

# **CHAPTER I**

## **INTRODUCTION**

### **1.1. Background of the Study**

In today's lifestyle era, coffeeshops have successfully become one of the most popular industries everywhere in Indonesia, including in Medan. At first, the coffee shop was a place to drink coffee while chatting casually, accompanied by small meals as a friend to drink coffee, but nowadays the term coffee shop has changed to cafe, following its function, which is not only for drinking coffee and snacks but also providing large meals, with the initial function of a place to chat casually remaining the same.

In the face of fierce business competition, various efforts are needed to get the satisfaction of customers. Customer satisfaction is the expectation of customers for the products they use, visit, or consume. As for efforts to maintain customer satisfaction, there are several factors, including the quality of service and the atmosphere of the coffee shops.

Service quality is the ability to perform services for consumers according to predetermined service standards. By providing good service, it is hoped that consumers will feel comfortable and get enough satisfaction to visit again in the future. Businesses in the café sector really prioritize the services provided by employees to maintain consumer satisfaction.

The cafe atmosphere is the atmosphere and condition of the room in cafe that is used to serve consumers. With an attractive atmosphere, it will make

consumers feel at home when visiting the coffee shop. Attractive and Instagram able room design is also a consideration for consumers who are comfortable visiting the coffeeshop.

Moscot.co is one of the coffee shops in the city of Medan. The concept promoted by Moscot is like the symbol of the "six dots," which is the meaning of coffee, concept, collaboration, community, and *coworking*. Established in 2019 with various types of coffee, starting from the beans and the types of drinks, along with a wide variety of foods. Moscot.co is also available in two areas, which are the indoor and outdoor areas.

Currently, Moscot.Co has not achieved consumer satisfaction. In the following table, there are still complaints from consumers who are dissatisfied and give a low rating for their satisfaction when visiting Moscot.co.

**Table 1.1 Negative Complaint from Google Reviews**

| <b>Name Initials</b> | <b>Rating/ Time</b>   | <b>Complaints</b>   |
|----------------------|-----------------------|---|
| SS                   | 1 star/ February 2023 | Very unfriendly service. Please take a picture of the employee, to be trained by the Management. Thank you.   |
| BI                   | 1 star/ February 2023 | Cool place tainted by poor service and not friendly. Maybe the waiter has a personal problem that he has vented to the customer. It is very shy, even though it can communicate well. Happens repeatedly. Need training service or waiter replacement |
| RP                   | 1 star/ February 2023 | Ordering food takes a long time. not worth the staff, especially the employees, who must have no training, are not friendly, and just answer the boss   |
| MT                   | 1 star/ February2023  | The waiter is not friendly. Rude. Male baristas should be taught manners and etiquette. Long orders despite relatively few guests   |

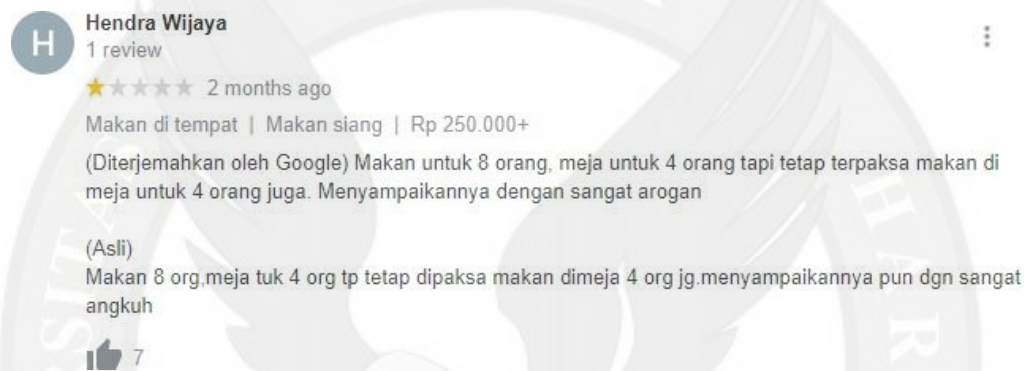
Source: Google Reviews (2023)

Complaints received by Moscot.Co from low ratings given by consumers.

This shows that the management of Moscot.Co has not paid intensive attention to

the satisfaction of visiting consumers. This can be seen from the reviews given are low reviews that show consumers who feel dissatisfied when visiting.

Regarding the quality of service, employees who work in Moscot.Co have not had a friendly attitude and are slow in preparing the menu ordered by consumers. Consumers also complain about employees who tend to be rude in doing services.



**Figure 1.1 Complaint from Google Reviews**

Source: Google Reviews (2023)

From the complaints submitted by consumers, it shows that Moscot.Co do not pay attention to the standard of service provided by employees and result in complaints from consumers because of the attitude of employees who are not friendly to consumers and long time in preparing the menu ordered by consumers.

Furthermore, the author made observations about Moscot.Co. From the indoor space, the condition of the room's interior is old and not well maintained, and some parts of the glass are still dirty and not cleaned. Therefore, the interior design is well planned for industrial coffee shop types with high ceilings and sufficient temperature rooms, as well as an outdoor area that requires a little lighter and a larger seating area but with lots of plants that make the outdoor area more

relaxing. Here is the documentation of the atmosphere of the room in Moscot, Co, as follows:



**Figure 1.2 Atmosphere at Moscot.Co**

Source: Moscot.Co (2023)

In the atmosphere of the store in Moscot.Co, the concept of free outdoor has an attractive design, but the conditions in the outdoor space are quite hot during the day because the sun is directly exposed, and during the day, consumers also complain about the scorching and uncomfortable atmosphere.

At the cafe atmosphere of Moscot.Co also received complaints from consumers such as the following.

**Table 1.2 Negative Complaint about Café Atmosphere from Google Reviews**

| Name Initials | Rating/ Time          | Complaints   |
|---------------|-----------------------|--|
| AJ            | 3 stars/ January 2023 | Outdoor space is not big enough  |
| AK            | 3 stars/ April 2022   | I just came here. Broonzy Cane Coffee uses coconut milk. Sadly, I can do that at home. The price is quite high. There are cookies, too. The inside may be dark.  |
| FDP           | 3 stars/ April 2022   | The location is comfortable, cozy, and quiet. It's just that there are not many outdoor seating options.   |
| RW            | 3 stars/ April 2021   | The first time you go inside, the atmosphere is dark because some lights are not turned on and the air conditioner is not cold. The place is comfortable enough to have a relaxed chat and feel calm from the hustle and bustle of the city, accompanied by coffee |

Source: Google Reviews (2023)

From the results of complaints submitted by consumers on Google Reviews, it is stated that the outdoor space is still considered less spacious, the atmosphere is too dark, the arrangement of chairs and tables is still not neatly arranged, and supporting facilities such as air conditioning are not turned on when consumers visit. To see consumer complaints can be seen from the total reviews that are currently on google reviews.

**Table 1.3 Total Reviews from Google Reviews**

| Total Reviews | Rating  | Amount |
|---------------|---------|--------|
| 448 reviews   | 1 star  | 102    |
|               | 2 stars | 65     |
|               | 3 stars | 160    |
|               | 4 stars | 45     |
|               | 5 stars | 76     |

Source: Google Reviews (2023)

From the results of google reviews, it shows that the dominant ratings are at 1 star and 3 stars. This shows that there are still quite a lot of consumers who give negative ratings to Moscot.Co on google reviews.

Business competition from competitors also means Moscot.Co must continue to try to maintain customer satisfaction. Some similar competitors that are in the same area as Moscot.Co and have google reviews ratings as follows.

**Table 1.4 Competitor of Moscot.Co**

| No | Name                      | Google Ratings |
|----|---------------------------|----------------|
| 1  | Tamoe Coffee and Resto    | 4.6            |
| 2  | PEOPLE'S PLACE CAFE Medan | 4.5            |
| 3  | Harper & Cordon           | 4.7            |
| 4  | Virginia                  | 5.0            |
| 5  | Coffenatics               | 5.0            |

Source: Google Reviews (2023)

From the table above, it shows that Moscot.Co currently with a rating of 4.4 has the lowest google reviews rating compared to other competitors around Jalan

RA Kartini and this shows that business competition with competitors is also very tight and must pay attention to customer satisfaction properly.

In the field of coffee shop business, it is very important to pay attention to the quality of service and the atmosphere of the shop to maintain comfort and increase customer satisfaction. This is also mentioned in the results of previous research by Siagian et al. (2020) on the quality of service and store atmosphere and their positive and significant influence on consumer satisfaction. In another study by Summayah (2019), the quality of service and store atmosphere have a positive and significant impact on consumer satisfaction. And in another previous study by Satrya and Telangawati (2021), the results of service quality and store atmosphere had a positive and significant influence on consumer satisfaction.

Considering the described problems above, the writer determines the study problem of service quality, cafe atmosphere and customer satisfaction. Therefore, the relationship between these two variables will increase customer satisfaction. Hence, the title of this research is: **“THE INFLUENCE OF SERVICE QUALITY AND CAFE ATMOSPHERE ON CUSTOMER SATISFACTION AT MOSCOT.CO COFFEESHOP MEDAN”**

## **1.2. Problem Limitation**

In this study, it limits the problem of service quality and atmosphere as an independent variable while the dependent variable is customer satisfaction.

On the indicators of service quality from Summayah (2019), namely tangibles, reliability, responsiveness, assurance, and empathy.

In the cafe atmosphere indicators from Binareaesa et al (2021) namely room temperature, air circulation, noise, music, and aroma.

On the customer satisfaction indicators of Devina and Yulianto et al (2022) namely buy again, say good things about the company to others and recommend it, pay less attention to the brand and advertising of competitors' products, buy other products from the same company, Offer product or service ideas to companies.

### **1.3. Problem Formulation**

In accordance with the research at Me& Coffee Works, the writer obtained several questions regarding the arising problems which are.

- a. Does service quality have a partial influence on customer satisfaction at Moscot.Co Coffeeshop Medan?
- b. Does cafe atmosphere have partial influence on customer satisfaction at Moscot.Co Coffeeshop Medan?
- c. Does service quality and cafe atmosphere simultaneously influence customer satisfaction at Moscot.Co Coffeeshop Medan?

### **1.4. Objective of the Research**

The objective for this research is to find out about:

- a. To describe the partial influence of service quality at Moscot.Co
- b. To describe the partial influence of cafe atmosphere at Moscot.Co.
- c. To describe the simultaneous influence of service quality and café atmosphere on customer satisfaction at Moscot.Co Coffeeshop Medan.

## **1.5. Benefit of the Research**

Benefits of this research can be listed as follow:

### **1.5.1. Theoretical Benefit**

The results of this research are expected to contribute to the existing theories relevant to service quality and atmosphere on customer satisfaction.

### **1.5.2. Practical Benefit**

The practical benefit of this research as follow:

- a. For the writer, the result of this research is expected to contribute to the exciting theories relevant with service quality and atmosphere on customer satisfaction.
- b. For Moscot.Co, this research is information about whether the survey that has been made will be useful to improve the coffee shop service performance.
- c. For other researchers, to be a guide in leading the researcher to do other research that is compatible with this research.