

CHAPTER I

INTRODUCTION

1.1 Background of the Study

As time goes by, the culinary business is a business that can be said to experience very drastic growth because people today are different from the past since the world has also become more modern which allows changes in everything, especially in culinary. People nowadays have a stronger hobby of eating and drinking, especially in Indonesia. This hobby of eating and drinking can also increase because food and drinks are now growing unique in taste and different so that people are curious and want to try it as the new taste is very liked by many people so they don't feel bored.

The culinary business that is most in demand by people is a cafe because cafe has become part of the lifestyle at this time, especially for teenagers. Teenagers today are very smart to find new and good cafes to visit. They will like to go to a cafe that looks welcoming. A cafe has been considered as a second home for teenagers where they can sit back and relax in the cafe for hours with friends or family. The facilities at the cafe can also said to be quite complete nowadays which can make people more satisfied and visit more often. Hence, many people like the cafe as a place to eat, refresh and almost all teenagers nowadays like to take photos when they are in a cafe, coupled with a sense of comfort makes people more comfortable when in the cafe. This is what makes people to like going to the cafes.

Medan is a city that is famous for its culinary, even to the point that many people from other cities visit Medan just for the culinary. Culinary in Medan is varied and interesting so many people want to try it firsthand. Because people's interest in cafes are increasing, many business people also switch to opening a cafe where from this business the income that will be obtained can be very high and very profitable. They just need to make their cafe unique and unusual which is certainly different from the others so that they can compete and make customers believe that they can feel happy and not disappointed or feel lost.

For that reason, the culinary business in Medan continues to grow and more and more new cafes are opened with their own concepts and characteristics. This increasingly high growth of cafes also creates intense competition where cafes become very competitive in order to remain able to be chosen and in demand by many people.

Some of the things that can make a cafe to always be famous and in demand by many people so that it can continue to be the best among other cafes are the atmosphere of the cafe, the price, and also the location. A cafe must be made as good as possible by creating a nice store atmosphere that can make customers feel at peace. Besides, the cafe must also be able to consider the price set so that it can still be reached by all people. In addition, choosing the location of a cafe is no less important because location is the main factor in people's minds when they want to visit a cafe. A cafe that is located in the city center and has a large area of and can also attract customers.

The three variables above must be considered carefully because they can affect whether customers want to come and make purchases or not. That way, customers will certainly think and compare which cafe is more worth it to visit and this will definitely influence the purchasing decision.

The Influence of store atmosphere, price, and location variables on purchasing decisions are also supported based on research conducted by Arofa et al. (2018) that there is a significant effect of store atmosphere and location variables on consumer purchasing decisions at Pupuk Bawang Cafe & Dinning and also research conducted by Adznan and Hadi (2020) that there is a positive influence of price and location simultaneously on purchasing decisions at Venya Coffee Malang City.

In this research, the writer wants to explore whether these three variables have an influence on customer purchase decision at Wowrung, Adam Malik Branch, Medan because the writer already have experience in Wowrung with these variables where the writer feels that the music played by Wowrung makes a strong sound that disturbs the store atmosphere, then some food and beverage prices are also expensive coupled with the location which does not have a lot of capacity for parking, so finding a parking space is hard.

Wowrung was founded on March, 2020. It is a cafe with many choices of street food menus in Medan which is quite famous and known by many people that can be consumed from children to adults. Wowrung is very synonymous with its Taichan satay menu. Moreover, the writer has collected

several reviews made by Wowrung customers from 2020 to 2022 which will be shown in the table below.

Table 1.1 Customer Comments at Google Review

Total Reviews: 1,766		
Name	Ratings	Comments
IG	4	The place is nice, food is okay but little bit pricy.
JF	4	The sound of the music playing is sometimes too big and also the parking space is not enough so it is difficult to find a parking space.
AB	3	For a parking space it's a bit hard to find, some of the food on the menu is a bit pricy, for a live band sometimes the song selection is not suitable, maybe it can be improved again.
CJ	3	Overall ok, maybe some input that Wowrung can consider: <ol style="list-style-type: none"> 1. The parking solution is not narrow (hard to get parking) 2. Turn down the volume of the song 3. The price of F&B is quite expensive 4. The tightness of the fan is sometimes a little annoying because it makes tissue & paper fall
LT	3	Nice food selection, but the place is too loud to hold any conversation.
KL	2	I came here on Sunday Nov 3 rd at 7 PM. I stayed there until 10 PM. For 3 hours, there are 5-7 birthdays and they play the birthday songs at really high volume. It destroys the tranquility of the atmosphere. The good food doesn't make up for the loud birthday music.
JA	1	Terrible ambience.
IL	1	Overprice
YA	1	The food is not very tasty and the price is also not worth it.

Source: Google Review (2022)

From table 1.1 above, the writer can see negative comments from Wowrung's customer experience. The atmosphere, price, and location of the cafe are most often mentioned in the comments where it can have an influence on the customer purchase decision. Based on the customer comments above, the writer can learn more deeply that the store atmosphere, price, and location of Wowrung are less suitable and less appropriate. The problems contained in the google review are the same as those felt by the writer.

Every cafe certainly has its own rivals. In this case, Wowrung's rival is Kudeta where Kudeta sells food and drinks that is similar to Wowrung. This competition can make customers to choose to visit a better cafe. The writer will show the menu price comparison between Wowrung and Kudeta below.

Table 1.2 Menu Price Comparison

Menu	Wowrung	Kudeta
Indomie	Rp. 29.000	Rp. 25.000
Taichan	Rp. 46.800	Rp. 43.000
Fried Rice	Rp. 35.000	Rp. 30.000
Geprek Rice	Rp. 30.000	Rp. 23.800
Juice	Rp. 35.000	Rp. 21.000

Source: Prepared by Writer (2022)

Based on the menu price comparison table between Wowrung and Kudeta, it can be seen that the menu prices at Kudeta are cheaper than Wowrung. Even though the price difference between the two cafes above is not that far, customers will still think where they will spend their money for the same type of food and drinks coupled with a very relaxed store atmosphere at Kudeta, lower prices, and also a wider parking space location. These things can affect the purchase decision of customers at Wowrung.

Moreover, with the theory described above regarding the variables of store atmosphere, price, location, and purchasing decisions, the writer will conduct research entitled **“The Influence of Store Atmosphere, Price, and Location on Customer Purchase Decision at Wowrung, Adam Malik Branch, Medan”**.

1.2 Problem Limitation

This research will be limited so that the writer can focus on what will be researched from Wowrung with a branch located at Jalan H. Adam Malik No. 36, Silalás, District of Medan Baru, Medan City, North Sumatera, Indonesia with the research time from July until November 2022. The independent variables (variable X) of this research are store atmosphere (X1) with the indicators of cleanliness, music, fragrance, temperature, lighting, color, and layout. Price (X2) with the indicators of price affordability, the suitability of price with product quality, price competitiveness, and the suitability of prices with benefits. Location (X3) with the indicators of access, visibility, spacious, and expansion. While the dependent variable (variable Y) is customer purchasing decisions (Y) with the indicators of according to taste, has benefits, and accuracy in buying the products.

1.3 Problem Formulation

Based on the research to be studied, the writer has prepared a formulation of the problem to be discussed as follows:

- a. Does store atmosphere has partial influence on customer purchase decision at Wowrung, Adam Malik Branch, Medan?
- b. Does price have partial influence on customer purchase decision at Wowrung, Adam Malik Branch, Medan?
- c. Does location have partial influence on customer purchase decision at Wowrung, Adam Malik Branch, Medan?

- d. Do store atmosphere, price, and location have simultaneous influence on customer purchase decision at Wowrung, Adam Malik Branch, Medan?

1.4 Objective of the Research

In accordance with the problem formulation above, the writer will do research that has the following purposes:

- a. To identify whether store atmosphere has partial influence on customer purchase decision at Wowrung, Adam Malik Branch, Medan.
- b. To examine whether price has partial influence on customer purchase decision at Wowrung, Adam Malik Branch, Medan.
- c. To analyze whether location has partial influence on customer purchase decision at Wowrung, Adam Malik Branch, Medan.
- d. To know whether store atmosphere, price, and location have simultaneous influence on customer purchase

1.5 Benefit of the Research

This research provides two types of benefits of The Influence of Store Atmosphere, Price, and Location on Customer Purchase Decision at Wowrung, Adam Malik Branch, Medan. Specifically:

1.5.1 Theoretical Benefit

This research is proposed to be able to state that store atmosphere, price, and location have an impact on customer purchasing decisions. Besides, this

research can also add to the learning about the variables above and can provide useful information for everyone.

1.5.2 Practical Benefit

There are some practical benefits of this research:

- a. For the writer: This research can build up knowledge about the impact of store atmosphere, price, and location on purchasing decisions that can be applied in real terms.
- b. For Wowrung: This research can be a direction to learn that purchase decisions are influenced by store atmosphere, price, and location. Then, this can also make the company even better in the future.
- c. For future researchers: This research is awaited to be used as a reference to understand more about store atmosphere, price, location and their influence on purchasing decisions that will be used by those with similar variables.