

CHAPTER I

INTRODUCTION

1.1 Background of the Study

An increasingly tight market competition will indirectly affect the business of a company to maintain market share. Each company is required to be able to create competitive advantage sustainable in the face of the increasing number of competitors engaged in the same industry, with an increasing level of competition then will give a lot of product options in the market to meet the needs of the in accordance with the expectations of consumers. It will make consumers the more careful and smarter in selecting any products available on the market. A lot of things into consideration and different expectations of behavior consumers about what products will be purchased by consumers, where can be get it and what it can attract consumers to do the purchase decision

According to Kotler (2019), 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.

CV Sukses Makmur Abadi, Binjai is a plastic bag manufacturing company that has been operating for 7 years with a professional and growing team. CV Sukses Makmur Abadi, Binjai is located on Jalan Sukabumi Lama Gang Utama No 103/88 Medan Binjai Km 11.5. CV Sukses Makmur Abadi, Binjai has been in

business for a long time and in the era of leadership today is the third generation. The entire assets of the company are in the name of each of the first-generation children so that each high position of director, general manager, and strategic managers in a family-based company. At the beginning of the establishment of CV Sukses Makmur Abadi, Binjai was a company that was still simple because the company at that time had not developed rapidly.

Based on the survey, there was a decrease in purchasing decisions at CV Sukses Makmur Abadi, Binjai. Decreased purchase decisions are reflected in the unachieved sales targets previously set.

Table 1.1
Sales Data
CV Sukses Makmur Abadi, Binjai

Year	Target	Revenue
2016	20,000,000,000	15,871,378,500
2017	20,000,000,000	12,169,447,000
2018	20,000,000,000	10,857,869,000
2019	20,000,000,000	7,070,500,000
2020	20,000,000,000	9,069,076,000

Source: CV Sukses Makmur Abadi, Binjai (2021)

In building a business the most important thing is customer satisfaction. If a customer feels satisfied with the products sold, the customer will be loyal and will recommend the product to other people. Customer satisfied is characterized by the absence of complaints.

Customer satisfaction is a response from the consumers for the performance that has been given in accordance with customer expectations. According to Auka (2019), customer satisfaction is the degree to which the needs, desires and expectations of customers are met to be resulted in the re-purchase or loyalty that continues. The importance of customer satisfaction for business that in order to maintain the survival of the business in the long term

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, 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 customers satisfaction, the customers 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. Waluya and Iqbal (2019), the results show that the greatest factor which influence purchasing decisions is customer satisfaction. Companies can further enhance the alertness of service staff in responding to customer complaints and quickly provide solutions to customer complaints.

The company's personal selling staff lacks competence in inviting, encouraging, providing information, handling complaints, causing many customers not to make repeat purchases, which impacts the salesman staff unable to achieve the sales targets set by the company. The number of customer complaints is about the marketing staff's unresponsiveness to complaints made by customers, competence in product mastery is still not optimal, the services provided are still not fast in providing information in case of problems or price increases. Some of these things trigger customer disappointment.

The role of personal selling is needed to achieve the target desirable because of the marketing communication is an attempt to convey the message or information to the public especially about the target consumers the existence of a product or

service. The success of marketing communications influenced by many variables such as the ability of marketers do decode (response and interpretation by the recipient) the purpose of communication to be book an interesting and effective for consumers, the accuracy of selecting the type of promotion, the accuracy of the use of media to disseminate a message, message appeal and credibility the messenger. The purpose of the program is able to attract new consumers never use these, the consumers who have already purchased or use can be a customer that is loyal and the core of goals to be achieved is the purchase decision. According to Hasan (2018), in many ways personal selling is often a fairly effective tool in building preferences, beliefs and buying actions, but it is difficult to reduce costs, because it relates to the number of sellers that are difficult to change.

The interpretation received by consuming the product is then compared to the expectation. Customers would feel dissatisfied if expectations are greater than the performance of the product. Because of this, CV Sukses Makmur Abadi, Binjai has decreased customer satisfaction which effect the purchase decision CV Sukses Makmur Abadi, Binjai as seen by the number of customers complaining that it is caused by slow service, especially for the new-comers that make it hard to provide full service.

From the description that has been there before, it encourages researchers to discuss in the thesis under the title " **The Influence of Customer Satisfaction and Personal Selling toward Purchase Decision in CV Sukses Makmur Abadi, Binjai.**"

1.2 Problem Limitation

Limitation of the problem in this study only discusses the Influence of customer satisfaction and personal selling toward purchase decision in CV Sukses Makmur Abadi, Binjai. In this study, Customer Satisfaction (X1) and Personal Selling (X2) will be the independent variable and Purchase Decision will be the dependent variable (Y).

According to Priansa (2018), the five elements concerning consumer satisfaction are as follows expectations, performance, comparison and experience

According to Setiadi (2016), for face-to-face sales to be successful, steps must be taken as follows prospecting for consumers, qualifying the prospect, presenting the sales manager and closing the sales

According to Sudaryono (2019), the components of the purchase decision are decisions about product form, decisions about brands, decision about the seller, time of purchase made by consumers and the decision about how to payment.

1.3 Problem Formulation

The problem formulations in this research are:

1. Does customer satisfaction have partial toward on purchase decision in CV Sukses Makmur Abadi, Binjai?
2. Does personal selling have partial toward on purchase decision in CV Sukses Makmur Abadi, Binjai?
3. Do customer satisfaction and personal selling have simultaneous toward on purchase decision in CV Sukses Makmur Abadi, Binjai

1.4 Objective of the Research

The objective of this study is:

1. To analyze customer satisfaction whether have partial influence toward purchase decision in CV Sukses Makmur Abadi, Binjai
2. To discover personal selling whether have partial influence toward purchase decision in CV Sukses Makmur Abadi, Binjai.
3. To investigate customer satisfaction and personal selling have simultaneous influence toward purchase decision in CV Sukses Makmur Abadi, Binjai.

1.5 Benefit of Research

1.5.1 Theoretical Benefit

A reference for similar research in the future, especially concern about customer satisfaction and personal selling attention to the level of purchase decision.

1.5.2 Practical Benefit

From this study, the company will benefit from this research as know if there is correlation between customer satisfaction and personal selling with purchase decision. If the customer satisfaction and personal selling is sufficient enough, then purchase decision will be up to expectations. Some of the benefits are expected for:

1. Researcher

Help the writer to know the influence of customer satisfaction and personal selling towards purchase decision in the real life.

2. Reader

Help to improve reader knowledge about how important the influence of the level of customer satisfaction and personal selling towards their purchase decision.

3. Company

Help the company to aware that customer satisfaction and personal selling influenced the purchase decision.

