

CHAPTER I

INTRODUCTION

1.1 Background of Study

Globalization's era and free trade cause business competition growing competitively. Facing nowadays business condition, every company must use its best strategy and resource to survive and thrive in doing business. Businessmen compete to create creative and innovative products to meet the demand of customers. By doing so, the company's products will be purchased by the customer after the buying decision being made, the company expects most customers to frequently buy the company's product or to create loyal customers, in order to reach their sales target, and the company must keep its customers satisfaction. Because by fulfilling customer satisfaction, the customer will be loyal. The main goal of all companies is to win the market competition. Because by winning the competition, the company has customers to buy the product and eventually raise the profit.

According to Kotler (2018), the purchase decision is an act of consumers to buy or not toward a product. Of the various factors that influence consumers to purchase a product or service, the consumer always considers quality, price and product that are already known by the public. Purchase decision is the thought process that leads a consumer from identifying a need, generating options, and choosing a specific product and brand.

PT. Delica Indonesia is a Glass and Aluminum company that provides various types of windows and sliding door. PT. Delica Indonesia was founded in 2007, located on Jl. General Gatot Subroto Km 9,1 no. 8 Medan. PT. Delica Indonesia is a family business company where management is fully held by family members who will occupy positions in the Top Management Team, such as Directors, Marketing managers or Finance managers and so on. This means that family members have full control over the management of the company.

Company PT. Delica Indonesia has the operational activities related to glass and aluminum. Glass and aluminum that is processed in such a way so as to produce a wide range of products/form which is now very much needed by consumers and can customize your orders according to the desire and demand of the consumer. Design PT. Delica Indonesia following the development of the market in order to compete with the better. Based on the survey, there was a decrease in customer purchasing decisions at PT. Delica Indonesia. Decreased purchasing decisions are reflected in the unachieved sales targets previously set.

Table 1.1
Sales Data
2016-2020

Year	Sales Target	Revenue	Percentage
2016	8,000,000,000	7,871,378,500	98.39%
2017	8,000,000,000	7,169,447,000	89.62%
2018	8,000,000,000	6,857,869,000	85.72%
2019	8,000,000,000	6,070,500,000	75.88%
2020	8,000,000,000	5,069,076,000	63.36%

Source: PT. Delica Indonesia (2020)

According to Assauri (2017), the overall goal of advertising influences the level of sales so that the company's profit level increases. While the purpose of promotion is specifically to retain loyal customer by persuading customer to keep buying.

A fundamental distinction between purchase decisions in organizational, consumer, and professional-service contexts can be made by simply asking whose interests, objectives, and needs the purchase serves. Generally, organizations and consumers act in their own interests, whereas professional service providers are commissioned to decide for others. Industrial buyers purchase products mainly to meet organizational objectives, i.e., reselling to make a profit, whereas consumers buy for personal consumption or to meet the collective needs of the household unit. On the contrary, consumers hire professional service providers to serve their own and not the provider's or the professional organization's interests: there is a belief in the notion that the service provider can be counted upon to advance the client's best interests, rather than self-seeking interests such as profits or status. The development of the cafe business in Indonesia is currently developing very fast. This can be seen a number of cafes that have sprung up because the cafe has become a lifestyle for most people today, by providing a place with an attractive interior design and offers a comfortable and pleasant atmosphere that attracts consumers to buy.

The marketing strategy of promotion such as advertising is one of the most important or vital strategies in selling products, because advertising can add, stimulate, influence or even encourage consumers to buy products. Delica has done the promotion from outdoor advertising and is starting to focus more on the Youtube and Instagram. Lately, there are many products / services advertised through television, social media such as Instagram and YouTube, radio, magazines, billboards or banners, all of which are advertising media that we can

find every day, for example television, this media is advertising media the most perfect because of facilities such as audio visuals that are very clear and can be enjoyed or understood by everyone. Advertising PT. Delica Indonesia that are designed are less innovative and attractive, resulting in a less than optimal impression of increasing sales. At least do the promotions to the customers such as discount the price to consumers is only slightly given when the project is done quite a lot. Then some raw materials are not available see.

Based on this problem, a research is conducted with the title **“The Influence of Promotion towards Customer Purchasing Decision in PT Delica Indonesia”**.

1.2 Problem Limitation

The researchers limit the scope of the problem between the Promotion and Customer Purchasing Decision in PT Delica Indonesia. The population is throughout the year 2020.

1.3 Problem Formulation

Based on the observation that is done by the writer at PT Delica Indonesia, the writer finds several questions, which are:

1. How is the Promotion at PT Delica Indonesia?
2. How is the Customer Purchasing Decision in PT Delica Indonesia?
3. How significant the influence of Promotion towards Customer Purchasing Decision in PT Delica Indonesia?

1.4 Objective of the Research

Based on the problem identification proposed in previous point, the objectives of this research are:

1. To analyze Promotion at PT Delica Indonesia.
2. To analyze Customer Purchasing Decision in PT Delica Indonesia.
3. To find out the influence of Promotion towards Customer Purchasing Decision in PT Delica Indonesia

1.5 Benefit of the Research

The writer expects that this research can give benefits both theoretically and practically.

1.5.1 Theoretical Benefit

1. The help readers understand the influence of Promotion on Customer Purchasing Decision.
2. To be the reference for other researchers in the future regarding topics related to Promotion and Customer Purchasing Decision.

1.5.2 Practical Benefit

The results of this research are expected to give recommendation to the company about how to improve Promotion, so that Customer Purchasing Decision can be increase.