

CHAPTER I

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Customer is a king. That's what everybody says. And it's true because without customer, business will not run. Nowadays, food and beverage business is one of the most common businesses in Medan. For example, café. Many brand new cafés keep growing and competing with each other. In order to be able to compete during this new era, besides improving the food quality, good service plays a big role to achieve customer satisfaction. Customer satisfaction is a measure of how products and services supplied by a company meet or surpass customer expectation and customer satisfaction is a primary constituent for all service base businesses. According to the interview with the manager of Massa Kok Tong Kualanamu Medan, the problem that customers tend to complain about is the quality of services rather than food quality or value of money.

According to Saleem and Raja (2014), service quality is the life blood for hotel industry and service quality is further associated with customer satisfaction. In order to increase the level of satisfaction, delivering quality services is the key success in today's competitive environment.

According to Poku, Zakari & Soali (2013), customer satisfaction is the internal feelings of every individual which may be satisfaction or dissatisfaction resulting from the assessment of services provided to an individual in context to customer's anticipation by an organization.

According to Ika Hariyati (2014), service quality is closely related to customer satisfaction. Because service quality is a measure of how well the level of service provided is able to achieve customer expectation, which means the greater quality of services will intensify customer satisfaction. If the services provided are as expected by the customer, then the service quality is said to be good and satisfying the customer.

Heng Seng was a name before Massa Kok Tong and was established on 29 June 1925 at Pematang Siantar by a China foreigner name Lim Tee Kee. It was first known by society for their origin coffee. By the time pass by, Heng Seng has been developing their business so well. Until it was managed by the second generation of Lim Tee Kee whom is Lim Kok Tong in 1978, their coffee business has delivers a dramatically big changes. Lim Kok Tong renovate the shop and opened a new branch at Pematang Siantar. In case to ensure the quality of coffee bean, Lim Kok Tong construct a coffee bean processing factory and changed the name of Heng Seng to Massa Kok Tong.

Over time, Massa Kok Tong has sells their franchise and opened up branches around Indonesia. And not only focusing on coffee, now Massa Kok Tong is more likely as a café which sells a lot of good food and other beverages beside their well known coffee. Massa Kok Tong Kualanamu is one of the franchise store located at Kualanamu airport in Medan. Massa Kok Tong Kualanamu was opened in 2017 which provide various of food and beverages.

Understanding the situation of Massa Kok Tong Kualanamu Medan, the researcher is interested in conducting a research entitled “The Impact of Service Quality towards Customer Satisfaction at Massa Kok Tong Kualanamu Medan.” The researcher will examine service quality which consists of five dimensions namely reliability, assurance, tangibles, empathy and responsiveness.

1.2 PROBLEM LIMITATION

This research will be focusing on Massa Kok Tong's customers in order to identify the impact of service quality towards customer satisfaction. Researcher will do a deep observation by interview the walk in customers or distribute a written questionnaire within 2 weeks to give the best conclusion.

1.3 PROBLEM FORMULATION

These following questions should be answer during the research :

1. What are the factors that effects customer satisfaction in Massa Kok Tong Kualanamu Medan ?
2. What is the relation between service quality and customer satisfaction in Massa Kok Tong Kualanamu Medan ?
3. How to improve the service quality in Massa Kok Tong Kualanamu in order to reach customer satisfaction?

1.4 OBJECTIVE OF THE RESEARCH

The objectives of this research are:

1. To identify the impact of service quality towards customer satisfaction in Massa Kok Tong Kualanamu Medan.
2. To identify the relationship between service quality and customer satisfaction in Massa Kok Tong Kualanamu Medan.
3. To learn a way to preserve and improve service quality to satisfy customer.

1.5 BENEFIT OF THE RESEARCH

The research can provide theoretical benefit and practical benefit for people who want to identify the relation of service quality and customer satisfaction

1.5.1 Theoretical Benefit

To enhance the understanding and knowledge about the impact of service quality towards customer satisfaction at Massa Kok Tong Kualanamu Medan.

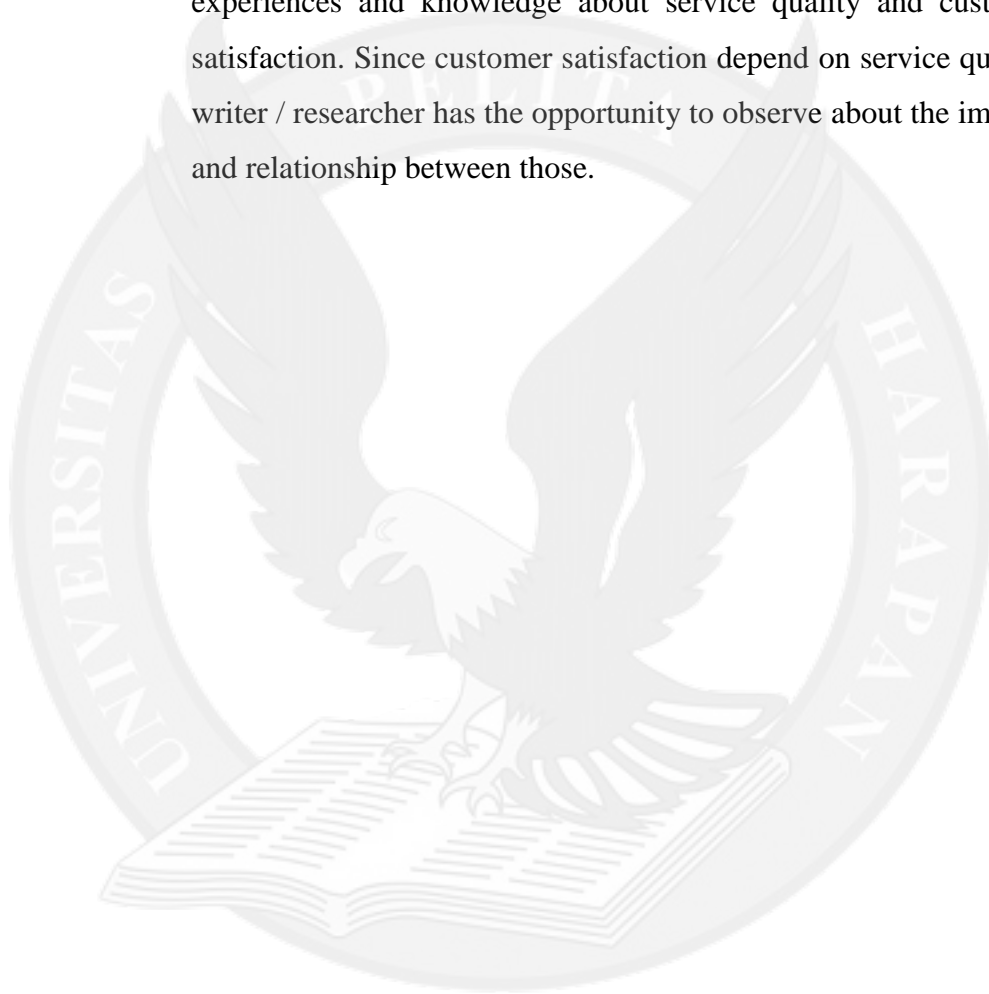
1.5.2 Practical Benefit

1. Benefit for Massa Kok Tong :

By this research, it will deliver the final conclusion which consist of how their service actually is and it may gives an effective way to improve and develop their future business.

2. Benefit for Researcher :

The benefit for researcher by doing this research is to gain more experiences and knowledge about service quality and customer satisfaction. Since customer satisfaction depend on service quality, writer / researcher has the opportunity to observe about the impacts and relationship between those.



1.6 System of Writing

To understand the research project, therefore the materials listed in this research project will be grouped into several sub-chapters with the following systematic sampling as below:

Chapter I Introduction

This chapter contains of background of the study, problem limitation, problem formulation, objectives of the research, benefit of the research both theoretically and practically, and the systems of writing.

Chapter II Literature Review & Hypothesis Development

This chapter contains about theoretical background of the impact of service quality towards customer satisfaction, previous research, hypothesis development, research model, and framework of thinking.

Chapter III Research Methodology

This chapter contains of research design, population and sample, data collection method, operational variable definition and variable measurement and data analysis method

Chapter IV Data Analysis and Discussion

This chapter contains of general view of “Research Object”, data analysis, descriptive statistic, result of data quality testing, result of hypothesis testing, and discussion.

Chapter V Conclusion and Recommendation

This chapter will clarify the conclusion of this research project, the implication and the recommendation of this research project.

