

CHAPTER I

INTRODUCTION

1.1 Background of the Study

In this day and age or the era of globalization, we can see that many ways of human life have changed. One of the ways of life that have changed in this era of globalization is the habit of consuming food. Before modern times or the current era of globalization, people consumed food to survive. However, in this era of globalization, people consume food not only to meet nutritional intake and survive but also to fulfill the satisfaction of their desires.

According to Sinambela in Hermawati (2018), it is stated in the strategic definition that quality is everything capable to meet something which is needed, expected, desired by the customers. While according to Merriam-Webster (2021), food is something made using basic ingredients consisting of proteins, carbohydrates, and fats that will be consumed and needed in the body of an organism to maintain growth, repair, processes for survival and to provide energy for human being's body.

According to Peri (2006), as cited in Winarjo and Japariato (2017), food quality is the act of providing the quality of the food which is in accordance with the expectations of the customer in order to obtain a positive impact on the relationship between the company and customers. The customer assessment of the food quality begins from the moment the

customer tastes their food and then it will come out with (give) an assessment of the quality of the food. Food quality is the suitability of the food which is consumed by customers.

According to Kasmir (2017), a service is an act or step provided by someone or an organization to provide a sense of satisfaction not only towards customers but also to fellow employees, as well as leaders. While according to Donald (2011) in Nurhadi (2016) stated that service is an activity that has benefits and it is offered by either party or company to another which is fundamentally intangible, and it doesn't result in ownership of something and the process of production itself may also not be associated with a physical product. Thus, Rusydi (2017) stated his opinion that service quality is the ability of a company to provide its best of services to be compared to its competitors. Service quality also gives a huge effect on the company. Therefore, the company must put much effort and give their best to the service quality to meet customers perception and satisfied the customers. Having a great service quality will directly impact the company's image and benefit the company.

According to Fandy Tjiptono & Chandra (2016), the word "satisfaction" comes from the Latin "Satis" which means "good enough or adequate" and "Facio" which means "to do or make". Satisfaction can be defined as the attempt done by someone to either make something adequate or to fulfill something. Thus, according to Kotler & Keller in Setiawan, et al (2016), customer satisfaction is the degree of consumers' feel which can

be either enjoyment or dissatisfaction which was results from the comparing activity between the product's perceived performance (or results) with their expectations. Customers usually also care about the control over society and quality now adays and it is increasing. Customers are increasingly critical and demanding, this can be seen from consumer complaints in the form of social media or media print columns.

The Year 2020 is a quite tough year for all people in the world. The General Director of the World Health Organization (WHO), Tedros Ghebreyesus in Geneva, Switzerland declares the status of the Corona virus/COVID-19 as an official pandemic on March 11, 2020. Because the virus has emerged in almost all countries and caused the business sector to stop operating. Some of the companies went bankrupt and does close their company, while some of them are experienced a drastic decrease in their income and choose to close their company until the condition stabilized and returned to normal.

Due to the COVID-19 pandemic, the President of Indonesia implements lock-down conditions which are by staying at home for a while to avoid and maintain the spread of the virus everywhere. The economic sector around the world was also affected. The food service and hospitality industry has become one of those businesses that are worst affected by the Covid19 virus or the Pandemic situation. Therefore, at this time the restaurant owners try to manage, and do strategy and adapt to survive in

their business by implementing the protocol that has been enforced by the government in Indonesia.

People are starting to do all their activities slowly back like normal but with the addition of health protocol which is implemented by the president and government. The health protocol is to wash hands frequently, use a mask when exiting our house, and social distancing. Because of the protocol implemented and the virus, some people are minimizing their activities outside their house.

Because now we live in a technology era, everything became so easy. When people want to buy food and beverages, medicine, or even groceries, they can just easily buy using the apps provided. Just by a simple click on the apps which are downloaded on our mobile phone, their order will arrive within the estimated time.

As we know, nowadays the business in the hospitality industry was very popular. The world of hospitality is an industry that not only sells products to customers/guests but also sells services. The products for sale such as food and beverages in restaurants, interior, and exterior appearance, facilities provided, ambiance, design, hotel rooms. While the sales services are like appearance and hospitality service of the staff/employees. The business in the hospitality industry focuses on the food and beverage sector such as restaurants, cafés, bars, etc. A restaurant can be a very profitable venture if it is well run and managed because food is a basic need for humans.

As time goes by, there are a lot of different concepts offered by the restaurants is some of them are unique and awesome. Some restaurants offer the concept of typical regional food of each city and some offer typical food concepts from various countries outside Indonesia such as Japanese, Korean, Chinese, Italian food which are quite popular. The other concept that is also very popular now is fast food restaurants. Most people like to choose Fast food restaurants because they can be served fast and more conveniently for this pandemic and busy era. One of the popular fast foods restaurants in Indonesia is KFC (Kentucky Fried Chicken) restaurant.

Based on the KFC official website, it is stated that Kentucky Fried Chicken (usually known as KFC) is owned by PT. Fast Food Indonesia. PT Fast Food Indonesia Tbk was founded by the Gelael Family in 1978. Then in 1979, they start to open their first outlet in Jakarta at Jalan Melawai in October. After several times, they continued to expand and open other outlets in several cities in Indonesia which are located in Bandung, Medan, Surabaya, Semarang, Makassar, and Manado.

KFC Restaurant Simpang Mataram branch was established in the middle year of 1989. It located at Jl Gajah Mada Medan No. 14. From the interview with the HRD of KFC restaurant at Simpang Mataram branch, Medan, he said that the total amount of employees on KFC restaurant at Simpang Mataram branch, Medan is 39 employees.

Because the object of research is the food quality and service quality, to see whether the food quality and service quality have any influence on

customer satisfaction, therefore, the writer provides the KFC Restaurant Simpang Mataram branch, Medan review at google.

Some of the bad comments or reviews on Google review which related to Food Quality at KFC restaurant at Simpang Mataram branch, Medan are:

<p>F Full Moon Full Moon 5 reviews</p> <p>★★★★☆ 4 months ago</p> <p>Taste was very bad...worst kfc i ever had..First time i had leftover for kfc chicken</p>	<p>M Mawardi Natsir 3 reviews · 1 photo</p> <p>★★★★☆ a year ago</p> <p>(Translated by Google) Order service is still slow, Rice still smells good, chicken still smells of flour, potatoes are less crumbly, using fresh float, comfortable seat table „ free daily parking „ per 24 Jul 2019.</p>
<p>S sintong sianipar 19 reviews</p> <p>★★★★☆ 2 years ago</p> <p>Many menus that have run out during lunch hours. Disappointed. Please improve it in the future.</p>	<p>M Marcie Leonard Local Guide · 73 reviews</p> <p>★★★★☆ 2 years ago</p> <p>The filthiest and most disgusting KFC I ever been. Really not recommended for people who want to enjoy their foods.</p>

Figure 1.1 Customer review related to food quality for KFC Restaurant - Simpang Mataram Branch, Medan

Source: Google Review (2021)

Some of the bad comments or reviews on Google review related to Service Quality at KFC restaurant at Simpang Mataram branch, Medan are:

<p>C Chen Han Local Guide · 446 reviews</p> <p>★★★★☆ 11 months ago</p> <p>I ordered chicken through the drivetruu service but it was not served and the service clerk was very rude when I was inside to order, this is unlucky women, Sunday 16-8... more</p>	<p>m marthin manurung Local Guide · 262 reviews</p> <p>★★★★☆ a year ago</p> <p>Disability service the employee has no smile ...</p>
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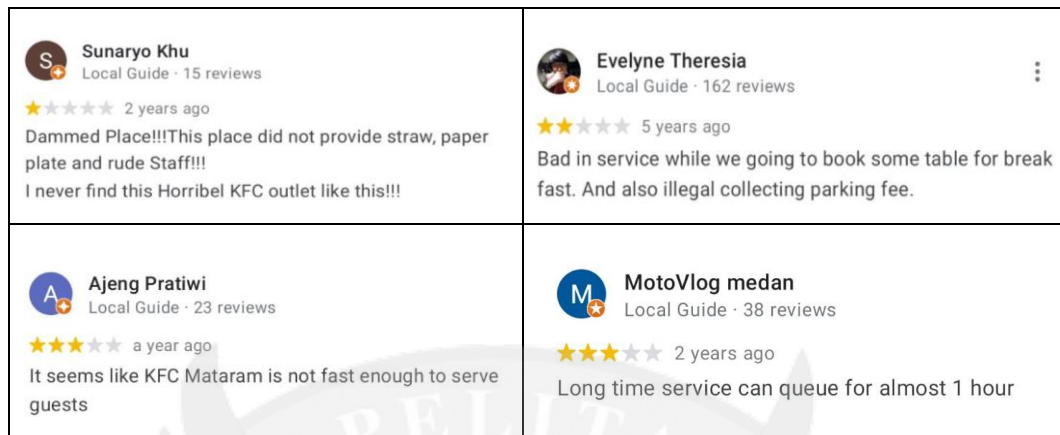


Figure 1.2 Customer review related to service quality for KFC Restaurant - Simpang Mataram Branch, Medan

Source: Google Review (2021)

As we can see from all the reviews above, some complaints related to the food quality and services quality at KFC's Simpang Mataram branch restaurant, Medan which can be concluded that there are still shortcomings in the quality of service and food. The writer also feels interested to choose KFC restaurant - Simpang Mataram branch, Medan as the research object because there are bad reviews or complaints from the customers which are not satisfied with the food quality and service quality in Google review.

Based on the background of the problem above, the writers feel interested in researching "**The Influence of Food Quality and Service Quality on Customer Satisfaction at KFC Restaurant – Simpang Mataram Branch, Medan**".

1.2 Problem Limitation

To be more focused and due to limited resources in writing this study, the writer determines the limitation for this study into food quality (X1) and service quality (X2) as the independent variable and customer

satisfaction as the dependent variable (Y). The indicator of food quality (X1) according to Rozekhi, et al. (2016) are taste, freshness, scent, presentation, nutrient contents, and menu variations. The indicator of service quality (X2) according to Kotler and Keller (2016) are such as reliability, tangibles, responsiveness, assurance, and empathy. The indicator of customer satisfaction according to Hawkins and Looney (1997) as cited in Rembet et.al (2020) are such as re-purchase, word of mouth (WOM), and creating a brand image. Moreover, the writer also will limit the research object as well as where the research will only be conducted or take place at the KFC restaurant - Simpang Mataram branch, Medan.

1.3 Problem Formulation

Based on the background of the study above, this writer has determined the problem formulation as follows:

- a. How is the food quality at KFC restaurant – Simpang Mataram branch, Medan?
- b. How is the service quality at KFC restaurant – Simpang Mataram branch, Medan?
- c. How satisfied are customers of KFC restaurant – Simpang Mataram branch, Medan?
- d. Does food quality partially influence customer satisfaction at KFC restaurant –Simpang Mataram branch, Medan?

- e. Does service quality partially influence customer satisfaction at KFC restaurant – Simpang Mataram branch, Medan?
- f. Do food quality and service quality simultaneously influence customer satisfaction at KFC restaurant – Simpang Mataram branch, Medan?

1.4 Objective of Research

The following are the objectives of this research:

- a. To assess the food quality at KFC restaurant – Simpang Mataram branch, Medan.
- b. To evaluate the service quality at KFC restaurant – Simpang Mataram branch, Medan.
- c. To identify how satisfied is a customer of KFC restaurant – Simpang Mataram branch, Medan.
- d. To analyze whether food quality partially influences customer satisfaction at KFC restaurant – Simpang Mataram branch, Medan.
- e. To determine whether service quality partially influences customer satisfaction at KFC restaurant – Simpang Mataram branch, Medan.
- f. To investigate whether food quality and service quality simultaneously influences customer satisfaction at KFC restaurant – Simpang Mataram branch, Medan.

1.5 The benefit of the Research

The benefits of this research will be divided into two, which are:

1.5.1 Theoretical Benefit

The results of the research are expected to contribute to existing theories, especially those relevant to food quality, service quality, and their influences on customer satisfaction.

1.5.2 Practical Benefit

The following are the practical benefit of this research:

- a. For the writer, to increase and expand knowledge about the importance of food quality, service quality, and customer satisfaction.
- b. For KFC restaurant – Simpang Mataram branch, Medan, to do consideration for better improvement of the food quality and service quality which the suggestion provided in this research.
- c. For other researchers, to use as the source or references who learn or conduct the similar or same topic.