

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The hospitality industry is a service sector that combines products and services, besides that the manufacture and construction of hotels are designed as comfortable as possible for guests, ranging from hotel buildings that are made modern, elegant, and also combined with attractive interiors and exteriors, to the room, restaurant, lounge, bar, meeting room, and facilities must be very comfortable for guests who visit and stay.

Then a very different atmosphere is created when staying at a hotel where the employees always greet, smile, are polite and courteous in serving and the hotel facilities can be used or utilized by guests, all of this aims to make the guests more comfortable when staying at the hotel. Basically, the hotel industry is known for selling hospitality services and is supported by hotel employee skills in terms of providing guests with services.

According to Heikkilä et al., (2017) as cited in Bungatang & Reynel (2021), five dimensions are pertinent to explaining service quality, as defined by the SERVQUAL model, namely: Reliability, Responsibility, Assurance, Empathy, and Tangibles. So, one of the considerations for guests in determining their choice to stay at a hotel is the quality services provided by the staff or employees, then also

with hotel facilities that can be used and enjoyed by guests that facilitate all the needs of these guests. Gronroos (1984) and Mohammad et al. (2012) as cited in Mojekwu et al. (2022) said that understanding customer expectations is the key to success in quality of service, as gaps between customer expectations and the customer's point of view can be used to determine service quality. Therefore, with the excellent quality of service and hotel facilities, guests will feel comfortable and satisfied while staying at the hotel. If the guest is satisfied with the services and facilities offered, the guest is likely to make a repeat purchase. Because the quality of service is one of the keys to the success of any service, and because quality and satisfaction are inextricably linked, the better the service, the more sought after it is by guests.

In addition to service quality, a facility also plays a significant role in attracting customers or guests. Where facilities are infrastructure, the goal is to make customers comfortable and satisfied. Customers now more stand out in considering factors in determining a product or service they want, including hospitality services. Facilities are considered by a customer in determining their choice to stay in a hotel. Like stuff at same price level or not much different, good, cool, and complete facilities provided by the hotel, therefore there will be a sense of satisfaction and comfort felt by customers, all of which will make customers choose the hotel, because of the completeness of its facilities. Facilities are a crucial tool in life, so facilities must be maintained and managed properly and properly during their useful life, so that they can always be used properly and properly effectively, efficiently, and economically (Aryani Soemitro & Suprayitno, 2018).

Customer satisfaction is the main goal or priority of the hotel industry or other service business. Reason for this is that the customer is satisfied with the services and facilities that have been presented, all of which aim to make the relationship between the guest and the provider good and have a long-term effect on the business relationship, and can provide services good image of the hotel. Satisfied customers are the secret to the tremendous success of most enterprises, delivering quality services and caring for the customers provides an answer to an organizational quest to return value on shareholders' investment (Chukwuma, 2019).

Based on the current rapid development, the increasing number of newly opened hotels has resulted in increasingly tight and competitive competition between one hotel and another, not only in terms of service quality but also in terms of the hotel's facilities. This is also experienced by a 4-star hotel which has just held a Grand Opening on March 12, 2020, named Labersa Toba Hotel & Convention Centre, which is located at Jl. Raya Pematang Siantar - Balige, Toba Samosir Regency, North Sumatera, Indonesia. Being the only 4-star hotel in Toba Regency, North Sumatera requires them to pay more attention to the quality of the services and facilities offered. Labersa Toba Hotel & Convention Centre has 152 rooms with 5 types of rooms, namely Deluxe Room, Deluxe Premier, Junior Suite, Toba Suite, and Royal Suite. Room facilities provided are bath and toilet, air conditioner, shower, television, safety box, shampoo, body soap, bath towel, hand towel, face towel, shower cap, cotton bud, shower toilet. In addition to room facilities, guests are also facilitated with hotel facilities and services such as karaoke, Banquet Hall,

Bar, Business Center, Coffee Shop, Conference Room, Restaurant, Ice-making Machine, Morning Call, Room Service, Cleaning Service, Free Water boom Access, LAN Connection (all rooms), Free Internet Connection.

Given the demands of each guest, the hotel's facilities must have various variances and weaknesses, resulting in a decline in the number of guests staying. As a service company, they should pay attention to what guests can satisfy so that they can make guests do promotional actions to other guests, and what they feel during their hotel stay.

From the results of observations before conducting direct research, the authors found that there were complaints from guests following the service quality and facilities at the hotel, complaints given by guests to Labersa Toba Hotel & Convention Center will make a good reputation down and lose customer satisfaction. Judging from the data taken through reviews on online travel agent websites, the authors found several complaints that were most frequently complained by guests.

Table 1.1 Complaints that have been recorded by Online Travel Agent

Time Period	Labersa Toba Hotel & Convention Centre has received complaints about the performance of its services.
January – April 2022	1. With a 4-star hotel, it still lacks the facility
	2. Guests can hear people chatting from outside and even guests are very disturbed on a weekend night because of the music from the Bar on the 8th floor.
	3. Security at the entrance, receptionists, and bellboy are not friendly to guests.
	4. The staff in the kitchen don't check the sold out menu and the late response that customer got from the staff.

Source: Online Travel Agent (2022)

From the table 1.1 can be seen that Labersa Toba Hotel & Convention Centre needs to improve its quality of service to gain more customer satisfaction, from the table above it can be seen that the employee still hasn't figured out how to interact with guests. Besides that, there are many facilities that must be considered. Labersa Toba Hotel & Convention Centre must train their staff on how to improve their service performance by providing them with service knowledge. Additionally, it is necessary to re-check the facilities provided by the hotel to guests.

Based on the problem above, the writer is interested to make the final paper with title **“THE INFLUENCE OF SERVICE QUALITY AND FACILITY TOWARDS CUSTOMER SATISFACTION AT LABERSA TOBA HOTEL & CONVENTION CENTRE BALIGE”**

1.2 Problem Limitation

This research subject is limited, among others:

1. The variables in this study are as follows: Service Quality (X1), Facilities (X2), and Customer Satisfaction (Y).
2. Time studied over a certain period (January – April 2022).
3. Study respondents are guests who have stayed at the Labersa Toba Hotel & Convention Centre.

1.3 Problem Formulation

This *skripsi's* problem formulation is based on the context of the study given above:

1. Does Service Quality have a partial influence on Customer Satisfaction at Labersa Toba Hotel & Convention Centre?
2. Does Facility have a partial influence on Customer Satisfaction at Labersa Toba Hotel & Convention Centre?
3. Does Service Quality and Facilities have a simultaneous influence on Customer Satisfaction at Labersa Toba Hotel & Convention Centre?

1.4 Research Objective

The objective of this *skripsi* is to learn more about:

1. To get an understanding of whether service quality has a partial influence on customer satisfaction at Labersa Toba Hotel & Convention Centre.
2. To identify whether the facility has a partial influence on customer satisfaction at Labersa Toba Hotel & Convention Centre.
3. To find out whether service quality and facilities have a simultaneous on customer satisfaction at Labersa Toba Hotel & Convention Centre.

1.5 Benefit of the Research

The following are the benefits of conducting this research:

1.5.1 Theoretical Benefit

- a. It is hoped that this research will be useful to the readers.
- b. Become a resource that can be used for additional research on service quality and facility.
- c. This research allows the writer to learn about hotel service standards.

1.5.2 Practical Benefit

- a. This study aims to make the researcher gain more knowledge about service quality, and facility and increase customer satisfaction.
- b. This research is intended to assist Labersa Toba Hotel & Convention Centre in obtaining information about the hotel's service quality and facilities, as well as customer satisfaction.
- c. Provides advice to improve customer satisfaction at the Labersa Toba Hotel & Convention Centre.
- d. The researcher expects this research will be useful for future research to be another researcher reference