CHAPTER I

INTRODUCTION

1.1 BACKGROUND OF STUDY

The development of a culinary business is increasing rapidly. The increasing of people who start their own culinary businesses makes the other competitors have to keep their culinary businesses alive. The development of the culinary business is also giving an impact to the competitor's way of thinking to maintaining their business. In maintaining their business many competitors is starting to think and to adjust to the change of the nowadays business situation, therefore people who are maintaining their business must be sensitive to the change in business competition condition and what is the thing that occur in the business environment towards the ability to make a purchasing decisions in order to maintain their business. According to Mitchell (Saputro, 2015), Business people must prepare a strategies in order to please and build customer enthusiasm into an experience in consuming products and services, in order in doing the strategies it will impress the customer.

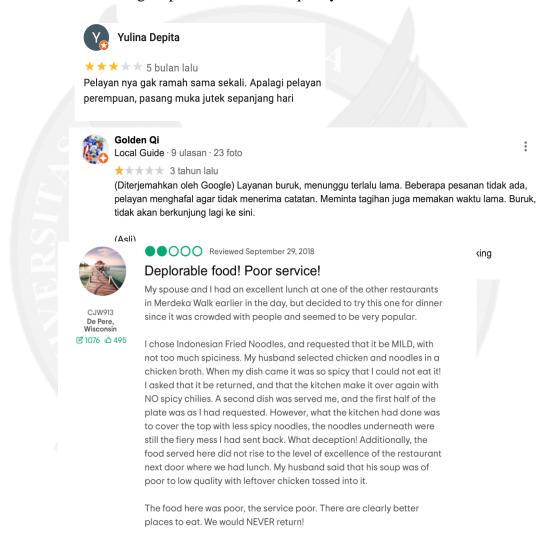
The most important thing when starting a business is having a good marketing and promotion of the product. There is one way in order to archive a success in running a business which is marketing activities. (Kotler, 2020). In culinary business having a good marketing and promotion of the product may be a good choices of starting a business, but seeing today's condition which there are much more competitors in culinary business, instead of just using a marketing and promotion, some business is giving a good service experience to the customer. By

increasing the service quality perhaps it will help some culinary business to gain some new customers.

Service quality is generally known as an output of a service delivery system. Service quality is usually measured by the perception of the customers. According to (Lewis & Booms, 1983), Service quality is measured by how well the service level deliver matches the customer expectation. Service quality can be measured by following some indicators of service quality called SERVQUAL, such as: reliability, awareness, competitiveness, communication, competence, tangibility, responsiveness, assurance, and empathy. (Alford & Sherrell, 1996)

Service quality really has an important role in a business especially culinary business, some customers just come and enjoy their food and the product, but some customers come to enjoy their food and also the services of the business. Offering a good service quality will impact to the customer purchase decision, if a customer comes to some restaurant which doesn't really offers a good service quality then the customer will not feel satisfied of the service, which means the customer doesn't have a good experience in that restaurant, not having a good experience in the restaurant will give an impact of the customer's purchase decision. Even the restaurants offer a really tasty food but if their service quality is bad, customer will have to think and decide if they want to make a purchase or not. Otherwise, if a restaurant is giving a good service quality to the customer, customer will feel very satisfied and of course the customer will have a good experience at the restaurant. Having a good experience at a restaurant will make the customer thinks twice to make another purchase of the restaurant's food or product.

Based on the interview with some of people who had ever experienced in dining in Warung Kopi Srikandi, Some of the respondents said that they didn't feel satisfied with Warung Kopi Srikandi Service and based on the review on Google Review, TraveLoka and TripAdvisor, it is stated that some customers are not satisfied with Warung Kopi Srikandi service quality.



It can be seen that the customers who are not satisfied with the service quality of Warung Kopi Srikandi are not going back to Warung Kopi Srikandi.

Unsatisfied customers affect the customer purchase decision, the customer who has

experiencing a bad quality of service will give a consideration of making a purchase in the company. Some variables may become one of the reasons why some of the customers of Warung Kopi Srikanfi didn't satisfied some of the reason is because of one of the customer purchase decision indicators which is the personal factors, such as the location, and price.

Warung Kopi Srikandi is one of the businesses which engage in the culinary business. By the development of the culinary business it is normal if there are competitors among the culinary company. One of Warung Kopi Srikandi competitors is The Coffee Crowd. The Coffee Crowd was established in 2012, The Coffee Crowd is inspired by the ambience and tasty food of traditional Indonesia. Both Warung Kopi Srikandi and The Coffee Crowd have become competitors to one another.

Warung Kopi Srikandi was first established in 2012, Warung Kopi Srikandi has a concept of a modern coffee shop. Warung Kopi srikandi is a traditional café which offers many several Indonesian style food and beverage.

Until today, Warung Kopi Srikandi has already had three branches in North Sumatra. The first Warung Kopi Srikandi is located in Jl. Balaikota, Medan Barat, Medan. The second branch is located in Komplek Cemara Asri, Jl. Boulevard Timur Raya. The last branch of Warung Kopi Srikandi is a having a botanical concept, the third branches of warung Kopi Srikandi is giving a consumer an experience in enjoying Indonesian's tradisional food in a botanical concept café. The third branch of the Warung Kopi Srikandi is located beside of the first branch of Warung Kopi Srikandi in Jl. Balaikota, Medan Barat, Medan.

Warung Kopi Srikandi offers some menu like various beverage such as Indonesian's traditional coffee, several of tea, and several of juice, for the food Warung Kopi Srikandi offers some menu like several of Indonesian's style Fried Rice, Indonesian's style of fried noodles and some Indonesian's traditional snack, Indonesian's traditional food and many more. Warung Kopi Srikandi is known by their traditional coffee.

At Warung Kopi Srikandi, customers can enjoy not just a heavy meal such as fried rice and fried noodle, but also a café that is suitable for having a tea time in the afternoon because Warung Kopi Srikandi also offers afternoon snacks such as Bubur sumsum, tahu pong, ubi kayu goreng, and some others Indonesian's tradisional snack. Warung Kopi Srikandi is also suitable for people of any age because of the concept of serving a traditional culinary in a modern way.

Many culinary businesses are developing really fast this day, some culinary businesses have to maintain their business. So, in this research, writer wants to analyze whether in maintaining the business, the service quality in Warung Kopi Srikandi will give an effect of the customer purchase decision.

1.2 PROBLEM LIMITATION

In conducting this research, there will be some limitations so the discussion won't be too wide. Here are some limitation on this study:

1) This research will be focusing on the customer purchase decision that has the impact of the company's image. The customer purchase decision is from the

- customers of Warung Kopi Srikandi Cemara Asri who had already experienced the quality of the service of Warung Kopi Srikandi Cemara Asri.
- 2) The research will have various type of answers in term of the purchase decision of the customer of Warung Kopi Srikandi Cemara Asri. Some other variables besides this research will be used to measure the Customer Purchase Decision. Therefore, surveys and interviews will be conducted to support the answer.
- This study is only conducted in Warung Kopi Srikandi Cemara Asri at Medan,
 North Sumatera.

1.3 PROBLEM FORMULATION

Based on the background of the study stated, the problem formulation will be:

- 1) How is the service quality in Warung Kopi Srikandi?
- 2) How is the customer purchase decision in Warung Kopi Srikandi?
- 3) Does the service quality in Warung Kopi Srikandi affect the customer purchase decision?

1.4 OBJECTIVE OF THE RESEARCH

The objective of the research is to answer the problem formulation. Here are some of the research objective:

 To find out and measure the service quality in Warung Kopi Srikandi Cemara Asri.

- To find out and measure the customer purchase decision in Warung Kopi Srikandi Cemara Asri.
- 3) To understand the influence between the service quality in Warung Kopi Srikandi Cemara Asri with the purchase decision of Warung Kopi Srikandi Cemara Asri's customer.

1.5 BENEFIT OF THE RESEARCH

In this research, writer will describe and discuss data from Warung Kopi Srikandi Cemara Asri. In this research there will have a two type of benefits. The first benefits is theoretical benefit and the second benefit is practical benefits.

1.5.1 THEORETICAL BENEFIT

The theoretical benefits of this study is for the writer in educational purpose, writer will learn and understand more about the relationship between the service quality of a company with the customer purchase decision. This study also gives writer more knowledge and experience about the study cases.

1.5.2 PRACTICAL BENEFIT

The practical benefit of this study is the company itself and also other culinary business. This study itself will analyze the service of a company will influence the purchase decision of the customer, it can help other culinary business to pay more attention to the service quality. This study also could help

the company to understand more about the customer purchase decision, it will also help the company to improving their service quality. The benefit of this study for the writer is so the writer can understand more about the customer purchase decision. This study can also become a guideline for other researcher to do their study about the customer purchase decision.

