CHAPTER I
INTRODUCTION

1.1 Background

The Coffee shop business has now become the most popular business trend for entrepreneurs. This happen as the result of the level of coffee consumption is increasing from year to year, especially in Indonesia. Based on data from ICO about domestic coffee consumption in Indonesia recorded domestic coffee consumption in Indonesia has continued to increase over the past four years.

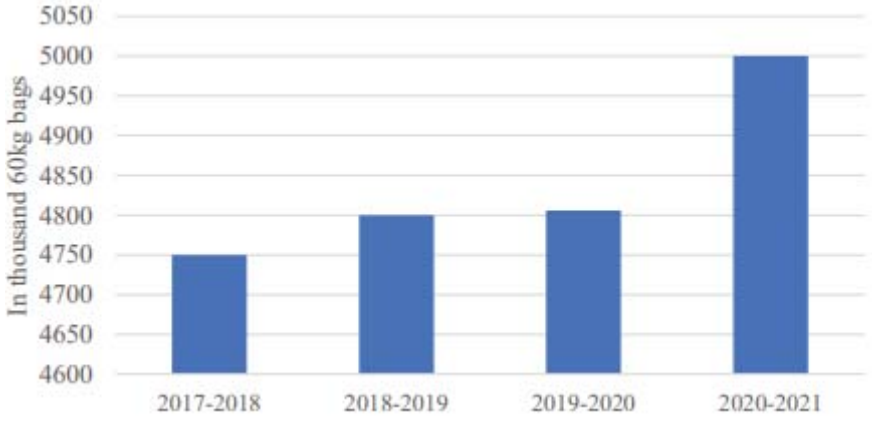


Figure 1.1 Domestic Coffee Consumption in Indonesia 2017-2021
Source: ICO 2021

Figure 1.1 showed the improvement of coffee consumption in Indonesia from 2017 until 2021. In 2020-2021, Indonesia consuming coffee about 5 million bags of coffee and reaching 40.7% of the total production, indirectly due to the high interest of Indonesian society in consuming coffee. Improved demand following the easing of pandemic-related restrictions is expected to raise domestic coffee consumption to 4.8 million bags in 2022 (GAIN). This can happen because of the growing trend of hanging out by drinking coffee at a coffee shop or café in Indonesia. Currently, drinking coffee is not always synonymous with activities carried out by adults or elders. Now, drinking

coffee has become lifestyle for teenagers or young adult, and also as a means to show their existence to their friends. According to Kasali (2010) drinking coffee is now no longer just to get rid of drowsiness but as a part of a lifestyle, where coffee shops became popular meeting places. Changes in the lifestyle make a coffee shop not only act as a place to fulfill the needs of coffee, but also as a place to socializing or hanging out with others.

The growth of domestic coffee consumption in Indonesia is positively influencing the development of the coffee shop industry. Coffee shops in Indonesia continue to grow in various places, which currently have reached 10,000 coffee shops and are predicted to continue to grow until 2020 with total revenue from the coffee shop business sector reaching 4.16 billion every year (Putra, 2018). The phenomenon of the proliferation of coffee shops in Indonesia, which is quite fast, also occurs in the city of Pontianak. Pontianak is a city that has a strong interest in coffee. This is supported by the culture of hanging out in Pontianak which is still strong. Besides being known as the Equator City, Pontianak is also known as the City of 1000 Coffee Shops (madaninews.id, 2022).

Table 1.1
Coffee Shop Data Distribution in Pontianak 2019

No	District in Pontianak	Coffee Shops
1	Pontianak Barat	11
2	Pontianak Kota	32
3	Pontianak Selatan	29
4	Pontianak Tenggara	11
5	Pontianak Timur	18
	Total	101

Source: https://data.pontianakkota.go.id/

Table 1.1 show the total amount of coffee shop distribution in Pontianak City in 2019 which is 101 coffee shops and will continue to grow. The large number of

coffee shop businesses that are established in Pontianak can create increasingly fierce competition conditions and require every business actor in this field to be able to compete and innovate among its competitors. Currently, coffee shop industry activists need to innovate their concept to be more unique and comfortable to visit, in order to attract customer interest and attention, so that in the future they can compete in the coffee industry. If the products and prices offered by competitors are more or less the same, then every entrepreneur must try to get the attention and interest of consumers.

Lemina is a coffee shop that is arguably the first coffee shop in Pontianak that has a different market from other coffee shops in Pontianak. As we know many coffee shops in Pontianak are filled with young people who are mostly male while Lemina Club is trying to get out of the market and try to form a new market where they target women as their target market. Lemina Club specifically targets women as their target market and also serves Cereal and Pizza Slice as their main product that are the first coffee shops that sell those. Lemina's decision to get out of a crowded market is a very risky decision and also a very big opportunity. Lemina Club tries to be different from other coffee shops and want to keep developing and innovate in their to service and product to satisfy their customers.

Lemina Club is more concerned with the convenience of consumers with the food quality and services provided because they know that there are many coffee shops in Pontianak that have been around for a long time and maybe have a better quality of coffee. Recorded from Lemina Club sales report in February 2022 until July 2022, they experienced a decreasing in sales. The table below shows the following:

Table 1.2
Total Sales in February 2022-July 2022 (Lemina Club Pontianak)

Month	Sales	
February	Rp	56,443,500
March	Rp	48,394,000
April	Rp	39,962,000
May	Rp	37,560,000
June	Rp	39,082,000
July	Rp	43,129,000

Source: Total sales of Lemina Club Pontianak (data processed by the researcher)

Table 1.2 shows that Lemina Club has fluctuating or instability in sales, especially in May experienced a significant decrease. February is the highest income compared to the next months. After February, there was a decline until May and an increase until July. May has decreased from the previous month with the amount of Rp 2,402,000 and total amount with February is Rp 18,883,500. Then it increased in June to be Rp 39,082,000. Specifically, Lemina Club experienced sales decreased from February until July. To overcome this, Lemina Club Pontianak is attempting to provide value to the consumer by enhancing pay attention to their customer behavior and the quality of the food and beverage that increases the satisfaction of the customer as well as the consumers' revisit intention at Lemina Club Pontianak.

Revisit intention is a form of behavior (behavioral intention) or the customer's desire to come back, positive word of mouth from consumers, staying longer than expected, shopping more than expected (Venty 2012). According to Sopyan (2015) interest in revisit intention is the desire for strong money from visitors to return to visit in the future as a direct response after past visits. Customers who have the intention to revisit to a certain coffee shop is one of the keys to success in maintaining a business. One of the factors that customers have the intention to come back to the restaurant is the sense of satisfaction they get.

Customer satisfaction is very important in the food and beverage business, it is how the ability of service providers to create a high level of satisfaction by differentiating their products and building strong relationships with customers (M. K. Kim, Park, & Jeong, 2004). There are many factors that can influence customer satisfaction in the food and beverage industries. Understanding in customer narcissism behavior and food and beverage quality is a couple factors that can influence customer satisfaction. People with narcissism is a crucial target customer for restaurant, especially restaurant that invests on brand image (M. L. Richins, 1994). People (mostly young generation) are continually posting their emotion, location, pictures online to ostentatious their fancy lifestyle, from which help them gaining satisfaction from the attention and admiration of others (P. Linh, 2019).

Damanik (2008) stated that women tend to be more consumptive than men. Women who come to the cafe have the motivation to study or take pictures so that the attractiveness of the building design has a greater influence. While the motivation of male consumers who visit cafes is to have meetings, refreshing by watching football matches in groups at the cafe, life acoustics and their presence in the cafe tends to be influenced by the presence of other people (Farasa and Kusuma, 2015). Women generally like to take a picture in interesting places so they can upload the photos on their social media. This is happened because women tend to have a narcissistic personality. A female narcissist is attracted to class and prestige and acquisition of Veblen goods serves a meaningful way of feeding their need for attention. Narcissism is described as a characteristic of someone who has self-interest, pride, and coercion. In 2018, when young people used social media for food-related activities: 69 percent of users have uploaded their food photos to social media, 26 percent have taken more than ten photos to get one perfect picture that matches their beautiful feed (M. E. Houp, 2019).

Narcissists have supercilious and impractical views about what they can do. A narcissist is drawn to themselves and marketers can leverage on that to increase the demand of their products. A study by Norbert Schwarz found that no matter how small

something seems, it can put a person in a better mood to the point that a person feels satisfied with life. Narcissism is a trait that marketers can leverage on to attract their clients to new products that surpass the existing ones in terms of functionality, appearance, and cost. In some cases, customers may derive more satisfaction from products that are expensive as compared to cheaper ones of the same standard (Neave, Tzemou, & Fastoso, 2020).

The quality of food and beverage provided by restaurants can affect consumer satisfaction. The coffee shop owners must prioritize their food quality and emphasize differentiating their product from other coffee shops. In the research journal Soriano (2002) suggests that the quality of food and quality of service are the main attributes that affect consumer satisfaction. Food and beverage quality are generally accepted as one of the fundamental elements of the overall consumer experience in a coffee shop. Food quality is all the provisions that have been set relating to the characteristics of food quality needed to satisfy consumer desires and expectations (Alli, 2004). Qin et al (2009), stated that product quality in the food and beverage sector has 4 dimensions, namely freshness (freshness of food), presentation (food presentation), well cooked (food that is cooked well/properly), and variety of food. If the quality of the food provided is good, it will benefit both parties, the restaurant will get a good image and profit in its business, while the customer will get the expected satisfaction. Thus, food quality is one of the best ways to maximize success in the restaurant business (Namkung and Jang, 2007).

Based on the description and the research gap above, the researcher is interested to know the Narcissism and food and beverage quality of Lemina Club Pontianak to examine how much influence it has on revisit intention through customers satisfaction. So, the researcher took the title of the research "THE INFLUENCE OF NARCISSISM AND FOOD AND BEVERAGE QUALITY TOWARD CUSTOMER REVISIT INTENTION THROUGH THE MEDIATION OF CUSTOMER SATISFACTION (EMPIRICAL STUDY ON LEMINA CLUB PONTIANAK)".

1.2 Problem Formulation

1.2.1 Problem Statement

Based on the explanation above, Lemina Club is a growing local coffee shop. However, Lemina Club have decreasing in sales especially, from February until July. Hence, the researcher want to attempting to provide value to the consumer by understanding the narcissism personality and enhance the quality of the food and beverage that increases the satisfaction of the customer and customer revisit intention at Lemina Club Pontianak.

1.2.2 Research Question

Based on the research background above, the author could identify the research question as follows:

1. Does Narcissism have a significant influence on Customer Satisfaction?
2. Does Food and Beverage Quality have a significant influence on Customer Satisfaction
3. Does Narcissism have a significant influence on Customer Revisit Intention?
4. Does Food and Beverage Quality have a significant influence on Customer Revisit Intention?
5. Does Customer Satisfaction have a significant influence on Customer Revisit Intention?
6. Does Customer Satisfaction mediate the significant influence between Narcissism and Customer Revisit Intention?
7. Does Customer Satisfaction mediate the significant influence between Food and Beverage Quality and Customer Revisit Intention?

1.3 Research Purpose

Based on the research question above, the purpose of this research are as follows:

1. To analyze the influence of Narcissism toward Customer Satisfaction.
2. To analyze the influence of Food and Beverage Quality toward Customer Satisfaction.
3. To analyze the influence of Narcissism toward Customer Revisit Intention.
4. To analyze the influence of Food Quality toward Customer Revisit Intention.
5. To analyze the influence of Customer Satisfaction toward Revisit Intention.
6. To analyze the mediating of Customer Satisfaction between Narcissism and Customer Revisit Intention.
7. To analyze the mediating of Customer Satisfaction between Food Quality and Customer Revisit Intention.

1.4 Research Contribution

1.4.1 Theoretical Contribution

This research is expected to make a positive contribution to management science, especially in marketing concentrations related to narcissism, food and beverage quality, customer satisfaction, and customer revisit intention. This research is also expected to provide a contribution that can be used as a reference for further research.

1.4.2 Practical Contribution

This research provides contribution for some parties, Including:

A. For the Company

The results of this study are expected to provide a useful contribution to understanding customer narcissism, food and beverage quality, customer satisfaction, and customer revisit intention. So, the coffee shop can use it in implementing the marketing strategies that will affect customer revisit intention.

B. For the other parties

The results of this study can be used as additional references or for the development of new ideas for further research, and consideration of companies or other institutions that face similar problems. This study also can be used as increase the customer revisit intention.

1.5 Research Contextual Overview

This research aims to determine how narcissism and product quality can influence customer customers revisit intention through customer satisfaction as mediation in the coffee shop industry. Researchers will involve coffee shop customers that have been visiting one coffee shop more than once. The target places taken by researchers are Lemina Club. The reason Lemina Club being the object of research is because Lemina Club is one of the coffee shops that are different from the other coffee shops, from the target market and also because Lemina Club not only selling coffee's variant there are milk, cereal, and pizza slices. Lemina Club has a good review on Internet, even though Lemina Club have a fluctuated in their total sales.



Figure 1.2 Lemina Club Coffee Shop
Source: Instagram



Figure 1.3 Lemina Club Menu
Source: Instagram



Figure 1.4 Lemina Club Google Review
Source: Google

Lemina Club or Lemina is a local coffee shop that originated from Pontianak City at Jalan Karya Baru 1 No 1. Lemina Club is open from 08.00 am to 11.00 pm and has 4 employees and it is possible to add more employees. Lemina Club is also an affordable coffee shop for young people in Pontianak because it has a price range from Rp 14,000 to Rp 27,000.