

CHAPTER I

INTRODUCTION

1.1. Background of the Study

Hospitality is one of the sectors that is developing the economy. Business development in the hospitality sector is increasingly diverse with various unique concepts offered, especially those in the city of Medan, North Sumatra. Businesses engaged in the hospitality sector such as restaurants, cafes, and hotels are one of the businesses that play a role in improving the community's economy. In the development of business in the hospitality sector, efforts to maintain interest in revisiting are the priority of the business field itself. The hospitality industry spans service industry sectors such as restaurants, hotels, and the broader tourism industry (e.g., cruise ships). As one of the largest job creators and economic contributors, both customers and workers need to understand the ins and outs of this dynamic industry (Hollander, 2022).

The food and beverage industry or Food and Beverage (F&B) in Indonesia is very large and continues to grow rapidly. Indonesia is the fourth most populous country in the world, with diverse ethnicities, cultures, and eating habits. Therefore, Indonesia has a variety of foods and drinks that are unique and well-known throughout the world. Medan city as one of the developing cities currently has a very rapid development of the F&B industry. The F&B industry in Medan is very fast with many restaurants, cafes, and food stalls available in this city. In addition, many hotels and shopping centers also provide various kinds of food and

drinks. Restaurants can take many forms, from standalone restaurants to chain restaurants, fast food restaurants, and more. Essentially, any business that allows customers to enter the premises, order food, and eat that food on the premises can be considered part of the restaurant industry, even if they offer other services too (Refvive, 2022).

Several things can affect the interest in visiting, one of which is the customer experience. With a significant positive influence between the customer experience and the intention to revisit, it implies that the better the customer experience, the better the intention to revisit (Prakoso et al, 2020). A good visiting experience will make consumers feel comfortable and will revisit later. Recognition or perception can increase the value of products and services. Customer experience is the result of consumer interaction with the company physically and emotionally (Septian and Handaruwati, 2021).

Another factor is consumer satisfaction. Customer or customer satisfaction is directly related to the quality of their goods. Consumers' achievement varies according to what they obtain (Haming et al, 2019).

Consumer satisfaction, it means that the expectations of these consumers are met in the products or services used. Consumers in general are more likely to revisit if they are satisfied. If the results of the comparison meet expectations, then consumers will feel happy and satisfied (Fitria et al, 2021).

Repurchase intention is an interest based on prior purchasing experience. It is essentially consumer behavior in which customers respond positively to a company's service quality and plan to return or consume the company's products

again. (Rahmi et al (2021). Consumers generally revisit because their expectations are met during the initial visit, and this shows that they receive services in accordance with expectations.

This research was conducted at Hot Hot Pot Restaurant which is one of the restaurants with a Hotpot concept with several famous menus such as Mala, Herbal Chicken, Beef Soup, and Mushroom Soup with several additions such as beef tenderloin, tofu fillet, fried meatballs, and others. To see consumer interest in re-visiting, can be seen from the income at Hot Hot Pot Restaurant as follows.

Table 1.1 Revenue Data of Hot Hot Pot Restaurant

Year	2020	2021	2022
Bulan	(Rp)	(Rp)	(Rp)
January	253,652,000	262,520,000	203,652,000
February	200,352,000	252,352,000	200,352,000
March	180,152,000	180,152,000	210,152,000
April	146,520,000	166,520,000	206,153,000
May	153,650,000	173,650,000	202,050,000
June	203,650,000	182,365,000	203,650,000
July	236,542,000	183,542,000	188,120,000
August	225,650,000	175,850,000	176,650,000
September	252,652,000	222,653,000	156,652,000
October	236,350,000	232,226,000	185,635,000
November	212,500,000	203,500,000	202,500,000
December	203,452,000	201,260,000	254,520,000
Total	2,505,122,000	2,436,590,000	2,390,086,000

Source: Hot Hot Pot Restaurant (2023)

From the data on the amount of income, it shows that there is a decrease from 2020 to 2021 due to the pandemic that occurred. But in 2022, revenue declined again which shows that in this case, consumer interest in returning to visit the Hot Hot Pot Restaurant has decreased.

In the consumer experience, consumers have not had a pleasant experience after visiting the Hot Hot Pot Restaurant. This is because consumers still have negative reviews of the services provided. Complaints filed by consumers show

that the services provided have not given a good impression of customers visiting Hot Hot Pot Restaurant. Here are some review results from google reviews.

Table 1.2
Negative Reviews of Hot Hot Pot Restaurant

Name	Rating and Time	Comments
RB	1 star (11 months ago)	Good food,good resto,but bad attitude.skip
ED	1 star (7 months ago)	Bad attitude. Staff manner is very bad
FI	1 star (a month ago)	My family's stomach hurts, because of eating yesterday. Some have stomachaches, some are vomiting. Previously eating there was never like this. We ate 2 tables, with a total of about 12 people. Maybe it's because it's CNY and it's busy so the quality and hygiene of the food isn't that much of a concern.
TH	2 stars (a year ago)	One of the pioneers of hot pot in Medan (I Guess), good place, and has good food but bit pricey. The management should look closely at how the staff's manner to handle the service. As few days ago we have a group dinner there, and the big group next to us was being told that they cant put instant noodle in the hot pot (from here its understandable & ok), but the problem is the way the restaurant team addresses it to the customers, in which way too rude/harsh (loud voice & strong tone, which are not a friendly service from our point of view). There are better ways to address these kinds of matter in more elegant ways. Food OK, Place OK, Service Far from ok
NT	3 stars (7 Months ago)	Hi, I come to have steamboat with friends for the first time. Food was nice. However, we get the impression that one of the staff keeps staring at our body while eating making us feel uncomfortable and rude. I do hope we are wrong but still hope you will take notice of this matter!!!

Source: Google Reviews (2023)

From the ratings given by consumers on google reviews, it shows that a rating of 1 star and 2 stars shows that consumers have not had a good experience when visiting Hot Hot Pot Restaurant. This shows that consumers have an uncomfortable experience in the aspect of sense such poor service, feel in the aspect of getting an uncomfortable visiting experience and relate to giving a less rating to the condition of their visit to Hot Hot Pot Restaurant.

Consumer satisfaction at this time has not been fulfilled, it can be seen from the complaints submitted by consumers. Consumers state that in terms of

service, they have not been able to receive good service from Hot Hot Pot Restaurant in terms of the food served, prices that are considered quite expensive, and employee service that is still not polite when communicating with consumers.

Several previous research journals such as the research by Fitria (2021) with the results of research show that customer experience has a positive and significant effect on repurchase intentions. In another study by Khasanah (2020), the results of the study showed that customer experience has a positive and significant effect on revisit intention and customer satisfaction has no effect on revisit intention. Meanwhile, research by Rahmi (2021) shows that consumer satisfaction has a positive and significant effect on the interest in revisiting.

Based on the background of the problem that has been described, the author conducted a study with the title **“The Effect of Customer Experience and Customer Satisfaction Toward Revisit Intention at Hot Hot Pot Restaurant, Medan”**.

1.2. Problem Limitation

In this study, it limits the problem of customer experience and customer satisfaction as an independent variable while the dependent variable is revisit intention. The time in this study was limited from January 2023 until April 2023.

For indicator of variable customer experience namely sense, feel, think, act, and relate (Septian and Handaruwati, 2021). On the customer satisfaction indicators of Devina and Yulianto et al (2022) namely buy again, said good things about the company to others and recommend it, pay less attention to the brand and advertising of competitors' products, buy other products from the same company,

offer product or service ideas to companies. On indicator of revisit, intention is talking about satisfaction, Willing to recommend, giving a positive reputation value, and desire to provide input (Putri et al, 2019)

1.3. Problem Formulation

In the accordance with the research at Hot Hot Pot Restaurant, Medan, thewriter obtained several questions regarding the arising problems which are.

- a. Does customer experience have a partial effect towards revisit intention at Hot Hot Pot Restaurant, Medan?
- b. Does customer satisfaction have a partial effect towards revisit intention at Hot Hot Pot Restaurant, Medan?
- c. Does customer experience and customer satisfaction simultaneously affect toward revisit intention at Hot Hot Pot Restaurant, Medan?

1.4. Objective of the Research

The objective of this research is to find out about:

- a. To find out a partial effect of customer experience at Hot Hot Pot Restaurant, Medan.
- b. To find out the a partial effect of customer satisfaction at Hot Hot Pot Restaurant, Medan.
- c. To find out the simultaneous effect of customer experience and customer satisfaction toward revisit intention at Hot Hot Pot Restaurant, Medan.

1.5. Benefit of the Research

Benefits of this research can be listed as follow:

1.5.1. Theoretical Benefit

The results of this research are expected to contribute to the existing theories relevant to customer experience and customer satisfaction on revisit intention.

1.5.2. Practical Benefit

The practical benefit of this research is as follows:

- a. For writer, the result of this research is expected to help the writer to understand more about the exciting theories relevant to customer experience and customer satisfaction on revisit intention.
- b. For Hot Hot Pot Restaurant, this research will give solutions or recommendations on how to improve customer experience, and customer satisfaction, and revisit intention.
- c. For another researcher, to be a guide in leading the researcher to do other research that is compatible with this research.