

CHAPTER I

INTRODUCTION

1.1. Background

As a part of hospitality industry, hotel has applied a lot of strategies to compete in a rapidly developing industry. Likewise, the strategies developed by hotels are involved in meeting the needs and desires of customers. To improve hotel business can be achieved by ensuring that customers are satisfied with the services and facilities available. This applies from 1-star hotels to 5-star hotels, because they will face a tight business competition. Hence, delivering quality service to reach customer satisfaction is expected from the hotel staffs to win this competition. Most of the time, there is a gap between customer expectation and services provided by the hotel. In addition, Girma (2012) says that these gaps in service expectation and delivery can damage relationships with customers.

In hotel industry, the management and employees will always try to accommodate and serve guests with good service according to the standards set by the hotel. Hotel prioritizes service quality to generate positive responses from customers and demonstrate services that meet existing standards. After understanding the importance of conformity to standards in the services provided, hotel operators are likely to anticipate more about customer needs and desires. Thus, they must be able to provide satisfaction to customers while maintaining a good hotel image by providing a good and optimal service quality.

Customers who come to stay at a hotel will absolutely expect to receive good service, comfort, and the availability of all their needs. Managing hotel well and providing satisfaction to its customers will have a positive impact on the hotel itself. Customer satisfaction in the hotel industry will be created with a balance between customer needs and desires during their stay. Customer satisfaction is the customer's response to the evaluation of the perceived incompatibility between the previous expectations and the actual performance of the product that is felt after its use (Davis, 2010; Elisabeth et al., 2019). Customers have their

expectations on how their needs and desires are met, and this always gives the impression of an actual service being offered to them compared to their expectations. Arguably, the performance of any hotel actually depends on how well it satisfies its customers.

One of the important elements that must be considered to meet customer satisfaction is service quality. Given the importance of this, it will cause a hotel to place an orientation on service quality as the main goal. The service quality of hotels has become critical since it is associated with customer satisfaction, and their repeated visits. Quality of service remains critical in the hotel industry as hotels strive to maintain a competitive advantage in the market and achieve customer satisfaction. Therefore, the more positive customers perceived service quality, the better their satisfaction level with the service provider is likely to be.

In addition to service quality, another important element that must be considered in achieving customer satisfaction is the public facilities provided by the hotel. Public facilities include all the facilities provided by the hotel and can be enjoyed by regular guests, whether they are accommodated or not, as some of the available public facilities can be used by customers outside the hotel at different costs. Public facilities certainly support the visitors satisfaction level of the hotel. The better facilities provided by the hotel, the better level of customer satisfaction of the hotel.

In the service industry, customer satisfaction is created through ensuring quality in service delivery and also facility, and these two things are connected to customer expectations. Competition has become increasingly intense resulting in customer switching behaviour amongst customers who desire the best in terms of service quality and provided public facilities. Public facilities in a hotel will affect on the interest of customer to stay and also affect the customers satisfaction since it is one of many things that can be enjoyed by the customers whenever they come to the hotel. Service quality was determined as the subjective comparison that customers make between their expectations about a service and the perception of the way the service has been run. In addition, quality of service is also an important factor which affect the customer satisfaction.

In this report, the writer choose Wyndham OPI Hotel Palembang which is one of the five star hotels in Palembang as the main research object. Wyndham OPI Hotel Palembang is a five star hotel located on OPI Mall Complex, a strategic place where there is a shopping mall, a hospital, and a housing area nearby. Concurrently a business and leisure hotel, Wyndham OPI Hotel Palembang has comprehensive facilities that visitors can enjoy along with good service quality accompanies.

The two important elements that must be considered in achieving customer satisfaction also done by Wyndham OPI Hotel Palembang. In this case, Wyndham OPI Hotel Palembang is expected to provide services and public facilities in accordance with the needs of customers. They must pay attention to the service quality and facilities available to improve not only customer satisfaction but also customer loyalty which will make the customers interest to stay again. In this way, Wyndham OPI Hotel Palembang will be able to survive and continue to compete in the hotel industry which continues to grow every day.

In conclusion, the development of hotel industry in this era makes the hotel staffs think of more strategies that can help to improve the business and achieve customers satisfaction. Services and facilities are the important aspect that needs to be considered by the hotel because those two aspects give the big influence on customers' satisfaction during their stay. It is necessary to know whether customers are satisfied with the services and facilities provided because by knowing the satisfaction of customers, it can help the hotel improve the services and public facilities provided to meet the needs of customers.

Based on the explanation above, the writer is interested in writing this final report entitled **“Customers’ Satisfaction Towards Service Quality and Public Facilities Provided by Wyndham OPI Hotel Palembang”**.

1.2. Problem Formulation

Based on the background of the study, the researcher formulates students' problems as follow: “How is the customers' satisfaction towards service quality and public facilities provided by Wyndham OPI Hotel Palembang?”

1.3. Purposes

The purpose of the study which is closely related to the research question is to know about customers' satisfaction towards service quality and public facilities provided by Wyndham OPI Hotel Palembang.

1.4. Benefits

This study is expected to be beneficial for:

1. For the readers

It gives some information about customers' satisfaction towards service quality and public facilities provided by Wyndham OPI Hotel Palembang.

2. For State Polytechnic of Sriwijaya

It is archived as the educational document for collegians in gaining the knowledge about customers' satisfaction towards service quality and public facilities provided by Wyndham OPI Hotel Palembang.

3. For Wyndham OPI Hotel Palembang

This report is projected as a reference for knowing about customers' satisfaction towards service quality and public facilities so they can be better in understanding the customer's need and desire to reach customers' satisfaction.