

CHAPTER 1

INTRODUCTION

Early 2020 is marked as the beginning of the devaluation of economic growth in the world, due to the spread of the virus in the Asian lands which is identified as the Coronavirus (Covid-19). According to Morgan 2020 cited in (Yamali; & Noviyanti, 2020, p. 2)"The prediction of the world's economic growth will reach number -1,1%", so it can be said that all of the countries in the world will affect this pandemic.

In Indonesia, Covid-19 virus has harmed many aspects of life, starting from health, education, until economic growth. In a short time the Indonesian economy has undergone bad economic deflation, based on the Indonesian economy reported by Adi&Ayuni,(2020, p. 62).The national economic growth in the first quarter of 2020 is run into negative growth, compared to the fourth quarter of 2019, the national economic growth only -2.41%." The devaluation of economic growth in Indonesia cannot be separated from the role of the business industry in Indonesia. Before the pandemic was spread, one of the popular industries which are increasing is the Coffee shop industry. According to ICO 2018 in the IJBE (Kusumah, 2019, p. 7) said that "The consumption of coffee in Indonesia has grown in recent years." The increasing enthusiasm of the public's interest in consuming coffee opens up good opportunities for entrepreneurs who have an interest in the coffee industry to make a profit. Another factor that supports the growth of the coffee shop industry in Indonesia is the

abundant supply of coffee beans with many kinds of the variant. Based on Kusumah, (2019, p. 6) Indonesia is the Fourth-Largest coffee producer in the world after Brazil, Vietnam, and Colombia in 2016.

However, the coffee shop business in the middle of pandemic COVID-19 has a decrease in income and even bankruptcy. Several factors affect the decrease in income, such as physical distance and decreased purchasing power of the citizen are becoming the main topics of the problem that every coffee shop management must think about the solution.

According to the writer's personal experience, looking from the situation for six months working as a cashier and a waiter at Banaran Coffee and Arts, almost all of the income is obtained from old consumers (loyal customers/repeat customers). According to Hennig-Thurau & Klee,(1997) Customer satisfaction toward a company's products or services is the importance thing to a company's success and long-term. Therefore it needs a marketing plan which is based on old customer's information analysis that is suitable with the COVID-19 health and safety protocol to increase the satisfaction from the customer. This strategy is useful to support the recovery of Indonesia's economic growth, especially in the coffee shop industry. So, the writer decides to analyze "Customer Feedbacks and Expectations on Banaran Coffee Shop during Covid-19 Pandemic" which will be used as data in designing a marketing plan that is suitable for the current situation in the middle of a pandemic. The writer will conduct this research at Banaran Coffee and Arts in Semarang, this

research is to find out what the customers think about Banaran Coffee shop and their expectations of the business during the Covid-19 pandemic.

1.1 Background of the Study

1.2 Field of the Study

The field of study is the creative industry, especially coffee shops.

1.3 Scope of the Study

This study focuses on customer feedback and expectations on Banaran Coffee and Arts during the Covid-19 pandemic.

1.4 Research Questions

The research formulates a problem as follows:

1. What is the customer feedback about the existing service in Banaran Coffee shop?
2. What are the customer expectations about the appropriate service in Banaran Coffee shop during Covid-19 pandemic?

1.5 Objectives of the Study

Regarding the problems mentioned, this research is conducted to achieve the following objectives:

1. To find out the customer feedback on Banaran Coffee shop.
2. To find out the customer expectations on Banaran Coffee shop during Covid-19 pandemic.

1.6 Significance of the Study

The importance of conducting this study is to find out what the customers think about Banaran Coffee Shop and their expectations of the business during the Covid-19 pandemic. The result of this study is data analyses about the customer feedback and expectations on Banaran Coffee Shop. Therefore, this study can be used as a reference for Banaran Marketing Team and the owner Coffee Shop to update their marketing strategy during the pandemic.

1.7 Definition of Term

1. Coffee Shop

The coffee shop industry is popular worldwide because coffee shops serve various purposes, such as chatting, meeting, eating, or studying. Coffee shop is a place that sells various types of coffee drinks and other non-alcoholic drinks with a relaxed atmosphere that is set as a comfortable place to gather or spend quality time alone with many kinds of activities such as working, playing, studying or just to relax. Usually, this is equipped with a distinctive interior design, accompaniment music, friendly service, and various other supporting facilities (Lee, Moon, & Song, 2018)

2. Customer Feedback

Customer feedback is the customer's opinion showing what is delightful, what is satisfying, and what is dissatisfying to highly criticize the success in the increasingly

competitive marketplace of today Cole, 2001,cited in (Fundin & Bergman, 2003, p. 55).

3. Customer Expectation

Customer expectation is a customer's attitude toward a particular food product that influenced their purchase intention (Azabagaoglu & Oraman, 2011, p. 1)

