CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

This chapter forms and include about introduction of the finding and it have the overview and general explanation for the entire research process. The research analyse and mainly focuses about the efficiency of the hotel that are calculate from the variable to choose the best and most efficiency five stars hotel in Malaysia. This chapter discusses about the background of study, problem statement, research objectives, research questions, scope of study, significance of study, operational definition, expected results, and for the summary of this first chapter and this research focus and only refer to the hotel that around in Malaysia.

1.2 BACKGROUND OF STUDY

Guest and host, or practice of being friendly have relate with hospitality. It also called as the demonstration of generously providing care and benefit to whoever is in necessity. Hospitality also means ‘the friendly reception and treatment of guests or strangers’ based to Dictionary.com. The Latin word of hospitality is ‘hospitalitem’ which means, “Friendliness to guests”. Furthermore hospitality are attitude that to make others feel comfortable and also to make satisfaction to other and getting their needs. Then, we
move to “hospitality industry” which are refer to the organisations or companies that involve to provide drink and food or accommodation to people that are far away from their home.

Hospitality industry is a wide category of field within service industry which is related closely within the tourism industry that includes lodging, transportation, theme parks, event planning, cruise line and etc. The hospitality industry which depends on the availability of free time and disposable time of multi-billion dollar industry. In addition, hospitality process very vast market. The things that can be placed at under hospitality market is all those that had stayed in hotels or any other lodging establishment. The hospitality market also will be travellers including tourism visitors, businessman, pilgrims, company’s executive and etc.

Because the one of Asia’s most famous tourist destination, the Malaysia’s tourism industry has been identified which are have potential to increase its contribution to the service sector in particular and the economy in general. This are included in the Ninth Malaysia Plan. Surely, under the Third Industrial Master Plan (IMP3) (2006-2020), tourism administrations have been recognized as one of the eight administration sub-segments to be centred for further advancement amid the IMP3 period. With the plan to upgrade Malaysia as one of the worldwide tourism destinations, the hotels sector, being one of the areas in the tourism business, assumes an imperative part to keep up and enhance its execution to add to the acknowledgment of the arrangements.

In spite of the fact that hotels stay prevailing in the travel settlement part in Malaysia, representing 85% (RM10, 738.4 million) of aggregate travel convenience value sales in the year 2006, hotel sales did not develop in coupled with the increment in entries and residential treks. Hotel sales just became by 4% when contrasted with the sales in year 2005 (RM10, 311.9 million) (Euromonitor, 2007). Oversupply of rooms and solid rivalry among hotels have driven down room rates (via promotion and discount). Meanwhile, a few visitors decide on option convenience, for example, campgrounds, motels, cooking toward oneself flats, chalets, guesthouses, hostels, private settlement and others. As the consequence of oversupply of rooms, commitment from the lodging area was extremely influenced. Hence, there is a need to enhance the efficiency of hotels.
Data Envelopment Analysis (DEA) is a new data-oriented approach for evaluating efficiency of a set of Decision Making Units (DMU’s) which convert multiple number of inputs into multiple number of outputs. It is a nonparametric method in operations research and economics for the estimation of production frontiers. By using this method which is DEA to measure the efficiency among the hotels.

Even with an exceedingly focused environment and the fast development of hotels emerging from business interest and the changing monetary atmosphere, it is essential for hotels to define advertising rivalry systems, reinforce corporate operations and redesign the nature of administrations. In detailing rivalry methods, one must first measure the near execution of the whole business, before one may comprehend one's qualities and shortcomings. Execution assessment serves as a critical reference for arranging and development strategies. Consequently, to survive and be supportable in the division, it is imperative for top administration of hotels to discover approaches to enhance their efficiency.

1.3 PROBLEM STATEMENT

Sufficient number of employees to treat the customer is significance in providing the service to the customer. To provide service properly is one of the role in hotel industry. The efficiency will not be achieved without the best quality of service. The problem will occur when hotels receive too many customer at the same time and management cannot provided enough employee to serve their customer. Hence this problem will relate with another case of customer dissatisfaction. Less employee in charge for many job will result in low performance to customer because they are already tired in serving many customer.

Furthermore, the number of room available following too many customer in once time which is normally happen when holiday are coming. The different packages will result the number of rooms occupied give dissatisfaction to the guest because some of the room that guest like are not available for that time. But, the oversupply of room also influence of the decreasing rate and performance of the hotel management because it waste the cost to build many room but the guest only a few.