

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Culinary businesses such as making and selling dishes and food are growing and developing in the wider community. Many unique and varied food, the presence of culinary tourism, and culinary trends that become people's lifestyle is a sign that the culinary business is growing rapidly. The increase in the number of culinary business is a phenomenon that occurred due to the ease of support to open a culinary business.

Customer buying Intention is a topic of critical attention to strategy creators and commercial experts, and it is vital to recognize which variables in a certain buyer group impact purchase intention (Halim & Hamed, 2018). It is considered to be a prime input that marketers utilize to project forthcoming sales and manipulate actions to impact purchasing behavior. Buying Intention as the customer's willingness to be involved in an transaction. Customer's buying Intention can be seen as "the probability that the customers will purchase the product" (Sam, 2019, p.178). The notion of intention refers to the antecedents that stimulate and drive Customers' purchases of products and services

Store atmosphere is an environmental design such as visual communication, lighting, color, music, and aroma to simulate customer perceptual and emotional responses and ultimately affect their buying behavior. Berman and Evans (2019) stated that the image of firms depends on the firm atmosphere. Store atmosphere contributes greatly to images projected to customers. Atmosphere is

understood through the customer's psychological feelings when visiting a store. Similarly, atmosphere refers to the design of the environment through visual communication, lighting, color, music, and smell to stimulate the customer's perceptual and emotional responses and ultimately influence buying behavior. It also can affect people's enjoyment in shopping and spending time at the café.

Brand image is a manifestation of the customers' experience and expectations of a good or service. Customers' experience in using some products or services will be stored in the term memory length. This long-term memory is associated with some information about a product or service (Hawkins, et al, 2020). Creating a positive brand image is very important for every company to maintain its existence in the business world. The value of a business is directly related to the strength of the brand it has. Products and services that have a positive brand image will increase customers' confidence in using these products and services.

Holyducks, Medan is a cafe that focuses on providing the best duck meat culinary. Holyducks is located on Jalan Sei Mencirim no. 30 Medan. Medan wants to create a brand that can provide an experience to customers eating duck meat dishes that are distinctive and delicious. Holyducks, Medan was established on April 6, 2016. The idea behind the establishment of Holyducks, Medan is based on the owner's passion for duck meat.

Table 1.1 Data Comparison of Holyducks and Bebek di Tepi Sawah

Description	Holyducks	Bebek di Tepi Sawah
Sice	2016	2018
Menu	Duck	Duck
Location	Jalan Sei Mencirim no. 30 Medan	Jl. Kapten Patimura No.421 Medan

Sources: Holyducks and Bebek di Tepi Sawah (2023)

Customers buying interest has decreased which is marked by a decrease in sales from 2021 to 2022. The following sales data Holyducks, Medan is :

Table 1. 2 Sales Data at Holyducks, Medan (2021-2022)

Month	2021	2022
January	64,658,500	49,956,000
February	61,654,000	43,865,200
March	66,136,900	63,536,000
April	54,658,015	58,654,100
May	58,653,100	48,652,000
June	52,423,100	37,050,470
July	59,631,400	46,956,200
August	50,631,400	47,582,000
September	40,657,000	39,563,210
October	51,358,600	37,565,800
November	77,568,500	46,856,400
December	78,916,800	40,993,358
Total	716,947,315	561,230,738

Sources: Prepared by the writer (Holyducks, 2023)

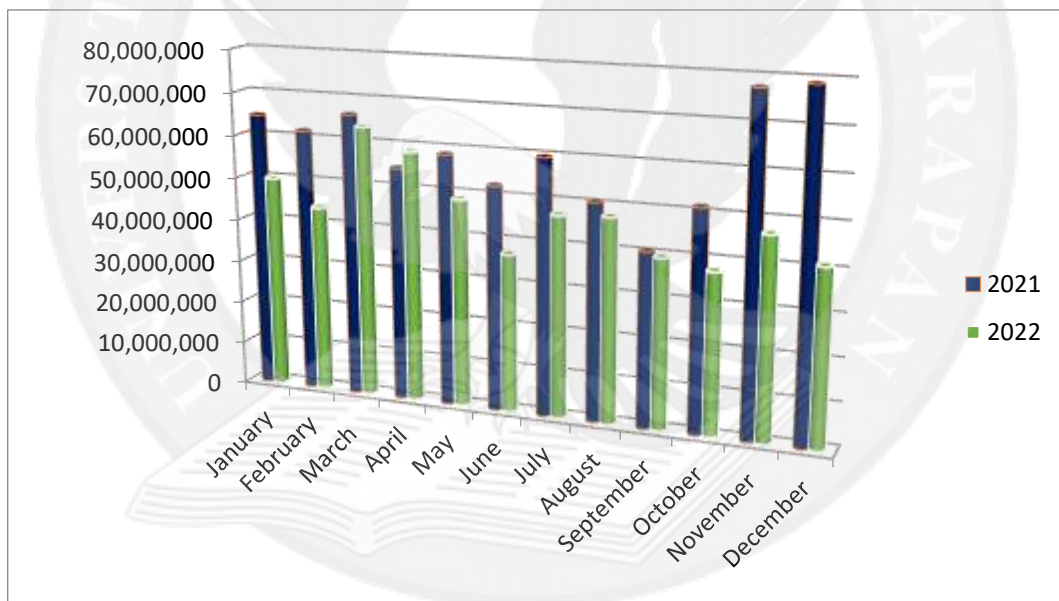


Figure 1.1 Sales Data at Holyducks, Medan (2020-2022)

Sources: Prepared by the writer (Holyducks, 2023)

The table and figure above show that purchasing interest from 2021 to 2022 has decreased. In 2021, it obtained total sales of Rp 716,947,315 and Rp 561,230,738. It can be concluded that the decline in customers' purchase interest.

Based on the during company visit, there were several complaints from customers as follow:

Table 1. 3 Google Review at Holyducks, Medan (2022)

Posting	Comments
12 February 2021	The food outside the duck is also good but less famous.
18 March 2021	Bring the nephew group, disappointed the rice is not cooked, the sauce is less spicy, less kicking. The rest is okay. They should always taste the maturity of rice because rice is important in the Indonesian menu.
25 May 2021	I ordered chicken taliwang and have to wait more than one hour, the restaurant is not even crowded. Other guests that arrived later had their food served already and already left.
10 October 2021	Additional long-serving menu and popularity have decreased because it is famous for its long service in the presentation and food packing.
28 January 2022	Old fashioned food and the restaurant is known for its duck, but the taste of duck is ordinary.
10 March 2022	Food served less than the order and lack of outdoor lighting
11 November 2022	The food is good. The place is again renovated so impressed mess is still not finished 100% . keeps a lot of flies.. overall I like it. especially the crispy duck.
31 December 2022	The room is hot because when the beginning comes quiet the air conditioner is in a state of no dead

Sources: Prepared by the Writer (Holyducks, Medan, 2023)

Based on interviews conducted with customers related to store atmosphere which can be seen in the table 1.3 as follow:

Table 1. 4 Data Phenomenon of Store Atmosphere at Holyducks, Medan

Indicator	Results
Item layout	The arrangement of goods that are not neat and not in place
Lighting	The lack of outdoor lighting
Temperature in the room	The temperature in the room is hot due to the air conditioner that is not always on so the room is not cool
Design	Design looks tacky because it uses a lot of lanterns
Color	The color theme of the room has not changed from the beginning of the opening until now.

Sources: Prepared by the Writer (Holyducks, Medan, 2023)

Table 1.4 shows that store atmosphere is related to the temperature in the room. Customers said that cooling systems such as AC (*Air Conditioner*) are sometimes not on (*flame*) thus making the air become hot and *Customers feel* uncomfortable. In addition, the decoration of Holyducks, Medan is monotonous and less follow developments such as decorating according to the big day so that it can be an interesting place.

Here the atmosphere of this Holyduck, Medan as follows:

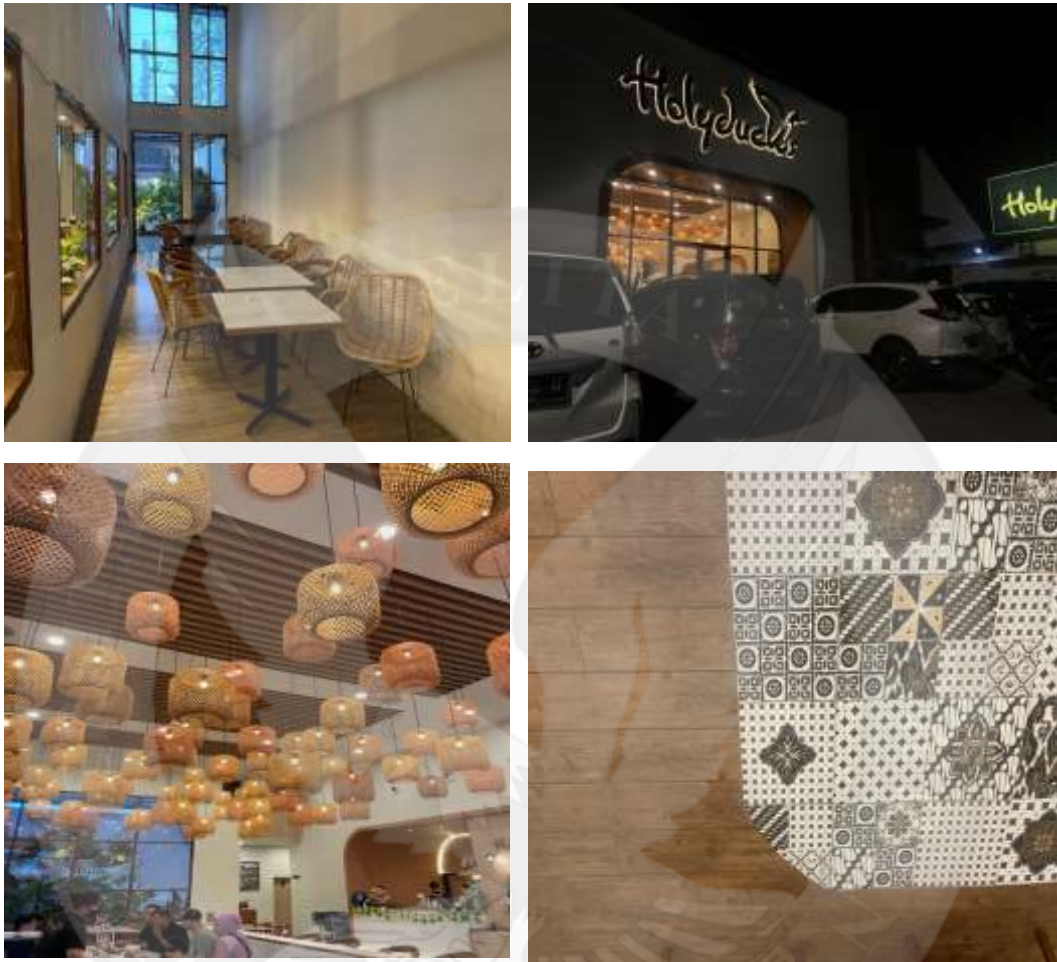


Figure 1. 2 Holyducks, Medan

Sources: Prepared by the writer (Holyducks, 2023)

Figure 1.2 shows that pointed out that the location is narrow so customers have difficulty parking safely and comfortably, furniture that impressed the old.

Brand image at Holyducks, Medan is negative in the minds of customers in terms of inconsistent food that creates customer disappointment that resulted in many customers who give a low rating at google review and grabbing food.

Table 1. 5 Rating at Holyducks, Medan (2022)

Rating	Frequency of Customers
1	8
2	6
3	5
4	6
5	4
Total	28

Sources: Prepared by the writer (Holyducks, 2023)

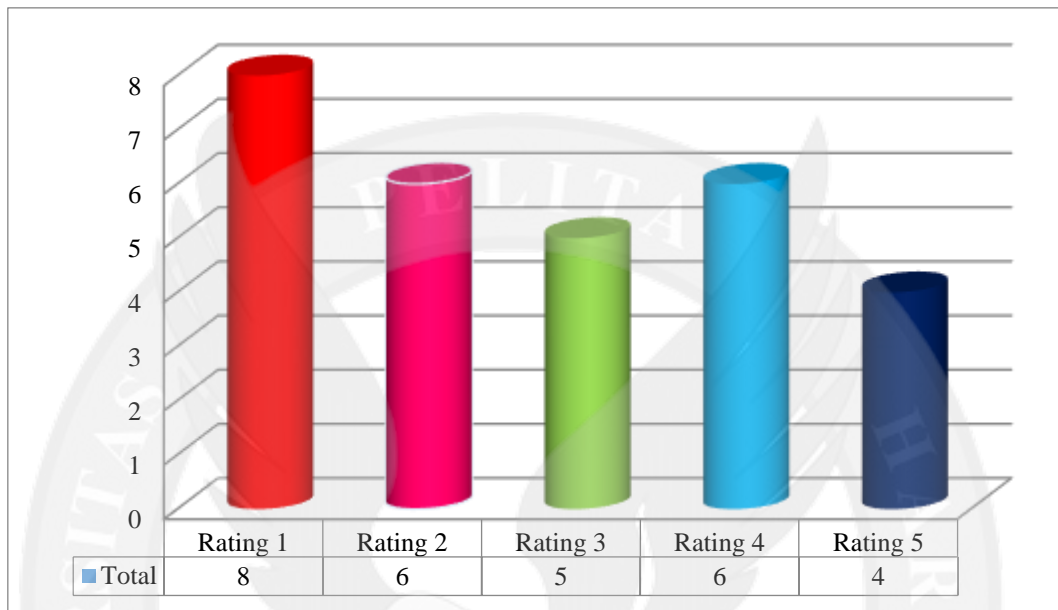


Figure 1. 3 Ratings at Holyducks, Medan at Google Review and Grab Food (2022)

Sources: Prepared by the writer (Holyducks, 2023)

Figure 1.3 shows that the ratings 1 and 2 are higher than the other ratings.

This created poor reviews so Holyducks, Medan had a negative brand image.

Based on interviews conducted with customers related to store atmosphere which can be seen in the table 1.5 as follow:

Table 1. 6 Data Phenomenon of Brand Image at Holyducks, Medan

Indicator	Results
Company image	Popularity has decreased because it is famous for its long service in the presentation and food packing.
Customer image	Holyducks attach importance to gathering colleagues so that they are sometimes booked by the company.
Product image	Food display is less attractive and looks the amount of oil in the food served

Sources: Prepared by the Writer (Holyducks, Medan, 2023)

From the data above that some customers experience disappointment due to long service that encourages the creation of a bad image and then related to the

price where the price in the grab food application is different from the purchase receipt.

From the description that has been there before, it encourages the writer to find but whether it is true that store atmosphere and brand image contribute to decline in customer purchases through this research with the title "**The Influence of Store Atmosphere and Brand Image on Customer's Buying Intention at Holyducks, Medan.**"

1.2 Problem Limitation

Due to limitation of the budget and time this study only discusses the Influence of Store Atmosphere and Brand Image on Customer's Buying Intention at Holyducks, Medan. In this study, Store Atmosphere and Brand Image will be the independent variable (X) and Customer's Buying Intention will be the dependent variable (Y).

Berman and Evans (2019), developed four indicators of store atmosphere, including layout, lighting, temperature in the room, design, and color. According to Keller (2020), the brand image indicator is company image (popularity, credibility, corporate network), customer image (the user himself, lifestyle, social status), and product image (Attributes of the product elf, design, brand). Then according to Nasrullah and Tresnati (2020), indicators of buying interest are awareness, knowledge, preference, and conviction.

1.3 Problem Formulation

The problem formulation in this research is as follows:

- a. Does Store Atmosphere have a partial influence on Customer's Buying Intention at Holyducks, Medan?
- b. Does Brand Image have a partial influence on Customer's Buying Intention at Holyducks, Medan?
- c. Do Store Atmosphere and Brand Image have a simultaneous influence on Customer's Buying Intention at Holyducks, Medan?

1.4 Objective of the Research

The objective of this study is as follows:

- a. To analyze whether Store Atmosphere has a partial influence on Customer's Buying Intention at Holyducks, Medan.
- b. To examine whether Brand Image has a partial influence on Customer's Buying Intention at Holyducks, Medan.
- c. To investigate whether Store Atmosphere and Brand Image have a simultaneous influence on Customer's Buying Intention at Holyducks, Medan.

1.5 Benefit of the Research

1.5.1 Theoretical Benefit

The theoretical benefit of this research is to prove whether store atmosphere and brand image will influence customers' buying Intention or not. Moreover, this research is also done to gain more knowledge and contribute to the theories about store atmosphere, brand image, and customer buying Intention the relationship of the variables.

1.5.2 Practical Benefit

From this study, the Holyducks, Medan will benefit from this research as they know if there is influence of store atmosphere and brand image on customer's buying Intention. If the store atmosphere and brand image are sufficient enough, then customer's buying Intention will be up to expectations. Some of the benefits are expected:

a. For the writer

The writer as the researcher gets more experience in doing the research and as an addition to knowledge with regard to store atmosphere, brand image, and customer's buying Intention.

b. For Holyducks, Medan

To provide useful suggestion for the Holyducks, Medan in increasing customer's buying Intention, especially improving the store atmosphere and brand image.

c. For Readers

To improve reader knowledge about how important the influence of the level of store atmosphere and brand image towards their customer's buying Intention.

d. For other researchers

To be an additional reference, reference material for further research, and information to interested parties in assessing the problem the same in the future