

# CHAPTER I

## INTRODUCTION

### 1.1 Background of The Study

As we all know, there are numerous car brands available nowadays. Toyota, Daihatsu, Honda, Suzuki, and Mitsubishi are a few well-known brands that dominate the Indonesian market. These automakers are still vying with one another to market the newest, beautiful, and most appealing products. features, interior design, and design sophistication. Therefore, do not be shocked if potential purchasers are uncertain about their choices.

Nowadays, in the digital age when technology is evolving at a breakneck pace, every company in the world is vying to produce a more complex product. Evidently, every business strives to be the one that clients will consistently choose. Utilizing promotions and clever marketing strategies, businesses can influence client purchasing behavior and develop a positive brand image. Mitsubishi cars come with a fair pricing, elegance, features, and good design, as well as an opulent inside and exterior.

According to Surianto, et.al. (2020), repurchase intention is characterized as a person's assessment of whether to use a service and their choice to decide whether and how they will interact with the service provider in the future. When a consumer believes the service he receives may satisfy him on his own, he will be more likely to repurchase a good or service. If a buyer is happy with their initial purchase, they are more likely to stick with that brand for subsequent purchases,

due to the customer's extensive knowledge of the brand, the decision is no longer required.

According to Surianto, et.al. (2020), marketing campaigns can be created with a variety of objectives in mind, such as strengthening a brand's reputation, introducing a new product, boosting sales of an existing product, or even lessening the impact of bad news. How much marketing is required and which media are most effective for targeting a particular demographic are often determined by the campaign's goals. Advertising campaigns spread the word about items via a variety of media, including print, radio, television, and online platforms. Campaigns can use demos, video conferencing, and other interactive approaches in addition to traditional advertising. Franchisees and businesses operating in highly competitive marketplaces may frequently launch marketing campaigns and invest significant resources in building brand awareness and driving sales.

According to Nurmalasari and Wijaya (2022), consumer-brand identification is one way to strengthen consumer relationships. Consumers attempt to more closely align their identities with brands, whether consciously or unconsciously. So, when a customer feels more personally connected to a brand, that customer will have a stronger bond with the brand. According to this study, consumer-brand identification arises when the brand reflects the consumer's identity.

According to Lau, et.al. (2019), consumer satisfaction measures how satisfied a person is with a product or service after comparing the performance (or

results) to his or her expectations. They will be pleased if the performance meets or surpasses their expectations, and they will be disappointed if it falls short. Consumer satisfaction is the sentiment at which a person expresses the outcomes of a performance comparison between the performance of the products (or services) received and anticipated.

The sales of car at Indonesia during January-June 2022 can be seen as follows:

**Table 1.1 The Sales of Car at Indonesia During January-June 2022**

| No. | Car               | Amount. (unit). |
|-----|-------------------|-----------------|
| 1.  | Toyota            | 146,202         |
| 2.  | Daihatsu          | 90,765          |
| 3.  | Mitsubishi Motors | 55,687          |
| 4.  | Honda             | 53,910          |
| 5.  | Suzuki            | 41,060          |
| 6.  | Mitsubishi Fuso   | 17,431          |
| 7.  | Isuzu             | 14,956          |
| 8.  | Hino              | 12,585          |
| 9.  | Wuling            | 10,721          |
| 10. | Hyundai           | 9,429           |

Source : [www.gaikindo.or.id](http://www.gaikindo.or.id) (2023)

In more detail, the Astra Group, which oversees the sole agents (ATPM) of Toyota, Daihatsu, Isuzu and Peugeot, continues to lead. Toyota and Daihatsu are the backbone of Astra. However, there is a change in market share position. Daihatsu pushed up to 2nd position, shifting Honda, which had to be willing to drop to 3rd position. In addition, Mitsubishi shifted Suzuki's position in 4th place. Underneath not much change in position compared to previous years.

PT Dipo Internasional Pahala Otomotif provides 3S services, namely Sales, Service, and Spare Parts which serve the sale of all Mitsubishi branded vehicles. PT Dipo Internasional Pahala Otomotif is a business entity of Mitsubishi Corporation with a lengthy history, and over 30 years of multi-finance business

expertise in Indonesia. PT Dipo Internasional Otomotif operates 10 networks throughout Indonesia, from Aceh, Riau, North Sumatra, West Sumatra, Jambi, Jakarta, Banten, West Java, East Java, to East Kalimantan. The writer took PT Dipo International Pahala Otomotif as my research company because this company is a Mitsubishi Motors Corporation and Mitsubishi Fuso Truck & Bus Corporation authorized dealer, with a dealer network in Sumatra, Java, DKI Jakarta, and Kalimantan is Indonesia's largest authorized Mitsubishi dealer, offering vehicle units sales and after-sales services such as the sale of original spare parts, workshop services, and vehicle body repairs. As the writer mentioned above, the company was founded in 1976 under the name PT Sumatra Motor Ltd. Co. Then became PT Sumatra Berlian Motors and finally became PT Dipo Internasional Pahala Otomotif (DIPO). PT Sumatra Berlian Motor is located at Jalan Gunung Krakatau No. 53-53A, Glugur Darat I, East Medan, Medan City, North Sumatera. The sales and type of marketing campaign for year 2019-2021 can be seen as follows:

**Table 1.2 The Revenue for Year 2019-2021.**

| Year | Revenue             |
|------|---------------------|
| 2019 | Rp 70,801,471,549.- |
| 2020 | Rp 68,196,149,051.- |
| 2021 | Rp 67,601,762,091.- |

Source : PT Dipo International Pahala Otomotif, Medan (2023)

**Table 1.3 The Marketing Campaign.**

| Type                     | Duration | Location                   |
|--------------------------|----------|----------------------------|
| Small event/small stand. | 2 month  | Deli Park and Center Point |
| Big event/big stand.     | 2 weeks  | Carefour and Sun Plaza     |

Source : PT Dipo International Pahala Otomotif, Medan (2023)

**Table 1.4. The Number of Complaint.**

| <b>Year</b> | <b>The Number</b> |
|-------------|-------------------|
| 2019        | 257               |
| 2020        | 277               |
| 2021        | 278               |

Source : PT Dipo International Pahala Otomotif, Medan (2023)

**Table 1.5 The Sales of Mitsubishi Car at the Company for Year 2021**

| <b>Type</b> | <b>Amount (Unit)</b> |
|-------------|----------------------|
| Expander    | 275                  |
| Pajero      | 77                   |
| L-300       | 27                   |
| Triton      | 22                   |

Source : PT Dipo International Pahala Otomotif, Medan (2023)

It can be seen that there is decreasing of revenue and repurchase order during year 2019-2021. This condition can show the decreasing of consumers repurchase decision in the company. One of the factors that can decrease consumers repurchase decision is marketing campaign. The company doesn't increase the cost in conducting marketing campaign activities. The company doesn't have good planning in conducting marketing campaign. The company doesn't conduct good personal selling to each customer with active communication. The company also seldom conduct marketing campaign activities with advertising such as advertising in newspaper. Some customers seldom obtain the attractive sales promotion from the customer such as discount and gift. The company doesn't try to conduct event marketing and sponsorships in order to obtain new customer. The company should conduct marketing campaign to reach the target market and sales.

The business makes no attempt to preserve brand recognition. Some clients believe that the business doesn't communicate with them in a timely and efficient manner. As a result, some customers are unable to recognize the company's brand

of goods. Because the company doesn't carry out promotion activities like personal selling, sales promotion, and advertising successfully, the customers don't have a high level of brand knowledge and familiarity. Customers have a poor sense of brand loyalty, which makes them less likely to cite product quality as a justification for purchase. Additionally, some clients find it difficult to be satisfied with the company's products. Because the corporation cannot supply the product depending on the customer's wants and preferences for quality, such as product color, durability, and so forth, low perceived product quality might reduce brand recognition. Customers don't have a high level of brand loyalty because other businesses can provide discounts and a wide range of products.

Due to the company's inability to meet the client's expectations, the customer has little desire to purchase the product. Customers prefer to purchase products from other businesses. Customers are unable to receive the merchandise on time. The business struggles to keep up with great client satisfaction.

This research is important because car distributors must have more capabilities compared to competitors. With the same product, the company does another way to attract customers. Intense competition in car sales makes this research important to see the right way to win the competition. The importance of the research of car distributors can be seen as follows:

**Table 1.6 The Importance of The Research of Car Distributors.**

| No. | The Importance.           | Description.  |
|-----|---------------------------|---|
| 1.  | Understanding the market. | Research helps car dealerships gain a comprehensive understanding of the local market in Medan. This includes analyzing customer preferences, buying trends, and demands specific to the region. By conducting market research, dealers can identify popular car models, features, and pricing ranges that are most sought after by Medan's residents. This knowledge allows them to stock their inventory accordingly, ensuring they offer vehicles that |

|    |                                    |  |
|----|------------------------------------|--|
|    |                                    | cater to the local market's needs and maximize sales potential.  |
| 2. | Competitive advantage.             | The automotive industry is highly competitive, and research is essential for car dealerships to gain a competitive advantage. By conducting research, dealers can identify their competitors, evaluate their strategies, and understand the unique selling points of their rivals. This information can be used to develop strategies that differentiate their dealership, such as offering superior customer service, exclusive promotions, or unique vehicle selections. A competitive advantage allows dealers to attract and retain customers in a crowded market. |
| 3. | Customer insights.                 | Research helps car dealerships gain valuable insights into their target customers in Medan. By analyzing customer demographics, preferences, and behavior, dealers can tailor their marketing efforts and create targeted advertising campaigns that resonate with the local audience. This ensures that promotional messages and marketing channels are optimized for maximum effectiveness, resulting in higher customer engagement and increased sales.   |
| 4. | Pricing strategies.                | Research helps car dealerships establish competitive and profitable pricing strategies. By evaluating the pricing of similar vehicles in the market, dealers can determine the fair market value and set prices that are attractive to customers while still maintaining profitability. Additionally, research can help dealerships identify price-sensitive segments of the market, allowing them to offer incentives, discounts, or financing options that appeal to cost-conscious buyers in Medan.   |
| 5. | Product selection.                 | Car dealerships need to stay up-to-date with the latest automotive trends, technological advancements, and customer demands. Research helps dealerships identify emerging car models, features, and technologies that are in high demand. By staying ahead of the curve, dealers can stock their inventory with vehicles that are most likely to generate interest and sales in Medan, thereby increasing customer satisfaction and revenue.   |
| 6. | Customer satisfaction and loyalty. | Research can provide insights into customer satisfaction levels and help dealerships identify areas for improvement. By conducting surveys, collecting feedback, and analyzing customer experiences, car dealerships can understand customer pain points and take necessary steps to address them. Enhancing customer satisfaction leads to higher customer loyalty, positive word-of-mouth, and repeat business, which are crucial for long-term success in the competitive automotive market.  |

Source : PT Dipo International Pahala Otomotif, Medan (2023)

The research is important for car dealerships in Medan as it enables them to understand the local market, gain a competitive edge, tailor their strategies to

customer preferences, optimize pricing, enhance customer satisfaction, and ultimately increase sales and profitability. By conducting the research, car dealerships can make informed decisions that drive success in their business operations.

With what the writer mentioned above the writer will write research in the title **“The Effect of Marketing Campaigns, Consumer Brand Identification and Customer Service Satisfaction on Mitsubishi Car Repurchase Intention Pajero Sport Car at PT Dipo International Pahala Otomotif, Medan”**

## **1.2 Problem Limitation**

Since as we know, every car company continues to release the latest products that are more fashionable, attractive, and sophisticated than before. Sophisticated in features, design, and interior. So don't be surprised if prospective buyers are confused about purchasing decisions. Based on these problems, the writer has limitations on the research to be researched and discussed. The writer limitation the issues of marketing campaigns, consumer brand identification, customer service satisfaction, and repurchase intention. In this study, the writer would like to examine the effect of marketing campaigns, consumer brand identification, and customer service satisfaction on the Mitsubishi car repurchase intention Pajero sports car at PT Dipo Internsional Pahala Otomotif, Medan.

### 1.3 Problem Formulation

Based on the problem's limitations, the writer develops the following research problem:

- a. Does marketing campaigns partially effect on the Mitsubishi car repurchase intention Pajero sports car at PT Dipo International Pahala Otomotif, Medan?
- b. Does consumer brand identification partially effect on the Mitsubishi car repurchase intention Pajero sports car at PT Dipo International Pahala Otomotif, Medan?
- c. Does customer service satisfaction partially effect on the Mitsubishi car repurchase intention Pajero sports car at PT Dipo International Pahala Otomotif, Medan?
- d. Do the marketing campaigns, consumer brand identification, and customer service satisfaction simultaneously effect the Mitsubishi car repurchase intention Pajero sports car at PT Dipo International Pahala Otomotif, Medan?

### 1.4 Objective of the Research

The purposes of writing are:

- a. To determine whether marketing campaigns partially effect on the Mitsubishi car repurchase intention Pajero sports car at PT Dipo International Pahala Otomotif, Medan.

- b. To determine whether consumer brand identification partially effect on the Mitsubishi car repurchase intention Pajero sports car at PT Dipo International Pahala Otomotif, Medan.
- c. To determine whether customer service satisfaction partially effect on the Mitsubishi car repurchase intention Pajero sports car at PT Dipo International Pahala Otomotif, Medan.
- d. To determine whether the marketing campaigns, consumer brand identification, and customer service satisfaction simultaneously effect the Mitsubishi car purchase intention Pajero sports car at PT Dipo International Pahala Otomotif, Medan.

## **1.5 Benefit of the Research**

### **1.5.1 Theoretical Benefit**

This study's theoretical contribution is to show if marketing initiatives, consumer brand identification, and customer service satisfaction have an effect on a company's intention to make another purchase. Additionally, this study aims to better understand theories relating to marketing campaigns, consumer brand identification, customer service satisfaction, repurchase intention, and the relationships between the variables. The author is hoping that this research would be helpful for growth and understanding, particularly in the area of marketing. This study also serves as a foundation for further investigation into the topic.

### 1.5.2 Practical Benefit

The following are some tangible benefits of doing this study:

- a. The study gives the author a wider viewpoint and more information regarding marketing efforts, consumer brand identification, customer service satisfaction, and repurchase intention.
- b. The research's conclusions are anticipated to be used by the corporation as a roadmap for figuring out how repurchase intention is affected by marketing efforts, consumer brand recognition, and customer service satisfaction.
- c. For the advantage of more researchers. Regarding marketing campaigns, consumer brand recognition, customer service satisfaction, and repurchase intention, the study can operate as a foundation and a point of reference for them.

