

CHAPTER I

INTRODUCTION

1.1. Background of the Study

Today's business development has become a business that has experienced rapid development from time to time. Rapid changes in terms of technology and lifestyle occur due to globalization. The food and beverage industry is a profitable business because every human needs to eat to survive. In general, businesses are established to make a profit.

Cafes and restaurants are now a lifestyle trend for adults. Cafes and fast-food restaurants are considered places to eat that can provide the relaxed atmosphere needed. Cafes can be used to relax with friends or family, socialize with business partners and some even come to enjoy the atmosphere of solitude. Therefore, enjoying meals at cafes and fast-food restaurants is a habit or lifestyle trend for today's adults.

In the cafe and restaurant business, to make a restaurant look more attractive, the product or type of food must have advantages and differences in taste, variant, menu, and atmosphere. Food menu innovation, affordable prices and atmosphere can increase consumer interest in visiting and ordering food and drinks at cafes.

Consumer satisfaction is the expectation of consumers for the products or services consumed. In businesses in the hospitality sector, such as restaurants and cafes, customer satisfaction is a benchmark and a target that must be achieved so

that satisfied customers can visit again in the future. According to Sihombing (2021), after consumers consume a product or service, consumers will have a feeling of satisfaction or dissatisfaction with the product or service they consume. Satisfaction will encourage consumers to buy and re-consume the product.

Menu variation is one of the factors that can affect consumer satisfaction. Every consumer has a different appetite. A restaurant providing a diverse or varied menu will make it easier for the restaurant to attract consumers. According to Kotler, as cited in Saputro (2021), menu variety is the company's way of presenting choices to consumers or potential buyers; this aims to support the wants and needs of consumers to be interested in making a purchase.

The critical factor that becomes the consumers' choice is the place's atmosphere. The atmosphere of a comfortable place will be a separate consideration for consumers before deciding to come and enjoy the services provided by a cafe or restaurant. According to Mowen as cited in Sihombing (2021), describes a store's atmosphere as an effort to design a buying environment to produce a special emotional impact on buyers that is likely to increase purchases.

Coffein Coffee is one of the cafes located in Tebing Tinggi on Jalan Kapten F Tandean No.122, North Sumatra. Is one of the cafes that provides a variety of menus and coffee, of course, as a menu provided. The menu served consists of rice bowls, Indonesian dishes such as fried rice, indomie, fried chicken rice and various types of coffee. On consumer satisfaction, the authors make observations by looking at reviews from Google reviews about consumer satisfaction as follows.

Table 1.1 Google Review of Coffein Coffee Tebing Tinggi

Name (Initial)	Rating	Complaint Problems
HF	3 stars	Lots of room for bike parking, which is good in this narrow street. Can't say the same for car though. One story with no AC. Whole place is free for smoking. Gotta bear with that if you're uncomfortable. Staff are friendly but... a bit jumpy. They'll serve you but they don't want to linger any longer than necessary. The sauce for Ricebowl Chicken Coffeine is too salty. Almost feels like somebody dump salt into it. Price range is surprisingly slightly below average. That's an upside for the whole thing.
DP	3 stars	Parking access to the shop yard. The food is delicious, especially when adjusted to an affordable price. The coffee tastes too. Design like a coffee shop in general, but not bad for photos. For outdoor, it is recommended to come in the afternoon before sunset / night.
AH	1 star	The place is nice, it's a shame the food doesn't live up to expectations and the taste is bland
LS	2 stars	Good.but menu choices are too little. Try adding another menu

Source: Google Reviess (2023)

From the review data taken from Google, it appears that there are still complaints from visiting consumers. This shows that consumer satisfaction has not been fully fulfilled because there are still complaints from consumers.

The problem of customer satisfaction at Coffein Coffee Tebing Tinggi is regarding complaints submitted by consumers on google reviews. Consumer complaints are due to the rather hot atmosphere of the cafe, then about the food served not in accordance with consumer expectations where some menus taste a little salty. Then the difficulty in finding parking also complained about by consumers. Complaints filed by consumers show that consumer satisfaction has not met expectations.

In the condition of the cafe from Coffein Coffee, there are still complaints about the condition of the parking space at the cafe which is not enough for cars and the condition of the cafe which does not have an air conditioner. This makes it

difficult for consumers to park their vehicles and consumers feel uncomfortable because the café does not have an air conditioner.



Figure 1.1 Store Atmosphere at Caffeine Coffee Tebing Tinggi

Source: Caffeine Coffee Tebing Tinggi (2023)

On the issue of store atmosphere, the design of Coffein Coffee tends to be darker with limited parking areas and rooms with contemporary designs that provide fans as air conditioners. This limited room design shows that the store atmosphere at Coffein Coffee does not provide comfort for consumers.

In the menu variations available at Coffein Coffee, it can be seen in the menu book that the menu variations are only limited to rice and noodle menus as the main heavy meal menu. Moreover, there are more variations on various types of drinks, from signature coffee, coffee, milk-based, tea, and manual brew. This

shows that the menu variations in Coffein Café are still minor and do not provide enough choices for consumers. The following is a menu display from Coffein Coffee.

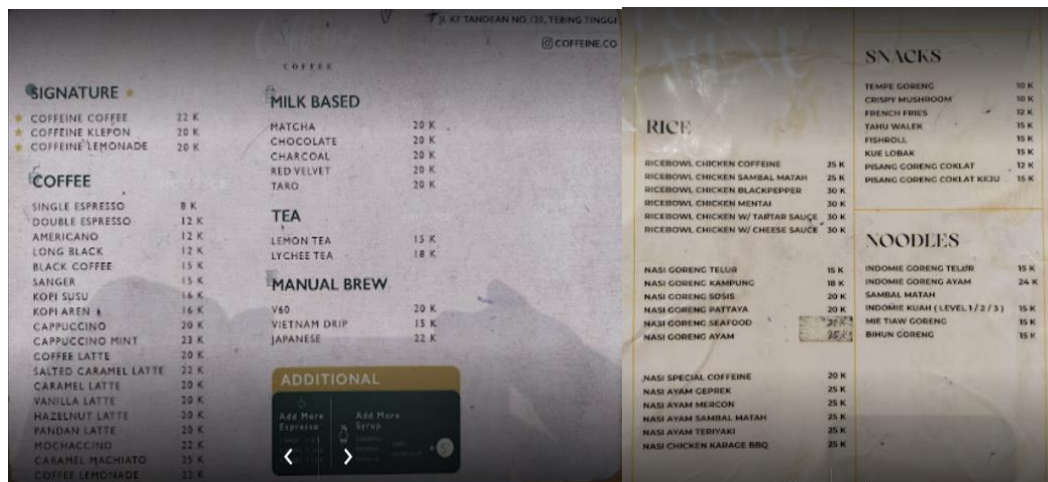


Figure 1.2 List of Menu at Caffeine Coffee Tebing Tinggi

Source: Caffeine Coffee Tebing Tinggi (2023)

From the appearance of the menu at Coffein Coffee, the menu does not yet have an exciting variety of existing food and drinks. This makes consumers have limited choices, and the menu presented will lack interesting variations for consumers.

On the issue of menu variations, the menu presentation provided by Coffein Cafe is still limited to several common menus such as fried rice, fried indomie, chicken rice with variants that tend to be standard. Less diverse menu variations can occur due to the location of the cafe which is indeed in the city of Tebing Tinggi and also follows the requests of consumers.

Considering the described problems above, the writer determines the study problem of store atmosphere and menu variation. Therefore, the relationship between these three variables will increase customer satisfaction. Hence, the title of

this research is: **“The Effect of Store Atmosphere and Menu Variation Towards Customer Satisfaction at Coffein Coffee Tebing Tinggi.”**

1.2. Problem Limitation

Due to the limited occasion and expenditure, this research will be conducted at Coffein Coffee Tebing Tinggi that located at Jalan Kapten F Tandean No.122 from January 2023 to June 2023 about those relevant problems including store atmosphere, menu variation and customer satisfaction. For the problem limitation already chooses by writer where there are some independent variables (Variable X) consist of store atmosphere and menu variation and dependent variable (Variable Y) consist of customer satisfaction.

According to Saputro (2021), store atmosphere indicators are outside view, inside view, furniture arrangement, decoration. According to Philip Kotler (2015) as cited in Sihombing (2021), menu variation indicators are taste, size, product quality, product appearance and availability. Indicators for customer satisfaction are 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

From research at Coffein Coffee Tebing Tinggi, the writer obtained several questions regarding the arising problems which are.

- a. Does the store atmosphere have partial effect towards customer satisfaction

at Coffein Coffee Tebing Tinggi?

- b. Does menu variation have partial effect towards customer satisfaction at Coffein Coffee Tebing Tinggi?
- c. Does store atmosphere and menu variation have simultaneous effect towards customer satisfaction at Coffein Coffee Tebing Tinggi?

1.4. Objective of the Research

The objective for this research is to find out about:

- a. To describe whether store atmosphere has partial effect towards customer satisfaction at Coffein Coffee Tebing Tinggi.
- b. To explain about menu variation has partial effect towards customer satisfaction at Coffein Coffee Tebing Tinggi.
- c. To analyze the simultaneous effect of store atmosphere and menu variation towards customer satisfaction at Coffein Coffee Tebing Tinggi.

1.5. Benefit of the Research

Benefits of this research can be listed as follow:

1.5.1. Theoretical Benefit

The results of this research are expected to contribute to the existing theories relevant to store atmosphere and menu variation on customer satisfaction.

1.5.2. Practical Benefit

The practical benefit of this research as follow:

- a. For the writer, the result of this research is expected to contribute to the exciting theories relevant to the store atmosphere and menu variation on customer satisfaction.
- b. For Coffein Coffee Tebing Tinggi, this research as information about whether the survey that has been conducted will be useful to improve the café performance.
- c. For other researchers, to be a guide in leading the researcher to do other research that is compatible with this research.

