

CHAPTER II

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1 Theoretical Background

2.1.1 Definition of Hospitality

Hospitality is an industry that focuses on serving and offering services to customers. It is also synonymous with friendliness, which is mandatory when offering services to customers. This attitude can be easily found in all places, including café, restaurants, banks, tours, and especially hotels. Hospitality always provides the best service to its customers because that is its main objective.

Yogama W. and Yunisda D. (2023) define hospitality as a business industry sector that is always related to providing welcome and service aimed at customers. Fikriansyah Ilham (2022) defines hospitality as a friendly attitude given by the community to tourists who come to visit. Helic (2021) defines hospitality as coming from the word "hospes" which means guest, if interpreted, hospitality means the attitude of a good host who provides and creates a comfortable and close atmosphere with the guests.

These three expert opinions both show that hospitality is a friendly attitude where service is provided to the customers as friendly as possible. Hospitality not only provides service but also provides comfort to customers therefore customers feel welcomed, comfortable, and appreciated for customer's arrival. A relationship and a comfortable atmosphere can be created with foreigners through hospitality.

2.1.2 Café Industry

According to Adam Agustyn (2024), a café is a place to eat and drink with a limited menu, which initially only served coffee. A café is a small place that sells an atmosphere to its customers, and it can be a place to relax, work, or hang out with friends and family. Currently, many cafés compete to provide unique and interesting café building designs to attract customers to take pictures to post on social media. This is one of the marketing techniques to attract many customers to come then buy and try the product and if the product offered is successful and follows customer preferences, then the café can be successful.

2.1.3 Types of Hospitality

The hospitality industry is divided into several types that provide different benefits, including:

1. **Food and Beverage**

Food and beverage are the types that are the easiest to find in the surrounding environment. It can be a restaurant, café, or bar where it does not only serve food and drinks but also services. The food and drinks served are indeed the main characters in this case, but services are also no less important and can be detrimental if there is an error or accident that occurs. Therefore, to maintain the business it is required to provide good hospitality service, namely friendly service and neat grooming.

2. Accommodation

Accommodation is a service that provides temporary accommodation for tourists or people on business trips. It can be found in the form of hotels or resorts that sell rooms with various facilities and benefit the customers. The facilities and benefits available at each hotel and resort also vary with different prices. In this case, many aspects must be considered, such as cleanliness, friendliness, and even initiative in everything because each guest has different standards of service expectations, therefore the best service must always be provided.

3. Travel and Tourism

Travel and tourism are types that offer trip packages abroad, that sell seats and travel packages for overseas tours. Through those agents, customers will spend money on hotels as accommodation where the tour company usually collaborates with the hotel. It also has a big impact on the income of the hotel industry and can also improve the country's economy.

4. Entertainment and Recreation

This type of entertainment is in the form of concerts, theme parks, museums, or cinemas that can relax the body and mind. The services provided vary because the products offered are also different. It can be said to be part of hospitality because services are provided to customers where service is always synonymous with friendliness.

2.1.4 Factors that Influence the Successes of Hospitality

Behind the success of the hospitality industry, many factors must be considered because these factors play an important role in the industry, such as:

1. Human Resources

Human resources are the most important element in the hospitality industry where the focus of hospitality is to provide services and experiences to its guests. The services and experience provided can also increase profits and customer loyalty. Having professional and trained human resources increases reputation and even leaves a positive image or impression. It also makes operations run efficiently and optimally.

2. Communication

Communication plays an important role in interacting with customers. The interactions carried out can affect the impression and experience and indirectly provide a warm welcome to customers. Communication also requires foreign language skills because the hospitality industry often gets guests or customers from various countries, therefore mastering a foreign language can help facilitate communication and building customer relationships.

2.2 Café Atmosphere

2.2.1 Definition of Café Atmosphere

An atmospheric café is an atmosphere created to enhance the atmosphere and dining experience which is supported and fulfilled by various designs and

decorations that suit the café concept. Nowadays, many people visit restaurants or café to take photos to upload on social media. This makes the Food and Beverage industry compete to create and build businesses with attractive and good interior and exterior designs which can attract customers to come and take photos at the restaurant or café.

As cited by Antikasari et al., (2021), Kotler, (2005) stated that an atmosphere is deliberately created according to market preferences to attract consumer interest in buying. As cited by Hamzah et al., (2021), Davis et al., (2008) stated that atmosphere is often interpreted as the 'taste' of the café, which is an aspect that is quite difficult to define. According to Sitinjak et al., (2019), atmosphere refers to aesthetics as the main point of the café.

Based on the three expert statements above, it can be concluded that café atmosphere is selling the atmosphere in a café to attract public attention, which is also one of the main products sold to the public. A good café atmosphere emphasizes the café's characteristics or concept and has an aesthetic and unique building design.

2.2.2 Indicators of Café Atmosphere

As cited by Khaerat et al., (2022), Berman and Evan (2004) stated that the store atmosphere has several supporting indicators, including:

1. Interior

This focuses on the atmosphere inside the café, such as the air temperature, music, and even the lighting inside. Air temperature plays

a role in ensuring that it is not too cold or too hot for customers, music plays a role in creating mood, and lighting plays a role in enhancing the overall ambiance of the café.

2. Exterior

This focuses on the designs, decorations, or facilities outside the café such as signboards, plants, or parking areas. The use of creative and recognizable signage can convey the brand image, greenery can make the environment more pleasant and friendly, and a well-maintained parking area gives customers a comfortable experience from the moment arrive.

3. Store Layout

This focuses on the room's visibility and layout, such as the distance between tables and chairs. This is useful to ensure that there is enough space for customers to move comfortably without feeling cramped and can provide privacy so that customers feel comfortable.

4. Interior Display

This focuses on the posters, instructions, or tables and chairs in the room. The style of tables and chairs can influence how this display is perceived by customers, as it contributes to making the space feel visually appealing.

2.3 Customer Satisfaction

2.3.1 Definition of Customer Satisfaction

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, repeat visits or purchases may not be made by customers 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. Therefore, customer satisfaction is very important to be achieved and fulfilled well, especially in the hospitality industry because it can have an impact on business.

As cited by Euodia Grace Maranatha et al., (2023), Daga, (2017) stated that customer satisfaction is a sense of satisfaction with the results received such as providing good quality services and products which are then compared to the customer's initial expectations. As cited by Afthanorhan et al., (2019), Kotler et al., (1996) stated that customer satisfaction is the level of a person's satisfaction resulting from the comparison of goods or services received. As cited by Azlan and Farid, (2020), Razak and Shamsudin, (2019) stated that customer satisfaction shows the results of the experience against the customer's expectations that are achieved from the product received.

From the three expert statements above, it can be concluded that consumer satisfaction is related to feelings where there will be only 2 different feelings, either disappointment or happiness. It is also always related to expectations, where the expectations set always determine whether the café can meet customer satisfaction. Customer satisfaction ultimately becomes one of the determinants of the success of a business, where if satisfaction is met, the business can run smoothly, but if not, the business will experience difficulty in surviving and competing in a competitive market.

2.3.2 Indicators of Customer Satisfaction

As cited by Euodia Grace Maranatha et al., (2023), Tjiptono, (2018) stated that customer satisfaction has several supporting indicators, including:

1. **Encounter Satisfaction**

Interaction experience through service provided by all café employees aimed at customers. It includes aspects such as the friendliness, attentiveness, and professionalism of the staff, as well as the speed and accuracy of service. Positive encounter satisfaction often stems from smooth communication and problem resolution.

2. **Overall Satisfaction**

Find out consumer satisfaction by asking directly whether arrived are satisfied or not with the products and services provided. This reflects whether customer expectations were met or exceeded, which includes factors such as food quality, atmosphere, and service.

3. Overall Quality

A sense of satisfaction that shows a difference from other competitors, such as in the product, service, or experience provided. This can include the taste and presentation of food, cleanliness, ambiance, and efficiency of service.

4. Image

Satisfaction that influenced by the café's background or image. This is influenced by factors such as reputation, values, and even social media presence. A strong, positive image increases customers' trust in a café, often leading them to choose that cafe over others.

5. Future Expectation

Satisfaction from a customer's decision to visit again or use a company's services again. High future expectations are usually driven by consistent positive experiences, which foster customer loyalty.

2.4 Social Media Marketing on Instagram

2.4.1 Definition of Social Media Marketing on Instagram

Social media marketing on Instagram is a way to promote and inform the public about a product or service in an effective way, namely online. Through social media marketing, information can be easily. Marketing a product via social media is also not difficult and there is no expense involved in it. It can also easily attract the public's interest in buying products.

As cited by Ebrahim, (2020), Tuten and Solomon, (2017) stated that social media marketing is a tool used to interact, collaborate, and attract customers to the company. According to Wibowo et al., (2021), social media marketing is an intermediary used to communicate and interact with other shareholders. According to Zuhdi et al., (2019), social media marketing is a platform used to interact with followers, increase sales, analyze results, and unite people from all over the world.

Based on the expert statements above, it can be concluded that social media marketing is a tool that businesspeople use to interact with both customers and other business partners. Social media can also increase sales by attracting customers' attention by interacting and building good relationships through it. With social media, information can be spread effectively and efficiently, and can even introduce products or start new businesses through it.

2.4.2 Indicators of Social Media Marketing on Instagram

As cited by Monica, (2023), Hannief, S. et al., (2018), stated that social media marketing on Instagram has several supporting indicators, including:

1. Advantageous Campaigns

Advantageous content or campaigns present concrete information on social media accounts, such as information about ongoing products or promotions, and can increase brand awareness. The level of advantageousness can be seen from how well the cafe can provide a competitive advantage and attract public interest through the content presented.

2. Relevant Content

Content can be said to be relevant if the content follows the interests, needs, and expectations of its target audience. Relevant content can attract public attention, and increase interactions such as likes, comments, and shares. In addition, relevant content also contains the message it wants to convey and can strengthen relationships with followers.

3. Up-to-date content

Up-to-date content refers to an account's ability to consistently present relevant, current, and trending content on the platform used. Up-to-date content shows that a business is actively following trends to attract public and customer interest and attention to its products.

4. Content popularity

Content popularity is measured by how much the posted content appeals to the audience, such as the number of likes, comments, shares, and views. Content popularity is also seen in how easily the content presented can be remembered by customers, which can also strengthen brand awareness.

2.5 Purchasing Intention

2.5.1 Definition of Purchasing Intention

Purchasing intention is a desire that arises when a café has an interesting product, or the previous visiting experience is well-satisfied. Purchasing intention arises when there is a positive impression heard or experienced by the customer.

Customers will always have hopes or expectations for a café, especially if it is a new customer, but old customers also expect the best or something better than previous experience. Purchasing intention is important in showing how much a cafe can maintain or even improve standards to provide the best to its customers.

As cited by Akbar et al., (2022), Shah et al., (2012) stated that purchase intention is a customer decision from the results of analyzing a product brand that has been purchased. As cited by Rianti et al., (2023), Whitlark et al., (1993), stated that purchase intention indicates how probable it is that people will make a purchase. It looks at both the level of interest in buying and the proportion of people who will buy. As cited by Temaja et al., (2019), Aditya and Wardana, (2017) stated that purchase intention is when someone plans to buy a product or service from a specific brand.

From the expert statement above, it can be concluded that purchasing intention is a customer's plan to buy a product at a cafe. This purchasing interest arises from the results of an analysis of the cafe or product that can come from words from people around or through social media. Purchasing intention can arise in people who have visited and purchased or even those who have never visited at all, therefore the intention can come from previous experiences or own curiosity.

2.5.2 Indicators of Purchasing Intention

As cited by Amelia & Hidayatullah, (2020), Lucas and Britt (2003) stated that purchase intention has several indicators contained in it, including:

1. Interest

This includes having feelings of interest and enthusiasm for a particular product that has been seen for a long time. This can increase awareness of a product's reputation, making customers more likely to consider purchasing it.

2. Desire

This is an act of encouragement to buy because of a desire to own or try a product. This desire often stems from a personal desire that the product can fulfill, whether it be for comfort or satisfaction.

3. Conviction

This is a belief in a product's quality, taste, and advantages, thus encouraging a sense of confidence in buying it. This is the stage where customers feel confident about the product's ability to meet expectations.

2.6 Previous Research

Table 2.1 Previous Research

| No. | Researcher | Title | Variable | Analysis Method | Result |
|-----|---------------------------------------|---|---|---|--|
| 1 | Euodia Grace Maranatha et al., (2023) | Analysis of The Influence of Brand Image, Service Quality, and Store Atmosphere On Customer Satisfaction Cafe Ruang Sarca Medan | Brand Image (X_1), Service Quality (X_2), Store Atmosphere (X_3), Customer Satisfaction (Y) | The data is analyzed using the Normality Test, Heteroscedasticity Test, and Multicollinearity Test, with a total sample of 100 respondents. | The results of the study show that brand image, service quality, and store atmosphere have a significant influence on customer satisfaction. However, promotions need to be carried out more intensively therefore it can be |

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| | | | | | known more and can reach out more widely to customers. |
| 2 | Rianti et al., (2023) | The Effect of Product Quality and Store Atmosphere on Purchase Decisions Mediated by Purchase Intention as Intervening Variable (Study at Café Ma'Ani Rengat) | Product Quality (X_1), Store Atmosphere (X_2), Purchase Intention (Z), Purchase Decision (Y) | The data is analyzed using the Validity Test, Reliability Test, Normality Test, Multicollinearity Test, Heteroscedasticity Test, t-test, and Coefficient of Determination, with a total sample of 102 respondents. | The result of the study shows that product quality has a significant influence on purchase intention but not on purchase decision, while store atmosphere has a significant influence on purchase intention and purchase decision followed by purchase intention has a significant influence on purchase decision. However, customers do not focus much on the product quality and store atmosphere whereas café needs to implement more things to increase the significance of both variables. |
| 3 | Adnan, (2020) | <i>Pengaruh Atmosfer Café, Kualitas Produk dan Gaya Hidup terhadap Kepuasan Pelanggan (Studi pada Dokter Kupu Café di Kota Lhokseumawe)</i> | Café Atmosphere (X_1), Product Quality (X_2), Lifestyle (X_3), and Customer Satisfaction (Y) | The data is analyzed using the Validity Test, Reliability Test, Normality Test, Multicollinearity Test, Heteroscedasticity Test, Multiple Regression, Correlation Coefficient and Determination, t-test, and F test with a total | The result of the study shows that café atmosphere, product quality, and price have a significant influence on customer satisfaction at Dokter Kupu Cafe in Lhokseumawe City. However, the café needs to improve its interior design, cleanliness, |

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|---|--|---|---|---|---|
| | | | | sample of 100 respondents. | product quality, and durability, as well as its presentation concept. |
| 4 | Yulianna Regina Ratnasari et al., (2023) | <i>Pengaruh Variasi Produk, Suasana Café, Social Media Marketing, dan Metode Pembayaran Terhadap Peningkatan Penjualan (Studi Kasus Pada Coffee Shop di Kabupaten Blora tahun 2022)</i> | Product Variations (X ₁), Café Atmosphere (X ₂), Social Media Marketing (X ₃), Payment Method (X ₄), Sales Increase (Y) | The data is analyzed using the Validity Test, Reliability Test, Descriptive Statistical Analysis, Normality Test, Multicollinearity Test, Heteroscedasticity Test, Multiple Linear Regression, F test, t-test, and Coefficient of Determination with a total sample of 161 samples. | The result of the study shows that Product Variety, Café Atmosphere, and Payment Methods have a positive influence, while Social Media Marketing has a negative influence on increasing sales at café. However, the café needs to improve product quality and innovation and ensure the café atmosphere remains attractive and comfortable. |
| 5 | Mahmud et al., (2022) | <i>Pengaruh Kreativitas dan Store Atmosphere Terhadap Minat Beli Konsumen Pada Café Wisata Kapal Jodoh Pamekasan Madura</i> | Creativity (X ₁), Store Atmosphere (X ₂), Customer Purchase Interest (Y) | The data is analyzed using the Normality Test, Multicollinearity Test, Heteroscedasticity Test, Multiple Linear Regression, t-test, F Test, Multiple Correlation Coefficient, and Determination Coefficient Test, with a total sample of 100 respondents. | The result of the study shows that Creativity and Store Atmosphere have a significant influence on Consumer Purchase Interest at the Kapal Jodoh Pamekasan Madura tourist café. However, a café needs to increase creativity and organize the space in a café. |

Source: Prepared by the Writer (2024)

2.7 Hypothesis Development

This research uses the title "The Influence of Café Atmosphere, Customer Satisfaction, and Social Media Marketing on Instagram Towards Purchasing Intention at Nakama Brew Guru Patimpus Medan" with café atmosphere (X_1), customer satisfaction (X_2), and social media marketing on Instagram (X_3) as the independent variables and purchasing intention (Y) as the dependent variable. The following is the hypothesis formulated in this research:

H₁: Café atmosphere has a significant influence on purchasing intention at Nakama Brew Guru Patimpus Medan.

H₂: Customer satisfaction has a significant influence on purchasing intention at Nakama Brew Guru Patimpus Medan.

H₃: Social media marketing on Instagram has a significant influence on purchasing intention at Nakama Brew Guru Patimpus Medan.

H₄: Café atmosphere, customer satisfaction, and social media marketing on Instagram simultaneously influence purchasing intention at Nakama Brew Guru Patimpus Medan.

2.8 Research Model

A research model is a structured framework that organizes the variables used in research to understand and analyze the research. The research model in this research is as follows:

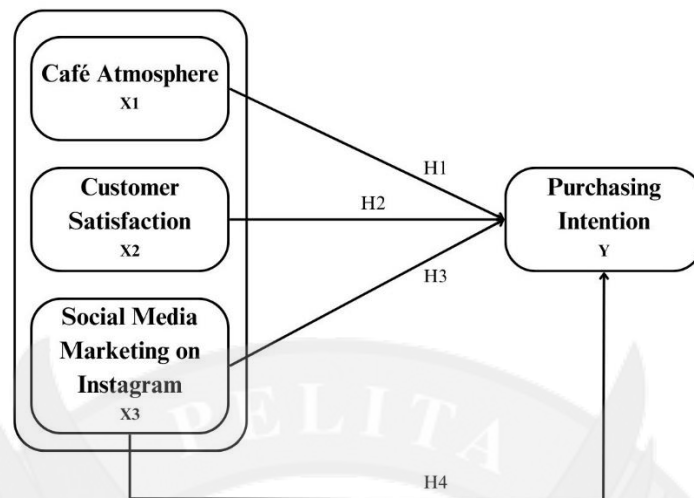


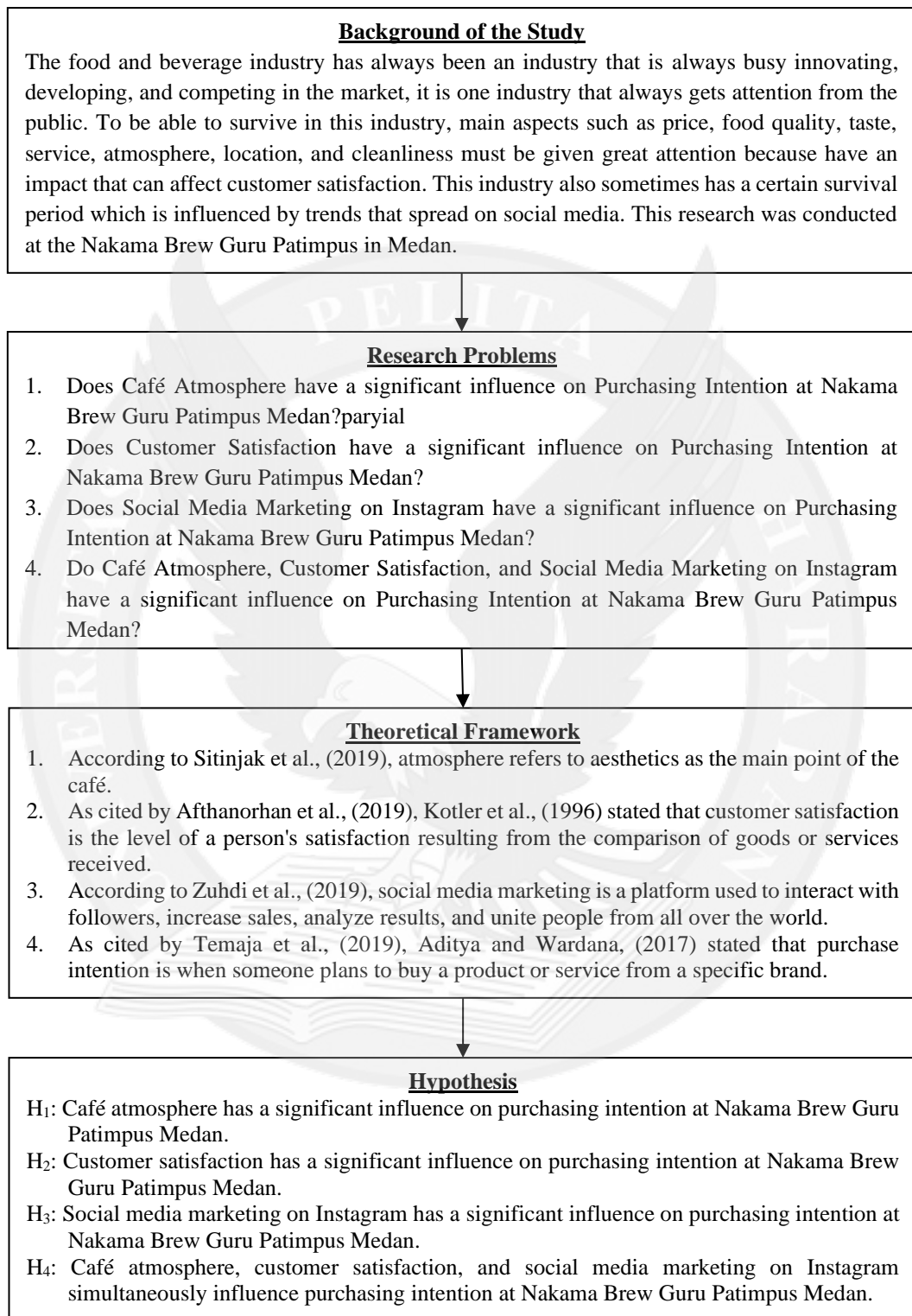
Figure 2.1 Research Model

Source: Prepared by the Writer (2024)

Variable X: Café Atmosphere (X_1), Customer Satisfaction (X_2), and Social Media Marketing on Instagram (X_3) as the independent variables.

Variable Y: Purchasing Intention (Y) as the dependent variable.

2.9 Framework of Thinking



Source: Prepared by the Writer (2024)