CHAPTER 1

INTRODUCTION

1.1. Background

Nowadays, many sectors still have not able to provide satisfied product or service for the customers. The continuous unsatisfied feeling could cause many customers complaints. Further, that condition would bring many disadvantages for the company, such as the bad reputation and lost customer. In order to maintain the customer satisfaction, every business must concern about its output quality, either for goods and services business. According to Tjiptono et al. 2004, products quality (either goods or service) has big contribution at customer satisfaction, market segment, and profitability. So, it is true if the problem of goods or service quality get more attention.

There are many factors that affect people in hotel choosing, such as the good marketing, strategic place, facilities, good building design, and so on. Service is also one of the most important factors in hotel operation. Better the factors above are given to the hotel customers, more attractive the hotel in customers' perception.

Quality Hotel Yogyakarta is chosen as the place for having research, since it is one of well-known hotel in Yogyakarta, which has been visited by many guests and has a good reputation. It provides the rooms for the guests, the ballrooms for special occasions, sport facilities for the members, and other facilities that are dedicated to its customers. Hotel management always try

to improve all service attributes in order to maintain the service quality performance and keep customers' trustworthy.

There are many service attributes of Quality Hotel Yogyakarta that should be fulfilled to satisfy customers. Among the attributes, there are some attributes that should be improved, and there are some others that should be maintained at existed condition only. It is because the improvement at several attributes would not bring any increment in customer satisfaction. In other hand, it will bring inefficiency and waste cost.

It is very important to classify Quality Hotel Yogyakarta service attributes, in order to make the service become more efficient and to take the next important steps for improving its performance.

1.2. Problem Statement

The main problem is how to identify the attributes that affect the service quality performance, and then defines how to classify the attributes, in order to decide which attributes must be improved or maintained for the certain condition. From the attractive attribute classification, a sequence priority alternative is identified.

1.3. Research Objectives

a. To identify the attractive service attributes of Quality Hotel Yogyakarta.

b. To prioritize alternatives in improving attractive attributes of Quality Hotel Yogyakarta.

1.4. Research Scope

a. Research is conducted in Quality Hotel Yogyakarta.
b. Analysis is conducted on service quality attributes using KANO's model, while attractive attributes improvement prioritization is conducted using AHP method.
c. Survey will cover Quality Hotel Yogyakarta customers only.
d. Brainstorming is conducted with one manager only because of the limited access given by hotel party.

1.5. Research Methodology

The data of this research will be collected by:

1. Observation
   The writer will conduct direct observation about the service quality of Quality Hotel.
2. Interview
   The interview will be conducted toward hotel management and peoples related.
3. Survey
   The survey will be conducted by questionnaire spreading for domestic and foreign guests of Quality Hotel Yogyakarta.

The steps conducted in this research are as follow.

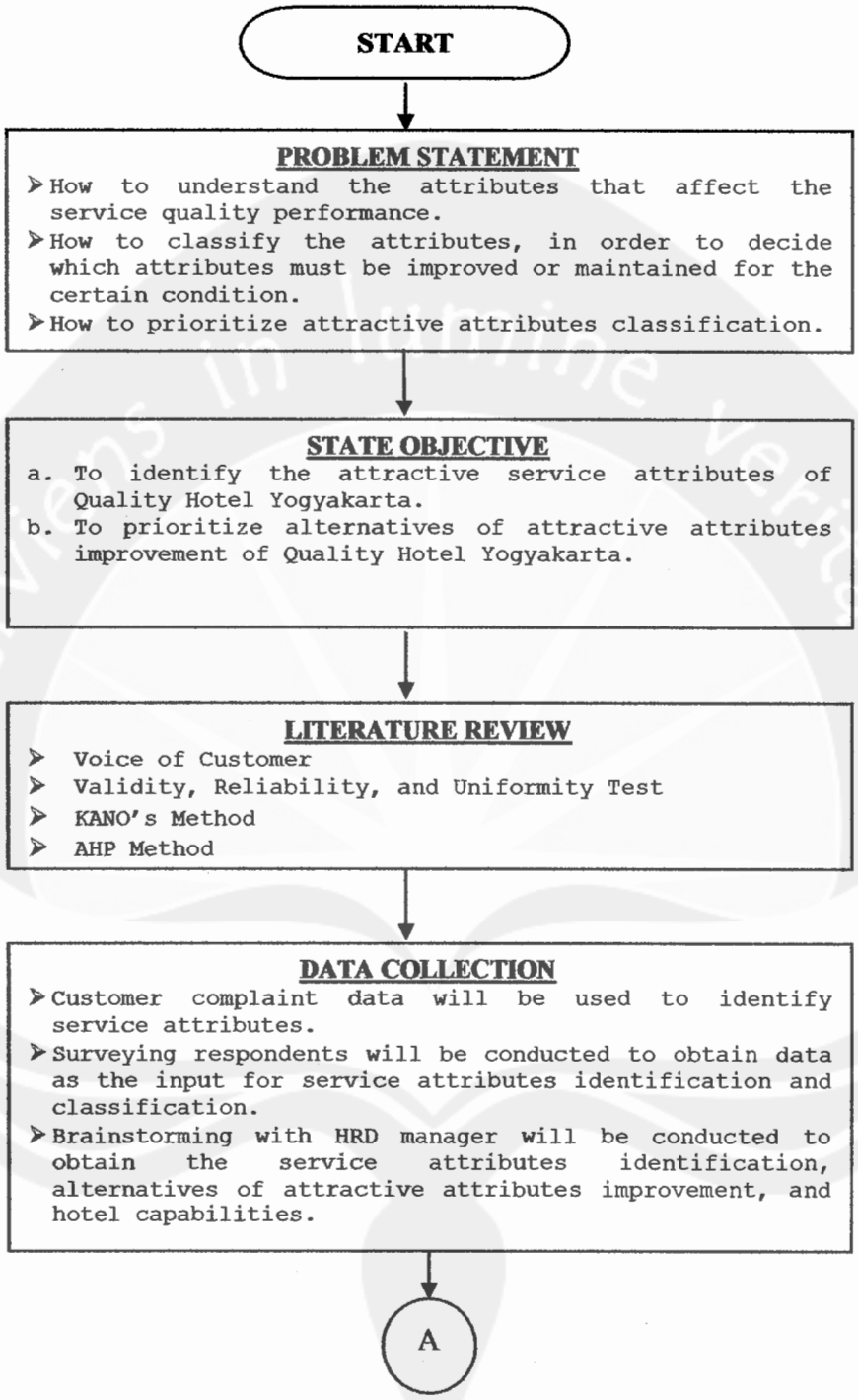

Figure 3.1. Flowchart of Research Steps

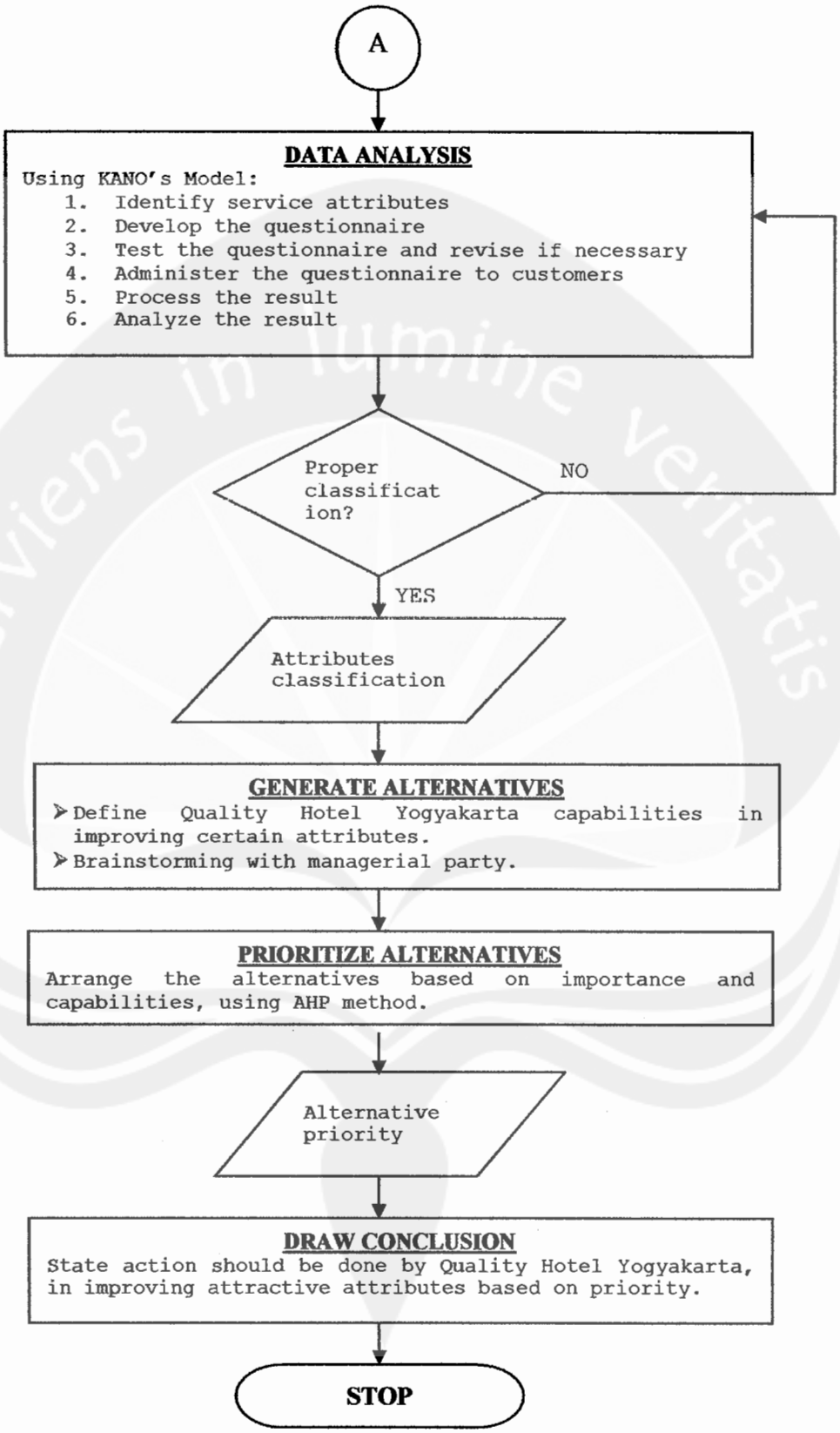

Figure 3.1. Continued

1.6. Report Outline

At chapter 1 of this thesis, it will be known the general overview of the research condition that involves the background, main problem, research objectives, limitation of research, method used in the research, and report outline.

At chapter 2, it will be seen the comparison of this research with previous researches. New knowledge that there are differences in this research and previous researches is also stated here.

Chapter 3 contains the basic theory used to support this research. The sources of writing are enclosed.

Chapter 4 contains company profile and data. Brief description about the research object and the company are stated here.

Chapter 5 contains data analysis and discussion. The data is analysed using KANO's Model. The attractive attributes as the result of KANO classification will be analysed again to get priority of improvement, using AHP method.

At last, at chapter 6 there are the conclusion, suggestion, and important things of the research.