

Proposed Marketing Experiences Throughout The Integration Program Of Saudagar Laweyan To Increase Purchase Intentions

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ABSTRACT

This research explores the marketing strategies and customer behavior within Saudagar Laweyan, a prominent F&B business in Surakarta, Indonesia. Despite its long-standing reputation and diverse menu offerings, Saudagar Laweyan has experienced declining sales, primarily due to changing customer behaviors and increased competition. The study focuses on understanding customer satisfaction and purchase intentions in relation to the restaurant's servicescape quality, product innovation, and promotional activities. Qualitative and quantitative methods, including interviews with the managing director and surveys among customers, are employed to investigate these aspects. The research aims to determine the most effective marketing strategies to enhance customer purchase intentions and improve Saudagar Laweyan's overall performance in the competitive F&B sector.

Keywords : *F&B, Business, Marketing Strategy.*

INTRODUCTION

The F&B sector in Indonesia is pivotal in the nation's economy. Food and beverages are fundamental human needs, making this industry an essential part of everyday life. It encompasses various establishments, including traditional "wartegs" (small local eateries), bistros, cafes, fine dining restaurants, and catering services. The demand for F&B services is consistently high, and this sector has demonstrated resilience and growth even in challenging times. Remarkably, the F&B industry in Indonesia has shown remarkable growth, as evidenced by its performance during the COVID-19 pandemic. In the second quarter of 2022, it recorded a substantial increase of 3.68% compared to 2.95% in the same quarter of the previous year.

The preliminary data for 2022 revealed that Indonesia's GDP from food and beverage service activities reached approximately 367 trillion Indonesian rupiahs, representing an increase of roughly 34 trillion Indonesian rupiahs compared to the previous year. Several factors drive this growth in the F&B sector, including demographic shifts, urbanization, changing consumer preferences, and globalization. The trend of dining out, particularly among urban populations, has led to the proliferation of restaurants, cafes, and food delivery services.

While larger cities such as Jakarta, Surabaya, and Makasar have experienced significant F&B exposure due to their urban status, the industry is gradually expanding into second and third-tier cities like Surakarta (Solo), Semarang, Lampung, and others. These cities offer promising markets for F&B businesses, as consumers are eager to explore new cafes and restaurants that may have gained popularity in major urban centers. The F&B industry in second-tier cities like Surakarta has grown substantially, with an increasing number of restaurants and cafes. According to data from BPS (Badan Pusat Statistik), Surakarta had over 691 cafes and restaurants in 2022, which is expected to rise. The sector plays a significant role in Surakarta's economic development by generating employment opportunities, boosting customer spending, promoting local culture, and contributing to the city's overall prosperity. In 2023, Surakarta's minimum wage (UMK) is set to increase to Rp. 2,174,169 per month, compared to the previous year's rate of Rp. 2,051,927. This increase can be attributed to inflation, rising living standards, and socio-economic considerations.

The hope is that this wage hike will enhance purchasing power and improve the welfare of the city's residents. However, this wage increase has presented challenges for some F&B businesses, particularly micro, small, and medium-sized enterprises (MSMEs). These businesses face fierce competition and increased labor costs due to the minimum wage hike, which has not always translated into higher revenues. One prominent example is Saudagar Laweyan, a well-established F&B business in Surakarta. Despite its long-standing presence and commitment to maintaining the quality of its offerings and service, Saudagar Laweyan faced declining sales since the onset of the COVID-19 pandemic.

This decline can be attributed to multiple factors, including changes in customer behavior, increased competition in Surakarta, and the economic challenges posed by the pandemic. The decline in sales ruins the company's cash flow, especially if the company is required to pay liabilities such as employee salaries, rent, and other operational costs. For businesses like Saudagar Laweyan, the continuous growth of the F&B industry presents both opportunities and challenges. To remain competitive, entrepreneurs must innovate and adapt to evolving market dynamics. Saudagar Laweyan, for instance, has responded by expanding its menu offerings, incorporating a variety of cuisines, from Surakarta's signature dishes to international flavors, to cater to a broader customer base. This commitment to innovation and maintaining quality reflects the resilience and determination of F&B entrepreneurs in Surakarta and beyond. The growth and evolution of the F&B industry in Surakarta and Indonesia highlight its adaptability to diverse consumer preferences. In Surakarta, the F&B landscape has transformed from traditional local eateries to a cosmopolitan scene where global flavors and culinary innovation harmonize with time-honored traditions.

Notably, the industry successfully balances the preservation of culinary heritage with the embrace of culinary diversity. While rooted in traditional Javanese flavors, Surakarta has become a melting pot of global cuisines, enriching the city's gastronomic

experience and fostering cultural diversity. The role of the F&B industry in Surakarta goes beyond just serving food and beverages; it serves as a platform for cultural exchange and celebration. Festivals and events often feature a variety of local and international cuisines, bringing people together to appreciate different flavors and culinary traditions. Moreover, the industry plays a significant role in promoting Surakarta as a destination for food tourism, attracting visitors eager to explore the city's culinary offerings.

LITERATUR RIVIEW

1. Serviscape

A service delivery process with physical evidence can be channelled through servicescape. Servicescape plays a crucial role in shaping the image and perception of customers by creating the service environment provided by a company. This enables customers to identify and compare it with the service environments of other companies. Hightower (2009:381) defines servicescape as "everything physically present around the consumer during their service encounter transaction." In other words, it encompasses all physical elements surrounding the consumer during a service interaction.

2. Promotion

The promotion price is widely accepted as a reduction in price, discounts, and price decreases (Zhang and Prasongsukarn, 2017). Promotional pricing has emerged as a crucial marketing factor in sales promotion strategies and has recently garnered increasing attention from practitioners and researchers. A conceptual framework for measuring and understanding individual responses to promotions is based on three dimensions: cognition (knowledge, perception, and beliefs related to stimuli), affection (attitudes, feelings, and the discounts offered, as well as the level of emotion related to the stimulus), and conation (behaviour as a response to the stimulus).

3. Product Innovation

According to Myers and Marquis in Kotler (2007:36), the definition of product innovation is a combination of various processes that mutually influence one another. Hence, innovation is not merely the concept of a new idea, a new discovery, or a development in a new market. Rather, innovation encompasses the depiction of all these processes. Charles et al. (2002: 30) assert that innovation is part of a framework linking a company's cultural aspects to its innovative capacity and enhancing its performance through consumer purchasing decisions. Based on this reasoning, when a company engages in product innovation, it is expected to enhance purchasing decisions. This is further supported by Kotabe in Tamamudin (2012:289), demonstrating that the higher the level of product innovation a company undertakes, the greater the enhancement in a company's performance through increased purchasing decisions.

4. Service Quality

In general, the concept of customer service refers to any activity aimed at satisfying customers by delivering services that meet their desires and needs. Customer service is an encompassing activity throughout all business areas that seeks to combine service provision to satisfy consumers, starting from the ordering and processing stages to the delivery of services, all while fostering cooperation through communication with customers (Kotler, 2009,6).

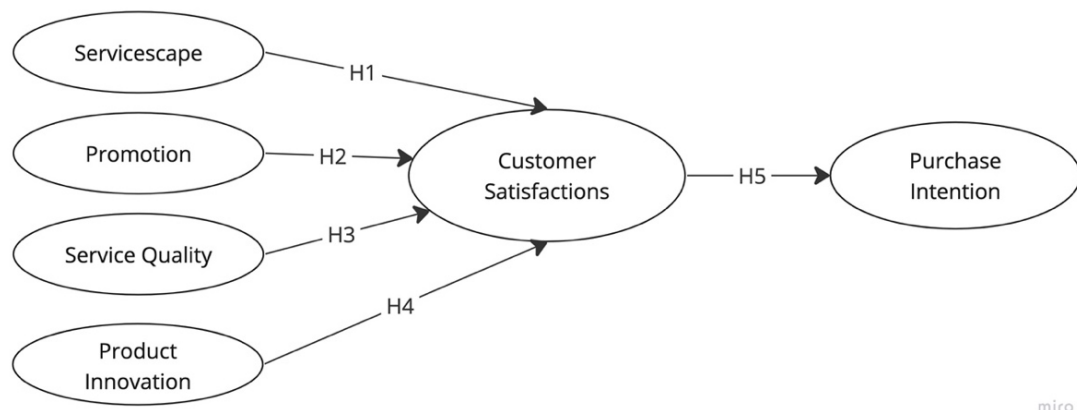
5. Customer Satisfaction

Customer satisfaction is the extent to which a product's perceived performance aligns with customer expectations. If the product's performance falls far below expectations, customers are dissatisfied. If the performance meets expectations, customers are satisfied. If the performance exceeds expectations, customers are very satisfied (Kotler and Armstrong, 2012:13). Customers have preconceived levels of service in their minds before receiving the service.

6. Purchase Intentions

Purchase intention refers to the inclination to buy a brand, primarily based on the alignment between the motive for purchasing and the attributes or characteristics of the brand that are taken into consideration (Hsinking, et al., 2009). In simpler terms, purchase intention can be understood as a positive attitude towards an object that drives an individual to make efforts to acquire it by paying with money or making sacrifices (Schiffman & Kanuk, 2008).

Kerangka Berpikir



Hypothesis :

H1: Servicescape has a positive and significant relationship with customer satisfaction

H2: Promotion has a positive and significant relationship with customer satisfaction

H3: Promotion has a positive and significant relationship to customer satisfaction.

H4: Product Innovation has a positive and significant relationship to customer satisfaction.

H5: Customer satisfaction has a positive and significant relationship with purchase intentions.

METHOD

This chapter will discuss anything related to the data research process. It mainly covers the research methodology, the author's method to conduct the research and answer the research questions already mentioned in Chapter I. This research is supported by data obtained from a survey conducted by the author. The survey results indicate which factors greatly affect customer satisfaction and purchase intentions.

1. Problem Exploration

The research began with the problem statement as the first step. The author interviewed the managing director of Saudagar Laweyan, inquiring about various aspects of the business and identifying the business issue.

2. Research Objectives Definition.

After collecting the business issue, the research objectives were identified and defined, which helped narrow the author's focus for this research. Subsequently, everything was summarized based on the initial interview with the managing director and a mini-survey of the customers.

3. Data collection

In this step, the author will survey to collect data from customers and potential customers of Saudagar Laweyan. This will support the effective solution proposed in the conceptual framework.

4. Business Solutions

After collecting the data, this chapter will provide solutions to address the business issue and enhance purchase intentions.

5. Implementation Plan

As the last step of this research, author will propose the implementation plan for Saudagar Laweyan.

RESULT AND DISCUSSION

The reliability test aims to determine the consistency of a measuring instrument when the same objects are measured more than once, or in other words, the reliability test can be interpreted to show the extent to which a measurement result is relatively consistent when the measurement is repeated two or more times. If reliability is less than 0.6, it is considered poor, while 0.7 is acceptable, and above 0.8 is good. Based on the results of calculating the Cronbach's Alpha formula using SPSS version 26, the reliability coefficient decision for the research is as follows :

Servicescape Variable Reliability Test (X1)

Table IV. 1 X1 Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
.829	11

Promotion Variable Reliability Test (X2)

Table IV. 2 X2 Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
.868	5

Service Quality Variable Reliability Test (X3)

Table IV. 3 X3 Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
.814	5

Menu Innovation Variable Reliability Test (X4)

Table IV. 4 X4 Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
.889	5

Customer Satisfaction Variable Reliability Test (Y)

Table IV. 5 Y Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
.679	2

Purchase Intentions Variable Reliability Test (Z)

Table IV. 6 Z Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items

.832	3
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Based on the above table, it shows that all statement variables have values that can be categorized as acceptable reliability because the Cronbach's alpha value is greater than 0.6.

The normality test of data aims to examine whether the sample used has a normal distribution. In linear regression models, this assumption is indicated by the normal distribution of error values. A good regression model has a normal or approximately normal distribution, making it suitable for statistical testing. The data normality test uses the Kolmogorov-Smirnov Test of Normality in the SPSS program. The decision-making basis can be done based on the probability (asymptotic significance) according to Ghozali (2016), which is:

1. If the probability is > 0.05 , then the distribution of the regression model is normal.
2. If the probability < 0.05 , then the distribution of the regression model is not normal

Table Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		256
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.99144374
Most Extreme Differences	Absolute	.117
	Positive	.068
	Negative	-.117
Test Statistic		.117
Asymp. Sig. (2-tailed)		.200 ^c
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

From the table, it is known that the Asymp. Sig. (2-tailed) value is 0.200, which is greater than 0.05. This indicates that the data follows a normal distribution.

Multicollinearity is a statistical method used to detect the presence of high linear dependence between two or more independent variables in a regression model. Multicollinearity can occur when a strong correlation between independent variables hinders the interpretation and fairness of regression results. If the VIF (Variance Inflation Factor) value is < 10.00 , it means that there is no multicollinearity in the regression model.

Conversely, if the VIF value is > 10.00, it indicates the presence of multicollinearity in the regression model.

Table Multicollinearity Test

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.372	.677		-.549	.583		
	Servicescape	.052	.021	.134	2.418	.016	.389	2.569
	Promotion	-.010	.020	-.022	-.498	.619	.605	1.652
	Service Quality	.010	.043	.014	.231	.818	.339	2.951
	Menu Innovation	.214	.035	.366	6.205	.000	.343	2.912
	Customer Satisfaction	.721	.089	.436	8.130	.000	.414	2.415
a. Dependent Variable: Purchase Intention								

From the output above, the VIF value for all variables is <10.00, and the tolerance value is close to 1, it can be concluded that there is no multicollinearity in the regression model.

Table IV. 7 Partial T-Test (I)

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.608	.480		1.265	.207
	Servicescape	.086	.014	.370	6.090	.000
	Promotion	-.014	.014	-.051	-.987	.325
	Service Quality	.094	.030	.213	3.109	.002
	Menu Innovation	.109	.024	.307	4.605	.000
a. Dependent Variable: Customer Satisfactions						

1. The obtained value for the variable Environment (X1) is a t-statistic of 6.090. Next, the T-table is determined. The t-distribution table is searched at $\alpha/2 = 0.05 = 0.025$ with degrees of freedom $N-k-1, 246 - 4 - 1 = 241$. Thus, the t-Table is 1.969. Since the t-statistic is greater than the t-Table, i.e., $6.090 > 1.969$, and the significance value (Sig.) is $0.000 <$

- 0.05, **it can be interpreted that there is a positive and significant influence between the Environment and Customer Satisfaction.**
2. The obtained value for the variable Promotion (X2) is a t-statistic of -0.987. Next, the T-table is determined. The t-distribution table is searched at $\alpha/2 = 0.05 = 0.025$ with degrees of freedom $N-k-1, 246 - 4 - 1 = 241$. Thus, the t-Table is 1.969. Since the t-statistic is smaller than the t-table, i.e., $-0.987 < 1.969$, and the significance value (Sig.) is $0.325 > 0.05$, **it can be interpreted that there is no significant influence between Promotion and Customer Satisfaction.**
 3. The obtained value for the variable Service Quality (X3) is a t-statistic of 3.109. Next, the T-table is determined. The t-distribution table is searched at $\alpha/2 = 0.05 = 0.025$ with degrees of freedom $N-k-1$, which is $246 - 4 - 1 = 241$. Thus, the t-Table is 1.969. Since the t-statistic is greater than the t-Table, i.e., $3.109 > 1.969$, and the significance value (Sig.) is $0.002 < 0.05$, **it can be interpreted that there is a positive and significant influence between Service Quality and Customer Satisfaction.**
 4. The obtained value for the variable Menu Innovation (X4) is a t-statistic of 4.605. Next, the t-Table is determined. The t-distribution table is searched at $\alpha/2 = 0.05 = 0.025$ with degrees of freedom $N-k-1, 246 - 4 - 1 = 241$. Thus, the t-Table is 1.969. Since the t-statistic is greater than the t-Table, i.e., $4.605 > 1.969$, and the significance value (Sig.) is $0.000 < 0.05$, **it can be interpreted that there is a positive and significant influence between Menu Innovation and Customer Satisfaction.**

CONCLUSION

Satisfaction and purchase intentions managed in Saudagar Laweyan Based on the results of Chapter IV, Results and Discussions, with a sub-section on data analysis, it can be concluded that customer satisfaction and purchase intentions have a positive significance. The justification for this can be derived from the customers who answered the survey and indicated either agreement or strong agreement. Although there is no significance between promotions and customer satisfaction, as well as purchase intention, and no significance between service quality and purchase intention, other variables such as servicescape and product innovation are factors that can support the significance between customer satisfaction and purchase intentions. Therefore, customer satisfaction and purchase intentions can be said to be well-managed, as this aligns with the validated results obtained directly from customers.

Customers respond to servicescape, service quality, product innovation and promotional activities in Saudagar Laweyan The influence of variable X, namely servicescape, promotion, service quality, and product innovation, has an impact on variable Y, which is customer satisfaction, and variable Z, purchase intentions. Examining the results of customer data analysis reveals that there are two strong factors influencing the variables of customer satisfaction and purchase intentions. Variable X, namely servicescape, service quality, and product innovation, significantly affects variable Y,

which is customer satisfaction. However, concerning variable Z, the significant variables are X (servicescape) and product innovation. Additionally, purchase intention is influenced by purchase intentions.

REKOMENDATION

Analyze and evaluate the existing marketing strategy regularly. This can include the marketing initiatives created by Saudagar Laweyan, such as promotions, campaigns, and other marketing activities. Saudagar can analyze this by tracking the number of transactions using the marketing strategy. Improve the most effective marketing strategy by examining existing data and identifying opportunities for enhancement. To achieve this, Saudagar Laweyan needs to collect comprehensive data, encompassing not only marketing metrics but also transaction details, the number of purchases for specific foods/beverages, and any other pertinent information that can inform improvements or the development of new strategies. Enhance customer feedback and gain insight into customer satisfaction and preferences. Encourage customers to provide feedback on their experiences with Saudagar Laweyan products and services. Utilize this valuable information to identify areas for improvement and to tailor marketing strategies based on the customer feedback.

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