

CHAPTER I

INTRODUCTION

1.1 Background of the study

Travelling is becoming more popular these days as a result of growing along with the increasing number of the information offered by tourist destinations as well as the promotion of travel services with attractive tour packages. Throughout the previous five years, the average number of international tourists visiting Indonesia has climbed by 14%. This is higher than the 9 percent average annual growth in foreign tourist arrivals.

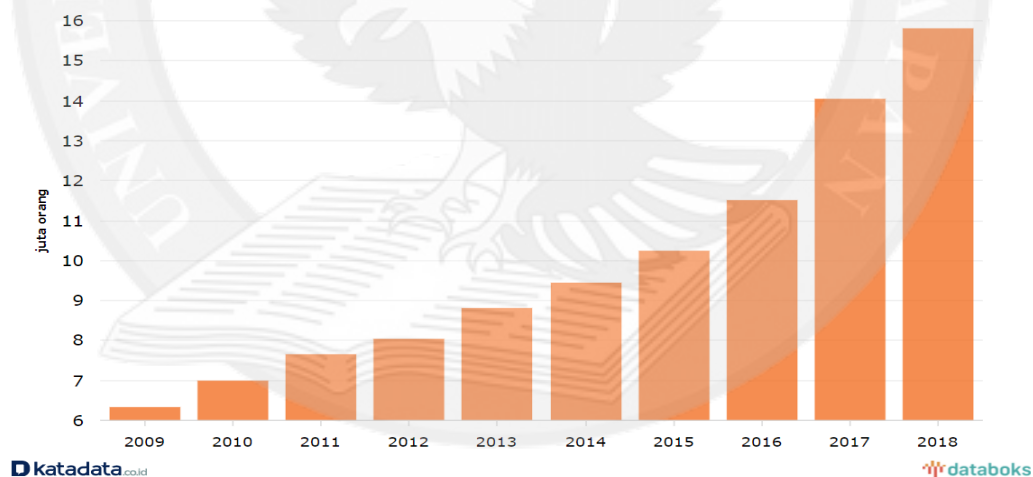


Figure 1.1 Number of Foreign Tourist Visits to Indonesia 2009-2018
Source: *Badan Pusat Statistik (BPS)*, 2019

According to BPS statistics, the overall number of international tourists who visited Indonesia exceeded 9 million, with the majority of them coming from

Asia. In 2018, there were 15.81 million international tourists who visited Indonesia, up from 9.81 million in 2009. This year, the government hopes to attract 18 million foreign tourists to visit this country. And Culinary is a component of tourism. However, Indonesia has a variety of culinary treats that should attract tourists.

As a result, it is important for culinary destination marketers to understand target consumers' perceptions of culinary destinations and how to influence their desire to visit through efficient marketing strategies. Based to this trend, the culinary industry, specifically the restaurant and café, is growing and expanding at a rapid and improving rate. Because new trends affect people's mindsets, lifestyles, and habits, the opportunity presented is large and promising. Originally, food was exclusively served to complement tourist attractions. But, because food is also acknowledged as an expression of identity and culture, it developed into a unique type of tourism known as culinary tourism. Therefore, many countries are beginning to recognize the importance of food to social well-being.

Medan is the provincial capital of North Sumatra. Medan city including metropolitan city number 3 the largest in Indonesia. As a city metropolitan area, of course, there are many offices, industries, and manufacturers everywhere such rapid developments. Medan is well-known for its culinary tourism due to the wide range of cuisines available in this city. The existence of food products as part of a Culture in the people of Medan City is implemented in the various types of food products they have. There are many culinary tourism destinations in the city of

Medan and each of the restaurants and cafés competes fiercely for the heart visitors who come. Each restaurant has its own characteristics as an affirmation of the restaurant's identity in the eyes of visitors.

Many cafes are sprouting up in Medan's downtown, particularly in the areas of Dr. Mansyur, Ring Road, Setia Budi, Sudirman, Abdullah Lubis, Padang Bulan, and its surroundings. As a result of this situation, culinary businesses are attempting to attract customers by first creating a friendly environment and then create an outstanding quality of food and drinks and personalized to the tastes and demands of consumers. Today's cafés sell more than just simply food; they sell a unique blend of flavors, the environment, the way the food is served, and even the restaurant's atmosphere and environment.

Good service quality is an effort that can be used by companies in the face of intense competition in the service sector related to customer satisfaction. The expected quality of service by consumers is adequate facilities, good service, comfort, security, tranquility, and satisfaction. Customer satisfaction with the company's products and services is determined by the level of service delivered to customers. If a company provides high-quality service to satisfied customers, customers will believe the company is professional in its service delivery. In the opposite case, if the level of service given to the customers is poor, they will believe the company is not professional in its service delivery.

A café business is a business that always prioritizes service quality for customers and provides satisfaction to consumers. In service companies such as

restaurants and cafés, customers and employees must interact to be able to create services. This is what causes customers to make social interactions with customers employees as a consideration in assessing a service company.

Food quality is an important aspect of the overall experience that customers have had. Food quality is all of the provisions which have been determined on the quality characteristics of the food used in order to satisfy the desires and expectations of consumers. Freshness, food presentation, well-cooked, and food, and beverage are the four dimensions of food quality. One of the actions to sustain food quality is to pay attention to each raw material as well as how to manage it. If the food provided is of good quality, it will benefit both parties, even as the owner will gain a positive image in the minds of customers, and the customers will receive the expected satisfaction. While café atmosphere provides a new experience to customers.

Atmosphere, service quality and food quality need to be maintained in order to create customer satisfaction. Customer satisfaction is a mandatory requirement that must be met by an actor's culinary business. Customer satisfaction is obtained if the services are provided by the restaurant are in accordance with the expectations of customers. According to Susan Novitasari Khadijah & Dianasari in (Purba et al., 2020), Providing quality services and facilities together can provide results and benefits for the business because customer satisfaction has occurred. Customer satisfaction has become a central concept in business and management discourse. Customer satisfaction is one of the most important elements of business activity for customers as determinants of

post-purchase attitude and reflects as a positive or negative result based on personal experience.

Customer satisfaction is called a business philosophy that tends to create value for a customer. Customer satisfaction is the most important factor in various business activities. (Maradita & Susilawati, 2021). Customer satisfaction is defined as the fulfillment of a customer's wants and expectations, resulting in repeat purchases or continuous loyalty. The importance of customer happiness for businesses is to ensure the company's long-term existence.

Customer satisfaction must be accompanied by the quality of service, satisfaction should concern what customers express about their perceptions and expectations for the café service obtained. Service Quality is related to the level of feeling after analyzing and measuring employee service or results to requirements in the café's service process. Satisfied customers tend to return to places according to them can provide satisfaction. Customer satisfaction is a comparison of the quality of service experienced by customers, which is expected by customers if the quality experienced by customers is lower than expected, there will be dissatisfaction.

And the writer discovers information with many comments about the atmosphere, food quality, and service quality. So, here is the table on customer review about the quality of food, environment, and services of Pilastro Café, Medan. The data above is taken from online reviews from Traveloka,

TripAdvisor, and foursquare.com. By looking at customer reviews for the last 6 months, the writer concludes by making the graph below:

Table 1.1 Some Customers review about Pilastro Café, Medan January 2021 – June 2021 Period

| Name | Customer Reviews |
|-----------------|--|
| Nurul Amelia | Had tried the recommended food but the price is 190,000 which is quite expensive with that kind of portion. |
| Jeffrey Ko | The services need more improvement. |
| Z liang | It took an hour to get the food, and the spaghetti Aglio olio didn't show up after an hour of waiting. |
| Patrick Samosir | The food was overpriced and the service from start to finish was not good. |
| Fedrick | The food was quite good but the service was absolutely terrible. The waiter didn't pay any attention to us even though there were six of us at that time. |
| Dini | They offer an experience to enjoy coffees from all around Indonesia, which taste very nice. The ambience is very nice: chick and modern. |
| Jimmy Wijaya | This cafe looks nice from the outside, but don't be deceived. It is not a comfortable environment to eat in. The table and chair arrangements are packed into every available space. |

Source: Prepared by Writer (2021)

Based on the data above, it can be concluded that there are some negative comments about the atmosphere, service quality, and food quality. For example, the furniture layout and the expensive food costs do not correspond to the portion size. The service provided by Pilastro workers is another variable that frequently receives bad feedback from customers. As is known, Pilastro café itself was established to revitalize Medan's culinary sector in the café segment, as coffee became a culinary trend in Medan some time ago. Pilastro Sudirman Café is

located right in the city center, at KEB Hana Bank Building, Jl. General Sudirman No. 32, Polonia Medan.

As a café that chooses coffee as its selling point, Pilastro has succeeded in showing its identity. However, as unique as the menu, more effort is needed to educate the market so that the menu can be appreciated more completely. Pilastro café offers a variety of snacks, main courses, and desserts that delight the taste in addition to its outstanding coffee. Starting from Western cuisine to Indonesian Cuisine, everything is complete to shake the tongue. Customers will feel at ease because of the wooden interior and well-thought-out lighting.

Good atmosphere offered in a modern style and with a premium feel with a café place that surrounded by coffee trees from which several kinds of coffee are produced and sold at the café. The atmosphere of this café is like in the middle of a garden coffee. There was a wide range of coffee-producing equipment there. The Mahlkonig EK34 can be found everywhere, from the espresso machine to the automatic grinder. Every detail is taken into account by this café. Starting from the neon lights that we know are on the rise, table setting, menu selection, and beautiful front decoration.

Therefore, regarding to several effects that might against the customer satisfaction, the writer is interested in conducting research on this café and writes in a thesis entitled **"THE IMPACT OF CAFÉ ATMOSPHERE, SERVICE QUALITY, AND FOOD QUALITY TOWARDS CUSTOMER SATISFACTION AT PILASTRO CAFÉ, MEDAN."**

1.2 Problem Limitation

In order to be more focused on this research and the limited sources, the writer determines limitations on this study to cafe atmosphere, service quality, and food quality as the independent variables and customer satisfaction as the dependent variable. The sample taken is limited to potential customers on the age of 15 to 35 years old which is according to the target market of Pilastro Cafe, Medan. Moreover, the writer will as well limit the research object where the research will only take place in Pilastro Cafe's second branch on Jalan Sudirman Medan and take a total of 18 indicators from 4 variables as an example in making questionnaire statements.

1.3 Problem Formulation

According to the previously outlined background, the formulation of the research problems are as follows:

1. Exactly how is the atmosphere at Pilastro Café, Medan?
2. What happens with the service quality at Pilastro Café, Medan?
3. How is the food quality at Pilastro Café, Medan?
4. In what way is the customer satisfaction at Pilastro Café, Medan?
5. Do Café atmosphere, service quality, and food quality influence Customer Satisfaction at Pilastro Café, Medan?

1.4 Objective of the Research

The research 's objectives are as follows:

1. To find out the atmosphere at Pilastro Café, Medan
2. To understand the service quality at Pilastro Café, Medan
3. To explore the food quality at Pilastro Café, Medan
4. To learn more about the customer satisfaction at Pilastro Café, Medan
5. To know the influence of café atmosphere, service quality, and food quality towards customer satisfaction at Pilastro Café, Hotel

1.5 Benefit of the research

The researcher expects that this research can provide not only theoretical but also practical benefits, such as:

1.5.1 Theoretical Benefits

Theoretically, the writer hopes that this study can be used to provide information about the impact of café atmosphere, service quality and food quality on customer satisfaction at Pilastro Café, Medan.

1.5.2 Practical Benefits

Practically, the writer expects that this research can be used as follows:

1. For Author

This research is expected to be a useful tool in implementing the author's knowledge of cafe atmosphere, service quality, food quality, and customer satisfaction.

2. For teachers

The results are expected to be useful for the author herself and for all teachers, especially lecturers in the hospitality department because this research might help teachers in teaching.

3. For future researchers

They are expected to be able to use the findings of this study as a source of further information when doing future research.

4. For company

This research is expected to be a platform to give information about café atmosphere, service quality, food quality and customer satisfaction at Pilastro Café, Medan so that it can become the attention of the customers who come to the café.