

CHAPTER I

INTRODUCTION

1.1 Background of the Study

In the business world, producers are competing to increase their income in various ways. By producing good quality products and services, it is not enough, but they must be able to improve the quality of their products and also the price of their products. Nowadays, there are many manufacturers who don't really care about the quality of the products provided, but they increase the price of the product in order to get the maximum profit. Therefore, manufacturers must improve product quality and match the quality of the products produced at a set price so that they can be superior to their competitors.

Customer satisfaction has always been a must to be considered by every company or businesses owners, especially in the food and beverages field in carrying out its business activities. Because from the quality of the products they produce and the right price for their products, customer satisfaction and positive image will be formed towards the company. Currently, many food and beverages businesses are increasing their understanding of the importance of customer satisfaction and developing strategies to provide satisfaction for their customers.

The number of restaurants or cafes in the city of Medan makes the culinary business competition increasingly fierce. Every cafe or restaurant is encouraged to be better than its competitors. One of the efforts that can be made to attract

customers are to always prioritize guest satisfaction by maintaining the quality of food and prices contained in the cafe or restaurant. Because product quality and price are also very important and one of the keys to the success of a product.

As what Yuliantoro, Gracia, and Novia (2021) have proven in their research, Food quality has a significant influence on customer satisfaction, furthermore, the price fairness influence customer satisfaction as well. In the field of food and beverages, it is very important for business owners to focus on the quality of the food they serve to customers. Apart from that the food must be delicious, the food served must be fresh, according to what is stated in the menu book and must be consistence. Apart from that, price is another factor that is also important for a food and beverages business.

With what is served by a restaurant or cafe to customers, it can be judged by customers if the food is worthy of such a price or not. Because if what is received by the customer is not worth what they pay, it will be a pretty fatal thing where all these factors are related to customer satisfaction which will also influence the return of the customer or not. When customers get what they wanted or simply meet their expectation, they will automatically feel satisfied.

Other than food quality, price is playing important roles in the food and beverages field. Businesses have to offer great value of price and match with what they provide for customers. One of the factors that can encourage consumer satisfaction apart from the food quality is the product price.

In the food and beverages business, pricing policy is one of the important processes that plays an important role. Low or high price of an item or service is very relative in nature. Companies and businesses must always monitor the prices they set from various aspects, one of which is the price set by competitors so that the price they set is not too high or too low.

Price is a sensitive factor for some people. By some people, the price set is not a big problem for them but in the same time, there are also some people feels like the price they set is too high. With the price given by the businesses, the service or product offered must be balanced and commensurate with the price. Therefore, companies are required to offer great quality products that have more value by providing prices that are in accordance with the quality of the products offered.

Zisel Gelateria is a well-known café in the area. Since Zisel Gelateria open their café in one of the most 'high-class' area which is Cemara Asri complex which is known a quite expensive area, they set their food price in a quite high range for some people. They also serve food which customers can get it from other competitors café. Which can be said that Zisel Gelateria does not provide a variative food menu that distinguishes Zisel Gelateria from its competitors. Below are some reviews of Zisel Gelateria regarding their food quality and prices.

Table 1.1 Customers Review

Time Review	Customer Name	Star Given	Comments
3 months ago	Jimmy Tandika	4 out of 5 stars	Bit overpriced, place is cozy and food is decent
4 months ago	Zaky Stories	3 out of 5 stars	Good enough for hanging out, strategic location, but the price is quite expensive for crowds
6 months ago	Edy Utomo	4 out of 5 stars	The atmosphere is good, it's just for food, it's quite thirsty
2 years ago	Caixian	4 out of 5 stars	The place is clean and comfortable, but the food doesn't taste good and fresh, besides that the price is quite expensive.

Source : Prepared by Author (2021) from Google Review & idfirms.com

Stars given are actually fine, respondent give above average stars but the comments that comes along the stars given is different. Some people may think that the price is too high or overpriced for a decent food. There are also people that comment about the food quality Zisel Gelateria's gave.

Zisel Gelateria's provide an ordinary food choice. They don't serve something iconic to Zisel Gelateria. People can find the food they provide on average in other cafes at a cheaper price or more appropriate with the quality

of the food. In addition, they also serve food with an ordinary appearance, and arguably less attractive.

These will make people think and will look for another cafe that provides better food at the same price at Zisel Gelateria or even they will look for other cafes alternatives that offer cheaper price with the same quality. These problems will influence customer satisfaction and results in losing customers and letting customers switching to another café.

Based on what have been stated, researcher decided to find out if food quality and price of Zisel Gelateria will influence customer satisfaction and the researcher will write the research in the form of final paper entitled “**THE INFLUENCE OF FOOD QUALITY AND PRICE TOWARDS CUSTOMER SATISFACTION AT ZISEL GELATERIA**”. This research is hoped to be able to bring positive benefits in enhancing Zisel Gelateria’s food quality so that Zisel Gelateria’s customer will satisfied with their purchase.

1.2 Problem Limitation

In order to be more focused on this research and the limited sources, the writer determines limitation on this research to food quality and price as the independent variables and customer satisfaction as the dependent variable. Moreover, the writer will as well limit the research with only few aspects each variable. For food quality variable, it will be limited only based on its features, durability or freshness, and design. For the price, it will also be limited only based on the price affordability, price conformity with product quality, and

price competitiveness. Lastly, for the customer satisfaction variable also will be limited based on product quality and price.

1.3 Problem Formulation

The problem in this research can be formulated and described as follows :

1. How is the food quality implemented at Zisel Gelateria?
2. How is the price implemented at Zisel Gelateria?
3. How is the customer satisfaction at Zisel Gelateria?
4. Does food quality influence customer satisfaction?
5. Does price influence customer satisfaction?
6. Does food quality and price has influence towards customer satisfaction?

1.4 Objective of Research

The objectives that are going to be achieved in this research are to get an overview of:

1. To know if the food quality that Zisel Gelateria provides are as expected.
2. To know if the prices are match and worth the quality of food given.
3. To know whether the customer feel satisfied not.
4. To identify does the food quality influence customer satisfaction at Zisel Gelateria or not.
5. To identify does the price influence customer satisfaction at Zisel Gelateria or not.

6. To identify if both food quality and price will influence customer satisfaction at Zisel Gelateria.

1.5 Benefit of Research

With the holding of this research, researcher expect several benefits from this research that can be divided into two parts, namely :

1.5.1 Theoretical Benefit

Theoretically by doing this research, researcher expect this research can give better knowledge and understanding about how food quality and price will influence customer's satisfaction and also be a reference and extra knowledge and information for future researchers or reader who will conduct a similar topic.

1.5.2 Practical Benefit

The practical benefits this research will give to readers are :

1. For researcher, to give better understanding about how food quality and price will influence the customer satisfaction.
2. For Zisel Gelateria, this research can be able to be an input or evaluation to improve their food quality and price to satisfy customers.
3. For future researchers, this research is expected to bring additional information and knowledge related to the influence of food quality and price towards customer satisfaction.