

CHAPTER I

INTRODUCTION

1.1 Background of Study

A basic requirement that must be met daily is food. Food is a source of energy for the body to perform everyday operations. Without a meal, a person may become ill or possibly pass away. This serves to highlight how essential meals are to the body, making it a morning ritual. The importance of food in daily life creates opportunities for people to run restaurants, cafes, bars, and other food-related businesses. The number of new restaurants and food-related enterprises that have opened thus far is evidence of how quickly the food industry has grown.

Any food consumed between main meals is often referred to as a snack. Snacks are simple, to go, and quick food that does not take as much time to prepare as a full meal. Snacks are a difficult aspect of our lives to resist. We will always look for something to eat or drink no matter where we are or the situation. Our mouths always desire to chew, whether driving, waiting, working, or doing anything else. Even some people are able to focus better when they work while munching on a snack. Snacking has become one of people's habits nowadays.

There are several reasons why people choose to eat a snack at least once throughout the day. Most frequently, our stomachs begin to growl a few hours after our last meal. Another possibility is a drop in energy that can be fixed with a modest snack. Or perhaps we simply enjoy the flavor of snack foods. Snacking can be found practically anywhere, from adults to college students or even children. In this

research, there are three independent variables (X) and one dependent variable (Y) including: Brand Image (X1), Promotion (X2), Product Quality (X3), and Customer Purchase Decision (Y).

Brand image is how a consumer perceives your business, its goods, and services. Based on their interactions, experiences, and perceptions of your company's mission and values, it takes form in the customer's mind. A business can make profits for years to come by developing a loyal customer base with the help of a strong brand image, which can increase brand recognition.

Promotion is what creates a positive perception of your business or product. Through promotion, your business can become well-known, and your product can become well-known. We may say that promotion is the act of communicating a message to potential customers and increasing interest in a good or service. According to (Gulliando, 2019), promotion is range of actions taken by companies to spread the word about the advantages of their goods and persuade the intended customers to purchase them.

Product quality is the potential of a product to carry out its functions, which includes general durability, reliability, accuracy, simplicity of use, and product maintenance, among other product features. The amount of customer loyalty to your product will ultimately increase on its own due to good product quality, which will also enable the business to make significant profits. To improve product quality, several changes must be made, starting with the product's packaging, taste, level of durability, appropriateness, or performance. If this is accomplished, then achieving the company's key objectives successfully is not beyond the issue.

Therefore, a brand or company must pay full attention to their service, quality, and other aspects that might cause problems to the company. Consideration must be made carefully by recognizing the aspects whether the food is worth it in terms of price, portion, taste, and quality of food served.

Tabel 1. 1 Total Revenue (per year in Rp.) at PT Sang Pisang Indonesia

Year	Revenue (in Rp)
2019	1,228,686,888
2020	4,560,336,717
2021	3,773,051,735
2022	3,583,071,138

Source: PT Sang Pisang Indonesia (2023)

As of 2020, PT Sang Pisang Indonesia has a significant increase in revenue because they have done rebranding. Also, they do digital marketing through social media like Instagram and utilize Kaesang to promote their brand since Kaesang is a public figure and son of our president. But then because of Covid-19, many people ordered food through online platforms such as Grab, Go-Jek, and Shopee. So, they do a lot of promotions, and it has a huge impact on their sales.

The increase in the number of cafes in Jakarta shows that the business sector is really expanding. This is true for an extensive number of cafes throughout the city. Of course, the owners of the cafe must carry out their plan to keep up and improve their business by setting up their own features so that customers will continue to feel comfortable visiting the cafe. The level to which each consumer is satisfied varies widely, typically depending on their individual personalities and how they evaluate the food, the price, the quality, and the environment.

The research object of this research is Sang Pisang, Sang Pisang is a brand that sells a variety of processed food products made from bananas. Sang Pisang was founded on November 19, 2019. Inspired by the viral Nugget Banana product in 2017, Sang Pisang is now developing processed Sang Pisang products that are creative, innovative, and meet market needs with a variety of products that have just been launched on its 5th anniversary. Sang Pisang stands under GK Hebat which is a small and medium enterprise accelerator company that focuses on improving the quality of national small and medium enterprises.

In addition, Sang Pisang has provided some facilities to keep the customers to be comfortable and would like to come back to eat and spend time there. Sang Pisang provides indoor and outdoor alternatives for customers to pick among, with the outdoor option being preferred for those who are smoking. There is also Wi-fi, accept e-money payment, available on Grab, Go-jek, and Shopee Food.

Tabel 1. 2 Number of Branches of PT Sang Pisang Indonesia

Year	Number of Branch
2017 (Nov – Dec)	5
2018	43
2019	50
2020	19
2021	40
2022	43
2023 (Jan – June)	22

Source: PT Sang Pisang Indonesia (2023)

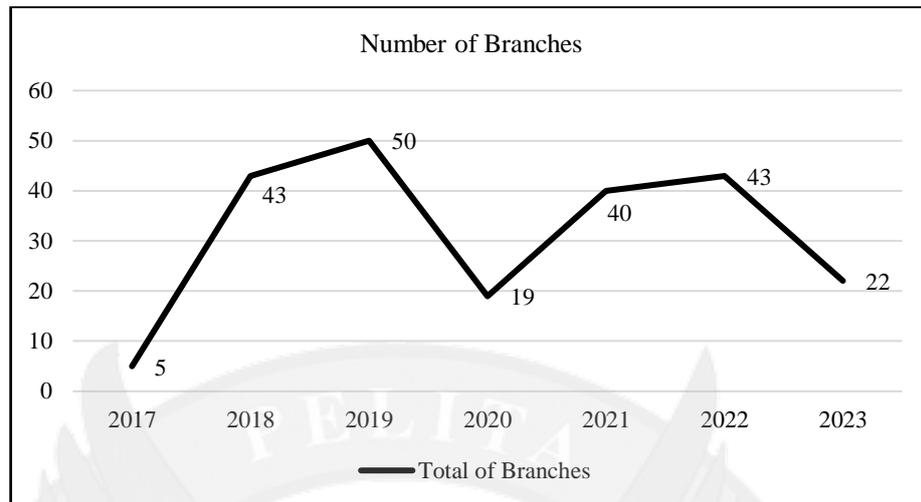


Figure 1. 1 Number of Branches of PT Sang Pisang Indonesia
Source: PT Sang Pisang Indonesia (2023)

Based on the table shown above, it can be observed that the number of branches of Sang Pisang increased from 2017 to 2019, showing that the business is expanding. However, in 2020, it fell drastically from the previous year. The decline in the number of branches was also affected by the Covid-19 pandemic which affected many businesses. In 2021 and 2022, the number of branches speed up again because Sang Pisang opens for partnership and franchise which attract people to open new branches. While in 2023, the number of branches decreased again because many of the partnership did not take it seriously and don't want to be charged the management fee.

This research will focus on several variable that might give effect on customer purchase decision at PT Sang Pisang Indonesia. PT Sang Pisang Indonesia Jakarta is chosen as the object of research as it is one of the most branches in Indonesia.

Based on the background above, that brand image, promotion, and product quality are very important to customer purchase decision. That makes the writer

interested in doing research on **“The Effect of Brand Image, Promotion, and Product Quality on Customer Purchase Decision at PT Sang Pisang Indonesia”**.

1.2 Problem Limitations

As is written in the background of the study, the writer would like to do a limitation to focusing on the problem itself. The research is limited to researching brand image, promotion, and product quality at PT Sang Pisang Indonesia, Jakarta. In this research, the writer set brand image as the first independent variable (X1), promotion as the second independent variable (X2), and product quality as the third independent variable (X3) followed by customer purchase decision as the dependent variable (Y). The writer wanted to do research for what will be affected on customer purchase decision by the changes brand image, promotion, and product quality at PT Sang Pisang Indonesia. Due to limitations of transportation, the questionnaire will be distributed online via Google Form.

1.3 Problem Formulation

To analyze whether how the brand image, promotion, and product quality affect the customer purchase decision at PT Sang Pisang Indonesia, Jakarta. Therefore, the writer formulates some research questions, as follows:

1. Does Brand Image have partial effect on customer purchase decision at PT Sang Pisang Indonesia, Jakarta?

2. Does Promotion have partial effect on customer purchase decision at PT Sang Pisang Indonesia, Jakarta?
3. Does product quality have partial effect on customer purchase decision at PT Sang Pisang Indonesia, Jakarta?
4. Do Brand Image, Promotion, and product quality have simultaneous effect on Customer Purchase Decision at PT Sang Pisang Indonesia, Jakarta?

1.4 Objectives

The objective of this research is to determine the effect of brand image, promotion, and product quality on customer purchase decision at PT Sang Pisang Indonesia, Jakarta, as follows:

1. To identify the partial effect of Brand Image on Customer Purchase Decision at PT Sang Pisang Indonesia, Jakarta.
2. To identify the partial effect of Promotion on Customer Purchase Decision at PT Sang Pisang Indonesia, Jakarta.
3. To identify the partial effect of Product Quality on Customer Purchase Decision at PT Sang Pisang Indonesia, Jakarta.
4. To identify the.

1.5 Benefit of the Research

There are some benefits from the research of customer purchase decision as a factor of Brand Image, Promotion, and product quality on Customer Purchase Decision at PT Sang Pisang Indonesia, Jakarta, as follows:

1.5.1 Theoretical Benefit

By doing this research, the writer hopes that the theory of cafe industry, especially for the brand image, promotion, and product quality theory that has been learned during the study in the university, can be better understood. Furthermore, the writer also hopes that this research will help people to understand more about how the effect of brand image, promotion, and product quality on customer purchase decision is, and even can be the guidelines for readers to calculate the services to be provided to the customers.

1.5.2 Practical Benefit

a. For Writer

This research is expected to help the writer in doing business, to know what should be done to affect customer purchase decision through many factors.

b. For company

This research is expected to optimize the return of brand image given to customers and balance the product quality to be worth it in line with what customers expect, be a helpful input. In addition, it has become a material consideration to undertake further preparation to serve customers.

c. For Future Researchers

This research is expected to increase knowledge and become a reference for researchers to do research with a similar title. In addition, to enrich knowledge so that the research to be carried out is more complete and make the researcher much easier.