CHAPTER I

INTRODUCTION

1.1   Background of Study

The food and beverage industry has always been an industry that is always busy innovating, developing, and competing in the market. It is one industry that always gets attention from the public. It may seem easy to enter but in fact, this industry is difficult to survive if it does not meet customer expectations or there is no innovation and difference from other cafés. The café will always be compared until ends up with only a few loyal customers who visit repeatedly. To be able to survive in this industry, main aspects such as price, food quality, taste, service, atmosphere, location, satisfaction, and cleanliness must be given great attention because have an impact that can affect customer purchasing intentions.

The more cafés that serve similar dishes and concepts, the more complicated the competition in the market becomes, especially currently, by relying solely on social media, business concepts that are painstakingly designed to be different from others can be easily followed, thus creating competitors with various ideas and innovations that also attract the attention of consumers. This has an impact on café profitability because consumers have more choices than before.

This industry sometimes has a certain survival period which is influenced by trends that spread on social media. Customers will flock to buy these foods or drinks but will stop when the trend has passed and move on to the next trend,

therefore shops or cafés whose main products are trendy products usually will not last long.

Innovation in the food and beverage industry is endless, every year there will always be new products emerging and trending among the public both domestically and abroad. Even though most trends do not last long, the trend still creates a business idea that can open and provide job opportunities for people who can at least start the business from that point and then innovate and grow bigger until it can become a business that can be maintained in the world for a long period.

According to Budiman & Dananjoyo, (2021), the café atmosphere can attract consumers to come and visit and take pictures with the café's unique concept as a background to post on social media accounts such as Instagram, Facebook, and TikTok. A comfortable atmosphere makes customers feel to stay for a long time and can make customers think about coming back again. A good atmosphere also means that customers feel comfortable talking and telling stories with friends and family in the café, therefore customer deliberately choose that place to gather. If a café does not have a comfortable atmosphere, customers will hesitate to think about coming back to the café, therefore the atmosphere can determine whether the café in this research has a comfortable place and facilities as a preferred place to gather with close people.

As cited by Euodia Grace Maranatha et al., (2023), Sangadji and Sopiah, (2019), stated that customer satisfaction is when the product offered meets the realistic expectations of the product received by the customer. Customer satisfaction is an expectation that is fulfilled or exceeded well. People's levels of

expectations vary therefore each person has a different level of satisfaction. In a café, customer satisfaction is influenced by many factors such as food quality, service quality, cleanliness, atmosphere, and many others. If a customer's expectations are not met or fulfilled well, customers may not even think of returning to the café and vice versa. This can also have an impact on reviews submitted by customers which can trigger a negative mindset about the café to the people around them. Customer satisfaction is very important to achieve and fulfill well, especially in the hospitality industry because it can have an impact on the business.

According to Kurniadi, (2023), social media marketing is a marketing strategy carried out online. In running a business, social media has a big influence in attracting public attention, especially Instagram, whereas nowadays everything can easily spread outside the city or even abroad just through it. Through social media, information can be spread in the form of promotions, new menu launches, collaborations, or ongoing events. The content provided also influences customer interest, which not only focuses on the quality of the design but also the message of the content, whether it is educational, clarity of information, or interaction with customers. Therefore, social media marketing on Instagram can be variable in determining whether the content presented attracts the interest and attention of customers to visit the café.

This research was conducted at the Nakama Brew Guru Patimpus in Medan, Indonesia. Nakama Brew is a café that operates in sells beverages, with its main product being coffee. This business first operated in 2021 and to date, many branches have opened in North Sumatra, and one of which is used as the object in

this research is located on Jl. Guru Patimpus No.1K, Medan. This branch started its operation on 24th March 2023. The café is surrounded by a minimalist but futuristic design concept with its main color being monochrome, namely black, gray, and white, giving a classic and aesthetic vibe. It also starts operating from 8 AM to 9 PM and this operating hour can help customers to choose Nakama Brew as one of the main options for coffee shops to start the day.

Figure 1.1 Café Atmosphere
Source: Nakama Brew Instagram

The writer conducted a data summary from the results of online reviews conducted by analyzing reviews of Nakama Brew Guru Patimpus Medan found on Google Review, based on July 29, 2024. The results of the café reviews were 48 reviews, with 41 reviews with 5-star ratings, and 7 reviews with 4-star ratings. The review is focused on 3 categories, namely food quality, service quality, and café atmosphere with different ratings. The food quality category received a rating of 4.76 out of 5 with a total of 37 reviews out of 48. The service quality category received a rating of 4.74 out of 5 with a total of 38 reviews out of 48. The café

atmosphere category received a rating of 4.86 out of 5 with a total of 37 reviews out of 48. Details of the Google Review results for Nakama Brew Guru Patimpus Medan are shown in Table 1.1, Table 1.2, and Figure 1.2.

Table 1.1 Number of Google Reviews

Stars	Number of Reviews	Percentage
5-stars	41	85%
4-stars	7	15%
Total	48	100%

Source: Google Review

Table 1.2 Percentage on Google Reviews

Category	Stars	Number of Reviews	Percentage	Overall Rating	Total
Food Quality	5-stars	27	78%	4.76	37 out of 48 reviews
	4-stars	7	19%		
	3-stars	1	3%		
Service Quality	5-stars	29	76%	4.74	38 out of 48 reviews
	4-stars	8	21%		
	3-stars	1	3%		
Café Atmosphere	5-stars	33	89%	4.86	37 out of 48 reviews
	4-stars	3	8%		
	3-stars	1	3%		

Source: Google Review
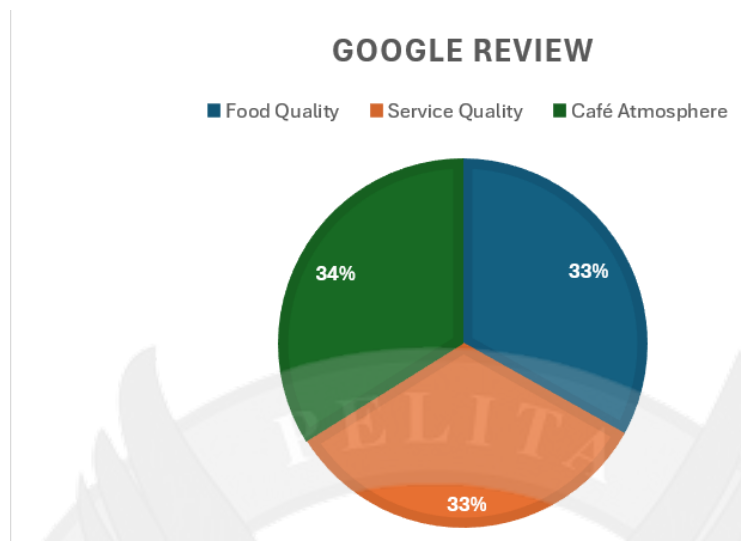
Figure 1.2 Percentage of Food Quality, Service Quality, and Café Atmosphere at Nakama Brew Guru Patimpus Medan
Source: Google Review

Based on the table below (Table 1.3), most problems arise from the narrow and limited space of Nakama Brew Guru Patimpus Medan. However, customers did not immediately give a bad rating for it but still gave good ratings with suggestions and input through the comments column that still supported the café.

Table 1.3 Google Review Comments

| Rating	Name (Year)	Comments
5	Richad Alamsyah (2024)	*Kayaknya tempat baru, gak terlalu luas tapi suasananya enak untuk* chill. *Hanya tersedia 12 meja, yang bisa diisi 2 orang/meja.*
	Sunsetblvd 1950 (2024)	Ordered a Spanish Oat Latte, *rasanya mirip dengan Kopi Susu Tetangga-nya toko kopi Tuku dari* Jakarta. Ambience *tempatnya kalem*, WiFi *ok*, *musik juga kalem. Jarak antar meja dekat, jadi mungkin buat yang mau* WFC *sebaiknya*

|		
		bawa headset atau datang di jam-jam yang ga rame.
	Kevin Bowie (2024)	They have an aesthetic concept coffee shop full of black, but the coffee tastes good. But the place cannot fit many customers.
	AFOEK (2024)	Cozy Place, but a little bit small.
	Mr. Simbolon (2024)	Coffeeshop *kecil tapi ngechill banget.* Cozy and Instagramable. *Konsepnya okeh.*
	Dines Auzora (2024)	*Tempatnya kecil tapi enak buat nge* chill *baik sendiri ataupun bareng* squad *terutama di pojokan paling seru.*
	Stephanie Surya (2023)	Best service, vibes, coffee *enak banget buat kerja/nongkrong, Cuma tempatnya agak gelap untuk kerja, tapi* overall *masih oke banget.* Recommended.
	Candra Irwan P. (2023)	Spanish Latte *nya oke, harga kopinya masih* affordable, *tempat gak terlalu gede tapi nyaman.*

Source: Google Review

Nakama Brew has an Instagram account (@nakama.brew) that has been used as a marketing platform active since 2021. On the account, Nakama Brew posts various photos and videos showing how the coffee is made, the atmosphere in the café, and some information about hampers, product availability on the e-

commerce, and upcoming bazaars as shown below in Figure 1.4. The photos and videos posted use color tones that are similar and in harmony with the café's atmosphere. Reposting customer story posts is also often done daily as a form of gratitude and marketing for the products sold.
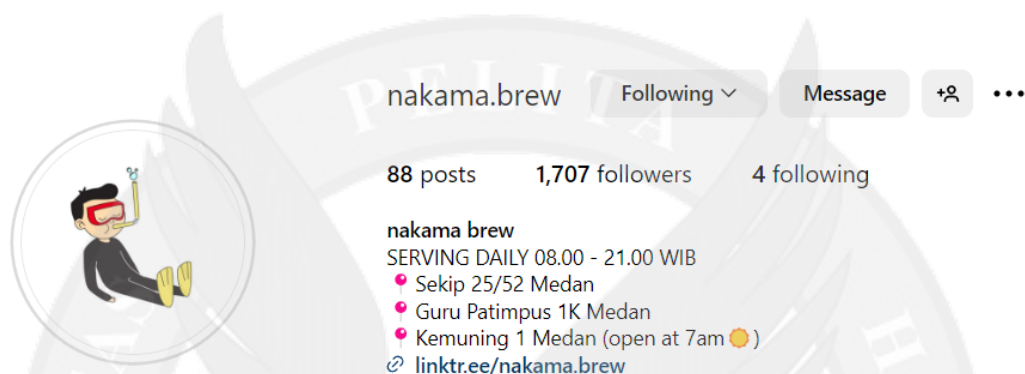
Figure 1.3 Nakama Brew's Instagram Profile
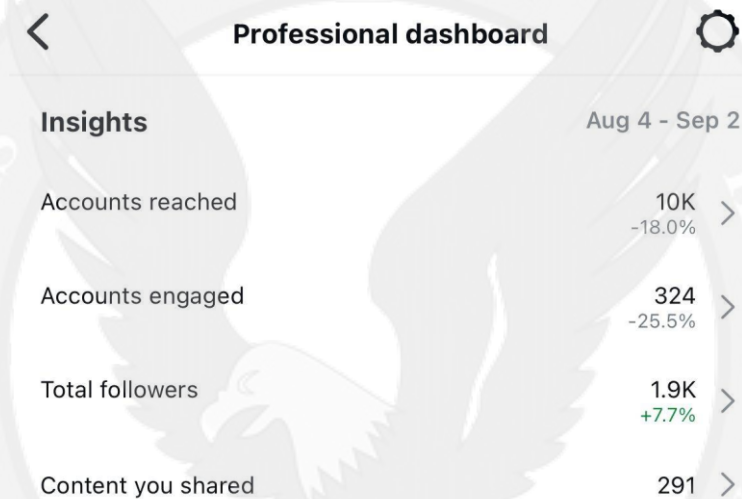Source: Nakama Brew Instagram
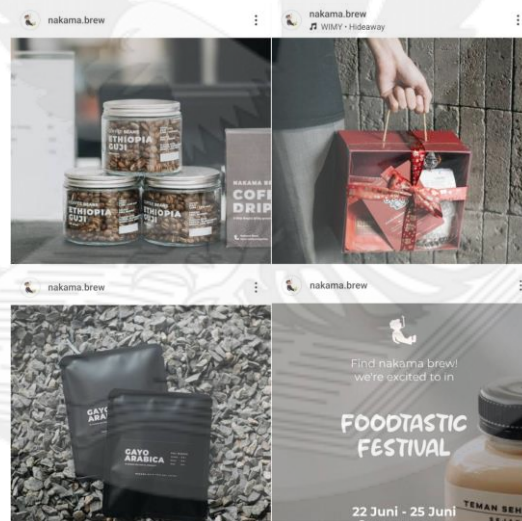
Figure 1.4 Nakama Brew's Instagram Post Content
Source: Nakama Brew Instagram

Social media is one of the easiest ways to market because it does not require a large cost. However, it does not mean that every marketing done on social media will be 100% successful and impact business and sales. Good knowledge and management are needed therefore marketing can be conveyed well to its target.

Figure 1.5 shows Nakama Brew's Instagram insight data for the period from August 4 to September 2, 2024, from which data the Nakama Brew Instagram account experienced a decrease in account reach and engagement in uploaded posts but had an increase in followers. Through this data, it can also be concluded that many people visit the Nakama Brew Instagram account, but very few people are interested in liking, commenting, or sharing the uploaded posts.

**Figure 1.5 Nakama Brew's Instagram Insight**
Source: Nakama Brew (2024)

Table 1.4 shows the difference in the number of customers and the number of drinks sold each month for 1 year from July 2023 to June 2024. The number of customers is customers who visited Nakama Brew Guru Patimpus Medan directly, either for dine-in or take-away, while the number of drinks sold is a combination of sales at offline stores and online such as GrabFood, GoFood, and ShopeeFood. Every month, the number of customers and drinks sold is not stable, there are increases and decreases. Sales instability can be influenced by several factors such as the number of competitors who also operate in the same industry and provide

better coffee beans and a more attractive and comfortable atmosphere or design. However, in May 2024 there was a good increase where sales of drinks which were previously 2925 in April 2024 experienced an increase in sales of 1178 drinks to 4103 drinks sold in May 2024. This shows that Nakama Brew is starting to get public attention for its products.

Table 1.4 Number of Customers and Drinks Sold

Year	Months	Number of Customers	Number of Drinks Sold
2023	July	1057	1911
	August	1515	2948
	September	1540	2811
	October	1573	2858
	November	1381	2602
	December	1496	3008
2024	January	1484	2759
	February	1547	2985
	March	1620	2898
	April	1540	2925
	Mei	2126	4103
	June	2041	4128

Source: Nakama Brew (2024)
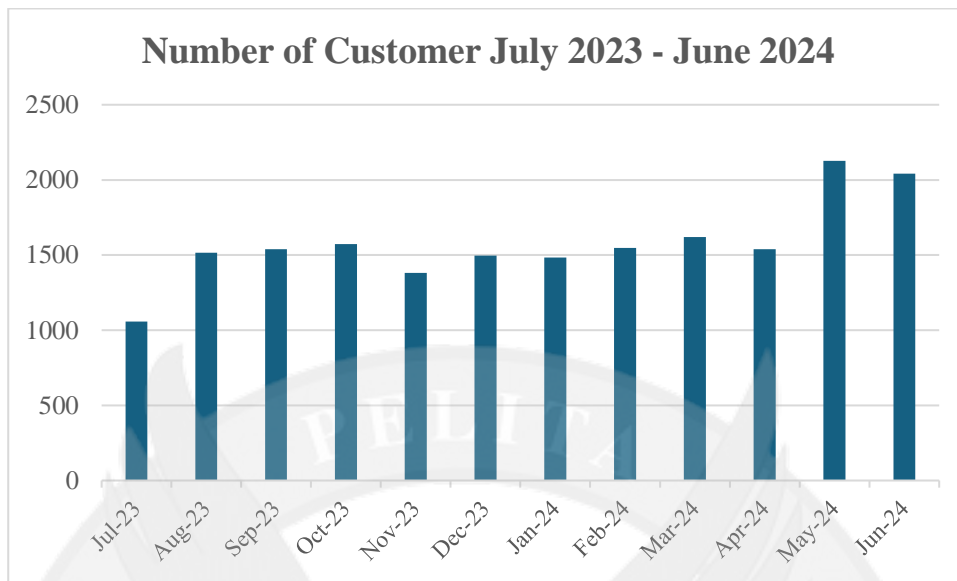
Figure 1.6 Number of Customers Graph
Source: Prepared by the Writer (2024)
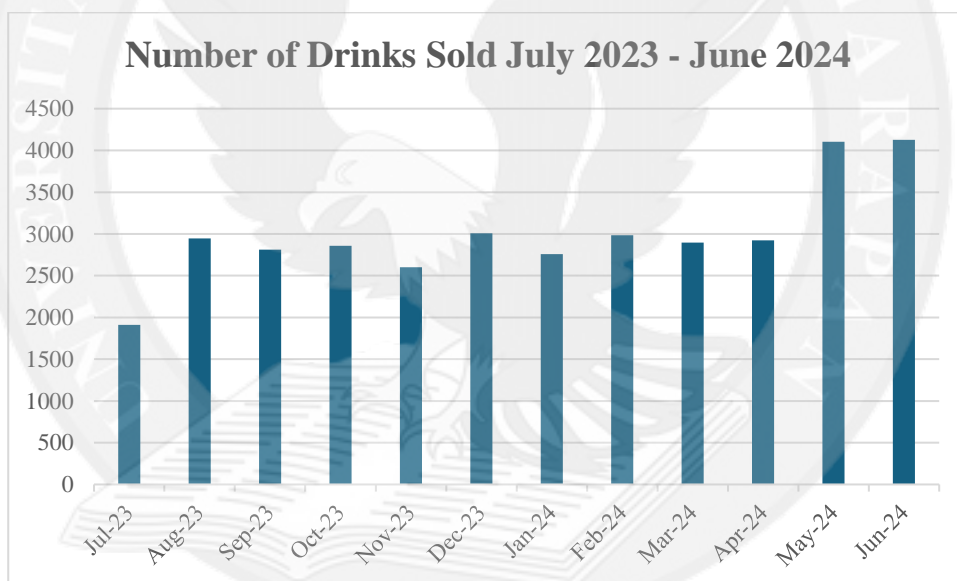
Figure 1.7 Number of Drinks Sold
Source: Prepared by the Writer (2024)

Based on the background, the writer is interested in conducting research with the title "The Influence of Café Atmosphere, Customer Satisfaction, and Social Media Marketing on Instagram towards Purchasing Intention at Nakama Brew Guru Patimpus Medan".

1.2   Problem Limitation

This research only focuses on customers who have visited Nakama Brew Guru Patimpus Medan. The writer determines problem limitations on café atmosphere (X_1), customer satisfaction (X_2), and social media marketing on Instagram (X_3) as the independent variables that influence purchasing intention (Y) as the dependent variables at Nakama Brew Guru Patimpus Medan.

1.3   Problem Formulation

Based on the background study above, the writer can take problem identification as follows:

1. Does Café Atmosphere have a significant influence on Purchasing Intention at Nakama Brew Guru Patimpus Medan?

2. Does Customer Satisfaction have a significant influence on Purchasing Intention at Nakama Brew Guru Patimpus Medan?

3. Does Social Media Marketing on Instagram have a significant influence on Purchasing Intention at Nakama Brew Guru Patimpus Medan?

4. Do Café Atmosphere, Customer Satisfaction, and Social Media Marketing on Instagram have a significant influence on Purchasing Intention at Nakama Brew Guru Patimpus Medan?

1.4   Objective of the Research

The objectives of the research are as follows:

1. To identify the influence of Café Atmosphere on Purchasing Intention at Nakama Brew Guru Patimpus Medan.

2. To identify the influence of Customer Satisfaction on Purchasing Intention at Nakama Brew Guru Patimpus Medan.

3. To identify the influence of Social Media Marketing on Instagram on Purchasing Intention at Nakama Brew Guru Patimpus Medan.

4. To identify the simultaneous influence of Café Atmosphere, Customer Satisfaction, and Social Media Marketing on Instagram on Purchasing Intention at Nakama Brew Guru Patimpus Medan.

1.5   Benefit of the Research

The research conducted by the author is expected to provide benefits that can be useful for other parties such as:

1.5.1   Theoretical Benefit

This research can provide theory about café atmosphere, customer satisfaction, social media marketing on Instagram, and purchasing intention that can provide theoretical benefits for the researcher and reader.

1.5.2   Practical Benefit

1. For The Company

   For the company, this research can provide suggestions for companies to conduct café atmosphere, customer satisfaction, and social media marketing on Instagram to maintain purchasing intention.

2. For The Writer

    For the writer, this research can give knowledge to the writer about hospitality, especially café atmosphere, customer satisfaction, and social media marketing on Instagram.

3. For The Other Researcher

    This research can be used as a reference to other researchers for research on a similar topic.