

CHAPTER I INTRODUCTION

1.1. Background of Study

Hospitality which is one of the world's largest industry and its business encompasses a range of service industries, notably star restaurants, resorts/hotels, and tourist industries as overall (Hotel Tech Report, 2022). One of the largest and most important segments in hospitality industry or tourism is the food and beverage sector and are range from buffets, star restaurants, cafes, online food ordering, bars, etc. (SEGi College Sarawak, 2021). In Indonesia itself, food and beverage has the highest contribution to the economic growth. Putu Juli Ardika, the acting General Director of Agro-industry at the Industry Ministry, the F&B industries contributed approximately 66% of the country's GDP. (ANTARA Indonesian News Agency, 2021). The food and beverage sector has had quite a wide range of beneficial effects on the country's economy, including higher value added through industry growth, income from investments and exports, and boost the number of job opportunities.

Because of the huge impact the F&B industry has, the food and beverage business plays a significant part in Indonesia's economy, making this part of the economy an opportunity especially in Medan. Many people don't just sit back and compete in the F&B sector, such as restaurant or cafe businesses. Medan is one of the places where the growth of small and big cafés is exploding, which will, of course, provide more opportunity for the country's economy to expand and generate more employment. A decent cafe,

of course, have to pay more attention on its quality of food that is always provided to consumers. Due to the many developments of new restaurants and cafes in Medan, entrepreneurs are more challenged to pursue and improve their quality products in order to achieve the most essential goal, notably consumer satisfaction. The consistency of a good food product is fatal for a restaurant to create consumer satisfaction. Sweet experience of food offers a wonderful impression that is guided by the nature of food that makes people happy, loyal and providing impressive word of mouth to the food served (Jalilvand et al., 2017). The sole aim of a cafe is to provide customers with high quality food and beverage because customers want to be able to fulfil their desires and have a food that meets their expectations.

Consumer satisfaction is a critical aspect of operating a restaurant, and every company owner must strive to provide the finest products and service to their consumers. To be successful in the food and beverage sector, a cafe or restaurant must have a great level of food standard quality (Cassa Augustinus & Iona, 2020, p. 48). Consumers often assess product quality based on the look, presentation, texture, and taste of the meal they're having and it's the experience a consumer has when they take their first mouthful and immediately need more (Hughes, 2021). According to (Rajput & Gahfoor, 2020) In the existence or absence of a positive attitude toward the restaurant, customer satisfaction increases a tendency of returning.

In Medan, the cafe business is also at a very fast stage of development. Many of the newest cafes or coffee shops with their own unique concepts have been opened. Starting from the concept of a garden cafe, a cafe with board games, an open cafe, and also a street food concept. Pilastro Cafe Medan which have 2 outlets, one on Jendral Sudirman and another one on Haji Misbah is considered as a long-established cafe in the Medan, about more than 5 years. Their first cafe was located on Bukit Barisan (now permanently closed). Pilastro Cafe was originally famous for their iconic ice cream, the Liquid Nitrogen ice cream they first sold at Sun Plaza Mall and their coffee. Pilastro Cafe is a Casual Dining and Lounge restaurant that offers food from breakfast to dinner ranging from Western and Asian foods. They are also famous for the coffee they offer, from espresso to manual brewing. Pilastro Cafe started to be busy and famous since then and is usually very full during the lunch hour or "Brunch". Not long after the cafe located in Bukit Barisan closed, Pilastro began to expand by opening a new cafe that was very different from its ambience, environment, design, and the food it offered. They are located at Haji Misbah and named Pilastro Signature Cafe.

In this research, the writer found that although Pilastro is one of the famous old cafes, there are still some bad reviews from customers about the food quality of this cafe. There were some who complained that the food was bad and not appetizing, portion is so small, expensive, food was average, and also some other bad reviews. In order to create a good product quality, it is a crucial role for a Food and Beverage outlet to keep the quality of the product

on the line or even higher. Good and consistent product quality is when consumers expect that the product will be as promised on the menu, correctly prepared, cooked, washed, handled, and tasty. Customer satisfaction will also influences brand awareness in food and beverage organisation. Despite all of that, everyone certainly has a different opinion depending on the experience they received even though the cafe has offered and produced good quality products. The primary aim of this research will be to explore, observe and explain how food quality in Pilastro Cafe is viewed in relation to Consumers' Satisfaction.

Table 1.1 Data Review about Product Quality at Pilastro is a Problem

| Name | Time Period | Rating | Review | Remarks | Indicator Lacking |
|-----------------|--------------|--------|--|--------------------------------------|---------------------------|
| Rizki Irwansyah | Year ago | 3 / 5 | Tempat yang nyaman tetapi tidak untuk makanan atau minuman. Area parkir kecil. Harganya sedikit mahal. | Little bit expensive | Variety of food |
| Respati Tamio | 3 months ago | 3 / 5 | Tempat yang luas dan besar, saya harus mengatakan itu adalah salah satu kafe terkenal di daerah Medan. tetapi tampaknya reputasi mereka untuk menjadi terkenal tidak diikuti oleh produk hebat. setiap barang yang saya pesan mengecewakan, dan hasilnya sangat dingin | Food is stone cold and dissapointing | Freshness and well cooked |
| Alina Haslan | A year ago | 3 / 5 | For me, some food was good and some was bad in here. The outdoor is their best part, its spacious and cozy. We ordered spaghetti aglio olio, spaghetti bolognese, chicken | Food was bad | Freshness |

| | | | | | |
|---------------|--------------|-------|--|-----------------------------------|----------------------------|
| | | | pizza, choco lava cake, crispy chicken salad, coffee latte, waffle ice cream, etc. | | |
| Fajar Maulana | 2 years ago | | Tempat lumayan, rasa makanan biasa saja, minuman seperti rasa minuman di kafe pada umumnya, nothing special..kamar mandi jorok, harga a little bit pricey, pelayanan cepat dan ramah | Food is average | Freshness, variety of food |
| Wigoyo Edward | A month ago | 3 / 5 | Makan dan minuman standar cafe, harga juga standar. Cuman kalau kesini suka pesen eskrim nitrogen. | Food is average | Freshness, variety of food |
| Cherie Thomas | 4 years Ago | 1 / 5 | Makanan itu enak. Tapi kebanyakan pengunjung datang untuk selfie, bukan untuk makan. Porsinya kecil banget. | Small portion | Variety of food |
| Na Wi | 4 months ago | 2 / 5 | Pesen sop buntut, keluar nya lama, kuah nya cuman kuah dikasi micin + garam + daun sop.. kentang n wortel nya masi keras..keliatan ga ready tapi dipaksain keluar Pesen pizza nya... jauhhhh dari ekspektasi yg namanya pizza Banana cake, kayak cake dikasi essence pisang.. Yg bs dimakan disini cuman snack2 ringan nya.. | Food is bad | Freshness, presentation |
| Elwin Chow | A month ago | 3 / 5 | Rasa makanan sih biasa-biasa saja, menu dan porsi makanan juga dikit untuk ukuran orang indo.. Tapi pelayannya baik banget kok, ada gojek yg minta air putih. Trus pelayannya datang bawa air putih dengan es batu, pakai nampan. Kayak melayanin tamu biasa.. | Food is average, portion is small | Freshness, presentation |

Source: Prepared by Writer (2022)

There have been some negative comments and reviews concerning the quality of the products at Pilastro Cafe Medan. That, even if just a few, it is preferable to evaluate Pilastro via adverse reviews in order to bring insight.

1.2. Problem Limitation

As discussed before, the main purpose of the research is to determine how much influence product quality has on consumer satisfaction at Pilastro Cafe Medan with problem limitations as per below:

1. This research will use an online questionnaire as the main data collection due to the restrictions of movements in this pandemic period. Online questionnaire will be sent online and randomly.
2. Indicator of Product Quality: Freshness, Presentation, Well Cooked, and Variety of Food. Indicator of Consumers Satisfaction: Fulfillment, Pleasure and Ambivalence.
3. This research is conducted in both branch of Pilastro Cafe Medan which is Sudirman Cafe and Misbah Cafe.
4. The questionnaire targets customers who have visited and tried products from Pilastro Cafe Medan directly.

1.3. Problem Formulation

Following the initial analysis of problems in this study, the authors formulated the following formulation problems:

1. How is Product Quality perceived by consumer of Pilastro Café Medan?
2. What is the level of Consumers Satisfaction at Pilastro Café Medan?
3. Does Product Quality have an effect on Consumers' Satisfaction at Pilastro Cafe Medan?

1.4. Objective of Research

The primary goals of this study, as mentioned in Problem Formulation and Background of Study are as per below:

1. To explain about Product Quality at Pilastro Café Medan.
2. To explain about the level of Consumer Satisfaction at Pilastro Café Medan.
3. To describe whether Product Quality have an effect towards Consumers' Satisfaction at Pilastro Cafe Medan.

1.5. Benefit of Research

There are two kinds of gains to conducting research: theoretical and practical.

1.5.1. Theoretical Benefit

a. For Readers

This study can be used as a guide or informative matter about Product Quality which has an effect on customer satisfaction at Cafe. Hence, the results of this study will be the prove that Product Quality have an effect towards Consumers' Satisfaction.

b. For Writer

Furthermore, the findings of this research could be used as teaching material and to add to the writer's insight. This result can also enrich writer knowledge about Product Quality at Pilastro Cafe Medan.

1.5.2. Practical Benefit

a. For Company/Organization

The final outcome of this research is anticipated to provide suggestions or benefits to the related companies in order to achieve Consumers' Satisfaction through their Product Quality.

b. For other Companies

This study's findings are likely to be beneficial guidance and information for other companies looking to enhance the quality of their products. This will also benefit for other companies in enhancing customer satisfaction from product quality.