CHAPTER I

INTRODUCTION

1.1 Background of the Research

Within these past couple years, the service industry has been rapidly growing. Service companies within the same industry are becoming increasingly similar (Andreassen and Lindestad, 1998). With this high level of competition, it started to become a challenge and to overcome it, companies that running their business in the service industry has been using a lot of different strategy in order to gain more attention, customer, and revenue.

In order to be successful in the industry and being able to compete with competitors, service quality and customer satisfaction have been identified as key factors in the battle for competitive differentiation and customer retention (Yen and Su, 2004). Providing high quality service and enhancing customer satisfaction are widely recognized as important factors leading to the success of companies in the hotel, catering and tourism industries (Barsky and Labagh, 1992; LeBlanc, 1992; Stevens et al., 1995; Legoherel, 1998). Lam and Zhang (1999) also claim that overwhelming customer demand for quality products and service has in recent years become increasingly evident to professionals in the tourism industry. It is believed that customers, when experienced with the services they have had, are more likely to establish loyalty (Cronin and Taylor, 1992), resulting in repeat purchases (Fornell, 1992) and favorable word-of-mouth (Halstead and Page, 1992).

The repurchase intention and willingness to share positive word of mouth was an action of customer loyalty, which is a function of customer satisfaction (Oliver, 1980). Because of the intangibility, inseparability, variability, and perishability of services, customers' perceptions of satisfaction criteria may include contextual cues that they use to evaluate the service quality and to decide future patronage, whether or not they have experienced the hotel's products and services before (Parasuraman et al., 1985). Customers are likely to view the services as a bundle of attributes, which may differ in their contributions from the product or service evaluation and choice (Kivela, 1996).

Hunt (1975) considers satisfaction as an evaluation on which the customers have experienced with the services is at least as good as it is supposed to be. Oliver (1981) defines customer satisfaction as an emotional response to the use of a product or service. It is more conceivable, however, that customer satisfaction is a complex human process, which involves cognitive and affective processes, as well as other psychological and physiological influences (Oh and Parks, 1997).

Meanwhile, in a highly competitive hotel industry, which offers homogenous products and services, individual hoteliers must find ways to make their products and services to stand out among the others. In this regard, what hoteliers need to do is to understand their customers' needs, and to meet or exceed these needs (Choi and Chu, 2001). When the hoteliers are able to exceed these needs and offer them more additional related services, the scale of customer satisfaction will increase drastically.

However, a traditional definition of customer satisfaction follows a disconfirmation paradigm of consumer satisfaction/dissatisfaction (CS/D), which suggests that CS/D may result in interaction between a consumer's pre-purchase expectation and postpurchase evaluation (Engel et al., 1990). Thus, customers are likely to compare expectations to perceived performance in order to make an evaluation (Gronroos, 1983). A consumer is considered satisfied when his weighted sum total of experiences shows a feeling of gratification when compared with his expectations. On the other hand, a consumer is considered dissatisfied when his actual experience shows a feeling of displeasure when compared with his expectation (Choi and Chu, 2001). Measuring customer satisfaction is an integral part of the effort that improves a product's quality, resulting in a company's competitive advantage (Cravens et al., 1988; Garvin, 1991).

This is why a feedback from customers is very important for a hotel. This feedback, both the good and bad ones, are essential if the hotel wants to measure and evaluate their service., and also to make sure if their customers feel satisfied or disastified with their given service. Although companies typically use more than one customer feedback mechanism (e.g., a combination of formal satisfaction surveys, focus groups, websites, personal interviews, and/or toll-free members), one of the most ubiquitous is the comment card. Guest comment card (GCC) are now routinely used as guest satisfaction indices by most hotels (Yen and Su, 2004). The popularity of of the comment card method can be attributed to its ability to provide regular, timely feedback at, or near, the time of service (Bartkus, Howell, Hills, and Blackham, 2009).

In Padang, West Sumatera, there are a lot of hotels that distributed all over the city. The using of guest comment card on all of these hotels are unknown, whether about the availability of the guest comment card itself, the design, or even the perception of their customers about it, since there is no previous research in Padang regarding this issue founded.

Table 1.1
List of Hotels in Padang

No.	Hotel	Star	Address
1	Basko Premier Hotel	Five Star	Jl. Hamka
2	Bumi Minang Hotel	Four Star	Jl. Bundo Kanduang
3	Grand Inna Muara Hotel	Four Star	Jl. Gereja
4	Mercure Hotel	Four Star	Jl. Purus IV No. 8
5	Pangeran Beach Hotel	Four Star	Jl. Juanda No. 79
6	Aliga Hotel	Three Star	Jl. Thamrin
7	Grand Zuri Hotel	Three Star	Jl. Thamrin No. 27
8	Hayam Wuruk Hotel	Three Star	Jl. Hayam Wuruk
9	Ibis Hotel	Three Star	Jl. Taman Siswa No. 1A
10	Rocky Plaza Hotel	Three Star	Jl. Permindo
11	The Axana Hotel	Three Star	Jl. Bundo Kanduang
12	Daima Hotel	Two Star	Jl. Sudirman
13	Pangeran City Hotel	Two Star	Jl. Dobi No. 3
14	Rangkayo Basa Hotel	Two Star	Jl. Hang Tuah No. 211
15	SMK 9 Edotel	Two Star	Jl. Bundo Kanduang
16	SMK 6 Edotel	Two Star	Jl. Suliki
17	Surya Palace Hotel	Two Star	Jl. Belanti Raya
18	Bougenville Hotel	One Star	Jl. Bagindo Aziz Chan
19	Femina Hotel	One Star	Jl. Bagindo Aziz Chan
20	Grand Sari Hotel	One Star	Jl. Thamrin
21	Mariani International Hotel	One Star	Jl. Bundo Kanduang
22	Padang Hotel	One Star	Jl. Bagindo Aziz Chan
23	Savali Hotel	One Star	Jl. Hayam Wuruk

Source: Dinas Pendapatan Kota Padang, 2016.

The highest star hotel in Padang, which is the five star hotel, is Basko Premier Hotel, but the comparison about the using of guest comment card can't be done if

they doesn't have other competitor to compare with. Four star hotels are the second hotels with highest star in Padang that is possible to compare between each other, with the total of four hotels, which consist of Bumi Minang Hotel, Grand Inna Muara Hotel, Mercure Hotel, and Pangeran Beach Hotel.

Moreover, the reason to do comparison about the using of guest comment card on four star hotels in Padang, is because of the public's general stereotyping, that a hotel with a higher star rating will have a better service given, since hotel star rating systems are widely recognised as the definitive way to ascertain a hotel's overall quality (Daily Mail, 2015), including guest comment card.

Therefore, by looking at this phenomenon and using it as the background of the problem, the author decided to do a research with the title: **"The Analysis between Guest Comment Card Quality and Customer Perception of Four Star Hotels in Padang City"**.

1.2 Problem Statement

Based on the background above, there are several problem statement that can be concluded for this research:

1. How is the comparison of guest comment card of four star hotels in Padang city?

2. How is the customers' perception towards guest comment card of four star hotels in Padang city?

3. How is the comparison of all four star hotel's guest comment card in Padang city and customers' perception?

1.3 Research Objective

Based on the formulation of problem statement above, the purposes for this research consist of:

1. To analyze and evaluate about comparison of guest comment card of four star hotels in Padang city.

2. To analyze and evaluate about customers' perception towards guest comment card of four star hotels in Padang city.

3. To analyze and evaluate about the comparison of all four star hotel's guest comment card in Padang city and customers' perception.

1.4 Research Contribution

The result of this research can be useful for:

1. Company

As for company, the result of this research will be beneficial as suggestion inputs for the company in order to know about the proper analysis of guest comment card quality. The result of this research also will be beneficial in order to know about which design, characteristics, and quality factors that may improve the company's performance and increasing the level of customer satisfaction.
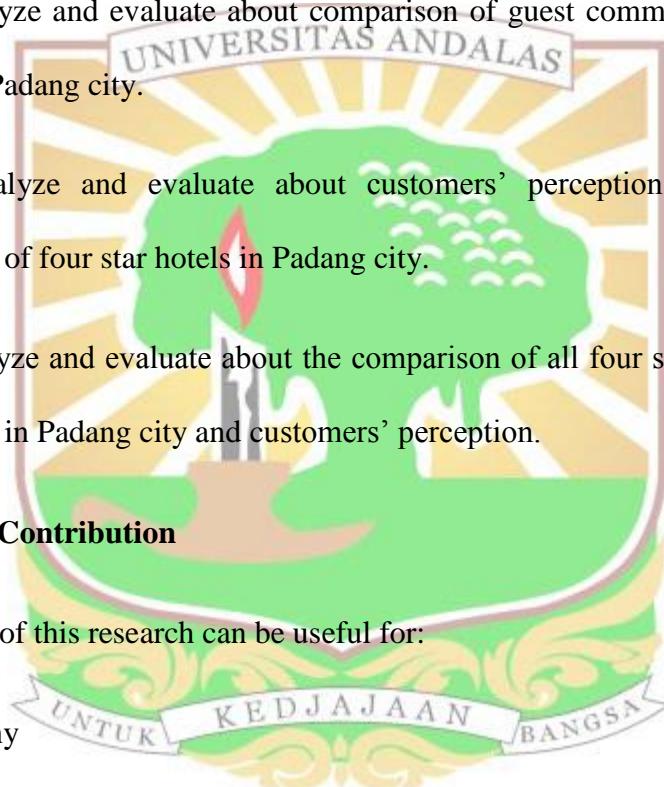
This can be beneficial as references for creating a better guest comment card in the future.

2. Academic

As for academic contribution, the result of this research will be beneficial for development of knowledge and literature in the field of Marketing Management specifically.

3. Other researchers

As for other researchers, the result of this research will be beneficial as references and source of contribution for study development about marketing and can be used as references in other research with the similar topic in the future.

1.5 Research Limitation

The limitation of this study was determined by doing an analysis of guest comment card quality in the four star hotels in Padang, which are Bumi Minang Hotel, Grand Inna Muara Hotel, Mercure Hotel, and Pangeran Beach Hotel.

1.6 Outline of Research

In order to make it easier to navigate the whole content from this paper, this research is divided into five chapters, which are:

CHAPTER I : This chapter is an introduction, consist of background of the research, problem statement, objectives of the research, scope of the research, and contribution of the research.
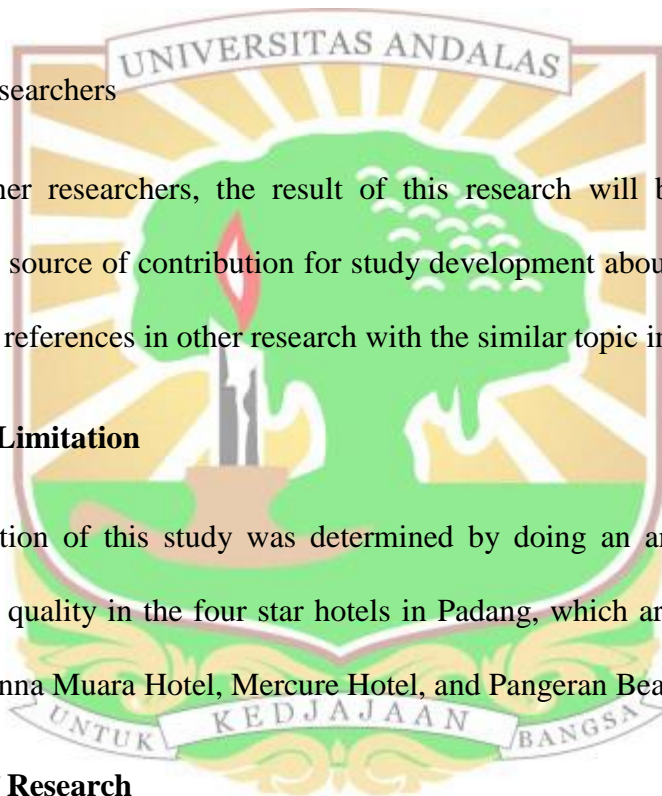
CHAPTER II : This chapter is a literature review, consist of theories related to topic, followed by eight points of guest comment card guidelines, related theories for each point, review of previous study and theoritical framework.

CHAPTER III : This chapter is about research methodology, consist of research design, research objects, source of data, research variable, and data analysis.

CHAPTER IV : This chapter is about result and analysis, consist of explanation about validity and reliability test, research data description, analysis, and followed by the result of the research.

CHAPTER V : This chapter is about conclusion, explain about conclusion, limitation, recommendation and implication of the research.