

# CHAPTER I

## INTRODUCTION

### 1. Background of the Study

In the era of globalization as at this time, the influence of the cafe atmosphere can also improve the mood in consumer decisions, from authenticity, ambiance, visuals, colors, and location greatly affects the image in a cafe whether or not the place is feasible for consumers, because most consumers want to enjoy a cafe. relaxed, comfortable, and good for socializing or unwinding.

Cafe atmosphere and location usually influence purchasing decisions. Because of that, nowadays cafes that are crowded with visitors usually have an instagramable cafe atmosphere and a strategic cafe location that is easily accessible by consumers to influence customers to visit and make purchases. (Fiskawati and Samboro, 2019).

The atmosphere in a cafe is usually a combination of characteristics of a cafe such as the layout of the building, architecture, music, scent, and atmosphere and usually, if the customer is suitable, it will create a comfortable atmosphere for the customer purchase decision. (Utami 2017).

Based on the study stated by Kurniawan and Santoso (2018), store atmosphere and location have a significant influence towards customer purchase decisions, and it is important to create a comfortable atmosphere as well as a good location decision. Therefore, the atmosphere and location in The Neighbourhood Eatery are going to be examined as they might influence customer purchasing decisions that could increase the overall revenue of the café.

Currently, the number of cafés is keep increasing especially in Medan where there are many cafes with different creative concepts and strategic locations in Medan city. Moreover, café has been a thriving industry in today's metropolitan areas as it is also influenced by changing lifestyles, tastes, and consumption (Tamher, Tabelessy, and Tahapary, 2019)

**Table1.1 Based on data this is a list of 10 new cafes in Medan since 2021.**

Name of café	Product F&B	Starting price from
Patbingsoo desert	Korean Food	Rp.25.000
Sadia Coffee	Western Food	Rp.20.000
Junction Cafe	Western Food	Rp.25.000
Zac Pizza	Italian Food	Rp.30.000
Roemah Kopi Wak Noer	Indonesian Food	Rp.20.000
The L.co coffee	Asian Food	Rp.15.000
Sensuri Coffee Shop	French dessert	Rp.25.000
Kaffeine	Indonesian Food	Rp.25.000
Dalitan Cafe	Western Food	Rp.25.000
Kokoro	Japanese Food	Rp.20.000

Source: jejakpiknik.com (5 February 2022)

Based on table 1.1 The above shows that the existence of a cafe that has just opened and developed in 2021 to 2022 in the city of Medan from the starting price above also shows that all people can also visit the cafe and of course with a variety of food and beverage backgrounds starting from Asian, Indonesian to western. and with this, it is very interesting to discuss and analyze the atmosphere of a cafe because the comfort of a cafe is one of the important things.

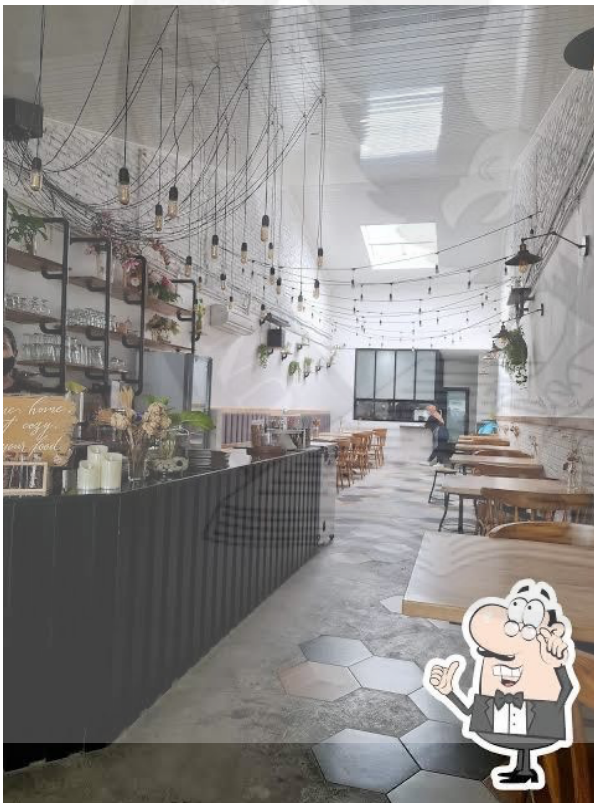
Therefore, café needs to strengthen its cafe by implementing uniqueness as a competitive advantage and could be competing with its competitors.

Here is a cafe located in the middle of the city of Medan called the neighbourhood eatery Medan.



**Figure 1.1 Outside the Neighbourhood eatery**  
Source: by dealjava.com

Great atmosphere will attract customer to come as they comfortable dining. Meanwhile, the atmosphere in The Neighbourhood Eatery is not too big so it is not too enjoyable for hanging out or business meetings and there are 7 to 8 tables in 1 cafe so that makes it a bit too narrow. in the modern era is very important for us to choose the right ambience to create an event, relax, study, and hang out with friends, choosing a comfortable atmosphere will make the customer want to return to that comfortable place but in choosing a cafe or restaurant it is also not only concerned with comfort but also artistic, warmth in the interior design of a cafe.



**Figure 1.2 Inside the Neighbourhood eatery**

Source: restaurantguru.com

**Table 1.2 Customer reviews and comments of The Neighbourhood Eatery**

No.	Comments	Ratings
1.	it's hard to find parking, and the food is delicious and unique, but for the when I came, all the chairs were lifted and a little hot	1
2.	little parking space	1
3.	Went here for a meeting and sat down at the very front chair when suddenly, other customers came and told the waiter that they want my seat. so, the waiter came to me and asked me to move out in the very middle of my meeting. Overall, good ambience & tasty food	1
4.	Nice atmosphere in the middle of hectic city. Will surely visit again to try their brunch menu.	4
5.	I was here for its cozy environment, thick and strong Americano along with clean indoor seating.	4

Source: Google reviews

The table above shows that a location in a city center so that it is close to traffic jams and on a narrow and congested road so it is difficult to find a place to park so that making a customer decides to buy will choose a place that may be more comfortable and freer to relax, meet friends or make an assignment where the decision as a buyer to come and buy less and less and make people not want to recommend this place to others and one of the parts the most important thing in choosing a place is a strategic location.

researchers will review and study the research as the title has been approved. Therefore, this research will be conducted with the title of **The Influence of Atmosphere and Location Towards Customer Purchase Decision at The Neighbourhood Eatery Medan.**

## 1.2 Problem Limitation

This research focuses on the problems that exist in Neighbourhood Eatery Medan with atmosphere and location, to examine more deeply, the writer will create or set problems limitation for further research on this cafe research, atmosphere (X1) design indicators are an attractive cafe, comfortable music and of course there is bright and appropriate lighting and as the dependent variable, location (X2) location indicators are in busy areas, easy to reach and have road access that is fairly easy to reach and have normal visibility such as being easily seen and recognized and as independent variable, and customer purchase decision (Y) have indicators such as ways or decisions to choose cafes that have unique and delicious products, according to the wishes of customers who like a cozy and peaceful atmosphere and customers get recommendations from other people for this cafe. and as dependent variable. The writer will research and review whose study will be limited to the cafe the Neighbourhood eatery.

### **1.3 Problem Formulation**

Based on the background of the study, the writer could find problem formulation as follows:

- a. Does store atmosphere partially influence customer purchase decision?
- b. Does location have partially influenced customer purchase decision?
- c. Do store atmosphere and location have simultaneously influenced customer purchase decision?

### **1.4 Objective of Research**

The purpose of this study is:

- a. To find out if store atmosphere has partially influenced customer purchase decision.
- b. To find out if location has partially influenced customer purchase decision.
- c. To know if store atmosphere and location have simultaneously influenced customer purchase decision.

## **1.5 Benefit of the Research**

This benefit will be divided into two benefits of research, namely as follows:

### **1.5.1 Theoretical Benefit**

Theoretically, this research is expected and aims to be effective in finding out relevant information and insights related to the influence of location and atmosphere on customer purchasing decisions at The Neighbourhood Eatery Cafe. and is also expected to be able to provide references to those in need of conducting other research related to cafes or restaurants.

### **1.5.2 Practical Benefit**

- a. For the Neighbourhood Eatery,

This research is expected to be able to assist the development process in cafes, especially regarding the influence of cafe atmosphere and location on customer purchase decisions and in addition to helping develop the existing performance in the cafe and of course looking for solutions and problems.

- b. For Researchers

Expected to be able to research and provide information about the description of the café The Neighbourhood Eatery and pay attention to factors so that other researchers can better understand how the atmosphere and location on customer purchasing decisions and provide the best suggestions to further improve the café.