

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

The era of globalization has had a major impact on the development of the café and restaurant business in various countries, including Indonesia. Business people become overwhelmed in running a business due to intense competition. An example is the type of food that will be sold by business people, currently, Korean food has more and more enthusiasts because since this pandemic people are always staying at home and people are spending a lot of their time watching Korean dramas. The Korean drama shows a lot of Korean lifestyles, beauty, fashion, and even the food they eat every time. Over time, many Indonesians are interested in Korean food and lifestyle, and many people are interested in opening a business that sells Korean food and has a good prospect because the interest in Korean food has also increased.

However, as time goes by, competition between Korean food businesses is getting tougher because Korean food businesses are increasingly being found everywhere, cafe owners must be able to put position of their business to be able to compete in order to satisfy their customers. The way that business people can do this is to be able to make a good strategy where the strategy can attract the attention of customers to come to visit and can influence the decision making to come back to the restaurant or cafe.

To create an attractive strategy, business people must follow the current trends and must be able to observe the nature of consumers. Because the development of people's lifestyles continues to develop along with the increase in social media where people tend to follow the lifestyle of people who are famous on social media, which is commonly called celebgram, an internet celebrity usually often promotes a cafe and comes to visit and take pictures at the cafe, usually, people will be interested with the cafe if the cafe has several interesting factors.

Especially for young prospective customers, prospective customers not only respond to the products and services offered by the cafe, but customers also judge a cafe through several factors. Many factors can influence consumer purchasing decisions and one of them is the product variations and cafe atmosphere, where these two factors provide an added value to the restaurant or cafe , also it can add stronger positive and attractive perceptions to be remembered by visitors.

Product variations or variations of menu are something that can attract consumers to often visit a cafe because of curiosity about other menus the restaurant or café provides. According to Benson (2007:136) in Yuwono and Yuwana (2017) indicators of product diversity are diverse product sizes, diverse product types, diverse product materials, and diverse product quality. Customers

who visit a cafe certainly have different tastes, therefore with the diversity of products customers can adjust to the tastes of the menu offered by the cafe for consumption.

Cafe businesses must be able to monitor current trends, monitor consumer behavior, be active in knowing which menus are in demand by consumers and give the most profit to business and determine which products should be further developed, reduced, or discontinued if the results are not as desired. Here the role of business people is very important to be able to actively develop or add menus in cafes to attract consumers' attention, this is a challenge for business people because business people must continue to rack their brains to produce interesting strategies.

Another factor that has an influence on customers is the cafe atmosphere. Nowadays cafe atmosphere plays a very important role because of the effects of social media, cafe atmosphere is the first thing that is judged by customers when entering a cafe before trying the menu at the cafe. Atmosphere cafe provides support for the emotional response and perception of potential customers who assess the cafe's atmosphere through social media

or customers who have arrived.

Store atmosphere includes exterior interior design, furniture, furniture layout, fragrance, music, and lighting. According to Levy & Weitz (2012) in

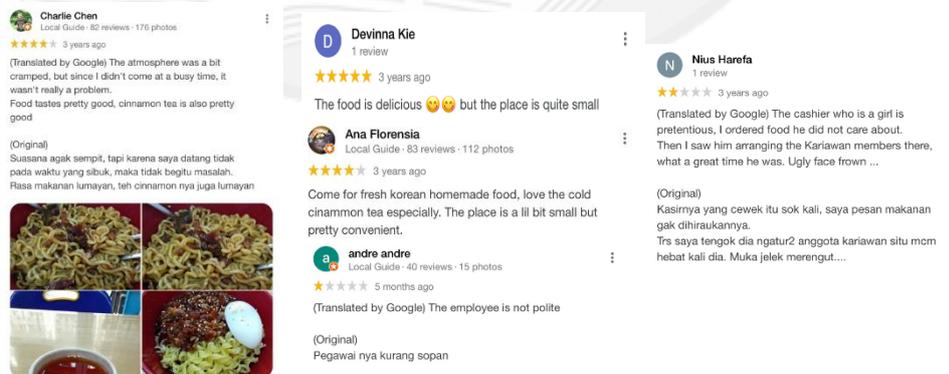
Kartika & Syahputra (2017), store atmosphere refers to the design of the environment such as visual communication, lighting, color, music, and aroma to simulate the perception and emotional response of customers and ultimately influence their buying behavior. Also nowadays people like to visit a restaurant or café to take a picture and post it on their social media, if a café has a interesting atmosphere this is a plus point because it can indirectly attract the attention of their followers to come and visit the café or restaurant for free and this method is a free marketing trick. A cafe and restaurant should have an atmosphere that shows the characteristics of the place, the cafe atmosphere also directly shows the characteristics of the cafe and this can create an emotional feeling that will usually make consumers remember this place more because it is different from others.

One of the Restaurants in Medan is Kimbab Nara, which is located at Jalan Bridgen Katamso Dalam No. 56 E, A U R, Kec. Medan Maimun, Medan City. Kimbab Nara is a Korean-themed restaurant and café, founded in 2015 by Mrs. Emelia. Kimbab Nara has a diverse Korean food menu, most of the famous food in Korea is provided by Kimbab Nara, and the prices of food and drinks from Kimbab Nara are still affordable.

Consumers who come to visit Kimbab Nara are also presented with a pleasant atmosphere with air conditioning, wifi facilities, and a hygienic place. Kimbab Nara wants consumers to feel like they are in Korea where Kimbab Nara plays music from K-pop idols or all trending Korean songs, even Kimbab Nara

also puts up posters containing the faces of trending kpop idols on the walls of his restaurant. The employees of Kimbab Nara greet customers with the word “annyeonghaseyo” which means hello or welcome. Kimbab Nara also follows current trends, for example, the movie "Squid Game", this film tells of people who play this game with giant red light green light dolls, costumes, food, and music that are identical to this film. This film is very popular in 2021, Kimbab Nara takes advantage of this trend by placing a poster stand for the Squid Game doll and promoting it on Kimbab Nara's social media by writing "let's stop by Kimbab Nara and take a photo with this doll". The existence of things like this can be a psychological factor that can influence consumers who like Korean food and follow the development of Korean trends to come to Kimbab Nara. This is also one of Kimbab Nara's management strategies to compete with other competitors selling Korean food.

Here is a review that the author got through a google review about Kimbab Nara Medan



Based on the reviews that the author got from Google Reviews, many consumers are satisfied with the service and food from Kimbab Nara, but The manager of Kimbab Nara knows about customer complaints obtained on google reviews, of all the existing suggestions reviews, the most are employees who are not polite and friendly when serving consumers, narrow places, have to queue for a long time if there are many customers.

Based on the review of the suggestions above, the authors are interested in conducting research under the title "**The Influence of Cafe Atmosphere and Product Variations towards customers satisfaction at Kimbab Nara Medan**"

### **1.2 Problem Limitation**

The development of the culinary business is growing rapidly in Indonesia and has made many culinary business entrepreneurs overwhelmed in responding to the existing competition. Based on the identification of the problem above, the writer decided to limit this problem to the effect of cafe atmosphere and menu diversity on customer satisfaction at Kimbab Nara Medan. To reduce the discussion of this research is too broad, the researchers set a problem limitation, namely this research focuses on the café atmosphere, product diversity, and customer satisfaction.

### **1.3 Problem Formulation**

As we can see from the background of the problems that were written before, the problems are:

1. Does Café Atmosphere have significant influence toward Customer Satisfaction at Kimbab Nara Medan?
2. Does Product Variation have significant influence toward Customer Satisfaction at Kimbab Nara Medan?
3. Does The Cafe Atmosphere And Product Variation Affect Customer Satisfaction at Kimbab Nara Medan?

#### **1.4 Objective Of The Research**

Below are some of the objectives of the research that have been found.

The aims of this research are:

1. To find out whether Café Atmosphere has influenced toward Customer Satisfaction at Kimbab Nara Medan?
2. To find out whether Product Variation has influence toward Customer Satisfaction at Kimbab Nara Medan.
3. To find out if the Restaurant Atmosphere And Product Variation Can Influence The Customer Satisfaction at Kimbab Nara Medan.

#### **1.5 Benefit Of The Research**

The author's purpose in making this research is to find benefits that can be used. These benefits can be divided into 2 types

### **1.5.1 Theoretical Benefit**

From the theoretical benefit, this research is expected to help the company with the restaurant atmosphere and product variations that can influence the customer satisfaction at Kimbab Nara.

### **1.5.2 Practical Benefit**

#### 1. For Writers

The author hopes that through this research the author can gain more knowledge about what strategies are interesting to get consumers by paying attention to the cafe atmosphere and product diversity. Through this research, it is also hoped that the author can apply the knowledge that has been obtained during the lecture period

#### 2. For companies

The research conducted by the author is expected to help contribute suggestions and input for business people regarding the cafe atmosphere and product diversity on consumer satisfaction so that business owners can develop their businesses by creating attractive strategies to develop their businesses.