

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The development of increasingly rapid and sophisticated technology becomes a challenge for business people and encourages business people to be able to master technology, in addition to that business people must be able to adjust to customers and have quality goods because in marketing activities customers and goods play an important role, which means that in purchasing decisions and product quality is in the hands of customers (Prabowo, 2022).

The purchase decision is an action taken by consumers to choose one of several alternative choices in buying a product in the form of goods or services. In purchasing decisions, every consumer has a strategy to get superior products in accordance with satisfaction and desires. Customers begin the process of obtaining information as soon as they recognize a requirement. They look for information from a variety of sources, such as marketing materials, suggestions, personal experiences, and internet reviews. Information accessibility and quality have a big impact on how people perceive things and make decisions. Companies need to continue to improve the quality of products or services and provide variations in product prices because increasing product quality and product price variations can make consumers feel satisfied with the products or services they buy and will influence consumers to make repeat purchases (Manuaya and Legi, 2023).

The reason for choosing sour sally especially in Cemara, Medan is because Sour Sally as one of the pioneers of frozen yogurt in Indonesia is present to accompany people's snacking activities and make healthy snacking habits that are rich in good nutrients for the body so as to make the interest of researchers to determine the level of customer preference for this brand. The growing Cemara, Medan area is used as a foodcourt available from various types of food.

Sour Sally Frozen Yogurt, established in 2008 as Indonesia's pioneer in its category. Sour Sally stands out as an Indonesian frozen yogurt franchise that originated in 2008, founded by Donny Pramono. Its presence extends to various locations, including Jabodetabek, Cilegon, Bandung, Semarang, Yogyakarta, Solo, Surabaya, Bali, Kupang, Medan, Palembang, Pekanbaru, Banjarmasin, and Makassar. Notably, Sour Sally also made a mark in Singapore.



Figure 1. 1 Logo of Sour Sally

Sources: PT Berjaya Sally Ceria, Sour Sally – Cemara Asri (2024)

Sour Sally Cemara asri which will be the research location is located at Jl. Boulevard Timur, Medan Estate, Kec. Percut Sei Tuan, Kabupaten Deli Serdang, Sumatera Utara 20221. The store only provides 2 types of yoghurt, such as: Black Sakura and White Skim with various kinds of types. Here is the menu of Sour Sally:



Figure 1. 2 Menu of Sour Sally

Sources: PT Berjaya Sally Ceria, Sour Sally – Cemara Asri (2024)

The following table shows the purchase decision at the at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri decreased at 2021-2023.

Table 1. 1 Sales Data at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri (2021-2023)

Year	Sales Total	%
2021	86.350 Cup	-
2022	82.154 Cup	-4.86%
2023	76.268 Cup	-7.16%

Sources: PT Berjaya Sally Ceria, Sour Sally – Cemara Asri (2024)

Table 1.1 shows that in 2022 the company experienced an increase in total sales of 4.86% compared to 2021. Then in 2023 it decreased by 7.16%. This is due to the high level of competition in the yogurt business. From this data, it can be concluded that the interest in repurchase has decreased in the PT Berjaya Sally Ceria, Sour Sally – Cemara Asri.

The significance of social media extends to the realm of business. Companies can leverage social media platforms to promote their brands, engage with customers, and foster stronger relationships. Moreover, social media offers opportunities for professionals and employers to network, explore job prospects, and fortify their online presence.

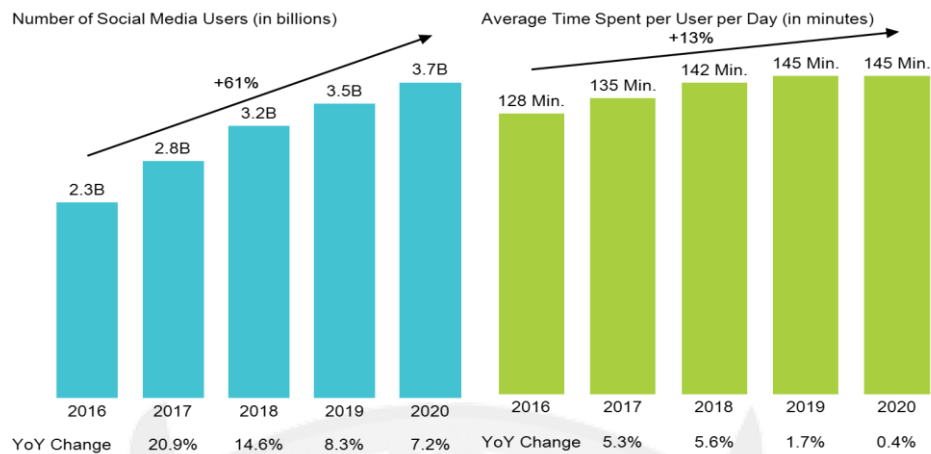


Figure 1.3 Time Spent on Social Media and Users in Basic Bar Charts with Data Rows and Growth Lines

Sources: <https://www.mekkographics.com/social-media-usage-growth> (2024)

Figure 1.3 shows that the global landscape of social media usage has witnessed a significant 61% growth in the number of users from 2016 to 2020, according to data from the Digital 2021. However, the average time spent per user per day has seen a more modest increase of 13% during the same period. Notably, the growth rates for both the number of users and time spent have experienced a decline in recent years. The year-over-year change in the number of users stood at 20.9% in 2017, decreasing to 7.2% in 2020. Similarly, the year-over-year change in time spent per user decreased from 5.3% to 0.4% over the same time frame. These trends suggest a potential saturation point in user adoption and highlight the importance for social media platforms to adapt and innovate to sustain user engagement in an evolving digital landscape.

PT Berjaya Sally Ceria, Sour Sally – Cemara Asri attempts to compete and follow technological developments by utilizing the instagram application as a food and beverage promotion strategy to customers.

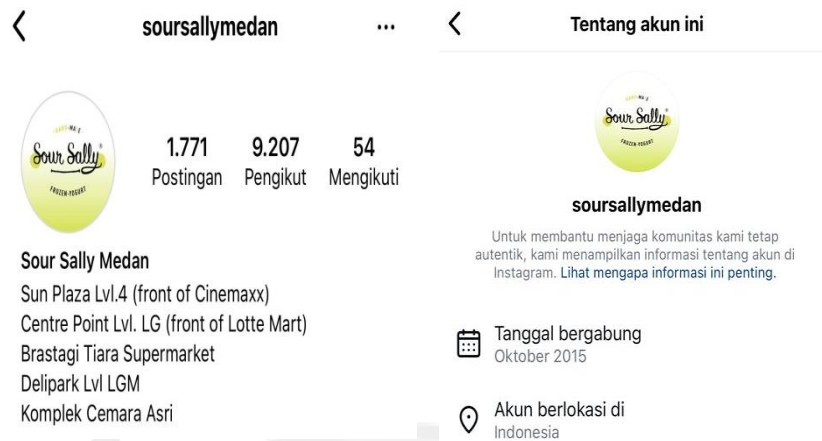


Figure 1. 4 Instagram of Sour Sally

Sources: PT Berjaya Sally Ceria, Sour Sally – Cemara Asri (2024)

Figure 1.4 shows that Sour Sally started using Instagram in October 2015 with 1,771 posts and active ads to reach more customers. PT Berjaya Sally Ceria, Sour Sally – Cemara Asri frequently post photos and reels video of the products, the promotions, and the services they provide. The action done by PT Berjaya Sally Ceria, Sour Sally – Cemara Asri is to showcase their product and build their brand image to encourage customer purchase decision from Instagram social media platform. Although PT Berjaya Sally Ceria, Sour Sally – Cemara Asri has collaborated and endorsement with various Instagram influencer in Medan, the promotion has not been able to increase sales of PT Berjaya Sally Ceria, Sour Sally – Cemara Asri. This is because PT Berjaya Sally Ceria, Sour Sally – Cemara Asri is not too active in making interesting content such as sharing various new food videos, reviews from customers and so on that can attract interest in visiting again.

Service quality is a style and form of the physical environment and sensory components that are encountered by customers when receiving service (Kusuma, 2023). A good service quality is a can attract new consumers and make public trust to the brand and make purchase that is being offered because the

business has been known to have a positive reputation. The efficiency of this marketing servicescape will provide maximum results to business or companies and even increase the productivity of a business venture, which is reflected in the high level of purchasing decisions. Service quality is very important for business interests, because the service quality is the core of running the business. If the service quality is good, the customers who come will be pleased, become loyal customers, and make repeat purchases.

Service quality is defined as the physical environment where a service is consumed or delivered and the places where both the company and customer interact with each other. It has a powerful impact on the assessment, perception, and response of the customer. Here are some reviews related to the servicescape at the PT Berjaya Sally Ceria, Sour Sally – Cemara Asri that can be seen in Figure 1.5, namely:



Figure 1. 5. Customer Reviews at Grabfood

Sources: PT Berjaya Sally Ceria, Sour Sally – Cemara Asri (2024)

Based on Review that made by customers of PT Berjaya Sally Ceria, Sour Sally – Cemara Asri most are about the service where most of customer stated that the service is very slow even when the cafe is not in a crowded situation and the employees is not fast response, bad attitude and not professional. The bad

customer experience can cause PT Berjaya Sally Ceria, Sour Sally – Cemara Asri become a cafe that is not recommended to visit.

Store atmosphere is an environmental design such as visual communication, lighting, color, music, and aroma to simulate customer perceptual and emotional responses and ultimately affect their buying behavior. Berman and Evans (2019) stated that the image of firms depends on the firm atmosphere. Store atmosphere contributes greatly to images projected to customers. Atmosphere is understood through the customer's psychological feelings when visiting a store. Similarly, atmosphere refers to the design of the environment through visual communication, lighting, color, music, and smell to stimulate the customer's perceptual and emotional responses and ultimately influence buying behavior. It also can affect people's enjoyment of shopping and spending time at the café.

Here the atmosphere of this PT Berjaya Sally Ceria, Sour Sally – Cemara Asri as follow:



Figure 1.1. Store Atmosphere of PT Berjaya Sally Ceria, Sour Sally – Cemara Asri
Sources: PT Berjaya Sally Ceria, Sour Sally – Cemara Asri (2024)

Figure 1.5 shows that store is less themed to relax with a lot of people because of the provision of sofas that can only be occupied by 2-3 customers so less of a pioneer for a place to relax and gather. The Atmosphere of sour sally is less comfortable because many consumers say it is too narrow and the arrangement of tables and benches does not support to be a gathering place with friends or family.

Brand image is a manifestation of the customers experience and expectations of a good or service. Customers experience in using a number of products or services will be stored in the term memory length. This long-term memory is associated with a number of information about a product or service (Hawkins, at al, 2020). Creating a positive brand image is very important for every company to maintain its existence in the business world. The value of a business is directly related to the strength of the brand it has. Products and services that have a positive brand image will increase customers confidence in using these products and services.

Brand image at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri is negative in the minds of customers due to inconsistent food that creates customer disappointment that resulted in many customers who give a low rating at google review and grab food. Some of the competitors of this PT Berjaya Sally Ceria, Sour Sally – Cemara Asri are:

Table 1. 2 Competitors Data of Sour Sally

Name	Since	Ratings Go Food	Rating Grab Food
Sour Sally – Cemara Asri	2020	4.6	4.9
Yomies Rice X Yogurt Cemara	2020	4.8	4.9
Super Slurp Yogurt	2021	4.6	-

Sources: Gojek dan Grab (2024)

Based on the ratings on rating online Go Food and Grab Food, it can be seen that Yomies Rice X Yogurt Cemara have higher rating than Sour Sally – Cemara Asri. Yomies Rice X Yogurt Cemara has 4.8 and 4.9 stars in term of service which indicates Yomies Rice X Yogurt Cemara have a good service. Different from Sour Sally – Cemara Asri and Super Slurp Yogurt. The sour sally brand is on the decline. This can be seen from the number of bad ratings given by customers. Sour sally also suffered a competitive defeat with the latest brand.

From the above explanation, the writer decides to conduct research entitled **:“The Influence of Social Media Marketing, Service Quality And Store Atmosphere On Consumer Purchase Decision using Brand Image as intervening variable at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri”**.

1.2 Problem Limitation

Due to limitation of time and budget this research focused on PT Berjaya Sally Ceria, Sour Sally – Cemara Asri that Social Media Marketing (X_1), Service Quality (X_2), Store Atmosphere (X_3), Consumer Purchase Decision (Y) and Brand Image (Z).

1.3 Problem Formulation

Based on the background of the study, the writer formulates several questions, follows:

1. Does Social Media Marketing have partial influence on Brand Image at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri?

2. Does Service Quality have partial influence on Brand Image at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri?
3. Does Store Atmosphere have partial influence on Brand Image at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri?
4. Does Social Media Marketing have partial influence on Consumer Purchase Decision at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri?
5. Does Service Quality have partial influence on Consumer Purchase Decision at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri?
6. Does Store Atmosphere have partial influence on Consumer Purchase Decision at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri?
7. Does Brand Image have partial influence on Consumer Purchase Decision at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri?
8. Does Brand Image mediate the influence of Social Media Marketing on Consumer Purchase Decision at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri?
9. Does Brand Image mediate the influence of Service Quality on Consumer Purchase Decision at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri?
10. Does Brand Image mediate the influence of Store Atmosphere on Consumer Purchase Decision at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri?

1.4 Objective of the Research

Based on the problem formulation the objectives of this research are:

1. To analyze whether Social Media Marketing has partial influence on Brand

Image at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri.

2. To analyze whether Service Quality has partial influence on Brand Image at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri
3. To analyze whether Store Atmosphere has partial influence on Brand Image at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri
4. To analyze whether Social Media Marketing has partial influence on Consumer Purchase Decision at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri.
5. To analyze whether Service Quality has partial influence on Consumer Purchase Decision at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri.
6. To analyze whether Store Atmosphere has partial influence on Consumer Purchase Decision at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri.
7. To analyze whether Brand Image has partial influence on Consumer Purchase Decision at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri.
8. To analyze whether Brand Image mediates the influence of Social Media Marketing on Consumer Purchase Decision at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri
9. To analyze whether Brand Image mediates the influence of Service Quality on Consumer Purchase Decision at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri.
10. To analyze whether Brand Image mediates the influence of Store Atmosphere on Consumer Purchase Decision at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri.

1.5 Benefit of the Research

The writer expects that this research can give benefits both theoretically and practically.

1.5.1 Theoretical Benefit

The results of this research, conducted by the author, are expected to provide a significant contribution to the current theories concerning social media marketing, service quality, store atmosphere, customer purchase decisions and brand image. Through an in-depth analysis of these variables, the research seeks to advance our comprehension of the underlying dynamics and their implications for the decision-making process of customers at PT Berjaya Sally Ceria, Sour Sally – Cemara Asri.

1.5.2 Practical Benefit

The practical benefits on this research are:

1. For the writer

This research will contribute to the expansion of knowledge by enhancing the understanding of the interrelationships among the variables examined, specifically in the context of social media marketing, service quality, store atmosphere, customer purchase decision and brand image,. It will provide valuable insights into the application and implications of these variables.

2. For the PT Berjaya Sally Ceria, Sour Sally – Cemara Asri.

The findings of this research will serve as recommendations for PT Berjaya Sally Ceria, Sour Sally – Cemara Asri on how to effectively manage social media marketing, establish a strong social media marketing, enhance service quality, and influence customer purchase decisions and brand image,. The insights gained from the research can inform strategic decision-making within the organization.

3. For other researchers

This research will contribute to the expansion of knowledge by enhancing the understanding of the interrelationships among the variables examined, specifically in the context of social media marketing, service quality, store atmosphere, customer purchase decision and brand image. It will provide valuable insights into the application and implications of these variables.

