

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Bali's hospitality industry stands as the epitome of tropical luxury, offering a unique blend of cultural richness and world-class amenities. Renowned globally for its idyllic beaches, lush landscapes, and warm hospitality, Bali has emerged as a premier destination for travellers seeking a retreat from the bustle of everyday life. The island's hospitality sector has witnessed exponential growth over the years, boasting an extensive array of accommodation ranging from boutique villas to internationally acclaimed resorts. This flourishing industry has become a cornerstone of Bali's economy, attracting millions of tourists annually and providing livelihoods for a significant portion of the local population.

According to Rifai (2019), customer satisfaction is achieved when a product or service meets or exceeds the customer's expectations. It is the ultimate measure of a guest's experience and plays a role in determining the industry's long-term viability. Achieving high levels of customer satisfaction not only ensures repeat business but also promotes positive word-of-mouth marketing, a critical driver for Bali's tourism sector. It encompasses a guest's overall contentment, influenced by various factors including the quality of product provided, the level of service received, and the perception of the brand itself.

Kanvaz Resort Seminyak, the 4 stars hotel in Bali which is located on *Jalan Petitenget* No. 188 Seminyak, Kec. Kuta Utara, Badung Regency, Bali 80361. The

hotel is known as a boutique urban hotel that embraces the idea that no two guests are alike, dedicating time to personalizing each guest's experience. Kanvaz Resort features an elegant and functional hotel design infused with local culture, providing a unique personal experience, inviting guests to paint their own canvas on Kanvaz. The interior design and architecture draw inspiration from the royal houses of colonial-era Indonesia, combined with ample open spaces and modern village concepts.



Figure 1.1 Kanvaz Resort Seminyak
Source: Hotel Combined (2021)

According to Indrawati (2020), product quality is conformity of the product to the requirements of the consumer which in the long run results in the suitability of the product for use. Product quality, which includes tangible items such as amenities, toiletries, and furnishings, are an integral component of the experience of staying at Kanvaz. The provision of high-quality products is a testament to an establishment's commitment to guest comfort and convenience (Tamon, et.al., 2021). Whether it be plush linens, state-of-the-art amenities, or exquisite decor, the

quality of product significantly contributes to a guest's overall impression and comfort during their stay.

According to Lomendra (2020), service quality can be defined as the difference between customer's expectations for the service encounter and the perceptions of the service received. Service quality at Kanvaz Resort Seminyak transcends the routine interactions between staff and guests; it embodies a commitment to excellence in every facet of a guest's experience. From the warm welcome at reception to the meticulous attention to detail in housekeeping, service quality leaves an indelible mark on a guest's memory. Exceptional service fosters a sense of trust, comfort, and assurance, which are paramount in ensuring a guest's satisfaction and desire to return (Setyawan, 2023).

According to Firmansyah (2021), brand image is the mental picture that consumers associate with a particular brand. The brand image of a hospitality establishment in Kanvaz carries substantial weight in shaping guest perceptions. A strong brand signifies a promise of consistent quality, service, and experience. Whether it's a renowned international chain or a locally cherished boutique resort, the brand conveys a certain level of expectation to guests.

Compounding these challenges are issues pertaining to product quality, service quality, and brand image. Instances of subpar amenities, inconsistent service delivery, and inadequate brand perception can lead to a decline in customer satisfaction levels. These issues can stem from various factors, including supply chain disruptions, inadequate training programs, and a failure to align brand messaging with guest expectations. Addressing these underlying problems is

crucial for Kanvaz Resort Seminyak to sustain its growth and reputation in the fiercely competitive global tourism landscape.

There are some problems at the hotel. The hotel experiences a shortage of essential products, such as linens, toiletries, or even food items. This can lead to a subpar guest experience, causing inconvenience and disappointment.



Figure 1.2 The Response of Customer about the Hotel

Source: Google Review (2024)

There is significance regarding the quality of service and product. Start with issues during check-in where not all items are delivered to the room and staff being unresponsive to requests for assistance in finding items. This indicates a lack of attention to detail and the staff's inability to handle customer requests effectively. Other complaints relate to the staff's inability to provide reliable and responsive service. For example, appointments for spa treatments are not being properly recorded, causing inconvenience for customers who have made appointments. Additionally, issues with laundry not being completed on time also indicate a lack of reliability in fulfilling service commitments. Customers also feel dissatisfied with the attitude of staff, both in the spa and in social media interactions. Unfriendly staff attitudes can tarnish the overall customer experience and reduce trust in the brand. Complaints about a lack of support from social media admin and messaging

services also indicate that the company lacks an effective system for addressing customer complaints and requests. The general conclusion is the need for retraining staff to enhance their professionalism. Customers expect staff to handle situations better and provide higher-quality service. These issues damage the brand's image and lead to customer dissatisfaction, which can negatively impact customer loyalty and the company's reputation. It is important for management to take these complaints seriously and make necessary improvements in operations and staff training to ensure a better customer experience in the future.

The hotel fails to provide the level of service that guests expect and deserve. It leads to a range of negative consequences. This may include delayed or inefficient check-ins, unresponsive or unhelpful staff, subpar cleanliness standards, and inadequate amenities or facilities. A diminished brand image can arise from negative reviews, inconsistent service, or a lack of differentiation from competitors. The hotel's brand image is weak. This erodes the trust and confidence that potential guests place in the establishment. This leads to reduced bookings and occupancy rates as potential guests opt for more reputable alternatives. Additionally, a tarnished brand image can result in lower room rates, as guests may be hesitant to pay a premium for a perceived lower-quality experience.

From the description of the background of the problem above, the writer feels interested in studying in the form of research with the title: **“The Influence of Product Quality, Service Quality and Brand Image on Customer Satisfaction in Kanvaz Resort Seminyak”**.

1.2 Problem Limitation

The writer determines the problem limitation of the influence of product quality, service quality and brand image on customer satisfaction.

1.3 Problem Formulation

Based on the background study above, the writer can take problem identification as follows:

1. Does product quality has effect on customer satisfaction at Kanvaz Resort Seminyak?
2. Does the service quality has effect on customer satisfaction at Kanvaz Resort Seminyak?
3. Does the brand image has effect on customer satisfaction at Kanvaz Resort Seminyak?
4. Do the product quality, service quality and brand image have an effect on customer satisfaction at Kanvaz Resort Seminyak?

1.4 Objective of the Research

Here are some objectives of the research that researcher can make to solve the problem that have been found, which are as follows:

1. To know the impact of product quality on customer satisfaction at Kanvaz Resort Seminyak.
2. To know the impact of the service quality on customer satisfaction at Kanvaz Resort Seminyak.

3. To know the impact of the brand image on customer satisfaction at Kanvaz Resort Seminyak.
4. To know the impact of product quality, service quality and brand image on customer satisfaction at Kanvaz Resort Seminyak.

1.5 Benefits of the Research

The expected benefits of this research are as follows:

1.5.1 Theoretical Benefits

For writers, this research can provide additional knowledge about hospitality especially product quality, service quality and brand image.

For other researchers, this research can provide reference to next research with the same topic.

1.5.2 Practical Benefits

For companies, this research can provide input and recommendations to enhance customer satisfaction with product quality, service quality and brand image.

For other companies, this research can be used as reference in improving customer satisfaction.