

CHAPTER I

INTRODUCTION

1.1 Background of Study

Culinary is a subset of the creative economy industry that the government is presently promoting. The culinary industry is a type of economic enterprise with promising future possibilities. People's lives are becoming more consumptive, the culinary industry is constantly in high demand. Furthermore, according to Maslow's hierarchy of requirements, eating is one of the basic human wants. Food, water, security, and love are examples of basic human needs that are necessary for survival and wellness. Maslow's hierarchy of human needs is a hypothesis that may be utilized to comprehend the link between fundamental human needs. Knowing your requirements and wants as a customer may have a significant effect on restaurant longevity in the product or service is good and meets the needs.

Food is an important role in all aspects of human life. Food is also a character or identity and culture that emerged as one of the popular aspects of cultural tourism. With culinary tourism, these destinations can develop and contribute to overall economic performance. In addition, local food in Indonesia can be distinguished because the food is from Indonesian specialties and is used as a tool in introducing traditional characteristics and has a strong cultural element. Most Indonesian food is using fresh herbs and spices that will develop their combinations to produce food taste and food quality that is spicy, strong, sweet, sour, or a mixture of all of the flavors. According to Knight and Kotschhevar

(2000) in Suhartanto (2018:12), food quality is accomplished by creating criteria for goods and then checking the points that must be monitored to verify quality is attained. These aspects include recipes and proper measurement, preparation, temperature, equipment, product conditions during preparation, cleanliness, portion size, and other variables. Every meal menu will have its own set of requirements since each product has its own set of standards.

A business in the culinary area is one of the fastest-growing business options today. According to statistics from the Ministry of Industry of the Republic of Indonesia, the food and beverage industry is still one of the cornerstone industries sustaining industrial growth and the national economy in Indonesia (Ministry of Industry of the Republic of Indonesia, 2018). In 2018, the culinary industry grew by 9.23 percent, an increase of 0.77 percent over the previous year's growth of 8.46 percent. This culinary business is thought to have a potential prospect since food and drink are essential human requirements that must be satisfied promptly and cannot be met later. The shift in the Indonesian people's lifestyle has also become an essential element for restaurant development in the culinary area, as most people now prefer to buy food rather than make it themselves to make it easier especially nowadays already upgrade the technology become growing rapidly. This upgraded technology makes all people easier to order food from the application that already automatically can order and will deliver it to our location.

In 2019, a contagious illness was found in Wuhan, Hubei province, and was named coronavirus or Covid-19. The World Health Organization organized an

IMST (Incident Management Support Team) to deal with the Wuhan epidemic. The disease transmission, infection, and prevention for SARS (Severe Acute Respiratory Syndrome) and MERS (Middle East Respiratory Syndrome) are also the same. Covid-19 symptoms include fever, cough, shortness of breath, muscular discomfort, weariness, headache, loss of smell and taste, and other symptoms comparable to influenza. Although corona virus and influenza diseases attack the respiratory system and are contagious, Covid-19 is caused by a coronavirus (SARS-CoV-2) and spread more fastly, while influenza is caused by an influenza virus. Since the covid-19 pandemic that has attacked the culinary business in their restaurants lately, most restaurants have started to close due to a very drastic decline in sales, and have a huge impact on human life.

Since the pandemic, almost all of the restaurants closed cause of their payment that need to pay it a lot, and finally, the restaurant went bankrupt. However, after almost 2 years the situation of covid-19 in Medan is back to normal but all people must wear a mask and must obey health protocols when need to go to the restaurant and other places.

Food quality is described as a notion that may give insight into how to maintain product quality and how people perceive the product supplied. According to Kotler (2003) in Suhartanto (2018:12), excellent food is the capacity of an item to offer outcomes or performance that meet or surpasses what the customer desires. The word "food quality" refers to the quality of food and drinks in this context. Based on the definition above, it is clear that food quality is the capacity of a food product to satisfy or even surpass the expectations or desires of the customers.

Food Quality refers to how customers accept the food and how it meets their standards, to determine food quality, as the attribute of food quality are appearance, taste, variety, nutrition, and freshness (Zhong & Moon, 2020). According to Kent et al. (2018), food quality is very important to the company and fundamental to customer satisfaction. According to Hall (2020), the higher the quality of Food the more satisfied the customer will be, as it only takes one product for the consumer to measure whether they will not come again or they return and recommend the company to others

The food and beverage industry draws itself in the arranging of food and refreshment, mostly for people who are away from their homes for various reasons. If they are gone for a short period, such people want convenience with food and drinks. Food and beverage quality is an important component of the hospitality domain. It is typically required for a large inn or tourism sector firm, although it can also be conducted as an independent business.

The physical environment of lakes and reservoirs' surface waters reflects the dynamic interaction of wind loads, radiative heating and cooling, and heat and moisture exchanges with the atmosphere. It can be seen why the physical environment in the restaurant must be good it can make people feel the quality time and have a unique way to serve the customer and will make the customer feel relaxing in that restaurant. Especially the factors in the physical environment have 6 factors and they are facility aesthetics, ambience, lighting, service product, layout, and social factors.

Creating a physical environment in the restaurant is very influential on the satisfaction of customers who came to the restaurant. Through the physical environment, it must be considered carefully - both the physical environment of the restaurant so that customers feel relaxed, comfortable, and calm when relaxing in the restaurant with a good environment in terms of interior design, good lighting, appropriate air temperature in the room, facilities from the restaurant and available to customers as entertainment that can be enjoyed together.

The physical environment is needed in the restaurant and the behavior of the employees that treat customers. Sometimes the behavior of employees in a restaurant is not very good and this can result in many of the customers switching to other restaurants. Therefore, every leader in a restaurant must train employees to serve customers politely and with a smile so that customers feel satisfied and will return to this restaurant again. However, to improve customer satisfaction in the restaurant it must be taken carefully, especially in taking orders, serving customers, and fast response when handling complaints and customer needs.

Customers will be satisfied with the restaurant when the customer enjoys and have high expectation of the food that will be served to the customer. Customer satisfaction is really important and it easily affects the restaurant's revenue and reputation. Furthermore, some business people that run the restaurant more focus on the food taste, hygiene, location, trending food, etc.

Warung Kinta restaurant is located in Jl. Cemara Asri Boulevard Raya Asri No.94, Medan Estate, Kec. Percut Sei Tuan, Deli Serdang Regency, North Sumatra. Warung Kinta is a restaurant that serves Indonesian cuisine which has the characteristics of cuisine that is rich in spices and halal. The place is very safe and comfortable to go there. Below is the figure that can be seen in the online comment from Google Reviews:

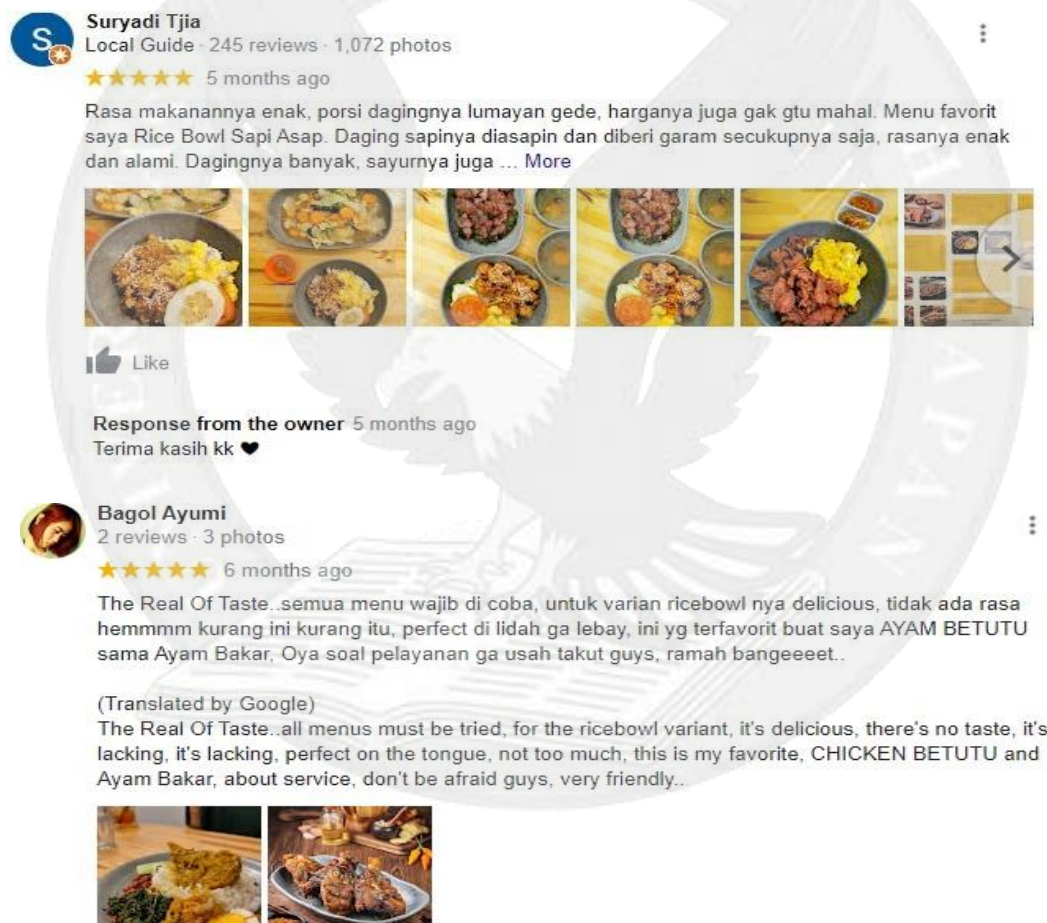


Figure 1.1 Google Reviews for Food Quality
Source: Prepare by Writer (Google Reviews 2022)

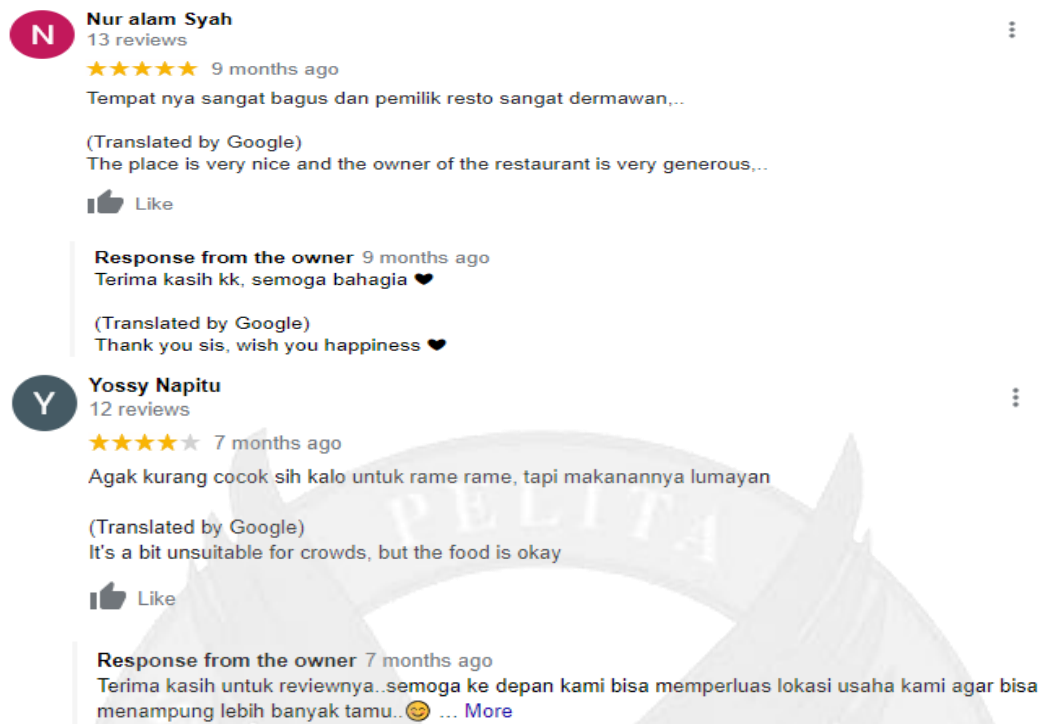


Figure 1.2 Google Reviews for Physical Environment

Source: Prepared by Writer (Google Reviews 2022)

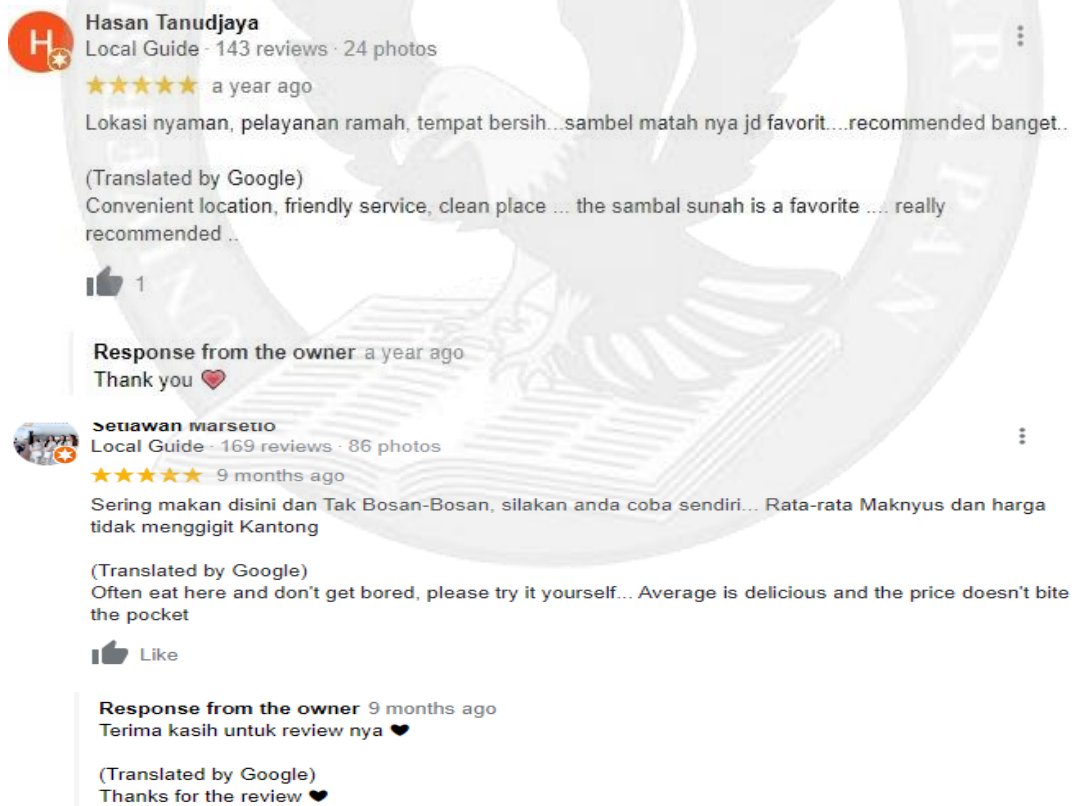


Figure 1.3 Google Reviews for Customer Satisfaction

Source: Prepared by Writer (Google Reviews 2022)

Based on the description of the explanation of the background of the problem above, the writer is interested in conducting research with the title “ **The Effect of Food Quality and Physical Environment Towards Customer Satisfaction** “.

1.2 Problem Limitation

There have many factors that affect customer satisfaction in the restaurant, from the food quality to, the physical environment including facility aesthetics, ambience, lighting, service product, layout, social factors, etc. The writer will focus on 3 variables and there are food quality, the physical environment, and customer satisfaction at this restaurant located at Jl. Cemara Asri Boulevard Raya Asri No.94, Medan Estate, Kec. Percut Sei Tuan, Deli Serdang Regency, North Sumatra. The independent variable of this research is food quality and physical environment, while the dependent variable is customer satisfaction.

According to the NRAI Food Services Study for 2019, 23 percent of customers have options to dine out at a restaurant because of the food quality. Around 7% return because they enjoy the flavor of a particular dish. The most significant component influencing a restaurant's success is undoubtedly the quality of its food. The physical environment is the design of a place that is designed to have an emotional effect on consumers to grow purchases (Mannan, Chowdhury, Sarker & Amir, 2019). Customer satisfaction in this restaurant can encourage customers to make purchases back (Bae, Slevitch, and Tomas, 2018).

1.3 Problem Formulation

From the following research, there are several problems the research aims to answer:

- a. Does the food quality have a partial effect on customer satisfaction at Warung Kinta, Medan?
- b. Does the physical environment have a partial effect on customer satisfaction at Warung Kinta, Medan?
- c. Do food quality and physical environment have a simultaneous effect on customer satisfaction at Warung Kinta, Medan?

1.4 The objective of the Research

The objectives of this research study are aimed :

- a. To investigate whether food quality has a partial effect on customer satisfaction at Warung Kinta, Medan.
- b. To identify there has the partial effect of the physical environment on customer satisfaction at Warung Kinta, Medan.
- c. To discover food quality and physical environment have a simultaneous effect on customer satisfaction at Warung Kinta, Medan.

1.5 The benefit of the Research

1.5.1 Theoretical Benefit

This research study can contribute by providing a beneficial and better framework for understanding the process of customer satisfaction, allowing readers to realize the role of food quality and physical environment. These study findings are likely to benefit any relevant academic field and existing researches.

1.5.1 Practical Benefit

The following of the benefits to be achieved in this research:

a. For Writer

To gain experience and knowledge regarding food quality, physical environment, and customer satisfaction in Warung Kinta, Medan.

b. For Company

For the company to enhance and research the quality of food and the physical environment more widely to fulfill customer satisfaction and customer expectations.

c. For other Researcher

To serve as a reference, source of knowledge and the information may be utilized as a development for education, which can benefit other researchers.