

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

The business world is currently in a condition of increasingly fierce competition, especially for similar companies. Business development in this era has grown very rapidly and underwent continuous metamorphosis. Every business actor in each business category is required to be sensitive to any changes that occur and place an orientation on purchasing decisions as the main goal to attract customers. The business of serving food and beverages is no exception, starting from a small scale such as a cafe to a large-scale food business. This variety of businesses, certainly has an impact on business competition. Businesses that are growing rapidly are businesses in the food or beverage sector or known as culinary. The more widespread the variety of culinary delights served and the growing number of outlets serving culinary delights, it will become an attraction for researchers to focus on culinary research. Today's business development is so rapid that the company as a service provider organization must be more innovative in marketing the types of products being marketed where the current market conditions are full of various kinds of drink menus with the quality of the products offered.

Culinary business people are challenged to create a clear unit differentiation so that consumers can differentiate from their competitors.

Marketing is one of the main activities carried out by the authorities to maintain survival and develop in order to earn a profit. In achieving business goals, it depends on the expertise of entrepreneurs in marketing, production, and other fields. The purpose of establishing a company is to make the maximum profit possible. The success of a company in achieving its goals is influenced by the ability to market its products. Therefore, to attract consumers to purchase, the company must be able to implement an appropriate marketing strategy in accordance with the market conditions faced. Businesses in the culinary field are able to generate quite large profits, besides that, another factor that encourages them to make these businesses is a shift in the lifestyle of people who are used to refreshing in cafes, both with family and relatives. Development culinary businesses that have sprung up in the city of Medan make the perpetrators fiercely competitive business. Seeing the development of community behavior that is growing where outside activities have become part of a lifestyle, it is intelligently considered as a business opportunity by business actors in the category of serving food and drinks, especially in cafes. To win this tough competition, entrepreneurs set different strategies, both in terms of taste and product quality. One effort that can be done by every business actor is to create a consumer-oriented marketing

strategy, it will have an effect on purchasing decisions that will attract consumers to decide to make a purchase.

Purchase decision is the action of consumers to buy or not the product. The consumer's purchase decision-making process can be influenced by various factors, both individual (internal) and comes from the environment (external). Internal factors include resources of time, money and attention and consumer involvement. External factors include culture, social class, and the influence of groups and families (Hidayat, 2016). Of the various factors that influence consumers in purchasing a product or service, consumers usually always consider the taste and quality of the product that is already known by the customer. In today's era, it is undeniable that opening a business in culinary fields such as cafes has considerable competitiveness. If we do not move quickly to face the competitive market, consumers must be good at choosing cafe places that they think are worthy of being chosen as a place for refreshing which is seen from the ideals. the taste of the cafe. Taste is a way of selecting food that must be distinguished from the taste of food and drink. Food products that have a high taste will bring in many consumers so consumers will try to make purchases of the products offered by service providers. The taste of a food plays an important role in a culinary business. According to (Imantoro, et al 2018), taste is one of the factors that can influence purchasing decisions. Consumers will choose food products if they suit their tastes. Companies in the culinary field will compete to make innovations in various flavors that are in

demand by consumers. If consumers like the taste and quality of the products offered, consumers may make purchasing decisions. There are many business people in similar fields, in order to survive and develop, business managers are required to be able to create excellence and compete on product quality in an effort to face business competition. To win an increasingly competitive competition, business actors are required to be able to create competitive advantages over products in an effort to create purchase decisions. This is very important because the marketing concept states that purchasing decisions are an economic and social condition for the survival of the company. The buying decision-making process for everyone is the same, but the decision-making process will be colored by personality traits and lifestyle. In general, a buying decision is a selection of two or more options alternative. Product quality is one of the determining factors in deciding to purchase and use a product. The resulting product planning must be in accordance with consumer needs. In addition, the resulting product must reflect good quality. Good or bad experiences with products will influence consumers to repurchase or not, so business managers are required to create a product that is tailored to the needs or tastes of consumers.

Coffee is a type of drink that has been known since ancient times until now. In ancient times, coffee was only consumed by the elderly. But nowadays coffee drinks are the most preferred drink for parents and young people because of the unique taste that is obtained in coffee and coffee is also very helpful for workers

who will work overtime in the office. It should also be noted that at this time the cafe is very easy to find by the public with a strategic location. In addition to the location, the cafe can also be used as a place for meetings, chit-chat, and doing assignments. Not to forget, in addition to a strategic location, of course, customers are also looking for a fragrant coffee taste with adequate quality.

Kome Coffee is a coffee shop that was founded in 2019 on Jalan Teuku Umar 3E Medan. The name Kome comes from Japanese which means 'rice'. The coffee shop is also quite famous and familiar to the public. As usual, Kome Coffee provides chairs and tables that customers can use to sit / relax at Kome's place. Apart from Teuku Umar, Kome also opened branches on Jalan Cik Ditiro, Krakatau, & Katamso. This coffee shop serves several types of coffee and non-coffee drinks. Besides drinks, Kome also provides snacks such as toast, and caramel popcorn and in the future, Kome will also provide sweet cakes.

As informed by the Kome owner, the coffee served at Kome Coffee is coffee with premium ingredients, but some customer comments show the cafe's poor performance. The taste that comes from the coffee does not match the customer's taste where the coffee powder that is poured is too thick so the coffee is felt to be more bitter for the consumers. Customers who have caffeine, if they consume coffee that is too thick, will feel dizzy in the head. Customers also complain about slow service and expensive product prices. Busy customers will

have limited time so slow service times will affect purchases. These cause customers to hesitate to make a purchase decision.

Based on the background that has been described, the researchers conducted a study under the title **“The Effect of Taste and Product Quality Toward Purchase Decision at Kome Coffee”**.

### **1.2 Problem Limitation**

In this study, according to the ability of the researcher, the researcher limits the problem and will focus on the problem of taste, product quality, and purchasing decisions. The purpose of this study is that researchers want to know and want to examine more deeply whether the title with research on taste and product quality has an effect on purchasing decisions at Kome Coffee. In this study, researchers will focus more on customers who are visiting Kome Coffee. The limitations of the problems that will be discussed by researchers and this research are as follows:

1. The selected respondents are respondents with customers who have visited or are currently visiting Kome Coffee during 2021.
2. The customer responds by filling in the questionnaire which will be distributed to the customer.
3. The discussion in this study is limited to three variables, namely two independent variables (taste and product quality) and one dependent variable (purchase decisions).

### 1.3 Problem Formulation

The writer could formulate the research questions as follow:

- a. Does taste have partial effect toward purchase decision at Kome Coffee?
- b. Does product quality have partial effect toward purchase decision at Kome Coffee?
- c. Do taste and product quality have partial effect toward purchase decision at Kome Coffee?

### 1.4 Objective of the Research

According to the background of the study and the problem formulation, the purpose of this research is :

- a. To know whether taste has a partial effect toward purchase decision at Kome Coffee.
- b. To know whether product quality has a partial effect toward purchase decision at Kome Coffee.
- c. To know whether taste and product quality have simultaneous effect toward purchase decision at Kome Coffee.

## **1.5 Benefit of Research**

### **1.5.1 Theoretical Benefits**

Based on the theoretical benefits, the researcher hopes that this research can provide input to the theories that have been described regarding taste, product quality, and purchasing decisions. In addition, this research can also be used as a reference or comparison for future researchers.

### **1.5.2 Practical Benefits**

The results of this study are expected to be useful for several parties, including:

1. For Researchers,

This research is useful so that authors can understand what is the relationship between taste and product quality in buyer decisions

2. For Kome Coffee,

This research can be used as a suggestion for Kome Coffee to be further improved the taste and quality of the products provided to consumers, such as flavors that do not suit the customer's tongue.

3. For Future Researchers,

As additional information and references for other researchers in conducting other research on the relationship between taste and product quality on purchasing decisions.