

# **CHAPTER I INTRODUCTION**

## **1.1 Background of the Study**

The food and beverage sector are one of the most dynamic and resilient industries globally, contributing significantly to economic growth and employment. In Indonesia, this sector holds a crucial place, not only as a primary driver of the economy but also as a cultural cornerstone. Indonesia's diverse culinary landscape, rich with traditional and modern influences, creates a fertile ground for the food and beverage industry. The country's growing middle class and increasing urbanization have spurred demand for diverse dining experiences. Consumers are seeking not only quality food but also unique and memorable dining environments. This shift in consumer behavior has intensified competition among food and beverage establishments, making it imperative for businesses to innovate and differentiate themselves to capture and retain customer interest.

Medan, one of Indonesia's largest cities, epitomizes this competitive environment. The city's vibrant food scene boasts a plethora of cafes, restaurants, and street food vendors, each competing for the attention of a discerning and increasingly sophisticated customer base. For restaurants like Sondoro Seafood, which specializes in Seafood cuisine, standing out in such a competitive market requires more than just culinary excellence. It necessitates a comprehensive approach that encompasses brand awareness, effective use of social media, and an inviting restaurant atmosphere.

**Table 1. 1 Google Review**

No	Name	Rating					Complain
		1	2	3	4	5	
1	Wilson Tio		✓				Makanan oke tapi tempatnya panas dan berdebu. Anda bisa merasakan sisa minyak di atas meja
2	Jhonson Cen			✓			Nice seafood. But the space is open so no aircon
3	Henry Ong		✓				-
4	Intan Simanjuntak		✓				-
5	Everything Toy			✓			The vip is pretty but apparently the music
6	Merie Loo	✓					Sup ikan yg terkenal, ternyata tidak ada rasa sama sekali. Pesan cumi goreng, cuminya alot bgt.
7	Purwanto Lim			✓			Yang kurang bagus hari ini udangnya
8	W Edward				✓		kalau datang siang hari panas karena atapnya dari seng, malam hari mayan bernyamuk.
9	Rudy Tanoto			✓			Harga tidak sesuai dengan pesanan,
10	Al Ikhlas		✓				-
11	Adril Amran			✓			-

Source: Collected from Google Review of Sondoro Seafood

Established in 2015, Sondoro Seafood is a cherished family-owned restaurant situated at Jl. Brigjend Katamso, Sei Mati, Kec. Medan Maimun, Kota Medan, Sumatera Utara 20215. Renowned for its wide selection of freshly prepared seafood dishes, Sondoro Seafood has secured its place in Medan's culinary scene.

To gain insight into the dining experience at Sondoro Seafood, the following table includes recent Google reviews, along with some negative feedback from Google reviews and internal customer surveys.

The data reveals a noticeable decline in total reviews year after year. This decrease may suggest a reduction in customer engagement or fewer patrons providing feedback over time. By addressing common issues related to temperature and menu familiarity, the restaurant could potentially reverse this trend and encourage more reviews.

**Table 1. 2 Internal Survey**

Internal Survey		
	Total of Complain	Description
Brand Awareness	11	Signage and Visibility, difficulty to find the location, signage was not easily visible.
Social Media Marketing	6	Unclear contents of promotion
Restaurant Atmosphere	9	Restroom cleanliness, the temperature is too

Source: Collected from Internal Survey of Sondoro Seafood

Based on the internal survey, Sondoro Seafood has issues with brand awareness, particularly poor signage and difficulty in locating the establishment. Social media marketing efforts are criticized for unclear promotional content. Additionally, the restaurant atmosphere suffers due to restroom cleanliness and excessively high temperatures

Understanding the multifaceted nature of intention to purchase in the food and beverage sector is critical for businesses aiming to thrive in a competitive market. This study focuses on three pivotal factors: brand awareness, social media marketing, and restaurant atmosphere, each playing a distinct role in shaping customer experiences and influencing their intention to purchase.

Brand awareness reflects the degree to which consumers recognize and recall a brand, which significantly influences their dining choices and loyalty. High brand awareness makes it easier for customers to recognize and remember a restaurant, leading to increased customer preference and choice (Yohana F. C. P. Meilani, Innocentius Bernarto & Ian N. Suryawan, 2020).

Restaurant's communication should consistently highlight its core values and unique strengths, such as a dedication to delivering authentic seafood flavors and using high-quality ingredients. This message should be reflected uniformly across all customer touchpoints, including signage, menus, online channels, and marketing materials. Building brand awareness is essential for fostering customer trust and credibility. Research suggests that when customers recognize a brand, it is more likely to trust its products, which is vital for both attracting and retaining

customers (Bernarto et al., 2020). Additionally, consumers tend to make quicker purchasing decisions when the brand is familiar, and a higher level of brand awareness increases purchase intent (Nurmahdi, A & Mahardhika, D. 2023).

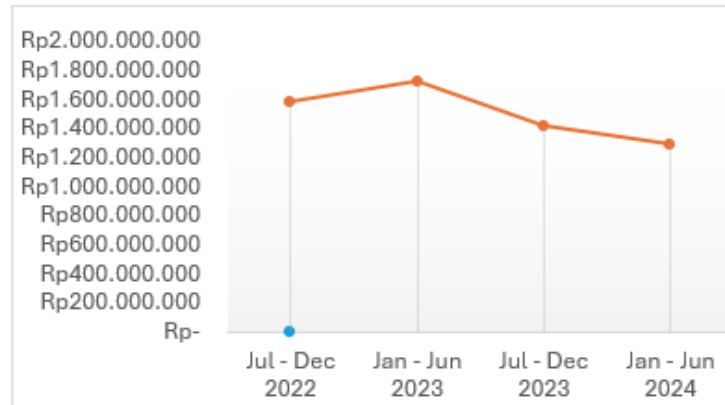
Brand awareness also involves creating memorable customer experiences that reinforce the brand's values. This can be achieved through exceptional service, personalized interactions, and attention to detail. Enhanced brand awareness not only attracts new customers but also fosters trust and loyalty among existing patrons.

To illustrate that Sondoro Seafood's brand awareness is decreasing, below is the table of Sondoro Seafood's sales data that shows a continuous decline.

**Table 1. 3 Data Sales of Sondoro Seafood**

Year		Sales	%
Jul - Dec 2022	Rp	1.581.512.294	-
Jan - Jun 2023	Rp	1.722.782.840	4.2%
Jul - Dec 2023	Rp	1.416.916.510	-9.7%
Jan - Jun 2024	Rp	1.288.784.777	-4.7%

Source: Collected from Data Sales of Sondoro Seafood



**Figure 1. 1 Graphic of Data Sales**  
 Source: Prepared by Writer (2024)

The table shows Sondoro Seafood's sales performance over four periods from July 2022 to June 2024. Sales increased by 4.2% in the first half of 2023 but then declined by 9.7% in the second half of 2023 and further by 4.7% in the first half of 2024. Overall, the data indicates a peak in sales during the first half of 2023, followed by a consistent decline in the subsequent periods.

Despite Sondoro Seafood experiencing a decrease in the number of customers, the amount spent per customer has increased. This shift in spending behavior has helped maintain relatively high sales figures, even as the total number of customers has declined. The data indicates that while fewer customers are visiting the restaurant, those who do are making larger purchases.

In the digital age, social media has revolutionized the way businesses engage with their customers. Platforms like Instagram, Facebook, and Twitter provide restaurants with effective tools to engage their audience, showcase their menu, and build a community. Social media marketing allows restaurants to reach a broader audience, generate excitement around their brand, and interact with customers in real-time.

For Sondoro Seafood, a successful social media strategy involves more than just promotional content. It requires creating interactive posts that encourage customer engagement and foster a community feel. A study from the *Journal of Marketing Management* (2020) indicates that using social media effectively can boost brand visibility and engagement, which in turn positively impacts consumers' purchasing intentions. By utilizing platforms like Instagram and Facebook to highlight its dishes and engage with its audience, Sondoro Seafood can attract new customers while maintaining loyalty among existing ones. Customer-created content, such as reviews, photos, and videos, serves as a strong tool for fostering authenticity and trust.

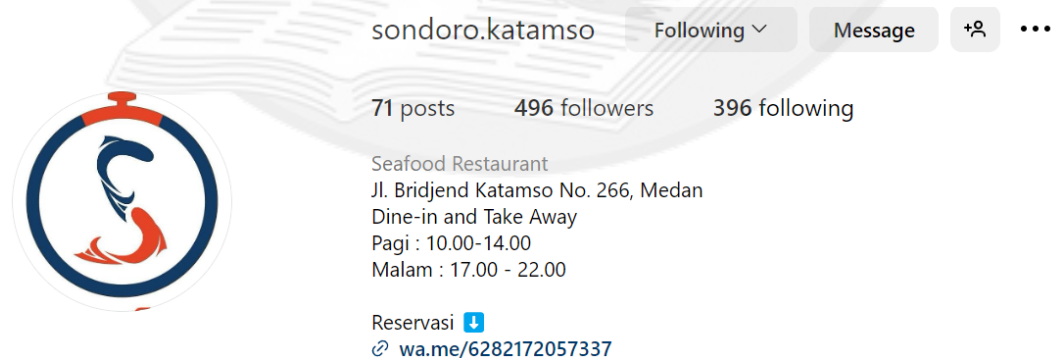
As study by Hwang et al. (2021), social media—particularly through smartphones—plays an essential role at every stage of the consumer decision-making process, from information search to post-purchase review. The integration of social media into daily life has made it an essential tool for discovering new dining options and sharing dining experiences. Easy access to reviews and recommendations significantly influences consumer choices and restaurant preferences.

Visual content is a crucial element in social media marketing. High-quality photos and videos of the restaurant's dishes, ambiance, and special events can captivate potential customers and entice them to visit. Behind-the-scenes content, such as videos of the kitchen staff preparing dishes or stories about the sourcing of ingredients, can add a personal touch and make the brand more relatable.

Social media also offers the advantage of targeted advertising, allowing the restaurant to reach specific demographic groups and customize its messaging accordingly. Studies indicate that positive reviews and user-generated content on social media greatly impact a restaurant's reputation and its capacity to attract customers (Hwang et al., 2021). By analyzing social media metrics and customer data, Sondoro Seafood can identify key audience segments and develop tailored ad campaigns that resonate with them.

Furthermore, interacting with customers by responding to comments, messages, and reviews demonstrates that the restaurant values their feedback and is committed to delivering excellent service. Prompt, personalized responses to inquiries and feedback can strengthen the restaurant's reputation and build positive relationships with its audience.

The image displays the Instagram profile and content of Sondoro Seafood Restaurant.



**Figure 1. 2 Instagram Profile of Sondoro Seafood**

Source: Sondoro's Instagram Account (2024)



## Overview

You reached +151% more accounts compared to 29 May - 27 Jun

Accounts reached	1,194 +151%	>
Accounts engaged	24 +71.4%	>
Total followers	496 -0.7%	>

### Figure 1. 3 Insight of Instagram Profile

Source: Sondoro's Instagram Account (2024)

This overview of the social media performance indicates substantial growth in reach and engagement over the analyzed period. It's essential to recognize, however, that these changes do not directly affect the operations or performance of Sondoro Seafood Restaurant. The fluctuations in social media metrics are typical and do not necessarily correlate with the restaurant's business outcomes or customer experience.

A restaurant's atmosphere is a key factor in shaping the overall dining experience. The elements such as lighting, music, and overall ambiance significantly affect customers' emotions and their likelihood of returning to the restaurant (Kement et al., 2021). The study found that a pleasant and cohesive atmosphere enhances customer satisfaction, which in turn boosts behavioral intentions such as revisiting and recommending the restaurant to others.

A well-designed atmosphere can enhance the dining experience, making it more enjoyable and memorable for customers. The ambiance and dining environment contribute significantly to customer satisfaction and intention to purchase. Research in hospitality management (International Journal of Hospitality Management, 2019) indicates that a welcoming atmosphere improves the overall dining experience, promoting repeat visits and positive word-of-mouth.

Lighting is a crucial factor in establishing the mood and ambiance of a restaurant. Soft, warm lighting can foster a cozy and intimate atmosphere, whereas brighter lighting can create a lively and vibrant environment. The choice of music is also important, as it can influence the overall ambiance and enhance the experience.

Cleanliness and hygiene are fundamental to a positive dining experience. Elements such as the hygiene of food handlers, table cleanliness, and overall sanitary conditions contribute to customers' perception of safety and quality (Chung et al., 2021). According to the study, maintaining high hygiene standards is essential for ensuring customer satisfaction. Ensuring that the restaurant is spotless and well-maintained not only enhances the overall ambiance but also instills confidence in customers about the quality and safety of the food.

Service quality is another critical aspect of the restaurant atmosphere. Research indicates that elements such as reliability, responsiveness, and attentiveness of the service staff significantly contribute to creating a positive atmosphere. These aspects help build a welcoming and comfortable environment, enhancing customers' overall dining experience. The professionalism and capability of staff to meet customers' needs are vital in shaping the atmosphere and overall perception of the restaurant (Mayer et al., 2021).

The restaurant atmosphere also influences how customers perceive the quality of food and service thoughtfully designed and enjoyable atmosphere can improve the overall perception of the dining experience, making the food taste better and the service seem more attentive. This positive perception can lead to higher Intention to Purchase and loyalty, encouraging repeat visits and positive word-of-mouth recommendations.

Considering the intense competition in the food and beverage industry in Medan, it is essential for Sondoro Seafood to understand how brand awareness, social media marketing, and restaurant atmosphere interact with one another. This study seeks to investigate how these factors together impact the intention to purchase, offering practical insights for the restaurant's management to improve their marketing strategies and operational practices.

Sondoro Seafood Medan is facing problems that are making it hard to attract customers. People are becoming less aware of the brand, and their social media marketing isn't reaching enough people or sparking interest. Although the restaurant serves fresh seafood from its own farm, the lack of effective social media efforts means fewer people know about it. Additionally, the dining area has become uncomfortable, which is affecting the overall experience for customers. These issues—low brand awareness, poor social media reach, and an uncomfortable dining space—are causing a drop in customer interest and fewer people wanting to dine at the restaurant.

## **1.2 Problem Limitation**

In this study, the author narrows the focus to three main variables: brand awareness, social media marketing, and restaurant atmosphere, along with one dependent variable, which is intention to purchase. The social media marketing aspect will specifically concentrate on Instagram.

The respondents will consist of customers who have dined at Sondoro Seafood Restaurant. Data will be gathered through a questionnaire distributed to these customers, designed to assess their perceptions and satisfaction levels related to brand awareness, social media marketing, and the restaurant atmosphere.

### **1.3 Problem Formulation**

The problem formulations for this study will be:

1. Does brand awareness have a partial influence on Intention to Purchase at Sondoro Seafood Restaurant, Medan?
2. Does social media marketing have a partial influence on Intention to Purchase at Sondoro Seafood Restaurant, Medan?
3. Does the restaurant atmosphere have a partial influence on Intention to Purchase at Sondoro Seafood Restaurant, Medan?
4. Do brand awareness, social media marketing, and restaurant atmosphere have a simultaneous influence on Intention to Purchase at Sondoro Seafood Restaurant, Medan?

#### **1.4 Objective of the Research**

Based on the study's background and the formulation of the problem, the aim of this research is:

1. To determine the influence of brand awareness on Intention to Purchase at Sondoro Seafood Restaurant, Medan.
2. To determine the influence of social media marketing on Intention to Purchase at Sondoro Seafood Restaurant, Medan.
3. To determine the influence of restaurant atmosphere on Intention to Purchase at Sondoro Seafood Restaurant, Medan.
4. To determine whether brand awareness, social media marketing, and restaurant atmosphere simultaneously have an influence on Intention to Purchase at Sondoro Seafood Restaurant, Medan.

## **1.5 Benefit of the Research**

### **1.5.1 Theoretical Benefit**

Based on the theoretical advantages, the author intends for this research to deepen the understanding of the theories covered, particularly brand awareness, social media marketing, restaurant atmosphere, and intention to purchase. Furthermore, this study can act as a reference or benchmark for future researchers.

By examining the impact of these factors on intention to purchase, the research aspires to add to the existing knowledge in marketing and hospitality management. It will provide insights into how various marketing strategies and environmental elements can influence customer perceptions and behaviors. Furthermore, this research will assist practitioners in the restaurant industry in developing more effective strategies to improve intention to purchase and customer loyalty.

### **1.5.2 Practical Benefit**

The following are the practical benefits of this research:

a. For the authors

To acquire knowledge about brand awareness, social media marketing, restaurant atmosphere, and intention to purchase, as well as to understand how these variables interact with one another.

b. For Sondoro Seafood Restaurant, Medan

To offer insights into the significance of brand awareness, social media marketing, and restaurant atmosphere. This research aims to improve food and beverage services, enhance work performance, and raise product quality, ultimately supporting the development of effective promotional strategies for the future.

c. For other researcher

To serve as a foundational resource, reference, or point of comparison for other authors interested in conducting similar research. This study will provide valuable data and insights that can be utilized to explore related topics, thereby contributing to the advancement of knowledge in marketing and hospitality management.