

CHAPTER I

INTRODUCTION

1.1 Background of Study

The food and beverage industry is one of the most prospective businesses to operate in Indonesia. With a large population and the understanding that food is one of the human basic needs, the number of Food and Beverage companies grow rapidly. However, on the other hand, rapid growth rates cause fierce competition in the industry. Food and Beverage businesses are starting to have a hard time dealing with competition in the same field, due to the very sophisticated competition in this field.

Due to the Covid-19 that happens to start from December 2019, the global economy, especially the Food and beverage industry, has slowly declined. Ever since the Covid-19 pandemic hit the world, governments have instructed the partial and total Lockdown policy where the citizens are encouraged to stay at home, reducing the number of people going out. Businesses struggle as the number of customers is reducing. Food and Beverage companies, including food producers and restaurants, is one of the industries that suffer from the effect. It can be seen from the declining GDP in Food and beverage business in Indonesia comparing 2019 to 2020.

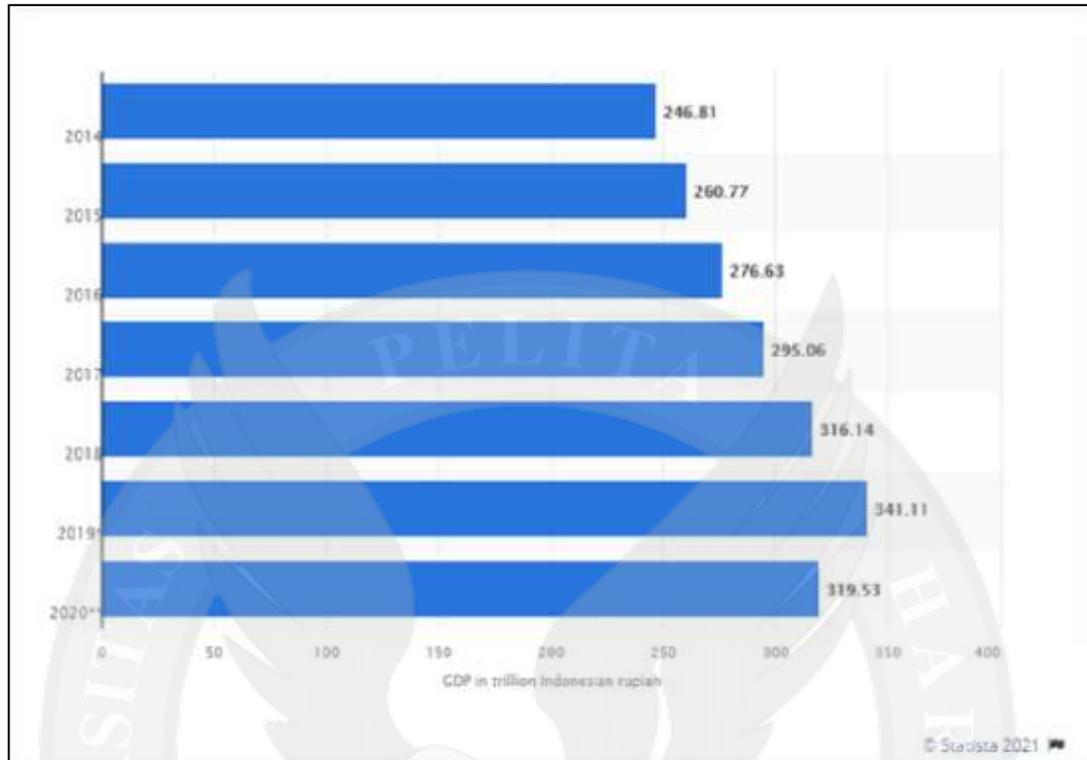


Figure 1.1 Indonesia Food and Beverage GDP 2014-2020

Source: <https://www.statista.com/statistics/1019670/indonesia-gdp-food-and-beverage-service-activities/>

This condition forces Food and Beverage companies to think outside the box in marketing their products. In order to maintain the sales of each Food and Beverage business, another alternative strategy like take away, Pre-order, and also Frozen food has been a solution for companies to keep their customer. A loyalty program could also be a beneficial way to attract customers to purchase a product.

Medan is one of the big cities in Indonesia which is famous for its cuisine, from the Batakese Pork, Chinese food, and also the famous Sidikalang Durians. The Mayor of Medan, Bobby Afif Nasution, on 28th March 2021, claimed that Jalan Kesawan in Medan is branded the Kitchen of Asia. He aims not only to target the tourist destination

but also, to introduce to the world that Medan can be an alternative for people to taste authentic Asia food. The food and beverage industry also runs really well, starting from a coffee shop, restaurant, and patisseries that are largely available. Chinese food, Indian food and also Western food are commonly seen in coffee shops. Just like the other cities, Medan also depends much on their food and beverage industry to support the economy.

In early March 2020, the first Covid-19 case was confirmed by Indonesia's president, and up to today the virus keeps spreading all around the nation. Government has to implement a few regulations to prevent the spreading, one of them is to limit the seating to dining in the restaurant. By that, restaurants are only able to sell their products through takeaway or even use the help of online Ojek transportation. Due to this pandemic, Alwi of the owner of a famous Padang restaurant called the Pondok Gurih claimed that because of the pandemic, where the majority of their customers dine-in, it has decreased their earning than before. Not only the Padang restaurant but the tourism industry is also influenced, Felix Zuhendri who is the owner of Madu Efi in Medan, claims that due to the pandemic situation, the business has to close around 2 weeks times. After they operate on the following week, the earnings also significantly drop than before, he hopes that this pandemic will end real soon. This Pandemic effect also covers Zeribowl, a Taiwanese dessert bar. According to the owner, Anita, Pandemic has caused a significant change in their business. Even though the majority of their customers can still take away their dessert, Zeribowl sales are influenced by this pandemic situation. Anita said that she will use her previous selling method (take

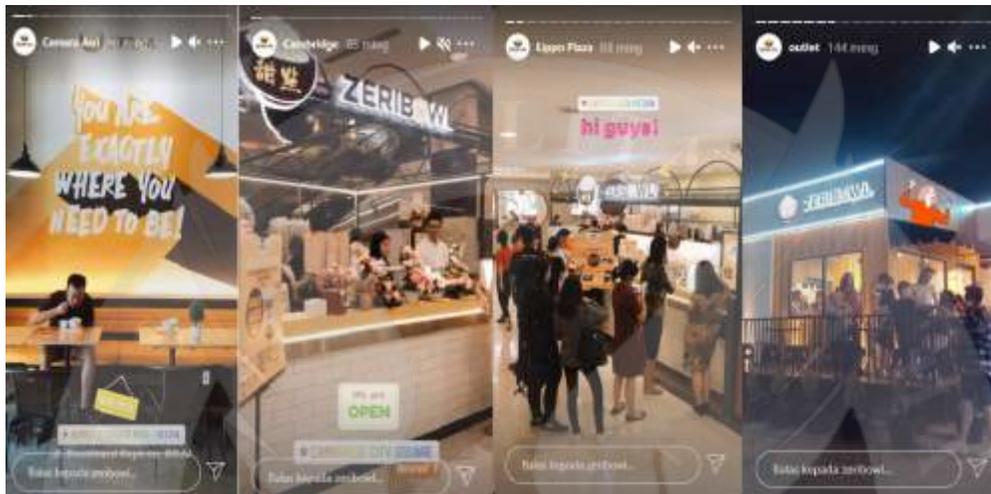
away) to overcome this problem. She also added that Zeribowl will keep on innovating and promoting on their Instagram to keep customers updated on the latest information.



Figure 1.2 Zeribowl logo
Source: Zeribowl Instagram

Based on the interview with one of the owners, Anita, with high consideration and also believes, in 2014, Zeribowl was established for the first time as one of the businesses in Indonesia's Food and Beverage industry. Zeribowl is a Taiwanese snack, dessert, and bubble drink business packed with the more modern way that operates in many cities, including Medan. Steven and Anita, who was the founder of Zeribowl, first started their desert business in a Bazaar in early 2014. After the bazaar, they figure out that Zeribowl has successfully attracted much attention from the local customers. Both founders decided to keep operating their business through the pre-order system for over 8 months before they finally decided to open their first-ever store in Jalan Asia Mega Mas in 2015. After success on their first outlet, Anita and Steven are planning to expand their business to reach more customers, Therefore, the second outlet was opened in recent years. After the second outlet, Anita and Steven would like to expand their brand by using a franchising system, both of them hope that by using the franchising

system, they could reach more customers on a larger scale. Up to today, Zeribowl has operated in 3 cities with 10 outlets and is coming soon to Jakarta.

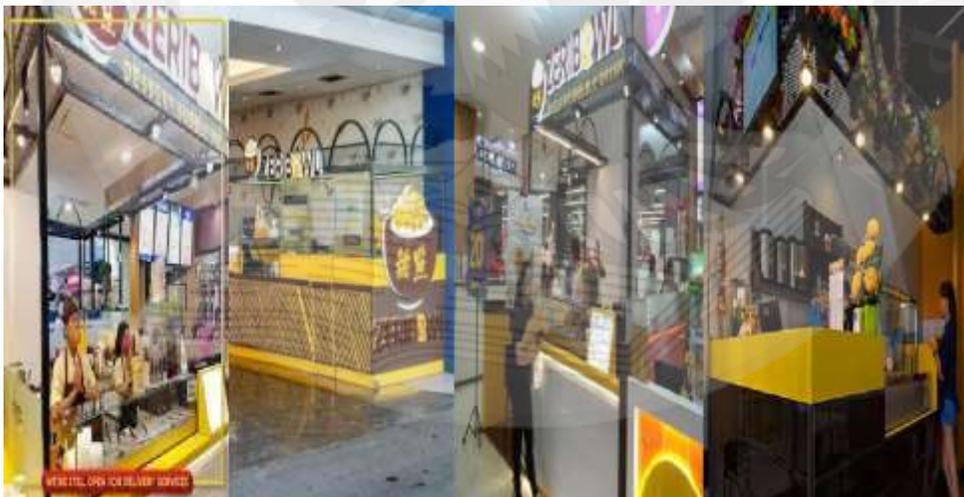


Zeribowl
Cemara Asri Medan

Zeribowl
Cambridge Plaza Medan

Zeribowl
Lippo Plaza Medan

Zeribowl
Adam Malik Medan



Zeribowl
Sun Plaza Medan

Zeribowl
Brastagi Tiara Medan

Zeribowl
Center Point Medan

Zeribowl
Asia Mega Mas

Figure 1.3 Zeribowl outlets in Medan city
Sources: IG @Zeribowl



Zeribowl Batam

Zeribowl Siantar

Figure 1.4 Zeribowl outlet located at Batam and Siantar

Sources: IG: Zeribowl

Figure 1.3 and Figure 1.4 show the 10 Zeribowl outlets that have operated in Medan, Batam, and Siantar. Zeribowl serves more than 20 dessert menus, from Zeribowl milk, Zeribowl lime to Sunnyside up. With the very interesting and appetizing looks and lots of choices, there will be no reason to dislike Zeribowl.

Zeribowl offers various Taiwanese drinks from Milk tea, Coffee, and also juices. With more than 30 menus with a variety of sizes that can suit their customer's wants. Never forget about the delicious snack which is the Taiwanese Crispy Chicken with Mozzarella which is the best seller for their snacks. Customers hang up with lots of choices which made them not bored chilling in Zeribowl.

As mentioned before, due to the pandemic situation where fewer people demand snacks, Zeribowl comes out with a brilliant marketing idea. The business takes

advantage of the government program that encourages people to stay at home while engaging customers with their takeaway or online ordering system. Zeribowl also supports the government vaccination program by rewarding their customers who have received their vaccination. By showing their certificate of vaccination and filling the form, customers can enjoy one cup of Milk Tea for free. Various promotions such as buy 2 for 3, Super 11.11 (Figure 1.5), and many other discounts, are used to attract customers to increase their sales and help the business sustain in the pandemic situation.



Figure 1.5 Zeribowl's Vaccination program, Vaccine = Free Milk Tea
Source: IG: @zeribowl



Figure 1.6 Buy 2 get 3 and Super 11.11
Source: IG: @zeribowl

Just as mentioned before, Medan city is known as the Kitchen of Asia, thus no wonder various desserts from all over the world are present there. One of them is Patbingsoo Korean dessert house. Korean lovers should be familiar with this dessert bar. Patbingsoo is a Korean restaurant that serves Korean dessert and other Korean food as well. They are famous for the signature menu called Gangnam Patbingsoo, which is a mixture of Popcorn, cornflakes, plat, caramel, and vanilla ice cream, which makes the presentation so appetizing and appealing. Next, we have Vio cafe, Vio cafe may look like a normal cafe but they might be one of the best bakers in town, starting from Blackout Cake, Avocado Mousse, and Passion Fruit & Chia Seed Cheesecake. The next direct competitor is Luigi Gelato and Es Krim Ria. Both are famous bars that

have the best ice cream too, while Es Krim Ria itself has served customers for more than 83 years. While Luigi Gelato is famous for its coffee ice cream that has gone worldwide. Each dessert bar has its own specific segment like ice cream, cakes, Korean dessert, and so does Zeribowl which is the best Taiwanese dessert bar in Medan at the moment. Therefore, with the hard work of their owners, they are able to reach more potential customers around Sumatra Island.

There are also a few indirect competitors that Zeribowl has such as Macehat coffee and also Alpukat Kocok Amo. Macehat Coffee is a famous coffee shop in Medan that serves delicious avocado juice with chocolate ice cream on top and one shot of espresso. Aside from Macehat coffee, there is also a famous avocado shake called “Alpukat Kocok Amo” which is also one of Medan’s best-selling dessert businesses. They are the indirect competitor of Zeribowl in Medan city. With more varieties of topping and modernization, Zeribowl has dominated the dessert sector in Medan.

Writers are interested to do research on this brand and bar because of its branding, quality, prices, innovation, and wonder how the customer reflects their product, service, and brand. Therefore, writers are going to formulate the title of the research name “Analysis Factors Construed External Image, Perceived Salesperson Characteristics, Perceived Company Characteristics on Extra Role Behaviors through Customer Company Identification on Zeribowl Medan”.

Customer Company Identification is how customers perceive the value of the company that is able to satisfy their customer’s wants and needs. The aspects that make

the company able to apply customer-company identification are the factors of competencies, consistency, integrity, and also transparency. By this, customers could have the connection between company to customers and also the customer to the company. This relationship applies in most of the business nowadays, to be able to sustain the business, they need to satisfy customers with their value. Zeribowl on the other hand also keeps on innovating on their menu to fulfill customer needs. With the hard work of innovating and collecting data references from their customer, Zeribowl expected to give their best to serve the young to the old generation. But again, this relationship could have a positive and negative reaction towards different customers, Therefore, this study would like to identify, figure out and measure the customer company identification of Zeribowl in Medan.

According to Lawfer, Manzie (2004), Customer Extra Role Behavior is a customers' decision to spontaneously continue to subscribe to certain companies for a long period of time. According to Bloemer & Kasper (1995), Customer Extra Role Behavior is defined as true loyalty. Customer repurchased due to the brand and commitment by putting aside the other aspects. Having a loyal customer is a good asset for the company. Most of the companies try to make their customer loyal with several loyalty program like the buy 10 get 1 free. Zeribowl does a similar program too to retain customer. Because they believe that when a customer is happy with the purchase made, automatically they will spread the happiness to others. Therefore, writer is going to analyze the importance of Customer Extra Role Behavior on Zeribowl Medan.

A Constructed External Image refers to a positive relationship with the brand when a brand is able to grab the attention of the customer and has a good experience in purchasing goods or using a service offered by the company. Therefore, customers will constantly consume or purchase the product or the service simply because of the brand. Many customers take a decision in purchasing a well-known brand with the reason of feeling more confident, comfortable, and also reliable on the product if the brand is trustworthy, available, and of course the good quality of service and product. In other words, the more familiar brand is more favorable than the unknown brands. (Aaker, 1991) A well-known brand might be more acceptable in most aspects. Due to the high reputation and strong image, commonly famous brand has a loyal customer that believes that the brand they choose is going to serve the best quality, product, price, etc to their customers. In this research, writer would like to measure how far Zeribowl has contributed or penetrated their customer throughout the brand.

Perceived Salesperson Characteristic is known to encourage customers to be committed to the company products where it could influence the market shares of the products. Gilbert et al. (2004) state that retaining customers is very crucial for all companies, especially companies with lots of competitors. Because customers could easily find a replacement due to the difference in prices, quality, and many more reasons. Perceived Salesperson characteristics are really important in most of the business in order to maximize or earn profits. Service is really important not only for a service company but also for a product selling company. Service could be measured from the customer service or employee toward their customers. In the Food and

Beverage business, even though product and brand are equally important but service from the customer could not be ignored. Therefore, in this research, the writer is going to include Perceived salesperson Characteristics to measure the quality of the service of Zeribowl in Medan.

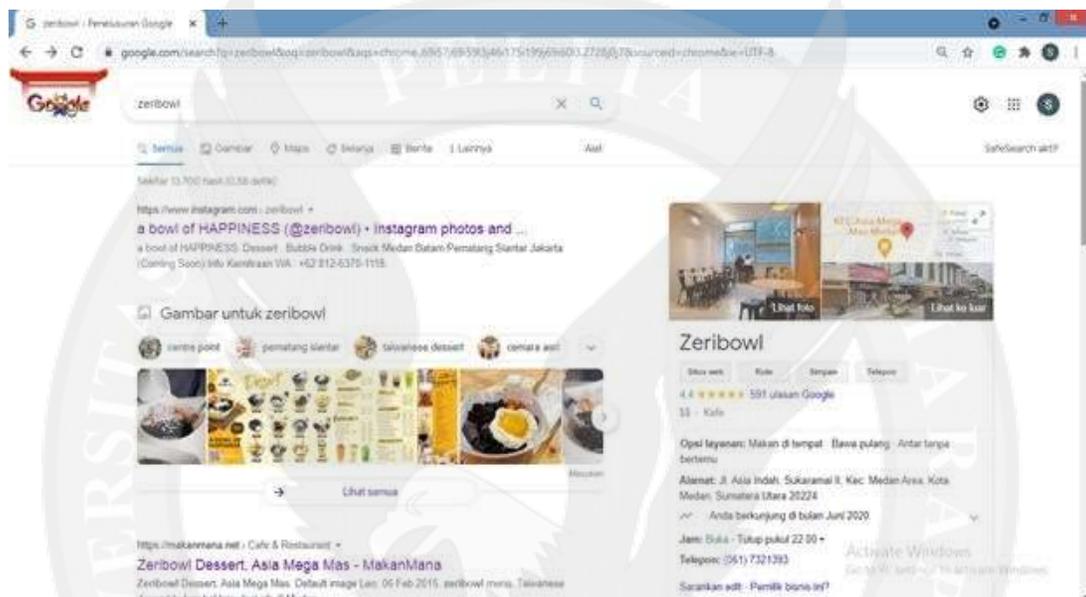


Figure 1.7 Google My Business (Zeribowl)

Source: Google, Keyword: Zeribowl



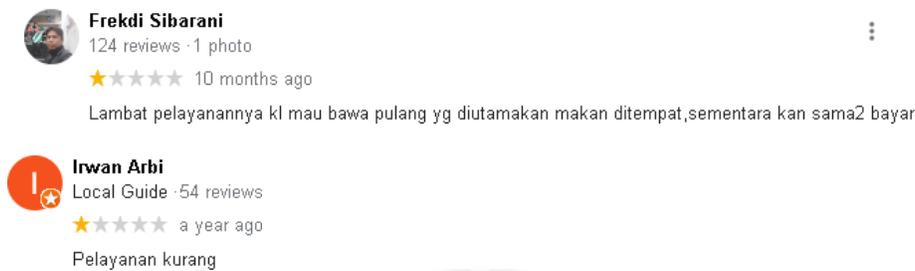


Figure 1.8 Unpleasant reviews from customers

Sources: Google My Business (Zeribowl)

From Google My Business of Zeribowl, Zeribowl is rated with 4, 4 out of 5 stars by the customers, which is a good rate on the business. However, when writer carefully reads about the comment on the reviews, writer found out that many of the customers complain about the service. About 2 months ago, one of the customers commented that is shown in Figure 1.8, stated that the customer service is bad, impolite, and arrogant, resulting in a long queue. Another review from unsatisfied customers wrote that the service took a long time and those employees tend to prioritize the customer who ate at the bar than the customer who takes away their food, which supposes the customers need to be served equally by a number of order. In conclusion, many of the customers think that they have to wait for too long and the employees show unfriendly attitude towards them. Therefore, they give a rate of one star on the Google My Business on Zeribowl.

According to Mowen (2012), Perceived Company Characteristic is to view the company process to reach out to customers so that company could evaluate and be able to improve from it. Improvement can be done from many aspects, such as the quality of a product, features, performances, product style, and also the attractive design that

is used. The same as innovations, companies also need to put much attention on their products or services innovation to lead to more sales and revenues. Zeribowl most of the time quite concern about their customers, from their program that supports the vaccination, as well as encourage their customer to stay at home and wash their hands frequently, might be one of the values that the company pursue. Therefore, with relevancy from the other variable, writer is going to measure the connection and what customer experiences throughout all of the programs that Zeribowl has ever conducted.

The importance of Customer Company Identification in business gives motivation to writers for furthermore understanding the factors that influence Customer Company Identification. There are several determinants that give effect to a business's Customer Company Identification. Out of many factors, writers will only focus on three main variables, Construed External Image, Perceived Salesperson Characteristics, and Perceived Company Characteristics that are potential to give impact on Customer Extra Role Behavior. The writer also realizes that Customer

Company Identification can be a variable that influences both independent and dependent variables as well. In this research, Customer Extra Role Behavior will be the intervening variable. The research will be specified on the Zeribowl in Medan. The motivation of using Zeribowl as the object of research is encouraged by the fact that Zeribowl is a Food and Beverage Taiwanese business that has the potential to grow in Medan city. Thus, the writer will take "Analysis Factors Construed External Image,

Perceived Salesperson Characteristics, Perceived Company Characteristics on

Customer Extra Role Behaviors through Customer Company Identification on Zeribowl” as the title of this research.

1.2 Problem limitation

With the respect of understanding the analysis factors Construed External Image, Perceived Salesperson Characteristics, Perceive Company Characteristics on Customer Extra Role Behaviors through Customer Company Identification on Zeribowl Medan, there is a need to conduct research on these factors that might influence Customer Company Identification through Customer Extra Role Behavior on Zeribowl Medan. There are a variety of Food and Beverage business industries in Indonesia Therefore, the research will be limited to Zeribowl and outlets only in Medan. In addition, due to the limited interval of time and resources, the variable studied in this research is limited to Construed External Image, Perceived Salesperson Characteristics, perceive company Characteristics which will be the independent variable that will influence the dependent variable on Customer Company Identification and intervening variables Customer Extra Role Behavior in Medan. The research focuses on understanding the Analysis factors Construed External Image, Perceived Salesperson Characteristics, Perceive company Characteristics on Customer Extra Role Behaviors through Customer Company Identification on Zeribowl.

The research object is going to focus on Zeribowl. And for the data collecting method, they are going to use the primary data that will be collected by giving a questionnaire to the respective customer who purchased Zeribowl in Medan. The

questionnaire will be limited to 115 to 230 respondents of customers who did purchase Zeribowl in Medan. Research and analysis of the questionnaire results using software tools Amos 22.0. For the Questionnaire, respondents are limited to 18-60 years old. Did purchase Zeribowl in the last two years and it is only limited to the customer who did purchase in the 8 outlets in Medan. In this research, the indicator is limited to the research object that suit the most the research. Research is going to be conducted using Google form and the research will be conducted in 2021.

1.3 Problem formulation

1. Does Construed External Image significantly influence Customer Company Identification on Zeribowl in Medan?
2. Does Perceived Salesperson Characteristics significantly influence Customer Company Identification on Zeribowl in Medan?
3. Does Perceive Company Characteristics significantly influence Customer Company Identification on Zeribowl in Medan?
4. Does Customer Company Identification significantly influence Customer Extra Role Behaviors on Zeribowl in Medan?

1.4 Objective of research

1. To acknowledge the Construed External Image significantly influences Customer Company Identification on Zeribowl in Medan

2. To acknowledge the Perceived Salesperson Characteristics significantly influences Customer Company Identification on Zeribowl in Medan?
3. To acknowledge the Perceive Company Characteristics significantly influences Customer Company Identification on Zeribowl in Medan
4. To acknowledge the Customer Company Identification Through Customer Extra Role behavior on Zeribowl in Medan

1.5 Benefits of research

There are two types of benefits from the research title “Analysis factors Construed External Image, Perceived Salesperson Characteristics, Perceive Company Characteristics on Customer Extra Role Behaviors Through Customer Company Identification on Zeribowl”, which are:

a. Theoretical Benefits.

For academic purpose, writer expects that this study could beneficial for:

1. Students

The results of this research are expected to enrich student’s knowledge about Analysis factors Construed External Image, Perceived Salesperson Characteristics, Perceive Company Characteristics on Customer Extra Role Behaviors through Customer Company Identification especially in the field of Food and Beverage in Medan.

2. Literature

This result could be a reference for the future researcher that is interested in the same field of research.

b. Practical Benefits

For practical benefit, writer expects that this study can be beneficial for:

1. Customers

Writer hopes that by this research, customers would have felt the benefits by the changes that the company does after the research about Analysis factors Construed External Image, Perceived Salesperson Characteristics, Perceive Company Characteristics on Customer Extra Role Behaviors through Customer Company Identification on Zeribowl Medan.

2. Company

Writer hopes that after the research about Analysis factors Construed External Image, Perceived Salesperson Characteristics, Perceive Company Characteristics on Customer Extra Role Behaviors through Customer Company Identification on Zeribowl is conducted, it will determine the strength and weakness of the company, and also to improve to satisfied more customers in Medan.

3. Employee

Writer hopes that after the research, employees will be more concerned regarding the Construed External Image, Perceived Salesperson Characteristics, Perceive Company Characteristics on Customer Extra

Role Behaviors. That will increase the quality of the product and quality of the service in the coming future.

