

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The food and beverage service industry has emerged as one of the world's fastest-growing business sectors. One of the defining features that distinguishes this industry from others is that it is closely linked to not only the sale of products, but also the delivery of those products, which results in the customer's feedback to the complete experience of the products and services (Landman, 2022).

Due to the obvious size of the Indonesian market, the Food and Beverage industry has a lot of appeal. As a result, if managed properly and efficiently, the Food and Beverage business opportunity is quite promising. Since 2019, there have been numerous franchise and partnership business opportunities in the Food and Beverage industry sector, particularly for Restaurants, Cafés, Boba, Cheese tea, and so on (Janakiraman, 2019).

A restaurant progress in becoming a better and more successful version of itself is the result of its efforts to promote its brand by always maintaining the Price Fairness, Accessibility, Quality Perception, and Brand Experience that distinguishes it from the market. The restaurant can also predict or ensure customers' repurchase interest by utilizing these factors (Hakim et al, 2020).

According to Alhaddad (2015) as cited in Hakim et al. (2020), Quality Perception can be explained as a consumer's observation of the whole quality or excellence of a product or service in comparison to alternatives. The better a

brand's perceived quality among consumers, the more likely the brand will be preferred. Brands with positive quality perceptions influence the worth of a brand in the customer's eyes. If a brand competes in an alike product market, the perception of quality will be highly beneficial if it wishes to be able to attract more customers and make its business the very first option in customers' eyes.

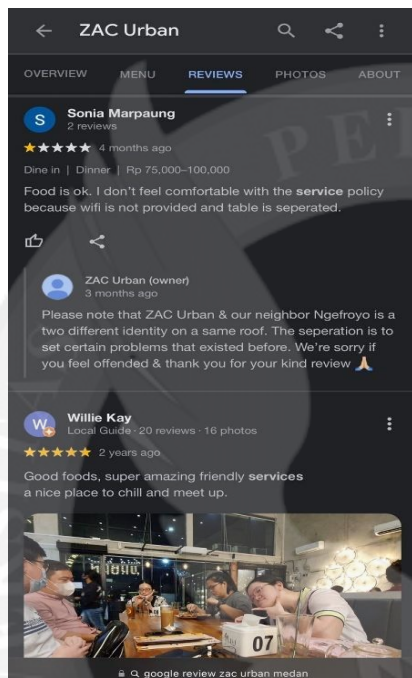


Figure 1. 1 Google Review of ZAC Urban, Medan

Sources: ZAC Urban (2023)

Referring to the attached image, Zac Urban Medan has numerous numbers of great reviews on their quality perception, yet there are also a few of dissatisfied comments.

According to Janakiraman (2019), deciding a price should be in line with the quality that customers will offer; if the cost is above average but not in relation to the quality provided or low, the consumer will regard the cost of the product to be inappropriate. Price fairness relates to customers' evaluations of whether pricing for specific brands' products or services are rational, acceptable, or in line with the

prices presented. As a result, providing the idea of fair pricing is critical to retaining customers and preventing them from switching to rival business.

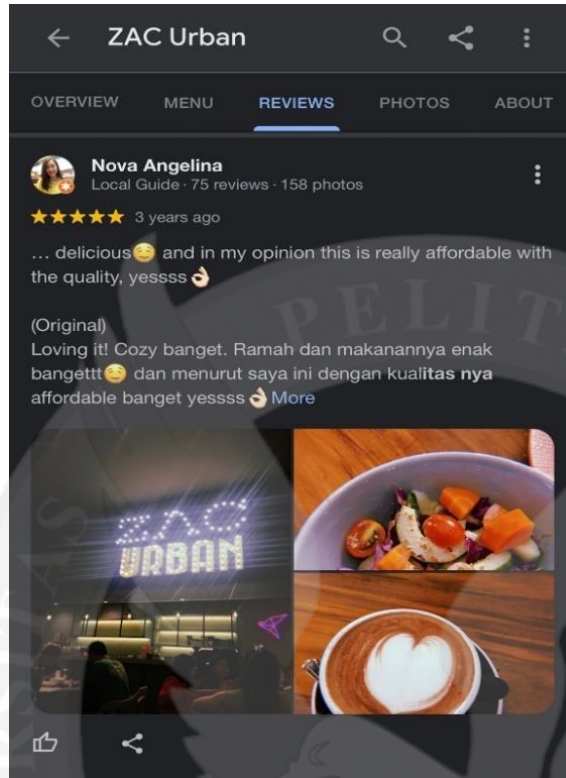


Figure 1. 2 Google Review of ZAC Urban, Medan
Sources: ZAC Urban (2023)

The image above refers to customers' review on price fairness and the affordability of Zac Urban Medan's products.

According to Williams et al. (2021) brand experiences are memorable and remarkable experiences that customers have while using the products or services provided, and the accumulation of these experiences leaves a distinct and special impression of the brand in the heart and mind of customers. Brand experience is defined as experiences, feelings, cognitions, and behavioural responses triggered by brand-related stimuli such as appearance and identities, packaging, messages,

and surroundings. As a result, developing a brand experience can be a factor in achieving a competitive advantage in the market.

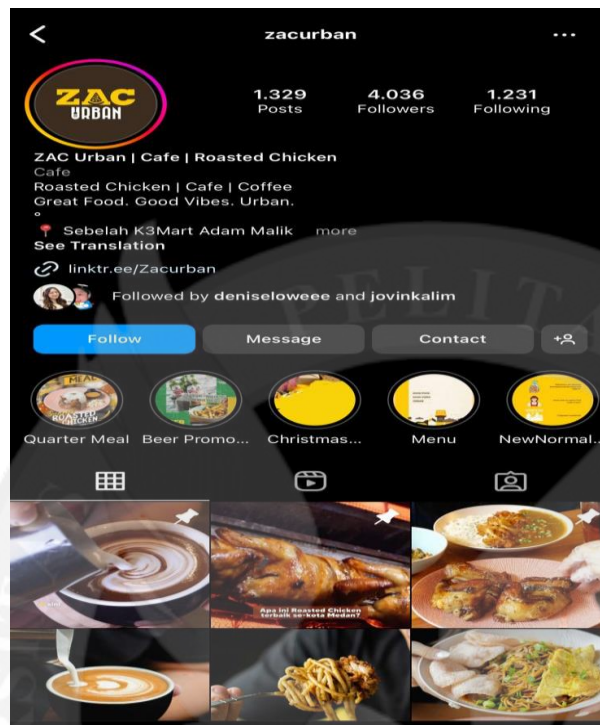


Figure 1.3 Instagram of ZAC Urban, Medan
Sources: ZAC Urban (2023)

The figure above is referring to the brand of Zac Urban Medan through Instagram page.

The concept of accessibility refers to whether a goods or services could be used by everyone, regardless of how they come across it. The success of a business location is determined by a variety of factors, including its physical location and the demographics of the surrounding area. Convenient location is a critical aspect that might impact consumer preferences when it comes to restaurant selection.

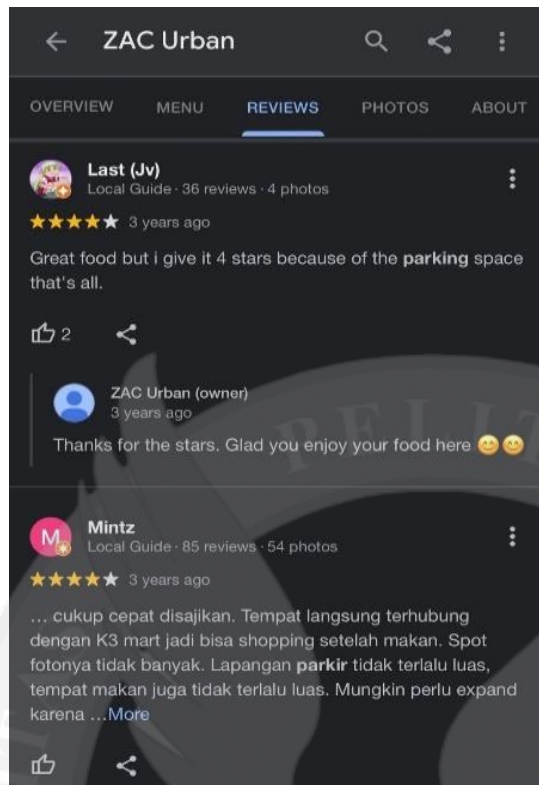


Figure 1.4 Google Review of ZAC Urban, Medan
Sources: ZAC Urban (2023)

As per the images from figure 1. 4, consumers from Zac Urban Medan are quite unsatisfied with the accessibility of the restaurant. This is reflected in some of the reviews given by customers.

As stated by Yasri et al. (2020), Customers' actual activities in repurchasing or reusing the same goods are described by repurchases. This is very likely due to the consumers' proclivity to repurchase the same goods. Repurchases are actual acts, whereas repurchase intentions represent a customer's desire to make future purchases from the same store or supplier. This repurchase intention is of special concern to marketers since it can occur as a result of the impact of prior customers.

In order to compete with the strong culinary industry in Medan, Zac Urban has made an effort to stay up with the latest trends by creating their own house specialty menu which are roasted chicken & pizza, as well as offering promotions in GrabFood and menu bundles. Zac Urban also provides many choices of food ranging from western food, Indonesian food, Italian food, and many more. The cafe is at Jl. H. Adam Malik No. 56, and it shares the same urban internal design and high ceilings space. There is also K3 Mini-Market, which is located right next door. Zac Urban's opening hours are from 8 AM – 10 PM.

Therefore, the writer determined to do research with the title **“The Influence of Quality Perception, Price Fairness, Brand Experience, and Accessibility to Repurchase Interest at Zac Urban, Medan.”**

1.2 Problem Limitation

Due to limitation of time and budget, the writer decides to set some limitations. The data of this research is only collected from Zac Urban which is located at Jl. H. Adam Malik No. 56, Medan, North Sumatra, Indonesia. Respondents must meet many criteria, including being male or female, at least 11 years old, occupation, last time visited Zac Urban Medan, and having purchased products at Zac Urban Medan

The research uses four variables, which are Accessibility, Brand Experience, Price Fairness, and Quality Perception as the independent variables and its influence on Repurchase Interest as the dependent variable.

According to Sweeny (2001) as cited in Si Manis (2021), the indicators of quality perception are consistent quality, good product, specified quality standard, product defection and consistent performance.

Furthermore, according to Dhurup et al. (2019), the indicators of price fairness are affordability of price, price conformance with product quality, price conformance with brand, and price satisfaction.

Moreover, according to Brankus et al. (2009) as cited in Hakim et al. (2020), the indicators of brand experience are sensory experience, affection, and behavior.

Besides that, according to Christodoulou et al. (2020), the indicators of accessibility are distance, access to location, transportation, and traffic flow. However, there are indicators which are transportation and traffic flow that are not related to the context of the company research, therefore the writer will only use the other two indicators which are distance and access to location.

In addition, according to Ferdinand (2002) as cited in Hakim et al. (2020), the indicators of repurchase interest are transactional interest, referential interest, preferential interest, and explorative interest.

1.3 Problem Formulation

Based on observations made during the writer's preliminary research in the company, the writer has created the following questions to be answered in this study:

- a. Does quality perception have partial influence on customer's repurchase interest at Zac Urban, Medan?
- b. Does price fairness have partial influence on customer's repurchase interest at

Zac Urban, Medan?

- c. Does brand experience have partial influence on customer's repurchase interest at Zac Urban, Medan?
- d. Does accessibility have partial influence on customer's repurchase interest at Zac Urban, Medan?
- e. Do quality perception, price fairness, brand experience, and accessibility have simultaneous influence on customer's repurchase interest at Zac Urban, Medan?

1.4 Objective of the Research

The objectives are as follows:

- a. To assess whether quality perception has partial influence on customer's repurchase interest at Zac Urban, Medan.
- b. To analyze whether price fairness has partial influence on customer's repurchase interest at Zac Urban, Medan.
- c. To evaluate whether brand experience has partial influence on customer's repurchase interest at Zac Urban, Medan.
- d. To discover whether accessibility has partial influence on customer's repurchase interest at Zac Urban, Medan.
- e. To know whether quality perception, price fairness, brand experience, and accessibility have simultaneous influence on customer's repurchase interest at Zac Urban, Medan.

1.5 Benefit of the Research

There are 2 categories of benefit that can be elaborated from the research of Quality Perception, Price Fairness, Brand Experience, and Accessibility can influence Repurchase Intention at Zac Urban, Medan, namely:

1.5.1 Theoretical Benefit

The theoretical benefit of this research is to obtain more insights and understanding about Price Fairness, Accessibility, Quality Perception, Brand Experience, Repurchase Interest, and the variable's relation to one another. Moreover, the research is also done to gain more objective information about the company, Zac Urban, Medan.

1.5.2 Practical Benefit

The following are the practical benefits of this research:

- a. For the writer, it offers a much clearer and more precise grasp of Brand Experience, Quality Perception, Accessibility, Brand Experience, and Repurchase Interest, which may be useful in many areas of daily life and future chances that have yet to be discovered.
- b. For the company, it would enable in properly understanding the impact of Accessibility, Brand Experience, Price Fairness, Quality Perception, and Repurchase Interest, which would then create opportunities for improvement in different aspects, improved decision making, and ensuring the business's sustainability.
- c. For researchers, it can serve as a reference to conduct future research on this specific issue.