

CHAPTER I

INTRODUCTION

1.1 Background of the Study

As time goes by, the competition between food and beverage industry is getting more and more intense, thus, each restaurant will have to compete harder with their fellow competitors in order to gain sales or customers. This can be said as more restaurants have emerged in the past few years or even months because though the recent impact of COVID-19 pandemic was so huge and greatly felt by many industries around the world, food and beverage sector in Indonesia was still able to experience a 1.58% growth in 2020 as stated by Indonesia's Ministry of Industry (Kementrian Perindustrian, 2021). And so now, more than ever, more restaurateurs will want to set up their business since the pandemic restrictions are now not as tight as before. With the increase number of restaurants available, it will be more difficult for each restaurant to maintain their sales and attract potential customers.

Moreover, business in the food and beverage industry has many opportunity and potential to grow because this particular industry is able to play and experiment with various innovation and creative ideas. The growing competition of the food and beverage industry made it difficult for restaurateurs to maintain their businesses more often than not. In order to succeed in this industry, not only should restaurateurs be innovative and

creative, they should also build customer satisfaction for the reason that by maintaining customer satisfaction in the food and beverage industry, one of the effect that can be witness is repeat customers, which equivalent to increase of sales. With that said, it can be agreed than customer satisfaction is very important, especially in order to excel in food and beverage industry.

And so because of how competitive the food and beverage industry is as mentioned above, each restaurant will have to be able to provide a fulfilling and satisfying experience for the customers because they play a very big role in ensuring the future success of the restaurant. In addition, restaurants need to create positive reputation that could be maintained by many ways such as positive word-of-mouth. However, in order to achieve positive word-of-mouth, there's a lot of factor playing part in it, which includes service quality and food quality among others.

When customers enter a restaurant, they will have a certain expectation and also needs to be fulfilled and when they exited the restaurant, they expect to be fully satisfied with everything during that period of dining-in. One of the major key of being a successful restaurant is to build customer satisfaction. Customers nowadays expect these dining experience attributes, which are service quality and food quality, to be top notched. And because it is a food and beverage industry, what restaurants serve will of course be very important, hence, the quality of food has to reach a decent standard to make the customer able to consume the meals

properly and satisfy its customer. However, in addition to good food quality, customers will also demand or at least expect to have a good experience with the restaurant's service. A superb service quality with amazing food quality will lead to an excellent overall dining experience which will lead to customer satisfaction.

Hence, in order to conduct a research based on the explanation above, the research object for this research will be a restaurant called Marurama Ramen & Nabe, or more commonly known simply as Marutama. Marutama was bought by the largest food and beverage company in Medan called BISA Group which was founded and managed by Mr. Sinjaya, making the restaurant a family business type of restaurant because BISA Group itself is shared between several family members. Founded in 2004, this company is known for having several worldwide-known brands which include Marutama. Marutama can be found in major shopping centers in Medan, with the first branch opened back in 2014 and has been a local favorite ever since.

Table 1.1 Complaints at Marutama Ramen & Nabe

Year	Number of Complaints
2017	65
2018	63
2019	68
2020	43
2021	40

Source: Data Processed by the Writer (2022)

From the data above, we can see the number of customer complaints at Marutama Ramen & Nabe from 2017 until 2021. The data is

given by Marutama in order to support this research and according to the data, it is noticeable that the number of customer complaints from 2017 to 2018 steadily decreasing, while during the year 2019, it actually increased from the year before it. 2020 and 2021 are proven to be the years with the least number of complaints though this can be the result of excellent service and food quality from the restaurant, it can also due to the fact that during the year 2020 and 2021, there's a small portion of months where the restaurants can't operate due the government's rules and regulations, hence less customers.

Furthermore, after doing research on the Internet, the writer has compiled a number of Marutama customers' complaints regarding their service quality and food quality, which are as the following bellow:

Table 1.2 Negative reviews from Marutama Ramen & Nabe's customers

No.	Customer's Account Name	Reviews	Area of Problem
1.	Dyndyn Wang	"We asked for the chili but the waiters said no more chili. First time I heard such answer from the waiters."	Service quality
2.	Joan Joan	"..., waiters are not alert to refill drinks."	Service quality
3.	Reikazu23	"It (broth) tasted like full fat, and not a good fat. It's like that oil you got after frying too many things."	Food quality
4.	N_marcella	"Portion is not as pictured on menu, and taste is below standard."	Food quality

Source: Google Review and Trip Advisor

In addition, the with the information and research obtained by writer, the problems of service quality variables that occurred in the restaurant were waitresses were not quick enough in responding to customers requests (responsiveness), inability to make customers feel

prioritized especially on busy hours (empathy), inability to deliver service as expected (assurance) and lack of self-conscious in refilling customers empty glasses (reliability). Meanwhile, the problems of food quality variables that occurred in the restaurant were that the the broth was too oily (taste), actual portion size that didn't look like the menu (quantity), lack of anything special from the dishes (specialty/ uniqueness), and lacking of introduction of new dishes from time to time (innovation). These problems that occurred within each variables indicators showed it could impact negatively on the overall customer satisfaction in the restaurant.

Based on the phenomena stated, the writer decided to find out whether the service quality and food quality have any impact on the overall customer satisfaction in the food and beverage industry, and the writer will write the research in the form of final paper entitled **“THE INFLUENCE OF SERVICE QUALITY AND FOOD QUALITY TOWARD CUSTOMER SATISFACTION AT MARUTAMA RAMEN & NABE IN MEDAN”**. This research is conducted in the hope to bring positive and useful benefit for the restaurant to achieve and maintain their customer satisfaction.

1.2 Problem Limitation

In order to be more focused on this research and the limited sources, the writer determines limitation on this study to service quality

and food quality as independent variables and customer satisfaction as dependent variable. All variables will be supported by each of the indicators based on previous researches. According to Parasuraman *et al.*, (1988) found in Keshavarz *et al.*, (2017) the factors of service quality are tangibility, reliability, responsiveness, assurance, and empathy. The indicators for food quality according Essinger & Wylie (2003) as mentioned in Komala *et al.*, (2019) are taste, quantity, variety of food, specialty or uniqueness, hygiene, and innovation. And lastly customer satisfaction's indicators according to Supriadi (2017) are willingness to recommend to others, intention to return, and no complaints. According to the information and research obtained by writer, the problems of this variable were there were still some complaints filed against the restaurant as stated on Table 1.1.

Moreover, in order to understand the role or relationship of both service quality and food quality in achieving customer satisfaction, the writer will be gathering data which will only take place in Marutama Ramen & Nabe as the research object.

1.3 Problem Formulation

Based on the background study above, the writer can take problem formulation as follows:

1. Does service quality have partial influence toward customer satisfaction at Marutama Ramen & Nabe in Medan?
2. Does food quality have partial influence toward customer satisfaction at Marutama Ramen & Nabe in Medan?
3. Do service quality and food quality have simultaneous influence toward customer satisfaction at Marutama Ramen & Nabe in Medan?

1.4 Objective of the Research

The purpose or objective of the research of this study is:

1. To identify whether service quality has partial influence toward customer satisfaction at Marutama Ramen & Nabe in Medan.
2. To identify whether food quality has partial influence toward customer satisfaction at Marutama Ramen & Nabe in Medan
3. To identify whether service quality and food quality have simultaneous influence toward customer satisfaction at Marutama Ramen & Nabe in Medan.

1.5 Benefit of the Research

The benefit of the research will be divided into two, which are:

1.5.1 Theoretical Benefit

The completion of this study is expected to give a better understanding regarding the influence of both service quality and food quality at the restaurant, as well as to analyze further concerning the relationship between both variables and the restaurant's customer satisfaction. Thus, this study is expected to be an extra knowledge for future researchers or readers who will conduct the similar topic.

1.5.2 Practical Benefit

1. For Future Researchers

This research is expected to bring additional references and information in understanding further of how service quality and food quality can influence the overall customer satisfaction in the food and beverage industry.

2. For Marutama Ramen & Nabe's Owner

This research is expected to be a platform to give additional information regarding on how big or small the influence of service quality and food quality are toward the restaurant's customer satisfaction.

3. For Author

This research is expected to be a platform for the author to practice and expand the knowledge in researching as well as regarding the influence of service quality and food quality toward the food and beverage industry, specifically their customer satisfaction aspect.

In addition, it is also written in order to fulfill the academic requirements to obtain the degree of *Sarjana Manajemen*.

