

CHAPTER I

INTRODUCTION

1.1 Background of the study

The restaurant industry must invest in a variety of facilities that enhance both customer experience and operational efficiency. Purchase intention in the restaurant industry is influenced by social media marketing activities such as entertainment, interaction, and e-word of mouth, with mediating effects of brand trust and brand awareness. Positive online reviews and consumer-generated content also play a significant role in shaping purchase intentions through brand awareness and brand trust (Khan, 2023).

As the food and beverage (F&B) industry expands globally, businesses are placing a greater emphasis on elements that might boost client loyalty and satisfaction. The two most important of them are brand image and food quality. Businesses must continue to provide food that meets high standards of quality while simultaneously developing a strong brand identity as the sector gets more competitive. This is particularly important in a market like Indonesia, where despite volatility in the economy, the restaurant business is still expanding (Dzakiyyah & Putri, 2023).

From the dining area ambiance to kitchen equipment, sanitation, and technological integration, these facilities play a crucial role in the success of a

restaurant. The importance of these elements, particularly in adapting to changing customer expectations and health considerations. By prioritizing these facilities, restaurants can improve customer purchase intention.

The behavior of purchase intention refers to a consumer's likelihood or willingness to buy a product or service in the future. It serves as a key psychological indicator used by businesses to predict actual sales and guide marketing strategies. Several factors can influence purchase intention, including product and service quality, price, promotion strategies, brand awareness, and the environment or ambiance where the product is consumed. Purchase intention reflects a consumer's preparedness to make a purchase and is shaped by a combination of internal preferences and external market factors (Singh et al., 2023).

Purchase intention, emphasizing the importance of factors such as brand image, food quality, and facility quality. By understanding these factors, businesses can better strategize their marketing efforts to enhance purchase intentions and drive sales. These variables collectively shape the customer's overall dining experience, which in turn drives their decision to return to the restaurant or recommend it to others. By understanding and optimizing these factors, restaurant operators can effectively enhance customer purchase intentions and improve their business performance.

Stabat Seafood was founded in the early 2016 in Stabat, North Sumatra, Indonesia. Stabat Seafood began as a family run seafood restaurant. Well known for its wide variety of fresh seafood dishes and a commitment to quality. The restaurant aims to provide an excellent dining experience to its customers through

high-quality food, a pleasant dining environment, and a strong brand image. The standards of service, family and friends dining serve as a benchmark for Stabat city recognition area. Stabat Seafood has only one outlet and is not yet expanding at this moment. Stabat Seafood is located at Jl. K.H.Zainal Arifin No. 24A-B, Stabat Kab. Langkat, Stabat Baru, Stabat, Stabat Baru, North Sumatra 20811.

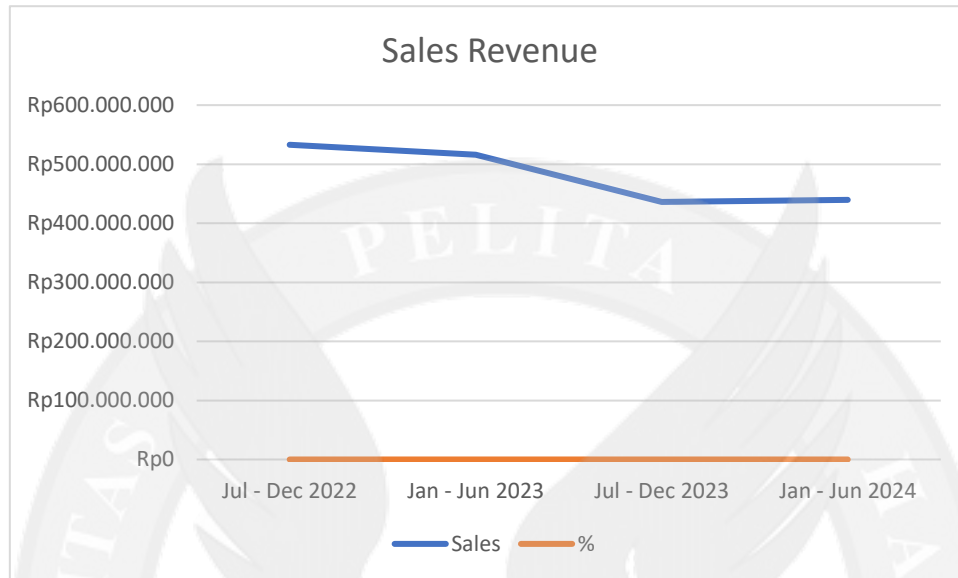
Figure 1. 1 Stabat Seafood



Sources: Prepared by the Writer (Stabat Seafood, 2024)Based on data at the restaurant, there is a decline in customers to purchase intention in Stabat Seafood. A strong brand image is crucial for influencing consumer decisions. It increases recognition, trust, and loyalty, all of which are important considerations for patrons when selecting a restaurant. Positive brand perception increases a company's likelihood of repeat business, word-of-mouth referrals, and willingness to charge more for its products. Particularly in a competitive market, a restaurant can stand out from rivals with the support of a strong brand. It can offer more than simply food itself as a competitive edge (Dzakiyyah & Putri, 2023). The decrease in

purchase intention can be seen from the sales revenue which can be seen in Table 1.1 below:

Table 1. 1 Sales Revenue at Stabat Seafood



Sources: Prepared by the Writer (Stabat Seafood, 2024)

Table 1.1 shows the sales revenue from July 2022 to June 2024, the highest sales revenue is in July – Dec 2022. While the lowest sales revenue is in July – Dec 2023. This shows that customers are not influenced by purchase.

A study says that the physical environment of a facility plays a crucial role in shaping the customer experience, which directly influences their purchasing decisions. An attractive, comfortable, and well-maintained facility creates a positive impression, encouraging customers to spend more and return in the future (Yusnidar & Isnaini, 2020).

Google Reviews have a big impact on consumers' purchasing intentions, opinions on food quality, and brand perception. Google Reviews support a restaurant's overall success by acting as a feedback mechanism, setting expectations, and offering social proof (Sutanto & Aprianingsih, 2020).

Restaurants may enhance their brand image, facility, and food quality to increase customer purchase and encourage repeat business by having a better understanding of the dynamics influencing customer purchase intention because of online reviews. This can be seen from the number of negative reviews at Stabat Seafood that can be seen in Table 1.2.

Table 1. 2 Online Review at Stabat Seafood

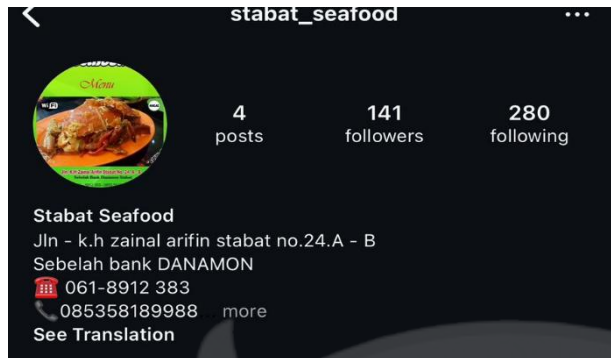
Description	Negative	Positive	Total Reviews
Price	17%	83%	278
Parking	68%	32%	290
Cleanliness	56%	44%	176
Tongue	28%	72%	352
Consistency	60%	40%	254
Safety	66%	34%	265

Sources: Prepared by the Writer (Google Review, 2024)

Table 1.2 shows the negative percentage of customer disappointments. The highest negative percentage is parking, which provokes a decrease in customer purchase intention.

Instagram has evolved from a simple photo-sharing app into a multifaceted platform that influences culture, communication, and commerce. Its focus on visual content, combined with its various interactive features, has made it a central hub for personal expression, brand marketing, and social networking (Aji et al., 2020). Stabat Seafood has Instagram since October 2023. The following Stabat seafood Instagram information can be seen from figure 1.2 below:

Figure 1. 2 Instagram of Stabat Seafood



Sources: Prepared by the Writer (Instagram, 2024)

Figure 1.2 Instagram social media, it can be seen that Stabat Seafood has a few followers, likes, posts and comments to influence customer to purchase intention. The more followers in their social media, it can be wide reaching exposure to attract customer to purchase. Stabat Seafood also didn't consistently upload content to attract customers.

Brand image plays a critical role in shaping customers' purchase intentions at Stabat Seafood. A strong and positive brand image can significantly influence customers' perception and decision-making process. Some phenomena are related to brand image at Stabat Seafood, which can be seen in Table 1.3 below.

Table 1. 3 Data Phenomenon of Brand Image at Stabat Seafood

Indicator	Description
Attractiveness	Stabat Seafood didn't promote by inviting influencer or food vlogger to video their food and restaurants attractively. Customers might influence by influencer to purchase.
Reputation	For Stabat Seafood, it can be seen that the Instagram social media is lack of followers, likes, and comments. Stabat Seafood didn't promote actively on social media Instagram.
Reliability	Stabat Seafood make only 1 video in the social media about the restaurant and staff which it can build a trust for customer to purchase.

Sources: Prepared by the Writer (2024)

Table 1.3 shows that the restaurant faces challenges in maintaining a consistent brand image due to varying customer experience, online reviews, and lacking to use a social media to promote the restaurant.

Food quality is a crucial determinant of purchase intention at Stabat Seafood. Customers expect high-quality, fresh seafood, and their satisfaction with the food quality directly impacts their willingness to return and make purchases. Some phenomena are related to the food quality can be seen in Table 1.4 below

Table 1. 4 Data Phenomenon of Food Quality at Stabat Seafood

Indicator	Description
Variety	Stabat Seafood doesn't have a seasonal items and promotion to attract customer to purchase.
Safety	Stabat Seafood got complaints from customers because Stabat Seafood used a plastic plate and glass which are not good for health.
Taste	Stabat Seafood food taste not as expectation as the review from previous the taste is inconsistent which the food is flavorless. The customer can't enjoy the food.
Attractiveness	Stabat Seafood has an unattractive plating which Stabat Seafood didn't use any garnish to decorate. Stabat Seafood also didn't present the food well only serve the food when it is ready.

Sources: Prepared by the Writer (2024)

Table 1.4 can be seen that the food quality is less than expected, inconsistency which can create doubt among potential customers, thereby affecting customer purchase intentions. Stabat Seafood has experienced fluctuations in food quality due to supply chain issues and inconsistent cooking standards. These fluctuations have led to customer dissatisfaction, negatively impacting their purchase intentions.

Facility quality, including the ambiance, cleanliness, and overall environment of the restaurant, significantly affects customers' purchase intentions.

There are some data phenomena that can be seen in Table 1.5 below

Table 1. 5 Data Phenomenon of Facility Quality at Stabat Seafood

Indicator	Description
Adequate parking	Stabat Seafood has a narrow car park which can lead customers to not purchase.
Comfortable, clean, and tidy space	Stabat Seafood table and chair are sticky and didn't clean the plate, glass, and utensils properly and Stabat Seafood room ambiance is not comfortable for customers and the staffs are noisy which it can disturb the customers
Family-friendly facilities	Stabat Seafood has an incomplete supply in the restroom such as tissue and soap and Stabat Seafood didn't provide a baby chair.

Sources: Prepared by the Writer (2024)

Table 1.5 can be seen that Stabat Seafood has faced issues related to facility maintenance and cleanliness, which have been highlighted in recent customer feedback. Problems such as the parking lot is not wide, didn't provide own parking attendants, hot atmosphere, and didn't provide a baby chair, didn't clean their facility properly, potentially deterring customers to purchase. A well-maintained and aesthetically pleasing facility can enhance the dining experience and encourage repeat visits.

Currently Stabat Seafood facing some problem namely:

- The brand image at Stabat Seafood faces significant challenges. These include:
 1. Limited Promotional Activities: The restaurant lacks active and engaging promotional strategies, such as collaborations with influencers or regular content on social media platforms like Instagram.

2. **Weak Online Presence:** With a minimal number of followers and inconsistent updates on social media, the brand struggles to establish a strong digital identity.
 3. **Reputation Issues:** Negative reviews and inconsistent customer experiences have undermined the reliability and attractiveness of the brand.
- Food quality is one of the most pressing issues affecting customer purchase intention. The identified problems include:
 1. **Inconsistent Taste:** Customers report varying quality in food preparation, leading to dissatisfaction.
 2. **Unattractive Presentation:** Food lacks visual appeal due to poor plating and absence of garnishing.
 3. **Health Concerns:** The use of plastic utensils raises questions about hygiene and safety.
 - Facility quality at Stabat Seafood has notable shortcomings that deter customers. These include:
 1. **Inadequate Parking:** Limited parking spaces make it inconvenient for customers to visit, particularly during busy hours.
 2. **Cleanliness Issues:** Complaints about sticky tables, unclean utensils, and an uncomfortable dining environment highlight lapses in hygiene.
 3. **Lack of Family-Friendly Amenities:** Absence of baby chairs and incomplete restroom supplies, such as tissue and soap, fail to meet customer expectations.

By addressing these problems systematically, Stabat Seafood can enhance customer satisfaction, rebuild trust, and improve purchase intentions.

From the data that has been there, the data encourages researchers to discuss in the thesis under the title **"The Influence of Brand Image, Food Quality, and Facility Quality towards Customer Purchase Intention at Stabat Seafood."**

1.2 Problem Limitation

In this study discusses the influence of Brand Image, Food Quality, and Facility Quality towards Customer Purchase Intention at Stabat Seafood. In this study, Brand Image, Food Quality, and Facility Quality will be the independent variable (X) and Customer Purchase Intention will be the dependent variable (Y).

According to Susilo & Wilujeng (2023), indicators of brand image are attractiveness, reputation, and reliability. According to Suhartanto, D., et al, (2019), indicators of food quality are variety, healthiness, taste, and attractiveness. According to Yusnidar & Isnaini (2020), indicators of facility quality are adequate parking, comfortable, clean and tidy space, and family-friendly facilities. According to Sondakh et al. (2022), indicators of customer purchase intention are willingness to buy, someone's will in buying, Persistent buying behavior, exploratory intention.

1.3 Problem Formulation

Based on the background information provided in the study, the problems can be formulated as follows:

1. Does the current Brand Image of Stabat Seafood influence Customer Purchase Intentions?
2. Does the Food Quality of Stabat Seafood influence Customer Purchase Intentions?
3. Does the Facility Quality of Stabat Seafood influence Customer Purchase Intentions?
4. Do Brand Image, Food Quality, and Facility Quality have influence on Customers Purchase Intention at Stabat Seafood?

1.4 Objective of the Research

This research has the objectives to:

1. To analyze whether Brand Image of Stabat Seafood influence Customer Purchase Intentions.
2. To analyze whether Food Quality of Stabat Seafood influence Customer Purchase Intentions.
3. To analyze whether Facility Quality of Stabat Seafood influence on Customer
4. To analyze whether Brand Image, Food Quality, and Facility Quality have influence on Customers Purchase Intention at Stabat Seafood.

1.5 Benefit of the Research

1.5.1 Theoretical Benefit

The theoretical benefit of writing research on the influence of brand image, food quality, and facility quality towards purchase intention is multifaceted. It provides comprehensive insights into consumer behavior, integrates theoretical frameworks with empirical evidence, offers practical applications for marketing strategies, facilitates comparative analysis across different contexts, and ultimately contributes to understanding consumer satisfaction and loyalty. This research can significantly enhance the strategic decision-making process for businesses in the restaurant industry. There are several keys of the theoretical benefit:

a. Understanding Consumer Behavior

Researchers can better understand how brand image, food quality, and facility quality interact to impact customer purchase decisions by looking at how these aspects work together. In the restaurant industry, this all-encompassing method aids in pinpointing the most important factors that influence purchase intention.

b. Theoretical Frameworks

The Stimulus-Organism-Response (SOR) model, which contends that stimuli (food quality, brand image), internal psychological states (consumer perception and attitude), and responses (purchase intention) influence consumer behavior, is one theoretical framework that the study can incorporate. A strong theoretical basis for comprehending the intricate dynamics of consumer behavior is provided by this integration.

c. Empirical Evidence

The empirical analysis is quantitative. Empirical techniques such as structural equation modeling and regression analysis allow researchers to measure the impact of facility, food, and brand image on purchase intention. For example, research indicates that food quality significantly increases the likelihood that consumers will make a purchase, and brand image can help consumers make a buy by reducing confusion when selecting a product (Sondakh et al., 2022).

d. Practical Applications

Marketing tactics in the restaurant business can benefit directly from the application of research findings. For instance, in order to draw in and keep consumers, restaurants should concentrate on preserving excellent food quality and developing a strong brand image. Furthermore, keeping facilities tidy and maintained can enhance the experience of customers and encourage them to make a purchase (Bangsawan et al., 2017).

e. Comparative Analysis

Researchers are able to determine which aspects are most important in different circumstances by analyzing the influence of different factors on purchase intention. For instance, a study might discover that while brand image is vital in one context, food quality is more significant in another. This comparative analysis aids in customizing marketing strategies to specific market situations.

f. Consumer Satisfaction and Loyalty

Knowing how these elements affect purchase intention can also help us understand customer loyalty and satisfaction. High-quality food and a great brand image can boost customer satisfaction, which raises the possibility of return business and positive word-of-mouth, strengthening the restaurant's clientele and reputation (Purwoko & Fikri, 2024).

1.5.2 Practical Benefit

From this study, Stabat Seafood will benefit from this research as they are aware if there is influence of Brand Image, Food Quality, and Facility Quality towards Customer Purchase Intention. If the Brand Image, Food Quality, and Facility Quality is adequate, Customer Purchase Intention will meet expectations.

Some of the anticipated benefits are:

a. For the Writer

The benefit of this research will enable the writer to have a greater grasp of the topics of variables Brand Image, Food Quality, Facility Quality, and Customer Purchase Intention.

b. For Stabat Seafood

To offer practical advice on how to improve Stabat Seafood's Brand Image, Food Quality, and Facility Quality in order to increase the number of Customer Purchase Intention.

c. For readers

To increase reader understanding of the significance of Brand Image, Food Quality, and Facility Quality towards Customer Purchase Intention.

d. For other researchers

To serve as a further source of information, study material, and guidance for interested parties evaluating the same issue in the future goal.

