

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

In the modern environment, a cafe is one of the favourite places to socialize, work, or meet. The cafe has become a popular gathering spot for both young and older people. This has resulted in fierce competition, with over 50 cafes sprouting up in the Banyumanik and Tembalang areas alone. This causes development in all areas so that they can compete for visitors. Many cafes have sprung up, offering various concepts. One of the cafes the writer is interested in discussing is *Embun Senja Coffee and Eatery*. This place is located in the Banyumanik area of Semarang and has been operating since December 20th. 2021.

Along with the increasing number of coffee shops in Semarang, research on cafe atmosphere strategy has been done. Priyono (2017) said that a café atmosphere can be a powerful strategy for a coffee shop to position its image in consumers' minds. Francioni (2018) stated that store atmosphere is generally defined as all physical and non-physical elements of the company that can impact customer attitudes towards the company. *Embun Senja* has created its cafe atmosphere in several ways, such as by designing a building that looks magnificent from a distance, a large parking area, and comfortable indoor/outdoor space. The research is important because the writer wants to know what customer perception of *Embun Senja Café* atmosphere. This research will be conducted under "The Customer Perception of Cafe Atmosphere at *Embun Senja Coffee and Eatery*."

Some studies have been done to see the impact of store atmosphere. Ali and Kaldeen (2019) found that atmospheric design factors had the greatest impact on purchasing behaviour, followed by exterior and interior, while the relationship between social cues and consumer purchasing behaviour was insignificant.

Store Atmosphere has been studied previously by Rosita (2020). My study differs from the previous studies because it has different various interesting attractions and writer want to learn about what customers feel of the *Embun Senja Cafe* atmosphere. While the previous study focuses on the Keboen Kopi Karanganyar, the writer will focus on *Embun Senja Coffee and Eatery* in this study. The writer discovered customers perception of cafe atmosphere at *Embun Senja Coffee and Eatery*.

1.2 Field of the Study

The field of study is the creative industry, focusing on café atmosphere perception.

1.3 Scope of the Study

This study focuses on customer perception of the café atmosphere *at Embun Senja Coffee and Eatery*.

1.4 Research Questions

In this study, writer wants to review more deeply customers' perception of the Embun Senja Cafe atmosphere, from the aspect of exterior, general interior, cafe layout, and interior display, here are some questions that will be reviewed in more detail by the writer.

1. What is the customer's perception of the store exterior, general interior, café layout, and interior display on *Embun Senja Coffee and Eatery*

1.5 Objective of the Study

The objectives of the study are:

1. To find out the customer's perception of the *Embun Senja* café atmosphere.

1.6 Significance of the Study

This research aims to find out customers' perceptions of the atmospheric store components on the consumers' behaviour and emotional responses and help entrepreneurs find café atmosphere strategies to increase the number of customers, especially the customers of cafés or F&B businesses. The writer hopes this study will benefit those interested in the same business. From the writer's perspective, this research references the café atmosphere strategy. From the reader's perspective, especially entrepreneurs, the writer hopes this research can contribute to cafe entrepreneurs as material for planning and evaluating their strategy to increase the number of customers.

1.7 Definition of Term

1. Store atmosphere

The concept of the atmosphere is uncertain yet commonly used in both regular life and business. Despite several ways to explain this concept, the term's meaning still needs to be clarified; the atmosphere remains important, and it counts. Olahut (2000) said that "atmospherics" refers to the store's aesthetics and ambiance in the context of a retail store, which means it's a physical and non-physical thing.

2. Customer Loyalty

Leong (2012) in his study, he said customer loyalty has been a common topic in companies and organizations. Moreover, a study by Kuusik (2011) stated that there has been an increasing focus on consumer loyalty in recent years. Marketing has played an important role and has been extensively examined in this aspect Bose & Rao, (2011). Oracle (2005) has studied loyalty as a favourable belief in a company's worth, leading to increased purchases over time. Loyalty is a positive belief, generated throughout multiple interactions, in the value that a company and its products or services provide, which leads to continued interactions and purchases over time.

3. Visit Decisions

A visit decision is the process by which individuals or groups choose a destination to visit or travel to base on their preferences, constraints, and available information Gretzel (2006). They stated that decision-making may involve gathering information about potential destinations, evaluating alternatives, and making travel arrangements. Also, several factors can influence visit decisions, including personal preferences, costs, the appeal of the destination, and external influences such as advertising or recommendations from friends and family. The study by Kozak and Rimmington (1998) said that visit decisions are crucial for businesses and destinations seeking to attract and retain visitors, as they can inform marketing strategies, product development, and other efforts to meet the needs and preferences of travellers.