

CHAPTER I

INTRODUCTION

1.1. Background of the Study

Nowadays, the hospitality industry has grown in popularity and has received more attention from the government, which has designated that one of the leading sectors is the hospitality industry. This industry is in great demand by many people, especially business people because the hospitality industry is such a promising business. The hospitality industry and several other related business fields such as travel agents, restaurants, transportation, and so on are often included in the broad group of the hospitality industry. The same characteristic that is inherent in all business fields in this hospitality industry group is that there is an inherent service element and cannot be separated from the products it sells.

According to Cristo (2017), the culinary business is one of the most popular businesses and is experiencing rapid growth. In Indonesia itself, there are a lot of culinary businesses, ranging from cafes, restaurants, bars, and various types of franchises from abroad. The restaurant or cafe industry is one of the industries that is developing today because many people are interested in trying or tasting new flavors, not only as a basic necessity for eating but also making it a lifestyle. In the restaurant business, we communicate directly with customers. Therefore, customer satisfaction is the most important thing and factor that

determines the success of this business. We also receive this satisfaction based on the quality of employee service and the servicescape.

Service quality is the skill of employees who work well in serving customer needs. Service quality affects customer satisfaction because customers will judge the good or bad of service through the service received by customers in meeting their needs and whether it is as expected.

According to Al-Ababneh (2017), with good service quality, businesses will get many benefits such as obtaining customer satisfaction and customer loyalty, making a good contribution to business image, and giving the business a competitive advantage to compete with competitors. Al-Ababneh (2017) also defines service quality as "what customers get and what costs customers are willing to pay".

Servicescape (physical environment) is one of the tangible manifestations for a cafe or restaurant that can influence consumer responses and behavior towards the services received. The uniqueness of the servicescape can give a good impression to customers and can be a strategy in competing because this servicescape can show characteristics or differentiate from other similar businesses (Fahleti, 2018).

Servicescape is an important aspect of service and is one of the factors that customers consider to be satisfied with the business. The servicescape is one of the supporting factors for achieving business goals, one of which is getting

customer satisfaction. An adequate servicescape always succeeds in attracting customers.

According to Cibro and Hudrasyah (2017), customer satisfaction is customer response based on their experience of trying the services and products offered by the business. Customer satisfaction is very important to be obtained and known so that service providers can develop their skills so that customers remain satisfied and have the potential to come back to make repeat purchases.

Customer satisfaction is closely related to repeated visits and repeat purchases of products or services. Therefore, customer satisfaction is an important aspect or point for businesses to pay more attention to and measure the level of satisfaction of their customers.

The object of research in this study is Cafe Massa KokTong which is very famous in Pematangsiantar which is a family business that is well-known for its coffee which is always a favorite of all customers. The food and drinks are also well-known for their good taste and quality. Cafe Massa KokTong is very comfortable and suitable for various activities such as hangouts, birthdays, business meetings, or other social events. Cafe Massa KokTong which has 35 employees interacts directly with customers, therefore customer satisfaction is one of their goals. Although good quality food and drinks at prices that are not too expensive are a favorite of many people, they must be accompanied by good employee performance and good servicescape.

Cafe Massa Koktong is almost 1 century old and is managed by the third generation of its family-based in Pematangsiantar and has many branches such as Tebingtinggi, Medan, Jakarta, Sibolga, Pekanbaru, Sidempuan, and Bagan Batu. Based on the owner's information, the number of customers who come is up to 100 people per day, while visitors can reach up to 300 people per day. However, not all of them were satisfied with the services provided, even though they were very impressed with the quality of the product and the price.

Based on observations through google reviews, the writer found that Cafe Massa KokTong has good reviews and almost all customers are satisfied with the taste of the food and drinks. Even for the quality of the servicescape, many customers are satisfied. But in terms of service quality, this cafe doesn't seem to get good reviews. Almost all customers are dissatisfied with the service received.

Based on the author's experience as a customer at Cafe Massa KokTong, the price and quality of the food are very good but the performance of the employees is quite lacking. The skills of the workers are less friendly, pay less attention to details, and lack the initiative in serving customers, especially if they are in a VIP or no smoking room. However, Cafe Massa KokTong has a fairly good servicescape, starting from the atmosphere, music settings, table settings, furniture as well as decorations such as ornamental plants. Customers will not be satisfied with just good quality food, the right price, and a great servicescape. Therefore, the restaurant must pay more attention to the performance of each employee and improve the skills of its employees to become better, more efficient

and fulfill the customer's goal of meeting the restaurant's goals, and also maintain their servicescape as well as possible so that customers remain comfortable there.

Because customer satisfaction is obtained from employee performance and the physical environment, the author is interested in making research entitled **"THE INFLUENCE OF SERVICE QUALITY AND SERVICE SCAPE TOWARD CUSTOMER SATISFACTION AT CAFE MASSA KOKTONG PEMATANGSIANTAR."**

1.2. Problem Limitation

The writer determines the problem limitation to service quality and servicescape as the independent variable and customer satisfaction as the dependent variable to be more focused on this research. The writer also limits the object of research which is will only be conducted at Cafe Massa KokTong. Moreover, the writer will as well limit the subject of the research is the customers of Cafe Massa KokTong.

1.3. Problem Formulation

Based on the background study that has been stated above, the formulation of the problems that will be discussed by the writer is as follows:

1. What happens with service quality and servicescape at Cafe Massa KokTong in Pematangsiantar?

2. How is customer satisfaction at Cafe Massa KokTong Pematangsiantar?
3. Does service quality partially influence customer satisfaction at Cafe Massa KokTong in Pematangsiantar?
4. Does servicescape partially influence customer satisfaction at Cafe Massa KokTong in Pematangsiantar?
5. Do service quality and servicescape have a simultaneous influence on customer satisfaction at Cafe Massa KokTong in Pematangsiantar?

1.4. Objective of the Research

The objectives of this research are:

1. To identify how well the service quality and servicescape at Cafe Massa KokTong in Pematangsiantar.
2. To analyze the customer satisfaction at Cafe Massa KokTong in Pematangsiantar.
3. To find out whether service quality has a partial influence on customer satisfaction at Cafe Massa KokTong in Pematangsiantar.
4. To investigate whether servicescape has a partial influence on customer satisfaction at Cafe Massa KokTong.

5. To see whether the service quality and servicescape have a simultaneous influence on customer satisfaction at Cafe Massa KokTong.

1.5. Benefits of the Research

The benefits of the research are divided into 2 which are theoretical benefits and practical benefits.

1.5.1. Theoretical Benefits

The theoretical benefits expected by the writer are:

1. Provide a better understanding of how the service quality and servicescape influence customer satisfaction.
2. This research can be used as a reference and additional knowledge for future researchers or readers who will conduct related topics.

1.5.2. Practical Benefits

The practical benefits obtained from this research are:

1. For Future Researchers

This research is expected can be a guideline for researchers who conduct the same topic in the future.

2. For Cafe Massa KokTong

This research is expected to be additional information for the restaurant in learning how good the service quality and the servicescape are to satisfy customers and how it influences customer satisfaction.

