

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Today's commercial world is quickly expanding, particularly in the culinary industry, which includes cafes or coffee shops, restaurants, diners, and street vendors in Medan. In recent years, Medan residents have aggressively promoted the local creative industry, particularly in the culinary area. This development has taken place in numerous areas of Medan, one of the most promising being regional or local cuisine, which has the potential to be accepted by a large market, even expanding overseas (Hutasuhut, 2022).

The rapid growth of cafes in Medan has made the culinary industry highly competitive. While this offers great opportunities, it also introduces challenges for businesses, such as the need to stand out in a crowded market and address ever-evolving customer demands. Therefore, a company needs to differentiate its products as well as innovating a new strategy. A company that is able to differentiate its products as well as innovate a new strategy will maintain continuously in the marketplace.

Companies look for factors that affect customer satisfaction in economic and business competition. This is important because company performance is influenced by these factors. The food quality, store atmosphere, brand trust, and brand image are thereby crucial in determining customer satisfaction. When the company is able to analyze and understand those factors, it will try to optimize its

resources, which will then result in an improvement in performance. The improvement in the company's performance means that it can provide better services and products to the customer. Customer satisfaction increases because the company provides the best, benefiting the company economically.

Food quality is important for customer satisfaction. Prasetyo et al. (2020) states that food quality combines traits that fulfill customer expectations and justify the purchase. Various factors shape individual opinions, such as age, economy, culture, education, knowledge, emotions, and experiences with food. We assess food quality by checking if taste and presentation meet customer expectations (Mahadika et al., 2022). The company has to make sure that the food tastes good, is presented well and fresh, warm/hot, and varied. The meeting of customers' expectations will create a long-lasting relationship between the customer and the company. It can be seen that Coffee Crowd's food is both good and economical, with options ranging from cakes to heavier dinners. Customers are ensured to have their food served as quick as possible. Furthermore, the staff provides a menu in which customers can see the many food and beverage alternatives available, ranging from Indonesian to Chinese and Western cuisine. Therefore, since food quality is important in determining customer satisfaction, this research is necessary for room of improvement at the analyzed company.

The store atmosphere can be a situation or a physical environment that attracts the customer's attention. It does not only catch the customer's attention but also the customer's emotional feeling which leads to customer satisfaction. A company must be able to build a calm atmosphere so that the customer can feel

comfortable staying at our café for a longer time. A café that is aesthetically pleasing to the eye will also attract more visitors, especially in the era where people love to take a picture and post it to social media. At Coffee Crowd, tables and chairs are constantly cleaned once customers have left the area. When a new customer arrives to dine in, the Coffee Crowd staff will wipe down the tables right away. Moreover, this restaurant is supported by an air conditioning system that ensures the comfort of the room's temperature. Coffee Crowd has an elegant and luxurious interior and exterior design, which elevates the restaurant's atmosphere. Therefore, research is needed to deeply examine how a store atmosphere affects customer satisfaction.

Another variable that influences customer satisfaction is brand trust. Brand trust is vital in determining customer satisfaction because it means that the customer has faith in the brand/company. When it comes to brand trust, it represents the customers' satisfaction and belief that the brand has provided a comfortable advantage for them. Brand trust is analyzed through honesty, benevolence, and competence of the brand. Coffee Crowd is always transparent to the customer by stating each of the food and beverage's prices on the menu. By being transparent to the customer, Coffee Crowd ensures the best food with the best quality and affordable prices. Customers with brand trust will not spend their cash on any other brands and have a long-lasting relationship with that certain brand.

Brand image encompasses customers' recollections and perceptions of a brand (Vidianto et al., 2022). A positive brand image is essential in building customer satisfaction as it attracts the customer to purchase from the company. A distinctive, beneficial, and high-quality product is what builds a positive brand

reputation. This brand reputation will be set into the customers' minds, and it will trigger them to purchase a product from the company confidently. Moreover, brand image can also be represented by the good things that the company has done, such as supporting a go-green campaign, or it has a positive contribution to the world's issues. By this, the customer will be more interested in the company due to its positive contribution to society. This research analyzes the influence of brand image on customer satisfaction.

Many of Medan's culinary establishments have been the topic of this research, including Coffee Crowd. Coffee Crowd is a place where employees and students may spend time, whether it's hanging out with friends or working on homework. Cafes, for some people, are locations that encourage creativity because they are not limited to the dull office environment and offer a more casual environment.

Coffee Crowd is established in 2012 under PT Kopi Atas Indonesia. Coffee Crowd serves many types of foods including Indonesian cuisine, Chinese cuisine, Western cuisine, snacks and beverages. There are several Coffee Crowd outlets in Medan, but in this study, we will be picking Coffee Crowd Delipark Medan. This outlet is one of the latest branches in Medan, located on UG Floor No. 36-37, Deli Park Mall, Medan. Coffee Crowd Delipark Medan is one of the most popular culinary destinations in Medan due to its varieties of foods, affordable price, as well as the comfortable atmosphere. Its ability to provide those aspects is what triggers the customer to favor Coffee Crowd Delipark Medan. Moreover, Coffee Crowd

Delipark Medan is suitable for occasions like family gatherings, hanging out with friends, lunch and dinner spot.

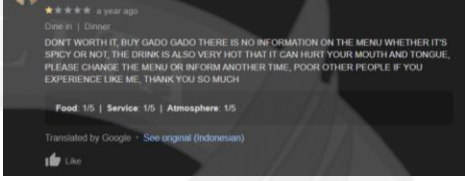
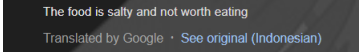
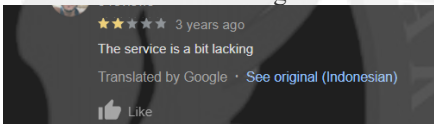
Table 1.1 Number of Customer at Coffee Crowd Delipark Medan

Year	Number/Amount
2021	53.581
2022	48.945
2023	46.522

Sources: Coffee Crowd Delipark Medan, 2024

It can be seen that the number of customers at Coffee Crowd Delipark Medan was declining from 2021 to 2023. This declining number shows that the customer is not fully satisfied with Coffee Crowd Delipark Medan. The dissatisfaction could be caused by aspects like food quality, store atmosphere, brand trust and brand image. This could be disadvantaging since the customer will choose another restaurant/cafe beside Coffee Crowd Delipark Medan. As we know, customer satisfaction is very important in determining the business' survival in the market. Therefore, if the customer does not choose Coffee Crowd Delipark Medan, it will harm the company. Thus, in order to maintain Coffee Crowd Delipark Medan in the industry, it must be able to eliminate all the flaws of the company and arrange a new strategy.

Table 1.2 Google Review Coffee Crowd Delipark Medan

Year	Google Review			Example
	2 Star	1 Star	Total Bad Review	
2023	5	15	20	<p>Don't Worth It, Buy Gado Gado There Is No Information on the Menu Whether It's Spicy or Not, The Drink Is Also Very Hot That It Can Hurt Your Mouth and Tongue, Please Change the Menu or Inform Another Time, Poor Other People If You Experience Like Me, Thank You So Much.</p>  <p>Figure 1.1 Example of Review in 2023</p>
2022	4	9	13	<p>The food is salty and not worth eating.</p>  <p>Figure 1.2 Example of Review in 2022</p>
2021	2	1	3	<p>The service is a bit lacking.</p>  <p>Figure 1.3 Example of Review in 2021</p>

Sources: Coffee Crowd Delipark Medan, 2024

There is some feedback for Coffee Crowd Delipark Medan including the food quality. There is a foreigner who eats at Coffee Crowd Delipark Medan and found a hair on the omelette. He was also served rotten rice (sour and smells bad) and he asked for a change, but the waiter said that it is not rotten/broken. At the end, the waiter did change the food, but he was already disgusted and uncomfortable. There is feedback that the Americano tasted like water. The food served is not according to what the customer ordered. Moreover, there is also a small insect that resembles a cockroach, crawling on Coffee Crowd Delipark Medan's wall. Another feedback from the customer is that the place is very hot plus the air conditioning was not turned on.

Coffee Crowd Delipark Medan is also available in Go Food. It can be seen

that there are some comments regarding Coffee Crowd Delipark Medan on Go Food platform, such as, the customer found an acrylic fragment on the *Kwetiau Goreng Seafood*. Some customers also complain that they do not get the cutlery, and they cannot eat the food. A customer stated that the *Empek-Empek Kapal Selam* tastes fishy and makes the customer feel nauseous. Apart from that, the customer feels that the waiting time is too long.



Figure 1.4 Go Food Review

Sources: Coffee Crowd Delipark Medan, 2024

All those factors will impact brand trust and the brand image of Coffee Crowd Delipark Medan. Brand trust will be affected because all of those problems are going to make the customer feel trust-issue. Customers will be skeptical that they are going to encounter the same problems. Moreover, the brand image of Coffee Crowd Delipark Medan will also be impacted. Customers will think of the low quality of food as well as the uncomfortable store atmosphere. Hence, it is vital that Coffee Crowd Delipark Medan analyze the cause of these problems. After that, it will be able to increase customer satisfaction through the improvement of food quality, store atmosphere, brand trust, and brand image.

Based on these issues, the writer is interested in conducting research with

the title “**The Influence of Food Quality, Store Atmosphere, Brand Trust, and Brand Image Towards the Customer Satisfaction at Coffee Crowd Delipark Medan**”.

1.2 Problem Limitations

In order to accomplish the research objectives, the problems in this writing are narrowed down and are focused on a certain issue. The writer determines the problem limitation on food quality, store atmosphere, brand trust, and brand image as the independent variable and customer satisfaction as the dependent variable. Due to the issues faced by Coffee Crowd Delipark Medan, the author would like to eliminate the problem and give solutions to increase customer satisfaction at the restaurant. In the questionnaire, the respondents have characteristics that include age, gender, and income level.

1.3 Problem Formulations

According to the background of the study, the problems identification that we can take are as followed:

1. Does food quality partially affect customer satisfaction at Coffee Crowd Delipark Medan?
2. Does the store atmosphere partially affect customer satisfaction at Coffee Crowd Delipark Medan?
3. Does brand trust partially affect customer satisfaction at Coffee Crowd Delipark Medan?

4. Does brand image partially affect customer satisfaction at Coffee Crowd Delipark Medan?
5. Do food quality, store atmosphere, brand trust, and brand image simultaneously affect customer satisfaction at Coffee Crowd Delipark Medan.

1.4 Objective of The Research

The objectives of the research are as followed:

1. To analyze the partial effect of food quality towards the customer satisfaction at Coffee Crowd Delipark Medan?
2. To analyze the partial effect of store atmosphere towards the customer satisfaction at Coffee Crowd Delipark Medan?
3. To analyze the partial effect of brand trust towards the customer satisfaction at Coffee Crowd Delipark Medan?
4. To analyze the partial effect of brand image towards the customer satisfaction at Coffee Crowd Delipark Medan?
5. To analyze the simultaneous effect of food quality, store atmosphere, brand trust, and brand image towards the customer satisfaction at Coffee Crowd Delipark Medan.

1.5 Benefit of The Research

- a. Theoretical Benefit

The research provides a theory regarding food quality, store atmosphere,

brand trust, brand image, and customer satisfaction. These theories will be beneficial in the performance of the company.

b. Practical Benefit

1. The Company

The research allows the company to understand the influence of food quality, store atmosphere, brand trust, and brand image towards customer satisfaction. Therefore, the company can maintain and improve customer satisfaction through the evaluations and suggestions obtained from the research.

2. The Writer

The writer can get a benefit from this research such as understanding and the knowledge of food quality, store atmosphere, brand trust, brand image, and customer satisfaction.

3. The Researcher

Other researchers can use the research as references for their paper.