

# CHAPTER I

## INTRODUCTION

### 1.1. Background of the Study

Food is one of the most fundamental human necessities that must not be overlooked. Food is a nutrient-dense foodstuff that serves as the body's main precursor to metabolic function. Consumption of suitable amounts of food with a well-balanced nutrient quality will ensure that metabolic activity runs smoothly, positively impacting bodily health. Food is also the body's primary source of energy, allowing it to carry out its functions.

People's consumption habits have changed dramatically in this era. People have begun to seek food that is both convenient and nutritious to preserve their health as their lifestyles have changed. The growth of the culinary industry in Indonesia has increased significantly along with the improvement of people's lives, making the culinary business more promising. This demonstrates that in today's culture, food is consumed not just to fulfill fundamental needs, but also to meet tertiary requirements, namely lifestyle. According to Robbiansyah (2018), people would also like to obtain more value from their meals, such as the food quality and the price, which are often provided by a restaurant and are not available at home. People have a tendency to prefer eating food outside of the house because of the extra value provided, resulting in the creation of numerous food service providers, which as a restaurant.

The quality of restaurant cuisine is a key determinant of customer satisfaction, the perception of prices is an essential component in consumer satisfaction and the idea of fair prices and the quality of food can offer particular desires for customers, allowing them to build a long-term mutually beneficial connection with the restaurant (Robbiansyah, 2018). According to West *et al.* (2016), as cited in Augustinus and Iona (2020), the food delivered to customers must have attractive color, appealing presentation, standard portion, an attractive shape, delivered at the proper temperature, perfect texture, aroma, level of maturity/level of doneness and delicious taste. A greater level of food quality is an important marketing technique that may please and keep customers while also providing a pleasant purchase experience for customers. Many research has found that food quality may have a beneficial impact on customer satisfaction.

Price is another aspect that might influence consumer satisfaction. Customers would be satisfied if the price given is reasonable, satisfied customers will be dissatisfied if the price offered is ridiculous and customer satisfaction may be improved by providing high-quality food at reasonable pricing (Hutagaol and Erdiansyah, 2019).

According to Shoemaker *et al.* (2005), as cited in Zhong and Hee (2020), the price that is established is another variable that impacts purchase decisions. When purchasing a product or service, one of the factors that buyers evaluate is price. Because the higher the price of a product, the lower the amount of customer purchasing. As a result, the business must be able to effectively and adequately establish the price of its products so that customers are attracted and willing to

acquire the items offered. In theory, price is the cost that people give up in return for the advantages of utilizing a product or service. Price is a key factor in increasing customer satisfaction since customers constantly judge the worth of a product based on its price (Anggraini, 2018). According to Kotler and Armstrong (2012); Riyono (2016) as cited in Fauziah (2020), the price can be determined by affordable price, price competitiveness, and match the price with product/food quality.

Every restaurant takes more attention to customer satisfaction when conducting business in the food industry. Nowadays, many food businesses are becoming more aware of the significance of customer satisfaction and creating methods to ensure that the customers are satisfied. According to Elsavador (2020), customer satisfaction could benefit restaurants in the culinary industry. Customers are more likely to repurchase products and services that they may have eaten or used if they are satisfied and pleased. Positive word-of-mouth communication will be encouraged if customers are satisfied.

According to Nurhalimah *et al.* (2018), customer satisfaction or dissatisfaction is an element of a customer's experience with a product or service given depending on the experience; people and businesses tend to form particular values. This value could influence customers to create comparisons with rivals depending on products or services customers have been using. As a company provides high-quality products or services, it is anticipated to be able to satisfy customer expectations and, eventually, maximize value and customer satisfaction when compared to its current rivals. According to Shonata (2018), customer satisfaction is accomplished when what customers demand and need are met, if not

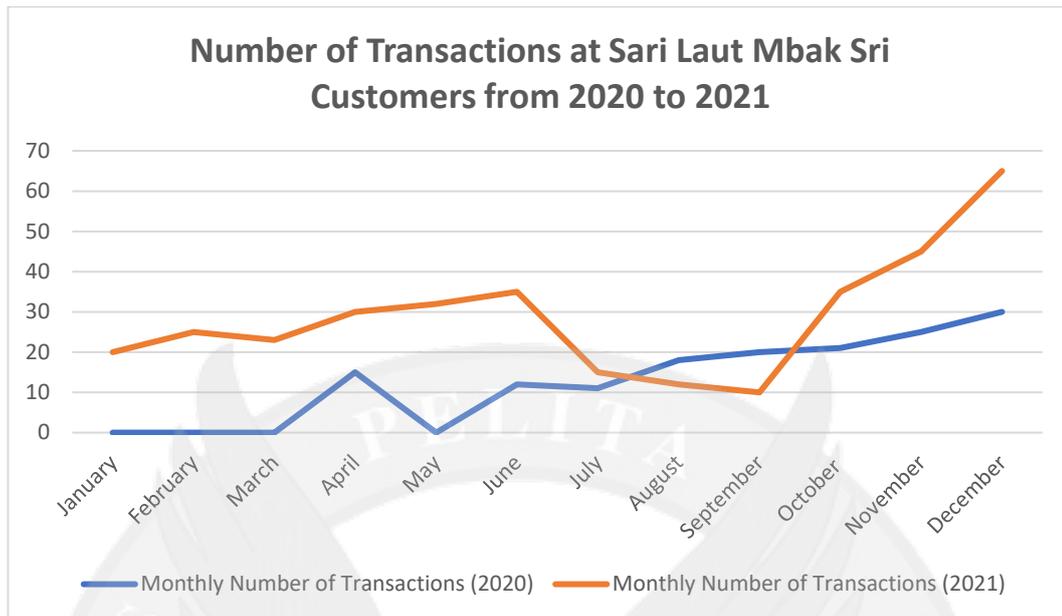
exceeded, after they experience a product/service. Customers will be unsatisfied if performance falls below expectations. Customers are happy when performance fulfills expectations. Customers are exceedingly satisfied when performance surpasses expectations. Expectation conformity, interest in revisiting, and willingness to recommend the company to others are all measures of consumer satisfaction (Indrata *et al.*, 2017 as cited in Komala *et al.*, 2019).

The research object of this study is Sari Laut Mbak Sri, Medan, which is located in Jl. T. Amir Hamzah Number 82, Helvetia Tim., Kec. Medan Helvetia, Kota Medan, North Sumatera 20114, Indonesia and was first established on 8 February 2020. Sari Laut Mbak Sri is a seafood restaurant that provides various kinds of seafood such as crab, shrimp, fish, squid, and many more. Following is the data of the average number of Sari Laut Mbak Sr, Medan customers from 2020 to 2021 each month acquired from Sari Laut Mbak Sri, Medan.

**Table 1. 1 Number of Transactions of Customer at Sari Laut Mbak Sri, Medan from 2020 to 2021**

Month	Monthly Number of Transactions (2020)	Monthly Number of Transactions (2021)
January	-	20
February	-	25
March	-	23
April	15	30
May	-	32
June	12	35
July	11	15
August	18	12
September	20	10
October	21	35
November	25	45
December	30	65

Source: Prepared by the Writer (Sari Laut Mbak Sri, 2022)



**Figure 1. 1 Graphic of Monthly Transaction Number of Sari Laut Mbak Sri, Medan**  
Source: Prepared by the writer (2022)

Table 1.1 above shows the monthly average number of Sari Laut Mbak Sri customers from 2020 to 2021. Sari Laut Mbak Sri lost a few monthly customers in June 2020 as compared to April 2020. Furthermore, Sari Laut Mbak Sri lost a significant number of monthly customers in September 2021 as compared to September 2020. As previously stated, the government created *PPKM* (*Perberlakuan Pembatasan Kegiatan Masyarakat*) for the North Sumatra area from July 2021 until August 2021. In this case, it is reasonable to expect a decrease in customer numbers from July to August. However, as of September, *PPKM* (*Perberlakuan Pembatasan Kegiatan Masyarakat*) is no longer valid, but the number of customers is keep decreasing. And again, the government created the *PPKM* (*Perberlakuan Pembatasan Kegiatan Masyarakat*) in October, but the number of customers increased rapidly. As a result, it is possible to conclude that this restaurant has a fluctuating or inconsistent number of transactions, which, in

the business industry, it is not good for business if the number of customers is not consistent.

According to the facts shown above, customer satisfaction is critical while conducting business in the food and beverage industry. As a result, the writer decided to undertake a study that will result in customer satisfaction at Sari Laut Mbak Sri, Medan. Food quality and price are the indicators of customer satisfaction. If the customer enjoys the quality of the food served and the price listed, the customer would likely return to the restaurant and recommend it to other relatives. If, on the other hand, the restaurant loses a large number of customers, the customers are likely dissatisfied with the quality of the food and the price. customers will not recommend the restaurant to their relatives and not even come again.

**Table 1. 2 Online Review**

Date	Rating	Comment
November 2021	1 out of 5 stars	<i>Kecewa banget, udalah mahal, makanannya gk enak kali. Rasa gk ada, kering kali, pesan ini habis, pesan itu habis. Pelayannya pilih2, yg pake mobil di layani, yg pake motor di cuekin</i> Very disappointed; it was expensive, and the food is not good. The food has no taste, it's dry, and several food stocks don't available. The waiters are selective; those who drive are served, while those who ride motorcycles are ignored
October 2021	1 out of 5 stars	<i>Pelayanan sangat lambat.. menu biasa aja harga selangit..</i> The service is slow.. the menu is average, and the prices are costly
April 2020	3 out of 5 stars	<i>Makanannya murah.. tapi kurang pas sih rasanya</i> The food is cheap.. but it does not taste good

Source: Prepared by the Writer (Google Review, 2022)

According to table 1.2, the majority of customer reviews stated that the food served by Sari Laut Mbak Sri did not match customer expectations or might be described as not good. Aside from that, some customers compare the high prices to the food received. Based on this, the writer concludes that there is something wrong with the food quality and the price on customer satisfaction at Sari Laut Mbak Sri.

Besides that, according to the observations of the writer, while visiting Sari Laut Mbak Sri, the color of the food served is quite tempting or looks delicious, especially the color of the fish. The appearance of the food served is quite attractive with the composition of the food ingredients in each portion. The portion of the food is too small or not appropriate for the adult portion. The shape of each slice of meat or seafood is quite attractive. The food texture and temperature served are as expected, it is suitable for each type of food, and it is easy to eat and not too cold. The aroma of the food served is so fragrant and smells appetizing. The taste and level of doneness of the food served are quite good, not bad, and not particularly good, but compared to other seafood restaurants, the food is just average. The level of doneness of the food served is good, and the meat or seafood is not too tough to eat.

The price of Sari Laut Mbak Sri's food is quite expensive and not affordable, especially foods with seafood ingredients, such as shrimp, crab, squid, shellfish, etc, but food in the vegetable category is quite affordable. If the writer compares Sari Laut Mbak Sri to other seafood restaurants, the food by Sari Laut Mbak Sri is just average, because the writer cares about the price, the writer might consider

visiting or not in the near future. Based on the writer's observation the quality of food served is not worth the price of the food, it's pricey and not worth it.

For the customer satisfaction variable, the writer is satisfied with the food and beverage, the food is not that bad for the writer. The writer expects to visit again to Sari Laut Mbak Sri because the writer expects the food quality and price would be better than in previous times. Based on the writer's observation that seafood restaurants are not suitable for people above the age of 40, people above the age of 40 prefer to visit cafés that serve Italian food.

According to the owner, the restaurant will extend operation hours, to 7 in the morning on March 23, 2022, for a various food menu for breakfast. The breakfast menu is Chinese cuisine prepared by the same chef. Therefore, the owner is curious whether the quality of food and price now at Sari Laut Mbak Sri would please customers.

Based on what was discussed before, the writer wanted to research to see whether food quality and price influence customer satisfaction. As a result, the writer conducted a study titled "The Influence of Food Quality and Price on Customer Satisfaction at Sari Laut Mbak Sri, Medan."

## **1.2.Problem Limitation**

To make this study more focused and data gathering and processing easier, the writer decides that this final paper is limited to food quality ( $X_1$ ) and price ( $X_2$ ) as independent variables and customer satisfaction ( $Y$ ) as the dependent variable. In addition, the writer would also limit the object of research which is Sari Laut

Mbak Sri, Medan, located in Jl. T. Amir Hamzah Number 82, Helvetia Tim., Kec. Medan Helvetia, Kota Medan, North Sumatera 20114, Indonesia.

According to West *et al.* (2016), as cited in Augustinus and Iona (2020), the indicators of food quality ( $X_1$ ) consist of color, appearance, portion, shape, temperature, texture, and aroma, level of maturity/level of doneness and taste. The second independent variable is the price ( $X_2$ ), The indicators of price ( $X_2$ ) consist of affordable price, price competitiveness and match the price with product quality (Kotler and Armstrong, 2012; Riyono, 2016 as cited in Fauziah, 2020). The dependent variable of this is customer satisfaction (Y), which is consist of expectation conformity, interest in revisiting and willingness to recommend the company to others (Indrata *et al.*, 2017 as cited in Komala *et al.*, 2019).

### **1.3.Problem Formulation**

According to the background of this study, the writer can formulate some research questions as follows:

- a. Does food quality have a partial influence on customer satisfaction at Sari Laut Mbak Sri, Medan?
- b. Does price have a partial influence on customer satisfaction at Sari Laut Mbak Sri, Medan?
- c. Do food quality and price have a simultaneous influence on customer satisfaction at Sari Laut Mbak Sri, Medan?

#### **1.4.Objective of the Research**

Based on the problem formulation, the objectives of this research are as follows:

- a. To analyze whether food quality has partial influence on customer satisfaction at Sari Laut Mbak Sri, Medan.
- b. To examine whether price has partial influence on customer satisfaction at Sari Laut Mbak Sri, Medan.
- c. To investigate whether food quality and price have simultaneous influence on customer satisfaction at Sari Laut Mbak Sri, Medan.

#### **1.5.Benefit of the Research**

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

##### **1.5.1. Theoretical Benefit**

The outcome of this research is supposed to provide a greater understanding of how food quality and price will influence customer satisfaction. They are expected to contribute to the existing theories especially those relevant to food quality, price, and the influence on customer satisfaction.

##### **1.5.2. Practical Benefit**

The following are the practical benefit:

- a. For the writer

This research is expected to expand the writer's knowledge base and this research could give extra information to the writer.

b. For Sari Laut Mbak Sri, Medan

This research is expected to be able to contribute to helping the research object company to increase customer satisfaction, as well as provide positive things to restaurants that will ultimately increase customers and sales from restaurants.

c. For other researchers

This research is supposed to bring new references and information about food quality and price and how they influence customer satisfaction.

