

CHAPTER I

INTRODUCTION

1.1 Background of The Study

The hospitality industry, also known as the hotel industry, is one of the ever-growing economic sectors that plays a crucial role in the global economy. According to World Travel and Tourism Council (WTTC), the travel and tourism industry's contribution to global GDP is expected to reach US\$11.1 trillion in 2024, equivalent to 10% of global GDP the world which is an increase of 12.1% from the previous year and surpasses the previous record set in 2019 (Chitra Dinisari, 2024).

The hospitality sector encompasses a wide range of businesses, experts, and companies. It consists of four primary sectors: travel & tourism (T&T), accommodation, food & beverage (F&B), and recreation & entertainment (Campbell, 2023). Among those sectors, the F&B industry has a significant impact in creating customers experience, whether they are in a fast-food restaurant, a five-star hotel restaurant, or a small cafe. The food and beverage sector is regarded as one of the sectors with the fastest global growth rates (Schuetzendorf, 2018). There are a number of factors that influence consumers when they choose a particular brand of product, and they are also going through a decision-making process when they make their purchases, so this business sector is important to people's daily lives (Kochina, 2019). With an estimated yearly growth rate of 8.7%, the food and beverage business is likewise one of the fastest-growing sectors in the world, rising from \$5.8 trillion in 2021 to \$8.9 trillion by 2026. (The Business Research

Company, 2022). It must therefore constantly change to stay up with shifting gastronomic trends, tastes, and preferences.

The F&B industry is intensely competitive, and sustaining consumer loyalty is crucial for assuring continuous growth and profitability (Ibrahim, 2024). Within this framework, Cobek Ayam Penyet Restaurant, recognized for its genuine Indonesian culinary offerings, encounters the difficulty of preserving customer loyalty in the face of rising consumer expectations and competitive pressures within the industry. Customer loyalty in this industry is influenced by several factors. The purpose of this study is to investigate how Restaurant authenticity, staff knowledge, and menu design affecting the customer loyalty in F&B industry.

The F&B industry is increasingly paying attention to restaurant authenticity, especially for restaurants that serves regional or national specialty dishes. Customers increasingly look for authentic restaurant experiences that represent the cuisine's origins in addition to high-quality meals. Having a strong feeling of authenticity can improve long-term consumer loyalty, satisfaction, and engagement. At Cobek Ayam Penyet, diners are treated to a true Indonesian culinary journey, marked by its traditional interior design and the prominent use of cobek, or mortar and pestle, in food preparation. This dedication to authenticity is complemented by narrative features that enrich the Restaurant setting, significantly enhancing the overall dining experience and encouraging repeat visits from satisfied customers.

In addition to restaurant authenticity, staff understanding of the restaurant's products is critical to client loyalty. Staffs who are well-versed in the menu,

ingredients, and restaurant context of the food can better advise and assist customers, resulting in a more enjoyable dining experience. In order to give customers a satisfying dining experience, restaurant staffs are essential in the hospitality and culinary industries. As the first point of contact with customers, restaurant staff are in charge of giving them prompt, courteous, and professional service. They serve food, take orders, engage with customers, offer suggestions, and ensuring that the dining experience at the restaurant is going on smoothly (Ardy, 2023). At Cobek Ayam Penyet, the staff's expertise in dishes, ingredients, and Restaurant narratives enhances the dining experience, a quality that customers greatly appreciate.

Menu design is also significantly impacting the customer loyalty as well. According to a study by (Santoso & Nugroho, 2020), a visually appealing and well-organized menu is essential for drawing in clients and influencing their purchase choices. More than just a list of dishes, the menu reflects the character of the restaurant and has a direct influence on customer spending and quality perception. At Cobek Ayam Penyet, the menu is more than just a list of dishes; it is a rich tapestry that intertwines diverse culinary offerings with Restaurant narratives and captivating visuals. This thoughtful presentation truly reflects the core identity of the restaurant, showcasing its commitment to celebrating both food and heritage.

With factors explained above, the author is intrigued to investigate the relationship between Restaurant authenticity, staff knowledge, and menu design in relation to customer loyalty specifically at Cobek Ayam Penyet Restaurant. This study intends to investigate how these factors collectively impact customer

impressions and likelihood of returning to the restaurant, offering useful insights that can contribute to the restaurant's long-term success in a competitive market.

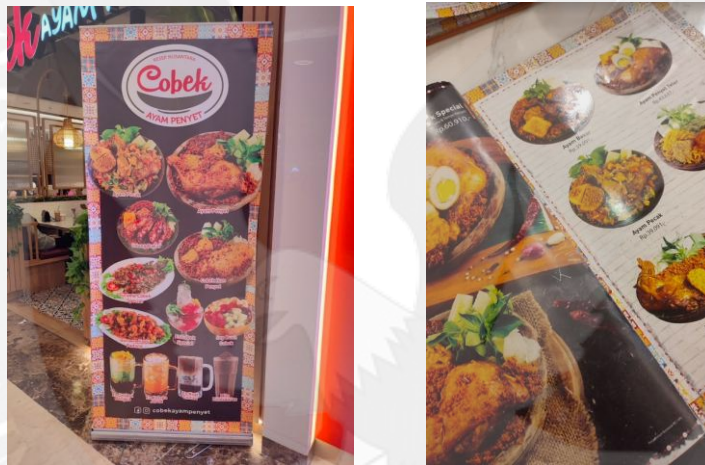


Figure 0.1 Cobek Ayam Penyet Restaurant

Source: Author (2025)

Cobek Ayam Penyet Restaurants has its signature dish called '*Ayam Penyet*', consists of fried chicken served with a special spicy chili sauce which often we called *Belacan Sauce*. Other than its signature dish '*Ayam Penyet*', the restaurant specializes on traditional Indonesian meals, such as '*Gado-Gado*', '*Es Campur Cobek*', "*Sop Buah*". Located in Sun Plaza Medan, the well-known Indonesian restaurant company Cobek Ayam Penyet is known for its traditional Indonesian food. Not only in Sun Plaza Medan, Cobek Ayam Penyet could also be found in

several other location such as at Medan Mall, Plaza Medan Fair, and Manhattan Times Square.

In the phenomenon of customer loyalty, Cobek Ayam Penyet is experiencing a downward trend in the number of customers. The occurrence of this trend shows that Cobek Ayam Penyet has not been able to retain consumers who have visited before and new consumers. The following is data on the number of consumer visits at Cobek Ayam Penyet.

Table 1.1 Customer Visit Data from 2023 – 2024 at Cobek Ayam Penyet

Month	2023	2024
Januari	3563	2966
February	3268	2765
March	3423	2633
April	3533	2512
May	2833	3120
Juni	2356	3103
July	3521	3045
August	3221	3021
September	2963	2955
October	2756	2963
November	2860	2235
December	2855	2563
Total	37152	33881

Source: Cobek Ayam Penyet (2023-2024)

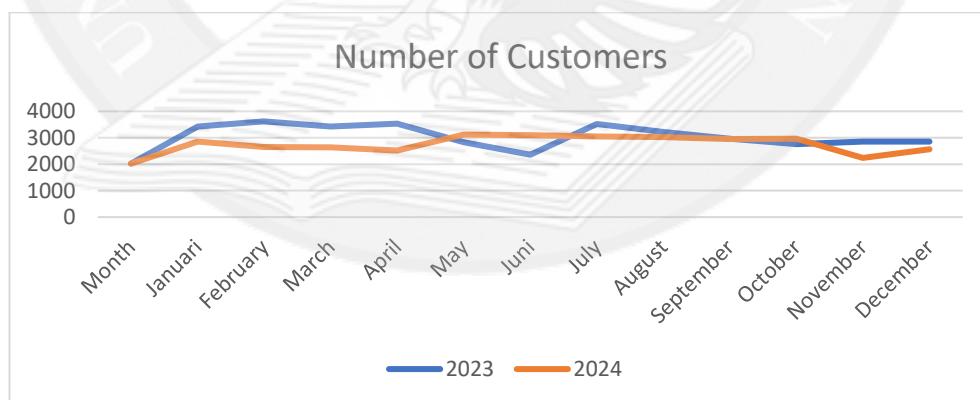


Figure 1.1 Number of Customers at Cobek Ayam Penyet Sun Plaza

Source: Cobek Ayam Penyet Sun Plaza (2023-2024)

Based on table 1.1, consumer visit data shows a downward trend from 2023 to 2024. The decrease in the number of consumers visiting Cobek Ayam Penyet

shows that consumer loyalty to visit again does not occur and instead consumers tend to experience a decline. This shows that Cobek Ayam Penyet has not been able to maintain the loyalty of consumers.

On the phenomenon of restaurant authenticity, the author conducted a pre-survey for 30 respondents from customers Cobek Ayam Penyet to find out their opinions about restaurant authenticity, the following are the results of the pre-survey.

Table 1.2 Pra Survey of Restaurant Authenticity

No.	Statements	Yes	No
1	Cobek Ayam Penyet maintains consistency in taste	18	12
2	I believe in the quality offered by Cobek Ayam Penyet	14	16
3	The food provided by Cobek Ayam Penyet matches my tastes and expectations	19	11
4	Cobek Ayam Penyet matches my tastes and expectations	10	20
5	Cobek Ayam Penyet maintains consistency in taste	22	8

Source: Pra Survey (2025)

Based on the results of a pre-survey of 30 respondents regarding the authenticity of Cobek Ayam Penyet restaurant, the majority of respondents stated that this restaurant is able to maintain flavor consistency, as evidenced by 18 respondents who agreed on the first statement and increased to 22 on the fifth statement. In addition, 19 respondents felt that the food served was in line with their tastes and expectations. However, there is an interesting phenomenon of “No” answers indicating doubts about the quality and suitability of food flavors, as seen in the second and fourth statements, where more than half of the respondents (16 and 20 people respectively) disagreed. This indicates that although the restaurant is considered consistent in taste, some customers are not fully convinced of the quality and suitability of the food to their expectations, which could be due to differences

in taste, service expectations, or previous experiences, and this needs to be a concern for the restaurant to strengthen the overall perception of authenticity.

On the phenomenon of staff knowledge, the author conducted a pre-survey for 30 respondents from customers Cobek Ayam Penyet to find out their opinions about staff knowledge, the following are the results of the pra-survey.

Table 1.3 Pra Survey of Staff Knowledge

No.	Statements	Yes	No
1	Cobek Ayam Penyet staff are able to explain the menu well	12	18
2	Staff are able to clearly explain information about the concept of the menu at Cobek Ayam Penyet	20	10
3	Staff provide services that are friendly, fast, and in accordance with customer needs	12	18
4	Staff look trained and have expertise in carrying out their duties in this restaurant	16	14

Source: Pra Survey (2025)

Based on the results of a pre-survey of 30 respondents regarding staff knowledge at Cobek Ayam Penyet, it was found that most respondents rated the staff as sufficiently understanding the concept of the restaurant's menu, with 20 people stating that the staff were able to explain information about the menu concept clearly. In addition, 16 respondents rated the staff as well-trained and skilled in carrying out their duties. However, there is a striking phenomenon in the number of respondents who answered “No”, especially on the aspect of the staff's ability to explain the menu as a whole (18 respondents), as well as the staff's service that is considered not friendly, fast, or appropriate to customer needs (also 18 respondents). This suggests that while there is an appreciation for the conceptual understanding and training of staff, there are still shortcomings in direct communication with customers and the quality of service interactions, which if not rectified could compromise the perception of staff professionalism and affect the overall customer experience at the restaurant.

On the phenomenon of menu design, the author conducted a pre-survey for 30 respondents from customers Cobek Ayam Penyet to find out their opinions about restaurant authenticity, the following are the results of the pra-survey.

Table 1.4 Pra Survey of Menu Design

No.	Statements	Yes	No
1	The taste of Cobek Ayam Penyet menu suits my personal preference.	18	12
2	The portion sizes of the drinks are worth the price.	16	14
3	Cobek Ayam Penyet always uses fresh and high-quality ingredients	20	10
4	The packaging and presentation of the drinks are attractive.	12	18
5	My favorite menu at Cobek Ayam Penyet are usually available whenever I visit.	16	14

Source: Pra Survey (2025)

Based on the results of a pre-survey of 30 respondents regarding the authenticity of Cobek Ayam Penyet restaurant, the majority of respondents stated that this restaurant is able to maintain flavor consistency, as evidenced by 18 respondents who agreed on the first statement and increased to 22 on the fifth statement. In addition, 19 respondents felt that the food served was in line with their tastes and expectations. However, there is an interesting phenomenon of “No” answers indicating doubts about the quality and suitability of food flavors, as seen in the second and fourth statements, where more than half of the respondents (16 and 20 people respectively) disagreed. This indicates that although the restaurant is considered consistent in taste, some customers are not fully convinced of the quality and suitability of the food to their expectations, which could be due to differences in taste, service expectations, or previous experiences, and this needs to be a concern for the restaurant to strengthen the overall perception of authenticity.

Based on the background explained above, the write is interested to conduct research with the title “**Investigating the Influence of Restaurant Authenticity,**

Staff Knowledge, and Menu Design on Customer Loyalty at Cobek Ayam Penyet Restaurant.”

1.2 Problem Limitation

This study focuses on “Investigating the Influence of Restaurant Authenticity, Staff Knowledge, and Menu Design on Customer Loyalty at Cobek Ayam Penyet Restaurant”. The problem limitations determine by the writer are restaurant authenticity, staff knowledge, and menu design as the independent variable and customer loyalty as dependent variable. The indicators of Restaurant Authenticity (X1) in this research are continuity, credibility, relevance, and originality. The indicators of Staff Knowledge (X2) in this research are product knowledge, restaurant knowledge, service quality, training and expertise. The indicators of Menu Design (X3) in this research are visual appeal, clarity, restaurant integration, and menu organization. The indicators of Customer Loyalty (Y) in this research are customer satisfaction, repeat customer, word-of-mouth recommendations, emotional connection, brand trust. This study focuses on the influence of restaurant authenticity, staff knowledge, and menu design as independent variables, while customer loyalty is the dependent variable. The data will be collected through questionnaires distributed to the restaurant customers.

1.3 Problem Formulation

Based on the background study, here are the problem formulations identified by the writers as follows:

1. Does restaurant authenticity affect customer loyalty at Cobek Ayam Penyet Restaurant?
2. Does staff knowledge affect customer loyalty at Cobek Ayam Penyet Restaurant?
3. Does menu design affect customer loyalty at Cobek Ayam Penyet Restaurant?
4. To what extent does restaurant authenticity, staff knowledge, and menu design collectively influence customer loyalty at Cobek Ayam Penyet Restaurant?

1.4 Objective of the Research

The objectives of the research are as follows:

1. To analyze the influence of restaurant authenticity on customer loyalty.
2. To examine the role of staff knowledge in enhancing customer satisfaction and loyalty.
3. To evaluate how menu design affects customer perception and engagement.
4. To provide strategic recommendations for improving customer loyalty at Cobek Ayam Penyet Restaurant.

1.5 Benefit of the Research

1.5.1. Theoretical Benefit

This study will provide knowledge and insight into how restaurant authenticity, staff knowledge, and menu design influence customer loyalty,

expanding our understanding of consumer loyalty in the setting of traditional restaurants.

- Improves understanding of restaurant factors in dining.

The study will establish a framework for further research on the function of restaurant in the hospitality sector and a fuller knowledge of how consumer behavior and loyalty are influenced by restaurant authenticity in cuisine and atmosphere.

- Improves understanding of the restaurant experience.

This study will provide a more thorough understanding of the characteristics that influence the dining experience and customer loyalty by investigating the interactions between several restaurant components (authenticity, staff expertise, and menu design).

- Theoretical Model Development

Assists in building a conceptual model that links customer loyalty in the restaurant industry with restaurant authenticity, staff knowledge, and menu design.

1.5.2. Practical Benefit

- For the restaurant or company
 - Offers suggestions for enhancing menu design, employee training, and Restaurant authenticity in order to increase customer loyalty.
 - Helps improve customer loyalty and stands out in the competitive market.
- For the writer/researcher

- Increases understanding of the factors that influence customer loyalty in restaurants.
- Improves academic and professional capabilities.
- For other researchers
 - Provides unique insights into customer loyalty in traditional restaurants.
 - Establishes a foundation for further research on related subjects.
- For general
 - The Restaurant Industry Strategy Guide gives managers and owners of restaurants advice on how to improve customer loyalty through menu design, employee expertise, and Restaurant authenticity.
 - Enhance the competitiveness of F&B industry by assisting the F&B sector in creating more captivating and restaurantly sensitive restaurant concepts to increase their level of competitiveness.