The Influence of Exotic Service Quality Towards Overall Satisfaction at Hotels in Makassar

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ABSTRACT

As one of tourism destination place, Makassar become potential area to develop hotel industry. This study aimed to asses influence exotic dimensions quality comprising of service performance interaction quality, physical environment quality against Overall Satisfaction. This research used descriptive survey and explanatory. Population selected were all the customers at the hotel in Makassar who have a minimum 2 days and who had used the services of this hotel before. Samples in taken from Maximum Likehood estimation method (ML) by the number of 360 respondents were divided in proportion to the ten hotels in Makassar. Data analysis was performed using Structural Equation Modeling (SEM). The Results of the analysis showed that the exotic dimensions comprising of service quality performance, interaction quality, physical quality and empathy environment, significantly affect overall satisfaction. It is concluded that increase of all these factor/exotic quality service will be followed by an increase in overall satisfaction.

Keywords: Exotic service quality, Interaction performance quality, Physical Environment Quality, Empathy, overall satisfaction.

1. INTRODUCTION

The rise hotel development bodes increasing competition in Hotel Industry. Hotel Employers were required to compete in attracting consumers to stay at their hotel (Mahendra, 2011). Entering the first quarter of 2010, hotel occupancy rate primary at three star hotel upwards, in Sulawesi it fell 0.06 point compared to March 2010 i.e., 43 percent in March 2010 to 42.94 percent in April 2010. While the two-star hotel increased significantly i.e., 14.67 percent in the period April 2010 as much as 57 percent compared to March 2010 were only 42.33 percent. Hotel guests intend to choose two-star hotel because in terms of facilities and

services are not much different from one star, but in terms of relative rates cheaper and affordable for the upper middle class (BPS South Sulawesi, 2010).

To improve traction, the company can perform *excellence* or superior *(exotic)* services. Broadly speaking there are four elements in this concept, i.e. *speedy,* accuracy*, hospitality*, and *comfortability.* All component is integrated, hence the service will not be *excotic* if one component is not met.

Another factor that affects the commitment is satisfaction. Customer satisfaction is product or service evaluation that is based on whether the product or service to meet the needs and expectations (Zeithaml and Bitner, 2003). High level of satisfaction strengthens customer's desire to have a company commitment. Hennig-Thurau et. al., (2002) in his research found that satisfaction significantly affects commitment. Boonajsevee (2005) also found that there is a positive correlation between satisfaction and commitment.

Increased customer satisfaction with the facilities and services of the hotel, is an absolute thing must do to face competition. This is done with the hope that when customers were satisfied, they would make a purchase again and recommend to the others, which in turn can increase the number of occupancy rate as well as triumph the competition (Barus, 2010).

In addition to improve dimensions Exotic Service Quality, the hotel also needs to know the factors to be considered in assessing the overall customer satisfaction, trust, commitment and relationship towards relatioship Intention hotel in conducting elections. The purpose this study is to investigate and analyze the effect Exotic Service Quality dimension consisting of interaction quality performance, physical quality environment and empathy towards overall satisfaction.

2. THEORETICAL BACKGROUND

2.1. Exotic Service Quality

Dimension from an exotic services developed by Budiarto (1998) consist of interaction performance quality, physical environment quality, and empathy. Each of this variables have different perspectives which are:

(a) *Interaction performance quality:* Interaction between employer and customers formed with personal attention, understanding the need of customers or hospitality which are one of customer consideration in perceiving service quality their using (Ardianto, 1999). Meanwhile study conducted by Lehtinen & Lehtinen (1982) and Nguyen & Le Bank (1988) stated one of dimension which formed perceived service quality is interaction between employer and customer. Interaction between employer and customer according to Davis, (1983), Larsen & Diener (1987) and Tax et. al., (1998) can be formed with understanding what other feels, ability to feel what other feels, feel what other feel, respond to what other feel, so interaction quality can be measure through indicators which are; attitude, behavior and expertise. Each of this dimension has relation with customer satisfaction because value of behavior will create a perception to customers.

(b) *Physical Environment Quality:* Consists of Ambient conditions (conditions related to environment, design and completeness of physical equipment for services. For example in Hotel, completeness of facilities can be offered to customer will influence on perceived service quality by customers. Physical facilities which have relation with service quality such as; availability of facilities for exercise, facilities for communication, facilities for entertainment or facilities for transportation.

Bitner (1992) confirmed that physical environment influence customers in evaluating services. This is because service is tangible and required customer's presence in service process. Surrounding environment has significant influence of overall perceived service quality. There are three factors which influence perception of physical environment quality which are; atmosphere, facility design and social factor. Atmosphere and facility design have been supported by past research (Bitner, 1992). Bitner (1992) explained that non visual atmosphere such as, temperature, music and aroma. Facility design refers to lay out or environment architecture and esthetics. Social condition refers to numbers and types of people on service situation as their behavior. Customers consider social factor as perceived service environment factor.

(c) *Empathy:* Empathy is a deep care on a service for all customer needs and demands. Indication that shows an empathy on a service such as;

- − Degree of active staff to understand behavior of customers.

- − Willingness of staff to adjust every services with behavior of customers.

- − Willingness of staff to help customer to acquire what they want on provided services

- − Willingness of staff to receive all customer complaints on provided services

- − Willingness of staff to anticipate customer disappointment on provided services

Basically, empathy consider customer as integral part from company big family. Understanding on customers as the owner of service is ability to give a service is a concept which shows high or low of empathy on provided services.

2.2. Overall Satisfaction

Relationship with customers can be established and developed, if the company can create a situation where the customer can feel satisfaction with the services provided by the company. From that satisfaction which is formed inside the customer, companies can find out how much performance has been given to its customers. According to Kotler & Keller. (2009), Satisfaction is a great feeling or disappointment experienced by a person which is the end of result comparing the performance of a product that is associated with his expectations for the product.

Customer satisfaction as the customer response to the evaluation of the disconfirmation between the initial expectations before the purchase (or other work norm) and the actual performance product that is felt after use (Day in Tjiptono, 2004). Customer satisfaction as an emotional response to the experience evaluation consumption of a product or service (Wilkie in Tjiptono, 2004). Customer satisfaction is formulated as an evaluation post purchase, where the perception of the performance of alternative products and services meet or exceed expectations before purchase. If the perception of the performance not meet expectations, then the dissatisfaction arise. In general, customer expectations are estimates or beliefs about what customers will receive when he buys or consumes a product (goods or services). While the perceived performance is the customers' perception of what he received after consuming products purchased (Tjiptono in Sylvana, 2006).

Customers will be dissatisfied if the performance given by the company is lower than what is expected of the customer. In other hand customers will be satisfied if the performance is given by company in

accordance with customers' expectation. Higher satisfaction will create an emotional appeal to the product or service, as to create high customer loyalty. Therefore, companies need to monitor customer satisfaction so that customers always feel satisfaction. To be able to create and develop a good relationship with its customers, the company is not only just customer satisfaction, but also create the overall customer satisfaction in themselves. Overall satisfaction is an overall evaluation based on the total purchase and experience of consuming goods or services over time (Garbarino and Johnson, 1999). Brady & Cronin (2000) in their study concluded that customer satisfaction significantly influence customer loyalty. Results of study by Caruana (2002) also concluded that there is a relationship between service quality and customer satisfaction to customer loyalty.

3. RESEARCH METHODOLOGY

This research is an explanatory research. In addition, this study included in descriptive study, because it provides a descriptive explanation of the variables studied. This study would analyze the influence of exotic dimensions comprising of service quality performance interaction quality, physical quality environment and empathy towards overall satisfaction.

3.1. Research Instrument

Early preparation stage of data collection instrument in this study started from the determination of the variables. In addition to data collection instruments consist of a list/table of data entry, data retrieval was also performed by *downloading* hotels secondary data profile in Makassar.

3.2. Population and Research Sample

The research population was all the customer at the hotel in Makassar. The sampling technique used in this study was *purposive sampling* that sample under consideration or in accordance with certain criteria for the research purpose (Cooper *et. al,* 1997) using cross sectional technique. Data sources used in this study was primary data obtained directly from respondents in the secondary form and other written information that have a direct connection with under studied problem.

3.3 Data Collection Techniques

Techniques to be used in customized research data collection for the purpose of research. In this research techniques used include observation, interviews, questionnaires, and documentation.

3.4. Methods and Analysis Tools

The analysis method used in this study was a Structural Equation Model (SEM) to determine the causal relationship among latent variables contained in the structural equation. SEM described as "a comprehensive statistical approach to testing hypotheses about relations among observed and latent variables" (Hoyle, 1995). Structural Equation Modeling (SEM) is a multivariate method integrating characteristic of factor analysis and multiple regressions statistically to assess the sequence of consistent dependent relationships concurrently (Schumacker & Lomax1996; Hair et. al., 2006).

4. FINDINGS

4.1. Descriptive Analysis

From Table 26.1, it is clear that generally the respondents give more attention to indicators of Expertise (skills) to $(X_{1.3})$ by the number of respondents who answered strongly agree and agree are 323 people or

Table 26.1
Respondent perception on Interaction Performance Quality (X_1)

No	Indicator		*Respondent peception*					*Agreeand Strongly agree*	*%*
			SA	*A*	*N*	*D*	*VD*	*Total*		
1	attitude	x11	216	100	32	12	0	360	316	87,78
2	behavior	x12	4	233	78	45	0	360	237	65,83
3	expertise	x13	227	96	21	16	0	360	323	89,72

89.72%. The next indicator is *Attitude* $(X_{1.1})$, where as many as 316 people or 87.78% of respondents who answered agree and strongly agree. The next indicator *Behavior* (behavior) $(X_{1.2})$, as many as 237 people or 65.83% of respondents who answered agree and strongly agree.

Table 26.2
Respondent perception on Physical Environment Quality (X_2)

No	Indikator		*Respondent peception*					*Agreeand Strongly agree*	*%*
			SA	*A*	*N*	*D*	*VD*	*Total*		
1	Availability of communication facility	x21	233	106	10	11	0	360	339	94,17
2	Availability of entertainment facility	x22	207	95	44	14	0	360	302	83,89
3	Availability of transportation facility	x23	231	90	26	13	0	360	321	89,17
4	Responsiveness	x24	59	150	69	11	1	290	209	72,07
5	Assurance	x25	57	153	68	10	2	290	210	72,41

From Table 26.2, it is cleary that in general the respondents to give more attention to indicators the availability of communication facility $(X_{2.1})$ by the number of respondents who answered strongly agree and agree are 339 people or 94.17%. Next indicator is the availability of transportation $(X_{2.3})$, as many as 321 people or 89.17% of respondents who answered agree and strongly agree. Next indicator is the availability of facilities for entertainment $(X_{2.2})$, where as many as 302 people or 83.89% of respondents who answered agree and strongly agree.

Table 26.3
Respondent perception on *Empathy* (X_3)

No	Indicator		*Agreeand Strongly agree*						*Jml SS dan S*
			SA	*A*	*N*	*D*	*VD*	*total*	
1	Activeness Staff to know consumer desire	x31	237	100	13	10	0	360	337
2	Staff' desire to adapt with consumer behaviour	x32	133	200	17	10	0	360	333
3	Staff' desire to assist consumer services need	x33	0	253	97	10	0	360	253
4	Staff' desire to admit consumer' complaint	x34	0	237	100	23	0	360	237
5	Staff' desire to anticipate consumer' dissapointment	x35	0	237	100	23	0	360	237

From Table 26.3, it is clear that generally, respondents give more attention to activity level staff indicators to know the desires of consumers ($X_{3.1}$) by the number of respondents who answered strongly agree and agree are 337 people or 93.61%. Next indicator is the willingness of the staff to tailor all services to consumer behavior ($X_{3.2}$), where as many as 333 people or 92.5% of respondents who answered agree and strongly agree. Next indicator is the willingness of the staff to help customers get something desirable for services rendered ($X_{3.3}$), where as many as 237 people or 65.83% of respondents who answered agree and strongly agree.

4.2. Multivariate Analysis

As shown in Figure 26.1, the coefficient of quality service exotic effect variable (X) towards the *Overall satisfaction* (Y) amount 0.138 with *t* value amount 2.522 at a significance level of 0.012. This coefficient indicates that the particular variable has positive effect on *Overall satisfaction* (Y). This means that increasement in exotic quality service (X), will be followed by inreasing of *Overall satisfaction* (Y), assuming other factors that affect the size of customer satisfaction (Y) is considered constant. Statistically, *t* count value influence of exotic service quality (X) towards overall satisfaction (Y) amount 2.522 with 0.00 significance level. This means *quality Exotic Service* (X) have a significant effect towards *overall satisfaction* (Y). Based on the results of this analysis, the *hypothesis* implied that there is a positive and significant effect of dimensions of Exotic Service Quality performance consisting of interaction performance quality, physical environment quality and empathy towards overall satisfaction, were accepted.
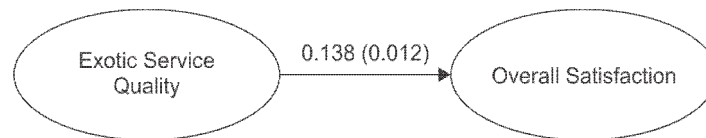

Figure 26.1: Influence of Exotic Service Quality on Overall Satisfaction

5. DISCUSSION

The results of this study found that *relationship intention* existed as a result of *service quality exotic* improvement, led to *Overall satisfaction* and generated positive consumer *trust* hence customer commitment to the hotel has been built. Implications of the theory can be expressed in this research to improve the relationship intention towards hotel able to employ exotic service quality models and its indirect effects such as overall satisfaction, trust, and relationship commitment.

The Influence of *exotic service quality* variables towards *overall satisfaction* amount 0.138 with t value 2.522 at 0.012 significance level. This Coefficient indicates that the *exotic service quality* positively affect *overall satisfaction*. This means that the better service to all customer's wishes and demands given by the hotel, then hotel customers the more satisfaction retrieved by the customers. Exotic term in this study is understood to appeal not only touch the physical side but has led to the *inner beauty* of all the services provided by a hotel. According Budiarto (1998), exotic service consists of three dimensions affects: *interaction performance quality, physical environment quality, dan emphaty*.

Based on the respondents answers, they implied *empathy* as a strong indicator of *exotic service quality*. *Emphaty* is deep concern over a service for all the wishes and demands of consumers. *Emphaty* essentially assumed the customer is an integral part of the companies family. Understanding the customer as the owner

of the service because of the ability to purchase a service is a concept that shows the level of empathy for services rendered. Parasuraman and colleagues in (Zeithaml et. al., 1996), described *Empathy*, including ease of connection, good communication, personal attention and understanding the consumers needs .

According to Riani (2001): "The service is a service that meets the exotic qualifications relating to appearance and gives high impression of personal touch." Exotic Service opinion leads on two sides view i.e. services performance as measured by the physical senses and qualified non-physical senses (perceived). To achieve the exoticism concept in service, hotel need to consider the exotic dimensions i.e. *Interaction performance quality, physical environment* and *empathy.*

Interaction performance quality can be done through the development of better employee attitudes, behaviors and Skill. Hotel staff should have a positive attitude to approach a group or individual that hotel employees can work out together with other employees. In the opinion of Baron *et. al.,* (1999), *attitude* is derived from a verbal expression of beliefs, feelings or behaviors that either the object or situation originated from perception or psychological reactions.

In addition to the attitude, the employees behavior was also become a consumer ratings in interaction quality performance. Everyone involved in the process of particular activity would have different behavior, even in the same conditions and circumstances. Reaction and response to a person in an activity will directly affect each other, which ultimately affect the group's work. In the hotel organization or work teams is the social unit formed to accomplish a specific purpose. Each individual is emphasized to understand the goals that have been set by management.

Last factor of interaction performance quality is Skill. Although attitudes and behavior of employees is essential, *Skill* is still the most important thing to be developed to support the work process. *Skill* is the ability to operate easily and effectively work/care. This understanding tends to be *psycomotor* activity (Gordon, 1994). Besides understanding according to Nadler (1986), namely *Skill* is an activity that requires practice or be interpreted as an implication of the activity.

Skill can be learned through a training program to learn new things such as new technology that is used in the hotel, competence and the latest information. According Dunnette (1976), *Skill* is defined as the capacity required to perform some of the development tasks as the results of training and experience gained. Robbins et. al., (1998), Skill outlines that a person can be seen from how he deal with a more specific issues such as how the employee attempted to use the equipment, how to communicate effectively and execution of business strategy.

Miller et. al., (2002) argued that Skill is important in all levels of management of the company. At the lower management level Technical and Human Skill are necessary and essential . The manager really care about them because affect all the products and employees who do the work, while Conceptual Skill is also required but is not too important. Within the upper level management Conceptual Skill plays an important role once in making a decision or creating an ideas, while others Skill become supporting course. Skill can be developed through practice, learn something new, and by direct observation.

According to Kotler, et. al., (1999), satisfaction is a great feeling enjoyment or disappointment experienced by someone as the end result of comparing performance of a product that is linked to one's expectations towards the product. Therefore, hotel companies need to monitor customer satisfaction that customers always feel satisfied. To create and develop a good *relationship* within customers, the company

not only meets customer satisfaction, but also creates *overall satisfaction* within customers. *Overall satisfaction* is an overall evaluation based on the total purchase and consumption of goods or services experienced over time (Garbarino et. al, 1999).

In this case, satisfaction benchmarks used overalls at is faction is based facilities, cleanliness, tariff, and service that is owned by the hotel in Makassar. Therefore, the hotel should make every effort to create an interesting experience when customers make a deal in order to create overall customer satisfaction. Result findings also proved that the review of theoretical and empirical studies about the existence of positive causal relationship significant between exotic service quality and overall satisfaction can also be applied in industry hotel in this country.

6. CONCLUSIONS AND RECOMMENDATIONS

Exotic dimensions comprising of interaction performance quality, physical environment quality and emphaty positively and significantly affect overall satisfaction. From the three variables that make up the dimension, Emphaty became dominant variable towards exotic service quality. The Emphaty indicator that needs to be considered is the activity staff level to know consumers' desire. This indicates that the increase of exotic quality service will be followed by an increase in overall satisfaction, therefore hotel management to maintain and improve service quality exotic empathy are key elements supporting staff to determine the activity level of consumer desire. To get increased all these items hotel management need to improve *service quality* by fixing *exotic* factor of human resources, increasing *Expertise* (skills) hence employee's ability can be better once deal with problems faced by the customer.

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