CHAPTER I

INTRODUCTION

1.1 Background of the Study

Medan is one of the cities that are in demand by tourists. This city is the third largest city in Indonesia (Alib, 2020). Indonesia is known that have thousands of islands, has various tribes, tradition, cultures. Now, in the hospitality industry, there are many types of businesses, one of which is the restaurant business. The restaurant is a business that is growing rapidly at this time. The restaurant is now not only a place to eat, but also a part of the lifestyle for culinary lovers. Restaurants are also in selling food not only rely on taste, but also the design itself is so comfortable and attractive in terms of place and cuisine.

Hotel is an industry or service business that is managed commercially (Hary, 2021). Inside the hotel, the restaurant is one of the sources of income within the hotel. Hotels are one of the important factors in the running of the hospitality industry. The quality of service that provided is also not limited to serving, such as when they need something, but we can understand the requests they ask for and treat them more and more. Especially in the restaurant, the waiter and waitress at the hotel must have been trained and given special lessons on how to properly welcome, serve and respond to guests who come. Apart from having good service quality the quality of the food also determines whether the restaurant is worth visiting or not. Companies must think of a strategy in order to make customers satisfied with the restaurant.

Service quality is a key to success in the business world, especially the restaurant business because in this service industry which is directly communicates and interacts directly between workers and consumers who come. By being able to satisfy consumers, organizations can increase the level of profit. Service quality has always been important for the hospitality industry as one of the most effective means of build a competitive position and improving organizational performance. It is a focused evaluation that reflects the customer's perception of specific dimensions of services, reliability, responsiveness, assurances, empathy, and tangibility, which is unlike satisfaction which is more inclusive as it is influenced by the perception of service and product quality and process, as well as situational and personal factors. Therefore, service quality is also such as an important factor that affects the satisfaction of the customers and their re-visit intentions (Uslu & Eren, 2019).

In terms of food quality, food quality was a very significant in determining customer satisfaction and loyalty so that the quality of the food must be maintained. Generally, food quality refers to several aspects including food presentation, taste, menu diversity, cleanliness, health, and freshness of the food. A high level of food quality is the main marketing strategy that can satisfy and maintain customers, and provide them with a pleasant buying experience. Food quality can have considerable effect on customer satisfaction and behavioral intentions. Several studies have shown that food quality can positively affect customer satisfaction. According to Salsabilah & Sunarti (2018), food quality is a characteristic the quality of a food or served, which can be evaluated by check the points that must

be controlled such as the level of ingredients used, the taste and appearance of the product. In maintaining the quality of food, the storage of food ingredients must also be carried out correctly and according to the type of material. Each food ingredient must be categorized according to the type of food material so that it is not contaminated with others.

According to Saqib (2019), every type of business competing to get customers, therefore customer satisfaction is a key to business strategy. A restaurant is a business that always prioritizes customer satisfaction in terms of service and also the food served. This means that customer expectations for the service quality provided exceed the expected expectations so that they feel satisfied and do not feel in vain to come to the restaurant. Providing the best service quality greatly affects customer satisfaction so that they can provide positive feedback and comments. According to Stefen & Efendi (2019), customer satisfaction is a basic foundation of a successful business. Customer satisfaction depend on good performance and good product that they provide so can creating positive feelings and balanced perceptions that can exceeds the customer's expectation. Quality improvement is a business strategy that is emphasized on fulfilling consumer desires. On the other hand, company performance and customer satisfaction are the things that are difficult to separate. Performance has a direct effect on customer satisfaction. Therefore, a business is expected to improve its performance, starting with knowing the level of satisfaction obtained by consumers. To minimize the risk caused by the lack of supporting services that are not maximal, the company can add supporting and give solution of the service needed by consumers and then conduct an

evaluation of employee performance in order to provide maximum service quality, this is done so that the company gets better profits and consumers do not feel disappointment because of the customer satisfaction is a prioritized to increase the guest or customers to come to the restaurant. With satisfied customers coming to the restaurant, they will recommend the restaurant to their friends or family. Restaurants are a vital part our everyday lifestyles, because we are a society on the go, we patronize them several times a week to socialize, as well as eat and drink in the restaurant that can be enjoy with family, friends, colleagues, and business associates, to restore our energy level before heading odd to the next class or engagement.

Cambridge Hotel Medan is one of the five stars hotel in Medan. At the first, Cambridge hotel has been known well as the name of Grand Swiss Belhotel that was established in 2008 under Swiss-Belhotel International management. Since 2018, this hotel already become a local company because of the contract period already been ended, the owner decided to start their own hotel brand with International standard. The hotel located at JL. S. Parman No 217 Medan Petisah, is a 5-star hotel that provides tight security, good service quality and facilities, and affordable prices. This hotel has a local design interior that show us the Indonesian culture. The hotel has a strategic location that besides the hotel have Cambridge City Square. Because the hotel besides the mall, the guests can easily to find and buy any kind of needs at there. This hotel also gives and provide a welcoming drink with a juice glass and serve to the guest. This hotel has three restaurants, provides meeting facilities and exhibition space which are spacious and have a lot of capacity

so that many events such as seminars or expos are held at the hotel. This hotel has various type of rooms such as Deluxe (88room), Superior Deluxe (116 room), Junior Suite (14 room), Suite (6 room) and Presidential Suite. This hotel also has 4 outlets of food and beverage which is rendezvous, the cafe, the view and the edge. In this hotel, the edge is the favorite fine dining restaurant for many couple where they can enjoy the luxury in terms of get the best service, have the best quality of food and beverage and the view that very beautiful and romantic at night.

Inside the hotel has The Edge Restaurant which is under the Cambridge Hotel Medan and as the research object in this research. This restaurant is a part of my internship and I am interest to carry out further research on this object. The Edge restaurant which is located at JL. S. Parman No.217 Medan Petisah, has been established since 2008 and is on the 27th floor. The Edge Restaurant is a fusion restaurant that serves a combination of Western and Asian dishes. This restaurant is a type of semi fine dining restaurant. Semi fine dining restaurant is a restaurant that not requires customer to wear the prescribed attire or dress code. In semi fine dining restaurant, the waitress and waiter must obey the standard of operational of semi fine dining service. Table D'hotel is a Standard Operational Procedures (SOP) of a fine dining service that the services serving food consisting of more than 2 menus. The steps of Table D'hotel at The Edge Restaurant are:

- 1. Welcoming the guest
- 2. Greeting the guest
- 3. Escort the guest to the table
- 4. Sitting the guest

- 5. Unfolding the guest napkin
- 6. Give the menu list
- 7. Pouring water
- 8. Taking order
- 9. Repeat order
- 10. Suggestive selling
- 11. Take the menu list
- 12. Serving food
- 13. Clear up
- 14. Crumbing down
- 15. Serving the dessert
- 16. Presenting the bill
- 17. Say magic world (Thank you, welcome again)

This restaurant is opened from 4PM until 11PM that the customers can enjoy the beautiful atmosphere of the Medan city at night. According to Kaya (2018), the overall dining experience in a restaurant is used to conceptualize customer satisfaction by way of assessing both food quality and service quality.

The Edge restaurant carries the concept of a garden rooftop restaurant and be the only one restaurant in Medan at an altitude of 96m above ground level which shows the most romantic view of the city of Medan so can be enjoyed with the closest people. The Edge restaurant has an indoor capacity that can accommodate up to 60 people and outdoor up to 30 people. Customer can choose to eat their food indoor or outdoor. Each provides a different atmosphere which is the indoor area

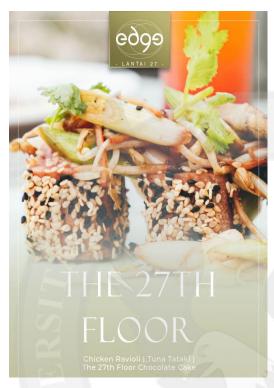
feels more indulgent with the presence of an open kitchen and open bar while outdoor can see and feel more romantic.

This restaurant is a place for person that already have partner can enjoy with partner to enjoy the romantic dinner, for person who not have a partner can enjoy with their best friend to have a deep talk in life and enjoy the view and the food, and for the person that already have family can enjoy with family to have a quality time to enjoy the food and view in this restaurant. This restaurant also is the best place to celebrate a special moment like anniversary event, proposal event, birthday event that with rooftop concept. The Edge Restaurant was offer six kinds of set menu for the customer that come to this restaurant such as:

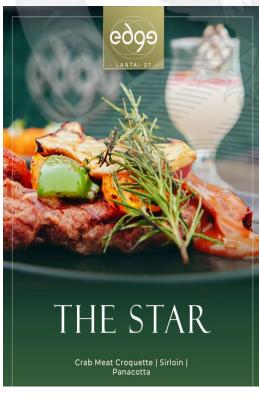
- 1. The 27TH Floor which is this menu consist of:
 - Chicken Raviolli
 - Tuna Tataki
 - The 27th Floor Chocolate Cake
- 2. The Sky which is this menu consist of:
 - Avocado Prawn Salad
 - Spicy Beef Tartar
 - Salmon Fillet on Citrus Flavour Sauce
 - Grilled Beef Tenderloin
 - Red Velvet Cake
- 3. The Star which is this menu consist of:
 - Crab Meat Croquette
 - Sirloin

- Panacotta
- 4. The Edge Lover which is this menu consist of:
 - Fish Ceviche
 - Wild Cream Mushroom
 - Salmon Fillet with Red Pepper and Butter Sauce
- 5. South Asian which is this menu consist of:
 - Amuse bouche
 - Dumpling
 - Tom yum goong
 - Pan fried salmon
 - Beef rendang
 - Sticky rice
 - Mineral water
 - Orange juice
- 6. Mediterranean which is this menu consist of:
 - Aperitivo
 - Croquette
 - Bisque
 - Red snapper
 - Tenderloin
 - Cheese cake
 - Mineral water
 - Mint and lychee

All of the menus was created by Chef Efendi who has decades of experience as an executive chef in Madrid, Spain.







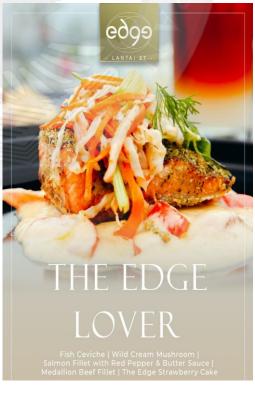






Figure 1. 1 Set Menu of The Edge Restaurant

Source: The Edge Restaurant Cambridge Hotel Medan (2022)

Below are some several competitors of The Edge Restaurant Cambridge

Hotel, Medan:

Table 1. 1 Competitors of The Edge Restaurant

Restaurant	Type of Restaurant	Address		
Prime Steak House	Fine dining with Chicago	Jl. Putri Hijau No.10,		
	style	Kesawan, Kec. Medan Bar.,		
		Medan City, North Sumatra		
		20111		
		(JW Marriott Hotel Medan)		
Oui Dining	French Fine Dining	Jl. Sei Belutu No.66, Padang		
		Bulan Selayang I, Kec. Medan		
		Selayang, Kota Medan,		
		Sumatera Utara 20131		
Jade Chinese Restaurant	Luxurious Authentic Chinese	Jl. Putri Hijau No.10,		
	Restaurant			
		Medan City, North Sumatra		
		20111		
		(JW Marriott Hotel Medan)		

Source: Compiled by the Writer (2022)



The Edge Restaurant



Jl. S. Parman No.217, Petisah Tengah, Kota Medan, Sumatera Utara





Untuk suasana dan view sangat bagus, tapi menurut saya menu makanannya perlu ditambah dan rasanya ditingkatkan lagi supaya semakin enak



Review untuk The Edge Restaurant at Cambridge Hotel Medan Makanan 4.6 Suasana 4.6 Lavanan 4.4 5 Review Urutkan berdasarkan Terbaru Syaiful B. L 2.0 Tahun lalu Makanannya biasa aja cenderung aneh, harga juga tidak masuk akal, pelayannya songong banget, anggap remeh sama costumer. Tp view nya bagus, suasana nya menyenangkan. Mungkin manajemen nya bs diperbaiki. Figure 1. 2 Online Customers Review of The Edge Restaurant

Based on the Figure 1.2 above, shows it is stated that there are several problems from the online customer review at The Edge Restaurant that occur related to service quality and food quality that must be considered by hotel management. Problems that occur in the service quality are the employees are less friendly, pay less attention to customers, do not respect customers. While the problems that occur in the food quality is in the form of taste instability so that the food served does not have a consistent taste and the quality of the food was bad. Therefore, problems that occur can reduce customer satisfaction which can result in a small chance of returning customers to the restaurant.

Table 1. 2 Customer review at The Edge Restaurant

Source: Google Review & Traveloka (2022)

No	Name	Years	Star	Review	Remarks
1	Valencia	2022	3/5	Kualitas makanan kurang enak	Food is not
					good

2	Filbert	2022	4/5	Pelayanan dan makanan cukup baik	Average restaurant
3	Felicia Angelina	2022	4/5	Menu makanan dibuat lebih bervariasi	Lack of menu variations
4	Muhammad Hamimul Chaniago	2022	2/5	Pelayanan servicenya tolong ditingkatkan lagi	Service not good
5	Elizabeth	2022	4/5	Pelayanan dan makanan cukup memuaskan	Nice restaurant
6	Felix	2022	4/5	Semoga bisa menjaga konsistensi dan berkembang lebih baik lagi	Average restaurant
7	Kornelius Siringoringo	2022	4/5	Restoran the edge sudah sangat baik pelayanannya dan makanannya juga enak	Nice restaurant
8	Fina	2022	3/5	Lebih diperhatikan kualitas layanannya	Service quality not so good
9	Sisca Anggraini	2022	3/5	Meningkatkan kualitas makanan dan kebersihan	Pretty usual food quality

Source: Prepared by writer (2022)

Based on the table 1.2 above, there were some complaints regarding the service quality and food quality from the customers of The Edge Restaurant Cambridge Hotel, Medan. As written on the table number four and eight the customer complaining about the service quality where there the service quality not so good. Besides that, the customers number one and nine customers were complaining about the food quality where food quality was not good.

Based on the explanation above, the author will conduct further research on the problem that arise on the influence of service quality and food quality toward customer satisfaction. The author will examine the problem by conducting a research entitled "THE INFLUENCE OF SERVICE QUALITY AND FOOD QUALITY TOWARD CUSTOMER SATISFACTION AT THE EDGE RESTAURANT CAMBRIDGE HOTEL, MEDAN".

1.2 Problem Limitation

In this study, the authors limitation of this research with determined service quality and food quality as the independent variable and customer satisfaction as the dependent variable. Moreover, the writer will as well limit the research object where the research will only take place in the restaurant which is as the object research at The Edge Restaurant Cambridge Hotel Medan with a minimum research requirement of 17 years old and have ever been visited to the restaurant.

1.3 Problem Formulation

Based on the background of study and explanation of the description that has described above, the problem formulation of the problem in this research are as follows:

- 1. Does service quality have partially influence the customer satisfaction at The Edge Restaurant Cambridge Hotel, Medan?
- 2. Does food quality have partially influence the customer satisfaction at The Edge Restaurant Cambridge Hotel, Medan?
- 3. Do service quality and food quality simultaneously influence the customer satisfaction at The Edge Restaurant Cambridge Hotel, Medan?

1.4 Objective of Research

Based on the background and problem formulations described above, there are several purpose objectives in this study to find out:

1. To know if the service quality will influence the customer satisfaction

- 2. To know if the food quality will influence the customer satisfaction
- 3. To know if service quality and food quality simultaneously influence the customer satisfaction.

1.5 Benefit of Research

There are two benefits of this research as follows:

1.5.1 Theoretical Benefit

This research was conducted to provide a better understanding of how the service quality and food quality can influence the customer satisfaction in the restaurant.

1.5.2 Practical Benefit

1. For The Edge Restaurant Cambridge Hotel Medan

This research is expected to provide information for hotel management to be able to monitor the service quality and food quality that will influence the customer satisfaction at The Edge Restaurant.

2. For Future Researchers

In this research can be an additional reference that can be used in learning the service quality and food quality on how it influences the customer satisfaction.

3. For Readers

In this research, readers can obtain information and gain insight related to the hospitality sector.