

CHAPTER I

INTRODUCTION

1.1 Background of The Study

First, it is necessary to define what means by Hospitality Industry. Hospitality Industry. Hospitality Industry is related with various business segments which mainly are focusing on leisure and customer satisfaction.

On the hospitality industry sector covers several business such as hotel, restaurants, coffee shops, cruises, events and many more. The writer chooses Me& coffee works (coffee shop) which is related to the hospitality sector.

Every Food & Beverage (F&B) business has their signature menu and specialty to attract customer to come yet also to boost the sales. According to Rodriguez (2020) menu is a detailed list of food and beverage for guests on choosing and purchases what they want

Besides, following what market trends and what market wants is really needed. On a food and beverage business, menu is a very crucial to engage more customers and prompt on business sales, stated by Scott (2021). For instance, mostly all coffee shops at Indonesia has *Kopi Susu* (Coffee with Milk and sweetener) it's because the market demands is always high for this product.

People usually come to coffee shop to have some entertainment, photo shoots, work purpose, study and also could be holding events. Me& Coffee Works is a coffee shop that also provides *kopi susu* and other coffee also non coffee drinks.

Some people don't drink coffee, that is why at Me& provided non coffee menu.

Customer satisfaction is a condition where customer is happy with the service or product provided at a company. According to Robertson et al. (1986) customer satisfaction could help a business on receiving a good input on their reputation also giving brand awareness to the public.

The target market of Me& are mostly on students and freelancers and workers that needs co-working space and comfortable place to stay longer to do their stuffs. Not infrequently that they could purchase drinks more than twice a day.

During the observation at Me& coffee works, the writer found out that several customer claims that this coffee shop has a very limited menu choices. Customers and regular customers of Me& Coffee Works often complain that they are bored with the drinks provided at this coffee shop also they ask if there is any innovation on new beverage menus.

Based on description above, the writer intended to choose and study the problem of beverage menu variations affecting customer. Therefore the title of this research is: **“THE EFFECT OF BEVERAGE MENU VARIATIONS TOWARDS CUSTOMER SATISFACTION AT ME& COFFEE WORKS”**

1.2 Problem Limitations

Due to limited time and resource, the writer will cover related problem which are beverage menu variation (menu design, variations, quality, aesthetics and conformance to specification) towards customer satisfaction (survey) at Me& Coffee Works. This research will only encompass non-alcoholic beverages that is provided at Me& Coffee Works.

1.3 Problem Formulation

According to the research at Me& Coffee Works, it is found out some question regarding to the concerned problems, which are:

- 1) How to anticipate if customers are bored with the menu provided on Me& Coffee Works?
- 2) Are the regular customers satisfied with the coffee and non-coffee menu choices provided by Me& Coffee Works?
- 3) Are there any innovations on the menu to attract more customers to come to Me& Coffee Works?

1.4 Objective of the Research

The main purpose of this study is to proof the effect of Beverage Menu Variations towards Customer Satisfaction at Me& Coffee Works.

1.5 Benefit of The Research

In this research, the writer aimed to find out the research object within academic approach of the correlation between beverage menu variations towards customer satisfaction.

1.5.1 Theoretical Benefit

The theoretical academic benefit of this research upon the completion of this paper could be a reference and suggestion for research object, or any other

related field of object. Hence, this research also could benefit the writer with the knowledge more about Food and Beverage related field.

1.5.2 Practical Benefit

The research practically will be useful for the related field such as Food and Beverage related such as Cafes and Coffee shops, especially on beverage menu variations. Hence it will also be helping on growing business, developing greater sales and marketing.

