

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Nowadays, culinary business have been found in all location from urban area to suburbs. The growth of the culinary business which has increased from time to time makes people easy to find the culinary business everywhere and even can find more in one street. According Candraningtyas (2020, p.29) said that total number of mid to upper-scale restaurant in North Sumatra in 2018 was 191 restaurant. In 2019, total number of mid-upper to scale restaurant in North Sumatra is already 235 restaurants (Candraningtyas & Sutarsih, 2021, p.31). The growth of restaurant had increased by 40 restaurants from 2018.

The growth of culinary business can increase even though pandemic covid 19. Accommodation and food beverage sector had grown 21,58% from quarter II 2020 to 2021 ( databoks, 2021). The increase of culinary business influenced level of competition between business to business began difficult and tight. In addition, business growth affects the customers' expectation for a business must be high and quality.

Intense competition and increasing customer expectation make it difficult for business owner to run and maintain their business now. Thus, business owner must try to know and understand the current customer needs. According to Nugroho in Setyo (2017) said that customer satisfaction is one of the main requirements that must be achieved in the performance of every business. Moreover, customer

satisfaction is one of business goal that is achieved through meeting their need and giving more value to them in order to get customer loyal to a business ( Ibojo & Asabi in Lasadika, 2018). According to Tjiptono in Rahman (2019) in Sitanggang (2021) said that customer satisfaction is the response given by customers after they feel the desired wants and needs have been well met by the business. According to Tjiptono & Diana (2015) in Serila (2019) said to identifying customer satisfaction can measure with indicators of intention to repurchase, customer loyalty, complaints, and recommendations to others. There are four types that can be used by business owner to identify customer satisfaction.

Moreover, business owner must focus on getting a customer loyal with aim to maintain their business in this tight competition. Lasadika (2018) said that customers are an important key in competition between businesses. The culinary business that is able to compete in this tight competition is when more customers come, are satisfied, and are loyal to a business. To achieve customer satisfaction, business owner must be able to create innovation or improve the quality of their business.

Kenyon & Sen (2015, p.9) said that competitive advantage is to create more value than other competitors for customer. The business that can create a more value or innovation can attract customers' attention and the opportunity can get customers loyal to the business if the customer is satisfied. According to Sulaksana (2017) in Nasrudin, Harnida & Risnawati (2021) said that improving product quality and service quality is the way of competitive advantage.

Varzakas & Tzia (2016, p.42) said that quality is important point for culinary business and customer. Moreover, According Feingebaum in Nasution (2015) in Lestari & Yusuf (2019) said that quality is the fulfillment of customer satisfaction. Because of the increasing quality, the level of customer satisfaction is increasingly influential. The quality of a business is used as an assessment by customers in getting satisfaction because the increased wants and needs have affected the expectations of a business must be a quality.

In addition, food quality and service quality have an influence on customer satisfaction (Laeranduil, 2018 Zamani et al, 2020). Food quality is one of some factors that must be focused on in the culinary business nowadays because the higher quality of the food affect satisfaction of customer and also can increase. Kumar & Bhatnagar (2017) said that food quality has an important role in the culinary business and is also one of the factors that customers evaluate the good and bad of any culinary business. According to McWilliam in Serhan & Serhan (2019) said that food quality is a criterion that can be accepted by customers. Therefore, the higher the quality of the food, the higher the level of customer satisfaction automatically affected (Hidayat, Bismo & Basri, 2020). To measure food quality with indicators of freshness, presentation, well cooked, variety of food, portion, taste, special taste, hygiene, and innovation.(Sugianto, Sugiharto dan Wijaya, 2017 in Shonata, 2018).

Meanwhile, the quality of service must be focused on for every business now. Quddus & Hudrasyah in Lasadika (2018) said that to increase customer loyalty with improve service quality and create customer satisfaction for the business. Good and high service quality can affect customer satisfaction because service quality is one of factors that can influence customer satisfaction and also give profit to business (Kotler & Keller, 2016 in Hidayat, Bismo & Basri, 2020). According to Ramya et al (2019) in Amir (2021), service quality means ability of service providers to make customer satisfied through better performance of business in an efficient manner. To measure how the quality of service to customers can be with measurement indicators. Tjiptono & Chandra (2016) in Widyaningrum (2020) said that the indicators of service quality are tangible, reliability, responsiveness, assurance, and empathy. Response of customer to all service quality indicators, business owner can find a result and identify satisfaction of customer.

Object for this research is Rumah Makan 888 in Siantar. Rumah Makan 888 is a Chinese cuisine restaurant with sells many various oriental dishes. To name a few from their menus, such as Egg butter chicken, Malaysian tofu and fried noodle are popular dishes in Rumah Makan 888. This Chinese restaurant has been open for 8 years where established on 2012. This restaurant is located at JL. Cipto No 208, Dwikora , Pematang Siantar , North Sumatra. Previously, Rumah Makan 888 located at JL. Cipto No 137 before moved. In Cipto street , Rumah Makan 333 and Rumah Makan Cipto 70 as being competitors for Rumah Makan 888. This Chinese restaurant opened from 16.00 to 22.00 for Monday to Saturday. On Sunday,

restaurant opened from 12.00 to 22.00. Type of customer for Rumah Makan 888 more in family group.

Utami et al (2021) said that if customer satisfaction and customer needs have been met properly can influence product sales increase and marketing objectives where is getting profits will be achieved. To see how clearly customer satisfaction can be by analyzing the income data obtained by Rumah Makan 888 during operation. This is the income data of Rumah Makan 888 from 2016 to 2020.

**Table1.1 Income of Rumah Makan 888 Chinese Food Siantar**

Years	Income	Percentage
2016	542.600.000	-
2017	570.978.000	5,23%
2018	564.869.000	-1,07%
2019	506.123.000	-10,4%
2020	366.433.000	-27,6 %

Source: Prepared by Writer ( Rumah Makan 888 Chinese Food Siantar, 2021)

From the income of Rumah Makan 888 for 5 years, there has been an increase and decrease from year to year. In 2016, the income earned was Rp. 542,600,000. When in 2017 income of Rumah Makan 888 increased around 5.23% from 2016 with a total income of Rp. 570,978,000. From 2018 to 2020, the income of Rumah Makan 888 has decreased continuously. In 2018, income decreased -by 1.07% from 2017 when the total income was Rp564,869,000. After that, in 2019 the income decreased again -by 10.4% with a total income of Rp 506,123,000. This is because the COVID-19 pandemic began and people began to reduce eating out. In 2020, income of Rumah Makan 888 experienced the most drastic decline, it was -27.6% with a total revenue of Rp 366,433,000.

Rumah Makan 888 has been around for several years, and many customers have experienced Rumah Makan 888. With the development of the internet, some customers who have visited Rumah Makan 888 like to share the results of their experiences with the public. This is a some of the results of reviews from Rumah Makan 888 customers, which you can see through google reviews. Looking at google reviews, Rumah Makan 888 gets an average rating of 4.5 stars with 131 customer reviews. From the review data, reviews can see and find out whether there is customer satisfaction.

**Table 1.2 Review of Rumah Makan 888 Chinese Food Siantar**

Stars	Review
1	<i>Pelayanan lama sekali dan tidak ramah</i>
2	-
3	<i>Masakan lumayan enak</i>
4	<i>Itu hanya sederhana tetapi memiliki menu yang bagus</i>
5	<i>Masakan enak, bersih dan pelayanan memuaskan</i>

Source: Google Review

**Table 1.3 Survey Internal of Rumah Makan 888 Chinese Food Siantar**

Months	Classification	Very Bad	Bad	Standard/Good enough	Good	Very Good
April	Food Quality	15	18	71	65	116
	Service Quality	17	21	91	56	100
May	Food Quality	12	19	65	59	97
	Service Quality	15	22	81	92	42
June	Food Quality	21	15	101	118	81
	Service Quality	29	18	120	75	94
July	Food Quality	11	30	83	95	113
	Service Quality	20	39	121	82	70
August	Food Quality	18	20	82	111	94
	Service Quality	15	27	102	97	84

Source: Result of form customer satisfaction (2021)

From the data, review can be seen that some customers who have experienced eating at Rumah Makan 888 get good and bad feedback. Looking at these data from result of google review, many customer reviews are saying about the food quality and service quality from Rumah Makan 888. Survey internal about food quality and service quality from April 2021 to August 2021. From result of survey internal of food quality can be seen that 77 respondents answered very bad, 102 respondents answered bad, 402 respondents answered standard, 448 respondents answered good and 501 respondents answered very well. Meanwhile, result of survey internal on service quality can be seen that 96 respondents answered very bad, 127 respondents answered bad, 515 respondents answered good enough, 402 respondents answered good and 390 respondents answered very well.

The writer has observed bad review of their survey internal. From result observation of food quality, some customers have to complain that fried noodle is too oily, using vegetables not fresh, no special taste, taste of food is not balanced (so salt and spicy), taste of food is not satisfying. Meanwhile, result observation of service quality have complaint like hard calling the employees, employees not polite and unresponsive, waiting to serve the food need long times ( most complaints), not fast responses.

The writer also conducted interviews with restaurant owners about customer responses to their food and service. In the interview, the owner said some customers have complained about the freshness of fish and shrimp. Customer complaint the taste of fish and the shrimp are not fresh. Other than that, the owner also gets complaint from customers about waiting time to serve their food.

Therefore, google review and survey are internally given by customer who has bad review of food quality and service quality. Meanwhile, the data income of Rumah Makan 888 Chinese food Siantar can be seen that income from 2018 to 2020 has decreased continuously. Thus, this research writer wants to make a title “ **THE INFLUENCE OF FOOD QUALITY AND SERVICE QUALITY TOWARD CUSTOMER SATISFACTION AT RUMAH MAKAN 888 CHINESE FOOD SIANTAR** “.

## **1.2 Problem Limitation**

Every research carried out will have a core point to be used as an important object (variable) to be studied. From this research, the variables to be studied are food quality, service quality, and customer satisfaction. The dependent variable is customer satisfaction, the independent variable is food quality, and another independent variable is service quality. Because writer wants to find out whether there are influences on food quality and service quality toward customer satisfaction. To measure indicator of each variable to find a relationship or not. Measure customer satisfaction with how many intentions to repurchase, customer loyalty, complaints, and recommendation to others to object to research ( Tjito & Diana, 2015 Serila, 2019). For food, quality can measure by freshness, presentation, well-cooked, variety of food, portion, taste, special taste, hygiene, and innovation (Sugianto, Sugiharto dan Wijaya, 2017 in Shonata, 2018). Meanwhile, service quality can measure by tangible, reliability, responsiveness, assurance, and empathy ( Tjiptono & Chandra , 2016 in Widyaningrum, 2020 ).

### **1.3 Problem Formulation**

From background of the study had some problem which need to do research.

The problem is:

1. Does food quality have partial influence toward customer satisfaction at Rumah Makan 888 Chinese Food Siantar?
2. Does service quality have a partial influence toward customer satisfaction at Rumah Makan 888 Chinese Food Siantar?
3. Does food quality and service quality have simultaneous influence toward customer satisfaction at Rumah Makan 888 Chinese Food Siantar?

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

The objective research of this research:

1. To analyze there has partial influence on food quality toward customer satisfaction at Rumah Makan 888 Chinese Food Siantar
2. To analyze there has partial influence between service quality toward customer satisfaction at Rumah Makan 888 Chinese Food Siantar
3. To analyze whether food quality and service quality have simultaneous influence toward customer satisfaction at Rumah Makan 888 Chinese Food Siantar

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

In conducting this research, it can provide useful benefits to myself and others

#### **1.5.1 Theoretical Benefit**

Theoretically doing research like this can provide positive benefit. It is:

- a. For writer, it can broaden unknown insights, increase knowledge, and help understand more about this information.
- b. For other researchers, it can help other researchers in the future get more theories information

### **1.5.2 Practical Benefit**

In practice, the results of this research can provide benefits for future researchers:

- a. For other researchers, it can provide additional insight or information to further researchers who carry out case research, especially similar cases, such as additional theory or be used as literature review ( reference)
- b. For object research, this research can help them to know more about what is the problem and how to solve it.

