

CHAPTER I

INTRODUCTION

A. Background

A restaurant, or what we often call *rumah makan* in Bahasa Indonesia, is a food and beverage service industry that relies on and absorbs the large number of workers needed at this time. In the future, in the food and beverage service industry or business, it is currently the most important thing for the growing economy and a part of tourism growth in Sydney, Australia, because we can enjoy these dishes by eating on-site or dining in, take away. We can also use the delivery service that is here. Currently, the restaurant industry in Australia has reached \$16 billion US dollars with a total of 31,791 businesses. This number increased from 22,542 branches in 2019 (IBISWorld, 2023)

We need to understand in Sydney that in the restaurant business, there are several types of restaurants that we can approach at this time, namely cafes, fine dining restaurants, pub cafés, brasserie restaurants, bistro restaurants, cafeterias, and take-out restaurants. Currently, cafes are more in demand and are becoming an economic growth for various young people (Withington, 2020) in Sydney. The growth of cafes in Sydney is because the average worker or resident here really likes coffee. In 2020 Australia exported coffee worth nearly A\$70 million, and the total annual domestic consumption of coffee was over 1.9 million 60-kilogram bags. On average, Australians consume around two kilograms of coffee per person in 2021, of which 0.7-kilogram is roast coffee and around 1.4-kilogram is instant coffee.

However, considering per capita consumption, Australians are far behind Finland, Scandinavian countries, and other European countries but are still among the top 30 coffee-consuming countries (Statistics Research Department 2020).

As of June 2022, more than 30,000 cafes and restaurants operating in Australia had an annual turnover of between A\$200,000 and two million. This figure represents most of the approximately 50.8 thousand cafes and restaurants operating nationwide. A few cafes and restaurants have an annual turnover of over two million Australian dollars. The last few years have seen an increase in cafes and restaurants nationwide. Before the COVID-19 pandemic hit hard on the Australian economy, the annual turnover of cafes, restaurants, and takeaways increased yearly for over a decade. The food industry significantly contributes to Australia's tourism industry's gross value. While the COVID-19 pandemic has undoubtedly hit the industry hard, there has been annual GDP growth in the tourism sector for several years. Nonetheless, international visitor arrival numbers to Australia may still need time to recover to pre-pandemic levels.

In Sydney, Australia, Killiney Kopitiam, which originates from Singapore and also has various branches in Asia, is one of the most well-known Kopitiam restaurants in the city of Sydney and currently has four branches in Sydney, namely in Central Park Mall, Broadway Shopping Center, Rhodes, and in the Darling Quarter. So many people come to Killiney Kopitiam restaurant to enjoy the limited food available, and they also sell drinks available at the restaurant and also to work from the café. Consumers

can make reservations before coming to this restaurant. This Killiney Kopitiam Restaurant is strategically located in downtown Sydney, known as the CBD (Central Business District), which combines indoor and outdoor concepts so that consumers are free to choose a place indoors or outdoors. One of the Killiney Kopitiam Sydney Central Park Mall branches has provided self-service technology or what we usually call ordering without people and with payment methods such as Liven Pay, Debit Cards, and Credit Cards with machines that can connect directly to the Kitchen after the consumer has successfully paid. The consumer is directly waiting for food to come to the table of each consumer. Interviews conducted with Killiney Kopitiam Sydney managers found a problem: very minimal promotion, where promotion was only limited to Instagram and Facebook. In addition, no research explicitly addresses repurchase intention among Killiney Kopitiam consumers. Therefore, there is still much room for comprehensive research. Repurchase intention is the process of repurchasing a product or service from the same brand because of the positive experience gained from previous purchases.

Repurchase intention is an individual's assessment of repurchasing the same service or services by considering the individual's current situation and good mood (Helier et al., 2003). Brand image is a brand's overall value or image from a consumer's point of view, which is formed from an assessment of its superiority over other brands and commitment to its consumers (Nisar & Whitehead, 2016). Consumers who have a favorable view of a product or brand's image tend to stick with the brand by making repeat purchases rather

than looking for alternatives or buying from other brands (Shen & Ahmad, 2022).

Companies have known for a long time that happy customers are important for their business. When customers are happy, they are more likely to keep buying from the same company and become loyal to the brand. This means the company makes more money and can keep growing. But, things have been changing lately and people's behavior as customers is different now. Many studies have been done to understand why some customers stay loyal and others don't. These studies have found that there are many different things that can affect how loyal a customer is.

One credible source that addresses this problem is the research conducted by Nguyen, T. T. M., Sherif, J. S., and Newby, M. (2019) titled "The Impact of Customer Satisfaction on Customer Repurchase Intention: A Case Study of the Retail Apparel Industry." The study adopts a case study approach to delve into the retail apparel industry, a sector known for its fierce competition and constantly changing consumer preferences. By examining data from a diverse range of customers and analyzing the drivers of their repurchase intentions, the researchers provide valuable insights into the relationship between customer satisfaction and repurchase behavior.

Nguyen et al. (2019) found a significant positive correlation between customer satisfaction and repurchase intention. The study highlights that customers who experience higher levels of satisfaction with a brand or product are more inclined to repurchase from the same brand in the future.

They also discovered that things like how good the product is, how well they are treated by the company, and how special the company makes them feel all contribute to how much they like something. The researchers also gave some helpful ideas to businesses on how to make their customers happy and want to keep buying from them.

The factor that influences consumer repurchase intention is satisfaction. The satisfaction of customers depends on the product's performance relative to their expectations, which involves utilizing a system. Clients are happier if product performance meets their expectations. When performance meets expectations, the client is happy. When performance meets or exceeds expectations, the client is very happy or pleased (Kington et al., 2018). Customers who are satisfied with a product or service tend to repurchase because the product or service is considered capable of meeting the expectations they want.

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Research conducted by Putri & Setiawati (2021), Sari & Giantari (2020), and Ishmael & Dei (2018) conducted research that analyzed the effect of customer satisfaction on repurchase intention. The results of this study indicate that customer satisfaction has a significant effect on repurchase intention. Based on the elaboration of this background, this research will examine the effect of customer satisfaction on repurchase intention at Restaurant Killiney Kopitiam Sydney, Australia.

B. Problem Formulation

After discussing the background, the main question this study aims to answer is: "Does satisfaction impact repurchase intention at Killiney Kopitiam in Sydney, Australia?"

C. Research Objective

This study aims to determine whether satisfaction impacts repurchase intention at Restaurant Killiney Kopitiam Sydney, Australia, based on the background provided.

D. Benefits of Paper

Through this research, the researcher hopes that there will be benefits taken in this study:

1. Academic Benefits

To provide contributions and references in the academic field, especially regarding repurchase intention and customer satisfaction in the restaurant industry.

2. Practitioner Benefits

To provide input, especially to Killiney Kopitiam Sydney, Australia, regarding increasing repurchase intention through customer satisfaction.

E. Writing Systematics

The systematics of writing in this final project are organized as follows:

CHAPTER I INTRODUCTION

This chapter contains the background, problem formulation, the purpose of paper, benefits of the paper, and the writing systematics.

CHAPTER II LITERATURE REVIEW

This chapter contains theoretical exposures, previous research, and a framework conceptual.

CHAPTER III RESEARCH METHOD

This chapter contains an overview of the object of research, design research, sampling methods, data collection instruments, variable measurement, data analysis method.

CHAPTER IV RESULTS AND DISCUSSION

This chapter contains results consisting of the manufacturing process and organoleptic test results and discussion.

CHAPTER V CONCLUSION AND SUGGESTION

This chapter contains the conclusion and recommendation.

