

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Nowadays, Hospitality Industry is the one of the biggest and quickest developing industry in the world. In this industry, individuals come from different places and eat in the restaurant. Hospitality industry is changing quickly because of changing in the innovation. Restaurant manager should be worked up in term of food quality and changing way of the customer. Food is one of the real incomes from a restaurant. To satisfy basic human needs from craving and the delight of eating and drinking for physiological and mental satisfaction, food and beverage service is the basic connection between the customer and menu.

To increase customer satisfaction, restaurant manager must make innovations that provide satisfaction with the needs and desires of consumers. To find out customer satisfaction, it depends on the quality of food provided by the restaurant. Restaurants need to find ways to maintain and continue to improve food quality.

There are several factors that can determine customer satisfaction, one of them is consumer perception about food quality. The good food qualities in consumer perception are: the color of food quality which must be combined in such a way that the color is not pale and harmonious, the appearance for food should look good in a plate because it could increase the appetite of consumers from the beginning; and the taste point of tongue which is able to detect the basic taste, namely: sweet, sour, salty, bitter.

Service department takes the responsibility for providing hygienic food to customers in the restaurants. Characteristic of service and customer satisfaction are basic elements for achievement of any business.

Therefore, to achieve customer satisfaction, it is very important to recognize and anticipate customer needs. In the restaurant business, the taste is the most important thing considered by consumers to assess the level of satisfaction. If the visual of food is nice and it is balanced with the quality of food and worth the price, the satisfaction of customer occur. Undoubtedly, the customer come back again and become a loyal customer who pay more for the experience and the quality that provided from the restaurant.

Today, restaurant industries are facing one of the major challenges which is the way to sustain the customer for longer time. In this specific circumstances, positive relationship can create customer's higher commitment and increase their return rate. The fast improvement of the restaurant business today makes the restaurant owner needs to seek for making a unique restaurant concept. Especially, the increasing number of new restaurants in Medan which is the challenge that is faced by every restaurant owner to always think differently from others and create a concept that has not existed before in Medan. Atmosphere is important in order to get a new target market. Owner should think about a new promotion by providing live music entertainment, discount promotion, unique food and beverage products. Owners must be able to think about food with a great appearance and also has a quality of food that can be used as factors in attracting consumers to come into the restaurant. Based on previous research, the quality of the product, the quality of service offered, and the atmosphere of the business location, the price of the product and the services provided are several factors that can affect customer satisfaction in restaurant.

According to Carlos & Carles, in Putra, et al(2018), looking at the recent trends as the millennial generation, people's yearning to come to a restaurant is to get their food which is having a incredible appearance and visualization. As the result, the food which has an extraordinary

appearance build the craving of consumers to take a picture with their phone and upload the picture they have captured on their social media. These customers commonly ignore the price of food if they are satisfied. Customers will pay more and return to visit the restaurant if customer feel satisfied with the food that is offered in the restaurant.

According to Ketaren, in journal Putra, et al (2018), owner of restaurant businesses tends to ignore their visual of food appearance. They organize more on the part of their food taste. They put taste over different viewpoints. In some cases, they are busier to compare their restaurant to other restaurant. They compare about other restaurants that are more crowded than their restaurant they manage themselves. They forget to compare the customer experience and improve their food quality. Customers when they choose to come to the restaurant, they absolutely do not buy the products but they are seeking more value, which is an experience that they are not able to obtain in other restaurant. In any case, gradually without acknowledge it, visual food appearance has turned into an exciting experience for customer while eating is a sensuous experience.

Soho Restaurant & Bar is a business that was established since 2008. Soho Restaurant & Bar is located in the heart of Medan City, Capital Building, and 2nd floor in Jl. Putri Hijau No.1A Medan. Recently, the profit of its capital soho is decreasing year by year.

There were some complaints that Soho Restaurant and Bar got from customer feedback. The most complaints received by Soho Restaurant & Bar is about the food that is served to the guest. They said that the food took too much time to be served. Some also complained about its inconsistent food taste.

This research is done at Soho Restaurant & Bar. Soho Restaurant & Bar offers facility that is suitable for dining, birthday's party, reunions / farewell parties, and other events which accommodate with the wide space.

It offers Western food and beverages with some Indonesia and Chinese food and beverages.

Table 1.1 Sales per Year at Soho Restaurant & Bar Medan

Year	Customers per year
2014	Rp.26.728.921.000
2015	Rp.26.347.984.500
2016	Rp.26.035.029.000
2017	Rp.25.553.825.000
2018	Rp.23.892.974.500

Source: Soho Restaurant & Bar Medan (2018)

Customer satisfaction at Soho Restaurant & Bar is decreasing from time to time. This condition can be seen from the sales per year at Soho Restaurant & Bar Medan that keeps decreasing in recent years. It is caused by the food quality given to customer. Food variety that was available for customer was limited according to some customers.

Table 1.2 The Number of Customer Complaints in July-December 2018

Month	Number of Complaints	Complaints
July	2	1. Limited variation of menu
August	3	2. Steak overcook
September	4	3. Wrong discount information
October	7	4. Different price between menu and bill
November	10	5. Unsatisfied taste
December	14	6. Unable to reserve

Source: prepared by writer (2019)

The increasing of number customer complaints in the last 6 months of 2018 is going to double digits. Soho restaurant must solve the problem they have regarding customer satisfaction with their complaints. The competition level in culinary industry is growing rapidly and this allows customer to have a lot of options to choose. If the restaurant does not give it best to keep their current customers, it faces a huge loss in the future.

The food quality of Soho restaurant and bar that must be improved to reduce complaint from customers which are: the freshness which consist of the aroma of food served is delicious and could increase customers

appetite in beginning also the color of food served look fresh and not pale, harmonious and attract the attention of customers. The taste of the food served is juicy, not dry and full of mind taste and delicious. For the texture of the food served is must be crispy, crunchy and soft in mouth. When the food served to the customers of Soho Restaurant and Bar Medan, garnish on food presented must be interesting. Next, portion of food are served according to the standard portion, continue with the shape of food look interesting and unique. The food which have served to the customer must be clean so that the customers meet their satisfaction level. When the food served to consumers must be perfectly cooked and not overcooked so it decrease the customer complaint and meet their satisfaction level. Food that served to consumers must be cooked in the right time so that the spices can seep into the food. Next, food that served to the customer of Soho Restaurant and Bar Medan must be presented with right temperature to maintain the taste and aroma of food. The variety of food are important to increase customer satisfaction. Restaurant need to magnify food variants that suit consumer tastes. Food variants must be with affordable price variants. Equipped with creative and interesting food variants to attract consumer's attention. Restaurant need to have a variety of menu choices that attract the attention of consumers.

For restaurant business owners, it becomes a challenge that they must be able to make food quality as the main factor that must be considered first before paying attention to other factors. We can say that the seller has provided quality when the product or service meets or exceeds the customer's expectations. Company is considered to be successful if they can meet the customer satisfaction through the quality of the food they offered.

Based on description above, the writer felt interested to choose and study problem of food quality in this study. The main objective of this research is to insvestigate whether after improving the performance of

food quality can increase the customer satisfaction. Because of that, the writer is interested in conducting research with the title: **“The Influence of Food Quality towards Customer Satisfaction at Soho Restaurant and Bar Medan”**.

1.2 Problem Limitation

This thesis aims to investigate the effect of food quality on customer satisfaction. To investigate the effect of food quality on customer satisfaction, the author use a case study in one of the restaurants in Medan.

To avoid the happening of over discussion and due to limited time and resources, then the research only cover the problem of food quality management, and its influence on customer satisfaction at Soho Restaurant & Bar Medan. The problem limitation be listed as:

1. This survey be shared to the guest who have been visiting Soho restaurant.
2. The questionnaire only spread in a week.

1.3 Problem Formulation

Based on the background of study at Soho Restaurant and Bar Medan, to fulfill the aim of investigating the effect of food quality towards customer satisfaction at Soho Restaurant and Bar, Medan. The problem formulation would be:

- Does the food quality have influence towards customer satisfaction at Soho Restaurant and Bar Medan?

1.4 Objective of the Research

According to the background of the study and problem formulation which has been listed before, the purpose of doing this research are follows :

- To measure the influence of food quality towards customer satisfaction at Soho Restaurant and Bar Medan.

1.5 Benefit of the Research

The benefits from conducting this research are as follows:

1.5.1 Theoretical Benefit

According to the theoretical benefit, this result of this study are expected to enrich concept and theories that encourage knowledge. This research give benefit to developing theory of hospitality management especially food quality and customer satisfaction. This research can also be used as a reference or guide for the next researcher.

1.5.2 Practical Benefit

For practical benefit, the result of this study are :

- a. For the company, this research of study can provide Soho Restaurant and Bar Medan to evaluate and use the result as sugesstion forcompany in improving customer satisfaction with food quality.
- b. For other researcher, this research can be used as reference to next research that is related with this research topic.

1.6 Systems of Writing

This research divided to five sections. This systematic way of writing compiled as follows:

CHAPTER I INTRODUCTION

This introduction chapter is divided to six sections which begin with introduction, which explains about the background of study. Followed by problem limitation, explaining the study of this research for customer. Then, problem formulation, providing a question which is the answer in this research. Followed by objective and benefits of the research, explain the benefit of doing the research for different party. Lastly, the systems of writing which give the overview of the research paper that needs to be discussed.

CHAPTER II LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Literature review and hypothesis development described definition of food quality, factors influencing food quality, food quality method and system, food quality dimensions and indicators, definition of customer satisfaction, factors influencing customer satisfaction and measurement method of customer satisfaction, hypothesis development, research model, and framework of thinking.

CHAPTER III RESEARCH METHODOLOGY

This chapter starts with research design which talks about the type of research which is being used in this study, followed by population and sample of research, data collection method, operational variable definition and

variable measurement, and lastly data analysis method which explain about the data which have been collected.

CHAPTER IV DATA ANALYSIS AND DISCUSSION

This chapter elaborates the general view of the company, followed with data analysis that has been conducted in this research. This research is quantitative research which show the statistical result, followed with result of data quality testing, result of hypothesis testing, and discussion about research.

CHAPTER V CONCLUSION

This chapter describes the clear explanation of research result. Next, followed with the impact from the result of research conducted theoretically and or practically, and the last one is recommendation.

