

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

In the millennial era in Indonesia, the prospect of the food and beverage business has grown tremendously since the early 2010s, especially milk coffee (*kopi susu*) among teenagers. The coffee itself has existed since the Dutch colonialism in Indonesia (Panggabean, 2019). In those eras, coffee was being planted using the Forced-Planting technique. It also has made Indonesia the fourth-largest producer of coffee beans in the world (Panggabean, 2019). As for the coffee distributed, three varieties of coffee have been distributed in Indonesia. The first one introduced to Indonesia was Arabica, then the Robusta, and the last one was Liberica. These beans have survived for a long time, except for Liberica. Although Arabica and Robusta plantations should be enough, the reason for Liberica to be introduced to Indonesia, according to Panggabean (2019) is that Srilankan's coffee plant was attacked by a disease called coffee leaf rust in 1869. Its production had already stopped since the 17th century because unlike Robusta and Arabica it does not have a strong taste, and has low quality.

Coffee is not native to Indonesians, but due to Dutch colonialism and now globalization coffee culture is only a part of daily life (Gumulya & Helmi, 2017). Its uniqueness has attracted even teenagers with their flavor and taste. Moreover, this trend has created a new business prospect for generation Z. Because of its simple preparation

and unique taste, this business can be a key to success. From the coffee roasters to the coffee brewers, they are all using this opportunity as a gold mine. However, because the majority of the business owners only target convenience and cozy places to market their coffee. Implementing the digital technology application (Gojek and Grab) to the business can also make the business grow greatly by the time it appears on the application.

As mentioned earlier, coffee is not native to Indonesia but coffee culture is integrating in Indonesian culture. The popularity of coffee culture (Gumulya & Helmi, 2017) in Indonesia opens windows of opportunity to develop business via delivery service. This services coming from the unicorn company such as Gojek and Grab. By creating certain practices to know the correct ways to do delivery service, people can also try to do this business.

In general, by understanding the coffee café owners' practices of the delivery service, people will be able to know the basics and the system of delivery service. Because a structured system and certain workflow will be needed to sustain this service.

1.2 Field of the Study

The field of this study is creative industry deals with coffee culture.

1.3 Scope of the Study

This research focuses on finding the practices implemented by coffee café owners' in a delivery-based system.

1.4 Research Questions

The problem formulation of this research is "What are the coffee café owners' practices of a delivery-based system?"

1.5 Objectives of the Study

With regards to the problem mentioned, this research is conducted to achieve the following objective which is to find out the coffee café owners' practices of the delivery-based system.

1.6 Significance of the Study

The research is expected to let people know about the importance of food and beverages delivery-based systems as a part of customer value not only the coffee itself, but also as a reference to other entrepreneurs in developing a coffee culture in Indonesia and their passion for coffee through business.

1.7 Definition of Term

1. M-Commerce

Most often m-commerce is understood as mobile e-commerce, namely the use of wireless technology, particularly handheld mobile devices and mobile Internet, to facilitate a transaction, information search, and user task performance in consumer, business-to-business, and intra-enterprise communications. (Friedrichsen & Mühl-Benninghaus, 2013)

2 Customer value

By customer value, we mean the emotional bond established between a customer and a producer after the customer has used a salient product or service produced by that supplier and found the product to provide an added value. (Butz et al., 1996)

3 Delivery service

Delivery service is the link in a supply chain that directly deals with customers and it is called the driver of customer satisfaction (Handoko, 2016).

