

# CHAPTER 1

## INTRODUCTION

### 1.1 Research Background

The fast-food restaurant in the world was trending in 19th century. Then in the 20th century, business fast food restaurants are increasingly spreading to the continent of Europe, Africa, Australia and Asia like Indonesia through the concept of a franchise or franchisee. The trend of the fast-food restaurant is affected by Economic growth and development in the era of globalization in every country. This is due to changes in the world both in the economic, social and cultural fields. This too of course will influence the development of the global economic structure. Besides it is with the increasingly developing economy resulting in the new companies, which in turn increase competition between company so it becomes a challenge for the company to win competition in increasing sales. According to Zhang and Jiang (2016) eating in a Western fast-food restaurant is a trend that is majorly goes on younger generation. It results in the industry has more and more competitors going on, for example: Burger King, McDonald's, KFC, Wendy's, etc. The trend of fast-food restaurant still continues to go further with those choice of fast-food restaurant. (Ryu & Han, 2017)

Trend of fast food is food that is available quickly and ready to eat provides easy consumption for its consumers, such as fried chicken, hamburger or pizza. It's easy to get ready-to-eat food at the market indeed facilitates the availability of food variations

according to taste and power buy. In addition, processing and preparation is easier and faster, suitable for those who are always busy. The progress in the economic sector has brought a lot due to the rapid development in the business sector. Correspondingly a lot emerging trading companies that move. This creates competition among these companies. To win their competition (company) takes advantage of existing business opportunities and seeks to implement proper marketing strategies in order to dominate the market. Western fast-food restaurant must emphasize the way they offer the price, service quality, food quality, and physical environment. The fast-food industry's marketing focuses on the convenience, taste, and low cost of fast food. Developing new menu is important to the industry because food taste is crucial to attract consumers.

Fast-food restaurants are depending on the billion-dollar flavor industry, which produces the ingredients that give different flavors towards processed foods (Shavitt, Kanver, & Schlosser, 2017). Fast food products have also been researched to have better and good form of packaging, and good sizes. The grow in fast food distribution to have a better access for consumers is also a way to market the product (Christian & Gereffi, 2018). A lot of fast-food franchises exist in gas stations, department stores, zoos, schools, and other nontraditional outlets, that helps consumers to eat while performing other daily activities. And other activities. Fast-food promotions, including online and offline advertising, and in-store marketing, are crucial factors of fast-food marketing method. Advertising builds overall awareness and establishes brand equity. Fast food takes almost 30% of food advertising, and the amount has been growing further over the years (Seo, Lee, & Nam, 2018). The expenses on marketing in through

offline and online media of the fast-food chains are expensive enough just to get through the benefit of doing it (Grier S. , Mensinger, Huang, & Kumanyika, 2017). It is known that lots of fast-food chains offers a great amount of money on national and regional marketing promotions, focusing on the best price promotions available, on local areas improve their revenue a lot (Feltenstein, 2017).

Fast food companies are always growing that they have chosen to enter Indonesia's food industry. Changes in people's various consumption patterns raises the concept of practical food serving, one of which is type of fast food. This business opportunity is exploited by many owners of capital in the fast-food restaurant industry. McDonald's, as one of the most popular fast food in Indonesia, Even continues to survive in any circumstances. McDonald's is a fast-food restaurant that is being segmented for workers who need the food to be served quickly because they didn't have time. In addition to the type of consumer buying behavior routine like office workers, that holds the type of consumer buying behavior that does impulse buying is also quite a lot with various reasons for making purchases that are not planned beforehand. This became one of the factors that keep McDonald's growing further.

On these days, although McDonald's are very popular among the citizens, they are still struggling in fighting with local restaurants that have grown incredible fast in recent years. Local restaurant such as Rumah Makan Sederhana, sometimes look much more attractive compared to McDonald's, even though Mcdonald's cannot be compared directly with Nasi Padang, but it runs in the food industry as well. Thus, the living condition of Indonesian people, for some, are pretty high, and almost all of them

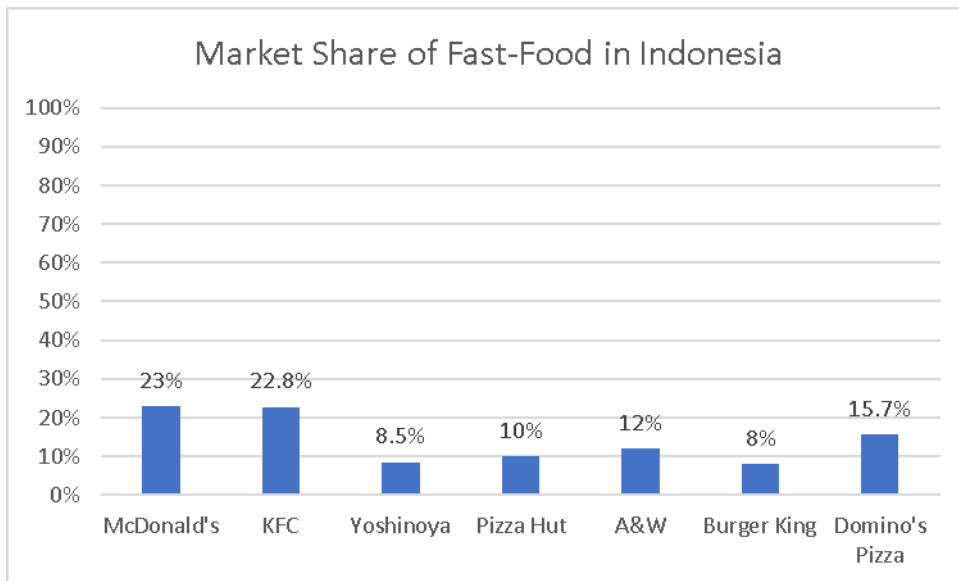
can choose what they want to eat, they are a lot aware on what, how, and where they eat, so then, there is a fierce competition between Western companies and local restaurants. The competition itself is not easy as Indonesian people have high nationalism, although they love to eat fast food and for fast food restaurant to compete with local food restaurants and have a much better revenue. But the factor that keeps McDonald's become successful is that McDonald's competing on factors that attracts Indonesian customers in general.

Indonesian people price is the most significant factor of buying food. Price of the food might represent a restaurant's service quality and the price of food will change the customers' purchasing behavior (Shoemaker, Dawson, & Johnson, 2017)). A price of food can bring out a huge impact towards customers' perspective when they are analyzing a restaurant quality (Varki & Colgate, 2019). Known quality dimensions such as service, food, and physical environment of a restaurant are important factors that will affect customer satisfaction (Ryu & Jang, 2017). Keeping customer to become satisfied is very crucial factor of a success restaurant, as it will help with repeat purchasing customers and increased sales (Ryu, Lee, & Kim, 2018) (Ma, Qu, & Eliwa, 2019). Focusing on the trend of western fast-food restaurant in Jakarta Barat, many of the fast-food restaurant in Jakarta Barat has shown their potential to compete with each other, and has developed for years. Many of restaurants and business franchises has opened with the help and approval from the government. There are shopping malls, minimarkets, big grocery market, even hotels as for now. All of these facilities have equipped the citizens of Jakarta Barat were getting advantage of easiness in having

many facilities at once. Many trends have occurred in Jakarta Barat, such as fashion and food trends. In fashion trends, citizens of Jakarta Barat love shoe a lot that they often buy shoes that still on trend in the period of time, and bags. They feel like they are trendy and feel like that their self-confidence is increasing. And, on food trends, citizens of Jakarta Barat are always ready to be hyped on something new. This behavior of following trends does occur when it comes to consuming McDonald's as well. Jakarta Barat citizens love to consume McDonald's, with the McDonald's effectiveness in making them not hungry and save their precious time, making them always look for fast food under various conditions. Those citizens always look for something new in McDonald's, including their new promotion and new menu that they would like to try.

McDonald's in Puri Indah is getting enough interest to stay sustainable as a fast-food restaurant that still surmounts other fast-food restaurant in Puri Indah, that has been existed before McDonald's Puri Indah. KFC Puri Indah, has stayed for since 2002, is very popular, KFC Puri Indah also offers various menu as well, just like McDonald's. KFC includes burgers and fried chickens for their customers, event KFC is the first to provide toys for kids meal, but the number of store of KFC itself in Indonesia, is always changing, towards more number of stores, and sometimes the number of store is lessen, because of the temporary closure, can go around 1 to 2 years before KFC is franchise existed back on Puri Indah, although there is a slight change in location. Yoshinoya is also sometimes change their location, and sometimes Yoshinoya takes longer than KFC when Yoshinoya is trying to open new store in Puri Indah. What is interesting is that Yoshinoya has a lot more menu, variety in drinks and toys, but it would not go over

McDonald's in terms of brand awareness and popularity of the restaurant itself. Yoshinoya has included the main dish in their menu, side dish such as karage and fried spinach, and then, they also included dessert that are interesting for consumers who loves sweet. Yoshinoya itself is a great choice when consumers are seeking for rice bowl. Pizza Hut is great fast-food restaurant as well, it is so popular that when consumers are looking for pizza, consumers are immediately thought of Pizza Hut, with all the snacks, salads, and desserts that are nice to have. The other most popular choice compared to Pizza Hut is Dominos Pizza, consumers that didn't have Pizza Hut to order pizza often orders Domino's Pizza to get their wants of Pizza becoming satisfied. Burger King, a franchise from the United States, is very popular in the United States, their outlets are almost full at all times, with special made burgers and other different fast-food menu. But unfortunately, the condition of Burger King is the opposite here. In Puri Indah, Burger King is lot less popular compared to McDonald's in Puri Indah, and A&W as well, that A&W already existed in 1999 in Puri Indah, which then becoming one of the first fast-food that ever existed in Puri Indah. Sure, A&W is popular, with the sundaes, waffles, root beer, and burgers, but all of that effort doesn't cover up the popularity of McDonald's itself, when it is being compared with McDonald's. Every fast-food restaurant has their own customers, but McDonald's Puri Indah looks like that they have acquire other fast-food chain customers into their customers.



**Figure 1.1 Percentage of Indonesia's Fast-Food Trend**

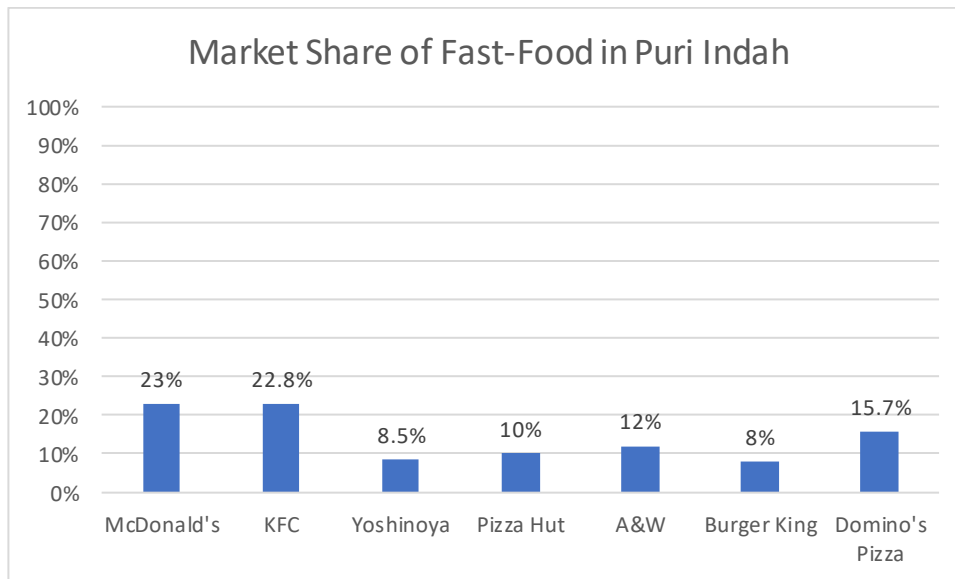
*Source : KulinerLagi (2018)*

Research from Roy Morgan(2018) shows over 55 million Indonesians aged 14+, or around 34% to 35% of the whole population in Indonesia has eaten in family restaurants, buy take away or fast food whether from leading restaurants such as Restoran Sederhana, KFC, A&W and McDonald's or eating at the local padang restaurant, buying drive- thru or ordering home delivery from the closest pizza shop such as Domino Pizza and Pizza Hut in an average six months. Patronage of restaurants and fast-food stores in Indonesia is significantly lower than in southern neighbours Australia (84.5%) or New Zealand (84.8%). However, because of Indonesia's vast population there are more than three times as many Indonesians that eat at restaurants or fast food than the 17 million Australians that eat fast food.

Local favourite Restoran Sederhana with a menu based on the local padang cuisine is the most visited restaurant in Indonesia with over 28.4 million Indonesians visiting in an average six months. American chicken cuisine based restaurant McDonald's is a chasing behind with 24 million visitors in an average six months, but it is based on the restaurant industry and not specifically fast-food restaurant industry. McDonald's is still competing with KFC when it comes to the level of popularity on the fast-food chain.

American burger chain Burger King is visited by 7.7 million Indonesians in an average six months while Pizza Hut is the top pizza restaurant visited by 6.5 million Indonesians. Several other restaurants including Yoshinoya, A&W, and Domino's Pizza are visited by well over 1 million Indonesians in an average six months. Top 10 restaurants and fast food outlets in Indonesia to eat at, have take away or home delivery in an average six months – 12 months to March 2020. Somehow it is fast food consuming is focusing a lot on voracious appetite for take away and fast food as a majority in Indonesia.





N : 350

**Figure 1.2 Percentage of Puri Indah Fast-Food Trend**

*Source : SpendMeNot (2018)*

Patronage of fast-food restaurants is significantly higher in Indonesia's city like Jakarta Barat and the surrounding areas of Greater Jakarta known as Jabodetabek. There are over 22 million Indonesians living in Jabodetabek a similar population to all of Australia. Over 12 million people living in Jabodetabek, or 58% of the area's population, and 2.5 million of people living in Jakarta Barat visit fast food restaurants in an average six months. In a reverse of the national situation KFC and McDonald's are competing with each other becoming the top fast-food restaurant in Jabodetabek. Nearly, 8.5 million Jabodetabek residents (40.2%) visit KFC in an average six months compared to 4.5 million (21.3%) that visit Restoran Sederhana. McDonald's become the top fast-food restaurant in Jakarta Barat, nearly 800k Jakarta Barat residents (37-38%) visit McDonald's in an average of six months.

McDonald's is ahead on 17.8% ahead of Pizza Hut on 12.6% and Solaria on 8.5%.

Well over a million residents of Jabodetabek visit all of the above restaurants in an average six months. It is an impressive condition in Jakarta Barat itself.



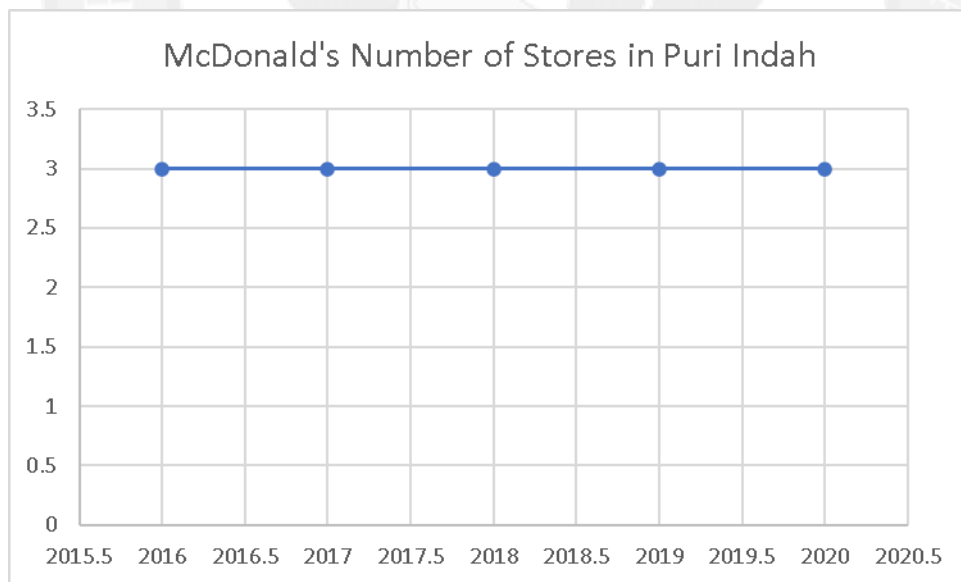
**Figure 1.3 McDonald's Number of Store in Indonesia**

*Source : Tiendeo (2021)*

Michele Levine (2018) describes a general condition that is bigger than just Jakarta Barat, that in the larger are, which is Indonesia, with over 55 million Indonesians eating out at family restaurants and buying take away food the country presents a huge opportunity to savvy restaurateurs and restaurant chains looking to grow their business: It's long been known Indonesia presents a huge opportunity to businesses looking to expand into new markets. But for fast food outlets and restaurateurs in particular quantifying the actual size of that market has never been easy. Roy Morgan (2018) states that the Indonesian archipelago reveal a stunning 55 million Indonesians

eat at restaurants and buy take away food and with the Indonesian economy growing at around 5% per year that number is set to expand significantly in the years ahead.

At present two restaurant chains dominate the Indonesian market. Local padang cuisine restaurant Restoran Sederhana (which translates to Simple Restaurant in English) reaches over 28 million Indonesians in an average six months greater than the total population of Australia and New Zealand combined. American chicken cuisine based fast food restaurant KFC is close behind visited by 24 million Indonesians in the same time period. Behind these two leaders are a suite of international fast food chains including McDonald's Pizza Hut and Burger King as well as a variety of local restaurant chains.



**Figure 1.4 McDonald's Number of Store in Puri Indah**

*Source : CoconutsCo (2021)*

The sustainability level of McDonald's franchise in Puri Indah is an example of a great western fast-food chain success. At any time, McDonald's Puri Indah is always have visitors coming at any time, even late night. The consumers who are most of the time coming to McDonald's Puri Indah at night are usually university students working on their assignment, or workers working overtime, having a relaxing, free time after long hours of working. The menus that are offered by McDonald's are also very diverse, and very much in accordance to their needs. Starting from food that is packed for kids, such as happy meals, included with good quality toys, making parents and their kids happy, to the menu of McCafe, offering lots of different coffee menu that is suitable for grownups people. They also provide a lot of lunch and breakfast menu, that are customizable based on what consumers want, in different sizes. The breakfast menu is unique and adjusted to Indonesian consumer taste. There are lots of menu that doesn't exist in other countries, such as Nasi Uduk, Bubur Ayam, Sup Ayam, and there is even asam jawa. The menu in McDonald's Puri Indah are frequently being replaced with new menus, based on each season, such as Lebaran, Christmas, Chinese New Year, etc, with different attributes and promotional prices for special menu. McDonald's is very sustainable, even in times where Covid-19 happens, although in Jakarta generally, Sarinah McDonald's franchise has closed. Located in the literal heart of Jakarta and the figurative heart of Jakartans, the historic McDonald's restaurant in Sarinah, Central Jakarta is closing down for good almost 30 years since it opened.

The outlet is the first McDonald's store to open in Indonesia, opening the country up to the good and the bad of the Golden Arches on February 23, 1991. As confirmed

by the American fast food chain in a series of tweets today, the outlet will cease operations starting this Sunday at 10:05pm, at the request of the Sarinah building management in an official letter dated April 30. The management cited “renovations and shift in business strategy” as the reason behind the closure request. In a statement today, McDonald’s Indonesia spokesman Michael Hartono said that all employees at the Sarinah outlet will be relocated to other branches.

Sarinah president director Gusti Ngurah Putu Sugiarta Yasa said that all tenants in the building are currently emptying their stores, with renovations scheduled for June. The renovations are reportedly being carried out due to restore the iconic department store building, which first opened in 1966. It’s no surprise that this sad news has prompted netizens, who are definitely not lovin’ it, to share their memories in this iconic fast food restaurant on social media.

One researcher also shared highlights from McDonald’s Sarinah’s history, such as when the outlet first opened, the visit of legendary American boxer Muhammad Ali to Jakarta in 1996 (during which he reportedly bought food for 100 people at the restaurant), the giant Ronald McDonald’s balloon sitting on its roof, and the McBurger seats. Another user pointed out that McDonald’s Sarinah has witnessed so much of the capital’s history, from the Sarinah bombing and anti-Ahok protests in 2016 to the election riots last year.

McDonald’s license in Indonesia is currently held by PT Rekso Nasional Food, which owns and operates more than 200 outlets in the country. The Sarinah outlet became fried chicken joint Toni Jack’s for a brief period in October 2009 to February

2011 after a dispute between McDonald's Corporation and Bambang Nuryatno Rachmadi, a businessman who first brought the chain to Indonesia. As this might come handy to you once the Large-Scale Social Restrictions (PSBB) protocol is lifted, the nearest McDonald's outlets near Sarinah, among others, are located on Hayam Wuruk street in Harmoni, Raden Saleh street in Cikini, Cideng, Plaza Sentral in Sudirman, and Plaza Festival Kuningan. They may not live up to Sarinah's historical stature, but you can get their delicious McSpicy and French fries all the same. McDonald's level of sustainability is mainly caused by the food quality that McDonald's always offer, with a great service and environment (Ronald, 2018) with a great standard of quality that is managed by the team of McDonald's, to keep the standard of quality becoming the same for each customer. (Ray, 2018), reasons why McDonald's is still popular in the eyes of citizen of Jakarta Barat. McDonald's have its own style when it is coming towards offering the best ambience for their customers, just like in any other restaurants. (Boby, 2018)

McDonald's promotional price that is perceived by customers will create attractiveness of different items in the menu, has purchase incentives, or creating repeat purchases of the customers. Take as an example, the value menu started to grow a popular price-promotion marketing in the early 1990s to get more customers and to higher the revenue, and many fast-food outlets are depending on price discounts to have consumer attraction (Grier S. , Mensinger, Huang, & Kumanyika, 2018). Different fast-food franchises promoted different levels of pricing to help consumers to decide the food's different price segments, such as a happy meal menu (Mujtaba & Patel, 2019)

When fast food chain are fulfilling consumer's want by providing a tasty, convenient, and great value food, fast food chain has become the way of customers to have breakfast, lunch and dinner, on different level of customer. (Mujtaba & Patel, 2019)

The marketing that Fast-food restaurants industry has attractiveness towards children and adolescents a lot (Grier S. , Mensinger, Huang, & Kumanyika, 2018). The trend of fast-food consuming has provided effect on children's food choice and the repetition of things that they ask their parents to buy (Seo, Lee, & Nam, 2018). Because of children's food choices, fast-food marketing to children also goes to parents indirectly. Fast food has also been promoted to adults, to get their attention and purchasing decision (Christian & Gereffi, 2018)

A lot of marketing research has emphasizing a lot on customer satisfaction and loyalty. But there haven't been a lot of research that focuses on the establishment of the way happiness and life satisfaction having relationship with consumer buying patterns (Lysonski, 2019). It is predicted that happiness will lead to a higher level of customer satisfaction (Alexander, Customer delight: A review., 2017) and can improve people's quality of life (Gong & Yi, 2018). The actual definition of happiness has been a variable that has made researchers interested and wanted to research more about it. With a high-quality dining experience, customers have a better life quality and become happier. A great dining experience can help customers to be loyal towards a restaurant. Analyzing the action of happiness is very important for the restaurant to develop further in the future.

Controlling the market is one of the main activities carried out by entrepreneurs in their attempt to maintain business continuity, develop and get maximum profit maybe. Requirements that must be met by a company in order to be successful in competition is trying to achieve goals to create and retain customers. According to Yuliani, (2018) in facing its competitors, the company must have a strategy and decisiveness in its steps must be implemented in accordance with the nature and form of the market it faces. The market strategy includes satisfactory service, lower prices plus discount when purchasing in large quantities, products that are more quality, attractive packaging, for that the company must be able to influence buyers to be willing to buy the goods offered by the company or store. Something that people want is how to get the items needed and provide a variety products and alternative choices, competitive prices, services and facilities that will help the trend of fast food to grow further. Fortunately, a lot of western fast-food franchise has done what it is needed to survive the fast-food industry, so that it continues to grow to other countries as well.

In this research, besides of other variable stated above, the variable of gender is included, according to international research regarding addictive consumption, female customers have 70% of the total of product sales (Sheehan, 2019). It is interesting because the fact that sometimes gender is forgotten in the sake of daily consumption, what it gives effect to and how it is affecting the consumption. Nowadays, female has a much higher purchasing power. Knowing about gender differences is important for a country's economic and social policy and strategies when using a macro perspective, and it is helping the restaurant to be successful when it is being seen in a micro



perspective (Mitchell & Vassos, 2019). Customer's different characteristics will be utilized as a marketing sector that provides permission for companies to know the best and the most specific way that relates with customer needs. These demographic variables can give companies a much more complete information regarding market segmentation to have a successful market penetration, since gender is becoming more and more common marketing segments (Mokhlis, 2019). Gender differences are most of the time being researched in a psychological context, but how gender can affect customer perceptions and attitudes on a restaurant is getting less attention in service-marketing application. It shows that many researches of gender characteristic with food consumption and dining experience have not been completed, but getting gender characteristic being not analyze in food consumption will lead towards management issues that will take place.

There is a research gap that appears in early research that this study has replicated, on the variables of customer loyalty, happiness, customer satisfaction, food quality dimensions, and gender of the research that has been done by Zhong & Moon (2020). According to Zhong & Moon (2020), there have research gap such as when they are collecting data, most of the data that they are collecting are from young people, and just a small number of various age group. The research will be more precise if there are different age group. The study that Zhong & Moon has conducted only focused on fast-food restaurants chain in the world, and some results of the study may not relate with the data that is collected from studies of other countries or other restaurant, beside fast-food restaurant. There are four variable factors that is including price, food, service,

and physical environment quality, of satisfaction that were being analyzed in the research, that is rarely being studied, in relation with satisfaction, happiness and loyalty, that might be related with other variables as well. The research may have analyzed the moderating role of gender and the mediating role of happiness, but there might be other moderators or mediators that can be analyzed as an extra of the role itself

The research gap, from the journal that this study has replicated, written by Zhong and Moon (2020), is known collect more data from a larger number of age group to get more participants that has different age and background. Zhong and Moon (2020) also stated that analyzing about the other country and different restaurant can be conducted, future studies can be done not only focusing on fast food restaurant, but on a large different restaurants and countries. The study of Zhong and Moon (2020) study four variable factors that hasn't been discussed too much before, although customer loyalty and customer satisfaction has been discussed often, including more variables that has the relationship with the 4 variables above. Setting aside the moderating effects of gender, country or age can be used to moderate the connection between each variable. Thus, there are mediators to customer satisfaction and loyalty, such as opportunity cost and brand, can be analyzed if possible. Zhong and Moon (2020) always emphasize if there can be more variable to be analyzed in relation with the variables they have studied. This research is based on the research of Zhong and Moon (2020) and being adapted from the research of Ngozika & Emmanuel (2017) because when it comes to working on research papers, the researcher have to think about what the researchers are

going to get out of the topics. A research paper writer will have a full understanding of the topic one wants to work with. This all helps with creating a sense of focus on a paper, such as this study, this study is related with McDonald's restaurant in the fast food industry, that is sustainable compared to other restaurant in other fast food chain, it grows a sense of focus for the research topic of fast food industry, and not just McDonald's. (Lenin, 2018) When the researcher have to choose topics for the research, the researcher have to think about the reasons why the researcher are using those topics, the reason that this research is most of the time being based on other early research that are completed. The researcher have to do this to provide more control over how well the researcher is going to be writing that said paper so the researcher will have a better topic that the researcher can stick with for a while. (Justin, 2018) understand the background when choosing topics is very important, it helps to think about the backgrounds of the topics. Think carefully about what makes such topics noteworthy and what has inspired the researcher to follow down those paths. Consider how such concepts have evolved and developed over time and what makes them stand out the most. When the researcher do this, the researcher will fully understand what the researcher want to discuss at a given time, like McDonald's, why is McDonald's interesting to become a topic of research? It is based on its own quality of service and how McDonald's keep their business ecosystem really great and safe, even in this Covid condition. (Yoakhim, 2018) This research has to focus on the researchers own motivation as well, as the researcher motivation for getting a certain topic to work for the researcher can make a world of difference. The motivation should entail looking at what interests the researcher regarding the most about a topic and whether that topic is

sensible to the interests. The researcher should look at how much information the researcher want to get out of that topic and what the researcher really interest the researcher about the topic more than anything. This could offer the researcher on helping for writing a paper without being too complicated or otherwise hard to follow. (Michael, 2018) This research of McDonald's is easy to be followed as the motivation itself is to see whether what makes McDonald's so great and how it becomes the main sustainable power for McDonald's itself, and what they are ready for when they are facing for the future. This research also takes into account on the resources that are available. (George, 2018) When looking at the things the researcher can do when asking for helping in making a research paper, the researcher have to think about the resources that are available. Sometimes topics are chosen based on the resources that can be utilized. It is best to think about how such resources are organized and how up to date they are. Anything that branches off into many aspects of a topic of value always helps. Whatever the case is, the content should be understandable and easy to follow. McDonald's Puri Indah is data itself is very easy to be obtained, as the location itself is very close to the location the researcher of this study live. (Kyle, 2019) It is effective and it is really great to obtain data in an efficient way in a short period of time. This research itself is not complicated and it is easy to understand, as the researcher also have to think about the research topic based on how complicated or otherwise difficult it might be. Sometimes a research topic might be very detailed but also one that that the researcher feel deserves to be simplified. The researcher can always stick with a good topic that has enough information on it to where it won't be too difficult to follow. The researcher have to look at what the researcher is doing when choosing an ideal

topic for the research. The researcher will then be sticking with that research topic for a while so it is important to make sure when thinking about where to find research paper topics that you choose something that the researcher know the researcher can stand behind.

Analyzing of how price, service quality, food quality, and physical environment quality have an affect towards customer behavior, researching the implication of price on restaurant quality dimensions, and finding more information regarding the relationships in the proposed model will bring new perspective on the food industry. The research is intending to focus more on the theoretical and practical gaps through starting an integrated model, emphasizing on gender. When Mcdonald's can analyze customer behavior much better, increasing the focus on specific market segmentation, and have marketing strategies that focuses on different genders, they will be likely keeping customers satisfied, happy, and loyal. This study has five parts: introduction, literature review and hypotheses, methodology, results, and discussions and conclusion.

## **1.2 Problem Statement**

The research background concludes that there are 7 variables to be focus on, and each of the variable are dependent and independent towards each other, and there is a moderating variable in between, and moderator variable that helps in completing the research. This research is known to be unique as it includes gender as a variable that helps in determining a customer behavior in food consumption, as not many of the research are having gender to be research in the correlation with the consumption

behavior. To provide clearance and a more structured in looking the relationship between qualities of restaurant and different behavior of customers, problem statement is being proposed as below:

1. Does price has effects towards customer satisfaction?
2. Does Food quality have effects towards customer satisfaction?
3. Does Service quality have effects towards customer satisfaction?
4. Does physical environment have effects towards customer satisfaction?
5. Does Price has effects towards food quality?
6. Does price has effects towards service quality?
7. Does price has effects towards physical environment quality?
8. Does Customer satisfaction have effects towards customer loyalty?
9. Does Customer satisfaction have effects towards happiness?
10. Does Happiness have effects towards customer loyalty?
11. Is Happiness the mediator of the relationship between satisfaction, loyalty, and happiness?
12. Is Gender the moderator of the relationship between price, service quality, food quality, physical environment quality, customer satisfaction, loyalty, and happiness?

### **1.3 Research Purpose**

This research is not clear enough if there isn't any purpose of the research. In this part, there will be a clear question that helps with the research itself in finding different

variables to focus on, and finding some factual information that is related with the research the purpose itself is clearly not to entertain readers, but to inform readers who were interested with the research variable, as a way to explore or understand the central phenomenon of the study. This study is sought to:

1. Analyze if price has effects towards customer satisfaction
2. Analyze if food quality has effects towards customer satisfaction?
3. Analyze if service quality has effects towards customer satisfaction?
4. Analyze if physical environment has effects towards customer satisfaction?
5. Analyze if price has effects towards food quality ?
6. Analyze if price has effects towards service quality?
7. Analyze if price has effects towards physical environment quality?
8. Analyze if customer satisfaction has effects towards customer loyalty?
9. Analyze if customer satisfaction has effects towards happiness?
10. Analyze if happiness has effects towards customer loyalty?
11. Analyze if happiness the mediator of the relationship between satisfaction, loyalty, and happiness?
12. Analyze if gender the moderator of the relationship between price, service quality, food quality, physical environment quality, customer satisfaction, loyalty, and happiness.

## **1.4 Research Benefit**

### **1.4.1 Theoretical Benefit**

This study is being established to bring new perspective for customers, businesses, or even international researchers that would like to know more about the variables this study has. The assessment of this study then will help inspire people to search for more information that is related with fast food restaurant, and what are the variables that might have a relationship with fast food restaurant. There are a lot of probabilities that a restaurant can get influenced by different variables that are not included in this research, so this research's theoretical benefit is including:

1. Knowing the effect of price on other factors in a restaurant
2. Knowing the effect of food quality on other factors in a restaurant
3. Knowing the effect of service quality on other factors in a restaurant
4. Knowing the effect of physical environment quality on other factors in a restaurant
5. Knowing the effect of satisfaction on other factors in a restaurant
6. Knowing the effect of happiness to other factors in a restaurant
7. Knowing the effect of loyalty to other factors in a restaurant

### **1.4.2 Practical Benefit**



Practical Benefit is different with what theoretical benefit as it is being used for real life applications, rather in a study. A good research is a research that has benefit other than only theoretical benefits, theoretical benefits are great when it comes to getting researchers to be inspired with what is being studied, to continue develop it further and filling all the gaps that is not being done in this study, all the limitations of the study. This study has a practical benefit that is useful for different parties that might see and interested in this study, and to apply it on their business, or on their study. This research's practical benefit is including:

1. Helping restaurant to know what factors that make customers keep coming back
2. Increase restaurant's awareness of their food quality, service quality, and physical environment quality
3. Building encouragement for customers to provide feedback for restaurant
4. Building better relationship between restaurant and customer

### **1.5 Writing Systematic**

This research is not complete if there isn't any writing systematic that structures the study into a research paper. Many of the research papers have different format and list of categories, and it has to be described in the detail, as it will helps readers to identify each part of the research paper. This research paper has 5 parts that includes research background, literature review, research method, results and discussion, as well as conclusion. The research background is the compact summary of the necessary studies that has been conducted and being put in chronological order. Research

background also have a quick discussion of theories from researcher and model that is associated with the research problem. When research background is being written, it is necessary to show the condition of research that connects to what has been done by other researcher on the same research area. A literature review is a style how a researcher reviews a research paper. A literature review is a scholarly definition that defines the knowledge that has findings that relates to a certain substance, and a theoretical and methodological contribution towards a topic. Literature reviews are secondary method of defining a concept, and doesn't relate with original experimental work, but instead related with academic oriented literature, and often can be found on academic journals, and it is different with book reviews, that might exist on a same publication. Literature review are a construction for research in academic field. A large or even a narrow scope literature review can exist as a peer reviewed journal article that shows new research, providing to have situation of the current study in the body of the literature in having context for the other researcher. In the certain condition, the review usually has a precedent of the method and outcome parts of the research. The research method is a strategy that utilized to implement a researcher's plant. The research design and methods are related with each other, as a good research design helps to make sure that the data that is being collected will help a researcher answers research question better. The research method is based on a researcher's research goal and the subject of the study itself. Results and Discussion refers to the outcome that answers the research question that is gathered from the research data. It is the process of interpreting the study results. When discussing the outcome of the results, the research is then being related with the previous study, having a context that contributes

of the study. Having results and discussion as a section in a research paper really depends on what the researcher wanted to show. The result and discussion section provides a presentation of the data that is detailed for other individual to understand them clearly, and explaining meaning of the results, answering questions and unique perspectives, defining the best points for the entire study aspect, showing possibilities, writing the reason and how and what your, as well as the suggestion. Conclusion is the points of the results and discussion on the research paper. Main point and outcomes of a research can be put on the conclusion part, for the factual knowledge for the field and the opportunities for future research. The conclusion will then help the reader to understand the reason the research has to be counted to matter to the individual who are reading it right after finishing the paper, and it is not only a summary of points or statement that answers the research problem, but becoming a part of key points.

