

# CHAPTER I

## INTRODUCTION

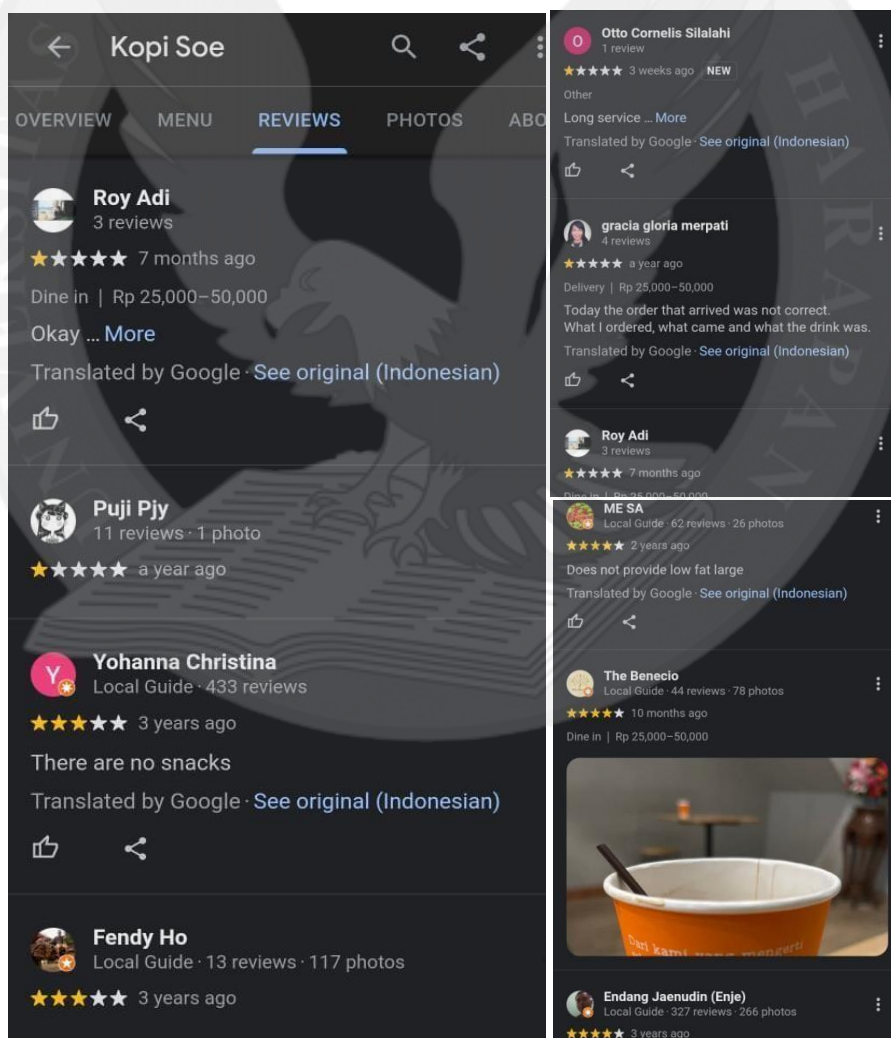
### 1.1 Background of the Study

Indonesia is known as a country with a strong and diverse culture, unique experiences, breathtaking scenery, and authentic local dishes that attract tourists (Babolian Hendijani, R, 2016). With the good accessibility of transportation and networks such as airports, highways, and public transportation systems, this easy connectivity makes it easier for tourists to reach Indonesia (Leung, K. H., 2016). With that, Indonesia has become one of the countries with a high potential in the hospitality industry (Japutra & Situmorang, 2021).

With the number and diversity of culture and cuisine, Indonesia has become a country with many good opportunities in the food and beverage sector (Wijaya, 2019). In the food and beverage sector, the craft movement has grown significantly. Food and beverages provide a unique and personalized experience for enthusiasts (Walker, J.R., 2021). Coffee has become one of the most desirable beverages in the world, with an estimated 400 billion cups of coffee consumed per person (Cravero et al., 2020). Coffee, an indispensable part of global culinary culture, occupies an important position in food and beverages (Spence & Carvalho, 2020). Its rich history and diverse preparation methods reflect regional traditions and social preferences (Wijaya, 2019). Indonesia is a country that has a diverse background and culture. Coffee has become a beverage that has been influenced by the diversity of culture which makes it become rich in different tastes (Tucker, C. M., 2017).

Kopi Soe is a coffee brand established and developed in the Indonesian coffee industry. Kopi Soe has grown steadily and now has a strong presence across Indonesia by offering a wide variety of foods and beverages (Romario et al., 2021). Kopi Soe introduces its roasted coffee beans and brings rich, distinct flavors to lovers across the country.

Here's the review that came from one of the Kopi Soe outlets located in Medan, North Sumatra which is Kopi Soe Karya Wisata that has been collected from online reviews.



**J Jacklyn L.**  
 5 Reviews • More than 1 year ago  
 Ukuran salah.  
 Ordered: Kopi Soe Goela Merah, Kopi Soe Goela Merah  
 Helpful?

**R RS**  
 9 Reviews • 3 months ago  
 Kopi rasa kimia sintetis. Parah  
 Ordered: Es Kopi Soe Roegal  
 Helpful?

**A Andika**  
 4 Reviews • More than 1 year ago  
 Kita pesan es milk boba tapi ada yang banyak ada yang sedikit entah gimana buat nya sangat parah banget dan saya mau komplain Kalo tau begini saya tidak akan lagi pesan disini  
 Ordered: Es Milkoe Boba x4  
 Helpful?

**J Jason G.**  
 12 Reviews • More than 1 year ago  
 pesan 4 yg datang 3  
 Ordered: Es Klepon Boba, Es Soeklat Roegal, Es Cokelat Rum  
 Helpful?

**M Mba K.**  
 17 Reviews • More than 1 year ago  
 Croffle saya manaaaaaa !!!!!????? Paraaahhhh  
 Ordered: Joetawan 1, Croffle Cokelat Kacang  
 Helpful?

**V Vino**  
 22 Reviews • More than 1 year ago  
 Tidak akan lagi order dari sini, tidak sesuai pesanan, kopi rum diminta large, malah dikirim yg medium, sudah 2 kali kejadian  
 Ordered: Es Kopi Rum  
 Helpful?

**f foniah s.**  
 5 Reviews • More than 1 year ago  
 Encer banget kopinya || apa karna flash sale jadi takaran dikurangin ya..  
 Ordered: Paket 3 Kopi Soe, Kopi Soe Goela Merah x2, Es Thai Tea  
 Helpful?

**Y Yogie**  
 57 Reviews • 10 months ago  
 lama banget pesan croffle sm boba aja. hampir sejam. boba nya juga gk enak, lengket banget  
 Ordered: Es Klepon Boba, Croffle Abon  
 Helpful?

**E Elisabeth**  
 205 Reviews • More than 1 year ago  
 tolonglah kopinya agar lbih diperhtikan... kopinya harus terasa dn susu cmpuran gula pas.. jgn rasa kyak air es teh manis jdinya  
 Ordered: Kopi Soe I...ple.Syrup x2  
 Helpful? [Back to Top](#)

**M MARA S.**  
 4 Reviews • More than 1 year ago  
 enak cuma agak pait 🤢🤢  
 Ordered: Kopi Soe Goela Merah  
 Helpful?

**W Winny C.**  
 5 Reviews • More than 1 year ago  
 Lumayan kopi caramel nya enak, g tluu pahit  
 Ordered: Es Kopi Caramel  
 Helpful?

**N Naomi**  
 57 Reviews • 10 months ago  
 gada gulanya  
 Ordered: Matcha Latte  
 Helpful? [Back to Top](#)

suka bgt sama croffle coklatnya kopi soe. kopi susu nya jg fav bgt. pesen kopi susu tapi pake oatmilk, eh ternyata rasa susu oat nya kurang berasa  
 Ordered: Croffle Cokelat Renyah x2, Kopi Soe Goela Merah  
 Helpful? [Order this](#)

**Gita T.**  
47 Reviews  
★★★★☆ • 7 months ago

kopinya enakkk tapi tiramissunya hmmm kok whipped creamnya asin ya? saus coklatnya jg agak asin. selebihnya enak sih. tp jd bingung lidahnya wkwk

Ordered: Kopi Soe Iced Shaken, Tiramisoe (Classic Tiramisu)

Helpful?

rasa kopi legit gk ada komplain memank mantap, packaging plastiknya kyk pajak kurasa

Ordered: Es Kopi Rum x3

Helpful? [Order this](#) →

**Elya**  
45 Reviews  
★★★★☆ • More than 1 year ago

Mungkin lain kali lebih teliti aja, saya pesan less matcha tp kok rasanya jd less sugar.. But I do still love the matcha latte..

Ordered: Matcha Latte x2

Helpful?

**PROMO**  
**Kopi Soe** 🍀  
\$\$\$\$ • Coffee, Beverages, Bakery & Cake

★ 4.8 (424) • Coffee

HEMAT 30% Rp51.000 off

Closed Try another store.

**Kol. Yos Sudarso**  
★ 4.8 (214) • Coffee

HEMAT 30% Rp51.000 off

Closed  
Order for 10:30 AM


**Karya Wisata**  
★ 4.7 (745) • Coffee

HEMAT 30% Rp51.000 off

Closed  
Order for 11:00 AM

**Tuanku Imam Bonjol**  
★ 4.9 (71) • Coffee

HEMAT 30% Rp51.000 off



**Figure 1.1 Google Review of Kopi Soe Medan**

Source: Prepared by the writer (Online Review, 2023)

Although the number of customers at Kopi Soe Karya Wisata Medan has been increasing in recent years and has a good rating, there are still customer complaints and low ratings. This problem stems from concerns about both service and product quality that impact the brand image. Service quality issues persist, as evidenced by customer complaints about slow service, wrong orders, and others. In addition, product quality issues also arise from the products that were served by Kopi Soe Karya Wisata Medan, which didn't taste good. This might impact the brand image and influence customer loyalty which might cause them to lose their trust in Kopi Soe Karya Wisata Medan.

Quality of service in hospitality has become key to customer loyalty (Satti et al., 2020). Customer loyalty is defined as the part of a person's reaction and determination to consume a product or service (Berens, G., Van Riel,

C. B., & Van Bruggen, G. H. 2005). Trust that has been built through the service process could build customer loyalty. Customer loyalty will that been built by trust, shape consumer loyalty to the company (Mawey, T. C., Tumbel, A., & Ogi, I. W. 2018). Customer loyalty can be influenced by product quality, service quality, and brand image.

In the hospitality industry, customer loyalty refers to the tendency of customers to repeatedly choose and recommend a particular hotel, restaurant or service provider based on their positive experience. The positive and significant influence between brand image and customer satisfaction shows that customer satisfaction is influenced by the brand image (Suratno et al., 2016). Brand image is built through good service quality or product quality which will later affect loyalty

to the brand.

The quality of services, which includes factors such as personalized service, comfort, cleanliness, responsiveness, and overall customer satisfaction, plays a central role in forming loyalty. Kopi Soe has grown steadily and now boasts a strong presence across Indonesia by providing different types of food and beverages (Kulsum, U., & Syah, T. Y. R. 2017). When customers receive special treatment and services that exceed their expectations, they are more likely to develop a strong emotional connection with the brand. In addition, positive experiences with quality products create feelings of emotional attachment towards the customers. With a positive experience, Customers trust that the product will always bring the expected benefits. This loyalty forms the basis of customer loyalty, as customers choose the same brand over a competitor based on their past positive experiences.

When customers have a positive perception of a brand, based on factors such as its reputation for quality, reliability, innovation and alignment with their values, they are more likely to develop stronger emotional connections. A well-designed brand promotes a sense of trust and familiarity, which encourages customers to continually choose the brand over the alternatives. This emotional connection goes beyond transnational interactions and creates a lasting relationship between the customer and the brand.

## **1.2 Problem Limitation**

In this study, the researchers limited the problem to the analysis of customer

loyalty at Kopi Soe, especially the one located in Medan. With limited knowledge in conducting the research, problem limitations in this study are only on service quality, product quality, and brand image as the dependent variable.

X1: Influence of service quality to the customer loyalty  
X2: Influence of product quality to the customer loyalty  
X3: Influence of brand image to the customer loyalty  
Y: Customer loyalty

### **1.3 Problem Formulations**

1. Does service quality partially influence customer loyalty?
2. Does product quality partially influence customer loyalty?
3. Does a brand image partially influence customer loyalty?
4. Does service quality, product quality, and brand image have simultaneously influenced customer loyalty?

### **1.4 Objective of the Research**

This study aims

1. Service quality partially influences customer loyalty at Kopi Soe Karya Wisata Medan.
2. Product quality partially influences customer loyalty at the Kopi Soe Karya Wisata Medan.
3. Brand Image partially influences customer loyalty at the Kopi Soe Karya Wisata Medan.
4. Identify whether simultaneously service quality product quality and brand

image influences customer loyalty at Kopi Soe Karya Wisata Medan.

## **1.5 Benefits of the Research**

### **1.5.1 Theoretical Benefits**

This research is conducted to aim to answer and explain the phenomenon that occurs based on the explanation that happened in reality. This research focuses on the variables that influence customer loyalty in Kopi Soe Karya Wisata Medan. This research determines how much service quality, product quality, and brand image in influencing the customer loyalty in Kopi Soe Karya Wisata Medan..

### **1.5.2 Practical Benefits**

This research is conducted to aim and share information regarding the workplace, which has an impact on improving the results of the practical research.

1. For students: this research is conducted to help with the writing of the research paper that is related to this study.
2. For Researchers: this research is conducted to become a guidance for future research according to the field.
3. For at the Community: this research is conducted to aim positive impacts toward the social and education.
4. For Restaurants: this research was conducted to provide an overview of how customer loyalty in Kopi Soe Karya Wisata Medan is.