CHAPTER I
INTRODUCTION

1.   BACKGROUND OF THE STUDY

The hotel industry is one of the colossal and rapid growing business industries within the global. In this industry, people come from different places around the world and stay within the hotel. Beneath the umbrella of hospitality industry, people away from their homeland are to crave for a great experience of travelling around the world, lodging, recreation, restaurant experience and managed services. The biggest competitive environment in hospitality industry is in the restaurant area, that repeated and the long-term customers are the highest crucial point for the industry to be achieved to earn customer satisfaction. Restaurant industries could be benefited without any cost by gaining the customers satisfaction, thus customers can be an effective and efficient communication resource or mouth to mouth recommendation for the restaurant itself. And for determine the levels of customer satisfaction in the restaurant, there are two highly important aspects to be measures, which are service quality and product quality of the restaurant (Kumar and Bhatnagar, 2017, p.35)

Within the centered restaurant industry, customers' satisfaction ought to be the essential objective of organizations that want to build repeated customers. Since food is a vital portion of the restaurant, it needs to be considered the effect on customers' satisfaction and customers' return support. Giving a great quality food that is trustworthy for the customers that is a crucial test for restaurant ventures today as well as can be a superior than business rival. 5-starred and fresh food takes a great part to outpace contenders. Afterwards, quality food is one of the best contemplate to broaden achievement in the restaurant business (Ramaraj, 2017, p.34).

The quality of food is one of the most important key of customers or diners in the restaurants. Most of the times, one goes to a restaurant for the foods, but the quality of foods will always be a predominant factor because it is the proof or predictor of food safety. It is usual and common for an individual to be curious about the quality of everything that relates with them, such as for what they wear,

what they eat, or even what they feel. The food quality in restaurants has impacts of the opinion of the restaurant brand. The higher customer satisfaction means the higher food quality. Satisfaction level lies within the customers' evaluation and the action how they fulfill it (Mohaydin, et al. 2017, p.34).

Customer trust for industry can be increased by providing a worthy meal and fulfilling basic needs of customers which are food safety and quality measures, the food industry. And customers are prepared to pay extra money if they know the product is safe and in good quality(Mohaydin, et al. 2017, p.35).

Quality is always linked to customers' satisfaction in perceived restaurants. Customers expect to get a better quality of restaurant when they dine in the fast-food restaurant. Customers are wished to get a highly satisfied with perceived restaurant quality and restaurant service that meet or exceed their satisfaction if customers have a good experience in that restaurant (Karki and Panthi, 2018, p.16).

Karibia Boutique Hotel which located on Jalan Timor Blok J No.I-IV, Gg. Buntu, East-Medan is one of a modern four-star hotel in Medan, Indonesia. A great comfort and friendly services hospitality is promised to be served to each individual customers that stay for leisure or business stay because Karibia Boutique Hotel is located in the central of business street in Medan and behind a luxury shopping mall Centre Point Mall that is just 50m from hotel, and 80m from Murni Teguh Hospital, 200m from Medan railink station, and 1.2 km from Merdeka Walk. And Karibia Boutique Hotel has a focused vegetarian food restaurant in the lobby level which is Green Village restaurant(karibiaboutiquehotel 2014). However, for a vegetarian restaurant, the hardest challenge that Green Village Restaurant faces is to attract new customers to enjoy vegetarian food.

This research focuses on customer satisfaction about the food quality in the restaurant business. Additionally, because of the distinct of the idea, it has better to test and observe customer reaction towards it to see how much their insights satisfaction about that food quality at the Green Village Restaurant ofKaribia Boutique Medan.Based on these descriptions and reasons, the authors intend to conduct research with the title "**The Correlation of Food Quality**

towards Customer Satisfaction at Green Village Restaurant of Karibia Boutique Hotel Medan."

1.2 PROBLEM LIMITATION

This research will be focusing on food quality and customer satisfaction at Green Village Restaurant of Karibia Boutique Hotel that located in Medan. Food quality as the independent variable will be with five dimensions of food quality, which are the smell of the food is enticing, there is a variety of menu items, the food is nutritious, the food is delicious, and the food is fresh (Karki and Panthi 2018, p.12). Customer satisfaction as dependent variable measured by conformity of expectation. Interest of visiting again, and willingness to recommend (Nuridin 2018, p.22).

1.3 PROBLEM FORMULATION

Based on the description on the background of the study, the research focus in this study is:

Does food quality has correlation towards customer satisfaction at Green Village restaurant of Karibia Boutique Hotel Medan?

1.4 RESEARCH OBJECTIVE

The research objective is to discover whether there is a correlation of food quality towards customer satisfaction at Green Village Restaurant Karibia Boutique Hotel Medan.

1.5 BENEFIT OF THE RESEARCH

From the study, the benefits of doing this study are as follows:

1.5.1 THEORETICAL BENEFIT

Theoretically, the results of this study are expected to be useful and get an overview to know about the correlation of food quality influences on customer satisfaction in a restaurant.

1.5.2 PRACTICAL BENEFIT

The practical benefits from this research are expected as follows:

1. For the writer

   This research can provide an overview and knowledge about the correlation of food quality influences on customer satisfaction in a restaurant.

2. For the company

   This research is expected to be used as a suggestion to give more attention about reliability, responsiveness, and loyalty in order to fulfill the level of customer satisfaction.

3. For other researchers

   The results of this research are expected to be used as a source of references that concerned in conducting related research in the future.
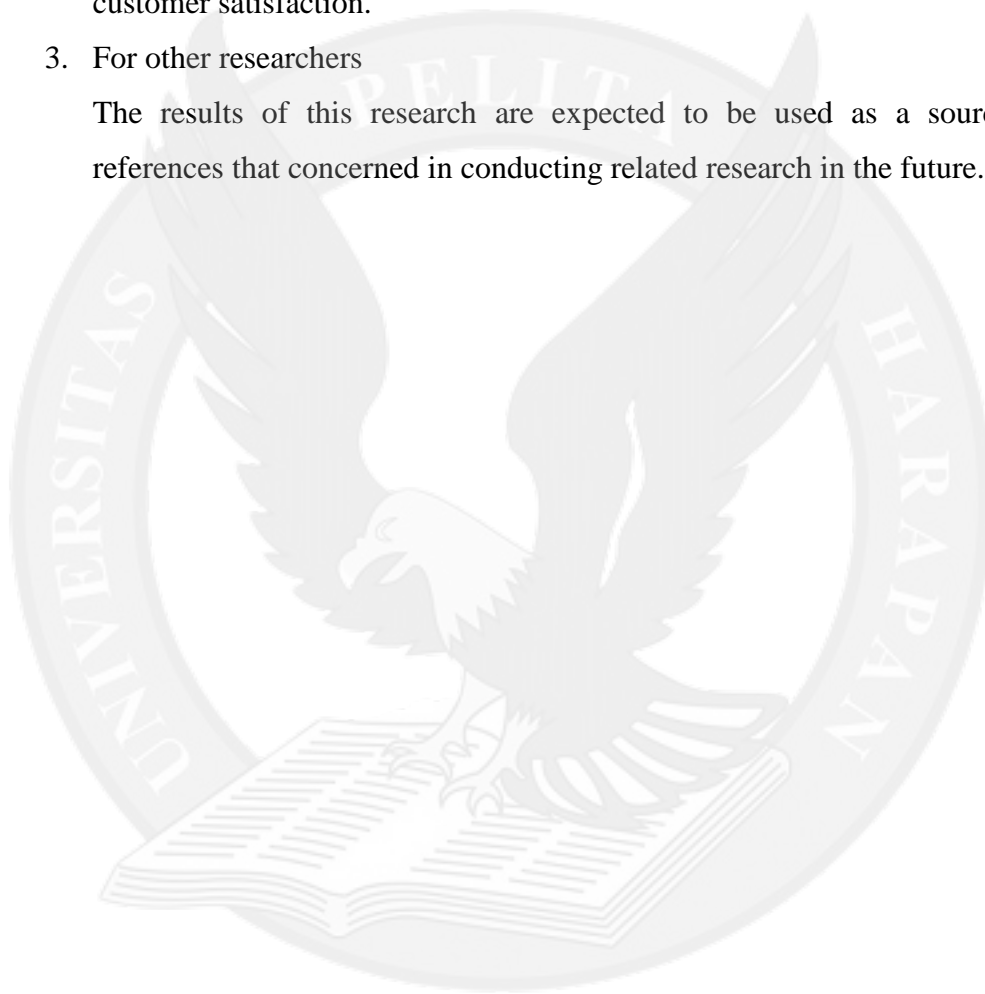
1.6 SYSTEM OF WRITING

The researchers compiled the writing with the following details:

CHAPTER I : INTRODUCTION

This chapter contains the background of the study, problemlimitation, problem formulation, research objectives, benefit ofthe research, and systems of writing.

CHAPTER II : LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

This chapter contains theoretical background, previous research,hypothesis development, research model, and framework ofthinking.

CHAPTER III : RESEARCH METHODOLOGY

This chapter will describe the research design used, the object of research, the method of data collection performed and themethod of data analysis.

CHAPTER IV : DATA ANALYSIS AND DISCUSSION

This chapter describes the overview of the research objectsdiscussed in this study and describes the data analysis and thedetailed discussion.

CHAPTER V : CONCLUSION

This chapter contains the conclusions of what has been describedin the previous chapters, and also contains suggestions forimprovement for implication research development related to thisresearch topic.