

CHAPTER I

INTRODUCTION

1.1 Background

The bakery industry in Indonesia continues to grow rapidly. According to Euromonitor data, artisan bakery products continued to lead the Indonesian bakery product category in 2015, with a market share of 49%. Further research by APEBI emphasized that the most popular type of bread is sweet bread with various fillings. The second most popular type of bread is white bread in almost every bakery. In general, these products encourage the development of western-style bread shops to sell softer and sweeter bread which is very popular among Indonesian people (Nurhidayah, 2016).

Nowadays, the number of brands and bakery products that compete in the market becomes very large so that consumers have a variety of choices and alternative products that can meet their needs and have the right to choose according to what consumers want. With this competition, it's requires the bakery businessmen to exploit all the capabilities they have in order to compete in the market to meet consumer needs and achieve the satisfaction that consumers expect.

Every business person in every business category must place customer satisfaction as the main goal. Companies in providing satisfaction to customers must first study the wants and needs of current and future consumers. According to Kotler (2014) in Pratama and Purnama (2020), "customer satisfaction is a feeling of pleasure or disappointment after comparing the performance between the product thought and the expected product performance". The significance of this definition is that if the product does not meet the assumptions and if the expectations are too low, the buyer will feel dissatisfied and then lead to feelings of disappointment. (Hatikarini, 2016 in Pratama and Purnama, 2020). Customer satisfaction is very dependent on customer perceptions and expectations, so as a product supplier it is necessary to know the factors that influence it. As stated by Daryanto and Setyobudi (2014) in Sukmawati (2017) There are five factors that

can affect customer satisfaction, namely: product quality, price, service quality, emotional factors, cost and ease of obtaining products or services.

Product quality is a determining factor for customer satisfaction, especially in the culinary business. According to Wijaya (2011) in Maramis et al. (2018), “product quality is the overall combination of product characteristics resulting from marketing, production engineering and maintenance that makes the product usable to meet customer or consumer expectations”. As claimed by Kotler and Armstrong (2008) in Maramis et al. (2018), “product quality is a characteristic of a product or service that depends on its ability to satisfy stated or implied customer needs”.

In addition to product quality, another thing that must be considered by a company in competing is pricing policy. According to Tjiptono (2012) in Maramis et al. (2018), “price can be interpreted as the amount of money (monetary unit) or other aspects (non-monetary) that contain the utility needed to get a product”. According to Kotler and Armstrong (2008) in Maramis et al. (2018), “price the amount of money charged for a product or service, or the sum of the value that customers exchange for the benefits of having or using a product or service”.

Another important factor that must be considered by an entrepreneur in increasing customer satisfaction is the quality of service. Based on Ritonga et al. (2020), service quality is the provision of services to customers for meet customer needs and desires. According to Dwijayanti (2015) in Irawan and Dwijayanti (2020), the service provided must be able to create satisfaction for its customers. The benefits of customer satisfaction are to increase the pleasant relationship between the company and its customers, provide a good basis for repeat purchases and can encourage the creation of customer loyalty.

In addition to service quality, emotional factors also affect customer satisfaction. As stated by Tjiptono (2011) in Ritonga et al. (2020), companies can increase customer satisfaction where the company maximizes a pleasant customer experience and minimizes a less pleasant customer experience. Emotional satisfaction is the customer's response to the discrepancy or suitability between

the previous level of interest and the actual performance felt after use. Emotional satisfaction is influenced by perceptions of service quality, product quality, price and factors that are personal as well as temporary situations.

Bengkalis City has many bakeries offering various types of bakery products and two of them are Corner Bakery and Cafe and MM Bakery. Corner Bakery and Cafe and MM Bakery both offer bakery products with a wide variety of choices, prices that match the quality of service satisfactorily. Corner Bakery and Cafe is a cake shop as well as a cafe located on Sultan Syarif Kasim Street, Bengkalis. This cafe offers various types of drinks such as juices as well as coffee and other snacks and foods. All available menus are served with the best quality and taste. Corner Bakery and Cafe also provides a comfortable (cool) place with photogenic and Instagramable decorations, internet and wi-fi facilities are also available for customers. In addition, Corner Bakery and Cafe is better known for selling various types of cakes that have various types of variants and flavors.

Meanwhile, MM Bakery which is located on Pattimura Street, Bengkalis is famous for its bakery shop which has merged into a mini market. MM Bakery sells various types of bakery products with good quality. The number of visitors who shop at MM Bakery is not only because of the bakery products but also because of the various kitchen and household needs that are provided which increase the number of customers in this shop.

The satisfaction felt by consumers at Corner Bakery and Cafe with MM Bakery is very different. Usually consumers make purchases at MM Bakery not only to buy bread that is sold but also to buy other necessities such as various cooking ingredients, snacks, skin care and so on. Meanwhile, Corner Bakery and Cafe is very suitable to relax while enjoying a piece of cake or just to drink coffee while chatting with friends.

Based on the above background, the researcher are interested in conducting research "**Comparative Analysis of Customer Satisfaction between Corner Bakery and Cafe and MM Bakery in Bengkalis**".

1.2 Formulation of the Problem

Based on the research background above, the formulation of the problem in this study are:

1. How is consumer satisfaction between Corner Bakery and Cafe and MM Bakery measured through the dimensions of product quality?
2. How is consumer satisfaction between Corner Bakery and Cafe and MM Bakery measured through the dimensions of service quality?
3. How is consumer satisfaction between Corner Bakery and Cafe and MM Bakery measured through the dimensions of emotional factor?
4. How is consumer satisfaction between Corner Bakery and Cafe and MM Bakery measured through the dimensions of price?
5. What factors is the most differentiate customer satisfaction between Corner Bakery and Cafe and MM Bakery in Bengkalis?

1.3 Purpose of the Study

Based on the formulation of the problem, it can be found the objectives of this research are as follows:

1. To find out the consumer satisfaction between Corner Bakery and Cafe and MM Bakery measured through the dimensions of product quality.
2. To find out the consumer satisfaction between Corner Bakery and Cafe and MM Bakery measured through the dimensions of service quality.
3. To find out the consumer satisfaction between Corner Bakery and Cafe and MM Bakery measured through the dimensions of emotional factor.
4. To find out the consumer satisfaction between Corner Bakery and Cafe and MM Bakery measured through the dimensions of price.
5. To find out what factors is the most differentiate customer satisfaction between Corner Bakery and Cafe and MM Bakery in Bengkalis.

1.4 Significance of the Study

The results of this study are expected to provide benefits to all parties concerned. The benefits obtained by conducting this research are:

1. For researchers
As an experience for the researchers to increase knowledge and insight of science in the field of marketing, which is especially related to customer satisfaction in bakery business in the culinary industry.
2. For Corner Bakery and Cafe and MM Bakery in Bengkalis
The results of this study are expected to be used as material for consideration in formulating strategies in marketing management to increase customer satisfaction at the bakery.
3. For readers
The results of the research are expected to be used as a source of information and comparison material for readers who are interested in studying it and as a reference for further research.

1.5 Scope and Limitation of the Problem

Based on the background of the study and to avoid the research become broader, the researcher limits the problem. The following are the scope and limitations of the research problem:

1. This study focuses on comparing customer satisfaction with the dimensions of product quality, service quality, emotional factor and price between Corner Bakery and Cafe and MM Bakery in Bengkalis.
2. The scope of the research subject is consumer of Corner Bakery and Cafe and MM Bakery in Bengkalis City.

1.6 Writing System

To provide an overview and facilitate the explanation of the research, the systematic of writing is explained as follows:

CHAPTER 1 : INTRODUCTION

This chapter will explain the background of the problem, the formulation of the problem, purpose of the study, significance

of the study, scope and problem limitations, and writing systematic.

CHAPTER II : LITERATURE REVIEW

This chapter will explain about previous research that was taken from several previous journals related to the subject to be studied and the theoretical basis in accordance with the content of the study.

CHAPTER III : METHOD AND ACCOMPLISHMENT PROCESS

This chapter will explain the research method used which contains the location and object of the research, types and sources of data, population and sample, sampling techniques, data collection techniques, data processing techniques, measurement scale, test of validity and reliability, data analysis methods, type of the study, concept definition and operational variables, and schedule and budget of study.

CHAPTER IV : RESULT AND DISCUSSION

This chapter will explain the results and discussion of research.

CHAPTER V : CONCLUSION AND SUGGESTIONS

This chapter will explain the conclusions and suggestions of the research conducted.