

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The purpose of the study at HokBen Sun Plaza Medan is to investigate how a well-known Japanese fast-food business has adapted to and performed in the cutthroat and varied Medan, Indonesia, market. Since its founding in 1985, HokBen has developed into one of Indonesia's top brands for Japanese food, always changing to suit regional tastes and inclinations. An excellent case study to comprehend consumer preferences, cultural influences, marketing tactics, and operational issues faced by HokBen in this location is Sun Plaza Medan, a strategically located commercial hub. To stand out in a crowded market, HokBen's marketing strategies need to be relevant to the local way of life and the values of its target audience. To learn how HokBen upholds high standards and fulfills customer expectations, operational efficiency is also examined, including supply chain management and customer service.

In recent years, the fast-food industry has been undergoing significant transformations, driven by shifting consumer expectations and intensified competition. Today's consumers are more discerning, seeking not only convenience and quality but also a holistic dining experience that encompasses factors like service quality, ambience, and effective promotional strategies. The HokBen Sun Plaza Medan outlet, strategically located in a bustling commercial hub, attracts a varied customer base, including local residents, shoppers, and tourists. This diverse clientele presents a unique opportunity to study how different elements of the dining experience influence overall customer satisfaction and loyalty.

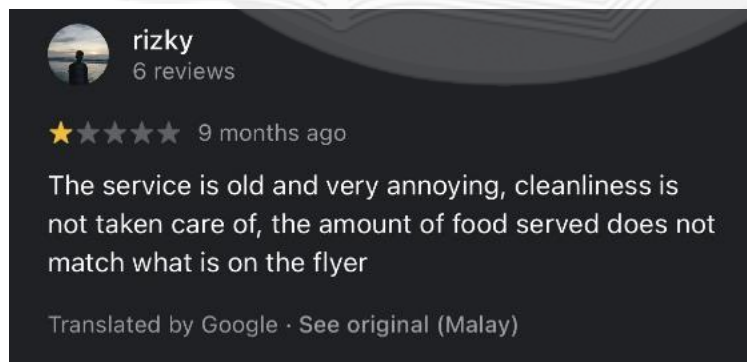
The basis of the study on HokBen Sun Plaza Medan's ambience focuses on how the setting of the restaurant affects patron happiness and their whole eating experience. In the cutthroat fast-food sector, ambience—which includes things like interior design, lighting, music, and seating arrangements—is vital in determining how customers feel about a business and how loyal they become (Tamburian et al.,

2019). HokBen, which is well-known for its genuine Japanese eating experience, has to strike a balance between being true to its corporate identity and accommodating regional cultural preferences. Because Sun Plaza Medan is located in a busy business district and draws a broad clientele, designing a welcoming and pleasant dining area requires careful consideration.

In today's cutthroat business world, especially in industries like dining, retail, and hospitality, standing out from the competition and retaining customers depend on having a welcoming atmosphere. For example, cafes and restaurants frequently spend a lot of money creating an environment that fits with their target market's preferences and brand identification. (Saufiyudin Omar et al., 2021) has demonstrated that a pleasant environment increases perceived value and willingness to pay in addition to increasing customer satisfaction. Thus, by comprehending and maximizing the ambience's components, companies can get a competitive edge and cultivate a more captivating and unforgettable clientele—a recipe for long-term commercial success.

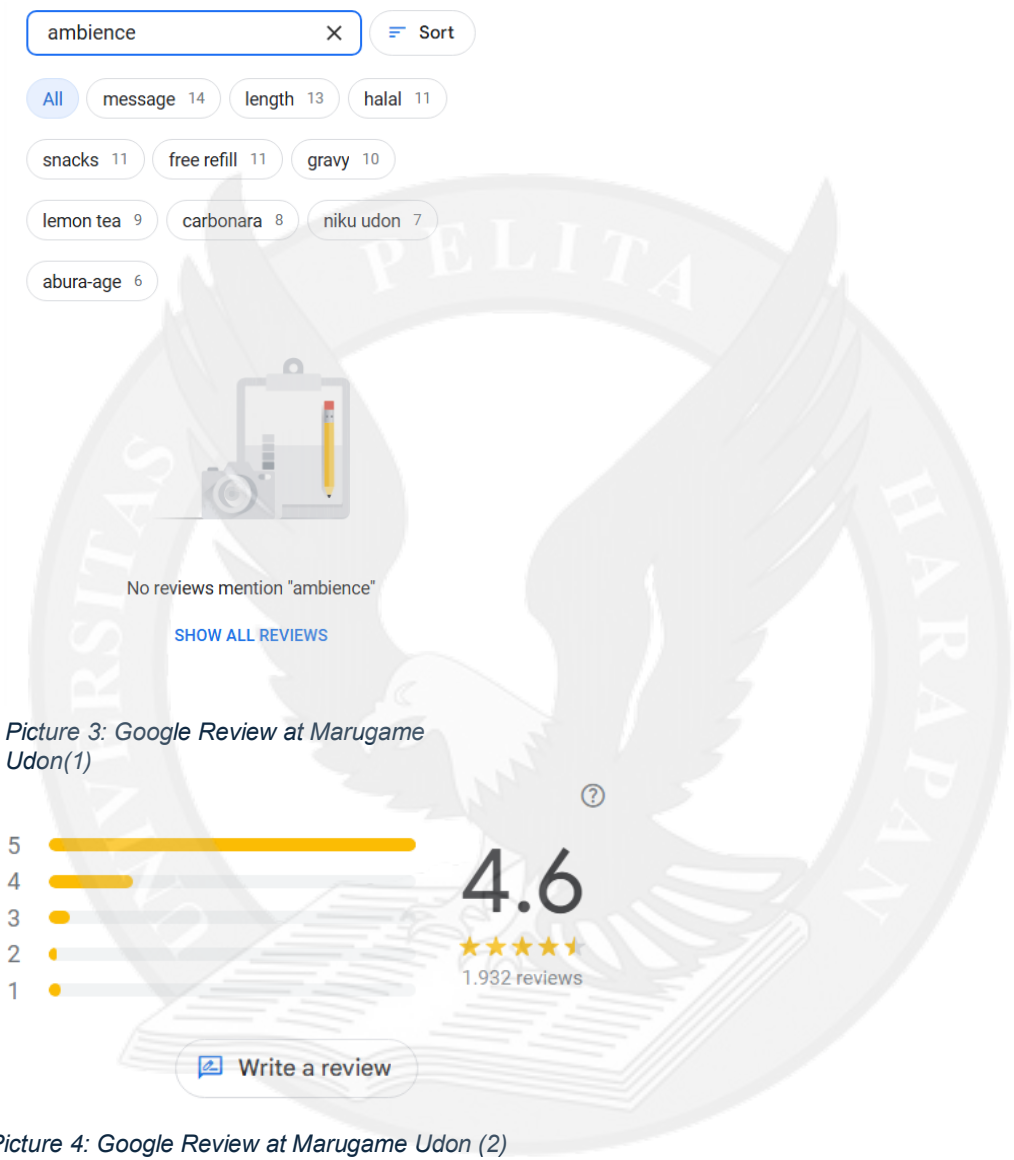


Picture 1: Google Review on Ambience (1)



Picture 2: Google Review on Ambience (2)

HokBen Sun Plaza's atmosphere is still seen as unsatisfactory by patrons because the most common complaint is about the cleanliness. These are the comments left by patrons of HokBen Sun Plaza after their meals. HokBen's ambience can also be seen to compared with other Japanese fast-food restaurant competitors as follows:



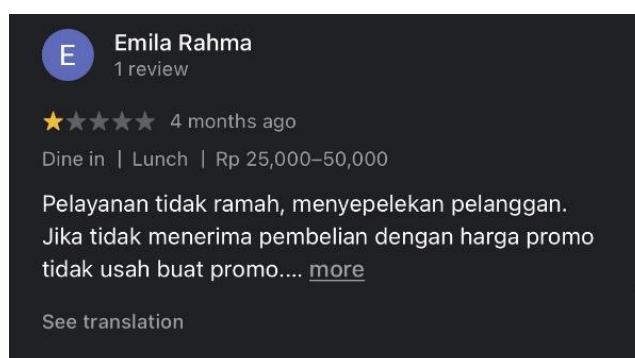
It could be seen that there are no complaints about their ambience on their restaurant which is this competitor have better engagement rates and their store quality.

The fast-food sector has grown quite competitive in recent years, and companies are always coming up with new ways to sell to customers in an effort to get their

attention and stay loyal. The difficulty for HokBen Sun Plaza Medan, which is well-known for its Japanese-inspired food, is standing out from both domestic and foreign rivals. In this scenario, the alignment of promotional activities is especially important since it facilitates the successful communication of value propositions and brand identity reinforcement (Lundmark et al., 2021). Well placed promotions have the potential to improve consumer loyalty, brand recognition, and overall business performance (Lundmark et al., 2021). HokBen is able to create a smooth and captivating customer experience that encourages return business and great word-of-mouth by making sure that all promotional efforts are coordinated and in line with customer expectations.

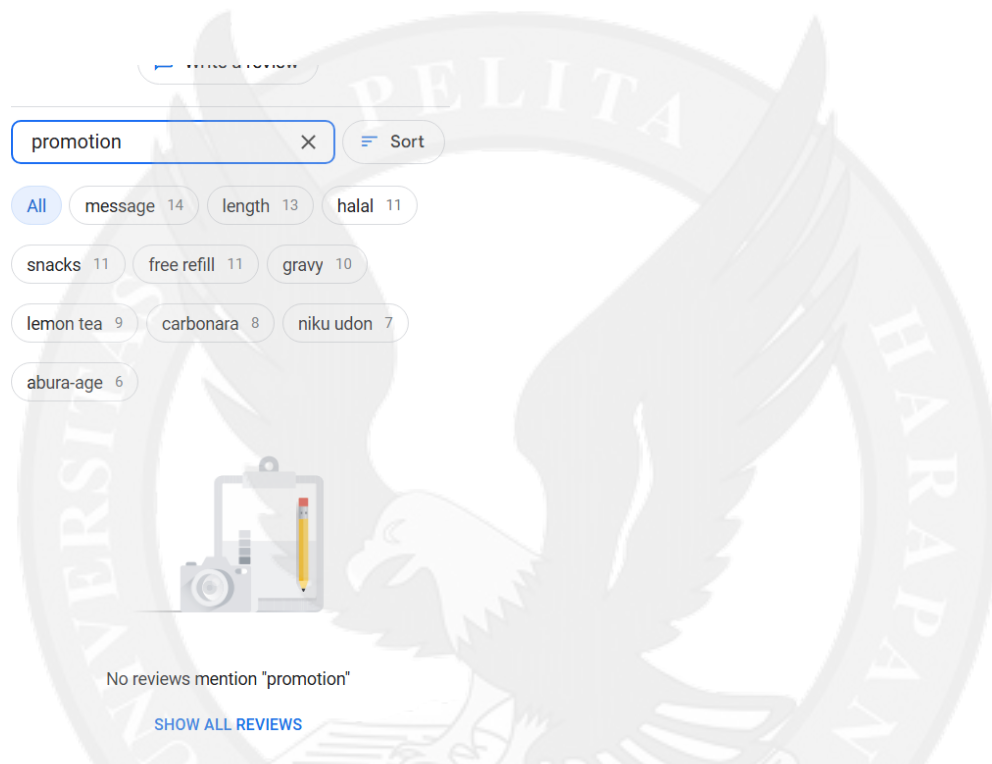
HokBen Sun Plaza Medan's marketing alignment explores how the restaurant customizes its promotional tactics to suit the needs of the local consumer base and market conditions. In a competitive market, attracting clients and increasing sales depend on effective promotional alignment. This entails tailoring loyalty plans, seasonal incentives, and marketing campaigns to the needs of the Medan people (Mbango, 2019). The purpose of the study is to evaluate how well these customized advertising tactics work to increase brand awareness, draw in new clients, and hold on to current ones.

Adapting promotional tactics to the unique preferences and behaviors of the local market is another aspect of promotion alignment. For HokBen Sun Plaza Medan, creating successful promotions requires an awareness of the subtle cultural and demographic differences among the Medan customer base. This research will look into how Medan-based HokBen's customers see its promotional efforts and assess how well they work to increase client loyalty and satisfaction. The study intends to offer practical insights that can assist HokBen in optimizing its marketing initiatives and bolstering its competitive position in the fast-food sector by examining the influence of promotion alignment on consumer behavior.



Picture 5: Google Review on Promotion

Many consumers are still complaining about HokBen's promotion, which the thought would encourage the consumers to purchase things, and the staff doesn't seem to be concerned about the problems. HokBen's promotion can also be seen to compared with other Japanese fast-food restaurant competitors as follows:



Picture 6: Google Review on Marugame Udon

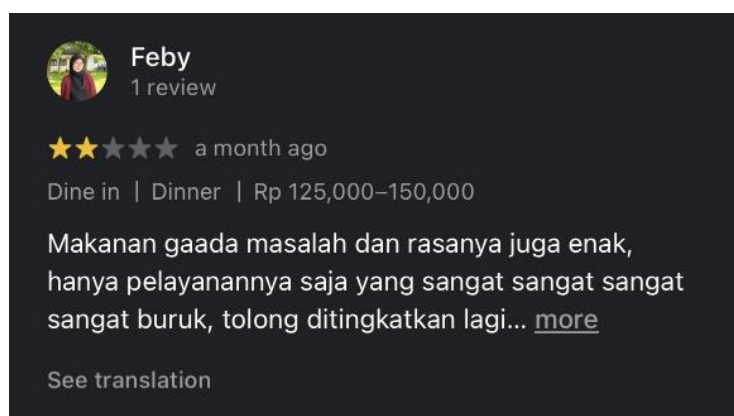
It could be seen that there are no complaints about their promotion on their restaurant which is this competitor have better engagement rates and their store quality.

The background of service quality at HokBen Sun Plaza Medan focuses on the restaurant's efforts to uphold high standards of customer service in a dynamic and competitive market. In recent years, maintaining superior service quality has become increasingly important as customer expectations have risen. HokBen, renowned for

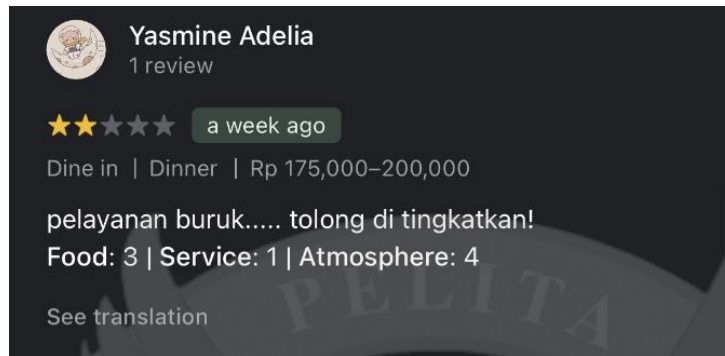
its Japanese fast-food offerings, must ensure that its service delivery is efficient, reliable, and responsive to meet the diverse needs of its customers. By investing in staff training, streamlining operational processes, and consistently monitoring service performance, HokBen aims to create a positive and satisfying dining experience. This focus on service quality is crucial for building customer loyalty and standing out in Medan's bustling food and beverage industry.

New research keeps emphasizing how crucial high-quality service is in the fast-food industry. From (Rita et al., 2019) research, shows that excellent service quality dramatically increases customer satisfaction and loyalty, which in turn promotes more repeat business and favorable word-of-mouth. The survey highlights that in order for fast-food establishments to stay competitive, they must continually meet or surpass customer expectations in terms of service quality.

In the case of HokBen Sun Plaza Medan, keeping up a high standard of service quality is crucial to drawing in new business and keeping existing clients in a cutthroat industry. As a well-known Japanese fast-food franchise in Indonesia, HokBen needs to make sure that the services it provides meet the changing needs of its wide range of patrons. The objective of this research is to assess the many aspects of service quality at HokBen Sun Plaza Medan, pinpointing the establishment's advantages and shortcomings. The study attempts to offer practical suggestions that will assist HokBen in improving its service standards and, as a result, cultivate increased customer happiness and loyalty in the Medan market by utilizing recent insights from service quality research.



Picture 7: Google Review on Service Quality (1)



Picture 8: Google Review on Service Quality (2)

These are some current customer reviews from those who dined at HokBen, and the restaurant is still thought to have poor service and disgruntled patrons.

Businesses in a variety of industries are now placing a great deal of emphasis on customer happiness because it is a crucial success factor and a sign of enduring client loyalty. Understanding and improving customer satisfaction is essential for maintaining growth and a competitive edge in the fiercely competitive fast-food industry (Chun & Nyam-Ochir, 2020).

The complex relationship between customer happiness and shows how factors like ambience, food quality, and service quality affect consumers' overall satisfaction with fast-food restaurants. According to (Mittal et al., 2023), in order for organizations to meet and beyond customer expectations, these factors must be regularly monitored and improved. Furthermore, a strong correlation between customer happiness and loyalty in the fast-food sector, with happy patrons more likely to frequent the establishment again and refer others to it. This emphasizes how crucial it is to fund customer satisfaction programs to cultivate a foundation of devoted clients.

Comprehending the factors that influence customer satisfaction in the context of HokBen Sun Plaza Medan is essential to improving the eating experience and cultivating a devoted clientele. A well-known Japanese fast-food business in

Indonesia, HokBen strives to meet the high standards of its diversified customer base with both food and service. This study aims to investigate the many aspects of consumer satisfaction at HokBen Sun Plaza Medan, such as the general dining atmosphere, food quality, and service quality. The study intends to offer practical advice that will assist HokBen in improving customer satisfaction levels, thereby increasing its market position and promoting long-term customer loyalty. It does this by utilizing insights from current research.

1.2 Problem Limitation

This research will be undertaken due to the restricted opportunity from August 2024 to November 2024 about those relevant problems including ambience, promotion alignment, service quality, and customer satisfaction. This research is limited to selected branches of HokBen at Medan, specifically HokBen Sun Plaza. To guarantee a precise and concentrated examination of how these components affect the total customer experience, the scope has been deliberately restricted to these components. The writer has previously determined the problem's limitations, which include several independent variables (referred to as variable X), ambience, promotion alignment, and service quality, and dependent variable (variable Y) consist of customer satisfaction.

1.3 Problem Formulation

The background information that is provided from the study could be formulated as follows:

- a. Does ambience have influence on customer satisfaction at Hokben Sun Plaza Medan?
- b. Does promotion alignment have influence on customer satisfaction at Hokben Sun Plaza Medan?

- c. Does restaurant service quality have influence on customer satisfaction at Hokben Sun Plaza Medan?
- d. Do ambience, promotion alignment, and service quality have influence on customer satisfaction at Hokben Sun Plaza Medan?

1.4 Objective of the Research

The goal of the study is to arrive at conclusions and solutions based on the hypothesis that was previously formed. The following is an outline of the research's aims about the study's background:

- 1. To analyze whether ambience significantly influenced customer satisfaction at HokBen Sun Plaza Medan.
- 2. To analyze whether promotion alignment significantly influenced customer satisfaction at HokBen Sun Plaza Medan.
- 3. To analyze whether service quality significantly influenced customer satisfaction at HokBen Sun Plaza Medan.
- 4. To analyze whether ambience, promotion alignment, and service quality significantly influenced customer satisfaction at HokBen Sun Plaza Medan.

1.5 Benefit of the Research

1.5.1 Theoretical Benefit

With an emphasis on ambience, promotion alignment, and service quality, this research advances our understanding of customer behaviour in the context of restaurants, which has theoretical benefits. Theoretical insights into how these aspects interact to influence customer satisfaction and decisions in competitive food markets are gained by examining these characteristics at HokBen Sun Plaza Medan.

1.5.2 Practical Benefit

The practical benefit of this research is as follows:

- a. The writer anticipates that the outcome of this research will make a valuable contribution to the current ideas on ambience, promotion alignment, and service quality towards customers' satisfactory.

- b. For HokBen, this research examines the efficacy of the survey in enhancing the company's performance.
- c. This research serves as a guide and reference for other researchers, directing them towards conducting compatible research.

