

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Nowadays, customer satisfaction decided every business success. Customers always come "first" when a business is set to start, followed by profit. Business will fully remain in the top position if they are succeeding to satisfy the customer. Customer satisfaction is the most important factor in achieving success since customers play an important role in increasing the value of a company. Customers are people who purchase goods and services that fit their needs, wants, and expectations from a market or business. That is why, in order to establish and retain long-term client relationships, quality and other strategies are critical.

When customers are content with the product or service that was provided, it can give some benefits for the company, such as increased customer loyalty, extending the life cycle of a client, and increasing positive word of mouth. Customer satisfaction can lead to regular purchases and referrals of products or services to other customers. It is hard for a firm to grow if it ignores or disregards the needs of its customers. One of the most important tools for a successful business has always been customer happiness. Customer satisfaction is defined as a long-term assessment of a product or service based on the whole purchase and consumption experience.

As a result, actionable knowledge on how to improve customer satisfaction is a critical consequence. Satisfaction is when customer feels desired or wanted to repurchase the product again and again. Satisfying customer is not an easy task, business need to put a lot of consideration to this. Providing the greatest and most favorable product and quality in this competitive industry is one of the most crucial parts of earning client happiness. If a customer's delight is earned, client loyalty is almost certain to follow. To increase the number of customers, development of customer's satisfaction is very important. Despite all of that, first move business needs to do is build a good relationship with the customer.

Hospitality industry played a big role in the economic, since it is a business that can ensure a lot of profit if the business run well. The hospitality sector is a large group of sectors within the service sector that encompasses hotels, event organizing, theme parks, transportation, cruise lines, and other sectors within the tourism industry (Novak, 2017). The hospitality sector is a multibillion-dollar business that thrives on the availability of free time and disposable income. The hospitality industry's main segment is the food and beverage sector, abbreviated as F&B (Novak, 2017).

The reason why F&B is the largest segment in this industry is because people's need food in their everyday lives at least three times a day. Food provides nutrients that give energy for activity, growth, maintaining metabolism and all function of the body. Lots of entrepreneurs are competing to start an F&B business because they thought it is an easy business to run and can ensure a lot

of profit.

Nowadays, opening a cafe has become an important business which can be seen from the booming number of new cafes in Medan. It is a good signal of a prospective economy, and bring more choices to residents. However, the competitions are wrong in carrying out their business strategy. They place a greater emphasis on price strategy than on other factors such as preserving food quality, which is more sustainable and raises competitiveness to a higher degree. Many food and beverage firms fail to recognize the true needs of food quality in the industry and instead focus solely on improving facilities and equipment. As a result, client satisfaction with the meal served is lower. Customers who are dissatisfied are less likely to return to the business.

Because the main key in F&B field is food quality. What makes the F&B business last long time is the food, while the interior design or other facilities are only another element to trigger customer experience, decision, and satisfaction. In fact, many have failed in this business by not focusing on the quality and consistency. The quality of the food is a crucial factor in restaurant patron is a key attribute of satisfaction. The reputation of the cafe relies on the consistency of food quality. Restaurant food quality has an impact on brand perception. Nowadays, quality is a starting point of competitive advantage, but as customer demands continue to grow, quality will become compulsory for surviving and succeeding in business. Food quality has long been recognized as a crucial aspect of any cafe's operation, and as a result, it has a main effect on customer satisfaction and future purchase intention. Because of the tremendous

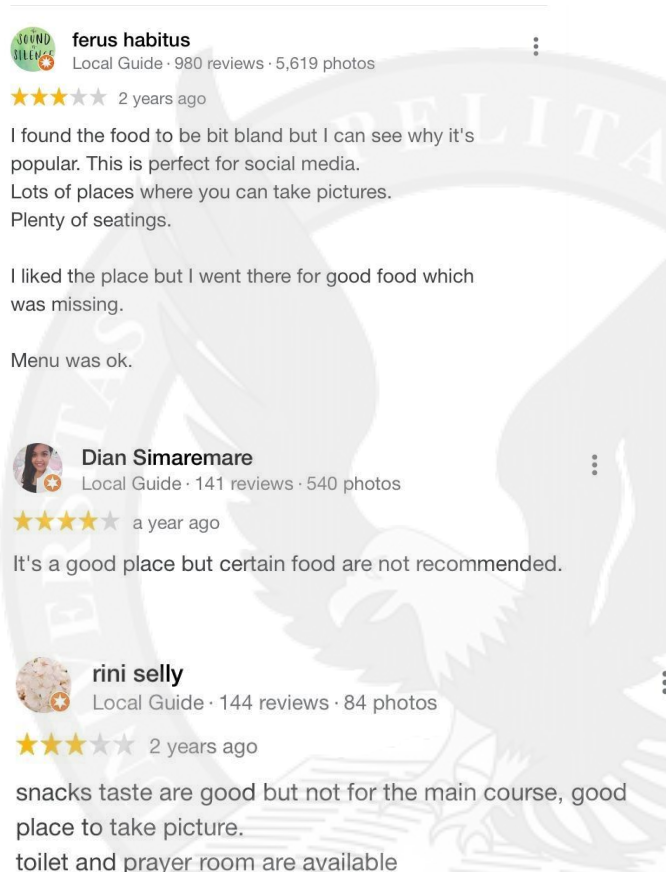
competition in the cafe industry, it is critical for businesses to attain customer satisfaction in order to survive in the long run. Customers will be pleased not only with the taste of the food, but also with its quality. A restaurant's food quality is an important aspect of its product offering.

Sosmed Cafe is one of the cafes in Medan which is well-known for its unique themed and design. Many people went there because the cafe itself offers many of Instagram-able spot and a good ambience that can fulfill customer desire to be exist and stay up-to-date. Sosmed Cafe is located at jalan Abdullah Lubis no 8, the cafe has a quite large space so customer won't queue for a long time when it is crowded. As the name implies, Sosmed Cafe create a concept of the latest thing in social media. The cafe itself also offer a very unique dishes that attract the curiosity of the customers.

Besides that, the writer had an interview with Ms. Fitri S.Y. Simanjuntak (the supervisor of Sosmed Cafe, Medan) related to this research's title. The supervisor acknowledge that every business will get complaints. Here are some issues that the supervisor mentioned regarding the complaints from the customer at Sosmed Cafe, that leads to unsatisfied experience such as the lack of the food quality, the inconsistent taste, and the food served is not same as the displayed picture. The writer has ever purchased Sosmed Cafe product, and based on her experience, the seafood is not fresh, the chocolate is not a good quality chocolate and the plating is not according to the menu photo which made the writer disappointed. Since the writer personal experience may be subjective, the writer found some reviews on the internet which they commented about the food quality

at Sosmed Cafe.

The following figures show some of the customer comment on Google Review regarding their experience during their visit to Sosmed Cafe, Medan.



Sources : Google Review (2021)

**Figure 1.1 Customer Review About Sosmed Cafe, Medan**

The object of this research is to investigate whether there is an influence of food quality towards customer satisfaction. Because of that, writer is interested to conduct a research with the title: **“The Influence of Food Quality towards Customer Satisfaction at Sosmed Cafe, Medan”**.

## 1.2 Problem Limitation

The purpose of problem limitation is to create boundaries to focus on the main problem needed to be discussed. So that the discussion is not long-winded and effective. For the problem limitation, writer will focus on two variable which are food quality and customer satisfaction for the problem limitation. This thesis aims to investigate on how Food Quality can affect Customer Satisfaction at Sosmed Cafe, Medan. This research will focus on customer of Sosmed Cafe, Medan since they have the experience there.

The problem limitation that will be discussed by the researcher are as follow:

1. The survey will be limited to customer who have visited Sosmed Cafe and spread using questionnaire.
2. The questionnaire will be spread in 1 week.
3. The discussion will only be limited to two variables which are food quality and customer satisfaction.

## 1.3 Problem Formulation

Based on the description about the object problem background above, there are identification problem in this study can be identified:

1. What is the state of food quality at Sosmed Cafe Medan?
2. How is the condition of customer satisfaction at Sosmed Cafe Medan?
3. Is there any influence of food quality towards customer satisfaction at Sosmed Cafe Medan?

#### **1.4 Objective of the Research**

The objective of the research are as follow:

1. To understand the food quality at Sosmed Cafe, Medan.
2. To understand the customer satisfaction at Sosmed Cafe, Medan.
3. To know whether there is an influence of food quality towards customersatisfaction at Sosmed Cafe, Medan.

#### **1.5 Benefit of the Research**

The benefit of the researches are as follow:

##### **1.5.1 Theoretical Benefit**

###### **a. For Readers**

The result from this study can be proof for readers to know that food quality is very important to satisfy customer needs in Food and Beverages business.

###### **b. For Writer**

The result from this study provides insight and experience as well as observations in real life situation which is very useful for the writer in the future.

###### **c. For Other Researches**

The result from this study can be used for reference for those who are interested in studying the same problem in the future.



### 1.5.2 Practical Benefit

a. For Company

The researcher expects the result from this study could benefit the company to evaluate, and take the result as suggestion to know the food quality and more about their customer, increasing the food quality as the result show that food quality is an important element to satisfy customer.

b. For Writer

From this study, the writer gained new experience and knowledge about the importance of food quality and customer satisfaction in F&B business.

c. For Future Research

The researcher expects the result from this study could become a comparison for future researcher who are interested of studying the same topic which is the influence of food quality towards customer satisfaction.