

# CHAPTER I

## INTRODUCTION

### 1.1 Background of The Study

The fierce competition in the business world occurs in many different fields including the culinary field, where the need to eat is a basic human need to be met. This is an opportunity used by commercial players to explore the culinary industry by competing to create a variety of unique foods or beverages with the aim of attracting the attention of consumers. used in the purchase attempt.

Many of them also create food or beverage products that fit the needs and desires of consumers, so the more ideas each food or beverage business has, the better the business. The current culinary business becomes even more stringent, because consumers have more than just a variety of food choices. or drink. drinks to enjoy, but at any time will always receive information about the latest culinary venues. For this reason, in order to sustain a carefully established culinary business, building the right strategy along with the activities is important for entrepreneurs to increase their sales as one of the main goals is to make a profit and grow the business to increase their sales. than today and many entrepreneurs only hope to survive the competition which is a very good thing to start now.

Haikou Restaurant is a Chinese Restaurant located in Citraland Gama City which is close to Cemara Asri, Mutiara Residence, Mutiara Palace and near the Highway. With today's fierce competition, the restaurant business has

experienced a decline in sales and Haikou Restaurant is one of those restaurants. This of course has an impact on the number of sales made by Haikou Restaurant which continues to decline from year to year. In addition, Haikou Restaurant also continues to experience a decrease in the number of consumers who visit to try the various foods and drinks it offers.

**Table 1.1**  
**Haikou Restaurant Sales Data**

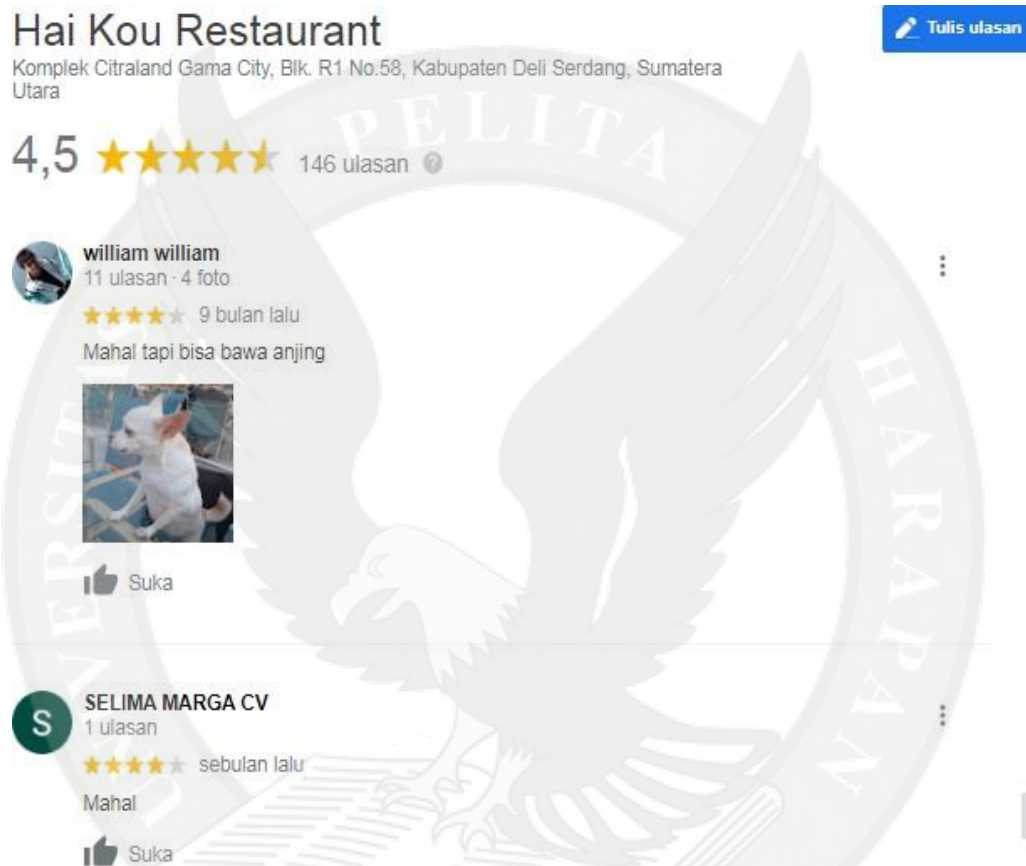
<b>Year</b>	<b>Total Bill Receipt</b>
2017	16.426
2018	15.938
2019	15.071
2020	9.259
2021	8.137

Sources: Haikou Restaurant, 2022

Based on initial observations, this is because Haikou restaurant is having problems in reducing the satisfaction level of customers who have visited, and these consumers are giving bad feedback and are not satisfied. recommend the restaurant to other consumers. Furthermore, consumers also often submit various complaints and suggestions to Haikou restaurant management to improve some of the things that make consumers unhappy, both in terms of price and service provided by the restaurant's staff. supply goods.

According to Kurniawan (2018: 22), price is the exchange rate issued by buyers to obtain goods and services of value for their use and services, where the price of the product determines the level of profit that the company can make. you get. The price problem arises related to some foods and drinks whose prices are lower than usual, so they are declared expensive by consumers. In addition, the prices quoted include and do not correspond to the quality of products offered by Haikou restaurants, such as herbal chicken soup served in places where

consumer foods show a sweet taste in chicken soup, thereby reducing the level of health that the consumer will receive from consuming it. Consumers also often complain that the portions offered are too small and do not match the price. Some of these end up making consumers less likely to visit again.



**Figure 1.1**  
**Haikou Restaurant Price Complaint**

Sources: Google Reviewer, 2022

The second problem is related to the service quality of Haikou Restaurant. According to Sudarso (2016: 57), service quality is the result of the comparison between customer expectations and the actual performance of the service and is also one of the most important factors for customers to consider when choosing a

service. buy product. In this case, the service provided by Haikou Restaurant has always been considered disappointing due to its slow operation, responding to several things by consumers. In addition, employees are also considered to never smile while providing service and rarely greet consumers in a friendly manner, such as service giving out a menu and immediately going to another job. without requiring consumers to order immediately or view a menu in advance. Some of this makes consumers unhappy and not recommending it to other consumers.



**Figure 1.2**  
**Haikou Restaurant Complaint**

Sources: Google Reviewer, 2022

## Hai Kou Restaurant

Komplek Citraland Gama City, Blk. R1 No.58, Kabupaten Deli Serdang, Sumatera Utara

Tulis ulasan

4,5 ★★★★★ 146 ulasan



Hanjo

Local Guide · 259 ulasan · 1.306 foto

★★★★★ 4 bulan lalu

Untuk rasa berbanding lurus dengan harga

Untuk pelayanan perlu di tingkatkan lagi.. Pelayan tidak siap untuk menerima banyak nya pelanggan..



**Figure 1.3**  
**Haikou Restaurant Complaint**

Sources: Google Reviewer, 2022

Based on all the figure above about price and service complaint can be concluded on the table below:

**Table 1.2**  
**Price and Service Complaint**

Complaint	Description
Price	The price is so expensive and not affordable for some consumer.
Service Quality	Employees are not ready to accept many customers because they will be very slow at work and not a few consumers complain that their food is not served for almost an hour.

Sources: Google Review, 2022

The main objective of this research is to investigate whether there is an influence of price and service quality towards customer satisfaction. Because of that, writer is interested to conduct research with the title: **“The Influence of Price and Service Quality Toward Customer Satisfaction at Haikou Restaurant Medan”**

## **1.2 Problem Limitation**

To anticipate the occurrence of the expansion and discussion of problems that are not in accordance with the research, then the writer gives limitations of the problem. Its purpose is to strengthen research on the focus of the field of observation. Research is limited by researching price and service quality toward customer satisfaction at Haikou Restaurant Medan. The dependent variable of this research is the customer satisfaction of Haikou Restaurant Medan. As there are many factors that may have influenced the satisfaction, but the writer will focus on two independent variables in this research.

The first independent variable is price, as it is believed that the price is so expensive and not affordable for some consumer. The second independent variable would be service quality which is employees are not ready to accept many customers because they will be very slow at work and not a few consumers complain that their food is not served for almost an hour.

Limitations of research problems in detail include:

1. The study only analyzes three variables consisting of two independent variables namely price and service quality and one dependent variable which is customer satisfaction.
2. The object of this research is Haikou Restaurant.
3. Questionnaires are limited to people who ate in Haikou Restaurant Medan.

## **1.3 Problem Formulation**

Based on the description of the background of the problem above, there are identification problem in this study can be identified:

1. Does price partially have influence toward customer satisfaction at Haikou Restaurant Medan?
2. Does service quality partially have influence toward customer satisfaction at Haikou Restaurant Medan?
3. Does price and service quality simultaneously have influence toward customer satisfaction at Haikou Restaurant Medan?

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

The objectives of the research are as follow:

1. To identify the partially influence of price toward customer satisfaction at Haikou Restaurant Medan?
2. To identify the partially influence of service quality toward customer satisfaction at Haikou Restaurant Medan?
3. To identify the simultaneously influence of price and service quality toward customer satisfaction at Haikou Restaurant Medan?

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

The benefits of the research are as follow:

##### **1. Theoretical Benefit**

- a. For Readers

The result from this study can be proof for readers to know that price and service quality has effect on customer satisfaction at Haikou Restaurant.

b. For Writer

The result from this study provides insight and experience as well as observations in a real-life situation which is very useful for the writer in the future.

c. For Other Research

The result from this study can be used for reference for those who are interested in studying the same problem in the future.

**2. Practical Benefit**

a. For Haikou Restaurant

The researcher expects the result from this study could benefit the company to evaluate and take the result as suggestion to know the price and service quality effecting customer satisfaction at Haikou Restaurant.

b. For Writer

The result from this study makes the writer gain new experience and more knowledge about the importance of the price and service quality effecting customer satisfaction at Haikou Restaurant.

c. For Future Research

The researcher expects the result from this study could become a comparison for the future researcher who are interested of studying the same topic which is the influence brand image and price towards purchase decision.