

CHAPTER I

INTRODUCTION

1.1 Overview of Research Object

1.1.1 Profile of Chingu Korean Fan Cafe

Chingu Café, founded in 2013, has been serving a delightful Korean dining experience. The grand opening held on 25 November 2013. Not only customers are treated with authentic delicious Korean meals, but also a comfortable, clean and cozy modern Korean atmosphere. With a concept of embedding the world-famous Korean culture in its dining experience, the customers will be forgiven to think for a moment, they are being teleported to Korea. (Chingu Korean Fan Cafe's Menu Book, 2015)

Then, Chingu Café wants to make all the good stuffs affordable for everyone. Even though top ingredients from Korea and around the world are being used to prepare the food, the meal prices are mainly from IDR 5,000 to IDR 30,000. (Chingu Korean Fan Cafe's Menu Book, 2015)

Chingu, which means friend in Korean, is chosen as the name of the company, because the spirits of friendship are felt closely in every little way. Customers are being treated like own personal friends and served in the best possible manner. The staffs work harder to ensure their friends are happy all the time. Surely everyone always wants the best things for their friends and that is exactly the spirit of friendship that Chingu Café brings to every customer. (Chingu Korean Fan Cafe's Menu Book, 2015)



Figure 1.1 Logo of Chingu Cafe

Source: Chingu Korean Fan Cafe's Menu Book, 2015

In the beginning of operation, Chingu Café is located on Jalan Prof. Eyckman 28 Bandung. Then in August 2015, the location is moved to Jalan Sawunggaling No. 10, Dago, Bandung. The opening hours is from 11 AM until 10 PM. Then, they open for every day, including public holiday. (Source: facebook.com/ChinguCafe, twitter.com/ChinguID)

1.1.2 Product

The product is focused on Korean dish. The meal is inspired from the food that appeared in Korean Drama and Korean Variety Show, so the fan of K-Drama and K-Variety Show will feel what their idol eat. Then the beverages are named as the fandom of Korean Pop Artist. (Chingu Korean Fan Cafe's Menu Book, 2015)

1.2 Research Background

Marketing is now constantly evolving and changing from conventional marketing concept to concept of modern marketing. The factors, such as the growing number of competitors, technological sophistication and education development about marketing, make the marketers being creative to market their product. One of the tools to market the product is using social media.

According to Liu (2014) in digitaltrends.com, long before the it become mass information commercialized and getting popular it is today, long before it was accessible to the public, internet is becoming a reason the

birth of a social network service or better known as social media. Internet used to be used as a command and control of the US military. The development of internet brings it to another level connected people with the different distance to make a discussion and get acquainted with new people virtually.

Also according to Liu (2014) in 1997, there was only one social media application which is SixDegrees.com. It was the very first social media allowed its user to create profiles, invite friends, organize groups, and surf other user profiles. The founder of SixDegrees.com worked hard to encouraging members to bring more people to join the website. In the turn of millennium, SixDegrees.com was completely disappeared.

In early 2000, many social media were born, such as Friendster.com, MySpace.com, LinkedIn.com, Facebook.com, Twitter.com, etc. They provide the user to interact with the other user. It is very easy for the user to communicate with the people over the world virtually.



Figure 1.2 Type of Social Media

Source: www.inc.com, cited March 3, 2015

Based on Goble (2012) Facebook leads the global social networking. Founded by Harvard university student, Facebook launched in 2004 as Harvard campus website before finally published to public in 2006. The key success of Facebook is still debating. In digitaltrends.com, it was said that ease of use and memorable name is the example of the key success of

Facebook. The other things, Facebook provide its user to enjoy the honesty and openness of themselves.

The other social media, microblogging, twitter.com was created in March 2006 and launched by July 2006. Twitter allows the user to share their opinion only in 140 characters. In 2012, it has gained worldwide popularity with more than 100 million users which posted 340 million tweets per day. Based on alexa.com, in 2013, Twitter was one of the most-visited websites. D'Monte (2009) said twitter also known as the 'SMS of the internet'. As of December 2014, Twitter has more than 500 million users.

Not only limited by using computer, but also mobile devices have many features to facilitate the user of social media to access social media via mobile. Ventola (2014) said the advances of internet technology in mobile devices such as iPhone, Blackberry, Android Smartphone also have created a culture in society. Through social media applications that the users can download via smartphones, they now easily access social media wherever they are. So, the users not only enjoy and get information but they also can be a disseminator of information.



Figure 1.3 Digital in Indonesia

Source: <https://id.techinasia.com/laporan-pengguna-website-mobile-media-sosial-indonesia/>, cited March 3, 2015

Figure 1.4 shown in Indonesia, social media grow rapidly because of the advance of mobile device users. Many features that are offered by smartphone companies allow users to perform communications at a low cost in one package.



Figure 1.4 Annual Growth of Digital in Indonesia

Source: <https://id.techinasia.com/laporan-pengguna-website-mobile-media-sosial-indonesia/>, cited March 3, 2015

The largest social media used in Indonesia is Facebook. Indonesia ranks in the fourth place in the world after United States, Brazil and India. While Indonesian twitters users satisfied in the fifth place after United States, Brazil, Japan, and the UK. (Source: <http://lembing.com/data-statistik-pengguna-social-media-di-indonesia/>, cited March 3, 2015)

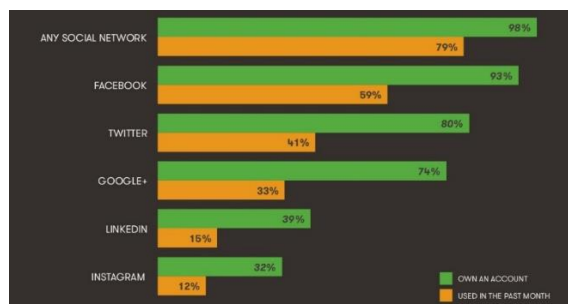


Figure 1.5 Social Media Usage in Indonesia

<https://id.techinasia.com/laporan-pengguna-website-mobile-media-sosial-indonesia/>, cited March 3, 2015

Based on figure 1.5, the top five social media that used in Indonesia are Facebook, Twitter, Google+, LinkedIn, and Instagram. In the figure stated that the people who have social media is more than the people who use in the past month.

Customer satisfaction is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation. In a survey of nearly 200 senior marketing managers, 71 percent responded that they found a customer satisfaction metric very useful in managing and monitoring their businesses. (Farris, 2010)

A widely quoted study that linked levels of customer satisfaction with customer behavior identified several types of customers: completely satisfied customers who are either loyalist who keep purchasing, or apostles whose experience exceed their expectations and who provide very positive word-of-mouth about the company to others; “defectors” who feel neutral or merely satisfied and are just as likely to stop doing business with the company; consumer “terrorist” who have had negative experiences with the company and who spread negative word-of-mouth. (Schiffman & Kanuk, 2007:9).

By the power of the social media, consumer can tell everything about the product directly in their account. Because the comment of the consumer can be posted in social media, so everyone can see what are they talking about. Not only just posting a comment about the product, but also they can post their opinion directly to the company by mentioning the companies social media account.

The success of doing business depends on the ideas and opportunities that growing in the society. The development of the business sector of food and beverage in Indonesia is growing rapidly, especially in Bandung. Within a few years latest, food and beverage industry experiencing significant growth. From the production side, the business of Agriculture, Forestry and Fisheries growing minus 28.26 percent, in addition to the Mining and

Quarrying contracted 9.67 percent as well as the Accommodations of Food and Beverages contracted 4,42 percent (Badan Pusat Statistik Jawa Barat, 2014)

Based on the data in the above can be seen the development of business in the industry food and beverages form year to year is increased significant. To come up with ideas of the business, many individual seek the opportunities in the field of food and beverage industry, such as cafe or restaurant. The concept of the restaurant must be unique and different from the other restaurant as the objective to attract consumers from various types of age, gender and education background.

One of the unique concept is a Korean Restaurant. Korean culture invasion has taken most of Indonesian people's attention. There are a lot of Korean Restaurant growing rapidly in Bandung, there are Mujigae, Korean House, Bing Soo, Tudari, Chingu Korean Fan Cafe, Tokki Pokki, Three Bears and Chun Gi Wa. Although carrying a similar concept, each of restaurant and cafe offering different advantages.

Chingu Korea Fan Cafe is a Korean Cafe that has a concept to satisfy fans of Korean Culture. In the cafe, the visitor not only can taste a delightful Korean food and beverages, but also they are spoiled by some songs and images of K-Pop star that they like.

Chingu Korea Fan Cafe also has a social media to connect with their customer. In the beginning of the operation, they already open social media account, such as Facebook, Twitter and Instagram. They post about their product in their official social media.

Table 1.1 Chingu Café's Social Media Account

Social Media	Name	Number of Followers
Instagram	Chingucafe	6401
Twitter	@ChinguID	5955
Facebook	Chingu Café	1774

Source: Reproduced Data

According to Drell (2014), he took Dan Hanover opinion, editor and publisher of Event Marketer magazine said, the power of social media is allowing brands to start conversations long before there's a live engagement with a consumer, and continue that conversation forever. That's why social media is beginning to turbo change experiential marketing, he adds, social and digital helping in two ways: One, it's allowing people to extend and amplify what they're doing on the ground. Two, it's allowing consumers to have a direct connection to specific brand, and we're finding that Facebook and Twitter are being used in very strategic ways these days. It means that social media is relate to experiential marketing.

Then related to the experience of using social media that increase customer satisfaction, in this case Chingu Korean Fan Cafe can use social media to maximize the service, so they can achieve customer satisfaction.

According to Choi (2007) Previous studies on the uses of the mobile phone showed proclivity to place a focus on empirical research on youth's mobile use in various cultural backgrounds, including Japan (Ito and Okabe), UK (Berg, Taylor and Harper), and Finland (Oksman and Turtiainen). Two emerging areas in the growing mobile media research are personal identity formation and location-based applications. With the proliferation of social network sites – such as Cyworld and MySpace – and media sharing sites – such as Flickr and YouTube – came an escalating interest in research on visual self-projection online.

According to Yasser Paragian, from 247 million population, 24 percent of Indonesia people are internet users. Interestingly, 62 percent of Internet users are accessing the Internet through mobile devices. Then, 92 percent of Internet users in Indonesia have a Facebook account, and 75 percent of Facebook users in Indonesia to access social networking via mobile devices.

Remembering that social media is widely use in past years, it can be a tools for company to use the social media to connect with consumers. Currently, one of the business with considerable opportunities is the restaurant and cafe. According to Amin (in Barimbing and Sari, 2015: 4) in the restaurant business that needs to be considered is whether the restaurant business has some benefits, in functional value benefits and emotional benefits. Value functional benefits in a restaurant is the value of customer satisfaction with the quality of the products offered by the restaurant. While the value of emotion benefits in a restaurant can measured by how much the level of customer satisfaction with the services and facilities, for example, the services are friendly and fast, and the rooms were comfortable.

Nowadays, when almost all companies have been able to provide functional value benefits, then the competition will be a lot happening on the ability to provide emotional benefits. Currently almost all restaurant and cafe have been able to provide functional benefits, but not all of them can provide good emotional benefits. To provide high emotional benefits, the company must do experiential marketing. So the company will try to give memorable experience and more than what customer expected.

According to İşler (2015:29) the concept of experiential marketing was put forward as a new marketing strategy in our modern world where marketing strategies become insufficient because of the developments in knowledge and communication technologies and increasing competitiveness. Experiential marketing approach of companies to offer consumers the

products and / or services that they provide is based on experiences and sharing these experiences its surroundings.

Based on Schmitt (1999) the essence of experiential marketing is to build satisfaction with customer through five aspects: sense, feeling, think, act and relate.

When the concept of sense-feel-think-act-relate (Schmitt, 1999) is connected to social media of Chingu Korean Fan Cafe, it will stimulate the senses of the consumers by providing a text and picture that invites customers to try a menu in Chingu Korean Fan Cafe. With fast service and friendliness of the admin of social media were given by Chingu Korean Fan Cafe make the customers feel comfortable to ask and give opinion in social media. Chingu's customer will think that the provision of information on menu is complete and social media of Chingu is easy to search and accessible because it has very easy to remember the name of Chingu's social media account.

The comparison of Chingu Cafe and Mujigae social media, reflect that the frequency of Chingu Cafe to post in social media is more active than Mujigae. The power of Chingu Cafe is located in their instagram account, because they have more followers than Mujigae. The number of followers in another social media, such as Facebook and Twitter, Chingu Cafe has less followers than Mujigae, because Mujigae have a branch in several city in Jakarta and Bandung, meanwhile, Chingu Cafe only have one restaurant in Bandung. The comparison of social media of Chingu Cafe and Mujigae can show as follows:

Table 1.2 The Comparison of Chingu Cafe and Mujigae’s Social Media

Social Media	Chingu Cafe	# of Followers	Frequently	Mujigae	# of Followers	Frequently
Facebook	Chingu Cafe	1774	1 post/day	MujigaeResto	35,478	2-3 posts/day
Twitter	@ChinguID	5955	4-5 tweets/day	MujigaeResto	16,855	2-3 tweets/day
Instagram	Chingucafe	6401	1 post/day	MujigaeResto	5,885	1 post/day

Source: “Reproduced data”

Regardless of the ractiveness of Chingu Cafe in social media, there are several complaints filed by consumers to Chingu Cafe. The data of complaint, the researcher get from Interview of the customer in May 2015 and from social media itself. Based on the results of preliminary gathering through interviews, 10 of the 13 people who were questioned using Instagram as their vessel to communicate through social media, and the rest use twitter.

Table 1.3 Complaint of Chingu Cafe

No	Name	Complaint	Source
1	Riany Octaviani	When the cafe is full, the waiters didn’t serve the customers who order menu first. The food come late	Interview
2	Novi Amalia Santika	Compare with Mujigae, the service of Mujigae is better than Chingu, and the photos of the food in the social media is not same as the reality	Interview
3	Selma	The place is far from the center of the city. The waiting list is uncontrollable, I hate waiting.	Interview

4	Rifa Alfa Rezi	I do not want to follow Chingu Cafe's Social media, I don't like to follow account like that	Interview
5	Bina Andhika	The photos of the food is not same as reality, the reality is smaller.	Interview
6	Meutia Fitri	The interior is simple, nothing special, like a house turn to restaurant. The taste of the ice tea is ordinary, and the cappuccino taste so bad. If I must compare with Japanese Sushi, the filling of the kimbap is so tasteless.	OpenRice
7	Hanan Hanifah	The portion of the food is not enough. The menu is different from the original in the drama.	Tumblr
8	Gieoey	The white tea is ordinary, the liquid sugar is hard to mix.	travelgrap her.blogspot ot.co.id
9	Irfan Afif	When I ask Halal certification, the Chingu Cafe didn't response my post in Facebook	Facebook
10	Do R	My first time to come to this place, very friendly waiter, price is cheap, tastes good, but after 15 minutes I run out of food and after that the waiter came, and expel me by giving me check and turn off the WI-FI. Thanks for the kindness in the beginning	Trip Advisor

Regarding the information that the researcher got from the customer and reviewed of Chingu Korean Fan Cafe, the cafe is still lack in several area and not enough to fulfill the needs of customer. They do not satisfied the customer equally. Because based on Taleghani, et al. (2011) customer satisfaction is not an absolute scenario, but very much depends on interactions, feedback, praise, and complaints.

Based on Beard (2013) analysis, there are 5 ways to increase customer satisfaction using social media. First way is using social media to monitor

brand mentions and sentiment. For example, Wells Fargo & company use social media to increase positive sentiment about its brand. In fact, they recently use Twitter as a customer service channel and claim it to be their most effective customer service tool. Second way is using social media to communicate prompt and professional messages to customers. Third way is using social media as a customer support channel, for example: a recent study by SocialBakers.com found Tesco to be the world's most socially devoted Twitter brand. They've accumulated a whopping 75,904 twitter followers, whilst clocking an impressive 65.88% response rate with average respond time of only 81 minutes. Fourth way is using social media to hold regular question and answer sessions. The last way is using social media to empower top customer advocates to respond for company.

1.3 Problem Statement

Comparing 2014 and 2015, active social media usage in Indonesia is growing 16%. That can indicate, there are opportunities for company in Indonesia to use social media as platform to interact with customer then the company can know what are the perception of the customer about company performance. Chingu Korean Fan Cafe as one of the company which establish Cafe also use social media to interact with their customer. In Drell (2014), Hanover said, the power of social media is allowing brands to start conversations long before there's a live engagement with a consumer, and continue that conversation forever, that's why social media is beginning to turbo change experiential marketing. The activities of Chingu Korean Fan cafe on social media is more active than the competitor but the complaint is still happen and spreading in social media.

. In addition, by this study is expected to assist the store manager in determining the strategies that will be used to add value for consumers, the researchers are interested in doing research titled **“THE EFFECT OF SOCIAL MEDIA EXPERIENTIAL MARKETING TOWARDS**

CUSTOMER SATISFACTION: A Study in Chingu Korean Fan Cafe Bandung’

1.4 Research Questions

In accordance with the background of the research that has been done in line with the experiential marketing and problem statement, so the experiential marketing research questions as follow:

1. What are the customer perception about the sub variable of experiential marketing (sense, feel, think, act, and relate) on customer satisfaction of Chingu Korean Fan Cafe’s social media?
2. Do the sub variables of experiential marketing (sense, feel, think, act and relate) influence customer satisfaction of Chingu Korean Fan Cafe’s social media simultaneously and partially?

1.5 Objectives

1. To determine the customer perception on the sub variable of experiential marketing (sense, feel, think, act, and relate) on customer satisfaction of Chingu Korean Fan Cafe’s social media.
2. To determine the influence of the sub variable of experiential marketing (sense, feel, think, act, and relate) on customer satisfaction of Chingu Korean Fan Cafe’s social media.

1.6 Significant of Study

1.6.1 Academic Aspect

This result of this research are hopefully can give useful information regarding science and knowledge especially in marketing field and apply theories acquired during lectures and further research, especially regarding the influence of the variables on Experiential Marketing on customer satisfaction. This study is the way to investigate the relation between Schmitt models.

1.6.2 Business Aspect

The results of this research are going to be used by Food and Beverages Industries especially in Indonesia to use Social Media in term to maximize the performance of company, especially in the field that relating to marketing management, in experiential marketing and customer satisfaction. In other hand, this research can be used as a reference for the company to improve their knowledge.

1.7 The Scope of Research

The scope of the research study aims to provide limits up to which research should be conducted (Indrawati, 2015:60). This research conducted in Bandung and the object is Social Media of Chingu Korean Fan Cafe Bandung. According to tekno.kompas.com in 2012, Bandung is one of the cities in Indonesia which has more than 2 million people, listed as the top six for a twitter user worldwide and it will get increase year by year.

This research use consumer of Chingu Korean Fan Cafe who have social media and ever interacting with the cafe on social media as a sample. There are 2 variables in this research, they are Experiential Marketing (independent variable) and Customer Satisfaction (Dependent Variable).The research conduct in 2015.

1.8 Writing Systematics

This study is presented into five chapters, a part from chapter 1 that already described above, another chapter described as follow:

CHAPTER II THEORITICAL REVIEW AND RESEARCH SCOPE

This chapter contains the theoretical review both of scientific books, journal article and other resources that support this research.

CHAPTER III RESEARCH METHODOLOGY

This chapter describes the research objects, variables, method of research, data collection methods, and data analysis method.

CHAPTER IV RESEARCH RESULTS AND DISCUSSION

This chapter describes the results of research and discussion of the data that has been obtained.

CHAPTER V CONCLUSION AND SUGGESTION

The last chapter will describe the conclusions derived of all the data processing and analysis that will be used as a guideline practical for the company and recommendation for further research for this field.