

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The development of the culinary world in Indonesia at this time is faced with a very difficult challenge that is the ability of companies can compete with other companies that have similar businesses. Culinary companies in Indonesia are expected to be more focused on customers in order to win the competition that eventually creates a close relationship between consumers and companies. One form of business of culinary companies in order to increase profits is to increase customer satisfaction because customers are one of the success factors of culinary business.

Customer satisfaction is greatly affected from the business location. Priansa (2017, p.197) defines that customer satisfaction is the feeling of pleasure or disappointment that a customer has based on a comparison between reality gained and expectations held by the customer. A customer, if satisfied with the value provided by a product or service, is very likely to be a customer for a long time. Satisfying customer needs is an important factor for the company's survival, because satisfying customer needs can increase excellence in competition. Consumers who are satisfied with the products and services tend to buy back products and reuse services at a time when the same needs reappear in the future. This means satisfaction is a key factor for consumers in making repurchases which is the company's sales volume.

Kito Garden Restaurant is a nature-themed restaurant located at Jl. Gn Krakatau No. 90 ABC, Medan. Kito Garden restaurant strives to provide the concept of a soothing atmosphere of natural beauty or plants around Kito Garden Restaurant. Through a different concept Kito Garden restaurant from other restaurants is expected to satisfy customers so that customers want to come again enjoy the dishes in Kito Garden Restaurant. Based on information and observations from Kito Garden Restaurant, customer data was obtained during 2018-2020.

Table 1.1. Number of Customers Kito Garden Restaurant in 2018-2020

Years	Amount of Customers
2018	13,964
2019	11,428
2020	8,039

Source : Kito Garden Restaurant, 2021

Based on Table 1.1. obtained an overview of the number of customers Kito Garden Restaurant decreased during 2018-2020 due to the lack of customer recommendations to others after coming to Kito Garden Restaurant and most customers do not make Kito Garden Restaurant as the first choice because customers feel there are still other restaurants better than Kito Garden Restaurant or customers do not like the concept made by Kito Garden Restaurant.

Location is considered to affect increased customer satisfaction. Business locations that are comfortable, safe, clean, crowded and easy to reach, are some of the location criteria that are widely noticed by as large potential customers. Location is the planning and implementation of the program of distribution of products and services through the right place and location (Muharromah, 2017). Location factors are important factors that must be considered especially in companies that can affect customer satisfaction. Increasingly convenient, safe, and

easy-to-reach locations can give satisfaction to customers while on the contrary increasingly uncomfortable, unsafe, and not easy to reach locations can certainly lower trust in consumers so that prospective consumers feel disappointed and insatiable.

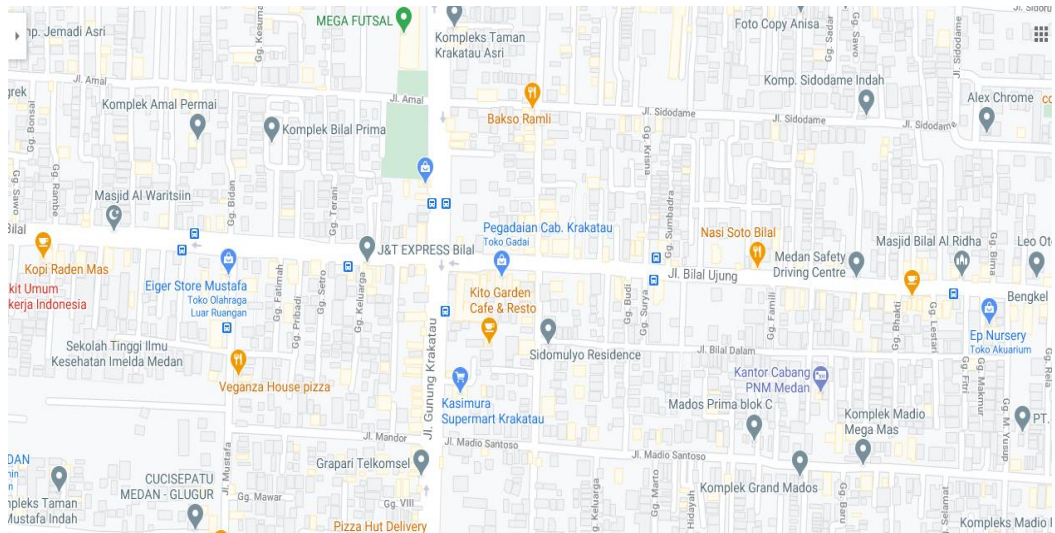


Figure 1.1 Location of Kito Garden Restaurant

Source : Kito Garden Restaurant, 2021

Based on the observations, Location Kito Garden Restaurant still has problems in improving customer satisfaction. The problem of location is that there are still many potential customers who don't know access to the Kito Garden restaurant so that consumers are hesitant to come to enjoy the dishes from the restaurant. Another problem is the Krakatau branch of Kito Garden which is on the main road of Krakatau, which means that every day many vehicles pass the main road. The problem with this is that at peak times, there may not be enough space for the vehicle to park. Expanding the parking area is also a challenge because there are few security guarding the parking area.

Based on the description of the phenomenon of food quality and customer

satisfaction above, the author is interested in conducting research with the title “**The Influence Of Location For Customer Satisfaction At Kito Garden’s Restaurant**”.

1.2 Problem Limitation

Due to limited time and ability, the writers set variable problem limits on location as independent variables (X) and customer satisfaction as dependent variables (Y). The research was conducted in Kito Garden Restaurant is a nature-themed restaurant located at Jl. Gn Krakatau No. 90 ABC, Medan. The population and samples used are the people in Medan that visited Kito Garden restaurant before during 2020.

1.3 Problem Formulation

Location as one of the important factors in influencing customer satisfaction Based on the background that the writers described above, the problem formulation in this research is as follows:

- a. How is impact of location at Kito Garden’s Restaurant?
- b. How is customer satisfaction at Kito Garden’s Restaurant?
- c. How the location affect significant customer satisfaction in Kito Garden’s Restaurant?

1.4 Objective of the Research

The objective of this research is :

- a. To find out an overview of location at Kito Garden's Restaurant
- b. To find out customer satisfaction in Kito Garden's Restaurant
- c. To know and analyze how location affect significant customer satisfaction in Kito Garden's Restaurant.

1.5 Benefit of The Research

Based on the objectives of the research to be achieved, this research is expected to have benefits in education both directly and indirectly. The benefits of this research are as follows :

1.5.1 Theoretical Benefit

The theoretical benefit of this research includes:

- a. For the writers, this research is expected to be a useful contribution of information about good and strategic location management in an effort to improve customer satisfaction and can be practiced in the business world.
- b. For other researchers, this research can be used as further research material to improve insights and knowledge and become a reference for further research materials.

1.5.2 Practical Benefits

The practical benefit of this research includes:

- a. For Kito Garden Restaurant, this research can be useful input and information for the company. So that in the future Kito Garden Restaurant can plan a good strategy in determining the location so that customer satisfaction can be created.
- b. For other restaurants, this research can provide input and information in the management of the right location to improve customer satisfaction.

