

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

The culinary industry steadily expands and flourish in different circumstances, expanding in scope and improving in standards, as food and beverages are fundamental human necessities as mentioned by Sondakh et al. (2022). This sector's resilience and adaptability have helped it succeed even during tough times. By creating innovative dining concepts, introducing new culinary trends, and improving service quality, the food and beverage industry constantly adapts to meet the changing demands and preferences of consumers. The increasing interest in food culture, healthy eating, and food tourism has helped the industry grow. Rapariya (2023) mentions that culinary businesses are using more technology, such as online ordering, delivery services, and virtual dining, to reach more customers and make their services more accessible.

A restaurant is a place or building organized commercially, providing good service to all its guests, including both food and beverages as mentioned by Abdurahman Fathur Bahri & Pamungkas (2022). Establishments are designed to provide excellent service, ensuring all guests enjoy high-quality food and drinks. The main goal of a restaurant is to meet the culinary needs of its customers by offering a diverse menu with a variety of dishes and beverages. By staying well-organized, restaurants strive to create a pleasant dining experience for everyone, whether they come for a quick bite or a special event.

Nowadays, the number of restaurants opening is increasing due to the response of changes in people's lifestyle as mentioned by Ismi & Maryono (2024). Modern life has become more hectic, with many people balancing demanding work schedules, social engagements, and other responsibilities. This fast-paced lifestyle leaves little time for preparing homemade meals, which traditionally require a lot of effort and time. Consequently, more individuals are relying on restaurants as a convenient solution for their dining needs. To meet this demand, restaurants provide a wide range of options, from quick-service establishments for those needing a fast meal to full-service dining experiences for social gatherings and family outings. This variety allows people to enjoy delicious, professionally prepared food without the hassle of grocery shopping, cooking, and cleaning. This convenience is particularly attractive to working professionals who value efficiency and effective time management in their daily lives.

Adnyani (2022) mentions that Purchase intention is crucial for a restaurant to increase sales and ensure its future sustainability. Several factors can influence this intention, including brand image, the atmosphere of the restaurant, and the promotions offered by the establishment. The Naked Meat is a restaurant established in Medan in 2021. It is located in Yanglim Plaza building No.33A, in Emas Street Medan City. The Naked Meat offers a more family style dining experience with a simple and warm concept. The restaurant offers various seating options tailored to the number of customers and their preferences.

Aside from the good reviews that The Naked Meat Medan receive from customers in the Google Review, there is still input from customers that could be

improved by the restaurant regarding the promotion, brand image and restaurant atmosphere.

According to Hidayatullah & Reza (2023), promotion is influence by Advertising, Sales Promotion, Public Relations & Publicity. For a restaurant with a unique menu featuring pork dishes that operates in Indonesia, a Muslim majority of community, optimizing these promotional efforts is crucial to attract more customers. Based on the writer's observation, there are many acquaintances that are not very familiar with the restaurant, which suggests that promotion is lacking. On social media platforms such as TikTok, specific keywords must be used to find this restaurant, making it difficult to discover. Additionally, Google reviews reveal that many customers have learned about the restaurant through word of mouth rather than through the restaurant's own promotional activities. Although organic word-of-mouth marketing is beneficial, the restaurant's reliance on it highlights a significant opportunity to enhance its formal promotional strategies.

Campbell & Farrell (2020) mentions that influencers could be categorized to five categories of namely nano influencers, micro influencers, macro influencers, mega influencers and celebrity influencers. Nano influencers typically ranging from 0 to 10,000 of total followers, micro influencers ranging from 10,000 to 100,000 followers, macro influencers ranging 100,000 until 1,000,000 followers, mega influencers and celebrity influencers possess more than 1,000,000 followers on social media. According to (Maulidiyah & Handoko, 2024) nano influencers, with the fewest followers among these categories, have a limited reach to people. The Naked Meat has 5,389 followers and can be categorized into the nano influencers

category. This represents an area where the restaurant could improve to expand its promotion to be able to gain more followers and have a larger scope of audience and customers.

According to Firmansyah (2023), brand image is the way customers perceive a brand, where hearing or seeing the brand triggers specific thoughts and emotions related to its presence. However, in the case of The Naked Meat, there is no established brand image among customers. This is mainly due to the restaurant's low popularity and limited visibility in the market. The absence of a strong brand presence means that potential customers are not developing any specific thoughts or feelings about The Naked Meat when the customer sees its name or logo. This issue is directly related to the insufficient promotional efforts undertaken by the restaurant. Effective promotion is crucial for creating awareness and familiarity among the target audience. The Naked Meat could still improve the brand image for future sustainability of the restaurant.

In various Google reviews as shown at appendices, customers have shared that their initial introduction to The Naked Meat came through word of mouth or by coincidence showing that they were not aware of the restaurant before. Referring to the appendices, it specifically mentioned that it was the customer's first-time hearing about and finding The Naked Meat, which highlights the restaurant's lack of broad recognition. This underscores the need for more information development and building the brand image in the mind of future customers candidate.

When comparing the total ratings and reviews of restaurants that sell similar menu items, such as ribs, on online applications like Grab, there is a significant difference in the total ratings and reviews between The Naked Meat, Toke Pok, and Warung Guling Pak Made. The Naked Meat has a total rating of 4.8 with 77 reviews, Toke Pok has a rating of 4.9 with over 1,000 reviews, and Warung Guling Pak Made has a total rating of 4.8 with over 1,000 reviews. From this data, it could be seen that The Naked Meat has the lowest total ratings and reviews among all the outlets which indicates the lack of brand image to the customers.

Budiman & Dananjoyo (2021) commented that store atmosphere includes various environmental design factors, including signage, lighting, décor, music, and fragrance, which are used to evoke customers' perceptual and emotional reactions, ultimately affecting their purchasing decisions. Some of the reviewers mention that the lighting in the outlet could be considered quite dark both from indoor and outdoor appearance. Based on the writer's observation, the outlet itself has two stories, but it is quite relatively small and quite dimly lit. There are also little to no interior decorations with the same style of seating area, a wooden short chair with no chair back.

Based on the writer's observations, there is room for improvement in the purchase intention at The Naked Meat. The writer has visited the restaurant several times on weekend nights during peak dinner hours, typically from 6:30 PM to 8:30 PM, and has consistently noticed that the restaurant is often not crowded. Usually, only four to five tables are occupied by customers. This suggests that the restaurant is not attracting as many customers as it could during prime dining times, indicating

a need for enhanced marketing and customer engagement strategies to boost foot traffic and increase sales.

From the perspective of social media, particularly The Naked Meat's official Instagram account, the low purchase intention and lack of enthusiasm from customers are apparent. The comment sections on the brand's Instagram posts show very little to no interaction from customers with the brand. This minimal engagement reflects a lack of interest or excitement, indicating weak purchase intention and a limited connection between the brand and its audience. N. Siregar et al. (2023) mentions that social media plays a crucial role in generating customer interest and encouraging interaction, the lack of engagement suggests that The Naked Meat is having difficulty capturing and retaining customer attention online.

Table 1.1 The Naked Meat Transaction Data Period 2021 – 2024

Period	Transaction Number
June 2021 – June 2022	7,300
June 2022 – June 2023	6,205
June 2023 – June 2024	4,964

Source: Prepared by Writer (2024)

Table 1.1 above shows The Naked Meat total transactions within a year period. From June 2021 until June 2022, the total transaction is 7,300 transactions. From June 2022 to June 2023, the total transaction decreases to 6,205 transactions and from June 2023 until June 2024, the total transaction becomes 4,964. From year to year, the total transaction of the outlet has been decreasing, from 15% to 20%.

By gaining the total number of transactions in the restaurant, it will be easier to observe the development of visitors to make a purchase in the restaurant. With the

total of transactions that keeps on decreasing throughout the year, it indicates a decreasing interest in dining and making purchases in the restaurant.

1.2 Problem Limitation

Given the time constraints, the writer will be enforcing the subsequent restrictions and constraints in the study, where this research will focus on 4 variables, namely promotion, brand image, restaurant atmosphere as independent variables (X), and purchase intention as dependent variable (Y). This research will focuses on The Naked Meat Medan, and the research period will be starting from August 2024 until October 2024.

Hidayatullah & Reza (2023) mentions the indicators of promotion consist of Advertising, Sales Promotion, Public Relations & Publicity. The indicators of brand image according to Senduk et al. (2021) are name/logo, trust in brand, product quality, location and interest. According to Maimuna et al. (2023) indicators of restaurant atmosphere are cleanliness, music, scent, temperature, lighting, color, and display layout. Indicators of purchase intention by Ekawati et al. (2020) are transactional interest, referral interest, preferential interest, and exploratory interest.

1.3 Problem Formulation

According to the information presented, there are several issues that writer formulated:

1. Does promotion partially influence the customers' purchase intention at The Naked Meat Medan?

2. Does brand image partially influence the customers' purchase intention at The Naked Meat Medan?
3. Does the restaurant atmosphere partially influence the customers' purchase intention at The Naked Meat Medan?
4. Do promotion, brand image and restaurant atmosphere simultaneously influence the customers' purchase intention at The Naked Meat Medan?

1.4 Objective of the Research

The aims of this research are as follows:

1. To examine whether promotion has a significant influence toward purchase intention at The Naked Meat Medan.
2. To examine whether brand image has a significant influence toward purchase intention at The Naked Meat Medan.
3. To examine whether restaurant atmosphere has a significant influence toward purchase intention at The Naked Meat Medan.
4. To examine whether promotion, brand image and restaurant atmosphere simultaneously influence toward purchase intention at The Naked Meat Medan.

1.5 Benefit of the Research

1.5.1 Theoretical Benefit

This research can offer insights for the influence of promotion, brand image, restaurant atmosphere towards purchase intention on a restaurant which could contribute theoretical benefits for the academic literature.

1.5.2 Practical Benefit

1. Writer could have a better understanding of each variables, promotion, brand image, restaurant atmosphere and purchase intention.
2. The findings of this research could serve as supplementary insights regarding marketing and consumer behavior within the hospitality sector where readers could gain knowledge on how each variables could influence customer decision making on making a purchase.
3. Restaurants could use this research as a guidance and insights for the marketing approach perform by the outlet.

