

CHAPTER I

INTRODUCTION

1.1 Background of the Study

In recent years, the food and beverage business has grown rapidly, largely due to factors such as urbanization, changing customer preferences, and increasing spending on eating out (Adeosun et al., 2022). The chicken-based culinary business has become one of the fastest growing sectors in the food industry. From spicy geprek chicken to crispy fried chicken, consumers continue to look for a variety of delicious, practical, and affordable products. The combination of relatively cheap raw material prices and high market demand makes this business a golden opportunity for entrepreneurs. However, like other businesses, chicken-based culinary businesses also have challenges that must be overcome.

Fried chicken is one of the favorite foods of the Indonesian people. The Indonesian people's love for fried chicken has also encouraged the mushrooming of fried chicken restaurant businesses that support thousands of workers and drive the economy. The fried chicken business is even able to drive giant supply chains ranging from breeders, slaughterhouses, farmers, online motorcycle taxis, cooking oil factories, to food packaging businesses. The business is also able to create thousands of workers. Restaurants in big cities like Medan, Indonesia, compete fiercely to attract customers and grow a loyal following. Today's contemporary customers prioritize aspects other than food quality, seeking memorable and satisfying dining experiences (Tsaur et al., 2020). Factors such as menu variety,

restaurant ambiance, and brand image are critical in influencing consumer purchasing decisions. Fried Chicken Restaurants need to understand these factors to attract customers and encourage them to return.

Ayam Goreng Kalasan Iskandar Muda Medan is the researcher's choice to see how restaurant atmosphere, menu diversity, and restaurant image influence customer decisions to purchase. By carefully examining these elements, it will be possible to have a through grasp of the aspects that influence patron loyalty and happiness at this restaurant, giving management useful information to improve their customer service strategy. The restaurant may more successfully create plans to meet and surpass patron expectations by knowing how these factors affect purchasing decisions. This will encourage enduring patronage and establish the establishment as Medan's go-to eating option. To better serve a varied clientele and raise overall satisfaction, this study intends to assist Ayam Goreng Kalasan Iskandar Muda Medan in optimizing its offerings and atmosphere. This would enable the business to prosper in Medan's cutthroat food and beverage market.

Table 1.1 Data on the Number Of Visitors Of Ayam Goreng Kalasan Iskandar Muda Medan For 2020-2024

Years	Number of visitors	% Difference In Number of Visitors Per Year
2020	3.568	
2021	3.305	-7.37%
2022	3.340	1.06%
2023	3.016	-9.70%
2024	2.822	-6.43%

Source: Ayam Goreng Kalasan Iskandar Muda Medan, 2025

Based on the statistical data above, it can be seen that the number of visitors to Ayam Goreng Kalasan Iskandar Muda Medan has decreased from 2020 to 2024. The number of visitors to Ayam Goreng Kalasan Iskandar Muda Medan shows that

there is a downward trend in the number of visitors visiting from 2020 to 2024. In 2020, the total number of visitors was 3,568 and decreased again to 3,305 in 2021, then increased to 3,340 in 2022 and decreased again in 2023 with a figure of 3,016 and in 2024 also decreased again to 2,822. This decrease in the number of consumers shows that there is a habit of visitors who want to come to eat at Ayam Goreng Kalasan Iskandar Muda Medan because not all visitors like to eat at this restaurant and there is no desire to come back to eat at Ayam Goreng Kalasan Iskandar Muda Medan which is caused by the existence of other restaurants or places to eat that serve food according to the wishes of visitors. For this reason, Ayam Goreng Kalasan Iskandar Muda Medan needs to pay attention to the menu variation, restaurant atmosphere, and restaurant image so that it can increase visitors' purchasing decisions in the future.

According to (Handayani et al., 2023), menu diversity as the availability of various menus, including those advertised by restaurants as unique products in terms of taste, size, and quality that can attract customers when visiting a restaurant. In addition to satisfying a wide range of palates, a thoughtfully designed menu with several alternatives improves the whole dining experience by appealing to various clientele groups. A well-balanced menu featuring both traditional Indonesian dishes and creative offers can increase a restaurant's appeal in a multicultural city like Medan, which draws both locals and visitors. Ayam Goreng Kalasan Iskandar Muda Medan, which has its roots in traditional Indonesian food, may improve customer satisfaction by adding a variety of menu items that will appeal to both new and returning patrons. A diverse menu ensures that patrons have many options,

which promotes return business and increased spending. It also helps create a restaurant's personality. Menu variety also helps restaurants stay up to date with changing consumer preferences and industry trends in a competitive market, making them more appealing and relevant (Wilson, 2023).



interior design, lighting, seating configurations, music, and temperature are all components of the dining setting that work together to produce a certain mood or sensation that might improve the dining experience. Consumer behavior studies show that the atmosphere of a restaurant has a significant impact on how much people think a meal will cost and how good it will be (Zanetta et al., 2024). In a setting that is comfortable and visually appealing, customers want to feel at ease, appreciated, and inclined to spend time and money. An immersive experience that represents traditional Indonesian cultural components can be offered to patrons at Ayam Goreng Kalasan Iskandar Muda Medan, enhancing the meal's authenticity and appeal. Establishing a welcoming, culturally relevant environment helps strengthen the brand identity and sets the restaurant apart from its rivals. The restaurant can strategically improve its physical environment to better fulfill customer expectations and promote longer stays and more frequent purchases by knowing how ambiance affects customer preferences (Ngah et al., 2022).



Figure 1.2 Atmosphere of Ayam Goreng Kalasan Iskandar Muda Medan

Source: bit.ly/3CjZzwL, retrieved in 2025, January 16

From the picture above, the atmosphere and design of the Ayam Goreng Kalasan Iskandar Muda Medan can be seen. This can be seen from the lighting in the restaurant which is still less attractive to look at so that at least there is a little discomfort for visitors when eating at the Ayam Goreng Kalasan Iskandar Muda Medan and the table arrangement is also still narrow so that when there are many visitors, the presentation of food will be disturbed.

Another important element that shapes patron loyalty and influences decisions to buy is the restaurant's image (Tahir et al., 2024). Customers' perceptions of a restaurant's quality, consistency, reputation, and values are reflected in its image. Over time, brand image is frequently developed by continuously fulfilling promises about customer experience, cuisine authenticity, and service excellence. One of the main pillars of Ayam Goreng Kalasan Iskandar Muda Medan 's identity and a key source of patronage is its reputation as a supplier of traditional, high-quality Indonesian food. By upholding a great brand image, patrons can develop a deep emotional bond and trust, which may increase their likelihood of recommending the restaurant to others both in-person and online. A clean image is essential for building credibility and drawing in new clients in the digital age, where word-of-mouth referrals and reviews have a significant impact. Ayam Goreng Kalasan Iskandar Muda Medan is positioned as a dependable and culturally rich dining option due to its strong image that highlights its authentic Indonesian history and dedication to excellence. Therefore, by maintaining a positive image, the restaurant may improve client retention and influence first-time

purchases, which will help it succeed overall and maintain a competitive edge in the market.

Table 1.2 Ranking of Fried Chicken Restaurants in Medan In 2024

Restaurant Name	Addres	Rating
Ayam Penyet Arek Solo	Jl. Pagaruyung No.22	4,7
RM Rasa Bunda	Jl. Iskandar Muda No.274	4,5
Ayam Goreng Kalasan	Jl. Iskandar Muda No.292-294	4,5
Ayam Goreng Lombok Ijo	Jl. Sei Batang Serangan No.3	4,5

Source : bit.ly/3WmoV3R

Based on restaurant ranking data in Medan city, it is known that Ayam Goreng Kalasan Iskandar Muda Medan still has a score of 4.5 compared to other restaurants such as Ayam Penyet Arek Solo and RM Rasa Bunda. This can be seen that consumers are less interested in Nusantara food at Ayam Goreng Kalasan Iskandar Muda Medan because when it is busy, this restaurant has poor service so that consumers are not interested in buying food at Ayam Goreng Kalasan Iskandar Muda Medan and also there is a difference in the price of food at Ayam Goreng Kalasan Iskandar Muda Medan which is still expensive compared to the price of food at other restaurants which causes consumers to be unsure about buying food at Ayam Goreng Kalasan Iskandar Muda Medan.

Based on the description of the phenomena above, the writer is interested in doing research under the heading **“The Effect Of Menu Variation, Store Atmosphere, And Restaurant Image On Purchase Decisions At Ayam Goreng Kalasan Iskandar Muda Medan”**.

1.2 Problem Limitation

Problem limitations are used to avoid deviations or extensions from the

main problem so that the research is more focused and easier to discuss so that the research objectives will be achieved. In this study, the author sets the problem limitations of the menu variation (X_1), restaurant atmosphere (X_2), and restaurant image (X_3) as independent variables, and purchase decisions (Y) as dependent variables. The focus of this study is consumers who visit to eat and drink at the Ayam Goreng Kalasan Iskandar Muda Medan in 2024.

1.3 Problem Formulation

The formulation of the research problem is as follows based on the context previously mentioned by the writer:

- a. Does menu variation partially affect the purchase decision at Ayam Goreng Kalasan Iskandar Muda Medan?
- b. Does restaurant atmosphere partially affect the purchase decision at Ayam Goreng Kalasan Iskandar Muda Medan?
- c. Does restaurant image partially affect the purchase decision at Ayam Goreng Kalasan Iskandar Muda Medan?
- d. Do menu variation, store atmosphere, and restaurant image simultaneously affect the purchase decision at Ayam Goreng Kalasan Iskandar Muda Medan?

1.4 Objective of the Research

The objective of this research is:

- a. To analyze whether the menu variation partially affecting the purchase decision at Ayam Goreng Kalasan Iskandar Muda Medan.
- b. To analyze whether the restaurant atmosphere partially affecting the purchase decision at Ayam Goreng Kalasan Iskandar Muda Medan.
- c. To analyze whether the restaurant image partially affecting the purchase decision at Ayam Goreng Kalasan Iskandar Muda Medan.
- d. To analyze whether menu variation, restaurant atmosphere, and restaurant image simultaneously affect the purchase decision at Ayam Goreng Kalasan Iskandar Muda Medan.

1.5 Benefit of The Research

Depending on the purpose of the research, it is expected that the research will have a direct or indirect impact on education. Here are some of the benefits of this research:

1.5.1 Theoretical Benefit

It is anticipated that the theoretical advantages of this study will help academics better understand how Ayam Goreng Kalasan Iskandar Muda Medan's menu variation, restaurant atmosphere, and restaurant image influences on purchase decision.

1.5.2 Practical Benefit

The practical benefits of this research are

- a. For writers, this research adds to the understanding of experience and is an application of the ideas that researchers learned while studying at Pelita Harapan University.
- b. For the Ayam Goreng Kalasan Iskandar Muda Medan, it is hoped that the results of this study can be used by the Ayam Goreng Kalasan Iskandar Muda Medan as additional information and input to improve menu variations, restaurant atmosphere and restaurant image in order to increase interest for consumers and potential consumers in making decisions to make purchases.
- c. For other researchers, it is hoped that other researchers would find the study's findings helpful for comparison, ideas, and consideration when they perform more research.