

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The culinary business is currently one of the choices that is in great demand by everyone where food is one of the basic needs. Restaurants are also in great demand by consumers because restaurants provide many choices to consumers, making it easier for consumers to choose food. There are many restaurants and coffeeshops circulating, especially in the city of Medan. There are many places that provide a variety of food and drinks that are well served to consumers. There are so many factors that must be considered by restaurant and coffee shop owners, including the store atmosphere.

Store atmosphere is planned according to the target market and can attract clients indirectly to drive consumers to make purchases through emotional states. Store atmosphere is the activity of creating an appealing retail environment and making a positive impression on customers. Store atmosphere plays an important role toward Customer Satisfaction. The increasing knowledge of aesthetic, about what looks good and not, has affected how customer view a store. The placement and the size of the store's logo must be considered properly so that people can directly recognize a store just from its exterior. As well as the store's interior, the placement of the furniture and the product's arrangement must be well-designed so that it will be easier for customers to look for specific items they are looking for.

Another factor determining the customer satisfaction in addition to store atmosphere is product knowledge. Product knowledge has a vital role in influencing the buying behavior of a product. Product knowledge is the complete, accurate information stored in the consumer's memory, which later the information can help as a consideration material in determining the next action. Consumers need to know the characteristics of a product. If consumers do not understand the information about the characteristics of a product, consumers can make a wrong decision in buying something. Product knowledge from employees of a restaurant is very important. This is because many customers are still not aware of the advantages of the products offered to customers. In addition, customers also do not know the content of the restaurant's products entirely so that there are some customers who have problems consuming a meal will be hesitant to order food.

Nelayan restaurant is a restaurant that focuses more on its ingredients using seafood. This restaurant, which was founded in 1995, has had a lot of developments where initially the nelayan restaurant only had one restaurant and until now continues to grow to choose more than 20 outlets spread across various areas in the city of Medan and outside the city of Medan. Restaurant Nelayan trying to provide the best service to customers but the satisfaction of the restaurant's customers decreased. This can be seen through the decrease in sales that occurred in the company. Sales at restaurant fishermen are currently experiencing a decrease where this decrease occurs from 2017-2021. Sales data on restaurant fishermen can be seen in table 1.1 as follows

**Tabel 1.1 Nelayan Restaurant
Sales Data From 2017-2021**

Tahun	Data Penjualan	Persentasi Pertumbuhan
2017	79,190,215,000	
2018	77,981,662,000	-1.53
2019	72,617,142,000	-6.88
2020	71,018,958,000	-2.20
2021	70,781,213,000	-0.33

Source: Prepared by the Writer (2022)

From table 1.1 above, it can be seen that the decrease in sales at Nelayan Restaurant has decreased every year. The highest decrease was in sales in 2019 where the decrease reached 6.88%. This decrease was caused by a decrease in customer satisfaction. The decrease in visitor satisfaction can be caused by several factors including the atmosphere of the restaurant. The atmosphere of a restaurant will have an impact on the comfort of the customer. The atmosphere of Nelayan restaurant is often considered by the customer to be less comfortable where the table position is too tight, making the atmosphere of the restaurant too narrow and making the customer uncomfortable. In addition, customers also feel that there is a birthday event that is too lively which is celebrated by Nelayan Restaurant, making customers feel that the atmosphere of the restaurant is not comfortable. The decrease in the comfort of the customer regarding the atmosphere of the Nelayan Restaurant makes the satisfaction of the customer decrease for the restaurant.

Knowledge from Nelayan Restaurant's employees does not that good because there are still many services that do not know all the food content in one dish from Nelayan Restaurant. This makes customers confused and also do not know what to order at the restaurant. Employees from Nelayan Restaurant are also less aware of the advantages of food products from the restaurant so that Nelayan

Restaurant employees tend to offer almost all of the food that is there when customers ask for recommendations from restaurant employees. This makes customers even more confused to choose the food that is there. Lack of knowledge from restaurant employees can have a negative impact if there are customers who have problems consuming food such as food allergies. These things can have an impact on customer satisfaction with Nelayan Restaurant.

From the description above, the writer conducts research in the form of a thesis titled: **“The Effect of Restaurant Atmosphere and Product Knowledge Toward Customer Satisfaction at Nelayan Restaurant Medan”**

1.2 Problem Limitation

Due to the limitation of time and resources, the problem limitations of this research study are as follows is this research is limited to Customer at Nelayan Restaurant Medan. The research will use three (3) variables, which are: restaurant atmosphere as variable X1 and product knowledge as variable X2, and Customer Satisfaction to be the dependent variable. Here are the indicators of each variable of this journal:

1. Restaurant Atmosphere indicators used are Exterior, General Interior, Room Layout, Interior Point of Interest Display (Barry and Evans, 2019).
2. Product Knowledge indicators used are Knowledge of product characteristics or attributes, Knowledge of product benefits., Knowledge of the satisfaction that the product provides for consumers (Firmansyah, 2018:66).

3. Customer Satisfaction indicators used are Conformance of expectations, Interest in visiting again, Willingness to recommend (Tjiptono, 2016:101).

1.3 Problem Formulation

Based on the background of the study, the author has to be able to have a problem formulation such as:

1. Does restaurant atmosphere can affect customer satisfaction at Nelayan Restaurant Medan?
2. Does product knowledge can affect customer satisfaction at Nelayan Restaurant Medan?
3. Do restaurant atmosphere and product knowledge has effect towards customer satisfaction at Nelayan Restaurant Medan?

1.4 Objective of the Research

The purpose of conducting this research is:

1. To know whether restaurant atmosphere could affect customer satisfaction at Nelayan Restaurant Medan.
2. To know whether product knowledge could affect customer satisfaction at Nelayan Restaurant Medan.
3. To know how restaurant atmosphere and product knowledge could affect customer satisfaction at Nelayan Restaurant Medan.

1.5 Benefit of the Research

Here are the benefits of doing this research:

1.5.1 Theoretical Benefit

This research are expected to give benefit to the marketing management about how restaurant atmosphere and product knowledge will affect their customer satisfaction and this research contributes in developing the theory of the influence of restaurant atmosphere and product knowledge towards customer satisfaction.

1.5.2 Practical Benefit

1. For company

This research provides the company informations about how restaurant atmosphere and product knowledge can affect the customer satisfaction.

2. For researchers

The benefit of doing this research is to gain addition knowledge, especially about how restaurant atmosphere and product knowledge affect the customer satisfaction.