

CHAPTER I

INTRODUCTION

1.1 Background

The exchange of information and the development of technology in the current era can increase strong business competition. One of them is the development of authentic shops in Indonesia. Authentic stores aim to create a nostalgic feel (S. H. Kim et al., 2021). Consumers sometimes prefer a product that has characteristics and recipes that are hereditary. Many consumers are willing to come from afar to enjoy products that are already famous for their taste. This can encourage authentic shop owners to make changes and be challenged to think creatively and innovatively. One of them is an authentic shop that produces products that have been widely sold, for example, such as ice cream.

Ice cream is a dessert or snack that has many different colors and flavors. Ice cream is generally made from milk and cream. Over time, the development of ice cream in the market has made many innovations and followed interesting trends. For example, ice cream flavors are currently not only vanilla and chocolate, but many ice cream manufacturers have begun to create many unique and different flavors from others. Variations of ice cream flavors can be added such as fruits or other spices. The results of the many innovations in ice cream flavors can attract many consumers and provide consumer experience of the diversity of ice cream flavors.

The development of ice cream on the market is not only on flavor variations but also on packaging that attracts consumers. On the foopak page, it is

explained that ice cream packaging currently uses more paper cups. Paper cup packaging is considered more environmentally friendly than ice cream packaging that uses plastic. Ice cream that uses paper cup packaging tends to be more attractive because with a variety of color designs and motifs it tends to attract many consumers. The development of ice cream packaging innovation today can be an added value for ice cream producers.

Ice cream became known in Indonesia during the Dutch colonial era. At that time the Dutch version of ice cream used the main ingredient of milk so that it had a soft texture. Ice cream is classified as a luxury food and can only be enjoyed by aristocrats or Dutch people. There are ice cream shops scattered in several big cities in Indonesia, one of which is Surabaya, namely Zangrandi.

Zangrandi is the oldest ice cream shop in Indonesia and is still popular today. It is located at Jalan Yos Sudarso No.15 Surabaya. Zangrandi can provide a variety of ice cream flavor menus with classic flavors. Examples include banana split, cassata, noodle ice cream, and tutti frutti. Zangrandi was established in 1930 by Roberto Zangrandi who was Italian and settled in Surabaya. At that time the recipe for Zangrandi's menu was formulated by Roberto Zangrandi's wife and the ice cream shop was named Mevrouw Zangrandi. In 1960 Roberto Zangrandi had to return to Italy and the ice cream shop was bought by a local Surabaya resident named Adi Tanumulia.

At that time the ice cream shop changed its name to Graha Es Krim Zangrandi. Since its inception, Zangrandi has maintained the original recipe. This ice cream product does not use preservatives and chooses to use natural

ingredients. The main consumer attraction is that Zangrandi is an authentic shop that still serves its products with old-school flavors but can still be enjoyed today. The following is data on the number of visitors to Zangrandi during 2021-2023:

Table 1.1
Number of Zangrandi Visitors

Year	Number of Visitors
2021	81.184
2022	133.299
2023 (As of October)	182.440

Source: Zangrandi Data

Not only serving ice cream menus, consumers can also feel the feel of a classic building. For example, the interior and exterior of Zangrandi are still thick with colonial style. In 2009 it was determined that Zangrandi was a cultural heritage authorized by the Mayor of Surabaya at that time Bambang Dwi Hartono. The Tasteatlas website explains that Zangrandi is the top 100 iconic ice creams in the world as listed in the table below:

Table 1.2
Top Iconic Ice Creams of The World

Country	Place Name	Year Established	Iconic Ice Cream
Indonesia	Zangrandi	1930	Tutti frutti
Iran	Akbar Mashti	2000	Akbar Mashti
Irelandia	Murphy's	1920	Dingle sea salt
Jepang	Kinotoya Bake	1983	Hokkaido milk soft serve

Source: www.tasteatlas.com/most-iconic-ice-creams

In 2021, news spread about the closure of Zangrandi. The news eventually spread widely on WhatsApp. At that time, Zangrandi had provided information through its social media, namely Instagram, which explained that the news was not true (Wijaya, 2021). Zangrandi turned out to be only temporarily closed

because it would do a stock calculation, but currently many consumers come to buy ice cream from Zangrandi (Wijaya, 2021).

The values held by consumers can indicate the quality of their engagement with social media, such as providing reviews or comments on promoted products. Values that consumers can cling to include social value and personal value. Social value can include consumer satisfaction and benefits that help consumers gain recognition on social media (Lou & Xie, 2021). Consumers who frequently interact and provide information on social media are considered to be able to apply good values. On the other hand, personal value is a factor that can provide encouragement and influence individual thoughts and actions (Dülek & Aydin, 2020). The personal value of each consumer can vary because it is shaped by individual experiences, culture, and the surrounding environment.

Social media serves as one of the strategies used to facilitate online sales and can significantly increase purchase intention. Online marketing through social media platforms can experience rapid growth, and one of its main objectives is word-of-mouth marketing (ElAydi, 2018). Word-of-mouth communication is considered to have a significant influence and can effectively shape consumer attitudes (Tsai & Bui, 2021). In this increasingly advanced digital era, many companies are increasing their interactions with consumers through social media. The result of implementing marketing through social media WOM is an increase in purchase intention, because consumers now place greater trust in reviews than advertisements displayed (Dülek & Aydin, 2020).

Consumers can gather information through social media to form purchase intention. Purchase intention refers to consumers' desire to obtain products that provide benefits and added value to them (Khan et al., 2021). This is a reflection of consumer behavior that shows their intention to make a purchase (Dabbous & Barakat, 2020). Purchase intentions are planned decisions when consumers aspire to buy a product in the future. Consumers who feel satisfied with a product, often visit social media or websites, which can further increase purchase intention.

Consumer purchase intentions for certain products will shape consumer purchase behavior. Purchase behavior can refer to consumer behavior towards purchasing a product (Emami-Naeini et al., 2019). Consumer behavior or action can occur when considering or choosing a particular product or service. Purchase behavior can also arise when consumers are aware of the desired needs. This awareness can encourage consumers to seek information about the product or service needed.

This study aims to examine the influence of social value and personal value on social media WOM and subsequent purchase intention on purchase behavior. This research is based on several descriptions and phenomena above that refer to Zangrandi as an authentic shop. Therefore, the authors propose the following title "An Analysis of the Relationships between Social Value, Personal Value, Social Media WOM, Purchase Intention and Purchase Behavior in the Food and Beverage Industry".

1.2 Problem Statement

Based on the description of the background of the problem in the previous sub chapter, the problem formulation in this study can be formulated as follows:

1. Does social value have a significant influence on personal value?
2. Does social value have a significant influence on social media WOM?
3. Does personal value have a significant influence on social media WOM?
4. Does social media WOM have a significant influence on purchase intention?
5. Does social value have a significant influence on purchase intention through the mediation of social media WOM?
6. Does personal value have a significant influence on purchase intention through the mediation of social media WOM?
7. Does social value have a significant influence on purchase intention through serial mediation of the influence of personal value on social media WOM?
8. Does purchase intention have a significant influence on purchase behavior?

1.3 Research Objectives

Based on the description of the problem formulation in the previous sub-chapter, the objectives of this study are as follows:

1. To analyze the significance of the influence of social value on personal value.
2. To analyze the significance of the influence of social value on social media WOM.
3. To analyze the significance of the influence of personal value on social media WOM.

4. To analyze the significance of the influence of social media WOM on purchase intention.
5. To analyze the significant influence of social value on purchase intention through the mediation of social media WOM.
6. To analyze the significant influence of personal value on purchase intention through the mediation of social media WOM.
7. To analyze the significant influence of social value on purchase intention through serial mediation of the influence of personal value on social media WOM.
8. To analyze the significant influence of purchase intention on purchase behavior.

1.4 Reaserch Benefits

The results of this study are expected to provide the following benefits:

1. For Researchers

This research is expected to provide new knowledge and experience for researchers regarding consumer purchasing behavior at Zangrandi.

2. For Zangrandi

This research is expected to assist in providing advice and input to Zangrandi regarding consumer purchasing behavior which is influenced by social value, personal value, social media WOM and purchase intention.

3. For the Community

This research is expected to provide information and a source of knowledge for readers. And can add references, especially to find out the influence of

social value and personal value on social media WOM and subsequent purchase intention on purchase behavior.

1.5 Thesis Structure

The systematics of writing this thesis has five chapters which aim to provide an overview of the contents of this research so that it can be understood and becomes structured. The components of this research consist of:

CHAPTER I INTRODUCTION. This chapter explains the background of the problem, formulation of research problems, research objectives, research benefits and systematics of proposal writing.

CHAPTER II THEORITICAL FOUNDATION. This chapter describes previous research conducted by previous researchers, the theoretical basis that supports this research, the framework of thought and research hypotheses.

CHAPTER III RESEARCH METHODS. In this chapter, it describes the research design, research limitations, variable identification, operational definitions and variable measurements, research instruments, population, samples and sampling techniques, data and data collection methods, validity and reliability tests of research instruments and data analysis techniques.

CHAPTER IV DESCRIPTION OF RESEARCH SUBJECTS AND DATA ANALYSIS. This chapter describes the description of the research subjects and research data analysis consisting of descriptive analysis, outer model and inner model evaluation, research hypothesis testing and analysis results using the SmartPLS application and discussion of the research results.

CHAPTER V CONCLUSIONS, LIMITATIONS, AND SUGGESTIONS. This chapter explains the conclusions that can be drawn from this research, the limitations of the research, and suggestions given to further researchers, the objects discussed and for the community.

