

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Nowadays, culinary industry has become a promising business for whom want to start a business. It because of the culinary business is type of business that never dies. As long as people who need to eat, this business line will always be in demand. Not only to fulfill the appetite of our physiological needs, but food also has a critical impact in all parts of human existence. Food can also be recognized as personality and culture, and it merged as one of the well known parts of social the travel industry. Talking about food, it also inseparable from culture and as one of cultural tourism product, the job of culinary the travel industry has gotten significant.

Discussion about culinary, it also inseparable from customer who purchase and consume the product. And regarding of that, owners of the business must be aware about the customer's satisfaction. Customer satisfaction are very important and has been one of the top apparatuses for an effective business to ensure customer to repeatedly visit. Satisfied customers usually rebound and buy more. Besides buying more, they also work as a network to reach other potential customers by sharing their experience. (Hague & Hague, 2016).

Customer satisfaction is the internal feelings of each and every individual, which can be divided into two parts, such as satisfaction and dissatisfaction. Both of these satisfaction and dissatisfaction are the results from the service evaluations delivered to a person in setting to customer's expectation by a company. Nowadays, every business constantly trying to improve their quality of services to satisfy their guests, in view of the fact that if the customer satisfaction level is high, then the level of loyalty of a customer will also rise towards a certain brand.

Customer satisfaction is also a crucial component of business strategy as well as customer retention and product repurchase. Customer satisfaction is a barometer that predicts the future customer behavior. The value of keeping a customer is only one-tenth of winning a new one. Therefore, when the organization wins a customer it should continue to build a good relationship with the client. Providing the quality of goods and services in nowadays is not only satisfied the customers but also to have a safe position. Indeed, this has benefited the customers significantly on consuming products.

Every business must be able to know what is their target market and also need to know the customer's behavior. When companies understanding their customer's behavior, then the companies can develop strategies in order to get advantage of existing opportunities and also to outperform from their competitors.

In hospitality industry, the quality of service has become critical factors to reach customer's satisfaction and to gain a sustainable competitive advantage in competitive marketplace. For that being reason, service quality is capable of giving hospitality industry an incredible opportunity to create a competitive and ambitious differentiation for a organization. And also, the measurement of service quality in hospitality industry is very helpful towards the organization in comparing the difference between before and after changes of a particular thing, and also helpful in identifying the standard of service quality. It can be used in order to be better in every aspect. For that reason, the service quality gives advantages to an organization. Obtaining high service quality and customer satisfaction is equivalent to improve the loyalty of the customers, to increase market share, higher rate of return on investment and as well as assurance of competitive advantage. It also can be has a positive impact on the satisfaction of the employees.

Improving the quality of services is not as easy as turning the palm of the hand. Many factors need to be considered. Among the factors that need attention is identifying the main determinants of service quality, each service company needs to strive to provide the best quality to its customers. Therefore, the first step taken is to conduct research to identify the determination of services that are most important for the target market, manage customer expectations, not infrequently the company tries to overestimate its communication messages to customers with the intention

of becoming captivated. This has become a boomerang for the company, because the more promises given the greater the expectations of customers which in turn will increase the opportunity of not meeting customer expectations by the company, generally the factors that determine customer expectations include personal needs, past experience, word of mouth recommendations and advertisements.

Maintaining customer behavior must be need efforts to make it happened, and it can be done by several ways. One of which is by improving the quality of the services. Quality of service is the expected level of desire and control over the level of excellence to meet customer desires. Hasan (2016: 59), “if the customer perceives that the performance of the product he is enjoying is greater or higher than expected by the customer, then the customer will state that they are very satisfied.” Service quality is the performance standard for the company and is the most important factor in increasing customer loyalty. Customers who feel they are getting good service will feel satisfied, feel valued, and will always be loyal to the company.

According to Chung and Chen in journal Savita Sharma and Sidharth Srivastava (2018), high quality service has a significantly positive impact on the customer satisfaction and it is directly proportionate to each other. For this reason, for the company to have more value in the eyes of customers, the company must make customer satisfaction its main goal.

Nasi Tempong Indra Medan as the research object of this research is the third franchise from Bali. The second franchise was opened in Bandung, but unfortunately Nasi Tempong Indra in Bandung is permanently closed. Nasi Tempong Indra is a typical Banyuwangi, East Java cuisine, but their first store was in Bali and now it became a popular yet must visited place to eat. Nasi Tempong Indra provided various types of dishes, from chicken, fish, duck, shrimp and etc, and it can be fried or roasted. The specialty of this restaurant is the spiciness yet alluring sambal for those who eat it. The restaurant itself adopted the cozy concept that can be enjoyed by family, friends, colleague or more precisely, it is suitable for everyone. As the third branch, which is in Medan, Nasi Tempong Indra has opened for almost 3 years now, since December 2017, and the writer observed that this restaurant loaded with many customers even during this pandemic. The writer also believes that the result does not come only from the good food, but also from the service quality from this company.

Based on observation that writer did in Nasi Tempong Indra Medan, writer realized that the service in Nasi Tempong Indra Medan still did not do their best in serving food nor their appearance. In term of services, the employee of Nasi Tempong Indra Medan still lacked of gratitude towards customers. And in term of appearance, since Nasi Tempong Indra is a franchise company, the employee must be wearing the uniform that the company provided, but instead of wearing their uniform, they wore their own casual clothes. And based on writer experience, the writer did not fully

satisfy from the service that the employee given. First of all, the employee didn't open the door for the customer, followed by didn't greet the customer, then in the end of ordering foods, the employee didn't repeat the order to make sure there is nothing left behind.

In order to seek the possible negative comment that customers are having with Nasi Tempong Indra Medan branch, the author then looking several comments from Google Review and come up with results as follows :

Table 1.1 Customer Complaints

No.	Name	Month of the Review	Comments
1.	Mr. Kurniawan	Feb 2021	Slow services, waitress was slow and not friendly, the order that was ordered was wrong and had to be repeated again and again and has been waited too long.
2.	Ms. Laura	Nov 2020	Food was good, thumbs up. But unfortunately, the attitude of the waitress was impolite
3.	Mr. Doddy	Feb 2021	The services were not good. The waitress were not friendly.
4.	Mr. Bray	Dec 2020	Super slow service, waitress were not friendly
5.	Mr. Syah	Jan 2021	Service is not good
6.	Mr. Anto	Jan 2021	It took a really long time to serve the food.

Source : Prepared by Writer (Google Review, 2021)

From the table above, the writer has collected the negative circumstances customers are having at Nasi Tempong Indra Medan branch and has found out that customer satisfaction is a frequent issue yet a leading factor encourage defecting behavior to other competitors. Hence, it can be concluded that satisfaction is a major to influencing customer behavior to repurchase and turnover at Nasi Tempong Indra Medan branch despite the fact that level or the degree of satisfaction contributes to it.

According to writer, Nasi Tempong Indra Medan has good food yet cozy place provided that makes customer repeatedly come over again and again. The problem that related to customer satisfaction is the quality of the services that the employee gave to all the customers. Hence, it is necessary to know customer satisfaction through service quality based on responses by given questionnaire or survey given to customers.

Therefore, the author decided to do a research with the title “**The Influence of Service Quality towards Customer Satisfaction at Nasi Tempong Indra Medan.**”

1.2 Problem Limitation

The research that conducted by writer will be focusing on service quality and customer satisfaction. Service quality as independent variable have five dimension, which are reliability, responsiveness, assurance, empathy and tangible. And customer satisfaction as dependent variable measured by overall customer satisfaction, dimensions of customer satisfaction, conformity of expectation, interest in repurchase, willingness to recommend and customer dissatisfaction. (Hawkins and Looney on Nuridin, 2018)

1.3 Problem Formulation

Based on the background of the study as mentioned above, the problem statement of this final paper which interest writer to find out:

1. How service quality at Nasi Tempong Indra ?
2. How customer satisfaction at Nasi Tempong Indra ?
3. Does service quality have influence towards customer satisfaction at Nasi Tempong Indra, Medan branch ?

1.4 Objective of the Research

The objective of this research is to discover whether or not the quality of the service has the influence towards customer satisfaction at Nasi Tempong Indra Medan branch, whether or not customer satisfaction has the influence at Nasi Tempong Indra Medan branch and does service quality itself has the influence at Nasi Tempong Indra Medan branch.

1.5 Benefit of the Research

1.5.1 Theoretical Benefit

Theoretically, the consequences of this study are required to be helpful to fortify the hypothesis in about management and marketing, particularly the conversation about the influence of the quality of the services towards the satisfaction of the customers in food and beverage business.

1.5.2 Practical Benefit

The practical benefits expected from this research are as per the following:

a. For the writer

This research can give an outline and information about marketing and also management, particularly about the influence of the quality of service towards customer satisfaction in an organization.

b. For the company

This research is relied upon to be utilized as an idea to give more consideration about the components of knowledge of the product to expand the degree of employee performance.

c. For the future researchers

The result of this research are required to be utilized as a source of references who concerned in leading related research later on.

