

CHAPTER I

INTRODUCTION

1.1. Background of Study

Culinary businesses are becoming increasingly popular in Indonesia, one of which is in the city of Medan. The culinary diversity in the city of Medan encourages very tight competition for culinary business people to always innovate to attract customers. Before business developed as it is now, sellers only prioritized profit and loss, but as time goes on, as now, business starts to develop rapidly, sellers have to think hard about competing in the business world, especially the culinary business. In this sophisticated era, sellers don't just think about loss of profit for a business, but sellers also review the progress of consumer tastes for culinary delights that are still popular or exploding on the market.

Just like restaurants which are loved by business people in the city of Medan, along with changes in lifestyle patterns and procedures for enjoying food among urban residents, especially in the city of Medan, this has brought culinary entrepreneurs to creative ideas such as restaurants that are no less popular than shops or cafes that offer affordable prices. Seeing that the market is increasingly wide-open many business people are still interested in the culinary business, therefore businesses collaborate with culinary variations with various innovations.

One way of competing business strategies to survive and win the competition is through the brand image of customers towards the brand. According to Martineau in Tiufany & Lina, (2024) defined brand image as a definition of a store made by customers, both from functional aspects and psychological attributes. Where it is also supported by Sopiah in Tiufany & Lina, (2024) that brand image could be a brand identity that can be seen in terms of value, quality and price. Brand image is crucial for a business because brand image is the public's perception or how customers see the products or services from a business. A good image about the product will benefit the company, because users will subconsciously recommend the product to other people.

On the other hand, a bad image about the product will make users spread bad information to others. For customers, brand image could be a picture of a company, therefore it is critical for companies to know what recognitions are needed to appear within the minds of customers. Through brand image, buyers can judge whether the restaurant is good or bad through a few perspectives that are evaluated towards the restaurant. A great brand image is definitely a crucial resource for business and could attract customer intention to purchase the products or services.

According to Yonathan & Bernarto, (2022) restaurant atmosphere has become a crucial aspect for culinary business people. Ambiance has become a purchasing consideration factor for consumers when choosing a place to eat, apart from being that, it also become a place to have quality moment or spend time with friends and family, sometimes consumers also come to the restaurant

just to enjoy the comfortable ambiance. Apart from competition with new culinary delights that arouse consumer curiosity, sellers must also maintain the atmosphere the restaurant made and sell in order to arouse consumer buying interest. Food is no longer just for consumer needs but also the atmosphere of the restaurant. According to Levy in Tiufany & Lina (2024) that restaurant atmosphere comes from the aspects of visual communication, lighting, color, music or aroma that stimulate the senses and emotions of consumers which can influence consumer behaviour. Assuming that, company maintain the restaurant atmosphere, it can stimulate both planned and unplanned buying intention from consumers.

Furthermore, what attracts the consumers to purchase is often came from the promotion at social media or another digital channel, where consumers mostly come to one place due to seeing it from social media nowadays whether it is promoted by influencer or passed by consumers explore page on social media. According to So in Lina (2024) that in recent years, many businesses have valued social media as an effective way of communicating and maximizing consumers to create a special image of the brand and improving consumer brand communication. The purpose of maximizing social media marketing is to create relationships between companies and consumers or potential consumers directly and indirectly by increasing product awareness, creating a good image or activities that can bring sales of a product or service.

All of the mentioned above has influence towards customers purchase intention. Purchase intention is the desire or intent to purchase and own a

product. Purchase intention will appear if a consumer has been influenced by knowledge and information about the product according to Min, (2020). Where feeling or emotion within customers that encourages the intention to buy a product or service, appearing from the received knowledge and information about the product or service. Purchase intention is the last stage of buying interest before a decision to purchase is made. Purchase intention is associated to consumer purchasing decisions, where intention is used to predict a customer's desire to make or not to make the purchasing decision. Purchase intention is one phase in the decision-making process for consumers that arises after a need is felt by the individual. The writer will use Ta Shanghai Restaurant, a Chinese Restaurant located at Medan City for the research object. The writer gathered review from Google Review which shows that there are negative reviews which impact the brand image of the restaurant:

Ta Shanghai Restaurant

JL. Multa Tuli Raya, No. 123 Blok SF, Komp. Multatuli Indah BI FF, Hamdan, Kota Medan, Sumatera Utara

4,3 ★★★★★ 322 reviews ⓘ

Figure 1.1 Google Review Rating of Ta Shanghai Restaurant

Source: Google Review (2024)

Table 1.1 List of Bad review at Google Review of Ta Shanghai Restaurant

No	Name	Comments	Rating
1	Vanesha Vionelli	the food and service is very bad , sorry to say. it was different from the last time i ate. i ordered the seafood fried rice but seems like, they just reheat it turns out the rice is hard and NOT HOT AT ALL, and NO TASTE AT ALL not to mention about the asam manis fish, we requested it to be fillet, and it's just simply like chicken nugget with 110k price? LOL so overpriced! about the service? VERRY POOR! we asked them about the fried rice and the manager, the staffs are very impolite ! WOULDN'T	1

		COME BACK FORE SURE ! no surprise it's just me and other table that in house	
2	Mirko lanini	Service very bad „food standard and expensive price I have order Australia scallops but are local very small and no tasty, andaliman sauce for pork shank very cold come from the refrigerator directing in the table, manager or owners in reception/cassier her don't care for customers, I need to spoke laud for calling the waitress. conclusion very bad experience, for that NO ONE CUSTOMER INSIDE ONLY ME E MU WIFE'S	1
3	Akuang Budiman	Ga enak dan mahal	1
4	Kelvin Aprilio	Pertama kali cobain makanan disini, biasa saja. Menurut saya, hidangan sangat mahal dengan rasa yang biasa saja. Not really worth to try	2
5	Shin ujin	Overpriced and portion small size, ambience ok but building looks old, need touch up and more maintenance.. overall average, food is not really worth for the price	2
6	Soewandi Wei	Overpriced but taste really not very good like old time.	3
7	Cindy Nicole	Nice ambience and food. Price quite high. Dish I love the most is ayam kopi	3

Source: Google Review and compiled by writer (2024)

From the the Figure 1.2 above the total rating of Ta Shanghai Restaurant which is at level 4.3 with a total of 322 reviews. Table 1.1 shown above, the writer pick several reviews of Ta Shanghai Restaurant from 2020-2024 where there are customers complaint about the service, bad food quality, and being overpriced with small portion. This shows that Ta Shanghai Restaurant brand image is not consistent in serving the customers, where the social media posts highlighting about the food however it seems that it is not aligning with what the restaurant share or promote seeing from the customers review. The brand image in Ta Shanghai Medan is affected by the review that shows bad service quality and taste of food that are not expected from the customers who dine in. This brings a negative image upon the restaurant wheras it could cause loss of

trust and credibility of the restaurant, difficulty in building customer loyalty, as well as impacting the online reviews and rating of the restaurant which all of that cause a decrease in customer intention to purchase. Aside from the brand image of the restaurant, the restaurant atmosphere is also affecting the customer purchase intention which can be seen as follows:



Figure 1.2 Restaurant Exterior and Interior of Ta Shanghai Restaurant
Source: From the writer (2024)

As can be seen at above figure 1.3, the writer visits the restaurant and it can be seen from the restaurant exterior, that the lights from the logo is quite dim and resulting in not eye catching for potential customers that passed the restaurant. Passersby might not notice the restaurant and a dim light of sign can create an impression of neglected or lack of care, which makes the restaurant looks like lacking of maintenance. Where a good atmosphere means customers will feel comfortable, therefore, the atmosphere has a big influence on purchase intention of customers. Furthermore, other than the restaurant atmosphere, the

restaurant do some activities to attracts more customers, Ta Shanghai created a promotion which can be seen as follows:



Figure 1.3 Promotions at Ta Shanghai Restaurant
Source: Instagram of Ta Shanghai Restaurant (2024)

In this modern era, the first thing when customers want to find a promotion from a restaurant is through social media on Instagram. If a restaurant carries out promotions, it will really attract customers, because promotions are very influential in increasing sales. Not only will it increase sales, but it will also increase customer intention to purchase and brand image where it can introduce the name of the restaurant to customers who have never heard of the restaurant's name. Also, promotions can face stiff competition between these culinary fields. Ta Shanghai Restaurant recently gives promotion by using credit card banking for discount with minimum dine in for food and beverages. The amount of promotion is quite few to attract potential customers to dine in Ta Shanghai Restaurant, furthermore, the promotions displayed is not various as it is only related to credit card promotion, it also can be seen at the social media that the

restaurant are not focusing in creating more promotion, it will affect the intention of customers to purchase.

The writer collected some data regarding the number of customers that visited and dine in Ta Shanghai Restaurant. The number of customers that visits in Ta Shanghai Restaurant for the period 2021-2023 are as follows:

Table 1.2 Number of Customers at Ta Shanghai Restaurant

Months	Year 2021	Year 2022	Year 2023	(2021-2022) %	(2022-2023) %
January	2521	3074	2238	21.94%	-27.20%
February	3264	3948	2987	20.96%	-24.34%
March	1297	2537	2114	95.61%	-16.67%
April	702	1048	908	49.29%	-13.36%
May	821	1042	704	26.92%	-32.44%
June	1277	1462	908	14.49%	-37.89%
July	1256	1785	1378	42.12%	-22.80%
August	1149	1739	1699	51.35%	-2.30%
September	1186	1746	1485	47.22%	-14.95%
October	1204	1574	1614	30.73%	2.54%
November	1426	2097	1823	47.05%	-13.07%
December	2022	3189	2321	57.72%	-27.22%
Total	18.125	25.241	20.179	39.26%	-20.05%

Source: Ta Shanghai Restaurant (2024)

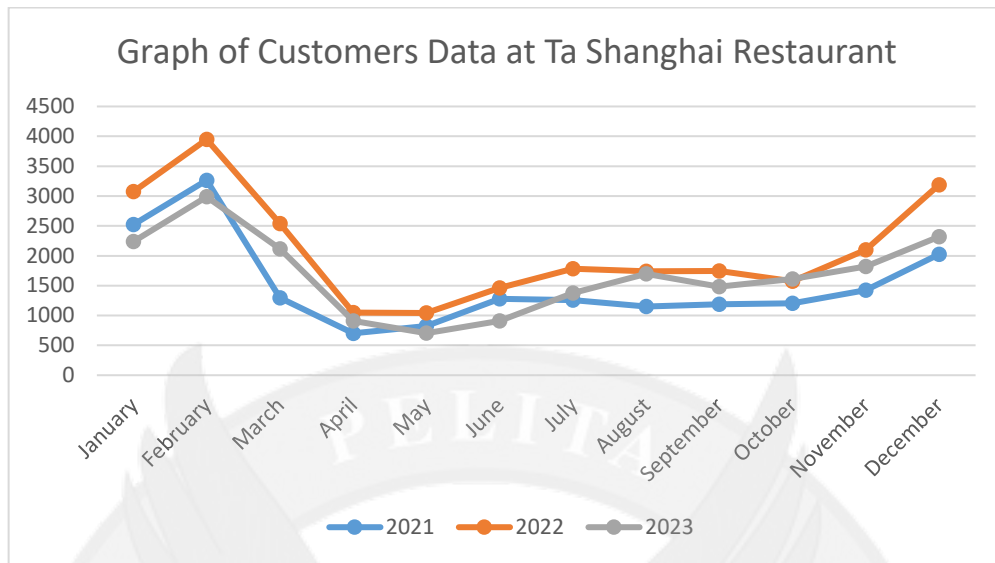


Figure 1.4 Graph of Customers Data (Months) at Ta Shanghai Restaurant
Source: Ta Shanghai Restaurant (2024)

It can be seen from table 1.2 in 2020 to 2023 the number of customers is decreasing. This is caused by several aspects mentioned above such as few promotion, lack of exposing restaurant atmosphere in social media, also increased competition between culinary fields, or shifts in culinary trends. Restaurants need to assess market position and competitive strategy to understand this downturn.

Ta Shanghai Restaurant is a restaurant located in the middle of Medan city at Jalan Multatuli Raya, No. 123 Blok SF, Komp. Multatuli Indah B1, Kec. Medan Maimun, Kota Medan, Sumatera Utara 20212. This restaurant provides a non halal Chinese food menu. The restaurant has a modern design, the ambiance is like being in China with Chinese music and the employee also wear in accordance with traditional Chinese clothing. This restaurant only has an indoor space but there is also a VIP room and is equipped with WiFi internet access which can make visitors feel more comfortable.

Based on the background of study mentioned above, the writer is interested and would like to conduct research with the title "**The Influence of Brand Image, Restaurant Atmosphere and Social Media Promotion towards Purchase Intention at Ta Shanghai Restaurant Medan.**"

1.2. Problem Limitation

The writer determines problem limitation on brand image, restaurant atmosphere, and social media promotion as the independent variables and purchase intention as the dependent variable. However, the writer also limits the variable social media promotion to focus on Instagram as the main social media for promotion.

1.3. Problem Formulation

Based on the background study above, the writer identify several problems in the research as follows

1. Does the brand image have a partial influence on purchase intention at Ta Shanghai Restaurant Medan?
2. Does the restaurant atmosphere have a partial influence on purchase intention at Ta Shanghai Restaurant Medan?
3. Does social media promotion have a partial influence on purchase intention at Ta Shanghai Restaurant Medan?

4. Does brand image, restaurant atmosphere and social media promotion have simultaneously influence purchase intention at Ta Shanghai Restaurant Medan?

1.4. Objective of research

The objectives of the research are as follows:

1. To know whether brand image has influence towards purchase intention at Ta Shanghai Restaurant Medan.
2. To know whether restaurant atmosphere has influence towards purchase intention at Ta Shanghai Restaurant Medan.
3. To know whether social media promotion has influence on purchase intention at Ta Shanghai Restaurant Medan.
4. To know whether brand image, restaurant atmosphere and social media promotion simultaneously have influence towards purchase intention at Ta Shanghai Restaurant Medan.

1.5. Benefit of the Research

1.5.1. Theoretical Benefit

This research can provide theory about brand image, restaurant atmosphere, social media promotion, and purchase intention that can provide theoretical benefit for marketing.

1.5.2. Practical Benefit

1. For the company

For the company, this study of research can provide suggestion for restaurant to conduct the brand image, restaurant atmosphere, social media promotion for maintaining purchase intention.

2. For the writer

For writer, this study can give knowledge to writer about marketing especially brand image, restaurant atmosphere, and social media promotion.

3. For the other researcher

This study or research can be used as reference to other researcher for research with similar variable or topic.

