

CHAPTER I

INTRODUCTION

1.1 Background

In the current era of globalization, the service industry, which consists of various industries such as telecommunications, transportation, banking, and especially hospitality, is growing rapidly. Hospitality is an effort to serve consumers by combining products and services. With the design of the building, interior, and exterior of the hotel rooms, the atmosphere created in the hotel rooms, and restaurants, as well as the food and drinks that are sold along with all the existing facilities and products offered.

As a company engaged in the service sector, hotels can make a significant contribution to Indonesia's current economic growth. The service that is sold is the friendliness and skill of hotel employees in serving their customers. Each hotel has different services, not always the same, ranging from services in physical form to services all have their characteristics.

Based on Sulastiyono 2011 in Coki Siadari (2015) Hotel is a company that is managed by the owner by providing food, drinks and room facilities to sleep to people who travel and are able to pay a reasonable amount in accordance with the services received without any special agreement. According to the Decree of the Minister of Tourism, Post and Telecommunications No. KM 37/PW. 340/MPPT-86, said that the hotel is a type of accommodation that uses part or all of the building to provide lodging, food and beverage services, and other supporting services for the public which are managed commercially.

About in the current condition of the Indonesian economy which is increasingly advanced, the needs of the community are starting to increase. With this, the competition in the hospitality business is getting tougher in promoting and

marketing its services and products. In responding to conditions like this, companies must have a strategy that can create customer loyalty, especially in the field of restaurant service, one of which is by improving service quality this in order consumers can feel satisfied with the products purchased at the restaurant that it will create customer loyalty.

According to Nanda (2021), service quality is the main basis for determining the level of customer satisfaction. In this case the company can be said to be good if it is able to provide goods or services in accordance with the wishes of customers. Product quality and good service performance will greatly affect customer satisfaction.

Based on Kotler and Keller 2012, Nurmansyah (2018) stated that, customer satisfaction is the emotional level of the customer after using a product or service and then comparing the performance of the product with expectations where alternative choices can be less or equal to expectations. If the same or more means that consumers will be satisfied, and vice versa. If less, then consumers will feel dissatisfied.

As Reported by Nisa Destiana (2022), customer loyalty is consumer loyalty to a product or brand. This loyalty is closely related to trust. When consumers already believe in a certain brand, they may not think about other brands and only want to use the products or services they trust.

Currently cafes and restaurants are not foreign to the people of Indonesia. Many Indonesians are competing to create businesses that are in high demand by customers, from building cafes to hotel restaurants with very attractive designs. The more attractive the design of a hotel and cafe, the more it will attract the attention of customers.

Hospitality companies in Riau, especially Bengkalis City, are growing quite rapidly, where there are several hotel companies in quite large numbers with an area that is not too large. Therefore, with many tourists visiting Bengkalis City and ordering accommodation, it supports the growth of the hospitality industry. The

number of residents of Bengkalis City who really like culinary and hotel or cafe cuisine is also a supporter of the increasing development of hotels in Bengkalis City. One of the hotels in Bengkalis City that is growing quite rapidly is the Berlian Hotel Restaurant. Berlian Hotel Restaurant is one of the hotels located in Bengkalis City, where this hotel has a restaurant.

Given that service activities are the main activities for hotel and cafe companies. Therefore the quality of service is the most important thing for this company. The high business competition in the hotel industry in Bengkalis requires Berlian Bengkalis Hotel to provide good quality service for visitors and tourists as well as create satisfaction for customer loyalty at Berlian Bengkalis Hotel.

Based on the above background, this research will study further "**Analysis of the Influence of Service Quality and Customer Satisfaction on Consumer Loyalty (Case Study on the Berlian Hotel Restaurant)**". The results of this study are expected to find out how the influence of service quality and customer satisfaction on customer loyalty.

1.2 Formulation of the problem

Based on the above background, the formulation of the problem taken from this research is how the influence of service quality and customer satisfaction on consumer loyalty at the Berlian Hotel Restaurant.

1.3 Purpose of the Study

Based on the formulation, the author can state the objectives of this research are:

1. To determine the influence of Service Quality on Customer Loyalty.
2. To determine the influence of Consumer Satisfaction on Customer Loyalty.
3. To determine the influence of Service Quality and Consumer Satisfaction on Customer Loyalty.

1.4 Significance of the Study

Each research is carried out to obtain benefits that are beneficial to all interested parties. The benefits that are expected by the author in conducting this research include the following:

1. For Author

This research is expected to train the author's knowledge so that the author can continue to explore knowledge and information about things that the author has never known, both theoretically to be studied and in good writing and through this research can also be a graduation requirement to graduate and get a bachelor's degree (one) at the writer's campus.

2. For International Business Administration Study Program

The research that the author has done is expected to be a useful library in the study program which one day will be achieved for academic purposes.

3. For Company

The results of this study are expected to be reference material and documentation at the Berlian Hotel Restaurant regarding things that make consumers interested in visiting the Berlian Hotel Restaurant which later the results of the author's research can be a reference for companies to make future policies that this can be a lesson for companies to improve service quality and customer satisfaction on customer loyalty.

1.5 Scope and Limitation of the Problem

This research is expected to function and be useful for several parties, including:

1. This study only focuses on the effect of Service Quality and Consumer Satisfaction on Customer Loyalty to be studied.

2. This research is only intended for consumers who ever been to the Berlian Hotel Restaurant.

1.6 Writing System

The systematics of writing the Final Project Analysis of the Effect of Service Quality and Consumer Satisfaction on Customer Loyalty (Study of Case at Berlian Hotel Restaurants) are as follows:

CHAPTER 1:INTRODUCTION

In this chapter, the author explains about the background, problem formulation, research objectives, research significance, scope and limitations of the problem, as well as the writing system.

CHAPTER 2:LITERATURE REVIEW

This chapter describes the literature review and the previous theoretical basis that will be used in completing the research.

PART 3: RESEARCH METHODOLOGY

This chapter will describe the research method, which consist of location and place of research, starting from the location, time and object of research, types and sources of data, data collection techniques, data analysis methods, types of research, and schedules.

CHAPTER 4:RESULTS AND DISCUSSION

This chapter will explain the results, discussion and limitations of the research results. The results of the Thesis are made in the form of tables, graphs, photos/pictures or other forms to make it easier to follow the description of the discussion. The discussion of the results obtained is made in the form of theoretical explanations, both qualitatively, quantitatively and statistically.

CHAPTER 5:CONCLUSIONS AND RECOMMENDATIONS

This chapter will explain the conclusions and suggestions obtained from the discussion that will be submitted by the author.