

CHAPTER 1

INTRODUCTION

A. Background

Tourism is an important sector as a source of regional income for the City of Surakarta (Isa et al, 2018). The city of Surakarta continues to improve in developing the tourism sector, both tourist destinations, tourist events and supporting facilities, in developing the regional economy. The increase in the tourism sector in the city of Surakarta can be seen from the increasing trend of people who prefer to travel various places, both natural tourism, cultural tourism and special interest tours. One form of special interest tourism is culinary tourism (Isa, 2016).

The culinary development in the city of Surakarta has been going on for centuries and has left a lot of wealth. Culinary in Surakarta has continued to develop until now. Culinary tourism is a part of cultural tourism, which means that this tour has its own value in the eyes of tourists. Culinary wealth is a big capital that must be utilized in the context of regional economic development (Saeroji & Wijaya, 2017).

The city of Surakarta has a variety of interesting culinary delights, with undoubted quality of taste. Surakarta cuisine is seen as a tourism potential (Saeroji & Wijaya, 2017) because it is not uncommon for people to come to Surakarta City just to taste the city's specialties. This is reinforced by the coronation of Solo as a culinary city other than Bandung by the Minister of Tourism. These iconic dishes help Solo City in terms of branding, many tourists have made culinary tourism in Solo a preceptive agenda.

Food and beverage in the city of Surakarta is one of the business potentials with a high growth rate because food and beverages are one of the main needs of all people from all walks of life (Wajdi & Isa, 2014). One of the fast growing sub-sectors of the food and beverage industry now is Warunk Gacoan Solo. The restaurant that develop rapidly, where the progress of add a branches in various cities. This place is always crowded

every day, customers are willing to queue up a lot in order to enjoy the noodles. Interior and exterior design in a place to eat has an influence on purchasing decisions, not only that because the average who come are among young people, this place is always the best choice because the place is quite spacious, comfortable, and very suitable for hanging out together -same. All was done in order to attract the interest and attention of consumers to visit the stall.

Creating customer satisfaction is also the most important thing that has become the target of culinary business entrepreneurs. Satisfied consumers will bring prospective new customers to the company. Satisfied consumers will share their experiences with using products or services to others. Furthermore, satisfied consumers are not always satisfied. Maintaining customer satisfaction and increasing it is not easy. Steps to create customer satisfaction, such as relying on a delicious menu, nutritious, and relatively affordable prices are not enough. There is a time when consumers are bored with the existing menu and it is impossible for the company to continue to issue the latest menu in the near future, there are other and unique offers from competitors, the price is no longer a guarantee that consumers will be satisfied and interested, and on the other hand consumers expect to have something more than just a menu. Therefore, the steps taken by culinary business entrepreneurs today which are considered effective in terms of creating consumer interest and satisfaction are creating Product Equity. From previous research conducted by Permana (2018), namely the Effect of Service Quality, Product Quality, and Price against Purchasing Decisions at Warunk Gacoan Kediri Branch. the result is that there is a significant influence between service quality, product quality and the price against the decision purchase at Warunk Gacoan Kediri Branch. Of the three variables the most powerful influence is variable quality of service and that the weakest is the price. In my research, I developed and added several variables, namely below.

Brand equity is the strength of a brand that provides value to companies and consumers. According to Kotler and Keller (2009: 263), brand equity is the added value given to products and services. Brand equity can be reflected in the way consumers think, feel and act in relation to the brand, and also the price, market share, and profitability that the brand provides for the company. From a company perspective, brand equity provides higher profits, cash flow and market share. Whereas from a consumer perspective, brand equity is associated with positive and clear beliefs about brands in the minds of consumers. If a brand is already known by consumers and can differentiate itself from other competitors, then the brand has a high brand equity. In this case consumers can perceive a brand that has high quality and succeeded in making consumers satisfied.

In addition, things that need to be considered to improve repurchase decisions in the culinary business are not only product equity, but also must pay attention to the quality of the product itself. According to Kotler & Amstrong (2008) define a product quality as the ability to demonstrate a variety of functions including the robustness, precision, reliability and ease of use. A product quality is the quality of the product produced by a company where a good quality product will give customers a satisfaction and result in repeat purchase (Prasetyo & Purwanti, 2017). Products are considered important by consumers and are used as the basis for decision making. Product quality, in addition to influencing consumer satisfaction, also influences buying interest. This is demonstrated by research by Basrah Saidani and Samsul Arifin (2012) that Product Quality has a positive direct effect on consumer Repurchase Interest.

Location is one of the determining factors for a business since it affects the cost of business (Shatat, 2015). The business location should be considered as good as possible. If the company make a mistake in choosing a location, the company will bear the damages or fail in reaching its goals. So that location is also a factor in purchasing decisions.

The last factor in consumer repurchase intention decision is Promotion. Kotler and Armstrong (2012: 76) promotion is the promotion means activities that communicate the merits of the product and the customer demand to buy it. Promotions at the Gacoan Solo stall are also very diverse from promotions on Social Media to giving promos to Grab / Gojek technology companies, we can see from every day that many Grab / Gojek queue for hours in order to get orders for noodles from beloved customers. According to Kotler & Ketler (2012) it has also increase consumer demand for goods and services in the market thereby requiring business organizations to increase and align their market communication resources with attention focused more on attracting, satisfying, and retaining its customers through various means of sales promotion and advertisement.

According to the background, the researcher is interested in having a research with the tittle **THE EFFECT OF PRODUCT QUALITY, BRAND EQUITY, PLACE, AND PROMOTION TOWARDS REPURCHASE INTENTION DECISION OF WARUNK GACOAN SOLO.**

B. Research Problems

Based on the background described above, the formulation of the problem in this study are:

1. What is the impact of product quality on repurchase intention decision?
2. What is the impact of brand equity on repurchase intention decision?
3. What is the impact of place on repurchase intention decision?
4. What is the impact of promotion on repurchase intention decision?

C. Research Purposes

Based on the above problem formulation, this study has the following objectives:

1. Analysis the influence of quality product on repurchase intention decision.

2. Analysis the influence of brand equity on repurchase intention decision.
3. Analysis the influence of place on repurchase intention decision.
4. Analysis the influence promotion on repurchase intention decision.

D. Benefits of Research

Based on the problems that have been formulated, the objectives of this study are:

1. The results of this study can be used to add insight related to the influence of product quality, brand equity, place, and promotion towards repurchase intention decision.
2. The results of this study can be used as a reference for further research.
3. The results of this study can be used to contribute criticism and suggestions to Warunk Gacoan Solo in an effort to improve product quality and customer trust.