

# CHAPTER I

## INTRODUCTION

### 1.1. BACKGROUND OF THE STUDY

The service sector is now becoming increasingly important economically. Waste disposal due to bad quality and client expectations are significant difficulties for service executives. This is why individuals should measure quality of service, customer satisfaction and measures in the hotel sector. Occasionally, various scientists in numerous industries attempted to figure out how to evaluate service quality and customer satisfaction.

Customer needs become a very important thing to note and satisfied by the manufacturer or service provider. The product providers or services should pay attention to changing customer needs or widening customer needs. The providers of the product to win the competition of its competitors also required strategies to the right business. The goal is to create a brand image depth for products and services offered by manufacturers. Customer satisfaction becomes a strategic target for the company to be grow and develop and still exist in the face of change this fierce competition.

Customer satisfaction is a very significant component in the world of business, in particular in service, and it also contributes to preserving and expanding into a advanced company. The quality of service issue therefore becomes one of the key determinants for the effectiveness of a company.

Quality is one of the main factors determining product selection for customers. Customer satisfaction will be achieved if the quality of products provided in accordance with their needs. In the past decade, service quality has gained much attention for the company. Quality issues are not only become the weapon of

competition, but have become “tickets to be paid” to enter the business world. This is because the quality of services can be used as a tool to achieve competitive advantage. (Suryadharma and Nurcahya, 2015).

Good service quality can lead to consumer loyalty and attract new customers. In the end, through consumer satisfaction the company will gain long-term profit or stability of the company’s survival.

Sreedhar(2016) stated that “service quality concept is something really important for company because it is vital factor in creating superior value for customers. Service quality in a lot literature has strong relation to customer’s satisfaction, loyalty, and even profitability”. The goal of providing service quality is to satisfy the customers. Measuring the service quality is a better way to find out whether a service is good or bad, or whether the customers are satisfied or not. Good service quality can lead to consumer loyalty and attract new customers. In the end, through consumer satisfaction the company will gain long-term profit or stability of the company’s survival.

Management always strives to provide the best quality service to consumers. The quality of service provided by the company’s management will lead to customer perception of the quality given to it. Often there is a difference between customer expectations of the quality provided by company management. To find out whether the management has provided quality services in accordance with customer expectations, it is necessary to do an evaluation involving its customers.

This research is done to PT. Sinar Menara Deli which located on Guru Patimpus Blok OPQ street No.1, Kesawan, West Medan, Medan City -North Sumatera that engaged in developer and property business. Having a good relationship with customer is one of the main goals of the company, since good relationship can

lead to another possibility of repurchased. The company wants to build a long-term relationship with customers in order to increasing the sales and profit of the company in the future.

**Table1.1 Number of Complaints at PT. Sinar Menara Deli in 2019**

Years	Months	Numbers of complaints
2019	January	5
2019	February	8
2019	March	17

Source : PT. Sinar Menara Deli (2019)

According to the data above, there is an increasing number of customer complaints from the past months in 2019. It shows that some customers are not satisfied with the company whether it is from the service or products aspects. Based on preliminary research, the customers feel that the company shows no commitment with the service they provided and also lack of information and communication between customer and company after making the purchased transactions. The employee of the company doesn't inform or update the customer regularly about the progress of the project and also about the event being held by the company. The complaint from customer isn't handled properly by company with the result that some customers are unsatisfied with the service and prefer to cancel the transaction.

Based on the description above, the writer is interested to conduct a research entitled **“THE INFLUENCE OF SERVICE QUALITY TOWARDS CUSTOMERS SATISFACTION AT PT. SINAR MENARA DELI MEDAN 2019”**.

## **1.2. PROBLEM LIMITATION**

The research is limited as follows:

1. There are so many apartments in Medan city. This study is only limited toPT. Sinar Menara Deli.

2. The subject of this study are PT. Sinar Menara Deli's customers who have already purchased an apartment offered by the company.
3. The service quality indicators used in this research is limited to 5 aspects, they are: reliability, responsiveness, assurance, empathy, and tangibles. (Venkataraman& Pinto, 2017)
4. The customer satisfaction indicators used in this research are suitability of expectation, the interest of repurchase and the willingness to recommend. (Oliver, 2015)

### **1.3. PROBLEM FORMULATION**

Based on the description on the background of the study above, the research focus in this study are as follows:

1. How is the service quality at PT. Sinar Menara Deli?
2. How is the customer satisfaction at PT. Sinar Menara Deli?
3. Does service quality (reliability, responsiveness, assurance, empathy, and tangibles) have influence customer satisfaction at PT. Sinar Menara Deli?

### **1.4. OBJECTIVE OF THE RESEARCH**

The research objective are as follows:

1. To describe the service quality at PT. Sinar Menara Deli.
2. To evaluate the customer satisfaction at PT. Sinar Menara Deli.
3. To discover whether service quality influence customer satisfaction at PT. Sinar Menara Deli.

### **1.5. BENEFIT OF THE RESEARCH**

This research will provide benefits for related and the unrelated parties such as company, writer and readers.

### 1.5.1. THEORITICAL BENEFIT

Theoretically, the results of this research will benefit in developing marketing theory especially about the influence of service quality towards the level of customer satisfaction in a company.

### 1.5.2. PRACTICAL BENEFIT

The practical benefits expected from this research are as follows:

1. For the writer  
This research can provide additional knowledge and experience about management marketing.
2. For the company  
This research is expected to be used as recommendation to the company in order to fulfill the customer's satisfaction.
3. For the other researchers  
This research can be used as a source of reference to next research that related with this research in the future.

### 1.6. SYSTEM OF WRITING

The researchers compiled the writing with the following details:

#### **CHAPTER I : Introduction**

This chapter contains background of the study, problem limitation, problem formulation, research objectives, benefit of the research, and the systems of writing.

#### **CHAPTER II : Literature Review**

This chapter contains theoretical background, previous research, hypothesis development, research model, and framework of thinking.

**CHAPTER III : Research Methodology**

This chapter consists of the research design used, the object of research, the method of data collection performed and the method of data analysis.

**CHAPTER IV : Data Analysis and Discussion**

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

**CHAPTER V : Conclusion**

This chapter contains the conclusions, the implication and the recommendation.

