

CHAPTER I

INTRODUCTION

A. Background Studies

Tourism is a social, cultural and economic concept is a term that refer to people who traveling to areas or countries outside their regular environment with purpose for business or pleasure. Visitors are referred to as guests (tourists or excursionists; residents or non-residents), and tourism is the term used to describe their activities, tourism spending is one of them (UNTWO, 2008).

Tourism has long been regarded as critical to economic development, particularly in developing nations, as well as its ability to alleviate poverty (Bryden, 1973; Clancy, 1999; Scheyvens, 2007). is based on the principle of trickle-down effects, which states that increased tourism leads to increased economic growth, which ultimately benefits the poorer section of the community. According to Copeland (1991), the main method by which a rise in the relative value of non-traded products and services purchased by foreign tourists in a destination country affects the country's welfare (Sahil & Nowak, 2007). This growth in the relative cost of the host country's exports versus imports has been demonstrated to result in an increase in real income for the host country. While some past research such as Hawkins and Mann (2007) and although Sinclair (1998) suggested this was not the case, empirical evidence on tourism's ability to alleviate poverty remained equivocal. (Croes, 2014;

Croes & Vanegas, 2008; Klytchnikova & Dorosh, 2013; Saayman, Rossouw, & Krugell, 2012; Vanegas, Gartner, & Senauer, 2015) as quoted in Mahadevan & Suardi (2017).

According to Wibowo, (2008) The term "accommodation" refers to a spot where visitors can stay for a short period of time while visiting a tourist attraction. A hotel is a category of commercially managed lodging that uses part or more of a facility that provides food and beverage, other public services and housing. The most important component of the destination tourism product is accommodation, which has a significant impact on the number and form of visitors who come to the region. Indeed, not only does tourists' satisfaction with their accommodations play a role in their overall satisfaction with their vacation, but it also plays a role in their holiday experience. It can also bring authenticity to the experience, if the lodging in a stately home, palace, chateau, or farmhouse (Goodall, 1989).

A restaurant is a business that specializes in serving food and beverages. Restaurants are everywhere, there are restaurants inside hotels, offices and many also stand alone outside the building (Hutama, 2019). It was discovered that restaurant owners compete primarily on style, a broad term that includes elements of service, decor, price, and the atmosphere generated by the combination of these elements, as well as the customer's attire and behaviour (Auty, 1992).

Currently, the food and beverage industry is experiencing rapid expansion in numerous parts of the world and will continue to do so. Many

stores sell a variety of food and beverages in different forms (Nonto, 2006) as quoted in (Mandasari & Adithama, 2011). The beverage industry in Indonesia has grown rapidly in recent times, as quoted from Kompas, 2019 (kompas.com, 2018).

Nowadays, coffee plays a significant role in the Indonesian people's economic growth. Around 92 percent of coffee production is currently controlled by small farmers or cooperatives (AEKI 2016). This percentage has piqued the interest of many Indonesian in using coffee as a business commodity.

According to the Secretary of the Association of Indonesia Coffee Exporters (AEKI, 2016) in East Java, Ichwan Nursidik, this is because coffee cafes in Indonesia modify the way of serving coffee. Another element is the evolution of people's lifestyles, which has facilitated the growth of coffee cafés or coffee shops in recent years. The Coffee Bean & Tea Leaf is a coffee shop that has been around for a long time in Indonesia. The Coffee Bean & Tea Leaf is managed by PT. Trans Coffee, a group of Trans Corp. Trans Corp is Indonesia's largest conglomerate, with operations in a variety of consumer industries such as media, entertainment, fashion, retail, food, and beverages.

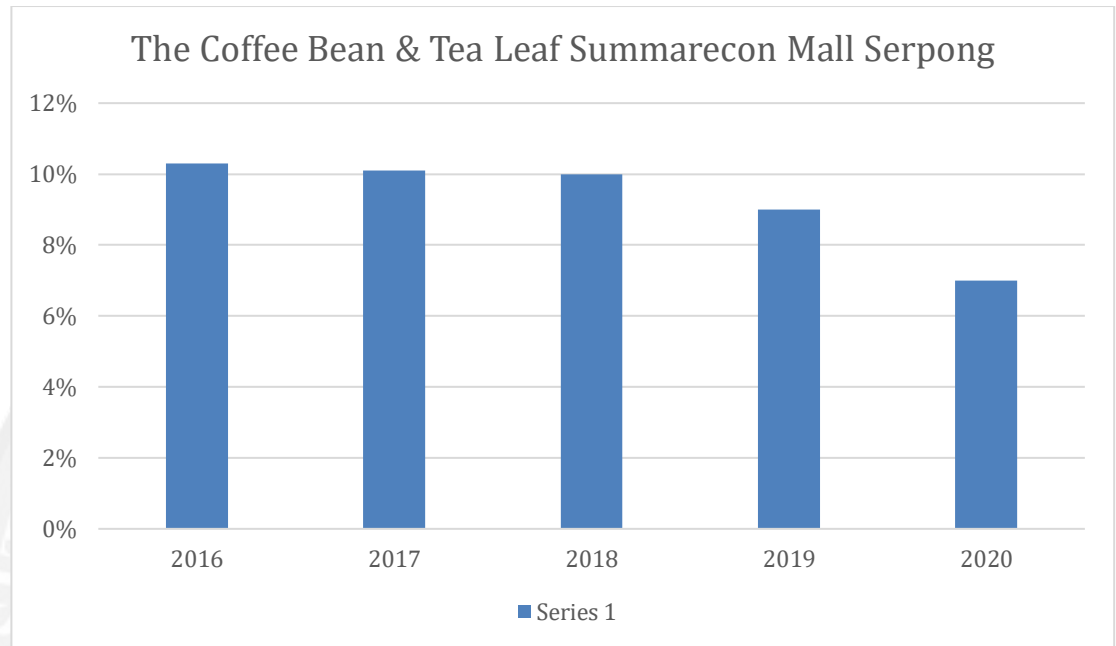
The researcher chose The Coffee Bean & Tea Leaf because it is one of Indonesia's most well-known coffee shops with a long history in the country, and it is also in the top three of the Top Brand Awards in the category retail with coffee cafe from 2017 to 2021. The assessment of Top Brand Award is based on the results of research on Indonesian consumer. The reason the author

chose the coffee bean & tea leaf branch in Serpong is because this research requires respondents for questionnaires with the category of convenience sampling, who have visited The Coffee Bean & Tea Leaf Summarecon Mall Serpong, therefore the research chooses the Serpong branch because the research knows many people and familiar around the area.

The writers are going to use The Coffee Bean & Tea Leaf Summarecon Mall Serpong as a research object. With the address: Summarecon Mall Serpong GF- 19, Jl. Boulevard Gading Serpong Blok AA4 No. 39 - 45, Tangerang, Banten, 15157.

The Coffee Bean & Tea Leaf, founded in 1963, has expanded not only domestically, but also internationally, with over 400 locations worldwide. The Original Ice Blended as their signature beverage was created in 1989, hundreds of imitators have sprung up since then, each attempting to produce a drink that is identical to their coffee-based ice blended drinks.

Figure 1
Sales of The Coffee Bean & Tea Leaf Summarecon Mall Serpong)



Source: The Coffee Bean & Tea Leaf, 2021

Based on the information presented above (Figure 1) it is clear that there is a decline in sales from 2016 to 2020 in The Coffee Bean & Tea Leaf Summarecon Mall Serpong. Although The Coffee Bean has been around in Indonesia since 2001, the researcher found a decline in 2016 to 2020.

In 2017 the reduction by 0.2% from 2016, In 2018 the reduction by 0.1% from 2017, in 2019 the reduction by 1% from 2018 and in 2020 the reduction by 2% from 2019. This phenomenon triggered the researcher to examine the impact of the decline in sales. Because they have been in Indonesia for a long

time, The Coffee Bean & Tea Leaf brand is more well known by the Y generation rather than the Z or Alpha generation.

These days, there are a lot of new coffee shops and The Coffee Bean & Tea Leaf competitors are increasing and the competition is getting more difficult. According to Supriyadi, et al (2017) a product with the best appearance is not always the highest quality product, especially if the appearance does not meet the needs and desires of consumers and the market. As a result, producers are required to be more creative and reproducible. Which makes consumers more careful in choosing products, with the existence of brands consumers can distinguish the difference between each brand and in general, brands are very important in a customer's purchase intention. According to (Bass and Wilkie, 1973) as quoted in (Kim, Magnini, & Singal, 2011). It says that one of the factors consumers consider to purchase the products is the brand.

Most consumers choose a brand that is well-known in the market rather than a brand that is left behind in the market. According to Supriyadi, et al (2017) brand is a promise from the seller to the consumer to provide benefits and services by providing quality assurance by using the best brand .Other factors that influence a customer's purchase intention include product quality and product price. According to Tse, Sin and Yim (2002) Consumers associate a high degree of crowdedness with a positive reputation, high food quality, and a low price, both of which attract customers to the restaurant.

The price of a product has a considerable impact on a customer's decision to purchase it. Price perception explains and adds meaning to information about the product (Kotler and Keller, 2016). According to research conducted by Komaladewi and Indika (2017), Price, according to the majority of respondents, has a substantial impact on their purchasing decisions. Moreover, price is one factor that helps to improve brand image (Buehler and Halbherr, 2017). Related to the decline in The Coffee Bean & Tea Leaf sales, this phenomenon triggers the interest of authors to research about consumer's purchase intention towards The Coffee Bean & Tea Leaf because it refers to a customer's attitude toward a particular buying behaviour as well as the willingness of the buyer to pay. This is basically a signal of consumer buying habits (Wu, et al. 2011).

According to Kinnear and Taylor (1995) as quoted in Faradiba, & Astuti, (2013), the stage of a respondent's disposition to behave before making a purchasing decision is known as purchase intention. The results of other research at Warung Bebek Gendut Semarang conducted by Faradiba, & Astuti, (2013) and research at Pondok Indah Ranch Market conducted by Saidani, & Arifin (2012) on variable product quality proves that product quality affects repurchase interest. This is shown by the number of good responses from the respondents for each of the research variables. There is a research gap between the research conducted by Tajuddien, R., et al (2015) According to the research, there is a negative influence between product quality and purchase intention.

However, according to a study conducted by Jufidar, J., Abbas, F., & Safwadi, I. (2019) succeeded in proving that the perception of product quality has a significant effect on purchasing intention.

Table 1
Statement of Art

Source: Summarized for this research from various sources

Based on what has been mentioned previously, knowing that the variable brand name, product quality and product price can affect the customer's

No	Autors(Year)	Variable	Result
1.	Faradiba, F., & Astuti, S. R. T. (2013)	Quality product and Price	It proves that product quality and service quality affect repurchase interest.
2.	Saidani, B., & Arifin, S. (2012)	Quality product	The result shown by the number of good responses from the respondents for each of the research variables.
3.	Tajuddien, R., et al (2015)	Quality Product and Purchase Intention	There is a negligible positive association between product quality and purchase intent. As a result of this research, a new notion emerges: a high-quality product does not always lead to a want to buy because many other elements influence desire to buy.
4.	Jufidar, J., Abbas, F., & Safwadi, I. (2019)	Quality product and purchase intention	This research succeeded in proving that the perception of product quality has a significant effect on purchasing intention.

purchase intention. This research is inspired by Mirabi, V., Akbariyeh, H. and

Tahmasebifard, H. (2015). The objects and samples used are different from those used in the previous research so that it is possible to have different results. This research also uses The Coffee Bean & Tea Leaf as the research object because in the current era in Indonesia, there are more and more people who consume coffee in their daily lives. The overall purpose of this study is to identify the relationship between brand name, product quality, and product price against consumer's purchase intention at The Coffee Bean & Tea Leaf Summarecon Mall Serpong. With the results obtained from this research, it can be used as an input for the coffee bean marketing.

B. Formulation of Research Problems

The problem formulated for this research are:

1. Do brand name have a significant impact on consumer's purchase intention?
2. Do product quality have a significant impact on consumer's purchase intention?
3. Do product price have a significant impact on consumer's purchase intention?

C. Purpose of the Study

The purpose of this study is to be able to obtain the following analysis:

1. To analyze whether brand name affects consumer's purchase intention.
2. To analyze whether product quality affects consumer's purchase intention.
3. To analyze whether product price affects consumer's purchase intention.

D. Research Benefits

As for the benefits of this research are in the form of theoretical benefits and practical benefits, namely:

1. Theoretical benefits

From this research, it is expected to be a reference in providing understanding for readers that purchase intention from the customers must have the factors of brand name, quality of products and price where these factors can foster a sense of satisfaction from customers and so that long term transactions can be created.

2. Practical benefits

This research is expected to provide benefits for The Coffee Bean & Tea Leaf so that they know what factors to affect the purchase intention of their customers and can always provide the service, product quality and price in accordance with the customer expectations.

E. Systematic Writing

The systematic writing of this project are as follows:

CHAPTER I INTRODUCTION

In this chapter, the author describe the background studies of the title used for the research. There are also the problem formulation, purpose of the study, research benefits and also systematic writing.

CHAPTER II LITERATURE REVIEW

In this chapter, the author explains the valid theory from experts regarding the research topic taken namely the theory of brand name, product quality, product price and consumer's purchase intention. In addition, related hypotheses are also included in order to prove the effectiveness of the research being studied.

CHAPTER III RESEARCH METHODOLOGY

This chapter discusses matters relating to the research methodology used in this study which includes an overview of the research object, research design, sampling methods, data collection methods, variable measurement and data analysis methods.

CHAPTER IV RESULTS AND DISCUSSION

This chapter discusses about the results of the research descriptions obtained from data analysis, data problem solving, and data collection processing, testing and calculations are carried out using the program SPSS.

CHAPTER V CONCLUSIONS AND SUGGESTIONS

This chapter discusses about the conclusions, suggestions and plans for the continuity of the research regarding the research obtained from the stages in the previous chapter. These conclusions and suggestions can also be beneficial for the intended company so that they can use it for the progress of the company.