

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

A customer is the key base of marketing. To define a good marketing plan, it is essential to research customer characteristics and needs, lifestyles and decision-making process for purchase, and on this basis, bringing appropriate decisions about the marketing mix. The task of marketing professionals is to understand what is going on in customer consciousness between external stimuli and customer decisions about purchases. Consumer behavior is not simple one (Bojkovska, 2021).

Purchasing decision is a concept in purchasing behavior where consumers decide to act or do something and in this case make a purchase or take advantage of certain products or services (Balawera, 2021). Decision making for the consumer is essentially a problem-solving process. Researchers use this purchase decision variables because the study of purchasing decisions is still worth researching given the increasing number of products in circulation resulting in the need for various considerations for customers in making purchasing decisions (Yulindo 2020).

PT. Pilar Sukses Bersama is a company that started from the manufacture of special products made from Rubber (rubber). PT. Pilar Sukses Bersama established in 2017. Customer satisfaction is our target in serving partners to maintain the permanence of our company in order to continue to progress and

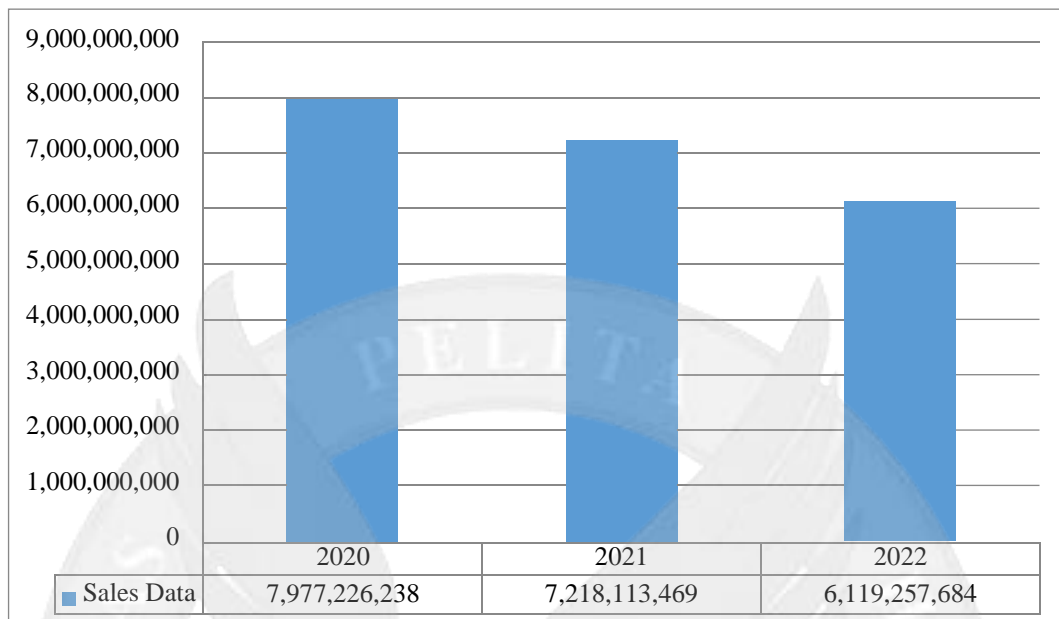
develop. Some spare parts components that PT. Pilar Sukses Bersama produce use rubber, bake-lite, carbon, and phone, as industrial components with the best standards and quality.



**Figure 1. 1 Product PT. Pilar Sukses Bersama**

Sources: PT. Pilar Sukses Bersama (2023)

Based on surveys conducted that in this company there is a decrease in purchasing decisions. This can be seen from the number of sales every year from 2020 to 2022 has decreased. This is supported by the company's sales data since 2020-2022 which can be seen in Figure 1.1.



**Figure 1.1 Sales Data at PT. Pilar Sukses Bersama (2020-2022)**

Sources: PT. Pilar Sukses Bersama (2023)

Figure 1.1 shows that the level of sales of the PT. Pilar Sukses Bersama from 2020 to 2022 have decreased. In 2021, it obtained total sales of 7,218,113,469 with a percentage decrease from 2020 of 9.52%. In 2022, sales also decreased by 15.23% from the previous year. from the data on sales decline in the company can be concluded that the decision to purchase products at this company has decreased.

Perceived Quality is an important concern for companies in creating a product. A perceived Quality is the main criterion for consumers in the selection of products offered by the company. The company is always able to maintain and improve product quality to meet consumer desires. With quality products the company can compete with competitors in controlling market share. By paying attention to quality will have a positive impact to businesses through two ways,

namely the impact on production costs and the impact on income (Gaspersz, 2019). The impact on production costs occurs through the process of making products that have a high degree of conformation to standards so that they are free from damage. The impact on revenue growth occurs through increased sales of competitively priced quality products. With regard to aspects of product quality, the company's objectives to obtain optimal profits can be met as well as meet consumer demands for quality products and competitive prices.

Product quality in the company has decreased so that many complaints from customers and the occurrence of product returns made by the company. Various complaints from customers related to product quality is a decreased resilience that is quickly damaged and rusted, many products ordered do not match the size requested by the company, triggering product returns.

Promotion is one of the variables in the marketing mix determining the success of a marketing program. Promotion is essentially a form of marketing communication. The marketing communication means marketing activities that seek to spread information, influence to make purchases or attract customers, and remind audiences to make repeat purchases and are loyal to the company's (Tjiptono, 2019).

Promotion in the company less intensively done for the company. Some promotional programs only apply to price cuts and the minimum number of products that can be produced by the company to satisfy the wants and needs of customers. However, in practice the company has not been able to increase sales promotion despite various promotional programs designed. This is because the

promotional program applied to the company is almost the same as rival companies so that customers consider there is nothing special.

From the above explanation, the writer decides to conduct a research entitled **“Influence of Perceived Quality and Promotion on Purchase Decision at PT Pilar Sukses Bersama”**.

## **1.2 Problem Limitation**

Due to limitation of time and budget this research focused to PT Pilar Sukses Bersama that Perceived Quality ( $X_1$ ), Promotion ( $X_2$ ) and Purchase Decision ( $Y$ ).

According to Tjiptono (2019), Indicators of perceived quality are performance, reliability, durability and conformance quality. While the indicator of promotion are advertising, personal selling and sales promotion (Adam, 2020). According to Sudaryono (2020), According to Sudaryono (2020), purchase decisions have indicators are the product type, product form, number of products and payment methods.

## **1.3 Problem Formulation**

Based on the background of the study, the writer formulates several questions, follows:

1. Does Perceived Quality have partial influence towards Purchase Decision at PT Pilar Sukses Bersama?
2. Does Promotion have partial influence towards Purchase Decision at PT Pilar

Sukses Bersama?

3. Do Perceived Quality and Promotion have simultaneously influence towards Purchase Decision at PT Pilar Sukses Bersama?

#### **1.4 Objective of the Research**

Based on the problem formulation the objectives of this research are:

1. To analyze whether Perceived Quality have partial influence towards Purchase Decision at PT Pilar Sukses Bersama.
2. To analyze whether Promotion have partial influence towards Purchase Decision at PT Pilar Sukses Bersama.
3. To investigate whether Perceived Quality and Promotion have simultaneously influence towards Purchase Decision at PT Pilar Sukses Bersama.

#### **1.5 Benefit of the Research**

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

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

The research result can be used to expand, improve and develop the relevant theories especially in the Perceived Quality and Promotion and its influence towards Purchase Decision.

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

The practical benefits on this research are:

1. For the writer

The writer as the researcher to get more experience in doing the research and as an addition to knowledge with regard to Perceived Quality and Promotion and Purchase Decision.

2. For the PT Pilar Sukses Bersama.

To provide useful suggestion for the company in increasing Purchase Decision especially improving the Perceived Quality and Promotion.

3. For other researchers

To be an additional reference, reference material for further research and information to interested parties in assessing the problem the same in the future.

