

## TABLE OF CONTENTS

page

**COVER PAGE**

**TITLE PAGE**

**DECLARATION OF AUTHENTICITY OF FINAL PAPER AND UPLOAD**

**AGREEMENT ..... ii**

**APPROVAL PAGE BY FINAL PAPER ADVISOR..... iv**

**APPROVAL PAGE BY FINAL PAPER DEFENSE COMMITTEE ..... v**

**ABSTRACT ..... vi**

**ABSTRAK..... vii**

**PREFACE ..... viii**

**TABLE OF CONTENTS ..... x**

**LIST OF FIGURES ..... xiv**

**LIST OF TABLES ..... xv**

**LIST OF APPENDICES ..... xvii**

### **CHAPTER I INTRODUCTION**

1.1 Background of the Study..... 1

1.2 Problem Limitation ..... 9

1.3 Problem Formulation..... 9

1.4 Objective of the Research..... 10

1.5 Benefit of the Research ..... 10

1.5.1 Theoretical Benefit ..... 10

1.5.2 Practical Benefit ..... 11

### **CHAPTER II LITERATURE REVIEW AND HYPOTHESIS**

#### **DEVELOPMENT**

2.1 Theoretical Background ..... 12

2.1.1 Hospitality Industry..... 12

2.1.1.2 Sectors of Hospitality Industry ..... 13

2.1.1.3 Restaurant..... 14

2.1.2 Price..... 15

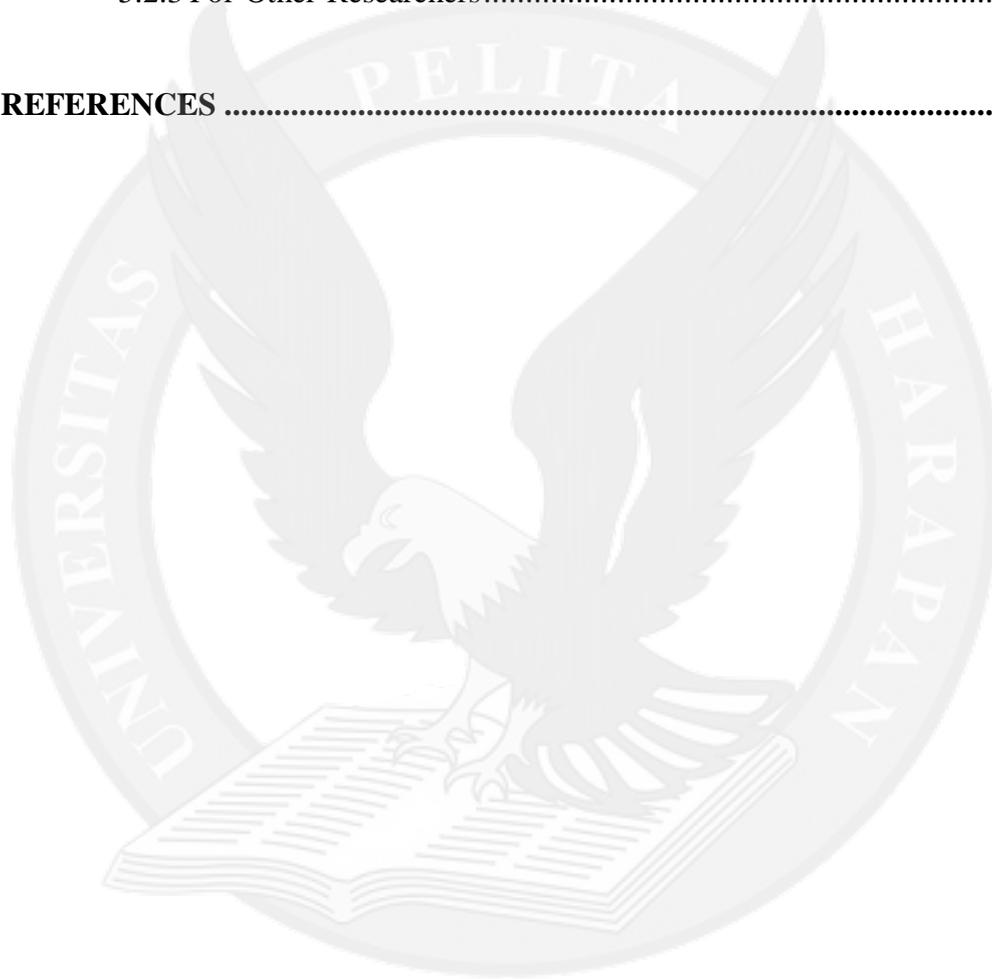
2.1.2.1	Definition of Price .....	15
2.1.2.2	Strategy in Determining Price .....	16
2.1.2.3	Indicators of Price .....	17
2.1.3	Service Quality.....	18
2.1.3.1	Definition of Service Quality.....	18
2.1.3.2	Characteristics of Service Quality.....	20
2.1.3.3	Indicators of Service Quality .....	21
2.1.4	Customer Loyalty.....	22
2.1.4.1	Definition of Customer Loyalty.....	22
2.1.4.2	Factors that Affect Customer Loyalty.....	24
2.1.4.3	Indicators of Customer Loyalty.....	25
2.1.5	Relationship between Price, Service Quality and Customer Loyalty.....	26
2.1.5.1	The Influence of Price towards Customer Loyalty .....	26
2.1.5.2	The Influence of Service Quality towards Customer Loyalty .....	27
2.2	Previous Research.....	28
2.3	Hypothesis Development .....	30
2.4	Research Model .....	31
2.5	Framework of Thinking .....	32
 <b>CHAPTER III RESEARCH METHODOLOGY</b>		
3.1	Research Design .....	33
3.2	Population and Sample.....	34
3.2.1	Research Location and Time.....	34
3.2.2	Population.....	34
3.2.3	Sample .....	35
3.3	Data Collection Method .....	37
3.3.1	Primary Data .....	38
3.3.2	Secondary Data .....	39
3.4	Operational Definition and Variable Measurement.....	40
3.5	Data Analysis Method.....	43
3.5.1	Descriptive Analysis Method .....	43

3.5.1.1	Mean.....	44
3.5.1.2	Median.....	44
3.5.1.3	Mode.....	44
3.5.1.4	Variance ( $S^2$ ).....	45
3.5.1.5	Standard Deviation.....	46
3.5.2	Research Instrument Test.....	46
3.5.2.1	Validity Test.....	46
3.5.2.2	Reliability Test.....	47
3.5.3	Classical Assumption Test.....	48
3.5.3.1	Normality Test.....	48
3.5.3.2	Multicollinearity Test.....	48
3.5.3.3	Heteroscedasticity Test.....	49
3.5.3.4	Linearity Test.....	49
3.5.4	Multiple Linear Regression Analysis.....	50
3.5.5	Coefficient of Correlation (R).....	51
3.5.6	Coefficient of Determination ( $R^2$ ).....	52
3.5.7	Hypothesis test.....	53
3.5.8	F-Test.....	53
3.5.9	T-Test.....	54

#### **CHAPTER IV DATA ANALYSIS AND DISCUSSION**

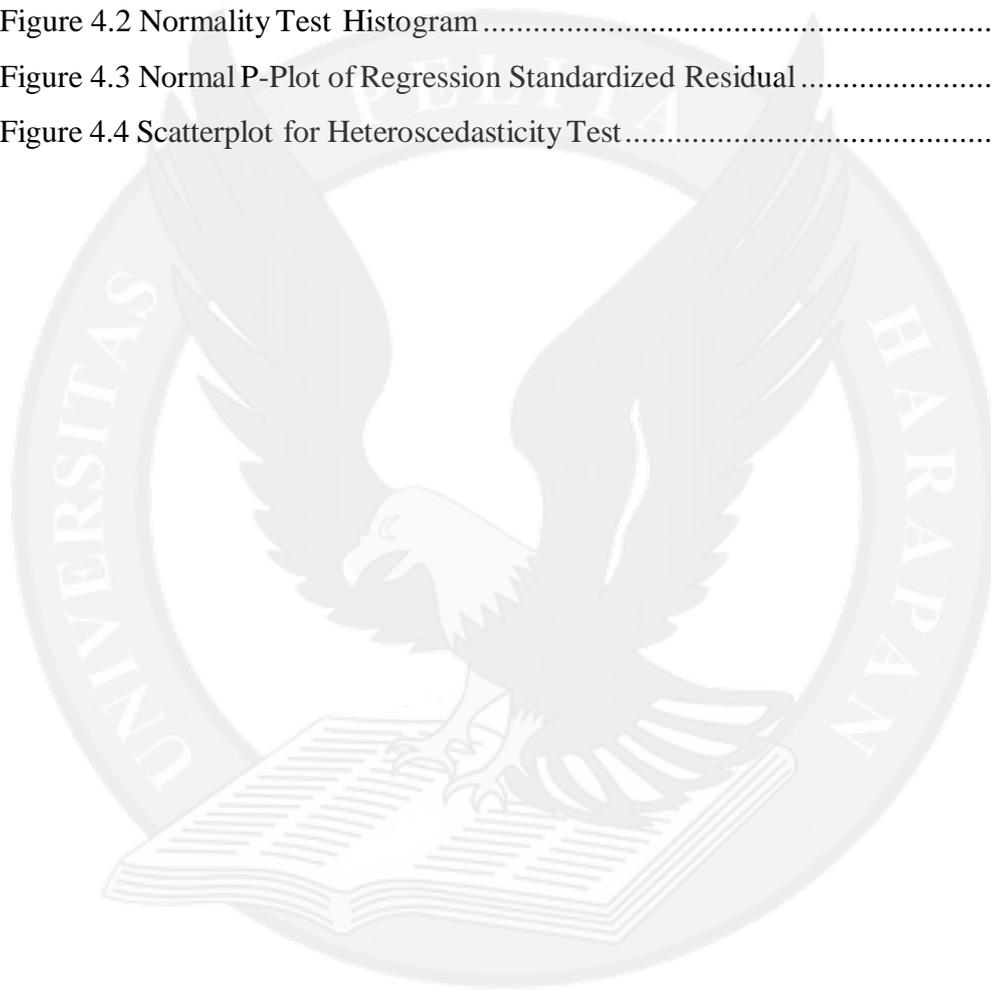
4.1	General View of Research Object.....	56
4.1.1	Brief History of Rasa Kita Seafood, Medan.....	56
4.1.2	Vision and Mission.....	57
4.1.3	Organizational Structure of Rasa Kita Seafood, Medan.....	58
4.1.4	Job Description.....	58
4.2	Research Result.....	61
4.2.1	Descriptive Statistics.....	65
4.2.1.1	Respondent Characteristics.....	66
4.2.1.2	Explanation of Respondents on Research Variables.....	67
4.2.1.3	Result of Main Data Analysis.....	88
4.2.1.4	Classical Assumption Tests Results.....	88
4.2.1.5	Regression Equation.....	92
4.2.2	Result of Hypothesis Testing.....	93
4.2.2.1	Coefficient of Determination.....	93

4.2.2.2 Hypothesis Test.....	95
4.3 Discussion .....	97
<b>CHAPTER V CONCLUSION</b>	
5.1 Conclusion.....	101
5.2 Recommendation .....	101
5.2.1 For Rasa Kita Seafood, Medan.....	102
5.2.2 For Other Similar Restaurant .....	104
5.2.3 For Other Researchers.....	104
<b>REFERENCES .....</b>	<b>107</b>



## LIST OF FIGURES

	page
Figure 1.1 Number of Transactions per year in Rasa Kita Seafood, Medan.....	6
Figure 2.1 Research Model.....	30
Figure 2.2 Framework of Thinking .....	32
Figure 4.1 Organizational Structure of Rasa Kita Seafood, Medan.....	58
Figure 4.2 Normality Test Histogram .....	88
Figure 4.3 Normal P-Plot of Regression Standardized Residual .....	89
Figure 4.4 Scatterplot for Heteroscedasticity Test.....	91



## LIST OF TABLES

	page
Table 1.1 Number of Transactions per year in Rasa Kita Seafood, Medan .....	6
Table 1.2 Other Seafood Restaurants in Medan .....	7
Table 1.3 The Comparison of Food Price at Rasa Kita Seafood and Rasa Seafood.	7
Table 1.4 Customer's Review on Google Review... ..	8
Table 3.1 Likert Scale .....	39
Table 3.2 Operationalization of Research Variables .....	41
Table 4.1 Validity Test for Price (Variable X1) .....	62
Table 4.2 Validity Test for Service Quality (Variable X2) .....	63
Table 4.3 Validity Test for Customer Loyalty (Variable Y) .....	63
Table 4.4 Reliability Test for Price (Variable X1).....	64
Table 4.5 Reliability Test for Service Quality (Variable X2).....	65
Table 4.6 Reliability Test for Customer Loyalty (Variable Y).....	65
Table 4.7 Characteristic of Customer Based on Gender .....	66
Table 4.8 Characteristic of Customer Based on Age.....	66
Table 4.9 Characteristic of Customer Based on Times Eaten at the Restaurant .....	67
Table 4.10 Result for Each Question of Price .....	67
Table 4.11 Interval for Mean of Each Variable.....	70
Table 4.12 Descriptive Analysis for Each Question of Price.....	71
Table 4.13 Result for Each Question of Service Quality .....	72
Table 4.14 Descriptive Analysis for Each Question of Service Quality .....	76
Table 4.15 Result for Each Question of Customer Loyalty .....	78
Table 4.16 Descriptive Analysis for Each Question of Customer Loyalty .....	82
Table 4.17 Descriptive Analysis for X1, X2 and Y .....	84
Table 4.18 Interval Class for Price .....	85
Table 4.19 Interval Class for Service Quality .....	86
Table 4.20 Interval Class for Customer Loyalty .....	87
Table 4.21 One-Sample Kolmogorov Smirnov Test.....	89
Table 4.22 Heteroscedasticity Test.....	90
Table 4.23 Multicollinearity Test .....	92

Table 4.24 Result of Multiple Linear Regression Analysis .....	92
Table 4.25 Coefficient of Determination .....	94
Table 4.26 Coefficient Correlation Interpretation.....	94
Table 4.27 Result of T Test.....	95
Table 4.28 Result of F Test .....	96



## LIST OF APPENDICES

	page
Appendix A: Research Questionnaire .....	A-1
Appendix B: Pre-Test Questionnaire Tabulation.....	B-1
Appendix C: R Table.....	C-1
Appendix D: Result of Validity and Reliability Test.....	D-1
Appendix E: Main Test Questionnaire Tabulation.....	E-1
Appendix F: Descriptive Statistics SPSS Output.....	F-1
Appendix G: SPSS Output Results.....	G-1
Appendix H: F Table.....	H-1
Appendix I: Google Reviews.....	I-1
Appendix J: Approvement Letter from Rasa Kita Seafood, Medan.....	J-1

