CHAPTER 1

INTRODUCTION

A. Background of the Study

Hotel service is a worldwide business that grows pretty fast nowadays. One of the reasons is that the demand of hotels from travelers is quite big. A hotel is a place to stay for people who are traveling for the purpose of holiday or vacation and business. It can also be a place to hold meetings, seminars, and many other business purposes. People always choose which hotel they want to stay in based on the information regarding the service of the hotel, the image of the hotel, the facilities, the location, or even their previous experience with the hotel.

There are many hotels everywhere around the world with varieties of facilities, services, and with their own uniqueness. There are many facilities that a hotel provides for customers such as a lounge, a fitness center, a restaurant, etc. All of those facilities that a hotel provides are fundamental parts of the travelers' lifestyle.

Bali, which is one of the tourist destinations in Indonesia, feels the rapid growth of hotel business. Many new hotels are built in Bali so the competition become tighter. Hotel business owners do various ways to keep surviving, such as giving price discount and promotion, making

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cooperation with travel agencies and transportation, organizing tourist spots. The most important thing for the hotels is to increase their sales. One of the ways is by giving the best services to the customers. According to Dough McDouglas (28), a customer is "a person, company, or other entity which buys goods and services produced by another person, company, or other entity". Meanwhile, the best quality service is a service which can give the customers satisfaction that will fulfill their needs.

Customer satisfaction is a customer's perception that his/her expectation is fulfilled. Customer satisfaction is decided by the quality of goods and services that is needed by the customers, so quality guarantee is the first priority for the hotel to compete with the other competitors in order to get the heart of the customer candidate in Bali. To satisfy the customers, Rosani Hotel has a commitment to satisfy the customers by doing a continuous improvement of their service quality so the customers will have their expectation met. I will analyze the level of customer satisfaction of services quality in Rosani Hotel and its effect to costumer satisfaction.

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B. Identification of the Problem

To keep developing to become a famous hotel in Bali, Rosani Hotel wants to evaluate the satisfaction of their customers to improve their service quality. The research questions that will be analyzed further are :

1. Do the given services at Rosani Hotel meet the expectations of the customers?

2. What are the expectations of the customers?

3. How does the customer satisfaction affect customers loyalty?

4. What does Rosani Hotel need to improve?

C. Objectives and Benefits of the Study

The objective of the research is to find the best solution of the service quality problems that occur in Rosani Hotel. The best solution is expected to help Rosani Hotel to improve their customer service quality so that the image of the hotel will be better and the customers will be loyal to them.

The benefits for me as the writer is to gain more knowledge about the hotel business and the services of a hotel. Also I can compare the theory and the implementation in the working world so I will know more deeply about hotel business so that I will achieve a successful goal in the future if I am working in hotel business.

The benefits for the reader are to make the reader know about the hotel business and help them to understand how important customer satisfaction is for surviving in the hotel business. This is especially

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beneficial if the reader is interested in hotel business. It will help them to achieve a successful goal about hotel business in the future.

D. Description of the Institution

Hotel Rosani is an international hotel and located at the most strategic place in the middle of the best shopping area in Bali, Legian and Kuta, only fivteen minutes drive from Ngurah Rai International Airport and only takes five minutes walk to the famous Kuta Beach.

Facilities of the hotel are 36 rooms of different types (standard, superior, and suite), a swimming pool, a money changer, a restaurant, a spa, and a shuttle bus. Rosani Hotel is targeting people from all classes, from low class, middle class, to high class. The room rates of Rosani Hotel are affordable for people from all classes. Rosani Hotel also gives a special discount for companies that have some kind of cooperation with Rosani Hotel.

The mission of Rosani Hotel is to improve the profesionalism and the service quality that are supported by good facilities to make their customers satisfied. Rosani Hotel also wants to create harmony between all of the staff and also to have good coordination in and between departments so the result of the work will be more effective and efficient to get the maximum result.

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E. Limitation of the Study

 The research conducted in Rosani Hotel is limited to the related factors, direct or indirect, concerning customer satisfaction. The data used for the research is from the journal that I have written during my internship. The research is focused on the topic that has been chosen, which is customer satisfaction affecting customer loyalty. The theories that I use to support my analysis are taken from library research.

F. Organization of the Term Paper

 This term paper is structured into these following chapters. Chapter I, the Introduction, gives the details regarding background of the study, identification of the problem, objectives and benefits of the study, description of the institution, limitations of the study, and organization of the term paper. Chapter II explains the causes and effects of the problem that occur in the institution. Chapter III discusses the potential solutions of the problem that occur in the institution. Chapter IV explains the best solutions for the problem based on the analysis. Bibliography gives the list of the sources of the theories used in the paper.