

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Coffee culture has become a new trend in the community. Therefore, the demand has increased, so that there are various brands, cafes, and coffee shops in many big cities in Indonesia. Different market shares are also one of the reasons many brands appear, even though the goods offered are the same, namely coffee. Most Indonesian people are very fond of and consume coffee, this is in addition to taste also affordable coffee prices, practical in serving and diverse coffee flavors, make an increase in Indonesian domestic coffee consumption (Tondang, et al, 2023)

Customer buying intention described as a customer tendency to buy a brand of product or take an action that related to purchasing and measured it with the level of customer possibility to purchase. A literature define purchase intention as a driving force or as an intrinsic motive that can encourage a customer to pay attention spontaneously, fair, natural, voluntary and selective to a product and afterward, decide to buy it or not. Buying intention consist of three major forms which are transactional, referencial, and preferencial. Described as a level of customer intention state that drives direct purchase, transactional intention shows a buyer that already have to set to buy a certain wanted product (Ghifari and Saefulloh, 2018).

As for PT Opal Coffee focus more on the downstream of the coffee business value chain, which is to provide the added value of green coffee beans that will be processed into roasted coffee beans to become the coffee drink itself. PT Opal Coffee has the technical known how and uses the best coffee beans (Specialty Coffee) from our own coffee plantations and nursery so we have all process in our control from planting, processing until the finished goods, so that the quality, freshness and safety is always guaranteed.



**Figure 1. 1 Logo PT Opal Coffee**  
Sources: PT Opal Coffee, Medan (2023)

PT Opal Coffee already export coffee and vegetables to many countries in the world such as America, Japan, Europe, which known to have a very high standard of quality. Opal Coffee products are available in premium modern outlets. PT Opal Coffee also has extensive experience in the field of Café operation.

The following table shows the buying intentions at the PT Opal Coffee decreased at 2022.

**Table 1.1 Sales Data at PT Opal Coffee, Medan (2020-2022)**

Year	Sales Total	%
2020	409.150.500	-
2021	484.579.500	18.44%
2022	411.150.500	(-15.15%)

Sources: PT Opal Coffee, Medan (2023)

Table 1.1 shows that in 2021 the company experienced an increase in total sales of 18.44% compared to 2020. Then in 2022 it decreased by 15.15%. This is due to the high level of competition in the coffee business. From this data, it can be concluded that the interest in repurchase has decreased in the PT Opal Coffee, Medan.

Taste of food is one of the determinants of product acceptance by consumers. Therefore, businesses must optimize the flavor of each food. This is one of the main factors determining the success of cafe in the field of food. Hygienic food products that are claimed to provide health benefits and practicality will be difficult for consumers to accept if product is less preferred or even disliked. Taste is the taste of food that is recognized by the tongue. Because the tongue is the most advanced sense of taste from the path of absorption of food into the human body, the taste sensation of the tongue is the closest taste to the problem of food (Surahman and Winarti, 2021).

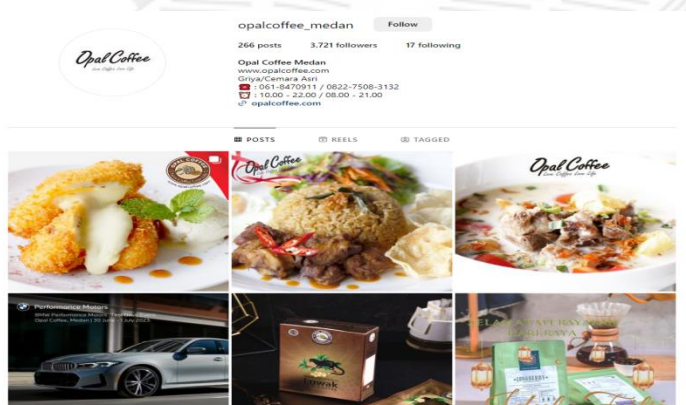
**Figure 1.2. Google Review at PT Opal Coffee**

Sources: PT Opal Coffee, Medan (2023)

Based on Google reviews mentioned above, the taste of food from PT Opal Coffee is not good because too much cream in some foods, food prices are also not in accordance with the taste of food that triggers many customers who tend to be disappointed. The variety of menus offered does not trigger customer interest and many customer complaints.

Social media paved the way for new channels of networking between online sellers and online shoppers. People can participate in forums and online social communities allowed customers to share their experiences and information and recommend their views to others (Hajli et al, 2019). Social media in this era of globalization is viral among teenagers in Indonesia. People who use social media find it easier to buy something without having to go out of the house to shop, now with just one button, people can order all the items they need or want. The ease of finding various sources is what makes social media a primary need that is always around (Noprianto, 2018).

PT Opal Coffee, Medan has instagram, making it easy to communicate with customers. Here can be seen instagram from PT Opal Coffee, Medan.



**Figure 1.3.. Instagram at PT Opal Coffee**  
Sources: PT Opal Coffee, Medan (2023)

Figure 1.3 Instagram PT Opal Coffee uploading more photos than videos, and sometimes posting Instagram Stories to introduce the atmosphere of PT Opal Coffee as well as the food and scenery of PT Opal Coffee. The Instagram context of PT Opal Coffee seems monotonous and there are few collaborations with instagram celebrities.

Store atmosphere is also believed to be one of the factors that determine the success or failures of the business. A satisfied customer comes from the pleasant feeling that they get when they do shopping . With store atmosphere have a significant impact on influencing customer to stay in the store, it gives a better chance to customers who did not intend to buy at first, can change their mind into buying. So that, in the retail business, whether it is a local brand or international brand, have to be carefully and gradually manage the store atmosphere with the purpose of influencing customerbuying intention and increasing business turnover (Ghifari and Saefulloh, 2018).

Here the atmosphere of this PT Opal Coffee, Medan as follow:



**Figure 1. 4 Store Atmosphere at PT Opal Coffee**  
Sources: PT Opal Coffee, Medan (2023)

Figure 1.2 shows that furniture that impressed the old and outdoor rooms are narrow and hot due to the absence of wind, causing customer discomfort.

From the above explanation, the writer decides to conduct a research entitled : **“The Influence Taste of Food, Social Media and Store Atmosphere on Buying Intentions at PT Opal Coffee, Medan”**.

## **1.2 Problem Limitation**

Due to limitation of time and budget this research focused to PT Opal Coffee, Medan that Taste of Food ( $X_1$ ), Social Media ( $X_2$ ), Store Atmosphere ( $X_3$ ), and Buying Intentions ( $Y$ ). PT Opal Coffee, Medan is located on Jalan T. Amir Hamzah no. 56 C.

## **1.3 Problem Formulation**

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

1. Does Taste of Food have partial influence on Buying Intentions at PT Opal Coffee, Medan?
2. Does Social Media have partial influence on Buying Intentions at PT Opal Coffee, Medan?
3. Does Store Atmosphere have partial influence on Buying Intentions at PT Opal Coffee, Medan?
4. Do Taste of Food, Social Media and Store Atmosphere have influence on Buying Intentions at PT Opal Coffee, Medan?

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

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

1. To analyze whether Taste of Food have partial influence on Buying Intentions at PT Opal Coffee, Medan.
2. To analyze whether Social Media have partial influence on Buying Intentions at PT Opal Coffee, Medan.
3. To analyze whether Store Atmosphere have partial influence on Buying Intentions at PT Opal Coffee, Medan.
4. To analyze whether Taste of Food, Social Media and Store Atmosphere have influence on Buying Intentions at PT Opal Coffee, Medan.

#### **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 Taste of Food, Social Media and Store Atmosphere and its influence towards Buying Intentions.

### 1.5.2 Practical Benefit

The practical benefits on this research are:

1. 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 Taste of Food, Social Media, Store Atmosphere and Buying Intentions.

2. For the PT Opal Coffee, Medan.

To provide useful suggestion for the company in increasing Buying Intentions especially improving the Taste of Food, Social Media and Store Atmosphere.

3. 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.

