

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Nowadays, as we can see, traveling has become the most common thing that is being done by most people. There are some reasons why people do travel, such as for business traveling, holidays, visiting relatives or family or for some event traveling. Since the rate of people traveling is quite high nowadays, they also need accommodation to support their stay during their trips such as hotel, resort, cottage, motel, and other accommodation. As the rate of people do travel is quite high, we can see that there is a lot of accommodation, especially hotels spread everywhere. We can find a lot of hotels, from 3 stars to 5 stars, that will offer more luxury facilities and service. And those who may have more income will spend more of their money to get the best service in the best hotel. In service businesses that are engaged in the tourism industry such as hotels, besides offering adequate facilities to the consumers, every hotel also needs to be able to provide a memorable experience to its guests so they will feel satisfied and tell the experience to others to provide positive feedback on the hotel.

So, it is no doubt that the competition condition in this hotels industry is getting greater between the company, a lot of entrepreneurs trying to enter this field and compete against each other to expand their market with the purpose to increase

the sales and gain a lot of customers. And they also hope for an increase in sales, so the company will have more customers from the presence of direct market expansion. But some things need to be understood by company or hotel, that is if the hotel has more customers, it will be more difficult for them to identify their customers carefully, especially about like it or not customers for the goods or services that offered and the reasons for that underlying it. To achieve all of this, they also need to know more about their customer behavior towards products or services that are being offered. They are who can compete in this market are the hotel which can provide the best facilities and service quality especially.

Companies or hotels that can enter and compete in the market are those that can provide good quality products and services. Hotels are needed to keep on making progress, especially in service quality. So, all the goods or services that are being offered will take a good place in the eyes of the community as consumers or potential consumers. Because in picking goods or services customers will choose or pick it based on the motivation which later will give impact to the type and ideal taste of goods and services they purchased.

In the hotel industry, service becomes the most important thing that must be noticed and done by the hotels with pay good attention towards their service quality. Service is an activity where there will be a part of people who will offer the intangible product, and there will be another part who will receive it. There will be no object or form in service, but people can feel it. The quality of the service that is being offered is very important in the hotel business because it will influence customers to decide which hotel can satisfy their needs and wants. The word

“Quality” plays an important role in this industry, people even will pay more to get the best service they want.

According to Erlinda & Kurniawan (2020, p. 02) cited in Dea Hermayani (2021), service quality become an important aspect for most of the company, because it can influence customers' views to determine the effectiveness of the service that we provide meet their needs. Service quality can be seen by how well the service is being offered and how to satisfy the customer with the service that is being offered. Service quality is described as a statement about attitude, the relationship that results from the comparison between expectations and performance. We can see how well the service quality is by the customer behavior towards the service they have. The quality of service can also be determined by likening the opinions of the people customers top service with the service they receive. Thus, the quality of service can be defined as the extent of the difference between the reality and the expectations of customers for their services accept. Quality of service is arranged on fulfillment of needs and wants as well as the accurateness of distribution to keep pace with consumer expectations. Service here includes all kinds that are offered by the hotel while the guest or consumer is present in the hotel, it includes the services provided by the receptionist, bell boy, room service, cleaning service, security, and others department. In addition to the quality of service goods, facilities also play a key role in attracting consumers. Facilities that are supporting will give more plus points for the hotel. And service quality will give a significant impact on customer satisfaction if the service fulfills the customers' want and need that we can see from the customer behaviors towards the

service that we offer. With this service quality, it can lead to customer satisfaction towards the hotels. If they are really satisfied with the service that is being offered, definitely they will come back again and even they will recommend it to other people to buy our service.

And besides service quality, the facilities that have been provided by the hotels will give an impact on the customers' satisfaction as well. According to Iskandarsyah & Utami (2017, p. 132) in Dea Hermayani (2021), facilities are the aspect that is being provided intentionally by the company, so, it can be used by the customers, and facilities are being provided to increase the customers' satisfaction maximally. Hotels need to pay attention to how their facilities are being designed and put. Because every aspect of hotels including the facilities that they offered becomes the concern of customers to satisfy with what the hotels offer. With the facilities that are being provided by the hotels, it can give ease to the customers to do things or activity, so the customers need to be fulfilled during their stay. Facilities are not always about things that we can see, but the cleanliness of the hotels or place becomes the concern of how good or adequate facilities are. Hotels need to provide facilities that are complete, with exterior or interior design that suit the hotel image, and for sure, the facilities' cleanliness needs to be noticed.

Since facilities are very important for every hotel, even small hotels also will provide some basic facilities for their customers. Proper facilities that are being provided by the hotel can help the hotel to optimize their service and can give a comfortable, and even luxurious experience for their customers. Hotels need to be careful in providing good and adequate facilities to the customers. Because if it is

not as what they expect, customers can easily be dissatisfied with the hotels, and it will lead to no customer retention, and they will go to the other competitors. And the decrease in sales will be faced by the hotels.

According to Solomon (in Priansa, 2017) states that customer satisfaction is a customer's overall feeling about the product or services that the customer has purchased. Customer satisfaction will be fulfilled if the service and facility that being offered are based on the customer's want and need or in other words, is based on their preference. Some factors such as the subjectivity of the customers, the psychological state (customers and service providers), external environmental conditions, and so on are mostly influenced, so that, services are often delivered in separate ways from what consumers perceive. Customer satisfaction can also occur when there was a memorable experience that they had during their stay in the hotel. They can be happy by just receiving “thank you” with a smile from the staff. And getting the extension to check-out, quick service, and making them feel that they are being welcomed and appreciated will also increase their satisfaction. Customer satisfaction can be classified into 3 based on the performance, such as performance that below their expectation, which will lead to customers disappointment, then the performance that based on their expectation, which will lead to customer satisfaction, and the last, performance that exceed their expectation, which it will lead to more customer satisfaction. And there are 3 levels of satisfaction that the customers have, that are:

1. Below expectation
2. As expected,

3. Exceeded the expectation

According to Kotler in Lina Sari Situmeang (2017), to measure how is customer satisfaction towards the hotels, there are some methods, such as:

1. Complaint and suggestion

We can allow our customers to give some input such as complaints or suggestions towards the service or facility that we offer. This input will give hotels some idea to resolve the problem that they face.

2. Ghost shopping

With this method, we can hire some people or maybe our team as the buyer (customer) to evaluate and report what they find. By using this method, we can know how the customer feels about the hotels, and also, we can evaluate how are our competitor's weaknesses and strengths.

3. Survey

This method can be done by interviewing the customer that had been stayed in the hotels. We can know what they think about the service quality and facility that the hotels provide.

Customers nowadays not only think of hotels as the place to sleep or stay during their holiday or trip. But they also want to have experience all that the hotels offered. Hotels with bad facilities and bad service quality will be the last or even not being chosen by customers. That is why people are willing to pay more in order to get the best service quality and great facilities, but it does not mean that if we pay cheaper, we cannot get every good thing. Because, as we can see, to compete

in this market, hotels are not trying to lower their price, but they keep improving their service quality and facility so the customer will satisfy and not be disappointed during their stay in the hotel. And from the customer satisfaction, a hotel can gain more benefit and will compete well in this market.

In every business, especially service business, customers become the source of income, because, without them, every business will not gain any profit. If a company has more customers, it can be said that they will have more profit than those who do not have a lot of customers. In the service industry, they need to keep maintaining and increasing their service quality in order to keep their customers and satisfy them and also provide adequate facilities, so customers can feel comfortable during their stay. A customer that is satisfied with what is being offered will give a lot of advantages to the business. They will give the best review and do promotions such as word-of-mouth promotion that will give a great impact on the business. And for sure, a satisfied customer will keep returning and remember about the hotel they satisfy with.

The competition that we can see in this industry does not prevent Graha Soeltan Hotel Sei Rampah to survive in this industry. They also work hard in order to give the best service for their customers to ensure that all the customers are satisfied with what is being offered.

Data of customer review in Graha Soeltan Hotel Sei Rampah.

Table 1.1 Number of Customers Review in Graha Soeltan Hotel Sei Rampah

Review (Star) 5-1	Total
5 stars	80
4 stars	42
3 stars	37
2 stars	19

1 star	21
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Source: Data Processed by The Writer 2021

From the data above, we can see the review of the customers for their stay in Graha Soeltan Hotel Sei Rampah. They got a total review of 3.7 in the google review, with a total review of 199 from the customer. In the table above, we can see 80 reviews for 5 stars, we can assume that all of them are satisfied with the service and facilities that the hotel provides, and we also can see the number of customers who give a review from 3-4 stars is quite a lot, that also means they quite satisfied with what the hotel provides. And for the customer who gives 1-2 stars in the reviews, we can consider that they are not satisfied enough or not satisfied with what is being offered by the hotel. Most of the reviews from the customers are discussing the service quality of the hotel, where they mostly thought that the staff is not enough friendly and also the facilities of the hotel that are not well-maintained.

As we can see, although this hotel had many good reviews, there are still bad reviews that will affect the hotel's performances as well. From the customers' reviews that the researcher got from the google review, there are still a lot of bad reviews. Some said that the hotel offered poor service quality, such as the hotel's staff is indifferent to guests, not friendly, not helpful, etc. Regarding the facility, from the google review, the researcher found that some customers were not satisfied with the facilities offered. Some said that the room was quite dirty, the linen was not changed, there were some bad smells in the room, the condition of the room was not good, etc.

The review of the customers, can help the hotel to know and learn again about how they have been done, and they also will get more information about the customers' opinions and feel about their hotel. Even there was not much bad review as a good review, the hotel needs to consider every review from the customers. It will help them to increase their services and facility. All the reviews definitely will help the hotel to reexamine what is their deficiency that can make customers still not satisfied with what they offered, so they can improve their work become better.

Based on the phenomena stated, the writer decided to find out if service quality and facility will influence customer satisfaction towards a hotel and the writer will write the research in the form of a final paper entitled **“THE INFLUENCE OF SERVICE QUALITY AND FACILITY TOWARDS CUSTOMER SATISFACTION AT GRAHA SOELTAN HOTEL SEI RAMPAH.”** This research is hoped to be able to bring positive benefits in considering customer satisfaction, so the hotel can maintain and keep up their service quality and facility.

1.2 Problem Limitation

In order to be more focused on this research and the limited sources, the writer determines the limitation of this study are the service quality and facility as the independent variable, and customer satisfaction as the dependent variable. Moreover, the writer will as well limit the research object where the research will only take place in Graha Sultan Hotel Sei Rampah. For specific information, this research only limited to three variables, that are:

1. Service Quality as the Independent Variable (X1)
2. The facility as the Independent Variable (X2)
3. Customer Satisfaction as the Dependent Variable (Y)

1.3 Problem Formulation

Based on the background of the study above, the problem formulation that the writer can take is as follows:

1. Does the service quality have partially influenced customer satisfaction at Graha Soeltan Hotel Sei Rampah?
2. Does the facility have partially influenced customer satisfaction at Graha Soeltan Hotel Sei Rampah good?
3. Do the service quality and facility have simultaneously influenced customer satisfaction at Graha Soeltan Hotel Sei Rampah?

1.4 Objective of Research

The purpose of this study is as follow:

1. To know if the service quality has partially influenced customer satisfaction at Graha Soeltan Hotel Sei Rampah
2. To find out if the facility has partially influenced customer satisfaction at Graha Soeltan Hotel Sei Rampah
3. To know that the service quality and facility have simultaneously influenced customer satisfaction at Graha Soeltan Hotel Sei Rampah.

1.5 Benefit of the Research

The benefit of the research will differ into two:

1.5.1 Theoretical Benefit

The completion of this study is expected to give a better understanding of how the service quality and facility in the hotel will impact customer satisfaction. So, this study is expected to be a better knowledge for future researchers or readers who will conduct a similar topic. And this study will help the future researcher as a condition in obtaining their Bachelor of Education degree.

1.5.2 Practical Benefit

1. For Future Researchers

This research is expected to give additional references in learning the service quality and facility and how it influences customer satisfaction.

2. For Graha Soeltan Hotel Sei Rampah

This research is expected to be a platform to give information about service quality, facility, and customer satisfaction at Graha Soeltan Hotel Sei Rampah so that it can become a concern for the hotel leaders in making future policies and regulations.

3. For Researchers

This research is expected to give more knowledge to the researcher, so the researcher can find out the benefit in researching the Influence

of Service Quality and Facility Towards Customer Satisfaction at
Graha Soeltan Hotel Sei Rampah

