

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The restaurant industry is one of the industries that plays an important role in supporting the economic growth of a country. The food and beverage industry is one of the business sectors that continues to grow every year. As the population growth in Indonesia increases, the demand for food and beverage also continue to increase. Based on worldometer, the current population of Indonesia is approximately 275 million people, which according to Indonesia Investments has become one of the largest market for the food service industry in the ASEAN region. Since 2014, the Indonesian restaurant and food franchise sector has consistently grown and the research revealed that eating out has become part of regular social activities among Indonesians. The chairman of the Indonesian Hotel and Restaurant Association (PHRI), Mr. Hariyadi Sukamdani also stated that, the culinary sector in Indonesia has a bright prospect as restaurant has become a place where people are inclined to visit for socializing or gathering with families, friends, co-workers, or even business partners.

The tendency of the Indonesians to enjoy eating out has led to the increasing number of new culinary businesses. Despite various positive impacts, the increasing number of new restaurants and cafes cause this industry to become more challenging and competitive, especially on its failure rate. The strong competitive among the restaurants require them to strengthen their base so that they can compete

with each other. When a company is unable to compete with its competitors, it will result in the decreasing of volume of sales or even bankruptcy. It is not uncommon to see a new restaurant that was only crowded in the beginning and closed their business after several months. Every year, there are not few of restaurants that abruptly closed their business because they failed to engage people to their business, or the customers were no longer or not satisfied at all with either the food, service, or performance delivered which made the business end up losing their customers to the competitors.

In culinary industry, the food quality is one of the important factor in determining the success of a restaurant business. According to a reasearch done by Wijaya (2017), there are four dimensions of food and beverages which are the freshness, presentation, well cooked, and variety of food. If the quality of the food provided is good, it will benefit both parties, the restaurant will gain good image and profit in its business, while customers will get the expected satisfaction, which shows that the higher the food quality that is provided by a restaurant, the higher the chance of customer to be satisfied.

Located in North Sumatra, Medan is known as the third largest city in Indonesia and it is known to be a city that is popular with its culinary. There are various selection of delicious dishes of all kinds that are influenced by different ethnicity and cultures, such as Chinese food, Arabic food, Bataknese food, Malay food, Javanese food and many more.

The writer decided to choose one of the long-established Indonesian restaurants in Medan, which is Lembur Kuring Medan as the research object.

Lembur Kuring Medan is a casual dining type of restaurant that offers mainly Javanese and Sundanese dishes that has a seating capacity of up to 1000 people that is suitable for accommodating corporate meetings, birthdays, or even outdoor wedding parties. Lembur Kuring offers a wide selection of Indonesian food consists of seafoods, chicken, and vegetables menu that is prepared and cooked according to the taste of Indonesian that could meet every guest's taste.

As one of the restaurants that has existed since a long time ago, it is not easy for Lembur Kuring restaurant to always maintain their customer satisfaction, especially since there are a lot of newly established Indonesian food restaurant that come up with similar type and concept as Lembur Kuring restaurant. Lembur Kuring has always been trying to maintain and improve their quality and performance in order to gain customer satisfaction so that the restaurant can keep on going. However, there would still be some errors in some aspects such as on the foods or service they delivered. During the fully occupied season, there are also some errors that may occur, either the food quality or their service quality is decreasing, such as the food arrive late or it is getting cold when the customers receive their order. Based on the writer's experience during the visit, there were also dissatisfaction about the food served such as when some dishes were served to the table, they were no longer warm enough. There are also some bad reviews posted on google reviews about customers of Lembur Kuring restaurant who showed their disappointment because the seafood they ordered was not in a good quality.

The following figures are some of the customer reviews posted on Google Reviews regarding their dissatisfaction towards the food quality at Lembur Kuring Medan.

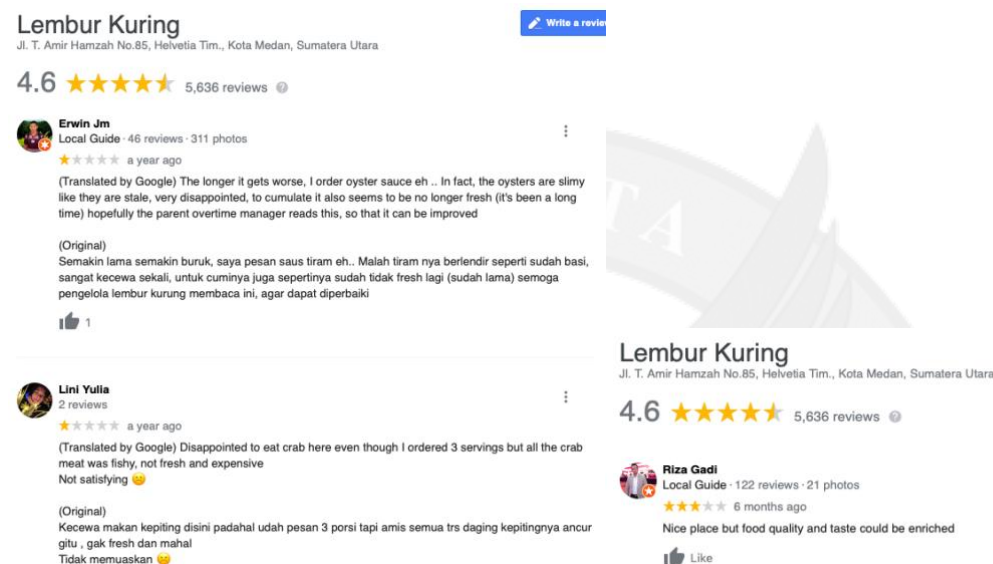


Figure 1.1 Customer Review about Lembur Kuring Medan

Source: Google Reviews (2021)

It is highly challenging for every business including restaurant to attract and retain customers. Therefore, restaurants are expected to have a deep and clear understanding of what customers really need and want as every business needs customers to run. When a company is able to fulfil its customers' need and desire, the higher the chance of a company to have satisfied customers. Customer satisfaction is one of the most essential factors contributing to the success of a restaurant business. Mostly, customers will frequently visit restaurants where they had a positive experience and choose to continue supporting that company's product or service. Other advantages for a restaurants having a satisfied customer are increasing the chance of them returning, they may possibly share their positive experience or spreading a positive word of mouth to their friends, families, or even

strangers online. On the other hand, a dissatisfied customer may bring bad impact to the business such as disappointment that can lead to spreading negative word of mouth that can cause losing the other potential customers. Because of that, the writer is interested on how food quality can influence customer satisfaction. Therefore, the writer decided to choose “The Influence of Food Quality towards Customer Satisfaction at Lembur Kuring Medan” as the title for this research.

1.2 Problem Limitation

Due to the limitation of time, opportunity, and resources, the writer will focus on the problem of food quality, which is about the problem on some of the seafood that is served are not fresh, towards the customer satisfaction in Lembur Kuring Medan with X variable for Food Quality as the independent variable with the indicators that includes: the freshness of the food, food presentation, well-cooked food, and variety of menu items, and Y variable for Customer Satisfaction as the dependent variable with the indicators that includes: fulfillment, pleasure, and ambivalence.

1.3 Problem Formulation

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

1. Does food quality has influence at Lembur Kuring Medan?
2. Does customer satisfaction has influence at Lembur Kuring Medan?
3. Does food quality has influence towards customer satisfaction at Lembur Kuring Medan?

1.4 Objective of the Research

The objective of this research as follows:

1. To identify whether food quality has influence toward customer satisfaction at Lembur Kuring Medan.
2. To identify how food quality influence customer satisfaction at Lembur Kuring Medan.

1.5 Benefit of the Research

1.5.1 Theoretical Benefit

For the theoretical benefit, the completion of this study is expected to:

1. Give information or additional knowledge for readers about the influence of food quality towards customer satisfaction
2. Help future researchers in understanding how food quality can influence customer satisfaction.

1.5.2 Practical Benefit

For the practical benefit, this completion of this study is expected to:

1. Help Lembur Kuring restaurant to enhance their food quality in order to gain more customer satisfaction.
2. Provide clear explanation and give suggestion for similar restaurants especially Lembur Kuring restaurant to always pay attention to food quality attributes that can influence customer satisfaction.