

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

The hotel industry is highly competitive and places a strong emphasis on customer satisfaction. Providing best-in-class facilities coupled with an exceptional service experience has become the critical aspect for hotels to attract and retain guests in today's interconnected global marketplace. Customer loyalty is considered a crucial factor for success in this industry, as repeat business from loyal customers, along with positive word of mouth, have the potential to captivate new customers. Customers are likely to develop loyalty when they find satisfaction in the facilities and services offered. The perceived quality of service influencing customer satisfaction, leads to a consistent effort to provide the best for the guest which ultimately affects their intention to return .

Bali is a tropical island located west of the island of Java and east of the island of Lombok, Indonesia. This island of the gods is covered in forests and colored by beautiful beaches. Therefore, it is not surprising that many foreign tourists want to visit this magical island. This is what makes Bali's nature highly preserved by the government. The Ritz-Carlton, a brand which is now under Marriott International, is one of the most well-known luxury hotel chains in the world. It all started in 1983 when William B. Johnson bought the Ritz-Carlton, Boston and the rights to The Ritz-Carlton name. The brand was then developed internationally until today, it has a total of 108 properties spread across 30 countries

around the world including one of the most visited islands in Indonesia, Bali. The Ritz-Carlton Bali is a five-star luxury hotel located on the southern part of Bali in Sawangan, Nusa Dua. It was officially opened on 16 December 2014, built on a sprawling 12,7 hectares white beach front and elevated cliff top setting. The resort is situated on beautifully landscaped tropical gardens with stunning panoramic views over the azure Indian Ocean, which are designed to reflect the Balinese culture and offer guests an authentic experience. In accordance with its motto "We are Ladies and Gentlemen serving Ladies and Gentlemen", the Ritz-Carlton Bali always applies the credo, three steps of service, service values, and the employee promise. The Ritz-Carlton Bali features 313 combined ocean suites and villas, supported by outstanding facilities and exceptional service standards from the Ladies and Gentlemen. It will indeed create an unrivaled experience for all of the guests staying.

The Ritz-Carlton Bali itself has built an excellent reputation for its luxurious accommodations and top-notch service, and it recognizes the importance of prioritizing customer satisfaction. However, the dynamic and ever-changing nature of the market demands continuous efforts to assess and improve service delivery, surpassing customer expectations. Moreover, luxury hotels in Bali are continuously increasing and starting to develop after the COVID-19 pandemic. Originating from the writer's experience, The Ritz-Carlton Bali consistently welcomes feedback and suggestions from guests. Consequently, regular monthly meetings are conducted with all employees to promote the advancement and development of the hotel. Identifying the factors that contribute to manage customer satisfaction is essential

for the hotel's management to develop effective strategies that elevate guest experiences.

Two critical dimensions that significantly influence customer satisfaction in the hotel industry are facilities and service quality. Qualified facilities are one of the main reasons guests choose to stay at a hotel. Various facilities provided by the hotel of course greatly influence the experience of guests who stay. The measurement includes focusing on room condition and atmosphere, room design, facility condition, lighting, color and visual layout. The Ritz-Carlton Bali as a luxury hotel certainly has standard facilities that serve as a reference in building and improving the quality of guests' stay. It appears to incorporate traditional concepts with a distinctive Balinese touch. However, as many hotels nowadays have been using sophisticated technology for their facilities, keeping the traditional concept without any enhancement makes The Ritz-Carlton Bali seems outdated. Considering that the hotel has been operating for nine years, some of the facilities are prone to damage, even though they have undergone various soft maintenance efforts.

Apart from providing outstanding facilities, delivering a phenomenal service is another way to gain a competitive advantage and maintain customer satisfaction. Service quality reflects the emotional commitment and dedication of the staff to their roles, which directly impacts the level of service extended to guests. It involves building and maintaining strong connections with customers, personalizing services reflecting on their preferences, and addressing their needs. A good quality of service allows for customer satisfaction and will attract new

customers. It basically refers to how guests see the excellence of services provided, in several aspects like responsiveness, reliability, assurance, tangible, and empathy. If the company can produce good quality then consumers will be satisfied. The Ritz-Carlton Bali for sure has always maintained a level of service quality by performing service in accordance with the Standard Operational Procedures (SOP). However, sometimes especially on the peak seasons, things went out of control causing the customer to be unsatisfied. Conditions such as delayed service and rooms not being ready after check in time are still the most frequent problems that have not been fully resolved by The Ritz-Carlton Bali. Another issue that should also be given more attention is the cleanliness of the rooms and facilities.

The explanation shows that satisfaction is the final step in utilizing facilities or services. Satisfaction is a response to the fulfillment of customer expectations. It describes how the facilities and service provided can meet a certain level of expectation and result in the excitement of customers. A company seeks to ensure the utmost satisfaction of its customers. However, this is not an easy thing considering the increasingly fierce competition in a world full of dynamics. Changes are not just about customer preferences and feelings, but also the environment around them. These changes indirectly affect customers' social interactions and cultural views. For that reason, companies must know the importance of maintaining customer satisfaction. A satisfied customer becomes a valuable asset for the company, either by offering positive feedback or by contributing to increased profits through loyalty, because customer loyalty has a long-term positive relationship with profitability. Guest satisfaction at The Ritz-

Carlton Bali can be measured from the overall experience felt during the guest's stay at the hotel. Indicators used to measure customer satisfaction can include customer surveys and analysis of customer loyalty levels.

Traveling experiences for tourists are often uploaded on the internet. One of the most popular sites is called Tripadvisor. Tripadvisor is the world's largest travel guidance platform from America that operates on a global platform. This site and app is based on user-generated content, where travelers across the globe can get guidance from those who have been at the place before. Tripadvisor is available in 43 markets and 22 languages, which makes it easier for any user. With more than one billion reviews and opinions of nearly eight million businesses, users can discover a lot of recommendations, compare prices, and even make online reservations directly (Tripadvisor, 2023). The main highlight is that travelers can provide a trustworthy review of the experiences they had.

Here are some reviews that writer received from the Tripadvisor app regarding The Ritz-Carlton Bali:



F C wrote a review Dec 2023

1 contribution



### Very disappointed

I don't know how the good reviews come from about the hotel room, dirty, outdated and bad odor.

For the price I paid per night (700USD/per night) I did have high expectations. The first thing I noticed when I walked into the room was the odor and I don't know where it comes from, maybe it's the air from the air conditioning or from the dirty fabrics in the room. Sofa and curtains are outdated and have stains. The bedsheet comes off easily and does not tuck in . There's stains on the blanket, just disgusting to see. I did not enjoy staying in the room at all, and once I stepped out of the room, my throat instantly feels better with fresh air.



**Julie T** wrote a review Dec 2023  
Toronto, Canada • 1 contribution



### issues with room

We had a 3 night stay at the Ritz, Bali  
Our room had lighting issues the first night, then again at 1 am the following night. ( the nice maintenance guy came to fix it temporarily so we could shut the lights off) there were no offers to move us at any point...our last night I noticed the walls were covered with mold even the furniture. I had the manager come and see the room. She acknowledge the mold and said they took the matter seriously. She compensated us by covering one of our lunches. There is a beach...not swimmable very shallow and full of weeds. There is a beautiful pool with plenty of chairs.



**Mahesh P** wrote a review Oct 2023  
Mumbai, India • 2 contributions



### Extremely Bad... Worst Stay

I do not recommend this hotel to anyone as we had a extremely bad experience. i do not expect such a bad service from the Ritz Carlton. We stayed 4 nights at Ritz Carlton,

I have informed Hotel in advance for the occasion to celebrate our friend birthday and our 14th Marriage anniversary and time of arrival. But we did not get ontime check in, we have wait till 4.30pm to check-in to hotel, They forgot our friend birthday, they forgot our anniversary and worst part is that we got INR 1 Mn Credit in our room which they did not inform us as the time of check in, they told us during the check out so we cannot use that too,

i do not recommend this hotel in Nusa dua as they are much better hotel, very courteous staff then Ritz-Carlton. Save your money by not staying at these properties and make your holiday better.



**GregorT** wrote a review Aug 2023  
Singapore, Singapore • 125 contributions • 99 helpful votes



### Not Good Enough, in Ritz name only, Consider Elsewhere.

I keep on staying at what Mariott call their "luxury" hotels and continue to be dissappointed - staying at the Ritz Carlton Bali was no exception to this point. While you continue to recieve emails prior to your visit with "an exceptional experience await" and "timeless luxury" are written in the emails, its clear that staff are taught according to a manual, not to what is a guest asks or would like.



**Rickypurnama** wrote a review Mar 2023  
The Hague, The Netherlands • 1 contribution



### Bad Mood in the First day In Bali

My journey to Bali was ruin by my First experience while Check in hotel in Ritz Carlton Bali. I reschedule my morning flight to the afternoon flight to Bali to anticipate the check in periode. ,I'm arrived 14.35 in receptionist and had info that my room is not ready yet since the check in period was at 15.00, I try to cooperate with them and waiting until the time was coming while I,m asking the acupancy rtae of the hotel. One of the staff told me that they had 50 % occupancy, but what happen to me they send me after 15 30 to twin share bad room while I,m a solo traveler without any explanation before...I,m shock cause I,m expected to have a king size bad since I,m traveling alone & the condition getting worse cause, they send my luggage to other room number & I need to waited for other 30 minute to had my luggage.....I,m complaining to receptionist about these issue and they promised to solved it assap, but at the end I need to get may full sized bad room at 18.00.

What a massy day when you arrived in the beautiful place with these horrible experience after a full day journey with a high expectations of a Ritz Carlton international standard service & end up with a bad mood in Bali.

**Figure 1.1 Guest Review of The Ritz-Carlton Bali on Tripadvisor**  
Source: Tripadvisor (2024)

And below are some hotel’s Guest Incident Action (GIA) that writer received from the Ritz-Carlton Bali’s Management:

Details	Related	Reservation Info	Recurring Cases	Follow-Ups
Status	Closed			Elapsed Time 00:02:06
Override Location Update	<input type="checkbox"/>			Elapsed Time at Close 00:02:04
Location	7803			Resolution Reason Apology
Case Type	Other			Resolution Notes FDA extended apology to the Guest and find a new room for them to move. MOD and Butler SPV met the Guest during moving, and extended apology.
Case Subtype	Other			Marriott Bonvoy Points Issued
Sentiment	Negative			Cost
Quantity	1			Total Cost USD 0.00
Description	At around 6:30pm, Guest reported to front-desk that the shower drainage is clogged and is causing a flood near the bathroom.  However, front-desk agent missed to informed related department and caused a delay service for 5 hours. Guest are concerned and uncomfortable, then asked for changing room.			Ambassador Amenity Prgm No

Details	Related	Reservation Info	Recurring Cases	Follow-Ups
Status	Closed			Elapsed Time 00:03:31
Override Location Update	<input type="checkbox"/>			Elapsed Time at Close 00:03:28
Location	2210			Resolution Reason Apology
Case Type	Other			Resolution Notes FDA apology the guest and MOD directly called the engineering to fix the safety deposit box. The engineer came to the room already at 23:41. Guest was fine.
Case Subtype	Other			Marriott Bonvoy Points Issued
Sentiment	Service Request			Cost USD 0.00
Quantity	1			Total Cost USD 0.00
Description	At 23:19, the guest complaint about the safety deposit box was not working.			Ambassador Amenity Prgm No

Details	Related	Reservation Info	Recurring Cases	Follow-Ups
Status	Closed			Elapsed Time 00:01:11
Override Location Update	<input type="checkbox"/>			Elapsed Time at Close
Location	3309			Resolution Reason Apology
Case Type	Housekeeping			Resolution Notes FDA extended apology and informed related department. MOD extended apology and courtesy guest by phone and as a gesture offered to give room upgrade, guest still want to see room first after going out.
Case Subtype	Room Odor Bad Smell			Marriott Bonvoy Points Issued
Sentiment	Negative			Cost
Quantity	1			Total Cost USD 0.00
Description	At upon 11.30 Guest approach FD and share her concern about the room and toilet that is smelly even after being cleaned everyday.			Ambassador Amenity Prgm No

  

Details	Related	Reservation Info	Recurring Cases	Follow-Ups
Status	Closed			Elapsed Time 00:05:39
Override Location Update	<input type="checkbox"/>			Elapsed Time at Close 00:05:37
Location	3103			Resolution Reason Apology/Guest room changed
Case Type	Housekeeping			Resolution Notes GRA Apology to the guest and offer guest another room with different category. Guest agreed move to 6610, however the sofa at 6610 is also dirty. Guest unsatisfied and ask to change it. Housekeeper change the sofa, set up oil burner and clean the room
Case Subtype	Room Cleanliness Problem			Marriott Bonvoy Points Issued
Sentiment	Negative			Cost
Quantity	1			Total Cost IDR 0.00
Description	During check-in at 21:00, GRA escorted guest to the room and the guest found several spot on the sofa and the couch. Guest concern about the room cleanliness and wanted to move to another room. Guest also said that the room smells damp.			Ambassador Amenity Prgm No

  

Details	Related	Reservation Info	Recurring Cases	Follow-Ups
Status	Closed			Elapsed Time 00:03:15
Override Location Update	<input type="checkbox"/>			Elapsed Time at Close 00:03:13
Location	9010			Resolution Reason Apology
Case Type	Engineering			Resolution Notes DORO met the guest to extended apology and improved to related department. No compensation given.
Case Subtype	Wildlife			Marriott Bonvoy Points Issued
Sentiment	Negative			Cost
Quantity	1			Total Cost USD 0.00
Description	Upon checked out at 16.00 the guest reported there was some ants inside coffee machine in the room			Ambassador Amenity Prgm No

**Figure 1.2 Guest Cases in Hotel's GIA**

Source: The Ritz-Carlton Bali (2023)

In reference to the research of Nur and Fadili (2021) with the title of 'The Influence of Service Quality and Facilities on Customer Satisfaction at Travelers Hotel Jakarta', it shows that there is a partial and simultaneous influence between facilities and service quality on customer satisfaction at Travelers Hotel Jakarta. The same results were also obtained from the research of 'The Influence of Facilities and Service Quality on Customer Satisfaction at Bukit Serelo Lahat



Hotel' by Nidyawati and Hartini (2021), it was concluded that both facilities and service quality contribute to influence customer satisfaction.

While there is existing research on the individual influence of facilities and service quality on customer satisfaction in the hospitality industry, comprehensive studies that analyze the two factors together are limited, especially in the context of luxury hotels like The Ritz-Carlton Bali. This study aims to bridge this gap in the literature by examining the combined influence of facilities and service quality on customer satisfaction. Through a thorough analysis of these factors and their interrelationships, the study's findings will offer valuable insights for The Ritz-Carlton Bali's management. The results will aid in making informed decisions pertaining to facilities and service optimization strategies. Moreover, the research outcomes will contribute to the body of knowledge within the hospitality industry and serve as a reference for other luxury hotels striving to improve customer satisfaction and maintain a competitive edge in the market.

Observing the phenomena above, the writer chose the title of this final paper to be “The Influence of Facilities and Service Quality on Customer Satisfaction at The Ritz-Carlton Bali”.

## **1.2 Problem Limitation**

Due to the limitation of time, the writer limit the problem of the research to facilities with the indicator of visual layout and facilities condition and service quality with the indicator of responsiveness, reliability, and tangible at The Ritz-

Carlton Bali, and the research object will be all of the guests of The Ritz-Carlton Bali.

### **1.3 Problem Formulation**

Drawing from the problem limitation above, problem formulation in this final assignment can be made, such as:

1. Do facilities have an influence on customer satisfaction at The Ritz-Carlton Bali?
2. Does service quality have an influence on customer satisfaction at The Ritz-Carlton Bali?
3. Do facilities and service quality have an influence on customer satisfaction at The Ritz-Carlton Bali?

### **1.4 Objective of the Research**

Here are some objective of the research:

1. To identify whether facilities have an influence on customer satisfaction at The Ritz-carlton Bali.
2. To identify whether service quality has an influence on customer satisfaction at The Ritz-carlton Bali.
3. To identify whether facilities and service quality have an influence on customer satisfaction at The Ritz-Carlton Bali.

## **1.5 Benefit of the Research**

Understanding the influence of facilities and service quality towards customer satisfaction has led to several benefits that can be separated into two types, which are:

### **1.5.1 Theoretical Benefit**

The theoretical contributions of this research inform better practices in managing customer satisfaction and deeper understanding into consumer behavior within the hospitality industry. It enhances the body of literature on hospitality management, providing valuable insights for future research.

### **1.5.2 Practical Benefit**

The practical benefits of this research includes:

1. For The Ritz-Carlton Bali: enable to identify areas of development that leads to operational improvements, giving The Ritz-Carlton Bali a competitive edge in the hospitality market.
2. For the Writer: conducting research on this topic allows the writer to expertise in hospitality management and gain valuable insights that can be applied to future research.
3. For the Customers: the research ultimately benefits customers by assuring their needs and preferences are met to increase satisfaction. Customers will have an elevated experience during their stay at The Ritz-Carlton Bali.