

CHAPTER I

INTRODUCTION

1.1 Background of the study

Numerous entrepreneurs are currently engaged in the culinary industry. In the era of globalization, culinary enterprises are highly profitable and in high demand. Additionally, food is one of the fundamental requirements for human survival. Undoubtedly, competition is widespread in the culinary industry. Therefore, entrepreneurs are required to implement numerous innovations that satisfy the needs and desires of customers. Restaurants and cafes can improve customer satisfaction in two ways: by minimizing negative experiences and maximizing positive ones.

Store atmosphere is the atmosphere or store environment that can stimulate the five senses of the customer and influence their perceptions and emotions towards the store. The atmosphere of a store is helpful for building an image and attracting customers' attention. A nice store atmosphere should include elements that appeal to the five human senses, such as sight, hearing, smell, touch, and taste. The atmosphere of a store is designed to create a particular emotional and perceptual influence or response from customers so that they will be willing to make purchases and may increase their purchases. The more appealing the café's or restaurant's atmosphere is to customers, the more it will encourage them to come to the café or restaurant due to high customer satisfaction. According to (Binaraesa et al., 2021), a comfortable store atmosphere might influence customers' perceptions

of food and service quality in order to achieve customer satisfaction.

According to Amanah as cited in (Albari & Kartikasari, 2019), "product quality" is the ability of a product to accomplish a specific purpose, which can include durability, reliability, resulting accuracy, ease of use and repair, and other holistically valuable characteristics of the product. Product quality is the attribute of a good or service that depends on its capacity to meet explicit or implicit consumer needs. Every consumer's perception of product quality comes from their purchases. Customers will be dissatisfied if the product quality is inadequate.

Service quality is an action performed by employees with the goal of providing every customer with the best possible service. According to Mahmoeidin as cited in (Desikasari, 2018) as saying that service quality is an invisible activity that occurs as a result of client-employee interaction in the delivery of services designed to solve consumer concerns. Service quality is another method by which consumers evaluate the level of service they have received. If the service offered meets the customer's expectations, the service's quality value is considered to be good and capable of satisfying the consumer. Consumers surely anticipate that quality service will offer a sense of satisfaction and encourage repeat purchases. In order for businesses to succeed on the market and earn customers' trust, service quality is also an important factor that must be addressed. According to Tjiptono, as cited in (Raditya Satrya & Sayang Telagawathi, 2021), service quality and customer satisfaction are linked since good service quality motivates consumers to form strong relationships with a business.

Customer satisfaction refers to how a customer feels about the product or

service provided by the company. This emotion is one of the aspects that contribute to customer loyalty. where satisfied customers are likely to make more purchases with businesses again, which has a positive impact on a business's income. Obtaining information regarding customer satisfaction, especially through surveys and reviews, can assist businesses and businesspeople in determining the optimal strategy to improve or modify their products or services. In addition, measuring customer happiness can help businesses find the most effective ways to improve product and service quality. As measuring customer satisfaction allows companies to easily identify dissatisfied customers who quit their memberships or post bad reviews about their products and brands,

According to research conducted by (Kusumawathi et al., 2019), on “The influence of store atmosphere, product quality, and service quality on customer satisfaction at Seniman Coffee Studio” it has been stated that store Atmosphere variable has a significant influence on customer satisfaction at Seniman Coffee Studio. Moreover, Product quality and Service Quality variable also has a significant influence on customer satisfaction.

The object of research for this study is Gampoeng Geutanyoe Medan. Gampoeng Geutanyoe is a café that was established on July 7, 2020, and is located on Jl. Sei Batang Hari No. 4B. The word Gampoeng Geutanyoe is taken from Aceh which means "Kampung Kita". Gampoeng Geutanyoe offers various types of Indonesian dishes and various types of beverages, from coffee to non-coffee. The menu offered ranges from Rp. 15.000 to Rp. 55.000. This café also offers facilities such as an indoor and outdoor area, free wifi, and live music every weekend.

Gampoeng Geutanyoe also offers food delivery via Grab and Gojek, making it easy for customers to get food at Gampoeng Geutanyoe from wherever they are. Gampoeng Geutanyoe received a rating of 4.3 stars from 429 Google reviews, some of which included complaints. Here are some of the comments from Google reviews for the café than can be input:

Table 1.1 Google Reviews

Name	Negative comments
RH	Don't ever go to this café. Throwing up because of the meat in their so-called soto stinks and they even admit it was "not fresh meat". For your own safety, please check all comments here.
RP	Ordered ayam penyet but an hour later it didn't come. Then ask the waiter, but he says he wants to deliver for a while. We wait again but they don't come either. Until we threatened them with 5 minutes of not being delivered, I will report you.
WN	The service turned out to be like a street stall. They don't know courtesy at all. The attitude in serving is bad, it's like asking for a fight. Our menu was ignored for up to an hour. Another guest didn't arrive for 15 minutes to sit down, the order had arrived. We? An hour...was called until 3 waiters all gave a crazy answer!!!!!!!!!!!!
GG	For the café manager, please arrange the cashier and all the waiters so that you can quickly serve the customer. Don't be slow.
EP	The service is not good, I have been waiting for half an hour to wait for the order not to be called anyway, no one has come 1 even to serve the newly arrived customers. I also pay for eating there.
YS	The chicken was okay, and the sambal was okay too. I have visited this place a couple of times (because it is near my house), and we have found some bad shrimp in the Tumis Brokoli, not just once, but three times. It stinks, and we told the manager about it, but after a couple of weeks, we ordered the same food, and we found the shrimp stinking again. Well, a piece of advice: just order the chicken or the fish if you want to eat here. Don't order the ones on the Tumis menu.
HF	When the bill payment comes, many menu items that we did not order even entered the bill and it turned out to be the wrong bill, then after the bill came out again, it turned out that there were still many items that were not ordered listed on the bill, so I am really disappointed to eat here.
AW	I had a few drinks here before that didn't taste consistent. Sometimes it is too sweet, and sometimes there is no taste at all.
NH	If you order the soup, it's bad; it smells like rotten meat. The worst soto ever
LW	The employees are not friendly, the parking lot is narrow, and the food is not complete.
TC	Strategic place, but a bit dark. Food is ok
EH	It's comfortable, but the air not cool enough.
GF	The place might need to be rearranged to make it more comfortable.
AH	The location is quite hot.
DZ	Sanger is not bad but still loses when compared to other competitors. The price for nasi gurih is standard cafe; the only one that's a bit strange is Aceh's nasi gurih; how come you use sweet fried tempeh, which is typical for Aceh?
Q	The avocado juice is too sweet, even though it was requested not to be too sweet.
YW	There is ditch smells
RK	Not clean enough

Sources: Google Reviews (2023)

Regarding the store's atmosphere, the quality of the products, and the quality of service, there are some negative reviews on Google. The majority of problems come from the poor quality of service they provide to customers, such as making them wait a long time to get what they wanted, having bad-attitude employees, and sometimes being less accurate when charging a customer's bill. Regarding product quality, there have also been complaints regarding foods containing un-fresh meat and seafood-based ingredients (stinky) and beverages that occasionally taste unstable (sometimes too sweet, sometimes without taste) and Also, the cutlery is dirty, as the writer once acquired a dirty small bowl of chili sauce while eating there. There have also been complaints regarding the café's lack of a cool air atmosphere, the café being too dark, an unpleasant smell around the café (the smell of a ditch), the surrounding area is less clean, and how the layout of the facilities is unappealing to customers.

This research has been conducted at Gampoeng Geutanyoe Medan, as the writer wanted to know more about Gampoeng Geutanyoe Medan and what problems they are facing in the hope that the problems can be solved. Hence, the café will develop and grow even better in the future, as store atmosphere, product quality, and service quality are some of the most important things that a café must maintain. So, the customers will always remember the café's existence because they feel satisfied with the store atmosphere, product quality, and café service quality that the café provides, which will also benefit Gampoeng Geutanyoe itself.

Therefore, the writer decided to find out if the store atmosphere, product quality, and service quality of a café could influence customer satisfaction, and the

writer will conduct the research in the form of a final paper entitled "**THE INFLUENCE OF STORE ATMOSPHERE, PRODUCT QUALITY, AND SERVICE QUALITY TOWARDS CUSTOMER SATISFACTION AT GAMPOENG GEUTANYOE MEDAN.**" With the hope that this research will provide good and positive feedback for the café on enhancing its store atmosphere, product quality, and service quality,

1.2 Problem limitation

This research is limited by store atmosphere (X1), product quality (X2), and service quality (X3) as independent variable, and customer satisfaction (Y) as dependent variable at Gampoeng Geutanyoe Medan due to research limitations. The writer realizes that store atmosphere is based on several indicators, including layout, lighting, temperature, air quality, and scent. Product quality is based on several indicators, including taste quality, quantity, menu variations, the distinctive taste, hygiene, and innovation. While service quality is based on several indicators, including tangibles like reliability, responsiveness, assurance, and empathy, And for customer satisfaction, there are some indicators for determining the problems, including overall satisfaction, repurchase intention, and willingness to recommend. Furthermore, the writer has limited the research only took place at Gampoeng Geutanyoe Medan.

1.3 Problem formulation

Based on the background of the problem above, the writer has formulated

the following questions to be answered in this study:

1. Does store atmosphere have an influence towards customer satisfaction at Gampoeng Geutanyoe, Medan?
2. Does Product quality have an influence towards customer satisfaction at Gampoeng Geutanyoe, Medan?
3. Does Service quality have an influence towards customer satisfaction at Gampoeng Geutanyoe, Medan?
4. Does Store atmosphere, Product Quality, and Service Quality simultaneously have an influence towards customer satisfaction at Gampoeng Geutanyoe, Medan?

1.4 Objective of the research

The objective of this research are as follows:

1. To find out whether Store Atmosphere has an influence towards customer satisfaction at Gampoeng Geutanyoe, Medan.
2. To find out whether Product quality has an influence towards customer satisfaction at Gampoeng Geutanyoe, Medan.
3. To find out whether Service quality has an influence towards customer satisfaction at Gampoeng Geutanyoe, Medan.
4. To analyze whether Store Atmosphere, Product Quality, and Service Quality simultaneously have an influence towards customer satisfaction at Gampoeng Geutanyoe, Medan.

1.5 Benefit of the Research

There are two types of benefits resulted from this research:

1.5.1 Theoretical Benefit

The theoretical benefit of this research is to prove whether store atmosphere, product quality and service quality will influence customer satisfaction at Gampoeng Geutanyoe, Medan. Moreover, this research also done to gain more knowledge related to the theories about the influence on customer satisfaction.

1.5.2 Practical Benefit

The practical benefits of conducting this research are as follows:

- a. For the writer, this research gives the writer insight and add more knowledge about the influence on customer satisfaction.
- b. For the company, the results of this research are expected to be used as a guide to discover how store atmosphere, product quality and service quality can influence customer satisfaction.
- c. For other researchers, this research can be a basis and references which is related to the topic of customer satisfaction.