

# CHAPTER I

## INTRODUCTION

### 1.1. Background of The Study

In the current period of globalisation, many major changes have occurred compared to previous eras. This condition encourages borderless trade, which makes the world seem to have no borders. To attract consumers in international trade, some producers of goods and services in one country compete with producers from other countries.

The need for excellent goods and services on the part of consumers motivates the corporation to continually increase the quality and diversity of the things it manufactures. To satisfy consumer demands and needs and ensure the firm's existence, the company employs appropriate and focused marketing tactics, such as offering excellent service and product value and selecting the optimal distribution channel to reach consumers more quickly.

According to Mappesona (2020), purchase decisions are decisions that are owned by consumers in buying products and services from the company. Companies must be able to analyze consumer behavior before making a purchase decision so that the company is able to increase sales. Because before buying, consumers not only consider the quality of the product but also influenced by other factors, one of them is a product quality.

One of the things that can affect consumers in making a purchase decision is the existence of service quality. Marketing will increase as a result of good service

since customers will be more inclined to tell their friends and family about the product or service. Service quality has a significant effect on purchasing decisions (Sivaram et al., 2019)

Personal selling activities, which include approach, presentation skills, actions to overcome objections, closing sales, and follow-up sales, are critical for salespeople to focus on while presenting products, according to Kurnia and Martana (2017), personal selling is believed to make it simpler for businesses to explain numerous product variants and advantages to directly influence prospective consumers' purchase decisions. Salespeople who had previously been assigned to marketing activities received training to become familiar with and comprehend the items being advertised, which made it simpler to influence prospective clients' purchase decisions.

To support this research, the writer cites from several previous studies by Fitriyasari (2018) who conducted research with the same title as this study, namely personal selling, product quality and purchasing decisions. Then for research by Tjaningsih (2021) with research on marketing, shop environment and service quality on customer satisfaction. While in research conducted by Yousif (2016) with research on personal selling and purchase decisions.

PT Harapan Berkah Cemerlang is a company engaged in the distribution of consumer goods for various product brands such as Unilever, Blue Band, Rinso, Kecap Bango and various other products. In consumer purchasing decisions, there is a decrease in revenue from 2021 to 2022 with the following data.

**Table 1.1 Revenue of PT Harapan Berkah Cemerlang**

Month	Year	
	2021	2022
January	Rp 850,350,000	Rp 650,350,000
February	Rp 810,310,000	Rp 610,310,000
March	Rp 923,500,000	Rp 723,500,000
April	Rp 914,300,000	Rp 714,300,000
May	Rp 921,550,000	Rp 621,550,000
June	Rp 922,350,000	Rp 922,350,000
July	Rp 941,500,000	Rp 841,500,000
August	Rp 891,350,000	Rp 891,350,000
September	Rp 975,350,000	Rp 775,350,000
October	Rp 800,500,000	Rp 800,500,000
November	Rp 800,350,000	Rp 700,350,000
December	Rp 814,120,000	Rp 714,120,000
Total	Rp 10,565,530,000	Rp 8,965,530,000

Source: PT Harapan Berkah Cemerlang (2021-2022)

From the company's current income, the company's income tends to decrease from year to year and the decline is thought to be due to service quality and personal selling problems in the company. However, in several months it shows a decline in 2021 and 2022. This shows that the company is still not able to maintain stability in their income.

In the quality of service at PT Harapan Berkah Cemerlang, the company implements a customer feedback system in receiving complaints. The company still receives complaints from customers about the services provided with the following data.

**Table 1.2 Complaint Data of PT Harapan Berkah Cemerlang**

Month	Number of Complaints		Reasons of Complaints
	2021	2022	
January	5	9	a. Less responsive service from salesmen b. Delays in product delivery to customers c. Product damage when received by customers. d. Product returns that take a long time to process
February	6	12	
March	8	8	
April	6	9	
May	5	10	
June	2	11	
July	3	8	
August	5	9	
September	10	10	

October	12	8	e. There is an error in giving prices to customers.
November	13	10	
December	10	9	f. Employees who are less polite in serving customers
Total	85	113	

Source: PT Harapan Berkah Cemerlang (2021-2022)

In the data on complaints from consumers, it is still found that consumers have increased the number of complaints from 2021 to 2022. With service problems experienced such as complaints that take a long time to respond to, employees who speak impolitely, products that are delivered late and there are still errors in work procedures such as pricing errors. This shows that the quality of service at PT Harapan Berkah Cemerlang is currently not optimal in serving customers.

In personal selling activities, the company has a decreasing number of sales. The company currently has 66 sales people in the food and beverage distribution sector, in the traditional market distribution sector, but not all salesmen are able to achieve the targets expected by the company with the following data.

**Table 1.3 Data of Sales Target and Realization of Personal Selling at PT Harapan Berkah Cemerlang**

	Target	Number of Salesman	Number of Sales that reach target	Number of Sales that did not reach the target
<b>2021</b>	Rp 200.000.000/per month/sales	66	53	13
<b>2022</b>	Rp 200.000.000/per month/sales	66	45	21

Source: PT Harapan Berkah Cemerlang (2023)

From the sales data by salesman, it shows that there was a decrease from 53 salesmen who were able to achieve the target to 45 salesmen in 2022, this caused a decrease in revenue in the company because personal sales have not maximised prospects for consumers.

To find out about personal selling, the author conducted pre-survey research with the aim of understanding the obstacles experienced by consumers during

transactions with the company. The pre-survey was conducted randomly on 20 respondents who are customers in the company. The following are the results of the previous survey on personal selling.

**Table 1.4 Pre Survey of Personal Selling at PT Harapan Berkah Cemerlang**

No	Questions	Yes	No
1	Are the sales staff of PT Harapan Berkah Cemerlang able to determine the products you need?	8	12
2	Are the sales staff of PT Harapan Berkah Cemerlang able to approach you in a friendly and professional manner?	9	11
3	Is the sales staff of PT Harapan Berkah Cemerlang able to convey information about the product in a clear and interesting manner?	8	12
4	Did the sales team of PT Harapan Berkah Cemerlang handle any questions you raised during the buying process?	18	2
5	Was the sales team of PT Harapan Berkah Cemerlang able to trigger you to make a purchase?	15	5

Source: Survey Test (2023)

The results of the pre-survey show that it is still found that salesmen are not fully able to determine the products needed by consumers, there are still salesmen who behave less professionally, and it is still found that salesmen are not able to explain products clearly to consumers. Whereas in the next result, salesmen are able to handle questions from consumers and are able to trigger consumers to make purchases.

Based on this discussion, the writer decides to conduct research entitled **“The Effect of Service Quality and Personal Selling Towards Customer Purchase Decision at PT Harapan Berkah Cemerlang”**

## **1.2. Problem Limitation**

In this study, the writer will limit problems for service quality and personal selling on customer purchase decision at PT Harapan Berkah Cemerlang as the main

problem of this study. In this case service quality and personal selling and as the independent variable (x) and customer purchase decision as the dependent variable (y).

The indicators for service quality include tangibles, reliability, responsiveness, assurance, empathy (Tjiptono, 2018).

Indicators for personal selling are from Kotler and Armstrong (2008) in Wahyuningtyas (2020), which is prospecting and qualifying, approach, presentation and demonstration, handling objections, closing.

Indicators for customer purchase decision are from Tjiptono (2008) in Wicara and Indra (2018), which is about: problem identification. Information search, alternative evaluation, purchase decision and post purchase behaviour.

### **1.3. Problem Formulation**

Based on the background of the study, the question to be answered in this research are as follows:

- a. Is there any effect of service quality towards customer purchase decision at PT Harapan Berkah Cemerlang?
- b. Is there any effect of personal selling towards customer purchase decision at PT Harapan Berkah Cemerlang?
- c. How do service quality and personal selling have effect on customer purchasedecision at PT Harapan Berkah Cemerlang?

#### **1.4. Objectives of The Research**

The objectives in doing this research are as follows:

- a. To know about service quality on customer purchase decision PT Harapan Berkah Cemerlang.
- b. To determine personal selling on customer purchase decision at PT Harapan Berkah Cemerlang.
- c. To know and analyze the effect of service quality and personal selling on customer purchase decision at PT Harapan Berkah Cemerlang.

#### **1.5. Benefit of The Research**

Benefits of this research can be listed as follow:

##### **1.5.1 Theoretical Benefit**

The result of this research is expected to contribute to updating the existing theories relevant with the variables namely product quality, personal selling and customer purchase decision.

##### **1.5.2 Practical Benefit**

The practical benefit of this research is as follow:

- a. For the writer, the findings of this study will add to intriguing hypotheses about product quality and promotion, as well as their impact on consumer satisfaction.
- b. For PT Harapan Berkah Cemerlang, to determine whether the survey that was conducted would be beneficial in improving the company's performance.

- c. For other researcher, to serve as a guide in directing them to conduct additional research that is congruent with this study

