

CHAPTER I

INTRODUCTION

1.1 Background of The Study

Nowadays the competition between food restaurant businesses is getting tighter, which is indicated by the number of restaurants that are growing and developing. This competition is also caused by the increasing level of public consumption in restaurants. To excel and be able to maintain its business and customers, a company must be able to provide more value than its competitors, through creative and innovative efforts. The restaurant business is one of the most promising businesses seeing the high market demand for food and the potential purchasing power of the community. The restaurant is a commercial business that provides food and drinks services and is professionally managed. The restaurant or restaurant business is currently showing a relatively rapid development, as evidenced by the increasing number of restaurants and restaurants that are ready to serve in big cities. One of the fast food that is in demand today is dimsum.

Sari Laut Nelayan is a well-known restaurant that was founded in 1985. Sari Laut Nelayan is still the main choice when customers want to enjoy dimsum. Each restaurant has its marketing strategy in attracting the attention of customers to always visit their place so that customers can always make regular repeat purchases. Therefore, the loyalty of a customer to a restaurant is very influential in maintaining their existence to face this intense competition. In this case, Sari Laut Nelayan is one of the main choices for customers when customers

want to enjoy dimsum and they often order in large portions so that Nelayan always have a very large supply so that all customers can have the opportunity to enjoy the dimsum. After trying the food from Sari Laut Nelayan, customers always get a good impression and experience, both from the quality of the food and the services provided to make customers feel comfortable in enjoying their food offerings. In the end, customers are always committed if they want to enjoy dimsum that customers will make Sari Laut Nelayan their first choice. It is not surprising that Sari Laut Nelayan continues to experience rapid development and opens more branches in various places in Medan.

However, the opposite occurs at the Sari Laut Nelayan Merak Jingga where the loyalty of customers to visit and enjoy the food there is consider have decreased, which many customers seem rarely make repurchases and only try once. This can be seen from when customers want to enjoy Dimsum, they will never choose Merak Jingga branch again, but customers will visit the others branch at shopping centre such as Sun Plaza, Centre Point, Deli Park, and others shopping malls. Moreover, customers feel that if they choose the branch inside the shopping centre, customers can do shopping at the same time as they finish their lunch or their dinner, whereas if they eat at Merak Jingga branch, after they finish eating the dish, they will have no other destinations and need to good out and drive to others place which make some of these things in the end make customers decide if they want to eat dimsum in Sari Laut Nelayan, they will only eat in the shopping centre. In addition, customers also often submit their complaints about several things in the restaurant. On the other hand, customers also committed to

only eat dimsum when they have a free time and not in a hurry so when they have a free time, they will visit shopping center for sure.

Table 1.1
Customers Complaint Period 2017 – 2020

Year	Complaints	Reasons
2017	16	1. Employees are too long to make orders.
2018	23	2. Employees are too long to deliver orders.
2019	27	3. Food taste not consistent.
2020	33	4. Some menus are not delivered.
		5. Customer not recommended to friends.
		6. Customer only visit this once.
		7. Trying this restaurant when they are crossing this place.

Sources: Sari Laut Nelayan Merak Jingga, 2021

From the data above, the complaints that are given by the customers keep increasing from 2017 till 2020. The complaint shown that the services are not good enough that make the customers does not want to come back anymore such as employees are too long to make orders, employees are too long to deliver orders, food taste not consistent, some menus are not delivered, and also customer not recommend Sari Laut Nelayan Merak Jingga to their friends. There are also some customer only visit Sari Laut Nelayan Merak Jingga for the first time and they will never come back again. Thus there are also some customer trying Sari Laut Nelayan Merak Jingga when they are crossing this place.

Customer loyalty can't increase if there is no any observations made, customers not loyal to Sari Laut Nelayan because they rarely get the satisfaction when enjoying their food. In this case, they feel that their expectations can rarely be met and sometimes below their expectations. There are several reasons that makes the customers feel disappointed. The first reason is many customers complained their services, it takes a long time for the foods to be served and the

taste of the food is not consistent. Also, the waiters are not responsive to the customer's order and slow respond which make the customers feels more disappointed.

According to Nafiisah and Djamaludin (2020:12) in a journal entitled "The Influence of Consumer Satisfaction Towards Loyalty of Adolescent Consumers MujigaeResto in Bogor City", states that "The Aspect that produces the highest customer satisfaction is the aspect of suitability of bills delivered by employees with a list of orders followed by ease of finding a location. Conversely, the aspect with the lowest consumer satisfaction is shown in the aspect of the speed of food serving by employees followed by suitability of food and beverage preparations." Nafisah and Djamaludinalsa state that is the higher the customer satisfaction, the higher the customer loyalty.

Based on the background above, the researcher conducted a study entitled "**The Effect of Customer Satisfaction Toward Customer Loyalty in Sari Laut Nelayan Dimsum, Putri Merak Jingga Street, Medan.**"

1.2 Problem Limitation

In this paper, due to over discussion and author ability to do the research, the author will focus on the problem of customer satisfaction, which is the service responsiveness is not good. Customer satisfaction as independent variable with the indicator (Overall Customer Satisfaction, Confirm Expectation, Repurchase Intention, Willingness to Recommend, Customer Dissatisfaction.) towards customer loyalty as dependent variable (Choice Sequence, Proportion of Purchase, Preference, Commitment.)

1.3 Problem Formulation

According to the background of the study, there are some problem formulations which will be used:

1. Does customer satisfaction have effect at Sari Laut Nelayan Dimsum?
2. Does customer loyalty have effect at Sari Laut Nelayan Dimsum?
3. Does customer satisfaction have effect towards customer loyalty at Sari Laut Nelayan Dimsum?

1.4 Objective of the Research

According to the background of the study and the problem formulation, the purpose of this research is :

1. To know about the effect of customer satisfaction at Sari Laut Nelayan Dimsum.
2. To know about the effect of customer loyalty at Sari Laut Nelayan Dimsum.
3. To know about the effect of customer satisfaction towards customer loyalty at Sari Laut Nelayan Dimsum.

1.5 Benefit of the Research

1.5.1 Theoretical Benefit

According to the theoretical benefit, this result of the study is expected to enhance the understanding and the theory regarding customer satisfaction and customer loyalty. Besides, this research also could be use as a reference or guiddance for the next researcher.

1.5.2 Practical Benefit

For the practical benefit, the result of this study are expected to help Sari Laut Nelayan Dimsum to evaluate and use the research results and as a suggestion for Sari Laut Nelayan Dimsum in increasing customer loyalty and retaining customers.

