

CHAPTER I

INTRODUCTION

1.1 Background of The Study

As the world keep changing rapidly day by day and does technology, many businesses are actively searching for new way to reach the customer or new customer. Just 15 years ago, television, newspaper, flyers, and banners are the most influential ways to attract customer. Since then technology has grown exponentially, social media was created and become essential part of one's daily life. Nowadays everywhere you go, you will see each of the people in street having their mobile phones and gadgets with them. This shows that in this new era, one's day can hardly be completed without this technology. This roaring popularity has become an opportunity for many business owners to expand their way on searching customer. Development of internet has created a good way for everyone to connect with each other through more personalized manner (Andromeda, 2015).

People in the modern era have begun to use the internet to find different types of information. Human contact has also evolved as a result of the advancement of internet technology. Someone can interact with other people at any time and from any place, therefore they can exchange any type of information without being limited by space or time. Since the internet eliminates all types of territorial barriers and the national boundaries are also removed.

As time keeps flowing, social media platforms has overtaken the trend. Social media works in a brilliant way, it gathers people around the world and within it people are free to create any content they want therefore social media is special because it is very broad and free. Moreover, the number of individuals who use social media has been increasing steadily as can be seen from the data below:

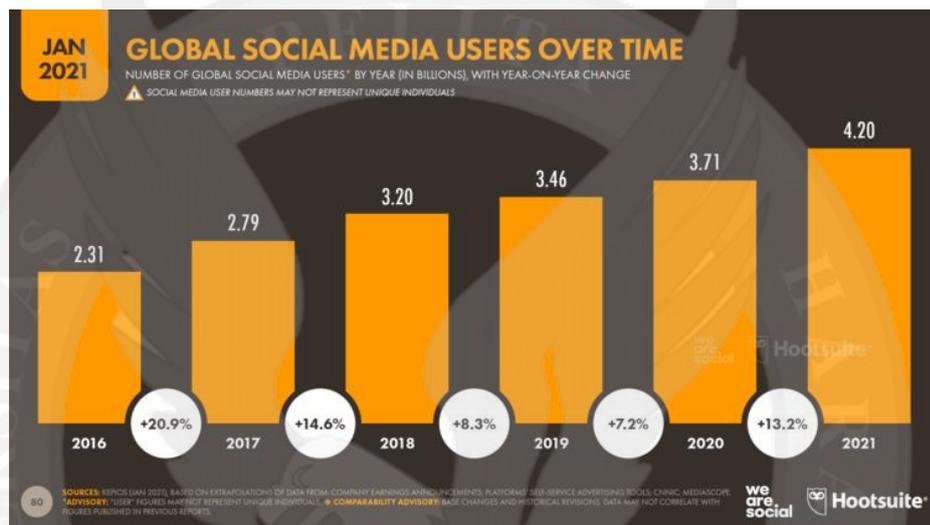


Figure 1.1 Social Media User Over Time Data

Source: Hootsuite (2021)

Noticing the effectiveness of social media, business owner took the chance for major improvements in making internet marketing efforts or can be called digital marketing which is a marketing method that using the internet and social media as a channel to promote or sharing any information simultaneously to significant number of individuals wherever and whenever they are in the certain time. In this modern civilization, business everywhere is growing in every sector and alongside the advancement of internet, these businesses take advantage of digital marketing to establish more by using social media as a tool of digital marketing, not only promotion but through social media, the business also can

establish more of their brand awareness to the public, especially in food related business.

Food is considered as the most essential basic need for human to survive and it is assumed to be the most important above all material things that can be grouped as complimentary in human life. As time keeps flowing, people keep wanting more convenient ways in their life, which catering food business are popular nowadays for many families that are busy with their everyday life. Catering food business like Alan's kitchen catering usually provide 4 types of food per day consisting of 2 vegetables dishes and 2 meat dishes. Moreover the food will be delivered to the requested location, with an affordable price.

After the new innovation has come up, which is the digital marketing, many business owners come up with a brilliant idea by promoting and raising brand awareness through digital marketing which is using social media platform (Wijanarko, 2015), for instance through Instagram, Facebook, WhatsApp, etc and Alan's kitchen catering took the chance to flourishes it's business even more by creating account on social media.

In food industry, social media like Instagram can be very useful. By posting a picture or video of their products or let other people review the food and posting it can pique many people interest particularly if the color of the food product and quality looks so vibrant and tempting. Since Alan's Kitchen catering Petisah branch opened their business, they immediately create their own social

media account to provide an insight for people to be interested. Firstly, this research will focus on Instagram as the social media digital marketing tool

From observing Alan's kitchen catering's Instagram account, the writer stumbled some negative comments. Moreover there are also comment regarding the lack of information on the content of the post. It can be seen as follows:

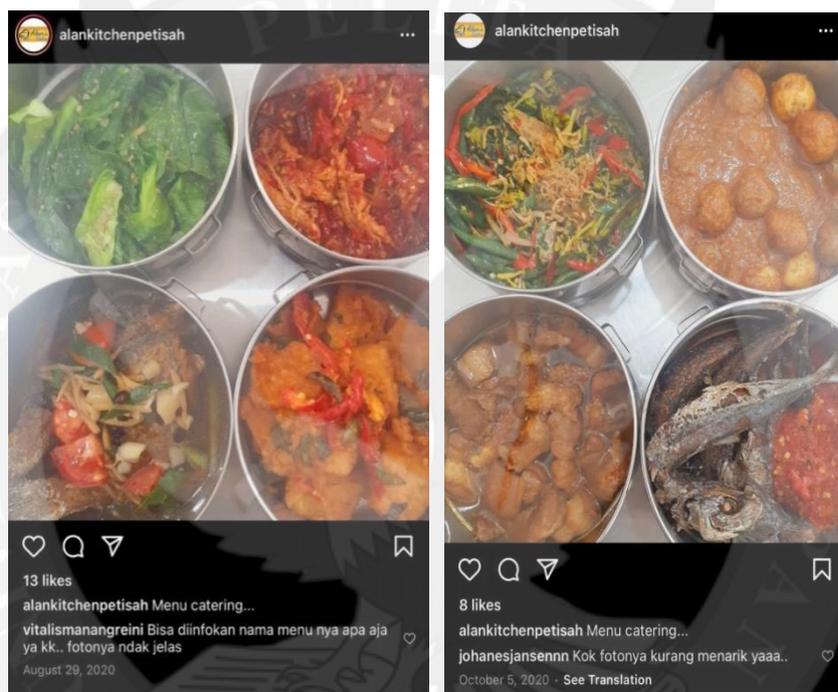


Figure 1.2 Comment about Alan's Kitchen Catering (petisah branch)
Source: Alan's Kitchen Catering's (petisah branch) Instagram (2021)

As can be seen from data above (Figure 1.1) on the left side, there is a comment about lack of information that related to the post and it also said that the photo is not clear enough. As can be seen, there are no additional details about the menu in the caption beneath the picture. From the figure on the right side, there is a negative comment regarding the content of the post, where the photo is not interesting enough.

As the writer observe, the contents from the social media account appear to be monotonous, which apart of being creative supposed to be informative too. Moreover there no appropriate hashtag used which according to (Tresnawati & Kurniawan, 2018) can encourage social media users to explore content that catches their eye and speed up the dissemination process of information about culinary products. In addition, the copy writing in the posts are not professionally written with the purpose of advertising or other forms of marketing as it can persuade people to take action.

Through these social media platforms, which people nowadays have their eyes on it every day, these factors may influence the customer purchase intention at Alan's kitchen catering. Basically, purchase intention is the taste or the liking of the customer to buy the product or service, it usually shows customer's behavior or perception towards the product or service they going to buy or not. This purchase intention can change depending on many factors, such as reviews, price, product attractiveness, and many else. Through social media platforms, customer can thoroughly evaluate and examine the product or service they want to buy through many insights.

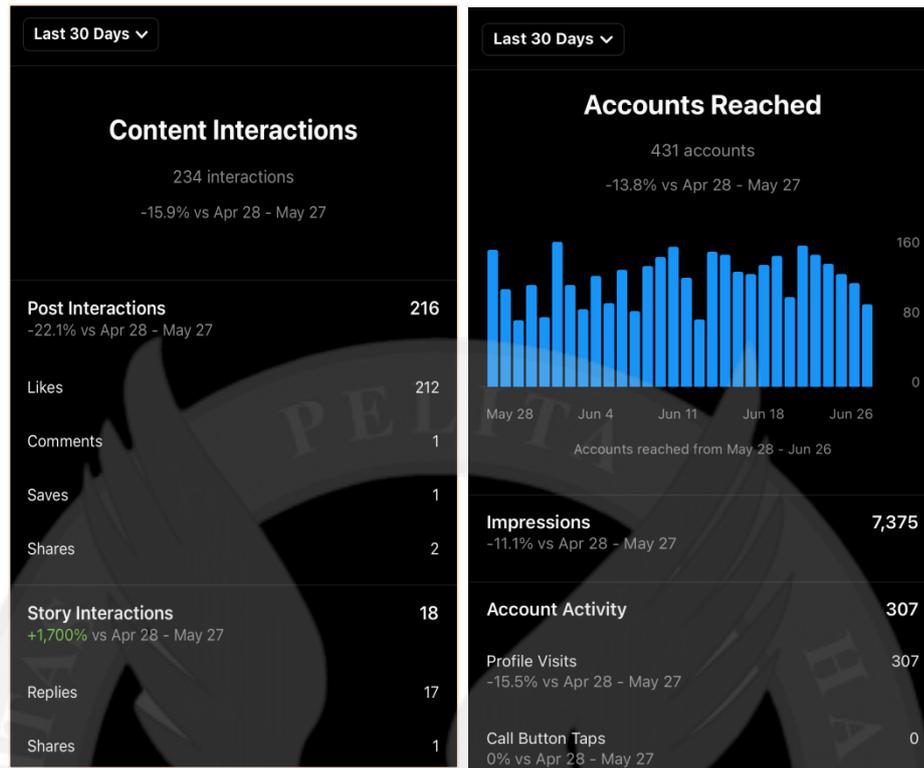


Figure 1.3 Content Interactions and Account Reached Data

Source: Data from Alan's Kitchen Catering (petisah branch) Instagram (2021)

As can be seen from the data gathered above, the interaction in the Instagram post, has experience a decreasing of 22.1% from last month and from the figure on the right side, it can be seen that account reached has also experience a decrease of 13.8% from last month, impression of the account has decreased by 11.1% and from profile visitation from customer also faced a drop by 15.5% from last month.

From the data above, it can be seen that the number of likes, comments, photos save, and shares are very low. For the number of likes with a total of 212 likes within 30 days, means that approximately 7 likes per day. While only 1 person comments and save photo, and lastly only 2 people who shared the post.

Therefore it can be interpreted that there is a lack of interaction that may be affected by content's attractiveness.

All these reasons have piqued the interest of the writer to start a research on Alan's kitchen catering at Medan Petisah. As a result, based on the important role of social media digital marketing, the writer decides to conduct a research with the title **“The Influence of Instagram Digital Marketing on Customer Purchase Intention at Alan's Catering (Petisah Branch) in Medan”**.

1.2 Problem Limitation

This study limits the target of the research which is at Alan's Kitchen Catering (Petisah branch), Medan and the problem is limited to the influence of Instagram digital marketing on customer purchase intention, where the influence of Instagram digital marketing is the independent variable and customer purchase intention is the dependent variable.

1.3 Problem Formulation

Based on the background of the above problems, it can be concluded the formulation of the problem is as follows:

1. How is the Instagram digital marketing conducted by Alan's Kitchen Catering?
2. How is the customer purchase intention at Alan's Kitchen Catering?

3. Does Instagram digital marketing have influence on customer purchase intention at Alan's Kitchen Catering?

1.4 Object of Research

1. To identify the Instagram digital marketing conducted at Alan's Kitchen Catering.
2. To explain the customer purchase intention at Alan's Kitchen Catering.
3. To examine the influence of Instagram digital marketing on customer purchase intention at Alan's Kitchen Catering.

1.5 Benefits of the Research

In this study, the writer main objective is to deliver knowledge about the influence of Instagram digital marketing on customer purchase intention.

1.5.1 Theoretical Benefit

1. To expand the understanding of customer purchase intention influenced by Instagram digital marketing
2. To provide additional information for other research who conducts similar topics in the future.

1.5.2 Practical Benefit

1. It is to be a helpful guide for those who seek more understanding of the influence of Instagram digital marketing on customer purchase intention.
2. It is hoped to provide a contribution for those who will conduct the same related topic at some points in the future.

