

# CHAPTER I

## INTRODUCTION

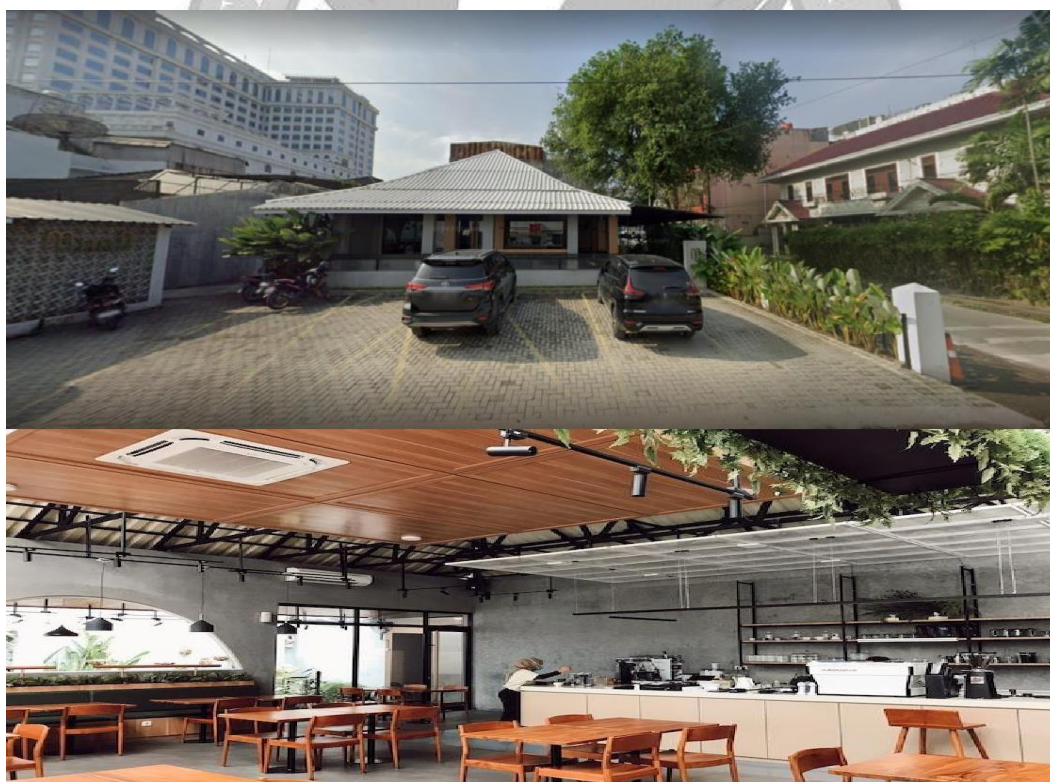
### 1.1 Background of Study

With the rapid development of technology, competition in the business world in Indonesia is very tight and difficult. One of them is a culinary business that is easily recognized by the wider community. So every entrepreneur is required to be able to compete and survive in the era of technological development. The competition is very tight, many business people are required to be able to be creative to get varied consumer needs. There are various kinds of businesses that can become business opportunities, one of which is the cafe business. Currently, many café businesses are participating as consumers' needs and desires. So this makes cafe business people have to try to find sense to find out the needs and desires of consumers according to the expectations of target market demand.

Based on information received from Kompas.com, a number of micro and small scale food entrepreneurs have complained about the downward trend in their income in the last few months. This occurred in the midst of increasing levels of public consumption. Food and beverage business actors have attempted to boost sales again, one of which is through content creation by food bloggers or influencers. But the results are not optimal to help sales. If we look at the data from the Bank Indonesia Retail Sales Survey (BI), the performance of retail sales for the food, beverage and tobacco group is on a weakening trend during the

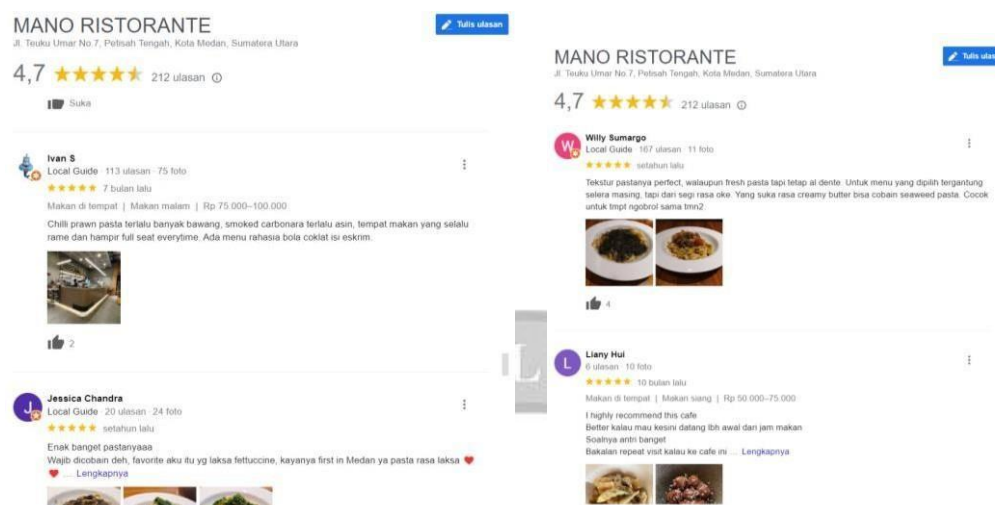
month from April to June 2023. Judging from the current situation, it is undeniable that business people must continue to try and are obliged to innovate and be creative in the business they run so that they can attract attention in the eyes of consumers to be able to win in the market. Due to the development of the café business, such as in the city of Medan, there are more and more cafes doing various kinds of concepts or ideas offered to attract consumers, both from young people to the elderly.

Mano Ristorante is a new cafe with a cozy feel that is suitable as an Instagramable place with a wide selection of western-themed food and is located on Jalan Teuku Umar No. 7, Medan. The following is an overview of Mano Ristorante:



**Figure 1.1 Mano Ristorante Overview**  
Sources: Mano Ristorante Medan, 2023

Mano Ristorante received some positive response from its visiting customers so that as time went on, Mano Ristorante was increasingly visited by new customers.



**Figure 1.2. Positive Consumer Review of Mano Ristorante**

Sources: Mano Ristorante, 2023

However, for the following year, the level of consumer visits to visit again began to decrease, causing the level of consumer purchases to decrease. The following is Mano Ristorante sales data for the 2021-2022 period can be seen below:

**Table 1.1 Mano Ristorante Sales Data Period 2021 - 2022**

Period	Total Sales
2021	Rp. 1.224.557.000
2022	Rp. 1.011.698.000

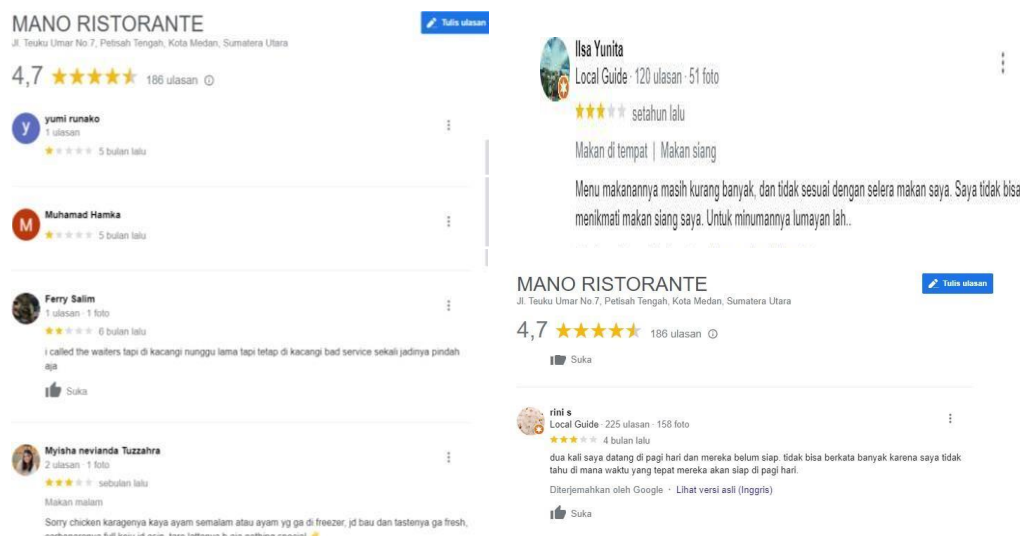
Sources: Mano Ristorante, 2023

Based on the table above, it can be seen that in 2021, the total sales as much as Rp. 1.224.557.000 while in 2022 the total sales only reach Rp. 1.011.698.000.

Based on the research conducted by Sinaga and Wardani (2018) entitled The Effect of Service Quality and Word Of Mouth on Purchasing Decisions at

Portrait Cafe Medan. The results of the study show that partially or simultaneously, service quality and word of mouth have a positive and significant influence on consumer purchasing decisions at the Potret Cafe. Another research conducted by by Setiagraha (2021) where the results of his research found that partially and simultaneously, word of mouth, price perception and product quality have a significant effect on purchase decision. While the research conducted by Nurjaya, et al. (2020). The research result show that Store Atmosphere has significant effect on Consumer Purchase Decisions At Starbucks In The Cianjur Area.

According to Tjiptono and Chandra (2019), Service Quality is a comparison between the level of service delivered by the company compared to consumer expectations which is realized through fulfilling consumer needs and desires and the accuracy of delivery in balancing or exceeding consumer expectations. While according to Firmansyah (2019), food quality is the understanding that the product offered by the seller has more selling value that is not owned by competing products. Therefore, companies try to focus on product quality and compare it with products offered by competing companies. According to Sangadji and Sopiah (2019), Store Atmosphere is another matter in the product arsenal. Each store has a layout physique that makes people move in it with difficulty and ease.



**Figure 1.3. Consumer Review of Mano Ristorante**

Sources: Mano Ristorante, 2023

Although overall Mano Ristorante received positive reviews from customers, there are still some negative reviews which show that Mano Ristorante must focus on the variables of service quality, food quality and store atmosphere to improve purchasing decisions from Mano Ristorante Customers. In terms of service quality, several consumers feel that the service provided by Mano Ristorante is still poor and unsatisfactory because consumers do not get a response from employees when consumers need help or are calling them. Apart from that, in terms of food quality, several consumers feel that the food menu served by Mano Ristorante is still lacking in many variants so that sometimes it doesn't match the consumer's wishes, which is also accompanied by complaints that the food served doesn't have a good taste, making consumers unappetizing. to enjoy the food. The store atmosphere of Mano Ristorante is also known to still feel ordinary without being able to provide a memorable experience for consumers

who have visited or make consumers feel at home in staying for a long time at Mano Ristorante to enjoy its food offerings.

Based on the background study above, the writer is interested to conduct research with the title: **“The Effect Of Service Quality, Food Quality, And Store Atmosphere Toward Consumer Purchase Decision At Mano Ristorante Medan.”**

## **1.2 Problem Limitation**

For the problem limitation, writer will focus on four variable which are service quality, food quality, store atmosphere and purchase decision for the problem limitation. This thesis aims to investigate on how service quality, food quality, store atmosphere can affecting purchase decision. This research will focus on consumer of Mano Ristorante Medan.

## **1.3 Problem Formulation**

Based on the description of the background of the problem above, there are identification problem in this study can be identified:

1. Does service quality have partial effect toward consumer purchase decision at Mano Ristorante Medan?
2. Does food quality have partial effect toward consumer purchase decision at Mano Ristorante Medan?
3. Does store atmosphere have partial effect toward consumer purchase decision at Mano Ristorante Medan?

4. Do service quality, food quality, and store atmosphere have simultaneous effect toward consumer purchase decision at Mano Ristorante Medan?

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

The objective of the research as follow:

1. To analyze whether service quality has partial effect toward consumer purchase decision at Mano Ristorante Medan?
2. To analyze whether food quality has partial effect toward consumer purchase decision at Mano Ristorante Medan?
3. To analyze whether store atmosphere has partial effect toward consumer purchase decision at Mano Ristorante Medan?
4. To analyze whether service quality, food quality, and store atmosphere have simultaneous effect toward consumer purchase decision at Mano Ristorante Medan?

#### **1.5 Benefit of the Research**

The benefit of the researches as follow:

1. Theoretical Benefit
  - a. For Readers

The result from this study can be proof for readers to know that service quality, food quality, store atmosphere can affecting consumer purchase decision at Mano Ristorante Medan.



b. For Writer

The result from this study provide insight and experience as well as observations in a real life situation which is very useful for the writer in the future.

c. For Other Researches

The result from this study can be used for reference for those who are interested in studying the same problem in the future.

2. Practical Benefit

a. For Mano Ristorante

The researcher expects the result from this study could benefit the business to evaluate, and take the result as suggestion to know the effect of service quality, food quality, store atmosphere toward consumer purchase decision at Mano Ristorante Medan.

b. For Writer

The result from this study make the writer gain new experience and more knowledge about the importance of service quality, food quality, store atmosphere toward consumer purchase decision.

c. For Future Research

The researcher expects the result from this study could become a comparison for the future researchers who are interested of studying the same topic which is the effect of service quality, food quality, store atmosphere toward consumer purchase decision.