

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The hospitality industry is growing over time. The hospitality business continues to develop after the pandemic. Increasingly difficult business conditions require management to continue to innovate to face increasingly fierce business competition currently. The business in the restaurant sector becomes a business with high competition where all business people have their own uniqueness and style in the concept of the restaurant being run.

The business in the food and beverage sector is the largest sector in the hospitality sector. In running a business in the food and beverage sector in the restaurant sector, it is necessary to apply good hospitality standards. By providing good hospitality standards, it will make consumers feel satisfied and this is a good standard in business development in the future.

Businesses in the restaurant sector prioritize customer satisfaction. If consumer satisfaction is successfully achieved, it means that the restaurant has successfully met the expectations of consumers. High customer satisfaction will go a long way in the ability to compete with other competitors.

As there are countless of competitors in Food and Beverage business, especially in restaurant, there are few more crucial factors to consider gaining more competitive advantage. The common factors like taste, quality of product and service are expected to have before concerning these crucial factors. In terms of

taste, it is obvious that every restaurant must first offer delicious menu in order to get product acceptance and starting to gain more customers. Same thing goes to the quality of product and service provided by the restaurant. The food quality is the genuine characteristics of the food that is accessible by the consumer, while the service quality can be explained as the result of the difference between expectation of the quality and the actual quality performance. Basically, a restaurant will not be able to compete without having these common factors.

This research is important as consumers are increasingly focussing on unique and different dining experiences. They are looking for restaurants with interesting concepts, innovative menus, and attractive atmospheres. Restaurants that can provide a special dining experience have a competitive advantage in attracting and retaining customers.

To be able to attract customers in a highly competitive industry, restaurants must be able to serve high-quality food to compete. Flavour quality, presentation, and menu diversity are important factors that will attract guests. Friendly and efficient service is what guests expect in a hotel restaurant. Speed of service, accuracy of orders, and attention to guest needs will be important considerations for guests in choosing a restaurant.

Store atmosphere also has a huge role whether the customer is satisfied or not. The reason is because even the overall of food, and service is good, the customer will not feel comfortable if the restaurant is not clean or bad smell. According to Sholilah (2020), the better the cafe atmosphere that can be created, the more it will affect consumer satisfaction which will increase.

The presentation of food quality such as color, shape, and size of the food placed on the plate, and the taste of the food is common standard of determining the quality of the food offered by restaurant to the customers. According to Sugianto and Syamsuar (2020), where product quality does not have a significant effect on customer satisfaction, this means that the better the quality of the product provided does not necessarily make customers feel satisfied.

Service quality about how well the staffs of a restaurant serves the customer, starts from the customer enters the restaurant, choosing menu, enjoying the food, making payments, until when the customer leaves the restaurant. Service quality also determines whether the customer is satisfied and willing to come back to eat at the restaurant again. According to Sosrowidigdo (2022), service quality has significant effect towards customer satisfaction.

Store atmosphere and service quality on consumer satisfaction has a positive value, meaning that the store atmosphere increases and service quality increases, so it can increase consumer satisfaction. conversely, store atmosphere decreases and service quality decreases, so that consumer satisfaction decreases (Khoerunnasa, 2022).

Restoran Pohon Pisang is an restoran that provides a variety of indonesian specialties. Some of the menus provided by the restaurant such as yam leaves, gourami special, grilled rice, otak-otak and other archipelago menus. In terms of customer satisfaction, Restoran Pohon Pisang does not yet have good service. This can be seen from the complaints submitted by consumers in the review as follows.

Table 1.1 Negative Reviews of Restoran Pohon Pisang at Google Reviews

Name (Initial)	Rating and Time	Statements
ZN	4 star A year ago	The service is not fast enough
RPH	1 star A year ago	The service is very slow, I waited too long for the order until the customer was angry and please speed up the order for online motorcycle taxis
HK	2 stars 10 months ago	The place is already shabby, unkempt. It's not like it used to be clean and crowded.
SS	1 star A year ago	It's not good that the place is dirty. Service is not good and uncomfortable when eating on the spot, dirty smelly and unhygienic. Can you just find another place
JC	1 star A year ago	Menu of unpalatable food
EC	2 stars A year ago	Standard price like other restaurants but less portion

Source: Google Reviews (2023)

From the negative complaint data, there are still complaints from consumers who give low ratings to the Restoran Pohon Pisang. This shows that the satisfaction of consumers who visit restaurants has not been achieved, as can be seen from the complaints given and are still found with low ratings by consumers.

In the store atmosphere, consumers complain that in the conditions of the Restoran Pohon Pisang it is poorly maintained, uncomfortable, and unhygienic. This complaint shows that the atmospheric conditions at the Restoran Pohon Pisang have not met the expectations of consumers. Here is the documentation of the Restoran Pohon Pisang as follows.



Figure 1. 1 Store Atmosphere at Restoran Pohon Pisang

Source: Restoran Pohon Pisang (2023)

From the store atmosphere at the Restoran Pohon Pisang, the condition of the restaurant looks dominated by old furniture. This makes consumers complain that the restaurant is poorly maintained and unhygienic in its appearance, causing a negative impression on consumers.

On the quality of food at The Restoran Pohon Pisang, consumers are still found complaining about the food menu that is not good from the taste, small portions and inconsistent in the taste offered. This can be seen in some reviews from the following google reviews.

Table 1.2 Reviews about Food Quality

Name (Initial)	Rating and Time	Statements
JC	1 star A year ago	Menu of unpalatable food
AK	1 star A year ago	Service is slow. Food tasted bad. Served rotten egg. Worst restaurant view
EC	2 stars 10 months ago	The price is same as another restaurant, but the portion was small
TG	5 stars 5 months ago	A restaurant with a distinctive Medan flavour. The location is quite close to Favohotel. Spacious room, air-conditioned. There is a breakfast menu such as fried rice etc. The chicken and gado-gado mixed rice is delicious. Especially the sweet potato leaf curry which is included in the mixed rice package. Can also be ordered via grab food.
IA	5 stars 3 year ago	The location is easy to reach. The place is air-conditioned and quite comfortable. But don't expect instagramable interior design. Suitable for eating with family because it tastes delicious.
DZ	5 stars 11 months ago	Always love all the menus, delicious and the price is still quite worth it because it's a restaurant, and the menu is very Indonesian.

Source: Google Reviews (2023)

The results of the review submitted by consumers show that in the quality of food has not had a consistent taste, is not good and the portion of food that is also early is small by consumers. This shows that the quality of the food served by the Banana Tree Restaurant is stated to be good and there are also consumers who assess the quality of the food served not according to their standards.

On the quality of service at the Restoran Pohon Pisang, there are also still complaints from consumers on the quality of service owned. Here are some complaints about the quality of service.



Figure 1. 2 Reviews about Service Quality at Restoran Pohon Pisang
Source: Restoran Pohon Pisang (2023)

From the results of the review s shows that there are still complaints in the service by the restaurant. Slow service from employees is still the main obstacle to the ethics of serving food to consumers. This shows that the standard of service quality has not been in accordance with the wishes of consumers.

Based on the brief explanation above regarding store atmosphere, food quality, service quality, and the importance of customer satisfaction, the writer decided to do research with the title "**The Effect of Store Atmosphere, Food Quality, and Service Quality towards Customer Satisfaction at Restoran Pohon Pisang, Medan**"

1.2 Problem Limitation

The object of research is customers of Restoran Pohon Pisang, Medan. The indicator of store atmosphere are store exterior, general interior, store layout, interior displays (Farizal and Mujahirin, 2020). The indicator of food quality are fresh, presentation, well-cooked, and a variety of food and beverages (Hidayat et al, 2020). The indicator of service quality are tangible, empathy, reliability, responsiveness and assurance (Thung, 2019). The indicator of customer satisfaction are overall customer satisfaction, customer ratings, confirmation of expectations, repurchase intention, willingness to recommend (Hermanto and Nainggolan, 2020).

1.3 Problem Formulation

Based on the background of the study, the question to be answered in this research are as follows:

- a. Does store atmosphere have effect on customer satisfaction at Restoran Pohon Pisang, Medan?

- b. Does food quality have effect on customer satisfaction at Restoran Pohon Pisang, Medan?
- c. Does service quality have effect on customer satisfaction at Restoran Pohon Pisang, Medan?
- d. Does store atmosphere, food quality and service quality have effect on customer satisfaction at Restoran Pohon Pisang, Medan?

1.4 Objective of the Research

The objective of this research are as follows:

- a. To explain partial effect between store atmosphere on customer satisfaction at Restoran Pohon Pisang, Medan.
- b. To explain partial effect between food quality on customer satisfaction at Restoran Pohon Pisang, Medan.
- c. To evaluate partial effect between about service quality on customer satisfaction at Restoran Pohon Pisang, Medan.
- d. To find out simultaneous effect between whether store atmosphere, food quality and service quality have effect on customer satisfaction at Restoran Pohon Pisang, Medan.

1.5 Benefit of the Research

The benefit of this research are as follows:

1.5.1 Theoretical Benefit

The results of this research are expected to contribute to the existing theories relevant with store atmosphere, food quality and service quality have effect on customer satisfaction at Restoran Pohon Pisang, Medan.

1.5.2 Practical Benefit

a. For the writer

The result of this research is expected to contribute to the exciting theories relevant with store atmosphere, food quality and service quality have effect on customer purchase decision.

b. For Restoran Pohon Pisang, Medan

This research as information about whether the survey that has been made will be useful to improve the company's performance.

c. For other researchers

To be a guide or reference in leading the researcher to do other research that is compatible with this research.