

# CHAPTER I

## INTRODUCTION

### 1.1. Background of the Study

Medan, as the capital city of the North Sumatera Province, is the third biggest cities in Indonesia, famous for its historical building and great variety of culinary. The city is also known as a busy trading city, can be seen by the port and airport it has, and is also equipped with the largest metropolitan area outside of the main island which makes it a good place for those looking to start a business. This is also the reason why there are a lot variegated types of businesses that had been opened in Medan, ranging from café, restaurant, laundry, and many more.

The most seen businesses in Medan are those from the culinary industry seeing as the city was famous for it. Foreign, and even native travelers, mainly come to the Medan to try the famous culinary while also enjoying the historical buildings on the side. The interest on the culinary in Medan caused this industry to keep growing and flourishing, which is why there are many opportunities to start a business in the culinary industry and also the reason why there are a lot of culinary businesses opened in Medan.

There are many culinary businesses in Medan ranging from restaurants, café, to food or beverage stands. Recently, there are a big emergence of restaurants serving other countries food such as Japanese, Korean, and even Thailand. These restaurants

are focused on serving food and beverages from other countries for people to enjoy without physically going to said country.

Japanese culinary for one, have always been a favorite among the people in the city which is shown by the many Japanese restaurants opened in Medan. The restaurants usually served Japanese foods like sushi, ramen and even sashimi using materials imported from Japan and decorated in Japanese style. Japanese restaurants is of course more pricey compared to other local restaurants because of the imported materials.

What makes customers keep coming to a restaurant, especially with the higher price compared to cafés or small stands, is the service quality. Service is important to a restaurant. As a part of the hospitality industry, restaurants are focused on providing the best quality of services. Customers would always think of the service quality before the taste of the dish of the restaurant.

What makes service quality important is its relationship with customer satisfaction. Customer satisfaction depends on the customers' judgment and perception with the perception affecting the judgment for both the delivered services and the expected quality of the services (Safi & Alagha, 2020). Thus, it can be said that the satisfaction of a customer depends on the service quality the customer's expected, and whether if the restaurant could fulfill said expectation or not.

Services are all about manners, courtesy, and impression. It is all about full-heartedly serving the customers and ensuring that the customers enjoy it too. Customers

judge a restaurant by the quality of services, if they feel that the restaurant fulfill or even exceed their expectations, they would feel that the restaurant is worth of the money and will feel satisfied.

Satisfaction is rated by the overall services, intangibles or otherwise, and products of the restaurants. If customers feel that the services is according to what they think or expected they would feel satisfied of it and come back again later in the future. They would even spread good word-of-mouth to other people, giving good reputation and impression of the restaurant to them.

However, there are problems regarding the service quality at Sushi Tei Teuku Daud, Medan. Based on the reviews from google review and TripAdvisor, there are some negative reviews commenting about the service quality of the restaurant such as the long serving and waiting time, the expensive price of the product that did not match with the quality of the product that was served, and the bad facilities of the restaurant.

The negative reviews are even more on the weekend or peak season where the restaurant is especially crowded. This negative reviews prove that there are some problems regarding the service quality of the restaurant which means that the service quality of the restaurant did not reach some of the customers' expected service quality. Below is the table of complaints found from 2019-2021.

**Table 1. 1**  
**Complaints Data from 2019-2021**

| <b>Years</b> | <b>Amount of Complaints</b> |
|--------------|-----------------------------|
| 2019         | 14 complaints               |
| 2020         | 24 complaints               |
| 2021         | 30 complaints               |

Source: Sushi Tei Teuku Daud Medan

These problems regarding the service quality of the restaurant are the reason why the writer has decided to choose Sushi Tei Teuku Daud Medan as the object of the research. The writer believes that in knowing and understanding these problems, Sushi Tei could overcome them and also enhance their service quality to provide even better services for the customers in the future. Therefore, the writer decided to conduct research with the title **“The Effect of Service Quality towards Customer Satisfaction at Sushi Tei Teuku Daud Medan”**.

## **1.2. Problem Limitation**

With the limited knowledge, time and ability in conducting this research, the writer will limit the research to the analysis of service quality towards customer satisfaction in Sushi Tei Teuku Daud Medan. Since the problem of the research is vast the writer will focus on the service quality with SERVQUAL dimension as cited by Parasuraman et al. in Safi & Alagha (2020) as the indicators. Towards the customer satisfaction, the chosen indicators are the main factors that influences customer

satisfaction according to Raza et al. (2019). The service quality will be the independent variable (X) and the customer satisfaction will be the dependent variable (Y).

### **1.3. Problem Formulation**

According to the problem identification, the question of the study that need to be answered is:

Does service quality affect customer satisfaction at Sushi Tei Teuku Daud Medan?

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

The objectives of this research is:

To evaluate whether service quality does influence customer satisfaction at Sushi Tei Teuku Daud Medan.

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

The benefits of writing this research are as following:

#### **1.5.1. Theoretical Benefit**

The result of this study can be used to give an insight of the effect of the service quality towards the customer satisfaction at Sushi Tei Teuku Daud

Medan. The writer also hoped this study can be a source of knowledge and reference for future university students.

### **1.5.2. Practical Benefit**

The result of this study can be used to help Sushi Tei to gain an insight of the customers' expectation so the restaurant could enhance and improve their service quality to reach the customer's standard. This study could also help other similar types of business with similar problem to be solved and also enhance their service quality.

