

CHAPTER I

INTRODUCTION

1.1 Background of The Study

The food and beverage sector are a sector that enough opportunity to have high growth because it has a product of necessity daily offered and so far has good growth. Growth in 2016 reached 8.2-8.5% where this figure shows an increase compared to the previous year which had poor growth due to the weakening economic condition of the country. Food and beverage sub-sector is a mainstay in the industry to boost economic growth. So that It is hoped that in the future it will get better even though the overall economic situation generally weakened (Shaferi and Pinilih, 2017).

In this day and age, the food and various snack industry is very promising as a business that will get turnover with sales and income that is more or can be said to be more profitable than other businesses due to increasing market demand. The development of the food industry is currently entering a very tight competition marked by various efforts made to gain public sympathy through better facilities and infrastructure. Economic growth and the value of investment in Indonesia, especially food and beverage, to deal with similar companies that are increasingly fast, both old and new, have emerged as new competitors. Competition to get the attention of consumers has placed consumers as a trigger for loyalty. By Therefore, every company is encouraged to be able to do things that are considered better than competitors in order to be able to face challenges.

The growing business economy, especially in the F&B sector can be observed when visiting shopping centers on every corner where it is easy to find cafe by offering a variety of menus ranging from heavy meals, snacks, and various types of drinks. Michelle and Siagian (2019), Many people take advantage of the cafe to be a place to gather with friends as well as family. Even for people who have habit of eating instant food or lazy to cook food at home, the cafe is a suitable place for them. The highly developed culinary business sector is followed by very tight competition.

Beside it, to control increasingly fierce competition, an effort is needed for customer-oriented marketing. One effort that can be done by every business actor is to create a customer-oriented marketing strategy, it will affect customer satisfaction and this satisfaction will be sustainable which will attract more consumers because it is a pretty good indicator for the continuity of relationships with old customers and continue to acquire new customers with customer satisfaction or have a greater influence on the market share. Companies in providing to customers, need to first study the desires and needs of current and future customers.

Customer satisfaction is a feeling of pleasure or disappointment of a customer that arises from the customer's experience in using the services or products of a business. There are many factors that influence customer satisfaction. In food service, the quality factor plays an important role. Meanwhile, staff-related service quality emerged as an important factor for revisit intentions. According to Bichler et al. (2020) as cited in Zhafirah et al. (2021), the

findings also highlight the role of atmosphere and the mediating effect of food quality on return visits. Consumers who have a good or satisfied experience when using a product or service will become satisfaction, make repeat purchases and can recommend the business to their friends or relatives. Conducting a consumer survey related to product quality, service and price can help companies know clearly what things need betterment and improvement, that will ultimately make customers satisfied, stay, and provide referrals. This makes surveys from the consumer's point of view necessary. Measurement of satisfaction is strongly related to product quality (goods or services). Quality measurement has benefits such as knowing how a business process works. Marketing knows that it is better to retain existing customers than replace them with new customers, ensuring that existing customers get satisfaction from purchasing and using their products.

According to Firmansyah (2018) as cited in Zhafirah et al. (2021), satisfaction will occur if the company is able to provide products, services, prices and other aspects according to consumers' expectations or exceeding customers' expectations. Customers are satisfied if their expectations are met and will be very satisfied if the quality exceeds their expectations. Measurement of satisfaction has a strong relationship with product quality. Quality measurement offers benefits such as knowing how a business process works. Measurement of satisfaction can also be used to find out where to innovate and improve in order to satisfy customers, especially for things that are considered important to customers.

One of the factors that encourage customer satisfaction is through the taste given to consumers, it is hoped that consumers will be satisfied to the products or

services offered by companies that provide goods or services. Taste is a way of selecting food that must be distinguished from the taste of food. Taste is a food attribute which includes appearance, smell, taste, texture, and temperature. Taste is a form of cooperation from various human senses, one of which is feeling. Taste itself is the result of the work of taste buds located on the tongue, cheeks, esophagus, roof of the mouth, which are part of the taste.

The taste of food affects customer satisfaction because the most important thing in choosing food to eat is the ideal taste, the more delicious or delicious the taste of the food eaten by the customer, the more delicious the taste of the food served will lead to a sense of customer satisfying. Many other businesses pay less attention to some of the items contained in the taste, even though this is one thing that is very influential in increasing or maintaining customer satisfaction (Listiani and Zahara, 2020). In addition to taste, price can also be indicated as a cause of customer loyalty. Price is also an important thing that consumers consider. Price definition is the amount of money charged for a product or service or the sum of the total value exchanged by consumers or the benefits of having or using the product or service. Price is one of the money that can be used to be paid in terms of getting the right to use a product. According to Maimunah (2019), the perception of price each individual gives his assessment no the same between consumers one with other consumers. Price also plays an important role in communicating the quality of the service.

Conditions that must be met by a company in order to be successful in the competition is trying to achieve the goal of creating and retaining customers. In

order for that purpose. If this is achieved, then the company must be able to set the right and appropriate price for the product or service which he sold (Suryana and Muliasari, 2018). With the availability of tangible clues, consumers associate a high price with a high level of performance of a product or service. In line with this, efforts that can be made in marketing a product are by carrying out marketing mix activities which include creating products that are of interest to consumers, determining competitive prices, and intensifying various product flavors so that potential consumers are more familiar with and interested in the products offered.

According to Zhafirah et al. (2021), if the consumer makes a purchase, it means that the price is right, but if, on the contrary, the consumer refuses to buy, then the price becomes a consideration for review. Price perception is the dominant factor of consumers in determining or considering choices. If the consumer makes a purchase, it means that the price is right, but if the consumer refuses to buy, the price becomes a consideration for review.

Zisel Gelateria was founded in 2016. located at Jalan Cemara Boulevard No. B 80-82 coincides next to Maybank, Medan. Maybe for customers who are in the city of Medan already familiar with the name of the cafe. The design of this cafe is also different from other cafes in Medan, namely the customer cafe tables are made of wood and the cafe walls are equipped with unique and creative posters for modernizing the room, namely when opening the cafe door, you are greeted with the words "Welcome to Zisel Gelateria". On Google Review, this cafe is reviewed by 543 customers with its overall rating 4.6 out of 5. However, there are any bad comments about the cafe of the food as seen in Table 1.1

Table 1.1 Negative Review about Zisel Gelateria, Medan on Google Review

N o.	Year	Month	Number of Bad Rating	Negative Review
1.	2018	-	12	Tasteless food.
2.				Not a best place to come.
3.				Good coffee but the latte was a bit too diluted by excess milk. The gelato is really good.
4.	2019	-	9	Very slow to come out food. Messy kitchen. bad service.
5.				A little pricey for a few scoops of gelato.
6.	2020	-	9	Not my liking.
6.				The price is not affordable and the service is lacking.
7.	2021	March	2	The place is clean and comfortable, but the food is not tasty and fresh, besides that the price is quite expensive.
8.				Quite a nice place, but too much air freshener so the smell of gelato and coffee can't be smelled optimally.
9.		April	1	Good enough to hang out, strategic location, but the price is quite expensive for eating together.
10.		June	1	Clean, cool air conditioner and good coffee, but price is a little expensive.
11.		July	1	Bit overpriced. Place is cozy and food is recent.
12.		August	1	The toilet stinks.
13.		September	1	The restaurant is already poor, usually the driver get drink, this time is not anymore.
14.		October	2	Please add more sauce on the fried.
15.				The salted egg can be melted again to make the taste better.
16.		2022	January	5
17.	Not many varieties of gelato. Some of the food is too salty, the udon noodles are cooked like 'Mie Aceh'.			
18.	The place is quite comfortable, the food is delicious, but the room is a bit cramped and the service takes a long time.			
19.	Coffee is a bit of a letdown thou and been served in room temperature coffee more than once.			
20.	February		4	The food is absolutely delicious, the gelato is really tasty but just the pricing. The pricing of the food is quite expensive.
21.		The tuna fried rice was too salty and dry, but the rest of the menu was delicious.		

Source: Google Review, (Prepared by the Writer, 2022)

On google reviews, customers give negative reviews and there are some customers who only give 1, 2- or 3-star ratings without leaving comments. The menu served by the cafe is also diverse, namely there is food, drinks, and what is

not left behind is dessert. The dining menu has an Asian menu and a Western menu, for drinks there is coffee and juice so that customers can choose which menu they want. But the taste of the food served does not match the customer's tongue, likes the taste of food still have a raw smell, uncooked food, and resulting in the customer not wanting to come a second time to the cafe where the prices for the food are also not economical and not affordable whether the taste of the food make customer disappointed. That's why the cafe is not recommended to relatives or other customers. Negative reviews from customers indicate their dissatisfaction with the taste and price of the food served. This becomes feedback for future improvements. Customers who give bad ratings without leaving comments are difficult for the cafe to understand so there is not much improvement that can be done. Customer satisfaction will be difficult to increase because new potential customers can see negative comments left by previous customers.

Based on the background that has been described, the researchers conducted a study with the title **“The Effect of Taste and Price Toward Customer Satisfaction in Zisel Gelateria, Medan”**.

1.2 Problem Limitation

In this study according to the ability of the researcher, the researcher limits the problem and will focus on the problem of taste, price, and customer satisfaction. The purpose of this study is that researchers want to know and want to examine more deeply whether the title with taste and price research has an effect on customer satisfaction at Zisel Gelateria, Medan. In this study, researchers will focus more on customers who are visiting at Zisel Gelateria,

Medan. The limitations of the problems that will be discussed by researchers and this research are as follows:

1. According to Roscoe (1982) in Rangkuti (2017), provides several suggestions in determining the sample size to be used in research of study is between 30-500.

So, the respondents selected with customers who have either visited or are currently visiting Zisel Gelateria, Medan in the last 3 months, as many as 100 respondents. Customers who came several times during the data collection period could only fill out the questionnaire once.

2. The customer responds by filling in the questionnaire which will be distributed to the customer.
3. The discussion in this study is limited to three variables, namely two independent variables (taste and price) and one dependent variable (customer satisfaction). For taste variable, the indicators are smell, taste, and mouth stimulation (Azizah and Hadi, 2020). For price variable, the indicators are pricing decision, price elasticity, and competitor price (Azizah and Hadi, 2020). For customer satisfaction variable, the indicators are overall customer satisfaction, confirm expectations, repurchase intention, willingness to recommend, customer dissatisfaction (Tjiptono and Diana, 2019).

1.3. Problem Formulation

Based on the background of the object that has been described, there are some problem formulation which will be used:

- a. Does the taste have partial effect on customer satisfaction at Zisel Gelateria, Medan?
- b. Does the price have partial effect on customer satisfaction at Zisel Gelateria, Medan?
- c. Do the taste and price have simultaneous effect on customer satisfaction at Zisel Gelateria, Medan?

1.4. Research Objective

According to the background of the study and the problem formulation, the purpose of this research is :

- a. To know the effect of taste toward customer satisfaction at Zisel Gelateria, Medan.
- b. To know the effect of price toward customer satisfaction at Zisel Gelateria, Medan.
- c. To know the effect of taste and price toward customer satisfaction at Zisel Gelateria, Medan.

1.5. Benefit of the Research

1.5.1. Theoretical Benefit

Based on the theoretical benefits, the researcher hopes that this research can provide an understanding of the theories that have been described, namely taste, price, and customer satisfaction. In addition, this research can also be used as a reference or comparison for future researchers.

1.5.2. Practical Benefit

The following are practical benefit of this research:

a. For the writer

To gain knowledge on taste, price, and customer satisfaction as well as how they are being affected by each other. This is to improve and add to overall information on hospitality management study program.

b. For Zisel Gelateria, Medan

To give insight about the importance of taste and price, also how to use their potentials as tools of marketing. To improve food and beverage services, work performance, and product quality to be taken into consideration in formulating future promotional strategies.

c. For Universitas Pelita Harapan

To be used as a reference and reading material for hospitality management study program, especially for students at Universitas Pelita Harapan.

d. For other researchers

To be able to act as a basis, source or comparison of information for other researchers that are interested in doing relevant research.