

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Nowadays, hospitality industry becomes one of the largest and fastest developing industry. There are many types of business with hospitality background and the most business that can't sink is Food and Beverage, this type of hospitality business getting more attention day by day and open the business with food and beverage background its quite challenging, many competitors open new restaurant, café and coffee shop.

Most of the competitors have the same concept of their business, because of the same concept of their business most of competitors have their own concept to attract customers, the concept that the competitors have to attract more customers is offering the great quality and service, build a business with food and beverage background not only offering a great food, drink and a place that suitable for taking picture, but offering a great quality and service for make the customers feel satisfy and excited when they visited the café, restaurant or coffee shop, because it's the place for hanging out, and have some events.

Food and Beverage industry growing rapidly in Indonesia especially in Medan, as we can see most of Medanese like to visited new café or coffee shop, this kind of habit make Medan have many foods and beverage business, start from franchising international brand and have their own local product. According to data by coffee business platform Toffin (2020), In the previous three years, Indonesia

has seen a considerable increase in the number of coffee shops. According to Toffin's research with Mix Magazine, the number of coffee shops in Indonesia increased by about thrice in August 2019 compared to 2016, when there were only around 1,000 outlets (Ario Fajar,2020). Year by year run a business with food and beverage background in Indonesia will increasing, because café or coffee shops become ones of human needs.

Café is one of the easiest therapies for human to healing their mind, their meet each other. At the café and start to socialize, spent their time to enjoy the atmosphere, run a café business. Competitors must know how to set the atmosphere become cozy and relax the customers mind, because café is one of alternative to healing human mind from hectic days, especially for teenagers and office workers. Run a café business not only focusing on food and beverage because we need to make the customers feel relax and enjoy their day in our café and make the café already same as their expectation, sometimes before the customers visit the café they will check from social media platform for example Instagram, after they come to visit the café and did not same as their expectation, the café have bad first impression from the customers, because of the exciting feels that their already have but the reality is not same with the expectation.

The other thing is important for food and beverages industry is the services, the key to successful. Business is a great quality of service that our company, have a great quality of service is the most important thing to do if the company wants to build a good relationship between the company and customers to have a customer satisfaction, and get a positive impression to the company. Run a company it's the

most challenging among competitors, most of competitors have their own style to have a better service to increase satisfaction. Provide a great quality of service is quite challenging for the owners because they are too focused on their aims, which only yield short-term earnings, not all restaurant owners pay attention to the importance of service quality. According to Payangan et al in Khaidir (2018): *“Kualitas layanan adalah suatu model pelayanan yang diterima pelanggan berdasarkan adanya hubungan interaksi, terciptanya lingkungan fisik, dan berorientasi tujuan.”* The definition can be explained as: Service quality is a customer-received service model that is based on interaction, the creation of a physical environment, and goal-oriented.

Run a company with a great quality of service will avoid customers complain, for owner of the business train the employee is important, they need to train the employee how to get a positive review from customers, care of giving a great service quality the company will get a long run relationship between consumers and the company, Service quality are important factors that could affect customer satisfaction. Meanwhile, customer satisfaction is the key point of successful business, gain a customer satisfaction based of the quality of service that the company offering, to survive a business

Owner of the business must have a various ideas for gain customer satisfaction for example try to make the café become more creative by providing the unique concept and try to be different with other competitors, customer satisfaction related with service quality, by proving a great quality of service the company will get a good impression and feel satisfied from the service that the

company provide, and the company will not feel complicated to compete with other competitors. According to Jahan Shasi in Fatin & Ida (2018), one of the actions to make the consumer satisfied is providing service quality effectively and efficiently, Service quality is one of the various factors affects customer satisfaction.

Opal Coffee Medan is one of the biggest cafés in Medan, located at Tengku Amir Hamzah Street number 56 C, the café operating hours start from 10:00-21.00 pm. Many people visit opal coffee because they want to be enjoying the famous local coffee that they produce by itself and have some food, snack, blended drinks, many people from any background visit opal coffee because of the atmosphere that they have.

One of the most crucial things to perform in order to achieve client happiness is to improve service quality. Customers will assess the achievement of satisfaction and reputation of the services they provide. According to Edgar and Abdelsalam (2020), service quality is limited to individual customer perceptions, which makes it an intangible aspect. Service can be interpreted as equaling the expectations and needs of employees, customers, and owners. Customer needs and expectations must be consistently met by service.

In the services provided by Opal Coffee, currently there are still problems regarding the services provided to employees. Customers who come still give complaints of their service performance and quality at the cafe, complaints that customers give to Opal Coffee will make the good reputation going down and losing customer satisfaction, for more accurate data the writer decided to interview the

operational manager to get the information about why customer giving complaint about their service performance and quality.

**Table 1.1**  
**Complaints that has been recorded by Opal Coffee Medan**

Time Period	Opal Coffee Medan has received complaints about the performance of its services.
Year 2020-2021	1. The late of response that customer got from the employee.
	2. The employee didn't smile to the customer
	3. The order took a long time to served
	4. Employee didn't pay attention to the customer

Source: Opal Coffee Medan, (2021)

From the table 1.1 can be seen that Opal Coffee need to improve its quality of service to gain more customer satisfaction, from the table above it can be seen that the employee still hasn't figured out how to interact with customers. The owner of Opal Coffee Medan must train their employees on how to improve their service performance by providing them with service knowledge. Additionally, the write also got information from friends and family that had visited Opal Coffee Medan. There are 6 people out of 10 complaining about their services especially on the weekend because of the crowded so the employee hard response to the customers.

Based on the problem above, the writer interested make the final paper with title of **“THE INFLUENCE OF SERVICE QUALITY TOWARDS CUSTOMER SATISFACTION AT OPAL COFFEE MEDAN”**

## **1.2 Problem Limitation**

The object of this research is Opal Coffee employees, the writer will focus on examining the effect of service quality of towards customer satisfaction at Opal Coffee Medan. To avoid over-discussion and due to limited time and

resources, the research only discusses, Service quality as independent variable and customer satisfaction as dependent variable. a sample that could be used for this research only the customers that visited Opal Coffee Medan. The indicator of service quality from Parasuraman et alin Fahtia Virdha (2017), reliability, responsiveness, assurance, empathy, tangibles. Customer satisfaction from Tjiptono in Leni Lasmiansi (2018), systems of complaints and suggestions, customer satisfaction survey, ghost shopping, lost customer analysis.

### **1.3 Problem Formulation**

According to the background of the study, this research will reveal some problem such as:

1. How is the service quality at Opal Coffee Medan?
2. How is the customer satisfaction at Opal Coffee Medan?
3. Does service quality have influence on customer satisfaction at Opal Coffee Medan?

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

The objective of the research to solve the problems that have been found, which is:

1. To analyze the quality of service at Opal Coffee Medan
2. To analyze customer satisfaction at Opal Coffee Medan
3. To find out whether service quality has influence towards customer satisfaction

## **1.5 Benefit of the Research**

Benefit of the research can be listed as follow:

### **1.5.1 Theoretical Benefit**

Theoretically, the researcher expects to increase knowledge of Hospitality Management and bring a various idea about service quality to increase customer satisfaction to build a good reputation around customers. And the research expect that this research will be useful for future research.

### **1.5.2 Practical Benefit**

Practical of this research are:

1. This study aims to make the researcher gain more knowledge about service quality and increase customer satisfaction.
2. Also, to keep improving the service quality to gain customer satisfaction.
3. The researcher expects this research will be useful for future research to be another researcher reference