

CHAPTER I

INTRODUCTION

1.1 Background of the Study

In these past couple of years, the restaurant industry in Indonesia has experienced an immense boom, particularly in the types of café. Lots and lots of cafe have sprung out in a very fast pace and have become a highly competitive industry. Restaurant used to be only about good food and a place to eat, but as time goes by, the new type of restaurant exists, called café. Café shares some similarities with restaurant but there are also some differences such as a café sets as a place of casual eating; meanwhile, restaurant is more to formal eating; and also in café, customer can order snacks and small foods and that is one of the reasons why café industry is such a huge boom.

Nowadays, café is not only exist as a place to eat but also as a place to hangout with friends, spend time with family and also some business meetings, it is one of the proof how the lifestyle of people has changes over the year and restaurant also must adapt to this change. People are constantly looking for a new café to hang out, and we can see that every month there are new restaurant everywhere and they offer a nice place to eat, relaxing and also providing an excellent service to make sure people feel comfortable. This has made café a very competitive industry right now, they has to keep improving better and better day by day to gain a bigger share on the market or otherwise they will gone out of business. Physical evidence, reliability, responsiveness, assurance and empathy

simultaneously have a significant effect towards customer satisfaction at Hotel Bintang Pesona Denpasar (Suryadharma, 2015).

The F&B industry has to keep innovating, not only did they have to think about the food they are going to serve but they must also think how they could provide the best service to the customer to have a sustainable advantage compared to their competitor and differentiate their service offerings to what makes them unique. This is used as a competitive advantage to attract and retain customers and make a profit from them.

Service quality is determined by the differences between customers' expectation of service provider's performance and their evaluation of services they had received and due to this, service quality has been of the most significant and strategic concern of the restaurant industry, and also act as a competitive differentiator. Service quality has also been defined as meeting the customer needs, requirements and how well the service matched the customer own expectation towards the service and in short it is how the restaurant fulfills the needs and expectation of the customer which of course has their own judgement on the service. Good service quality will lead to customer feeling happy and satisfied which will lead to them sharing the news about their great experience and it will have a good impact towards the restaurant as people perceived the restaurant as incredible and worth the money they spent, and will influence more and more people to try and experience this kind of service they has always wanted.

Customer satisfaction is the measure of how the needs and responses are collaborated and delivered to excel the customer satisfaction. In today's competitive business customer satisfaction is one of the most important performance indicators, because at the end of the day all of the effort the restaurant has been doing, the customer is the one who will decide whether or not they would recommend this restaurant or come back again. If the customer perceives that the performance of the product he is enjoying is greater or higher than what is expected by the customer, then the customer will state that they are very satisfied.

Despite all of the best effort by the restaurant of course, some people will have different opinions about the service and the level of satisfaction that they desire. Restaurant can try their best possible to achieve or even exceed the customer perceived expectation but sometimes things will goes sideways or unplanned. Some restaurant might have excellent service but other factors like number of staff, seating space and teamwork coordination will affect how they deliver the service to the customer. In this particular case, the writer would like to find out how the restaurant which has considerable seating space, a sufficient number of staff but how sometimes at the peak season such as weekend or holiday the staff will encounter some difficulties in delivering the maximum service.

Table 1.1 Numbers of Customers per Month

Month	Numbers of Customers
September 2019	2.789 people
October 2019	2.854 people
November 2019	2.788 people
December 2019	2.952 people
January 2020	1.536 people
February 2020	1.835 people

Source: People's Place Café (2020)

Based on the table above, People's Place Café has decreased consumer satisfaction as seen from the decrease in the number of consumers who come and do transactions, especially on a normal day, from Monday to Friday which is usually quite crowded has decreased. The number of consumers complained that there was an inconsistency of the taste of the food when the cafe was crowded, the food that came quite long, and some of the food were less attractive because they are prepared in a hurry. The quality of service at the People's Place Café has not run optimally and maximally to consumers. This is due to the many complaints from consumers starting from the service that has not been responsive, not yet fast in service when food comes, the waiter and waitress staff are less when on holidays such as Saturday so that the waiter and waitress were overwhelmed in doing the service so that some consumers waited for a long time. This causes the level of consumer satisfaction to decrease. Some of these things trigger a decrease in satisfaction and also cause the competitiveness of People's Place Café to decrease.

In this research, the researcher wants to analyze the influence of service quality towards customer satisfaction and write it in this thesis entitled “**The Influence of Service Quality towards Customer Satisfaction at People’s Place Café Medan**”.