

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Indonesia's coffee industry has grown significantly in recent years. Indonesia, one of the world's major producers of coffee, is well known for both the high quality of its beans and the expanding coffee culture, which is becoming increasingly popular by the public. Coffee consumption in Indonesia has rapidly increased over the past three to five years, particularly in major cities, such as Medan. The emergence of various coffee shops with unique and interesting concepts has attracted the attention of consumers, especially the younger generation, who are looking for new experiences in enjoying coffee.

One of Indonesia's largest cities, Medan, has not fallen behind in the growth of the coffee sector. Many new coffee shops have appeared, providing a variety of local and international coffee varieties, together with a comfortable space for working or relaxing. In this context, Tomoro Coffee Medan stands out as one of the new competitors that aims to grab customers' interests by providing high-quality goods and unique experiences.

Tomoro Coffee was founded in 2022 by Xing Wei Yuan, often known as Star, together with Fish Sun, the company's Vice President of Product and Supply Chain. During his Executive Master of Business Administration program at the National University of Singapore, Star had discussions with investors that gave him the idea of starting Tomoro Coffee. During the

discussion, he became aware of the enormous potential of Southeast Asia's coffee and tea-based beverage industries. Star began the process of creating a modern chain of coffee shops aimed at local and regional markets with the help of his network of venture capital firms.

The first Tomoro Coffee store in Jakarta was officially opened on August 9, 2022. Tomoro Coffee adopts a creative approach by combining local taste, quality, and technology. The milk tea sector, which is known for its innovative flavors and products, served as a model for the company's philosophy. Tomoro Coffee, the newest competitor to the coffee market, offers unique menu items, such as *gula aren* coffee, which is intended to satisfy local Indonesian preferences. Furthermore, Tomoro Coffee produces unique plant-based milk products, such as oat milk, using local materials.

Tomoro Coffee uses a flexible and lightweight application to implement digitalization in its company operations. The application assists the business in understanding customer habits, increasing efficiency, and lowering operational costs. Using this strategy, Tomoro Coffee can carry out specific advertising based on the customer experience with the brand, taste preferences, and age segmentation.

High-tech coffee makers, such as *Eversys E'4* and *Eversys Cameo*, which can produce hundreds to thousands of cups of coffee each day, are used by Tomoro Coffee to expand their production scale. In 2024, Tomoro Coffee opened a dedicated roastery in Jakarta to support an increase in production volume to five tons per day.

Tomoro Coffee's early success is seen in its quick expansion; by the end of 2024, it is expected to have 1,500 locations throughout countries, such as China, Singapore, and the Philippines. The goals of Tomoro Coffee are to become the biggest network of coffee shops in Southeast Asia, encourage innovation in the coffee sector, and use collaborative efforts to benefit Indonesia's coffee growing community. Combining technology, quality, and unique flavor innovation, Tomoro Coffee continues to grow into one of the leading players in the current coffee business, because of Star's experience as the former Director of Product Management at Oppo and co-founder of J&T Express.

In the next five years, Tomoro Coffee believes that it will be a significant force in the coffee market in Southeast Asia. The company's commitment to quality and adaptability to consumer trends is demonstrated by its use of technology, local partnerships, and data-driven marketing strategies to consistently innovate and satisfy the demands of both local and international markets.

According to Rohali and Paudi (2024), consumer repurchase interest is their willingness to make a repurchase from a business after a thorough evaluation of their experience after the first purchase.

Repurchase intention is an important factor for measuring customer loyalty. Repurchase intention describes how interested customers are in returning to purchase a good or service following previous consumption experience in the context of companies such as Tomoro Coffee Medan. In addition to expressing satisfaction with the previous experience, customers who desire to make

additional purchases also generate long-term revenue potential and stability for the company.

Repurchase intention is influenced by a wide range of factors such as customer engagement with marketing campaigns, brand image, service quality, and product quality. One of the most important factors for company success in Medan's highly competitive coffee market is the degree of repurchase intention, particularly for Tomoro Coffee, which must contend with the competition from local and international brands.

Customers' opinions of the overall experience, such as their social media connections with the company, the level of service they received, and the ambiance they experienced when they visited the store, frequently affected their desire to repurchase. Customers are more likely to build a lasting bond with a brand and make regular repeat purchases if they are satisfied with these three factors.

Saya berencana untuk membeli kembali di Tomoro Coffee Medan dalam waktu dekat.
30 responses

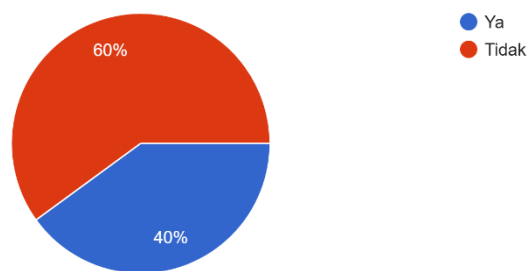


Figure 1. 1 Pre-Survey Variable Y result

Source: Prepared by writer (2025)

Based on the results of the pre-survey of 30 respondents in Figure 1.1, shows

that 60% (18 persons) that doesn't plan to repurchase product at Tomoro Coffee Medan soon, while there are 40% (12 persons) who plans to repurchase product at Tomoro Coffee Medan.

According to Customer A, the primary issue lies in the lack of strong transactional interest. Although Customer A has previously purchased from Tomoro Coffee Medan, they are hesitant to make repeat purchases due to inconsistent service quality across different branches. This inconsistency makes Customer A reconsider their decision to return.

Customer B points out a lack of exploratory interest by stating that they are rarely interested in Tomoro Coffee Medan's new product offerings. Even though the store occasionally adds new menu items, Customer B is not interested in them because of ineffective promotion or low visibility.

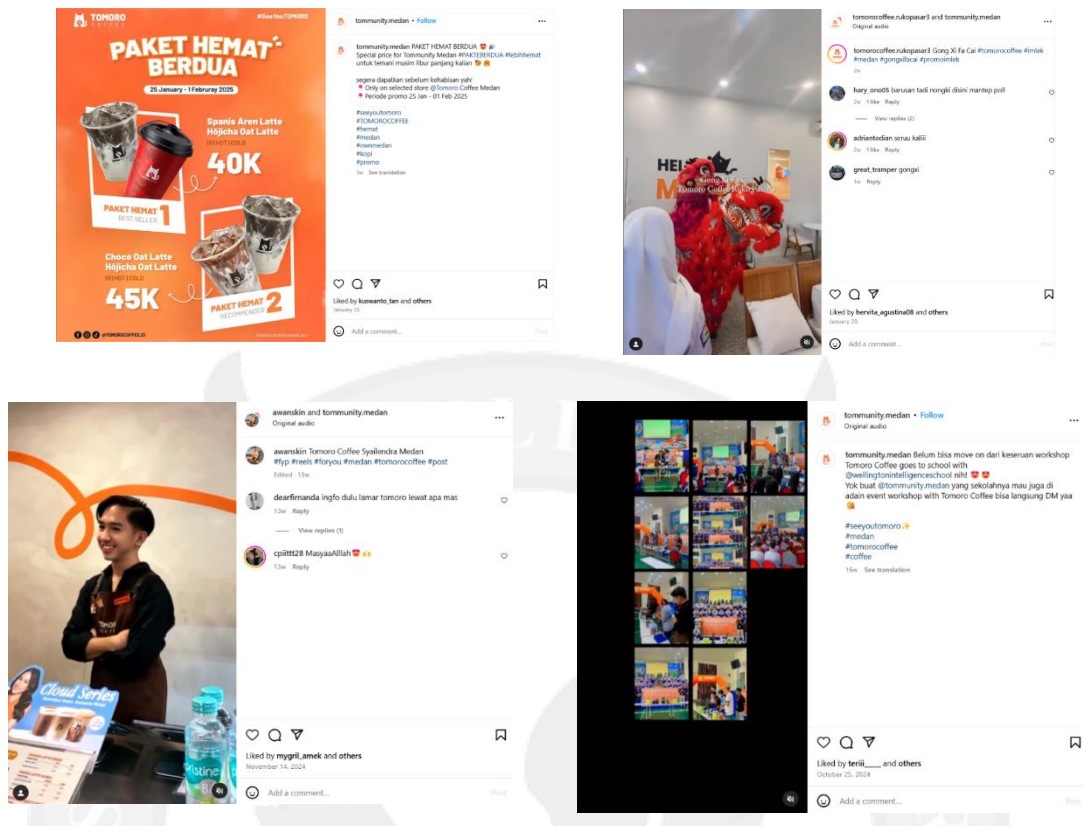
According to Astuti and Abdurahman (2021), Social Media marketing is a manifestation of direct and indirect marketing carried out to gain recognition, awareness as well as provide memories of brands and products by utilising tools from the website.

Social media have become one of the best marketing tools available in the digital age to reach customers directly and widely. Tomoro Coffee Medan makes advantage of social media sites like Facebook, Instagram, and TikTok to advertise its goods, cultivate clientele, and raise brand awareness. Social media gives companies the opportunity to share engaging information, engage with consumers, and stay aware of trends that are relevant to their target market,

particularly the younger generation, which makes up most of Tomoro Coffee customers.

Despite the use of social media marketing strategies, there are still challenges to overcome, especially the strong competition from other coffee brands that make extensive use of social media. One problem that frequently comes up is creating content that not only grabs attention but also motivates users to return and make purchases. The efficiency of marketing initiatives and consumer loyalty may be impacted by the inconsistent amount of customer participation on Tomoro Coffee Medan's social media platforms. Innovative content is one aspect of successful social media marketing. Other components include the business's capacity to engage with customers, stay informed of industry development, and offer customized experiences. In addition, the influence of word-of-mouth communication on social media is an important factor in improving customer purchasing decisions.

Tomoro Coffee Medan faces challenges in ensuring content that resonates with its target audience - young workers, students, and mobile professionals - due to inconsistent posting schedules, particularly on Instagram, a lack of engaging visuals, and a lack of involvement in responding to customer comments, all of which influence consumer retention and brand recall. Further research is necessary to determine the effectiveness of this method to determine how much social media marketing can affect customers' intentions to make additional purchases.



Saya merasa bahwa promosi di media sosial Tomoro Coffee mempengaruhi keputusan saya untuk kembali mengunjungi kedai ini

30 responses

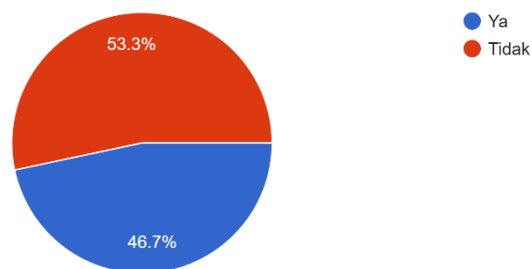


Figure 1. 2 Pre-Survey Variable X1 result & Tomoro Coffee Medan social media post

Source: Prepared by writer (2025)

Based on the results of the pre-survey of 30 respondents in Figure 1.2, shows that 46.7% (14 persons) stated that social media promotions influence their decision to revisit Tomoro Coffee Medan, while 53.3% (16 persons) indicated

that social media promotions do not affect their decision. This suggests that although social media marketing has some impact, more efforts may be needed to enhance its effectiveness in attracting repeat customers.

According to Customer A the main problem is the lack of interaction between Tomoro Coffee Medan and its customers on social media. Although Customer A is aware that the brand is active on Instagram, Customer A believe that direct messages and comments are often unanswered. Customer A feels disconnected and is less likely to engage with the brand because of this lack of engagement.

According to Customer B, Tomoro Coffee Medan's social media accounts post inconsistent content, which is the cause of the problem. Customer B appreciates the product highlights and promotional posts, but it's hard to keep up with them because of the unstable posting schedule.

According to Rifqiyah and Surianto (2024), service quality is an attitude or value that prioritises excellence in overall service. Service quality can be achieved by meeting customer needs and desires and exceeding their expectations.

In Tomoro Coffee Medan branches, especially in *Katamso*, *Karya*, *UMSU*, and *Setiabudi*, service quality is in the spotlight due to several problems. Inconsistencies in service delivery, such as inconsistent waiting times, inconsistent staff friendliness, and a lack of staff capacity to effectively handle customer complaints, are among these problems. These situations can affect

customers' perceptions of the brand and potentially reduce their intention to return for a purchase.



Figure 1. 3 Pre-Survey variable X2 result & Customers Opinion

Source: Prepared by writer & Google Reviews (2025)

Based on the results of the pre-survey of 30 respondents in Figure 1.3, shows that 43.3% (13 persons) of respondents believe that good service quality at Tomoro Coffee Medan encourages them to return, whereas 56.7% (17 persons) feel that service quality does not influence their decision to revisit. This indicates that improvements in service consistency and responsiveness could be beneficial in increasing customer retention.

According to Customer A, the primary issue lies in the tangibility of Tomoro Coffee Medan's service environment. Although Customer A agrees that the café offers a cozy environment, their level of satisfaction is decreased by variations in maintaining and cleanliness amongst locations. Customer A's opinion of the quality of the service is impacted by the messy tables and litter on tables and floors, which makes them think twice about coming back.

One of the main issues raised by Customer B is responsiveness. Customer B discovers that employees frequently take a long time to resolve complaints when they encounter problems like misplaced orders or delayed service. The lack of prompt responses and proactive assistance leaves Customer B feeling undervalued, reducing their willingness to continue visiting Tomoro Coffee Medan.

Customer C expressed concerns regarding empathy, claiming that employees sometimes seemed unresponsive or unconcerned with the needs of the customer. Customer C valued personalized service and a welcoming atmosphere but felt that interactions with employees often lacked warmth and care. Customer C was discouraged from becoming a loyal client by the lack of actual customer service.

According to Priyanto (2022), store atmosphere is a crucial component of a store and can provide a dominant sensory effect created from a shop or café design, so a café must form a planned atmosphere that is in accordance with its target market and can attract consumers to buy in the store.

Excellent customer service not only creates a positive experience but also adds value that sets Tomoro Coffee ahead of its competitors. Customers in Medan have many options because of strong competition in the coffee market. Customer loyalty may decline if service quality is not maintained. However, customers who receive excellent services are more likely to feel appreciated, develop deeper relationships with the company, and make another purchase.

Store atmosphere is one of the important elements in attracting customers' attention and creating a pleasant experience when visiting. For customers, including young professionals, students, and other communities, the coffee shop atmosphere not only provides a place for enjoying drinks, but also serves as a social and productive space. Customer visit duration, emotional attachment, and intention to return can all be improved by a welcoming store atmosphere.

Tomoro Coffee Medan strives to create an innovative and comfortable store environment with an attractive interior design, helpful services, and relaxing background music. However, several branches—*Katamso*, *Karya*, *UMSU*, and *Setiabudi*, for example—had trouble maintaining a consistent store atmosphere. Some customers complained about problems such as air conditioning not being turned on, unclean floors, and facilities that needed to be updated to meet customer demands, such as wet seats or asbestos leaks.



Amri Rahman
4 reviews

★ ★ ★ ★ ★ 2 months ago

Mohon untuk kualitas tempat di lantai 2 ditingkatkan, dari asbes yang ngerembes sampai tempat duduk yang basah



Annisa Pratiwi
5 reviews · 1 photo

★ ★ ★ ★ ★ 5 months ago

tempatnyanya agak panas, ac yg dinyalain cuma satu kalo lg rame panas bgt. di lt 2 itu smoking areanya luas tapi kemarin temenku nanyain ke baristanya katanya lt 2 gak ada. padahal kan ada ya. malah disuruh di luar yg panas terik kejemur gitu



Figure 1. 4 Pre-Survey variable X3 result & Customer Opinion

Source: prepared by writer & Google Review (2025)

Based on the results of the pre-survey of 30 respondents in Figure 1.3, shows That 36.7% (11 persons) of respondents feel that the atmosphere inside Tomoro Coffee Medan motivates them to return, while 63.3% (19 persons) do not find the store atmosphere as a driving factor for revisiting. This suggests that the ambiance and interior elements of the store may need further enhancement to improve customer experience and encourage repeat visits.

Customer A stated that the café's general interior is the source of issues. The floor is still dirty, the air conditioning is unstable, and there aren't enough electrical sockets for people who need it. These elements make the experience less enjoyable and prevent Customer A from staying at Tomoro Coffee Medan for a longer duration of time.

Customer B identified the store layout as a major issue. Customers found it challenging to move around comfortably due to the close spacing between table. Customer B was less satisfied with the cafe overall because they felt that comfort and privacy were compromised by the poorly designed area.

This research focuses on four branches of the Tomoro Coffee Medan, specifically *Katamso*, *Karya*, *UMSU*, and *Setiabudi*. These four branches were chosen in consideration of the issues that have been found to possibly impact customer satisfaction and repurchase intentions. With so many customers each day, the *Katamso* and *Karya* branches struggle to provide consistent service. In the meantime, it was discovered that the *UMSU* and *Setiabudi* branches were unable to provide a welcoming environment for different customer segments.

The purpose of this study is to examine how customer repurchase intentions at these four branches are influenced by social media marketing, service quality, and store atmosphere. It is expected that by examining the specific problems in each branch, this study will offer practical recommendations to assist Tomoro Coffee in increasing customer retention and improving the operations of its branches in these areas.

1.2 Problem Limitation

This study examines how customer repurchase intention at Tomoro Coffee Medan is impacted by social media marketing, service quality, and store atmosphere. The study is limited to the four Tomoro Coffee outlets in Medan—*Katamso*, *Karya*, *UMSU*, and *Setiabudi*—to ensure specificity and relevance. These branches were chosen because they face problems that have been related

to the research variables, like inconsistent service quality, challenges in creating a competitive shop environment, and different levels of social media involvement.

To ensure that the analysis reflects recent customer experiences and current business practices, the research period is limited to data collected in 2024. Since they represent most of Tomoro Coffee's customers, this study focuses on young employees, students, and mobile workers.

1.3 Problem Formulation

- Does social media marketing have partial effect toward customer repurchase intention at Tomoro Coffee Medan customer?
- Does service quality have partial effect toward customer repurchase intention at Tomoro Coffee Medan customer?
- Does store atmosphere have partial effect toward customer repurchase intention at Tomoro Coffee Medan customer?
- Does social media marketing, service quality, and store atmosphere have simultaneous effect toward customer repurchase intention at Tomoro Coffee Medan customer?

1.4 Objective of The Research

The Objective of the research as follows:

- To analyze the effect of social media marketing toward customer repurchase intention at Tomoro Coffee Medan.

- To analyze the effect of service quality toward customer repurchase intention at Tomoro Coffee Medan.
- To analyze the effect of store atmosphere toward customer repurchase intention at Tomoro Coffee Medan.
- To analyze the effect of social media marketing, service quality, and store atmosphere toward customer repurchase intention at Tomoro Coffee Medan.

1.5 Benefit of the Research

The benefit of the research as follow:

1.5.1 Theoretical Benefit

By analyzing the interaction between all of these variables, the study provides to current theories and offers a conceptual framework for future research. It also emphasizes the value of adding these factors into the business strategy of coffee shops or other similar industries to maintain customer loyalty. This study aims to deepen our understanding of how marketing strategies influence customer repurchase intention. Specifically, we'll examine how social media marketing, service quality, and store atmosphere work together to encourage customers repurchase intentiton.

1.5.2 Practical Benefit

- For Medan's Tomoro Coffee

For the management of Tomoro Coffee Medan, this study provides practical insights, especially regarding the challenges faced by the *Katamso*, *Karya*, *UMSU*, and *Setiabudi* branches. The results will be used tquality

and recommendations that will enhance their social media marketing strategies, ensure consistent service quality, and establish a more engaging store environment. It is anticipated that these upgrades will increase repurchase intention and improve consumer satisfaction.

- For Other Coffee Shop Operators

The results of the research provide useful recommendations that other coffee shops might use to increase client retention. To attract in and keep consumers, they can, for example, learn how to use social media platforms more effectively, guarantee excellent service, and improve the atmosphere in their store.

- For Customers

Indirectly, this research benefits customers by improving their overall experience at Tomoro Coffee Medan. Higher levels of satisfaction and loyalty will result from a more satisfying customer experience brought about by improved marketing strategies, higher-quality services, and a more appealing store environment.

- For Future Researchers

This research sets the stage for further investigations into the relationship between social media marketing, service quality, store atmosphere, and customer repurchase intention. It encourages researchers to generalize identical findings to different areas or geographical areas, expanding our knowledge of consumer behavior and business strategy in

various contexts. Future research can also expand on this work by looking at long-term effects or adding other variables.

