

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The pandemic conditions that had occurred made all business lines have difficulty surviving and continuing business activities. With a business that has managed to survive, that has earned the trust of consumers. The condition of the social restrictions that occurred made various business sectors including restaurants experience difficulties due to decreased consumer interest and reduced income.

In the restaurant business, the implementation of good hospitality is always the main assessment for customers. According to Brunt et al (2017), hospitality is about people, and events management is about people. Between the three industries, there is a focus on people's movement to a venue or a destination, the activities which they undertake whilst away from home, the level of satisfaction they gain with various services and facilities they encounter, their general motivation for travel, and, in general, consumer behaviour.

Customer satisfaction is one of the things that must be achieved in running a business in the hospitality sector. According to Yadav and Rai (2019), customer satisfaction is defined as a customer's cognitive decision made in response to an interaction between the customer's personality and the marketing strategies of a business in terms of the customer's desire for the product and interpretation of the advantages achieved.

To support customer satisfaction, good service quality is needed from employees. According to Khaerin & Setiawardani (2019), service quality and customer satisfaction have a close relationship, because customer perceptions of satisfaction are strongly influenced by a service quality concept. To be able to achieve the quality of service expected by customers, a company or restaurant is required to be able to satisfy its customers. So that the quality of service is a very important thing to achieve customer satisfaction both in the company or in a restaurant.

Ta Shanghai is a restaurant that serves Chinese food, located at Jalan Multatuli Raya, No. 123 Block SF, Comp. Multatuli Indah, Ta Shanghai serves various menus such as Chasio, Peking Duck, Steam Fish and other menus. In an effort to maintain customer satisfaction, restaurants still experience various complaints that are still found when providing services to customers.

This study was conducted in Ta Shanghai. In the observations made by the writer, ta Shanghai restaurants still often experience complaints from customers. Complaints that occur because customers are dissatisfied with the services provided. Service that has not met the expectations of customers will make customers dissatisfied and will reconsider visiting later. Here are some of the complaints found in customer reviews.

Table 1.1
Complaints from google reviews

Rating	Name	Time	Review Results
★	Yola Monica	7 months ago	<i>Pelayanan karyawan tidak bagus, ditanya jawaban nyolot.uda nunggu makanannya lama</i>
★	Sasmi Desi	7 months ago	<i>Resto lama, karyawan tidak sopan.</i>

★	Mirko Lalini	8 months ago	Service very bad food standard and expensive price. I have order Australia scallops but are local very small and no tasty, andaliman sauce for pork shank very cold come from the refrigerator directing in the table, manager or owners in reception/cassier her don't care for customers, I need to spoke laud for calling the waitress.
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Source: Google reviews (2021)

From a review based on google reviews, it appears that there are still consumers who write reviews that are not good. And the main thing that is reviewed by consumers is about the unresponsive service provided by employees, expensive food prices, long menu orders and the taste of food that does not match the expectations of customers.

To see consumer complaints in their entirety, the author also conducted interviews with the management of the Ta Shanghai restaurant. Here are excerpts from interviews conducted with restaurant managers. To see the number of customer complaints in Ta Shanghai, the author also records the number of complaints that occur in the following table.

Table 1.2
Complaint Data from Ta Shanghai in 2021

Months	Number of Complaints	Reasons of Complaints
January	8	<ol style="list-style-type: none"> 1. Less responsive employee service 2. The food menu ordered took a long time to come out 3. Employees who are not polite in welcoming customers 4. The price that is considered expensive by consumers 5. There is a menu that is not available when ordered 6. The portion of food that is considered not suitable by the customer
February	6	
March	5	
April	5	
May	6	
June	4	
July	5	
August	6	
September	5	
October	6	

Source: Ta Shanghai, Medan (2021)

From the table, the complaints from customers still exist. The highest number of complaints occurred in January with 8 complaints. This shows that the services quality at Ta Shanghai are still not up to the expectations of customers.

Complaints that occur are generally due to service problems provided by employees.

Based on the described, the writer decided to do research with the title **“THE INFLUENCE OF SERVICE QUALITY TOWARD CUSTOMER SATISFACTION AT TA SHANGHAI, MEDAN”**.

1.2 Problem Limitation

The writer will focus on two variables which are service quality and customer satisfaction on the problem limitation. In this study, the writer will focus on the problem of service quality who are less responsive in serving menu to customers. This research will focus on the customers of Ta Shanghai, Medan who have experienced and have their opinions about Ta Shanghai, Medan.

The indicator of service quality from Vaid and Kesharawani (2019) which: tangibility, reliability, responsiveness, assurance, empathy. The indicator of customer satisfaction from Wilkie (2009) in Darmono (2017), which: expectation, performance, comparison, confirmation or non-confirmation.

1.3 Problem Formulation

Based on the background of study above, the problem formulations in this research are as follow:

1. How is service quality at Ta Shanghai, Medan?
2. How is customer satisfaction at Ta Shanghai, Medan?
3. Does service quality has influence towards customer satisfaction at Ta Shanghai, Medan?

1.4 Objective of the Research

The objective for this research is to find out about:

1. To describe the service quality at Ta Shanghai, Medan.
2. To describe the customer satisfaction at Ta Shanghai, Medan.
3. To describe the influence of service quality toward customer satisfaction at Ta Shanghai, Medan.

1.5 Benefit of the Research

Benefits of this research can be listed as follow:

1.5.1 Theoretical Benefit

The results of this research are expected to contribute to the existing theories relevant with service quality have influence on customer satisfaction.

1.5.2 Practical Benefit

The practical benefit of this research as follow:

- a. For writer, the result of this research is expected to contribute to the exciting theories relevant with service quality have influence on customer satisfaction.
- b. For Ta Shanghai, Medan, this research as information about whether the survey that has been made will be useful to improve the restaurant service performance.
- c. For other researcher, to be a guide in leading the researcher to do other research that is compatible with this research.