

CHAPTER 1

INTRODUCTION

1.1 BACKGROUND OF STUDY

All humans basically have needs the same, but because of the culture, the need come along differently. In meeting human needs adjust to existing priorities. Abraham Maslow in Nur Rohman (2018) put forward the theory of human needs hierarchy, namely physiological or basic needs, the need for security and calm, the need to be loved and loved, the need to be respected, and the need for actualizationself. From the hierarchy, physiological needs constitute the most basic needs, where those needs are the strongest and clearest need for maintain physical life. One of the needs physiological is the need for food. People today tend to prefer fulfill their food needs by consuming food purchased from restaurants.

Based on the facts above, many companies interested in opening a new business restaurants to meet their needs and restaurant businesses nowadays tend to attracted many people to start a business. Since many restaurants have been opened, people start to confuse in choosing which restaurant that has a good quality of service to enjoy. So customers will always be look for values that are considered the highest of several product.

Service is a very important thing in the business world. Service is a form of appreciation to customers. The quality of services has also become one of the considerations for someone who decide to purchase a product and service of a company. Thus, the company can increase customer satisfaction where the company maximizing a pleasant customer. Given the increasingly intense competition between companies today requires companies to be able to survive and compete with other companies, one of the things that can be taken by the company in order to be able to survive in fierce competition.

The success or failure of a company in maintaining its activities starts from the man himself in maintaining the company in maximizing performance. The company must have an appeal and provide a good image in the eyes of the community by providing quality services. Seeing these conditions, companies must try to improve the situation by providing the best service to the community in order to be able to compete with other companies. With good service, it is expected that the community will feel valued and not feel neglected and finally the community as consumers will move to another company.

Customer satisfaction is the feeling of the customer after comparing what is received with expectations. According to Rezot (2016), customer satisfaction is a situation where the wishes, expectations and needs of customers can be fulfilled. If the quality of services can meet the customer needs and expectation, then it is considered as satisfactory. If the service is below the expected level, the customer will feel dissatisfied. Customers who feel dissatisfied with the quality of services provided will automatically tell others and move to other business actors or companies. Therefore measuring the satisfaction of the services provided by the company to the customer must always be done to find out and plan a better strategy in the future and the company needs to further improve the quality of service in order to meet customer desires. Service quality and customer satisfaction interact with each other. In order to survive in today's business competition, companies must have loyal customers, one of the ways is to provide good quality service in order to satisfy consumer needs so as to create a sense of customer satisfaction.

We can see that there are many new restaurants in Medan and we can find any restaurants now in every corner in Medan that always come with new innovations. The researcher conducted the research at Holyduck Medan, is one of the new comer restaurants in this industry that is located at Jalan A. Rivai No. 4, Medan. This restaurant is design with a unique Balinese concepts to attract many people. The place is quite comfortable and bright, because the

interior is dominated by glass. For Medan residents who like ducks, they might be happy because as the name implies, this restaurant has a variety of appetizing duck menus and this is the branch of Jakarta that was opened in 2016. The reason why the writer choose this restaurants because they are still considered as new comers in Medan and the researcher also have already experienced the quality of the restaurant during the visit. Recently, there are a lot of complains that occur in the Holyduck Medan, customers feel that the quality that being provided is unsatisfied and might caused the customer to be unwilling to have the product or service anymore. Therefore, customer satisfaction of consumer is an important factor in determining company success.

Based on the writer experience, the research find that there is lack of employee greeting during the entrance to enter the restaurants. As a result, customer have to find the table on their own due to not being noticed by the waiter/ waitres or find the waiter to ask for the empty space. Moreover, the attitudes of employee also represent the customer impression, This basic problem occured when the product is mistakely being serve due to lack of proper interaction to the customers. By being concern to the service that provided, the writer is interested in doing research based on the service quality in the restaurant. In addition, the writer might bring more benefits to improve their service quality as a new comers.

One of the challenges in this business is their service quality because they are a lot of new restaurants as the competitors and that is why services is playing as an important role because by having such a good quality of service, Holyduck Medan can gain the customer satisfaction Therefore, based on the background above, the researcher is interested in choosing the title **“The Impact of Service Quality Towards Customer Satisfaction at Holyduck Medan”**

1.2 PROBLEM LIMITATION

This study emphasized on independent variable x service quality and dependent variable customer satisfaction.

This study was conducted to examine the impact of service quality to customer satisfaction. For the variable X, which is service quality that focusing on dimensions arranged in the order of relative importance as reliability, responsiveness, assurance, physical evidence (tangibles) and the variable Y, which is customer satisfaction that will focus on the customer satisfaction level which included confirmation of expectations, interest in repurchasing, willingness to recommend. The required target population for the research is available in the study area.

1.3 PROBLEM FORMULATION

Based on the description above, the problem formulation is “ Is there any influence of services quality towards customer satisfaction?”

1.4 OBJECTIVE RESEARCH

The study will achieve the following objectives is to examine whether the service quality has impact on customer satisfactions at Holyduck medan

1.5 BENEFIT OF RESEARCH

The benefits of this study are divided into two, namely theoretical and benefits practically.

1.5.1 THEORITICAL BENEFIT

Theoretically, the writer hoped that this reasearch can be used as the references for the readers in the future about the service quality and customer satisfaction. This paper also can provide knowledge and Information for the readers.

1.5.2 PRACTICAL BENEFIT

Practically, to the company, the results of this study are expected to be input for Holyduck Medan especially in helping Holyduck Medan improve its service quality.

1.6 SYSTEM OF WRITING

In the systematics of writing, the author will briefly describe the chapter by chapter in sequence. The order of writing the chapter to be presented is as follows:

Chapter I : Introduction

It is the outline, the direction of purpose, and the encouraging research grounds the authors do research and include: Background of the study, Problem limitation, Problem formulation, Objective of the research, Benefit of the research (Theoretical and Practical benefit) and

Systems of writing. In background of study explain why the writer choose this topic and want to conduct research in this restaurant. In this chapter also limit the study to focus the service quality and customer satisfaction and followed by the system of writing that provide the explanation in each chapter.

Chapter II : Literature Review and Hypothesis Development

In this chapter, it mention and explain further about the theories or definitions on which the author is based that related to the topic which include Previous research, Hypothesis Development, Research model and Framework of thinking. As for the previous research is to support study that have been done by other researcher. This chapter also included the research model that mention the model used as which is the independent and dependent variable. Followed by the hypothesis statement as the answer of this study and the framework of thinking as the brief explanation.

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. In this chapter is discuss the population and sample from the respondents, the data collection method is describe the data collection method that the writer use which are primary and secondary method. Then, in the operational variable definition and variable measurement part it will mention how the variable is measured.

Chapter IV : Data Analysis and Discussion

This chapter describe the General view of “Research Object”, Data analysis (Descriptive statistic, Result of data quality testing and Result of the hypothesis testing) and discussion from the research. As for the research object, will describe the brief company profile including the vission, mission and the organization structure. In this chapter will also shows the results of the questionnaire of using SPSS program.

Chapter V : Conclusion

In the last chapter, it contains 3 (three) points which are conclusion, implication and recommendation. Firstly, In the conclusion, it will shows that the result of the hypothesis testing whether the hypotheses is being accepted or rejected. Secondly, as for the implication is describe about how the writer hope if this research is useful and helpful either for the readers and the company. And lastly, with the recommendation basically based on the result it could help the company for better understanding and recommendation in the future.