

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Nowadays, business competition is increasingly unpredictable, both in services and production. To be successful in this free competition, companies must focus on creating and retaining customers. To understand customer eagerness and provide appropriate products and services. In the context of the food and beverage industry, customers perception factors play an important role in influencing customer decision making in choosing a restaurant.

In the culinary industry, the growth of the food and beverage business has experienced expansion development. Factors such as the improving economic situation, demographics, lifestyles and regional contribute to this development. In the culinary business competition, one of the most important key elements is the products and services by restaurants.

Every customer has a different appetite, and they want variety and a variety of menu choices. Therefore, for restaurants serving a diverse product is very important. Good product diversity not only attracts customers but can also influence their buying decision.

Product diversity in restaurants covers various of different aspects, including taste, size, quality, and the availability of these products every time. By providing good products, restaurants can provide encouragement and choices for customers in choosing to the taste and preferences. The provision of attractive and quality for

product variations are expected to influence customer decisions to buy and provide a satisfying dining experience.

In the competitive food and beverage industry, restaurants that can provide attractive menus and meet customer expectation will have an advantage in attracting customers and maintaining their loyalty. Therefore, it is important for restaurants to understand the importance of product and service implement it as part of their business strategy.

Different strategies from various restaurants will have uniqueness. This is caused by differences in management methods and several other factors. Therefore, customers mindset also influences customer decisions because customers will conduct research via the internet about the company's background, and company achievement through customers review. Online customer review is explanation or information for customers will buy the product and this review become a consideration for customers to know product convenience (Rahmawati, 2021).

According to Parikh et al. (2014) as cited in Breur (2019), online customer review is a report from a customer based on his experience in a restaurant to provide a review using feelings and emotions. From this review, customers require this reference because most customers really trust the reviews on the internet to buy the product. From online customer reviews, companies must maintain a brand image customers outlook. Based on Rita (2018) explain that brand image is an impression generated by a brand in the customers minds. Placing a brand image in the customer minds must be carried out continuously so that the brand image created remains strong and can be positively received. When a brand has a strong and positive image

in the customer minds, the brand will always be remembered and the possibility for customers to buy the brand product.

Brand trust is the expectation of brand reliability and goodwill. Based on this definition, two important components are reflected, the customer confidence that the product can provide the value promised, or the perception that the brand can meet customer expectations by fulfilling the brand promise, which ultimately creates the customer purchase decision, followed by customer confidence when product consumption issues unexpectedly arise, brands are able to prioritize the interests of customers. (Delgado, 2008 as cited in Safitri, 2020)

From the understanding, it can be learned that online customer review, brand image and brand trust are the willingness of customers to use the company's products/services because the company must have the capability to provide the best that will affect the customer purchase decision. The customer purchase decision is a purchase decision-making process evaluation to create preferences from several brands that customer choose to buy the most preferred brand (Abdullah, 2018).

Kemangi Seafood Restaurant is a restaurant engaged in the food and beverage industry. Kemangi Seafood Restaurant is located in Jalan Cemara, Komplek Grand Cemara. 8AG, Medan Estate, Percut Sei Tuan, Deli Serdang Regency, North Sumatra. It has been established since 2019. Kemangi Seafood Restaurant opens its restaurant at 10:00 AM to 22:00 PM, which is usually the busiest hour at 18:00 PM until 21:00 PM because of the large number of customers visiting Kemangi Seafood Restaurant. When many customers come and prompt service is needed. Kemangi Seafood Restaurant employees have obligations which depend on divisions for

working together in completing duty which can support restaurant performance in achieving on online customer review, brand image and brand trust on customer purchase decisions.

Research on the relationship between online customer reviews, brand image, and brand trust on customer purchasing decisions at Kemangi Seafood Restaurant, Medan has significant importance. Because this research helps in understanding customer preferences and designing to improve product and service. To create a positive brand image, restaurants can influence customer purchase decisions and know the factors that are important to customers. Restaurants can target efforts in areas that can improve brand trust and provide unique added value.

Below is the number of Online Customer Review on google review at Kemangi Seafood Restaurant, Medan in Table 1.1

Table 1. 1 Online customer review on google review at Kemangi Seafood Restaurant, Medan

| No | Name | Comments |
|----|----------------|---|
| 1 | Blueseas Huang | <i>Makanan nya ok, suasana nyaman pas buat acara2 keluarga dan sedikit saran pelayanan nya jika bisa agak ramah, murah senyum supaya yg mau dtg tidak hilang nafsu makan nya. Boleh dikatakan tidak welcome.</i> |
| 2 | Siu Kuang | <i>7 agustus 2022.makan malam bawa orangtua..Pelayanan sangat lambat sekali,pesan 8 macam sayuran,setelah 1 jam barulah mulai keluar,itu pun hanya 4 macam saja,minta sambal kata pelayannya sdh habis alhasil makan yg ada aja,yg blm keluar di take away dah..yg mau ngerasain sensasi kelaparan plus darah tinggi..silakan di coba</i> |
| 3 | Hendra Lee | <i>Menunya not bad, tp SLA keluar menunya parah.... Lama sekali... Keluar satu menunya 20 menit sekali.... Ga manusiawi. Tanggal visit tgl 3 jan. Silahkan cek cctv bagi yg merasa punya restoran ini.... Lucunya tamu yg lain juga ditahan dgn cara keluar menunya satu satu...</i> |
| 4 | Yenyen 101081 | <i>1. pelayanan tidak bagus 2. Minum aja lama bener keluarnya 3.1jam makanan baru keluar 4.minta sambal/cabe dibidang gak ada, ngomel dulu baru di keluarin 5.mau bayar aja ribet bener 6.Harga mahal Kapokkkkkkkkkk</i> |
| 5 | Tukang kayu | <i>1. PELAYANAN GA RAMAH ANGKUH DAN LAMBAN</i> |

| | | |
|---|---------------|---|
| | | <i>2. MAKANAN GA SESUAI MENU semua sdh keluar dan menu msh ada krg smp 3 4 x mnt d sajian</i> |
| 6 | Elisa Septari | <i>Sayurnya ga terlalu panas dan agak berminyak</i> |
| 7 | Wi Wi Lim | <i>Lokasi cukup bagus, cuma makanan nya biasa biasa aja tidak ada yg special</i> |
| 8 | Kho Willi | <i>Ok si. Lumayan. Harga juga terjangkau. Cuma untuk ikan asam manisnya masih kurang. Soalnya ikannya masih ada bau tanahnya. (ikan gurami, nila, mujair emank pada umumnya bau tanahnya lebih kerasa) maybe lain kali bisa dimasak dengan kuah gulai saja biar bau nya gak kerasa. Untuk sayur dan daging ayamnya lumayan enak. Mungkin lain kali kalau mampir lagi baru kasih bintang 5</i> |

Source: Prepare by the writer (Google Review, 2023)

Based on the google review on Table 1.1, Kemangi Seafood Restaurant online customer review from Kemangi Seafood Restaurant, customers mostly complain about restaurant that is slow service performance, unfriendly service, and menu discrepancy where customers were unsatisfied with the service provided by the restaurant. Besides that, the product quality and the product price are also an issue in the restaurant due to mediocre product quality and high product prices from customer complaints. Therefore, most customers will hesitate before deciding to buy at Kemangi Seafood Restaurant. It will be recommended that from these negative reviews, restaurant can evaluate to improve from customer complaint.

Moreover, there are several seafood restaurants that have similar industry with Kemangi Seafood Restaurant in Medan, such as Wajir Seafood, Jumbo Sea Food Restaurant, Grand Maximum Seafood Restaurant, Umi Seafood, and Happy Seafood Medan.

Table 1. 2 Competitor restaurant with similar industry in Medan

| Restaurant | Rating |
|----------------------------------|---------------|
| Happy Seafood Medan | 4.4 |
| Wajir Seafood | 4.5 |
| Jumbo Sea Food Restaurant | 4.5 |
| Grand Maximum Seafood Restaurant | 4.5 |
| Umi Seafood | 4.6 |

Source: Prepare by the writer (Google Review, 2023)

In comparison, Kemangi Seafood Restaurant has a lower rating (4.3) when compared to other restaurants that have higher ratings. Therefore, Kemangi Seafood Restaurant has experienced delay with brand image and brand trust. By doing this research is important because brand image and brand trust have a significant influence on the success of a business. By understanding how their brand compares to competitors, Kemangi Seafood Restaurant can identify their strengths and weaknesses in customer insight.

This research can also help restaurants in identifying problems where restaurants can improve their quality and service to enhance brand image and brand trust. By enhancing brand image and brand trust, restaurants can attract more customers, retain existing customers, and differentiate themselves from competitors in a competitive market. This can also have a positive impact on business growth, and a restaurant's reputation in the food and beverage industry. Overall, Kemangi Seafood Restaurant can focus on product compatibility with customer expectations, employee quality, and building brand image and customer trust will help restaurants to create positive customer experiences, gain positive reviews, and improve customer purchasing decisions.

Based on the focus of the problem, the writers wish to examine more deeply this research paper is entitled: **“The Influence of Online Customer Review, Brand Image and Brand Trust on Customer Purchase Decision at Kemangi Seafood Restaurant, Medan”**.

1.2 Problem Limitation

Based on this research, the writer requires to limit the problem to facilitate the data collection and factors in the study, the writer can control from the topics that have been planned from the beginning. The limitation of the discussion that has been determined by the writer is where the research focuses on a restaurant at Kemangi Seafood Restaurant which is located at Jalan Cemara, Komplek Grand Cemara. 8AG, Medan Estate, Percut Sei Tuan, Deli Serdang Regency. The selection of this place aims for the writer to be able to obtain data through customers in the research variables.

There is a problem limitation on the variables that have been determined by the writer, which are online customer reviews, brand image and brand trust as independent variables (Variable X) while customer purchase decisions as the dependent variable (Variable Y). Those variables have indicators:

- a. The indicators for Online Customer Review variable are source credibility, argument quality, perceived usefulness, valence review, and quantity review (Latifah and Harimukti, 2015 as cited in Dzulqarnain, 2019)
- b. The indicators for Brand Image variables are product image, corporate image and user image (Simamora, 2011 as cited in Hidayat and Setiawati, 2021)
- c. The indicators for Brand Trust variable are brand credibility, brand competence, brand goodness, and brand reputation (Lassoued & Hobbs, 2015 as cited in Hutami et al., 2021)

- d. The indicators on Customer Purchase Decisions variables are transaction interest, referential interest, preferential interest, and exploratory interest (Ferdinand, 2006 as cited in Rohmatulloh and Sari, 2021)

1.3 Problem Formulation

Based on research on the company produced by the writer, the writer makes the problem formulations in the questions in this study such as:

- a. Does online customer review have partial influence on customer purchase decisions at Kemangi Seafood Restaurant, Medan?
- b. Does brand image have partial influence on customer purchase decisions at Kemangi Seafood Restaurant, Medan?
- c. Does brand trust have partial influence on customer purchase decisions at Kemangi Seafood Restaurant, Medan?
- d. Do online customer reviews, brand image and brand trust simultaneously influence customer purchase decisions at Kemangi Seafood Restaurant, Medan?

1.4 Objective of the Research

From the formulation of the problem compiled by the writer, the writer makes the research objectives of the problem in this study such as:

- a. To investigate whether online customer review has partial influence on customer purchase decisions at Kemangi Seafood Restaurant, Medan.
- b. To discover whether brand image has partial influence on customer purchase decisions at Kemangi Seafood Restaurant, Medan.

- c. To understand whether brand trust has partial influence on customer purchase decisions at Kemangi Seafood Restaurant, Medan.
- d. To analyze whether online customer review, brand image and brand trust simultaneously influence on customer purchase decisions at Kemangi Seafood Restaurant, Medan

1.5 Benefit of the Research

For research on online customer review, brand image and brand trust can influence on customer purchase decision at Kemangi Seafood Restaurant, Medan, this research has two benefits:

1.5.1 Theoretical Benefit

Research online customer review, brand image and brand trust on customer purchase decision at Kemangi Seafood Restaurant, Medan is expected to be used as a lesson, information, and as reference material to other parties to focus on future research.

1.5.2 Practical Benefit

Based on the purpose of this research can provide research benefits:

- a. For the writer

In this study, the writer has the ability and capability about online customer reviews, brand image, brand trust and customer purchase decisions to be able to understand the knowledge in this study.

- b. For companies

In this study, Kemangi Seafood Restaurant is able to evaluate and understand about the problems regarding the influence of online customer reviews, brand image and brand trust on customer purchase decisions at Kemangi Seafood Restaurant, Medan

c. For other researches

In this study results, other parties can use this research paper about the influence of online customer reviews, brand image and brand trust on customer purchase decisions at Kemangi Seafood Restaurant, Medan, to be a reference in focusing on future research.

