

CHAPTER I

INTRODUCTION

1.1 Background

The development of culinary business in Indonesia, especially in big cities, is growing rapidly. Many entrepreneurs who appear to open a culinary business with various concepts or ideas that are made to attract customers from various walks of life. Culinary business is one business that is very attractive to some peoples. The culinary business is not only satisfaction for primary needs but also provides new experiences for consumers through various processed foods, a comfortable place to get rid of boredom, family gathering places, and so on.

One of the emerging culinary businesses is cafes and restaurants. According to the result of the research from Qraved.com, the leading restaurant search and reservation site in Jakarta noted a shift in the trend where more and more Indonesian people have the habit of eating in restaurants. Throughout 2013, it was recorded that Indonesian people visited restaurants with 380 million times and spent a total of USD 1.5 billion. The vibrant eating habits at this restaurant are also supported by the growth of middle and upper class restaurants up to 250 percent in the last five years.

Many cafes and restaurants have sprung up in big cities, one of the cities that faces a very rapid growth of restaurants is Padang. Seen from almost every corner of the city Padang has a café / restaurant. When many new cafes appear, this will have a high level of competition. So companies are required to be more creative to create concepts that are different from existing restaurants to attract visitors'

attention. The company is also required to be more careful in determining its business strategy, because what is expected is how to maintain and increase customer satisfaction.

Customer satisfaction is the level of one's feelings as a result of a comparison between reality and expectations received from a product or service. For companies that provide services, customer satisfaction is the goal of the business. because many service companies make the slogan "your satisfaction is our priority".

According to Irawan (2004: 37), the factors that drive customer satisfaction are as follows: first is Product quality, customer satisfaction if after buying and using the product it turns out the quality of the product is good. Second is price, for customers who are sensitive, usually low prices are an important source of satisfaction because customers will get a high value for money. Third is service quality, satisfaction with service quality is usually difficult to imitate. Service quality is a driver that has many dimensions, one of which is popular is SERVQUAL. Fourth is Emotional Factor, customers will feel satisfied (proud) because of the emotional value provided by the brand of the product. The last is Cost and convenience, customers will be more satisfied if it is relatively easy, comfortable and efficient in getting a product or service.

One of the business providers who took the opportunity to establish a restaurant amidst the culinary business phenomenon which is the Kualu Nyonya restaurant. Kualu Nyonya has been established since 2017. Having its address at Olo Ladang street, Padang West district, Padang City, West Sumatera.

For three consecutive days the author visited the Kualu Nyonya restaurant, the author noticed the number of visitors to the Kualu Nyonya restaurant was always concocted and therefore the authors were interested in seeing the factors that influence the crowd of visitors based on customer satisfaction at Kualu Nyonya restaurants. To find out the factors that influence customer satisfaction at Kualu Nyonya restaurants, the author conducted an initial observation by interviewing 10 Kualu Nyonya restaurant visitors, and asked questions from 5 factors that influenced customer satisfaction, and obtained the following results:

Table 1.1
Initial Observation Result

Visitor	Factor That Influence Customer Satisfaction				
	Product	Price	Service Quality	Emotional Factor	Cost
1	√	√	√	√	√
2	√			√	√
3	√		√	√	
4		√	√	√	√
5		√	√	√	
6	√	√	√		
7	√		√	√	√
8	√		√	√	
9		√	√		√
10		√	√	√	
TOTAL	6	6	9	8	5

Source : initial survey, 2018

Based on table 1.1 above explained the factor that influence customer satisfaction dominantly on service quality and emotional factor. which is the emotional factor here asking about, how they feel with restaurant atmosphere in Kualu Nyonya Restaurant. Related to customer satisfaction from initial observations, for the time being author found that the satisfaction of customers

visiting Kualu Nyonya restaurants stated that they were more influenced by service quality and store atmosphere.

Service quality can measure how well the level of service as well as their expectations (Tjiptono 2006). Service quality is closely related to customer satisfaction because the quality of services can provide benefits and losses for producers. The benefits of good service will give a special impetus to consumers to establish a bond of mutual benefit in the long term with the company.

The store atmosphere influences the emotional state of a consumer which will cause an increase or decrease in customer satisfaction. Emotional state will make two feelings that are dominant, namely feeling happy and arousing desire, whether that arises from psychological sets or desires that are sudden (impulse), according to Sutisna, 2003; Cheng Wu and Yen (2009) in Fuad (2009).

According to the description of the background above, the author feels interested in conducting research with the title of the research as follows "**The Influence of Service Quality and Store Atmosphere Towards Customer Satisfaction at Kualu Nyonya Restaurant Padang**".

1.2 Problem Statement

Based on the background of the problems found above, the problem can be formulated as follows:

1. How does the impact of service quality on customer satisfaction at Kualu Nyonya Padang?
2. How does the impact of store atmosphere on customer satisfaction at Kualu Nyonya Padang?

3. How does the impact on service quality and store atmosphere on customer satisfaction at Kualu Nyonya Padang?

1.3 Research Objectives

Based on the problem statement above, the objectives of this research are:

1. To analyze the impact of service quality on customer satisfaction at Kualu Nyonya Padang
2. To analyze the impact of store atmosphere on customer satisfaction at Kualu Nyonya Padang
3. To analyze the impact of service quality and store atmosphere on customer satisfaction at Kualu Nyonya Padang

1.4 Research Contribution

Every research is expected to be useful for all parties who read it and related directly to it. The usefulness of this research is:

1. Theoretically

The results of this study are expected to be useful to provide an empirical picture to test theories in marketing management science about the influence of service quality and restaurant atmosphere on customer satisfaction.

2. Practically

1. For researchers

The results of the study are expected to be useful to obtain additional knowledge and insight in the field of marketing management, especially in terms of the influence of service quality and restaurant atmosphere on customer satisfaction.



2. For Kualy Nyonya Restaurant

The results of this study are expected to be useful to provide input as an evaluation material to relevant agencies in an effort to improve the quality of corporate services to increase customer satisfaction.

3. For other parties

The results of this study are expected to be useful as additional information that is relevant to researching the same problem but at different times and places.

1.5 Scope of Research

The scope of the Research will focus on service quality and atmosphere as independent variables and customer satisfaction as the independent. The object of this research is people who have been visit Kualy Nyonya Restaurant.

1.6 Outline of Research

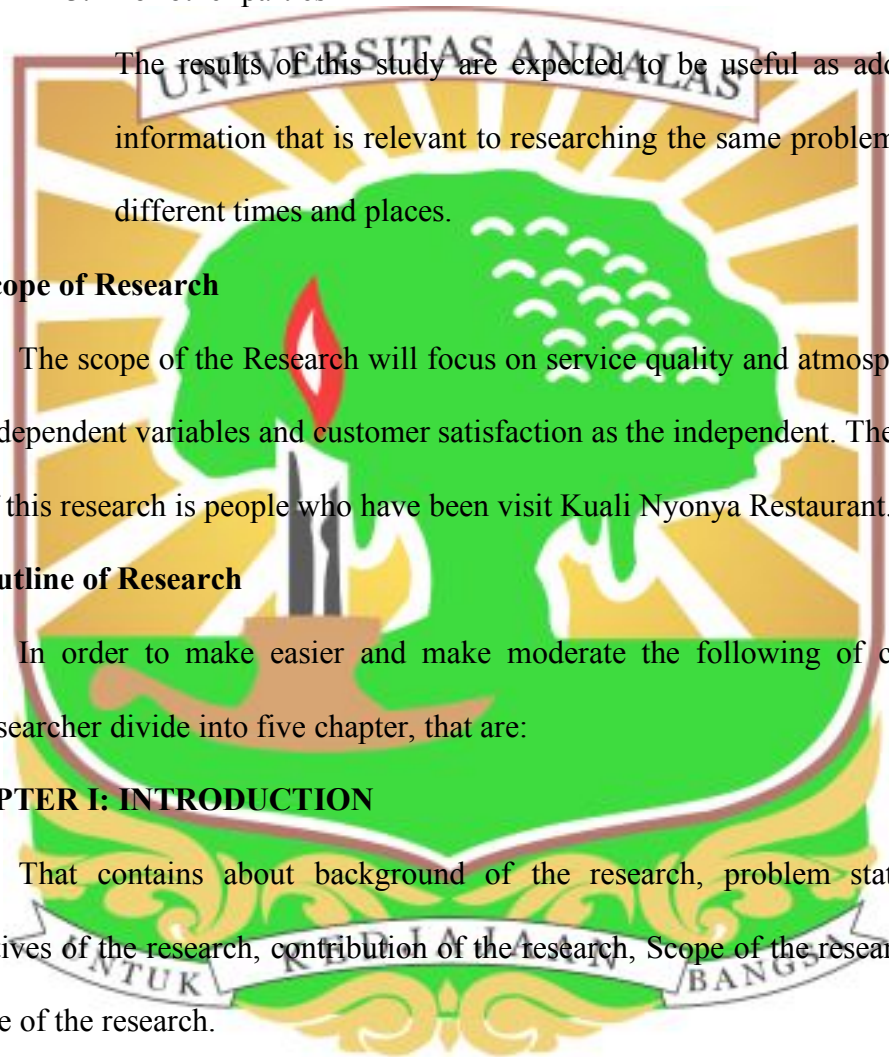
In order to make easier and make moderate the following of content, researcher divide into five chapter, that are:

CHAPTER I: INTRODUCTION

That contains about background of the research, problem statement, objectives of the research, contribution of the research, Scope of the research and outline of the research.

CHAPTER II: LITERATURE REVIEW

In Literature review chapter, it contains description of theoretical variables that include the theories that support and underlines the variables used in the research and framework.



CHAPTER III: RESEARCH METHODOLOGY

This chapter will explain about the methodology that researcher use to discuss about research design, data collection method, population and sample, operational of variables, data processing, data analysis method and data analysis.

CHAPTER IV: RESULT AND DISCUSSION

Explain about the result of analyzing the Service Quality and Atmosphere of Kualu Nyonya Restaurant toward Customer Satisfaction.

CHAPTER V: CLOSING

This is the last chapter of research. This is explaining about the conclusion, suggestion, limitation of the research and recommendation for the further research.

