

CHAPTER I

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The development of business competition today is very sharp and complex, therefore the management of a company must have a better strategy in a more complete, faster way so that management can make decisions quickly and accurately. Various companies engaged in their respective fields have developed into giant companies with quite amazing income and in principle each company is established with the aim of achieving profit. In achieving company goals and attracting consumer buying interest to use production from the company, companies need to hold various promotional policies that are considered to support the sale of these products.

Satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations. More specifically, the closer the gap is between the expectation of the consumers and the actual performance of the product or service, the higher degree of consumer's satisfaction level. Consumers will have a hard time trying to visualize services because they cannot be seen nor touched. To survive and increase market share in fiercely competitive market, service offerings which match with customer preferences are in need.

According to Kaihatu (2015, p.40) customer satisfaction is also influenced by service quality factors. Good service quality is often said to be one of the important factors in the success of a business. In other words, service quality is created to avoid gaps between reality and customer expectations for services received so it can create a level of customer satisfaction.

The research is done to PT Sumatera Sarana Sekar Sakti. The company is a freight forwarding company established since 1990. Headquartered in Medan and has company branches spread across several Indonesian islands, especially on the islands of Sumatra, Java and Kalimantan. The company currently has a transportation fleet of 985 units, which 128 units are fuel tank cars and the rest are types of CPO (Crude Palm Oil) Tanks, Open Body Trucks, Dump Trucks and Trado. The concern of this company is to become a company that is able to meet customer demand with great satisfaction. The customers include local customer and international customer. In its operations, it was known that there was complaint regarding their service and delay of commodity delivery. The company should provide better service to customer in order to maintain and develop the business. The number of customer in year 2014-2018 can be seen as follows:

Table 1.1 The Number of Customers of PT Sumatera Sarana Sekar Sakti Medan

Year	Number of Customer	Changes
2014	227	-
2015	218	-3.96%
2016	216	-0.92%
2017	205	-5.09%
2018	183	-10.73%

Source : PT Sumatera Sarana Sekar Sakti Medan (2018)

The number of customers in year 2014-2018 can be seen as follows:

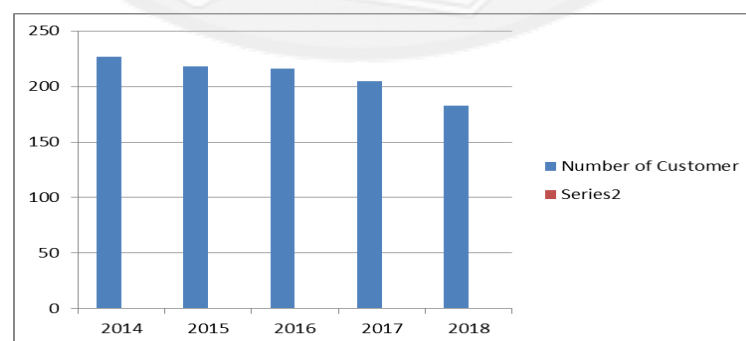


Figure 1.1 Number of Customer in Year 2014-2018

Source : PT Sumatera Sarana Sekar Sakti Medan (2018)

It can be seen that there is decreasing of customer. This condition may imply indication of the decreasing of customer satisfaction in the company. One of the factors that can decrease customer satisfaction is service quality. The company's employee doesn't have good response to customer complaint or question. The company's employee doesn't collect feedback from customer regarding their service quality. The company's employee does not conduct regular communication to obtain information from the customer such as price, schedule, or any issue that can be handle as soon as possible. The company should increase the customer commitment to the organization through the process of offering better service on a continuous basis. Based on preliminary interview done by writer, founded there were several complain from customers, customer A complaining that the trucks used were old (more than 10 years) so the trucks were damaged in the middle of the road and delivery of the products was delayed. While other costumer B complained that some drivers were less experienced in driving trucks so the goods did not arrive on time.

Based on description above, the writer want to conduct the research with title **“The Impact of Service Quality on Customer Satisfaction at PT Sumatera Sarana Sekar Sakti Medan”**.

1.2 PROBLEM LIMITATION

Based on the background of the study above, the writer determines limitation this study as follow :

1. Object research : PT Sumatera Sarana Sekar Sakti Medan
2. Period research : March – May 2019
3. Variable dependent : service quality and variable independent customer satisfaction
4. The indicators variable service quality are Reliability, Responsiveness, Assurance, Emphaty and Tangibles (Haryono 2016, p.91).
5. The indicators variable customer satisfaction are System of complaints and suggestions, Consumer satisfaction surveys, Shadow buyers and

Analysis of switching customers (Kotler and Keller in Priansa 2017, p.203)

1.3 PROBLEM FORMULATION

Based on the background study above, the writer can take problem identification as : is there any impact of service quality on customer satisfaction at PT Sumatera Sarana Sekar Sakti Medan.

1.4 OBJECTIVE OF THE RESEARCH

The purpose in doing this research is to identify whether there is the impact of service quality on customer satisfaction at PT Sumatera Sarana Sekar Sakti Medan

1.5 BENEFIT OF THE RESEARCH

The benefits from conducting this research are as follows:

1.5.1 Theoretical Benefit

This research gives benefit to developing theory of international business especially service quality and customer satisfaction

1.5.2 Practical Benefit

- a. For writer, this research can add writer's knowledge in entrepreneurship especially service quality and customer satisfaction.
- b. For the company, this research can provide recommendation to company in improving customer satisfaction with service quality.
- c. For other researcher, this research can be used as reference to next research that related with this research topic.

1.6 SYSTEMS OF WRITING

The systems of writing in this *skripsi* will be as follows :

Chapter I : Introduction

In this chapter, the writer describes about the background of the study, problem limitation, problem formulation, objective of the research, benefit of research and systems of writing.

Chapter II : Literative Review and Hypothesis Development

In this chapter, the writer describes some theories that are related to the topic of the study, such as entrepreneurship, service quality and customer satisfaction. The writer presents previous research, develops hypothesis, makes research model and framework of thinking.

Chapter III : Research Methodology

In this chapter, the writer explains the research design, population and sample, data collection method, operational variable definition and variable measurement and data analysis method.

Chapter IV : Data Analysis and Discussion

This chapter consists of general view of research object, data analysis and discussion.

Chapter V : Conclusion

This chapter contains the conclusion, the implication and recommendation of this research.