

CHAPTER I

INTRODUCTION

1.1. Background of the Study

In the contemporary business landscape, the role of social media marketing, brand image, and promotional activities has become increasingly significant in shaping consumer behavior. This study aims to explore these factors within the context of MA-BAC Cemara Asri Medan, the first outdoor Korean BBQ restaurant in Medan, which has been operational since 2017. It is located in Komplek Cemara Asri, Jl. Boulevard Timur CC No.88, Medan Estate, Kec. Percut Sei Tuan, Kota Medan, Sumatera Utara. The restaurant's unique positioning and the growing popularity of Korean cuisine in Indonesia present a compelling case for examining how these elements influence customer purchase decision.

Since its establishment in 2017, MA-BAC has positioned itself uniquely in the local market by offering an authentic outdoor Korean BBQ dining experience, which appeals to the growing interest in Korean culture and cuisine in Indonesia.

The rising popularity of Korean culture, driven by the global phenomenon of K-pop, Korean dramas, and Korean food, has created a substantial market for businesses that align with these trends. MA-BAC Cemara Asri Medan has successfully capitalized on this wave, offering a distinctive dining experience that blends cultural authenticity with the outdoor, social nature of Korean BBQ. As the restaurant attracts more attention, understanding how social media marketing, brand image, and promotions contribute to customer purchase decision is crucial for

maintaining and expanding its customer base. By examining the influence of these factors on consumer behavior at MA-BAC Cemara Asri Medan, this study aims to provide insights into how restaurants in niche markets can effectively use social media marketing, enhance their brand image, and optimize promotional strategies to boost sales and customer loyalty. The findings from this research will not only benefit MA-BAC but also provide a framework for similar businesses looking to navigate the competitive food and beverage industry in Indonesia.

According to the survey conducted by the Habibie Center. The survey reveal that more than half of the respondents that participate in the survey done to explore the respondents interest in the Korean food in Bandung expressed an interest or strong interest in Korean cuisine, with the majority having consumed Korean food at least once in the past month. The graph below showing the result.

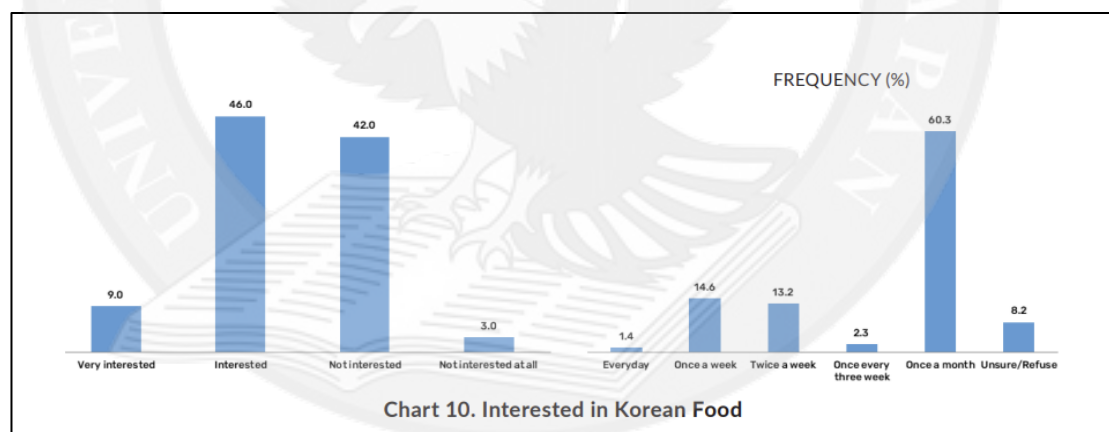


Figure 1. 1 Graph of Interest in Korean food survey sourced from The Habibie Center

Source: The Habibie Center

the demand for Korean food, including BBQ, has been growing steadily in Indonesia, with a reported 7.11% increase in social conversations about Korean barbecue over the past year. Additionally, approximately 2.27% of restaurants in the country now feature Korean BBQ on their menus.

Social media marketing has become an indispensable tool for businesses aiming to engage with their target audience. Platforms such as Instagram offer unique opportunities for Ma-Bac Cemara Asri Medan to showcase their culinary offerings, interact with customers, and create an online community. The visual appeal of the dishes combined with strategic social media campaigns can significantly influence customers' perceptions and encourage them to visit the restaurant. Effective social media marketing can enhance brand visibility, foster customer loyalty, and ultimately drive sales.

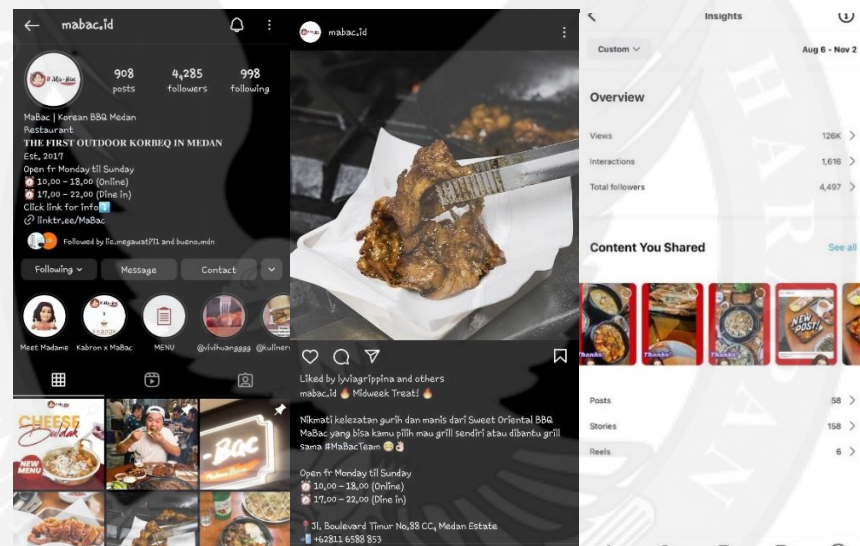


Figure 1. 2 Social Media Marketing of Ma-Bac on Instagram
Source: Instagram

Based on Ma-Bac's Instagram insights, there are several ways to improve its social media marketing strategy. Although the page has 126K views, the interaction rate is relatively low at 1,616, suggesting that engagement could be enhanced. Ma-Bac can achieve this by creating more interactive content, such as polls, Q&A sessions, and contests, to encourage user participation and foster a stronger connection with followers. Additionally, the balance of content types could be improved, as only 6 reels have been posted compared to 58 regular posts and

158 stories. Since reels tend to have higher engagement and reach, producing more reel content such as behind-the-scenes clips, food preparation, or customer testimonials that could help capture more attention and boost interactions.

The follower count currently stands at 4,497, so Ma-Bac could also benefit from strategies to grow this audience, like collaborating with local influencers, running follower-based giveaways, or encouraging followers to share posts with friends. Optimizing the timing and frequency of posts could further increase visibility and engagement by reaching followers when they are most active. Finally, sharing positive customer experiences, such as user-generated content, reviews, and customer stories, can enhance trust and make the brand more relatable, which can prompt followers to engage and share their own experiences as well. Through these strategies, Ma-Bac can boost its engagement, attract new followers, and strengthen its overall brand presence on Instagram.

Consumer purchasing decision are a critical area of interest for marketers, especially when determining which brand consumers will prefer among numerous available options. Understanding consumer behavior and how consumer make decisions when buying products or services forms the foundation of effective marketing strategies. The purchase decision is a pivotal stage in the decision-making process where consumers finally commit to buying.

When making purchase decisions, consumers address fundamental questions such as whether the product meets their needs, how to purchase it, and where to buy it. These decisions are influenced by their preferences for certain brands and their intent to buy those preferred brands. This behavior is often

triggered by external stimuli or interactions with other parties. The outcome of previous purchasing decisions, such as whether or not to buy a product, directly impacts future buying decisions. Both buyers and sellers, as partners in the exchange process, play crucial roles in determining what products will be purchased. Effective sales initiatives, such as promotions, can enhance product sales by boosting consumers' purchasing decision.

One significant factor that influences consumers' purchasing decision is the brand image. Brand image is the perception and belief held by consumers about a brand. It is the association that consumers make when recalling a particular brand, significantly influencing their buying behavior. A strong brand image serves as a trust or confidence factor for consumers, encouraging them to make continuous purchases.

Brand image is the consumers' response to a brand based on their memories of the brand's positive and negative qualities (Keller & Swaminathan, 2020). It is one of the key factors that consumers consider before making a purchase decision because it can persuade them to choose a product over competitors (Mulianto et al., 2021). Companies invest heavily in building a positive brand image to shape consumer perceptions and encourage favorable comparisons with other products. A strong brand image affects how customers view a product and allows them to rate it more favorably compared to other options (Rihayana et al., 2021).

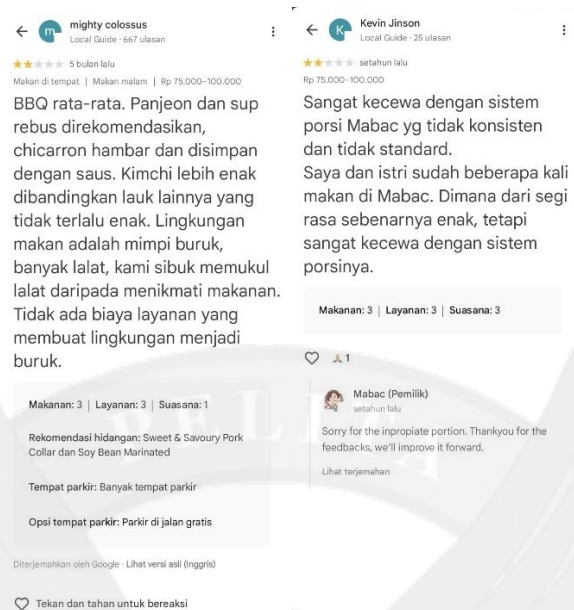


Figure 1. 3 Brand Image of Ma-Bac at Google Review
Source: Google Review

A negative review on Google can significantly influence Ma-Bac's brand image, as it shapes public perception and influences potential customers' dining decisions. Since many people check online reviews before choosing a restaurant, a poor review for Ma-Bac, especially if it mentions issues like service quality, food taste, or cleanliness. This issue can discourage prospective diners and reduce their trust in the brand. This feedback remains visible to a wide audience, creating a lasting impression that could be hard to overcome, even with subsequent positive reviews. If negative reviews accumulate or go unaddressed, they can damage Ma-Bac's reputation, decreasing its appeal and potentially affecting its customer base and overall success.

Promotion strategies are equally important in attracting and retaining customers. Promotions, including discounts, special offers, and loyalty programs, can create a sense of urgency and entice customers to visit the restaurant. Strategic promotional campaigns can also highlight unique selling points, such as new menu

items or seasonal specialties, thus keeping the restaurant top-of-mind for potential diners.

Promotion is a vital marketing strategy used to generate customer demand for a product by enhancing its perceived quality and making it more appealing to customers (Sangaji, 2013, as cited in Rasyiddin, Rini, & Fadli, 2022). The primary aim of promotion is to raise awareness about the product, its uses, and its benefits. For a promotion to be effective, marketing campaigns must be clear, targeted towards a specific audience, and disseminated through appropriate channels. The target market consists of those who use and are influenced by the products. The information conveyed during a promotional campaign should align with the brand's overall marketing strategy, capture the target market's attention, and motivate customers to make a purchase (Tumati, Daskin, & Zakwani, 2023, as cited in Ehmke et al., 2021).

Effective promotion is essential in making potential customers understand how a product can fulfill their demands and needs. The marketing strategy must be compelling enough to attract customers, persuade them to reconsider their options, and ultimately decide to purchase the promoted products. This requires a clear and straightforward message that resonates with the target audience and is easily understood. The promotional content must engage the audience, sparking interest and curiosity about the product, while maintaining consistency with the brand's overall marketing strategy to reinforce the brand's image and values.

Unlike social media marketing, which focuses on creating awareness, engagement, and building relationships through digital platforms, promotion

directly aims to persuade and incentivize customers to make purchasing decisions. While social media marketing often involves a broader approach, such as building a community or sharing content, promotion typically uses short-term tactics like discounts or limited-time offers to drive immediate action. These differences make promotion a crucial variable in this study, as it plays a significant role in influencing customer behavior, particularly their decision to visit and make purchases.

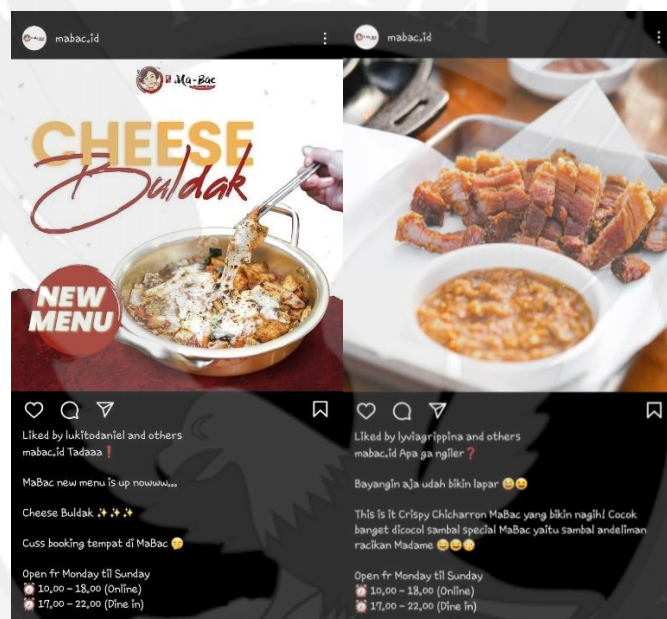


Figure 1. 4 Promotion of Ma-Bac on Instagram
Source: Instagram

Highlighting the promotional post for Ma-Bac's new "Cheese Buldak" menu there are some areas for improvement in their marketing strategy. The post effectively uses bright visuals and clear "New Menu" labeling, but the caption could be optimized for clarity and engagement. The language in the caption is casual and brief, which may not provide enough enticing details about the new dish, such as its unique flavors, ingredients, or what sets it apart from other menu items. Adding more descriptive, appealing language can make the promotion more engaging and attract potential customers.

Additionally, adding a strong call-to-action, such as encouraging followers to tag friends or share the post, could increase engagement and help the promotion reach a wider audience. Overall, enhancing the caption's details and including a call-to-action could make Ma-Bac's promotional posts more compelling and effective.

Table 1. 1 Ma-Bac's Sales Data

Date	Sales	%
Nov-23	Rp 214,807,750	
Dec-23	Rp 277,340,250	29.11%
Jan-24	Rp 217,385,400	-21.62%
Feb-24	Rp 311,813,350	43.44%
Mar-24	Rp 354,285,160	13.62%
Apr-24	Rp 373,929,850	5.54%
May-24	Rp 340,531,400	-8.93%
Jun-24	Rp 357,347,190	4.94%
Jul-24	Rp 329,933,085	-7.67%
Aug-24	Rp 352,311,550	6.78%
Sep-24	Rp 375,887,000	6.69%
Oct-24	Rp 336,247,000	-10.55%

Source: Prepared by Writer

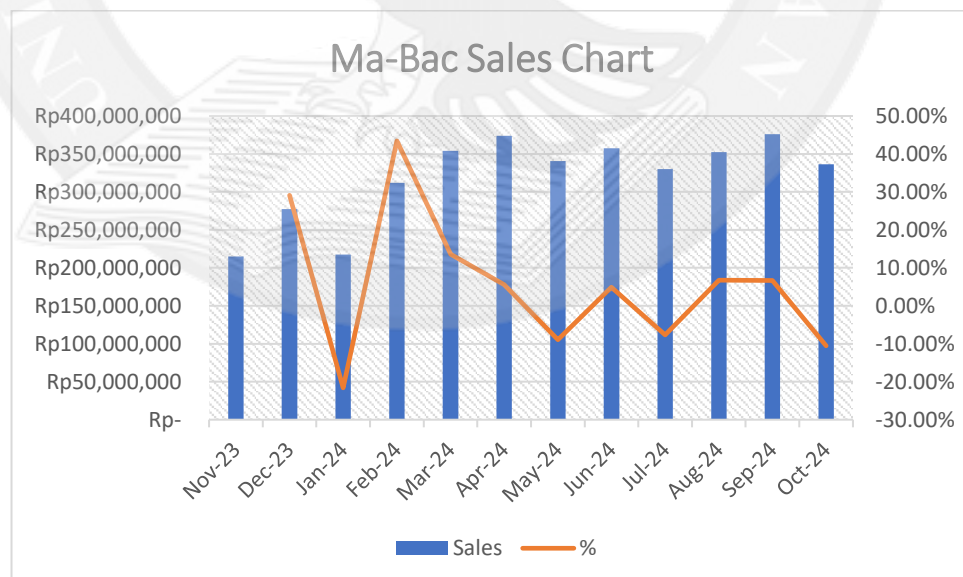


Figure 1. 5 Ma-Bac Sales Chart

Source: Prepared by Writer

The fluctuations in Ma-Bac's sales performance can be closely linked to the effectiveness of its social media marketing, brand image, and promotional strategies. The inconsistent monthly sales percentages suggest that Ma-Bac may struggle to maintain customer interest and engagement, which could be a result of sporadic or ineffective social media marketing efforts. For instance, sharp drops in sales, such as the 21.62% decrease in January and the 10.55% decline in October, could reflect missed opportunities to leverage social media to keep customers engaged after peak periods or holiday seasons. An ongoing, strategic social media presence that continuously engages customers, rather than just during peak periods, could help smooth out these sales fluctuations.

In terms of brand image, the inconsistent sales growth could suggest that Ma-Bac's brand is not yet solidified in the minds of customers, making them more susceptible to choosing competitors or skipping visits during low-engagement months. By strengthening its brand image and highlighting its unique identity, Ma-Bac could foster stronger customer loyalty, making customers more likely to return consistently rather than only during high-promotion months.

Lastly, the fluctuating sales may indicate gaps in Ma-Bac's promotional strategies. High-growth months, like February (43.44%) and December (29.11%), might align with specific promotions or holiday events, but the subsequent dips suggest that promotions are not sustained effectively. Consistent, well-planned promotions that are aligned with customer expectations and shared widely on social media could help Ma-Bac maintain a steady flow of customers. A more structured approach to integrating social media marketing, brand-building activities, and a

balanced promotional calendar could help stabilize sales and reduce the observed fluctuations.

The phenomenon surrounding Ma-Bac highlights the critical role of social media marketing, brand image, and promotional strategies in influencing customer purchase decisions. As the first outdoor Korean BBQ restaurant in Medan, Ma-Bac has garnered attention and a substantial customer base. However, despite its unique positioning, Ma-Bac experiences fluctuating monthly sales, pointing to underlying issues in maintaining consistent customer engagement and loyalty. While certain months show substantial growth that often linked to specific promotions or holiday seasons. Other periods see notable declines, suggesting that Ma-Bac's current marketing and promotional strategies may not be sufficient to retain customer interest throughout the year.

Social media marketing plays a significant role in the restaurant industry, especially for a visually engaging dining experience like Ma-Bac's. However, Ma-Bac's social media performance appears inconsistent, with a relatively low engagement rate compared to its reach. This could indicate that while the content reaches a broad audience, it may not effectively resonate with or encourage interaction from potential customers. Additionally, brand image is a crucial factor for a restaurant's long-term success. Although Ma-Bac is recognized for its unique concept, the fluctuating sales suggest that its brand identity may not yet be strong enough to ensure customer loyalty, as customers might be swayed by competitors or may not see Ma-Bac as a must-visit dining spot.

Promotional activities at Ma-Bac also appear to be a double-edged sword. While promotions can drive short-term spikes in sales, the drop-off in subsequent months indicates a lack of sustained promotional engagement. This suggests that Ma-Bac may need a more balanced approach to promotions that not only attract new customers but also foster long-term loyalty. These factors collectively influence the customer purchase decision, with the current inconsistencies potentially undermining the overall effectiveness of Ma-Bac's marketing efforts. Addressing these challenges in social media marketing, brand image, and promotions could help Ma-Bac achieve a more stable and loyal customer base, ultimately influencing purchase decisions in a positive and consistent manner.

1.2. Problem Limitation

In conducting this research, certain limitations are recognized regarding the scope and focus of the study. The variables under investigation, namely social media marketing, brand image, and Promotion, are considered independent variables, while customer decision to visit is the dependent variable. The variables of Social Media Marketing and Social Media Promotion focused only in Instagram. The study will focus on specific indicators within each variable, Indicators of Social Media Marketing (X1) are Content Creation, Content Sharing, Connecting and Community Building, Indicators of Brand Image (X2) are Strength, Favorability and Uniqueness, lastly Indicators of Promotion (X3) are Advertising, Sales promotion, Personal selling and Public relations. Indicators of customer's purchase decision (Y) are Choice of product, Brand, Seller and Purchase amount.

Additionally, the age, gender, and frequencies of visits will be considered within the problem limitation to ensure the relevance and applicability of the findings.

1.3. Problem Formulation

Based on the identified background study and problem limitation, the following research questions are formulated:

1. Does social media marketing have partial influence on customer purchase decision Ma-Bac Medan?
2. Does brand image of Ma-Bac Cemara Asri have partial influence on customer purchase decision Ma-Bac at Medan?
3. Does promotion has partial influence on customer purchase decision at Ma-Bac Medan?
4. Do social media marketing, brand image, and promotion have simultaneous influence on customer purchase decision at Ma-Bac Medan?

1.4. Objectives of Research

The objectives of this research are as follows:

1. To identify the influence of social media marketing on customer purchase decision at Ma-Bac Medan.
2. To identify the influence of brand image on customer purchase decision at Ma-Bac Medan.
3. To identify the influence of promotion on customer purchase decision at Ma-Bac Medan.
4. To determine whether social media marketing, brand image, and promotion has simultaneous influence on customer purchase decision at Ma-Bac Medan.

1.5. Benefits of Research

1.5.1. Theoretical Benefit

The researcher hopes that this study can provide a comprehensive understanding of the theories related to social media marketing, brand image, promotion, and customer purchase decision in the context of the restaurant industry. This research will contribute to the existing body of knowledge in marketing and hospitality management by exploring how these factors influence customer decisions. It will offer valuable insights into the effectiveness of various marketing strategies and how it influences consumer behavior and satisfaction.

Additionally, this research can serve as a reference or comparison for future researchers. By investigating the interplay between social media marketing, brand image, and promotion, this study aims to fill gaps in current literature and provide a foundation for further research in related areas. Future researchers can build upon these findings to explore similar topics or apply the concepts to different contexts and settings.

1.5.2. Practical Benefit

The following are the practical benefits of this research:

a. For the Researcher:

To gain in-depth knowledge on social media marketing, brand image, promotion, and customer purchase decision, and understand how these elements interact with each other. This will enhance the researcher's expertise in marketing strategies and hospitality management, contributing to their overall professional development.

b. For Ma-Bac Medan:

To provide actionable insights into the importance of social media marketing, brand image, and promotion, and how these factors can be effectively leveraged to attract and retain customers. This research aims to help Ma-Bac Medan improve its marketing strategies, enhance customer engagement and loyalty, and boost overall business performance. The findings can inform the development of targeted promotional campaigns and brand management practices that align with customer preferences and expectations.

c. For Education Field:

To serve as a valuable reference and educational material for the hospitality management study program, benefiting both students and faculty. This research will enrich the academic resources available, supporting the curriculum and encouraging further study in the areas of marketing and hospitality management. It will also provide practical examples and case studies for classroom discussion and analysis.

d. For Other Researchers:

To act as a foundational source or comparison point for researchers interested in conducting similar studies. This research will provide valuable data and insights that can be used to explore the influence of marketing strategies on customer behavior in different contexts. It will facilitate the advancement of knowledge in marketing and hospitality management, encouraging more in-depth and diverse research in these fields.