

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Food has always been an important aspect in life; it is created using the life around in order to maintain life, letting it go in circles. It is the proof of living beings and the reason why many lives until this very day. Neutrinos are a part of food and play a significant role. In most living species, food serves numerous roles. For example, it offers materials that are digested to produce the energy required for nutritional absorption and translocation, cell material synthesis, movement and motility, waste product excretion, and all other functions of the organism. Though in most cases it is easily obtained yet it requires some skills in order to process the raw food into something that the human body can actually digest. Some people do not process the skills to efficiently cook it into something delicious which is why people rely on restaurants or any other eatery of kind to prepare their meals for them. This is how the food and beverage industry first came to be.

This includes in the moderately small city like Pematangsiantar where the report is conducted at. The city is quite known for its culinary as such can be proven like how there is a lot of culinary business in other town that borrows the town's name as its source of origin despite not actually having the business in Pematangsiantar just to sell out its business better. As for the Pematangsiantar city itself, it has followed the trend of culinary business in terms of opening coffee shops and restaurant. Though this only means that for this particular place competition is

unavoidable. This would mean that some would perform well, some would not. Though because the town is quite small it would mean that location is not the largest issue yet this would also mean that towards businesses that has been long and successful would have more customers than fresh new ones especially that have no connection and acquaintances. Which is why when it comes to the food and beverage industry, or any business that is within the city needs to sustain and continue the quality it has in order for the customers to stay.

The degree of satisfaction with products or services has a significant impact on consumers' intentions to return, and as satisfaction levels improve, the likelihood of retaining current customers also rises (Zhong & Moon, 2020). Effective customer service should increase customer involvement and relationships, which will lead to higher customer satisfaction. It can be speculated that customer satisfaction will be created from several factors such as providing the best service and creating a comfortable atmosphere which must be carried out by business people. When a customer receives the best service and the cafe provides comfort in socializing and relaxing, as well as a high intensity of return visits, it can be said that customer satisfaction has been created from a cafe. After acquiring customer satisfaction, it can be said that most of the problems of decline in business are able to be solved at a much easier pace.

Service quality is quite important as the current business age is known as the "Quality Era" because perceived product quality is the most significant competitive determinant in the corporate world.. In earlier decades; marketing books and activities gave careful thought to and exploited the notions of service

excellence and service satisfaction. The benefits of satisfaction and quality have been commonly highlighted to be as indicators of an organization's competitive advantage. Both small and large enterprises must improve their quality to compete in the actual and virtual global markets, where customer demands are always increasing, in today's economic climate. Quality is essential for success in this new world. Although the economic advantages of quality have long been documented, many managers until today continue to ignore upon the importance of a service's quality without knowing that it had brought down the quality and satisfaction upon the said business. In light of public health concerns, government policies aimed at mitigating pandemics also encourage touchless shopping methods. Consequently, social media will play a bigger role as a communication tool at a time when social distancing is becoming the norm. Social media gives buyers and sellers a way to communicate without having to physically touch. As a result, social media use becomes crucial, particularly in the wake of the pandemic (Mason, Narcum & Mason, 2021). Businesses may discover new ways to obtain a competitive edge by implementing successful social media strategies.

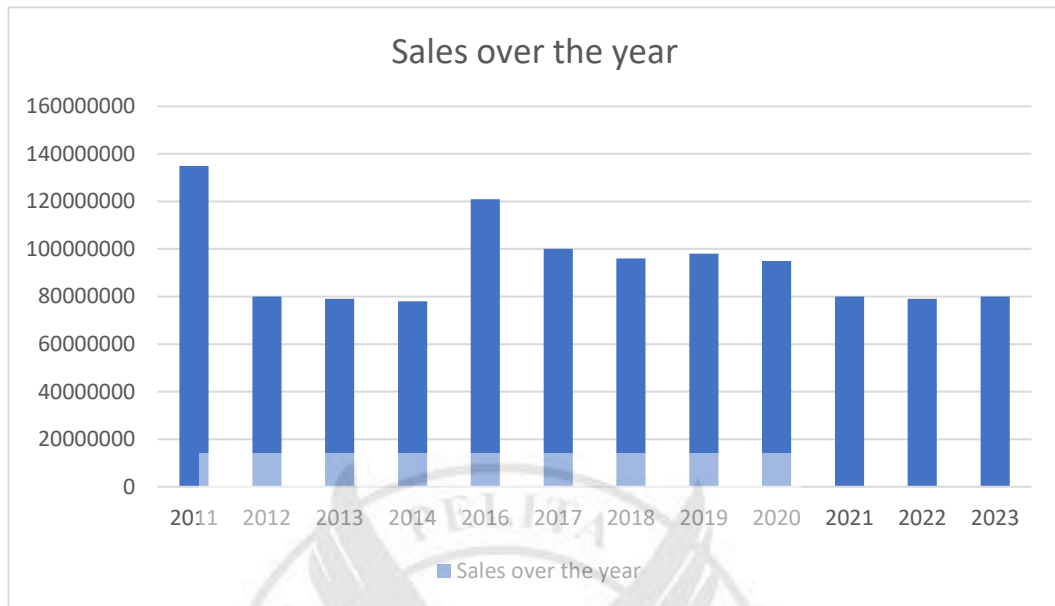
Store atmosphere has quite a significant impact in a business that revolves around eatery especially for a space that its interior details are paid attention to. (Novendya; 2019) has stated that the beauty of the store atmosphere will form a positive image in the minds of customers, so that there will be interest in visiting the cafe repeatedly, because customers feel comfortable in the cafe. This can show that store atmosphere influences customer satisfaction when visiting a café. The

image in the minds of customers occurs so that there is interest in visiting the cafe repeatedly, because customers feel comfortable in the cafe.

Aplus café has been standing quite a while in the city of Pematangsiantar and dare to say it might be one of the oldest restaurant café that has stood within the small city. They have provided in doing everything they could to maintain the said reputation. Though despite being well named already, there are factors that might suggests its decline in sales and customers that visits overall. That not only can be seen from the naked eye upon entering, from the lack of parked vehicle on the café but upon entering also. While this might have something to do with the competition as there are more restaurant cafes now when compared to the old years.

According to a held interview with the manager of Aplus café, there indeed are a drop of percentage from the years around when it comes to sales. In which the year where they opened it was much livelier compared to the current year. After discussing that upon receiving some information regarding on how Aplus café is doing in terms of their sales over the past coarse of years, it has been received a chart of data. It is also notable that the data from the chart is the amount that is labeled as the gross income of Aplus cafe and restaurant in Pematangsiantar.

Figure 1.1 Aplus' Sales over the Year



Source: Aplus café's staffs (2023)

As it can be seen from the given chart, it seems that the peak of the business was reached at the first year in the year 2011, following it was the year 2016. The rests of the years are stable with each other without drastic lows of income if the year 2011 and 2016 is not grouped together. Although it's not drastic, it could be seen from the year 2017 onwards there is a decrease of sales in a slow but steady pace. This might raise in concerns from the owner as something was making the business not consistent.

The service quality that is provided in Aplus café proclaims by the staffs has been up to standards as they believe that they have kept their performance up from the moment they open the said cafe and restaurant until the very date. However, upon investigation and personal visit of the said place, it could be seen that some of the provided service might be inconsistent within their performance. Although it is quite true that for most of the time their service is alright within all the needed

standard as how an eatery should, this might not always be the case. Diverse from one staff to another, one may behave differently. As for the writer's personal experience has stated that not every visit provides the same quality as what it had from the previous visit. It could be personally felt that it lacks thoroughly within the staffs' inability to comply to few certain requests like the recustomizing the level of sweetness and overall the taste of the ordered meal. Although this is not oftenly the case and experiences could be different from person to person. It could also be personally felt on how the waitress can be rude and impolite as they would go on without a smile on their face when faced directly with customers.

The store atmosphere based from what can be seen from the naked eyes by anyone seems to have been quite alright. However there seems to be a problem that may occur when it comes to the parking space, the cleanliness of the place is debatable in according to personal standards. However, there is a lot to complain from the writer's personal hearings from ear to ear in regards of the atmospheric where some might find the setting of the given music of the restaurant to be inconsistent whether it is unfitting with the mood or there is none at all. This may affect the level of satisfaction for the customers around as it effects their overall experience within the restaurant.

The customer satisfaction that can be perceived might be vary from one individual to another it seems that perhaps not every individual would agree upon revisiting the restaurant. It may be assumed due to the limited hang out spot on Pematangsiantar and less famous café and restaurant in the area that would explain the high rise of the visitors in Aplus café and restaurant Pematangsiantar. Though

that is only for obvious reasons, perhaps from the combined reasons of the store atmosphere and service quality that is added together that would explain the results of customer satisfaction. Through there are quite the sum of people that are quite content when visiting Aplus café, some might not agree and would prefer to visit another café and restaurant in their available time. It would be unclear if the rating of satisfaction would be the cause of the service provided itself or is it only due to how it was convenient to be one of the first café and restaurant in the city. From the naked eye it seems to be the latter as it would explain some of the decrease of sales shown in figure 1.1.

Based on the phenomena stated, the writer decided to find out if service quality and store atmosphere have any relevance towards customer satisfaction and the writer will write the research in the form of final paper entitled “**THE INFLUENCE OF SERVICE QUALITY AND STORE ATMOSPHERE TOWARDS CUSTOMER SATISFACTION AT APLUS CAFÉ AND RESTAURANT PEMATANGSIANTAR**”. This research is hoped to be able to bring positive benefits and results regarding of the service quality and store atmosphere so that the business can reach their objective.

1.2 Problem Limitation

In order to be more focused on this research and the limited sources, the writer determines limitation on this study to service quality and store atmosphere as independent variable and customer satisfaction as dependent variable. Moreover,

the writer will as well limit the research object where the research will only take place in the Aplus cafe and restaurant in Pematangsiantar.

1.3 Problem Formulation

When analyzing whether store atmosphere and service quality has any effect towards the customer satisfaction in Aplus cafe. As a result, the following questions must be addressed in this study:

1. Does service quality have partial influence towards customer satisfaction?
2. Does store atmosphere have partial influence towards customer satisfaction?
3. Does service quality and store atmosphere simultaneously influence towards customer satisfaction?

1.4 Objective of the Research

The purpose of this study is:

1. To find the influence between service quality towards customer satisfaction
2. To find the influence between store atmosphere towards customer satisfaction
3. To find the simultaneous influence between service quality and store atmosphere towards customer satisfaction

1.5 Benefit of the Research

This research is expected to fulfill the theoretical benefit and practical benefit as follows:

1.5.1 Theoretical Benefit

Its goal is to expand on the existing theory with new logics and facts. The goal of composing this statement is to respond to or explain a phenomenon that occurs based on the explanation that occurs in reality. This research looks at numerous factors that determine customer satisfaction in one of Pematangsiantar's cafes. The findings of this study can be used to gain knowledge and insight into customer satisfaction theories.

1.5.2 Practical Benefit

To share information and knowledge that must be brought into the workplace, which can have an impact on improve the results of research or practical.

1. For Future Researches

This research is expected to bring additional references in learning the work environment of employees and how it influences their performance

2. For Aplus Cafe and Restaurant

This research is expected to be a platform to give information about the service quality and store atmosphere at Aplus Cafe and Restaurant so that it can become the concern for the the owner or manager for the future of the business.