

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

A business cannot interact with all of its clients in a market that is vast and diversified. Different marketplaces are always segmented by the varied demands and preferences of individual customers. The culinary field is highly competitive. Every café and restaurant in the city of Medan continues to offer the most up-to-date concepts, a range of menus, and ever-decreasing pricing. In addition to its varied cuisine and cozy atmosphere, the café's additional value will be its ability to stand out from the competition.

Hospitality is an essential component of customer service. As a crucial component of improving consumer convenience, employees in hospitality science are trained to deliver the greatest customer service. The capability of corporate management has a significant impact on a business's potential for growth. Hospitality requires that the service provider deliver the highest level of service possible, as well as meet and even surpass the customer's expectations. Every hospitality standard places a premium on the ability to continue to develop and serve consumers in accordance with predetermined criteria.

Improving services is one of the ways in which hospitality businesses compete with their rivals. In comparison to what its competitors offer, business hospitality must always embed something unique and become an unforgettable experience for consumers.

Service quality is the most important aspect of a successful service enterprise. A quality standard is established to ensure that products and services match the price and value expectations of the client and are able to offer benefits for the business. Customer pleasure becomes the primary focus of all consumer services. Customers who are at ease and pleased with the services offered and who return. Customer happiness is crucial for businesses that prioritize business continuity and continuity. Consumer satisfaction can be attained if a business is able to provide excellent service, competitive rates, and quick response times, among other things. Consumers will be satisfied if the given services are superior to those received elsewhere under comparable conditions.

Atiyah (2018) explains the same thing about the effect of service quality on customer satisfaction, stating in his research that quality service provide research results that the quality of service has a significant effect on customer satisfaction and has an impact on the organization's ability to enhance its capabilities and provide plans to achieve expected targets.

Coffee Locale is a business that was established since 2017 and Located in the heart of Medan City, Jl. T. Amir Hamzah No.48 Medan. As a coffee shop, one thing to note is the provision of services, it is concerned with the friendliness and courtesy of employees to customers when making a purchase, if the service provided better, it will be able to give satisfaction to customers. In the phenomenon of problems at Coffee Locale currently does not have good customer satisfaction. This can be seen from the services provided have not been maximized and are still

getting complaints about service quality from consumers. Here are some complaints taken based on google reviews from consumers.

**Table 1.1**  
**Complaints Data of Coffee Locale**

<b>Name and Time</b>	<b>Stars</b>	<b>Review Result</b>
Clara Aunii (6 months ago)	1 star	Bad service, the waiters are not friendly, the food and drinks are tasteless
Pertapa Sakti (1 year ago)	2 stars	The place is decent for a hangout, health protocols have been implemented, but the food and prices are not appropriate, the food lacks taste, then the taican satay is burned until it burns, then the rice is not washed clean, there are stones, and the service is not friendly, sorry i give 2 stars
Denbagus108 (8 months ago)	2 stars	Disorganized service. No waiter etiquette
Belman Sihombing (1 year ago)	2 stars	The arrogant cashier was so far away from getting the order when it arrived at the restaurant, pretended not to know the cashier, in terms of the restaurant, it was so cool to play the game, it wasn't served right away, even though the ojol who ordered it was still a buyer

Source: Google Reviews, (2022)

Data from complaints received by the Coffee Locale shows that routine complaints from respondents after visit at Coffee Locale. Complaints that occurred reviewed by respondents were seen from impolite employees, unresponsive employees, unfriendly service. This shows that there is a problem with the quality of service provided by Coffee Locale at this time.

Problems that occur cause cafe customers are reluctant to visit again because they are not satisfied with the existing conditions. Customers also tend to feel uncomfortable because of mistakes made by the employee and harm the customer. This will cause business continuity to be disrupted because the services provided are not in line with customer expectations.

By knowing the customer satisfaction, the company can know the needs and desires of customers, through products offered by the company that in the end the cafe can increase sales volume. Base on description above writer feel interested to choose and study problem of service quality in this study entitled: “**The Effect of Service Quality towards Customer Satisfaction at Coffee Locale Medan**”

## **1.2 Problem Limitation**

This object of research is customers from Coffee Locale Medan. The period of the research is around July 2022 until October 2022. Due to the fact that researchers only have a limited amount of knowledge and ability to draw from when conducting research, the researcher focuses on service quality as an independent variable, and in order to determine an indicator for variable service quality, the researcher will take the indicators into consideration from Tjiptono (2018), which include reliability, responsiveness, assurance, empathy, tangible. For customer satisfaction variable indicators from Simamora and Realize (2020), which include overall customer satisfaction, confirmation of expectations, repurchase intention, availability for recommendations and customer dissatisfaction.

## **1.3 Problem Formulation**

The authors of this research formulate the difficulties in this study, which comprise the following, based on the problem identification:

1. How about service quality at Coffee Locale Medan?
2. How about customer satisfaction at Coffee Locale Medan?

3. How service quality towards customer satisfaction at Coffee Locale Medan?

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

The objective of this research are as follows:

1. To explain about service quality at Coffee Locale Medan.
2. To explain about customer satisfaction at Coffee Locale Medan.
3. To find out the about service quality towards customer satisfaction at Coffee Locale Medan.

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

The benefits from conducting this research are as follows:

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

1. For Readers

The results of this study can be used as material to show that there are influences and relationships between service quality and customer satisfaction examined by the writer.

2. For Writer

The findings of this research may be utilized as a point of comparison between the ideas that were presented in the lecture and the actual events that take place in the business, which will allow the author to raise their level of knowledge.

3. For Other researcher

It is anticipated that the findings of this research will serve as further

references, reference material for scholars, as well as interested parties, who want to continue researching the same issue in the future.

### **1.5.2 Practical Benefit**

1. For Coffe Locale Medan

The researchers harbor the expectation that the findings of this study will be able to supply the firm with useful information or ideas that will aid in their efforts to enhance the quality of their services by placing a greater emphasis on the happiness of their customers..

2. For Future Researchers

As a point of consideration and reference material for future researchers in the process of selecting the suitable research title in the area of influencing service quality to increase customer happiness.

