

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Today, a career in hospitality industry is getting more attention than it was in the past. It has become one of the fastest growing businesses around the world that can be segmented into food and beverage, travel and tourism, lodging as well as recreation. According to Abeywardana and Priyadarshani (2017, p.17), hospitality industry is part of the service industry that provides products and services to its customers, while the concept of hospitality refers to the action of providing food, beverages and lodging to those who are away from home which implies respect, warmth, friendliness and even protection. Hospitality industry is highly related to service quality that focuses on the satisfaction of customer and providing specific experiences for them, as well as economics of the industry.

Food and beverage service industry is the largest element of hospitality industry which can be categorized into restaurants including fast food restaurants, high-end restaurants, as well as catering establishments. Nowadays, the food and beverage service industry is growing rapidly, which purpose is to provide the best possible service to its customers. The basic function of this industry is to provide food and beverage to its customers and to fulfill their different types of needs. While, the main purpose is to achieve the satisfaction of customer. This concerns the quality of service, quality of food and beverages, attitude of employees, decoration, atmosphere, equipment used, as well as sanitation. In addition, cleanliness and work

safety must always be considered by every employee at the food and beverage service industry.

Quality of food or also known as food quality is one of the most noteworthy requirements in making food, especially at the food and beverage service industry. According to Potter and Hotchkiss (1995, p.90, as cited in Salsabilah and Sunarti, 2018), food quality is defined as the quality characteristics of food that are acceptable to customers, as food is the most important part of the overall experience at restaurant. Food quality can be seen from several aspects such as taste, freshness, healthiness, cleanliness, as well as food presentation. Apart from the food quality, there are also sanitary requirements. It is important to make sure the environment used for the food manufacturing process is as clean as possible so as to provide the safest possible food for customers, moreover, service quality is also important to the overall customer experience at the restaurant.

Service quality is basically subjective because it is obtained from the expectations, needs and perceptions of customers, it depends on the customer's experiences and perceptions of the services they had received (Al-Ababneh, 2017). Therefore, quality of service in the restaurant business is very crucial in order to maintain stable business performance. Service quality provides great opportunities for the restaurant business to build competitive differentiation against competitors. When determining the concept of service quality, it always starts with customers, because quality is the most crucial aspect for customers and also becomes the basis of their opinion. Excellent service quality will produce more happy and satisfied customers, which in turn will have a positive impact towards the restaurant brand image and brand recognition.

According to Joudeh and Dandis (2018), customer satisfaction refers to the reflection of customer feelings and customer expectations, which is the internal feelings of customer that will result as satisfaction or dissatisfaction with the services provided to them. Every restaurant business will continue to improve their services just to ensure that customers are happy and satisfied with the services delivered. It is also needed to recognize and anticipate the needs of customer in order to achieve higher level of customer satisfaction. High customer satisfaction will tend to result in a positive word of mouth promotion for the restaurant's products and services, which then will influence more people to enjoy and experience the type of services that they have always wished for. Later on, it will lead to more new customers coming to the restaurant and will tend to result in customer loyalty, customer retention, as well as customer growth.

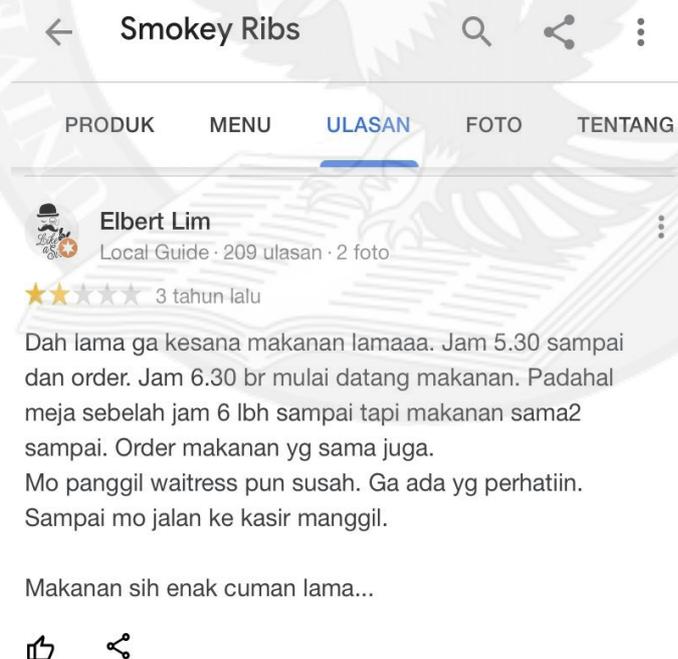
In restaurant terms, food quality largely determines customer experience and the satisfaction of customer. When customers have decided to come and spend their money at a restaurant, certainly they have a high level of trust and expectation towards the quality that the restaurant will provide, including the quality of food as well as the quality of service provided. High level of food quality is a strategy that can lead to customer satisfaction. Generally, food quality has a considerable influence on the satisfaction of customer, because food quality is recognized as the basic in enhancing customer satisfaction at the restaurant. Therefore, it would be better if a restaurant can improve and maintain the quality of its food products and its services as the basis for attracting more customers' attention to come to the restaurant.

Furthermore, the relation among service quality and the satisfaction of customer are interrelated. As the higher the quality of service, the higher is the level of customer satisfaction. By identifying and understanding about the importance of customer satisfaction, it can help to improve the quality of service provided by the restaurant. By measuring of service quality and customer satisfaction will help to compare the differences between before and after changes, to identify service delivery standard, and it is also a good opportunity to identify problems associated with the service quality.

In addition, food quality and service quality are the aspects that will affect to the overall customer satisfaction at the restaurant. Therefore, every restaurant business should be more concern towards the main food quality characteristics that will have an impact on customer satisfaction and customer retention at the restaurant. As customers who come to a restaurant will look for a comfortable place where they can have a meaningful and unforgettable dining experience while enjoying their meal, hence, it is important for restaurants to increase the level of customer satisfaction by improving their service quality and food quality at the restaurant. If customers are happy and satisfied towards the products and services delivered by a restaurant, sure enough they will recommend and tell others about those good experiences, moreover, they will come back to the restaurant again at another time. Conversely, if customers feel unhappy and dissatisfied with the products and services delivered by a restaurant, they are less likely to come back to the restaurant and they will definitely not recommend the restaurant to others. In other words, the products and services provided by a restaurant have a considerable

influence on customer experience and customer satisfaction, which will also affect to the overall restaurant performance.

Smokey Ribs as the research object of this research, is an authentic American restaurant that is highly committed to provide an inspiring dining experience for everyone. Currently, Smokey Ribs has three branches all around Indonesia, there are in North Jakarta, South Jakarta and Medan. Smokey Ribs is famous with its signature real ribs and steaks that perfectly cooked with an authentic American style recipe. As food quality is important to maintain restaurant image, the meat they use is imported from US and it is also certified under US Meat Export Federation. Smokey Ribs Restaurant is the best place for those who want to celebrate special moments such as gathering with family, friends and beloved ones, with a dining experience in the authentic American ambience along with friendly warm service.



**Figure 1.1 Smokey Ribs Medan Review**  
Source: Google Review



**Figure 1.2 Smokey Ribs Medan Review**

Source: Google Review

Based on the reviews above, it shows that there are some problems phenomenon regarding food quality and service quality experienced by customers when visiting Smokey Ribs Medan. The problems of food quality are about the inconsistent taste and inconsistent texture of the food. While, the problems of service quality are about the lack of knowledge of the employees in delivering the products offered, lack of attention of the employees to customers and orders take a long time to be served to customers. In which, these problems can decrease the level of customer satisfaction.

Based on the description above, the author is interested to study and do a further research on the problems phenomenon that arise in the company regarding the influence of food quality and service quality towards customer satisfaction. The author will examine the problem by conducting a research entitled “**The Influence of Food Quality and Service Quality towards Customer Satisfaction at Smokey Ribs, Medan**”.

## **1.2 Problem Limitation**

In terms of hospitality industry, there are many aspects that can influence the performance of a restaurant business. And within those aspects, qualities are the most common aspect. However, due to the limitation of time, the author will limit the problem of this research only on the inconsistent taste of the food served (as part of the food quality) and the lack of attention of the employees to customers (as part of the service quality).

With the indicators for Food Quality (X1) variable including color, appearance, portion, shape, temperature, texture, aroma, degree of doneness and taste (Jones, as cited in Gozali, Soekresno and Aprilia, 2016). While, the indicators for Service Quality (X2) variable including tangibles, reliability, responsiveness, assurance and empathy (Parasuraman et al., as cited in Najmah, Menudin and Laidey, 2019). And for the Customer Satisfaction (Y) variable, the indicators by Zeithaml as cited in Wijaya (2017) including fulfillment, pleasure and ambivalence.

### **1.3 Problem Formulation**

The problems discussed and evaluated are presented in the form of questions as below:

1. Does food quality have influence towards customer satisfaction at Smokey Ribs Medan?
2. Does service quality have influence towards customer satisfaction at Smokey Ribs Medan?
3. Do food quality and service quality have influence towards customer satisfaction at Smokey Ribs Medan?

### **1.4 Objective of the Research**

The main purpose of this research is to identify the relationship between food quality and service quality towards customer satisfaction. The objectives of this research are as follows:

1. To analyze the influence of food quality towards customer satisfaction at Smokey Ribs Medan.
2. To analyze the influence of service quality towards customer satisfaction at Smokey Ribs Medan.
3. To analyze the influence of food quality and service quality towards customer satisfaction at Smokey Ribs Medan.

## **1.5 Benefit of the Research**

There are some benefits in conducting this research. In this section, the benefits of the research are divided into two kinds of benefits, which are theoretical benefit and practical benefit.

### **1.5.1 Theoretical Benefit**

#### 1. For Author

This research can help the author to understand further about the information and theories that are taught in the university and the reality that occurs in the restaurant, so as to increase the insight of the author.

#### 2. For Readers

The results of this research are expected to be used as material to prove that there are influences between food quality, service quality and customer satisfaction examined by the author.

#### 3. For Other Researchers

The results of this research are expected to be used as an additional reference material for other researchers who are also interested in conducting research using the same theory in the future.

### **1.5.2 Practical Benefit**

#### 1. For Author

This research is conducted in order to fulfill one of the academic requirements to obtain the degree of *Sarjana Manajemen* at Universitas Pelita Harapan Medan, as well as to help the author to get better understanding about the theories taught in the university.

2. For Smokey Ribs Medan Restaurant

The results of this research are expected to be useful and to provide benefits for Smokey Ribs Medan Restaurant as input or suggestion in improving the quality of food and the quality of service in terms of increasing the level of customer satisfaction, so as to reach its potential growth in the future.

3. For Future Researchers

The results of this research are expected to provide an additional source of information that can be used as a consideration and comparison material to obtain information and knowledge related to food quality and service quality towards customer satisfaction.

