

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Today's business development in all fields especially hospitality industry has produced a lot of competition. Hospitality industry is generally recognized as a section of the wider service industry which is linked to leisure and customer satisfaction. Hospitality industry can be found anywhere else, every place, and every edge.

With a lot of hospitality industry businesses coming up and we're living in a very modern world, this make hospitality industry slowly develop with Artificial Intelligence or known as computer based technology which now is one of the trend in hospitality industry. The existence of the developing and sophisticated technology, making human labor demanded to be faster and more efficient because human labor is expected to do better than the technology, besides technology don't have emotions so that's why human labors are slightly better than the AI. By that improving product quality, service and facilities are the way to keep the business going because competition now days are tight.

There are some sectors in the hospitality industry which are accommodation (bed & breakfasts, hotels, motels, hostels, resorts, serviced apartments, time sharing, etc), food & beverages (restaurants, catering, bars & cafés, nightclubs, tea & coffee shops, etc), travel & tourism (travel agents, tour operators, online travel agencies / OTAs, cruises, car rental, casinos, etc).

Based on the sectors before, one competitive business that is growing very tightly today is the development in the food & beverages industry, which the writer will discuss about and it's suitable with the topic of this research.

Food & Beverage industry is a service industry which offers people a way of spending their leisure time and disposable income, as well as an opportunity to socialise and enjoy and experience with food and drinks provided. One of the Food & Beverage industry section is restaurants. Restaurant is a place that provides customers food and drinks services, with the food either being eaten in place or taken away for consumption. To simplify, restaurant is a place where people pay to sit and eat meals that are cooked and served on the premises, it also can be taken away. Restaurants include fine dining restaurants, fast food restaurants, takeaway restaurants and other varieties type of restaurants. We can see more and more restaurants popping up, built in every city and country. As we know, restaurant is a business that prioritizes the sale of food and beverage and is accompanied by other facilities such as delivery and entertainment. Not to forget to mention services quality also has the effect towards a restaurant and it can be measured by SERVQUAL dimensions which consist of tangibles, responsiveness, reliability, assurance and empathy. Therefore the restaurant must be able to improve good performance and also adequate facilities to satisfy customers.

The restaurant that will be the object of this research is Ayam Goreng Kalasan Cemara Asri Medan. Ayam Goreng Kalasan Medan is an Indonesian cuisine restaurant which is very well known for their chicken as it can be seen by

the name itself which mean “Kalasan Fried Chicken” and it’s suitable for any ages, the guest can be from friends or family. It’s located and first established in Medan since 1983, and now they have a lot of branches in Medan (in Mall and street side). One of them is in Cemara Asri Medan which the writer chooses to be the objective of this research. Ayam Goreng Kalasan Cemara Asri is the third branch which was established in 2017, it means they have operated for almost 3 years. The restaurant provides a lot varieties of Indonesian food from main course until snack. Ayam Goreng Kalasan Cemara Asri Medan is always been a crowded place and they have to always maintain their service quality. It’s not only about how they serve but also the physical facilities because it will affect the service quality and customer’s satisfaction.

Even though Ayam Goreng Kalasan Cemara Asri Medan is well known for their good service quality and seems that they don’t have any gap, but unfortunately based on what the writer observed and experience, they might have a little problem in their restaurant. When the writer came there as a customer the writer expected a good service quality since they’re very well-known but unfortunately it didn’t meet the expectations. First, when the writer came, a bell-girl opened the door but she didn’t greet the writer, instead she spoke to other employee. Then, a staff greeted the writer, guided the writer to the table, and served the writer nicely.

Based on the writer’s observations, the writer noticed that the employees didn’t have the smiley face on their face and it kind of make the writer as a customer feel uncomfortable. Even when they’re talking to other customers, they

don't smile they just have this straight face, maybe that's a rough day and they're tired but still they have served kindly.

As for the tangibles things like the interior, tables, chair, it was good but the writer noticed that they don't provide table for two or four, because usually restaurant provide those, but not with them, so when customer come alone or come together as two or four, they will seat in a very large table. They don't provide toothpick on the table too, maybe we have to request it. Also, the toilet condition on the day the writer visited, there's tissue on the floor. As for the parking area, the writer felt it's narrow since they're on the side of the road.

Based on the reviews, there are people who complained too. Some of them said that they have to wait longer for their food, not prioritizing customer who came first, there's no against online drivers when it comes to giving drink, staff was cold and bad cashier service. As for the writer who also comes to try, feel little dissatisfied because their service quality didn't meet the writer's expectations but still there're some staff who is nice and kind. As one of the companies engaged in services and prioritizing the quality of services, quality and facilities to consumers, the company must focus more on aspects related to customer satisfaction. This means, as for convenience, service quality is not seen from the perception of service providers, but from consumer perceptions.

Based on the background above and see how important service quality is in order to realize customer satisfaction, the writer is interested in conducting research with "Effect of Service Quality towards Customer Satisfaction at Ayam Goreng Kalasan Cemara Asri Medan" as title.

As there are lots of competitors out there, here is a list of the competitors related to the object of this research which is Ayam Goreng Kalasan Cemara Asri Medan restaurant.

Table 1.1 List of Competitors

Name of the Company	Number of Branches
Ayam Penyet Ria	5
Lembur Kuring	1
Ayam Bakar Wong Solo	3
Ayam Penyet Jakarta	8
Cobek Ayam Penyet	5

Source: Prepare by Writer (2021)

1.2 Problem Limitation

There are some limitations that we use in this research, which are focusing on the service quality and to know if the service quality can affect customer satisfaction or not. As we do a research through big topics and there are a lot of cafes in Medan, we only focusing on Ayam Goreng Kalasan Cemara Asri Medan, and we will give questionnaire to the guest who has already come to Ayam Goreng Kalasan Cemara Asri Medan to collect the data.

1.3 Problem Formulation

The problems that occur in this essay are:

1. Does service quality affect customer's satisfaction at Ayam Goreng Kalasan Cemara Asri Medan?
2. How does service quality affect the satisfaction of customer at Ayam Goreng Kalasan Cemara Asri Medan?

1.4 Objective of the Research

The objectives of this research are:

1. To know whether service quality have affect towards customer satisfaction at Ayam Goreng Cemara Kalasan Asri Medan.
2. To identify how service quality affect customer's satisfaction at Ayam Goreng Kalasan Cemara Asri Medan.

1.5 Benefit of the Research

1.5.1 Theortical Benefit

The result of this research is expected to be information for those who are attracted in food & beverage industry especially in the service quality and how it's effect customer satisfaction. The other benefit is it can be a sample for those who also do a research with the same topic.

1.5.2 Practical Benefit

The results of this research are expected to be a guideline for those who want or doing a research related to this topic, information of product knowledge and process of doing the research. This whole thing can be a suggestion to Ayam Goreng Kalasan Cemara Asri Medan, especially to give new suggestion about customer satisfaction based on service quality.