

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

The era of globalization causes many entrepreneurs to invest freely in the field of business. One example is in the sector of food and beverage. This competition is caused by the high level of customer who like to consume food and beverage at restaurant. For this competition resulted in the company to be oriented towards marketing activities. Rambat Luplyodi (2013) stated that activities carried out by the company must be able to provide satisfaction to consumers. So that it can be concluded that marketing has an important influence in the company's activities in sales.

. (<https://moota.co/pentingnya-marketing-bisnis/>)

The influence of globalization brings a change for Indonesian society, this is evident from various types of culinary businesses run by the people of Indonesia. In addition, the effects of globalization are causing significant changes. It is very striking especially when it comes to consuming food and drink. The food and beverage industry also plays an important role in the development of the industrial sector. Customer interest itself becomes one of the things, which is must be considered by the company because it is related to the purchase to be made by the customer. From the interest of customers to buy a product, the decision to buy a

product is obtained. In purchase the product, the consumer does not directly choose the product, but some things must be looked at. It is at this time that the company must really be able to read what the consumer wants. The innovation of the products offered is very important for noticed by the company, because it will be the hallmark of the product and will increase the interest of consumers to make decisions. Promotion is one of the activities in the field of marketing which aims to increase sales by way of influence consumers directly or indirectly (Santoso, 2016).

Increasingly dynamic, complex, and uncertain business competition, not just providing opportunities but also challenges faced by every company to always get the best way to capture and maintain market share. Therefore, the company must be able to improve promotion and price so that it can increase sales and can convince consumers to make product purchases from the company. In selling a product the company conducted a promotional strategy to introduce products to potential customers. Consumers will be interested in buying products with promotions that are done by telling the superiority of the product in accordance with the quality of the product, so that there will be a repurchase. Thus, honesty in promotion must take precedence (Wahyuni, 2017).

Factor that influences customer purchase decisions is sales promotion. Laksana (2019) explained promotion is a communication from sellers and

buyers who come from appropriate information and purpose to change the attitude, behavior of the buyer, which was previously do not know so become a buyer and keep the product in mind. Currently, the purchasing from all business is decrease because of the pandemic situation that requires people to not going anywhere if unnecessary. Because of pandemic, the business is not going well, and business hasn't got income. So, to boost their sales, many businesses need to make a sales promotion to attract customer. When customer cannot go to the store directly, they can purchase the goods through social media, like Gojek or Grab. There are so many businesses try to boost their sales through Gojek or Grab and put the promotion in there. So, customer can also enjoy the promotion without having to go to the store.

Another factor influence customer purchase decision is price. Price for consumers is an important consideration for consumers to buy products in a company because the price of a product affects the consumer's perception of the product. When the price is set the smaller the demand. This means that consumer satisfaction tends to decrease because the price is not in accordance with consumer estimates. Meanwhile, when the price is in accordance with consumer expectations, the demand for the product continues to increase (Riska & Renny, 2020).

Purchasing decision is a very important thing for attention because the purchase decision is something that is used by company to create marketing strategy that will be carried out. One thing that needs to be considered by the company in doing marketing products to be sold is to understand

consumer needs, know the desires of consumers and tastes of consumers understanding in-depth knowledge of consumers will enable marketers to influence the consumer decision process, so that they want to buy what offered by marketers. (Kotler & Philip, 2002)

The research object of this research is No Brand Café is one of the cafes that is quite popular among young people which is located at Jl. PanduNo 1 – Medan. This Café established on 15 January 2020. Because this Café quite new for Medanese people, but it can attract customer to come and enjoy the menu, because not only just the food and beverage, the décor also has a romantic feel and is a comfortable place to spend time with friends and family. To attract consumers to buy the products offered, No Brand Café aggressively implements promotions on social media that are effective, competitive prices compared to prices offered by competitors. Promotion is a variable of marketing that aims to inform regarding the condition of the product, attracting consumer interest. After seeing an interesting promotion, customer will try to compare prices offered by the No Brand Café compared to the price offered by competitors.

No Brand café provide a variety of types of food for customers. If there are customers who just want to enjoy snacks, can order their mainstay menu, Fish Maw Marcopolo and Tori Crakers which can be enjoyed for some people. Not only that, if there are customers who like western food,

they also provide Steak and spaghetti.

Table 1.1 Favorite and Recommendation Menu at No Brand Café Medan – Jl. Pandu

Snacks	Fish Maw Marcopolo
	Tori Crakers
Steak	Salmon Steak
	Salmon Miso Butter
Wagyu Steak	Rib Oriental (1 portion 2 pcs)
	Rib BBQ (1 portion 2 pcs)
Beverage	Healthy Time
	Lychee Ocean
	Very Berry Strawberry
	Chocolate Milk Shake
NBC Specialty Drink	Bali Sensation
	Tropical Lychee Tea
	Yuzu t Jelly
	Apple Steve
Special Menu only in Medan	Kobe Beef (Original from Japan)
	Lobster Termidor

Source: Prepared by Writer (2022)



Figure 1.1 No Brand Café Specialty Menu

Source: Official Google Drive Menu (2022)

To increase their sales, No Brand also apply some promotion at their Instagram. They're using use Instagram to promote their menu because Instagram quite popular and faster to be seen by people. So, Instagram is very useful and give impact for No Brand to promote their menu.

Table 1.2 Data Number of Customer During Promotion Event at No BrandCafé, Medan – Jl. Pandu

Promotion Event	Date	Number of Customer Purchase
Wagyu Day	15 Dec 2020 – 30 Dec 2020	1274
Special Christmas and New Year Dinner in New Dining Area	24 Dec 2020 – 3 Jan 2021	811
Special Valentine	14 Feb 2020	87
Promo Merdeka 17% + 8%	17 Agt 2021	127

Source: Prepared by Writer (2021)



Figure 1.2

No Brand Promotion Event



Figure 1.3

No Brand Promotion Event



Figure 1.4

No Brand Promotion Event

Source: Official Instagram @NoBrandCafe (2022)

From the table and figure above, we can see that during the promotional event from No Brand Café, at wagyu event is the great demand because most of the promotion is already customer know it will happen.

For example, for Christmas event and New Year event, the other competitor like L Coffee or other café at Medan also will have the same event at that time. But for Wagyu Event not all café or other competitor will also have the same event at the same time, because of that, the customer that come to No Brand Café is increased.

There are already so many cafes at Medan city, and because No Brand Café is quite new for Medan people, so they need to put an extra promotion to attract more customer. Below is data of number of customers for the first month and the following six months.

Table 1.3 Data of Number of Customers in No Brand Café, Medan – Jl. Pandu from January 2020 to July 2020

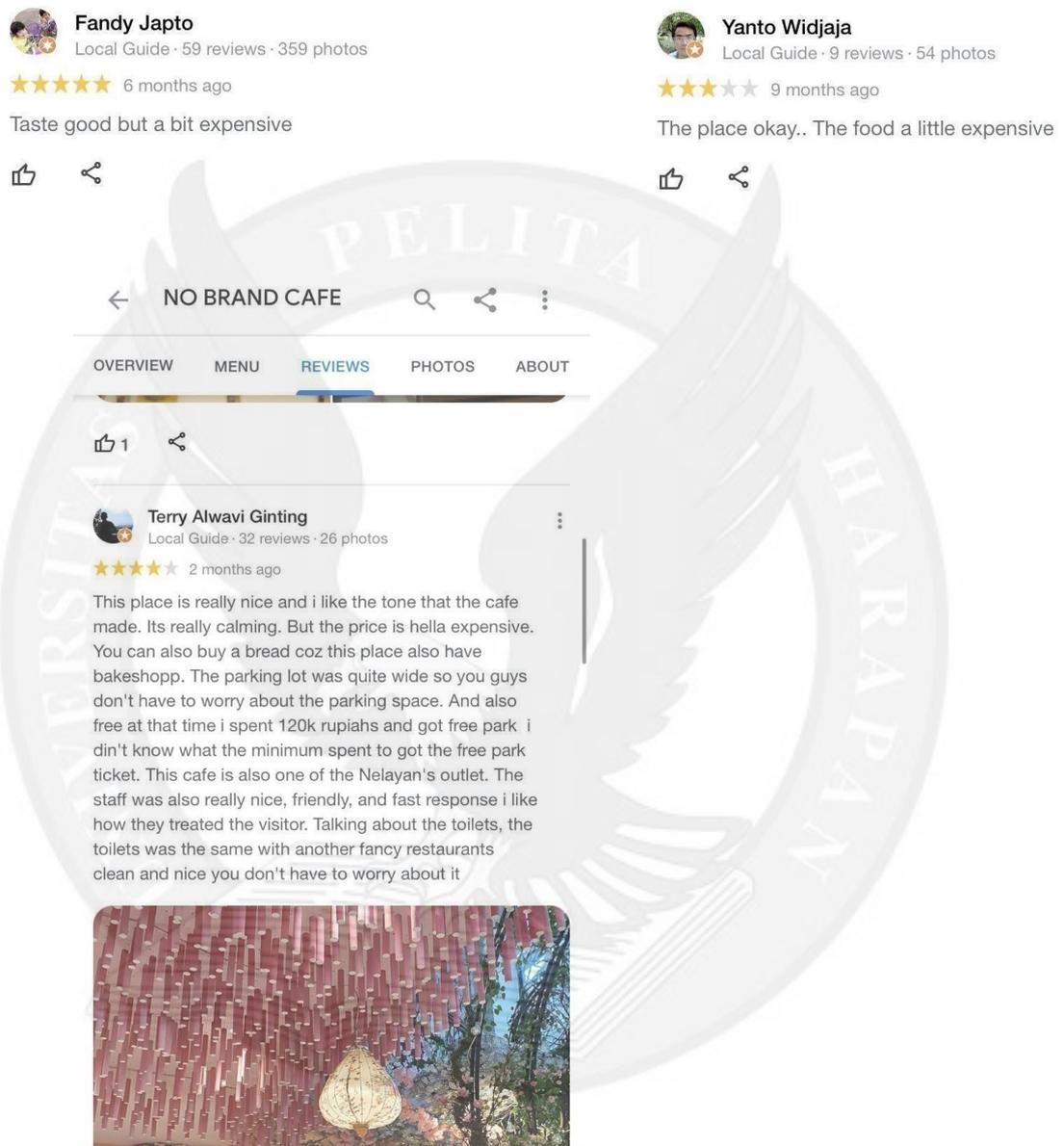
No.	Period	Number of Customer
1.	15 January 2020 - 31 January 2020	4801
2.	1 February 2020 – 29 February 2020	6997
3.	1 March 2020 – 31 March 2020	7440
4.	1 April 2020 – 30 April 2020	7584
5.	1 May 2020 – 31 May 2020	5765
6.	1 June 2020 – 30 June 2020	4873
7.	1 July 2020 – 31 July 2020	4482

Source: Prepared by the Writer (2022)

From table 1.1, we can see from the first launch in the month of January, No Brand Café could score 4801 customers in just 16 days of opening. Despite not having a lot of promotional activities except from word to mouth and from tagging through social media from previous customer, No Brand Café still managed to reach 4482 customers after 6 months of opening had passed. But from the data above we can conclude that the issues

is number of customers from No Brand Café start decreased as time goes on.

Another issue from customers is about the price.



Source: Google Review (access at 22 January 2022)

For example, of some menu from No Brand café is Pasta. The pasta that usually other competitor have is Spaghetti Bolognaise. The price of Spaghetti Bolognaise is 65.000 Rupiah. While the price of Spaghetti

Bolognaise at Higher Steps Café just 60.500 Rupiah. And the price from L.Co Coffee Café just only 50.000Rupiah.

Table1.4 Rating at Medan Cafes

Number	Medan Cafe	Rating
1.	Palms	4.7%
2.	Purezza Cafe	4.7%
3.	Swasana Coffee and Food House Medan	4.6%
4.	The Café by Kian & Kei	4.6%
5.	Blooms Cafe	4.5%
6.	The Stepping Stone	4.4%
7.	No Brand Cafe	4.4%
8.	The L.co Coffee	4.3%
	Higher Steps Dining	4.2%

Source: Google Review (2022)

From table above, we can see that there a lot of Café at Medan still have good review and rating. As we know that No Brand café is in the middle, not to bad or not to good. So, No Brand need to improve their rating and keep up to become the good and popular café in Medan.

Based on description above, the writer wants to conduct the research with title **“The Influence of Sales Promotion and Price towards Customer Purchase Decision in No Brand Café, Medan”**.

1.2 Problem Limitation

The problem limitation is used to avoid anomalies or topic expansion so that the exploration is more coordinated and works with the discussion so that the examination objectives are reached. Due to limited time and ability, the writer set the Sales Promotion and Price as independent variable (X) and Customer Purchase Decision as dependent variable (Y). The object of this research is No Brand Café, Medan. The object of this research is customer who buy and ate at No Brand Café, Medan. The data collection techniques based on questionnaires.

1.3 Problem Formulation

Here are the problems of formulation that are found during the conducted research:

1. Does Sales Promotion have influence towards Customer Purchase Decision at NoBrand Café, Medan?
2. Does Price have influence towards Customer Purchase Decision at No BrandCafé, Medan?
3. Do Sales Promotion and Price simultaneously have influence towards Customer Purchase Decision at No Brand Café, Medan?

1.4 Objective of Research

Here are some objectives of the research solve the problem that have been found when conducting the research, which are:

1. To identify the influence of Sales Promotion towards Customer Purchase Decision at No Brand Café, Medan.
2. To identify the influence of Price towards Customer Purchase Decision at No Brand Café, Medan.
3. To identify the influence of Sales Promotion and Price simultaneously towards Customer Purchase Decision at No Brand Café, Medan.

1.5 Benefits of the Research

There are two types of benefits from the research of customer purchase decision as a factor of Sales Promotion and Price towards Customer Purchase Decision at Nelayan No Brand Café Medan, which are separated into two kinds of benefits, which are:

1. Theoretical Benefits

The advantage of conducting this research conceptually is that it will provide future references and serve as a foundation for improving the theory of Sales Promotion and Price on Customer Purchase Decisions at businesses. This will also serve as a useful foundation for business stakeholders such as marketers, managers, entrepreneurs, and owners to better understand and obtain insights into how the variables will interact before putting them into practice.

2. Practical Benefits

This research will not only benefit the theoretical side, but it will also benefit the practical side. This study will be useful to a variety of

stakeholders, including the author, the company, and other researchers.

a. For company

As input material that is expected to be useful product quality and price for customer satisfaction. So that it can be a consideration for the company to make the next innovation.

b. For other researchers

As knowledge or as a reference material in solve problems related to the problems studied in this study, as well as a reference for parties who conduct further research on the same problem.

c. For writer

To gain knowledge, insight, and direct experience in the field of marketing in researching cases in the field so that it is expected to increase the ability of the author later that will be carrying out work

