

CHAPTER 1

INTRODUCTION

1.1. Overview of the research object

1.1.1. Yugen Company Profile

Yugen at 28 was established on March 3, 2020, having its address at Jl. Moch. Yunus No.28, Pajajaran, Bandung. In 2020 after opening, it closed due to a change of investors & reopening in October 2021. The name Yugen at 28 is taken from the Japanese language, which means the connotation of our existence. Initially, this cafe only had a minimal area. Finally, the owner of Yugen cafe made improvements in developing his business. Among them is extending operating hours to fifteen hours a day and seven days a week. The management has added facilities that provide free high-speed wifi access, toy facilities such as Uno, cards, guitars, and a collection of knowledge books and magazines. In addition, other facilities are provided on chairs made of wood which are unique and modern to pamper the visitors. Yugen café wants to create an atmosphere like at home, with a low roof and a comfortable atmosphere. In addition, there are two hangouts located here. The first is the indoor area (inside the room). It is located (inside the room) with an industrial-style interior decorated with a combination of lights. The second area is to hang out in an outdoor background while enjoying the music, shady trees, and the cool breeze.

The interior and exterior design of Yugen cafe carries an unfinished style known as industrial to make the room seem masculine and straightforward. It also has supporting facilities such as a prayer room, toilet, and free wifi. Yugen cafe provides a special bonus if visitors bring home coffee or a non-coffee. You will get one cake for every drink so that consumers feel comfortable and happy to come back again at Yugen cafe. For its service, Yugen café applies dine-in. In addition, the service system during the pandemic at Yugen cafe can still be dine-in but is very limited, so Yugen cafe cooperates with the food and grab food applications to reduce direct contact with many people. Until now, Yugen cafe has not opened branches or spread its wings to other areas.

1.1.2. Logo Yugen at 28 Café

The logo of Yugen at 28 Café is shown in Figure 1.1 as follows:

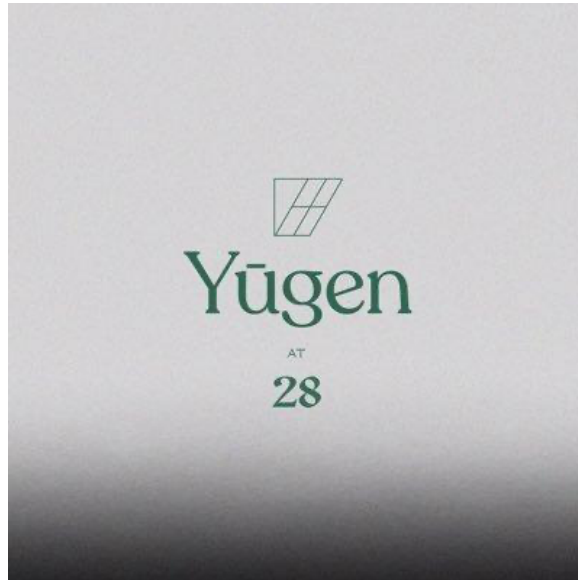


Figure 1.1 Logo Yugen at 28

Source: Instagram Yugen at 28 (2022)

1.1.3. Company Vision and Mission

In running its business, the company has a vision and mission to achieve its goals of a company. The following is the vision and mission of Yugen at 28 Café:

- a. Vision:** Become one of the well-known coffee shops in Bandung.
- b. Mission:** Serve the most high quality, unique products, and services for our consumers.

1.1.4. Products and Services

The food menu offered by Cafe Yugen Café is very varied, starting from the Meals menu such as Crispy Chicken, Rice Bowl, Dan Yamien, and Light Bites serving french fries + sausages, french fries, sausage, and fried bananas. In addition, Yugen cafe also serves a variety of drink menus ranging from cold to warm drinks in

coffee, tea, and chocolate. With varying prices for drinks ranging from Rp. 18,000 to Rp. 75,000, while for food from Rp. 15,000 to Rp. 35,000.

In addition to a very diverse menu, Yugen cafe also provides indoor and outdoor areas, wi-fi, and do not forget the touch of industrial design and contemporary music, which is one of the service facilities made to make visitors feel comfortable.

1.2. Research Background

In this modern era, it has had a considerable impact on the development of the business world. The market is wide open, and the opportunities are getting more expensive. The variety of choices of consumer products is increasingly diverse. It makes consumer expectations grow to fulfill something they want. Business actors are required to maintain the market and win the competition. In winning the match, companies must understand the needs and desires of their consumers. Understanding the needs and wants of consumers will provide important input for companies to plan future strategies to create satisfaction for consumer to survive in competing in the market. Because the creation of consumer satisfaction can provide several benefits, including a good relationship between the company and consumer, thus creating repeat purchases and consumer loyalty.

Gathering or hanging out at cafes has become a habit for Indonesian people. This habit was born from changes in people's lifestyles who wanted something practical to meet the need for food and drink. This encourages businesspeople to start a retail business in the culinary field in the form of a cafe or restaurant. Many similar companies require cafe owners to understand the target market's desires better, more specifically. Cafe owners must rack their brains to get the attention and interest of consumers to visit their cafes, and this is because many restaurants sell almost the same goods.

Indonesia's coffee shop and coffee beverage business have been booming in recent years, becoming an emerging business that appears like fungus in the rainy season. This can be seen in the significant increase in the number of coffee shops in the past three years and the domestic coffee consumption (Widiati, 2020). Currently, there are more than 10,000 cafes in Indonesia which are predicted to continue to grow. From 2013 - 2018, the total revenue of the care sector is estimated to increase from USD 3.4 billion to USD 4.16 billion (Putra, 2016). Significantly growing in big

cities or developing cities such as Bandung City, which is overgrowing, and competition is felt between cafe businesspeople in the same field. The products offered are coffee, supported by affordable prices, practicality in presentation, and various flavors to suit consumers tastes.

Locally sourced, quality coffee and iced milk coffee-based drinks in a wide variety of flavors suited to local tastes are now in the trend (Nurhayati-Wolff, 2022). Many *coffee shops* have sprung up, not least in Bandung. The data above shows that the number of cafes or *coffee shops* business growth continues to increase from year to year, which means that many business actors take advantage of the great opportunities in Bandung.

Coffee shops are starting to bloom in Indonesia, and there are more and more coffee lovers. This is supported by various data on the number of coffee shops in Bandung. In 2018 the number of coffee shops in Bandung was 139 coffee shops, while in 2019, 157 coffee shops were operating in the city of Bandung. Meanwhile, when viewed in the previous year, namely 2018, the number of coffee shops in Bandung City was 139. In 2020 and 2021, the number of coffee shops in Bandung City experienced a significant increase from 227 to 356 coffee shops in Bandung City.

Table 1.1 Data on the number of visitors to a coffee shop in the city of Bandung 2018-2022.

Years	Total
2018	139
2019	157
2020	227
2021	356

Source: Bandung city-data Portal, 2022

A cafe called a *coffee house* or *coffee shop* is a term used for a place that serves orders for coffee or other drinks. Cafe has the character of a restaurant but is different from a cafeteria. Many cafes serve coffee and tea with snacks to improve the quality of service to compete with other similar businesses. If the service provided to consumer is as expected, it will give satisfaction. Thus, the quality of

service continues to be improved to achieve what consumers expect they will be satisfied.

Widodo (2012) states that someone who returns to buy and will tell others about his good experience with the product can be told that the consumer is satisfied. Consumer buy a product not because of the physical product alone but because of the benefits arising from the product purchased. At the same time, according to (Kotler's theory in Suwardi (2011) the key to retaining consumer satisfaction. Consumer satisfaction is the priority for the growth of any organization (Hamza, 2009). Satisfaction arises from perceptions and expectations (Sabir, 2014). Consumer satisfaction will be fulfilled when what the company gives is perceived by the consumer's (Sriwidodo, pp. 164-173). Continuous consumer satisfaction is the company's goal so the company can survive (Hadiati, 1999).

The Servicescape has been defined as the built environment surrounding the service (Bitner M. J., Servicescape: The impact of physical surroundings on customers and employees , 1992). Servicescape is a consumer experience related to the service environment (Pankey, 2013) physical facilities of a company influence feeling. (Countryman, (2006)) physical facilities are offered, a unique, comfortable environment with the characteristics displayed will create one's emotions. The nature of servicescape is related to service and atmosphere. (Hoffman, 2002) & (Kotler P. , 1973). (Wirtz, 2011) physical appearance styles encountered by consumers through the impressions received by the five senses can create consumer satisfaction. (Bitner M. J., Handbook Services marketing & Management, 1992) & (Ransulangi, 2015) services cape significantly influences consumers satisfaction. According to Bitner, two important aspects of the servicescape are spatial layout & functionality, and elements related to aesthetic appeal.

According to (Utami, Manajemen Ritel, 2017) location is the physical structure of a store which is the main component seen informing the impression of a store that retailers carry out in placing their stores and activities in providing service channels needed by consumers. Store location also has a significant influence on consumer purchasing decisions. Stores that have easy access and strategic locations will be factors consumers consider in purchasing decisions. Every consumer must have a different consumer perception. In the end, the consumer will decide whether a product's price is right. When setting prices, the company must consider consumer

perceptions of cost and how these perceptions affect consumers buying decisions (Kotler P. , 2005, p. 674).

Many cafes with various products and cafe interior and exterior concepts are offered to captivate the hearts of consumers, both young and old, from the perspective of the middle to upper economy. They are trying to introduce or provide new menus so that they can be well received by consumers so that consumers will make repurchase intentions. Repurchase Intention is one of the psychological aspects that considerably influences attitudes, behavior, and interest and is also a source of motivation that will direct someone to do what they do (Yuli Ardianto, 2021).

One of the cafe businesses in the city of Bandung is the Yugen cafe at 28, which is located on Jl. Moch.Yunus No. 28, Pasirkaliki, Cicendo District, Bandung City, West Java. The coffee shop provides a variety of drinks divided into two types: coffee and non-coffee. Yugen itself has snacks in terms of food. Based on the observations, the author has conducted a mini survey by interviewing several consumers who visited Yugen Café. Five consumers were interviewed to find out how they felt about Yugen. Consumers claim that the location and atmosphere offered at Cafe Yugen are not to their liking. This can be seen from the attitude of those who do not want to recommend the place to their surrounding relatives. Most respondents said the site's location is not common in residential areas with small road access, portals are sometimes locked, and there is no other alternative, so finding a vehicle parking space becomes complicated. Respondents said it was better to use two-wheeled vehicles than four-wheeled vehicles. In addition, respondents complained that the cafe atmosphere was not comfortable because the distance between the tables was too close, causing noise if the cafe was complete, there was no non-smoking area, and the indoor smoking area used a transparent roof which caused respondents to complain that they did not want to linger because of the heat. In addition, most of the respondents complained that the toilets were not clean, smelly, and cramped. So the writer suspects that there is a lack of atmosphere and location within the Yugen cafe.

Here is the Visitor Graph at Yugen at 28 Bandung:

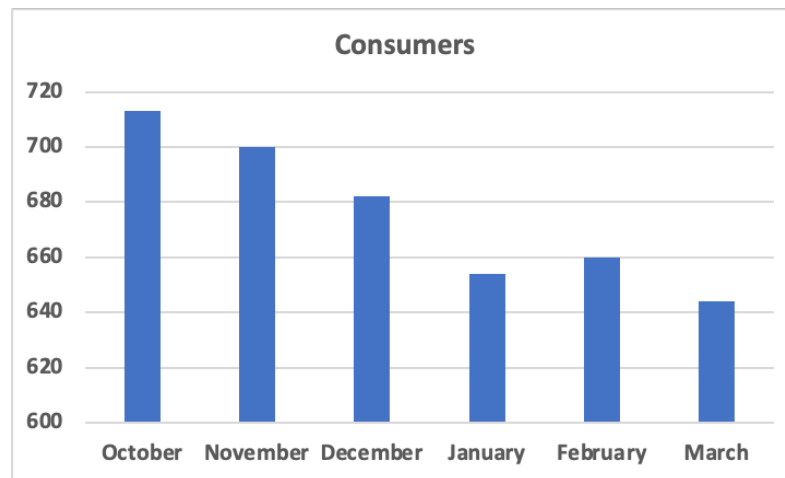


Figure 1.2 Graphs of the number of visitors 2021 – 2022 October – March (processed by researchers)

Source: The results of the author's data processing

Based on the data obtained, it can be seen that Yugen Café experienced a decrease in visitors. Yugen Café experienced an increase in the number of visitors in October 2021 and a downward trend in the following months, especially the last five months, namely November to March 2022. This indicates a problem in purchasing decisions, one of which is thought to be caused by consumer dissatisfaction. The company hoped to increase consumer satisfaction as well as stimulate consumer decisions. A literature search and conversations with consumer and company representatives identified several attributes, such as store atmosphere in determining the level of consumer satisfaction (Indrasari, 2019) which has five main factors that must be considered by the company, namely must consider:

a. *Product quality*

Consumers will be satisfied if their evaluation results show that the products they use are of high quality.

b. *Service quality*

Consumers will feel satisfied if they get good service.

c. *Emotional*

Consumers will feel proud and gain confidence that other people will be amazed when using a product with a certain brand which tends to have a higher level of satisfaction.

d. *Price*

Products that have the same quality but are set at a relatively low price will provide higher value to consumers.

e. *Consumers*

Those who do not need to incur additional costs or do not need to waste time to get a product or service tend to be satisfied with the product or service.

As for the location itself, according to (Tjiptono, 2000) many factors influence the choice of a business location, the seven factors that influence the choice of a business location include accessibility, visibility, parking space, expansion, and environment, competition, government regulations.

a. *Accessibility*: Location that is easily accessible by public transportation.

b. *Visibility*: A location or place that can be seen clearly from a normal viewing distance.

c. *Parking space*: Facilities that must be provided, this is intended to provide convenience for consumers in shopping or visiting as well as a means of transportation to transport shopping results.

d. *Expansion*: The activity of enlarging or expanding a business which is characterized by the creation of expansion of facilities, recruitment of employees, and others.

e. *Environment*: It is important in entrepreneurship. If determining the wrong environment to choose, the business may not run and produce maximum profits.

f. *Competition*: the location of competitors, for example in determining the location of a business, it is necessary to consider whether there are many similar businesses on the same road or area.

g. *Government Regulations*: Legislations in Indonesia are stipulated by the President to carry out the Law as it should be. Which were felt to affect consumer satisfaction.

In this study, researchers used the method to measure consumer satisfaction, namely the *Importance Performance Analysis method*. The importance-performance analysis (IPA) is a widely used analytical technique that yields prescriptions for the management of consumer satisfaction. From the description above, the author will conduct further research on this subject with the title “**Consumer satisfaction analysis towards store atmosphere and location using Importance Performance Analysis**”

1.3. Statement of the Problem

Based on the research background stated above, we state the statement of the problem as follows:

1. How is the consumers perception of store atmosphere of Yugen Café?
2. How is the consumers perception of service quality of Yugen Cafe?
3. How is the consumer satisfaction of Yugen Café?
4. How is the map of important – performance analysis of Yugen Café?

1.4. Research Objective

The purpose of the observations made by the author in this study is to:

1. To find out and analyze the store atmosphere by Yugen Cafe
2. To find out how much influence store atmosphere has on repurchase intentions at Yugen Cafe
3. To find out and analyze the location of Yugen Cafe
4. To find out how to repurchase intentions at Yugen Café

1.5. Theoretical Benefits

1.5.1. Theoretical Aspect

The results of this study are expected to increase insight, benefits, and enrich knowledge in the field of marketing, especially those related to store atmosphere, location, and repurchase intentions. In addition, this research is also expected to be a reference for other future studies in similar studies.

1.5.2. Practical Aspect

It is hoped to provide additional insight to the public or readers and provide input for companies to be able to develop strategies regarding store atmosphere variables, locations, and repurchase intentions that are even better in the future.

1.6. Systematic of Writings

This writing systematic was made to provide an overview of the research conducted and contains the systematics of writing and a brief explanation of the research report.

The systematics are as follows:

CHAPTER I Preliminary Data Gathering

This chapter consists of a general description of the research object, the background of the research, the problem statement of the research, the scope of the research, and

theoretical uses and systematics of writing. This chapter is an initial overview of what will be done in the research.

CHAPTER II Literature Review

This chapter describes a literature review and scope, previous research, framework, and research scope. The theory used in this research is Marketing Management, Purchase Interest, Store atmosphere elements, location, layout, and others.

CHAPTER III Research Methodology

This chapter discusses the research methods used, operational variables, research informants, types of research, research stages, and data collection techniques.

CHAPTER IV Results and Discussion

This chapter consists of the analysis and discussion of data processing results, in the form of a general description to answer research problems, to a discussion of the analysis results carried out.

CHAPTER V Closing

The last chapter describes conclusions from the observations that have been explained in the previous chapter and the suggestions to be conveyed to the object of research.