

CHAPTER I

INTRODUCTION

1.1 Background of The Study

In this globalization era, it is a lifestyle for almost young and adult generation to get relax after doing their daily activity, they get relax by hanging out in a café or coffee shop. Each person have their own way to enjoy their coffee. Whether they choose to drink coffee in a fancy coffee shop with a very nice decoration and comfortable sofa, hoping to get customer satisfaction after spending money for an expensive cup of coffee or just a small coffee shop in the corner that doesn't even have a chair and table. For most people in Indonesia, coffee and snacks are 'good friends' to hanging out with. No wonder now in Indonesia there are so many places to hang out, one of the most favorite place is a coffee shop.

Due to the fact in article "The Rise of Indonesia's Modern Concept of Coffee Shops," Nanette (2018) stated that Indonesia's obsession with coffee consumption is getting higher, and coffee has become an intrinsic part of daily life and caused many coffee shops to pop up everywhere across some major big cities in Indonesia. Coffee shop, especially in Padang nowadays has grown rapidly because of the demand of coffee shop itself. The competition between coffee shops in Padang is inevitable. That's why, coffee shops strive to develop and maintain their brand reputation. Kotler (2000) mentioned that a good brand will come to boost the company's image, so that's why brand image plays important role in the coffee shops

business and also the development of a brand because the brand image associated with the reputation and credibility of the brand which later become the 'guideline' for the consumer to the product then creating a particular experience that will determine whether the consumer will repurchase or not (Bambang, 2013). Khairunnisa (2018) stated that the stronger brand image of a product, the stronger the consumer's willingness to repurchase. This willingness to repurchase provoke consumer to buy coffee time to time so unconsciously drinking coffee is a lifestyle.

Lifestyle has become an important variable in the preparation of marketing strategy in today's coffee shop businesses. Drink a cup of coffee is a new trend for most people in the world especially for millennials. The millennials usually called it as *nongkrong* or *ngopi-ngopi*. *Nongkrong* or *ngopi-ngopi* means to hang out with friends or families or business partner in coffee shops, so coffee shop today not only for people who seek for the typical coffee of the coffee shop itself, but also for people who wants to meet their friends or family or business partner. That is why *nongkrong* or *ngopi-ngopi* become a lifestyle.

In Padang, there are many coffee shops that enable their consumers to do that. It is easy to find in Padang a coffee shop with a small different concept than the others, to enter the market share so they can get profit or margin from their business. Like El Nino Coffee, they make a modern concept of coffee shop and located in the oldest culinary area in Padang which is Pondok area. Not only coffee, they also served other beverages like juice and tea, and served main course menu like fried rice or spaghetti. Not

so different with El Nino Coffee, Pavilion Coffee also have their own concept. They located near to Padang Beach and next to a hotel. In Pavilion Coffee, they served a game station which is darts, so while consumers have a cup of coffee, they can also play darts. Different with Kubik Koffie, their concept is a coffee shop and co-working space. Kubik Koffie often use to held a meeting, small group discussion, small or big event, and etc because of their big space and big capacity. Other coffee shop is Rimbun Coffee & Brew Bar. They are like other coffee shop, served coffee and snacks. But what makes they different than others is they often held a small and event but hard to find in Padang like acoustic night, artist talk which talking about coffee, a small photography exhibition, stand up comedy event, and etc. Another coffee shop is Suko Kopi and V-Coffee. Their 'homey' concept of coffee shop make their coffee shop cozy so consumer can feel at home.

Different story with Mama Okky Coffee and Coffee Theory In the beginning, they are a restaurant, then develop their restaurant also with coffee shop. Mama Okky Coffee is from Pempek Mama Okky, and Coffee Theory from Kiosk by Tee Shop. Mama Okky Coffee have two different places but side by side with Pempek Mama Okky and Coffee Theory with Kiosk as well. In other coffee shop which is Lalito Coffee Bar, their concept is a very comfy space. They use bean bag as their chair to make a comfortable and chill impression to their costumer. In Lalito Coffee Bar, they also offering modern menus. Bacarito Kopi, Excelso, J.Co Donuts and Coffee, and The Coffee Bean & Tea Leaf is franchise coffee shop from outside Padang, so their concept already set by the main company. Toko

Kopi Seduh is a local coffee shop that offers coffee and beverages only, and they also have a co-working space in their coffee shop. Other is Café Merjer, which is one of the newest coffee shop in Padang. Their concept is modern and they also served various western menus of food except on Tuesday. Parewa Coffee and Kedai Kopi Dua Pintu also the coffee shop with the same target market because they are located in the same area, near to Andalas University so their target market is mostly students of Andalas University. Because their target mostly students, they made their coffee shop as comfy as possible so students can hanging out there or have a small group discussion. The last one is one of the oldest coffee shop in Padang which is Kopmil Om Ping. Located in Pondok, Kopmil Om Ping usually being crowded, day or night. Kopmil Om Ping is also develop their coffee shop and make several shops in Padang. (Table 1.1)

A modern local coffee shop in Padang is no less competitive with franchise coffee shop from outside Padang or even outside the country. A modern local coffee shop mostly use coffee beans from West Sumatra, and also from outside Sumatera. Such as in El's Coffee, they offering consumers the coffee beans that already been grinded, and enable customer to choose by themselves. From West Sumatra they offering kopi solok rajo, and from outside West Sumatra they have kopi aceh gayo, mandheling, toraja, flores, lampung, etc. Different with J.Co Donuts and Coffee that serve mostly western menu such as Americano, etc. Other coffee shop also enable consumer to choose their own coffee beans, like in Rimbun Coffee & Brew

Bar, Lalito Coffee Bar, Coffee Theory, and V-Coffee, even its only written in their menu.

A modern coffee shop should complete their equipment so they can served coffee easier and better, so they can be called modern coffee shop. Several coffee shop in Padang are already has those equipment. According to one of Shop Keep's journal by Grullon (2017), a coffee shop must have at least; (1) an automatic drip coffee makers, so it will large enough to produce sizeable batches of coffee so baristas are not always brewing coffee throughout the day; (2) espresso machine, because so many typical of coffee have an element of espresso; (3) coffee grinder, because now mostly people understand about coffee making, so consumer often realize that the right grinder can make all the difference in the flavor profiles and the aroma of espresso.

Beside having an espresso machine, a modern coffee shop also must have manual brew technique, according to one of Otten Coffee Magazine's article (2015) by Yuliandri. There are also four techniques of manual brewing, such as French press, V60, kalita wave and chemex. In Parewa Coffee enable their consumer to choose technique that they want to enjoy their coffee. Different with V-Coffee, they only have "manual brew" menu without enable consumer to choose the technique, also the same as another coffee shop because the more equipment for coffee the coffee shop has and the more supporting facilities, the more efficient and effective the coffee shop can be. So it is also affect the consumer's perception and opinion, so they can decide their mind about the brand image of the coffee shop, rather

it is because of the location, the atmosphere, the techniques the coffee shop used, the concept of the coffee shop itself or the most important thing is the taste of the coffee itself. Table 1.1 shows the list that fulfil the criteria of modern coffee shop according to the use of espresso machine and manual brewing techniques.

Table 1.1
List of Local Modern Coffee Shop from Padang
(According to The Use of Espresso Machine and Manual Brewing)

No	Name of Coffee Shop	Address	Year of Establish
1.	El Nino Coffee	Jl. Pondok No. 131	2016
2.	Pavilon Coffee	Jl. Hayam Wuruk No. 29	2015
3.	Kubik Koffie	Jl. Olo Ladang No. 12	2014
4.	Rimbun Coffee & Brew Bar	Jl. Kis Mangunsarkoro No. 10	2014
5.	Suko Kopi	Jl. Jati 1 No. 1	2017
6.	Mama Oky Coffee	Jl. Bandar Damar No. 19	2017
7.	Lalito Coffee Bar	Jl. Wolter Mongunsidi No. 2A	2014
8.	Coffee Theory	Jl. Tepi Pasang No. 81	2015
9.	V Coffee	Jl. Raden Saleh No. 3	2018

10.	Toko Kopi Seduh	Jl. Ujung Gurun No. 91F	2017
11.	Café Merjer	Jl. Ujung Gurun No. 88A	2018
12.	Parewa Coffee	Jl. Dr. Moh. Hatta No.11	2016
13.	Kedai Kopi Dua Pintu	Jl. Dr. Moh. Hatta No. 02	2015
14.	Kopmil Om Ping	Jl. Pondok	2011

A strong brand can build a good mindset in consumer. Interesting brand image and fulfil the lifestyle of millennials will establish the intention and desire of the consumer to make a revisit or repurchase and lead the consumer to satisfied and loyal. If consumer satisfied, then there is possibility they have intention to revisit, and become loyal.

From the observation above, the author feels interested to analyze and discuss it further in the form of research entitled “The Influence Of Brand Image, Consumer’s Lifestyle and Consumer Satisfaction Towards Revisit Intention of Modern Local Coffee Shop Visitors in Padang”

1.2 Problem Statements

Based on the description on the background, the problem can be formulated as follow:

1. How does Brand Image influence Revisit Intention of coffee shops visitors in Padang?

2. How does Consumer's Lifestyle influence Revisit Intention of coffee shops visitors in Padang?
3. How does Consumer's Satisfaction influence Revisit Intention of coffee shops visitors in Padang?
4. How does Brand Image, Consumer's Lifestyle and Consumer's Satisfaction simultaneously influence Revisit Intention into coffee shops in Padang?

1.3 The Purposes of the Research

Author thought that is important to identify what are factors that influence Revisit Intention towards Brand Image, Consumer's Lifestyle and Consumer's Satisfaction of Modern Local Coffee Shops Visitors in Padang.

The research questions addressed in this study are:

1. To determine the relationship between Brand Image with Revisit Intention of Coffee Shops Visitors in Padang.
2. To determine the relationship between Consumer's Lifestyle with Revisit Intention of Coffee Shops Visitors in Padang.
3. To determine the relationship between Consumer's Satisfaction with Revisit Intention of Coffee Shops Visitors in Padang
4. To determine the relationship between Brand Image, Consumer's Lifestyle and Consumer's Satisfaction simultaneously with Revisit Intention of Coffee Shops Visitors in Padang

1.4 Contribution of the Research

The benefits of research on “The Influence of Brand Image, Consumer’s Lifestyle and Consumer’s Satisfaction Towards Revisit Intention of Modern Local Coffee Shop Visitors in Padang” are:

1. Academically

This research is useful as a reference or reference in academia. Especially for the Marketing people in Padang, Sumatera Barat, and the students in Andalas University.

2. Practically

The result of this study is expected to provide benefits in the form of a theoretical framework of The Influence of Brand Image and Consumer’s Lifestyle Towards Repurchase Intention of Coffee Shop Visitors in Padang, so that later can be used for the new knowledge how to maintain and run a coffee shop especially in Padang city.

3. Author

This research hopefully can add or increase the knowledge and insight in the application of the economic theory, and to learn how to apply the theory that has been obtained during the lecture and facing realities in the field.

1.5 Scope of the Research

In fact, there are several factors such as functional image, effective image and reputation, and the author will use all of the factors. In consumer’s lifestyle the author also use all of the factors which is activity, interest and opinion, and consumer’s repurchase intention as the variables of the study,

and for consumer's satisfaction the author will use conformity of hope, interest in revisit or repurchase, and willingness to recommend as the factors. This study wants to examine the relationship between the factors of brand image, consumer's lifestyle and consumer's satisfaction with revisit intention of modern local coffee shop visitors in Padang, whether those factors significantly affect the consumer's repurchase intention or not. The consumers of modern local coffee shops in Padang have been chosen as the respondent for this research.

1.6 Outline of Research

. In order to make it easier and make moderate the forwarding of content, this research is divided into six chapters, they are:

CHAPTER I: Introduction

Elaborating on the background of the problem, formulation of the problem, limiting the problem, research objectives, the benefits of research, and systematic thesis.

CHAPTER II: Literature Review

This chapter contains description of theoretical variables that include the theories that support and underlie the variables used in the research and framework.

CHAPTER III: Research Methodology

In this chapter, the author put forward about the object of study, population data and data sources, techniques data collection, operational definitions of variables, data presentation techniques, and data analysis techniques.

CHAPTER IV: Research and Analysis

This chapter contains the characteristic of the respondent, descriptive analysis, data collection and result of the discussion.

CHAPTER V: Conclusion, Limitation and Recommendation

This chapter contains the conclusion of the research result, research implementation, limitedness of research and recommendation.



