

CHAPTER II

LITERATURE REVIEW

This Chapter reviews the literature on handling guest complaints. Although the major focus is on Hotel Response and Customer satisfaction, this chapter begins with a brief review of the importance of understanding guests' feelings and complaints hotel guests the definition of the hotel, Classification of Five-star hotel, quality of hotel, and theory of recovery complaining the guest in the hotel industry. This followed by a literature review on handling the guest, which results in the formulation of a definition of service quality for use in this study.

2.1.1 Definition of Hotel

Based on the regulation of the Minister of Tourism and Creative Economy of the Republic of Indonesia No. 4 of 2021 concerning business activity standards in hotel business standards, it explains that a hotel is an accommodation provider that is rented out daily, consisting of rooms in a building. According to Bagyono (2017), a hotel is a type of accommodation that is managed commercially and professionally, provided for everyone to get lodging, eating, and drinking services, and other services. According to Manurung and Tarmoezi (2007), a hotel is a building used for lodging with commercial purposes and provides professional services for guests, including the provision of food, drinks, and other facilities.

Hotel is a type of accommodation that uses part or all of the building by providing lodging services, food, drinks, and other supporting services for the public that are managed commercially Prakoso (2017). It can be concluded that a hotel is a building that is used as a place for lodging and provides various facilities.

2.1.2 Classifications of Hotels

Hotel classification is a system of grouping hotels based on quality standards, facilities, and services offered to guests. This system aims to guide travellers in selecting accommodation that aligns with their needs and budget. With this classification, consumers can distinguish between one-star to five-star hotels, each of which has its criteria and unique advantages. In the era of the tourism industry, particularly in the service sector such as the hospitality industry, there are already high hotel standards, and the services provided will vary depend on the hotel's classification level. Hotel classification influences the facilities and services provided by the hotel. Some hotel standards that explain hotel classification can be determined based on several types of hotel levels, according to Sulistiyono (2011) including:

1. Hotel Classification based on its size can be determined by varying sizes, the size of

the hotel is classified into 3 parts, the first small hotel is a small hotel with rooms under 150 rooms, the second medium hotel is a hotel with a medium size that has rooms 150 to 600 rooms, the third large hotel is a large size with the number of rooms above 600 rooms.

2. Hotel classification based on location factors is divided into:
 - a. City hotel is a hotel located in the city, where most guests stay for business.
 - b. Resort hotel is a hotel located in a tourist area, where most of the guests engage in recreational activities. Types of resorts based on location:
 - c. Mountain hotel (a hotel in the mountains)
 - d. Beach hotel (a hotel near the beach)
 - e. Lake hotel (a hotel near the lake)
 - f. Hill hotel (a hotel near the hill)
 - g. Forest hotel (a hotel protected in a forest area)
3. Hotel classification based on area is divided into three parts, namely:
 - a. suburban hotel is a hotel located on the outskirts of the city, which is a satellite meeting point between two towns.
 - b. Airport hotel is a hotel in a complex of buildings located in the airport area.
 - c. Urban hotel is a hotel in the countryside and away from the big city, located in a new urban area, which is still a village.
4. Hotel classification based on the purpose of visit is divided into, namely:
 - a. Business hotel is a hotel whose guests are mostly business travellers, usually providing meeting and convention rooms.
 - b. Casino hotel is a hotel where part of the premises serves as a place for gambling activities
 - c. Pilgrim Hotel is a hotel where part of the premises serves as a worship facility.
 - d. Cure hotel is a hotel whose guests are in the process of treatment or recovery from an illness.
5. Based on the length of stay factor, guests are divided into:
 - a. Transit hotel, guests staying at this hotel are usually for a short period, averaging one night.
 - b. Semi-residential hotel, guests staying at these hotels are usually for more than one night, but the length of stay remains short, ranging from one week to one month.
 - c. Residential hotel, guests usually stay at this hotel for a long time, at least one

month.

2.1.3 Types of Hotel

Hotel types are a rating system used to classify hotels based on the facilities and quality of service offered to guests. The most commonly used hotel types are based on the number of stars, ranging from 1-star to 5-star hotels. Hotels that do not meet the minimum standards are categorised as non-star hotels. Based on the types of hotels in Indonesia regulated by the director general of tourism decision No. 14/U/11/1988 on the implementation of business regulations and hotel classification, the following is stated Pujantara (2021). Generally, hotels have several types of rooms based on the hotel's rating, which can affect the facilities and comfort provided.

Service aspects encompass various elements, from room reservations to meal service. The concept of star ratings has also evolved in many other countries to accommodate diverse guest preferences, encourage quality improvement, and promote tourism. Hotels are classified based on a star system that reflects the level of quality, facilities, and services offered, ranging from 1-star hotels providing basic accommodation at affordable prices to 5-star hotels offering complete luxury with premium facilities and world-class service. This classification system helps guests choose accommodation according to their needs and budget, with 1-star hotels typically suitable for budget-friendly holidays, while 5-star hotels are the choice for those seeking comfort and the best service. The following are some types of star-rated hotels

a. One Star Hotel

The simplest and most affordable hotel classification, it usually has a few criteria, including a minimum standard room count of 15 rooms, a minimum standard room area of 20 m², and en suite bathroom facilities.

b. Two Star Hotel

It is a hotel with basic and limited facilities, with the significant difference being that it has a total of 20 rooms, a minimum standard room size of 22 m², and en suite bathroom facilities.

c. Three Star Hotel

This is a hotel that offers more facilities than a 2-star hotel and has 30 rooms, a standard room size of 24 square metres, and en suite bathroom facilities.

d. Four Star Hotel

It is a hotel that offers luxurious facilities and the provision of guest rooms usually consists of a minimum number of standard rooms of 40 rooms, a standard room area of

24 m², a minimum number of suite rooms of 3 rooms with a minimum suite room area of 48 m², bathroom facilities inside, equipped with air conditioner (ac), with a minimum area of 100 m², parking space, sports and recreation areas.

e. Five-Star Hotel

This is the highest level of hotel with complete and luxurious facilities, a larger number of guest rooms, 100 rooms with a minimum standard area of 26 m², facilities such as laundry and room service, parking with valet parking, sports and recreation areas, and a strategic location.

2.1.4 Facilities in a Five-Star Hotel

Facilities are physical amenities that meet guests' needs and make it easier for them to carry out activities during their stay at the hotel. These facilities may include rooms equipped with air conditioning, colour televisions with internal movie channels and international channels, safes, hot and cold water, minibars, telephones with direct international calling services, private bathrooms with bathtubs and showers, tea and coffee making facilities, and hairdryers. The facilities provided by a five-star hotel are different from those of a five-star hotel. A five-star hotel offers more comprehensive and satisfying services, prioritising luxury, and additional supporting facilities in terms of more organised and professional food presentation.

A five-star hotel is a type of accommodation that offers the most luxurious and comprehensive facilities and services compared to hotels of other classes. These hotels are typically located in strategic areas such as city centres or business districts and are designed to pamper guests with premium amenities, including spacious rooms with high-quality furnishings, upscale restaurants, 24-hour room service, and recreational facilities like swimming pools, spas, and fitness centres. Professional and personalised service standards are the hallmark of 5-star hotels, aimed at meeting the needs of high-end guests such as officials, businesspeople, and tourists seeking maximum comfort during their stay. The facilities provided by 5-star hotels include

Non-smoking rooms with amenities are available on each floor of the hotel. restaurants and bars with various types of food and beverage products to facilitate guests in ordering, which are usually found on the lowest floor and the top floor. In room food and beverage service can be done by telephone in the hotel room. Business centre and secretary, which is an area used for business activities or meetings. There are supporting facilities, proposed by Sulistiyono (2011), namely:

1. The fitness centre is a place to exercise provided by a 5-star hotel.
2. Swimming pool is a supporting facility in a 5-star hotel.
3. A ballroom/hall is a place to hold events, conferences, or discussions.
4. Entertainment facilities, such as music, karaoke
5. Playground facilities for children as a playground at a 5-star hotel.
6. Babysitting/childcare services, specifically for guests who bring toddlers.
7. Shuttle vehicles are provided by the hotel to facilitate visitor mobility.
8. Valet parking service/vehicle parking service.
9. Foreign currency exchange facilities are provided for guests who wish to exchange foreign currency.

2.1.5 Quality of Five-Star Hotel

The quality of service at a five-star hotel is one of the main factors in guest satisfaction at a five-star hotel. Hotels are expected to consistently and professionally provide services that not only meet but also exceed customer expectations. This service quality comprises various elements, including tangible evidence, reliability, responsiveness, assurance, and empathy. All these elements work together to create a pleasant and memorable guest experience. To maintain customer loyalty and a good reputation in the hospitality industry, five-star hotels must be able to provide exceptional service by considering every detail. Service quality is used to assess service quality through five service dimension principles as a measure proposed by Sulistiyono (2011), namely:

1. Reliability is the ability to provide exactly and correctly the type of service that has been promised to guests.
2. Responsiveness is the awareness to act quickly in helping guests and providing timely service.
3. Certainty is the knowledge and courtesy, and confidence of employees.
4. Empathy is the attention of individual guests, specifically by approaching, providing protection, and trying to understand the wishes, needs, and feelings of guests.
5. Real, namely something that looks like equipment, and equipment that supports the implementation of services.

2.1.6 Criteria of five-star hotel

Star hotel criteria are official standards that regulate the quality and comfort expected by guests during their stay. Star hotels are categorised according to several criteria that meet

hotel standards. Hotels that do not meet the minimum standards will be categorised as non-star hotels. A star hotel must pay attention to the following requirements and criteria, according to Sulistiyono(2011), namely:

1. General, Indonesian decor elements are reflected in the lobby, restaurant, bedroom, and function room.
2. Dimensions and area of a standard bedroom in a 5-star hotel.
 - 1) There are a minimum of 20 rooms with a standard room size of 22 m²/room.
 - 2) There is a minimum of 2 suites with an area of 44 sqm/room.
 - 3) Minimum height of 2.6 m per floor.
3. Good temperature and spacious rooms in a 5-star hotel bar.
 - 1) Closed spaces must be equipped with air conditioning with a temperature of 24°C.
 - 2) The width of the bartender's workspace is at least 1 m, and there is a minimum of 1 entrance separated from the lobby with a minimum capacity of 2.5 times the number of rooms.

2.2 Handling complaints from Customers & recovering from a Service Failure

Guest complaints are expressions of dissatisfaction caused by a discrepancy between what guests expect from the services or facilities they receive during their stay and the reality. Room quality, cleanliness, malfunctioning facilities, unsatisfactory service, or noise disturbances are some examples of complaints. Handling guest complaints is crucial for maintaining guest satisfaction, loyalty, and the hotel's reputation. If complaints are addressed promptly, empathetically, and with appropriate solutions, guests feel valued and trusted, reducing the likelihood of conflicts and strengthening positive relationships. There are some best practices in handling customer complaints, namely Jochen Wirtz (2018, p.27) :

- 1) Act immediately. When complaints are reported during the service stage, time is crucial to achieving a full recovery. When complaints are reported after the event, many companies have implemented policies to respond within 24 hours, or even faster.
- 2) Acknowledge the consumer's feelings. Do this politely or directly. This action contributes to building a connection, which is the first step in restoring a troubled relationship.
- 3) Do not engage in arguments with customers. The main goal is to gather information to reach a mutually acceptable solution, not to win an argument or prove the customer wrong. Arguing hinders the ability to listen and rarely resolves dissatisfaction.
- 4) Show that you understand the problem from each client's perspective. Understanding

the situation from the customer's point of view is the only way to find out what they think is wrong and the reasons behind their dissatisfaction. Service staff should avoid drawing conclusions based on their understanding.

- 5) Explain the various facts and explore the causes. Failures can arise from inefficient services, confusion on the part of customers, or inappropriate actions by third parties. If you make a mistake, apologise to gain the understanding and trust of your customers. The less likely they are to expect compensation. Avoid a defensive attitude; responding defensively can give the impression that the organisation is hiding something or is unwilling to investigate the situation properly.
- 6) Give customers the benefit of the doubt. Not all consumers are open-minded, and not all criticism is valid until clear evidence shows that the complaint is unfounded. If the amount of money involved is significant, such as in insurance claims or potential lawsuits, a detailed investigation is necessary.
- 7) Propose actions that need to be taken to resolve the issue. If an immediate solution cannot be found, inform the customer of the company's plan to handle the issue.
- 8) Keep customers posted on progress. No one likes being kept in the dark. Uncertainty makes people feel suspicious and stressed. People are usually more open when they understand the situation and receive regular updates. It is important to always stay informed about what is happening regularly.
- 9) Consider compensation. When customers do not get the results they expect from the services they have paid for, or have experienced significant inconvenience due to service failures, offer compensation in cash or other forms, such as service upgrades or complimentary items, such as dessert at a restaurant. This recovery approach can also reduce the likelihood of legal action from disappointed customers.
- 10) Stay committed to regaining customer trust. When customers are disappointed, one of the most difficult things is to regain their trust and maintain the relationship.
- 11) Improve your service delivery system by conducting self-evaluations. After the customer leaves, it is important to assess whether the service issue arose from an unintentional error or a weakness in the system.

2.3 Theory of Customer Service in the Hospitality Industry

2.3.1 Expectation Disconfirmation Theory

Expectation Disconfirmation Theory (EDT) has its roots in consumer behaviour research. Perceived performance, expectation, confirmation, satisfaction, and repurchase intention are the five primary components that comprise EDT. Figure 1 illustrates how the constructions relate to one another. EDT assumes that customer happiness will be determined by expectations and product/service performance (Oliver, 1980). Furthermore, in the following situations, the positive or negative disconfirmation serves as a mediator, according to Oliver (1977). Several aspects influence guest satisfaction, including:

1. Disconfirmation occurs when a product or service performs below expectations.
2. Confirmation occurs when a product or service performs equal to expectations, and
3. Positive disconfirmation occurs when a product or service performs above expectations. Plenty of research shows that customer expectations and dissatisfaction both have a big impact on consumer behaviour.

Reactions after using a product or service, Swan (1977). Therefore, a key component of pleasure is impacted by expectations. Customers are more inclined to buy a product or service if it lives up to their expectations (Oliver, 1980). Positive disconfirmation will boost the user's positive opinion and level of happiness with the product or service, which will encourage them to keep using it. Negative disconfirmation, on the other hand, will lessen the user's favourable opinion and result in discontent with the product's usage, which will ultimately cause the product or service to be discontinued (Bhattacharjee, 2001). According to their discontent. Overall, previous research indicates that poor service results in unhappy customers (Smith and Bolton 2002), (Liu et al., 2019) and unfavourable word-of-mouth (Eckhardt, 2019).

EDT has been used for a wide range of goods and services, including remote work (Wolverton, 2022), restaurants (Lee & Kim, 2020), and online shopping (Liu, 2020). First, consumers form expectations about the product or service. Then, depending on their real experiences, consumers either validate or disprove their initial assumptions (Liu et al., 2020). Customers often affirm their initial expectations when the product or service's real performance exceeds them (Liu, 2020). On the other hand, expectations are disconfirmed when the actual performance does not meet them (Wolverton & Liu, 2020). Confirmation or disconfirmation based on expectations is the foundation of consumer satisfaction and post-purchase behaviour (Liu et al., 2020).

This study extends EDT in the context of the hospitality industry tourism on the hotel service failures to explain how service failure perceptions affect customers' responses to hotels. Customers' expectations regarding hotel service failures and the degree of such failures are compared in the study, and subsequent customer feedback is either favourable or negative. This will have an impact on the customer's feelings and actions (Zhigang & Xintao, 2020).

2.3.2 Service failure

A mistake, fault, or issue in the provision of a good or service is referred to as a service failure (Colgate & Norris, 2001). Because it negatively impacts the connection between customers and service providers, service failure is a popular study subject in the field of service marketing (Bougoure, 2016).

A situation where consumers' expectations are not fulfilled is demonstrated by a service failure (Lee & Chen, 2022). Customers react to the occurrence as a result. According to their discontent. Overall, previous research indicates that poor service results in unhappy customers (Smith & Bolton, 2019) and unfavorable word-of-mouth (Eckhardt, 2019).

2.3.3 Negative emotions

According to (Bougie & Zeelenberg, 2003), emotion is a cognitive judgment-based mental state of readiness that emerges when a person determines whether an occurrence is consistent with or inconsistent with their intentions or aims. Customers' bad feelings are therefore caused by their perception of a product or service experience that does not align with their objectives or motivations (Hien, 2024). Customers will have unfavorable emotional reactions if there are service failures during the product/service experience (Jin et al., 2021).

The component approach and the emotion category approach are the two main methods for identifying consumer emotions (Nawijn & Biran, 2019). Emotions are defined as a single construct in the compositional method. Bagozzi (2003) states that the component approach to emotions helps to simplify research models and that emotions may be broadly classified into positive or negative values. When a particular service fails, clients usually only experience negative feelings. Negative emotions might therefore be collectively regarded as a single component. According to Yao (2020), the category method characterizes emotions as a group of discrete emotional states, including happiness, anger, sorrow, and anxiety. Both strategies agree that various behavioral reactions can be triggered by distinct emotions (Laros and Steenkamp, 2005). Despite all negative emotions, research conducted in a range of service failure scenarios demonstrates that each unique emotion—such as rage or anxiety—causes a different set of negative actions (Walker et al., 2021), however, according to Prayoga (2017),

neither the component nor the category methods provides a mechanism to explain emotional arousal or the behavioral implications that follow. Instead, they are descriptive in nature, This study applies a specific negative emotion approach to assess how it affects the negative behavior of customers.

2.4 Online platforms for reviewing hotels

2.4.1 Tripadvisor as a hotel review platform

Online platforms such as hotel booking and guest review sites are quite popular nowadays, with everyone starting to use comprehensive, informative, and easily accessible platforms. Generally, most users prefer to use tripadvisor over other platforms such as traveloka, pegi-peggi, agoda, and so on. This is because tripadvisor is already well-known among travellers, both domestically and internationally, due to its informative and comprehensive features, which can directly guide users to the desired hotel location and remain trustworthy to this day. Tripadvisor is an online platform that allows users to search and discover various types of accommodation, tourist attractions, restaurants, and travel experiences in various places around the world. Every month, more than 350 million people visit the tripadvisor site, which is the world's largest travel community with more than 290 million reviews and comments on tourist attractions (Utama and Junaedi, 2018).

2.4.2 Guest review on TripAdvisor

It is argued that every hotel business's ultimate purpose should be to satisfy its guests. "The guest's evaluation of his/her experience through interaction with various service areas" is another definition of guest satisfaction. According to certain studies, customer satisfaction is an emotional reaction to using a product or service, and satisfaction is an assessment based on the customers' experiences with the service (Alrawadieh and Law, 2019). From a managerial perspective, assessing customer satisfaction is the only method to learn how customers feel about the services they receive and then enhance them further Xiang (2015). To evaluate and address customer satisfaction and behavioural intents, hotels use a variety of measures. Putting comment cards in the guest rooms, using service recovery strategies to handle in-house service failures, sending out post-departure guest satisfaction surveys, and implementing follow-up procedures for issues that couldn't be handled internally are a few examples of these tools (Berezina 2016).

2.5 Previous Studies

Several studies can be used as references for various studies on guest services and handling guests :

According to Wijaya (2023), the Novotel hotel has consistently carried out SOPs. The SOPs implemented provide training to staff to minimise miscommunication between staff and guests, improving staff's ability to respond to guests, and paying attention to how to behave towards guests. SOPs that are clear, detailed, and understandable to all staff so that they can be implemented properly are one of the steps to maintain service quality. The correlation of this study is due to the fact that this study focuses more on how to respond to guests quickly, paying attention to the attitude towards guests, to always maintaining service quality.

According to Vázquez (2011), complaints online The case of tripadvisor is To analyse the data basic concordancing program was used in combination with manual coding not selected features, the study result found that complaints tended to occur as a speech act set, complaints tended to occur with speech make such as warning or threat, particularly context, complaints tended to occur more frequently with advice and recommendation, the study found that while the majority of the complaint on the tripadvisor. There were, nevertheless, some examples that blur the direct or indirect dichotomy.

According to Wirtz (2018), the results of this study indicate that customer dissatisfaction can take the form of public action, private action, and immediate action. An effective recovery system must allow customers to provide feedback, as well as provide effective services and high compensation if the service failure is serious. This study aims to assess and provide input to improve hotel standards and strive to better understand guests so that they are more satisfied with the service during their stay, and become a benchmark for quality hotels to provide good feedback.

The similarity between the three researchers lies in their focus on improving hotel service quality and handling guest complaints through several steps based on previous research by several researchers, including emphasising the importance of clear Standard Operating Procedures (SOPs) to improve service quality, including how staff interact with and respond to guests, and how communication among all hotel staff will affect responses to guest reviews. Complaints submitted by visitors are responded to quickly by the hotel by offering various conveniences so that visitors are interested in returning. A good response will satisfy hotel visitors because, with various satisfactions, visitors will provide quality reviews that have an impact on the development of the hotel.

This study analyses online guest complaints, particularly on the TripAdvisor platform, analysing the language and steps, also the hotel response & theory of guest complaints in the form of points or coding. The importance of an effective recovery system to handle service failures, the aim of which is to make guests more satisfied. The fundamental difference between my research and this study lies in the fact that this study focuses solely on the implementation of Standard Operating Procedures (SOPs) at the Novotel Semarang Hotel to maintain service quality. The objective is to ensure staff can respond to guests promptly and maintain a positive attitude, while minimising miscommunication through training. This study addresses guest dissatisfaction.

This study discusses customer dissatisfaction and how it can be expressed through public or private actions. The study suggests that an effective recovery system should allow customers to provide feedback and offer adequate compensation in the event of a serious service failure. The main objective is to better understand guests so that they are more satisfied and to provide input to improve star hotel standards.