

CHAPTER I

INTRODUCTION

1.1 Background of the Study

In today's competitive market, roasteries and coffeeshops must continually innovate and provide exceptional service to retain customers. This research examines three key factors social media marketing, service quality, and customer experience that influence customers' repurchase intentions at Ming Kopi Roastery & Coffeeshop, which aims to build a loyal customer base in the Indonesian market. Ming Kopi Roastery & Coffeeshop located on Jl. Berlian Sari, Kedai Durian, Kec. Medan Johor, Kota Medan, Sumatera Utara 20146.

In Indonesia, coffee consumption has increased recently. Entrepreneurs from foreign coffee shops like Starbucks, Coffee Bean, and others can find good business chances in Indonesia due to the high needs of coffee enthusiasts. This is particularly bad for the fourth-largest coffee-producing nation in the world because the locals have to pay the outside coffee shop owner extra to enjoy their own coffee output. The coffee shop industry in Indonesia is emerging to cater to the increasing number of coffee enthusiasts, offering a distinctive experience that highlights the enjoyment of locally sourced Indonesian coffee. (Rahardjo et al., 2019).

As coffee consumption rises, local coffee shops are opening up more and more. There is a great need for local coffee shops. Numerous local businesses

and individuals open distinctive coffee shops with extensive marketing campaigns (Nurhasanah & Dewi, 2019).

However, this vibrant growth has also resulted in intense competition among roasteries and coffeeshops, ranging from small local cafés to high-end specialty coffee establishments, all competing for a share of the same customer market. In such a competitive environment, understanding what drives repeat customer purchases such as effective social media marketing, high-quality service, and exceptional customer experience is crucial for maintaining a strong and loyal customer base.

(Rane et al., 2023) In such a competitive environment, building and maintaining a loyal customer base is critical for sustained success. Repeat customers are particularly valuable in the Indonesian market, where loyalty is often shaped by cultural factors, such as strong community ties and the influence of social recommendations. Loyal customers provide a consistent revenue stream and tend to spend more over time compared to new customers.

Several factors that affect the growth of a restaurant that will cause customer to repurchase:

- a) Social media marketing: Social media marketing is a crucial tool in Indonesia, where digital engagement is a daily activity for a large portion of the population. Platforms like Instagram, Facebook, and TikTok are widely used, and they have become essential for restaurants to connect with their audience, promote their offerings, and build brand awareness. Through

creative content, interactive campaigns, and influencer partnerships, restaurants can foster a sense of community and keep their brand top of mind. Social media also allows for direct interaction with customers, gathering feedback and responding to inquiries or concerns, which can help build stronger relationships and encourage repeat visits. Social media has emerged as a crucial instrument for fostering client loyalty because it gives companies a way to interact with their clients, learn about their wants and requirements, and develop a rapport with them. Customer loyalty is largely shaped by social media's real-time interaction (Rane et al., 2023).

- b) Service quality: In the fiercely competitive restaurant business in Indonesia, providing high-quality service is another essential component for drawing in and keeping patrons. Indonesian customers place a high importance on prompt, polite, and attentive service because it greatly influences their entire eating experience. Restaurants can create lasting relationships with patrons and encourage return business by continuously providing excellent standards of service, from friendly staff to effective order management and problem solving. Personalized services can foster client loyalty and a sense of value by remembering preferences and making recommendations specifically for them. In addition, upholding hygiene standards, creating welcoming dining spaces, and making sure personnel are properly trained and conversant with the menu are all crucial components of high-quality service that positively impact patron satisfaction.
- c) Customer Experience: The overall customer experience, encompassing

elements like service quality, ambiance, and personal interaction with staff, is a decisive factor in fostering customer loyalty. In Indonesia, where hospitality is highly valued, customers expect a warm and welcoming atmosphere, attentive service, and a sense of being appreciated. Creating a memorable dining experience goes beyond the food itself; it involves the entire journey from the moment a customer walks in until they leave. Factors such as a comfortable environment, friendly and knowledgeable staff, and thoughtful touches like personalized greetings or special accommodations can significantly enhance the dining experience and increase the likelihood of repeat visits. Positive experiences can create emotional connections, making customers more likely to return and recommend the restaurant to others.

Ming Kopi can create strategies that stay up to date with modern consumer demands by emphasizing social media marketing, service quality, and providing a great customer experience. Through targeted and engaging content, social media marketing boosts customer engagement, brand exposure, and loyalty. Maintaining high service quality is equally essential, as attentive, friendly, and efficient service leaves a lasting impression on customers. By ensuring that staff are well-trained and providing personalized, prompt service, Ming Kopi can foster customer satisfaction and encourage repeat visits. Conclusively, providing a favorable client experience fosters emotional attachment and trust, which are important factors in encouraging recurring business. In the current modern day, where the internet is a great tool for promotion, social media is crucial for businesses. This is another

reason why a lot of businesses work to keep improving their social media presence in order to reach a wider target demographic and ultimately boost consumer intent to spend. When compared to similar firms like Expat. Roasters, Ming Kopi's Instagram account doesn't post any media in the last 30 days, shows that the company is less active in promoting its business on the Instagram.



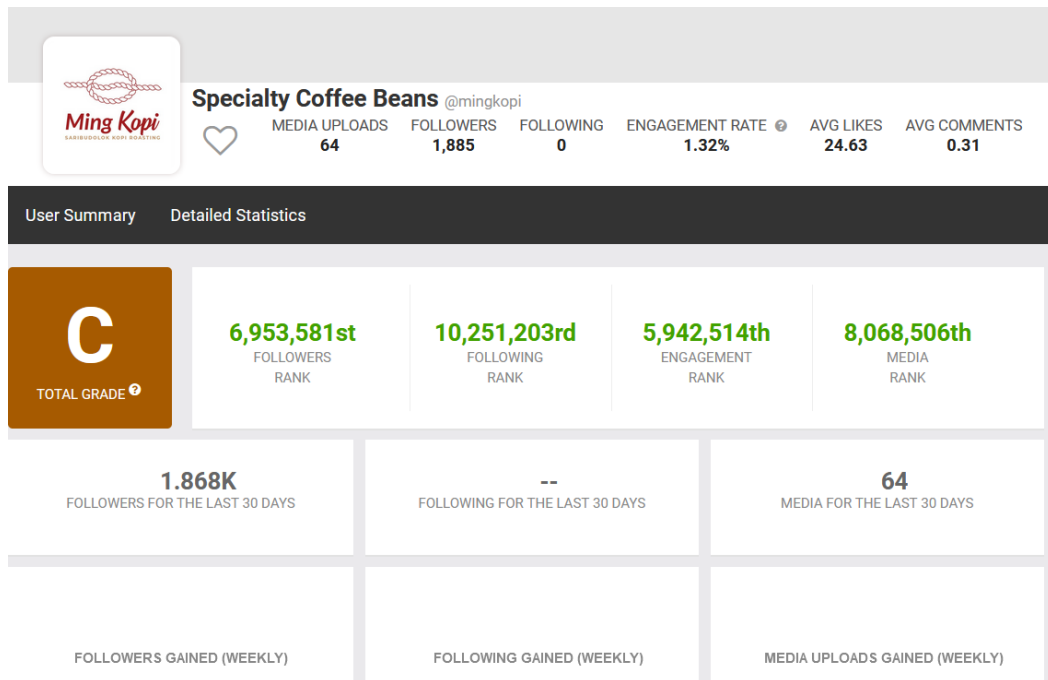


Figure 1.1 Follower Data and Media Upload on Ming Kopi Medan Instagram

Source: <https://socialblade.com/instagram/user/mingkopi> (2024)

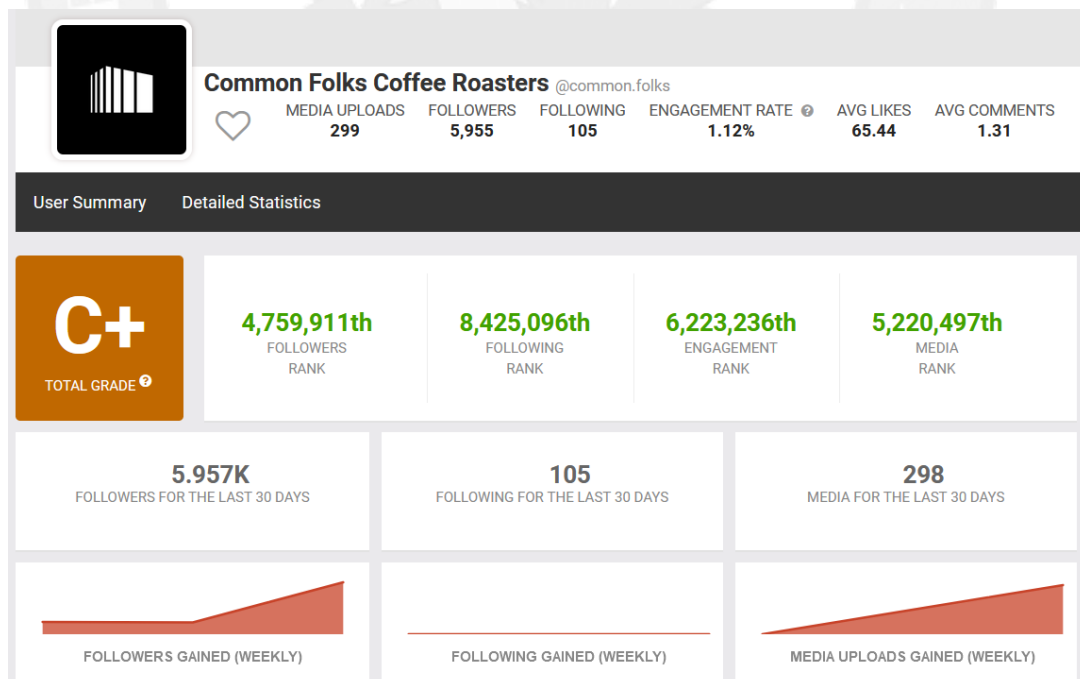


Figure 1.2 Follower Data and Media Upload on Common Folks Coffee Roasters

Source: <https://socialblade.com/instagram/user/common.folks> (2024)

The figure above illustrates how the followers gained and media uploads for the two businesses differ significantly.

Table 1.1 Posting date of the last 9 posts on Ming Kopi's Instagram

No.	Posting date of the last 9 posts on Ming Kopi Instagram	Days from last post
1	August 21 2024	41 days
2	July 11 2024	345 days
3	August 1 2023	88 days
4	May 5 2023	10 days
5	April 25 2023	56 days
6	February 28 2023	82 days
7	December 8 2022	7 days
8	December 1 2022	2 days
9	November 29 2022	6 days

Source: Prepared by writer (30 September 2024)

Based on the table above we can conclude that Ming Kopi's Instagram account have an inconsistent posting schedule

Table 1.2 Total Review of Ming Kopi Roastery & Coffeeshop

Review	Frequent
1 star	7
2 star	2
3 star	10
4 star	31
5 star	123
Total	173

Source: Prepared by writer (30 September 2024)

Ming Kopi also gets several bad reviews from Google Reviews. In the digital age, online evaluations are an essential component of every business and have a significant impact on how customers perceive the business.

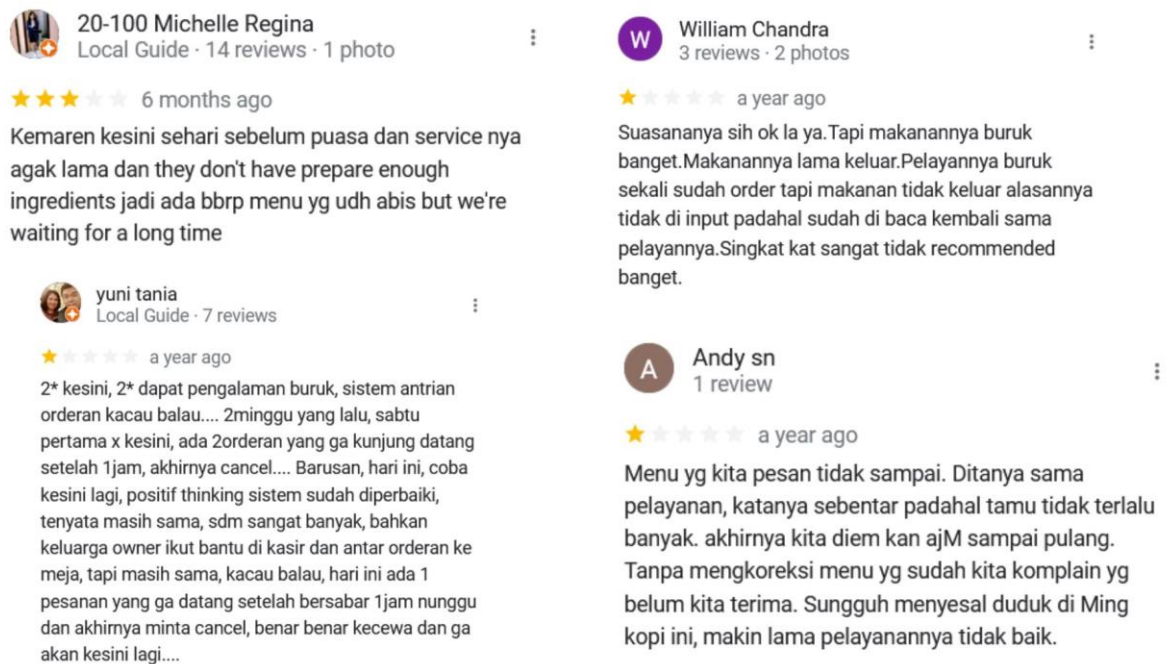


Figure 1.3 Ming Kopi Google Review

Source: <https://restaurantguru.com/Ming-Kopi-Medan>

As the above figure illustrates, there are a several of negative online reviews left by Ming Kopi Roastery & Coffeeshop patrons that are related to their personal experiences. Several of them expressed dissatisfaction with the establishment, primarily due to the quality of the services provided. Potential clients may be negatively influenced by all of these reviews since they show that certain patrons of Ming Kopi Roastery & Coffeeshop are not satisfied.

1.2 Problem Limitation

Based on the research background above, Researchers must narrow the issue in order to keep their work more focused and steer clear of ineffectual discussion. The restrictions applied to the issue as described in this research include: The problem of this research is based on the social media marketing, service quality and customer

experience at Ming Kopi Roastery & Coffeeshop. Social media marketing, service quality and customer experience are the independent variables (X), while customer repurchase intention is the dependent variable (Y). Customers who have visited Ming Kopi Roastery & Coffeeshop are the only sample that can be used in this research. The research area will be restricted to Ming Kopi Roastery & Coffeeshop only.

1.3 Problem Formulation

The problem formulations that the writer found are listed below, taking into account the research's background as previously mentioned:

1. Does the social media marketing have a partial influence towards customer repurchase intention?
2. Does the service quality have a partial influence towards customer repurchase intention?
3. Does the customer's experience have a partial influence towards customer repurchase intention?
4. Do the social media marketing, service quality, and customer's experience have simultaneous influence on the customer repurchase intention at Ming Kopi Roastery & Coffeeshop?

1.4 Objective of the Research

The objective of the research are as follows:

1. To discover whether the social media marketing has a partial influence towards customer repurchase intention.

2. To discover whether the service quality has a partial influence towards customer repurchase intention.
3. To discover whether customer experience has a partial influence towards customer repurchase intention.
4. To analyze whether social media marketing, service quality, and customer experience have simultaneous influence on the customer repurchase intention at Ming Kopi Roastery & Coffeeshop.

1.5 Benefit of the Research

The author hopes that by publishing this research, it will be beneficial to everyone who is interested. The advantages of this research are:

1.5.1 Theoretical Benefit

The research holds theoretical significance as it presents an empirical discovery on the influence of social media marketing, service quality, and customer experience. The goal of this research is to provide researchers with the necessary resources and to update applicable hypotheses with the results.

1.5.2 Practical Benefit

The practical benefits from this research are as follows:

a) For the writer

In addition to offering ideas for social media marketing, service quality, customer experience, and customer repurchase intention, the research is anticipated to provide understanding and information.

b) For the company

The research is anticipated to provide recommendations and insights for restaurants seeking to increase repeat purchase and stay competitive by focusing more on social media marketing, service quality, and customer experience.

c) For other researchers

The research is anticipated to serve as both a foundation and a source of reference regarding social media marketing, service quality, customer experience, and customer repurchase intention.

