

CHAPTER I

INTRODUCTION

1.1 Background of the Study

In recent years, particularly the food and beverage sector has been growing significantly. There is much competition in various areas of life. Food and beverage should be more creative and have a better strategy to create new concepts or ideas that are different from other restaurants to attract customers. In attracting customers, food and beverage need to hold various promotion to support the sales of the beverage.

Cafes are simple places to hang out with friends and comfortable places to socialize with others. The cafe also provides drinks or meals. Cafe must know the needs of the customer and must understand the strategic to make a customer repeat order.

According to Adamu (2017), Customer satisfaction is one of the solutions to making the customer repurchase. A customer definitely wants the best services. If the cafe can provide a good service quality and customers feel satisfied with it, they will surely return and become the cafe's loyal customers. Those who are dissatisfied will not likely to return to the cafe. Therefore, customer satisfaction is a very important component that allows a cafe to last a long time because a good cafe would make the customer satisfied.

According to Supranto in Apriyani and Sunarti (2017), customers view service quality as a ratio as to how a company offer its service. It is what a customer expects and views from the company performance.

The difference between the customer expectations and the fact of their service can be described through the quality of service. The goal is to provide quality services based on what customers expect. If good services that given can meet their needs and wants, the customer will feel satisfied and it can create customer satisfaction. The quality of service has become important because it greatly influences on customer satisfaction.

To achieve a goal, a cafe must be able to provide customer satisfaction and satisfied customers are keys to long-term business success. Cafes that have more satisfied customers have also experienced higher economic gains.

Satisfaction is a person's feeling of pleasure or disappointed from comparing expectations with performance. According to Kaihatu (2015, p.40), service quality influenced customer satisfaction. Successful businesses are known to apply good service quality in the operations. Particularly, the role of service quality is to narrow reality and customer expectation gaps. This could be a way to determine customer satisfaction level.

Service quality and customer satisfaction are linked, the greater the quality of service, the greater the satisfaction of the customers. In order to fulfill service quality as expected by consumers, the cafe must provide excellent and superior service. Thus, the competitive advantage through high-quality service is to improve and increase an important system for survival.

Therefore, cafes not only sell beverages but also provide a good service to their customers. Service is an action done by the workers such as waitress or waiter to create unforgettable impression to its customer. Thus, cafes can enhance service quality to maximize customer experience and minimize unpleasant encounter. We can find that quality has a close relationship with customer satisfaction.

If a cafe serves customers without a good quality, it will not achieve the best result. Generally, cafes owners believe that hiring great barista is necessary. As a matter of fact, quality of service is also crucial to be considered. Due to the lack of quality control, many restaurants often run out of business.

According to Ismail and Yunan (2016), Service quality means an attitude that related to satisfaction that results from the comparative expectations with performance. He Bo Ba is one of the latest beverages that is still growing. He Bo Ba is a casual cafe with modern design, cozy space, and an interior that gives a warm ambiance. He Bo Ba is a cafe which located at Cemara Asri, Medan, Sumatera Utara. Cafe does not only sell products but also provide good services to its customers. He Bo Ba employs capable employees who can quickly serve customers where customers want to order and handle well when there are complaints. In addition, if there are customers who ask about the product, employees are able to communicate and explain it well too. One of the boba drinks that greatly raises the value of services to its customers.

Customers are quality's main focus. If a product manufactured meets customer's expectation, it is considered a quality. In addition, there are two sides to source quality, which are producers and consumers. The one who ensures the necessity or quality details are producers, while consumers decide on needs and desires.

The reason why the author choose He Bo Ba as the research object is because the customer feedback data given by the owner have shown customer dissatisfied and made a complain about He Bo Ba service quality. Furthermore, based on the preliminary interview test, some customers also said they are dissatisfied with the service quality that the cafe serves. One of the customers, Kevin stated that he likes the beverages but he didn't like the way He Bo Ba's employee serve customer. The employee sometimes stare rudely to the customers that sit there. From this situation, it can concluded that there is a problem with the service quality that influences customer satisfaction. The challenges of He Bo Ba Medan is to maintain, pays attention, and improve the quality of their services. Without maintaining, paying attention, and improving the quality of service, it could certainly threaten the survival of this cafe and cause customers to turn to competitors. Service quality need to be improved to increase customer satisfaction and understanding of how customers will actually buy their products again. Furthermore, the owner also supported this research and hopes for an input towards this cafe.

The purpose of this research is to determine if the service quality of He Bo Ba services can still make our customers feel satisfied and meet what customers need and want so it can be used as a strategy to improve service qualifications and be able to compete with existing markets. Realizing the importance of customer satisfaction in any business, especially in hospitality industries and their relationship with service quality, the authors are interested in conducting research with the title: **“The Influence of Service Quality towards Customer Satisfaction at He Bo Ba Cemara Asri, Medan”**.

1.2 Problem Limitation

In this skripsi, the indicators for X variable is service quality and Y variable is for customer satisfaction. This skripsi aims to investigate how the service quality provides value and how it creates guest satisfaction. However, due to the limitation of time, the researches only limit the problem of this research in the service quality, there is employee lack of friendliness. While, the problem of customer satisfaction is lack of interest in visiting again. Therefore, the writer decided to identify how to improve the service quality to increase the customer satisfaction.

In order for the research discussion, this research will focus on the service quality using the dimension of quality services that was triggered by Parasuraman, Zeithaml, and Berry namely reliability, responsiveness, assurance, empathy and tangibles and customer satisfaction by using indicators triggered by Hawkins and Lonney in Nuridin (2018) namely conformity of expectation, interest in visiting again and the willingness to recommend.

1.3 Problem Formulation

According to the Background of the Study, to fulfill the goals to investigate “The Influence of service quality towards customer satisfaction at He Bo Ba Cemara Asri, Medan”. Based on the background of the study, the problem formulation are as follows:

- How is the service quality at He Bo Ba Medan?
- How is the customer’s satisfaction at He Bo Ba Medan?
- Does service quality influence customer satisfaction at He Bo Ba Medan?

With the formulation of the problem, it will give the right direction both in collecting and analyzing the data in the research.

1.4 Objective of the Research

To produce a good research, clear objective of the research are needed. In this study, the author aims to examine the influence of service quality towards customer satisfaction at He Bo Ba Cemara Asri, Medan.

1.5 Benefit of the Research

1.5.1 Theoretical Benefit

According to the theoretical benefit, this study is expected in giving theories and concepts that encourage knowledge, especially in hospitality industry that relates to the influence of service quality towards customer satisfaction at He Bo Ba Cemara Asri, Medan. Besides, this study also can be used as reference or guidance for the next researchers related to service quality and customer satisfaction.

1.5.2 Practical Benefit

The result of this study is expected to help He Bo Ba to evaluate and identify the service quality use the research results to increasing or improving customer satisfaction with their service quality. Besides, this research can be used as reference for other researchers in conducting research with the same topic.