

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Of all countries, Indonesia is one of the countries that can be said to be suitable opportunities for businesspeople in opening a business due to a large population in the country, which one of the businesses is the culinary business. Until now, the culinary business has been in great demand by businesspeople because it can provide large profits and is in demand by many people in this era of globalization. At first, the habit of the Indonesian people was to consume food and beverages for survival needs, which is one of the basic human needs that must be met every day (Wijaya, 2019). However, Wijaya (2019) also states that the habit of Indonesian people has different where the lifestyle of many people increased is by ordering food and beverage at restaurants with the aim of healing, refreshing, or any important events such as meeting with close friends, family, or also with business partners.

Since many culinary businesses have been opened and spread everywhere to meet the needs of their consumers, the thing that happens in the world of business is that there are a lot of intense competitions between other culinary business competitors, which many competitors compete to win the hearts of customers. Therefore, every businessperson must be wise in determining good marketing strategies for their consumers by making unique and different innovations that can provide the desires and satisfaction of the consumers

themselves. Culinary businesses can increase customer satisfaction by increasing the pleasant customer experience or eliminating the unpleasant customer experience (Stone, 2021). By knowing whether customer satisfaction is good or not, it can be measured from the quality of service provided by the culinary business itself and the customer experience felt when dining at the restaurant.

In Indonesia, one of the culinary businesses that are quite well known for the quality of service and experience given to customers is UNCLE K Restaurant. UNCLE K Restaurant is a culinary industry business that is under the auspices of PT. The Aroma Group, which the restaurant provides an authentic taste of Malaysian and Singaporean food that can be enjoyed by Indonesian residents. UNCLE K restaurant has several branches in Indonesia, namely Jakarta, Bandung, Bandar Aceh, Palembang, Jambi and Medan (Uncle K | The Aroma Group, 2022).

Customer satisfaction of UNCLE K Restaurant comes based on the quality of service provided and the customer's experiences when dining in the restaurant. Tjahjaningsih et al. (2021) stated that several factors could influence customer satisfaction, which is service quality and customer experience. When enjoying dining in the restaurant, service quality is an essential factor to consider because this factor affects customer satisfaction (Anjarsari et al., 2018). Syahputra & Murwatiningsih (2019) also states that presenting a customer experience is a must in order to be able to make customers satisfied with a feeling of comfort and pleasure. Therefore, if the UNCLE K Restaurant cannot satisfy and maintain customer satisfaction itself, then the UNCLE K restaurant's revenue will decrease,

and the image of the restaurant will be damaged. In the end, customers will not come back to the restaurant, which gives the customer an unpleasant experience.

The following are the ratings of UNCLE K Restaurant Branch in Medan, where customers have used to dine in the restaurant.

Table 1. 1 UNCLE K Restaurant Branches in Medan

Branches	Rating
UNCLE K – Plaza Medan Fair	4.3 of 5.0
UNCLE K – Sun Plaza	4.0 of 5.0
UNCLE K – Centre Point	3.9 of 5.0

Source: Google Rating (2021)

Yunus & Aribowo (2020) states that customer satisfaction is a comparison between expectations and perceived performance that showing a person's feelings of happy or disappointed in a product or service. From table 1.1 above, the rating of UNCLE K Restaurant in Medan is between 3.9 - 4.3 out of 5.0 which is a low rating, indicating that the UNCLE K Restaurant is still lacking in certain areas of providing more satisfaction to their customers, where there are lots of complaints about the service provided and also the unpleasant experiences experienced by the customers when dining in the restaurant, meaning that the customers who dine in the restaurant are less satisfied. According to Google Review (2021), this can happen because the service is slow, the attitude of the employees is ignorant and impolite to customers, unprofessional services, the orders ordered by customers and those served at the customer's table are different or wrong, the facilities are not clean, not enough space and unsafe, the customer feels discomfort when dining in the restaurant, the unpleasant customer'

experience due to unreasonable reasons, and the food served to customers is not cooked / fresh and unhygienic. Therefore, UNCLE K restaurant gets a lower rating.

The integral factor of customer satisfaction is service quality. Service quality can be said to be one of the important roles in shaping customer satisfaction (Mukhlis, 2019). Wibisono & Widjaja (2017) states that service quality is an intangible aspect which results from a comparison between customer expectations about service and the assessment that has been carried out to meet customer needs. Binaraesa et al. (2021) also states that service quality is the overall attitude of the customer to the delivery of services, which are formed from a number of successful and failed service experiences felt by customers.

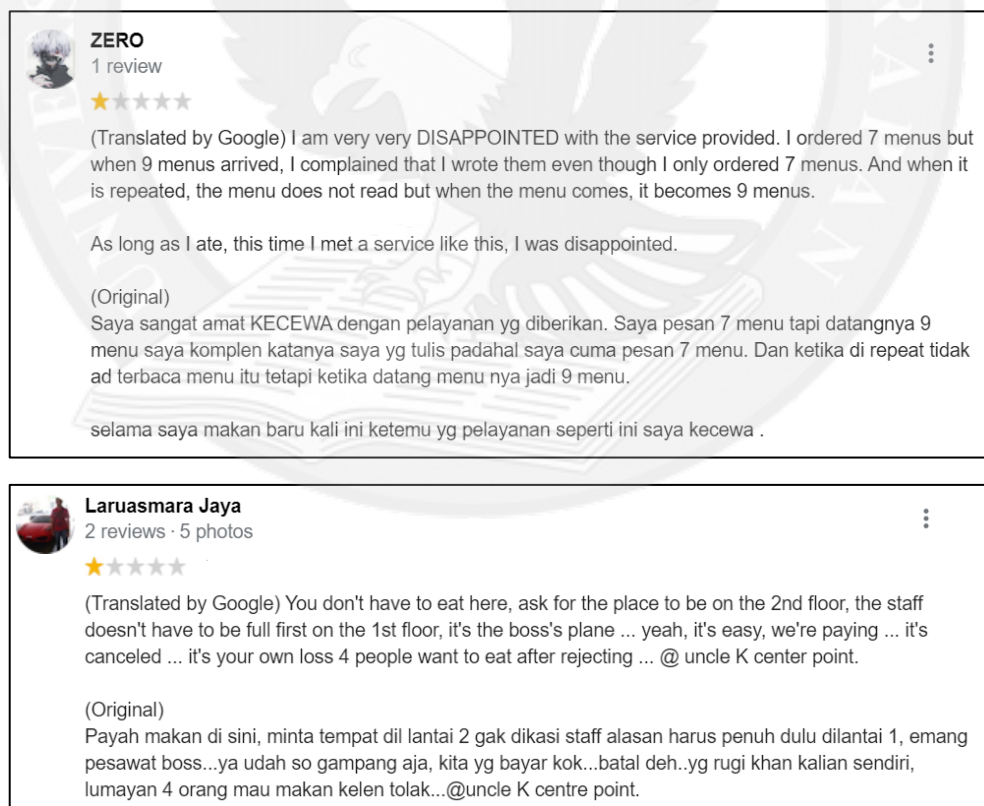


Figure 1. 1 Review of UNCLE K Customers
Source: Google Review (2021)

Based on UNCLE K Restaurant customer review on Google Review (2021) in Medan, I, as a researcher, found that there are several problems that UNCLE K Restaurant's employees does not provide capabilities in accordance with service quality to the customers, which is the service is slow, such as the customer said when he first time came to the restaurant, the customer asked for the menu, but the waiter did not bring the menu to the customer who waited for quite a long time, then the customer took the menu by himself. After writing down the order menu and giving it to the waiter, it was later said that the waiter who received the menu had gone home, so the cashier approached the customer's table and received the order. Customers also waited a long time for their orders, where the food and drinks arrived for about half an hour. There is one order that has not arrived, and even the customer must remind again to the waiter that the food has not arrived. But when the customer wants to pay the bill, the waiter quickly gives the bill that must be paid; there is no need to wait longer like when ordering food. There was also the customer who said that they are disappointed with their service, which is the employees' attitude is ignorant and impolite, such as the customers already order and when the customer asks about their order, the waiter does not respond nicely and say that the order has not been written yet. Then, the customer tried to ask some waiters to see the paper (order menu), the waiter has ignored the customer for a long time, and finally, the waiter said that the customer had not ordered at all. In the end, the customer wanted to order again, but the waiter left impolitely instead.

Most of the customers expressed his disappointment with the service provided, which is wrong food order given to the customer such as the customer only ordered 7 menus but when they arrived, there were 9 menus at the table. Then, the customer complained to the waiter that the menu ordered was only 7 menus, but the waiter said that the customer wrote 9 menus, and when the order menu was read out again, none of the menus ordered were written by the customer himself. In addition, there is another customer's complaint where the customer ordered 1 food menu, the *Fish and Chips* menu, which turns out to be not cooked at all. Then, the customer changed his order to *Penang Cha Kwe Tiaw*, but the food was served to the customer was *Kwe Tiaw Cha Telur*, and the customer asked to be replaced again. But, the waiter insisted that the order was correct, even though the customer said he didn't order *Kwe Tiaw Cha Telur* (Google Review, 2021). The customer also said that they are disappointed with unprofessional services, which is the waiter gave a table which had been reserved by someone else, even though there were still many empty tables and just wanted to order but were told to move to another table.

In addition to service quality, another factor that can influence customer satisfaction is customer experience. According to Dewi & Nugroho (2020), customer experience is the interaction with the company directly or indirectly results in the experience experienced by customers previously. Tjahjaningsih et al. (2021) also states that the customer experience is a perceived assessment of the excellence of a product/service which will be successful in a competitive market if the company gives the right to customer experience.

Based on Google Review (2021) in Medan, I, as a researcher, found that there are several problems in UNCLE K Restaurant that influence customer experience to become less enjoyable, such as the facilities are not clean, not enough space and unsafe, which most of the customer complaints are that the dining table provided is not clean when the customer wants to eat. After being cleaned by the staff, the dining table still has a little oil, or there is a slight smell of food used by previous customers, so customers can't help but have to wipe it with a tissue. In addition, the floor still has water spilled, and sometimes there is a bit of stickiness when entering the restaurant, which can make customers fall and feel unsafe. Customers also said that the restaurant on the 1st to 2nd floor has narrow stairs, where you have to collide with other people when going up and downstairs, and sometimes the waiter has to deliver food and drinks to the customer on the 2nd floor, and bringing down dirty plate and glass that are finished eaten by customers slowly, making customers feel unsafe. In addition, some customers have difficulty placing their food and drink orders on the table because the table is not large enough, so it is limited for customers who want to put more food and drink (Google Review, 2021).

Some of the customers complained about discomfort when dining in the restaurant, which is they were sitting at the dining table near the bar which for making drinks and the kitchen for cooking, while they were enjoying the food, there was some staff talking very loud. Therefore, the customers became uncomfortable and disturbed due to the loud noise. Not to mention, the customers said that some of the staff liked to stare at them, even though it was not yet the

closing time of the restaurant and even when the customers finished eating, the waiter immediately took the plate quickly as if to push the customer to get out (Google Review, 2021). In addition, some customers have had an unpleasant experience due to unreasonable reasons, such as there is a customer bringing their mom in a wheelchair experiencing and says that the staff rejected the customer because the customer cannot go in using a wheelchair even the restaurant is quite empty. Meanwhile, there are 4 (four) customers in groups who want to dine in the restaurant experiencing and say that they are being rejected which they could not eat on the 2nd floor since the 1st floor is not full yet.

Most of the customers also say their experience when eating food, which is the food is not cooked / fresh and unhygienic, such as the shrimp is not cooked and only covered with sauce, and the scallops are not fresh. In addition, there is a complaint that the customer found that there were cockroaches in the coffee drink floating in the corner of the glass. In Google Review (2021), the customer also indicated that the worst experience in dining is the food comes out cold and dry as if no effort was given in preparing food.

Based on the phenomenon above, the researcher is very interested in conducting an in-depth study entitled "**The Influence of Service Quality and Customer Experience Towards Customer Satisfaction of UNCLE K Restaurant in Medan**" to determine whether there is an influence between the two independent variables and the dependent variable.

1.2 Problem Limitation

In this study, the title of the research is “The Influence of Service Quality and Customer Experience Towards Customer Satisfaction of UNCLE K Restaurant in Medan”, which means that the variables that the researchers will examine are service quality as the first independent variable and customer experience as the second independent variable with customer satisfaction as the dependent variable.

The data collection process will be carried out by giving questionnaires and asking to be filled into random customers who ever dine-in at UNCLE K Restaurant, without gender or age restrictions. Since Indonesia's coverage is too broad and the branch of UNCLE K Restaurant in Indonesia is too many, the survey's locations will be limited only to Medan.

1.3 Problem Formulation

Here are the following are problem formulation questions that must be answered based on the background of the study, namely as follows:

1. Does service quality influence customer satisfaction of UNCLE K Restaurant in Medan?
2. Does customer experience influence customer satisfaction of UNCLE K Restaurant in Medan?
3. Do service quality and customer experience simultaneously influence customer satisfaction of UNCLE K Restaurant in Medan?

1.4 Objective of the Research

Here are the following are the objectives/purposes of this research as follows:

1. To determine whether service quality influences customer satisfaction of UNCLE K Restaurant in Medan.
2. To determine whether customer experience influences customer satisfaction of UNCLE K Restaurant in Medan.
3. To analyze whether service quality and customer experience influence customer satisfaction of UNCLE K Restaurant in Medan.

1.5 Benefit of the Research

The benefits of this research are expected to give educational information that can be used for future purposes. In this study, there are 2 (two) benefits of conducting this research, namely theoretical benefits and practical benefits, which be explained as follow:

1.5.1 Theoretical Benefit

The theoretical benefit in this research is expected to help develop and strengthen a theory about marketing management and determine how each variable (service quality and customer experience) influences customer satisfaction.

1.5.2 Practical Benefit

The practical benefit in this research is divided into 3 (three), namely benefit for the Company, benefit for the Writer, and benefit for the Other Researchers.

1.5.2.1 Benefit for the Company

The benefit for the company is to provide various information about how service quality provided and the customer experience perceived by the customer and how each of these variables influences customer satisfaction, with the hope that this information can help in improving the company's ability to serve customers better by providing the best service and experience given in order to increase the level of customer satisfaction.

1.5.2.2 Benefit for the Writer

The benefit for the writer is to learn and find out any critical information about marketing management, theories about variable of service quality and customer experience as independent variable and also customer satisfaction as dependent variable, especially how service quality and customer experience influence customer satisfaction.

1.5.2.3 Benefit for the Other Researchers

The benefit for the other researchers is to obtain the additional relevant information and data about theories about each variable and indicators of each variable, especially how service quality and customer experience influence customer satisfaction in this research which can be used as sources for future research.