

# **CHAPTER I**

## **INTRODUCTION**

### **1.1 Background of the Study**

Market demand is one of the factors of market competition. In order to achieve a large market share, businesses need to improve their competitiveness, many ways that can be done to attract customers, therefore, the company can win market competition. One way is to provide a competitive advantage or create a good marketing strategy. The goal of marketing as we know it is to meet and satisfy the needs and desires of target customers in a better way than the competitors. Companies or marketers will always look for emerging customer trends that show new marketing opportunities to be able to win over the competition. The development of culinary business into one area that has tight market competition. Increasingly fierce competition is characterized by the number of emerging restaurant, then followed by more and more emergency cafes (Pagestu and Suryoko, 2021).

Cafe, in general, is a business in the field of food and beverages that is managed practically by offering a level of service for customers in a comprehensive and friendly. In terms of the cafe turns out this place in addition to being a place to relax, the cafe also provides many benefits for visitors who come including a place to eliminate saturation and fatigue experienced by customers, cafes can also create a peaceful and lively atmosphere for customers, cafes also can be used as a place to do tasks, as well as a place to joking around with friends

and finding new friends, and cafes can provide comfort for visitors from the atmosphere provided by the cafe. The establishment of a cafe can be a sign of one form of economic growth that is happening in an area and also provide benefits as a provider of jobs for seekers' work (Hermawan, 2018).

Repurchase intention can reflect a proper evaluation of previous purchases, which can be a critical factor in the company's success. The intention to repurchase is customers' behavior based on an evaluation of their previous purchase and experience. Some people have the intention to repurchase because it is based on their assessment of previous purchases, and this can have an impact on the possibility of customers not switching to other products or services (Zaid, 2020). Repurchase intention is a decision of an individual after assessing a previous purchase and having an intention to repurchase (Subagio et al, 2018). Having a product or services that attract customer repurchase intention is every company's target because repurchase activity will gain the company sale and profit.

Dough Label, Binjai is a cafe that provides a variety of cake, coffee, tea, snacks, and other types of food. Dough Label, Binjai located on Jend. Ahmad Yani no 21 AA.



**Figure 1. 1 Dough Label, Binjai**  
Sources: Dough Label, Binjai, 2022



**Figure 1. 2 Food and Beverage of Dough Label, Binjai**

Sources: Dough Label, Binjai, 2022

In Dough Label, Binjai, there was a decrease in purchasing decisions by customers, which had an impact on Dough Label, Binjai revenue which had decreased since 2020. The following data income dough label can be seen in Table 1.1.

**Table 1. 1. Revenue Data at Dough Label, Binjai  
2020-2022 (Rupiah)**

Year	Total
2020	451.578.000
2021	311.863.000
2022	269.617.000

Sources: Dough Label, Binjai, 2022

The table above shows the decline in revenue from 2020 to 2022. In 2021 Dough Label, Binjai earned revenue of Rp 311,863,000 while in 2020 amounted to Rp 451,578,000. It can be concluded that there was a decrease of 30.94% in 2021. Then in 2022, revenue of Rp 269,617,000 or 13.55% decreased compared to

2021. The total revenue data means that there is a decrease in repurchase intention of customers in Dough Label, Binjai.

Lifestyle is a person's behavior indicated in the activities, interests, and opinions, especially related to self-image to reflect on his social status. Lifestyle is a human perspective used by someone in the act and the consequences will form certain patterns of behavior. Especially how customers want to be perceived by others, therefore lifestyle is closely related to how it forms the image in the eye of other people, related to the social status customers hold, and to reflect this image, it takes certain status symbols, which very instrumental in influencing consumption behavior (Warayuati and Susanto, 2019).

Lifestyle reflects patterns of consumption that describe the choice of a person on how to use his time and money. Lifestyle is influenced by the involvement of a person in a social group, from the frequent interaction and response to various stimuli that exist. Lifestyle is always related to the effort to make oneself exist in a certain way and be different from other groups. Lifestyle that follows the trend usually has a goal to look the same as users of other products or from within customers want more attention than other individuals (Augusta, 2020).

Lifestyle factors in the Binjai community show a pattern of life that is always reflected through the activities of what customers do, most of the Binjai people have a habit of relaxing at the cafe to fill the empty time every day and customers certainly have opinions on which cafes customers think can fulfill wishes and customer's requirement (Augusta, 2020).

Dough Label, Binjai still can not compete with other cafes that can follow the lifestyle of customers. Many cafes provide a more spacious and comfortable relaxing place and a unique and aesthetic view in order to be a good background when you want to take pictures and Share them on social media owned. Dough Label, Binjai although in terms of cake that follows the development of the longer hits but a lot of cake that must be ordered first is not ready for direct consumption. In terms of eating and drinking follow the lifestyle of customers because customers want to relax by enjoying cold or hot coffee and other drinks with some delicious food and attractive display support.

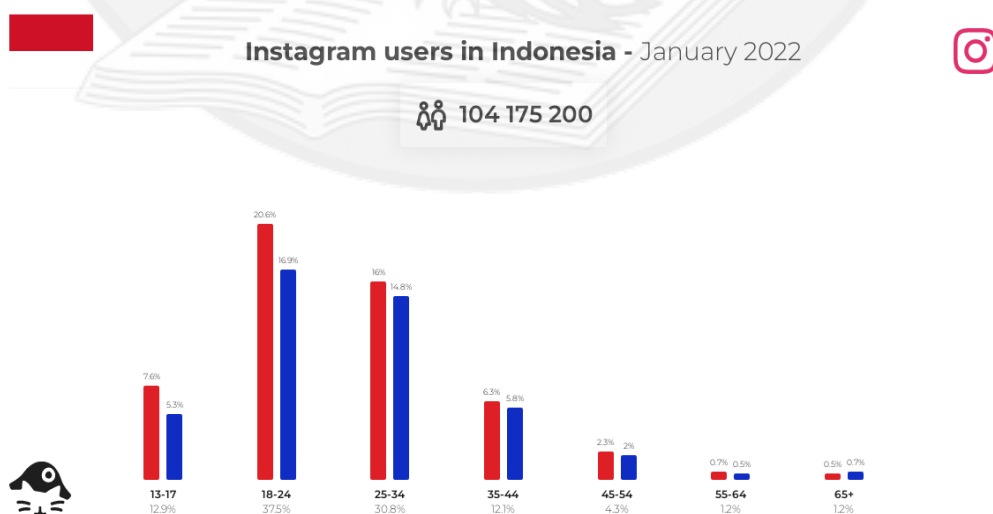
Nowadays, social media is not only used for communication but also for business purpose. According to (Dollarhide, 2020), social media is a technology-based computer that facilitates sharing of opinions, notions, and information through communities and virtual networks In Indonesia there are 160 million social media users. Because of the huge number of users in social media, many companies start using social media as their marketing platform because it is more cost-effective and flexible than any other form of marketing (Marphy, 2021).

Social Media is now not only used for individual needs only in it communicates but also has an impact on economic activities that change behavior promotion of companies that used to use print media to use the internet and now we are in the era of social media. The use of social media can be utilized for a seller and buyer transactions, sales strategies, and processes promotion of the product in the same way (marketing). Promotion on social media namely

influencing users to use products offered with content unique and interesting shown on a homepage in an application (Suwardi and Yusuf, 2021).

Current business actors, many use Instagram social media as a place to promote products where customers create content related to services, activities, or products that it offers. Promotion on Instagram is expected to bring wider opportunities to increase the number of product sales where the content provided on the Instagram page can attract the attention of candidates buyers therefore influence the purchase decision follower or user another Instagram (Suwardi and Yusuf, 2021).

Instagram Social Media is used to attract the attention of customers in making purchasing decisions by providing information related to products, communicating, and strengthening good relationships with customers. Thus, marketers or businesses utilize social media in promoting their products because social media is a marketing tool that is needed to reach the market segment of the younger generation in a faster and more efficient way (Kotler, 2018).



**Figure 1. 3 Instagram Users in Indonesia 2022**  
Sources: L Npoleoncat, 2023

Instagram is popular as one of the social media that must be owned by businesses in promoting their products. Dough Label, Binjai also has an Instagram that has been open since February 2019.



**Figure 1. 4 Instagram of Dough Label, Binjai**  
Sources: Dough Label, Binjai, 2023

The image above shows that Instagram Dough Label, Binjai opened in February 2019. However, posts are only 417 posts until February 2023 in distributing products in the form of food, cake, coffee drinks, dessert, and others. This shows that the Dough Label, Binjai still lacks the good use of Instagram owned. Dough Label, Binjai seldom shares videos related to products, views, and customer situations when visiting Dough Label, Binjai.



**Figure 1. 5 Comparison Dough Label, Binjai, and 7 Stars Café**

Sources: Dough Label, Binjai, 2023

Based on the above explanation, the writer decides to conduct a research entitled **“The Influence of Lifestyle and Instagram Digital Marketing Towards Repurchase Intention at Dough Label, Binjai”**.

## 1.2 Problem Limitation

Due to limitation of time and budget, this research focused on Dough Label, Binjai that Lifestyle ( $X_1$ ), Instagram Digital Marketing ( $X_2$ ), and Repurchase Intention ( $Y$ ). Respondents in the study were aged from 17 to 40 years. Respondents are those who make transactions in 2022 at Dough Label, Binjai.



### **1.3 Problem Formulation**

Based on the background of the study, the writer formulates several questions, as follows:

- a. Does Lifestyle have a partial influence towards Repurchase Intention at Dough Label, Binjai?
- b. Does Instagram Digital Marketing have a partial influence towards Repurchase Intention at Dough Label, Binjai?
- c. Do Lifestyle and Instagram Digital Marketing have simultaneous influence towards Repurchase Intention at Dough Label, Binjai?

### **1.4 Objective of the Research**

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

- a. To analyze whether Lifestyle has a partial influence towards Repurchase Intention at Dough Label, Binjai
- b. To analyze whether Instagram Digital Marketing has partial influence towards Repurchase Intention at Dough Label, Binjai
- c. To investigate whether Lifestyle and Instagram Digital Marketing have a simultaneous influence towards Repurchase Intention at Dough Label, Binjai.

### **1.5 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 Lifestyle and Instagram Digital Marketing have partial and simultaneous influence towards Repurchase Intention.

### **1.5.2 Practical Benefit**

The practical benefits of this research are:

a. For the writer

The writer as the researcher to get more experience in doing the research and as an addition to knowledge with regard to Lifestyle, Instagram Digital Marketing, and Repurchase Intention.

b. For the Dough Label, Binjai

To provide useful suggestion for the company in increasing Repurchase Intention, especially improving the Lifestyle and Instagram Digital Marketing.

c. 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.