

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The city of Medan as the third largest city in Indonesia is one of the main gate of the influx of tourists abroad and also the main destination for domestic tourist arrivals. In the context of shopping, the city of Medan is one of the main options. There are many locations shopping with a wide range of products there are in the the city of Medan (Dalimunthe, 2019).

The more people who run culinary businesses, the competition increase as well. In this case, innovation and creativity are needed from businesses in order to attract more consumers. From this understanding, needs an effort to distribute this business venture to the community. And these efforts can be distribute through many ways, including by using social media. Nowadays, the presence of a smartphone makes people easy to communicate without the need of seeing each other, simply by just sending texts. Smartphones make it easy for the users to exploit varieties of features provided, such as accessing the internet anywhere and anytime through Smartphones.

This is certainly used by communities for personal purposes, just like what companies and businesses people do, in which they use smartphones and social media to promote their products or services online. The commercial marketplace has expanded beyond the traditional brick-and mortar to a global shop front that is accessible to billions of users via the Internet (Sadler & Evans, 2016). Social media provides a marketing tool in order to connect consumers with online businesses. Some of Social media platforms include Facebook, Twitter, LinkedIn, YouTube,

Google, and other networking platforms for blogging, and podcasts. (Kim & Ko, 2016).

These various outlets have become a channel for marketers / advertisers to communicate directly to consumers which are way better than the traditional media such as newspaper, magazine, etc. The potential to reach billions of consumers directly through social media is significant for businesses, yet some organizational leaders do not know how to engage potential customers effectively using this method (Kietzmann, et al, 2016). Even though companies use social media in various forms, some leaders quite lack sufficient knowledge to develop the effectiveness of social media strategies to maximize the organizational value. In this study, I find out some social media strategies that company / businesses leaders can use to increase their Sales Performance and attract more consumers.

Sales Performance is one of the most important aspects in a company. Poor company management will be detrimental because it can impact the profitability, and ultimately it can also reduce incomes. Every company has a different system when dealing with businesses. In general, companies must have the right system in all aspects that runs and all this system is definitely one of the key points that's in control. High consumption from publics encourages companies to always keep improving in production and Sales Performance to be better and better. Production quality and a good Sales Performance strategy can drive an increase in Sales Performance which is useful in controlling market share and achieving profits optimally. Profits are definitely one of the main objectives and goals of the company in doing business. These goals will be used as a measure assessment of success or

failure of the company. The company relies on its activities in the form of Sales Performance.

Sales Performance can be done either by cash or credit. Company that is not capable enough to develop their business will gradually be displaced by the other competing company. Miel Mdn's Sales Performance are still lack in developing. Sometimes Miel Mdn also experiences degradation due to lack of visitors on weekdays. Many consumers do not know Miel Mdn because it is located in a location that is un-strategic. Promotion on Miel Mdn is still not intense so Miel Mdn has not been able to develop the level of Sales Performance.

Table 1.1
Sales Performance at Miel Mdn

Year	Total Sales Performance (Rp)
2019	581.669.000
2020	424.875.000

Sources: Miel Mdn, 2020

Table 1.1 shows that the highest Sales Performance decline occurred in 2020 amounting to Rp 424,875,000. This reflects a decrease in purchasing decisions. This degradation in Sales Performance is also due to companies that are less vigorous in competing with other cafes both in terms of changes in decoration, falls behind on keeping up with trends to keep abreast in current market developments such as using social media in distributing videos, photos and content that's related to cafe by posting about foods, decoration, services and so on that will sparked the interest of consumers towards this cafe. The company has not made a real good use of social media in promoting their cafe. In terms of the presence of social media can be a very positive way in promoting with fewer expenses and faster.

Table 1.2 Competitor Cafe

Name	Year
Lekker Urban Food House	2004
Kohi91	2017
The Viral Cafe	2014
The Stage Cafe	2001

Sources: Prepared by the writer, 2021

Companies need to pay attention on the use of social media as one of a very urgent promotional media. Most of the Indonesian people have made social media as part of their lifestyle. The progress of science and technology, especially the internet, has changed the way people communicate from initially one to many became many to many. Communication from one to many become many to many is developing in the new era of media. New media is a broader term in media studies that appears at the end 20th century which refers to requests for access to contents anytime and anywhere on digital devices, as well as user's feedback interactive, creative participation and formation of surrounding communities' media content. One of the phenomena of new media era is the growth of social media which is used by companies to create electronic words of mouth (eWOM). In commercial conditions, WOM involves consumer's attitude in sharing brands, opinions, or reactions about a business, product, or other people's services. Positive WOM is a powerful marketing media tool for companies in influencing consumers. Along with the technological developments, now word of mouth (WOM) is developing in the media social so-called electronic word of mouth (eWOM) (Lesmana, 2016). eWOM is a positive or negative statement expressed by potential customers or those who already used this product or companies and institutions through the Internet.

One of the things that is still being done is by using and utilizing social media which uses the name internet cafe. It aims to make it easy for consumers to find and uses internet freely. Miel Mdn is still less in utilizing social media activity,

which is not active so Miel Mdn less known by the consumer. Starting from sharing photos and videos of visitors. But Miel Mdn is still not actively and lack in prioritizing this social media promotion tool so it still uploads least of the promotion done. For this reason, there is lack of awareness from Miel Mdn in utilizing social media tools such as Instagram, YouTube and Facebook. Miel is still not practically active and updated in sharing important moments in order to attract consumers which aim to increase their Sales Performance. Different from some other cafes that hire celebgram (a person that is quite popular on social media) to market their cafes ranging from decoration, food and even services so that more people will know and look for information of the promoted cafe and even will visit that cafe. Different from ancient times, social media plays an important role in increasing the level of Sales Performance, if there's a bad review will be an inhibiting factor in increasing Sales Performance. Miel Mdn does have an Instagram account under the name of "miel.mdn" but it doesn't update much, it attracts more updates and posts about the decoration of the Miel Mdn cafe, but less updating the atmosphere of the cafe where it is more crowded with visitors and interesting coffee presentation. These are some of the factors that makes Miel Mdn's social media needs improvement in order to attract more consumers and increase Miel Mdn's Sales Performance.

From the description above, it encourages researchers to discuss in the thesis under the title " The Effect of Social Media Contribution towards Sales Performance at Miel Mdn."

1.2 Problem Limitation

Problem limitation in this research will focus on the variables of The Effect of Social Media Contribution towards Sales Performance at Miel Mdn. This research was conducted at Miel Mdn. Miel Mdn is located on Jalan Dazam Raya No.4, Medan.

1.3 Problem Formulation

From the background study above, the author formulates the problem such as:

1. How is the activity of social media at Miel Mdn?
2. How is the condition of Sales Performance at Miel Mdn?
3. Does social media have influence between social media on Sales Performance at Miel Mdn?

1.4 Objective of the Research

The objectives of the research are as follows:

1. To analyze the activity of Social Media at Miel Mdn.
2. To analyze how is the condition in Sales Performance at Miel Mdn.
3. To find out what is the influence of Social Media towards Sales Performance at Miel Mdn.

1.5 Benefit of Research

1.5.1 Theoretical Benefit

The Practical aspects and the uses of theoretical study. The research on the management can help researcher to have better understanding on the problem that the company is facing and this information might solve the

company's problem and allow researcher to achieve their academic mission.

1.5.2 Pratical Benefit

a. Writer

This research can help the writer to understand further theories that are delivered in university.

b. Company

This research can be a successful aid for to the company to improve their Sales Performance at Miel Mdn and reach their potential growth.

c. Future Researchers

This research can be used as reference to gain the related information and help any difficulties that will be potential for the next research will face related with the research topic.

