

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Customer retention has evolved into an essential factor for any business' success in today's extremely competitive business market. Repurchase intention from customers is a significant indicator of their loyalty and satisfaction. Three important factors that can affect a customer's decision to make another purchase are service quality, Instagram social media marketing, and store facilities. Therefore, it is important for a company or business to learn how these aspects affect customer intent to make another purchase and to develop strategies to improve them. The business landscape has witnessed significant changes in recent years, with the emergence of Instagram social media platforms and the increasing importance of service quality and store facilities in shaping customer repurchase intentions. In this context, it becomes crucial for businesses to understand the impact of these factors on customer behavior and loyalty. Bika Ambon Zulaikha, is an Indonesian bakery that specializes in the production of the famous Bika Ambon cake. Bika ambon is the traditional cake of Medan city. It was founded in 2001 by Hj.Mariani. Bika Ambon Zulaikha is a family company. It operates in an industry where competition is fierce. To maintain a competitive edge and foster customer loyalty, it is imperative for Bika Ambon Zulaikha to continuously assess and improve the factors influencing customer repurchase intentions. Purchasing decisions are a part of consumer behavior which refers to consumer buying behavior for goods or services for

personal consumption. Consumers must choose which products or services to buy or use every day since there are many options available to them. Repurchase decisions, as described by Zaid(2020), Customers' desire to repurchase can be influenced by their evaluation of prior purchases, which in turn may affect the possibility that they are not going to switch to alternative products or services.

Table 1.1
Table 1.1 Sales Bika Ambon Zulaikha

MONTH	SALES (QTY)
January	69837
February	60029
March	63321
April	71624
May	65218
June	64606
July	69341
TOTAL	463.976

Source: Bika Ambon Zulaikha (2023)

From the company's current sales, the company's sales are not stable from month to month and the unstable is thought to be due to influence of Service Quality, Instagram Social Media and Store Facilities problems in the company. The company is still having trouble keeping their sales steady.

Service quality is one of the primary drivers of customer satisfaction and repurchase intentions. Customer expectations prior to purchase, the process of delivering quality received, and the quality of outcome received all affect service quality. Service quality generally focuses around the goal of satisfying the demands and desires of customers, as well as the precision of delivery in order to align with their expectations (Indrasari, D. M. ,2019). Customers expect a seamless and pleasant experience when interacting with a business. Excellent customer service, prompt responses to queries, personalized attention, and efficient complaint handling are all

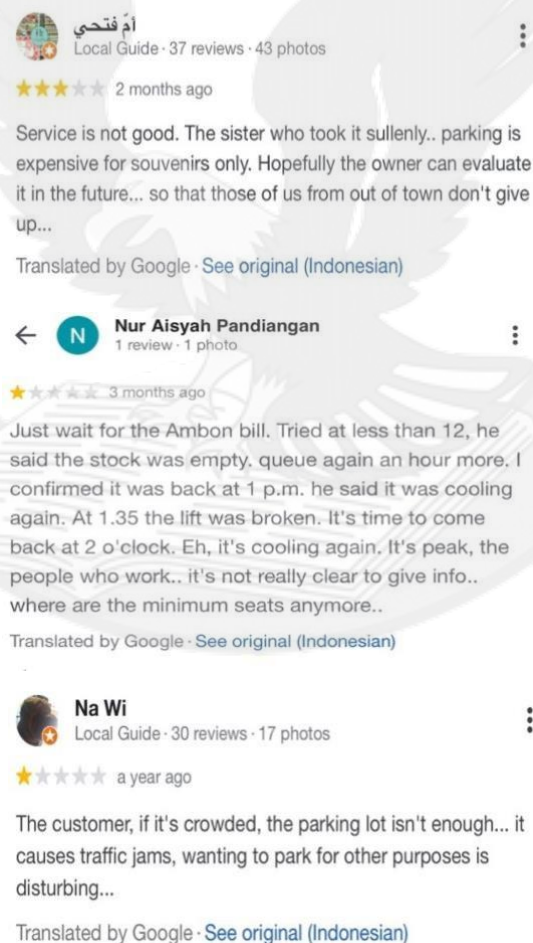
factors that contribute to service quality. Businesses that consistently deliver exceptional service tend to build long-term relationships with their customers, leading to increased repurchase intentions.

Customer Review
Table 1.2 Customer Review

No	Feed Back Rate	Review
Service Quality		
1	3 out of 5	Service is not good. The sister who took it sullenly. Parking is expensive for souvenirs only. Hopefully the owner can evaluate it in the future. So that us from out of town don't give up
2	1 out of 5	the staff is not friendly at 11:41 there was no bika. When asked when it was there, the answer was that I don't know when it was. Ambon bika shops don't sell bika ambon. How is this story ?
3	1 out of 5	when I asked for the original lapis legit, they said they were still making it, they were told to wait 20 minutes, I've been waitiing a long time, then I got the information, turns out it doesn't make what I think, it's a waste of tiime. The employee are also not friendly at all when asked
Social Media Management		
4	1 out of 5	I try to order Bika ambon from whatsapp, I have wait untuk 4 hours, there is no reply. I try to call with hope they will read my order but there is no reply. Then reply me 2 days after. I don't want the bika again.
5	1 out of 5	want to order bika ambon and lapis legit for my family, I call the number in the internet to put my order and I will pick up later, but there is not answer. When I go to the store just to find out that the cake is out of stock. Wasting my time.
Store Facilities		
6	1 out of 5	the customer, if it's crowded, the parking lot isn't enough. It cause traffic jams, wanting to park for other purpose is disturbing
7	2 out of 5	it's is so hard to find a parking lot, it always full everytime I come, so I have to take a round just in case there is a lot. But turn out it always full so I give up to buy the bika.

Source: Google Review

From the Google reviews above, Bika Ambon Zulaikha also faces some of the customer complaints about the store service quality, how hard it is reach out to Bika Ambon Zulaikha and incomplete and poor facilities when visiting the Bika Ambon Zulaikha. These factors can affect the customer's repurchase decision . Based on the writer's experience, the writer also experiences the same thing, the staff who work there welcome customers like them who are friends not as customers and they also do not answer the questions that customers ask in a serious way. This can cause a decrease in sales and changes in customer repurchase intention. This bad review can also cause loss of profit for Bika Ambon Zulaikha



Source: Google Review

Figure 1.1

Figure 1.1 Customer Review of Bika Ambon Zulaikha



Source: Prepared by Writer

Figure 1.1

Figure 1.2 Store Facilities of Zulaikha Bika Ambon

Furthermore, Facilities are inseparable components of the service that influences the selection of one of all of the available places (Adhitya & Sadewo, 2023). Store facilities play a crucial role in shaping customer perceptions and repurchase intentions. Facilities include physical facilities (buildings), equipment, and tools that are used to speed up and promote the implementation of functions. According to (Yesi Triyuliarlita Amelia & Koko Safitri, 2021), delivering excellent service and facilities that exceed consumer expectations in order to build customer loyalty and encourage repeat visits.. A well-designed and well-maintained physical store can create a lasting impression on customers, making them more likely to return for future purchases.

According to (Mangold and Faulds 2009) as cited in (Bawono, 2020) Many aspects of 21st-century consumer behavior have been influenced by social media, including awareness, information gathering and sharing, opinions, attitudes, purchases, and post-purchase behavior. Social media has made it possible for

businesses to interact with their clients and collect feedback from them, as well as enabling clients to share information about goods and services with one another.

According to (Alharrasi, 2023), The main force behind the growth of the organization's performance and long-term viability is the management of social media platforms.

In recent years, social media has revolutionized the way businesses engage with customers. It provides a platform for companies to connect with their target audience, build brand awareness, and influence consumer behavior. The performance of businesses that were strategically removed from Instagram's social media platforms started declining and these businesses eventually lost their edge in the market's competitive advantage. Managing Instagram social media platforms is not a simple task for the company because it may be complicated, but the importance is more significant by targeting the audience and establishing the brand's presence by measuring the extent of the impact that managing Instagram social media platforms has on the organizational performance and sustainability of the company. Effective Instagram social media management can significantly impact customer repurchase intentions by creating positive brand associations, fostering customer engagement, and enhancing brand loyalty. In addition, businesses grow through client satisfaction on social media platforms due to the the business's willingness to address issues and offer services as needed (Daowd & Dey, 2021).

INSTAGRAM STATS SUMMARY / USER STATISTICS FOR RICARICO_BAKERY (2023-08-25 - 2023-09-07)						
DATE		FOLLOWERS		FOLLOWING		MEDIA
2023-08-25	Fri	—	29,875	—	180	— 643
2023-08-26	Sat	+20	29,895	+1	181	— 643
2023-08-27	Sun	+6	29,901	-2	179	— 643
2023-08-28	Mon	+21	29,922	—	179	+2 645
2023-08-29	Tue	+9	29,931	—	179	— 645
2023-08-30	Wed	+17	29,948	—	179	— 645
2023-08-31	Thu	+131	30,079	—	179	+1 646
2023-09-01	Fri	+62	30,141	+1	180	+1 647
2023-09-02	Sat	+51	30,192	—	180	— 647
2023-09-03	Sun	+42	30,234	-1	179	— 647
2023-09-04	Mon	+76	30,310	—	179	— 647
2023-09-05	Tue	+126	30,436	—	179	+1 648
2023-09-06	Wed	+65	30,501	—	179	+1 649
2023-09-07	Thu	+46	30,547	—	179	— 649
Daily Averages		+52		—		+1
Last 30 days		+1,560		—		+30

INSTAGRAM STATS SUMMARY / USER STATISTICS FOR ZULAIKHABIKAAMBONN (2023-08-25 - 2023-09-07)						
DATE		FOLLOWERS		FOLLOWING		MEDIA
2023-08-25	Fri	—	11,259	—	4	— 457
2023-08-26	Sat	+10	11,269	—	4	+1 458
2023-08-27	Sun	+7	11,276	—	4	— 458
2023-08-28	Mon	+11	11,287	—	4	— 458
2023-08-29	Tue	+7	11,294	—	4	— 458
2023-08-30	Wed	+13	11,307	—	4	— 458
2023-08-31	Thu	+7	11,314	—	4	— 458
2023-09-01	Fri	-2	11,312	—	4	— 458
2023-09-02	Sat	+5	11,317	—	4	+1 459
2023-09-03	Sun	+3	11,320	—	4	— 459
2023-09-04	Mon	-2	11,318	—	4	— 459
2023-09-05	Tue	-1	11,317	—	4	— 459
2023-09-06	Wed	+8	11,325	—	4	+1 460
2023-09-07	Thu	+10	11,335	—	4	— 460
Daily Averages		+6		—		+1
Last 30 days		+180		—		+30

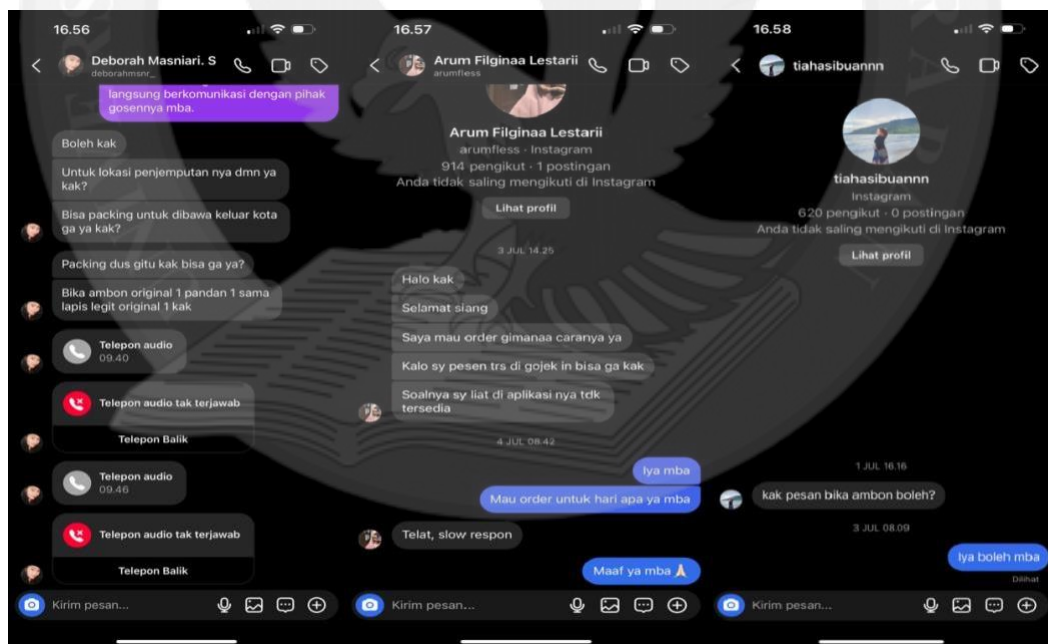
Source: Social Blade

Figure 1.1

Figure 1.3 Rica Rico Instagram Statistic Summary

In Bika Ambon Zulaikha's Instagram Social Media, it can be seen from the figure above that the comparison of the followers of the two companies is very different. Bika Ambon Zulaikha's Instagram does not have significant additional followers, which can be seen from the amount of time the two companies post media. Bika Ambon Zulaikha's Instagram does not post media that often, it can be seen again in the figure above that posting a media and its posting distance can attract new followers more quickly and increase engagement from Bika Ambon Zulaikha's Instagram account.

The frequency of how fast a business responds to customer comments and questions strongly impacts consumer purchasing power. As represented by the accompanying figure.



Source = Instagram DM of @Zulaikhabikaambonn

Figure 1.1

Figure 1.4 Complaint Regarding Slow Response of @zulaikhabikaambonn

There were a number of complaints regarding the length of time it took to respond to messages sent by consumers. This was due to the fact that Instagram social media holders were slower to respond to messages sent by consumers, which resulted in consumers being unwilling to reply to messages sent and consequently not doing repurchasing of Bika Ambon Zulaikha products. Understanding the relationship between service quality, Instagram social media management, store facilities, and customer repurchase intentions is having a big impact for Bika Ambon Zulaikha. By focusing on these factors and making necessary improvements, the company can enhance customer satisfaction, loyalty, and ultimately, its long-term success in the highly competitive bakery industry.

This study aims to investigate the effects of service quality, social media management, and store facilities on repurchase intentions at Bika Ambon Zulaikha. By conducting this research, can be understood more and more deeply about the factors that influence the repurchase tendency of customers at Bika Ambon Zulaikha. This will provide valuable insights for the company in increasing customer satisfaction, strengthening brand loyalty, and achieving long-term success in a competitive industry.

1.2 Problem Limitation

The author decided to place certain limitations as a way to keep the validity of the research's findings. The data that have been gathered is from Bika Ambon Zulaikha at jalan Mojopahit 96 D,E,F, Medan, North Sumatera, Indonesia. This research focuses on three (3) independent variable and one (1) dependent variable. The independent variables of this research are Service Quality, Instagram

The Social Media Management and Store Facilities and for the dependent variable of this research is the Repurchase Intention.

1.3 Problem Formulation

The following is the question that needs to be answered in this research :

1. Does service quality have an impact on repurchase intention?
2. Does Instagram Social Media Management have an impact on repurchase intentions?
3. Do store facilities have an impact on repurchase intention?
4. Do service quality, Instagram social media management and store facilities have an impact towards repurchase intention?

1.4 Objective of the Research

According to the problem formulation above, the objectives of this research are as:

1. To understand whether Service Quality has partial influence on Customer Repurchase Intention at Bika Ambon Zulaikha, Medan.
2. To discover whether Instagram Social Media Management has a partial influence on Customer Repurchase Intention at Bika Ambon Zulaikha, Medan.
3. To identify whether Store Facilities has partial influence on Customer Repurchase Intention at Bika Ambon Zulaikha, Medan.
4. To Investigate whether Service Quality, Instagram Social Media Management and Store Facilities has simultaneous influence on Customer Repurchase Intention at Bika Ambon Zulaikha, Medan.

1.5 Benefits of the Research

This research with the title “The Effect Of Service Quality: Instagram Social Media Management and Store Facilities Towards Customer Repurchase Intention at Bika Ambon Zulaikha”. This research has two types of benefits:

1.5.1 Theoretical Benefits

Research on Service Quality, Instagram Social Media Management and Store Facilities on Customer Repurchase Intention at Bika Ambon Zulaikha Medan, It's planned to be used by other parties for future research as information, a resource, and a lesson.

1.5.2 Practical Benefits

According to the aim of this research, it might provide the following research advantages:

1. For The Writer

In this study, the writer has the chance to investigate service quality, Instagram social media management, store facilities, and their effects on customer purchase intention. The writer also has the chance to learn the knowledge relevant to the variables.

2. For The Company

Through this study, Bika Ambon Zulaikha is more effectively able to figure out the issues with service quality, Instagram social media management, and store facilities and how these affect customers' intentions to make additional purchases at Bika Ambon Zulaikha.

3. For the Researches

The result of this research with the title “The Effect Of Service Quality, Instagram Social Media Management, and Store Facilities Towards Customer Repurchase Intention At Bika Ambon Zulaikha Medan”.

