CHAPTER I

INTRODUCTION

1.1 Background of the Study

With the advancement of the era that occurs today provides a great opportunity for many businesses, especially in the world of technology that keeps on expanding. Technology is used very widely in human life to ease the daily work, for example, it helps in communicating since it can be accessed by the internet. At present in addition to the needs, buying interest is influenced by several factors such as it is and the quality of the product the factor influencing the purchase. Pricing strategy is very important to attract the attention of consumers. The appropriate price is the price that matches the quality of the product and the price can provide satisfaction to consumers. Marketers are trying to achieve specific targets through pricing components (Piri, et al, 2021).

Buying intentions is an attitude that occurs in how consumers provide response to the product or service, which will be purchased before consumers make a purchase or delay buying or not buying. Alternate stages and purchase decision starts from the evaluation of alternatives, purchase intention attitude of others, unanticipated situation factors, and ultimately the purchase decision. Doffee - Dough & Coffee, Medan received dissatisfaction from customers in form of high customer complaints to the employees of Doffee - Dough & Coffee, Medan, which lead to decreased in buying intentions.

Tabel 1. 1 Complaints Data of Doffee - Dough & Coffee, Medan 2019-2021

Year	Total Complaints	Description
2019	7	1. The quality of Service is less fast 2. Providing food that takes a long time even though the cafe is quiet. 3. The use of Instagram is less precise so I do not know the promotion that is being done even though it is very interesting. 4. Less courtesy to food drivers.
2020	8	
2021	11	

Sources: Doffee - Dough & Coffee, Medan, 2022

In addition, the low level of consumer buying interest is also reflected in the fluctuation of revenue in Doffee - Dough & Coffee, Medan which experienced a decline in 2019-2021. The following support the buying interest phenomenon related to Doffee - Dough & Coffee, Medan revenue data, namely:

Tabel 1. 2 Revenue Data of Doffee - Dough & Coffee, Medan 2019-2021

Year	Sales	Sales (Grab/Gofood)	Totals	%
2019	1,448,751,600	120,369,500	1,569,121,100	-
2020	525,415,500	235,627,900	761,043,400	-51%
2021	847,207,050	118,090,500	965,297,550	27%

Sources: Doffee - Dough & Coffee, Medan, 2022

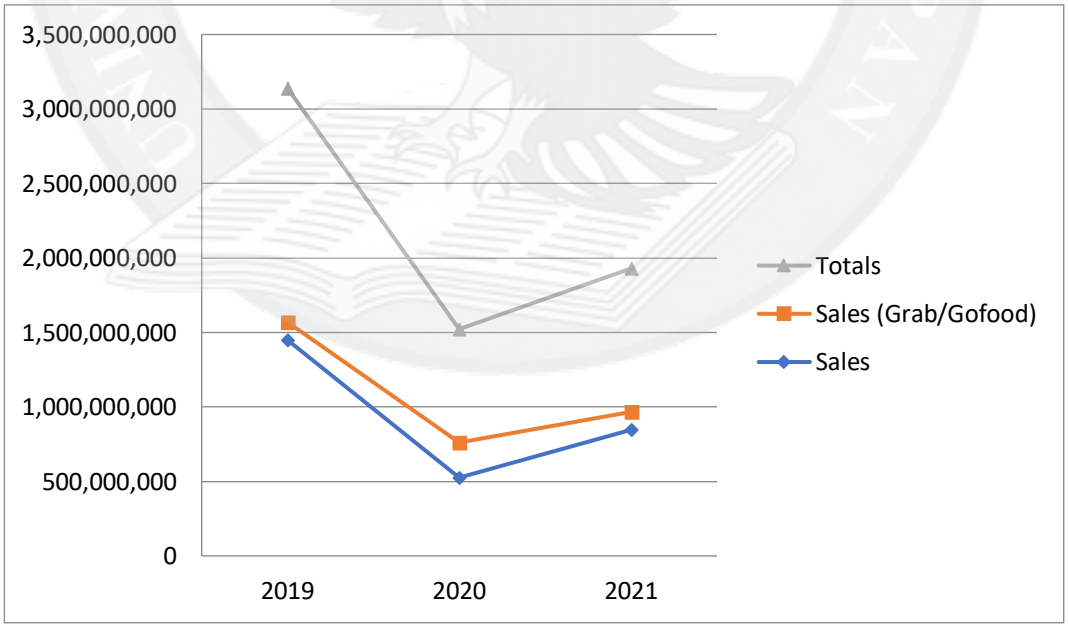

Figure 1. 1 Revenue Data of Doffee - Dough & Coffee, Medan
Sources: Doffee - Dough & Coffee, Medan, 2022

Internet technology automatically influences the development of data analysis in several sectors, one of which is social media. Data analytics itself is a data processing method that is able to unify the substance of each data collected from various sources to be converted into a big picture of the information needed. Thus, nowadays many social media use analytical data tools to develop their features to be better (Alfajri, et al, 2019).

Social Media is online media that supports social interaction. Social Media has become the main pillars in the delivery of information, it is used for socialization of programs and policies, introducing products and the product's potential, and restoring and improving the image of social media can be used as a means for community to learn (Suryani, 2017). With the existence of social media communication and dissemination of information occurs very quickly so consumer will increasingly want to know information quickly that can be accessed at any time. Since the emergence of the community will be more easily connected to interact with each other, customers communicate, behave, work, and think in a digital society (Supratman, 2018).

Social media in this era of globalization is viral among teenagers in Indonesia. Nowadays, social media is an obligation that teenagers think they must have and it has influence on the lives of today's generation. Social media offers many features that do not require face-to-face contact but is able to bring both parties together remotely. Social media can be a medium for learning about entrepreneurship and fostering interest in becoming entrepreneurs for teenagers. Lots of young entrepreneurs today have businesses through social media. People

who use social media find it easier to buy something without having to go out of the house to shop, now with just one button, people can order all the items they need or want. The ease of finding various sources is what makes social media a primary need that is always around. Social media has bad impact that can lead children who are not old enough to disclose things that they should not see or experience. The more information is disseminated, the more data is stored in the social media. In assisting the dissemination of this unstructured information, there are analytics tools that focus on the social media analytics business called social media analytics (SMA). Social media analytics is getting a lot of attention, which is defined as an emerging interdisciplinary field of research aimed at combining, expanding, and adapting methods for the analysis of social media data (Noprianto, 2018).

Social media is often used by many people nowadays, especially the use of Instagram as social media. In the digital transformation data world in 2019, Instagram ranks 5th as the most-used social media platform in the world today (Ahmad, 2019). The use of Instagram as social media in Indonesia ranks 3 as the most active users and there also 62 million times each month are used as marketing media (Social, 2019). Instagram is one of the social media that has implemented SMA in the application of its user business. Instagram application is a fairly simple application because it only displays images and videos for specific duration with given space to write and comment for people who become managers and followers (Satyadewi, et al 2017). Currently, Instagram is not only a means of communication and information, but it has plagued several sectors, especially marketing.

Doffee-Dough & Coffee, Medan's social media in the form of Instagram can be seen in Figure 1.1 as follow:

Figure 1. 2 Instagram of Doffee-Dough & Coffee, Medan
Sources: Doffee-Dough & Coffee, Medan, 2022

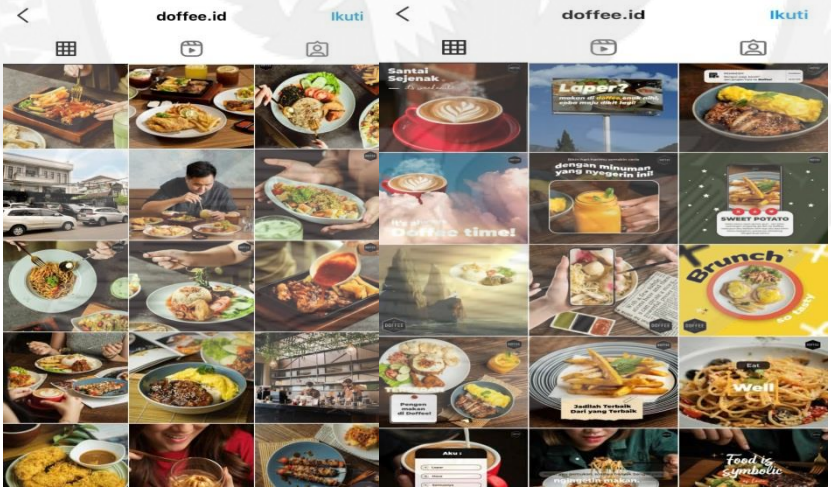

Figure 1. 3 Instagram Activity of Doffee-Dough & Coffee, Medan
Sources: Doffee-Dough & Coffee, Medan, 2022

Figure 1.3 shows that Doffee-Dough & Coffee, Medan uploaded more food and beverage contents, which the contents are majority in the form of photos instead

of videos in their Instagram feed. In addition, Doffee-Dough & Coffee, Medan seldom promotes the decorations in the café that could attract customers. In the context of Doffee-Dough & Coffee, Medan's Instagram seemed monotonous, and there was quite few collaboration with Instagram influencers.

Brand image is referred to as a set of associations that are generally systematized in some meaningful way. Kotler and Armstrong (2018) stated that the brand is not just a name or symbol, but the brand becomes a key element in the relationship between the company and its customers. Consumers attach great importance to brands and attribute their prestige to different brands. They see brands from different perspectives and expect better quality brands. Over time if the brand fulfills the customer's needs then they become loyal to the brand and build a long-term relationship with that particular brand. Customers give importance to all those factors which are related to their selected brands. If a consumer wants something on urgent basis and that product or brand does not exist in the market. Then the customers become anxious and it may be possible that the consumer will switch to some other brand. A successful brand image allows consumers to recognize the needs that the brand satisfies and to distinguish the brand from its competitors, and increases the probability that consumers will purchase the product from the brand. A company's product or services can gain a better position in the market, sustainable competitive advantage, and increase market share.

According to Aulia and Wardhana, et al. (2018), if the customer has a positive image of a brand, then there is a probability that customer will purchase the product again. Conversely, if the brand image is negative, then the probability

for the occurrence for the customer to purchase the product again is small. Based on the description above, brand image is a perception of the brand in the minds of consumers that forms consumer's confidence in a brand. Based on research conducted by Rizan and Mukhtar (2017), there is a positive and significant influence between brand image and consumer buying interest.

Brand image of Doffee-Dough & Coffee has less positive terrain seen from the level of ratings given by customers in google review. Here are some google reviews that have low ratings:

Figure 1. 4 Google Review of Doffee-Dough & Coffee, Medan
Sources: Google Review, 2022

Table 1.3 List of Google Reviews Doffee-Dough & Coffee, Medan (2021- June 2022)

No	Description	Rating				
		5	4	3	2	1
1	*Tempat nya bagus , pelayanannya juga ramah, awalnya capuccionnya mau di serve , tali goyang , jdi gambarnya hancur , tapi langsung di ganti sama mas " nya , terima kasih banyak , makanannya juga enak "*	√				
2	-	√				
3	*makanannya enak2 smua, service dan tmptnya sangat cozy, ad 2 outlet. 1 nya di dlm komplek Multatuli, pas banget utk mahasiswi kuliah di PMCI*	√				
4	*Driver: Saya menunggu lama walaupun café dalam keadaan tidak banyak orang*				√	
5	*Driver: packing tidak bagus sehingga ketika sampai konsumen complaint tolong diperbaiki*				√	

6	*Cafe with cozy place and varieties food and drinks.*	√				
7	*Driver: harga yang berbeda dengan dimenu, sehingga menyulitkan driver untuk konfirmasi ke konsumen*			√		
8	*Driver: tidak boleh request penambahan ini itu, jdi terkadang konsumen yang marah-marah*					√
9	*Tempatnya lumayan sempit, jadi kalau bawa banyak teman musti duduk diluar. Yang paling gak nyaman makanannya asin banget, kayak mie indonesia sama nasi teriyaki dan lainnya. Rasa makannya juga standar aja kecuali burgernya.. Kalau roti burgernya enak banget.*			√		
10	*Rasa sangat kurang dan tmpt ja yg nyaman*					
11	*Driver: kesalahan menu, menu yang ap, makanan ya ap.. jadi saya dimarahi konsumen*					√
12	*Driver: tolong kecepatan pesananya ditingkatkan agar driver bekerja dengan semangat*				√	
13	*Driver: wehh lama kali*		√			√
14	*30 menit dan makanannya blm keluar 1 pun padahal cafenya sepi.*					√
15	*Good food, good place*					
16	*Tempatnya ngopi standar, food and service is ok. Rekomen nyonain polo bun yang di sajikan seperti burger. Minus dari tempat ini ialah suara yang bergema jadi jika ada yang ngobrol suaranya bakal mantul kemana-mana, yang jadinya bising.*			√		
17	*Suka musiknya, tapi makanannya harus diperbaiki*					√
18	*Udah banyak yang bilang pelayanannya lambat.*					√
19	*Coffe nya enak.tempat cozie .nyaman*	√				
20	*Pembuatan makanan yang lama, Padahal restoran lagi sunyi.*				√	
21	-				√	
22	-				√	

Sources: Google Review, 2022

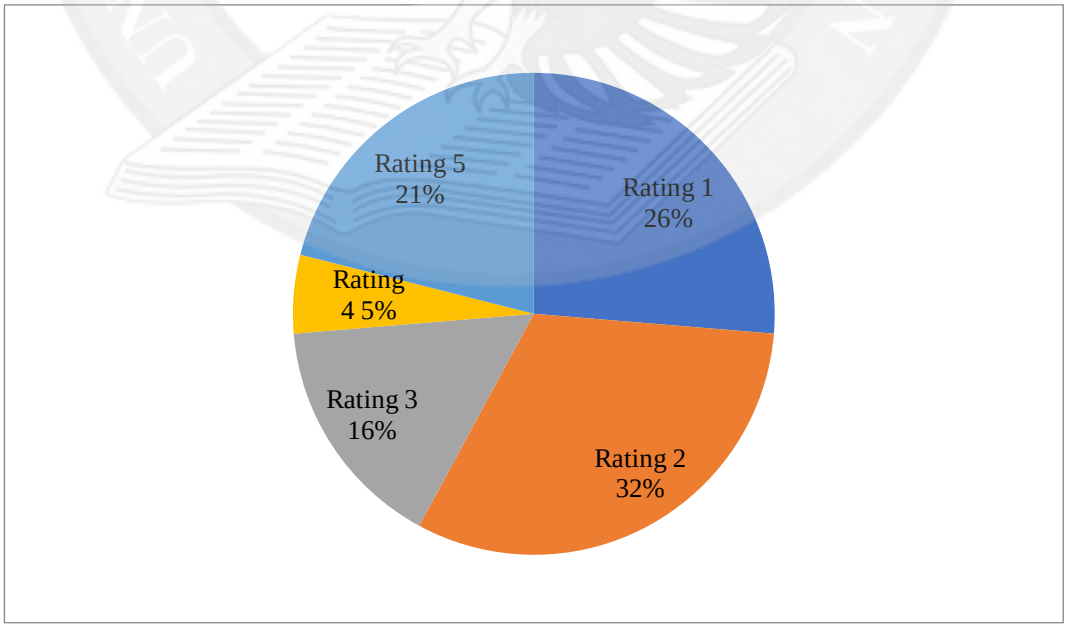

Figure 1. 3 List of Google Reviews Doffee-Dough & Coffee, Medan (2021- June 2022)

Sources: Google Review, 2022

Table 1.4 and Figure 1.5 shows that 4 people rated 5 stars, 1 people who rate 4 stars, 3 people rated 3 stars, 6 people rated 2 stars, and 5 people rate for 1-star. It can be concluded that the rating given by the customer is important in order to maintain the brand image of Doffee-Dough & Coffee, Medan. Doffee-Dough & Coffee, Medan does not provide maximum service to grabfood and gofood drivers, resulting in a negative brand image. Satisfaction value is still not well maintained as evidenced by the low rating received by Doffee-Dough & Coffee, Medan which reflects customer disappointment. Attributes such as food flavors that have not been consistent and packaging that has not been good, thus triggering a negative brand image.

Based on the explanation above, the writer decides to conduct research entitled "**Effect of Social media and Brand Image on Buying Intentions at Doffee-Dough & Coffee, Medan**".

1.2 Problem Limitation

Due to the limitation of time and budget, this research is focused on Doffee-Dough & Coffee, Medan. The independent variable used is Social media (X_1) and Brand Image (X_2), meanwhile the dependent variable used is Buying Intentions (Y).

1.3 Problem Formulation

The writer formulates several questions, as follows:

a. Does Social Media have a partial effect on Buying Intentions at Doffee-Dough

& Coffee, Medan?

b. Does Brand Image have a partial effect on Buying Intentions at Doffee-Dough & Coffee, Medan?

c. Do Social Media and Brand Image have a simultaneous effect on Buying Intentions at Doffee-Dough & Coffee, Medan?

1.4 The objective of the Research

Based on the problem formulation the objectives of this research are:

a. To analyze how Social Media has a partial effect on Buying Intentions at Doffee - Dough & Coffee, Medan.

b. To analyze how Brand Image has a partial effect on Buying Intentions at Doffee - Dough & Coffee, Medan.

c. To analyze how Social media and Brand Image have simultaneous effects on Buying Intentions at Doffee-Dough & Coffee, Medan.

1.5 The benefit of the Research

The writer expects that this research can give benefits both theoretically and practically.

1.5.1 Theoretical Benefit

The research result can be used to expand, improve and develop the relevant theories, especially in the Social Media and Brand Image effect on Buying Intentions at Doffee-Dough & Coffee, Medan.

1.5.2 Practical Benefit

The practical benefits of this research are:

a. For the writer

To get more experience in doing the research as the writer and researcher. In addition, to expand knowledge regarding Social Media, Brand Image, and Buying Intentions.

b. For the company

To provide useful suggestion for the company in increasing Buying Intentions, especially improving the Social Media and Brand Image.

c. For other researchers

To be an additional reference, reference material for further research and information to researcher who is interested in assessing the similar problem in the future.