

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Customer loyalty is very important for companies in this era of very tight business competition. The importance of customer loyalty to the company is beyond doubt, many companies really hope to retain their customers in the long term, even if possible, forever. Companies that are able to develop and maintain customer loyalty will have long-term success.

According to herman (2017), “sales Promotion is a form of direct persuasion through the use of various incentives that can be arranged to stimulate a purchase the product immediately and increase the number of items purchased customers “. According to Hartmann (2018), A contemporary view also emphasize the importance of the salesperson adopts the orientation of the sale of relational, and serve in a relationship cultivation, knowledge, and capacity consultative to improve the relationship salesperson with the buyer so that it creates an increase in the purchase decision.

PT Sindomas Jaya Perkasa 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.

PT Sindomas Jaya Perkasa is a metal distribution company. Decline in consumer loyalty has an impact on not achieving sales target of the company during the years 2019 to 2021.

Table 1.1
Sales Target and Realization of PT Sindomas Jaya Perkasa
2019 - 2021

Year	Sales Target	Sales realization	%
2019	10,000,000,000	7,145,655,000	71.46
2020	10,000,000,000	6,135,356,000	61.35
2021	10,000,000,000	6,021,540,000	60.22

Sources: PT Sindomas Jaya Perkasa, 2021

Table 1.1 shows that the realization of sales in 2019 amounted to 71,46% of the sales target is determined by the company. Next year 2020 by 61,35% and 2021 of 60.22%. Not achieving the sales target this reflects the level of consumer loyalty has decreased in the PT Sindomas Jaya Perkasa.

A company that has planned a product with good quality, and has determined the selling price correctly, has not guaranteed success in marketing its product. For that, there is a need for communication between the company and its consumers. One effort that can be used to introduce a company's products or services is to use promotional activities of several types, such as advertising, personal selling, sales promotion and publicity.

Sales promotion is seen as a one-way flow of persuasion or information that directs a person or organization to actions that create exchange in society. So, promotion is one of the important aspects in marketing management and is often said to be a continuous process, because promotion can lead to the next series of activities of the company (Rosyida, 2017). Promotion strategy is very important for companies where marketing strategy is a way to achieve the goals of a

company. Strategy is a series of grand designs that describe how a company must operate to achieve its goals. So that in running a small business, in particular, it requires development through its marketing strategy (Winawati, et al, 2019). Because when the condition is critical, it is precisely the small businesses that are able to provide growth in people's income.

Sales promotion which is less attractive to customers, so many customers are not loyal to the company PT Sindomas Jaya Perkasa Engineering seen from the number of customers who do not make a purchase again. Some sales promotions are given only more price cuts, the package is high but the reward offered less attractive for customers.

Personal selling is the marketing activities of direct interaction with one or more buyers in order to do presertansi knowledge of the product, answer questions and receive orders from prospective buyers. Personal Selling has the properties of, among others, personal confrontantion, customer maintenance and response. In this case the seller seeks to help or persuadea prospective buyer to buy the products offered.

Personal selling PT Sindomas Jaya Perkasa Engineering is the less competent in providing optimal service to the customer. Personal selling is still not willing to work, resulting in the number of staff sales did not reach the target. Some consumer complaints about the personnel associated with the submitted information is less valid and management of the distribution of the products of late.

Reviewing the problems that occur in the company, the researcher took the initiative to conduct a study entitled "**The Influence of Sales Promotion and Personal Selling on Customer Loyalty at PT Sindomas Jaya Perkasa.**"

1.2 Problem Limitation

Limitation of the problem in this research only discusses "The Influence of Sales Promotion and Personal Selling on Customer Loyalty at PT Sindomas Jaya Perkasa". In this research, Sales Promotion and Personal Selling will be the independent variable (X) and Customer Loyalty will be the dependent variable (Y).

1. Consumer loyalty PT Sindomas Jaya Perkasa the decline seen from the decrease in the number of customers of the company.
2. Sales promotion which is less attractive to consumers, so many consumers are not loyal to the company PT Sindomas Jaya Perkasa Engineering seen from the number of employees who do not make a purchase again.
3. Personal selling PT Sindomas Jaya Perkasa Engineering is the less competent in providing optimal service to the consumer.

1.3 Problem Formulation

The problem formulation in this research are:

1. Does sales promotion has partial influence on customer loyalty at PT Sindomas Jaya Perkasa
2. Does personal selling has partial influence on customer loyalty at PT Sindomas Jaya Perkasa.

3. Do sales promotion and personal selling have simultaneous influence on customer loyalty at PT Sindomas Jaya Perkasa?

1.4 Objective of the Research

The objective of this study is:

1. To analyze sales promotion has partial influence on customer loyalty at PT Sindomas Jaya Perkasa
2. To analyze personal selling has partial influence on customer loyalty at PT Sindomas Jaya Perkasa.
3. To analyze sales promotion and personal selling have simultaneous influence on customer loyalty at PT Sindomas Jaya Perkasa.

1.5 Benefit of Research

1.5.1 Theoretical Benefit

A reference for similar research in the future, especially concern about sales promotion and personal selling attention to the level of customer loyalty.

1.5.2 Practical Benefit

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

1. Researcher

Help the writer to know the influence of sales promotion and personal selling and personal selling on customer loyalty in the real life.

2. Reader

Help to improve reader knowledge about how important the influence of the level of sales promotion and personal selling on customer loyalty.

3. Company

Help the company to aware that sales promotion and personal selling influenced the customer loyalty.

