

CHAPTER I

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The world keeps moving too fast nowadays. Not yet know or mastered about things are new to people, the other one has come. As entrepreneurs people must had a big idea to equal the move of this era. Entrepreneurs must go one step ahead than the others. If entrepreneurs not know about growing their business, then entrepreneurs will lose. Therefore entrepreneurs must see opportunities to develop and market their products. Modern marketing strategies are no longer just seen merely marketing quality products, making products at low prices and placing products that are easily accessible to consumers. And also entrepreneurs have to think about profitable communication with consumers by introducing their products intensively, namely with one form of producing communication with consumers through advertising.

Talking about customers, writer can see the strategies that entrepreneurs or company can applied to attracts customers to consume a product, namely through a marketing mix analysis. Marketing mix is an effective way to do marketing for a product is to identify which ways to market a product and marketing mix is a viable strategy for attracts the customer. In general, the marketing mix emphasizes the notion of a strategy that integrates Product, Price, Promotion and Place, where all of them are directed to produce maximum sales turnover for products marketed. (Kotler, 2006)

One part of marketing mix, namely promotion, will be used as a discussion in this thesis. If the company wants to grow and win the competition, the company must make a good marketing mix concept. In order to be able to be used to attract consumers and build a good image in the minds of customer.

With so many similar businesses in the world that are competing to get their customer, entrepreneur must see how to attract the customer to buy their product. What is the essential thing nowadays to attract the customer is through the advertising. And one of way to attract the customer through advertising is by the internet, because internet plays a big role in people life. Because internet is the easiest thing that customer wants, and also nowadays people really like suffering in internet for everything. Currently, business needs an internet presence as world now on industrial revolution 4.0. It doesn't matter if people run a small company or a big national company. Social media is an essential piece of business marketing strategy.

With various prices offered by travel services, customers will be confused to choose which travel they will use because customers want the travel who give a good deal or more advantage to them. When consumers are confused these producers compete to grab the attention of consumers by informing and offering their products to become a winners in the competitive market. This is where advertising is present in order to win the competition.

Advertising is an approach to assist compelling marketing with establishing correspondence among organizations or companies and customers in their endeavors to confront contenders. Advertising is a type of data on items and administrations from companies to purchasers and the conveyance of messages from sponsors through a media. Stated from Frank Jefkins' (1997, p.16) Advertising is an advanced communication process that brings audiences to the most important information they really need to know. Statement above shows that places of advertisements as one form of message conveyed by producers to the public as their potential customers. With advertising, it is expected to obtain as much information as possible from the advertised product or service.

Other explanation by Jen Green (2012, p.6) Advertising is form of communication paid by people or company with the aim of influencing people to think or act in a particular way or providing information.

The main purpose of the company uses promotion, among others, to provide information, to influence, and to increase consumer returns to the company's products or services. Promotional activities are very complex activities, therefore the writer will only describe promotional activities, especially activities in the field of advertising. Because with advertising the company can provide information about its products to consumers, encourage consumers to switch to company products, and so consumers always remember the company's products. Advertising is an effective way to spread the message, promote media products, and build brand preferences, and many organizations handle advertising in various ways or marketing, in collaboration with advertising agencies.

In present day and digital era, the presence of advertising has turned into an unavoidable interest for an item offered to stand out enough to be noticed in individuals' lives. Portrayal of item notices showed in different spaces and media both print and electronic media, some of which are verbal and nonverbal message don't have a connection between the results of merchandise or administrations being advertised. Interpretation of advertising through different media will in general form its world in structure the utilization estimation of an item. The worth showed so as to get a solid reaction from buyers. Therefore, representations formed from a product contain other elements, for example, the marketing media have formed individual self-image, the lifestyle of a group of people, and satisfaction for certain groups. The people who make advertising things must focus on the message content, message structure, message format, and the wellspring of the promoting message with the goal that the message conveyed in the advertisement achieves by the customers and is anything but difficult to forget, so it can impact customers obtaining choices regarding empowering

the requirements, wants, inspirations and impacts of the encompassing condition.

To do the advertising for the product, advertising had a formula called **AIDA (Attention, Interest, Desire and Action)**. This refers to specific techniques necessary to implement when creating an advertising. The first man who create the formula was an American advertiser and sales pioneer Elias St. Elmo Lewis, a legend in the industry, coined the phrase and the approach. As far back as 1899, Lewis talked about "catching the eye of the reader to inform him, to make a customer of him" (Lewis, 1899). Advertising aims to achieve a positive perspective. Advertising is a source of customers information in making buying decisions. Advertising is not only customer awareness medium about a product, but encourages consumers to buy. The ultimate goal of an advertisement for a company is to influence attitudes, perceptions in consumer behavior so that consumers behave according to what the company wants, namely buying and using its products. To get results from what has been promoted by the company, the consumer behavior arises towards the valuation of an item. Engel, Blackwell dan Miniard defined Consumer behavior is an act that is directly involved in acquiring, consuming, and consume products and services, including the process of decisions that precede and follow this action.

Consumer behavior is the things that underlie consumers to make purchasing decisions. When deciding whether to buy an item or product, of course as a consumer always think about the items that will to buy first. Starting from the price, quality, function or usefulness of the item, etc. Activities to think about, consider, and asking a question of goods before buying is included in consumer behavior. For service products, for example travel tour services or buying the flight tickets from travel. Surely people will first check the buyer's testimonial, the track record of the travel service company itself, and so on. In essence, every consumer who will buy a product or use a service, for what customer doing those things is called consumer

behavior. As a company, must provide a comfortable feeling of customer so it can make a customer will buy the product.

In reaching customers is not easy for ordinary travel, because there are many competitors based online so that if the company cannot overcome this problem, the company will lose many consumers who can reduce the company's turnover and the effect the company will suffer losses.

The writer doing this research on CV Tiket Kita Travel, because this travel still the part of the ordinary travel. One of the promotional activities carried out by CV Tiket Kita Travel Medan is through the print media of newspapers, through promotions to Facebook and other social media. But it seems that the advertising program used by CV Tiket Kita Travel Medan has not been maximized, as in the table the amount of profit generated each year is still not significant enough, even in 2018 the significance is declining.

Table 1.1 Profit of Tiket Kita travel from 2014 to 2018

Year	Profit
2014	Rp. 20.400.000,-
2015	Rp. 22.800.000,-
2016	Rp. 24.000.000,-
2017	Rp. 26.000.000,-
2018	Rp. 25,600.000,-

Source : (2019) Interview

The next is data of number of CV Tiket kita travel profit for the latest five years from 2014 to 2018. From the data above, the number of sales ticket from years to years is increasing but decrease in 2018 it happened because of the world is more going become a modern and use a technology in everywhere, the owner of the travel must think harder to increasing more of their sales of ticket on 2019. Moreover, the rule of Minister of Transportation set the high price of tickets airplane it will have a rush effect for owner of travel. If the company want to compete with the other companies, then the company must using a strategic of advertising that can make the customer going to their company to buy the ticket with a good deal.

Based on that data, the writer is want to examine is it advertising is having an effect on customer buying behavior and what types of advertising that the company can do for improve their number of sales and profit.

Based on description above, the writer want to conduct the research with title **“THE EFFECT OF USING ADVERTISING TOWARDS CUSTOMER BUYING BEHAVIOR AT CV TIKET KITA TRAVEL”**.

The writer want to make a research at CV TIKET KITA TRAVEL because with the topic of using advertising for influence the minded people to made buying a product and the customer behavior it is very relevant today and it is interesting by its complexity and psychological essence. Everyone even without realizing it, is influenced by advertising. CV Tiket kita Travel is a company engaged in tourism and travel services in particular to serve the activities of holiday and tour. CV Tiket kita travel was established in 2000 with the intention of help and facilitates Indonesian people who want to go holiday with affordable price or promo price.

1.2 PROBLEM LIMITATION

Due to limitation of times, ability and knowledge, the writer will focus on advertising as independent variable (X). The writer will also focus on customer buying behavior as dependent variable (Y). This research will focus on impacts of using advertising strategic in order to know the customer behavior on CV Tiket kita Travel, however in this research will be more cover in terms innovation capability to promoting the business and firm performances towards using advertising of the business.

1.3 PROBLEM FORMULATION

The following are the research questions underlying the problems to be answered in this research :

1. Does CV Tiket Kita Travel ever try advertising?
2. How the reaction of Customer if CV Tiket Kita Travel using advertising as their promotion media?
3. Is There a significant effect on the use of advertising on the decision to purchase tour service or tickets at CV Tiket Kita Travel?

1.4 OBJECTIVE OF THE RESEARCH

The objectives of this research are :

1. To identify the advertising strategy at CV Tiket kita travel.
2. To identify the customer buying behavior by using advertising at CV Tiket kita travel.
3. To examine the effect of advertising strategic toward the buying behavior of the customer at CV Tiket kita travel.

1.5 BENEFIT OF THE RESEARCH

1.5.1. THEORETICAL BENEFIT

This examination will contribute the growing of information in academic area, particularly on effectiveness of using advertising for customer buying behavior on travel company.

1.5.2. PRACTICAL BENEFIT

a. FOR THE WRITER

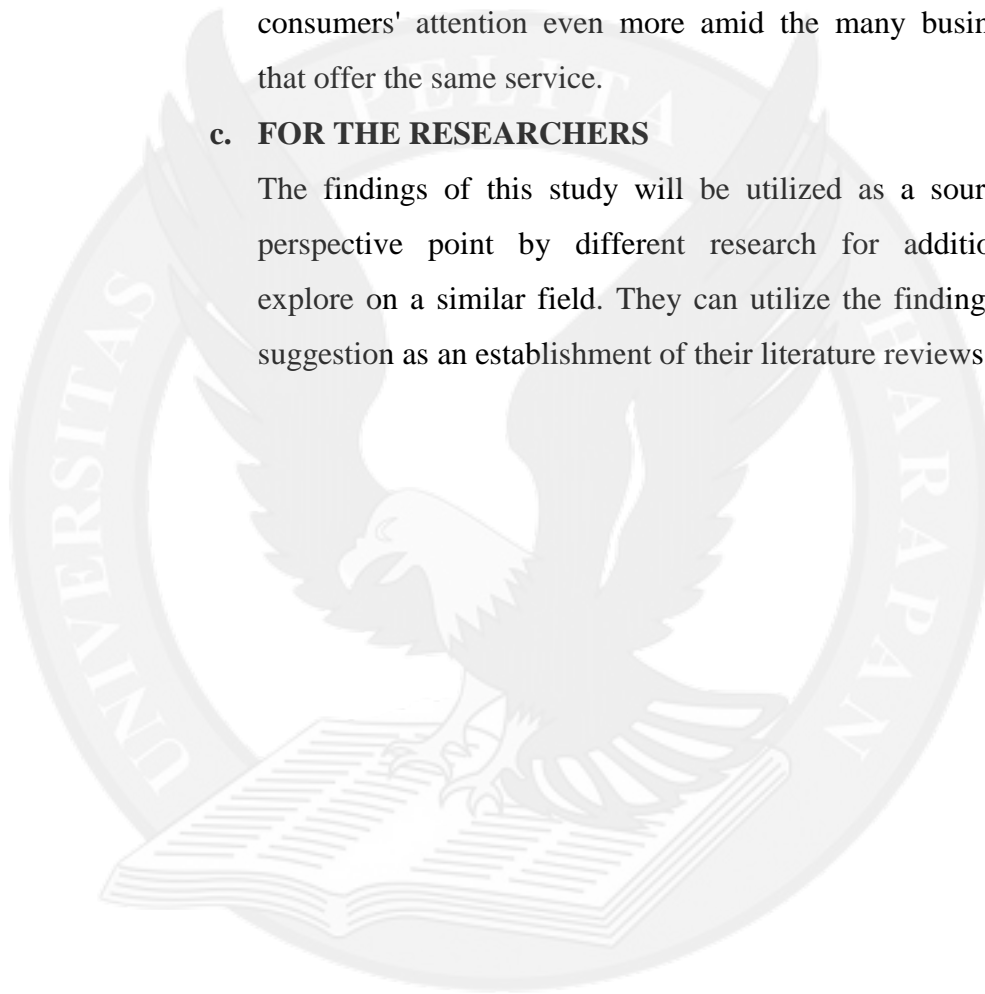
This examination will assist the writer with expanding the information for the next research associated with effect of using advertising for customer buying decision on travel service company.

b. FOR THE COMPANY

This research will give benefits to the management of CV Tiket Kita Travel to know the situation of a world that always going developing in modern era that shows the interaction in advertising is more needed nowadays. And evaluating the techniques of using an advertising media that can attract consumers' attention even more amid the many businesses that offer the same service.

c. FOR THE RESEARCHERS

The findings of this study will be utilized as a source of perspective point by different research for additionally explore on a similar field. They can utilize the findings and suggestion as an establishment of their literature reviews.



1.6 SYSTEMS OF WRITING

Writing for this research is arranged in a systematic approach that is divided into five parts with the following description:

The systems of writing in this *skripsi* will be as follows :

Chapter I : Introduction

This chapter consists of the background of the study, problem limitation, problem formulation, objective of the research, benefit of research and systems of writing.

Chapter II : Literature Review and Hypothesis Development

This chapter consists of theories as background of this research, such as definition of entrepreneurship, entrepreneurial competencies and innovation. This chapter also describes previous research, develops hypothesis, makes research model and framework of thinking.

Chapter III : Research Methodology

This chapter consists of the research design, population and sample, data collection method, operational variable definition and variable measurement and data analysis method.

Chapter IV : Data Analysis and Discussion

This chapter consists of general view of research object, data analysis and discussion.

Chapter V : Conclusion

This chapter consists of the conclusion, the implication and recommendation of this research