

CHAPTER I

INTRODUCTION

A. Background

Customer Satisfaction (CS) are essential goals for cafes and restaurants, just like other service industry companies (Namkung et al., 2009). Hospitality customer expectations are ever-changing, and this business owner/manager must act as a critical influencer for CS. Therefore, it is very important to understand the cafe and restaurant operations management strategy (OMS) (Torlak et al., 2020).

Understanding the consumer experience is critical to many businesses' long-term success and survival, especially those focused on hedonistic and utilitarian services such as restaurants and hotels. This growth and competitiveness are influenced by customer behavioral intentions, which significantly impact the company's financial resources and long-term profitability (Gonzales & Soriano, 2020).

In addition, with increasing competition in all industries, companies must have a plan to carry out their operations. An operations strategy is a business strategy to achieve company goals. According to (Torlak et al., 2020), this strategy consists of structural and infrastructure elements of the management strategy. The infrastructure consists of staff management, food quality, and ambiance, while the structure consists of layout, decoration,

location, and hygiene. Infrastructure elements promote customer satisfaction in the industry through operational activities. Therefore, the structural and infrastructural elements of a company's resource planning strategy must explain its relationship with customer satisfaction, especially in cafes and restaurants.

From a cultural perspective, coffee can enhance one's identity, convey specific values, and foster interpersonal connections. Establishing a coffee shop, once primarily a place for eating, drinking, and gathering, has evolved into a space for self-actualization and socialization within urban communities (Dhillon et al., 2019). Studies indicate that modern coffee shops are seen as venues for achieving personal satisfaction and pride, linked to a contemporary lifestyle (Dhillon et al., 2019). The millennial generation, in particular, frequents coffee shops as part of their lifestyle (Susanto, 2020). Additionally, coffee shops offer a comfortable environment for completing tasks and hosting both formal and informal meetings with colleagues. Cities like Bandung are known for their numerous coffee shops, which serve as communal gathering spots (Ekomadyo, 2020). It is evident that visiting coffee shops has become essential for socializing comfortably over coffee, underscoring their role in modern networking.

Despite the rise of modern coffee shops, the charm of historical coffee shops in heritage buildings remains intact. Many of these historic establishments, dating back to the Dutch colonial era in cities like Bandung and Jakarta, continue to attract regular patrons and tourists alike. The architectural

heritage of these buildings necessitates preservation, and transforming them into coffee shops is an adaptive reuse strategy that revitalizes the infrastructure. These heritage coffee shops provide a unique ambiance and value, offering an experience that is distinct from contemporary coffee shops.

This study aims to study the relationship between structural and infrastructure decision fields on operations management strategies and the influence of operations management strategies on customer satisfaction in cafe in Bandung. The number of businesses that provide cafes in the city is increasing. Also, some of the younger customers usually prefer going out rather than staying home to eat and drink. This encourages entrepreneurs in the regions to conduct business. It offers various services such as breakfast, lunch and dinner with drinks.

Based on the current situation, it appears that cafes in the city of Bandung face various challenges and obstacles both in terms of capacity/layout, design, location, cleanliness and ambiance. The more businesses emerge, the competition becomes tighter. Therefore, implementing a unique operational management strategy is very important to ensure customer satisfaction at cafes in Bandung.

B. Research Questions

Based on the background that has been stated above, the problems are formulated follows:

1. Does Hygiene have a positive and significant effect on Food Quality?
2. Does Hygiene have a positive and significant effect on Ambiance?
3. Does Design have a positive and significant effect on Ambiance?
4. Does Food Quality have a positive and significant effect on Customer Satisfaction?
5. Does Ambiance have a positive and significant effect on Customer Satisfaction?
6. Does Food Quality mediate the relationship between Hygiene and Customer Satisfaction?
7. Does Ambiance mediate the relationship between Hygiene and Customer Satisfaction?
8. Does Ambiance mediate the relationship between Design and Customer Satisfaction?

C. Research Objectives

Based on the formulation of the research questions, the aim of this study formulated follows:

1. To analyse the effect of Hygiene on Food Quality.
2. To analyse the effect of Hygiene on Ambiance.

3. To analyse the effect of Design on Ambiance.
4. To analyse the effect of Food Quality on Customer Satisfaction.
5. To analyse the effect of Ambiance on customer satisfaction.
6. To analyse how Food Quality involvement mediates the relationship between Hygiene with customer satisfaction?
7. To analyse how Ambiance involvement mediates the relationship between Hygiene with customer satisfaction?
8. To analyse how Ambiance involvement mediates the relationship between Design with customer satisfaction?

D. Research Benefits

With this research, it is hoped that benefits can be taken for all interested parties.

The research that is expected from the results of this research and writing are:

1. The results of this study are expected to be input for other parties who are interested in learning more about the impact of operations management strategies on customer satisfaction in cafes.
2. The results of this study are expected to add insight and be used as literature to deepen knowledge about the impact of operations management strategies on customer satisfaction in cafes. By writing clear goals, researchers can focus their research. Researchers can also avoid conducting irrelevant research.