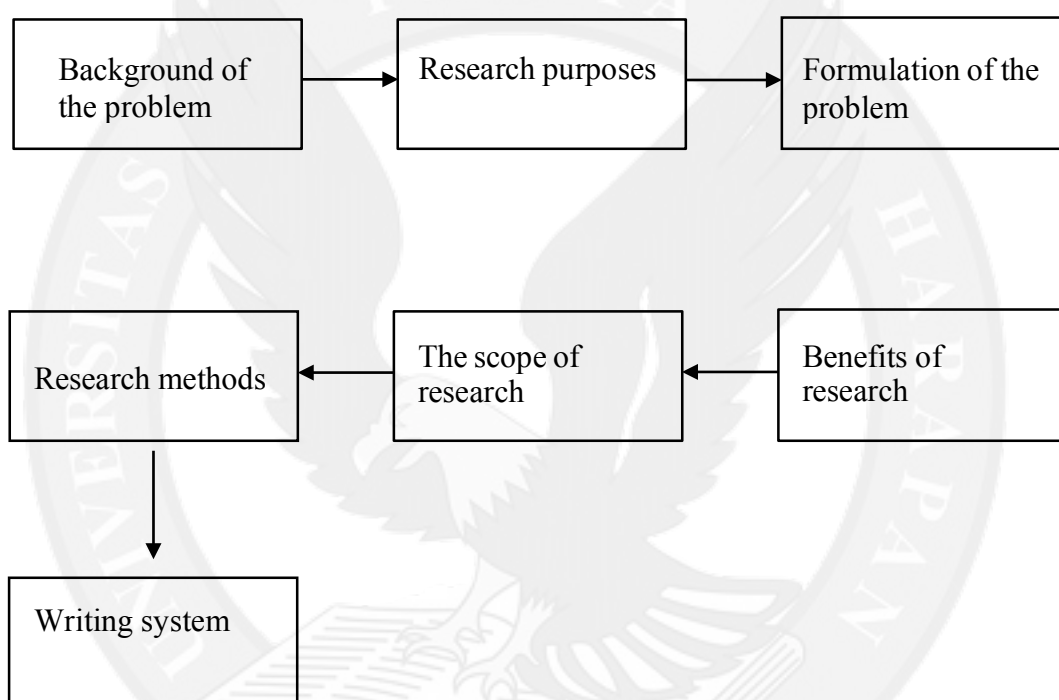


CHAPTER I

INTRODUCTION

This chapter describes the research framework of this chapter covering the background of the problem, research objectives, problem formulation, research benefits, research scope, research methods, writing systematics.



1.1 Background of the Problem

The economic growth of a country is an important indicator that shows the success and impact of implementing economic development policies. Economic growth is also a measuring indicator of success in increasing the success of a country (Rahmawati & Martika, 2018).

The development of the economy in Indonesia which continues to grow has finally led to the entry of foreign products into Indonesia, as we are aware that it is now an era of free trade and globalization. We can realize this from the very wide market share of a product, both in the form of goods and services. This also has an impact on the purchase of products from the Indonesian people, where Indonesians prefer to use external products instead of using local products. This in turn encourages fairly fierce competition, where these products compete to be superior in the world of this industry, each product strives to meet the needs and desires of consumers. Foreign companies have also begun to study and find out the wants and needs of the Indonesian people.

Developments in the field of telecommunications and technology are ranked first in the context of bringing about changes in the social conditions of the world community. The development of increasingly advanced telecommunication technology can be interpreted as the increasing loss of the distance that separates individuals from one another, so that technology transfer and knowledge transfer will occur more quickly (Nasution, 2017).

The development of technology is one of the driving forces for the entry of foreign products into the country. With the development of this technology, the emergence of the Internet, with this internet, it will be very easy for local people to access things that are outside the country. This is one of the supporters of global economic development.

One of the foreign products that entered Indonesia, namely shoes, shoes became a very popular product among the Indonesian people. Competition in the shoe industry is also getting tighter, manufacturers must compete to make various innovations in creating and marketing the shoes themselves. This in turn raises demands on local and foreign companies to create quality shoe products that are able to attract consumers. To meet these marketing objectives, companies must create competitiveness to generate competitive advantage. One of the competitive advantages that a company can develop is a brand (Chailan, 2008).

For foreign companies, it is very important to know consumer behavior in Indonesia in order to produce products that are in accordance with the Indonesian market share. Foreign companies are starting to study the lifestyle of the Indonesian people and realize that the lifestyle of Indonesian people is starting to change towards a healthy life, this is starting to be seen when the Indonesian people start to like the sport of “running”, and various kinds of healthy and even healthy food shops have emerged. cathering.

Today many people adopt a healthy lifestyle but with a style that is not good. Of course, to live a healthy lifestyle, it is not only necessary to maintain a nutritious and clean diet and adequate sleep patterns, it is also necessary to do exercise. Sport is exercise to strengthen and nourish the body (KBBI, 2007: 796). exercise itself provides many benefits for a healthy body, such as improving blood circulation, strengthening muscles and bones, not only that, exercise needs to be done because exercise can make the body more fit and

exercise is very useful because when we exercise, the body will release toxins that is in our body.

There are various types of sports, from cycling to swimming to running. However, the sport that is much in demand by the public is running, as we all know running is a sport that is easy and can be done anytime and anywhere, people who do running sports, do not need to spend any money, but not a few people choose to run who use them. running shoes for more comfortable feet. This running sport has a variety of benefits, such as improving organ function, improving sleep quality, reducing stress levels, and reducing fat levels in the body. Even in 2019, various kinds have taken place *event*, seperti *Run for hope*, *Coast to Coast Night Trail Run*, *Kartini Run*, *Kompas Tambora Challenge –Lintas Sumbawa 320k*, *Sentul Hill Trail Run*, *Kidz Color Run*, *Batu Night Spectacular*.

Table 1.1 Sports Interest in Indonesia

Type of Sports	Minat
Run	60%
Cycling	55 %
Swimming	45%

The beginning of the awareness of foreign companies about changes in the lifestyle of the Indonesian people, when many running communities started to emerge and running events began to emerge. Especially during the Covid -19 pandemic, a healthy lifestyle and lifestyle are very popular. Indonesian people are now trying to maintain health, not only in terms of cleanliness, food, but fitness has become one of the focuses of Indonesian society today.

Business competition certainly occurs in all sectors, starting from the jada or goods sector, one of which is the sports shoes sector, of course we know that foreign companies entering Indonesia come from various foreign countries, of course we know that there are many manufacturers from America and Europe who competing like Adidas, Nike and Puma. The competition between these three foreign companies is very tight, where each of these companies tries to continue to be able to meet the wants and needs of the wider community. These companies continue to compete in order to win the hearts of the people over a long period of time. One of the ways that this company is working is by building a brand image.

One company that is able to create its brand image is Adidas. Adidas, a foreign company from Germany, started producing shoes in the 1920s in Germany. Adidas is a company engaged in sports, known for its symbol of three parallel stripes of the same color and the same motif as the official Adidas logo emblem. The products produced by this company are various, ranging from clothes, shoes, bags, costumes, jackets, and various sports accessories from various fields such as athletics, ice skating, tennis, football, swimming, basketball, golf, martial arts and there are many others.

The beginning of the development of Adidas in 1950 when Adidas was known for its football boots and pulley, with the innovation of its first football shoes, Adidas managed to attract the attention of all soccer leagues around the world, of course this gave a very big advantage to Adidas. Starting in 1954, Adidas, which has succeeded in designing the soccer shoes worn by the

World Cup winning team, has increasingly developed its achievements. Not only designing shoes, Adidas started sponsoring the Olympics. Starting from 1950, Adidas continued to innovate and develop until the 1990s.

In 1996 Adidas decided to modernize with the concept of "We knew then we know now". This term is like describing the image of the old Adidas to the present Adidas. Besides that, there is also a new logo which consists of 3 blocks and is neatly arranged like an incline.

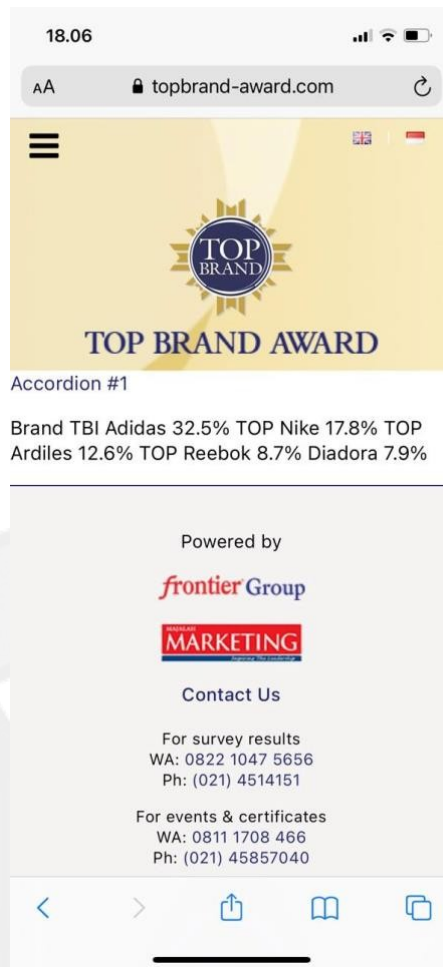
For 100 years adidas has been a part of the world of sports that offers not only one sport but various sports and all their accessories. The adidas group's strategy is simple: to continually strengthen the brand and improve their competitive and financial position. Adidas branches spread across 50 countries and sell to more than 160 countries.

No wonder the brand image that adidas has is very strong, this foreign company is a global brand and Adidas itself continues to keep up with the times and continues to study consumer buying interest from year to year, therefore adidas is able to become the number 1 sports shoe company in the world. consecutive years.

Table 1.2 Top Brand Index (TBI) for Shoes Category in 2018 - 2020

	2018	2019	2020
Adidas	37.6 %	37 %	38.n6 %
Nike	25.6 %	21.1 %	18.1 %
Reebok	6.2 %	6.3 %	5.3 %

Source of www.topbrand-award.com 2018 – 2020



Based on this data, Adidas is in the first place for sales of running shoes. In 2019 it was 32.5%, while in 2020 it had increased to 34.7%.

Brands have distinctive characteristics and these are what differentiate one product from another, even though it is of the same type. The demand for an increasingly quality product makes companies compete to improve quality and maintain the brand image of their products. Brand image is the perception and belief in a set of brand associations that occur in the minds of consumers (Sari, 2018).

Adidas shoes are also in demand from various groups, from children to adults, from students - to workers. Especially in Jakarta, a fairly busy capital city, people will look for something highly efficient, such as running shoes

that can be worn either formally or informally, or they can be lightweight to carry around.

Price is one of the determining factors in determining a purchasing decision for a product or service. The suitability of price and quality needs to be a concern for the creation of a good brand image (Beneke & Zimmerman, 2014).

The perception of the price offered at shopee and the quality that is available determines the brand image of the shopee which ultimately generates buying interest from consumers. Purchase interest is a behavior that appears in response to objects that show consumer desire to make purchases (Kotler & Keller, 2012).

This research is a modification of research conducted by Widyastuti and Said (2017) which analyzes the influence of brand image, product design, and price perception by replacing product design variables with product quality from Hariyanti's research (2011).

Based on the description above, the title of this research is "**THE INFLUENCE OF PRODUCT QUALITY, BRAND IMAGE AND PRICE PERCEPTION ON THE PURCHASING DECISIONS ADIDAS RUNNING SHOES IN JAKARTA**"

1.2 Problem Formulation

1. Does product quality have a positive effect on purchasing decisions for Adidas running shoes?

2. Does brand image have a positive effect on purchasing decisions for Adidas running shoes?
3. Does price perception have a positive effect on purchasing decisions for Adidas running shoes?
4. Do product quality, product image, and price perception have a positive effect on purchasing decisions for Adidas running shoes.

1.3 Research objectives

1. To determine the positive effect of Product Quality on the decision to buy Adidas running shoes.
2. To determine the positive effect of Product Image on purchasing decisions for Adidas running shoes.
3. To determine the positive effect of Price Perception on purchasing decisions for Adidas running shoes.
4. To determine the positive effect of Product Quality, Product Image, and Price Perception of Prices on purchasing decisions for Adidas running shoes.

1.4 Research Benefits

This research is expected to provide benefits for various interested parties:

a. For Researchers

This study the authors hope to add broader insights related to the influence of trust, convenience and quality of information on purchasing decisions Adidas running shoes.

b. For Companies

In this study, the authors hope to provide the necessary information and as a reference for companies related to the influence of product quality, brand image, and price perceptions of purchasing decisions for Adidas running shoes.

c. For Other Parties

This research is expected to be a reference for the development of further research on the influence of trust, convenience and quality of information on purchasing decisions for Adidas running shoes.

1.5 Research scope

This research will be carried out in a focused and more focused manner on the problem under study, it is necessary to have a scope of research in which this research describes how the influence of product quality, brand image, and price perception on purchasing decisions for Adidas running shoes.

1.6 Writing Systematics

The systematics of writing in this study are as follows:

CHAPTER I INTRODUCTION

This chapter discusses the background, research objectives, problem formulation, research scope, research benefits and research methods and research systematics.

CHAPTER II: LITERATURE REVIEW

This chapter discusses the theories that will be used as the basis of research, which contains explanations of variable theory, the relationship between variables and the research model.

CHAPTER III: RESEARCH METHOD

This chapter discusses the object of research, research subjects, variable measurement, unit of analysis, sample design, number of samples, data collection methods and data analysis.

CHAPTER IV: RESULTS AND DISCUSSION

This chapter discusses the analysis of the data collected, namely the reliability, validity, and descriptive statistics obtained by distributing questionnaires.

CHAPTER V: CONCLUSIONS AND SUGGESTIONS

This chapter discusses the conclusions drawn from the results of the research carried out and the suggestions given for further research for all parties.

