

## **ANALYSIS OF MILLENNIAL CONSUMER BEHAVIOR IN THE 4.0 ERA IN MEDAN CITY**

**Ade Rahma Ayu\***

Sekolah Tinggi Ilmu Manajemen Sukma

Email : [aderahma@stimsukmamedan.ac.id](mailto:aderahma@stimsukmamedan.ac.id)

**Abstract:** In this era of rapid technological development and the rapid dissemination of information. This greatly influences the patterns and lifestyles of almost all people, especially generations millennial. The development of the cafe business as a form of micro and small and medium enterprises (MSME's) in the city of Medan is dominated by young people millennial generation. The facilities provided by the cafe include free wifi and a unique interior favored by visitors among millennials. Consumer style behavior of today's generation of children (millennials and z) in this digital era has both positive and negative impacts. From the proliferation of cafe businesses can increase employment opportunities in the city of Medan. With the consumer style behavior of the millennial and z generations can increase independent entrepreneurial innovation young people in Indonesia, especially in the city of Medan. Based on research results, Lifestyle The millennial and z generations are a very influential factor in the development of the cafe business in the city of Medan. The millennial and z generations also prefer cafes that have interior design which is instagrammable. Through several processes that are not easy, cafe owners can develop its business in a competitive market in the city of Medan.

**Keywords:** Analysis; Consumer Behavior ; Millenial Generation; MSME's

### **INTRODUCTION**

The Industrial Revolution 4.0 brings changes in human life, especially in the field of technology and information. This certainly has a positive influence on human life. The extent of the influence depends on the extent to which society uses it. Currently, society is very identical with the use of the internet. Of course, this interesting fact must be utilized properly and the current young generation (millennials) who are accustomed to new lifestyles like today must be used as drivers of the economy of various countries. The emergence of various technologies certainly makes it easier for people to access information. A survey conducted by the Indonesian Internet Service Providers Association (APJII) with the theme "Penetration and Behavior of Indonesian Internet Users 2017" stated that the number of internet users in Indonesia reached 143.26 million people or 54.7% of the total population of Indonesia. The increase in this number also affected the current millennial social model which is identical to the internet. This also affects consumer purchasing behavior patterns. One important factor in knowing consumer behavior is to study the psychological factors of consumers, namely consumer attitudes, thus if consumer attitudes can be defined well and then knowing their interests, consumer behavior can be predicted. (Sunarto, 2018) Currently, there is a phenomenon in millennials forming groups with the same interests. They have a hobby and habit of gathering in a cafe or restaurant just to interact socially with friends. So that the growth of cafes in Indonesia has increased. This millennial generation is indeed recognized as hanging out and walking around twice as often as the previous generation, not just choosing ordinary places to gather, but usually the hangouts they visit have fast Wifi network access and unique place designs such as cafes or restaurants and other facilities such as live streaming or live music. Usually they come more to enjoy the facilities of the place such as Wifi and take pictures with the interior design of the cafe then they post it on their social



media accounts rather than ordering food or drinks provided. Indirectly, this generation provides a new lifestyle behavior for the business world where consumer needs for Wifi and the concept of a business place that has aesthetic value are very much needed. Nowadays, if consumers want to hang out at a cafe or restaurant, the first thing they see or judge is not the food or drinks served, but rather they look more at the interior design and facilities offered, such as a comfortable place, Wifi connection network or live music and live streaming. The hangout culture is a medium for socializing, usually hanging out is done in comfortable places to gather with colleagues, friends or family such as cafes, coffee shops, and other places. This encourages a change in lifestyle into a necessity. This culture has entered the millennial generation, especially in Medan City because of the influence of social life.

Consumer behavior is the basis for implementing marketing policies that are based on fulfilling consumer needs and desires so that companies can have customer loyalty. Every decision taken by consumers must be based on certain reasons, either directly or indirectly. The consumer decision-making process is closely related to psychological problems and external factors. By understanding consumer behavior, marketers will find it easy to describe how the decision process is made (Subianto, 2007). Consumer behavior analysis is an approach used to understand how individuals, groups, or organizations carry out the process of selecting, using, and discontinuing goods and services, and how the experiences they have influence their purchasing decisions (Gultom, 2023). In this context, there are various factors that influence consumer behavior, such as preferences, needs, motivations, and attitudes towards certain products or services (Utomo, 2023). Consumer needs and desires vary greatly and can change due to factors that influence consumers in making purchases. Therefore, entrepreneurs need to understand consumer behavior so that the marketing activities carried out can run effectively and efficiently. There are several definitions of consumer behavior put forward by experts, including according to Mangkunegara (2002) that consumer behavior is actions taken by individuals, groups or organizations related to the decision-making process in obtaining, using economic goods or services that can be affect the environment. According to Winardi in Sumarwan (2003) the definition of consumer behavior is the behavior directed by people in planning, purchasing and using economic goods and services. Research on purchasing decision making is very important because of the increasingly tight level of competition in competing for consumer decisions in choosing products to meet their needs and desires (Mangifera et al. 2019). This is certainly followed by many cultures that follow it, both positive and negative. The hangout or hangout style of the millennial generation has become a new trend for society, especially in the city of Medan, which without us realizing it is the influence of globalization. Hangouts have become a phenomenon or maybe even a new lifestyle that answers the needs of modern society such as the millennial generation, and are usually in the form of cafes, coffee shops, hangouts and others. The reduction in comfortable and flexible public spaces has made hangouts an alternative space that has slowly become the main choice for interacting and socializing with both family and friends. Including for the millennial generation in the city of Medan, hangouts or cafes have become the place of choice to fill their free time. This is what causes many cafes to emerge around campuses and not infrequently within the campus environment itself. Cafes are part of MSMEs that play an important role in increasing employment opportunities, especially in the city of Medan.

This phenomenon is an opportunity for cafes, restaurants or other culinary businesses to be present as favorite hangouts for consumers. In addition, Hana (2019) discusses how internet technology has slowly but surely changed the purchasing behavior of the Millennial Generation in meeting their needs, with a focus on online shopping interest influenced by trust and service quality. This study is based on consumer behavior theory and a purchasing decision-making model, which explains how internal and external factors influence consumer

choices. This model will be tested in the context of sustainable products and the millennial generation in Indonesia. Some of the determining factors analyzed in this study include environmental awareness, social values, price, product quality, and availability of information. These factors will be evaluated to determine their influence on purchasing decisions for sustainable products.

MSMEs have a very important role in the development of the national and regional economy. The great opportunities owned by the MSME sector are quite large and MSMEs are able to survive the crisis. MSMEs have received less attention in Indonesia and have destroyed many large businesses, but most MSMEs have survived, and their numbers have even increased very rapidly. MSMEs have also become the backbone of the people's economy that is able to overcome poverty and absorb labor. MSMEs also create jobs faster than other business sectors, and MSMEs also make important contributions to exports and trade. MSMEs play a role in the distribution of development results. Another important role is that MSMEs encourage the emergence of new entrepreneurs. Entrepreneurs have two functions in a country's economy, namely macro and micro functions. In the macro role, entrepreneurs function as drivers, controllers and drivers of a nation's economy. All businesses, both large businesses and MSMEs, start from an initial idea implemented by entrepreneurs. In MSMEs, this function can move faster because of the ease of entering the industry. Innovation and creative ideas are easier to implement than if they are engaged in large businesses. Which generally have more complicated bureaucratic paths and procedures. Meanwhile, on the micro side, the function of entrepreneurs in companies includes bearing risks and uncertainties, combining resources in new and different ways, creating added value, creating new businesses, and creating new opportunities (Suryana, 2013).

**Table 1 Recapitulation Data of UMKM in Medan City 2023**

Bussiness Sector	Total	Percentage (%)
Production	301	38,94
Cullinary	438	56,66
Services	31	4,02
Poultry & Farm	3	0,38
Total	773	100

*Source : Badan Pusat Statistik Kota Medan,2024*

Table 1.1 explains that the existence of MSMEs in the city of Medan varies greatly. The data obtained shows that the culinary business sector is the 7th business sector with the highest percentage in the city of Medan, which is 56.66% and the livestock and fisheries business sector is the business sector with the smallest percentage, which is 0.38%. Based on information on the very large number of MSMEs, this is also not a determinant in solving unemployment in the city of Medan. Based on data from the Central Statistics Agency of the city of Medan, the open unemployment rate based on the area of residence in 2017-2020, shows that the unemployment rate in urban areas always has a higher figure. As in 2019 in the city the unemployment rate was 62.8% while in rural areas the unemployment rate was 37.2% (BPS, 2019).

**Table.2 Open Unemployment Rate in Medan City**

City	Unemployment Rate (%)		
	2021	2022	2023
Medan	10,81	8,89	8,67

*Source : Badan Pusat Statistik Kota Medan, 2024*

Apart from unemployment, MSME actors choose to become entrepreneurs because they have made a decision from the start since graduating from school. The existence of this entrepreneurial spirit has a significant impact on economic growth. Especially in the current conditions where globalization has become commonplace. To face the challenges of globalization, the ability to be open to new ideas, dare to face risks and not give up easily is needed. These three traits are generally found in individuals who have an entrepreneurial spirit (Wennekers & Thurik, 1999). From the explanation above, it can be seen that the industrial revolution 4.0 influences the development of MSMEs in cafe business actors who take advantage of changes in people's behavior, especially millennials and gen-Z. Promotion via the internet, design, as well as wifi and other facilities can attract visitors, especially millennials and z generations. 8 This study aims to analyze the behavior of millennial generation consumers in choosing cafes/restaurants as a place to hang out. In the era of globalization and increasingly real climate change, sustainability has become an important issue in various sectors, including product consumption. The millennial generation, as a significant demographic group in the market, has great potential to drive change towards more sustainable consumption (Sudirjo, 2024). The formulation of the problems raised in this study are as follows:

1. How is the process of running a cafe/restaurant business in the digital technology era!
2. What factors influence consumer behavior to visit cafes in the digital technology era?

### **RESEARCH METHOD**

The research method is a step and procedure taken in collecting empirical information to solve problems from a study. This study aims to analyze descriptively consumer behavior for cafe/restaurant owners in developing their business in a competitive market in the city of Medan and to analyze the determinants to see changes in consumer behavior who are active in cafes in the era of digital technology in the city of Medan using a qualitative approach, namely data in the form of verbal sentences and qualitative data that cannot be measured on a numerical scale (Kuncoro, 2013). The population in this study is a cafe, a hangout for the millennial generation that provides various interesting facilities such as wifi, and unique designs and provides contemporary food and drinks in the city of Medan. The sample in this study is a cafe/restaurant in Tanjung Sari Village, Medan City. Data Type The type of data used by the author is qualitative data. In general, qualitative data that is ordinal data is data that is expressed in the form of categories, but the position of the data is not the same degree because it is expressed in a ranking scale. (Kuncoro, 2013) b. Data Source The data source for this study is primary data. Primary data is data collected through first parties, usually through interviews, opinion polls and others. In this study, the data came from the results of a questionnaire from cafe business owners in Medan and cafe consumers in Medan with a direct questionnaire distribution of 20%, via Google form of 80%, and conducting direct interviews. The collection technique used in this study is the snowball sampling technique. This technique is used to continuously search for informants from one informant to another so that the data obtained is considered saturated or if the data does not develop anymore. Primary data is obtained using a questionnaire, which is a list containing a series of questions regarding a problem or field to be studied, which aims to obtain the information needed, relevant information, and information needed simultaneously (Kuncoro, 2013). In this study, the questionnaire was used as a companion tool in collecting data. The list of questions was made semi-open which gave respondents a choice of answers and provided explanations needed by the researcher. There are two sampling techniques, namely purposive sampling and snowball sampling, namely data source sampling techniques, which are initially small in number, the longer the larger, this is done because the small number of data sources is estimated to be unable to provide complete data. The sample design used in this study is Nonprobability sampling, sampling that does not provide equal opportunities for each element or member of the population to be selected as a sample. This method is used to select samples based on an assessment of several characteristics of sample members that are adjusted to the purpose of the

study (Kuncoro, 2013). The number of samples used in this study was 20 informants consisting of business owners and consumers of Cafes in Tanjung Sri Village, Medan City.

## DISCUSSION

Changes in consumer behavior along with increasingly sophisticated technological developments and facilitating most human work. The development of information technology is increasingly rapid due to the role of the internet. Through the internet media, people can find information from all fields of science. The internet has many positive impacts with the information in it, but on the other hand, the internet also has negative impacts because the information contained in the internet is difficult to limit, various types of information in various forms and purposes are mixed together, where to access it you only need to enter a few keywords. The internet has become part of the millennial generation's lifestyle. Almost every activity of this millennial generation is influenced by the internet, from the use of social media networks, to their educational needs, so the internet is a necessity for them. One of the prominent lifestyles among the millennial generation is the pattern of internet consumption. Their internet consumption is much higher than older population groups. This shows that their dependence on internet connections is very high. Changes in behavior and lifestyle of society that are increasingly developing and do not recognize place and time make digitalization easily accepted by the world community. Ease of internet access has proven to make it easier for people to do anything, anywhere and anytime. The presence of new instruments in the millennial generation and this situation makes the need not only clothing, shelter, and food. Wifi or internet signal also now has a role like a need like eating every day. The lifestyle of people today, especially the millennial generation, has changed and developed. If in the past, people did not really care about appearance and lifestyle, but now, the conditions are different. Lifestyle, is no longer limited to appearance, the "Hangout" activity is now also an activity carried out by young people and adults in a place to gather and do activities to fill their free time.

This hangout activity is carried out quite often per week, because in hanging out they are not just spending their free time, but usually this millennial generation, especially students, will often hang out and choose cafes that provide free Wifi because they need a fast Wifi connection to complete assignments, in addition to completing assignments, other activities carried out at hangouts are playing online games with friends. Because of this phenomenon, Hangout places such as cafes and restaurants are increasingly creative in improving themselves, creating fun hangouts and making visitors feel at home according to the needs of their visitors. It is no wonder that nowadays, there are more and more contemporary hangout places. In accordance with the era that relies on smartphone technology, social media also plays a role in making hangout places more famous. Indirectly, through social media, many people are involved in promoting hangout places, especially those places that have an instagrammable atmosphere. Cafe businesses in the current digital technology era are in great demand because they are related to the provision of food and drinks to provide a special and adequate place that is easy to reach. In addition, it is also followed by the provision of satisfactory facilities for visitors and providing forms of entertainment according to the needs of visitors, most of whom are Millennials. The millennial generation's need for fast Wifi connections, unique and instagrammable interior designs, and complete facilities. There are many cafes that are very diverse and the price choices are also affordable for all groups, especially for students. The existence of cafes in the city of Medan can change the rhythm of a lifestyle with a consumptive nature because cafes will be a gathering place for millennials almost every day. Cafes are one of the MSMEs, which are the strongest sectors or the backbone of the national economy to grow. More than 90% of business actors in Indonesia are included in the MSME sector category. For this reason, MSMEs are expected to continue to develop amidst the challenges of the industrial revolution 4.0 era. One of the government's steps to boost the MSME sector is by empowering the People's Business Credit (KUR). With low KUR interest rates, it is hoped that it will be an opportunity for MSMEs to develop their businesses and be able to compete. The development of the cafe business in Indonesia today, especially in big cities, is growing rapidly. Many entrepreneurs have emerged who open cafe businesses with various concepts or ideas created to attract consumers from various circles. When visiting a cafe, consumers are not only looking for products in the form of food and drinks, but also want a different experience. One of the reasons for the emergence of the cafe business in Indonesia is because of market opportunities, they know where



the appropriate segment is for the cafe they established according to the needs of the consumers themselves. In addition, because of the lifestyle and behavior of the millennial generation, most of whom are young people. The number of cafe businesses that have emerged has resulted in increasingly tight competition and has resulted in cafe business owners having to have more advanced innovations, especially in this era of the industrial revolution 4.0. According to the results of the questionnaire and interviews with cafe business owners, business experience has a major influence on the business process of the cafe business. The fluctuating production capacity and the obstacles faced in the production process such as the availability of raw materials, labor, and production time can be felt by cafe business owners in the process of developing the cafe business. The existence of e-commerce services is very helpful in the marketing system and distribution system. In this study, the e-commerce services obtained were Grabfood and Gofood. The payment systems available in the cafe business are diverse, namely cash, debit, ovo and transfer systems. In the marketing system, there are several obstacles, namely unstable market prices, poor connectivity, and lack of knowledge of digital technology. Promotion/advertising is very easy to do in this era of the industrial revolution 4.0. Because, through social media we can promote any production results, especially the menus in the cafe business. These social media include Facebook, Instagram, Whatsapp, Telegram, Youtube, and so on. According to the results of the respondents obtained, the Millennial Generation tends to like to do Hangout activities, and the results obtained are that the Hangout places they choose include a cafe that can provide fast Wifi connection access, so that the millennial generation can easily access the internet as their needs. This adds to the creativity of cafe business owners in developing the cafe business. Cafe business owners can change the interior design of the cafe to make it look attractive, install wifi, live music is also an attraction for consumers, especially the millennial generation and gen z. From the results of the analysis above, it can be seen that with changes in people's behavior, especially the millennial generation and gen z, the cafe business can grow and indirectly open up job opportunities for people around.

According to the results of the data obtained through direct field observation, the development of this cafe business can be said to be very rapid due to changes in behavior through the lifestyle of the community, especially the younger generation who like to hang out. Based on the results of the respondents' answers, the strategy they do so that many visitors come is by providing the needs of young people to hang out, such as free Wifi access services and contemporary cafe designs and even occasionally presenting "live music". With the increasingly rapid development of cafe businesses, especially in Medan City, it has a great impact on many aspects, especially as a medium for absorbing workers, especially in the informal sector, so that it can help the government to reduce the unemployment rate in Medan City.

## CONSLUSION

Based on the analysis and discussion conducted, it can be concluded that the development of cafe businesses in Medan City is very rapid, based on field evaluations, there are many cafes that have been established where consumers are dominated by young people who are considered the Millennial Generation. The types of cafe businesses that have been established are very diverse, ranging from small, medium and large scales with their own characteristics. The marketing strategy used by several cafe businesses to attract visitors is by providing free Wifi facilities, unique interior designs that are liked by visitors, especially among the Millennial Generation and Gen Z and occasionally presenting "live music". With the proliferation of these cafe businesses, it can indirectly absorb workers and help reduce unemployment rates, especially in Medan City. Based on the results of observations in the field, the average number of employees or workers owned by each cafe is 7 (seven) people. Starting from small, medium and large scales. The new habits and lifestyles of the millennial generation regarding the availability of safe, comfortable, clean, cheap and easy hangouts are a business opportunity for entrepreneurs and others to work. Based on the results of this study, the Government provides access and convenience for young people, especially the Millennial Generation, in opening a business, either in the form of capital loans or opening a similar business so that it can absorb the workforce in Indonesia. This study allows companies to consider strategies in choosing what promotions to use to increase sales.

## REFERENCES



- Gultom, M. (2023). Preferensi Generasi Milenial Dalam Menggunakan Qris Sebagai Alat Pembayaran Digital. *Jurnal Inovasi Pendidikan Ekonomi (Jipe)*, 13(1), 19. <https://doi.org/10.24036/011194030>
- Mangifera, L; Isa, M; Wajdi, MF.(2018). Faktor-Faktor yang Mempengaruhi Konsumen Dalam Pemilihan Kuliner di Kawasan Wisata Alam Kemuning. *Jurnal Manajemen DayaSaing*, 2018, 20 (1).
- Mangkunegara, Prabu Anwar. (2002). *Perilaku Konsumen*. Edisi Revisi. Cetakan Kedua. Bandung: PT.Refika Aditama.
- Subianto, T. (2007). Studi Tentang Perilaku Konsumen Beserta Implikasinya Terhadap Keputusan Pembelian. *Jurnal Ekonomi Modernisasi*, 3(3), 165-182. <http://e-journal.ukanjuruhan.ac.id/>
- Sudirjo, F. (2024). Analysis of environmentally friendly product selection by millennials and gen z in the indonesian market. *WSNT*, 2(01), 24-30. <https://doi.org/10.58812/wsnt.v2i04.753>
- Sukarno,G; Prasetyani,D. (2021). ANALISIS PERILAKU KONSUMEN DALAM MENENTUKAN KEPUTUSAN PEMBELIAN PAKAIAN DI BOYOLALI. *Jurnal Ilmu Ekonomi dan Pembangunan*, 21 (1),39-44.
- Sunarto.(2018).Analisis Perilaku Konsumen Terhadap Keputusan Pembelian Handphone Xiaomi Redmi 3S. *Jurnal Moneter*, 5(1),35-43. ISSN 2355-2700
- Tarehy, F.J; Nuswantara,B.(2021). ANALISIS PERILAKU KONSUMEN TERHADAP KEPUTUSAN PEMBELIAN KOPI DI KALIMERA COFFEE BAR SALATIGA. *Jurnal Ilmiah Mahasiswa Agroinfo Galuh*, 8(3), 752-761.
- Utomo, M. (2023). Preferensi produk perbankan syariah, di kota tarakan: pendekatan analisis multigrup. *Jurnal Ilmiah Ekonomi Islam*, 9(3), 4384. <https://doi.org/10.29040/jiei.v9i3.10438>
- Winardi dan Suparwarman. (2003). *Perilaku Konsumen*.Jakarta: PT. Bumi Aksara.
- Statistik Ketenagakerjaan Kota Medan. (2023). Retrieved from <https://medankota.bps.go.id/>
- Tingkat Pengangguran Terbuka Kota Medan.(2023) Retrieved from <https://medankota.bps.go.id/>