

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Any business around the world depends on the customer, product, and profit always increases and decreases to customer demands, that is why it's necessary to treat them as the king of the market. Nowadays Customer satisfaction is very significant issue for company's product which measures the level of expectation between company's product and customer expectation. In reality, the customer satisfaction will affect company and product as well, because happier customer with price and quality means more products and more profit (Powton, 2018).

The satisfaction of the customer can be considered as a business in hope or a certain level describes satisfaction as a form of feeling happy or upset experienced by a person after making an analogy right way the services or the result of a product based on expectations (Dewi, 2020). Customer's satisfaction is the level of one's feelings after comparing the performance of perceived results compared with expectations. The role of good service quality is very important and has a very significant impact on customer satisfaction, if there is no proper service will reduce customer satisfaction (Harazneh et al., 2020).

According to Liu and Wu (2017), Service quality within a service company is often conditioned as a comparison between the expected service and the service received significantly. Companies that are able to provide good service

to their customers or customers have the greatest opportunity to continue to be visited by their customers. Service quality has been regarded as an antecedent of customer satisfaction, which in turn results in customer retention (Boonlertvanich, 2018). Hence, investigating all these constructs can assist companies not only to meet or exceed their customers' expectations, but also to affect their intentional behavior.

According to Potter and Hotchkiss (2018), food quality is the quality characteristics of food that is acceptable to the customer, such as size, shape, color, consistency, texture, and taste. The food is delicious and fresh and plays an important role in the effort to surpass the competitors. Thus, the food quality is one of the best ways to maximize success in business restaurant. Food quality and safety are important customer requirements. In the evaluation of food quality, its complexity, dynamic variation, and relativity raise a number of problems. The application of systems analysis for the solution and related decisions is indispensable. Quality is a concept based on several products attributes that determine their level of suitability for a concrete and predetermined use.

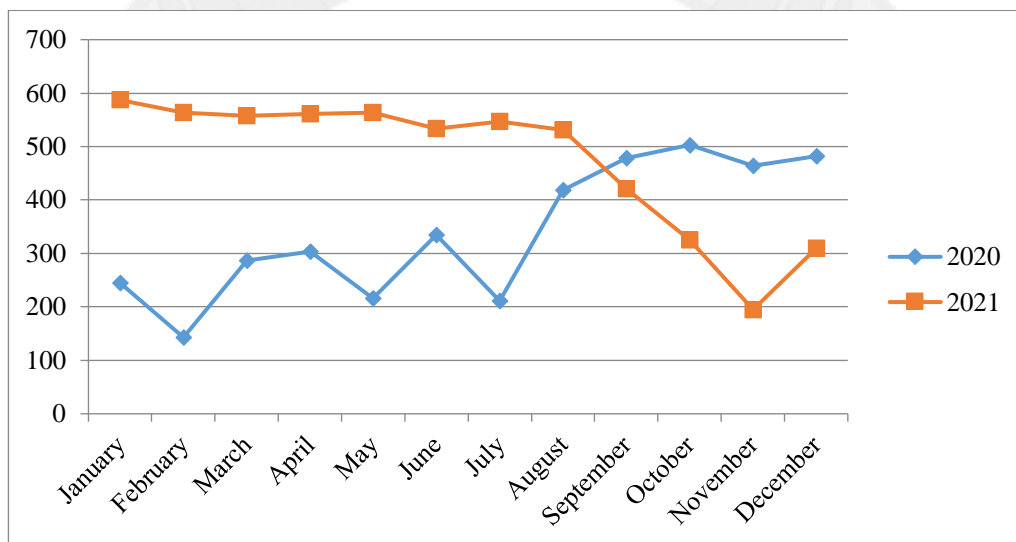
Junction Café, Medan is located in Jl. Uskup Agung No.2 Medan. Junction Café, Medan cuisine provides Archipelago, Western and Asian modified with the image of the taste of food which is adapted to all customer segments.

Decline in customer satisfaction at the Junction Café, Medan that looks of total customers. can be seen the Table 1.1 that:

**Table 1.1 Number of Transaction at Junction Café, Medan (2020-2021)**

Month	2020	2021
January	245	587
February	143	564
March	287	557
April	303	561
May	216	564
June	335	534
July	211	547
August	419	531
September	478	421
October	503	325
November	464	195
December	482	310

Sources: Prepared by the writer (Junction Café, Medan, 2022)

**Figure 1.1 Number of Transaction at Junction Café, Medan (2020-2021)**

Sources: Prepared by the writer (Junction Café, Medan, 2022)

Based on google review (2022) that the level of customer satisfaction has decreased as seen from the review related to the food being served very long, and difficulty in finding parking if holidays or weekends.

Based on the writer's observation, service quality of Junction Café, Medan is less satisfying to customers. The quality of service received by customers is still less responsive in the provision of food and drinks, as well as requesting bills for a long time. In addition, the Junction Café, Medan facility that makes customers uncomfortable is the condition of the parking area which is not large enough so

that when Junction Café, Medan is crowded, it causes customers to find it difficult to find a parking space, the level of reliability that is not good also results in food and beverages ordered by customers not in accordance with what is served by the waitress or waiter.

The food quality of Junction Café, Medan is still widely considered to be less meet the taste of customers. The appearance of the food is sometimes less interesting, the taste of food is sometimes different, and the color of the food less reflects the beauty because sometimes overcooked and the taste of the food is sometimes salty or bland. Regarding the taste of food, many customers complain that the taste does not match the texture of the food served to customers. Some of these things resulted in a lot of customer dissatisfaction in consuming Junction Café Medan food which had an impact on customer complaints.

Based on the explanation above, the writer decides to conduct a research entitled **“The effect of Service Quality and Food Quality on Customer Satisfaction at Junction Café, Medan”**.

## **1.2 Problem Limitation**

Due to limitation of time and budget this research focused on Junction Café, Medan the independent variable used is the service quality ( $X_1$ ) and food quality ( $X_2$ ) and dependent variable used is the customer satisfaction ( $Y$ ). Junction Café, Medan located in Jl. Uskup Agung No.2 Medan.

According to Bitner and Gremler (2019), the service quality has indicator as follow reliability, responsiveness, assurance, empathy, and tangible.

According to Laksana (2018), the quality of food has indicator as follow color, appearance, portion, and taste. According to Hasan (2018), indicator to measure customer satisfaction are as follow customer satisfaction are overall customer satisfaction, confirmation of expectations, interest in repurchase, and willingness to recommend.

### **1.3 Problem Formulation**

Based on the background of the study, the writer formulates several questions, as follows:

- a. Does service quality have partial effect on Customer Satisfaction at Junction Café, Medan?
- b. Does food quality have partial effect on Customer Satisfaction at Junction Café, Medan?
- c. Do service quality and food quality have simultaneous effect on Customer Satisfaction at Junction Café, Medan?

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

Based on the problem formulation the objectives of this research are:

- a. To analyze whether service quality has partial effect on Customer Satisfaction at Junction Café, Medan
- b. To discover whether food quality has partial effect on Customer Satisfaction at Junction Café, Medan.
- c. To investigate whether service quality and food quality have simultaneous effect on Customer Satisfaction at Junction Café, Medan

## **1.5 Benefit of the Research**

The writer expects that this research can give benefits both theoretically and practically.

### **1.5.1 Theoretical Benefit**

The research result can be used to expand, improve and develop the relevant theories, especially in the service quality and food quality and their effect on customer satisfaction in hospitality industry.

### **1.5.2 Practical Benefit**

The practical benefits of this research are:

a. For the writer

The writer as the researcher to get more experience in doing the research and as an addition to knowledge concerning service quality, food quality, and customer satisfaction.

b. For the company

To provide useful suggestions for the company in increasing customer satisfaction especially by improving the service quality and food quality.

c. For other researchers

To be an additional reference, reference material for further research and information to interested parties in assessing the problem the same in the future.