

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Globalization conditions require companies to compete with each other in marketing and selling products. The right strategy can keep the product consumed by consumers continuously (Kuncoro & Suriani, 2018). Creating new customers and retaining old customers must be done by the company continuously to keep selling in the market (Badi, 2018). Marketing is not only selling goods or services but also a process where the activities include the creation of products or services, offering and handing them over to consumers (Dellaert, 2019). In addition, communication is important to maintain the product. Promotion is a form of marketing communication that includes marketing activities that attempt to disseminate information, persuade or influence, and remind target markets so that the product can be accepted, and adapted to what is offered.

Buying interest is an attitude that occurs how consumers provide response to the product or service, which will be purchased before consumers make a purchase or delay buying or not buying. Alternate stages and purchase decision starts from the evaluation of alternatives, the buying interest attitude of others, unanticipated situation factors, and ultimately the purchase decision.

PT Indo Global Sumatra is a company engaged in the field of motorcycle spare parts distributor with the Corazone brand. Based on preliminary surveys that

there is a decrease in buying interest made by customers. This then resulted in a decline in sales of motorcycle spare parts brand corazone.

Brand image is an important aspect of a brand and can be based on reality or fiction depending on how consumers perceive it. The brand image is distinguished by , namely the association brand and charm (Zhang, 2018). Brand associations help understand the benefits brands that consumers receive and the brand persona is a description of the brand in the contact of human characteristics, it helps understand the strengths and weaknesses of the brand (French & Smith, 2019). Brand trust will form a brand image, where the brand image for consumers will vary depending on the brand experience consisting of the influence of selective perception, selective distortion and selective preferences (Sharma & Jain, 2019). Brand image tends to systematically memory about brands that contain a target market interpretation of product attributes, benefits, situations, users and company characteristics (Kaur & Kaur, 2019). Furthermore, brand image consists of brand knowledge and consuming situations such as evaluation of feelings and emotions associated with the brand.

According to Aulia and Wardhana, et al. (2018), if the customer has a positive image towards a brand, then there is a probability that customer will make a purchase of the product again. Conversely, if the brand image is negative, then the probability for the occurrence for the customer to purchase the product again is small. Based on the description above, brand image is a perception of the brand in the minds of consumers that forms consumer's confidence in a brand. Based on

research conducted by Rizan and Mukhtar (2017), there is a positive and significant influence between brand image and buying interest.

Based on the interview that there is a decrease in buying interest at PT Indo Global Sumatera. This can be seen from the sales data which can be seen in the table below.

Table 1. 1 Sales Data for Sparepart Corazone of at PT Indo Global Sumatera

Month	Sales
2021	28.379.180.500
2022	22.982.128.050
2023	17.601.561.350

Sources: PT Indo Global Sumatera, 2024

Table 1.1 from the above data it can be concluded that the decline of Sparepart Corazone of at PT Indo Global Sumatera so that means a decrease in buying interest.

This study conducted research on spare part corazone. Here are some examples of corazone spare parts, namely:



Figure 1. 1 Sparepart Corazone

Sources: PT Indo Global Sumatera, 2024

The corazone spare part brand is still poorly known by customers, causing the corazon brand to be difficult for customers to remember when they want to purchase spare parts. Although by offering good quality and tested according to

Indonesian national standards, many customers hesitate to use, unlike competing brands botsh, AHM parts. The less positive brand image is also due to the less warranty period than other spare part brands. The Corazon Spare Part brand is still relatively new compared to its competitors. The New Corazon Spare part brand is 8 years old so the image of the Corazon Spare part brand is still not strong which results in Corazon Spare parts still poorly known in general.

The promotion of a product is important to help companies improve their sales because customers reaction towards discounts and offers are impulsive. In other words, promotion is a marketing tool that involves enlightening the customers about the goods and services offered by an organization. In marketing, promotion refers to any type of marketing communication used to inform target audiences of the relative merits of a product, service, brand or issue, persuasively. It helps marketers to create a distinctive place in customers' minds, it can be either a cognitive or emotional route. The aim of promotion is to increase brand awareness, create interest, generate sales or create brand loyalty (Salmana et al., 2019).

The company is still doing a little promotion of the spare parts brand corazone. This is reflected in the decline in sales. Corazone spare parts promotion program activities only through advertising in the form of brochures given to customers, and sales promotion program in the form of providing purchase packages that are less attractive due to low discounts. Corazone's spare parts promotion Program compared to its competitors is still less attractive to customers, triggering low interest in repurchasing. Promotion for Corazones spare parts

products the company focuses too much on price promotions so it doesn't really design a variety of discounts or purchase packages that are attractive to customers.

Customers often buy more from companies they know and trust, and businesses can reduce costs that result from product returns, defects, and losses through product quality control. By ensuring product quality, the company can help customers get to know the brand, encourage them to buy products, and increase revenue. Product quality refers to how well a product satisfies customer needs, serves its purpose, and meets industry standards. When evaluating product quality, businesses consider several key factors, including whether a product solves a problem, works efficiently, or suits customers' purposes. Companies may also evaluate product quality based on various perspectives that show how different groups perceive the usefulness of a product. Perspectives to consider when assessing product quality include customer perspectives, manufacturing perspectives, and product-based and value-based perspectives, which perceive a product's value in relation to its cost.

The product quality of corazone spareparts is still not consistent, triggering customer disappointment. This decreased product quality increased the rate of returns and customer complaints. Customer complaints related to product defects, packaging damage, product damage, and size mismatch. Some of these things trigger a decline in customer buying interest. Corazon Spare parts packaging is often damaged when it gets to the customer's location. This means that the box or packaging of Corazon Spare parts does not have good durability.

From the above explanation, the writer decides to conduct research entitled **“Influence of Brand Image, Promotion and Product Quality towards Buying Interest at PT Indo Global Sumatera”**.

1.2 Problem Limitation

Due to limitation of time and budget this research focused to independent variables in this study are Brand Image, Promotion and Product Quality. Dependent variable in this study is Buying Interest (Y). The customer in this study is the wholesaler.

1.3 Problem Formulation

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

1. Does Brand Image has partial influence towards Buying Interest at PT Indo Global Sumatera?
2. Does Promotion has partial influence towards Buying Interest at PT Indo Global Sumatera?
3. Does Product Quality has partial influence towards Buying Interest at PT Indo Global Sumatera?
4. Do Brand Image, Promotion, and Product Quality have simultaneously influence towards Buying Interest at PT Indo Global Sumatera?

1.4 Objective of the Research

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

1. To analyze whether Brand Image has partial influence towards Buying Interest at PT Indo Global Sumatera.
2. To analyze whether Promotion has partial influence towards Buying Interest at PT Indo Global Sumatera.
3. To analyze whether Product Quality has partial influence towards Buying Interest at PT Indo Global Sumatera.
4. To investigate whether Brand Image, Promotion, and Product Quality have simultaneously influence towards Buying Interest at PT Indo Global Sumatera.

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 Brand Image, Promotion, and Product Quality and its influence on Buying Interest.

1.5.2 Practical Benefit

The practical benefits on this research are:

1. For the writer

The writer as the researcher gets more experience in doing the research and as an addition to knowledge about Brand Image, Promotion, Product Quality, and Buying Interest.

2. For the PT Indo Global Sumatera

To provide useful suggestions for the company in increasing Buying Interest, especially improving the Brand Image, Promotion, and Product Quality.

3. For other researchers

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

