

CHAPTER I

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Over the last decade, Marketing have been a very important aspect for Hospitality Industry such as Hotel, Café, Restaurant, etc. Ever since its initial introduction in the 17th & 18th century era, Indonesian market and consumer have been attached to coffee beverages. Drinking coffee is starting to become a part of daily lifestyle of people in Indonesia. In major cities like Jakarta, Bandung, Surabaya and Medan, numerous International coffee shop franchise, as well as national brand chains and cafes operates in amongst shopping malls, office buildings, even owning their own outlets. But the genuine coffee culture is observable on the street level. (Coffee Culture, 2018)

Coffee is an important beverage in most societies around the globe. Not only for consumers' delight of drinking it but also for its economic value for the coffee bean producing and exporting countries (such as Indonesia). By some this product, made from roasted beans of the coffee plant (flowering plant of the Rubiaceae family), is called the world's "second most legally traded commodity" in human history. Coffee that is sold on the world market is usually a combination of roasted beans of two botanic types: arabica and robusta. The difference between these two types mainly lies in its taste and the level of caffeine. Arabica beans, more expensive on the world market, have a milder taste and contain approximately 70 percent less caffeine than robusta beans. The subtropical and equatorial regions provide good conditions for coffee to be grown.

Therefore, countries that dominate the world's coffee production are found in South America, Africa, and Southeast Asia. Coffee is a traded commodity on major futures and commodity exchanges, most importantly in London and New York. (Investment, 2018)

Third Wave references the current movement within specialty coffee that appreciates coffee as an artisan or craft beverage. Coffee, in all of its processes, from the origin of the harvested bean to the roasting and brewing process, is treated with the same reverence as fine wine and craft beer. To understand the significance of “third wave” we need to look back to the “first” and “second wave” movements for coffee. Although the transitions from first, second and third wave are not always discernible, their priorities were certainly unique:

- **1st Wave:** *Growing coffee consumption exponentially.*
- **2nd Wave:** *The defining and enjoyment of specialty coffee.*
- **3rd Wave:** *Purchasing coffee based on its origin and artisan methods of production.*

The term “third wave” is relatively new, so there is not much history to talk about. The use of the term began in 2002 with an article by Trish Rothgeb (formerly Trish Skeie) of Wrecking Ball Coffee Roasters. The third wave of coffee culture is characterized by coffee enthusiast interested in not only the flavor, but the character of the coffee itself. Sometimes this movement is more of a reaction against bad coffee and the way bad coffee has been promoted. Not that marketing and social are not important in third wave growth, but they are not the driving force. Let’s take a look at it this way: In the first wave, it’s the consumer who led the way. It was all about availability to the masses on a national scale; what they needed, what they wanted. With second wave, the coffee was slightly better, but marketing the experience itself was the driving force.

With the current third wave, production and marketing take the back seat, and the product takes center stage. The third wave is, in many ways, a reaction.

It is just as much a reply to bad coffee as it is a movement toward good coffee said Trish R. Skeie, Wrecking Ball Coffee Roasters. (The History of First, Second, and Third Wave Coffee, 2016)

Personally, the three waves of coffee represent the writer personal progression in my interest for coffee industry. The Writer first introduction to coffee was the common-market, financial-friendly sachet coffee “Indocafe Coffeemix” which the writer’s father would brew every morning before sending the writer to school. If it was cold enough outside, the writer’s father would pour the writer a cup before the writer go to school. Since it was the writer only reference for how coffee should taste, the writer assumed it was a “good” coffee. And then as the writer grow up, the writer remember his first Starbucks experience when the writer was in high school. The cool atmosphere, the scones, and having to say ‘venti’ for a large cup of coffee. More importantly, the writer was introduced to good coffee experience. That right there, awakened the writer’s taste buds to explore better choices and broadened the writer’s coffee knowledge. As of today, the writer still enjoy a good “second wave” offering of the writer’s favorite brew. However, having taken a crash course in many coffee studies and experience, the writer have come to appreciate the finer sensibilities that third wave highlights. The Writer’s appreciation is not only for the quality of the craft beverage, but also for the political and economic impact coffee has globally. So, whatever “wave” you adhere, here’s to all coffee addict that read the writer’s research. Always enjoy your coffee!

Product Education is another important subject in the F&B market, especially in Medan. The Thirty Six Café Medan where the writer will conduct the research.

Here in this café we can go through product knowledge from the new manual brew tools that they possessed and utilize to serve in this café, which is the December Drip. In this research, we will find out find out the Customer Perception of the Manual Brew Method : December Drip and the impacts of December Drip Method towards the Coffee Sales Performance in The Thirty Six Café Medan itself, as well as their effort in the marketing scheme to introduce this particular method to the customers.

With the information aforementioned, the writer of this paper came up with the title: **“The Marketing Impact of Manual Brew Method: December Drip, Towards Coffee Sales Performance in The Thirty Six Café Medan.”**

1.2 PROBLEM LIMITATION

There are many factors that can make the Sales Performance increase such as the Strategy of the Marketing, the Place, Ambience, Taste of Food and Beverage, Position or Location placement, etc.

The following research is conducted in order to find out whether the Marketing of Manual Brew Method which is December Drip has any impact towards Coffee Sales Performance in The Thirty Six Café located in Jl. Multatuli No.36, Hamdan, Medan Maimun, Kota Medan, Sumatera Utara 20151. The aforementioned classification will consist of the guest in The Thirty Six Café Medan. This study will further emphasize about how important a product education is, added with the way Baristas interact with the customer, having a certain degree of product knowledge, and a convincing reason as to why must they use the December drip method instead the others, as well as how the

marketing scheme takes process in the café. The Writer also want to find out Customer Perception of the Manual Brew Method : December Drip and the impacts of December Drip Method towards the Coffee Sales Performance in The Thirty Six Café Medan itself. The “Manual Brew Method : December Drip” is also a campaign of the café.

1.3 PROBLEM FORMULATION

The following discussion will consist matters that questions the correlated factors between the Marketing Impact of Manual Brew Method: December Drip and Sales Performance towards Coffee.

1. How is the Perception of Customer towards Manual Brew Method : December Drip ?
2. Is there any Impact of December Drip Marketing towards coffee sales performance at The Thirty Six Café Medan?

1.4 OBJECTIVE OF THE RESEARCH

The main purpose of this study is to prove how December Drip method impact the Sales Performance in The Thirty Six Café Medan, also to define whether or not there is marketing impact on the Manual Brew Method: December Drip, towards Coffee Sales Performance in The Thirty Six Café Medan and How is the Perception of Customer towards Manual Brew Method : December Drip in the Thirty Six Café Medan.

1.5 BENEFIT OF THE RESEARCH

The final outcome and benefits of this study is to bring an academic explanation towards problem formulation as well as attaining the objective of the research for the sole purpose where the research object may gain the benefit from the academically arranged and organized knowledge from this research.

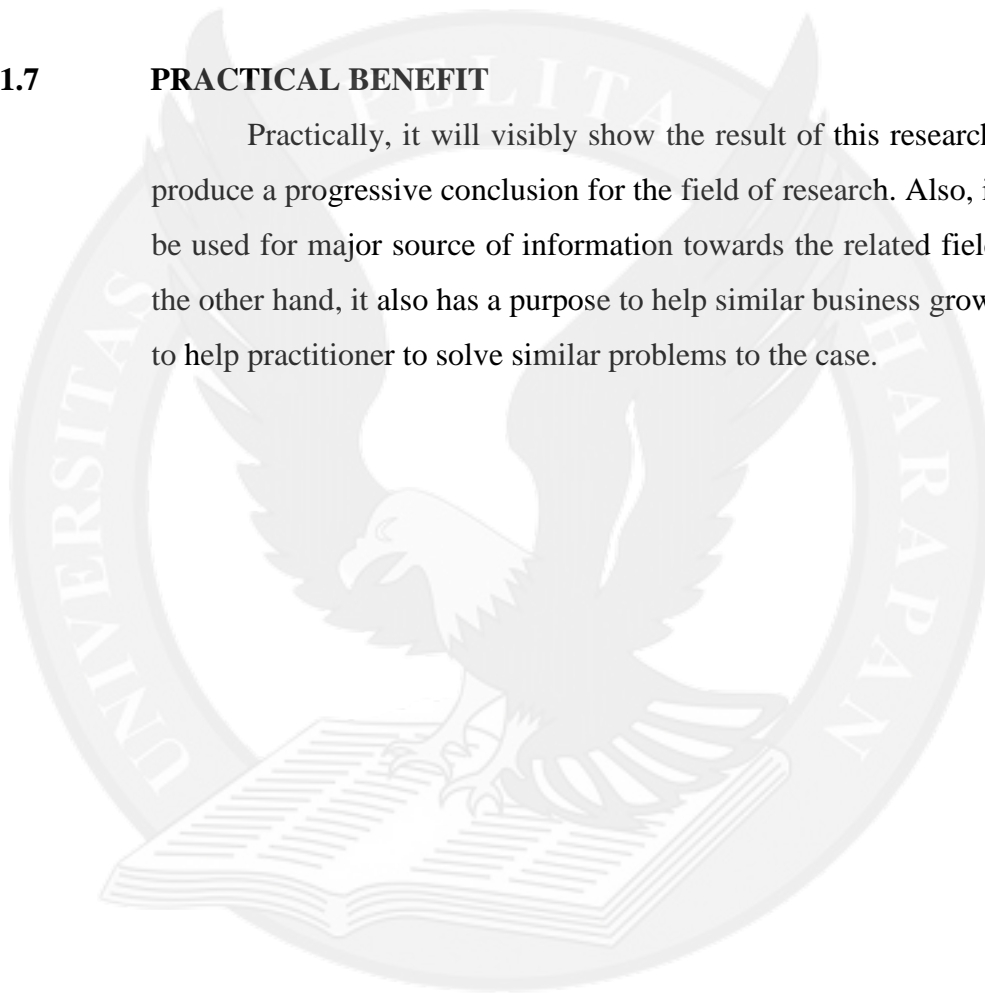
1.6 THEORETICAL BENEFIT

The theoretical academic benefit that can be reaped upon the completion of this paper is can also be used for future references and source of information and facts comparison for readers.

Not to mention, it is an addition for further knowledge in the related field of study and discussion.

1.7 PRACTICAL BENEFIT

Practically, it will visibly show the result of this research will produce a progressive conclusion for the field of research. Also, it will be used for major source of information towards the related field. On the other hand, it also has a purpose to help similar business grow, and to help practitioner to solve similar problems to the case.



1.8 SYSTEMS OF WRITING

Each chapters are as the following:

Chapter I Introduction

This chapter consists of background of study, problem limitation, problem formulation, objective of research where it includes theoretical and practical benefit, and systems of writing.

Chapter II Literature Review and Hypothesis Development

This chapter consists of theoretical background, previous research, hypothesis development, research model, and framework of thinking.

Chapter III Research Methodology

This chapter consists of research design, research object, and data analysis method.

Chapter IV Data Analysis and Discussion

This chapter consists of general view of research object, and data analysis and discussion.

Chapter V Conclusion

This last chapter will cover conclusion, implication, and recommendation. This chapter will lead the readers into understanding the study as whole.