

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The culinary industry is the business sector that most significantly influences the success of creative economy firms, together with the times and the surroundings, and where this industry has significant development potential. A restaurant is one of the culinary business sectors; a restaurant is a place that is commercially organized and provides good service to all consumers in the form of food and drinks. The restaurant is accessible to people from every level of society, which gives the company a chance to generate significant profits.

The development of the global economy continues to change very quickly in a short time, in today's marketing world, it is characterized by very tight and intense competition. The needs of consumers have also certainly experienced a significant increase, this development has brought various changes that make consumer needs more diverse and change from time to time, this is certainly an important thing for an entrepreneur to be able to know the developments and changes that occur in the needs and desires of consumers (Sari, I., & Hidayat, R., 2020).

Electronic word of mouth (e-WOM) is the most effective factor in influencing customer decisions (Suarsa, S., 2020). Positive e-WOM will have an effect on increasing sales because consumers indirectly promote a product based on the experience they had with other consumers. Businesses, of course, must take advantage of this as a means of promoting their products. According to Sumardy in

Hariono, L. (2018), e-wom is believed to be able to encourage purchases by consumers, influence the community, be efficient because it does not require a large budget (low cost), can create a positive image for products, and can touch consumer emotions.

Product quality is one of the factors that influences purchasing decisions. A company must pay attention to the quality of the products it creates because product quality is an important factor that influences consumers' decisions in purchasing a product or service (Ernawati, D., 2019). The better the quality of a product, it will be the increasing interest of consumers to buy these products. By giving good product quality, a company can be superior to its competitors. Therefore, a company must be able to understand consumer desires so that they can create products with good quality and in accordance with consumer expectations.

Table 1. 1 List of Google Reviews Kewin Kitchen Restaurant, Medan 2021 - July 2023

No	Description	Rating		
		3	2	1
1.	The place is good for photos and comfortable, but the taste and price don't match	√		
2.	The Woodburn pizza is delicious, the decoration is luxurious, it's just that the serving time is long	√		
4.	For Grab food orders, it takes a very long time		√	
5.	The location, room theme, and cleanliness are really good. Just standard food		√	
6.	1 hour and 20 minutes waiting for 1 pizza and it just tastes normal, the service is bad, there's no smile			√

7.	Bad service. Overpriced. The food is not perfectly cooked, still raw inside			√
8.	Not satisfied with the food. The portions and quality of food offered are too expensive		√	
9.	Just order the pizza, and don't get another dish, all the food is disappointing			√
10.	The food is too salty, the price is a bit higher			√

Source: Google Review (2023)

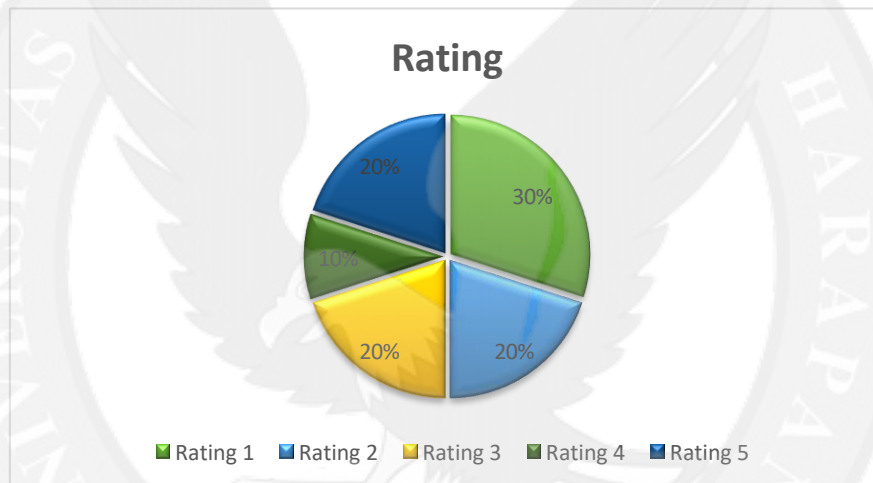


Figure 1. 1 List of Google Review Kewin Kitchen Restaurant, Medan (2021 - July 2023)

Figure 1.1 shows that 4 people rated 5 stars, 2 people rated 4 stars, 4 people rated 3 stars, 4 people rated 2 stars, and 6 people rated 1 star. It can be concluded that the rating given by the customer is very important to sustain the electronic word of mouth of Kewin Kitchen Restaurant, Medan. Attributes such as inconsistency of the product can trigger a negative electronic word of mouth.

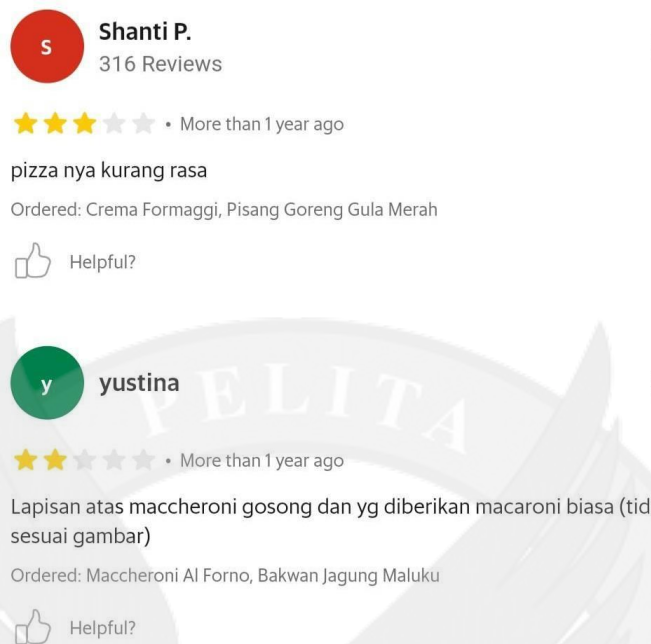


Figure 1. 2 Customer Reviews on Grab Application

Apart from using Google Reviews, it can be seen via the Grab Application if Kewin Kitchen receives feedback regarding the quality of its products which do not meet consumer expectations. For the first review, since Kewin Kitchen is famous for their wood fire pizza which has a delicious taste, customers who come of course expect a delicious taste according to their expectations, but it can be seen that customers feel disappointed because they get a pizza that has less taste. For the second review, restaurant menus tend to display pictures of the dishes to give customers an insight into the products being sold. On the other hand, surely, customers hope that the food will match the appearance of the picture shown, but it can be seen that customers feel disappointed because the dishes that come are burnt and not suited properly according to the picture. This indicates that Kewin Kitchen

has not been able to understand consumers' desires to be able to create products of good quality and in line with consumer expectations.

Besides product quality, brand image is also one of the several factors that affect customer purchase decisions. According to Ferrinadewi in Gunardi, C. G., & Erdiansyah, R. (2019), said that the image of a product is very attached and cannot be separated from the brand and company that owns the product. Brand image is not simply just a logo or name of the company, but it relates to attitudes about belief in a brand and helps present the perception of information about the brand itself. If the brand image has been embedded in the minds of consumers, this will help consumers reduce confusion and risk in choosing and buying products, in the end, consumers will buy these products because they believe in the product or brand they buy according to what is perceived without considering too many things. If consumers have a positive image of a brand, then there are consumers who are likely to buy the product, conversely, if the brand image is negative, then the possibility of repurchasing the product is small (Aulia, M. K., & Wardhana, A., 2018).

Kewin Kitchen is a restaurant which is located on Jalan DR. Cipto No. 9, Anggrung, Kec. Medan Polonia, Kota Medan, Sumatera Utara 20152. Kewin Kitchen is a restaurant that offers affordable authentic Italian cuisine with a remarkable ambiance modeled after the Italian concept which was established in the city of Medan in 2019.

According to Aeker and Biel in Amalia, N. (2019), one of the indicators that form a brand image is corporate image where in the category there is popularity

which shows the level of brand recognition in the eyes of the public. In this research, the writer observes the level of their brand recognition by comparing Instagram Followers with other Italian Restaurants. The Instagram application has become a social media that is quite popular with the public, including buyers who are looking for products, which can determine whether a brand is recognized or not by customers. As we can see from the figures below compared to other Italian restaurants, the number of followers from Kewin Kitchen is still less than the others, which means that Kewin Kitchen is still less popular than other restaurants.

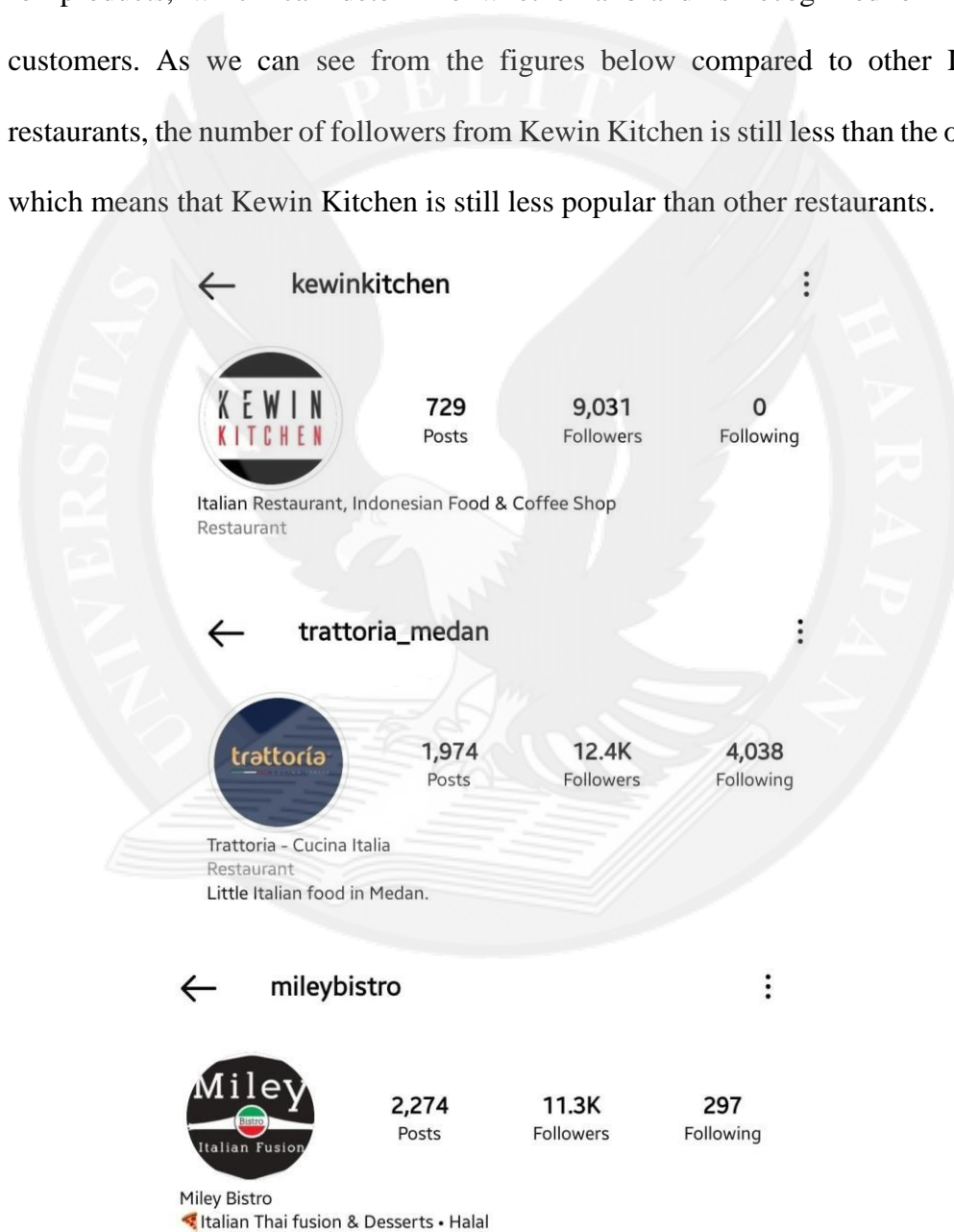
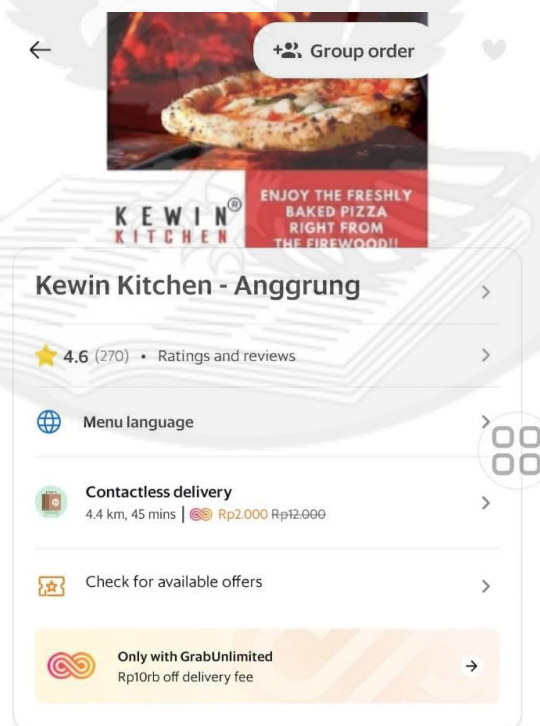


Figure 1. 3 Italian Restaurant Profiles on Instagram App

According to Aecker and Biel in Amalia, N. (2019), another indicator that forms a brand image is the company's distribution network. Distribution network means the network or system that is used to distribute goods from producers to consumers. Since Kewin Kitchen is a food and beverage industry, the distribution network can be in the form of food delivery, food delivery is very popular these days since it saves more time buying food, and is practical and simpler. The food delivery applications that are mostly used is GrabFood and GoFood. Compared with Trattoria Restaurant, it can be seen that Trattoria Restaurant has more distribution relationships than Kewin Kitchen, the more distribution networks a company has, the more the company's brand will be known by many customers, and since Kewin Kitchen has fewer networks will have an impact related to brand recognition in the eyes of consumers.



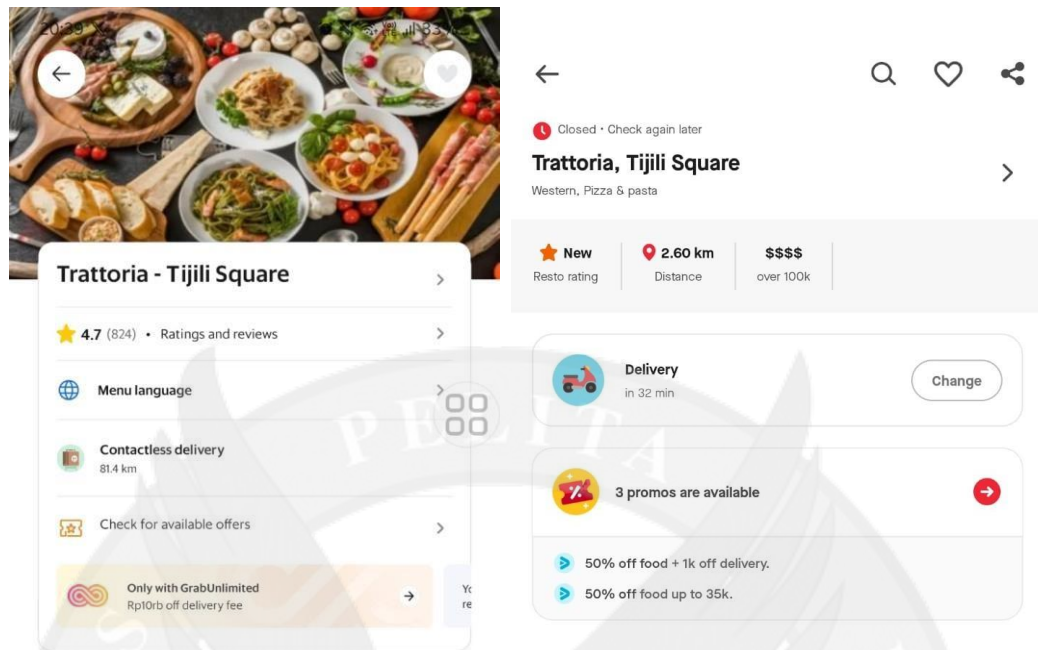


Figure 1. 4 Comparison of Kewin Kitchen Restaurant and Trattoria Restaurant

Purchase decisions are things consumers will make when consumers know a product and decide to buy the product. Interesting or not, a product can influence consumer purchasing decisions. The more product benefits offered, the higher the consumer desire to buy. Purchase decisions are very important, there are many things that can influence the purchasing decisions made by consumers. Decision-making occurs because of a thought that is carried out after evaluating several options. In other words, in order for someone to make a decision, there must be alternative choices available (Oktavenia, K. A. R., & Ardani, I. G. A. K. S., 2018). Companies must have a strategy in order to attract consumers to make purchases of a product. Consumer behavior is the buying behavior of final consumers, both individuals and households, who buy products for personal consumption.

In this study, the researcher wants to analyze the influence of electronic word of mouth, product quality, and brand image on purchase decisions at Kewin Kitchen Restaurant Medan and write it in this thesis entitled “**The Influence of Electronic Word of Mouth, Product Quality, and Brand Image toward Purchase Decision at Kewin Kitchen Restaurant Medan**”.

1.2 Problem Limitation

On this topic, the writer has limited the research where the writer will be taking the electronic word of mouth, product quality, and brand image as the independent variable and the purchase decision as the dependent variable. Another limitation is that this study was conducted at Kewin Kitchen Restaurant Medan.

1.3 Problem Formulation

Based on the description of the background of the study above, the research questions in this study are as follows:

1. Does electronic word of mouth have a partial influence on the purchase decision at Kewin Kitchen Restaurant Medan?
2. Does product quality have a partial influence on the purchase decision at Kewin Kitchen Restaurant Medan?
3. Does the brand image have a partial influence on the purchase decision at Kewin Kitchen Restaurant Medan?

4. Do electronic word of mouth, product quality, and brand image have a simultaneous influence on the purchase decision at Kewin Kitchen Restaurant Medan?

1.4 Objective of the Research

At the end of this research, the writer is expected to find the objectives such as:

1. Identify the influence of electronic word of mouth at Kewin Kitchen Restaurant Medan.
2. Identify the impact of product quality at Kewin Kitchen Restaurant Medan.
3. Identify the impact of brand images at Kewin Kitchen Restaurant Medan.
4. Examine the influence of electronic word-of-mouth, product quality, and brand image at Kewin Kitchen Restaurant Medan.

1.5 Benefits of the Research

The following are the benefits of this research based on the specified research objectives:

1.5.1 Theoretical Benefits

Theoretically, the findings of this study are expected to provide references and benefits in understanding the influence of electronic word of mouth, product quality, and brand image at Kewin Kitchen Restaurant Medan customers. Furthermore, as a supplement or reference for future researchers.

1.5.2 Practical Benefits

The practical benefits of doing this research are as follows:

1. For the writer, the results of this research are expected to add insight and experience for the writer to be implemented in the workplace and add to the writer's understanding of the electronic word of mouth, product quality, brand image, and customer's decision to purchase.
2. For companies, this research is expected to be useful as a material for consideration/recommendation for organizations in determining policies to be taken to improve customer purchase decisions related to variables: electronic word of mouth (X_1), product quality (X_2), brand image (X_3) from Kewin Kitchen Restaurant Medan.
3. For other researchers, this research is expected to provide information and be used as a comparison to previous research that will conduct research with the same title, as well as develop ideas for interested parties, especially in the theory of the influence of electronic word of mouth, product quality, brand image, and purchase decision at Kewin Kitchen Restaurant Medan.