

CHAPTER I

INTRODUCTION

1.1 Background of the Study

In a more cutthroat hospitality industry, building and maintaining guest loyalty is key to business sustainability. Guest loyalty is influenced by several factors, including guest experience during their stay, perceived value, and guest satisfaction. Successful hotels not only attract new guests, but are also able to retain past guests to come back. Guest loyalty, which refers to a Willingness of guests to stay at the same hotel again, is crucial as loyal guests are more likely to return and refer other people to the hotel. This provides ongoing benefits to the hotel, both in the form of steady revenue from repeat visits and positive word-of-mouth (Hafidz and Huriyahnuryi, 2023).

In the long run, retaining loyal guests is also more profitable than constantly attracting new guests. The cost of retaining existing customers is usually lower than the cost of acquiring new guests, such as through advertising campaigns or discounts. Therefore, building guest loyalty becomes an effective business strategy in ensuring sustainability amidst intense competition, allowing hotels to remain relevant and competitive in the market.

Among the companies in the service industry are resorts and hotels, which specialize in lodging. Their target market consists of visitors who come for leisure or business. Customers therefore require an environment that is hygienic, cozy, and secure. The resort is required to give each and every guest the best possible

service. Since it is their right, every customer deserves the finest possible service from every service they purchase. Every customer is entitled to protection, comfort, accurate and truthful information, and the proper treatment or service for the goods or services he purchases. Since the company's ability to survive as an organization that aims to satisfy the needs and desires of consumers depends heavily on consumer behavior, marketing experts have stated that every business must be able to understand consumer behavior in its target market. The management of the company can then create strategies and programs to capitalize on current opportunities to win the competition (Sahea et al., 2021).

At Mikie Holiday Resort & Hotel, indications suggest that guest loyalty is not optimal, as reflected in guest complaints about inconsistent service quality and facilities, as well as a decline in repeat visits. This condition indicates a challenge in creating a satisfying experience and providing perceived value according to guest expectations. With the problem of declining guest loyalty at Mikie Holiday Resort & Hotel a solution must be found immediately.



Figure 1.1 Mikie Holiday Resort & Hotel

Sources: Prepared by the Writer (Mikie Holiday Resort & Hotel, 2025)

Based on a survey conducted at the hotel that there is a decline guest loyalty intention at Mikie Holiday Resort & Hotel. The decrease in guest loyalty can be seen from the occupancy rate which can be seen in Table 1.1 below:

Table 1. 1 Occupancy Rate at Mikie Holiday Resort & Hotel

Month	2023	2024
January	82%	79%
February	61%	77%
March	62%	80%
April	70%	64%
May	54%	79%
June	72%	83%
July	76%	80%
August	89%	64%
September	77%	52%
October	84%	74%
November	80%	81%
December	89%	82%

Sources: Mikie Holiday Resort & Hotel (2025)

Table 1.1 shows the rate occupancy during 2023 to 2024 did not reach 90%. The highest achievement rate occupancy in August and December 2023 at 89% and while the lowest occupancy rate is in September 2024 at 52%. This data shows that guest loyalty is declining.

Guest experience is one of the solutions to increase guest loyalty. A positive guest experience increases the chances of guests returning and recommending the hotel to others. A good experience includes service quality, hotel facilities, and the comfort felt during the stay. By creating a positive experience, hotels can differentiate themselves from competitors, ultimately strengthening guest loyalty. Based on research conducted by Anandia (2024) indicates that guest experience has a significant positive effect on the guest loyalty variable. The results of this study indicate that aspects of the guest experience, such as facility comfort, staff friendliness, and service quality, play an important role in building long-term

relationships with guests. While research Adiharsa (2021), found that guest experience has an insignificant effect on the guest loyalty variable.

Based on negative reviews from guests, many experiences staying at Mikie Holiday Resort & Hotel are disappointing. This relates to a bad impression of the services provided such as a discrepancy in the booking made by guests online.

Table 1. 2 Negative Review of Guest Experience at Mikie Holiday Resort & Hotel

Name	Rating	Description
AL	1/5	I have had a bad experience with unsatisfactory service.
MR	1/5	The employee service was very disappointing, so I had an unpleasant experience and do not want to return to this hotel.

Sources: Mikie Holiday Resort & Hotel (Google Review, 2025)

Figure 1.2. shows that guests have a disappointing experience when staying at Mikie Holiday Resort & Hotel. Some of the problems related to a bad experience are that the service provided is still not good, there are differences in the information provided to guests, the actions of Mikie Holiday Resort & Hotel employees are disappointing in handling complaints from guests. The guest experience is sometimes enjoyable as it offers great culinary delights and a lot of variety. Furthermore, guests can also choose whether or not to stay in a smoky room. However, many customers who leave a review do not want to make a return visit and recommend Mikie Holiday Resort & Hotel to others or family. Of course, it can be concluded that guest loyalty has decreased.

Besides experience, perceived value is also an important factor that influences loyalty. Perceived value reflects how much benefit a guest feels compared to the cost incurred, meaning the higher the perceived value, the more likely a guest is to feel satisfied and loyal. Perceived value includes not only a fair price, but also aspects of service quality, uniqueness of facilities, and ease of access

to guests' needs during their stay. Then on the effect of perceived value variables on guest loyalty, previous research conducted by Silva et al. (2022) dan Kelvianto (2020) shows that perceived value has a positive and significant effect on guest loyalty. Meanwhile, research conducted by Rasheed and Abadi (2024) found that there is a positive relationship between perceived value and guest loyalty but the effect is not significant.

The perceived value obtained by guests is still low. This can be seen from the negative reviews and ratings given by guests.

Table 1.3 Negative Review of Perceived Value at Mikie Holiday Resort & Hotel

Name	Rating	Description
C. GH	1/5	The perception of disappointing prices seen from booking hotels on Agoda can be different. Of course I felt a loss because the difference in rooms was quite far. Despite communication to the hotel staff, there was no improvement.
DS	1/5	The value for economics I received was so bad that I upgraded my room to deluxe. However, inside the room was so bad that it disappointed me both from cleanliness, the air conditioner did not turn on.

Sources: Mikie Holiday Resort & Hotel (Google Review, 2025)

Figure 1.3. shows that the perceived value of the price offered is quite expensive, where according to the guest the facilities in the room ordered by consumers do not match the price given. Then. guests also feel anger when the information obtained from online purchases (Agoda) offered by Mikie Holiday Resort & Hotel is different. This triggers disappointment from the guest so that he is not interested in staying again at Mikie Holiday Resort & Hotel. Guests get emotional value such as feeling relaxed and comfortable because Mikie Holiday Resort & Hotel has a cool temperature. Then the positive thing that hotel guests receive is also the fairly cheap price offered and get a complete package. The quality of performance is also evident from the reviews of several consumers who are

satisfied because of the support of employees who are dexterous in helping guests and if there are complaints, they are carried out quickly. However, positive reviews are fewer than negative reviews so customer loyalty has decreased. Guest satisfaction is an element that plays an important role in the formation of loyalty.

Satisfaction shows the extent to which guests' expectations of the services provided by the hotel can be met or even exceeded. Studies show that satisfied guests have a greater tendency to return and recommend the hotel to others. Furthermore, on the influence of satisfaction variables on guest loyalty, previous research by Rahmiati et al. (2024) found that guest satisfaction has been identified as important to guests loyalty. Meanwhile, research conducted by Dam and Dam, (2021) revealed that guest satisfaction has a positive and significant relationship with guest loyalty.

Dissatisfaction from guests can be seen from the percentage level given from reviews. in Table 1.1.

Table 1.4 Google Review at Mikie Holiday Resort & Hotel

Description	Negative	Positive	Total Reviews
Property	10%	84%	567
Restoran	10%	79%	58
Bathroom Cleanliness	51%	36%	55
Security	15%	78%	41
Fitness	19%	78%	166
Parking	24%	71%	38
Room	57%	22%	58
Accessibility	64%	27%	33
AC	44%	48%	52
Wifi	64%	24%	25

Sources: Mikie Holiday Resort & Hotel (Google Review, 2025)

Table 1.2 shows that the high percentage of negative towards the number of guests disappointments, such as related to bathroom cleanliness, Parking, room, accessibility, wifi and air conditioning. Many factors provoke a decrease in guest

satisfaction. Mikie Holiday Resort & Hotel offers novelties by exploring how the application of digital technology can improve visitor experience, operational efficiency, and marketing strategies in tourist destinations. The urgency of this research lies in the need to understand how digitalization can contribute to the competitiveness and growth of the tourism sector in the digital era, as well as provide practical insights for the management of Mikie Holiday Resort & Hotel in leveraging technology to attract more tourists and improve customer satisfaction.

Based on the discussion of research gaps in previous studies and the existence of guest loyalty problems at Mikie Holiday Resort & Hotel . So this study raises topics related to **“Analysis of the Effect of Guest Experience, Perceived Value, and Satisfaction on Guest Loyalty at Mikie Holiday Resort & Hotel”**.

1.2 Problem Limitation

This study focuses on how Guest Experience affects Guest Loyalty at Mikie Holiday Resort & Hotel, particularly in terms of service quality and facilities that contribute to the overall experience. The extent to which perceived value affects guest loyalty, as well as how guests assess the value received compared to the costs incurred. Furthermore, the relationship between guest satisfaction and guest loyalty will be analyzed, focusing on the factors that influence satisfaction during a stay. In addition, this research will investigate the interaction between guest experience, perceived value and satisfaction in shaping overall loyalty. The respondents in this study were guests of hotel only at Mikie Holiday Resort & Hotel.

1.3 Problem Formulation

For more clarity, it is presented in the form of research questions below:

1. Does Guest Experience has a significant partial effect on Guest Loyalty at Mikie Holiday Resort & Hotel ?
2. Does Perceived Value has a significant partial effect on Guest Loyalty at Mikie Holiday Resort & Hotel ?
3. Does Satisfaction has a significant partial effect on Guest Loyalty at Mikie Holiday Resort & Hotel ?
4. Do Guest Experience, Perceived Value, and Satisfaction have a significant simultaneous effect on Guest Loyalty at Mikie Holiday Resort & Hotel ?

1.4 Objectives of the Research

This research has the objectives to:

1. To analyze the impact of Guest Experience on Guest Loyalty at Mikie Holiday Resort & Hotel.
2. To evaluate the influence of Perceived Value on Guest Loyalty at Mikie Holiday Resort & Hotel.
3. To assess the influence of Satisfaction on Guest Loyalty at Mikie Holiday Resort & Hotel.
4. To Examine the contribution effect of Guest Experience, Perceived Value, and Satisfaction on Guest Loyalty at Mikie Holiday Resort & Hotel.

1.5 Benefit of the Research

1.5.1 Theoretical Benefit

The theoretical benefit of this research is to serve as a reference for future studies and contribute to the development of guest loyalty theories, can support guest loyalty knowledge so that it can be useful for the concerned parties, and as a suggestion source for the company operation in the future.

1.5.2 Practical Benefit

The following are the practical benefit provide in this research:

1. For the Writer

From this research, it is useful that it can add insight and direct experience for researchers on how to increase guest loyalty through the guest experience, perceived value, and satisfaction factors.

2. For Mikie Holiday Resort & Hotel

As a consideration in developing a program to increase guest loyalty and determine the right method to develop and optimize guest experience, perceived value, and satisfaction.

3. For Readers

This research is expected to increase knowledge and contribute ideas on how to develop guest loyalty, especially through the factors of guest experience, perceived value, and satisfaction.

4. For other researchers

To be an additional reference material for further research and information to interested parties in assessing the problem the same in the future.