

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Due to Covid-19 current circumstances, some businesses globally experiencing crisis and one of them are the culinary businesses. The great demand in culinary business by public in Indonesia engaged business opportunities for all business people. Nowadays, culinary business competes with one another in order to gain the heart of customers and build customers satisfaction. However, culinary business should consistently improve their business by providing added value that distinguishes them from other companies. The added value offered will provide further stability and encourage prospective customers to make repurchases. A company may survive if they can maintain and increase customer satisfaction sustainably.

In order to able win the competition, maintain the market owned and seize the existing market, the company required to adapt and construct business strategy in dynamic environmental changes as well as different consumer demands. Each business is required to have sensitivity to every change that occurs, as well as respond to every customer demand that is constantly changing. Companies have to put orientation on customer satisfaction as the main goal. The effort in retaining customers is an achievement that reflects the reliability of the company in maintaining the products quality produced by the company either goods or services.

According to Atsar and Apriani (2019, p2), a consumer is a person or a company that gives certain goods or uses certain services. Besides, consumers can be interpreted as the one who consume, individuals who purchase, use, maintain, and dispose of product and services. By knowing consumer behavior, companies can maximize services in order to increase satisfaction in accordance with consumer expectations or desires.

Customer satisfaction is an expression of happiness or disappointment by someone after comparing their perception or impression of the performance (results) of products or services offered by the company. According to Hasan (2016, p58), Customer satisfaction is the main function in measuring the value of the product (performance) perceived by customers compared to customer expectations before using. Particularly, customer satisfaction and dissatisfaction with the product/service will influence the next pattern of behavior.

The behavior indicated by the customer since the purchase process occurs and following into product / service being used. If customers are satisfied, they will indicate the possibility to purchase the same product once more. Unlike dissatisfied customers, they will prefer to search information from other providers with similar products or services that they need, then make purchase and use that products or services that considered more capable of fulfilling their wishes and leaving the product or service beforehand.

Customer satisfaction is something abstract but can be felt and measurable. Measuring customer satisfaction is essential for a business venture including restaurants. By measuring customer satisfaction, it will be known if there is a gap

between what customer's expect toward the product performance and what customer's perceive. The level of customer satisfaction with an item will reflect the success of the manufacturer in producing an item, because a product will fail to be produced if the product does not provide satisfaction for its users.

One of the culinary businesses that will be discussed in this research is the caterer business. Caterer business as one of the most popular forms of business in the culinary field because of the high level of need for caterer services and then they become a very promising business. This is evidenced that interest in catering is increasing from year to year. Nevertheless, Caterer businesses also experiencing obstacles such as declining consumers and bankruptcy due to lack of customers demand and interest.

The existence of this research is due to the absence of further action in overcoming customer complaints and responses to the quality of the food served by Myndful, which affects customer satisfaction. The quality of the food in Myndful's products still not the choice of some customers because they have different tastes (in terms of flavour, texture, ingredients, aroma and seasonings of food) and they have their own assessment of the products served by Myndful. This is why the researcher interested in knowing and investigate whether food quality effects customer satisfaction at Myndful.

Myndful is one of the businesses engaged in caterer services located at Jl. Wahidin and Power Box Cemara Asri. Myndful was established on September 18, 2019. In English pronunciation, "mindfull" is defined as "full awareness". This concept relates to a person's consciousness when eating something substance that

enters his body (what they eat, how much and what they feel, whether they realize the substance will harm the health of the body). Myndful serves healthy food in salad products. Some people consume healthy foods to maintain health in their bodies and Myndful wants to educate the public to be more appreciative and invested in health.

Myndful has speciality to its salad products, namely rich in dressing and rich in variance of vegetables along with additional dishes. These speciality leads to message that healthy food is not boring but enjoyable. In developing their brand, Myndful open up opportunities for connections with other food and beverage businesses, and as a result, it could have a big influence in the market. The collaboration between Myndful and several FnB parties also forms an alliance in creating certain promotions and deals. Myndful will send notifications such as special deals and promotions to customers at certain events, both first-time and loyal customers. As for the special deals, it can be in the form of discounted prices, package bundling and cashback promotions.

In terms of company excellence and answering customer needs, Myndful offers “Custom own Salad” to each customer, then they can freely choose vegetables and additions with their own choice. Besides, Myndful also improves their service to create a better customer experience by continues to follow up customers through Whatsapp communication by confirming orders, asking for feedback, and learning customer preferences for the types of salads that they are often ordered. Myndful uses hydroponic vegetables and quality foodstuffs by collaborating with Greenfeast.

Based on first observations and interview with owner at Myndful, the author obtained information on the number of customers coming to Myndful from September 2020 to November 2020 in Myndful which can be seen in Table 1.1.

Table 1.1 Myndful Customer Data From September – November 2020

| Month | Number of Customers (people) |
|-----------|------------------------------|
| September | 1.290 |
| October | 1.075 |
| November | 809 |
| Total | 3.174 |

Source: Myndful, 2020

Based on the table above, it is known there is a decrease in the number of Myndful customers from September to November 2020. When viewed from the table, the number of customers from September to October 2020 decreased by 215 or 16.66% and from October - November 2020 also decreased by 266 or 24.74%. The decrease in the number of customers over the last 3 months is because customers have not chosen Myndful as the first-choice caterer compared to other caterer because the quality of the food served has not met customers' wishes or expectations.

The quality of products and services should be able to meet the needs of customers. A good company must able to convey the purpose of its products, which is to make customers satisfied with product and services offered. According to Abdullah & Tantri (2015, p44), quality is the overall characteristics of a goods or services that affect its ability to satisfy both stated and implied needs , which means when it can satisfy or surpass the expectations of its customers, the mission of these

products and services can be declare to be successful.

When products and services surpassing expectations, customer satisfaction will appear and form a good connection with the company and indirectly people who are satisfied with products and services along with good quality will share their experiences while using products and services with their close friends and relatives, and that will shape the marketing of customer by word of mouth. As a result, the company will attract more new customers and long-term customers will remain loyal.

The food quality is the main key in winning the market competition, which in turn will be able to provide higher satisfaction value to consumers. Shahrudin (2011, as cited on Pambudi, Ahmadea Rahma, 2019) stated that food quality is very important because customers will always be looking for one that can meet their needs and expectations. Although some attributes can be measured objectively, from a marketing point of view, quality must be measured from a buyer's perception perspective and preferences. Customers' perceptions and preferences towards food quality should be considered by companies, because each customer have their own "taste".

Soemantri (2020) stated that characteristics of food quality are taste, food texture, aroma of food, food temperature and composition of food raw materials and seasonings. Based on a pre-survey in Myndful, the author found problem in Myndful foods quality that led to a decrease in the number of consumers. This is because Myndful food quality product has not been able to meet the customer needs and expectations who have diverse tastes, with the result that myndful products are

not yet a top priority for people. Meanwhile, it is expected that food quality should be adjusted to buyer's perception and preferences, because this formed customers' intention to make purchases that ultimately lead to customer satisfaction.

Based on the description of the phenomenon of food quality and customer satisfaction above, the author is interested in conducting research with the title “**The Effect of Food Quality Towards Customer Satisfaction at Myndful in Medan**”.

1.2 Problem Limitation

Due to limited time and ability, the author set variable problem limits on incompatibility of food characteristics (taste , flavour , aroma and texture) provided by the business in order to fulfill customer’s needs and expectations (food quality as independent variable) and customer’s evaluation towards the product’s performance (customer satisfaction as dependent variable) . The research was conducted in Myndful on Jln. Jl. Wahidin No.11ab and Powerbox Cemara Asri on Jl. Boulevard Timur No.8. The population and samples used are all customers who purchased salads from Myndful during 2020. Product quality indicators used in this study are taste, food texture, aroma of food, food temperature and composition of food raw material and seasonings (Soemantri, 2020) And the indicators of customer satisfaction in this study are saying positive things about the company to others, recommending the company to others who ask for advice, considering that the company is the first choice in making service purchases and doing more business or purchases with the company in the next few years (Yuniarti, 2015).

1.3 Problem Formulation

Food quality is an important element in effect the customer satisfaction with Myndfull. Based on the background that the author described above, the problem formulation in this research is as follows:

1. Does the food quality fulfil at Myndful in Medan?
2. Does the customer satisfaction fulfil at Myndful in Medan?
3. Does the food quality effect toward customer satisfaction at Myndful in Medan?

1.4 Objective of the Research

The objective of this research is:

1. To find out an overview of the food quality served at Myndful in Medan
2. To find out customer satisfaction at Myndful in Medan
3. To know and analyze how food quality affects customer satisfaction at Myndful in Medan.

1.5 Benefit of The Research

Based on the objectives of the research to be achieved, this research is expected to have benefits in education both directly and indirectly. The benefits of this research are as follows :

1.5.1 Theoretical Benefit

1. For writer, this research is expected to be a donation of useful

information about efforts to improve consumer satisfaction through product quality, hospitality management, and catering industry management.

2. For other writer, This research can be used as further research material to increase insight and knowledge and become a reference for further research materials.

1.5.2 Practical Benefit

1. For Myndful, this research can be a useful input and information for the company and then in the future the food quality can be better and acceptable to consumers and can achieve satisfaction targets.
2. For other caterer, this research can provide input and information in the management of good food quality to improve customer satisfaction.