

# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 Background of Study**

Sales people are usually the most important aspect of sales marketing. The sales people are the ones who hold information regarding a company's products and services, also acting as the bridge between the company and potential customers. This crucial role within the company requires the ability of relaying information, persuasion and negotiation which is usually attained by employee trainings. Through these methods, the sales people will be able to build a relationship and gain customers' interest.

According to Team (2020), Customers' Buying Behavior can be defined as the actions taken (both on and offline) by consumers before buying a product or service. Before making a transaction, there will be some aspects in which the customers need to pay attention on that have to do with the customers' final decision. Those aspects includes the both intrinsic in which the needs and wants from the customers and also, extrinsic aspects which in this research will be discussed on the effect of Sales Ethics.

The research will be done upon a subsidized-housing developer. Sales in subsidized and commercial housing is thoroughly different because the target market, administration and regulations are regulated by the government therefore, more rigid compared to the regulations in commercial-housing companies. A subsidized house in

Sumatera Utara could cost only Rp 150,500,000 which is a price set by the government as the maximum price. The government program offered also gives a lot of perks including the pricing system in which subsidized house could take an installment up to 20 years with flat (constant) interest rate for the first 10 years and for the remaining, the interest rate will increase only significantly. The program also ensure that the customers will have a cashback of Rp 4,000,000 per house that will be given after the buying transaction is signed between the customers, the bank and the developer company. The size of the house are also set to by the government and currently set for the maximum building size of 36m<sup>2</sup>.

The company that becomes the object research for this research is PT.Benua Cemerlang Abadi. The company has built 5 housing complex in which all goes by the name of Green City Residence 1 to Green City Residence 5. In this research, the housing complex that will be the object research is Green City Residence 3 which located at Kabanjahe, Karo. The thesis will focus on the target market behavior when encountered by the salesperson. The target market is the people who has income less than eight<sup>2</sup> million rupiah or can also be termed with 'low-income citizens' which will act as the sample in order to further develop the research on this study.

This research hopes to identify the problems in the company and provide implication and recommendation that could be used by the company for future development by making Sales Ethics as the independent variable and Customers' Buying Behavior as the dependent variable. From the researchers point-of-view after working in the company for 3 years, the problems within the company is the lack of

training and product understanding for the salespeople. In addition, the customers' complaints about the salespeople have been increasing while the sales rate of the company has been getting slower each period which indicates that there is a problem within the company that could be tackled. The problem formulation will be indicated further in the research.

### **1.2 Problem Limitation**

The research will be conducted on PT. Benua Cemerlang Abadi in Kabanjahe, Karo. The research area will be narrowed down into only one housing complex which is Green City Residence 3 and the customers chosen are the one who have made a transaction for the houses in the complex. Due to the broad topic of Customers' Buying Behavior, the research will only be focusing on the indicators of the variable.

### **1.3 Problem Formulation**

The problems that will be examined in this research are:

1. How is the Sales Ethics quality in PT.Benua Cemerlang Abadi?
2. What is the Customers' Buying Behavior in PT.Benua Cemerlang Abadi?
3. Does Sales Ethic affect Customers' Buying Behavior in PT. Benua Cemerlang Abadi?

### **1.4 Research objective**

The objectives that will be attained after completing the research study are:

1. To identify the quality of Sales Ethics in PT. Benua Cemerlang Abadi
2. To identify the Customers' Buying Behavior in PT.Benua Cemerlang Abadi

3. To identify the effect of Sales Ethic towards Customers' Buying Behavior in PT.Benua Cemerlang Abadi

## **1.5 Benefit of Study**

### **1.5.1 Theoretical Benefit**

This research is expected to contribute about the company's sales ethics that focuses on the sales-person and the effect towards customer's sales. This study will also be contributed to the involved parties and external parties who want to attain additional information for other purposes.

### **1.5.2 Practical benefits**

1. For Company

The research study which will be held at PT. Benua Cemerlang Abadi is deemed to be useful towards the company's development in the area of how well the sales-people in the company is performing. By attaining this result information, the company will gain beneficial indicators to improve, compete and survive in the marketing world of subsidized-house developers.

2. For Other Parties/Researches

This research study is also expected to be a useful reference for future studies, to provide more information about the variables mentioned especially for businesses that revolves around subsidized developer companies. The writer hopes to widen the knowledge and give more

insights towards this matter in general and also specified since the information about subsidized businesses is not well-known.

### 3. For Writer

By doing studies on the matter, the writer will be able to gain more knowledge and understandings of how much the performance of a salesperson affects customers' interest for subsidized-housing which is utterly different from selling commercial houses. In addition, the information will be able to be utilized by the writer to give suggestions for the company and build potential future relationship between the company and the writer.

