

CHAPTER I

INTRODUCTION

1.1. BACKGROUND OF THE STUDY

Competitors is tight lately, and in order to thrive in this competitive environment, businesses need not only to increase product quality, but also to improve service quality.

With various characters, there are so many clients with different personalities. Customer satisfaction cannot be obtained easily. The quality of service offered must be excellent and appropriate for the customer, so that the customer is pleased with the company's service.

Service quality is one of the factors that consumers can give result of perceived service with the expected services. Service qualities have a huge impact on customer satisfaction. The positive impact from an excellent service quality is that it may increase the satisfaction and loyalty of consumers and re-purchase the product itself which means there will be increase in sales that is received from sold products.

For companies to be able to survive, compete, and grow, the company needs to be able to meet the demand and needs of the consumer itself by giving the best service and quality. Therefore, customer will achieve personal satisfaction and the feeling of appreciation and that will result to customer being happy and willing to be a loyal customer.

One of the companies that currently have more and more competitors is Bakery. Bread is known and trusted as one of the oldest foods. The history of bread starts from Egypt and Mesopotamia. That is when people find other ways to enjoy wheat. Wheat that is usually being enjoyed turns out to have the ability to be pasta with the help of water. Then the people learn to make bread dough to be bake the next day. This process is called fermentation that in which is the basic process in the making of bread until today.

BakeryRumah is known for their delicious bread and services towards customers. It is one of the large bakery company in Marelan, Sumatera Utara surroundings. The services provided by the employees are to prioritize customer needs and satisfaction because that is what makes Rumah Bakery become a trusted bakery for giving the best product to their consumers.

Based on the information that has been given by the employees of Rumah Bakery at Marelan Medan branch, it is said that the services that were given to the customers are quite poor. Employees at Rumah Bakery Marelan Medan branch gives more priority only to several customers that purchase regularly. This causes the company to receive several complaints of unsatisfied services by customers.

Service quality plays an essential part in influencing the satisfaction of customers, it is often closely linked to the company's earning profits. The better the standard of the company's service, the more customer feel satisfied.

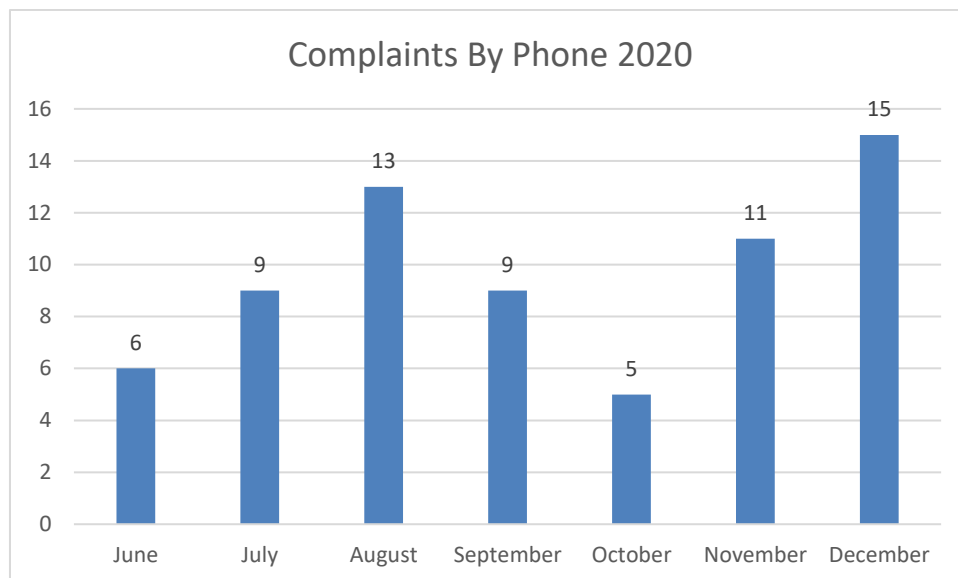
Good quality of service can influence the customer's attitude in evaluating, deciding at the very same time to give an opinion on the services offered, because customers who feel satisfied always appear to be more loyal to the business (Wahab, 2017).

According to Kotler and Keller (2009, p.138-139) in Pajaitan and Yuliati (2016) satisfaction is one's sense of contentment or dissatisfaction that comes from a contrast between his/her understanding of the performance or services (or results) and his/her expectation. If the company can be successful in providing people or clients satisfaction, the business can attract a huge number of customers. There will be a harmonious partnership between companies and clients when clients are satisfied, which means creating a good basis for repurchasing and forming word of mouth recommendations that can benefit a company.

Customer satisfaction is a post-purchase analysis, customer loyalty may occur if customer satisfaction is reached, thus customer satisfaction is essential for the company. The way to accomplish customer satisfaction is to improve the level of service provided by the business itself (Sulistywati and Seminari, 2015).

“Kepuasan konsumen adalah situasi yang ditunjukkan oleh konsumen Ketika mereka menyadari bahwa kebutuhan dan keinginannya sesuai dengan yang diharapkan serta terpenuhi secara baik” that is according to Tjiptono (2012, p.301) in Apriyani and Sunarti (2017) can also be explained as the satisfaction of consumer or customer is where the situation that is shown by consumer when their needs and desires are reach as what they have been expected.

Figure 1.1.Complaints by Phone Rumah Bakery 2020 Period



Source: The writer (2021)

Based on the results of the table above, it is known that the results of the pre-survey research are known to be quite a lot of compliant data originating from the telephone. This is due to the delay in orders, cakes that are almost stale, delivery is not on time, often sold out, and errors in bread delivery.

Based on the issue that has arisen at Rumah Bakery Marelan branch, the writer is interested to do this research with the title of “The Effect of Quality of Service on Customer Satisfaction at RUMAH BAKERY at Marelan Medan Branch”

1.2.PROBLEM LIMITATION

Due to limitation of time and knowledge, the writer is only focusing on the effect of the quality of service on customer satisfaction at Rumah Bakery at Marelan Medan branch, with the quality of service and customer satisfaction as

the variables. The indicators of quality of service are tangible, reliability, responsiveness, assurance and empathy. The indicators of customer satisfaction are emotional dimension, affective dimension, cognitive dimension and behavioral dimension.

1.3. PROBLEM FORMULATION

Based on the background of the study, the problem formulation in this study are as follows:

1. How significant the effect of quality of service is on customer satisfaction at Rumah Bakery at Marelan Medan branch?
2. Does the quality-of-service affect customer satisfaction?

1.4. OBJECTIVE OF THE RESEARCH

The objective of this study is:

1. Understanding how essential the influence of service quality is on customer satisfaction at Rumah Bakery at Marelan Medan branch
2. To understand the relationship between of quality of service and customer satisfaction.

1.5.BENEFIT OF THE RESEARCH

This research is expected to provide benefits for various parties as follows:

1.5.1. THEORETICAL BENEFIT

1. For the Writer

To have greater understanding and knowledge of quality of service and its effect on customer satisfaction.

2. For Readers

The outcome of this research is intended to provide knowledge for the readers and can be used as research content in the future.

1.5.2. PRACTICAL BENEFIT

1. For the company

This research is intended to provide additional information related to service quality and its effect on customer satisfaction and thus can be used as reference to improve the service quality of Rumah Bakery.

2. For other researchers

The result of this research is expected to be used as reference for future research.