

# CHAPTER I

## INTRODUCTION

### 1.1 Overview of Research Objects



**Figure 1. 1 Cafe Warunk Upnormal Logo**

*Source:* Twitter (2021)

Cafe Warunk Upnormal was first established by Citarasa Prima Group (CRP Group) on Jl. P.H.H. Mostofa no. 73 (Holy). Cafe Warunk Upnormal initially only used 1 small shop. Cafe Warunk Upnormal is equipped with facilities such as free Wi-Fi, and UNO games. During its establishment from 2014 until now, Warunk Upnormal already has many branches and is spread in several cities in Indonesia. With various facilities offered, visitors are not bored to come either alone, together or with friends. Not only as a gathering place, Cafe Warunk Upnormal is also often used to do assignments.

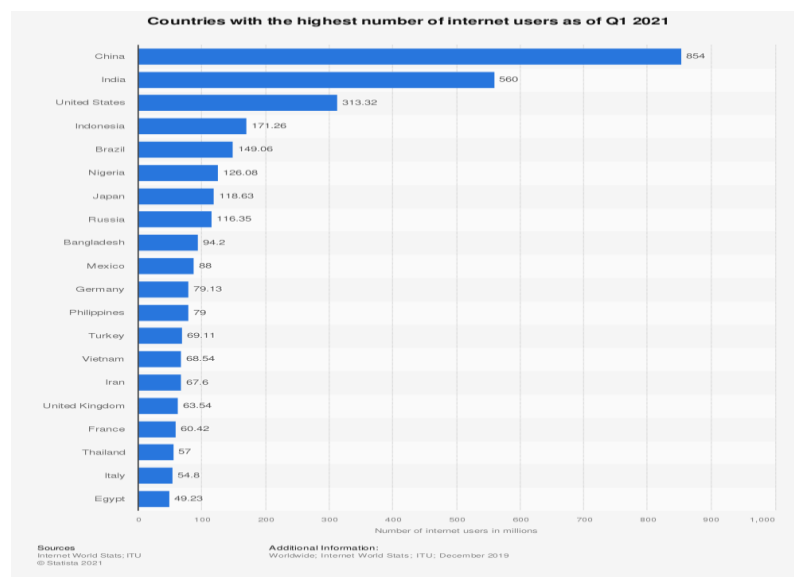
This cafe, which is synonymous with young people, provides a main menu with the theme of noodles, bread and fresh milk. Not only that, Cafe Warunk

Upnormal also offers various types of desserts and main courses. This Warunk Upnormal Cafe looks always busy with opening times from 10.00 WIB to 03.00 WIB. The prices offered are quite varied starting from Rp. 4,000 – Rp. 40,000 (warunkupnormal.com).

## 1.2 Research Background

In the current era of globalization, the development of information technology is growing rapidly along with the times. It is undeniable that these technologies have had a significant influence on human activities. In this very advanced era, the use of the internet has become one of the mainstays for communication and business. The growing use of the Internet has made all industries involved in the wave of development (Gurnelius, 2011).

The internet has helped people to interact, communicate, and even conduct business transactions with other people from all over the world by providing cheap, fast and easy fees. In recent years, the spread of internet media has caused many companies to start trying to promote various products produced using this media. The increase in internet users in the world cannot be denied is a very profitable thing for online marketers, because digital marketing has changed the way of thinking, lifestyle and consumer shopping behavior (Doligalski, 2014).

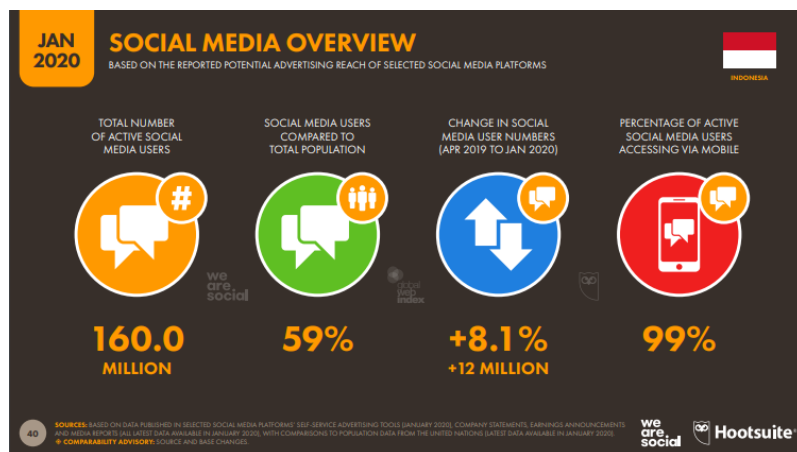


**Figure 1. 2 Internet Users in the World**

*Source : Statista (2021)*

Based on Figure 1.2, Indonesia is in the fourth position as internet users in the world. According to the survey results of the Indonesian Internet Service Providers Association (APJII), Internet users in Indonesia reached 196.7 million people or about 73.7 percent of the total population of Indonesia (antara news.com.). Then, in the Markplus Insight Netizen Survey, it was found that internet users in Indonesia are dominated by the middle class, the majority of internet users are young people aged 15-35 years, almost 58 million internet users use mobile phones or smart phones. The survey results above can be used as a guide for digital marketers to be more creative and innovative in attracting potential consumers. According to the APJII survey, the five most frequently accessed things by internet users are social media, instant messaging, reading news, searching for data and information, and streaming video. From this, those who often seek information have the potential to become buyers of services or products. So that it can be said that the use of the internet can affect consumers in purchasing activities.

This buying activity has been supported by online marketing on social media. Social media is an online media that can be used by gadget users, so that users can easily participate, share and create interactions in various available social media including; instagram, blog, facebook, twitter, wiki, forum and virtual world. Along with its development, social media has now become one of the tools used for entrepreneurs to sell and promote their products.



**Figure 1. 3 Growth in the Use of Social Media in Indonesia**

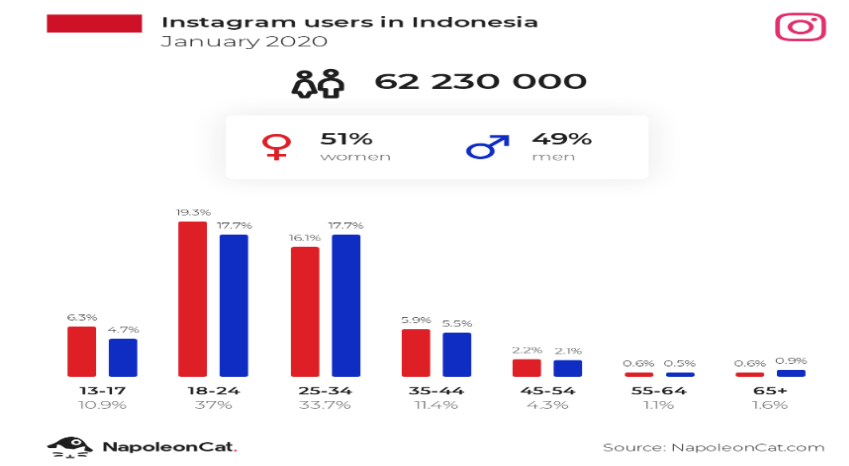
*Source: Hootsuite (2020)*

Based on Figure 1.1 Indonesia has a total number of active social media users is 160 million users, 59% social media users compared to population, change social media user numbers (April 2019 to January 2020) is +8.1% or 12 million users and 99% users active social media accessing via mobile. With so many social media users in Indonesia, many parties take advantage of this to develop their business, including the culinary business, by promoting their products in order to reach a wider market. Social media has many benefits for building a business. By using it to learn more about customers, reach audiences and expand brand reach. (<https://www.dewaweb.com> ). The development of social media in Indonesia has made the movement of product sales from traditional to online, as well as product promotions which usually use banners, pamphlets distributed on the streets, using posters distributed online through websites or social media. Social network users are not only recipients of marketing messages but also create meaning with their brands. The emergence of social media which can be highly accepted as an important part of daily life in Indonesia is rapidly influencing the buying patterns of customers. This has directly changed buyer/seller dynamics within the network, social media has provided buyers with a greater variety of purchasing options to choose from (Ramanathan et al., 2017).

The existence of online marketing purchases on social media is a promising business alternative to be applied at this time, because this media provides many conveniences for both parties, both from the seller and from the buyer, in conducting business transactions even though both parties are located on two continents. different though. As a company's effort to influence purchasing decisions through social media, it needs to be supported by promotions (Puntoadi, 2011). This can be seen from the high percentage of social network users who use social networks for promotional activities (Puntoadi, 2011).

Social networking media such as Facebook, Twitter, and Instagram are social media that are being looked at by business people to communicate and disseminate information with their consumers and potential customers. In this case, the researcher focuses more on social media Instagram.

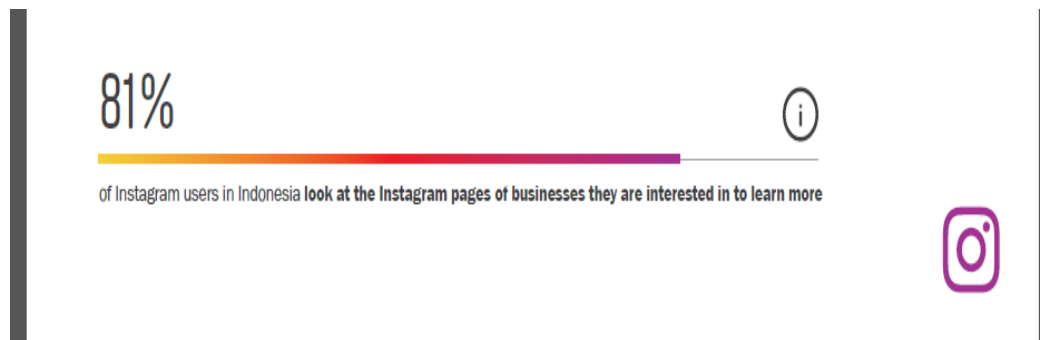
Instagram is one of the social media that is often used in Indonesia. Instagram is a photo-sharing application that is loved by many people. In the business world, Instagram offers advertising solutions with improved ad formats and options for targeting and purchasing. It can help advertisers achieve the results they want, from raising awareness to driving action. Focus on online business today by taking advantage of the growth of Instagram which is marketing its products by advertising on Instagram or Facebook and downloading product photos that will be displayed to share product information with their followers. From the very rapid development of enthusiastic Instagram or Facebook users, they are more responsive and comfortable in making the purchase process because it is only enough to follow the sales account, so that consumers can see everything downloaded by the account user. Online promotions carried out on Instagram or Facebook accounts are effective enough to increase sales



**Figure 1. 4 Instagram Users in Indonesia**

*Source: Napoleoncat (2020)*

Based on data from the use of Instagram in Indonesia, it reached 62,230,000 people, 49% women, and 51% men in January 2020. Due to the large number of Instagram users, it is undeniable that Instagram is one of the best social media to promote a product. food and Drink . Moreover, Instagram has advantages, namely in the visualization section.

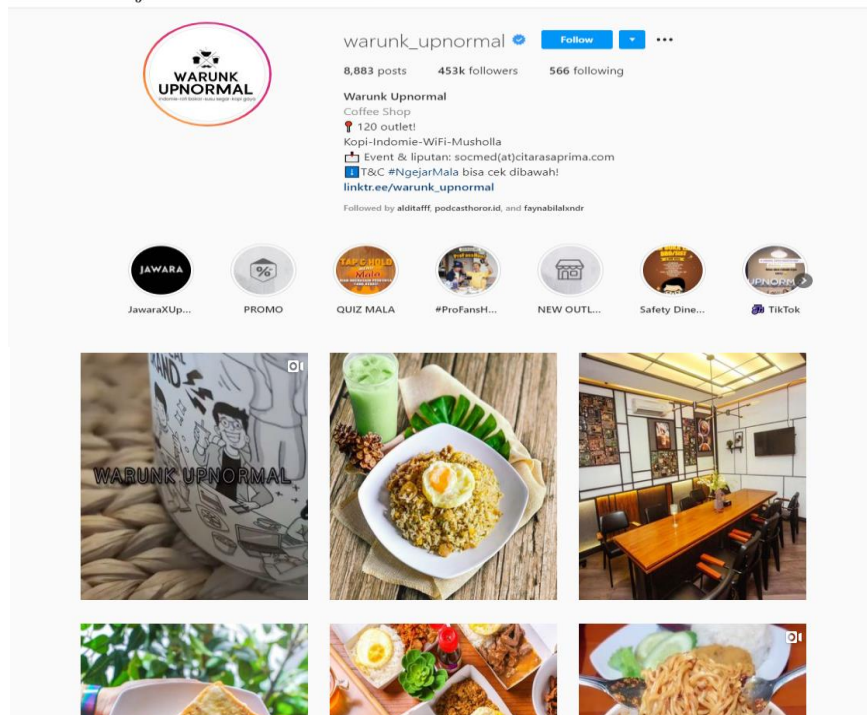


**Figure 1. 5 Survey User Instagram**

*Source: Ipsos (2021)*

From Figure 1.5 it can be seen that 81% of Instagram users in Indonesia use Instagram to find more information about products or services on a brand. Promotions carried out by business people on Instagram social media add a special attraction for customers who see it. The way consumers make decisions can change rapidly due to the ease of information obtained through online facilities, therefore marketers must maintain unique marketing patterns as a strategic process such as consumer appeal, loyalty and retention. This requires a proper understanding of consumer decision making patterns and consumer satisfaction levels when purchasing online (Kumar *et al.*, 2018).

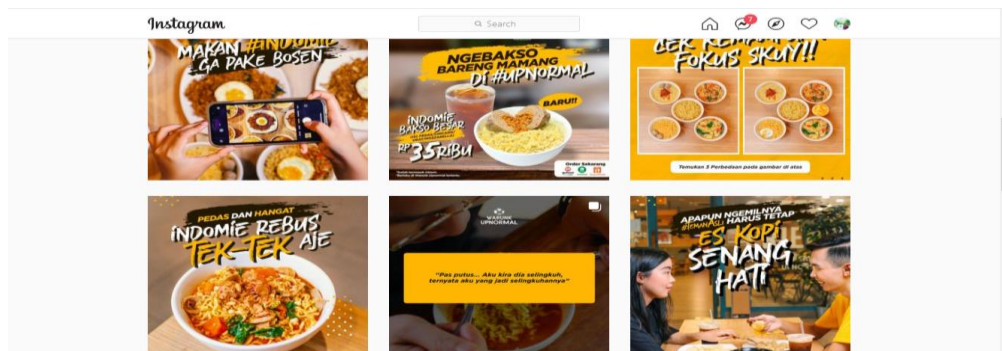
One of the business people, especially food restaurants who promote through social media Instagram is Warunk Upnormal. Seeing the high use of Instagram in Indonesia and one of the social media that helps attract the attention of customers, Warunk Upnormal continues to use Instagram as their promotional media. Promotions carried out using Instagram are likely to increase buying interest for their consumers, plus Instagram presents quality images and features, giving rise to a high impression that the restaurant serves quality products.

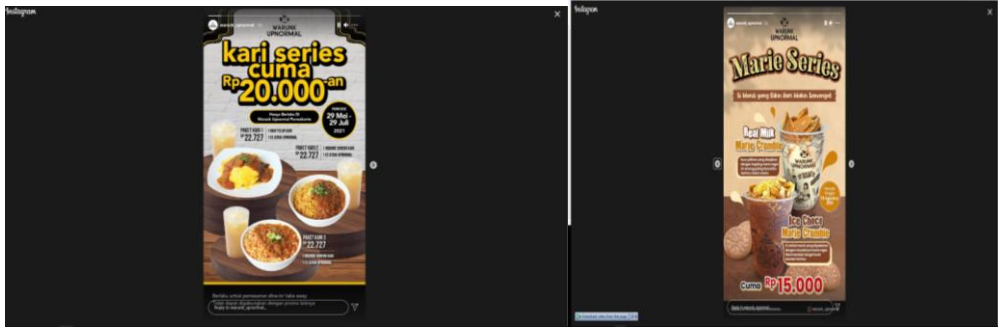


**Figure 1. 6 Instagram Warunk Upnormal**

*Source: Instagram (2021)*

It can be seen that in Figure 1.6 Warunk Upnormal's social media account, namely @warunk\_upnormal, already has 453 thousand followers to date. This shows that the buying interest of Warunk Upnormal Instagram followers is fairly high, because before potential buyers make a purchase of a product, prospective buyers will seek information about the product and after that increase their buying interest which makes them decide to buy the product.



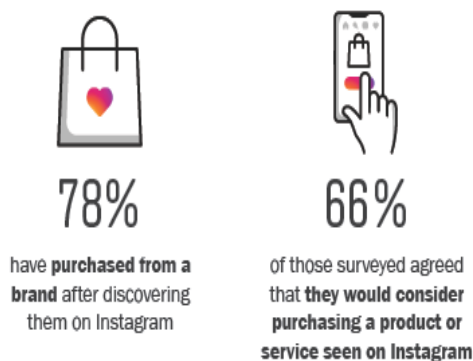


**Figure 1. 7 Feed dan Instagram Stories Warunk Upnormal**

*Source: Instagram (2021)*

In Figure 1.7 you can see the activities carried out from Instagram @warunk\_upnormal, namely Warunk Upnormal posting information on Instagram accounts through the Feed and Instagram Stories features, the information provided is information on products and services provided, as well as promotions that are being carried out by Warunk Upnormal. The information provided by Instagram @warunk\_upnormal is also very up to date.

Warunk Upnormal is not the only food and beverage industry that sells fast food in Indonesia. The increasing number of competition in the food and beverage industry, encourages Warunk Upnormal to innovate in its promotions by promoting different advantages among other competitors so that Warunk Upnormal can survive in its business competition.



**Figure 1. 8 Survey User Instagram**

*Source: Ipsos ( 2021 )*



From Figure 1.8 a survey conducted by Ipsos.com, that 76% of Instagram users have purchased products or services from a brand after finding the brand they are looking for on Instagram and 66% of respondents admit that they are considering buying a product or service viewed through Instagram, so that the search for information by Instagram users on the product brands they want is what Warunk Unnormal uses to increase buying interest which leads to purchase decisions.

The decision to buy a product or service by a particular person is sometimes the result of a long and complicated process that includes searching for information, comparing different brands, conducting evaluations, and other activities. However, for other products, the consumer's decision to make a purchase can happen suddenly, perhaps just by seeing the product displayed on the internet. Marketers need to know the specific needs of consumers they will satisfy, and how to translate those needs into purchasing criteria (Morissan, 2010). According to Kotler (2012), someone who decides to buy, before deciding to buy, occurs through a process consisting of several stages, namely problem recognition, information search, and evaluation of alternatives. This stage of a person who will decide to buy indicates that the buying process begins long before the purchase is executed and has consequences long after the purchase (Kotler, 2012). The statement above shows that the process before consumers make purchasing decisions begins with various processes that can be influenced by various factors, including promotions either conventionally or online using social media.

### **1.3 Formulation of the Problem**

Instagram as one of the social media that has many users is an opportunity for business actors to reach consumers, the convenience as a means of finding information for users in finding information on products and services they are interested in is very profitable for business people.

Instagram as a phenomenon in Indonesia that can change the way business becomes a tool that makes business people use social media as a means to develop

their business because it is considered effective in marketing products by promoting through this platform. Instagram users admit to considering buying products or services from a brand after finding them on Instagram.

Warunk Upnormal, one of the business people in the food and beverage sector, did not miss this opportunity with his Instagram account @warunk\_upnormal promoting using Instagram. Promotions carried out through Instagram are expected to increase customer attention, especially followers of Warunk Upnormal Instagram, so they decide to come and buy Warunk Upnormal products.

Based on the formulation of the problem above, the research questions can be formulated as follows:

1. How is promote online through Instagram to Warunk Upnormal?
2. How is the purchase decision of Warunk Upnormal customers?
3. How does promotion via Instagram affect the purchasing decisions of Warunk Upnormal customers?

#### **1.4 Research Purposes**

The objectives of this study are to:

1. Know and analyze online promotions via Instagram to Warunk Upnormal.
2. Know and analyze the purchasing decisions of Warunk Upnormal customers.
3. Knowing and analyzing the influence of promotion via Instagram on purchasing decisions of Warunk Upnormal customers.

#### **1.5 Research Benefits**

The benefits in this research are:

##### **1. Theoretical Benefits**

For researchers. This research is expected to gain theoretical knowledge and practical experience in the real world of business.

##### **2. Practical Benefits**

###### **a. For Social Media Users**

This research can be used as a source of information for consideration for social media users in deciding to purchase Warunk Upnormal products.

###### **b. For Warunk Upnormal**

Research can be used as a source of information as a consideration for Warunk Upnormal in deciding to use the social media effects of online marketing using Instagram to support the sale of Warunk Upnormal products.

c. For Other Parties

The results of this study can add information to be used as reference material for similar research in the future.

### **1.6 Writing System**

This thesis writing systematics is an overview of the overall thesis content to make it easier to understand.

## **CHAPTER I INTRODUCTION**

This chapter contains an overview of the object of research, a description of the background, problem formulation, research objectives, research benefits, and writing systematics.

## **CHAPTER II LIBRARY REVIEW**

This chapter contains clear descriptions of the theories used in the analysis, previous research, frameworks of thought, and hypotheses.

## **CHAPTER III RESEARCH METHOD**

This chapter contains the place of research, research methods, data collection, data sources and types of data, and data analysis methods.

## **CHAPTER IV DATA ANALYSIS AND DISCUSSION**

This chapter contains validity and reliability tests, respondent characteristics, descriptive analysis, regression analysis, and discussion of research results.

## **CHAPTER V CONCLUSIONS AND SUGGESTIONS**

This chapter contains conclusions, managerial implications, research limitations, and some suggestions for the company.