

# **CHAPTER I**

## **INTRODUCTION**

### **1.1. Background of the Study**

These days the competition among businesses and start up keeps on increasing especially on the service field and technology. Services has big relation with many type of businesses starting from hospital, food and beverage, hospitality up to the educational field. A company can be told to be success depends on how far the satisfaction the company can deliver to the customer towards the product or service of the company offers. The reason why a company should make an effort to satisfy the customer is that customer satisfaction plays a big role in business, especially in the restaurant industry.

According to Chambers (2020) in order to satisfy a customer, company needs to build relationship with them and create a long term relationship. Having customer satisfaction, company can identify what is wrong and what needs to be developed. By observing customer perception, the company can spot the pain point and improve customer perception. The restaurant industry has developed for over the past few decades from just a meal into the combination of services until today. To provide the best service quality and best food, restaurant industry should make an effort to make it a benchmark for the customer to attain a competitive advantage in the market.

Customer plays a great role as well in the future of the company and how they can enhance and improve. The use of service on food and beverage field can

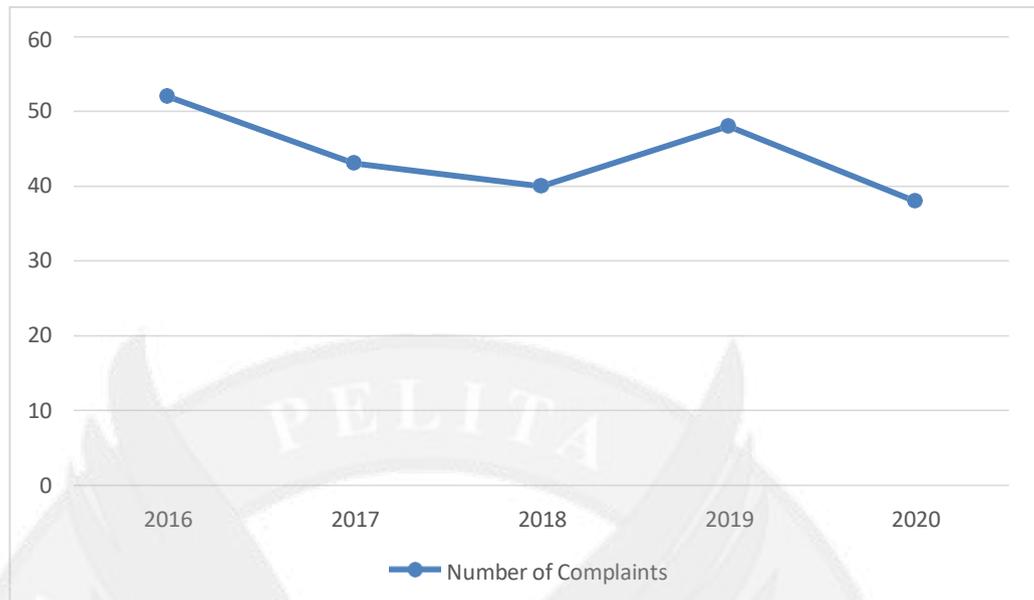
be the determinations on the achievement of the customer satisfaction through their expectation. Customers have different expectation on one same restaurant and their expectation will differ every time they revisit. Hence, it is important to understand their demand and the market need to achieve it.

The research will take place at PT Maju Ramen Utama in Medan. PT Maju Ramen Utama is a company that engaged in food and beverage industry named Marutama Ramen & Nabe. Marutama is one of the authentic ramen restaurants which originated from Japan that can be found in Medan. The role of service also applied in this restaurant in detremining how satisfied their customer is. Complaints, satisfactions, criticism can be one of the way in knowing the running of the service in this area. Every business in every sector has some factors that affect and carry a problem. In Marutama, there are so many factors that can influence or affect problems from number of customers complain such as food quality, service quality, cleanliness and so on. However in this research, the writer will limit the problem and only focus on the service quality. Below is the data of customer complaint about Marutama service quality taken by the writer from 2016 until 2020.

**Table 1.1 Complaints on Service at PT Maju Ramen Utama**

<b>Year</b>	<b>Number of Complaints</b>	<b>Percentage</b>
2016	52	23.53%
2017	43	19.46%
2018	40	18.1%
2019	48	21.72%
2020	38	17.19%

Source: Prepared by the Writer (PT Maju Ramen Utama, 2021)



**Figure 1.1. Complaints on Service at PT Maju Ramen Utama**  
 Source: Prepared by the Writer (PT Maju Ramen Utama, 2021)

Above is the curve of the data collected by the writer. From 2016 until 2020, Marutama there are a total of 221 complaints filed and the trend is in the decreasing side. It can be seen that this decrease may have be the result from the service and product quality provided by the company. PT. Maju Ramen Utama is a family business because the founder has several family members who own some shares in the company even though there is no intervention from the family members beside Mr. Sinjaya himself whom is the founder and managing director of BISA Group that bought Marutama Ramen in Medan. With the decrease of the complaints, there is a need to know the factors behind this as there might be several factors. However, due to the fact that service plays quite a great role in the food and beverage service after the product quality factors.

Even though there is a decrease in number from year to year, but from the figure above there is a slight increase of complaint number on the company in

year 2019 and this should be taken into account to be considered. In year of 2020 where the pandemic occurs has a decrease number of complaints on the service, this can mean two things which are either the company perform best service regarding health protocol and maybe it can also be the result of less visit of customer to the company to have their ramen product. Sood (2017) also stated that the service has a great role in the satisfaction achievement of customer. Hence, the writer choose this company to perform the research with the title of **The Influence of Service Quality towards Customer Satisfaction at PT Maju Ramen Utama, Medan.**

## **1.2. Problem Limitation**

In doing this research, the writer decided to set some limitations to the research. There are several factors that might impact the customer's satisfaction to a company and that might come from prices, product quality, design and the important one is how the service quality (Sood, 2017) is carried out. Hence, the first limitation set by the writer is to analyze two variables which are service quality and customer satisfaction at PT Maju Ramen Utama based on the information attained by the writer. In order to understand how service quality plays role in customer satisfaction, the customer will be the research target in gathering the datas. The independent variables used will be the servcie quality and the dependent variable will be the customer satisfaction. Each variables will be supported with indicators in knowing their roles in which according to Parasuraman (1998, p.77) as found in Desiyanti, et al. (2019) there are five

indicators that can be used for the service quality variable which are tangibility, reliability, responsiveness, assurance and empathy.

For the customer satisfaction variable, Desiyanti, et al. (2018) suggested that there are three indicators of customer satisfaction which are the experience, expectation and overall satisfaction. While in Tjiptono (2009) as found in Indrasari (2019) and Situmeang (2017) the indicators to know the customer satisfactions are overall customer satisfaction, repurchase intention, and the willingness for recommendation. Hence, the writer will use the overall customer satisfaction, repurchase intention, the willingness for recommendation and experience as the indicators for the customer satisfaction variable in this study.

### **1.3. Problem Formulation**

Based on the background of study above, the writer makes problem formulation as follows:

- a. How is the service quality provided at PT Maju Ramen Utama, Medan?
- b. How is the customer satisfaction at PT Maju Ramen Utama, Medan?
- c. Does the service quality has influence towards customer satisfaction at PT Maju Ramen Utama, Medan?

### **1.4. Objective of Research**

The following is the objectives of this research:

- a. To analyse the influence of service quality at PT Maju Ramen Utama, Medan
- b. To analyse the influence of customer satisfaction at PT Maju Ramen Utama, Medan
- c. To analyse the influence of service quality towards customer satisfaction at PT Maju Ramen Utama, Medan

## **1.5. Benefit of the Research**

The benefit of the research can be found below from Theoretical Benefit and Practical Benefit which are as follows:

### **1.5.1. Theoretical Benefit**

To enhances the theory and understanding about Service quality on customer satisfaction. The results are expected to clarify and even update the academic understanding and perception of the effect of service quality on customer satisfaction.

### **1.5.2. Practical Benefit**

- a. For the writer, this study will benefit the writer especially on entrepreneurship, especially for those who seek a way to improve service quality in ramen industry to aim for the satisfaction of the customer.
- b. For the company, this research will provide many information and steps towards customer satisfaction, so that the company can improve their service and achieve company goals.

- c. For other researchers, this research will guide other researchers who have the same research title and variables which are service quality and customer satisfaction.

