

CHAPTER I

INTRODUCTION

1.1. Background of Study

The culinary business is currently considered as one of the promising types of business. One of the businesses in the culinary field is cafes and restaurants. Cafes in general are a business in the field of food and beverages that are managed practically by offering a variety of menus and facilities to consumers.

The advancement of civilisation and life supported by technological advancements creates a busy life and high mobility, making people need a place to release fatigue after doing daily routines. Activities carried out are usually by relaxing eating, drinking, or just gathering and chatting with relatives or fellow communities. Capturing opportunities and shifts in people's lifestyles make these activities part of life's needs, making business people look at food service businesses such as cafes. One business that faces intense competition is the café business.

Purchasing decisions are a series of processes that customers carry out when buying which goods or services to buy with various considerations of other alternatives. In determining purchasing decisions, there are stages carried out by customers, namely, recognising problems, identifying problems, evaluating alternatives, buying decisions, behaviour after making a purchase. There are several factors that can influence purchasing decisions, one of which is the atmosphere of the cafe.

Cafe atmosphere is a part of the atmosphere and layout of a store that is very important in attracting consumers. Store atmosphere is a combination of physical messages that have been planned, store atmosphere can be described as a change in the design of the purchase environment that produces a special emotional effect that gets consumers to make a purchase action. Store atmosphere has a significant positive effect on purchasing decisions. The results of this study indicate that the store atmosphere has a positive and significant on purchasing decisions.

Product quality is the ability of a product to perform its function, this includes overall durability, reliability, accuracy, ease of operation and repair of the product, as well as other product attributes. Consumers may buy products based on the quality and service of the products they get. Product quality has a positive and significant effect on purchasing decisions. The company must provide good product quality for the products offered by consumers because customers will be more satisfied if the products offered are getting better.

Price is the amount of money sacrificed for a product or service, the value of customers who are exchanged for the benefits of owning or using a product or service. the price offered by other similar products before consumers make purchasing decisions. Price is one of the determinants of company success because price is a determination of how much the company profits from selling its products, both goods and services. The price variable has a greater influence on purchasing decisions, and it can be concluded that the higher the company's price, the higher the purchasing decision. higher the purchasing decision.

A person's attitude in articulating the real problems he experiences in his head and tends to mix with other things related to psychological and emotional problems is called a lifestyle. It can also be seen from his interests and thoughts towards an object. Lifestyle has a positive and significant influence on purchasing decisions. Lifestyle is one of the factors that can influence a person's interest in making a purchase.

Habitat Cafe is one of the cafes that has been established in Medan since 2017. Habitat cafe provides a variety of interesting menu variants from archipelago menus to western menus. This research was conducted at Habitat Cafe, which is located at the cemara asri branch. The following is data on consumer visits in 2023 to Habitat Cafe.

Table 1.1 Number of Visitors from 2022-2023 at Habitat Cafe Cemara Asri

Year	2022	2023
Month	Number of Visitors	Number of Visitors
January	634	523
February	595	500
March	543	456
April	512	452
May	540	412
June	483	456
July	540	403
August	500	432
September	512	487
October	520	426
November	505	455
December	470	420
Total	6354	5422

Source: Habitat Cafe Cemara Asri (2024)

From the data on the number of visitors, it shows that there is a decrease in the number of consumers visiting Habitat Cafe Cemara Asri from 2022 to 2023.

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Figure 1.1 Complaints about Cafe Atmosphere

Source: Google Reviews (2024)

The complaints submitted by consumers show that the condition of Habitat Café is considered too narrow and noisy when crowded. This makes consumers feel uncomfortable in visiting and makes it difficult for consumers to communicate with their colleagues. Room conditions that are too tight will make consumers feel they do not have good privacy.

On product quality, there are still consumer complaints regarding the presentation of menus that do not match the product images in the menu book and the quality of the food ingredients used. The following are consumer complaints regarding product quality.



Figure 1.2 Complaints about Product Quality

Source: Google Reviews (2024)

In complaints about product quality submitted by consumers, it shows that there are complaints about the food served that is not the same as that shown on the menu and uses different quality ingredients. This shows that there are still consumer complaints about product quality at Habitat Cafe.

Price is one of the determining factors of purchasing decisions. In price perceptions, consumers still express complaints about prices that are considered too expensive on the menu and do not match the quality of the food served. The following are consumer complaints about menu prices at Habitat Cafe. The following are consumer complaints about menu prices at Habitat Cafe.



Figure 1.3 Complaints about Price

Source: Google Reviews (2024)

In terms of price perception, consumers stated that the price offered was not in accordance with the quality of the food. Consumers consider the price offered is still too expensive for the quality of the taste and food offered. Price perception is one of the consumer factors in determining purchasing decisions.

In lifestyle, visiting a cafe as a place to gather and enjoy the food served has become a trend at this time. This can be seen from the reviews given by consumers that Habitat Cafe, although there are still complaints, is one of the places worth visiting. Consumers also still give a predominantly good rating to Habitat Cafe as follows.

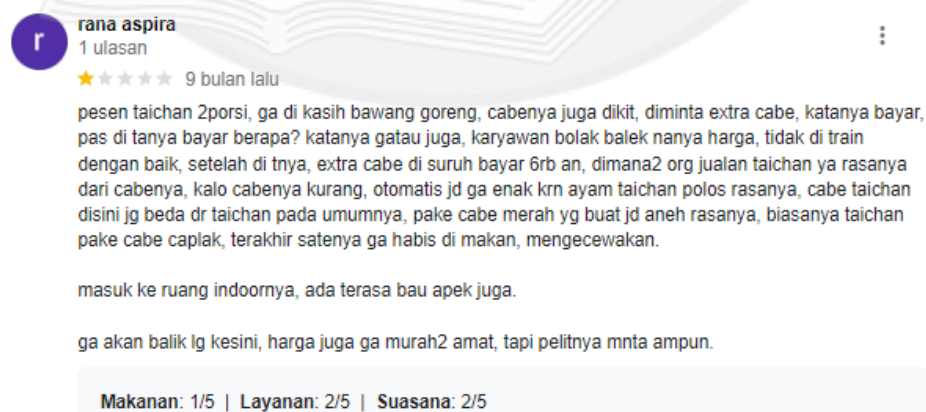


Figure 1.4 Complaints about Lifestyle

Source: Google Reviews (2024)

In the opinions given by consumers, there are still complaints about the food served, the availability of inadequate facilities in the restaurant room and the prices offered are not too cheap. This indicates that in carrying out activities visiting the cafe, consumers still complain about the food and atmosphere which makes consumers not interested in visiting again and giving negative opinions. However, complaints were also filed by consumers as follows.

Based on the background explanation, the title of this research is “**The Effect of Cafe Atmosphere, Product Quality, Price Perception and Lifestyles on Customer Purchase Decision at Habitat Cafe**”

1.2. Problem Limitation

To limit this research to be carried out in accordance with the target research time, it is limited to the time from March 2024 to August 2024 with the location taking the Habitat Cafe branch located in the Cemara Asri Complex Medan.

According to Baskoro and Mahmudah (2021), indicators to measure cafe atmosphere consist of: cleanliness, colour, temperature, lighting and layout. According to Yusra and Nanda (2019), the indicators for measuring product quality consist of: the number of servings, the smell of the dish, the level of maturity, the taste and appearance of the goods. According to Ekowathi and Finthariasari (2020), indicators to measure price consist of: price affordability, price according to ability or price competitiveness, price compatibility with product quality and price compatibility with benefits. According to Manalu and Roshinta (2021), indicators to measure lifestyle consist of: activities, interests and opinions. According to Akbar

and Tjahjaningsih (2023), indicators to measure purchasing decision consist of: choice of product, brand, seller, and purchase amount.

1.3. Problem Formulation

From research at Habitat Cafe, the writer obtained several questions regarding the arising problems which are:

- a. Does cafe atmosphere have partial effect on customer purchase decision at Habitat Cafe Medan?
- b. Does product quality have partial effect on customer purchase decision at Habitat Cafe Medan?
- c. Does price perception have partial effect on customer purchase decision at Habitat Cafe Medan?
- d. Does lifestyles have partial effect on customer purchase decision at Habitat Cafe Medan?
- e. Do cafe atmosphere, product quality, price perception and lifestyles have simultaneous effect on customer purchase decision at Habitat Cafe Medan?

1.4. Objective of Research

The objective for this research is to find out about:

- a. To explain whether cafe atmosphere has partial effect on customer purchase decision at Habitat Cafe Medan.
- b. To explain whether product quality has partial effect on customer purchase decision at Habitat Cafe Medan.

- c. To explain whether price perception has partial effect on customer purchase decision at Habitat Cafe Medan.
- d. To explain whether lifestyles has partial effect on customer purchase decision at Habitat Cafe Medan.
- e. To explain whether cafe atmosphere, product quality, price perception and lifestyles effect on customer purchase decision at Habitat Cafe Medan.

1.5. Benefit of Research

Benefits of this research can be listed as follow:

1.5.1. Theoretical Benefit

The results of this research are expected to contribute to the existing theories relevant with cafe atmosphere, product quality, price perception and lifestyle, towards purchasing decision.

1.5.2. Practical Benefit

The practical benefit of this research as follow:

- a. For the writer, the result of this research is expected to contribute to the exciting theories relevant with cafe atmosphere, product quality, price perception and lifestyles towards purchasing decision.
- b. For Habitat Cafe, this research as information about whether the survey that has been made will be useful to improve the company performance.
- c. For other researchers, to be a guide and reference in leading the researcher to do other research that is compatible with this research.