

# CHAPTER 1

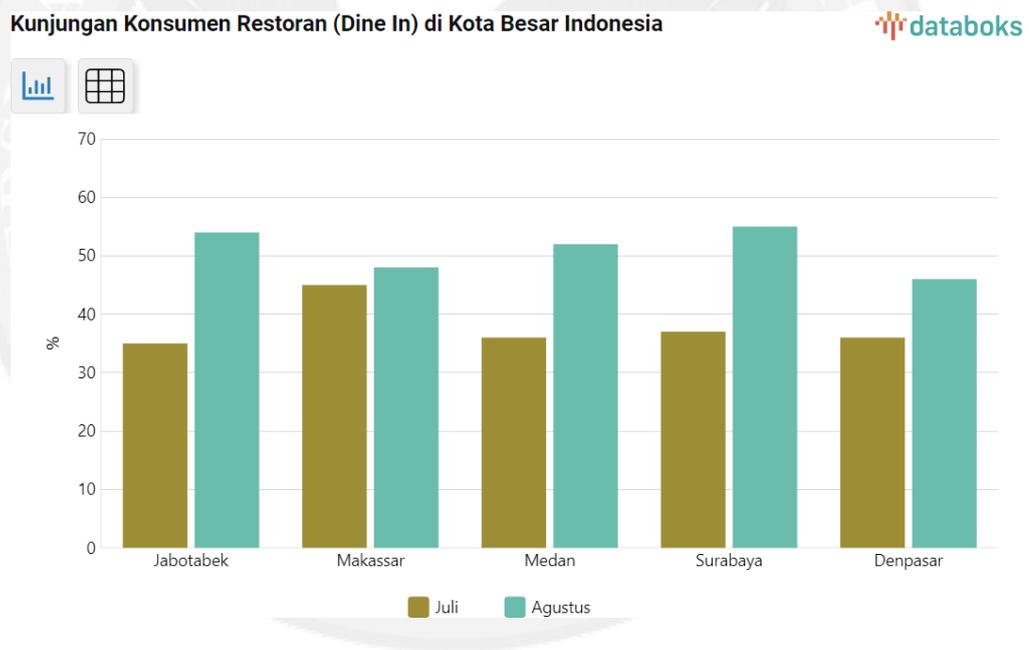
## INTRODUCTION

### 1.1 Background of The Study

In the ongoing era of globalization, the business industry is growing from time to time. According to Bengül and Güven in Uslu Abdulah (2020), People no longer cook and dine at home as often as they used to owing to their busy working lives and changing population patterns and lifestyles because of globalization. This business development is not only attracting the older generation but also the younger generation. One such sector is culinary tourism, which continues to be a promising venture for entrepreneurs, offering opportunities both in the present and the future. According to Vaity (2021), The culinary tourism is influenced by various factors such as Culture, local festivals, food quality, product and food cost, food and drink sustainability, staff, chef, and owner of hotels, restaurants, and tourist organizations, and cooperation between the local authority, business, and tourists. The evolution of this industry is shaped by innovative ideas from dedicated culinary entrepreneurs contributing to the diversification of culinary offerings. As evidence of this evolution, clear trends are emerging, with entrepreneurs establishing various restaurants to meet diverse customer needs. This is evident in the development of culinary businesses that utilize various concepts or trends to captivate the public.

In the development of the culinary industry, especially in the city of Medan, contemporary culinary delights are increasingly sought after by the public. According to Chandra (2018), A restaurant is a food service that is managed professionally and aims to provide optimal service to its customers. Restaurants create a comfortable environment, offering entertainment, and ensuring the convenience of their customers. Furthermore, they become ideal destinations for families on weekends, providing an atmosphere where loved ones can gather while enjoying delicious dishes and sharing experiences.

**Figure 1. 1 Restaurant Consumer Visits (Dine In) in Big Indonesian Cities in 2020**



Source: Prepared by Writer (Google 2024)

Based on the research data analyzing consumer visits to restaurants in major cities in Indonesia in 2020, the Jakarta-Bogor-Depok-Tangerang-Bekasi (Jabodetabek) area recorded a total of 35% in July and 54% in August. Makassar experienced a 45% visit rate in July, which slightly decreased to

48% in August. In Medan, the percentage of consumer visits was 36% in July and increased to 52% in August. Surabaya saw a total of 37% in July and a significant rise to 55% in August. Meanwhile, Denpasar had a 36% visit rate in July, which decreased to 46% in August (Dwi Hadja Jayani, 2020).

In making purchasing decisions, customers often make preferences between products in various aspects of the chosen category. Consumers usually choose products or services at affordable prices with satisfactory service. According to Tjiptono in Naini et al (2022), Service quality is the company's make an effort to fulfill consumer expectations for the services it gets in order to thrive in the market and gain customer trust. By fulfilling customer desires in a product. Customers have gained trust in a brand and will make repeat purchases and become regular customers.

According to Kotler and Keller in Edyansyah et al (2022), Product quality refers to a product's ability to perform its functions, which includes durability, reliability, precision, ease of operation and maintenance, and other essential characteristics. At the end of the day, cafés are no longer places to eat snacks and drink coffee. However, as time goes by and the world continues to develop, more and more people come to cafes to spend free time with their families, have meetings with colleagues, and become a place for young people to hang out. With this, entrepreneurs must have new innovations which of course prioritize food hygiene in the products they present to attract the attention of customers.

Customer satisfaction also includes aspects of the facilities offered; facilities are an important aspect that the company must have to attract customer attention. According to Utami in Putri and Sutrisna (2024), Store atmosphere as the physical characteristics of a store, such as building, layout, lighting, displays, colors, temperature, music, and store scents, that provide or create an image in the minds of customers. Entrepreneurs must understand that creating memorable dining experiences and fostering customer loyalty is critical in a highly competitive industry. Therefore, the culinary sector offers valuable lessons in integrating culinary creativity, hospitality, and entrepreneurial understanding.

According to Tjiptono in Suraya and Haryadi (2019), Customer satisfaction is the customer's reaction to the evaluation of perceived inconsistencies or disconfirmations between previous expectations. Therefore, entrepreneurs must not only understand customer expectations but also consistently provide excellent service to enhance customer satisfaction.

The object of this research is Tapao Food Co. is an established in Medan that specializes in serving Chinese gourmet dishes. It was established in 2020 and located on Taruma Street No. 54, across from the Bintang restaurant. The restaurant ambiance is designed to be cozy and homy, decorated with numerous plants, canvas decorations, and Chinese lanterns. Customers have the option to dine indoors or outdoors. Their menu offers a wide variety of choices, encompassing Chinese and Vietnamese cuisines, alongside a

selection of beverages. However, the restaurant primary emphasis is on providing top-quality Chinese gourmet dishes.

**Table 1. 1 Google Review of Tapao Food Co (2024)**

Name	Rate	Reviews
NF	1	<p>The service was very, very different from what was viral on social media, we arrived first and were already sitting at the table and were not served and waited a long time to ask for a menu, while the person next to our table had just arrived and had been served and given a menu, immediately waited to choose the menu, then the waiters wrote it down, according to the menu. It's already arrived because we asked to go back and forth, suddenly his brother said, "If you want to order, just go straight to the cashier, Sis" (curtly)</p> <p>It's funny, everyone is being served, they note down what menu they ordered, suddenly we are told to order it to come to them ourselves, we also pay you here, sorry. I didn't mean anything wrong or that I was thirsty to be served, but the position was that everyone was waiting for what they wanted to order and it was as if we were there as visitors who were just eating but didn't pay.</p>

		Hopefully there will be improvements from the tapao so that similar incidents don't happen again, thanks.
SD	1	The service is very bad!!! We were the ones who came first who were served by people who came a few minutes after us, then they were served while we were told to go to the cashier to order ourselves!It's very bad that the service is left like that. In the end we left and didn't eat there. I will never go to Tapao again, the service is very, very bad!
RFR	2	<p>It's really a shame, even though the food is delicious... the service is super slow, the noodles come with cold soup, all my life eating regular noodles the soup is still hot or warm.</p> <p>The food took a really long time to come out, all the rice was gone, all that was left was the noodles...especially the drinks, it took a lot longer to come out than the food, which was already super slow, even though everywhere the drinks came out the quickest.</p> <p>The employees are nice, that's all, super slow, hopefully in the future good food can be accompanied by an even better service flow</p>

MHN	3	<p>The first time to try the food here because a friend gave me a suggestion to try here. To be honest, I don't like the food, it tastes bland huhuhu</p> <p>Then the waiter wasn't friendly, and it took really long for the food to come, almost 40 minutes of waiting huhu maybe because it was fyp, I ticked it or not:')</p> <p>I hope the service and taste of the food can be improved again</p>
B	4	<p>Ordered some of their food.</p> <p>Mee pok fishballs noodles. Actually, the taste is good, I like the chili oil, but the noodle texture is not al dente enough, and I hope the fish balls are original, not factory made.</p> <p>Hainanese chicken rice. Portion wise. The boiled chicken is delicious, tasty, fragrant but too wet. The rice is a bit bland. But I really like the taste of the soup, the cilantro flavor is really strong, so it makes it fresh.</p> <p>Three flavors of bao. It tastes delicious, the bun used is soft, slightly sweet, and then smeared with brown sauce, I don't know if it just tastes delicious.</p> <p>The taste of fish, duck and chicken is just standard.</p>

		<p>Again, the cilantro and cucumber make it fresh and add texture to the food.</p> <p>Coconut coffee. Was actually so good. I really like roasted grated coconut; it makes it fragrant and adds texture. I just don't think it's sweet enough.</p> <p>And this is more suitable as a dessert than a drink.</p> <p>The concept is actually funny, but the execution is still lacking. When I visited, the food took a while to arrive, and the air-conditioned room was only a little hot at that time, even though it was just starting to rain outside. But overall, it's okay.</p>
JS	4	<p>I ordered beef phao, the aroma was less fragrant and wasn't absorbed by the beef, my friend ordered mee pok fishball soup, which was okay, worth trying for the mee pok.</p>
ASP	5	<p>The atmosphere is homey and relaxed, even the pamas inside remain calm and delicious.</p> <p>Just lacking in food,</p> <p>A tasteless bit for the gravy. Maybe you can add salt and pepper at the visitor's table so you can combine it with other spices.</p>
BH	4	<p>The place is okay, the food is good too, only the suggestion is to use mosquito coils in the evening</p>

		because there are lots of outdoor mosquitoes.
AF	5	The place is comfortable and the food is delicious! Hopefully the indoor area can be bigger
LE	5	Outdoor seating too hot for noon time
HS	4	The place is a bit small for indoors. I really recommend the Mee Pok Fishball.
SKKL	5	The food is delicious 8/10 Prices are quite fair Service and knowledge of the menu OK Clean toilets There is an outdoor space for those who like to smoke Limited parking

Source: Prepared by Writer (Google 2024)

From table 1.1 above, the data was gained from google review with 4.6/5 ratings. The writer can see that there are mixed experiences with its customers about the service quality, food quality, and the store atmosphere. Some customers complain about slow service and taking a long time for the food to serve, the taste of certain dishes being bland. While some praise the delicious food and friendly employees. There are also comments about the outdoors and indoors being hot and there are lots of mosquitoes in the evening.

Based on the explanation above, the writer decides to conduct research with entitle **“The Influence of Service Quality, Product Quality, and Store Atmosphere towards Customer Satisfaction at Tapao Food Co. Medan”**

### **1.2 Problem Limitation**

As a limitation of the problem in this research, this research focuses on the relationship that influencing the customer satisfaction at Tapao Food Co. in Medan. Due to limited time period that given to do this research is from December 2023 until April 2024, the author will use service quality (X1), product quality (X2), and store atmosphere (X3) as the independent variables and customer satisfaction (Y) as the dependent variable in this research. The author will conduct an online questionnaire to collect more data and target the respondents from Medan.

### **1.3 Problem Formulation**

From the background study, the writer has made a set of research questions regarding the research issue as outlined below:

1. Does service quality have partially influence towards customers satisfaction at Tapao Food Co.?
2. Does product quality have partially influence towards customers satisfaction at Tapao Food Co.?
3. Does store atmosphere have partially influence toward customers satisfaction at Tapao Food Co.?

4. Does service quality, product quality, and store atmosphere simultaneously have an influence toward customers satisfaction at Tapao Food Co.?

#### **1.4 Objective of The Research**

The main objective of the research is to:

1. To identify whether service quality has an influence toward customer satisfaction in Tapao Food Co.
2. To identify whether product quality has an influence toward customer satisfaction in Tapao Food Co.
3. To identify whether store atmosphere has an influence toward customer satisfaction in Tapao Food Co.
4. To identify whether service quality, product quality, and storeatmosphere simultaneously have an influence toward customer satisfaction in Tapao Food Co.

#### **1.5 Benefit of The Research**

The writer expects this research to have benefits both theoretically and practically.

#### **1.6 Theoretical Benefit**

This research has theoretical benefits in expanding our understanding of the factors that influence customer satisfaction at Tapao Food Co. in Medan. By determining whether service quality, product quality, and store atmosphere, have an influence on customer satisfaction

at Tapao Food Co, Medan. In addition, the writer hoped that the findings of this research can become a basic reference and guide for future researchers who conduct similar research. By disseminating these results, the writer hoped that this research would give a deeper understanding of the complex dynamics that occur in the field of customer satisfaction, thereby providing a basis for further scientific research.

### **1.7 Practical Benefit**

The practical benefits of this research are:

1. For the writer, this research was conducted to increase experience in writing research papers and gain an understanding of customer satisfaction.
2. For Tapao Food Co, this research was conducted to provide insight and guide regarding the factors that influence customer satisfaction at Tapao Food Co.
3. For researchers, this research was conducted to provide guidance or reference for future researchers.