tribun News article when Tribun News was doing interview with the

General Manager of Cambridge Hotel Medan Syahrir Arief at Saturday, 15 September 2018.

Cambridge Hotel Medan location is near to shopping mall, attraction places and stop destination for accomodation. This hotel have a luxury interior design and provide luxury facilities for customer to enjoy during their trip or their stay such as dining room, fitness room, swimming pool, rooftop bar & restaurant and etc. However, luxury facilities do not always guarantee to bring satisfaction for customer because there are many factor could be an impact for guest satisfaction as example hotel product, service quality, the hotel atmosphere and etc. The way of hotel management in solving customer problem is also part of service quality. According to Grace et al.(2017), customer satisfaction is one of the factors that influence success in the tourism and hospitality business sector, therefore customer expectations must be fulfilled in order to achieve a high level of customer satisfaction.

This problem is seen from Cambridge Hotel Medan's social media platform which is Tripadvisor. In the Tripadvisor it can be seen that there are various type of customer satisfacion and customer review. Below, is the data of customer review towards Cambridge Hotel Medan.
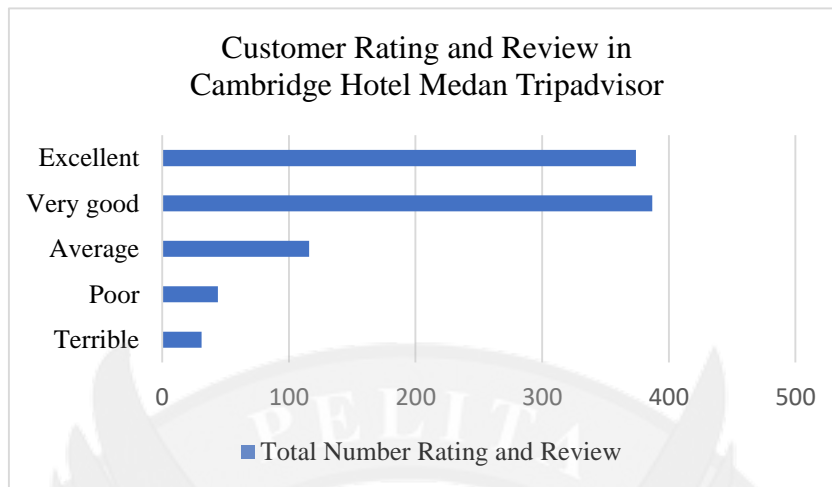
Figure 1.5 Total number rating and review

Source: Cambridge Hotel Medan Tripadvisor (2021)

From the data satistics above, it show that from 952 reviews not all guests gave good rating. Problem that happened in Tripadvisor is caused by the bad service and facilities that customer got during their stay or trip in Cambridge Hotel Medan, as an example one of the customer review on March 2020. He explained on the Tripadvisor of Cambridge Hotel Medan review column that Hotel management was taking an advantage from him because they took profit for charging him in lost and found shipping cost.

Source: Cambridge Hotel Medan Tripadvisor (2020)

However, there is no certainty that customer reviews can influence customer decisions. Therefore, writer is curious whether customer review in social media plays a role in customer making decision and interest to do the research at Cambridge Hotel Medan which under the tittle "Analysis of Customer Review in Social Media Platform Towards Customer Decison to Stay at Cambridge Hotel Medan"

1.2 Research Focus

Based on writer limited knowledge, this study will be focus on the influence of customer review in social media towards customer decision and for the research place, it will only focus on Hotel Cambridge Medan that located at JL. Letjend S. Parman No. 217, Medan, North Sumatra, Indonesia.

1.3 Problem Formulation

Based on the background study above, here are the problems of formulation that can use to discuss about:

1. Does customer review of Cambridge Hotel Medan in social media is according to the reality?

2. How to improve the customer review on Cambridge Hotel Medan social media?

3. How could customer review in social media increase customer decision to stay at Cambridge Hotel Medan?

1.4   Objective of the Research

Here are some objective of the research as follow:

1.   To find out that customer review in Cambridge Hotel Medan social media is according to the reality.

2.   To find and understand about the way to improve customer review in Cambridge Hotel Medan social media.

3.   To find out about the link of customer review in social media with customer decision to stay at Cambridge Hotel Medan.

1.5   Benefit of the Research

From this study, here are some theoritical and practical benefit as follow:

1.5.1   Theoretical Benefit

1. For writer to apply the knowledge that has been learned during study in campus by doing the research in the field directly.

2. For everyone to get more knowledge about the link of customer review in social media towards customer decision.

1.5.2   Practical Benefit

1.   As illustration for Cambridge Hotel Medan to know how customer review in social media could be influence customer decision.

2. Helping Cambridge Hotel Medan to maintain good customer reviews and improve customer reviews in social media.