CHAPTER I

INTRODUCTION

1.1 Background of The Study

The influence of digital marketing Instagram on customer decision behavior at B-House Cafe and Dining involves several important factors. According to Tri Rachmadi (2020) digital marketing is a technology that aims to market services or products using digital marketing. Instagram is one of the most popular social media platforms today, with more than one billion active users each month. Using Instagram as a digital marketing channel, B House Cafe and Dining can reach a wider audience.

Visually appealing, Instagram is an image- and video-based platform that allows businesses to visually showcase their products and services. B House Cafe and Dining can take advantage of this feature to showcase their food, ambiance, and attractive promotions. Attractive visuals can influence customer interest and decisions to visit the place. Direct interaction with customers through Instagram, B House Cafe and Dining can interact directly with their customers. This interaction allows B House Cafe and Dining to better understand the needs and desires of their customers, increasing customer satisfaction and influencing their customer decision behavior.

Using influencers, Instagram is also a popular platform for influencers to share content and recommend products or services to their followers. B-House Cafe and Dining can work with influencers relevant to the food and beverage industry to expand their reach and introduce their brand to a wider

audience. Recommendations from influencers can have a major impact on customer buying decision behavior. People use Instagram to promote or recommend something. Influencers can be interpreted as someone who is able to influence other people to be moved to do something.

More effective targeting, Instagram provides sophisticated targeting features, which enable businesses like B House Cafe and Dining to reach specific audiences based on demographics, interests, and behaviors. using the right targeting strategy, B House Cafe and Dining can show their content to potential customers who are more likely to be interested in their products and services, thus influencing customer decision behavior.

To improve the customer experience, B House Cafe and Dining can use Instagram to share the various facilities B House Cafe and Dining provides to their customers. Some examples of facilities that may be offered through this platform include B House Cafe and Dining, which can provide online reservations via Instagram. Customers can easily place orders and manage their visit time through this feature, which will increase convenience and efficiency.

Digital Marketing is a type of marketing that aims to promote a service or product using social media (Tetiana Gorokhova, 2021). One type of digital marketing that is widely used is Instagram, marketing that uses various features to promote products, services, or brands.

Facilities refer to all forms or facilities provided to meet needs or provide services to individuals, groups or organizations. According to Suryo Subroto (2013) cited in Nila (2021), facilities are things that can expedite or

make it easier to do business which can be equipment. Hospitality services consist of all infrastructure that are equipped with food and drinks according to the wishes of buyers, which include restaurants, bars, etc. Facilities that meet consumer needs can increase customer satisfaction and influence buyers' choices in choosing.

Customers should be satisfied, because when customers are not satisfied, customers will prefer other companies that have similar products. Customer experience is a subjective response from customers to a company, either directly or indirectly (Bagasworo & Suyanto, 2019). This covers every point from the first time a customer learns about a product or brand to after they make a purchase and service. Customer experience involves emotions, rational and sensory aspects, and can have a major impact on customer decisions, loyalty, and brand image.

The quality of a product or service that meets or exceeds customer expectations is a key factor in shaping a positive customer experience. Creating a unique experience or providing an element of surprise can increase a customer's positive impression. Listening and responding to customer feedback is an effective way to understand areas where a company can improve. customer experience.

According to Kotler & Keller (2015) cited in Titing et al., (2023) Consumer behavior is an individual or group who buys, selects, and uses services or products to satisfy wants or needs. In situations when a customer determines a customer's needs or wants, the customer engages in a series of

steps in the decision-making process before they make a purchase. It is very important for a company to develop more effective marketing strategies to influence customer decision behavior and build long-term relationships with customers.

Stated by Schiffman et al., (2018), customer decision is a choice in an action from two or more options. Customer decision is customer's action in choosing a product or service to buy, based on the customer's desires or needs. Stated by Rahmat (2022), Customer decisions have indicators such as the customer's desire to buy a product or use a product, after knowing the advantages of the product. In order to meet customer needs and desires, companies must be able to create strategies, with a suitable strategy the product or service produced can meet customer expectations and customers can feel that the product or service is indeed worth buying.

Purchasing decision is the thoughts of individuals who decide on a choice from various existing options, purchasing decision is also the customer's process in actually choosing or purchasing the product or service, in conclusion, purchasing decision is a process has begins with evaluation before actually choosing or buy products or service based on the customer's need (Kotler & Amstrong 2014 cited in Putri & Fajarudin 2023). In this context, customer behavior is the process of customer decisions in which customers will ultimately take action to purchase the services or products they need or want.

B-House Cafe and Dining is a friendly restaurant for your family and friends to spend time together. B-House Cafe and Dining offers a western restaurant concept with a warm and tropical atmosphere where it opens on December 18th, 2021, which is located on Jl. HM. Said no. 23, Gaharu, Kec. Medan Perjuangan, Kota Medan, Sumatera Utara 20233. The restaurant has recently become widely known to the public and teenagers due to uploads or promotions to Instagram, them highlighting their marketing through Instagram.

Figure 1.1 Observation and interview about digital marketing (Instagram)
Source : Prepared by writer (2023)

Based on the observation and interview with the manager of B-house cafe and dining, B-house cafe and dining do promotions on instagram to get customers during certain events, especially during the fasting season, B-house cafe and dining carries out promotions on instagram, and many customers make reservations. However, B-house cafe and dining did not provide complete and clear information on the promotion, and b-house cafe and dining cannot accommodate a lot of customers because the room capacity is not too large.
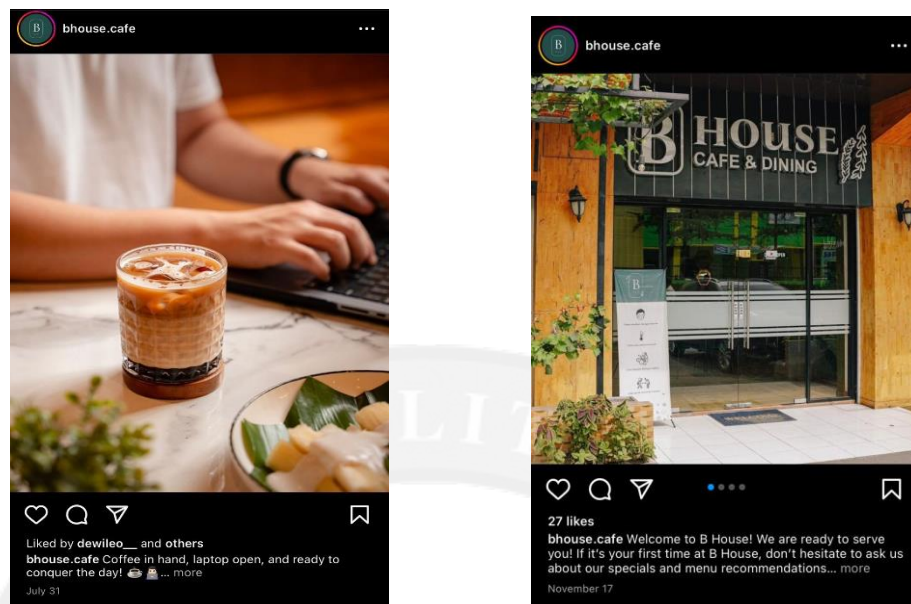
Figure 1.2 Feeds on social media Instagram of B-house cafe and dining
Source: Prepared by Writer (2023)

Based on the observation, B-House cafe and dining is inconsistent in posting photos or videos on instagram social media, which it can be seen from the time period in which the first photo was posted on july 31 and the next posted on november 17.
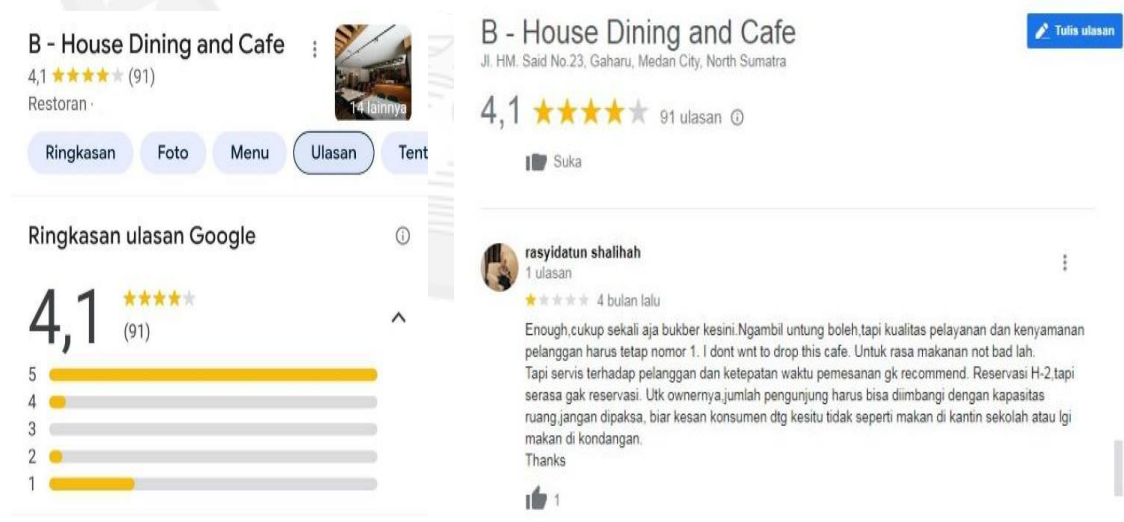

Figure 1.3 Google Review of B-House Cafe and Dining Medan
Source: Prepared by writer (2023)

The review point of B-House Dinning and Cafe Medan from google review is 4,1 / 5 from 91 review which is considered good. However, the results of the google reviews are not categorized as good reviews since the results of the reviews are still a lot of bad reviews which can be a threat to B-House Cafe and Dining Medan.

Below are some of the B-House Cafe and Dining Medan Google Reviewresults.

Ratings	Comments
5	The example of rating 5 :Taste Food all delicious, the waiters is very friendly, and given 2 compliments (YK3 months ago)
4	The example of rating 4 :Employees are patient (FI 4 months ago)
3	The example of rating 3 : Parking: Small parking area out front, otherwise street parking probably for a small fee (P 3 months ago)
2	The example of rating 2 :The place is not comfortable because of the smell of cigarette smoke, it should provide out door and in door facilities. So customers who don't smoke are also comfortable. (LN 1 days ago)
1	The Example of rating 1 : Enough, it's enough to come here once. It's okay to make a profit, but the quality of service and customer comfort must remain number 1. I don't want to drop this cafe. The taste of the food is not bad. But the customer service and timeliness of orders are not recommended. Reservation for H-2, but it doesn't feel like a reservation. For the owner, the number of visitors must be balanced with the space capacity, don't force it, so that the consumer's impression of coming there isn't like eating in a school canteen or eating at an invitation. Thanks (RS 8 months ago)

Tabel 1.1 Result of Google Review at B-House Cafe and Dining Medan
Source: Google Review (2023)

From the results of the Google review, there are several comments about B-House Cafe and Dining Medan. Most customers say B-House Cafe and Dining Medan is a comfortable café as a place to hang out. However, there are several bad comments regarding facilities outside the cafe, such as limited

parking spaces and the facilities inside the cafe not providing indoor and outdoor facilities, and the customers complain about the room capacity should not be forced so that the impression that consumers come is not like eating in a canteen, and and reservations are not like reservations. B-House Cafe and Dining Medan should address this comment considering addressing the priority reservation issue. Hopefully B-House Café and Dining Medan will be even better in terms.

Based on the background of the study above, the writer is interested in doing research entitled **"THE INFLUENCE OF DIGITAL MARKETING (INSTAGRAM), FACILITIES, AND CUSTOMER EXPERIENCE TOWARD CUSTOMER DECISION BEHAVIOR AT B-HOUSE CAFE AND DINING"**

1.2 Problem Limitation

This research is conducted to determine whether there are any influences made by digital marketing (Instagram), facilities, and customer experience toward customer decision behavior at B-House Cafe and Dining.

1.3 Problem Formulation

In the context of the impact of digital marketing (Instagram), facilities and customer experience on customer decision behavior at B-House Cafe and Dining can be formulated as follows:

1. Does Digital Marketing (Instagram) have partial influence toward customer decision behavior at B-House Cafe and Dining?

2. Does Facilities have partial influence toward customer decision behavior at B-House Cafe and Dining?

3. Does Customer Experience have partial influence toward customer decision behavior at B-House Cafe and Dining?

4. Do digital marketing (Instagram), Facilities, and Customer Experience have a simultaneous influence toward customer decision behavior at B-House Cafe and Dining?

1.4 Objectives of research

As result of this research, the writer is expected to find the objectives such as :

1. To identify the influence of digital marketing (Instagram) toward customer decision behavior at B-house cafe and dining.

2. To identify the influence of facilities toward customer decision behavior at B-house cafe and dining.

3. To identify the influence of customer experience toward customer decision behavior at B-house cafe and dining.

4. To identify the influence of digital marketing (Instagram), facilities, and customer experience toward customer decision behavior at B-house cafe and dining.

1.5 Benefits of the research

1.5.1 Theoretical Benefits

This research can help the author to understand theory Digital Marketing (Instagram), facilities, customer experience and customer

decision behavior in order to analyze, digital marketing (Instagram), and facilities influencing customer decision behavior.

1.5.2 Practical Benefits

Below are the practical benefits from this research:

a) For writer

To gain the author's knowledge conducting research and reading information, journals and books, about Digital Marketing (Instagram), facilities, customer experience and customer decision behavior.

b) For the company

To get an overview of the company, about Digital Marketing (Instagram), facilities, customer experience influence customer decision behavior and the company can make improvements to the business.

c) For other researchers

To increase the knowledge of other researchers in Digital Marketing (Instagram), facilities, customer experience and customer decision behavior to help other researchers in conducting research on similar topics.