

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Nowadays, it is hard for every companies to do their business activity due to the tight competitions between one company with another companies with the same business characteristic. Every companies try their best to win the market by gaining more sales. One way to gain more sales is by attracting customers to look, consider then decide to buy the product or service from the company. To attract the customers, either the potential customers or maintaining the loyalty of the old customers is not easy. Companies need to show great appeal in order to attract them. One way to attract the customers is by showing great service quality. Service quality plays great role in business practice as it is what the customers see and they tend to get their first impression form the service provided to them.

Customers demand more and it is the job of the company to fulfill their demand if they want to earn more shares in the market in term of the product or service of the company. It is believed the greater service given, the more customers the company will get. According to Lewis & Booms in Tjiptono and Chandra (2016:125) “service quality is a measurement on how good level of service given is able to meet customers expectation.” Service quality is needed in every companies, According to Zeithaml and Bitner in Priansa (2017)“Service quality is important because service quality is the reflection of company image therefore it is important to build a strong service quality.”

Maintaining customers satisfaction is also one of the important jobs that a company has to do in order to be able to survive in market industry. Customers satisfaction occurs when the customers had already experienced product or service from the company and usually it brings positive results or impact. According to Tjiptono & Diana (2017:23) “customers satisfaction occurs from the comparison between their expectation and reality. ”Customer satisfaction is important according to Priansa (2017) “Maintaining customer satisfaction is a long term process yet it is a big investment of the company. Satisfied customers creates strong base for the company to show its existence in marketplace and also gives reasons why their product or service should be chosen.”

Satisfied customers bring benefits for the company besides the company get sales increase, it also gets positive name and image which is really important if the company is still building its reputation. Satisfied customers usually tend to do repeat order or even recommend their great experience to whom they know. service quality and customers satisfaction can be the keys for the company to maintain its business well in this tight competition. Based from the research done by Yogi (2019) with the title “The influence of price and service quality towards customer satisfaction at PT Astra International Daihatsu Tbk, Cibereum Bandung” it provides the result that Price and service quality have a positive and significant influence towards customer satisfaction. According to Rara (2017) with the title “The influence of service quality towards customer satisfaction at Astra credit, Medan” shows that Service quality has an influence of 69.39% towards customer satisfaction.

PT. Groliar Mentari Wisesa, Stabat is a company which is located at Khz Arifin street number 9 a-d, Stabat. This company operates its business activity in selling motor bikes. Based on the interview done by the writer in this company, the writer found that some of the customers are not satisfied with the service quality provided by the company. Based on observation and interview, the writer found out problem in service quality regarding the employees of the company sometimes are not friendly and make customers feel uncomfortable. Some employees don't know much about information about the product they are selling to the customers and some of them even make mistake in delivering the information to the customers that sometimes creates misunderstanding to the customers.

The writer also found out problems regarding customers satisfaction, the drop of customer satisfaction can be seen based on the sales of the company in the late 5 years. The sales are represented by number of unit motorbikes sold. The sales in the late 5 years is represented in table 1.1 below.

**Table 1.1 Sales at PT. Groliar Mentari Wisesa, Stabat**

<b>Year</b>	<b>Target units sold</b>	<b>Realized units sold</b>	<b>Percentage</b>
<b>2016</b>	<b>1950</b>	<b>1612</b>	<b>82.67%</b>
<b>2017</b>	<b>1950</b>	<b>1645</b>	<b>84.35%</b>
<b>2018</b>	<b>1950</b>	<b>1520</b>	<b>77.94%</b>
<b>2019</b>	<b>1950</b>	<b>1534</b>	<b>78.66%</b>
<b>2020</b>	<b>1950</b>	<b>967</b>	<b>49.58%</b>

**Source: PT. Groliar Mentari Wisesa, Stabat, December 2020**

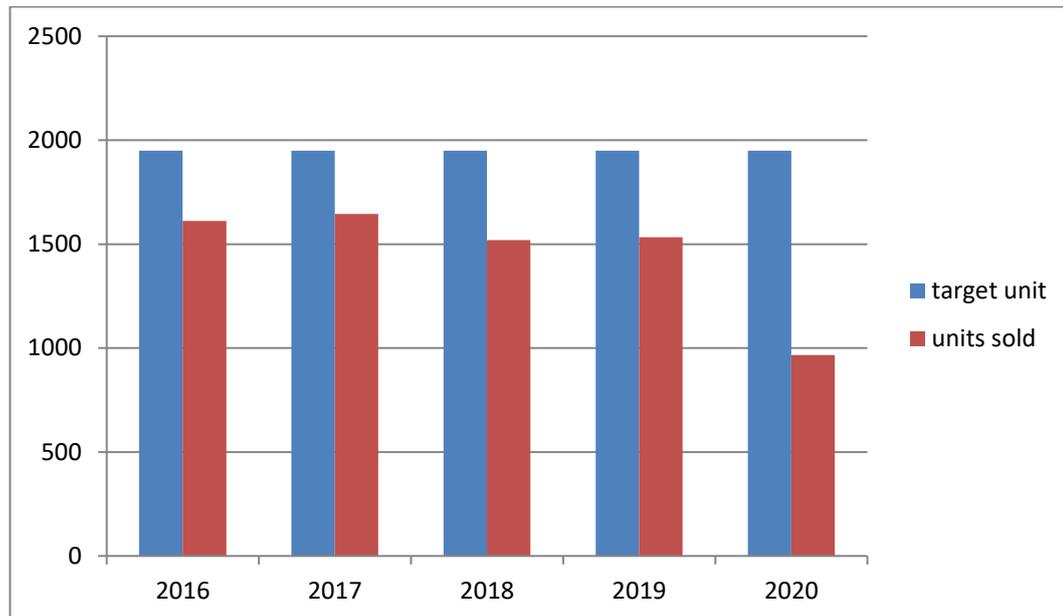


Table 1.1 explained that there is a decrease tendency of sales at PT. Groliar Mentari Wisesa, Stabat. A decline in sales may be a representation on how customers are still dissatisfied with the company, especially during 2020 where there is pandemic of covid 19 virus where sales is expected to be lower as purchasing power during pandemic situation is getting weaker.

Other than low purchasing power expected, the company is not only the company doing the business type in its region, there are also some other companies which has the same business characteristic. Those companies are summarized in table 1.2 below.

**Table 1.2 Competitors of PT. Groliar Mentari Wisesa, Stabat.**

No	Name of company	Establishment year
1	CV. Sahabat Motor	2000
2	PT Indako Trading Motor	1996
3	PT Indomotor Perkasa	2002
4	PT Astra Daihatsu Motor	2000

A satisfied customer usually will act like walking advertisement where they will tell their family, relatives or friends about the company and its product or service. The more satisfied customers a company have, usually the more sales can be achieved. Based on the two problems above, the theories and the previous research; the writer then decides to do a research with title **“THE INFLUENCE OF SERVICE QUALITY TOWARDS CUSTOMERS’ SATISFACTION AT PT. GROLIAR MENTARI WISESA, STABAT.”**

## **1.2 Problem Limitation**

Due to the time and cost limitation, the research is narrowed by only studying 2 variables. Independent variable or variable x is service quality meanwhile dependent variable or variable y is customers’ satisfaction. The research location is done at PT. Groliar Mentari Wisesa, Stabat which is located at Khz Arifin street number 9 a-d, Stabat. The population and sample come from customers of the company who make transaction in that day at PT. Groliar Mentari Wisesa Stabat, where the indicator used in service quality are professionalism, employees attitude, comfort, trust, communication and reputation according to Zeithaml and Bitner in Priansa (2017) while the indicator of customer satisfaction are the fulfilled customer desire, attitude in using product or service, provide recommendation, loyalty and good reputation according to Kotler in Priansah (2017).

### **1.3 Problem Formulation**

This research will answer the following questions:

1. How is service quality at PT. Groliar Mentari Wisesa, Stabat?
2. How is the customers satisfaction at PT. Groliar Mentari Wisesa, Stabat?
3. Does service quality influence the customers satisfaction at PT. Groliar Mentari Wisesa, Stabat?

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

The objectives of this research are:

1. To know level of service quality at PT. Groliar Mentari Wisesa, Stabat.
2. To know level of customers satisfaction at PT. Groliar Mentari Wisesa, Stabat.
3. To know how much service quality influence the customers satisfaction at PT. Groliar Mentari Wisesa, Stabat.

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

#### **1.5.1 Theoretical Benefit**

1. To increase knowledge of the writer regarding variable of service quality and customer satisfaction.
2. As a reference for further research regarding variable service quality and customer satisfaction.

### **1.5.2 Practical Benefit**

1. As evaluation for PT. Groliar Mentari Wisesa, Stabat regarding variable service quality and customer satisfaction.
2. To offer contribution and input for PT. Groliar Mentari Wisesa, Stabat for improving its service quality and customer satisfaction.

