

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

The food and beverage industry is a fast-paced and rapidly evolving business. It inspires entrepreneurs to strive for innovation and creativity in developing new foods and beverages that can set the companies apart from the competitors and attract the target market. Among the many options available to people to spend leisure time, cafes have emerged as a favorite spot for families, friends, and co-workers alike to gather, relax, engage in a variety of activities, and enjoy a wide range of dishes and services. The cafe culture is thriving in Indonesia, where cafes are popping up in every city, each with its unique interior design, concept, and services. The intense competition among these cafes calls for effective marketing strategies to attract and retain customers. To stand out and maintain customer loyalty, cafe owners must focus on various internal and external factors that could lead to customers trying out other cafes. Maintaining and improving the quality of food, drinks, and services is a crucial aspect of ensuring customer satisfaction. The quality of food, service, and ambiance of the cafe are key factors that determine customer satisfaction, which, in turn, determines the success and reputation of the cafe. Any decline in the quality of food and drinks could result in reduced customer interest and satisfaction, leading to a negative impact on the cafe's reputation. Therefore, cafe owners must focus

on providing customers with an enjoyable and memorable experience by maintaining high standards in all aspects of the business.

Customers are individuals or groups who are the target of the Cafe owner to enjoy all the food and services provided. Customer satisfaction is a feeling of happiness or sadness regarding the things that are consumed and enjoyed by an individual or group. Halimah et al. (2021) stated "According to Kant and Jaiswal (2017), customer satisfaction is the key to marketing success" (p. 327). The success of Marketing can be determined through every quality provided by the Cafe so that customer satisfaction can be determined. Customer satisfaction has a positive and negative influence on the Cafe, which can attract or reject other customers to come. Komala et al. (2019) stated that "According to Mowen and Minor, Customer Satisfaction is a post-selection evaluative assessment caused by specific purchase selection and experience using or consuming the goods or services." Customer Satisfaction is certainly an important thing for cafes to pay attention to so that customers don't feel disappointed (p. 60). Halimah et al. (2021) stated that "According to Febrini et al. (2019), customer satisfaction can be determined by the direct and overall experience, the fulfillment of customer expectations, the customer's feelings of satisfaction with the quality of the service provided, and the customer's willingness to recommend to other parties (p. 327).



**Figure 1.1 Logo of The Cafe House**

Source: Google Review (2024) & The Cafe House

This research focuses on studying The Cafe House, which is situated on Jl. Jendral Ahmad Yani, Kartini, Binjai Kota District, Binjai City, North Sumatra 20713. The cafe is conveniently located near schools and courses in Binjai City. The Cafe House is a popular cafe for teenagers and parents to unwind after school, with its spacious indoor and outdoor seating areas. The Cafe House offers a wide range of Indonesian and Western cuisine, including heavy food, snacks, desserts, and refreshing drinks. In addition, the cafe owner provides Live Music for customers to enjoy at night. While The Cafe House serves as a perfect place to hang out and enjoy every dish, customers have reported both positive and negative experiences.



**Figure 1.2 The Cafe House's Food**

Source: Cafe House

Food is an essential part of an individual's life to fulfill basic daily needs. Therefore, food is one of the necessities of life for an individual, and it influences customer satisfaction in the cafe. According to Peri (2006), food quality is an important element that must be provided by restaurants to meet customer needs and satisfaction and is an important condition to meet various customer expectations and needs (Sianipar, 2020, p.162). Food quality includes taste, appearance, selection of fresh food ingredients, hygiene, and nutrition contained in the dish so that it is qualified for consumption. Paying attention to the food served in a cafe is one of the important factors since it is a fundamental need and customers are interested in it. According to Walter et al. (2010), food quality is essential for cafes and restaurants to pay attention to because food is the main product offered to consumers (Albesta, 2019, p.7).

The service provided in a cafe plays a crucial role in making customers feel comfortable and satisfied with the food and employee behavior. Services ultimately help to enhance customer's overall experience so that the customers are encouraged to return. According to Kotler and Keller (2016), service refers to any action or deed that one party offers to another that is intangible and does not result in ownership of something. Hence, strategic planning is crucial, including paying attention to food and service quality to optimize and maintain the sustainability of a culinary business (Albesta, 2019, p. 2). Service involves the interaction between customers and servers, which creates relationships through the provision of professional services and the ability to communicate effectively with customers.

Serves need to ensure that customers are satisfied by understanding the customer's needs and desires.



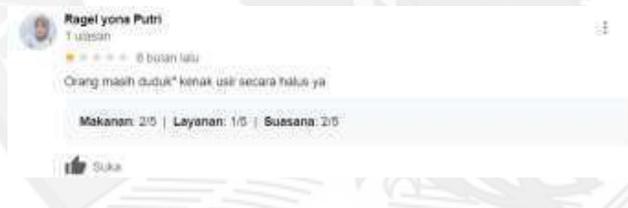
**Figure 1.3 Store Atmosphere of The Cafe House**

Source: Cafe House

Comfort is one of the characteristics needed by every human being in any situation. Especially in a cafe, customers need to feel comfortable while relaxing and spending time. Store Atmosphere is the situation or atmosphere of a place that influences the place to provide comfort to customers who come to relax and enjoy all the food, drinks, and services the waiter offers. The store atmosphere plays a necessary role in creating a comfortable environment for the customers. Nurjaya et al. (2022) stated that “According to Bermen and Even (2017), store atmosphere includes various kinds of interior appearance, exterior, layout, shop traffic, comfort, air, service, music, uniforms, and care of goods that can attract consumers and stimulate customer’s desire to purchase products” (p. 149). Competition in food quality, service quality, and store atmosphere is an important thing that cafe owners must consider to meet customer expectations and satisfaction so that it becomes one part of the cafe that can be enjoyed or recommended by its customers. Providing a comfortable and enjoyable experience

can lead to positive recommendations and increased business for the cafe. Therefore, creating a comfortable atmosphere for customers should be a priority for cafe owners.

Ratings and reviews play a significant role in the success of businesses, particularly in the food industry, as they provide valuable customer feedback. This feedback helps the cafe to improve and meet customer expectations that can fulfill customer satisfaction. Reviews showing detailed customer experiences with the food, service, and ambiance of the café are beneficial and provide insight into what customers find enjoyable or dissatisfying at The Café House. Agusti et al., (2022) stated that “According to Tjiptono Chandra (2011), consumer satisfaction is a consumer's attitude or behavior towards a good or service consumed or obtained, giving rise to a feeling or plan to take action to repurchase and a feeling of satisfaction or dissatisfaction (p. 40).



**Figure 1.4 Negative Review 8 months ago**

Source: Google Reviews (2023)



**Figure 1.5 Negative Review 7 months ago**

Source: Google Review (2023)



**Figure 1.6 Negative Review 1 month ago**

Source: Google Review (2023)

According to Google reviews, The Cafe House faces issues regarding its food quality, service, and overall ambiance. Many customers are unhappy with the food served, which does not meet the customer's expectations and leaves them feeling dissatisfied. Additionally, the service provided by sure waiters has been assessed as poor, causing customers discomfort and deterring them from returning. Moreover, some situations at the café are unpleasant for customers, leading to chaos and confusion. The manager stated that the issues that sometimes arise at the café house are related to the quality of the food, the service provided, and the store atmosphere, all of which make customers less satisfied. The problems related to food quality commonly arise from the presentation and appearance of the food, such as food not being neatly arranged, the level of doneness not fulfilling customer preferences or exceeding standards, lack of fresh ingredients (vegetables), and food texture not completing standards. Additionally, taste and cleanliness standards are not consistently met.

Furthermore, the service provided by the café house servers also faces several issues, including poor communication among servers leading to inadequate service, some servers showing bad attitudes, loss to effectively communicate with customers about the menu, taste, and promotions, lack of

understanding of customer needs, slow food delivery during busy hours, lack of customer greetings, failure to confirm orders, some of the servers have an extensive intonation and bad eye expressions that lead to misunderstandings, errors in taking orders, some of the server lack empathy, and distractions while taking orders with another server.

Regarding the store atmosphere, based on an interview with the manager of the cafe house said that the issues include inadequate parking that is not that spacious and uses neighboring residents' parking areas by parking attendants, ending up disturbing the customers while eating or having fun at the cafe and blaming the cafe house. Also, the interiors need to be cleaner, uncomfortable temperatures due to unexpected circumstances are present, and the layout of tables and chairs must be according to the customer's capacity to not disturb other customers, especially during busy hours. Lastly, the layout of items is disorderly. It is essential for The Cafe House to regularly assess customer satisfaction and dissatisfaction to improve and address any issues that arise continuously.

Customer satisfaction is the main thing the restaurant needs to pay attention to as a café owner. According to Google reviews, The Café House has received negative feedback over the past few years due to issues with the quality of service and food. About nine months ago, a customer reported that an employee had thrown them out, and The Café House was understandably concerned about the incident. One month later, a customer left a negative rating for the bad food that did not meet the customer's expectations. Customers have also complained about poor online service as the customer can't make a

reservation, and The Cafe House did not respond. After these negative reviews, there were no further adverse comments from customers. However, after several months, negative reviews started appearing again regarding the poor service of unfriendly and arrogant employees. The owner of The Café House needs to pay attention to these issues to maintain the quality of food and service. Although the owners learned from the mistakes about eight months ago, it is essential to continually update and improve the food and service to exceed customer expectations. According to Tjiptono (2012), Quality is a dynamic condition encompassing various aspects of services, people, processes, and environments. It is a dynamic condition that aims to meet and exceed customers' expectations. (Setiawan et al., 2019, p. 117). According to Hansemark & Albinsson, Customer satisfaction involves analyzing and assessing product and service quality, ease of access, and customers' reactions to the company's offerings. By considering these characteristics, a company can determine whether it is meeting the needs and desires of its customers (Sianipar, 2020).

## **1.2 Problem Limitation**

In this research, the writer decided to conduct research covering several targeted and researched problems in this research. This research data was used and collected through the Cafe owner as an informant about The Cafe House.

This research will collect data from Google reviews, which are customer reviews of Food Quality, Service Quality, and Store Atmosphere at The Cafe House.

The writer collects data from respondents who are customers or visitors to The Cafe House located on Jl. General Ahmad Yani, Kartini, Binjai Kota District, Binjai City, North Sumatra 20713.

This research will focus on the problems in The Cafe House, such as food quality, service quality, and store atmosphere as independent variables that influence customer satisfaction.

### **1.3 Problem Formulation**

Based on the research conducted by the writer, there are several problems in this research as follows:

1. Does Food Quality have an influence on Customer Satisfaction with The Cafe House Customer?
2. Does Service Quality have an influence on Customer Satisfaction with The Cafe House Customer?
3. Does Store Atmosphere have an influence on Customer Satisfaction with The Cafe House Customer?
4. Does Food Quality, Service Quality and Store Atmosphere have an influence on Customer Satisfaction with The Cafe House Customer?

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

After encountering problems during the research at The Cafe House, here are several research objectives that can solve the problems in the research, as follows:

1. To explain whether Product Quality has an influence on Customer Satisfaction at The Cafe House.
2. To investigate whether Service Quality has an influence on Customer Satisfaction at The Cafe House.
3. To examine whether Store Atmosphere has an influence on Customer Satisfaction at The Cafe House.
4. To obtain whether Product Quality, Service Quality and Store Atmosphere has an Influence on Customer Satisfaction at The Cafe House.

## **1.5 Benefits of the Research**

Based on the objectives and problems that occurred during the research, the writer found that there were two different types of objectives, which are:

### **1.5.1 Theoretical Benefits**

The theoretical benefit of this research is to determine whether Product Quality, Service Quality, and Store Atmosphere positively or negatively influence Customer Satisfaction at The Cafe House. Additionally, the research aims to provide information and develop everything that can influence customer satisfaction in a food business. The research also intends to determine which factors are most noticed or dominant for customers to visit the cafe and which have the most significant influence that can encourage customer interest and satisfaction.

### 1.5.2 Practical Benefits

The practical benefits from this research are as follows:

1. For the cafe, the research can help determine the factors influencing customer satisfaction. With this research, cafe owners can identify the factors customers pay the most attention to as cafe lovers. So, the cafe can develop and improve the positive and negative aspects of the business. Also, it can help the owner to enhance the overall customer experience.
2. For the writer, this research can help the author gain valuable knowledge, science, and theory according to experts and understand the factors influencing customer satisfaction and indicators that need to be considered in doing business. It also provides authors with a comprehensive understanding of the various factors influencing customer satisfaction in business operations.
3. For other researchers, this research can be used as a reference for other researchers with the same variables and topics. Furthermore, this research can become additional information to encourage new understanding.