

## CHAPTER 1 INTRODUCTION

### 1.1 Background of the Study

As the time went by, the similar business that provides various product and services are growing rapidly and the competition in the market is getting tough and vigorous. In the present day, especially when this pandemic era, the economy has fluctuated. Food and beverage industries are the industries that grip young entrepreneur's attention. An abundant number of young entrepreneurs are eager to own their own business in the food and beverages industry. Food and beverages industry is enormously beneficial due to food and beverages are human main needs. One of the cities that has drawn young entrepreneur's attention is Medan. Medan is Metropolis city that has been well known for its cuisine.

To establish a business, especially in the food and beverage industry, the business propriety must know countless standard operating procedure or known as SOP to keep maintain the customer satisfaction towards their own business. Looking back to the competition in food and beverage industry, it gets vigorous and challenging as time goes by. Engaging the new business with stronger competitors in the same field has never been easy task to do.

To compete with stronger competitors, business owner should prepare their strategy for their business to keep going for a long period of time. Besides strategy that the business propriety should set, they must know who their target market is before they are starting up their business. Target market is crucial for their business to have their business keep going on. Along with the target market, they should know what their customer's taste and preferences later.

In food and beverage industry that serves food and services, the business owner should ensure they offered the best service to their customer. One of the actions that will make customer feel satisfied is the service. How the service is provided is the key to making customer feel satisfied. Service is one of the most important factors. The purpose of providing a good service is to create the customer satisfaction, survive in the market, and compete in the competitive market. Customers have high expectation towards the service that they will receive. The customer will feel satisfied if the service that has been provided is effective and efficient. Service quality is able to drive the customer satisfaction.

Referring the service quality, service quality, and customer satisfaction are closely acquainted. Customer satisfaction comes from the service quality. Providing excellent service quality that can gain the customer satisfaction isn't an easy task to do. For business, it can be called they provide a good service quality if they meet the customer expectations. Based on the research conducted by (Fatin Furoida, 2018), the excellent service quality could lead to the customer satisfaction, service quality has significant and positive influence on the customer satisfaction.

Based on the research conducted by (Hapzi Ali, 2022) service quality highly affects the customer satisfaction. The quality when the service provided to the customers determines a strong relationship between the business/companies and the customers. A business/companies can be successful in providing the service if the service meets the customer's expectations. Long-term customer satisfaction is needed for the companies/business, so they can strive for a long period of time.

Not merely service quality, customer satisfaction can be created through store atmosphere. Store atmosphere can affect the customer satisfaction. Store atmosphere is half of the reasons why people are having their meals outside instead of having them at home. Having a comfortable atmosphere will increase the profit and it will attract customer to come to visit, based on the research conducted by (Steven Anderson, 2020) there is a significant influence between store atmosphere and the customer satisfaction

The atmosphere might have an impact on the customers and strongly have connection to the satisfaction of the customer. Based on the research conducted by (Ida Maftukhah, 2018) store atmosphere influences the customer satisfaction and a good store atmosphere will generate the customer satisfaction. Alike to the research conducted by (MuhammadRheza Alfin, 2017) the store atmosphere positively influences the customer satisfaction. And based on the research conducted by (Prof. M. Durup, 2013) customers will not recommend a restaurant to their relative or friends if they find that the store atmosphere isn't meet their expectations.

The problem that Doppio. me Coffee Medan faced for their customer satisfaction due to the growth of the food and beverage industry in the market, Doppio. me Coffee faces the significant competition and must compete with its other competitors in Medan. Additionally, customers are one of the most crucial essences of business for them to thrive. Due to the growth in the competition, customers are being faced with lots of options for them to choose from and to fulfill their wants. To maintain it, Doppio. me Coffee must know and identify what is the best strategy for them to urge the customer satisfaction and this is the reason why this research underlines.

Reasons that the writer chooses Doppio. me Coffee is the writer who has ever visited the coffeeshop. Furthermore, the writer has experienced the service that they provide to the customers and how the store atmosphere influences the writer's convenience as a customer towards the coffee shop. Besides that, the writer has collected the data on the customer's complaints about the service quality or the store atmosphere towards the Doppio. me Coffee.

**Table 1 Feedback of Doppio. me Coffee**

No	Name	Star	Review
1	Orrick Oetomo	4/5	Tempat sempit dan menu makanan beratnya kurang banyak
2	Jee Wen	3/5	Servicenyanya tidak begitu cepat. Tapi, minumannya jempol.
3	Kevin Tandian	4/5	Makanan dan minumannya enak, tapi tempat sempit dan masih perlu tingkatkan pelayanannya juga.
4	Wennyta Wen	3/5	Tempatnya bagus, menu sejauh ini enak semua cocok di lidah, tapi tempatnya mini sekali, mau rame2an takutnya gaada tempat
5	Wen Ny	3/5	Bener2 hidden gem sih ini, soalnya lumayan susah nyari lokasinya. Untuk tempatnya oke sih, cozy dan colokan tersbear dimana2, tapi gabisa untuk nongki rame2, soalnya tmptnya mini bngt. Untuk makan dan minum belum ada yang mengecewakan.
6	Ahend Go	3/5	Mejanya terlalu kecil, setelah pesanan datang semua, ga ada tempat untuk tarok barang pribadi lagi. Kalau malam agak remang2 romantis. Rotinya enak, fresh. Kopinya juga enak.
7	Garlikbred	2/5	Coffeshopnya terlalu kecil dan terlalu sempit. Tapi kopinya oke, selalu pesan yang ice doppio latte.

Source: Google Reviews

Based on the data that the writer collected from Google Reviews, the customers were complaining about the service being kind of slow and mostly the customers have complaints towards the atmosphere of the store which is according to them the store is too small and has limited space to hang out with lots of friends. Based on the data above, the writer has decided to know more about the service quality and store atmosphere that influence the customer satisfaction and the writer has decided to write it down in the final paper entitled

# **“THE INFLUENCE OF SERVICE QUALITY AND STORE ATMOSPHERE TOWARDS CUSTOMER SATISFACTION AT DOPPIO.ME COFFEE”**

## **1.2 Problem Limitation**

With the aim of this research and the limited resources that the writer has, the writer has determined the limitation for this study into Service Quality (X1) with the indicator reliability, responsiveness, assurance, empathy, and tangibles (Kowsalya, 2019), Store Atmosphere (X2) with the indicator exterior, general interior, store layout, and interior display (Berman, 2018). And the Customer Satisfaction (Y) with the indicator re-purchase, creating word of mouth, creating brand image, and making purchasing decisions at the same company (Suwito, 2018) as the dependent variable. This research is going to focus on the customer satisfaction at Doppio. me Coffee which is located at Jalan Adam Malik no 20E, Medan.

## **1.3 Problem Formulation**

To analyze the service quality and the store atmosphere at Doppio. me Coffee, the writer lists the problem formulation as follows:

1. Does Service Quality influence Customer Satisfaction at Doppio. me Coffee?
2. Does Store Atmosphere influence Customer Satisfaction at Doppio. me Coffee?
3. Does Service Quality and Store Atmosphere influence Customer Satisfaction at Doppio. me Coffee?

## **1.4 Objective of the Research**

The aim of this study is:

1. To determine how the service quality influences the customer satisfaction at Doppio. me Coffee
2. To determine how the store atmosphere influences the customer satisfaction at Doppio. me Coffee
3. To determine how the service quality and store atmosphere will contemporaneously influence the customer satisfaction at Doppio. me Coffee

## **1.5 Benefit of the Research**

The research benefit will be divided into 2, namely:

### **1.5.1 Theoretical Benefit**

This research has the theoretical benefit, which is:

1. To academically grow the writer's knowledge in service quality, store atmosphere, and customer satisfaction.
2. To academically understand how the influence of service quality and store atmosphere towards customer satisfaction.
3. To provide knowledge for the future writer who will conduct the similar topic.

### **1.5.2 Practical Benefit**

The research will have the practical benefit, namely:

1. To grow the writer's knowledge of service quality, store atmosphere, and customer satisfaction.
2. To grow the business owner's knowledge about service quality and store atmosphere towards the customers' satisfaction.
3. For reference for the future writer who will conduct similar topic or similar title.

