

# **CHAPTER I**

## **INTRODUCTION**

### **1.1 Background of the Study**

Nowadays, a very interesting phenomenon occurs in the development of business where there is a lot of business competition in Indonesia. For conditions like this, businesses are expected to be able to create competitive advantages as well as provide good service and food to customers so that customer satisfaction will emerge and this is expected to have a positive impact on business. The right competitive strategy that business people can do to get buyers' attractiveness is to pay attention to the quality of the food offered and the quality of service from employees to increase business profits. Managers of businesses believe that if customers are satisfied with the service and food provided this will create customers be able to visit again. Thus it is important for a business to have and implement a competitive strategy to retain its customers.

Food business is one of the businesses that are in great demand by the community. However, Medan is one of the big cities in Indonesia with the third largest population in Indonesia. Business people see the business potential in Medan, such as by opening a restaurant business. This can be seen from the number of restaurants in the Medan area that are growing very significantly. The increasing number of restaurants causes more choices for consumers. Consumers would choose a restaurant as a place to eat with quality services and food that meet their expectations. Food business that runs into service industry become one

part of hospitality industry therefore in hospitality industry take procedure of serving food, and beverages and also applied respect and friendliness toward customers.

To be able to survive in the midst of competition for cafe in Medan, businesses must create a marketing strategy that focuses on consumers. Some of the factors that can affect customer satisfaction are the quality of service in business. In addition, consumers are satisfied with a product that has been purchased, it will lead to buyer loyalty so that the buyer will make repeat purchases in the future. A cafe is generally defined as a place that provides food, drink and service in a specific location.

Moreover in the modern era customer behavior has changed regarding needs and wants. Hence the business should be more competitive and the business should be able to take the customer's attention to win the competition. So that the business can survive in the competition which is the most important thing that is achieved by customer satisfaction. In order to achieve it, the company needs to learn and understand the needs and desires of customers. However, current customers can choose and identify the level of service they get. In this case, businesses need to pay extra attention to the level of service they provide to their customers and achieve extra satisfaction that could get loyalty from customers. Service quality plays an important role in the restaurant industry. If the service can be done maximally, it will give satisfaction to its customers related to previous studies where said that the quality in service of a service provider serves customers in an effective way which can boost business profitability.

Service quality in a business is the one of factor considered for customers feels satisfied. Businesses need extra attention to the level of service they provide to their customers because the relationship between customer satisfaction and service quality is considered a major position, especially in the service industry. Besides that food quality also plays most important and crucial requirement in food and beverage industry because it's become a value for businesses in order to achieve customer satisfaction. There are many new food and beverage outlets that start operating every year, which proves that the food and beverage business is growing rapidly. The increasingly fierce competition, causes customers to have many varied choices so that customers will always look for the value that is considered the highest of several products. Therefore businesses cannot rely solely on service quality in order to achieve customer satisfaction, but businesses must be able to offer high-quality food that can become competitive strategy in order to attract customer interest. Quality of product can be an added value and is an important factor that needs to be considered to make customers feel satisfied. This is because customer satisfaction is an aspect of fostering good relations between businessman and customers. The relationship that has been made between two parties leads customers to be willing to make repeat purchases.

Other factors that play an important role that can affect consumer satisfaction are the quality of food. Food with good quality will be more attractive to consumers than other foods with low quality. So it is important for business people to maintain the quality of food in order to be able to attract consumers and give a sense of satisfaction with the food they buy. Food is anything that business

people create to offer to get attention by satisfying the wants and needs of consumers. The quality of food can also be a hallmark of a cafe. If the quality of the food provided is good, it will be beneficial for the cafe to get a good image and profits in its business, while consumers will get the expected satisfaction. The quality of food has an impact on consumers to make purchases because the characteristics of food have been attached, especially the quality is as expected by consumers.

Service quality is one of the keys to winning the competition with the market. When the company is able to provide quality service, it has built one of the foundations for creating customer satisfaction. Service quality is a measure of how well the level of service provided is in accordance with customer expectations. Service quality can be realized through meeting the needs and desires of customers and the accuracy of delivery to match customer expectations. Service quality is related to the difference between customer expectations and the experience of service that has been achieved.

Food quality is an assessment by which the food is acceptable or suitable for consumption by customers. The quality of this food is very important to consider because this food is also presented in service to customers. Thus good quality food will give customers an unforgettable dining experience. In order to provide a satisfying experience to customers, the quality of food is considered which consists of taste, freshness, cleanliness, and presentation of food.

Customer satisfaction is a feeling of pleasure or disappointment for someone who arises after a comparison between his perceptions or impressions of the performance or results of a product and its expectations. Customers will feel satisfied where their needs, wants and expectations of customers are met through the services that have been provided by the business. many benefits received by the company by achieving high customer satisfaction, which can increase loyalty. Customer satisfaction is a determining factor for long-term business, if satisfaction is achieved, customer loyalty will arise, therefore customer satisfaction is an important thing for the company.

According to Dwi Aliyah Apriani (2017) with the title "The Effect of Service Quality on Consumer Satisfaction at The Little A. Coffee Sidoarjo". This study aims to explain and find out whether there is an influence between service quality on customer satisfaction. The results of this study indicate that service quality has a positive influence on customer satisfaction. Service quality has a role in customer satisfaction, therefore one thing that can be done is to provide good service to customers in order to attract customers to come to visit. In addition, research conducted by Rahmawati, Kartika Nur (2017) under the title "The Effect of Product Quality and Service Quality on Consumer Satisfaction at Kedai Bangsawan Klaten". The results of this study note that the service quality variable partially has a significant effect on the customer satisfaction variable and product quality has a significant effect on the customer satisfaction variable. Regarding the research above, research studies conducted by previous researchers provide additional evidence with findings that state there is a significant influence of food

quality and service quality on customer satisfaction. Therefore, the quality of food and service quality needs to be maintained consistently so that the business is still in demand (Situmeang, Easter Amelia, Bonifasius M.H Nainggolan, and Al Agus Kristiadi, 2019). In sum all of the above shows that providing high service quality and food quality is the best way for businessmen to satisfy customers. Customers who have high satisfaction will have high purchase intentions, if customers are dissatisfied then business customers will decrease over time and can lead to bankruptcy.

However, in the food and beverage industry, there are food quality and service quality, which is the main key to achieving business success, especially to obtain a business run well. If the customer is satisfied with the quality of service and the quality of the food, it will make the customer revisit or even recommend it to those closest to him. Hence service quality and food quality have become enormous impact towards businesses' operations. Running a business will not always run smoothly where there will be up and down, for that business people must find new ways to be able to gain customers coming back. Cara ( Cascara Tea and Coffee ) such as research object , in order to gain customer satisfaction, the company concerns with their food quality and service quality as well to be able to gain customer coming back. The cafe was running well and was well-known as aesthetic cafe for teenager to grab delicious food and drinks. Here is some data regarding the number of visitors at Cara ( Cascara Tea and Coffee ) Medan collected by the writer from the manager.

**Table 1.1 Number of customers**

Number	Month	Number of customers
1	January	992
2	February	785
3	March	829
4	April	836
5	May	725
6	June	700

Sources : From the manager Cara ( Cascara Tea and Coffee ) (2021)

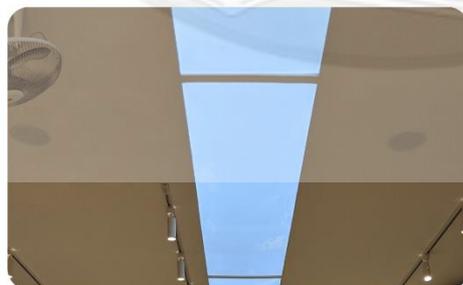
From the data in the table above, we can see that the data shows the number of customers has decreased and it has a factor that causes that incident to occur. For this reason, the company must consider the factors that influence the number of visitors and one of the contributing factors may be the service quality and food quality that provides at Cara ( Cascara Tea and Coffee ) Medan.

Besides the data above, the writer also found that there were several poor reviews obtained from Google from the customer that may cause the phenomenon of the decrease in the number of customers,

**A** **Arlene Natasha**  
5 reviews · 1 photo

★ ★ ★ ★ ★ a year ago

The coffee doesn't taste good and the staffs weren't wearing any masks during this COVID season. However the interior is nice.



👍 1



**F** **Ferry Andresen**  
2 reviews

★ ★ ★ ★ ★ 4 months ago

Ga layak di kasi bintang walau cuma bintang 1 Pelayanan nya sungguh2 mengecewakan. Kronologis nya, cuma ada 3 meja yg terisi termasuk saya, 2 meja sdh ada sblm saya dtg. Cuma pesan INDOMIE kuah, 45 mnt tak kunjung datang, kalo pas rame, saya bs maklum, ini sepi.. Dan harus diajarin tata krama, saya tinggal pergi tanpa datang pesanan saya, tak ada permintaan maaf sepetah kata pun. Serta tdk menguasai menu, saya pesen take away pizza CARA nya, tdk diinfo kalo take away tdk rekomen, krn ada telur mentah nya. Pas buka, persis kayak muntahan isi nya.

Warung2 tepi jalan bahkan lbh bagus service nya



**Figure 1.1 Customer review (google)**

Source : Google review 2021

Based on the data and reviews above where it was found or identified

several problem phenomena occurred in that place where customers who came to visit complained about the inconsistent quality of the food provided in terms of taste and problems regarding the quality of service provided in order to deliver the food took a long time. Moreover, based on the writer's personal experience when visiting a café, the employee doesn't respond to customers when called repeatedly but still doesn't come. Also, the spaghetti is salty and overcooked. Based on that phenomenon that has been described, researchers want to know more or further about the food quality and service quality provided by Cara (Cascara Tea and Coffee) Medan has an influence on the customer satisfaction. This is the reason why the researcher conducted a research under the title "**The Influence of Service Quality and Food Quality Towards Customer Satisfaction at Cara (Cascara Tea and Coffee), Medan**".

## 1.2 Problem Limitation

In the research that will be carried out, the researcher has limited time and energy, therefore the scope limitation will be applied considering the vast scope in Indonesia. Research on the problem of the influence of service quality and food

quality towards customer satisfaction will only be conducted at Cara ( Cascara Tea and Coffee ) , Medan. Moreover to be more focused and the limitations of the researcher's ability this study applied limitation to the problem, that this study is limited by 3 variables such as service quality as independent variable, food quality as independent variable, and customer satisfaction as dependent variable. There are several indicators of service quality that can be used consisting of tangible, reliability, responsiveness, assurance, and empathy. In addition, indicators of food quality consist of presentation, taste, variety of food, and aroma. Moreover, indicators of customer satisfaction consist of confirmation of customer satisfaction, confirmation of expectation, repurchase intention, and word of mouth.

### **1.3 Problem Formulation**

Based on the background described above, there are several problems that can be formulated as follows:

1. Does service quality influence towards customer satisfaction at Cara ( Cascara Tea and Coffee ) Medan?
2. Does food quality influence towards customer satisfaction at Cara ( Cascara Tea and Coffee ) Medan?
3. Do the service quality and food quality influence towards customer satisfaction at Cara ( Cascara Tea and Coffee ) Medan?

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

The objectives of this study are to:

1. to find out if service quality has influenced towards customer satisfaction at Cara ( Cascara Tea and Coffee ) Medan
2. to identify if food quality has influence towards customer satisfaction at Cara ( Cascara Tea and Coffee ) Medan
3. to know if service quality and food quality have influence towards customer satisfaction at Cara ( Cascara Tea and Coffee ) Medan

#### **1.5 Benefit of the Research**

The benefits of this study are divided into two such as theoretical benefits and practical benefits. This theoretical benefit can be used as data support for future researchers who conducted similar studies that want to develop theories further. Then this practical benefit will provide benefits such as providing ease of understanding for future studies through the conclusions made in this study.

##### **1.5.1 Theoretical Benefit**

This study provides additional learning or theory for students to know and understand more clearly the influence of service quality and food quality which will determine the customer satisfaction. However other benefits of this study provide additional information to people who conducted research on similar topics or problems.

##### **1.5.2 Practical Benefit**

1. For future researches

This study can be used as a reference for future researchers who are learning to understand whether there is an influence of service quality and food quality toward customer satisfaction. As well future researches have a preliminary description of how conducted research. This study is also an additional reference that does not exist from previous research.

## 2. For Cara ( Cascara Tea and Coffee ) Medan

This study provides knowledge to companies engaged in the food and beverage sector such as Cara ( Cascara Tea and Coffee ) Medan to understand that the service quality and food quality have an enormous influence on the customer satisfaction. This study is expected to be able to direct Cara (Cascara Tea and Coffee) Medan to pay extra attention to important things that need to be concerned, such as service quality and food quality in order to increase the number of customers which will certainly have a positive impact on the business, such as increasing profits. In addition, from this study, the company can learn and improve mistakes that may occur in service quality and food quality to be even better in the future.